



Australian Government

**Department of Climate Change
and Energy Efficiency**



**Carbon Farming Initiative
Indigenous Carbon Farming Fund
Research and Development Stream
Grant Guidelines**



•Reducing our carbon pollution•Preparing for climate change•Helping to shape a global solution•

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1 OVERVIEW

The Australian Government has developed a comprehensive plan to move to a clean energy future. This includes:

- Introducing a carbon price;
- Promoting innovation and investment in renewable energy;
- Encouraging energy efficiency; and
- Creating opportunities in the land sector to cut pollution

The Clean Energy Future Plan includes a number of measures that are focused on the land. It also includes a commitment by Government to land sector measures including support to support Aboriginal and Torres Strait Islanders to participate in the Carbon Farming Initiative (CFI).

The CFI will create economic rewards for farmers and land managers who reduce or store carbon in the landscape. The ongoing Indigenous Carbon Farming Fund will provide \$22m over the first five years to assist Indigenous communities to benefit from the CFI. Indigenous Australians manage around 20 per cent of Australia's land mass, drawing on traditional knowledge of the landscape and its response to fire, flooding and drought.

Funding will be provided to help Indigenous communities establish or participate in CFI projects. Funding will also be provided for research and reporting tools for CFI methodologies likely to have high Indigenous participation.

Support to develop CFI methodologies is also available through the Methodology Development Program, which is a component of the Carbon Farming Futures Program and forms part of the Government's plan for a Clean Energy Future.

1.1 The Carbon Farming Initiative

The CFI is a carbon offsets scheme that will provide new economic opportunities for farmers, forest growers and land managers. Farmers and land managers who reduce carbon pollution will be able to generate credits that can then be sold to other businesses wanting to offset their own carbon pollution.

To be eligible to receive CFI credits, abatement projects need to meet scheme eligibility criteria and apply an approved CFI methodology to ensure that abatement is measureable and verifiable. CFI methodologies set out the rules and instructions for undertaking projects, estimating abatement and reporting to the CFI Administrator.

The Government is working with industry, research organisations and other government agencies to develop methodologies.

Each methodology is designed around a specific management activity, or a set of related management activities, which leads to abatement. All methodologies must contain the following:

- A description of the activity (or activities) and how it reduces greenhouse gas emissions;
- A list of the sources and sinks affected by a project and how they will be measured or estimated;
- Instructions for determining a baseline that represents what would occur in the absence of the project;
- Procedures for measuring or estimating abatement relative to the baseline; and
- Project specific data collection, monitoring, reporting and record keeping requirements.

The environmental integrity of the CFI will directly affect consumer confidence and the amount that buyers are willing to pay for CFI credits. For this reason, it is important that abatement credited under the CFI meet internationally recognised [offsets integrity standards](#) designed to ensure that abatement is real and verifiable.

1.2 Indigenous Carbon Farming Fund

The Indigenous Carbon Farming Fund is part of the Australian Governments Clean Energy Future Plan that will provide support to Indigenous Australians to participate in the CFI. The Fund will be ongoing, commencing from July 2012, and delivered in two streams:

A Research and Development Stream - \$5.2 million for research and reporting tools for CFI methodologies. This funding will be directed towards supporting and developing low-cost methodologies likely to have high Indigenous participation to help create real and lasting opportunities for Indigenous Australians. This stream will be delivered by the Department of Climate Change and Energy Efficiency (DCCEE). This document sets out how to apply for funding through the research and development stream of the ICFF as well as eligibility requirements.

A Capacity Building and Business Support stream - \$17.1 million to help Indigenous communities establish or participate in carbon farming projects. This stream will be delivered by the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC). Further information is available at www.environment.gov.au/cleanenergyfuture/icff.

The two streams under the ICFF will be developed and delivered in a complementary manner.

1.3 Objective of the research and development stream

The objective of the research and development stream of the ICFF is to encourage Indigenous participation in the CFI by supporting the development and accelerating the uptake of CFI methodologies for abatement activities, such as savanna fire management, likely to have high Indigenous participation. This will include support for research to underpin CFI methodologies, and the development of tools for estimating and reporting on emissions.

The program will achieve its objective by supporting projects that have the following characteristics:

- a) The project supports the development or application of a methodology for an activity that is likely to have high Indigenous participation;
- b) The methodology is or has the potential to be approved under the CFI; and
- c) Will project be undertaken by a team with the demonstrated capability (including technical) to carry out the project.

The CFI Methodology Development [Guidelines](#) and Methodology Development [Template](#) provide information about the integrity standards and requirements for a methodology development proposal. The CFI [Positive List Guidelines](#) provide information about proposing activities for the positive list.

1.4 Key performance indicators

The following indicators will be used to measure the success of the Research and Development Stream of the ICFF:

– Short Term (0-6 months):

- : The number of applications received.
- : The number of applications funded.
- : The level of indigenous participation in the application process.

– Medium Term (6–18 months):

The number of research projects, methodologies or tools funded under this program that can be applied to CFI projects managed for the benefit of Indigenous Australians

– Long Term (18 months plus):

- : The number of CFI projects managed for the benefit of Indigenous Australians that are implemented using research, methodologies, or tools funded under this program.
- : The resulting abatement from projects which use the research, methodologies, or tools funded under this program.

2 AVAILABLE FUNDING

Funding under this program is available from 1 July 2012. Approximately \$900,000 will be available in the financial year 2012-13, with similar amounts available in subsequent financial years up to and including 2016-17. There is no minimum or maximum funding per project although it is anticipated that most grants will be between \$50,000-\$200,000 depending on scope and complexity of the project. Applicants may prefer to apply for funding over more than one financial year if this better suits their project needs. These applications will be considered in the initial funding round and remain subject to the annual expenditure limits and Government requirements for multi-year grants.

Further funding rounds are likely to occur annually for the duration of the program.

For the purpose of the Program, eligible expenditure includes the costs that will be incurred directly by the recipient in respect of the project, including:

- Development costs, including salaries associated solely with the project;
 - Travel expenses;
 - Project administrative costs; and
 - Capital costs for new equipment where the majority of use will be for the funded project. The extent of funding for capital equipment will, however, be part of considerations of value for money and comparative value criteria (Section 5.2 below).
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The Program will not fund:

- Administrative costs relating to the day-to-day operations of the applicant or another organisation (for example, staff salaries, leases, and other operational or employee overheads);
- Proposed activities outside of Australia unless clearly under the control of the applicant via a sub contract;
- Marketing campaigns by the applicant;
- Operating costs that would be incurred whether or not the project is undertaken, including insurance and office accommodation;
- Activities that have previously been completed or work on methodologies initiated prior to a grant award (such work may, however, benefit applicants by enabling more rapid completion and earlier cash flow if a grant is awarded under this program);
- Projects that are ordinarily funded on an ongoing basis by other Australian, state or local government programs (noting that funding can be used in conjunction with other program funding to deliver new or additional services but the funds are not used to purchase the same services);
- Specific training activities required to be undertaken to satisfy government regulatory and statutory obligations or compliance with industry standards; or
- Development of prototypes or commercialisation activities.

3 ELIGIBILITY REQUIREMENTS

The following eligibility criteria will apply without exceptions.

To be eligible for funding under this program the applicant must be

- A business registered for tax purposes in Australia with an Australian Business Number and/or Australian company number; and
- Undertaking business activities in Australia.

It may be difficult for sole individuals or organisations to effectively meet eligibility requirements and to demonstrate that they can deliver projects that accord with the objectives of the ICFF. In which case, applicants may wish to form a consortium, which may include such eligible entities as:

- Indigenous organisations;
- Companies with an Australian company or business number;
- Natural resource management groups; and/or
- Australian tertiary institutions or research organisations.

If applications are received from organisations and/or consortia that do not include an indigenous group, it will be a requirement of any successful candidates that they involve indigenous organisations in the development of any methodology.

Consortia of Indigenous and non-Indigenous organisations are encouraged to apply for funding. A consortium will be required to nominate a lead organisation as the funding recipient and administrative contact. If the application is successful, the lead organisation will be required to execute the funding agreement and will have responsibility for complying with the funding conditions.

Applicants are ineligible if they:

- Are insolvent, under external administration or other external control, or undergoing winding-up, deregistration or dissolution

4 APPLICATION PROCESS

Applicants will need to submit a completed Expression of Interest (EOI), including supporting documentation that is prepared in accordance with these Guidelines. The EOI form is available on the Department website (www.climatechange.gov.au).

Applicants should:

- Read these Guidelines carefully;
- Complete the EOI application electronically as a Microsoft Word document following the instructions in the EOI form; and
- Submit a copy of the application signed by the appointed Administrative Contact for the proposed project, with scanned copies of all supporting legal, technical and financial documentation.

Applications should be submitted by email to ICFF@climatechange.gov.au or mailed to:

Indigenous Carbon Farming Fund
Carbon Farming Policy Branch
Department of Climate Change and Energy Efficiency
GPO Box 854, Canberra City, ACT 2601

Applications will be open for six weeks. The Department will acknowledge receipt of applications by email within five working days.

5 SELECTION PROCESS

5.1 Receipt and registration of applications

As part of the assessment process, EOI applications will be screened to exclude from further consideration, applications which do not:

- Meet all of the eligibility criteria (see 3.0 above);
- Comply with the minimum content and form requirements (see 4.0 above);
- Clearly represent value for money; or
- Are otherwise non-compliant with the Grant Guidelines.

5.2 Assessment of applications

Applications will be evaluated by an Evaluation Committee, which will comprise staff from the Australian Government (which may include staff from Commonwealth agencies other than the Department), and may involve other officers and advisors including non-government technical experts.

The Evaluation Committee will evaluate how well the proposed project will contribute to the program objective (see 1.3 above). To do so they will use the following criteria:

1. The proposed project relates to an activity that is likely to have high Indigenous participation in the CFI because it:
 - utilises some form of Indigenous specific knowledge or expertise;
 - is likely to be adopted on land that is managed by Indigenous Australians; and/or
 - is cost effective and easily adopted by Indigenous Australians.
2. The proposed project relates to a methodology that is or has the potential to be approved under the CFI because:
 - the abatement activity is covered by the CFI, and on the [Positive List](#) or likely to be considered as beyond common practice by the Assessment Panel; or
 - the proposed project relates to a methodology that is likely to meet the CFI integrity standards including the requirement to be supported by peer reviewed science.
3. The project team has demonstrated capability (including technical) to carry out the project, including:
 - Demonstrated expertise,
 - Experience in delivering similar projects, and
 - A draft project plan that covers the development of the methodology through to its final assessment by the Domestic Offsets Integrity Committee and which includes a costed budget for the project that includes any cash and/or in-kind contributions to be made by the Applicant(s).

The Evaluation Committee will also evaluate the value for money using the following additional criteria:

- Financial viability of the Applicant;
- Compliance with the draft Funding Agreement; and
- Cost.

Referees may be asked to comment on Applicants' previous performance as relevant to the application. Successful applicants must establish appropriate project governance arrangements and express a willingness to consult with a project reference group or relevant Technical Working Group (TWG) established by the Department.

Members of the Evaluation Committee will be required to:

- Sign, and keep up to date, conflict of interest declarations, which will ensure the appropriate identification and management of any conflicts of interest;
- Comply with the Australian Public Service Code of Conduct; or
- Sign Confidentiality Agreements.

The Evaluation Committee will prepare an evaluation report for the delegate listing suitable and preferred applications to receive grant funding as assessed against the evaluation criteria. The Department will advise the Minister for Climate Change and Energy Efficiency of short-listed candidates and Minister will decide the successful applicants based on this advice.

5.3 Selection and notification

The Minister will make the final decision on successful applications on the advice of the Evaluation Committee. The Minister's decision on the selection of successful applicants will be final.

The Department will enter into grant agreements with successful Applicants and negotiate the final project plan.

The Department will publish on its website information on successful grant projects within fourteen days after the Funding Agreement for the project commences.

Unsuccessful Applicants will be notified within a reasonable period following finalisation of funding agreements. Applicants will be given the opportunity to receive feedback on their application from the Department.

6 FUNDING AGREEMENT

Successful applicants will be required to enter into a legally binding Funding Agreement with the Commonwealth. The Department reserves the right to change these conditions or apply different conditions to a particular project.

The Department may negotiate changes to the program to ensure successful applicants are likely to comply with the CFI Act. Successful Applicants will be given twenty business days in which to execute the Funding Agreement, after which time the offer of funding may be withdrawn and funding may be awarded to a different Applicant.

7 PAYMENT AND MILESTONES

Payments will be made against milestones. For projects that do not involve the development of CFI methodologies, applicants should outline a proposed payment and milestones schedule in a similar form as given below. Where the project involves the development of CFI methodologies, the payment schedule will follow the milestones outlined below.

Depending on the level of complexity it can take between six to twelve months to develop a methodology that is ready for submission to the Domestic Offsets Integrity Committee (DOIC). DOIC is an independent expert committee that has been established to assess proposed offset methodologies against the offsets integrity standards. The DOIC review process includes a public consultation phase of forty days, in accordance with the CFI Act. Assessment of methodologies takes around six months. As part of its assessment, the DOIC may request additional information or changes to the methodology.

The Department may request progress meetings and audio conferences with appropriate notice, during the methodology development process. The percentage of the total grant in each progress payment will be subject to negotiation in the Grant Agreement.

Milestones	Payments
METHODOLOGY DEVELOPMENT	
Signed Grant Agreement	First progress payment after signing
Agreed work plan and budget	Second progress payment within four weeks of signing the Funding Agreement
Draft Methodology accepted by the Department	Third progress payment
METHODOLOGY ASSESSMENT	
Screening prior to public consultation. Changes made as requested by DOIC.	
Methodology revised in response to the outcomes of public consultation and changes requested by the DOIC.	Fourth progress payment
DOIC endorses the methodology and recommends it to the Minister for Climate Change and Energy Efficiency.	Final Payment

Please refer to the draft Funding Agreement on the Department's website for more information.

If any applicant is found to have intentionally supplied false or misleading information or fails to meet obligations under milestones after entering into a grant agreement, the applicant will be declared ineligible for funding under future grant rounds.

8 TAXATION IMPLICATIONS

Applicants are strongly advised to seek professional advice on the taxation impacts on their business or organisation from funding from this program, including whether the grant:

- Will be considered income for the purpose of paying income tax,
- Will have additional GST implications, and
- Will have any other taxation implications.

Advice is available from the Australian Taxation Office on 13 28 66 or at www.ato.gov.au.

9 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

The Department is committed to the secure protection of confidential commercial and personal information in its possession. The use and disclosure of information relating to applicants (including information provided as part of any application or derived as a result of verification) is regulated by the Public Service Act 1999, the Public Service Regulations, the Privacy Act 1988, the Crimes Act 1914, the Criminal Code and the general law.

The Department may use and disclose information relating to applicants in the administration of these guidelines and otherwise for the purposes of the Program, and for related uses. This may include disclosure of information to other Australian Government agencies, State or Territory government agencies and other persons providing advice to the Department for the purposes of the Program.

Without limiting the foregoing, the Department may also use and disclose information relating to applicants and recipients under the Program in any other Australian Government business or function, including providing information to the Australian Taxation Office for compliance purposes.

10 PROGRAM CONTACT

The Program Coordinator within the Department, who is responsible for day-to-day enquiries relating to the Program, can be contacted as follows:

Mail:

Indigenous Carbon Farming Fund
Carbon Farming Policy Branch
Department of Climate Change and Energy Efficiency
GPO Box 854, Canberra City, ACT 2601
Telephone 6159 7436

Email: ICFF@climatechange.gov.au

11 COMPLAINTS HANDLING PROCESS

The Department's Service Charter can be found at:

(<http://www.climatechange.gov.au/publications/about/service-charter-2010-11.aspx>)

If an applicant is dissatisfied with the way in which the Department handles an application, they should raise their concerns with the Department. If an applicant is dissatisfied with the way in which the Department has handled their complaint, they may wish to complain to the Commonwealth Ombudsman. The Ombudsman will usually decline to investigate a complaint unless the matter has first been raised directly with the Department.

The Commonwealth Ombudsman can be contacted on:

Phone (Toll free): 1300 362 072

Email: ombudsman@ombudsman.gov.au

Website: www.ombudsman.gov.au
