Agri-Water Cross-Sector Challenge

Entrant Handbook

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Version 2.0

Delivered collaboratively by:

Ofwat
CHALLENGE WORKS by nesta
isle
ARUP

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How to use this handbook

This document serves as a guide to support entrants to the Agri-Water Cross-Sector Challenge. It contains all the information you need, including:

- Background to the Agri-Water Cross-Sector Challenge
- The problem the Agri-Water Cross-Sector Challenge is addressing
- Who can enter, and what is involved in participating
- How we will assess entries
- The support and awards available
- How you can enter

You can read each section independently, but we recommend that you read the entire guide (along with the full Terms and Conditions and Frequently Asked Questions) before you enter the Agri-Water Cross-Sector Challenge.

For more information about the support to enter, refer to the Cross-Sector Programme Webpage.

All content included in this Entrant Handbook is also available on our website. Please note that the entry form must be submitted in English.

If you've read the guide and you still have questions, contact the team at mailto:waterinnovation@challengeworks.org.

Accessibility and reasonable adjustments

We are committed to enabling a diverse range of entrants to enter and aim to make sure the entry process is as accessible, efficient and practical as possible. If you have any challenges with the entry process or there are any reasonable adjustments that would support you to enter, catering for any additional needs you have, please contact us at waterinnovation@challengeworks.org. We appreciate notification of any additional needs as early in the entry period as possible, so we can support you as best we can.

Who's involved

The Agri-Water Cross-Sector Challenge is being delivered collaboratively by Ofwat together with Challenge Works, Arup and Isle.

Ofwat, the Water Services Regulation Authority for England and Wales, is a non-ministerial government department established in 1989, when the water and sewerage industry in England and Wales was privatised. Ofwat regulates the water sector in England and Wales. Ofwat is delivering a £600 million, 10-year Water Innovation Fund to grow the water sector's capacity to innovate, enabling it to better meet the evolving needs of customers, communities and the environment. Read more about Ofwat's duties on their website.

At Challenge Works, we design and run challenge prizes to spark innovation in science, technology and society. We are part of Nesta, the research and innovation foundation. Our challenge prizes offer a series of incentives in return for solving a defined challenge, creating breakthrough innovations, helping innovators thrive and unlocking systemic change.

Dedicated to sustainable development, Arup is a collective of designers, consultants and experts working globally. Founded to be humane and excellent, we collaborate with our clients and partners using imagination, technology, and rigour to shape a better world.

With a community of over 1800 water professionals, Arup is leading global thinking across key areas like innovation, resilience, net zero carbon and sustainable water management.

Isle are a global consultancy, partnering across the water system to accelerate the water environmental transition.

Our services and platforms help de-risk the development, commercialization, and adoption of technologies, creating value and accelerating innovative solutions.

About the Cross-Sector Programme

Water underpins the entire economy, from agriculture, energy, and chemicals to data centers and green hydrogen. Because industry holds vital technology, land, and delivery capacity, solving these challenges requires different industries to work together, share knowledge, and create new cross-sector approaches.

The Water Innovation Cross-Sector Programme unites industries to foster a water-conscious community, driving collaborative innovation to deliver long-term, system-wide resilience.

The Water Innovation Cross-Sector Programme is a five-year Ofwat initiative designed to drive this change. We are delivering funding opportunities, such as the Agri-Water Cross-Sector Challenge, alongside a dedicated network to foster system-wide innovation.

The Agri-Water Cross-Sector Challenge

The Agri-Water Cross-Sector Challenge is the first challenge within the Water Innovation Cross-Sector Programme. This £8 million competition is looking for solutions that will bring together agriculture, land management and water stewardship - protecting and restoring water systems and ensuring a resilient and productive future for agriculture.

More details on what problems the Cross-Sector Challenge is trying to solve can be found in the Problem Statement section.

Key dates

Entries open	10 November 2026, 1.00 pm (GMT)
Launch webinar	17 November 2026, 11.00 am – 12.00 noon (GMT)
Expression of interest deadline	8 January 2026, 5.30pm (GMT)
Entries close	08 February 2027, 1.00 pm (GMT)
Announcement of winners	June 2027

What we're looking for

Problem statement

Both the water sector and the agricultural sector are facing significant challenges, exacerbated by the increasing impacts of climate change, such as extreme heat, drought, and volatile weather.

The agricultural sector depends on a reliable water supply to produce food and sustain farming businesses, but water resources are themselves coming under increasing pressure, with 71% of the UK in drought as of 10 August 2026. How agriculture sources, stores and uses water needs to evolve to improve the sector's resilience.

At the same time, agriculture has a major influence on the wider water system. Around 68% of land in England and Wales is used for agriculture, giving the sector a significant influence on catchments and the quality of our rivers and watercourses. Modern farming's reliance on chemicals and fertilisers mean that, without effective management, run-off and other on-farm activities can carry pollutants from farmland into rivers, aquifers and watercourses, impacting the wider water environment. The EA's 2026 report on agriculture and the water environment highlights that the agricultural sector is (on average) the most significant sector adversely affecting 40% of the water bodies in England.

This dual relationship – as both a user of water and steward of the water system - creates an opportunity for the agricultural and water sectors to work together to improve the health and resilience of the wider water environment.

Solving this is not straightforward. Agriculture is highly diverse, with many different businesses (ranging from horticulture to arable and pastoral farming, and from aquaculture to forestry, and many more), locations, water sources and operating practices. Solutions therefore need to be practical, cost-effective and repeatable across a wide range of agricultural systems. What works will also vary with farming intensity, geography and the balance between maximising productivity and minimising deployment costs. Increasing regulation designed to protect water and the system adds further complexity, sometimes making it more difficult for farmers to adapt and adopt new approaches.

Addressing this will require thinking differently and developing new approaches that create mutually beneficial systems for agriculture, the water sector and the environment, while being practical to deploy at scale.

Strengthening cross-sector relationships, improving ways of working and addressing barriers to collaboration will help both sectors co-develop and deploy better solutions.

Challenge statement

We are looking for solutions that will bring together agriculture, land management and water stewardship - protecting and restoring water systems and ensuring a resilient and productive future for agriculture. They will demonstrate pathways to deployment or scale that can be adopted across different regions and sub-sectors.

Entrants should accelerate, scale, and/or deploy solutions that deliver mutual benefits across agriculture (including aquaculture and forestry, or land management) and the water environment.

We are seeking solutions capable of overcoming systemic barriers to deliver lasting, real-world impact.

Solutions we're looking for

We are looking for a portfolio of different solutions that respond to the challenge statement.

These could include (but are not limited to) solutions that sit under three broad areas:

Physical interventions

On-the-ground infrastructure and land-based solutions that create replicable frameworks for how to directly improve water storage, quality or resilience.

Monitoring, evidence and data tools

Sensing, modelling and verification tools that can inform new and different approaches, turning field-level environmental data into actionable insights that lower farm costs, restore the health of the water environment and unlock market incentives for sustainable and restorative water management, building the confidence regulators, water companies and farmers need to adopt them.

Market and allocation mechanisms

The commercial, regulatory and governance structures (eg. trading, crediting, shared licensing) that make cross-sector collaboration and adoption possible at scale.

Innovation maturity

We are open to innovations at any level of innovation maturity, but are specifically looking for solutions with a credible, viable and urgent pathway to real-world deployment, commercial adoption, and systemic scaling. This means that entries proposing early-stage solutions without such a pathway are unlikely to score well.

Project timelines

Projects to be funded through the Agri-Water Cross-Sector Challenge should be completed in a timeframe commensurate with the level of funding and maturity of the solution. As a general guide, we would expect this to typically be around two years from project commencement, with flexibility to extend to up to three years if needed.

We recognise that certain solutions may depend on growing cycles or other agricultural timelines – if you expect this to require a shorter or longer project length; or expect to need to delay project commencement by more than three months post award, please let us know why.

In all cases, we would expect to see plans to demonstrate impact by 2030.

What you can win

Up to £8 million is available in this round of the Agri-Water Cross-Sector Challenge. Individual entries can request between **£200,000 and £2 million,** but the Cross-Sector Challenge will only provide a maximum of 90% of each entry's total cost.

The remaining 10% of the entry's total costs must be provided by the entry partners as a mandatory 10% contribution (see Match funding requirements below). We therefore expect to receive entries into the competition with a total financial cost of from £222,222 to at least £2,222,222 million inclusive of the 10% mandatory contribution.

An independent judging panel will seek to recommend a balanced portfolio of entries to receive funding, and the actual amount awarded will depend on the entries received and the quantity, quality and amounts requested by individual projects.

What's expected of successful entrants?

If your entry is successful in receiving funding, your team is expected to:

- Sign a winner's agreement and commit to using the funding for the purposes set out in your entry;
- Take part fully in the monitoring and evaluation activities required by Ofwat and the delivery team (see Monitoring and risk management and Evaluation below);
- Share what you learn about what has and hasn't worked, during the project and at the end (see Sharing learning below);
- Take part in the Cross-Sector Network, a community connecting water, agriculture, and other sectors;
- Engage with communications opportunities to promote your involvement in the Agri-Water Cross-Sector Challenge, as requested by Ofwat and the delivery team (see Publicity below).

Monitoring and shared learnings

The delivery team will monitor successful entrants' progress throughout the lifecycle of the project's delivery - this may be through meetings, surveys, written reporting, or other reasonable requests for information.

Sharing learning is a key part of the Agri-Water Cross-Sector Challenge. A major aim of the challenge is to understand how the water and agricultural sectors can work together more effectively, the barriers to collaboration, how they can be overcome, and how regulators,

policymakers and funders can best support it. Your project's experience, including what didn't work and why, is an important part of that evidence.

We expect winners to share learning proactively within their own industries throughout the project, as well as through the monitoring process and final report. Some of this learning may be published to help others; we will work with you to make sure no sensitive information is disclosed.

Engagement with the Cross-Sector Network

The Cross-Sector Network is central to the long-term future of the Water Innovation Cross-Sector Programme. It will act as a community that bridges the gap between industries and turns shared water challenges into shared opportunities, through collaboration and knowledge exchange.

Winners will be required to take part in the network. This may include sharing learning from your project, attending events, or taking part in communications opportunities.

Eligibility Criteria

Who can enter?

For your organisation or partnership to be eligible to enter the Cross-Sector Challenge, you must meet the following eligibility criteria:

- The lead entrant must be a UK-incorporated entity, a UK statutory corporation, or an Unincorporated Primary Producer or Land Manager (see additional criteria below).
- The lead entrant must hold a UK business bank account upon entry.
- You must agree to comply with our terms and conditions, including not having any conflicts of interest that would rule out your participation.

Please note that an organisation registered as a 'UK Establishment' does not qualify as a UK-incorporated entity. With the strict exception of the Unincorporated Primary Producers and Land Managers outlined above, we will not accept entries from individuals or other unincorporated groups.

We welcome applications from a consortium of partners, whether already existing partnerships or partnerships formed during the entry period. However, one organisation (or eligible farming partnership) must be nominated as the lead entrant to submit the application. The lead entrant will be the entity or named individuals that enter into contracts and receive funding.

This Challenge is financed directly by water and wastewater customers in England and Wales. As this funding represents a significant investment on their behalf, our core intent is to drive mutual benefits for both the sectors involved and society as a whole within the UK, with results directly targeting England and Wales.

Criteria for Unincorporated Primary Producers and Land Managers

We recognise that many significant enterprises in the agricultural space operate as unincorporated sole traders or partnerships. Therefore, unincorporated sole traders or partnerships will also be permitted to act as the lead entrant, provided they meet all of the following requirements:

- **Verifiable Status:** The business must be an active primary producer or land manager operating within the UK, encompassing agriculture, horticulture, aquaculture, or forestry. You must be able to produce evidence of this, which could include a valid official government registration, such as a Single Business Identifier (SBI) issued by the Rural Payments Agency in England, a Customer Reference Number (CRN) issued by Rural Payments Wales, or an equivalent official registration for aquaculture or forestry operations.
- **UK Tax Residency:** You must be registered with HMRC for Self Assessment or Partnership tax in the UK. You must provide evidence of this registration upon request. Acceptable evidence includes official HMRC correspondence confirming your Unique Taxpayer Reference (UTR), a recent Self Assessment tax return (SA100), or a Partnership tax return (SA800).
- **Nexus to the UK:** You must be able to provide evidence that you are an established commercial business and that your primary economic activity is located within the UK (for example, by showing income and expenditure on recent business bank statements).

In the event that evidence provided in support of your eligibility as an Unincorporated Primary Producer and/or Land Manager is incomplete, ambiguous or insufficient, we may request further clarification or decline your entry. We encourage anyone intending to enter as an Unincorporated Primary Producer and/or Land Manager to emails us at waterinnovation@challengeworks.org with your proposed evidence well in advance of the entry due date to avoid disappointment

Match funding requirements

The challenge will fund up to 90% of each entry's total costs. Entry partners must provide the remaining 10% as a mandatory contribution.

- **Water companies** (wholesalers, including new appointees and NAVs) must make their share of the 10% contribution in cash. This must not be funded through charges to water customers in England and Wales.
- **All other organisations,** including water retailers, farming businesses, SMEs, universities and charities, can contribute in cash or in-kind.

In-kind contributions are non-cash resources that are essential to delivering the project, such as staff time, use of land, assets or facilities, or donated services. They must be auditable, valued at the true market rate and directly support the entry's objectives.

In a partnership, partners can decide between themselves how the 10% is met, for example, by one partner, several partners, or split equally or proportionately across all partners. You must identify the source of the full 10% contribution when you enter, but it can be provided across the life of the project rather than up front.

We welcome contributions above the 10% minimum. Water companies and NAVs may make any additional contribution in kind.

Intellectual Property Rights

Winners of the Cross-Sector Challenge will retain full ownership of Intellectual Property Rights (IPR) with no requirements to provide royalty-free licences.

However, a major focus of the Cross-Sector Challenge is to help inform and enable more effective cross sectoral collaboration on water challenges. As such, winners will need to engage with a monitoring process, where they will be expected to share knowledge on what has and has not worked. Some of these insights may be published to support cross-sectoral learning; we will work with winners to ensure sensitive information is not disclosed.

Assessment criteria

How will winners be selected

After the entry deadline closes on 08 February 2027, all entries will undergo eligibility checks. Eligible entries will then be assessed and judged by a team of independent technical assessors and an independent judging panel, against the five assessment criteria below.

The judging panel will meet to discuss entries and recommend to Ofwat which entries best meet the assessment criteria and offer a well-rounded portfolio of solutions to receive funding. Due diligence checks will form part of the assessment and judging process. Ofwat will make the final decision on which entries receive funding.

The criteria allow us to compare different types of entries fairly, without predetermining exactly what solutions should look like.

1. Impact on the water system (20%)

This criterion assesses how effectively proposed solutions protect, restore, and improve the ecological and physical health of the water systems, distinct from agricultural productivity.

Strong entries will demonstrate a direct, clear intent to improve water health. Core areas include, but are not limited to:

- **Protection and restoration:** Effective methods to protect, restore, and improve the health of rivers, aquifers, and watercourses. This includes mitigating downstream agricultural pollutants and active water quality restoration.
- **Water extremes (Scarcity and Flooding):** Addressing environmental water scarcity to ensure plentiful water systems, as well as mitigating flood risks (for example through natural absorption or slowed run-off).

2. Impact on the agriculture sector (20%)

This criterion evaluates how solutions deliver direct, practical, and economically valuable outcomes for a diverse agriculture, forestry, or land management sector.

Strong entries must outline clear, practical benefits to the agriculture sector, covering:

- **Productivity and business viability:** Effective improvements in how agricultural, horticultural, aquaculture and forestry businesses source, store, use, reuse or return water.
- **Natural resource quality:** Measurable protection or enhancement of the natural resources the business depends on. Examples include soil health, woodland and tree health, and catchment function.
- **Stewardship and resilience**: Solutions that deliver lasting value for customers, communities and the wider economy. They should help businesses respond to the climate, ecological and water scarcity pressures they are already facing, and adapt as those pressures change.

3. Innovation (15%)

This criterion examines how the solution represents a genuine, additional advancement over existing market options.

We prioritise practical, high-impact solutions over purely theoretical approaches. Innovation in this challenge means:

- **Advancement over current solutions:** The solution goes beyond current approaches, market offerings and sector practices.
- **Builds cross-sectoral understanding:** The project will yield insights that help overcome sectoral silos and offers a blueprint for addressing cross-sectoral problems.
- **Additionality:** The solution delivers innovation that clearly demonstrates the added value of being funded through this competition, showing that without this support, the solution would be unlikely to be developed or implemented at scale.

4. Pathway to implementation (25%)

This criterion seeks projects that demonstrate a credible, viable and urgent pathway to real-world deployment, commercial adoption and systemic scaling.

Strong entries will demonstrate:

- A **credible pathway to adoption**, including understanding of key stakeholders, channels and decision-makers
- A **realistic approach to scaling** beyond initial deployments, including across stakeholder groups, regions, catchments or farm types
- An understanding of technical, operational, commercial, regulatory and behavioural **barriers to adoption**, with concrete plans to overcome these barriers
- A commitment to transparent, proactive **knowledge sharing** for the benefit of the wider sector

5. Team capability & project delivery (20%)

This criterion is looking for a clear narrative demonstrating that the proposed entry is feasible and that appropriate resources and governance will be in place for its delivery.

Strong entries must demonstrate:

- **Relevant skills and experience** within the delivery team for the proposed solution, including clear identification of key partners, their roles, what capabilities they bring to ensure successful delivery and cross-sector integration
- A **credible delivery timeline** with appropriate milestones and resource allocation
- A **realistic and considered costing** which provides efficient use of funds
- A clear and proportionate approach to addressing **risk**
- Demonstrated **sectoral support** and robust collaborative commitments across the water and agriculture sectors

Assessment criteria weightings

Category	Weighting
1. Impact on the water system	**20%**
2. Impact on the agriculture sector	**20%**
3. Innovation	**15%**
4. Pathway to implementation	**25%**

Category	Weighting
5. Team capability & project delivery	**20%**

Portfolio approach

In selecting solutions for funding, we will consider both individual merit against the assessment criteria and the overall portfolio of funded solutions. This means that funding decisions will balance choosing the individual entries that best meet the assessment criteria with ensuring we support a diverse mix of solution types, approaches, and innovation stages that maximises impact across the Cross-Sector Challenge.

Solutions may be selected not only based on their individual assessment but also because they contribute to a well-rounded portfolio, considering factors such as:

- **Solution size and type**, such as physical interventions, data tools and market mechanisms
- **Regional balance**, ensuring representation across England and Wales
- **Types of beneficiaries**, and partnership scale
- Balance between **agriculture subsectors**
- **Innovation adoption**, balancing solutions with immediate deployment potential against those offering transformational system change.
- **Replication potential**, ensuring some projects can be easily copied across regions without significant local tailoring.
- **Funding leverage**, including projects likely to unlock significant follow-on private or public investment.

Entering the Agri-Water Cross-Sector Challenge

Prepare for your entry

Express your interest

We are asking all entrants to complete a short form to express their interest in applying by **8 January 2026 at 5.30 pm (GMT)**.

We understand that some details may change before you submit your entry, but this information is essential to help us prepare for the assessment of eligible entries. Please submit your expression of interest here.

Join the Cross-Sector Network

By joining the Cross-Sector Network, you will receive updates about the Agri-Water Cross-Sector Challenge as well as further updates relating to Ofwat's Water Innovation Cross-Sector Programme. Join the network here.

Attend our launch webinar

Join us for an interactive webinar exploring the Water Innovation Fund's Cross-Sector Programme as a whole, alongside an in-depth look at the newly opened Agri-Water Cross-Sector Challenge. Join us to find out more about the selection criteria and how cross-sector partnerships can unlock long-term resilience.

Date and time: 17 November 2026, 11.00am to 12.00 noon (GMT)

Register here

Join a surgery session

If you have read all of the key materials, and still have specific questions about the entry process, eligibility or the terms and conditions, you can book a 15-minute surgery session via Calendly during the entry period. All surgery sessions will be held online using Zoom.

The sessions are run by the delivery team, who cannot give guidance or opinions on the content of entries. We may cancel your session if your question is out of scope or is answered in the Entrant Handbook or FAQs, and we will point you to the relevant answer. You can find book a session here.

Submit your entry

All entries should be made through the online form which can be accessed via the Agri-Water Cross-Sector Challenge website. The entry period runs from **10 November 2026 to 08 February 2027 at 1.00 pm (GMT)**. Late entries will not be accepted.

The entry form must be completed by the lead entrant organisation. It features:

- Questions about your organisation and partnership (if applicable), so we know who you are and can check you are eligible;
- Questions about your solution, which will be assessed against the assessment criteria.

A copy of the entry form is available to download from our website to help you develop and collaborate on your entry prior to the deadline, but entries must be made through the online Submittable form. Your Submittable entry will also need to attach a completed Project Delivery Template, which includes detail on the project's budget and budget detail, delivery plan and risk register. These documents can be found in the form.

To access the entry form and submit an entry you will need to set up a Submittable account. Once you have started an entry you can save a draft and return to it at a later date to complete.

Submittable is a third-party platform. For more information on Submittable see our Terms and Conditions and the Submittable privacy policy.

Before submitting your entry, please ensure that:

- You have read and understood the Cross-Sector Programme Terms and Conditions and Privacy Policy;
- Your team meets the eligibility criteria;
- Your entry is aligned with the Challenge Statement and assessment criteria.

To avoid disappointment or last minute technical problems, we strongly encourage you to create your Submittable account and start your entry as early as possible, and to submit your entry well ahead of entries closing.

Feedback and learning

If you have any feedback or concerns relating to the Water Innovation Cross-Sector Programme, please feel free to contact us directly at waterinnovation@challengeworks.org or submit your feedback or concerns anonymously. We welcome and support feedback from entrants via email and via entrant surveys sent out after entering one of our competitions.

If you would prefer to contact Ofwat directly, you may do so by emailing innovation@ofwat.gov.uk. Ofwat also has a range of materials available relating to whistleblowing and making a complaint.

Annex

Annex 1: Innovation Maturity Level definitions

Level	Description	Typical activities to be supported in this phase of maturity	Approximate Technology Readiness Level equivalent
1 Initial research	Understanding the problem and exploring possible solutions	Initial industry & market research; Problem investigation and analysis, gathering stakeholder requirements to create the value proposition; Early optioneering of solutions, technology concept/application formulation, risk/opportunity analysis and research.	TRL 1-2
2 Concept and feasibility	Developing or testing a concept, designing the solution, and testing the feasibility of solutions	Innovation concept selection and early design; Testing/proving a concept, developing the initial prototype; Defining the approach to enable further detailed testing, and assessing the fundamental feasibility of solution(s) within controlled environments.	TRL 2-4
3 Development and verification	Developing the preferred solution, verifying the design through prototype demonstration in a real-world (or near-real-world) environment	On- or off-site trials of the solution in a near-real or real-world environment; Design risk analysis, including Failure Modes Effects Analysis (FMEA) for future operation, approach to departures (how can we deploy the solution);	TRL 3-6

		Testing against operational requirements.	
4 Validation and optimisation	Scaling up the solution for roll-out or commercialisation	Identifying practical routes to market, development of training or education requirements; Large scale or late-stage testing (pilots); Fine-tuning to proven operational concepts; Benefits evaluation, review for approval and deployment, standards, or specification development for the innovation.	TRL 6-8
5 Deployment and post-launch	Implementing or rolling out the solution and assessing its impact	Roll-out and implementation; Standard/specification finalisation and publication; User training or education; Benefits testing and evaluation; Continuous improvement and lessons learnt for future development.	TRL 8-9

Version Control

When changes are made to this handbook, they will be documented here.

Version	Changes
Version 1.0 Published 10 November 2026	• Original handbook
Version 2.0	• Key dates section updated



Agri-Water Cross-Sector Challenge