



**United States
Department of
Agriculture**

Farm Production
And Conservation
(FPAC)

Farm Service
Agency (FSA)

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DATE: February 4, 2022

TO: Danielle Jones
OMB Desk Officer

THROUGH: Levi Harrell
USDA Department Clearance Officer

FROM: Katina Dove Hanson
Acting Senior Advisor for Climate-Smart Commodities

SUBJECT: Request for Emergency Approval for a New Information Collection
Package— Partnerships for Climate-Smart Commodities

This request is for OMB review and emergency approval of a collection of information necessary to implement the Partnerships for Climate-Smart Commodities. This grant activity is essential to the mission of USDA in order to award the grantees to provide the support to the projects, and we could not comply with normal clearance under the Paperwork Reduction Act. USDA has directed the Farm Production and Conservation (FPAC) mission area and the Natural Resources Conservation Service (NRCS) to implement Partnerships for Climate-Smart Commodities to support the production and marketing of climate-smart commodities through a set of pilot projects that provide voluntary incentives through partners to producers and landowners, including early adopters, to implement climate-smart conservation practices, activities, and systems on working lands; measure and quantify, monitor and verify the carbon and greenhouse gas (GHG) benefits associated with those practices; and develop markets and promote the resulting climate-smart commodities.

The funding announcement will be posted on grants.gov to provide guidance and notify applicants of the grant opportunity. Approximately 500 applicants are expected to apply for the grant and approximately 50 awards are expected to be made.

NRCS needs to collect the following types of information from applicants as described below, in addition to the standard SF forms used for grants, for which an RCF was submitted in ROCIS, and the progress reporting, for which a 60-day notice is being published soon after the funding announcement is posted on grants.gov (to cover reporting that will begin 3 months after award and will go through the normal PRA process):

- Project Narrative;
- Proposals;
- Support Letters; and
- Resumes.

Project Narrative

Each page must be numbered and have one-inch margins. The text of the project narrative must be single spaced and typed in a standard typeface (for example, Times New Roman, Arial, Courier) with no smaller than 12-point font. The project narrative must not exceed 15 pages. This page limitation applies to the project narrative only. Other application materials, such as budget details/narratives, resumes of staff, and support letters are not counted against this 15-page limit.

Proposals in the first funding pool (requesting from \$5 million to \$100 million) must include all of the following:

- i. Executive Summary of Pilot Project, which includes at minimum a high-level description of the project, the issues it is seeking to address and how the project will contribute to the goals in this funding opportunity, including:
 - A. Contact information;
 - B. List of project partners;
 - C. List of underserved or minority-focused project partners;
 - D. Compelling need for the project;
 - E. Approach to minimize transaction costs associated with project activities;
 - F. Approach to reduce producer barriers to implementing Climate-Smart Agriculture and Forestry (CSAF) practices for the purpose of marketing climate-smart commodities;
 - G. Geographic focus; and
 - H. Project management capacity of partners, including a description of existing relationship with or prior experience working with producers or landowners, promoting climate-smart activities and marketing climate-smart commodities.
- ii. A plan to pilot climate-smart agriculture or forestry practices on a large scale, including:
 - A. A description of CSAF practices to be deployed;
 - B. Plan to recruit producers and landowners, including estimated scale of the project (for example, number of landowners, acres targeted, head of livestock, etc.);
 - C. Plan to provide technical assistance, outreach, and training, including who will be conducting these activities, qualifications, and projected timeline;
 - D. Plan to provide financial assistance for producers or landowners to implement CSAF practices; and
 - E. Plan to enroll underserved and small producers, including estimated number of underserved and small producers participating and associated dollar amounts anticipated to go directly to producers, in the form of technical and financial assistance.

NOTE: Under the first funding pool, projects may include digesters as part of a broader project working with producers to implement climate-smart practices, but the planning for, materials for, and construction of digester(s) will not be funded through this funding opportunity under this funding pool. Applications NOT requesting funding for digesters as part of the project are not required to complete Appendix D and Appendix E. (Appendix D is Additional Application Requirements for Anaerobic Digester Projects. Appendix E is Digester Feasibility Study Components.)

- iii. A measurement or quantification, monitoring, reporting, and verification plan, including:
 - A. Approach to GHG benefit quantification, including methodology approach consistent with the section titled “Quantification Requirements” below;
 - B. Approach to monitoring of practice implementation, including the anticipated number of farms and acres reached through project activities;
 - C. Approach to reporting and tracking of GHG benefits including the anticipated GHG benefits per farm, per project, per commodity produced, per dollar expended, and the anticipated longevity of GHG benefits;
 - D. Approach to verification of GHG benefits; and
 - E. Agreement to participate in the Partnerships Network (see entry below in “Considerations for Successful Projects”).

NOTE: Applicants must describe how they will track GHG benefits through the supply chain. This funding opportunity is focused on projects that generate climate-smart commodities, and not on projects that focus on generating carbon offsets. Projects may investigate systems that track GHG benefits associated with both climate-smart commodities and carbon offsets. Applicants may consider approaches where the climate-smart activities could generate carbon offsets; however, applicants should ensure there is not double-counting of climate benefits entering commodity supply chains and the benefits being used to generate carbon offsets. Applicants must define how GHG benefit ownership will be transferred through different parts of the supply chain; and double counting will be avoided. Applicants will also have to attest that producers will not be involved in multiple USDA programs that fund the same practice on the same land. Federal funds under this funding opportunity may not be used to pay for implementation of the same practice on the same land, but funding may be used to enhance a practice or to further incentivize the climate-smart commodity generated, especially with respect to early adopters.

- iv. A plan to develop and expand markets for climate-smart commodities generated as a result of project activities, including:
 - A. Any partnerships designed to market resulting climate-smart commodities;
 - B. A plan to track climate-smart commodities through the supply chain, if appropriate;

- C. Estimated economic benefits for participating producers including market returns; and
- D. Post-project potential, including anticipated ability to scale project activities, likelihood of long-term viability beyond project period, and ability to inform future USDA actions to encourage climate-smart commodities.

Proposals in the second funding pool (requesting from \$250,000 to \$4,999,999) are limited to particularly innovative pilot projects with a focus on:

- Enrollment of small or underserved producers; or
- Monitoring, reporting, and verification activities at minority serving institutions.

Proposals in the second funding pool are also encouraged to include plans for all of the elements listed above for the first funding pool. However, USDA recognizes that projects of this size may face limitations in the capacity to execute on all elements and will take these limitations into account during project evaluation.

NOTE: Under the second funding pool, digesters may be funded as a part of a project to help fund proving out technologies and building infrastructure on farm. Large digesters with high capital costs should plan to leverage other innovative financing as part of their applications. Small-scale digesters that can build off manure management strategies (for example, covered lagoons that can be converted) and community digesters where one system serves multiple farms may be included. Funding for the digester(s) when combined with other sources may not exceed the cost of the digester(s). Applications requesting funding for digesters as part of the project MUST complete Appendix D and Appendix E, which include additional requirements and a feasibility study to be conducted by an outside consultant. All projects that incorporate digesters must include provisions for pollution and pathogen mitigation.

Considerations for Successful Projects

All projects must be tied to the development of markets and promotion of climate-smart commodities. Markets for climate-smart commodities may include companies or processors sourcing climate-smart commodities to meet internal targets or other supply chain goals, biofuel and renewable energy markets, companies seeking to sell branded consumer products, or other opportunities that could provide a premium or additional revenue for participating producers.

Sufficient incentives to encourage producer participation, as well as, generation of verifiable GHG reductions and carbon sequestration are critical to project success and will be considered in the evaluation criteria.

Requirements for (1) quantification, and (2) monitoring and verification of GHG benefits through Partnership projects are outlined below:

(1) Quantification Requirements

USDA encourages deployment of innovative, cost-effective methods for the quantification of GHG and carbon sequestration benefits in these pilots. Alongside such

innovative approaches, the Carbon Management Evaluation Tool (COMET) should be used where applicable. COMET is an USDA online management system that provides landowners and conservation planners with an easy-to-use, web-based tool to evaluate potential carbon sequestration and GHG reductions from adopting conservation practices. The methodologies used in the suite of COMET tools are documented in USDA's entity-scale methods, "Quantifying Greenhouse Gas Fluxes in Agriculture and Forestry: Methods for Entity-Scale Inventory" ("Entity Scale Methods"), and are based on peer-reviewed science. At present, USDA uses COMET-Planner to quantify the GHG and carbon sequestration benefits for a number of climate-smart agriculture and forestry practices. To help ensure comparability of project results, funded projects also should use COMET-Planner, where applicable, to determine common estimates of the GHG impacts of activities. Projects are encouraged to use USDA's Entity Scale Methods when GHG benefit estimates are not available in COMET-Planner. Applicants are also encouraged to use innovative quantification methodologies in addition to those mentioned above or for situations. The outcomes of the alternative methods should be compared against the Entity-Scale Methods or COMET-Planner, as appropriate. Alternate methodologies should be documented transparently, be based in peer-reviewed literature whenever possible, be replicable by third parties, and be available for other projects to implement.

(2) Monitoring and Verification Requirements

USDA is not prescribing monitoring and verification methodologies, and is seeking proposals that include innovative, rigorous and cost-effective approaches. Innovation in approaches to monitoring and verification will help to facilitate the deployment of climate smart agriculture and forestry at scale and provide information critical to adapting quantification models in the future. Proposed monitoring and verification approaches should ensure the integrity of the GHG benefits and resulting climate-smart commodities, while also ensuring that transaction costs are not a barrier to participation.

Additional requirements for quantification, monitoring and verification may be provided at the time of award.

Partnerships Network

A representative from each awarded project must be designated as a member of the "USDA Partnerships for Climate-Smart Commodities Learning Network" (Partnerships Network). Participation involves up to two virtual meetings and two in-person meetings a year during the project duration, subject to change. The Partnerships Network will be co-chaired by the Office of the Chief Economist and FPAC. The Partnerships Network will inform synthesis reports to be assembled by USDA on a range of topics related to the implementation of Partnerships for Climate-Smart Commodities projects, including:

- Lessons-learned as projects are implemented;
- Options for providing technical assistance;
- Procedures for measurement or quantification, monitoring, reporting, and verifying GHG benefits;
- Options for tracing climate-smart commodities through the supply chain;
- Mechanisms for reducing costs of implementation;

- A forum for discussion and learning regarding approaches to CSAF program implementation (including but not limited to deployment; measurement or quantification, monitoring, reporting, tracking, and verification of associated GHG benefits and marketing of climate-smart commodities);
- Synthesis of outcomes and successes; and
- Opportunities for USDA and others to inform future approaches to generating new and expanded markets for climate-smart commodities.

If proposals include information collection from non-Federal sources, they must ensure the collection meets the requirements of the Paperwork Reduction Act. Surveys of individuals or entities are generally prohibited without prior approval from the Office of Management and Budget. For additional guidance about allowable and unallowable activities, please visit the following website: <https://pra.digital.gov/do-i-need-clearance/>.

The following documents do not count toward the above-stated page limit.

Support Letters – The applicant organization must provide letters of support from all project partners identified in the project narrative. Additional letters of support from organizations or individuals not directly involved in the project, which demonstrate past success of the applicant’s activities may also be provided.

A resume for the lead project administrator is also required.

We are requesting emergency approval of a new information collection package as soon as possible in order to quickly announce the grant funding.

If there are any questions or concerns, please call Deirdre Holder at 202-205-5851 or Mary Ann Ball at 202-720-4283.