Nature Smart Climate Solutions Fund

Place-based Actions Applicant Guide





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Summary of Key Information

Overview

- There are three funding streams (Place-based actions steam, the Sector policy stream and the Reverse auction pilot stream) under the Nature Smart Climate Solutions Fund (NSCSF). This applicant guide provides information for projects submitted under the Place-based Actions stream only.
- Organizations are welcome to apply to multiple funding streams, but must fill out separate applications specific to the different stream(s).
- Applicants may apply as individual organizations or a collaborative groups. Organizations may
 participate in more than one application to the Place-based Actions funding stream. Please note
 that all applications must have a designated principal applicant to whom any future
 correspondence is directed and who has authority to sign a contribution agreement on behalf of a
 collaborative group.
- Under the Nature Smart Climate Solutions Fund, individual organizations, including their subsidiaries, may not receive more than \$25 million per fiscal year across all streams, this includes the Place-based actions steam, the Sector-based policy stream, the Reverse auction pilot stream, and the Indigenous partners' stream. The minimum funding request is \$250,000 per project.
- You can only receive funding from one federal funding program for each proposed activity. Any
 application submitted to other Environment and Climate Change Canada funding programs (for
 example, AFSAR, EcoAction, etc.) must be for activities that are different from those submitted in
 the NSCSF application. Organizations should review information from other Environment and
 Climate Change Canada funding programs to determine which program is the best fit.
- Information sessions for each project stream will be offered on December 7 and 8, 2021 to interested organizations. See below for the links to each call.

For guidance about the application questions, please see page 13.

Deadlines

The open call for applications under the Place-based Actions stream will close on **January 25**, **3 pm PST**.

Project Timelines, Budgets, and Match funding requirements

- Projects proposed under the Place-based Actions stream may be two to five years in duration.
- Minimum total funding request is \$250,000 per project.
- For non-Indigenous applicants, a minimum of 1:1 matching contributions (from non-federal sources) is sought (\$1 confirmed match for \$1 NSCSF funding) and for Indigenous applicants, a minimum of 0.20:1 matching contributions (from non-federal sources) amount is sought (\$0.20 match for each \$1 of NSCSF funding). Preference will be given to projects that match or exceed those contribution levels. Both cash and in-kind contributions are eligible.

Eligible Project Types

Over the next ten year, NSCSF activities will contribute to reducing increasing amounts of greenhouse gas emissions, reaching 2-4 megatonnes (MT) of carbon dioxide (CO2) annually by 2030 and continuing until 2050, as ecosystems will continue to sequester carbon for many years after the initial investment ends.

Eligible projects will reduce greenhouse gas (GHG) emissions or increase carbon sequestration, as well as have benefits for biodiversity by:

- **Conserving and securing** grasslands, forest lands, and wetlands with significant stored carbon and biodiversity values that are at high risk of conversion with legal tools that protect the carbon;
- **Restoring** grassland and wetland habitat for species, including freshwater wetlands, peatlands and coastal wetlands or salt marshes, and shrub or treed riparian areas; and,
- Enhancing land management activities on grasslands, forest lands or wetlands with significant benefits for species at risk or migratory birds.

Term	Definition
Securement	To define a clear area where conservation values are temporarily or permanently maintained through a variety of legally or non-legally binding mechanisms, including: acquisition of lands or development rights (e.g., mineral exploration); designation of crown land; encumbrances; or conservation agreements.
Restoration	A management action involving the creation of new habitat by creating (or re-creating) key structural and functional ecological components (including abiotic, functions and processes) to replace habitat that was missing or in such a poor condition that it was considered unsuitable. Restored areas differ from improved areas based on the initial state of the habitat (adapted from IUCN).
Enhanced Management	Management actions that enhance or improve habitat quality through addition of beneficial attributes, removal of undesirable attributes, or mitigation of stresses to ecosystem targets. These actions do not result in the creation of new habitat, but rather retain or increase the carrying capacity for target wildlife and ecosystem functions (including carbon sequestration). These actions may be repeated over subsequent years. While actions may occur on the same piece of habitat over several years, the number of hectares would only be counted once (adapted from IUCN).

When considering whether your project will be competitive, note that all Place-based Actions stream projects will be judged on their benefits for greenhouse gas emissions reductions e.g., tonnes of carbon per hectare protected or increased carbon sequestration per hectare, the cost per tonne of carbon and per hectare of land and biodiversity benefits (e.g. habitat for species at risk and migratory birds). Applicants should be able to describe how the GHG benefits of the activities will be maintained until 2050 or beyond.

Offsets

To be eligible for funding, applicants will be required to indicate that they understand that, at this time, emission reductions achieved via the proposed project cannot be sold as offsets.

Reporting

To be eligible for funding, applicants will be required to commit to providing the project data required to enable ECCC to quantify the net emission reductions from the activities and integrate the project information into the National Inventory Report.

What is the Nature Smart Climate Solutions Fund?

Climate change and the loss of biodiversity are connected and natural climate solutions are required to tackle these crises. Canada is committed to natural climate solutions to build resilience and help Canada meet its 2030 and 2050 climate change objectives.

To address climate change and biodiversity loss, the Government of Canada is established the Natural Climate Solutions Fund which will invest \$4 billion from 2021-2031:

- 2 Billion Trees Program led by Natural Resources Canada (\$3.19 billion)
- Nature Smart Climate Solutions led by Environment and Climate Change Canada (\$631 million)
- Agricultural Climate Solutions led by Agriculture and Agri-Food Canada (\$185 million)

The Nature Smart Climate Solutions Fund (NSCSF), managed by ECCC, will support partner-led projects that result in the reduction of greenhouse gases and increased carbon sequestration through the restoration of degraded grassland and wetland ecosystems; the conservation of carbon and biodiversity-rich ecosystems at high risk of conversion to other uses that would release their stored carbon and the implementation of enhanced land management practices that reduce GHG emissions or increase carbon sequestration in ecosystems and support biodiversity values.

The goal of the NSCSF is to reduce greenhouse gas emissions by 2-4 MT annually, such that Canada's GHG emissions will fall 40-45% below 2005 levels by 2030 and net zero emissions will be achieved by 2050.

The fall 2021 application-based process is targeted to three project streams under the NSCSF: **Place-based actions** to advance place based projects, **Sector-based policy** to advance policy based projects, and for delivering a **Reverse auction pilot** stream. Any organization meeting the eligibility criteria with relevant projects are encouraged to apply.

Note that the information provided in this Guide is applicable to the 2021 Call for Proposals for the Place-based Actions funding stream only.

What Is The Purpose Of This Guide?

This guide includes general NSCSF program information, specific information on how to complete an application for NSCSF funding, and guidance on how to apply using the online Grants and Contribution Enterprise Management System (GCEMS).

For guidance about the application guestions, please see page 13.

In addition to this Guide, information sessions for each project stream will be offered on December 7 and 8, 2021 to interested organizations.

December 7, 2021

NSCSF Information Session - English

https://canada.webex.com/canada/j.php?MTID=m3732a2ab23fdb3b64695043efbaf5f30

Tuesday, December 7, 2021 1:00 pm EST

Event number: 2335 535 3205

Event password: tKxView5\$23 (85984395 from phones)

Join by phone

+1-343-602-2007 Ottawa-Hull +1-647-418-2019 Toronto Access code: 233 553 53205

December 8, 2021

Session d'information FSCAN

https://canada.webex.com/canada/j.php?MTID=m3efd40f623988b3da576da726301adad

Wednesday, December 8, 2021 1:00 pm EST

Event number: 2341 177 1803

Event password: Q9QsBhNF*34 (79772463 from phones)

Join by phone

+1-343-602-2007 Ottawa-Hull

+1-647-418-2019 Toronto

Access code: 234 117 71803

About the Nature Smart Climate Solutions Fund

The objectives of the NSCSF are to:

- 1. **Optimize** the capacity of ecosystems to sequester and store carbon by restoring wetlands, including freshwater wetlands, peatlands and coastal wetlands or salt marshes, and shrub or treed riparian areas, grasslands; and, by implementing enhanced land management practices in forests, wetlands and grasslands.
- 2. **Prevent** the release of greenhouse gas emissions by conserving high carbon-sequestering or storing ecosystems wetlands, grasslands, peatlands, and forests at risk of conversion that provide important habitat for biodiversity, especially species at risk, migratory birds and species of cultural or socio-economic importance to local communities.
- 3. **Engage** priority sectors, agriculture, forestry, urban development, oil and gas, and mining working to reduce GHG emissions and improve biodiversity using the approaches noted above.

The NSCSF will support these objectives by providing contribution funding to successful applicants undertaking projects using a site-by-site approach (Place-based actions or Reverse auction pilot) or via projects supporting changes in polices or decision making processes that impact land use and management activities (Sector-based policy). These approaches are called **Project Streams** in this document.

Please note that each stream has specific application questions and requirements, this document applies to the Place-based actions stream only.

The GHG emission reductions or increased sequestration achieved by projects supported by the NSCSF will be used to support Canada's 2030 and 2050 emission reduction targets to the United Nations Framework Convention on Climate Change. In order to demonstrate the climate mitigation value of the nature-based climate solutions supported under the NSCSF, quantifying the greenhouse gas benefits of all the supported projects and their activities undertaken will be a central aspect of the Fund. All selected applicants will be required to provide the data and information to support this endeavor with financial support from the NSCSF. The information will be integrated into Canada's national greenhouse gas (GHG) inventory and reported in Canada's Biennial Report on Climate Change, which are submitted to the United National Framework Convention on Climate Change (UNFCCC), in order to demonstrate the efforts being taken to meet Canada's commitments under the Paris Agreement.

Additionally, consistent with the premise of natural climate solutions, all projects need to achieve demonstrable benefits for biodiversity and human well-being.

Are you applying to the correct fund?

The government of Canada has several funding programs that could help support your natural climate solutions project. Below are a few funding opportunities to consider should your project activities not align with those described in this document:

Indigenous Partnerships: For Indigenous-led, on-the-ground projects focused on ecological restoration, improved management and conservation of wetlands, grasslands, and forests that will result in lowered greenhouse gas emissions. For more information email here: gardiensautochtones-indigenousguardians@ec.gc.ca

2 Billion Trees: For projects focused on restoring areas of forests by planting trees, please visit the Growing Canada's forest website, which can be found at Growing Canada's Forests program (nrcan.gc.ca). Forest conservation projects or projects seeking to adopt enhanced management practices with biodiversity and carbon benefits could be a match for the NSCSF.

Natural Infrastructure Fund: For projects focused on restoring ecosystems with the intent to reduce climate risks and improve the resilience of a community, please see Infrastructure Canada's Natural Infrastructure funding, which can be found at Government of Canada announces new Natural Infrastructure Fund - Canada.ca. Wetland restoration projects focused on habitat and emission reduction outcomes could be a match for NSCSF.

Climate Action and Awareness Fund: For projects focused on advancing climate science and technology, supporting youth climate awareness, and supporting climate research in academia and at Canadian think tanks. For more information, please see Climate Action and Awareness Fund - Canada.ca.

Agricultural Climate Solutions Program:: For projects focused on cover cropping, rotational grazing, or nitrogen management, visit the AAFC site here. Grassland conservation and restoration projects with habitat and carbon benefits could be a match for NSCSF.

Additional funding opportunities, including application information, may also be found on the <u>ECCC</u> <u>funding programs webpage</u>.

Funding Description: Place-Based Actions

This Applicant Guide provides information for the **Place-based Actions funding stream** only.

Applicants may apply to all of the funding streams available, but must fill out the respective application forms based on their proposed project type. Applications received through each of the funding streams will be considered separately.

Funding for Place-based Action projects will support activities focused on preventing greenhouse gas emissions or increasing sequestration. These include:

- Securing mature and carbon-rich ecosystems at high risk of conversion to help prevent the
 greenhouse gas emissions that would have been caused by conversion. Securement is
 achieved through fee-simple purchases, leases, conservation easements, covenants, or
 servitudes; acquisition of development rights, such as mineral, timber and exploration rights and
 other types of agreements;
- Restoring grasslands and wetlands where these were previously converted to cropland or settlement, or had carbon pools degraded by other means, helps increase their ability sequester atmospheric carbon and thereby reduce greenhouse gas emissions. Restoration also provides habitat for migratory birds, species at risk and other species of cultural and/or socio-economical importance to local communities;
- Enhanced management activities in existing croplands, grasslands, wetlands, and forest lands
 can either help sequester atmospheric carbon by increasing photosynthesis or reducing
 decomposition and respiration. This directly reduces greenhouse gas emissions. Enhanced
 management also provides benefits for species at risk, migratory birds and other species
 important for species of cultural and/or socio-economical importance to local communities.

The largest percent of the Place-based Action funding available will be directed to projects in Priority Places for species at risk, Habitat Joint Venture (HJV) priority areas or *other priority landscapes* through permanent securement, permanent habitat restoration or enhanced management. *Other priority landscapes* are carbon-rich sites outside the Priority Places and HJV priority areas with importance for biodiversity facing threats of conversion by activities that would generate greenhouse gas emissions.

A smaller proportion of the funding, will support 30-year securement projects for habitats that are designated either as: critical habitat for threatened and endangered species listed under the *Species at Risk Act* (SARA); designated important habitat in a SARA management plan, or lands that are important habitat for Species at Risk (SAR) or migratory birds based on other sources of evidence, such as conservation data centre records, provincial or territorial data, or published information. This shorter term option is being allowed to test approaches that allow us to meet the 2050 targets by securing more hectares while appealing to land owners willing to accept securement for fixed periods of time and at lower costs compared to permanent easements or fee-simple acquisition. Applicants should be prepared to test this assumption as part of enrolling lands for term versus perpetual agreements.

Out of Scope of the NSCSF

The following is a list of projects that will not supported by this fund. Please see above of other Government of Canada funds that may be appropriate.

- 1. Projects with a focus on tree planting and forest restoration
- 2. Cropland and tame pasture enhancements
- 3. In-stream works for fish habitat restoration/enhancement
- 4. Any legally-required activities such as soil/water remediation, decommissioning, or reclamation
- 5. Urban landscaping, green-roof infrastructure, sewage treatment wetlands

6. Annual payments for ecological goods and services

Specific activities or project expenditures that will **not** be supported include:

- conservation activities with minimal value for reducing GHG emissions or storing carbon, or which will result in a significant increase in GHG emissions;
- GHG mitigation activities with no demonstrable biodiversity benefits, such as planting a nonnative species other than as a temporary cover crop;
- public outreach and education activities that are the focus of or comprise a significant portion of the project;
- establishment of or contribution towards endowments; and,
- large capital purchases unrelated to the eligible activities, such as purchases to build buildings
 (this does **not** include capital purchases related to eligible project activities, such as costs of
 contractors to complete a particular portion of a project (e.g., building a fence).

Improving the competitiveness of your project

Impacts to GHG emissions

When considering whether your project could be competitive, note that all projects will be judged based on their climate benefits (e.g., net GHG reductions, tonnes of carbon or CO₂ equivalents per hectare) and the cost per tonne of carbon and per hectare of land.

For securement projects, you will be asked to use <u>International Union for the Conservation of Nature</u> (IUCN) threats and threat calculators to demonstrate what threat could lead to conversion of the carbon stocks to greenhouse gases by 2050 and explain what kind of securement mechanism will be used to conserve carbon stocks to 2050 or beyond. It is understood that there may already be specific properties identified for immediate securement, or there may be general principles adopted by your organization to seize opportunities for securement in the coming years. You will be asked to elaborate on either or both instances in your application.

For **restoration** projects, you will be asked to provide a description of the timing and sequencing, area, materials, equipment, and labour needed in your application. In addition, you will need to explain if decommissioning of built structures, remediation of soil and water quality, geotechnical and hydrological engineering, soil amendments, native or non-native species revegetation, invasive species removal, tree-thinning, or fire and grazing reintroduction are components to the project. Note that all activities creating GHG emissions will be considered to reduce the total greenhouse gas value of the project. Applicants should also be able to describe how the GHG benefits of the restoration activities will be maintained until 2050 or beyond.

Co-benefits to Biodiversity

Projects must demonstrate biodiversity benefits. This could include securing or restoring areas identified in <u>HJV implementation plans</u>, <u>Federal-Provincial-Territorial Priority Places</u> and <u>Community Nominated Priority Places</u>, given their demonstrated importance to migratory birds and species at risk; critical habitat for SARA-listed threatened and endangered species; designated important habitat in a SARA management plan, or lands with important habitat for species at risk or migratory birds based on other sources of evidence, e.g., conservation data centre records, provincial or territorial data,

published information; or how they meet the <u>Ecological Gift Program Eco-Sensitivity criteria</u>, such as if they are in a Key Biodiversity Area.

NSCSF Performance Indicators

In order to help applicants develop performance indicators that are supportive of the NSCSF, the Fund performance indicators are provided in the Table below. At a minimum, applicants must provide targets for area restored and secured, and/or under enhanced management, as well as for biodiversity benefits. These are the important metrics for evaluating and ranking proposals, as well as negotiating and reporting upon agreements. Those sequestering more carbon, on more hectares, benefiting more co-benefits to biodiversity will succeed.

Please refer to the following table to identify and learn about NSCSF Performance Indicators linked to the Place-based actions.

Performance Indicator	Performance indicator description	Units
Annual GHG emission reductions	For each year, up to 2030, demonstrate an increasing number of emission reductions due to securement and restoration projects supported by the program.	
Projected long-term (2050) GHG emission reductions	Project the emission reductions to be generated in 2050 from the program investment up to 2030.	# megatonnes
Total area restored for GHG mitigation	Restoration activities are a management action involving the creation of new habitat by creating (or re-creating) key structural and functional ecological components (including abiotic, functions and processes) to replace habitat that was missing or in such a poor condition that it was considered unsuitable	# hectares
Total area secured for GHG mitigation	To define a clear area where conservation values are temporarily or permanently maintained through a variety of legally binding mechanisms, including: acquisition of lands or development rights (e.g., mineral exploration); designation of crown land; encumbrances; or conservation agreements.	# hectares
Biodiversity Co- Benefits	For example, projects take place in Priority Place Habitat Joint Venture or Species at Risk Priority Places; Species at Risk critical habitat; or other priority landscapes that meet the Ecological Gift Program Eco sensitivity criteria .	# of biodiversity co- benefits applicable
Jobs Created	Number of FTEs supported through the contribution agreements.	# full-time equivalent direct jobs provided

In addition, ECCC will estimate the number of types of species that could benefit from such actions.

Reporting Requirements

The GHG emission reductions or increased sequestration achieved by projects supported by the NSCSF will be used to support Canada's 2030 and 2050 emission reduction targets to the United Nations Framework Convention on Climate Change (UNFCCC).

In order to demonstrate the climate mitigation value of the nature-based climate solutions supported under the NSCSF, quantifying the greenhouse gas benefits of all the supported projects and their activities undertaken will be a central aspect of the Fund.

All selected applicants will be required to provide the data and information to support this endeavor with financial support from the NSCSF. Collecting this information may require field activities such as collecting soil samples to measure soil organic carbon (SOC), or determining the type of wetland and how frequently it is flooded.

Therefore, applicants should allocate sufficient funds out of their project budget – usually 2-5% and no more than 10% -- towards such activities.

The information will be integrated into Canada's national greenhouse gas (GHG) inventory and reported in Canada's Biennial Report on Climate Change, which are submitted to the UNFCCC, in order to demonstrate the efforts being taken to meet Canada's commitments under the Paris Agreement.

Who Can Apply?

The following groups are eligible for all NSCSF streams:

- Domestic or international not-for-profit organizations, such as charitable and volunteer organizations, professional associations, and non-governmental organizations;
- Domestic or international Indigenous organizations, governments, Individuals, boards, commissions, communities, associations and authorities including:
 - Indigenous not-for-profit organizations;
 - o District councils, Chiefs councils and Tribal councils;
 - o Indigenous research, academic and educational institutions; and
 - Indigenous for-profit organizations;
- Domestic or international research, academic and educational institutions;
- Canadian and foreign individuals;
- Domestic or international for-profit organizations, such as small businesses with less than 500 employees, companies, corporations, and industry associations;
- Local organizations such as community associations and groups, seniors' and youth groups, and service clubs; and
- Provincial, territorial, municipal and local governments and their agencies (e.g. Crown corporations).

In cases where recipients further distribute funds, the ultimate recipients must be the same as those listed above.

Groups may apply as individual organizations or as collaborative groups. When applying as a collaborative group, one organization must be designated as the principal applicant and will be the legal entity who has authority to sign and manage a contribution agreement on behalf of the group should the application be successful.

How much Funding is Available?

This application-based process may allocate up to 80 million dollars over the next 5 years under the Place-based Actions stream for projects 2-5 years in duration. The actual amount awarded will depend

on the quality of applications, other opportunities for partnering and the applications received under the other funding streams.

A greater proportion (about 80%) of this funding is expected to contribute to projects where the carbon and climate benefits are expected to continue in perpetuity.

A smaller proportion (about 10-15%) of the funding may be used to support projects seeking 30 year agreements for projects that have high biodiversity benefits due to the threats to the species and the habitat, as well as climate benefits, where securement in perpetuity is not possible. Applicants will need to clearly define where medium term agreements may be considered.

The minimum funding request is \$250,000 per project.

Organizations may not receive more than \$25 million per fiscal year for any individual or combination of applications across all funding streams.

What costs will be covered?

The eligible costs incurred in the course of conducting a project may include:

- Human resource costs, including salaries and benefits;
- Management and professional service costs, such as accounting, monitoring, communications, official languages translation, audit and legal charges;
- Hospitality, travel (including field costs), and venues/conference expenses in accordance with the Treasury Board Secretariat's Directive on Travel, Hospitality, Conference, and Event Expenditures;
- Material and supplies costs;
- Printing, production, and distribution costs;
- Equipment and Capital Assets purchase or rental, capital asset purchase is not an eligible expenditure for for-profit recipients:
- Lease of office space;
- Vehicle rental and operation costs;
- Contractors required to perform activities related to the Project, including carbon quantification related activities:
- Cost associated with land acquisition or other means of land securement (i.e. leases, easements, covenants, or servitudes), land acquisition costs are not eligible expenditures for for-profit recipients;
- A reasonable share (10% or less) of overhead and/or administrative costs which are directly attributable to the carrying out of the project; and
- Any GST/HST that is not reimbursable by Canada Revenue Agency and any PST not reimbursable by the provinces.

Ineligible Costs under Contributions

Expenditures related to lobbyist fees are ineligible under the Contribution Program.

Match Funding Requirements

• For non-Indigenous applicants,1:1 matching contributions (from non-federal sources) are sought (\$1 confirmed match for \$1 NSCSF funding). Preference will be given to projects with

- contributions that match or are in excess of 1:1 and to projects with higher cash-matching contributions in relation to in-kind contributions
- For Indigenous applicants, 0.20:1 matching contributions (from non-federal sources) of the NSCSF funding amount are sought (\$0.20 match for each \$1 of NSCSF funding). Preference will be given to projects with contributions that match or are in excess of 0.20:1 and to projects with higher cash-matching contributions in relation to in-kind contributions.

How Do You Apply?

Step 1: Confirm available funds and project eligibility

Review the various funding opportunities, and confirm you are applying to the correct fund. Review fund use requirements and ensure your project's activities satisfy those requirements.

Log into GCEMS. Ensure all proposed project activities are eligible NSCSF expenditures. For questions or clarification, please contact the NSCSF office at ec.fscan-nscsf.ec@ec.gc.ca.

Step 2: Prepare your funding application using the Grants and Contributions Enterprise Management System (GCEMS)

Using the GCEMS online application, develop your NSCSF application for funding. Visit the GCEMS application instructions page for technical assistance documents, tutorials, and support throughout your application preparation. This funding application requires filling out a supplemental excel spreadsheet. Be sure to attach this to your funding application. **Applications without this spreadsheet will not be considered for funding.**

Step 3: Submit your application

Your application must be submitted in GCEMS portal before the stated deadline. All applications must include the addition of the supplemental spreadsheet and additional documents referenced to provide evidence for the questions asked.

Applying Online

The following information will enable you to complete an online project application for the NSCSF. Note that the NSCSF Applicant Guide is not a technical guide for navigating GCEMS, but rather provides NSCSF program-specific information in order to ensure project proposals meet program criteria.

A) Tombstone Data

Tombstone Data is a summary of organizational and contact information which auto-populates various sections of your GCEMS application based on your Single Window Information Manager (SWIM) credentials to the NSCSF. It is necessary to complete all fields:

organization name, address, email and phone number

- contact information for the principal applicant representative (individual representing the project, responsible and knowledgeable about the project and application)
- select your organization type, provide organization identification number, and provide a brief description of your organization (including mandate)
- identify the funding experience your organization has had with ECCC, or other federal departments

PROJECT SUMMARY

Project Summary: This section provides an overview of your project. All information is mandatory.

Project Title: It is recommended that you use a short title to identify your project.

Project Start Date/End Date: When determining the project start date, <u>please allow a minimum of 16 weeks following the funding deadline for project funding decisions.</u> Please contact the NSCSF office should you require further details or clarification.

Project Location: Provide project location(s), including information that links your project to any geographic priority regions or areas. Latitude and longitude coordinates of **the centroid(s) in Decimal Degrees** are mandatory. Note that more information about the specific project sites will be collected in the required supplemental information spreadsheet.

Project Goals/Objectives: Clearly state how your project's goals and objective align with the NSCSF's Place-based Actions stream objectives to reduce GHG emissions or increase sequestration and achieve biodiversity benefit.

Project Description: Provide a short summary description of your project, showing the link between the project, the stated goals, and the program criteria.

Explain how the project links to the eligible project stream of the NSCSF. It is important that your summary be concise.

Note: should your project be considered for funding, this description may be used in the development of communications materials.

Project Team Experience: Please describe any relevant <u>qualifications and experience</u> of the project team members, including scientific capabilities and experience working with stakeholders that could demonstrate the organization's experience and capacity to carry out the proposed project and meet the reporting requirements.

Project Delivery Experience:

Financial Capacity: Please describe your organization's financial capacity to manage this project. This could include outlining other sources of funding for the project in the project budget.

Project Management Capacity: Please describe your organization's <u>experience in managing and delivering projects</u>. Provide details on the duties and responsibilities of the position(s) identified in the human resources section of the budget. Who will work on the project (project coordinator, volunteers, consultants, technical experts, etc.) and what are their roles/qualifications? Identify relevant qualifications and experiences of the project team. This

section is an opportunity to demonstrate your organization's experience and capacity to carry out the proposed project.

B)Project Budget

This section will present the project's financial details. Please clearly state the total amount of NSCSF funding being requested for your project. *Please note that you will not be able to proceed to the next section if the "Amount Requested" does not match what is stated in the project budget template.* Prepare a budget using the budget tables provided in the online application. Please consider the following elements:

- Fair market value represents the standard rate for a product or service in your area;
- Provide the best estimates of all expenses at fair market value;
- Volunteer time is valuable; calculate all volunteer time at fair market value and include it in your budget as an in-kind contribution;
- Expected revenue generated by the project must be included in the budget. Provide an
 approximate value of the expected revenue. Any revenue generated by the project is expected
 to be used toward project activities;
- You must present a balanced budget; and
- If you indicate ECCC in-kind participation (e.g. professional advice, laboratory analysis, etc.), please provide letters confirming this support.
 - The NSCSF does not provide in-kind services and should not be listed as an in-kind supporter.
- As noted above in the Applicant Guide, the reporting requirements for this program require more
 information about the sites secured and restored than have historically been requested by
 ECCC programs. We have estimated that about 2-5% of the project costs will need to go to
 collecting the information that needs to be reported. For some project types this may go up to,
 but not exceed 10%.
- Note: Letters confirming other funding (both cash and in-kind) will only be required from successful applicants before a funding agreement can be signed and funds are provided.

C)Program Specific Questions

A Mandatory Excel workbook called "Supplementary Table" must be downloaded and filled out in addition to the questions below. The Supplementary Table provides a standardized way to describe the places or sites on which you are doing securement for conservation, or restoration, or enhanced management activities to make sure we have a clear accounting of the hectares, land cover types, and techniques. The Supplementary Table also contains a Project Activities Plan that is similar to the Workplan that would appear in a contribution agreement for successful recipients. This Project Activities Plan provides a space for the chronological listing of project activities you define, associated with particular sites (assuming there is more than one site), and associated with particular progress reporting metrics you choose and final output indicators aligned with our program Performance Indicators.

1. Which type of activities does your project involve? Check all that apply. See page 4 of the guide for definitions of conservation, restoration, or enhanced management.

- Check the appropriate box(es).
- 2. Do you accept that, should your project be funded through the current process, the emission reductions or increase in sequestration generated by your project cannot be sold as offsets in a voluntary or regulatory program at this time?

At this time, the Government of Canada is not allowing recipients to sell emission reductions into offsets programs to ensure there is no double counting of the GHG emissions (please note that this does not apply to all federal funding programs). Do you accept this funding condition?

- Check that you accept this funding condition. Note: applicants unwilling to accept this condition should not apply.
- 3. Do you consent to sharing your project proposal with philanthropic foundations that may be interested in providing matching funds for NSCSF projects?
 - Please check yes if you consent that your full proposal may be shared with philanthropic foundations that may be interested in providing matching funds for NSCSF projects.

You are invited to directly send NSCSF your project description (250 words) by email at any time during the application process, whether or not you consent to share your full proposal with potential funders, to share with philanthropic foundations. The description will not be evaluated by ECCC in any way, but directly forwarded to a group of interested philanthropic foundations who may reach out to you if they are interested in a further discussion about funding opportunities. If interested please send the description with a contact email and the subject line **Project Description for Philanthropic Foundations** plus your organizations name to: ec.fscan-nscsf.ec@ec.gc.ca.

Please note that if a foundation is interested, they will reach out to you directly and it will be your responsibility to follow up. NSCSF staff will not be privy to any further information or able to answer follow up questions.

- 4. Do you accept that, should your project be funded through the current process, you may be required to allocate some of the project costs for gathering site specific information needed to quantify the greenhouse gas emission reductions or increased carbon sequestration? As noted above in the Applicant Guide, the reporting requirements for this program require more information about sites secured and restored than have historically been requested by ECCC programs. We estimate that 2-5% of project costs will need to go to collecting information that needs to be reported. For some project types this may go up to but not exceed 10%.
 - Check that you accept this funding condition. *Note: applicants unwilling to accept this condition should not apply.*
- 5. Do you accept that, should your project be funded through the current process, directly-affected Indigenous communities must be engaged prior to implementing place-based actions on the ground? Depending upon the region of the country, there may be specific protocols for engaging Indigenous communities for projects on private and public lands within their traditional territory and beyond the boundaries of any reserve created under the *Indian Act*. You are responsible for identifying and respecting those protocols in order to carry out successful projects.
 - Check that you accept this funding condition. *Note: applicants unwilling to accept this condition should not apply.*

- 6. Equity, Diversity and Inclusion: The Government of Canada promotes the fundamental principles of equity, diversity and inclusion in its programs. How will your organization enable equitable, diverse and inclusive participation in the development and implementation of this project? If your organization has a diversity and inclusion plan please provide a link. Please note that organizations with 50 employees or more will be required to have or commit to developing a Diversity and Inclusion Plan in order to sign a contribution agreement, should the project be approved. **Text box maximum 1000 characters**.
- 7. Explain how you have or will select a location(s) in Canada for conserving carbon-rich ecosystems or restoring and sequestering carbon, with reference to relevant reports and literature about the soils, potential natural vegetation or ecological land classification, carbon pool, land tenure, and land use in the 20 years prior to the project. More site specific information, such as the target or reference ecosystem that should result from the restoration project should be included in the supplemental table. All lands enrolled for this program will need to document the current use and the use and state of the land 20 years prior to project commencement. This requirement is necessary to ensure the validity of the baseline soil carbon pool and emission factors. If your application is for a prospective, multi-site program where no specific properties or sites have yet been secured, use this space and the supplemental table to describe your general approach or target criteria. Text box maximum 3000 characters.
- 8. Describe which legal mechanisms or tool(s), e.g. easements, fee simple purchases, contracts, etc., that will be used to protect the stored carbon or the restoration and enhancement investments to increase carbon sequestration. **Text box maximum 1500 characters.** If your application is approved for funding, you will be required to provide documented proof in annual or final reports of sting legal tools that are listed when answering this question. Permanence is one of the policy tests for natural climate solutions to ensure any conservation, restoration, or enhanced management will be sustained long enough to realize a carbon benefit between now and 2050.

For restoration projects please describe what approaches will be used to ensure that restore areas are still sequestering carbon in 2050. The following are some approaches that could be considered:

- Restore on sites already secured by partners (i.e. lands already conserved by land trusts, conservation authorities, municipalities etc.) or in partnership with a securement program (e.g., <u>Ecological Gifts Program</u>) that undertakes securement activities.
- Restore on crown lands where the province agrees to restrict activities that would undo the restoration.
- Restore sites to a level where existing regulations would kick in (i.e. upgrading a wetland so it is covered by provincial wetland regulations).
- Restore sites where the driver that led to the original land conversion is no longer in play (i.e. historic mine sites where the minerals are depleted and there is no legal mandate to restore; agricultural lands where original conversion activity was not appropriate and the cropping activity (for example) is not sustainable; wetlands where the natural asset value is now recognized for maintaining water quality and quantity/climate adaptation).
- Strengthen provincial regulations or engagement activities to remove/reduce risk of conversion.
- 9. If the project will include 30-year securement agreements, please describe the method(s) you will use to determine that shorter-term agreements are necessary to increase uptake in the

areas where such agreements will be sought and what documentation you will provide to demonstrate that a 30-year agreement is needed. **Text box maximum 1500 characters.**

Recall that restoration activities typically reverse a previous conversion that degraded a natural area (ie. converting a cropland back to the former grassland or wetland), and enhanced management activities typically maintain the current land use (e.g. Forest land, grassland, wetland, cropland) but increase the rate of carbon sequestration by enhancing photosynthesis or suppressing decomposition.

- 10. For conservation projects focused on halting a land use change that would result in greenhouse gas emissions, describe the methodology you use to determine the level of risk of conversion. Information about key land use pressures for a specific site or site type should be described in the supplemental tables. Use the IUCN level 2 threat categories and threat assessment method to make the case. Any site-specific evidence or documentation could be attached, including an ecosystem at risk assessment, or change in provincial or municipal land zoning for development. Text box maximum 1500 characters.
- 11. For restoration and enhancement projects only, describe the grassland or wetland restoration methods that you will use to sequester carbon. Include any and all landform or hydrological engineering, soil and water remediation, amendments or site preparation, revegetation species selection, materials, and planting methods, or vegetation management techniques to create and sustain restoration or enhancement. **Text box maximum 4000 characters.**

There are many different ways to undertake a restoration project. For this program, recipients should seek to undertake restoration activities with a known potential to increase the carbon sequestration and storage in biomass and soil by 2030 and 2050. Provide citations to literature how such approaches have successfully led to carbon sequestration.

Unlike the one-time intervention typical of restoration, enhanced management actions may be repeated over subsequent years as part of a new land use management regime. While actions may occur on the same piece of habitat over several years, the number of hectares would only be counted once. Provide citations to literature how such approaches have successfully led to carbon sequestration.

Table 1. Examples of good restoration projects

	Example of good project	Example of not-so-good project
Restoration of	- Grasslands on deep clay loam soils	- Grasslands on shallow rocky or
areas with high	in subhumid climates	sandy loam soils in semi-arid or very
carbon	- Coastal wetlands of fine sediment	humid climates.
sequestration	accruing in estuaries, deltas, and tidal	- Coastal wetlands on rock to shingle
potential	flats with low-gradient beaches.	substrates with high-gradient eroding
		shorelines.
Restorations of	Inland wetlands where simple	Inland wetlands where major
areas that require	interventions of plugging drains, and	interventions to pump and fill basins,
low cost and	eliminating land use disturbance allows	excavate filled basins, excavate and
sustainable	water to fill from natural runoff and	create new basins, or repair dams and
interventions.	marginal vegetation to regrow from	water control structures are necessary.
	natural dispersal and regrowth	

Restorations that	Planting methods that minimize heavy	Planting methods that rely mainly on
have low carbon	equipment for translocating	heavy equipment or other carbon-
footprints	vegetation/soil from donor sites, and	intensive mechanical means of site
	maximize the use of human labour on-	preparation, planting, and tending.
	foot, to reduce the carbon footprint.	

12. How will risks be assessed and managed for the duration of the project? Include the greatest risks and how those may be mitigated. Risk of conversion, natural disturbances, inability to procure native seeds, adapting to new knowledge and technology, failure to engage Indigenous peoples are some of the types of risks that should be considered. **Textbox maximum 1500 characters.**

The following are examples of the types of risks that should be considered

- a) For securement projects to reduce the GHG emissions, what is the level of risk that the conversion might simply shift to another location (a.k.a. "leakage"), and what, if anything, could be done to reduce that risk? What if landowner willingness declines due to market conditions or other factors?
- b) For restoration and enhancement projects, how will projects adapt to new scientific information about the best techniques to sequester carbon? What contingencies are in place if native seed is not available or establishment fails? If activities temporarily disturb fish and wildlife or their habitats, have you applied for or secured permits from regulatory agencies?
- c) For all projects, how will location selection and site protection address the risk of losing carbon to disturbances both natural (landslides, wild fires, water erosion, etc.) and human-caused (erosion from recreational activity, eutrophication from sewage, etc.)? Natural disturbances, e.g. fires, insects, flooding, and drought are increasing in many areas of Canada due to climate change. These natural disturbances may make it difficult to maintain the carbon benefits of the project until 2050. How might your project be impacted by these increasingly common natural disturbances?
- d) If Indigenous people are being engaged, is a legal duty to consult triggered by the project and a need for formal band council resolutions in support of a project? If Indigenous people are being engaged, has other formal or informal consultation taken place prior to designing and funding the project?
- 13. Describe how the proposed project sites and activities will be selected to maximize positive impacts for species at risk (COSEWIC-assessed as special concern, threatened or endangered; SARA Schedule A species; Provincially-listed species at risk; culturally significant species) or migratory birds. Provide site-specific information in the supplemental tables, by noting whether sites conserved, restored or enhanced fall within one of the ECCC Priority Places or Habitat Joint Venture Priority Areas, overlap with critical habitat, meets the Ecological Gift Program Eco-Sensitivity criteria. All NSCSF Place-based projects must have some of these benefits. Textbox maximum 1500 characters.
- 14. Does your project contribute to establishing or improving connectivity between protected or conserved areas? If yes, please describe which protected/conserved areas, whether project sites are adjacent to or within 1 km of an established protected area, the length of adjacent portions of patch perimeters, and supporting documentation. If no, write not applicable. ECCC has complementary programs for increasing protected areas to achieve 25% by 2025, and your

project may serve this complementary or dual benefit if it contributes towards connectivity. There are both well known connectivity initiatives such as the Yellowstone to Yukon (Y2Y) and Algonquin to Adirondacks (A2A) initiatives, as well as other smaller initiatives. Please provide any additional information about the connectivity plan it would reinforce. **Text box maximum 1500 characters.**

- 15. Does your project provide climate change adaptation benefits? If so, please describe the specific climatic effect(s) and how your project responds to it (them). If no, write not applicable. It may seem obvious that any conservation, restoration or enhancement project in this program is providing climate change benefits, but the specific benefit of adaptation is unique. Will a restoration project be selecting species for revegetation that will be adapted to a warmer or drier environment in the coming 30 years? Will a conservation project be protecting an area that buffers a settled area from the effects of storm surges or floods? **Text box maximum 1500 characters.**
- 16. Please present how the project's goals and objectives for conserving carbon-rich ecosystems, or restoring and enhancing ecosystems to sequester carbon will be monitored, evaluated, and achieved. Please outline the methods that will be used to measure the project's expected results, including any co-benefits for biodiversity. Note: site-specific techniques and results will be described in the supplementary tables. Here just focus on the monitoring and evaluation methods. Your Project Output Indicators in the Supplementary Table should be aligned with these NSCSF program Performance Indicators:

Performance Indicator	Potential Project Indicator
Total area restored for GHG mitigation	# hectares
Total area secured for GHG mitigation	# hectares in perpetuity # hectares with (30 year-terms)
Total area enhanced for GHG mitigation	# hectares
Biodiversity Co-Benefits	# hectares that overlap with important biodiversity areas
Other	Please specify

To derive the GHG benefits in terms of tonnes of CO₂ equivalents, successful applicants will also be provided with a reporting template to capture the data needed for ECCC to model and estimate those outcomes. Example data types are listed below (please note this is not an exhaustive list):

- Above ground vegetation (e.g., for forests: dominant tree species, average age, average diameter
 at breast height, average tree height; for grasslands or wetlands the corresponding ecological
 land classification for those sites).
- Below ground carbon (e.g., soil order, great group, and series, %sand and %clay and Soil Organic Carbon %)

Please describe how you would collect this information when discussing the evaluating plan. **Textbox maximum 2000 characters.**

17. Please check the box to confirm that you understand that the application may get shared with other agencies administering NSCF funding, such as Natural Resources Canada (NRCAN) and

Agriculture and Agri-Food Canada, as well as staff in relevant provincial and territorial governments as part of the review process.

This is a requirement to ensure that projects can be reviewed appropriately.

D)Additional Information

The following supporting information is recommended and may be required at a later date:

- Dated and signed supporting letters from landowners where restoration activities are occurring
 on private property, stating that your group has permission to undertake activities on their
 property and whether the landowner is providing any monetary and/or in-kind support;
- Community support letters endorsing the project; these letters are different from partner letters confirming their monetary and/or in-kind contribution;
- Any information essential to understanding your submitted project, such as pictures of the environmental damage, or maps of the area;
- Copies of permits or approvals (if applicable)
- Letters confirming other funding (both cash and in-kind) will be required from successful applicants before a funding agreement can be signed and funds are provided.

Any information submitted after the deadline will **NOT** be considered in the application evaluation process.

E) Official Languages

Please complete the Official Languages section of the application. It is now a mandatory requirement for all applications to ECCC funding programs. If your project is approved this section will form the basis of the Official Languages Clauses to add to Section 14 in Appendix A of the funding agreement. Each question is yes or no, and all applying organizations must respond to the questions.

Information Required:

Is the organization international, national, provincial or territorial in scope?

Is the project international, national, provincial, or territorial in scope?

Is the project delivered in a geographic area with official language minority communities (OLMCs)?

Is the project's target audience composed of individuals or groups belonging to both official language communities?

Is the target audience composed of individuals or groups belonging exclusively to an OLMC?

Do the project activities include any public events, signage, promotional or other communication activities?

Is there an opportunity for involvement of OLMCs to participate?

Depending on your target audience, and in accordance with the Official Languages Act, you may need to offer products and/or services to the public in both official languages. Please ensure any associated costs (e.g. translation) pertaining to project delivery and/or promotion is included in the budget.

F) Certification

Certification that the information stated in the application is complete and accurate is required.

Once you complete your application, submit online.

Please note that NSCSF will not accept project applications by email, fax or mail.

What Will Happen After You Submit A Project Application?

Acknowledgment of Receipt

Acknowledgment of receipt is automatically generated by GCEMS. If you did not receive an acknowledgment of receipt, we recommend that you contact ec.gc.ca to make sure that your application was received.

Review

Your application is reviewed to verify eligibility and to assess technical and scientific merit. All Placebased actions project proposals are subject to the same evaluation criteria. Project applications are reviewed by the NSCSF program to confirm that:

- the project is eligible for funding;
- the project addresses the NSCSF's objectives related to GHG emissions reductions (or increased carbon sequestration) and the provision of co-benefits for biodiversity;
- the proposal describes realistic and eligible activities; and,
- the proposal has been submitted by an eligible NSCSF applicant.

Following this administrative assessment, your project proposal is examined by a technical review team in order to evaluate your application for its scientific and technical merit and to finalize the overall analysis of each of the project applications received.

As part of the technical review, applications may get shared with other agencies administering NSCF funding, such as Natural Resources Canada (NRCAN) and Agriculture and Agri-Food Canada, as well as staff in relevant provincial and territorial governments. Please be sure to check the box related to this question.

Federal Members of Parliament and/or their team will be advised about the approval in principle of a project and may be provided with information provided in this Application including applicant's name, project title, project description, project location, funding amounts and contact information.

If your application is not approved, you will also be informed of this decision in writing.

Contact Information

Email: ec.fscan-nscsf.ec@ec.gc.ca