

**Notice of Funding Opportunity USDA-NRCS-NHQ-WMBP-20-NOFO0001002NRCS' Wetland Mitigation Banking Program (WMBP) for Federal Fiscal Year 2020 Questions and Answers  
May 2020**

1. How can states with producers that do not fall into one of the ten priority geographic areas take best advantage of this program?

**Answer:** The Notice of Funding Opportunity (NFO) notes that priority will be given to banks located in geographic areas with the largest numbers of wetland compliance producer requests. Based on NRCS data, proposals from the following States will receive priority consideration: Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, Ohio, South Dakota, and Wisconsin. Interested parties outside of these ten states can still receive awards. The priority geographic areas listed in the NFO are provided to give an indication of where there likely will be the highest demand for mitigation credits. Entities with flexibility on where they work, for example, may elect to focus on the priority States. At the same time, we encourage proposals from areas outside the ten States listed above.

2. What is the geographic service area for a bank? Can a farmer take advantage of a bank in another state if they are in the same watershed?

**Answer:** Geographic service areas are generally represented by hydrologic unit codes (HUCs), which are independent of state boundaries. A farmer could take advantage of a bank in a neighboring state. Service areas are negotiated with NRCS during development of the Mitigation Banking Instrument (MBI).

3. Does NRCS hold the easement on the banking properties?

**Answer:** No, NRCS does not hold WMBP-related conservation easements, they must be held by the awardee or a third party (e.g. State agency, land trust). Awardees must use minimum deed terms provided by NRCS as part of any easement on lands developed using WMBP funding. NRCS will work with awardees and the USDA Office of the General Counsel to review draft easements.

6. Where can I find the wetland functional assessment used for mitigation credits under WMBP?

**Answer:** Functional assessments vary by geographic location. Send an email to [wmpb@usda.gov](mailto:wmpb@usda.gov) and include the anticipated location of the mitigation bank and the bank's likely service area. NRCS will respond with the relevant functional assessment.

7. Does NRCS have a database or other resources to determine demand for wetland producer compliance requests in each state or watershed?

**Answer:** The WMBP funding announcement identifies the ten States with the largest numbers of wetland determination requests. NRCS State offices may be able to provide

additional guidance localized demand for wetland mitigation credits by agricultural producers.

8. How are agricultural producers within a service area made aware that purchasing mitigation credits from a WMBP is an option?

**Answer:** NRCS asks WMBP awardees develop a marketing plan as part of mitigation bank development. In addition, NRCS will ensure that relevant NRCS staff is aware of mitigation credit opportunities.

9. Is there information available on the banks approved in 2016?

**Answer:** Summary information about the projects that were awarded in 2016 is posted on the [WMBP website](#). Project updates will be posted soon.

10. How is the price of mitigation credits determined?

**Answer:** The price of mitigation credits is set by WMBP awardees based on what they believe the market can bear.

11. Do you expect the value of mitigation credits for WMBP-developed banks to be similar to non-Farm Bill-related mitigation banks?

**Answer:** Wetland mitigation banks developed for mitigating wetland loss under the Clean Water Act generally have higher credit prices than agricultural mitigation banks funded through WMBP.

12. Does the proposed wetland bank need to be on traditional agricultural land?

**Answer:** As long as the mitigation bank can mitigate lost cropped wetland acres and functions then the location of the bank is not critical.

13. Can mitigation bankers receiving WMBP funding use existing farmed wetlands and farmed wetland pasture areas to establish credits in the bank by completing additional restoration or enhancements of these areas?

**Answer:** Yes, it is possible. Bankers would need to work with a NRCS State Biologist and use the NRCS Wetland Enhancement Conservation Practice Standard. It is important to understand that NRCS must mitigate the producer's lost wetland functions and lost wetland acres, thus wetland enhancements alone are unlikely to suffice for the establishment of bank credits for purchase by agricultural producers.

14. Does NRCS have a list of potential WMBP project sites?

**Answer:** No, locating sites for mitigation banks is the responsibility of the awardee.

15. Do WMBP mitigation banks have to be protected by a conservation easement?

**Answer:** WMBP-supported mitigation banks must be protected in perpetuity (or the longest time period allowed by State law) by a conservation easement. NRCS will provide all awardees with minimum deed terms that must be included in any conservation easement protecting a mitigation bank supported by WMBP. All WMBP-related conservation easements will be reviewed and approved by the USDA Office of General Counsel prior to being recorded.

16. Is it assumed that bank sites will already be identified and secured before a WMBP proposal is submitted?

**Answer:** No, sites can be located by the grantee after WMBP funding is awarded. However, applicants are expected to illustrate an understanding of the geography and market for wetland credits in which they are intending to work.

17. What type of activities are eligible for reporting as match?

**Answer:** Matching funds may be committed by the applicant, project partners, or both and can be a combination of cash and in-kind contributions. Examples of cash contributions include the purchase of land or conservation easements. Examples of in-kind contributions include work accomplished by unpaid volunteers and donations of supplies, facilities, or equipment. In-kind contributions identified in the project budget must be quantifiable, verifiable, and necessary to accomplish program activities.

18. Can we use grant funds to rent a storage unit for equipment being used on bank site projects located nearby?

**Answer:** If this expense is needed for the restoration, enhancement, or creation of wetland mitigation bank sites, it would be allowable. A justification should be included in the budget narrative.

19. Please define “direct administrative costs” as it is used in the WMBP funding announcement.

**Answer:** Direct administrative costs are expenses like personnel costs for submitting reports and payment requests, printing or advertising costs for bank marketing, etc.