



# Value-Added Manufacturing Program Guidelines

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## 1. Program Purpose

To capitalize on business development opportunities created from the *Nova Scotia Solid Waste-Resource Management Strategy*<sup>1</sup>, the Value-Added Manufacturing Program provides financial assistance to Nova Scotia-based businesses for the purpose of supporting the development of value-added products from materials recovered from the waste stream.

## 2. Eligible Projects

The following projects are eligible for funding assistance under this program:

- a) Prototype, pilot or demonstration of new technology for the collection, diversion, processing, manufacturing and distribution of materials diverted from the waste stream. Pilot or demonstration refers to the technical and commercial validation of a technology, process or service not previously available in Nova Scotia.
- b) Commercialization of new technology, products or services for materials diverted from the Nova Scotia waste stream, preferably with export potential. Favourable projects include those that possess market development potential and are designed to commercialize new technology, products or services in the following areas:
  - i) Value-added manufactured products from solid waste;
  - ii) Development of new solid waste processing and handling technologies; and,
  - iii) Development of new or enhanced markets for waste materials.

Emphasis will be placed on projects that offer a solid business case and divert priority wastes and quantities (Appendix A).

## 3. Eligible Applicants

Eligible applicants include;

- Individual Businesses (Sole Proprietorships, Partnerships, Corporations)
- Business Associations or Industry Groups
- Industry-led collaborative partnerships between the private and public sectors and two or more businesses or consortia.

Applicants must hold the necessary licenses, leases, and permits, where applicable. Applicants and/or project activities shall be based in Nova Scotia, unless specifically approved by Divert NS. Divert NS encourages business alliances and partnered proposals for new products, services, and technologies of province-wide significance and benefit.

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<sup>1</sup> The Nova Scotia Solid Waste Resource Strategy Can be located at <http://www.gov.ns.ca/nse/waste/strategy.asp>

#### 4. Eligible Costs

Eligible costs are those considered essential to the startup and success of the project. Eligible costs must be incremental, arms' length, represent fair market value, and not qualified for sufficient assistance through other programs. The amount of funding available each year is limited.

##### 4.1 Capital Costs

Capital costs are incurred to acquire, construct, develop, install or better a capital asset.

- i. Where a capital asset is acquired, costs include the purchase price and other acquisition costs such as brokers' commissions, installation costs including design and engineering fees, legal fees, transportation charges, duties, testing and preparation charges.
- ii. Where a capital asset is constructed or developed, the cost would include direct construction or development costs, such as materials and labour, and overhead costs directly attributable to the construction or development activity.

#### 5. Ineligible Costs

Ineligible costs include salaries and benefits, land, depreciation, general purpose vehicles and any other costs that are not considered essential to the project.

#### 6. Level of Assistance

- a) Program assistance is provided in the form of a loan, forgivable loan or, non-repayable contribution
- b) Applicants must confirm at least a **20% equity position** in the project to qualify for assistance.
- c) Program assistance will not normally be accessible prior to written confirmation of the availability of other project financing.
- d) The maximum Program contribution will generally be no more than 50% of total costs of the proposed project, unless specifically approved by Divert NS.
- e) In normal circumstances, no assistance will be provided for any project which commenced, had costs incurred, or for which the applicant made written financial commitments prior to the date on which the application was received by Divert NS.
- f) Assistance is not available to support existing business operations that are not incrementally improving solid-waste diversion. Financing for existing operations and replacement equipment must be sought through traditional sources.

#### 7. Application Assessment and Analysis

Applications must be submitted to Divert NS in writing, using the approved *Value-Added Manufacturing Program Application Form*. The application must be accompanied by a certified cheque or money order in the amount of \$200, payable to Divert NS.

**This processing fee is non-refundable.** Non-profit organizations are exempt from this fee. As an alternative, an informal 1-2 page project description may be submitted in order to receive an early indication of project eligibility and feedback from the Committee. A full application is still required should the project proceed.

The applicant shall be expected to operate under the principle of full disclosure and provide all information necessary to ensure a complete evaluation of the project. Divert NS may collect and share information with such persons or organizations as Divert NS deems necessary (including government agencies, financial institution and contracted services) with respect to reaching a decision on applications.

*The Value-Added Manufacturing Committee* (the Committee) will assess all applications. Assessments and funding recommendations of the Committee shall be subject to approval by the Board of Directors. All applicants shall be informed of the Board's decision in writing. The letter to successful applicants shall include the terms and conditions of the offer, as well as details on payment and invoicing, records, reviews and audits.

## **8. Submission Date**

Applications can be submitted at any time. The Committee meets quarterly or as required - depending upon applications received. Applications should be submitted several weeks prior to a Committee meeting to allow adequate assessment and research of the application. Staff can be contacted any time to discuss application timing and Committee meeting dates.

## **9. Consent for Collection, Use and Disclosure of Information**

Divert NS is subject to the *Freedom of Information and Protection of Privacy Act* when collecting, handling and disseminating information revealed by applicants. When the *Act* and these guidelines cannot be read harmoniously, the *Act* supersedes the guidelines.

In addition to the process of information collection (as explained in Section 7), applicant information and project information is made available to Divert NS personnel and committee members responsible for managing, monitoring and evaluating programs. Divert NS will only use and disclose personal information for program planning, evaluation and reviews, in audits and for generating statistics.

Divert NS may publish or otherwise disclose in its internal and external communications, including press releases and on its website, information on approved funding application and reports respecting the project for which funding has been approved. The purpose of such communications is to advise and inform the public of projects that are funded by Divert NS. The disclosure may include the names, title and affiliation of project leaders, amount of funding and a brief summary of the project.

In all cases, personal information will not be disclosed if the disclosure would result in an unreasonable invasion of the applicant's privacy as determined under the *Act*.

## **10. Intellectual Property**

Intellectual Property ("IP") includes rights protected by copyright, patent and trademarks, and trade secrets. Divert NS does not claim any rights of ownership to IP arising out of research funded wholly or in part by Divert NS.

### Terms of Access to Research Results and IP

Divert NS has the right to access research results and IP developed in the course of research done wholly or in part through use of Divert NS funds, including for the purposes of dissemination of research and results and partnering or funding future research based on research and results. Divert NS will protect the confidential information disclosed by successful applicants that constitutes a trade secret in accordance with and to the extent provided under the *Freedom of Information and Protection of Privacy Act*.



### IP Agreements

In order to protect successful applicants' rights and the mandate of Divert NS, applicants will be held to an IP agreement arising from and relating to Divert NS funding. This agreement shall include clauses that address the following:

1. Retention of Divert NS's right to access a successful applicant's research and results. The terms of access shall be determined based on the considerations set out above and in agreement with the successful applicant.
2. Retention of Divert NS's right to disseminate a successful applicant's research and results without restrictions.
3. Acknowledgment of Divert NS's right to a non-exclusive license to partner or fund future research based on a successful applicant's research and results.
4. Applicant retention of proprietary rights, subject to those rights explicitly granted to Divert NS.
5. Survival of the IP agreement following the end of the research grant and/or relationship between successful applicants and Divert NS.

## Appendix A - Nova Scotia Waste Information






The following materials have active recycling markets and these materials are being diverted from Nova Scotia landfills (*please note that this is not a comprehensive list*):

1. Most Organics: Food Waste, Soiled paper products, Yard Waste
2. Paper Products: Corrugated Cardboards, Papers (Office, Newsprint)
3. Some packaging : plastics containers marked   and metal cans
4. Electronics: old computers, cell phones, monitors
5. Scrap Metals/White Goods: Appliances such as fridges, washing machines, dryers, dish washers, etc.

Divert NS does not discourage more value-added opportunities and/or efficiency improvements relating to these materials, however, they are less problematic and given less priority through Divert NS's Business Development Programs.

### ***Problematic Materials and/or Materials That Need More Environmentally Friendly Diversion Practices***

The following materials are not currently recycled and/or composted in Nova Scotia OR they are not recycled/reused in significant quantities. As a result, they are land-filled or shipped significant distances to markets and therefore represent 'priority materials' for Divert NS Business Development Programs.

1. Construction and Demolition (C&D) Wastes are unwanted materials produced during construction, renovation and demolition. Materials include:
  - a. wood (*clean, engineered, painted/coated and with laminates e.g. plywood, MDF, particle board, melamine or other wood with laminates and/or adhesives/glues e.g counter tops, shelving, etc*);
  - b. wallboard (*clean and painted/coated*);
  - c. asphalt shingles; and
  - d. other: flooring (carpet, vinyl, laminant, etc.), ceiling tiles, plaster, vinyl siding
2. Textiles, such as clothing, fabrics, and some carpets the backing is more problematic to market than the fibre
3. Paper Products: Magazines, wax cardboard, laminated boxboard, milk cartons, TetraPaks
4. Organic materials: Plastic lined boxboard (some frozen food boxes) waxed cardboard, animal waste, etc. still require more/better diversion options.
5. Household hazardous, special wastes and their containers: Disposable diapers, hazardous fluid containers (mostly plastics), motor oil containers, etc.
6. Plastics Less Commonly Recycled' and/or Difficult to Market     
  - a. Plastic containers numbered 3 to 7 e.g. dairy and food packaging, some automotive fluids, some cleaners, etc.
  - b. Plastic film #4 and #2: Shopping bags, packaging wrap (around toilet paper, tissue boxes, insulation wrap, etc.), dry cleaner bags, pallet wrap, etc. Expanded polystyrene #6: Disposable cups, food trays, foam packaging around new products, etc.
  - c. Plastic products # 1 to 7. Toys, furniture, household products (laundry baskets, buckets, etc.), electronic casings

### **Diversion Quantities**

Level	Quantity in Tonnes	Impact on kg/person (940,789)
High	5,000 tonnes or more	5.5 kg/person or more
Medium	1,000 - 4,999 tonnes	1.09 - 5.5 kg/person
Low	100 - 999 tonnes	0.11 - 1.09 kg/person
Nominal	Less than 100 tonnes	Less than .11 kg/person



**APPLICATION FOR ASSISTANCE  
Value-Added Manufacturing Program**

<p><b>1. Legal Name of Applicant/Business</b></p> <p>Name: _____</p> <p>Mailing Address: _____</p> <p>Street: _____</p> <p>P.O. Box: _____ City/Town: _____</p> <p>Postal Code: _____</p>	<p><b>2. Name and Title of Contact Person</b></p> <p>Name: _____</p> <p>Title: _____</p> <p>Telephone no.: _____</p> <p>E-mail: _____</p> <p>Fax no.: _____</p> <p>Authorized Signature: _____</p>
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**3. Organization** (please check one):

Sole Proprietorship     
 Partnership     
 Limited Company/Corporation  
 Non-Profit     
 Public-Private Partnership     
 Other: \_\_\_\_\_

**4. Name of Proposed Project:** \_\_\_\_\_

**5. Project Location:** \_\_\_\_\_

**6. Municipal, Provincial and/or Federal Permits Required:** \_\_\_\_\_

**6. Brief Description of Project:** \_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

**7. Total Cost of Project:** \$ \_\_\_\_\_      **Total Request from Divert NS\*:** \$ \_\_\_\_\_

*\*Approved program funding will be provided as a percentage of the total eligible costs, with the maximum program contribution not greater than 50% of total costs, unless specifically approved by Divert NS.*

Have other organizations been requested to support the project?     yes     No

*If yes, please provide details*

Organization	Funding Amount Requested	Contact Person
_____	\$ _____	_____
_____	\$ _____	_____

\_\_\_\_\_ \$ \_\_\_\_\_

**8. Please attach a detailed business plan (in Word/PDF format) that provides information on the following:**

- a. A detailed description of the project, listing areas of the Province and the population that will be served.
- b. An explanation of how the project supports the goals of the Provincial *Solid Waste-Resource Management Regulations & Strategy*. To view the Strategy, please visit <http://www.gov.ns.ca/nse/waste/strategy.asp> Include the estimated amount of solid waste that will be diverted annually (kg or tonnes). Describe how the project is innovative. (Review Program Guidelines, if necessary.) If applicable, how will the project be integrated with existing solid waste-resource management programs in the area(s) to be served?
- c. The project's implementation schedule. If applicable, please include project milestones (2 to 3 only) that could be used to trigger payment of any approved program funding.
- d. A detailed budget that includes anticipated costs for buildings, capital equipment, leased equipment, supplies and tests, and any other related costs. A detailed schedule of all wages and salaries paid, including any contracted assistance. Relevant details surrounding all other funding and owner's equity.
- e. Applicable business plan information (Market Potential, Management, Marketing Plans, Historical and *Proforma* Financial Statements)
- f. The number of new jobs to be created and/or maintained.

**9. Notice and Consent:**

I certify that the information given is, to the best of my knowledge and ability, complete, true and correct and this will also apply to all information given in the future in connection with the review and/or implementation of the project.

I authorize Divert NS to make any enquiries of such persons or organizations, to collect and share information with them, as Divert NS deems necessary in order to reach a decision on this application, to administer and monitor the implementation of the project, and to evaluate the results of the project after project completion.

**I have read and I understand this Notice and Consent and the Divert NS Value-Added Manufacturing Program Guidelines. I voluntarily consent to the collection, use and disclosure as described.**

Signature of Authorized Official

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

**All applications must be accompanied by a certified cheque or money order in the amount of \$200 payable to Divert NS. This processing fee is nonrefundable. Non-profit organizations are exempt.**

**Applications can be mailed, faxed or emailed to Divert NS.**