



GA Guidelines for Assistance



Enterprise
Cape Breton
Corporation

Société
d'expansion
du Cap-Breton

Canada 

Included in the Guideline Package

Introduction

Principles

Principles for Commercial Projects
Principles for Non-commercial Projects

Capital Projects

Fixed Roof Accommodations
Tourism Attractions
Oil & Gas
Boat Building Sector
New Technology & Knowledge-Based
Aquaculture
Food Processing
Other Manufacturing & Processing

Business Improvement

Human Resources
Innovation Assistance
Marketing Activity Assistance
Studies Assistance

Non-Commercial Projects

Investment Prospecting & Trade Mission/Show
Non-commercial
Infrastructure

Ineligible or Unsupported Industries

Introduction

Enterprise Cape Breton Corporation delivers various programs that provide direct assistance to business and entities that provide support to business. The overall objective of this assistance is to cause a positive long term economic impact for Cape Breton Island and the Mulgrave area. Each project is assessed against three basic criteria:

- » viability/sustainability
- » need/incrementality
- » assessed net economic impact on the region

Projects can be commercial or non-commercial in nature and assistance is designed for both capital and business improvement investments. The following guidelines are provided to assist potential clients when considering an investment that might require our assistance.

Principles for Commercial Projects

This section provides guidance on factors considered when evaluating applications for assistance which have been deemed to be in an eligible industry. Each question has to be addressed.

- » Does the project fit in the priority sectors of ECBC or ACOA?
- » Does the project fall within the policies of ECBC or ACOA ?
- » Is there an equity injection by the applicant? (20% minimum)
- » Will the project create long term sustainable employment on Cape Breton Island?
- » Will there be exports off island, to the rest of Canada, and internationally or will there be import substitution?
- » Will there be a significant impact on competition within Atlantic Canada?
- » Is the activity incremental?
- » What is the rate of return to Canada's investment? i.e. the amount of taxes generated by Canada's investment in the project over its first next three years (projects over \$100,000)?
- » What will be the economic impact on Cape Breton Island (projects over \$100,000)?
- » How much assistance is needed to make the project viable?
- » Is an environmental plan needed?
- » Is the applicant current on all repayments?
- » Is the assistance per job reasonable?

Principles for Non-Commercial Projects

This section provides guidance on factors considered when evaluating applications for assistance which have been deemed to be in an eligible industry. Each question has to be addressed.

- » Does the project fit in the priority sectors of ECBC or ACOA?
- » Does the project fall within the policies of ECBC or ACOA?
- » Is there a direct link to increased activity of identifiable businesses?
- » Will the project help to support long term sustainable employment on Cape Breton Island?
- » Does the project require ongoing government financial assistance?
- » Will the activity be incremental?
- » Will the economic impact on the local community be significantly positive?
- » Will the project involve skills training?
- » Is there a need for an environmental plan?
- » Are there other financial partners?
- » Is the applicant making a financial contribution?
- » Does the applicant have a positive track record with ECBC?
- » Will the project lead to private sector investment?
- » Does the applicant have the skill mix in the organization to implement the project?
- » Does the community have a development plan and is the project consistent with the plan?

CAPITAL PROJECTS

Fixed Roof Accommodation

What is the Policy?

ECBC may provide repayable assistance up to 50% of the eligible capital costs to the maximum of \$500,000 for an establishment or expansion project for four star or higher country inn/bed and breakfast (en-suite bath), four star or higher resort and three star or higher cottages. Consideration may be given toward the establishment or expansion of 3.5 star or higher motel and hotel facilities. Applications will *only be considered* if it can be clearly demonstrated that they have the ability to capitalize on the strong growth in the incentive travel markets. Consideration will only be given to properties in an area where demand warrants more rooms.

ECBC may provide repayable assistance of up to 50% of the eligible capital costs, to the maximum of \$500,000 for modernizing existing properties which result in a fundamental transformation of the property. Cottages on or adjacent to the water and motels must attain at least a three star rating, country inns, hotels, resorts, and bed and breakfasts, must attain at least a 3.5 star rating.

All other types of accommodation projects are not eligible for assistance unless it can be clearly demonstrated, to the satisfaction of the Corporation, that a unique product is being offered.

Why the Policy?

- » Tourism is a growth industry for Cape Breton and the sector is forecast to continue to grow
- » Many areas of Cape Breton have sufficient fixed roof accommodations, but there are a few gaps in the accommodation infrastructure which this policy addresses
- » ECBC wishes to encourage needed investment in fixed roof accommodations and sustainable employment in the industry

How do I Qualify?

- » Demonstrate that the project is incremental and that you need the assistance
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan indicating incremental market development (see guidelines)

Tourism Attractions

What is the Policy?

ECBC may provide to businesses repayable assistance up to 50% of the eligible capital costs to a maximum of \$500,000 for the construction of new or the expansion of existing attractions which are aimed at attracting tourists to Cape Breton Island.

ECBC may provide to businesses repayable assistance to cover up to 50% of eligible capital costs up to a maximum of \$500,000 for the modernization of existing attractions aimed at attracting tourists to Cape Breton Island.

A tourist attraction is a permanent facility, natural feature or recreational service which has sufficiently broad appeal to result in the local area becoming a target stop-over for tourists. No assistance will be provided to attractions targeting Cape Breton Islanders.

Why the Policy?

- » Cape Breton Island has excellent world class attractions such as scenery, National Parks and Museums. ECBC wishes to encourage the investment needed to develop attractions that complement these attractions with a priority to attractions targeting interprovincial and international tourists
- » ECBC wants to increase the length of stay and expenditure levels of tourists visiting Cape Breton

How do I Qualify?

- » Demonstrate that the project is incremental and that you need the assistance
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (see guidelines)

Oil & Gas

What is the Policy?

ECBC may provide to businesses repayable assistance of up to 50% of the eligible capital costs, of new projects, expansion or modernization projects for products or services that will be sold to the offshore oil and gas industry.

ECBC may provide at designated ports repayable assistance of up to 50% of the eligible capital costs for non wharf infrastructure to meet the needs of an oil and gas supply base operation for suppliers to the offshore oil and gas industry.

How do I Qualify?

- » Demonstrate that the project is incremental and that you need the assistance
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

Why the Policy?

- » The oil and gas industry has the potential to create numerous opportunities for Cape Breton Island and Mulgrave area companies
- » ECBC wishes to ensure that Cape Breton businesses have the skills and resources necessary to compete for the business opportunities
- » ECBC wishes to ensure that a Cape Breton port has the infrastructure to be competitive in bidding for supply base operations serving the offshore oil and gas industry

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (see guidelines)

Boat Building Sector

What is the Policy?

ECBC may provide unsecured or secured interest free repayable contributions of up to 50% of the eligible costs associated with the establishment of new boat yards, expansion of existing plants and properties and the modernization of existing facilities resulting in quality improvements in the manufacturing process.

It must be demonstrated that the costs are being incurred for the purpose of servicing export sales opportunities and/or incorporating quality improvements/technology upgrades to the manufacturing process. Boat yards which are servicing the domestic marketplace will be eligible for capital assistance toward the modernization of existing facilities where demand is demonstrated and there is clearly identifiable net economic benefit to the region as a result of the project.

Why the Policy?

- » The domestic commercial fishing boat market segment is currently well served and remains competitive, therefore further incentives are excluded
- » There is an unsatisfied demand for good quality, custom-built pleasure boats in the United States. American Brokers are increasingly seeking local suppliers to meet this market demand, and top quality, well appointed Nova Scotia yachts are seen to be meeting these needs
- » The focus for assistance will be targeted to an increased export capacity to supply contemporary high quality pleasure boats

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance provided
- » Applicants must clearly demonstrate how the project will:
 - generate new export sales for the province and/or region of the province;
 - improve quality standards to meet recreational boat export requirements;
 - create new and/or maintain full-time jobs and;
 - serve new markets and not have an adverse impact on competitors
- » Demonstrate the ability to meet the Nova Scotia Boat Builders Association's proposed quality standards initiative

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (see guidelines)

New Technology & Knowledge-Based

What is the Policy?

ECBC may provide to businesses in new technology and knowledge based industries repayable assistance of up to 50% of the eligible capital costs of new establishments, expansions or modernizations.

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

Why the Policy?

- » The knowledge based and new technology industries are projected to grow at a faster rate than other industries
- » ECBC believes that there are opportunities for Cape Breton Island and Mulgrave area companies in this sector
- » ECBC wishes to encourage private sector investment in this sector

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (see guidelines)

Aquaculture

What is the Policy?

ECBC may provide repayable assistance to businesses of up to 50% of eligible capital costs, to a maximum of \$500,000 for a new establishment, modernization or expansion project on Cape Breton Island or the Mulgrave area.

Why the Policy?

- » The consumer demand for seafood continues to grow which makes aquaculture a growth opportunity
- » Aquaculture as an industry is very suitable to the geographic rural economic position of Cape Breton
- » Aquaculture is a knowledge based industry and will enhance the competitive skills of Cape Breton in this growing sector
- » ECBC wishes to encourage entrepreneurs to increase the quality, efficiency and output of farmed species

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (see guidelines)

Food Processing

What is the Policy?

ECBC may provide to businesses repayable assistance of up to 50% of the eligible capital costs of a new establishment, modernization or expansion project which produces value added food products.

Why the Policy?

- » ECBC wishes to encourage value added processing of primary products
- » Capital improvements can lead to improved quality and efficiency in the food processing sector leading to increased competitiveness in a growing global marketplace

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (see guidelines)

Other Manufacturing & Processing

What is the Policy?

ECBC may provide repayable assistance to businesses of up to 50% of eligible capital costs, to a maximum of \$500,000 for a new establishment, modernization or expansion project on Cape Breton Island or the Mulgrave area.

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

Why the Policy?

- » Cape Breton and the Mulgrave area have an extensive history in manufacturing and processing with the potential for growth, particularly in supply of markets in Canada and internationally
- » ECBC and industry recognizes the need to leverage and encourage bank and private sector financing in this sector
- » Improved capacity and the adoption of new technology helps this sector compete to create sustainable employment for Cape Breton

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (see guidelines)

Human Resources

What is the Policy?

ECBC may provide to businesses repayable assistance of up to 75% of the costs to hire human resource and/or marketing experts to develop and implement a human resource and/or marketing plan (see Marketing Activity Assistance). Assistance is also available to hire personnel to achieve product certification and ISO 9000 designation. The maximum level of assistance for a second application is 65% and 50% for any further applications.

For industry groups or associations which are open to all industry members, represent the majority of the industry and wish to undertake any of the above activities, non-repayable assistance is available for up to 50% of the eligible costs.

Why the Policy?

- » ECBC recognizes that to be competitive, market its product/service and retain qualified staff the business should have relevant human resource development and marketing plans to achieve full growth potential
- » Increasingly over the past decade growth and competitiveness are most impacted by a business's ability to provide higher quality products and services to new higher volume markets

Why the Policy?

- » ECBC also recognizes that planning, training and marketing is an investment with long term reward that is difficult to finance. ECBC is prepared to help provide much needed financing to assist the growth of firms in the new economy

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Provide a detailed listing of staff and what the human resource/marketing plan involves

Innovation Assistance

What is the Policy?

ECBC may provide provisionally repayable assistance to businesses up to 75% of the costs of undertaking approved innovation projects. Innovation projects usually include the costs of labour, materials, subcontracts and direct overhead to investigate or develop new technology or services that could lead to commercial development for the benefit of the region.

For industry groups or associations which are open to all industry members, represent the majority of the industry and wish to undertake innovation projects, non-repayable assistance up to 75% is available to cover eligible costs.

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project objectives and methodology are clearly understood
- » Demonstrate that you will be able to repay the assistance through commercialization of the product of innovation
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

Why the Policy?

- » ECBC recognizes that to be competitive in the global economy businesses must innovate to improve or develop new products and services
- » ECBC also recognizes that innovation is an investment with potential long term benefits and accordingly is difficult to finance without assistance

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal, statement of work and/or business plan (in detail)

Marketing Activity Assistance

What is the Policy?

ECBC may provide repayable assistance to businesses up to 75% of the costs of undertaking approved marketing activities, such as developing a human resource or marketing plan, designing new labels, packaging, promotional materials, product demonstrations and participation at trade shows.

Where assistance is provided for the first time, assistance for marketing activities up to \$70,000 can be repayable based on incremental sales

The maximum assistance for subsequent applications by the business will be up to 50%.

For industry groups or associations which are open to all industry members, represent the majority of the industry and wish to undertake a human resource or marketing plan, non-repayable assistance up to 50% is available to cover eligible costs.

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

Why the Policy?

- » ECBC recognizes that to be competitive in the global economy, business must have a human resource/marketing plan and must be able to fully market their products or services
- » ECBC also recognizes that implementation dollars are expended before sales and cash flow begin
- » ECBC also recognizes that planning, training and marketing is an investment with long term reward that is difficult to finance. ECBC is prepared to help provide much needed financing to assist the growth of firms in the new economy

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)

Studies Assistance

What is the Policy?

ECBC may provide repayable assistance up to 75% of the costs of undertaking a business plan, a feasibility study, investigate licensing opportunities, conduct a venture capital search, a technology transfer search, best practices study or mentoring services to improve your business skills.

For industry groups, community groups or associations which are open to all industry members, represent the majority of the industry and wish to undertake any of the above activities, non-repayable assistance is available to cover up to 50% of the eligible costs.

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is viable
- » Demonstrate that you will be able to repay the assistance
- » Demonstrate that the project will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

Why the Policy?

- » ECBC recognizes that to be competitive in the global economy the business must have relevant and timely information
- » ECBC also recognizes that planning and investigation dollars are expended before sales and cash flow begin and it is difficult to source other financing for these activities where they are typically greater than \$10,000

How do I Apply?

- » Contact an ECBC account manager for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » All studies must be tendered to ensure best value for dollar

NON-COMMERCIAL PROJECTS

Investment Prospecting & Trade Mission/Show

What is the Policy?

ECBC intends to organize a minimum of six to ten investment/trade missions outside Atlantic Canada each year and may provide financial assistance to businesses to participate in these missions to help them to develop markets for their products and services or find investment. Participation on the missions is limited. The level of non-repayable assistance will be up to 75% for the first time a business participates in a mission, up to 65% for the second time and up to 50% thereafter.

Should you wish to participate in your own trade activities, see policy related to Marketing Assistance

The eligible costs for assistance are the economy airfare (or lower rate) and the hotel room accommodation. The business is responsible for 100% of all other costs such as meals, taxi's, entertainment.

How do I Qualify?

- » Demonstrate export readiness
- » Demonstrate that the trade mission/show will generate a positive net economic impact on Cape Breton Island and the Mulgrave area

Why the Policy?

- » ECBC has identified tourism/ environmental remediation, knowledge based, oil and gas and resource processing as priority sectors for its investment prospecting, trade mission policy
- » ECBC wants to encourage businesses to invest in and develop within these sectors
- » ECBC will be organizing missions within these sectors to assist businesses to capture new export markets

How do I Apply?

- » Contact an ECBC development officer for assistance (see contacts by sector)
- » Complete an ECBC trade mission/trade show application for assistance (in detail)

Non-Commercial Projects

What is the Policy?

ECBC may provide non-repayable assistance of up to 50% of eligible costs, up to maximum assistance of \$500,000, to non-profit organizations to implement projects related to the priority sectors of oil and gas, tourism/culture, resource and knowledge based which will create the conditions necessary for economic development on Cape Breton Island and the Mulgrave area. ECBC may also provide assistance toward projects which focus on community economic development. These projects will have a direct link to long term sustainable employment creation and economic activity.

Preference will be given to revenue generating activities. The applicant must demonstrate that the project can continue without ongoing government financial assistance. Projects that are not sustainable without ongoing government assistance will not be approved.

Why the Policy?

- » ECBC has identified priority sectors which should be able to create long term sustainable employment
- » Within the priority sectors there may be projects of a non-commercial basis that are necessary for the sector to achieve optimum growth. This policy allows for ECBC to contribute to the funding of these projects

How do I Qualify?

- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is feasible
- » Demonstrate that the project is sustainable
- » Demonstrate that the project will have a positive economic impact
- » Demonstrate that the project leads to sustainable job creation

How do I Apply?

- » Contact an ECBC development officer for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose projected multi-year financial information for the project and organization

Infrastructure Assistance

What is the Policy?

ECBC may provide repayable contributions to businesses and business groups up to 50%, up to maximum assistance of \$500,000, of the eligible capital costs to develop the business infrastructure necessary to create long-term sustainable employment.

The project must be in support of incremental business activity which demonstrates a direct link to long-term sustainable job creation, be export or import substitution oriented and not require ongoing government financial support.

Why the Policy?

- » The business community needs to have the conditions necessary for economic growth
- » This policy offers assistance to businesses and business groups to create the conditions necessary for economic growth

How do I Qualify?

- » Demonstrate that there is an agreement to maintain the infrastructure in good condition
- » Demonstrate that you need the assistance to undertake the project
- » Demonstrate that the project is feasible
- » Demonstrate that there is a financial commitment by the applicant and/or other funding partners
- » Demonstrate the potential economic benefits including long term sustainable employment

How do I Apply?

- » Contact an ECBC development officer for assistance (see contacts by sector)
- » Complete an ECBC application for assistance (in detail)
- » Complete a funding proposal and/or business plan (in detail)
- » Enclose a marketing plan (if applicable)

Ineligible or Unsupported Industries

This list of ineligible industries reflects the established policies under ACOA and ECBC programming, as well, it reflects ECBC's continued emphasis on providing assistance in a manner that is consistent with our mandate - long term, sustainable job creation creating a net economic benefit for Cape Breton. As such, our focus is on providing assistance to projects that enhance the competitiveness of firms, that increase trade and investment opportunities, and on projects that create an environment supportive of innovation, entrepreneurship, job creation and the generation of wealth. Due to issues of competitive impact or focus of mandate of ECBC the following sectors or activities are not usually assisted.

- » Agriculture - the growing, raising and harvesting of farm products
- » Fishing - the harvesting of fish in the wild
- » Forestry - the growing, raising and harvesting of forest products
- » Projects involving increases in the productive capacity in primary fish processing
- » Traditional services provided by lawyers, consultants, accountants, surveyors etc
- » Wholesale and retail
- » Government services
- » Services of a personal or social nature (e.g. seniors housing, home care)
- » Projects involving increases to the slaughtering capacity in the red meat industry
- » Projects involving increases in the manufacturing capacity in the Canadian window and door industry for Canadian markets
- » Leaf tobacco industry and related services
- » Refined petroleum industries except lubricating oil, greases and natural gas
- » Office furniture and related machinery rental
- » Establishment or expansion of a restaurant/bar not directly related to a tourism facility
- » Shipbuilding
- » Coal mining
- » Web page design
- » Printing
- » Desk top publishing
- » Non-exporting craft production, including silk screening, embroidery
- » Sign manufacturing
- » Gravel pits
- » Non-tourism related recreational facilities
- » Municipal infrastructure (water, sewer, curb, gutter, traditional)
- » Wharves, piers, breakwaters, docks
- » Establishment of new private colleges
- » Core funding except for RDA's, CBDC's and Tourism Cape Breton
- » Projects involving increases in the productive capacity in softwood mills (hardwood mills and value added softwood processing are eligible)

Silicon Island, 70 Crescent Street
Sydney, Nova Scotia B1P 6T7
1-800-705-3926
www.ecbc-secb.gc.ca