

(a) *Ability to deliver.* The application will be evaluated as to whether it evidences unique abilities to deliver Producer Services so as to create sustainable value-added ventures. Abilities that are transferable to a wide range of agricultural value-added commodities are preferred over highly specialized skills. Strong skills must be accompanied by a credible and thoughtful plan.

(b) *Successful track record.* The applicant's track record in achieving value-added successes.

(c) *Work plan/Budget.* The work plan will be reviewed for detailed actions and an accompanying timetable for implementing the proposal. Clear, logical, realistic and efficient plans will result in a higher score. Budgets will be reviewed for completeness and the strength of non Federal funding commitments.

(d) *Qualifications of personnel.* Proposals will be reviewed for whether the key personnel who are to be responsible for performing the proposed tasks have the necessary qualifications and whether they have a track record of performing activities similar to those being proposed. If a consultant or others are to be hired, points may be awarded for consultants only if the proposal includes evidence of their availability and commitment as well. Proposals using in-house employees with strong track records in innovative activities will receive higher points relative to proposals that out-source expertise.

(e) *Local support.* Proposed Centers must show local support and coordination with other developmental organizations in the proposed service area and with state and local institutions. Support documentation should include recognition of rural values that balance employment opportunities with environmental stewardship and other rural amenities. Proposed Centers that show strong support from potential beneficiaries and coordination with other developmental organizations will receive more points than those not evidencing such support.

(f) *Future support.* Applicants that can demonstrate financial independence in future years will receive more points for this criterion. Points will be awarded only where future funding sources are documented by letters of commitment.

#### **§ 4284.1013 Grant closing.**

(a) *Letter of conditions.* The Agency will notify an approved applicant in writing, setting out the conditions under which the grant will be made.

(b) *Applicant's intent to meet conditions.* Upon reviewing the conditions and requirements in the

letter of conditions, the applicant must complete, sign and return the Agency's "Letter of Intent to Meet Conditions," or, if certain conditions cannot be met, the applicant may propose alternate conditions to the Agency. The Agency must concur with any changes proposed to the letter of conditions by the applicant before the application will be further processed.

(c) *Grant agreement.* The Agency and the grantee must enter into an "Agriculture Innovation Center Grant Agreement" prior to the advance of funds.

#### **§§ 4284.1014–4284.1100 [Reserved]**

5. Subpart F of part 4284, consisting of §§ 4284.501 through 4284.600 is revised to read as follows:

#### **Subpart F—Rural Cooperative Development Grants**

Sec.

4284.501	Purpose.
4284.502	Policy.
4284.503	Program administration
4284.504	Definitions.
4284.505–506	[Reserved]
4284.507	Eligibility for grant assistance.
4284.508	Use of grant funds.
4284.509	Limitations on grants.
4284.510	Application processing.
4284.511	Evaluation screening.
4284.512	Evaluation process.
4284.513	Evaluation criteria and weights.
4284.514	Grant closing.
4284.515–4284.599	[Reserved]
4284.600	OMB control number.

#### **§ 4284.501 Purpose.**

This subpart outlines the Agency's policies and procedures for making grants for cooperative development in rural areas.

#### **§ 4284.502 Policy.**

Rural cooperative development grants will be used to facilitate the creation or retention of jobs in rural areas through the development of new rural cooperatives, Value-Added processing and rural businesses.

#### **§ 4284.503 Program administration.**

The rural cooperative development grant program is administered by Cooperative Services within the Agency.

#### **§ 4284.504 Definitions.**

*Center*—The entity established or operated by the grantee for rural cooperative development. It may or may not be an independent legal entity separate from the grantee.

*Cooperative development*—The startup, expansion or operational improvement of a cooperative to promote development in rural areas of services and products, processes that can be used in the marketing of

products, or enterprises that create value-added to farm products through processing or marketing activities. Development activities may include, but are not limited to, technical assistance, research services, educational services and advisory services. Operational improvement includes making the cooperative more efficient or better managed.

*1994 Institutions*—means those colleges identified as such for purposes of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note). Contact the Agency for a list of currently eligible colleges.

*Project*—A planned undertaking by a Center that utilizes the funds provided to it to promote economic development in rural areas through the creation and enhancement of cooperatives.

#### **§ 4284.505–506 [Reserved]**

#### **§ 4284.507 Eligibility for grant assistance.**

Grants may be made to Nonprofit corporations and institutions of higher education. Grants may not be made to Public bodies.

#### **§ 4284.508 Use of grant funds.**

Grant funds may be used to pay up to 75 percent (95 percent where the grantee is a 1994 Institution) of the cost of establishing and operating centers for rural cooperative development. Matching funds contributed by the applicant may include a loan from another federal source. Grant funds may be used for, but are not limited to, providing the following to individuals, cooperatives, small businesses and other similar entities in Rural areas served by the Center:

(a) Applied research, feasibility, environmental and other studies that may be useful for the purpose of cooperative development.

(b) Collection, interpretation and dissemination of principles, facts, technical knowledge, or other information for the purpose of cooperative development.

(c) Providing training and instruction for the purpose of cooperative development.

(d) Providing loans and grants for the purpose of cooperative development in accordance with the subpart.

(e) Providing technical assistance, research services and advisory services for the purpose of cooperative development.

#### **§ 4284.509 Limitations on grants.**

Grants made pursuant to this subpart shall be for one year or less.