

Green Municipal Fund™

Call for Applications
Waste



waste

Application Guidelines

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Fonds municipal vert

Green Municipal Fund, Waste Call for Applications: Application Guidelines

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The application forms and other documents for the Green Municipal Fund are available in English on the Federation of Canadian Municipalities' Green Municipal Fund website <www.fcm.ca/gmf>.

Les formulaires et autres documents du Fonds municipal vert sont disponibles en français sur le site Web du Fonds municipal vert de la Fédération canadienne des municipalités <www.fcm.ca/fmv>.

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Introduction

1. About the Green Municipal Fund

GMF is a long-term source of financing for municipalities and their partners to develop communities that are more environmentally, socially, and economically sustainable.

The Government of Canada endowed the Federation of Canadian Municipalities (FCM) with \$550 million to establish GMF. This Fund

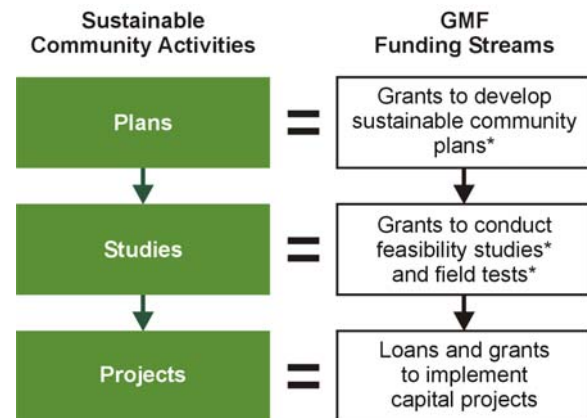
- provides low-interest loans and grants to municipalities that deliver leading examples of sustainable development; and
- builds capacity and shares the knowledge and experience gained by municipal leaders through GMF-funded studies and projects.

GMF is managed by FCM and operates at arm's length from the federal government. For more information, see the FCM Green Municipal Fund website at www.fcm.ca/gmf.

2. What Is Eligible for GMF Funding?

GMF has three funding streams that finance three types of sustainable community activities:

Note: GMF invests in the plans, studies, and projects that provide the best examples of municipal leadership in sustainable development and from which other municipalities can learn and apply.



* See the [Glossary](#) for definitions of these terms.

The application forms and Application Guidelines for each funding stream are available on the FCM Green Municipal Fund website at www.fcm.ca/gmf.

3. Funding for Capital Projects

There are specific, targeted calls for applications in each of five sectors every year: brownfields, energy, transportation, waste and water. Potential recipients can apply only in response to specific targeted calls for applications in each sector.

FCM offers low-interest GMF loans or low-interest loans combined with grants to implement projects that represent the best examples of leadership in sustainable development in each sector with the exception of the brownfield sector in which only loans are available.

GMF can offer financing for up to 80% of the eligible costs of some capital projects. **Grants are only offered in combination with loans.**

Call for Applications: Waste

4. Objective

The objective of the call for applications - Waste is to increase the amount of [waste diverted](#) from landfill sites in Canada by offering loans, and loan and grant combinations to support the implementation of [municipal solid waste](#) (MSW) diversion projects.

To ensure the greatest possible environmental, social, and economic impact, GMF invests in the best examples of municipal leadership in sustainable development — examples that can be replicated in other communities.

$$\text{Total Diversion Rate} = \frac{\text{Total MSW Diverted}}{\text{Total MSW Generated}} * 100 \geq 50\%$$

Projects involving reuse must involve municipal operations or services, such as a municipally owned and operated reuse centre.

Thermal treatment projects must have residual waste reduction as their primary objective and incorporate the recovery and use of waste energy produced by the process. Applicants proposing thermal treatment projects must also provide [baseline data](#) demonstrating a **(pre-project) total diversion rate of at least 50 per cent** through successful application of reduction, reuse, recycling or biological processes.

5. Eligibility

5.1 Who is eligible?

Any Canadian municipal government, municipal utility (owned in whole or in part by a municipal government), or municipal partner may apply for funding under this call for applications.

5.2 What projects are eligible?

Projects that divert MSW from landfill through [reuse](#), [recycling](#), [thermal treatment](#) processes or [biological processes](#) are eligible for funding through this Call for Applications.

Projects will not be approved unless they receive a minimum overall score of 60 points out of 100.

All eligible projects must be expected to result in a total diversion rate (TDR) of **at least 50 per cent** after project implementation.

5.3 What projects are not eligible?

Projects related to landfill management activities (including landfill construction and expansions, landfill reclamation, and landfill gas capture) and projects related solely to the construction of transfer stations are specifically excluded from this Call for Applications.

5.4 Pre-requisites

The following activities must be complete before submitting a proposal:

- 1) A [waste review](#) based on data that is not more than five years old.
- 2) A [solid waste management plan or solid waste diversion plan](#) that is not more than seven years old.

If these pre-requisites have not yet been completed, applicants are not eligible under this Call for Applications.

6. Funding

6.1 What funding is available for projects?

Projects approved for funding under this call for applications will be eligible to receive funding for up to 80 per cent of the eligible project costs up to a maximum \$4 million loan and \$400,000 grant per project. The value of a grant will not exceed 10 per cent of the value of the loan.

Note: FCM reserves the right to adjust the above loan limit.

6.2 What interest rates and terms are available for GMF loans?

For approved municipal governments, GMF interest rates are Government of Canada bond rate for the equivalent term minus 1.5 per cent.

For approved municipal partners, GMF interest rates will be based on the credit strength of the borrower and, in general, they are lower than rates available from other long-term lenders.

Interest rates are set at the time of loan disbursement and will be fixed for a term up to 10 years (or up to 20 years for exceptional projects).

6.3 Which projects are eligible for a grant?

To be eligible for a grant, applicants must show that the proposed project is supported by a [municipal sustainability plan](#). **Grants will only be offered in combination with loans.**

All applicants will be eligible to receive a grant up to a maximum of 5 percent of their requested loan amount. Applicants that score a minimum of 12 points out of 20 in the Other environmental considerations criterion will be eligible for a grant up to a

maximum of 10 percent of the requested loan amount.

6.4 Disbursement

All applicants that accept offers of financing will be required to sign funding contracts with FCM.

Loans

Loan funds will be disbursed in one payment at project completion provided that the project is implemented as described in the proposal to GMF.

Grants

Grant funds will be disbursed upon verification of environmental results (refer to section 10) and of the actual total diversion rate, which shall take place within three years after project completion.

Projects that fail to achieve the total diversion rate (as forecasted in the proposal) within three years following project implementation, will have their grant reduced by 50%.

Projects that fail to achieve a total diversion rate of **at least 50 per cent** within three years following project implementation, will not receive any grant.

7. Eligible Costs

7.1 What costs are eligible?

The following invoiced costs are eligible for funding. (Eligible project costs incurred on or after the date FCM receives the complete application will become receivable if the proposal is approved by the FCM Board.)

- a) **Capital costs**, as defined and determined in accordance with Generally Accepted Accounting Principles (GAAP):
 - i. acquiring, developing, constructing, modernizing or leasing systems (equipment, hardware, software, etc.) that

- are essential for the completion of the project;
- ii. costs of construction, renovation or modernization of facilities and structures essential for the completion of the project, such as materials and installation costs.
- b) Salaries, professional fees and remuneration:**
- i. salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in the planning, assessment, analysis, design, engineering, manufacturing, construction, monitoring, and reporting of the project, but not employed by the applicant;
 - ii. salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in public education and promotion, survey and web site development and the development of other communication tools, directly related to the implementation of the project, but not employed by the applicant; and
 - iii. salaries, fees or remuneration paid directly to employees of the applicant working on the project are eligible only if they do not exceed 10 per cent of the total eligible project costs.
- Green Municipal Fund
<www.fcm.ca/gmf>)
- b) assessment and characterization of the current amount of waste (waste review), the preparation of a solid waste management or diversion plan; and costs related to conducting an environmental impact assessment
 - c) the purchase of any bins used to collect waste
 - d) the acquisition or retrofit of all vehicles, for example, loaders, trash compactors or co-collection vehicles
 - e) landfill management activities including landfill construction and expansion, landfill gas capture, and landfill reclamation
 - f) construction of transfer stations
 - g) general overhead costs of the applicant, such as insurance and other operating costs related to general maintenance and repairs in relation to the project
 - h) office space for the project
 - i) purchase, lease or sale of real property
 - j) administrative costs not specifically listed as eligible costs, such as audit fees and legal fees
 - k) engineering costs for which grants or contributions are provided by or committed to be provided by any program of the Government of Canada
 - l) conference and conference travel
 - m) Provincial Sales Tax and the Goods and Services Tax for which the applicant is eligible for a tax rebate and any other costs eligible for rebates
 - n) in-kind contributions, except as noted in 7.1 b) iii.

7.2 What costs are not eligible?

The following costs are not eligible for funding:

- a) activities related to the project that would be eligible for GMF funding under a sustainable community plan, feasibility study, or field test (refer to the Application Guidelines for Sustainable Community Plans and for Feasibility Studies and Field Tests on the website of the FCM

8. Proposal Assessment

8.1 How are proposals assessed?

Proposals are assessed by an independent Peer Review Committee according to the potential for the project to deliver environmental, social and economic benefits.

Direct environmental benefit:

The measures of environmental benefit for this Call for Applications will be:

- the forecast total diversion rate (TDR) after project implementation;
- the forecast increase in total diversion rate attributable to the project, relative to the baseline data.

Other environmental considerations may include:

- Any negative environmental impacts and their proposed mitigation;
- Reduction of greenhouse gas emissions and criteria air contaminants from waste-related sources, for example landfill gas (LFG) and transportation
- Use of biological processing by-product instead of chemical fertilizers in municipal operations
- Ability to handle other types of waste, such as sludge from wastewater treatment plants, paper sludges and septage sludge
- Analysis and minimization of life cycle costs to the full extent possible
- Identification of appropriate markets for recyclables
- For thermal treatment projects, the recovery and use of energy

Social benefits may include:

- Protection and improvement of human health
- Improvement to community quality of life
- Community economic development and community revitalization
- Increased public awareness and understanding of waste issues and options
- Partnerships between two or more municipalities

Economic benefits may include:

- Expected operation and maintenance costs, and savings of the project
- Leveraging GMF funding to secure financing from municipal governments and other public sources
- Private sector involvement in municipal environmental projects, including the increased participation of private lenders
- Investment in innovative environmental technologies, practices and processes;
- Use of full-cost accounting and full-cost pricing
- Adoption of cost-effective demand-side management policies and programs;
- Re-sale of by-products
- Improved job retention, increased job creation, and generation of employment income

9. Proposal Requirements

9.1 What information will be required in the proposal?

Applicants will be required to submit the following documents with their proposal:

For all projects:

- Waste review report (not more than five years old)
- Solid waste management plan or diversion plan (not more than seven years old)
- Worksheets (templates to be provided by FCM with the Application Guidelines)

For thermal treatment projects:

- A [mass-energy balance calculation](#) (if available)

For **municipal applicants**:

- Most recent audited financial statement
- Municipal Council resolution describing the level of commitment and financial support for the proposed project and GMF proposal, OR a letter from the Chief Administrative Officer or Chief Financial Officer describing the current status of project approval
- For applicants from a municipal government **outside the Province of Quebec**, evidence of provincial consultation¹ (a template letter will be available from the website of the FCM Green Municipal Fund <www.fcm.ca/gmf>)

For **municipal partner applicants**:

- Most recent three years of audited financial statements and, if available, a [business plan](#) for the proposed project (note that FCM reserves the right to request further financial information)
- A copy of an executed agreement in the form of a [waste management contract](#) with a municipal government demonstrating that the agreement between the municipal partner and the municipality will be in effect at the time of disbursement

of GMF funding and for the duration of the loan agreement

- A letter from the municipal partner's Chief Executive Officer or Chief Financial Officer of describing the current status of project approval and giving evidence of the municipal partner's board of directors' decision to support the proposed project and GMF proposal
- For applicants **outside the Province of Quebec**, evidence of provincial consultation (a template letter will be available from the website of the FCM Green Municipal Fund <www.fcm.ca/gmf>)

10. Project Reporting

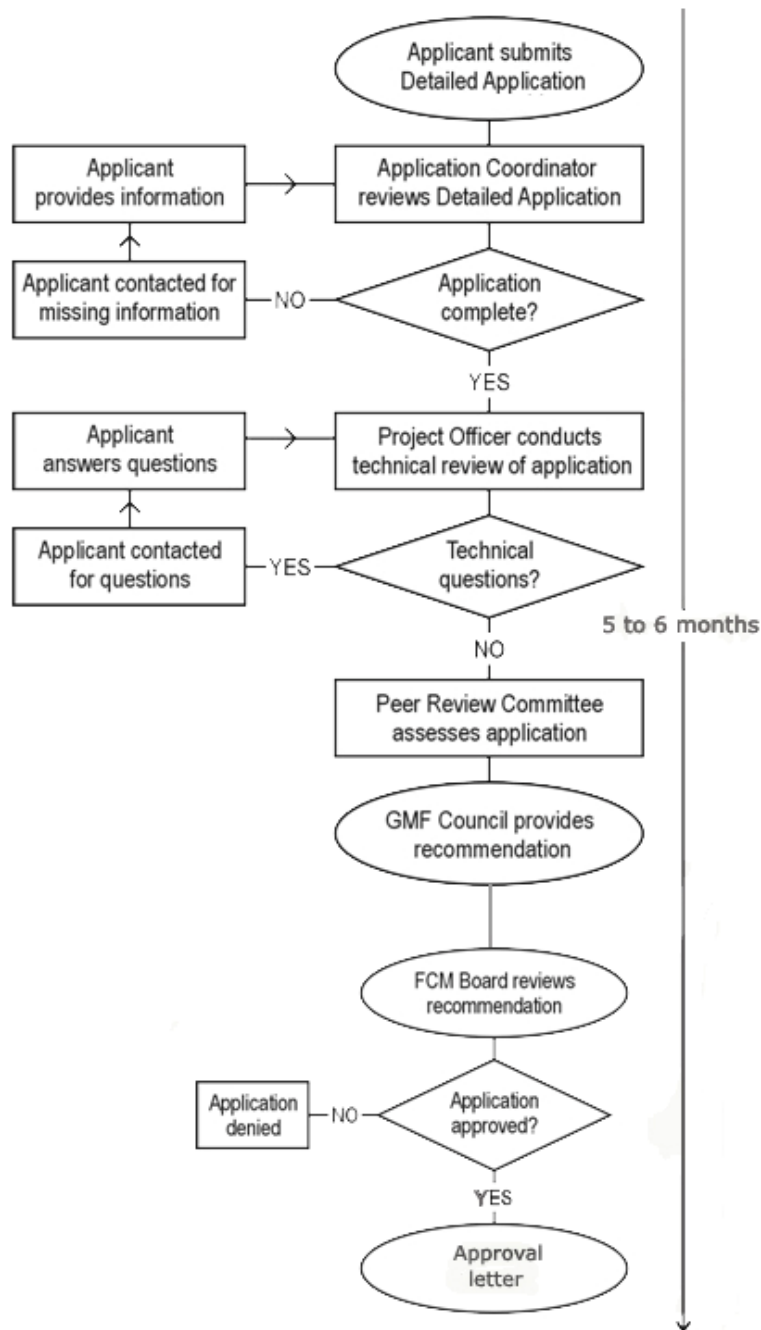
In accordance with the agreement established between FCM and the Government of Canada, all funding recipients must report on the environmental benefits and lessons learned from the implementation of their GMF-funded project.

All approved recipients must comply with the standard GMF project reporting requirements, which include submitting a Project Completion Report (PCR), and an Environmental Results Report (ERR) prepared by a third party consultant. These reporting requirements are available on the FCM Green Municipal Fund website at <www.fcm.ca/gmf>.

Approved borrowers must also post project signage acknowledging FCM's contribution to the project, following FCM's specifications. The cost for this signage will be considered an eligible cost.

¹ Provincial consultation for applicants from municipal governments inside the Province of Quebec is acquired by way of submission to MAMROT.

11. Timeline and Next Steps



Glossary

Applicant: The organization that submits the application for GMF funding, manages the project, incurs all expenses, signs the funding contract(s), and requests and receives disbursements. The applicant must be a [municipal government](#) or [municipal partner](#) in Canada.

Baseline data: a reference set of pre-project data used to establish the objectives to be achieved by the project and to evaluate whether these objectives were met after project implementation. Baseline data greater than five years old will not be accepted.

Biological processes: a range of managed natural processes by which aerobic or anaerobic micro-organisms break down organic components in waste (e.g. composting) into usable end products (typically soil amendment and combustible gases such as methane).

Business plan: Must contain an executive summary, the corporate structure of the company undertaking the project, a market overview, technology, financial forecasts (cash flows from the project), and the financial structure of the project.

Eligible recipient: any municipal government or municipal partner in Canada.

Life cycle analysis: Considers the environmental impacts of the municipal environmental project in combination with upstream and downstream activities (the inputs and processes necessary to operate, and the outputs that result from operating the municipal environmental project). For example, if a process requires the input of material or energy, a life cycle approach

would quantify the environmental impacts of creating those materials and consuming energy. Additionally, a life cycle approach would quantify the products or waste generated as outputs from the project.

Mass-energy balance calculation: An energy balance is a mathematical statement of the conservation of energy, and it is a systematic method for accounting the amount of energy and its transformations in a system. Steps to writing an energy balance include: 1) define the system boundaries; 2) draw a sketch or schematic; 3) establish all the ways that energy can enter or exit, and establish any internal sources of energy or its transformations within the system; and 4) write the appropriate energy balance equation.

Municipal government: the corporation of a region, county, municipality, city, town, village, township, rural municipality or improvement district located within Canada and includes the local board thereof. In the case of an unorganized area or unsurveyed territory located within Canada, a regulatory authority that exercises any power with respect to municipal affairs or municipal needs.

Municipal partner: a corporation (owned in whole or in part by a municipal government) or a non-municipally owned entity (e.g., private sector or not-for-profit) that has entered into a waste management contract with a municipal government. The municipal partner may manage the collection and disposal of MSW or may be a source of MSW (that is then managed by the municipal government).

Municipal solid waste (MSW): includes the amount of waste attributable to municipal programs that is destined for landfill, including all components of residential waste, industrial/commercial/institutional waste, household hazardous wastes and construction and demolition wastes as well as waste from other sources that could include biosolids, septic sludges, and paper sludges. For the purpose of this Call for Applications, MSW will only include waste managed by a municipality, either directly, through municipally owned processes and facilities, or indirectly through contracted services.

Municipal sustainability plan: a plan demonstrating the necessity or importance of the proposed project in furthering the municipality's sustainable development initiatives and sustainability goals. The areas covered by this plan are energy, water, waste, planning, growth management, infrastructure, sustainable transportation, brownfields, and economic or community development. For example, a sustainable community plan, or a solid waste management or diversion plan.

Recycling: the recovery of dry materials, such as paper, cardboard, plastics, glass and metals, from waste for incorporation into new products. The resulting products will have value as commodities.

Reuse: using waste material in its same form. This activity is generally internal to the business or the residence that produces the MSW.

Solid waste diversion plan or solid waste management plan: a planning document that sets out objectives, strategies, and opportunities to increase solid waste diversion from landfill and to manage solid waste in a sustainable manner, and that identifies an implementation schedule and resources to achieve such objectives.

Thermal treatment: high temperature processing to reduce the quantity, or stabilize, the waste requiring disposal.

Waste review: an assessment and characterization of the amount of waste generated by a municipal program. No particular formula is required, but the review must quantify the total amount of MSW generated, eliminated and diverted.

Waste diversion: technologies or processes that reduce the amount of MSW sent to landfill. The options considered eligible for waste diversion include reuse, recycling, biological processes and thermal treatment.

Waste diversion calculation: waste diversion should be calculated using the Generally Accepted Principles (GAP) or equivalent. Further information regarding GAP, including the GAP MSW Manual, can be found through Corporations Supporting Recycling (CRS) <<http://www.csr.org/gap>>.

The total diversion rate prior to project implementation (based on baseline year data), and the projected total diversion rate after project implementation, are to be calculated as follows:

$$\text{Total Diversion Rate (\%)} = (\text{Diversion} / \text{Generation}) \times 100$$

Where:

$\text{Diversion} = \text{Reuse} + \text{Recycling} + \text{Biological Processing} + \text{Thermal Treatment Processing}$

$\text{Generation} = \text{Diversion} + \text{Disposal}$

$\text{Disposal} = \text{MSW going to landfill}$

A Waste Diversion Summary Worksheet will be made available with the Application Guidelines.

Waste management contract: a long-term agreement executed between a municipal government and a municipal partner for waste-related services (e.g. a waste collection contract).