

DEPARTMENT OF AGRICULTURE

AGENCY: Natural Resources Conservation Service, Commodity Credit Corporation

ACTION: NOTICE

Conservation Innovation Grants Fiscal Year (FY) 2011 Greenhouse Gas (GHG) Announcement for Program Funding

Catalog of Federal Domestic Assistance (CFDA) Number: 10.912

SUMMARY: The Natural Resources Conservation Service (NRCS), an agency under the United States Department of Agriculture, is announcing availability of Conservation Innovation Grants (CIG) to stimulate the development, adoption, and evaluation of innovative approaches technologies related to greenhouse gas (GHG) emission reductions and carbon sequestration on agricultural lands. Applications are accepted from all 50 States, Caribbean Area (Puerto Rico and the Virgin Islands), and the Pacific Islands Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands). NRCS anticipates that the amount available for support of this program in FY 2011 will be approximately \$5 million. Applications are requested from eligible governmental or non-governmental organizations or individuals for competitive consideration of grant awards for projects between 1 and 3 years in duration. Funds will be awarded through a competitive grants process.

This notice identifies the objectives for CIG projects, the eligibility criteria for projects, and provides the instructions needed to apply to CIG. Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete applications will be eliminated from competition, and notification of elimination will be mailed to the applicant.

DATES: Applications must be received at the NRCS National Headquarters by 4 p.m. Eastern Standard Time (EST), on **February 11, 2011**.

ADDRESSES: The address for hand-delivered, express mail or overnight courier service for applications is: Department of Agriculture, Natural Resources Conservation Service, Conservation Innovation Grants Program, Room 6227 South Building; 1400 Independence Avenue, SW., Washington, D.C. 20250. The contact phone number for hand-delivered applications (needed to enter the USDA South Building) is: (202) 720-8071.

Applications sent via the United States Postal Service must be sent to the following address: Department of Agriculture, Natural Resources Conservation Service, Conservation Innovation Grants Program, P.O. Box 2890, Room 6227-S, Washington, D.C. 20013-2890.

For more information contact:

Gregorio Cruz
National CIG Program Manager
Department of Agriculture, Natural Resources Conservation Service
P.O. Box 2890, Room 6175-S
Washington, D.C. 20013-2890
Phone: (202) 720-8071
Fax: (202) 720-4839
Email: gregorio.cruz@wdc.usda.gov

SUPPLEMENTARY INFORMATION

I. FUNDING OPPORTUNITY DESCRIPTION

A. Legislative Authority

The Conservation Innovation Grants (CIG) was authorized as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under Section 2509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246). 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 Vice President of the Commodity Credit Corporation (CCC). EQIP is funded and 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 policy, technical manuals, guides, and references or to the private sector. CIG does not fund research projects. Projects intended to formulate hypothesis do not qualify. CIG is to apply proven technology which has been shown to work previously. 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 promotes sharing of skills, knowledge, technologies, and facilities among communities, governments, and other institutions to ensure that scientific and technological developments are accessible to a wider range of users. CIG funds projects targeting innovative on-the-ground conservation, including pilot projects and field demonstrations.

For the purpose of this CIG funding, NRCS seeks to stimulate the application of greenhouse gas benefitting practices on agricultural land. The grantee would secure the participation of agricultural producers, determine baseline values of greenhouse gas emissions and/or carbon sequestration, verify the implementation and maintenance of GHG benefitting practices, and determine GHG benefits (additionality) so that these benefits can be successfully registered in a commonly recognized carbon registry. Beyond this, successful applicants will develop linkages between these registered carbon credits with existing or newly emerging market structures. NRCS intends to make funding available through its regular EQIP program to contract directly with participating producers to incentivize the application of GHG benefitting practices. Such funds may be directed to successful applicant project areas. Therefore, agricultural producers implementing GHG practices in this CIG project must be eligible to receive payment directly from the EQIP and all practices used must be approved practices in the NRCS Field Office Technical Guide (FOTG). A successful grantee would use innovative approaches within the funding they bring to this project to enhance the cost sharing of EQIP to stimulate the application of GHG benefitting practices and identify new practices that NRCS can include in the FOTG as interim practices for use within the regular EQIP component of an awarded project.

NRCS will accept applications for single or multi-year projects, not to exceed 3 years, submitted to NRCS from eligible entities including federally recognized Indian tribes, State and local units of government, and non-governmental organizations and individuals. Applications are accepted

from all 50 States, the Caribbean Area (Puerto Rico and the Virgin Islands), and the Pacific Islands Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands).

Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete applications will be eliminated from competition, and notification of elimination will be mailed to the applicant. Complete applications received by applicable deadlines will be evaluated by a technical peer review panel based on the Criteria for Application Evaluation identified in the application instructions in section VI.B.

Applications with technically-based recommendations from the peer review groups will be forwarded to the Grants Review Board. The Grants Review Board will make recommendations for project approval to the NRCS Chief who will make the final selections.

C. Innovative Conservation Projects or Activities

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

- Conservation adoption approaches or incentive systems, including market-based systems; or
- Promising conservation technologies, practices, systems, procedures, or approaches; and
- Environmental soundness with goals of environmental protection and natural resource enhancement.

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

- Make use of a proven technology or a technology that has been studied sufficiently to indicate a high probability for success;
- Demonstrate and verify environmental (soil, water, air, plants, energy use, and animal) effectiveness, utility, affordability, and usability of conservation technology in the field;
- Adapt conservation technologies, practices, systems, procedures, approaches, and incentive systems to improve performance and encourage adoption;
- Introduce conservation systems, approaches, and procedures from another geographic area or agricultural sector; and
- Adapt conservation technology, management, or incentive systems to improve performance; and
- Demonstrate transferability of knowledge.

D. National Component

For FY 2011, CIG will offer a greenhouse gas (GHG) mitigation systems development funding category.

For the purpose of this GHG funding category, NRCS seeks to stimulate the application of greenhouse gas benefitting practices on agricultural land. The grantee would secure the participation of agricultural producers, identify suitable practices, determine baselines, verify the implementation and maintenance of GHG benefitting practices, and determine GHG benefits so that these benefits could be successfully registered in a commonly recognized greenhouse gas registry. Agricultural producers implementing GHG practices in this CIG project must be eligible to receive payment directly from the EQIP and all practices used must be approved practices in the NRCS Field Office Technical Guide (FOTG). A successful grantee would use innovative approaches within the funding they bring to this project to enhance the cost sharing of

EQIP to stimulate the application of GHG benefitting practices and indentify new practices that NRCS could include as interim practices in the FOTG for use under the regular EQIP component of an awarded project.

II. FUNDING AVAILABILITY

A. National Component

NRCS anticipates that the amount available for support of this program in FY 2011 will be approximately \$5 million.

CIG will fund single and multi-year projects, not to exceed 3 years. Funds will be awarded through a nationwide competitive grants process. The maximum award amount for any project will not exceed \$2 million in FY 2011.

III. ELIGIBILITY INFORMATION

CIG applicants must be a Federally recognized Indian tribe, State or local unit of government, non-governmental organization, or individual.

A. Matching Funds

Selected applicants may receive CIG grants of up to 50 percent of the total project cost. The recipient is required to match the USDA funds awarded on dollar-for-dollar basis from non-Federal sources with cash and in-kind contributions. Of the applicant's required match (50%), a minimum of 25 percent of the total project cost must come from cash sources; the remaining 25 percent may come from in-kind contributions.

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 Farmer or Rancher, 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.

Matching funds must be secured at time of application. Applications should include written verification of commitments of matching support (including both cash and in-kind contributions) from third parties. Additional information about matching funds can be found at the following link: [2 CFR 215](#).

B. Beginning or Limited Farmers or Ranchers or Indian Tribes

For the FY 2011 grant award process, up to 10 percent of the total funds available for CIG may be set-aside for applications from Beginning Farmer or Ranchers, Limited Resource Farmers or Ranchers, or Indian tribes or community-based organizations comprised of or representing these entities. Up to three-fourths of the applicant's required matching funds (up to 37.5 percent of the total project cost) may derive from in-kind contributions. This exception is intended to help Beginning Farmers or Ranchers, Limited Resource Farmers or Ranchers, and Indian tribes meet the statutory requirements for receiving a CIG.

To compete for these set-aside funds, the applicant must make a declaration in the application as described in Part IV.A.2.b.(12) in this notice. Applications that are unsuccessful in the set-aside competition will automatically be placed in the general application pool for consideration. Funds

not used in the set-aside pool will revert back into the general funding pool. Below are definitions of Beginning Farmer or Rancher and Limited Resource Producer. Definitions can also be found at: <http://www.lrftool.sc.egov.usda.gov/>

Beginning Farmer or Rancher - a person or legal entity who:

- Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity who will materially and substantially participate in the operation of the farm or ranch;
- In the case of a contract with an individual, individually, or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch consistent with the practices in the county or State where the farm is located; and
- In the case of a contract with an entity or joint operation, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

Limited Resource Farmer or Rancher -

- A person with direct or indirect gross farm sales not more than \$155,200 in each of the previous 2 years (adjusted for inflation using Prices Paid by Farmer Index as compiled by National Agricultural Statistical Service); and
- Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous 2 years (to be determined annually using Department of Commerce data).

Socially Disadvantaged Farmer or Rancher - Farmers or ranchers who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regards to their individual qualities. Those groups include African Americans, American Indians or Alaska natives, Hispanics, Asians, and native Hawaiians or Pacific Islanders.

C. EQIP Payment Limitation and Duplicate Payments

Section 1240G of the Food Security Act of 1985, 16 U.S.C. 3839aa-7, imposes a \$300,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between fiscal years 2008 and 2012. The limitation applies to CIG in the following manner:

- 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.
- 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 the NRCS CIG program manager in the semi-annual report. Direct or indirect payments cannot be made for a practice for which the producer has already received funds, or is contracted to receive funds through any USDA programs (EQIP, Agricultural Management Assistance, Conservation Security

Program, Conservation Stewardship Program, Wildlife Habitat Incentive Program, etc.) since this would be considered a duplicate payment.

D. Project Eligibility

To be eligible for CIG, projects must involve landowners who meet the EQIP eligibility requirements as set forth in [16 USC 3839aa-1](#). Further, all agricultural producers receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements. Additional information regarding EQIP eligibility requirements can be found at: <http://www.nrcs.usda.gov/programs/eqip/>. Participating producers are not required to have an EQIP contract.

A person or legal entity will not be eligible to receive any benefit during a crop, fiscal, or program year, as appropriate, if the average adjusted gross non-farm income of the person or legal entity exceeds \$1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the person or legal entity is average adjusted gross farm income.

A person who is determined ineligible for USDA program benefits under the Highly Erodible Land Compliance and Wetland Compliance 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).

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

IV. APPLICATION and SUBMISSION INFORMATION

A. PROPOSAL

All Office of Management and Budget standard forms necessary for CIG submission are posted on the following web site: [Grants.gov-Forms](#). An application checklist is available on the CIG Web site: <http://www.nrcs.usda.gov/technical/cig/index.html>.

1. How to Obtain Materials

The announcement for CIG funding opportunity can be found on the following web sites: www.grants.gov and <http://www.nrcs.usda.gov/technical/cig/index.html>.

2. Content and Format

Applications are required to contain the content, format, and information set forth below in order to receive consideration for funding. 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 must submit one original copy of the application in the following format:

- Applications should be typewritten or printed on 8½” x 11” white paper. The text of the application should be in a font no smaller than 12-point, single-spaced, single-sided, with one-inch margins and page numbered.
- Applications that fail to comply with the required content and format will not be considered for funding.

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

- Proposal Cover Sheet:** (Standard Form 424 Application for Federal Assistance) Applicants must use this document as the cover sheet for each project application. Standard Form 424 can be downloaded from [Grants.gov-Forms](http://www.grants.gov-Forms).
- Project Brief Description:** (Three (3) page maximum in length) Applicants must submit a brief description including the information below. An optional template titled Fiscal Year 2011 CIG Proposal Template-GHG is available on the NRCS CIG web site at: <http://www.nrcs.usda.gov/technical/cig/index.html>.
 1. Project title
 2. Project start and end dates
 3. Project director name, and contact information (including email)
 4. Names and affiliations of project collaborators
 5. Project purpose
 6. Project area/location
 7. Project summary
- 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. CIG applicants must obtain a DUNS Number. Information on how to obtain a DUNS number can be found at: <http://www.grants.gov/RequestaDUNS> or by calling 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.
- Central Contractor Registry (CCR) Registration:** The 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 is also 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, go to: <http://www.ccr.gov>. Allow a minimum of 5 days to complete the CCR registration.
- Project Description:** The description must include the following information and is limited to 15 pages in length. Pages in excess of the 15-page limit will be discarded and not evaluated. Bibliography, resumes, and references will be included in the page count for the project page limit.
 1. **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.
 2. **Project objectives:** Be specific using qualitative and quantitative measures, if possible, to describe the project’s purpose and goals. Describe how the project is innovative.
 3. **Project methods:** Describe clearly the methodology of the project and the tools or processes that will be used to implement the project.

4. 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.
5. 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).
6. Project action plan and timeline: Provide a table listing project actions, timeframes, and associated milestones through project completion.
7. 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, including their institutional affiliations and qualifications for conducting project monitoring and evaluation.
8. Project deliverables/products: Provide a list of specific deliverables and products that will allow NRCS to monitor project progress and payment. The proposal shall include a set of technical deliverables designed to evaluate the performance and broader applicability of the greenhouse gas mitigation system being proposed for implementation, including comparative analysis of alternative approaches. Examples of these types of deliverables include:
 - a. Assessments of mitigation costs, transaction costs, and marketing potential of the GHG mitigation efforts;
 - b. Documentation of greenhouse gas estimation methods and comparative analysis of alternative estimation methods;
 - c. Summaries of field measurement and on-site samples;
 - d. Assessment of potential for application to other regions and farm, range and forest operations;
 - e. Evaluation of project verification and certification protocols for ensuring that the project's GHG mitigation benefits meet public or private GHG registry standards;
 - f. Documentation of methods for conducting spot-checks, audits, and project reviews;
 - g. Assessment of the socio-economic aspects of farm, range or forest participation and non-participation in programs that might incentivize such technologies or farming, livestock management and forest management systems; and
 - h. Summaries of participant surveys performed to assess the ease of use and costs associated with administering program activities, reporting, and recordkeeping.
 - i. Evaluations of the GHG effectiveness of any new practices that are identified, included in the FOTG as interim practices and used within the project.

In addition to specific deliverables, applications must include the following activities as deliverables:

- a. Semi-annual reports;
- b. Supplemental narratives to explain and support payment requests;

- c. Final report;
 - d. Performance items specific to the project that indicate progress [A thorough list and explanation of measurable performance items specific to the project will be used in the technical evaluation (refer to “CIG Technical Evaluation Criteria”)];
 - e. New technology and innovative approach fact sheet; and
 - f. Participation in at least one NRCS CIG Showcase or comparable NRCS event during the period of the grant.
9. **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, i.e., agricultural producers by type, region, or sector; rural communities; and municipalities. Explain how these entities will benefit. In addition, describe how results will be communicated to others via outreach activities.
10. **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 progress report, quarterly financial reports, and a final project report to NRCS. Instructions for submitting quarterly reports will be detailed in the grant agreement.
- f. **Assessment of Environmental and Social Impacts:** Describe and assess the anticipated environmental effects of the proposed project. The description of the potential environmental and social impacts must address all potential beneficial and adverse impacts of the proposed action. A full description and assessment of the potential impacts to all environmental resources must be disclosed. One line or short descriptions of environmental impacts are not acceptable. The length of the analysis should be commensurate with the complexity of the project proposed and the environmental resources impacted either directly, indirectly (later in time), or cumulatively. Where possible, information on environmental impacts should be quantified, such as number of acres of wetlands impacted, amount of carbon sequestration estimated, etc. Environmental resources include soil, water, air, plants, and animals, as well as other specific resources protected by law, Executive Order, and agency policy. These resources are outlined in the NRCS Environmental Evaluation Worksheet, form NRCS-CPA-52, which is available at: [NRCS-CPA-52](#). The CPA-52 form can be used as a guide for the scope of environmental information that should be prepared for this section of the application. In addition to describing impacts, applicants are required to assess the significance or degree of potential environmental impact of the proposed project on environmental resources. Applicants may consult with the NRCS Environmental Liaison concerning the scope of what should be addressed in this section of the application. A list of the Environmental Liaisons can be found on the following web site: [Environmental Liaison](#)
- Note: Please be aware that applications for projects with potentially adverse impacts may need to be modified in order to achieve acceptable and beneficial levels of environmental impact. If projects cannot be modified, then there is a potential during the screening process that the application may not be selected.*
- g. **Budget Information:** Standard Form (SF) 424A Budget Information Non-Construction Programs) Applicants must prepare this document to identify budget

needs. The SF-424A is available at: [Grants.gov-Forms](https://www.grants.gov/forms) or can be obtained from a NRCS State office. For standard grant applications, a budget form is required for each year of requested support. In addition, a cumulative budget is required detailing the requested total support for each year and for the overall project period. The budget form may be reproduced as needed by applicants. Funds may be requested under any of the categories listed on the form, provided that the item or service for which support is requested is allowable under the authorizing legislation, the applicable statutes, regulations, Federal cost principles, and NRCS program guidelines and can be justified, as necessary, for the successful conduct of the proposed project. Applicants must also include a budget narrative to justify their budget requests (see “h” below). If claiming indirect costs, the applicant must provide an indirect cost rate agreement or indirect cost rate proposal as justification for the rate of indirect costs being claimed. Indirect costs are based on total Federal funds awarded and cannot exceed 15 percent.

- h. **Budget Narrative (maximum 9 pages):** In addition to the SF-424A, all applicants must provide a detailed narrative in support of the budget for the project, broken down by each project year. All budget categories for which support is requested must be individually listed (with costs) in the same order as the budget (SF-424A) and justified on a separate sheet of paper and placed immediately behind the Budget Form (SF-424A). Discuss how the budget specifically supports the proposed activities. Explain how budget items such as personnel, travel, equipment, etc. are essential to achieving project objectives. List all position titles and salaries, description of fringe, travel, supplies, list equipment and cost and list other cost items. Justify the project cost effectiveness and include justification for personnel and consultant salaries such as resumes and description of duties. In addition to the information above, the subcontractors and consultants must also submit a statement of work. A budget narrative is also required for the matching portion.
- i. **Matching:** Applications must include written verification of commitments of matching support (including both cash and in-kind contributions) from third, non-federal parties.

Cash Match

For any third party cash contributions, a separate pledge agreement is required for each donation, signed by the authorized organizational representative of the donor organization and the applicant organization, which must include: (1) the name, address, and telephone number of the donor, (2) the name of the applicant organization, (3) the title of the project for which the donation is made, (4) the dollar amount of the cash donation, and (5) a statement that the donor will pay the cash contribution during the grant period.

In-Kind Match

"In-kind" refers to non-cash contributions of goods or services made by third party individuals or organizations to support projects. Examples of in-kind include work done by unpaid volunteers and donations of supplies, facilities, or equipment. In-kind contributions must be necessary to accomplish program activities and are verifiable.

For any third party in-kind contributions, a separate pledge agreement is required for each contribution, signed by the authorized organizational representatives of the donor organization and the applicant organization, which must include: (1) the name,

address, and telephone number of the donor, (2) the name of the applicant's organization, (3) the title of the project for which the donation is made, (4) a good faith estimate of the current fair market value of the third party in-kind contribution, and (5) a statement that the donor will make the contribution during the grant period.

The sources and amounts of all matching support from outside the applicant institution must be summarized on a separate page and placed in the application immediately following the summary of matching support (matching support means a budget narrative broken down by year).

The value of applicant contributions to the project will be established in accordance with the applicable cost principles. Applicants should refer to OMB Circulars, Cost Principles that apply to their entity for additional guidance, and other requirements relating to matching and allowable costs.

- j. **Declaration of Previous CIG Projects Involvement:** Identify any previously awarded CIG projects involvement related to this proposal and any of its principal investigators. Detail the purpose, outcomes to date, and how this new proposal relates to the previous award.
- k. **Declaration of Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Indian Tribe:** If an applicant wishes to compete in the 10 percent set-aside funding pool, applicants must make a declaration in writing of their status as a Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Indian tribe or a community-based organization comprised of or representing these entities. This declaration is also required in order to be eligible for the in-kind contribution exception. (Refer to Part III B that describes the provision of a set-aside pool of funding for Beginning or Limited Farmers or Ranchers and Indian tribes.)
- l. **Declaration of EQIP Eligibility:** Applicants must include a statement indicating that the proposed project will involve EQIP eligible producers. Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP (if EQIP eligible producers are not involved, the proposal will be considered ineligible). The declaration must describe and certify the level of involvement by EQIP eligible producers.
- m. **Certifications:** (Standard Form (SF) 424B - Assurances, Non-construction Programs). All applications must include this document. The SF-424B may be found at: [Grants.gov-Forms](https://www.grants.gov/forms) or by contacting the State office. Applicants, by signing and submitting an application, assure and certify that they are in compliance with the following from 7 CFR:
 - a. Part 3017, [Government wide Debarment and Suspension \(Non-procurement\)](#)
 - b. Part 3018, [New Restrictions on Lobbying](#)
 - c. Part 3021, [Government wide Requirements for Drug Free Workplace \(Financial Assistance\)](#)

3. How to Submit an Application

Applicants may submit applications electronically through Grants.gov or to the e-mail address listed below. Applications submitted through Grants.gov or e-mail must contain all of the elements of a complete package and meet the requirements described above. Instructions for electronically submitting the required standard forms, and instructions for adding attachments 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

of **February 11, 2011**. E-mailed applications must be received by NRCS before the submission deadline.

Note: NRCS is not responsible for any technical malfunctions or web site problems related to Grants.gov or emailed submissions. Applicants should begin the Grants.gov process or send their email in advance of the submission deadline to avoid problems.

E-mail address: NRCSFY2011CIG@wdc.usda.gov

The address for submitting hand-delivered, express mail or overnight courier service applications is:

Department of Agriculture, Natural Resources Conservation Service
Conservation Innovation Grants Program
1400 Independence Ave, SW
Room 6227 South Building
Washington, D.C. 20250

The contact phone number for hand-delivered applications (needed to enter the USDA South Building) is: (202) 720-8071.

The address for applications sent via the United States Postal Service is:

Department of Agriculture, Natural Resources Conservation Service
Conservation Innovation Grants Program
Post Office Box 2890, Room 6227-S
Washington, D.C. 20013-2890

Note: Applicants must submit one signed original copy of each project application. Applications submitted by fax will not be considered.

4. Due Date

Applications must be received in Room 6227 South Building at the NRCS National Headquarters by 4:00 p.m. EST on **February 11, 2011**. 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 ensure timely receipt by NRCS.

5. Acknowledgement of Submission

Applications received by the due date will be acknowledged with an official letter. Applicants who have not received an acknowledgement within 30 days of the submission must contact the NRCS program contact below. Failure to do so may result in the application not being considered for funding.

CIG Program Contact:

Gregorio Cruz
National CIG Program Manager
1400 Independence Ave, SW
Room 6175 South Building
Washington, D.C. 20250
Phone: (202) 720-8071

Fax: (202) 720-4839
Email: gregorio.cruz@wdc.usda.gov

6. Withdrawal

Applications may be withdrawn by written notice at any time before selections are made. Applications may be withdrawn 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.

7. Funding Restrictions

Awardees may not use unrecovered 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.

8. Review

Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete applications will be eliminated from competition, and notification of elimination will be mailed to the applicant. Complete applications will be evaluated by a technical peer review panel based on the Criteria for Application Evaluation identified in the application instructions in section VI.B.

Applications with technically-based recommendations from the peer review groups will be forwarded to the Grants Review Board. The Grants Review Board will make recommendations for project approval to the NRCS Chief who will make the final selections.

9. 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.

10. Environmental Review Requirements

The Council on Environmental Quality's National Environmental Policy Act (NEPA) regulations at 40 CFR parts 1500-1508 and the NRCS regulation that implements NEPA at 7 CFR part 650 require that an environmental review be prepared for actions where the agency has discretion and control. Accordingly, NRCS financial assistance under the CIG program requires compliance with these regulations. As part of the application packet, applicants are required to provide environmental information pertaining to their project to help NRCS determine the appropriate documentation required to comply with NEPA and NRCS regulations. If the application is selected for funding, the NRCS Program Contact and NRCS Environmental Liaison will coordinate with the selected applicant concerning documentation for compliance with NEPA. The selected applicant will be required to prepare and pay for the preparation of the appropriate NEPA document (e.g., Environmental Assessment or Environmental Impact Statement if required for NEPA compliance). Grant funding cannot be approved until the environmental review requirements demonstrating compliance with NEPA are met.

V. APPLICATION REVIEW INFORMATION

A. Review and Selection Process

There are three steps in evaluating CIG proposals. Proposals will be reviewed by a Technical Peer Review Panel. The Technical Peer Review Panel consists of NRCS national technical specialists, and technical specialists from other appropriately related Federal agencies, and non-Federal agencies. Applications will be reviewed based on the CIG Technical Evaluation Criteria listed in Part VI.B below.

The Technical Peer Review Panel will forward their recommendations and the proposals to a Grants Review Board, which will certify the peer review panels' recommendations and ensure that the application evaluations are consistent with program objectives. The CIG Grants Review Board consists of five members of NRCS leadership, specifically the Deputy Chief for Soil Survey and Resource Assessment, the Deputy Chief for Science and Technology, the Deputy Chief for Financial Assistance and Community Development, one Regional Conservationist, and one State Conservationist. The Grants Review Board is chaired by the Deputy Chief for Science and Technology.

The Grants Review Board will forward recommendations to the NRCS Chief for final review and selection.

B. Criteria for Application Evaluation

Peer review panels will use the following criteria to evaluate project proposals:

Purpose, Approach, and Goals

- Design and implementation of project based on sound methodology and demonstrated technology.
- Promotes environmental enhancement and protection in conjunction with agricultural production.

- Project outcome is clearly measurable.
- Potential for successful completion.
- Both beneficial and adverse impacts are considered and an acceptably significant level of improvement will be achieved.

Innovative Technology or Approach

- Project is innovative (national, regionally, and local in nature).
- Project conforms to description of innovative projects or activities in proposal request announcement.

Project Management

- Timeline and milestones are clear and reasonable.
- Project staff has technical expertise needed.
- Budget is adequately explained and justified.
- Experience and capacity to partner with and gain the support of other organizations, institutions and agencies.

Transferability

- Potential for producers and landowners to use the innovative technology or technologies.
- Potential to transfer the approach or technology nationally or to a broader audience or other geographic or socio-economic areas, including limited resource, socially disadvantaged and other traditionally underserved producers and communities.
- Potential for NRCS to successfully use the innovative approach or methods.
- Project will result in the development of technical or related technology transfer materials (technical standards, technical notes, guide sheets, handbooks, software, etc.).

In addition, greenhouse gases projects will be prioritized according to these criteria:

- A significant GHG benefit relative to project cost.
- Scalability for multiplying benefits well beyond the individual project deliverables.
- Significant potential for widespread adoption across regions and to the nation.
- Permanence of the GHG-benefitting practices (longevity, and risk aversion).
- Demonstration of viable and proven GHG estimation techniques for measurement and monitoring, such as modeling approaches (COMET-VR, COLE, etc.), and/or actual field verification/sampling techniques.
- Ability to link estimated entity- and aggregate-level GHG benefits with greenhouse gas registries—via either developing new registries, or utilizing established ones, such as the Climate Action Reserve (CAR), the Voluntary Climate Standard (VCS), the American Carbon Registry (ACR), or the Chicago Climate Exchange (CCX).
- Linkages between registered carbon credits for these projects with existing or newly emerging market structures.

C. **Anticipated Announcement and Award Dates**

CIG awards are anticipated to be announced by **April 29, 2011**; all agreements are expected to be awarded by **July 29, 2011**. Funds are not awarded, and work may not start until an agreement is signed by both NRCS and the grantee.

VI. AWARD ADMINISTRATION INFORMATION

A. Award Notification

Applicants who have been selected for funding will receive a letter of official notification from National Headquarters. However, all selections are contingent upon successful completion of the environmental review process and financial review.

NRCS reserves the right to have grant award(s) administered by a third party. In the event that a third party administers the grant award(s), the applicant/recipient will be notified in writing.

B. Environmental Review Requirements

Upon notification of selection, the applicant must contact the NRCS Environmental Liaison concerning what documentation will need to be prepared for compliance with NEPA and NRCS regulations in order to determine the scope and level of NEPA documentation required for the project. The environmental documentation prepared to meet NEPA requirements must be prepared prior to award of grant funds.

Selected applicants may be required to prepare and pay for the preparation of the appropriate NEPA document if an Environmental Assessment or Environmental Impact Statement is needed. Grant funds cannot be awarded until the environmental review requirements demonstrating compliance with NEPA are met. A list of the NRCS Environmental Liaisons can be found at the following Web address: [Environmental Liaison](#).

C. Grant Agreement

The Commodity Credit Corporation, through NRCS, will use a grant agreement with selected applicants to document participation in the CIG component of EQIP. The official notice will also indicate the need to work with the administrative contact to develop an agreement prior to starting work on the project. The grant agreement will include:

1. Project purpose
2. Project objectives
3. Project deliverables
4. Final project plan listing cooperators in the project and identifying the grant applicant and project manager
5. Project timelines and expected project completion date
6. Project progress and budget reporting requirements
7. Award amount and budget information
8. Information regarding requests for advance of funds or reimbursement
9. Role of NRCS technical oversight in the project
10. Reporting requirements including attendance at NRCS CIG showcase or comparable NRCS event during the period of the grant
11. Changes in project plans
12. Other requirements and terms deemed necessary by the CCC to protect the interests of the United States

VII. AGENCY CONTACTS

CIG Program Contact:

Gregorio Cruz
National CIG Program Manager
1400 Independence Ave, SW.
Room 6227 South Building
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Phone: (202) 720-8071
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CIG Administrative Contact:

Dan Lukash
Grants and Agreement Specialist
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E-mail: daniel.lukash@wdc.usda.gov

Additional information about CIG, including fact sheets and frequently asked questions, is available on the CIG web page at: <http://www.nrcs.usda.gov/technical/cig/index.html>.

Signed this _____ day of _____ in Washington, D.C.

Dave White
Vice President, Commodity Credit Corporation and
Chief, Natural Resources Conservation Service

Attachments

VIII. OTHER INFORMATION

Important: Applications Missing Any of These Required Items Will Not Be Considered

CONSERVATION INNOVATION GRANTS FISCAL YEAR 2011 PROPOSAL PACKAGE CHECK LIST

- 1. Proposal Cover Sheet:** Submit Standard Form 424 Application for Federal Assistance
- 2. Project Brief Description:** Submit a brief description including the information below (Three (3) pages maximum in length). An optional template titled Fiscal Year 2011 CIG GHG Template is available on the NRCS CIG Web site at: <http://www.nrcs.usda.gov/technical/cig/index.html>.
 - a. Project title
 - b. Project start and end dates
 - c. Project director name, and contact information (including e-mail)
 - d. Names and affiliations of project collaborators
 - e. Project purpose
 - f. Project area/location
 - g. Project summary
- 4. Budget Information** (One (1) page maximum in length).
- 5. 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.
- 6. Central Contractor Registry (CCR):** To register, visit <http://www.ccr.gov>. Allow a minimum of 5 days to complete the CCR registration.
- 7. Project Description:** (15 pages maximum, single-spaced, single-sided, 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. Project deliverables/products
 - i. Benefits or results expected and transferability
 - j. Project evaluation
- 8. Assessment of Environmental and Social Impacts**
- 9. Budget Information:** Submit a completed Standard Form 424A (SF-424A) Budget Information-Non-Construction Programs.
- 10. Budget Narrative:** Submit a detailed budget narrative (maximum of 9 pages).
- 11. Matching Information.**
- 12. Declaration of Previous CIG Projects Involvement.**

- 13. Declaration of Beginning Farmer or Rancher, Limited 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, or Indian tribe, or community-based organization representing these entities.
- 14. Declaration Environmental Quality Incentives Program (EQIP) Eligibility:** Include a statement indicating that the proposed project will involve EQIP-eligible producers. Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP. (If EQIP eligible producers are not involved, the proposal will be considered ineligible.)
- 15. Certifications:** Complete Standard Form 424B (SF-424B) Assurances-Non-Construction Programs.

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