BILLING CODE: 3410-16

DEPARTMENT OF AGRICULTURE

AGENCY: Natural Resources Conservation Service (NRCS), Commodity Credit Corporation

ACTION: NOTICE
Conservation Innovation Grants Fiscal Year 2008 Announcement of Program Funding

Catalog of Federal Domestic Assistance (CFDA) Number: 10.912

SUMMARY: The North Dakota State Office of the USDA Natural Resources Conservation Service (NRCS) requests applications for Conservation Innovation Grants (CIG) to stimulate the development and adoption of innovative conservation approaches and technologies. Applications will be accepted from any eligible entity for projects within the state of North Dakota. North Dakota NRCS is targeting $300,000 in FY 2008 for grant support with up to 10 percent of the total funds available for applications from Beginning and Limited Resource Farmers and Ranchers, Indian Tribes, or community-based organizations comprised of or representing these entities. Funds will be awarded through a competitive grants process. Applications are requested from eligible government or non-government organizations or individuals for competitive consideration of grant awards for projects between one and three years in duration. This notice identifies the objectives for CIG projects, the eligibility criteria for projects and associated instructions needed to apply to CIG.

APPLICATION DUE DATE AND ADDRESSES: Applications must be received in the North Dakota NRCS State Office by 4:00 p.m., Central Standard Time (CST) on Friday, March 21, 2008.

The address for hand-delivered applications, applications submitted using express mail or overnight courier service, or the U.S. Postal Service is: Natural Resources Conservation Service; North Dakota Conservation Innovation Grants Program; c/o Jennifer Heglund; 220 East Rosser Avenue, Room 270, P.O. Box 1458; Bismarck, ND 58502-1458.

To submit your application electronically, visit http://www.grants.gov/applicants/apply_for_grants.jsp and follow the instructions.

Applications sent by email or by facsimile will not be considered.

Applications received after 4:00 pm Central Standard Time (CST) will not be considered.

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I. FUNDING OPPORTUNITY DESCRIPTION

A. Legislative Authority

CIG was authorized as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under Section 1240H of the Food Security Act of 1985, as added by section 2301 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171). The Secretary of Agriculture delegated the authority for the administration of EQIP and CIG to the Chief of the Natural Resources Conservation Service (NRCS), who is a Vice President of the Commodity Credit Corporation (CCC). EQIP is administered by NRCS under the authorities of the CCC.

B. Overview

The purpose of CIG is to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging the Federal investment in environmental enhancement and protection, in conjunction with agricultural production. CIG projects are expected to lead to the transfer of conservation technologies, management systems, and innovative approaches (such as market-based systems) into NRCS technical manuals, guides, and references, or to the private sector. CIG does not fund research projects. Instead, it is a vehicle to stimulate the development and adoption of conservation approaches or technologies that have been studied sufficiently to indicate a likelihood of success and to be candidates for eventual technology transfer or institutionalization. CIG funds projects targeting innovative on-the-ground conservation, including pilot projects and field demonstrations.

NRCS will accept applications for single or multi-year projects, not to exceed three years, submitted to NRCS from eligible entities, including Federally-recognized Indian Tribes, State and local governments, and non-governmental organizations and individuals. Applications will be accepted from outside of North Dakota however, the project area must be within the State of North Dakota and include EQIP-eligible participants in North Dakota.

Complete applications will be evaluated by a technical peer review panel and scored based on the Criteria for Application Evaluation identified in this document. Scored applications will be forwarded to a Grants Review Board. The Grants Review Board will make recommendations for project approval to the State Conservationist. Final award selections will be made by the North Dakota NRCS State Conservationist.

C. Innovative Conservation Projects or Activities

For the purposes of CIG, the proposed innovative project or activity must encompass the development and field testing, evaluation, and implementation of:

- Conservation adoption incentive systems, including market-based systems; or,
- Promising conservation technologies, practices, systems, procedures, or approaches.

To be given priority consideration, the innovative project or activity:

- Will have been studied sufficiently to indicate a good probability for success;

- Demonstrates, tests, evaluates, and verifies environmental (soil, water, air, plants, and animal) effectiveness, utility, affordability, and usability in the field;
- Adapts conservation technologies, practices, systems, procedures, approaches, and incentive systems to improve performance, and encourage adoption;
- Introduces conservation systems, approaches, and procedures from another geographic area or agricultural sector; and
- Adapts conservation technology, management, or incentive systems to improve performance.

Successful projects will include on-the-ground project implementation rather than information, education, and outreach alone. Applications that seek to include outreach funding for the single purpose of obtaining operational funds will not be considered. Applications must include funds to implement the projects without additional funds being required of producer's through regular EQIP contracts.

D. CIG Natural Resource Concerns Categories

For Fiscal Year 2008 CIG awards must fall into one of the four (4) natural resource categories.

Applications must demonstrate the use of innovative technologies or approaches, or both, to address a natural resource concern or concerns. The four natural resource concerns for possible funding through Conservation Innovation Grants for fiscal year 2008, plus the priority resource issues are:

1. Water Resources

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance water quality and/or quantity in watersheds with predominantly agricultural land uses while sustaining productivity. Subtopics include:

- Reduced nutrient, pesticide, and/or pathogen transport to surface water and groundwater;
- Reduced sediment transport to surface water;
- Improved irrigation management for water conservation;
- Improved aquifer recharge or maintenance of groundwater supplies; and
- Increased water supplies and/or availability through alternative treatment; enhanced automation, monitoring or scheduling; reduced system losses; or reuse strategies

2. Soil Resources

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance soil resources associated with agricultural and forest land uses while sustaining productivity. Subtopics include:

- Reduced soil erosion;
- Decreased accumulation of harmful levels of constituents in soils, including nutrients, metals, or salts; and
- Improved soil quality and productivity.

3. Atmospheric Resources

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance air quality and atmospheric resources through agricultural and forest practices while sustaining productivity. Subtopics include:

- Reduced agricultural emissions of particulates, odors, volatile organic compounds, and greenhouse gases;
- Increased carbon sequestration in soil and through other mechanisms;
- Bio-based energy opportunities.

4. Grazing Land and Forest Health

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance grazing land and forest health while sustaining productivity. Subtopics include:

- Improved invasive species management and control methods on grazing and forest land;
- Reduced effects of pests, diseases, and fragmentation on forest and grazing land quality/health;
- Development of new, alternative systems or practices to minimize overgrazing and restore lands suffering effects of overgrazing;
- Low-input approaches to increasing forage production; and
- Alternative grasses or forages for livestock.

II. FUNDING AVAILABILITY

A. North Dakota State Component

The CIG final rule describes the potential for implementing a State component of CIG. The intent of the State Component is to provide flexibility to NRCS State Conservationists to target CIG funds to individual producers and smaller organizations that may possess promising innovations, but may not compete well on the larger scale of the national grants competition.

Effective on the publication date of this notice, the North Dakota NRCS announces the availability of approximately $300,000 for CIG. North Dakota NRCS and the State Conservationist reserve the right to offer more or less funding. Changes to the amount available will be based upon the quality of the applications received (as determined by NRCS), the amount of additional funding available, and any other factor established by the State Conservationist.

Funds will be awarded through a competitive grants process. Individual projects funded through CIG in fiscal year 2008 may not receive more than $75,000 from NRCS. CIG will fund single or multi-year projects, not to exceed three years. Applications received from previously funded applicants will be accepted; however the application must demonstrate a clear need for additional funding if the project is a continuation of the previously funded project.

III. ELIGIBILITY INFORMATION

CIG applicants must be a Federally-recognized Indian Tribe; State or local unit of government; non-governmental organization; private business; or individual. Projects must be within the state of North Dakota and must demonstrate a potential benefit to North Dakota agricultural producers.

A. Matching Funds

Selected applicants may receive grants of up to 50 percent of the total project cost. Applicants must provide non-Federal funding (matching funds) for at least 50 percent of the project cost. Up to 50 percent (25 percent of the total project cost) of the applicant's matching funds may be from in-kind contributions. The remainder must be cash.

B. Beginning and Limited Resource Farmers and Ranchers, and Indian Tribes

Information regarding the definitions for Limited Resource or Beginning Farmers and Ranchers can be found in the EQIP Final Rule, Federal Register, Vol. 68, No.104, Section 1466.3, Definitions. For the FY 2008 grant award process, up to 10 percent of the total funds available for CIG may be set-aside for applications from Beginning and Limited Resource Farmers and Ranchers, Indian Tribes, or community-based organizations comprised of or representing these entities. To compete for these set-aside funds, the applicant must make a declaration in the application as described in Part IV B.5. of this notice. Applications that are unsuccessful in the set-aside competition will be placed automatically in the general application pool for consideration. Funds not used in the set-aside pool will revert back into the general funding pool.

In addition, an exception regarding matching funds is made for projects funded out of the set-aside. Up to seventy-five (75) percent of the required matching funds for such projects (up to 37.5 percent of the total project cost) may derive from in-kind contributions. This exception is intended to help Beginning and Limited Resource Farmers or Ranchers and Indian Tribes meet the statutory requirements for receiving a Conservation Innovation Grant.

C. EQIP Payment Limitation and Duplicate Payments

Section 1240G of the Food Security Act of 1985 (as amended by the Farm Security and Rural Investment Act of 2002), 16 U.S.C. 3839aa-7, imposes a $450,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between 2002 and 2008. The limitation applies to CIG in the following manner:

a. CIG funds are awarded through grant agreements; these grant agreements are not EQIP contracts. Thus, CIG awards in and of themselves are not limited by the payment limitation.

b. Direct or indirect payments made to an individual or entity using funds from a CIG award to carry out structural, vegetative, or management practices count toward each individual's or entity's EQIP payment limitation. Through project progress reports, CIG grantees are responsible for certifying that producers involved in CIG projects do not exceed the payment limitation. Further, all direct and indirect payments made to producers using CIG funds must be reported to NRCS. Direct or indirect payments can

not be made for a practice for which the producer has already received funds, or is contracted to receive funds, through any of the USDA Programs (EQIP, AMA, CSP, WHIP, etc) since this would be considered a duplicate payment.

Payment Limitation Examples

Following are two examples of how the $450,000 EQIP payment limitation applies to CIG projects:

a. A CIG grant is awarded to a State environmental agency to demonstrate an innovative, market-based, water quality trading program. The money is used to finance the development of a market infrastructure, and none of the funds are used to implement structural, vegetative, or management practices. Producers in the trading market demonstration area may indirectly benefit from their eventual participation in the market, but there is no direct or indirect transfer payment of CIG dollars. If, on the other hand, part of the CIG award were used to make payments to producers who implement conservation practices on their land as part of a trading program, those payments would count towards each producer's $450,000 EQIP payment limitation.

b. A CIG grant is awarded to a Conservation District to pilot a community-based animal waste treatment technology innovation. EQIP-eligible producers in the area transport their animal waste to a central treatment location. Because producers are not directly or indirectly receiving CIG funds, the payment limitation does not apply. If, however, the producers were paid for their waste, or for transporting their waste to the central treatment location using CIG funds, the payments would be subject to each producer's EQIP payment limitation.

D. Project Eligibility

To be eligible, projects must involve landowners who meet the EQIP eligibility requirements of 16 U.S.C. 3839aa-1. Refer to http://www.nrcs.usda.gov/programs/eqip/ for more information on EQIP and eligibility requirements. Further, all agricultural producers receiving direct or indirect payments through participation in a CIG project must meet the EQIP eligibility requirements. Participating producers are not required to have an EQIP contract. Applications must describe the extent of participation of EQIP eligible producers.

A person or entity is not eligible if the three-year average adjusted gross income (AGI) exceeds $2.5 million with less than 75 percent derived from farming, ranching, or forestry-related sources at the time of application.

A person who is determined ineligible for USDA program benefits under the Highly Erodible Land Compliance (HELC) and Wetland Compliance (WC) provisions of the Food Security Act of 1985 will not be eligible to receive direct or indirect payments through CIG.

Technologies and approaches that are eligible for funding in a project's geographic area through EQIP are ineligible for CIG funding except where the use of those technologies and approaches demonstrates clear innovation. The burden falls on the applicant to sufficiently describe the innovative features of the proposed technology or approach

(applicants should reference the appropriate State's EQIP Eligible Practices List by contacting the NRCS State office, or by visiting the EQIP web site: http://www.nrcs.usda.gov/programs/eqip/EQIP_signup/2008_EQIP_Signup/index.html

The grantee is responsible for providing all of the technical assistance required to successfully implement and complete the project. NRCS employees are not to be referenced as project collaborators within the application, nor will they perform any technical assistance on project implementation. NRCS will designate a Program Contact, an Administrative Contact, and a Technical Contact to provide oversight for each project receiving an award.

IV. APPLICATION AND SUBMISSION INFORMATION

A. How to Obtain Application Materials

All OMB standard forms necessary for CIG submission are posted on the following website: www.grants.gov/agencies/aapproved_standard_forms.jsp. An application checklist, sample SF424A and instructions, as well as all other forms will be available on the North Dakota CIG website: http://www.nd.nrcs.usda.gov/programs/CIG/CIG_index.html.

B. Application Content and Format

Applications must contain the information set forth below in order to receive consideration for a grant. Applicants should not assume prior knowledge on the part of NRCS or others as to the relative merits of the project described in the application. Applicants may not be contacted by NRCS for clarification purposes. Information not clearly explained will not be considered. NRCS will not be responsible for any misunderstanding that results from unclear application information.

Application materials not requested by this announcement, such as letters of support, may be discarded by NRCS at the discretion of the State Conservationist. Application materials will not be returned to the applicant. Applications must be submitted in the following format:

Applications are to be typewritten or printed on 8½" x 11" white paper, double spaced, and on one side only. The text of the application should be in a font no smaller than 12-point, with one-inch margins. If submitting applications for more than one project, submit a separate, complete application package for each project. Applications are to be saved as Microsoft Word or Adobe pdf files on a compact disc (CD), and the electronic copy included in the application package.

Applications must include all required forms and narrative sections described below. Incomplete applications will not be considered.

1. **Cover Sheet:** Applicants must use **Standard Form 424** as the cover sheet for each project application. Standard Form 424 can be downloaded from www.grants.gov/agencies/aapproved_standard_forms.jsp or obtained from the

NRCS website at http://www.nd.nrcs.usda.gov/programs/CIG/CIG_index.html. Note that all applicants must provide a DUNS number in block 5. See section 9 below for information on acquiring a DUNS number. Also note that in Section 15 of the SF-424, the funding amounts listed must reflect the amounts requested as well as those being contributed by the applicant for the entire duration of the grant.

2. **Project Summary Sheet:** Applicants must submit a **Project Summary Sheet** (no more than 2 pages in length) that includes the listed information. A template for the Project Summary Sheet is available on the NRCS CIG website: http://www.nd.nrcs.usda.gov/programs/CIG/CIG_index.html
    a. Project Title
    b. Project Director – name, address, telephone, email, and any other contact information (please provide a mailing address, not a P.O. Box)
    c. Project Collaborators - names and affiliations (NRCS employees may not serve as collaborators)
    d. Project Purpose
    e. Project Deliverables/Products
    f. Project Scope/Area/Location
    g. Project Start and End Dates (Projects should plan to begin no earlier than June 1, 2008 and no later than September 30, 2008)
    h. Natural Resource Concern(s) Category to be Addressed
    i. Certifications – EQIP Eligibility
    j. Estimated Number of EQIP-eligible Producers Involved in the Project
    k. Total Project Cost
    l. Total Federal Funds Requested
    m. Brief Summary of Project/work to be Performed

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3. **Project Description:** Each project must be completely and accurately described in no more than ten (10) typewritten, double-spaced pages. This limitation applies to everything listed in section "3. Project Description" including any appendices, unless otherwise stated below and will be strictly enforced. Applications that exceed this limit will be cutoff at page 10 and the remaining pages will be discarded. The description must include the following information:
    a. Project background: Describe the history of, and need for, the proposed innovation. Provide evidence that the proposed innovation has been studied sufficiently to indicate a good probability for success of the project;
    b. Project objectives: Be specific, using qualitative and quantitative measures, if possible, to describe the project's purpose and goals. Describe how, based on the description of innovative conservation projects and activities provided in section I.C., the project is innovative;
    c. Project methods: Describe clearly the methodology of the project and the tools or processes that will be used to implement the project;
    d. Location and size of project or project area: Describe the location of the project and the relative size and scope (e.g., acres, farm types and demographics, etc.) of the project area. Provide a map, if possible (project

maps are excluded from the 10-page limitation and should fall at the end of this section);

e. Producer participation: Estimate the number of producers involved in the project, and describe the extent of their involvement (all producers involved in the project must be eligible for EQIP);

f. Project action plan and timeline: Provide a table listing project actions, timeframes, and associated milestones through project completion (this table is excluded from the 10-page limitation and should fall at the end of this section);

g. Project management: Give a detailed description of how the project will be organized and managed. Include a list of key project personnel, their relevant education or experience, and their anticipated contributions to the project. Explain the level of participation required in the project by government and non-government entities. Identify who will participate in monitoring and evaluating the project (this component is excluded from the 10-page limitation and should fall at the end of this section, however each of the listed personnel are limited to one page each). NRCS employees will not be providing technical assistance on the project and should not be listed;

h. Benefits or results expected and transferability: Identify the results and benefits to be derived from the proposed project activities, and explain how the results will be measured. Identify project beneficiaries—for example, agricultural producers by type or region or sector; rural communities; municipalities. Explain how these entities will benefit. In addition, describe how results will be communicated to others via outreach activities;

i. Project evaluation: Describe the methodology or procedures to be followed to evaluate the project, determine technical feasibility, and quantify the results of the project for the final report. (Grant recipients will be required to provide a semi-annual report of progress, quarterly financial reports, and a final project report to NRCS. Instructions for submitting quarterly reports will be detailed in the grant agreement.); and

j. Environmental impacts: Describe the anticipated environmental effects of the proposed project. This description will be used to determine whether an Environmental Assessment (EA) or Environmental Impact Statement (EIS) is needed for any given project, prior to the awarding of grant funds. The applicant is responsible for the cost of an EA or EIS, should one be required. This cost may be counted as part of the grantee's in-kind contribution. Negative statements are required.

4. **Budget Information**: Use **Standard Form (SF) 424A Budget Information Non-Construction Programs** to document budget needs. SF 424A is available at www.grants.gov/agencies/aapproved_standard_forms.jsp or obtained from NRCS web site at http://www.nd.nrcs.usda.gov/programs/CIG/CIG_index.html. The SF424A shall follow the required format and instructions posted on www.grants.gov and the North Dakota NRCS website provided above. In addition to the SF424A, all applicants must provide a **detailed narrative** in support of the budget for the project, broken down by each project year. Itemize the costs necessary for successful completion of the proposed project. Indicate the total

amount (both cash and in-kind) of non-Federal matching support that will be provided to the proposed project. **Identify and provide documentation of the source(s), the amount, and the nature (cash or in-kind) of the matching funds.** An indirect cost-rate agreement must be included if the applicant is claiming indirect costs. A negotiated indirect cost-rate agreement may be required from other applicants if they receive a grant. **Indirect costs can not exceed 15%.** In-kind costs of equipment or project personnel cannot exceed 50 percent of the applicant's match (except in the case of projects carried out by either a Beginning or Limited Resource Farmer or Rancher, or Indian Tribe, or a community-based organization comprised of or representing these entities). The remainder of the match must be provided in cash.

5. **Declaration of Beginning Farmer or Rancher or Limited Resource Farmer or Rancher, or Indian Tribe**: If an applicant wishes to compete in the 10 percent set-aside funding pool (see Part III B. that describes the provision of a set-aside pool of funding for Beginning and Limited Resource Farmers or Ranchers, and Indian Tribes) and avail themselves of the in-kind contribution exception, applicants must make a declaration in writing of their status as a Beginning Farmer or Rancher or Limited Resource Farmer or Rancher, or Indian Tribe, or a community-based organization comprised of or representing these entities.
6. **Declaration of EQIP Eligibility**: Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP.
7. **National CIG Competition:** Applicants must specifically state whether this application, with or without an increase in the amount of funding requested, or a similar application that includes this project is being, or has been, submitted for funding consideration in the 2008 national component of CIG.
8. **Certifications:** All applications must include a signed **Standard Form (SF) 424B - Assurances, Non-construction Programs**. SF 424B may be found at: www.grants.gov/agencies/aapproved_standard_forms.jsp or contact the North Dakota Administrative point of contact identified in Section VII below. Applicants, by signing and submitting an application, assure and certify that they are in compliance with the following from 7 Code of Federal Register (CFR):
   a. Part 3017, Government wide Debarment and Suspension (Non-procurement) http://www.access.gpo.gov/nara/cfr/waisidx_06/7cfr3017_06.html;
   b. Part 3018, New Restrictions on Lobbying http://www.access.gpo.gov/nara/cfr/waisidx_06/7cfr3018_06.html; and
   c. Part 3021, Government wide Requirements for Drug-Free Workplace (Financial Assistance) http://www.access.gpo.gov/nara/cfr/waisidx_06/7cfr3021_06.html.
9. **DUNS Number**: A Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of over 70 million businesses worldwide. A Federal Register notice of final policy issuance (68 FR 38402) requires a DUNS number in every application (i.e., hard copy and electronic) for a grant or cooperative agreement (except applications from individuals) submitted on or after October 1, 2003. Therefore, potential applicants should verify that they have a DUNS number or take the steps needed to obtain one. For

information about how to obtain a DUNS number go to http://www.grants.gov/RequestaDUNS or call 1-866-705-5711. **Please note that the registration may take up to 14 business days to complete.**

10. **Required CCR Registration:** The Central Contractor Registry (CCR) is a database that serves as the primary Government repository for contractor information required for the conduct of business with the Government. This database will also be used as a central location for maintaining organizational information for organizations seeking and receiving grants from the Government. CIG applicants must register with the CCR. To register, visit http://www.ccr.gov. **Allow a minimum of 5 days to complete the CCR registration.**

C. How to Submit a Written Application

Applicants must submit one signed original and six complete copies of each project application. Each copy of the application must be stapled securely in the upper left-hand corner. Hard copies must be accompanied by an electronic copy on a compact disc (CD). Electronic files must be either Microsoft Word or Acrobat (pdf) files. **Applications submitted via facsimile or e-mail will not be accepted.**

The address for hand-delivered applications or applications submitted using express mail or overnight courier service is:

Submit written applications to:
Natural Resources Conservation Service
North Dakota Conservation Innovation Grants Program
c/o Jennifer Heglund, Assistant State Conservationist for Programs
220 East Rosser Avenue, Room 270, P.O. Box 1458
Bismarck, ND 58502-1458

D. How to Submit a Application Electronically

Applicants may submit applications electronically through Grants.gov, the Federal government's e-grants portal. Applications submitted through Grants.gov must contain all of the elements of a complete application outlined above. Instructions for electronically submitting the required standard forms, abstract, narrative, and declarations are posted on Grants.gov. Applications submitted electronically are date and time stamped by Grants.gov and must be received by the identified closing date. **Note that NRCS is not responsible for any technical malfunctions or website problems related to Grants.gov submissions. Applicants should begin the Grants.gov process well before the submission deadline to avoid problems.**

E. Application Due Date

Complete Applications Must Be Received in Room 270 at the North Dakota NRCS State Office by 4:00 p.m. CST on March 21, 2008. A application's postmark date is NOT a factor in whether an application is received on time. The applicant assumes the risk of any delays in application delivery. Applicants are strongly encouraged to submit completed applications via overnight mail or delivery service to insure timely receipt by NRCS.

F. Acknowledgement of Submission
Applications received by the due date will be acknowledged with an official letter. If an applicant has not received an acknowledgement within 30 days of the submission, they must contact the NRCS programmatic contact (See Part VII). NRCS is not responsible for lost or delayed deliveries. Applicants are encouraged to submit early. Failure to do so may result in the application not being considered for funding by the peer review panel.

G. Funding Restrictions
The indirect costs facilities and administration (F & A) for CIG awards may not exceed 15 percent of the total Federal (NRCS) funds provided under each award. Awardees may not use un-recovered indirect costs as part of their matching funds.

CIG funds may not be used to pay any of the following costs unless otherwise permitted by law, or approved in writing by the Authorized Departmental Officer in advance of incurring such costs:

a. Costs above the amount of funds authorized for the project;
b. Costs incurred prior to the effective date of the grant;
c. Costs which lie outside the scope of the approved project and any amendments thereto;
d. Entertainment costs, regardless of their apparent relationship to project objectives;
e. Compensation for injuries to persons, or damage to property arising out of project activities;
f. Consulting services performed by a Federal employee during official duty hours when such consulting services result in the payment of additional compensation to the employee; and,
g. Renovation or refurbishment of research or related spaces; the purchase or installation of fixed equipment in such spaces; and the planning, repair, rehabilitation, acquisition, or construction of buildings or facilities.

This list is not exhaustive. Questions regarding the allowances of particular items of cost should be directed to the administrative contact person listed below.

H. Patents and Inventions
Allocation of rights to patents and inventions shall be in accordance with USDA regulation 7 CFR 3019.36. This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support. In accordance with 7 CFR 3019.2, this provision will also apply to commercial organizations for the purposes of CIG. USDA receives a royalty-free license for Federal Government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically.

I. Withdrawal of Applications
Applications may be withdrawn by written notice at any time before an award is made. Applications may be withdrawn in person by the applicant, or by an authorized

representative thereof, if the representative's identity is made known and the representative signs a receipt for the application.

V. APPLICATION REVIEW

A. Application Review and Selection Process

Prior to technical review, each application will be screened for completeness and compliance with the provisions of this notice. **Incomplete applications and those that do not meet the provisions of this notice will be eliminated from competition, and notification of elimination will be mailed to the applicant.**

Applications meeting the provisions of this notice will be scored by a Peer Review Panel against the Criteria for Application Evaluation identified below. Scored applications will be forwarded to the Grants Review Board, which will certify the rankings from the peer review panel, and ensure that the application evaluations are consistent with program objectives. The Grants Review Board will make recommendations to the State Conservationist for final selection and funding decisions. Applicants who have been selected will be notified by mail within ten business days of the final selection. Applicants whose applications have not been selected will be notified within 15 business days of the final selection.

B. Criteria for Application Evaluation

Peer review panels will use the following criteria to evaluate project applications. Each of the four criterions carries an equal weight of 25 percent.

1. Purpose and goals:
    a. The purpose and goals of the project are clearly stated;
    b. The project adheres to the natural resource conservation concerns for FY 2008 stated in this notice; and,
    c. There is clear and significant potential for a positive and measurable outcome.
2. Soundness of approach or design:
    a. The project adheres to the description of innovative projects or activities found in Part I C. of this notice;
    b. Technical design and implementation strategy is based on sound science;
    c. There is a good likelihood of project success;
    d. The project substantively involves EQIP eligible producers; and,
    e. The project promotes environmental enhancement and protection in conjunction with agricultural production.
3. Project management:
    a. The application has clear milestones and timelines, designated staff, and demonstrates collaboration;
    b. The project staff has the technical expertise needed to do the work; and
    c. The budget is reasonable and adequately justified.

4. Transferability:

a. There is great potential to transfer the approach or technology to others and/or to other geographical areas; and,

b. The project will result in the development of technical or related materials (e.g., technical standards, technical notes, manuals, handbooks, software) that will help foster adoption of the innovative technology or approach by other producers, and in other geographic areas.

C. Anticipated Announcement and Award Dates

CIG Awards are anticipated to be announced by June 1, 2008. Funds are not awarded, and work may not start, until an agreement is signed by both NRCS and the grantee. All agreements are expected to be awarded by June 15, 2008.

VI. AWARD INFORMATION AND ADMINISTRATION

A. Award Notification

Applicants who have been selected will receive a letter of official notification from the State Conservationist. The official notice signed by the authorizing official indicates that awardees should contact the NRCS Administrative Contact prior to proceeding with their projects. NRCS must develop a grant agreement (as outlined in VI.B.) with the successful applicant prior to project initiation.

Applicants who are not selected will be notified by official letter.

B. Grant Agreement

The CCC, through NRCS, will use a grant agreement with selected applicants to document participation in the CIG component of EQIP. The grant agreement will include:

- project purpose;
- project objectives and deliverables;
- the final project plan listing cooperators in the project, and identifying the grant applicant and the project manager;
- the project timelines and expected project completion date;
- the project progress and budget reporting requirements;
- award amount and budget information;
- information regarding requests for advance of funds or reimbursement;
- the role of NRCS technical oversight in the project;
- reporting requirements including attendance at CIG grantee biannual meeting;
- changes in project plans; and
- other requirements and terms deemed necessary by the CCC to protect the interests of the United States.

Neither the approval of any application nor the award of any grant agreement commits or obligates the United States to provide further support of a project or any portion thereof or implies any endorsement.

C. Reporting Requirements

Grantees receiving an advance of Federal funds of more than $25,000 are required to submit a SF-272 (Report of Federal Cash Transactions), and when necessary, the continuation sheet, SF-272-A, no later than 15 days following the end of each quarter or 90 days after project completion. These reports are used to monitor cash advanced to recipients and to obtain disbursement and outlay information for each award.

Grantees must submit a Financial Status Report (SF 269) no later than 30 days after the end of each quarter and 90 days after completion of project. The SF-272 and SF-269 are available at: http://www.nrcs.usda.gov/programs/cig/InfoForGrantees.html.

In addition, the grantee must submit a biannual written performance progress report to the NRCS contacts listed in the final grant agreement. This report is distinct from the quarterly financial report described above. Each progress report shall cover work performed during the previous reporting period, including any funded or unfunded time extensions, a comparison of actual accomplishments to project goals, and a statement of work projected to be completed in the next reporting period.

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Program Contact, an Administrative Contact, and a Technical Contact to provide oversight for each project receiving an award.

To satisfy the requirements of EQIP (7 CFR 1466) compliance measures, the grantee is required to submit as a component of the semi-annual progress report:

1. A list of producers, identified by name and social security number, of all EQIP-eligible producers or entities involved in the project.
2. The dollar amount of direct and indirect payment made to each individual producer or entity for any structural, vegetative, or management practices. Both quarterly and cumulative payment amounts must be submitted.
3. A self-certification indicating that each individual or entity receiving a direct or indirect payment through this grant is in compliance with the EQIP Payment Limitation, AGI, HEL, and Wetlands Conservation Compliance Farm Bill provisions.

A progress report template will be provided to grantees by NRCS. This template is also available on the NRCS CIG website at:
http://www.nrcs.usda.gov/programs/cig/InfoForGrantees.html.

NRCS will designate a Program Contact and a Technical Contact for the project. These individuals will have technical oversight responsibility for the project. The grantee must send copies of each progress report to these NRCS contacts, and comply with any requests for information from these individuals. NRCS recommends that the grantee work closely with these subject matter experts throughout the course of the project; however NRCS employees will not provide project management or technical assistance.

Upon passage of the completion date of the project, a final report must be submitted within 90 calendar days detailing project activities, funding received and expended, results, and potential for transferability of results. The final report should address completion of the project deliverables listed in the grant agreement.

VII. AGENCY CONTACTS

For programmatic questions (e.g., natural resource concerns), please contact:
Ronald Herr, Resource Conservationist
Natural Resources Conservation Service
220 East Rosser Avenue, P.O. Box 1458
Bismarck, ND 58502-1458
Phone: (701) 530-2051
E-mail: ronald.herr@nd.usda.gov

For administrative questions (e.g., indirect costs, grant agreements), please contact:
Linda McArthur, Contract Specialist
Natural Resources Conservation Service
220 East Rosser Avenue, P.O. Box 1458
Bismarck, ND 58502-1458
Phone: (701) 530-2010
E-mail: linda.mcarthur@nd.usda.gov

Additional information about CIG, including fact sheets and frequently asked questions (FAQs), is available on the CIG webpage: www.nrcs.usda.gov/programs/cig

Signed in Bismarck, ND, on February 1, 2008.

J.R. FLORES
State Conservationist
North Dakota State Office
Natural Resources Conservation Service

VIII. OTHER INFORMATION

APPLICATIONS MISSING ANY OF THESE REQUIRED ITEMS WILL NOT BE CONSIDERED

ND CIG FISCAL YEAR 2008 APPLICATION PACKAGE CHECKLIST

☐ **1.** **Application Cover Sheet**: Complete Standard Form 424 (SF-424).

☐ **2.** **Project Summary Sheet:** (2 page maximum; template available))

a. Project Title
b. Project Director - name and contact information (including e-mail)
c. Project Collaborators - names and affiliations
d. Project Purpose
e. Project Deliverables/Products
f. Project Scope/Area/Location
g. Project Start and End Dates (Projects should plan to begin no earlier than June 1, 2008 and no later than September 30, 2008)
h. Natural Resource Concern(s) Category to be Addressed
i. Certifications - EQIP Eligibility
j. Estimated Number of EQIP - Eligible Producers Involved in the Project
k. Total Project Cost
l. Total Federal Funds Requested
m. Brief Summary of Project

☐ **3.** **Project Description:** (10 pages maximum, double spaced, 12 point font)

a. Project Background
b. Project Objectives
c. Project Methods
d. Location and Size of Project Area (include a map if possible)
e. Producer Participation
f. Project Action Plan and Timeline
g. Project Management
h. Benefits or Results Expected and Transferability
i. Project Evaluation
j. Environmental Impacts

☐ **4.** **Budget Information: Submit a completed SF-424A, a DETAILED budget narrative, and DOCUMENTATION showing matching funds available.**

☐ **5.** **Declaration of Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Indian Tribe (Special Provisions):** If applicable, include a statement declaring your status as a Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, Indian Tribe, or Community-based Organization representing these entities.

☐ **6.** **Declaration of EQIP Eligibility**: Include a statement indicating that all producers receiving direct or indirect payments will be eligible for EQIP participation.

☐ **7.** **National CIG Competition.**

☐ **8.** **Certifications:** Complete Standard Form 424b (SF-424b).

☐ **9**. **DUNS Number**: For information about how to obtain a DUNS number go to http://www.grants.gov/RequestaDUNS or call 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.

☐ **10** **Required CCR Registration:** Visit www.ccr.gov to register. Allow a minimum of 5 days to complete the CCR registration.