

Nature-Smart Climate Solutions Fund (NSCSF)

First Nations Open Call for Proposals

2022-23

APPLICANT GUIDELINE

This Guideline outlines the eligibility and assessment criteria for First Nations proposals to meet the goals and objectives of the Nature Smart Climate Solutions First Nations Directed Call for Proposals (2022-2023).

Background

The dual crises of climate change and biodiversity loss are connected and nature-based solutions are key to tackling both issues. The Government of Canada is committed to working with nature 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 establishing the Nature Smart Climate Solutions Fund (NSCSF), which will invest \$4 billion over the next ten years in:

- **Growing Canada's Forests** led by Natural Resources Canada (\$3.19 billion);
- **Nature Smart Climate Solutions Fund** led by Environment and Climate Change Canada (\$631 million); and
- **Agricultural Climate Solutions** led by Agriculture and Agri-Food Canada (\$185 million).

NSCSF is a \$631 million, ten-year fund managed by ECCC to support projects that restore and enhance wetlands, peatlands, and grasslands to store and capture carbon. Up to \$36.9 million over 10 years, starting in 2021-22 has been allocated to working with Indigenous communities through a distinctions-based approach.

The Nature Smart Climate Solutions – Indigenous Partnerships stream will provide funding to enable Indigenous Peoples to play a meaningful leadership role in natural climate solutions, as part of the Government of Canada's commitment to Reconciliation.

What are Nature Climate Solutions?

The International Union for the Conservation of Nature (IUCN) defines Natural climate solutions (also called Nature-based solutions) as “actions to protect, sustainably manage, and restore

natural or modified ecosystems that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits”.¹

In Canada the conservation, restoration, and improved management of forests, peatlands, grasslands, croplands, coastal zones and wetlands will contribute to reducing our national greenhouse gas emissions and making us more resilient to a changing climate.

Indigenous Peoples are important partners for achieving GHG emission reductions because of their roles as land managers and their involvement in resource management decisions and land management outcomes.

Indigenous Guardians will deliver NSCS funds dedicated to Indigenous-led initiatives through an individual approach and governance structures. For First Nations, the First Nations-Federal Pilot Joint Working Group (JWG)² for Guardians will be responsible for co-determining priority-funding areas and recommending proposals for funding, including co-designing assessment criteria, and co-developing evaluation methods for First Nations NSCSF calls.

Objective and Scope

ECCC will support Indigenous organizations and communities to undertake Indigenous-led ‘on the ground’ projects for ecological restoration, improved land management, and conservation of wetlands, grasslands, agricultural lands and forests that result in reduced GHG emissions.

Indigenous research and capacity building projects are also eligible so that nature-based climate solutions can be informed by both Indigenous and Western knowledge systems.

While carbon sequestration (the removal of carbon from the atmosphere) or reductions in GHG emissions are the primary drivers for the NSCSF, funded projects are also expected to maximize co-benefits for biodiversity, enhanced resilience to climate impacts, and human well-being.

Based on the experience with the first year of the NSCSF initiative and feedback from the JWG, **for this second year of the initiative, projects focused on capacity building, training, and planning activities for development of future NSCSF projects are strongly encouraged to apply.**

¹ Membership of the International Union for the Conservation of Nature includes over 170 countries including Canada.

² The Joint Working Group is composed of eight First Nations Guardian knowledge keepers from across the country and 4 federal government representatives.

Eligibility

Who can apply?

First Nations organizations, governments, Individuals, boards, commissions, communities, associations and authorities including:

- First Nations not-for-profit organizations;
- District councils, Chiefs councils and Tribal councils;
- First Nations research, academic and educational institutions; and
- First Nations for-profit organizations.

Priority will be given to First Nations organizations that are supported by Guardians programs or other First Nations entities that are creating significant opportunities for First Nations communities to be involved in the work

First Nations organizations, governments, and groups can also apply to other streams of the NSCSF led by ECCC, Natural Resources Canada, or Agriculture and Agri-Food Canada by applying directly to the responsible department.

For more information on other federal funding opportunities, please refer to Appendix 1: **Other federal funding opportunities for projects similar to NSCSF.**

Eligible Lands

On the ground activities must occur within Canada.

Activities planned on federal lands can occur in cases where:

- The assets to be installed, upgraded, or repaired are not owned by the Government of Canada (e.g., water control and habitat management structures in National Wildlife Areas);
- The federal lands are under a lease agreement with a non-federal organization; or
- The Government of Canada permits such activities to occur.

Eligible projects

Examples of eligible projects include but are not limited to:

Planning: supporting NSCSF initiative design and implementation;

Capacity building: training and building capacity in technical aspects of natural climate solutions approaches, including reporting;

Restoration: rehabilitating damaged wetlands (inland, coastal, and peatlands), and native grasslands to sequester GHGs in plant life and soils. Restoration activities should occur on lands for which there is underlying protection (30+ years) to ensure the investment and outcome of reduced GHG emissions will be assured.

Improved land management: actively optimizing ecosystems, such as modifying management practices and restoring disturbed ecosystems in urban, peri-urban and forested landscapes, to increase their GHG storage capacity; and

Conservation: avoiding the degradation of high GHG capacity ecosystems or their loss and conversion to other land uses, for example draining wetlands and removing forests to make way for urban or industrial development or new croplands.

On the ground projects focused on restoration, enhanced land management and conservation may include planning and capacity building activities as well.

Exclusions

Projects that are required by law, regulation or policy (e.g., mitigation requirement of a development/project approval) are not eligible for funding under the NSCSF.

Co-benefits

NCSF funded projects will focus on optimizing carbon sequestration in vegetation and soil, for example through use of particular plant species and soil management practices. These projects are different from other ECCC programs such as Indigenous Protected and Conserved Areas (IPCAs) or the Aboriginal Fund for Species at Risk (AFSAR), which focus primarily on the establishment of protected areas to reduce biodiversity loss or on the recovery of species at risk.

Indigenous-led NSCSF projects may also include additional objectives of relevance to Indigenous traditional practices, such as increasing the availability of traditional food plants.

Examples of co-benefits include, but are not limited to:

- Improved access to natural and semi-natural ecosystems for Indigenous people to pursue traditional cultural practices, such as the harvesting of medicinal plants;
- Improved access to natural and semi-natural ecosystems for nature appreciation, hunting, fishing and clam digging (in coastal wetlands);
- The restoration and improved management of critical habitat for federally listed species at risk and/or AFSAR Priority Species;
- The restoration and improved management of habitat for migratory birds and other wildlife;
- Improved flood control resulting from the restoration and improved management of wetlands and riparian areas in settled landscapes; and
- Land management that facilitates climate change adaptation

Co-benefits to biodiversity, climate change adaptation through enhanced climate resilience, and human well-being will be included in criteria for project evaluation.

Eligible activities

Capacity building and planning

The following are types of activities that will be supported as part of this funding stream for projects that will contribute to capacity building:

- Research
- Surveys
- Inventories and Monitoring
- Outreach and Education
- Capacity building and training
- Training in ecosystem restoration techniques designed to maximize both carbon sequestration and co-benefits
- Collection and gathering of Indigenous Traditional Knowledge
- Project evaluation
- Policy, program or tool development, modernization or realignment
- Development of alternative GHG capture and storage or conservation governance and financing tools

On the ground activities

Specific examples of on the ground project activities that may be supported include but are not limited to:

- Restoration and land management activities designed to sequester carbon and bring co-benefits to support traditional cultural practices (e.g. the harvest of traditional medicinal plants or foods).
- Planting perennial deep-rooted grassland vegetation where natural grasslands formerly occurred.
- Planting significant riparian corridors with perennial vegetation (herbaceous/shrub/tree).
- Re-establishing flooding regimes and vegetation in degraded wetlands (freshwater, estuaries, and peatlands) and increase sequestration of atmospheric carbon in vegetation and soils.
- Enhanced land management for reduced emissions and increased carbon sequestration.
- Avoiding the degradation or conversion of ecosystems that store significant amounts of carbon and that are at high risk from alternate land uses that would release their stored carbon, such as conversion of forests, grasslands or wetlands through long-term conservation activities.
- Securing degraded ecosystems and subsequently undertaking restoration activities to increase carbon sequestration and storage of those ecosystems. Restored lands could eventually become Indigenous Protected and Conserved Areas.

All recipients of funding targeted to multi-year, long-term field/ground activities (restoration, improved land management, conservation) will be required to allocate resources in their project budget to the collection and provision of project data to support GHG reporting requirements.

Amounts requested

There are no minimum or maximum amounts for projects in 2022-23.

What costs can 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 and/or fees;
- 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;
- 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);
- 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.

Duration of projects

Projects will be 1 year in duration and activities must be completed by March 31, 2023. Funding may be renewed if projects can demonstrate completion of activities and achievement of results within the timeframe specified in the proposal.

Funding requirements

- Reporting for projects must demonstrate completion of identified activities and achievement of results within the timelines of their contribution agreement.
- Projects will need to provide a clear explanation of how they will either capture significant quantities of carbon or prevent the release of significant amount of carbon in the long term.
- For capacity building and planning projects, the applicant must provide a clear explanation of how the projects will contribute to the development of an NSCSF project that will allow the reduction of GHG emissions in the long term.

- Projects can be additional activities to existing projects to reduce emissions and/or optimize nature-based carbon capture and storage, while ensuring compatibility with biodiversity benefits. Entirely new activities may be supported if the applicant can demonstrate their ability to complete the project within the timelines of the agreement.

Reporting requirements

For all projects

Recipients will be contacted by the Secretariat to organize a mid-year meeting on project progress to ensure everything is on track, and be required to complete an end-of-year report. It is recommended that at least **one work week** be set aside in the project work plan in order to fulfill reporting requirements.

For planning and capacity building projects

Projects will need to report on how they contribute to and/or result in the update, development and/or implementation of policies, programs, or tools or to the development of future NSCSF projects that are expected to result in:

- reduced greenhouse gas (GHG) emissions due to ecosystem conservation or avoided conversion to other land uses;
- increased carbon capture resulting from increased restoration of ecosystems; and
- increased adoption of enhanced land management practices that reduce emissions and/or optimize GHG emissions capture and storage through Nature-Based Solutions (NBS) practices in Canada.

For on the ground projects only

The GHG emissions reporting requirements are necessary to demonstrate the climate mitigation value of the nature-based climate solutions supported by the NSCSF and to be able to include the GHG emission reductions or increased sequestration achieved by projects that support Canada's 2030 and 2050 emission reduction targets. Though the reporting does not specifically include recognition of Indigenous Knowledge, we encourage recipients to provide and identify their Indigenous perspectives as part of the reporting process so it can be improved in the future.

Reporting requirements will include project site information and data required for the GHG quantification and integration in national GHG reporting to the United Nations Framework Convention on Climate Change (UNFCCC).

All selected applicants carrying out long-term, multi-year on-the-ground activities will be required to provide the data and information to support GHG emissions reporting and to indicate in their project budgets resources that will support this requirement. Reporting on GHG emissions may require undertaking 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 will need to allocate sufficient funds out of their project budget – at least 2-5% and ideally no more than 10% towards those activities.

Please refer to the attached GHG Emissions Reporting for further details on specific reporting requirements for different on ground project activities.

Application deadline

The open will start on November 30th 2021 and close on January 17th, 2022. Applicants will have until January 17th, 2022 (23:59 PST) to submit their proposal. Late proposals will not be accepted.

Proposal packages should be submitted by the deadline to: gardiensautochtones-indigenousguardians@ec.gc.ca

Contact Information

Please email the Indigenous Guardians Pilot mailbox at: gardiensautochtones-indigenousguardians@ec.gc.ca

Appendix: Other federal funding opportunities similar to Nature Smart Climate Solutions Fund (NSCSF)

2 Billion Trees: For projects focused on restoring areas of forests by planting trees, please visit the Growing Canada's forests website at [Growing Canada's Forests program \(nrcan.gc.ca\)](https://nrcan.gc.ca/growing-canada-forests-program). Forest conservation projects or projects seeking to adopt enhanced management practices with biodiversity and carbon benefits could also be considered for NSCSF funding.

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, at [Government of Canada announces new Natural Infrastructure Fund - Canada.ca](https://www.canada.ca/en/government/department/government-of-canada-announces-new-natural-infrastructure-fund). Wetland restoration projects focused on habitat and emission reduction outcomes could also be considered for NSCSF funding.

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 visit [Climate Action and Awareness Fund - Canada.ca](https://www.canada.ca/en/government/department/climate-action-and-awareness-fund).

Agricultural Climate Solutions Program: For projects focused on cover cropping, rotational grazing, or nitrogen management, visit the AAFC site [Helping Farmers to Reduce GHGs and Improve Resiliency to Climate Change](https://www2015.agric.gc.ca/eng/programs/programs-services/cover-cropping/). Grassland conservation and restoration projects with habitat and carbon benefits could also be considered for NSCSF funding.

Additional funding opportunities, including application information, can also be found on the [ECCC funding programs webpage](https://www2015.ec.gc.ca/funding-programs/).