



Sustainable Communities  
Challenge Fund

# Applicant Guide



Administered by:



NOVA SCOTIA  
FEDERATION OF  
MUNICIPALITIES

Funded by:



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# Table of Contents

<b>1</b>	<b>Fund overview</b>	<b>2</b>
	1.1 Fund description .....	2
	1.2 Fund administration .....	2
	1.3 Objectives .....	3
<b>2</b>	<b>Fund guidelines</b>	<b>5</b>
	2.1 Who can apply to the Fund? .....	5
	2.2 Project eligibility .....	5
	2.3 Funding streams .....	6
	2.4 Supports for equity-deserving groups .....	7
	2.5 Additional funding and regulatory support .....	8
<b>3</b>	<b>Mitigation stream – Focus areas</b>	<b>10</b>
	3.1 Overview .....	10
	3.2 Buildings .....	10
	3.3 Transportation .....	11
	3.4 Energy generation and storage .....	11
	3.5 Waste management and circular economy .....	12
	3.6 Carbon storage and sequestration .....	12
<b>4</b>	<b>Adaptation stream - Focus areas</b>	<b>15</b>
	4.1 Overview .....	15
	4.2 Climate-ready infrastructure .....	16
	4.3 Ecosystems and nature-based solutions .....	16
	4.4 Community coordination and planning .....	17
	4.5 Creating a water resilient future for Nova Scotians .....	18
	4.6 Coastal adaptation projects .....	19
<b>5.</b>	<b>How to apply</b>	<b>22</b>
	5.1 Preparing to apply .....	22
	5.2 Pre-screening process .....	24
	5.3 Full application requirements .....	24
	5.4 Application deadlines .....	25
<b>6.</b>	<b>Eligible and ineligible costs</b>	<b>27</b>
	6.1 Eligible activities and expenditures .....	27
	6.2 Ineligible activities and expenditures .....	28
<b>7.</b>	<b>Cost-sharing and fund disbursement</b>	<b>30</b>
	7.1 Cost-sharing and minimum contribution levels .....	30
	7.2 In-kind contributions .....	31
	7.3 Stacking .....	32
	7.4 Payment installments .....	32
<b>8</b>	<b>Application evaluation framework</b>	<b>35</b>
	8.1 Review process .....	35
	8.2 Evaluation matrix .....	35
<b>9.</b>	<b>Reporting requirements</b>	<b>40</b>
	9.1 Monitoring and outcome evaluation .....	40
	<b>Appendix A – Online application form</b>	<b>42</b>



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# FUND OVERVIEW



# 1 Fund overview

## 1.1 Fund description

The Sustainable Communities Challenge Fund (“the Fund”) is a grant program for local action on climate change in Nova Scotia. It supports community efforts to reduce or remove greenhouse gas emissions, or to prepare for and respond to the impacts of a changing climate. The Fund provides non-repayable grants between \$75,000 and \$1-million in competitive funding cycles. A wide range of projects are eligible for funding, from public outreach initiatives, to coastal restoration, to renewable energy. The goal is to help communities implement the climate action they have decided is important to them.

Every community can play a role in slowing the rate of climate change by reducing greenhouse gas emissions. At the same time, Nova Scotians already face impacts that are expected to worsen in the decades to come. These impacts are felt differently throughout the province, and disproportionately affect people who are also experiencing other inequities. As a result, effective climate action depends on the local context and is closely connected with other challenges and opportunities that communities face.

Issues of equity, affordability, and health and wellness are closely connected to our climate change challenges. Urgent action is needed in places throughout Nova Scotia, and the Fund presents an opportunity to include these important issues as part of the community-level climate change response.

## 1.2 Fund administration

The Sustainable Communities Challenge Fund is developed and administered by the Nova Scotia Federation of Municipalities (NSFM). NSFM is a member-based non-profit organization representing the 49 municipalities in Nova Scotia. NSFM frequently collaborates with others to deliver programs and services that make a positive impact in communities. The Fund administration process and staff are a distinct team within NSFM, and applicant projects are reviewed by a multi-disciplinary committee of experts.



The Fund is developed and administered on behalf of the Nova Scotia Department of Environment and Climate Change (ECC). The Fund supports the work of the Nova Scotia Environmental Goals and Climate Change Reduction Act, the Nova Scotia Coastal Protection Action Plan, and is aligned with the Climate Change Plan for Clean Growth. The Sustainable Communities Challenge Fund is helping Nova Scotia reach its reduction targets of 53% below 2005 levels by 2030, and net-zero by 2050.

## 1.3 Objectives

The Fund intends to put financial resources into the hands of Nova Scotia's municipalities, First Nations, non-profits, and post-secondary institutions for local action on climate change. The core objectives are to:

- Support initiatives that avoid and reduce greenhouse gas emissions and contribute to Nova Scotia's targets for emission reduction.
- Improve community capacity to adapt in an ongoing way to the changing climate and implement projects that help reduce vulnerability and exposure of human and natural systems.

Along with these core objectives, the Fund aims to support projects that integrate with other community challenges and opportunities. Funded projects will demonstrate alignment with the goals and principles of the Nova Scotia Environmental Goals and Climate Change Reduction Act, the Climate Change Plan for Clean Growth, and the Coastal Protection Action Plan (as applicable), and will meet some or all of the following co-benefits:

- Enhance social equity and reduce barriers to an equitable climate response.
- Generate local, green jobs, and grow the clean inclusive economy.
- Reduce costs and improve affordability.
- Build and contribute to community wellbeing and health.
- Work with, protect and enhance natural assets.
- Contribute to a broader long-term shift and build capacity for future climate change action.
- Generate shareable knowledge and support replication in other communities in Nova Scotia.
- Otherwise benefit a community or group of communities.



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# FUND GUIDELINES



## 2 Fund guidelines

### 2.1 Who can apply to the Fund?

The following groups can apply to the Fund:

1. Nova Scotia municipalities
2. First Nations bands or tribal councils
3. Post-secondary institutions
4. Non-profit organizations\*

\*Non-profit organizations must be one of the following:

- Registered, Nova Scotia-based, non-profit societies/cooperatives in good standing;
- Registered Canadian charities actively operating in Nova Scotia; or,
- Federally incorporated non-profit organizations operating in Nova Scotia.

Collaboration, partnerships and regional approaches between communities, organizations and sectors are encouraged.

Applications from organizations of the Mi'kmaq, African Nova Scotians, racialized peoples, immigrants, Acadians, people living on low incomes, people living with disabilities, older adults, youth, 2SLGBTQ+ people, and women will be favourably considered.

### 2.2 Project eligibility

The Sustainable Communities Challenge Fund is intended to support community climate change projects in various stages of the project development cycle, including ideation, assessment, feasibility, planning, implementation, monitoring and evaluation, and knowledge mobilization.

To be eligible for funding, initiatives must be:

- based in Nova Scotia;
- led by and/or benefit communities and groups in Nova Scotia;



- in compliance with all applicable regulations, by-laws, and legal requirements at the time of application; and
- a community priority. This could be demonstrated by providing evidence of consultation or engagement and buy-in, it could be identified in a community plan/municipal document or by having a letter of support from a municipal council.

Projects must meet at least one of the two core objectives outlined in Section 1.3. Projects that meet some or all the co-benefits identified in Section 1.3 will be favourably considered. **The final deadline for project completion is November 30, 2027.\***

**\*Please note:** Given the anticipated timing of funding decisions in Fall 2026 and the time required to execute agreements, projects may have less than one year to complete the work; therefore, readiness to proceed is essential.

Organizations may submit a maximum of two applications for consideration in each intake round. Applicants submitting multiple projects should note that projects are selected on their individual merit based on the strength of the application and alignment with Fund objectives. The Fund will award a maximum of one grant per organization per round.

Organizations that have received a grant from the Fund can reapply if they are in good standing with their prior project.

## 2.3 Funding streams

Projects funded by the Sustainable Communities Challenge Fund will generally fall under one of two funding streams:

- Projects in the **Mitigation Stream** seek to avoid and reduce greenhouse gas emissions and contribute to Nova Scotia's targets for emission reduction.
- Projects in the **Adaptation Stream** help communities improve their capacity to adapt to climate change, with the goal of reducing vulnerability and exposure of human and natural systems.

Each funding stream has more specific focus areas, described in Sections 3 and 4. Some projects may have elements of both mitigation and adaptation.



## 2.4 Supports for equity-deserving groups

Supports for equity-deserving groups are available to assist projects being led by and/or benefiting equity-deserving communities who will disproportionately experience the negative effects of climate change and face barriers to mitigation efforts. This includes the Mi'kmaq, African Nova Scotians, racialized peoples, newcomers, Acadians, individuals living on low incomes, individuals living with disabilities, seniors, youth, 2SLGBTQ+, and women.

Supports for equity-deserving groups are intended to enable collaboration with applicants (and recipients) in ways that are useful to them. Some options include:

- Customized financial agreements
- Support to define a project scope
- Support with partnerships
- Customized evaluation and reporting requirements
- 1-1 webinars with your organization
- Accessibility accommodations

Please let us know if you think there are supports for equity-deserving groups that could be useful to your organization. Eligible groups and organizations have an opportunity to self-identify early in the application process, or you can email [info@sccfns.ca](mailto:info@sccfns.ca) to let us know you are interested. We can discuss your goals and explore possibilities.

The Fund has begun the effort of creating an equitable and inclusive funding program, but we know we still have work to do. We will be reaching out to equity-deserving groups to build awareness and identify applicant opportunities. We will continue shaping the program so that it meets the needs of diverse communities and enables exciting, relevant climate action. Your feedback will help us to keep improving. If you are unsure if the current opportunities are right for your organization, we would be grateful to hear from you.



## 2.5 Additional funding and regulatory support

Did you know there may be additional funding opportunities to support your climate change project? If you're looking for options beyond the Sustainable Communities Challenge Fund, we encourage you to contact the Climate Funding Navigator at the Department of Environment and Climate Change.

The Climate Funding Navigator can help local community groups identify funding opportunities for climate change projects and provide guidance on available programs. If you're interested in exploring other funding options or need help advancing your climate change efforts, contact the Climate Funding Navigator at: [ClimateFundingNavigator@novascotia.ca](mailto:ClimateFundingNavigator@novascotia.ca).

Applicants must ensure their projects comply with environmental regulations and obtain any necessary permits. A dedicated Business Relationship Manager at the Province of Nova Scotia can assist you in navigating the regulatory process by identifying relevant permits or environmental approvals needed for your project.

To connect with a Business Relationship Manager, please do so [here](#).



# 3.

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# MITIGATION STREAM – FOCUS AREAS



## 3 Mitigation stream – Focus areas

### 3.1 Overview

Projects in the Mitigation Stream seek to slow the rate of climate change by avoiding and reducing greenhouse gas (GHG) emissions or by carbon removal. Projects should lead to lasting reductions and contribute to Nova Scotia's emission targets.

Communities will be at different stages of readiness in developing projects that reduce GHG emissions. The Mitigation Stream is intended to support the implementation of medium-scale GHG reduction projects, as well as more costly designs, plans, feasibility studies or other necessary works for the future implementation of GHG reduction projects.

Projects focusing primarily on implementation of direct GHG reduction projects will have emission reductions that are in addition to what would have otherwise occurred and are non-reversible. Most mitigation projects will also have emission reductions that are capable of being estimated or measured.

The Sustainable Communities Challenge Fund will fund mitigation projects in **five focus areas**:

1. Buildings
2. Transportation
3. Energy generation and storage
4. Waste management and circular economy
5. Carbon storage and sequestration

### 3.2 Buildings

Reducing our energy needs through building efficiency can contribute to emissions reduction and carbon storage (e.g., using lower-carbon or carbon-sequestering materials), and generate financial savings. Projects in this focus area might include adopting better technologies within existing buildings, implementing energy-efficient design, and introducing incentives to change behaviours.



Project examples include:

- Deep energy retrofits of community buildings or recreation centres
- Electrification of heating, cooling and ventilation (HVAC) systems / fuel switching
- Strengthening green building code standards
- Implementing energy efficiency technologies
- Developing the workforce for energy-efficient and high-performance buildings

### 3.3 Transportation

Transport accounts for a significant share of Nova Scotia's GHG emissions. Projects in this focus area should move the needle on low carbon transport, which might include connecting transport systems, transitioning to zero emission vehicles (ZEVs), adopting Transportation Demand Management (TDM) policies and programs, offering public transit and other shared modes of transportation, and adopting new technologies and approaches.

Project examples include:

- Fleet conversion studies
- Active transportation pathways and networks
- Shared mobility services
- Electric vehicle charging infrastructure

### 3.4 Energy generation and storage

Energy generation is currently one of the largest sources of GHG emissions in Nova Scotia. Generating clean electricity and energy through the use of renewable sources is one of the most cost-effective ways of reducing GHG emissions today. Projects in this focus area might generate energy from renewable sources (e.g., solar, wind, geothermal, hydro, sustainable bioenergy), enable energy storage, and promote access to clean energy.



Project examples include:

- New renewable on-site energy production, including:
  - Rooftop solar photovoltaic systems
  - Ground-mount solar photovoltaic systems
  - Feasibility studies
- On-site combined heat and power projects (i.e. cogeneration)
- Energy storage projects

### 3.5 Waste management and circular economy

Emissions from landfills account for one quarter of methane emissions – a greenhouse gas far more potent to global warming than carbon dioxide. Transitioning away from a linear economy – where products are disposed of – to a circular economy, involves using our valuable resources more wisely and thinking about waste as a resource instead of a cost. This transition is an important step in reaching net zero. Projects in this focus area might include a wide variety of waste reduction, diversion, and re-use initiatives.

Project examples include:

- Waste prevention or minimization projects
- Food rescue / donation system projects
- Recycling, repair, refurbishing or material recovery projects
- Anaerobic digestion projects
- Policy development

### 3.6 Carbon storage and sequestration

Carbon sequestration is the process of capturing and storing atmospheric carbon dioxide to reduce the amount of carbon dioxide in the atmosphere. Projects in this focus area might include biologic carbon sequestration (e.g. storing carbon in forests, soil, and aquatic environments) and geologic carbon sequestration (e.g. storing carbon in underground geologic formations).



Project examples include:

- Blue carbon storage such as restoring and enhancing local seagrasses
- Enhancement of community forests to study the increase of carbon capture



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# ADAPTATION STREAM – FOCUS AREAS



## 4 Adaptation stream - Focus areas

### 4.1 Overview

Projects in the Adaptation Stream help communities to proactively prepare and respond to climate change, with the goal of reducing vulnerability and exposure of human and natural systems. Applicants should consider how their project contributes to adaptive capacity, which is central to achieving successful outcomes from adaptation efforts.

The Adaptation Stream includes a wide range of project types, including:

- Climate-ready infrastructure. Where applicable, preference will be given to nature-based or ecosystem-based solutions in situations where there are viable alternatives to hard infrastructure. Any hard infrastructure solutions must also demonstrate they are adaptive.
- Ecosystems projects that protect, restore and manage land, freshwater, and coastal ecosystems.
- Community coordination and planning that increases understanding of climate impacts and lays the foundations for wider efforts toward adaptive capacity.

Different communities and organizations will have different adaptive capacity needs. Projects will range from understanding climate risks or setting priorities for action, to developing or implementing new plans, to sustaining efforts in the long term. Projects in all stages are eligible for funding, from understanding the future effects of climate change on communities and how they can take action, to piloting new ideas and implementing tried and true adaptation measures and strategies.

Building adaptive capacity involves:

- Becoming fully aware of climate risks, climate opportunities, current capacity to adapt, and priorities;
- Working strategically with others in the planning and development of common climate adaptation strategies and outcomes;



- Implementing pragmatic, inclusive, and equitable adaptation plans and projects in partnership with others. They should ensure actions are adaptive over the long-term and appropriate under changing future climate conditions; and
- Monitoring progress, incorporating feedback for ongoing improvement, and sustaining efforts through partnerships, strong networks, good communication, and leveraging other resources.

The Sustainable Communities Challenge Fund will fund adaptation projects under the following **three focus areas**:

1. Climate-ready infrastructure
2. Ecosystems and nature-based solutions
3. Community coordination and planning

## 4.2 Climate-ready infrastructure

Climate-ready infrastructure can help communities conserve natural resources, withstand changing climate conditions, and stimulate local development. Projects in this focus area should take a systems-based approach and might include climate-proofing of assets to improve community readiness, deploying cross-cutting solutions to achieve emissions reductions and retrofitting assets to be more ready for flooding and storms, and integrating nature-based solutions to replace hard infrastructure to the extent possible.

Project examples include:

- Reinforcement, rehabilitation, or modification of assets that protect community infrastructure and services from various climate risks
- Flood risk mitigation measures or infrastructure projects, such as channel improvement, flow regulation, and other flood-proofing measures
- Mapping of vulnerable and at-risk community infrastructure and services

## 4.3 Ecosystems and nature-based solutions

Nature-based solutions are sustainable planning, design, environmental management, and engineering practices that weave natural features or



processes to promote adaptation and readiness. Projects in this focus area should use natural or ecosystem-based solutions to help communities adapt to the changing climate. Healthy ecosystems offer benefits to communities, including safe water sources, clean air, and protection and intervention from climate change, such as flood and storm protection or protection from heat.

Projects in this focus area might protect, restore, and manage terrestrial, freshwater, and coastal ecosystems to enhance adaptation and reduce emissions. This might include piloting new approaches to value ecosystem services so that they can be recognized in decision-making processes and valued by new economic markets or applying and sharing traditional knowledge about ecosystem services and their climate benefits.

Project examples include:

- Projects that address the intersection of fresh water and coastal system impacts, including storm water, storm surge, saltwater intrusion, sea level rise, ice jams, etc.
- Protection and restoration for cultural assets and areas of significance
- Restoring wetlands and salt marshes for flood management
- Restoring dune systems to protect communities from coastal hazards
- Managing community forests to reduce floods and forest fire risks

## 4.4 Community coordination and planning

This theme includes activities to establish coordinated local and regional community adaptation efforts. Projects may focus on understanding climate change impacts on specific groups or sectors, building connections across communities, or leveraging policy tools like priority-setting and planning to drive change.

Project examples include:

- Forest and wildfire strategy or vulnerability assessments
- Flood mapping, preparation, and prevention
- Sea level rise adaptation and managing retreat from shoreline
- Water sustainability planning, and drought mapping, preparation, and prevention



## 4.5 Creating a water resilient future for Nova Scotians

Climate change impacts all of us. One of these impacts is drought and drought-induced water shortages. We all need water...water is life...and not having it is concerning and stressful, and brings uncertainty to our communities, businesses and homes. The good news is that there are things each of us can do to make our communities resilient to drought periods and water shortages.

To help municipalities, community organizations, Mi'kmaw communities, and post-secondary institutions become water resilient, Round 4 of the Sustainable Communities Challenge Fund will prioritize projects that help Nova Scotians, the Mi'kmaq of Nova Scotia, communities and municipalities adapt to drought and water shortages. This is an important opportunity to invest in practical, community-driven solutions to help ensure reliable access to water.

Examples of eligible projects include:

- Community wells (new or expanded) to improve reliable access to local water supplies
- Backup water systems, such as cisterns or large-scale storage, to support essential buildings like community centres, emergency shelters, and fire departments
- Community-scale water conservation infrastructure, for example, rainwater harvesting and non-potable water reuse systems
- Engineering and hydrogeological studies to better understand water resources and develop strong, forward-looking action plans
- Regional or shared water supply solutions (e.g., clustered systems or interconnections between communities)
- Nature-based or land-use solutions that improve water quality, retention and recharge (e.g., wetlands, infiltration projects)



## 4.6 Coastal adaptation project examples

The connection we have to the coast is an invaluable part of our province's natural and cultural heritage. Our changing climate, however, gives us no choice but to rethink how, and where, we live and build along the coast. Communities have long been leaders in climate change adaptation, and the Sustainable Communities Challenge Fund offers an avenue to support local action in coastal protection.

The Fund supports a variety of coastal adaptation projects. Here are some examples of eligible projects:

- Infrastructure upgrades – improving existing coastal infrastructure to withstand climate-related risks like floods, extreme weather events, or erosion
- Community preparedness, education, and engagement – providing coastal communities with knowledge and tools to effectively respond to climate risks, such as rising sea levels and extreme weather
- Storm surge protection – infrastructure or natural barriers designed to reduce the impact of high tides and storm surges
- Wetland or salt marsh restoration – rebuilding and preserving coastal wetlands or salt marshes to enhance natural flood control and improve biodiversity
- Land-use planning – developing land-use plans in coastal areas to minimize vulnerability to climate risks and preserve natural buffers like salt marshes
- Groundwater protection – implementing measures to safeguard drinking water quality and supply in coastal areas from contamination, over-extraction, and saltwater intrusion due to rising sea levels
- Storm preparedness and debris management – developing plans to minimize storm damage in coastal areas and manage debris effectively for faster recovery
- Asset mapping – identifying and mapping coastal infrastructure to assess vulnerabilities to climate impacts, focusing on areas prone to flooding and erosion



Not sure where to start? Explore these resources to support your coastal project:

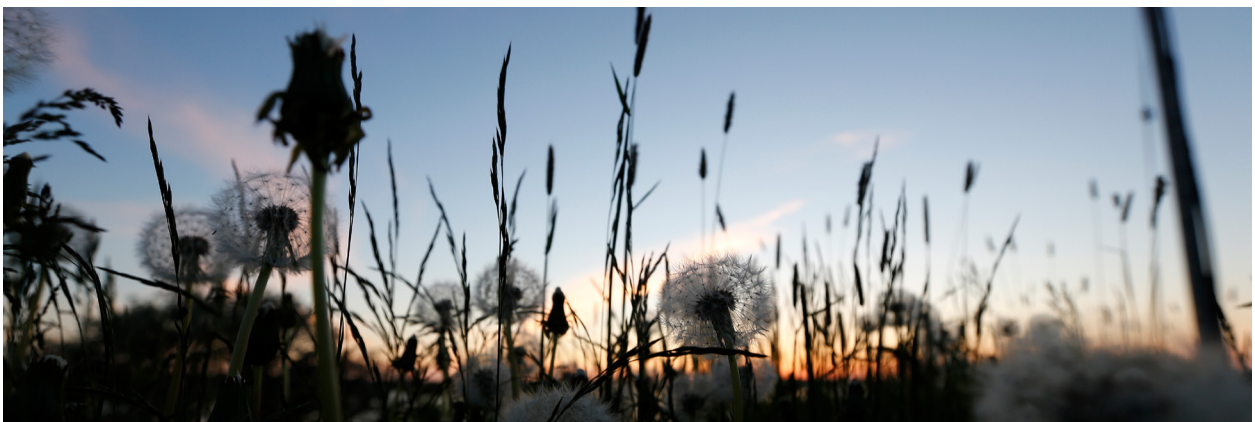
- [Safeguarding Your Coastal Property: A guide to protecting your property and promoting healthy coastlines in the face of climate change \(PDF\)](#)
- Coastal Hazard Map – See what sea level rise and storm surge could look like on your property at high tide in the year 2100 with the online mapping tool (the mapping tool provides information on how Nova Scotia’s coastline is changing, coastal hazards and more to help you make informed decisions
  - [Coastal Hazard Map](#)
  - [Coastal Hazard Map: Video Tutorial](#)
  - [Coastal Hazard Map: User Guide \(PDF\)](#)
- Navigators – The Province has a team of Navigators who can help you use the Coastal Hazard Mapping Tool and understand your results; contact the Navigators at [coastalnavigator@novascotia.ca](mailto:coastalnavigator@novascotia.ca) or 1-888-570-4240
- [Coastal Adaptation Toolkit](#) – The toolkit helps Atlantic rural coastal communities and property owners plan for the effects of climate change
- [Climate Change Nova Scotia](#) – Get a better understanding of climate impacts, risk assessment reports and actions that the Government of Nova Scotia is taking to protect coastal communities
- [Climate data](#) for a resilient Canada – Sea level rise projections for coastal locations and high-resolution climate data to help decision makers build a more resilient Canada
- [Clean Foundation’s Coastal Resource Library](#)



# 5.

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# HOW TO APPLY



## 5. How to apply

### 5.1 Preparing to apply

All applications must be submitted online through Submittable, the Fund's grants management system under applicant login. It is linked from the main menu on [www.nschallengefund.ca](http://www.nschallengefund.ca) under applicant login. Applicants must create an account and log in to begin the process. Hard copies or electronic copies submitted any other way, such as by mail or email, will not be considered.

Please note the basic application requirements below.

#### **Nature-Based Solutions:**

Applicants seeking funding for infrastructure projects should consider nature-based solutions (e.g., wetland restoration) over hard infrastructure (e.g., stone armoring). If hard infrastructure is determined to be the most appropriate approach, the application package should include or reference supplementary materials that clearly justify this choice, demonstrating that it will not be maladaptive and will enhance resilience.

#### **Pre-Feasibility Work Requirements for Implementation Projects:**

Applicants seeking funding for capital upgrades or new infrastructure must demonstrate that all relevant pre-feasibility and design work has been completed to ensure the project is ready for implementation. The application package must include or reference supplementary materials that informed the project approach or design. Examples may include:

- Completed feasibility studies
- Energy assessments
- Detailed design plans
- Supporting climate science data
- Permits (as applicable)

#### **Adaptive Design Requirement:**

Projects that involve developing a new asset or upgrading an existing one should incorporate adaptive design informed by recent climate projections.



Adaptive design involves creating assets that can withstand extreme weather events and future climate uncertainties. Where climate risks cannot be avoided, the applicant should describe their plans for effective asset management and risk mitigation. This approach ensures that the asset remains resilient as climate conditions evolve.

### **Energy Efficiency and Building Suitability Requirements for Solar**

**Installations:** Applicants seeking funding for solar installations on community buildings should ensure the building is energy efficient and capable of supporting the system. This includes completing energy assessments to determine energy needs, and verifying that the roof is structurally sound to support the installation. These steps will inform the appropriate system size and ensure optimal performance.

**Prioritizing Water Resiliency:** The Fund will give preference to projects that help communities adapt to drought conditions, manage water shortages, and strengthen long-term water security. Priority will be given to projects that:

- Improve reliable access to water for communities and critical services
- Increase water storage, conservation, and efficiency
- Strengthen understanding and management of local water resources
- Support nature-based or regional solutions that enhance water availability and quality

While Water Resiliency is the priority focus, other climate adaptation projects remain eligible under the Fund.

**Project Completion Timeline:** All Round 4 projects must be fully completed by November 30, 2027. Given the anticipated timing of funding decisions in Fall 2026 and the time required to execute agreements, projects may have less than one year to complete the work; therefore, readiness to proceed is essential. Proof of matching funds and all required permits must be in place before entering into a funding agreement with NSFMS, so applicants should be prepared to provide these at the time funding decisions are made.

The Grant Coordinator is the main point of contact throughout the application process. Please email [info@sccfns.ca](mailto:info@sccfns.ca) if you have any questions during the process.



## 5.2 Pre-screening process

The application process is as follows:

- **Step 1:** Review the Applicant Guide, Eligibility Criteria and Eligible Costs and Activities.
- **Step 2:** Create a free account on Submittable, our online application portal.
- **Step 3:** Submit the pre-screening form with your project idea for staff to confirm applicant and project eligibility. The pre-screening will require:
  - Applicant information (organization and contact person)
  - Screening information (communities served, potential barriers and resources)
  - Project description and timeframe
  - Approximate budget
- **Step 4:** Projects are screened by Fund staff to ensure that basic eligibility requirements are met. All applicants are notified whether a project does or does not meet basic eligibility requirements; if it does, the full application link is sent within 5 business days.

## 5.3 Full application requirements

Each application submission must contain:

- A complete application form including a project description, description of community benefits, and project management; and
- A project workbook detailing project expenditures and milestones.

Given the anticipated timing of funding decisions in Fall 2026 and the time required to execute agreements, projects may have less than one year to complete the work; therefore, projects that have matching funds secured at the time funding decisions are made may be viewed more favourably.

Additional documents are not mandatory; however, may contribute to a stronger submission. Examples of additional documentation include:

- **Proof of permits:** Applicants that can demonstrate proof of permits at the time of application will be considered favourably.



- **Partner letter(s) of support:** Letter or emails of support from project partners committing to project implementation and to the provision of financial or human resources.
- **Community letter(s) of support:** For projects led by post-secondary institutions or non-profits with potential impacts to community infrastructure or operations, applicants can provide a letter of support from its municipality, region, or First Nations community.
- **Cost estimates:** For larger projects, applicants should provide a quote for any construction or professional service costs.
- **Studies:** Relevant studies or additional project background.
- **Photos:** If your project involves a physical site or existing infrastructure, including photos can provide additional context for evaluators.

The application questions are included in Appendix A.

## 5.4 Application deadlines

The Fund's fourth intake period is starting in spring 2026. These dates are subject to change:

- June 25, 2026 at 2:00 PM ADT: Pre-screening deadline
- July 23, 2026 at 2:00 PM ADT: Full application deadline
- July-October 2026: Evaluation of submissions
- Fall 2026: Funding decisions are expected to be finalized and applicants notified\*

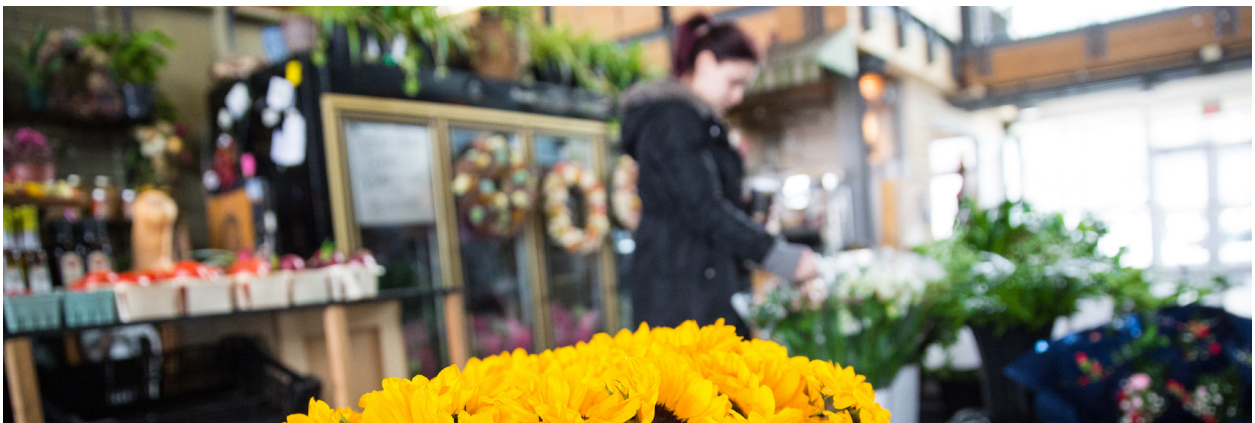
\*Please be aware that the Fund will only support expenditures incurred after a funding agreement has been fully executed between the Nova Scotia Federation of Municipalities and a successful applicant. Funding decisions are currently estimated for Fall 2026; however, this timeline may change depending on when the Minister of Environment and Climate Change issues final approvals. Therefore, only expenditures incurred after the agreement is executed will be eligible, and any activities or costs incurred beforehand will not be considered, even if funding decisions occur later than expected.



# 6.

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# ELIGIBLE AND INELIGIBLE COSTS



## 6. Eligible and ineligible costs

### 6.1 Eligible activities and expenditures

Eligible expenditures may only be incurred after a Funding Agreement has been executed between NSFM and the grant recipients, except for consulting costs related to preparing the application (see below). All expenditures must be incurred by the project completion date specified in the Funding Agreement, but no later than November 30, 2027. The following list provides examples of eligible expenditures under the Fund. This list is not exhaustive, and exceptional expenditures may be considered on a case-by-case basis.

Eligible expenditures include:

- Consulting costs (up to \$5,000) for preparing the project application, incurred up to 60 days before the application submission, are eligible - note that staff salaries are not eligible for this reimbursement
- Administrative costs that are directly linked to the project (e.g., required permits or certifications, acquisition of documents used exclusively for the project, etc.)
- Management and professional service costs associated with the execution of the project (e.g., engineering services, accounting, financial auditing, communications, facilitation costs, GHG assessments, etc.)
- Additional human resources costs directly associated with the project, including staff salaries and benefits for work directly associated with the execution of the project
- Purchase of materials and supplies used exclusively for the project
- Purchase or leasing of equipment and capital assets used exclusively for the project
- Transportation costs for delivery of materials and services essential for the project, including vehicle rental and operation costs
- Facility and rental costs associated with public gatherings and meetings to engage on the project
- Accessibility supports to enable participation of individuals who have disabilities, such as transcribers, sign language interpreters, or attendants



- Any Goods and Services Tax (GST) / Harmonized Sales Tax (HST) that is not reimbursable by the Canada Revenue Agency and any Provincial Sales Tax that is not reimbursable by the Province
- Any other costs that are direct and necessary for the successful implementation of the project and have been approved in writing by Fund staff prior to being executed

## 6.2 Ineligible activities and expenditures

The following costs may be incurred by projects but cannot be a part of the funding provided by the Sustainable Communities Challenge Fund. This list is not exhaustive and the Fund retains the right to question costs not included on this list and deem them ineligible.

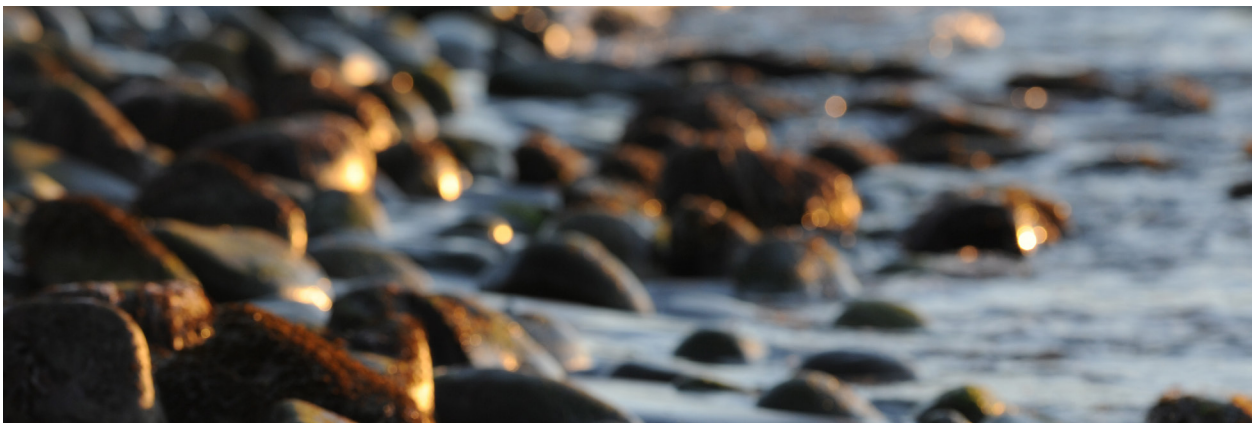
- Existing employment or operating costs that are already established as part of the grant recipient's organizational budget
- Costs for services or work normally provided by the grant recipient, incurred over the course of implementing the project, except those specified as eligible expenditures
- Costs associated with operating expenses and regularly scheduled maintenance work
- Initiatives that need to be undertaken as a result of federal or provincial regulation/legislation
- Purchase or leasing of property (incl. land, buildings and/or other facilities)
- Real estate fees and related costs
- Financing charges, legal fees, and loan interest payments, including those related to easements (e.g., surveys)
- Costs for materials, supplies, transportation, or services other than those directly related to the implementation of the project
- Costs related to furnishing and non-fixed assets which are not essential for the operation of the asset / project
- Costs incurred for rejected, withdrawn or cancelled projects
- Any Goods and Services Tax (GST) / Harmonized Sales Tax (HST) that is reimbursable by the Canada Revenue Agency and any Provincial Sales Tax that is reimbursable by the province.



# 7.

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# COST-SHARING AND FUND DISBURSEMENT



## 7. Cost-sharing and fund disbursement

### 7.1 Cost-sharing and minimum contribution levels

The Fund will provide non-repayable grants between \$75,000 and \$1,000,000 per project that range from 60 – 80% of eligible project costs. At least 15% of the Fund will be allocated for projects serving Indigenous and African Nova Scotian communities.

The applicant must make a financial contribution to the project, and their overall contribution may be a combination of cash and in-kind according to the cost-sharing requirements below. The required contributions depend on the value of total eligible project costs. Projects with a higher value of eligible costs are expected to make a larger contribution, which can include other funding sources.

**A minimum of 20% of eligible project costs** must be contributed by the applicant. The financial contribution may be made by project partners or alternate funding sources such as federal funding. In-kind contributions such as staff time can count toward the applicant's contribution to a maximum of 10%.

#### **Projects with total eligible costs of:**

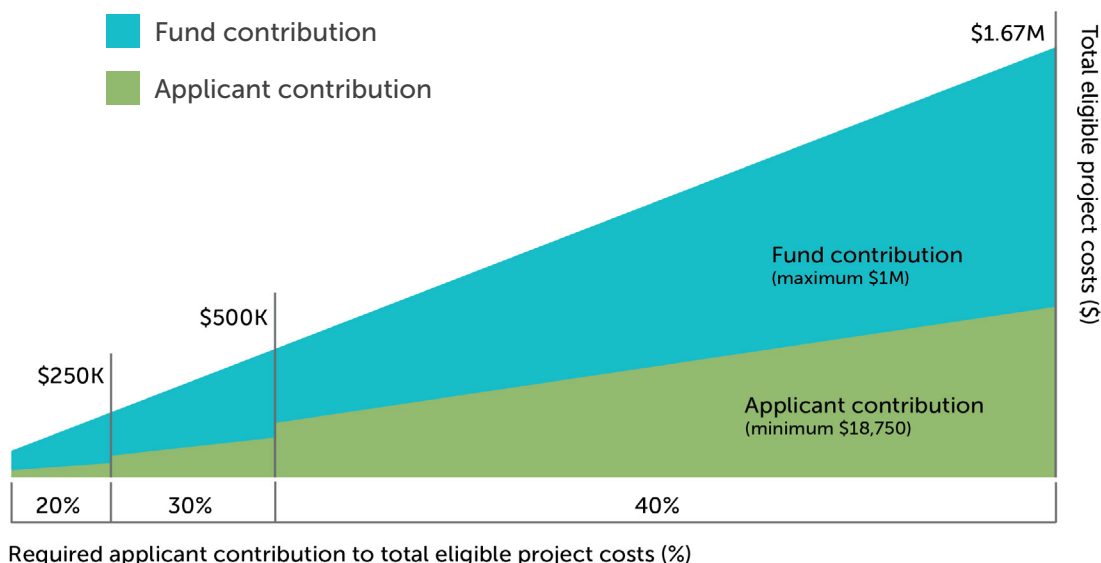
- Up to \$249,999 will require a contribution of at least 20% of eligible project costs
- \$250,000 - \$499,999 will require a contribution of at least 30% of eligible project costs
- \$500,000 + will require a contribution of at least 40% of eligible project costs

For example:

- A project with total eligible costs of \$100,000 will require the applicant to contribute at least 20% or \$20,000. The Fund will provide a grant no greater than 80% or \$80,000.
- A project with total eligible costs of \$400,000 will require the applicant to contribute at least 30% or \$120,000. The Fund will provide a grant no greater than 70% or \$280,000.



- A project with total eligible costs of \$1,000,000 will require the applicant to contribute at least 40% or \$400,000. The Fund will provide a grant no greater than 60% or \$600,000.



To assist in application budget planning, a contribution calculator is available at [www.nschallengefund.ca](http://www.nschallengefund.ca).

## 7.2 In-kind contributions

In-kind contributions can constitute a maximum of 10% of the eligible project costs. These can include donated material, equipment, and labour. Applicants will be required to disclose in-kind contributions within the budget at the application stage.

For example:

- A project with total eligible costs of \$100,000 will require the applicant to contribute at least 20% or \$20,000. Of the \$20,000, the applicant may contribute up to 10% through in-kind contributions (\$10,000) but must contribute a minimum of \$10,000 in cash from internal or other sources.



- A project with total eligible costs of \$400,000 will require the applicant to contribute at least 30% or \$120,000. Of the \$120,000, the applicant may contribute up to 10% through in-kind contributions (\$40,000) but must contribute a minimum of \$80,000 in cash from internal or other sources.
- A project with total eligible costs of \$1,000,000 will require the applicant to contribute at least 40% or \$400,000. Of the \$400,000, the applicant may contribute up to 10% through in-kind contributions (\$100,000) but must contribute a minimum of \$300,000 in cash from internal or other sources.

Additional in-kind contributions to projects beyond 10% are welcome but will not factor into applicant's minimum cash contribution calculation.

### 7.3 Stacking

Applicants may apply for funding from other government sources and this funding can contribute to the applicant's minimum contribution. Applicants are required to disclose all sources of federal and provincial funding requested and/or approved for the project, any commercial loans requested and/or approved for the project, and their own contributions.

Grants provided from the Sustainable Communities Challenge Fund are considered provincial funds. As per provincial stacking rules, no more than 80% of the total project costs can be covered by the Province of Nova Scotia.

Applicants who have received previous funding from the Sustainable Communities Challenge Fund must be in good standing with their current funding agreement to be considered for additional funding.

### 7.4 Payment installments

Unless otherwise agreed upon in the Funding Agreement, project proponents receive payments according to the following:

- Projects are provided with **an initial instalment of 75% of the total approved grant amount** no later than 30 days after the signing of the Funding Agreement; and
- A **final instalment of 25% of the total approved grant amount** is made no later than 60 days after the receipt and acceptance of the final Project Impact Report.



The Sustainable Communities Challenge Fund may withhold payment of funds where for any reason:

- A recipient is not entitled to the contribution.
- The funding amount exceeds the amount expended by the recipient.
- There are late submissions of progress reporting as per the Funding Agreement terms.
- There is failure to submit progress reporting deliverables.
- There is submission of incomplete or unsatisfactory progress reports in relation to the terms of the Funding Agreement.
- There is failure to execute and complete the project.

Projects that are not completed or fail to meet project milestones must return funding to the Sustainable Communities Challenge Fund.



8. \_\_\_\_\_

# APPLICATION EVALUATION FRAMEWORK



## 8 Application evaluation framework

### 8.1 Review process

Upon receiving completed submissions, Fund staff will screen applications to ensure all documentation is complete.

Once the staff review is completed, projects will be assessed by an external Technical Advisory Committee who have expertise and/or connections to community-level climate change mitigation and/or adaptation.

The Technical Advisory Committee will assess grant applications based on:

- The relevance to the community's needs and challenges;
- The project's ability to meet objectives of reducing or removing GHG emissions and/or improving capacity to adapt to climate change;
- The project's ability to meet co-benefits;
- The project team's capacity and resources to ensure success;
- The project's ability to measure and evaluate its impact; and
- The project's budget and work plan

Final funding decisions will be made by Nova Scotia's Minister of Environment and Climate Change.

### 8.2 Evaluation matrix

All submissions will be assessed by Technical Advisory Committee members across six categories:

- A) Relevance to community needs and challenges (15 points)
- B) Core project impacts – Mitigation Stream or Adaptation Stream (30 points)
- C) Co-benefits and secondary objectives (10 points)
- D) Organizational capacity (10 points)
- E) Measurement and evaluation (10 points)
- F) Project budget and work plan (25 points)



An outline of the detailed scoring matrix can be found below.

Category	Evaluation criteria	Points
A) <b>Relevance to community needs and challenges</b> (15 points)	The project is an effective solution to the challenge/opportunity.	5
	The project addresses/represents a community need or priority.	5
	The applicant has engaged relevant community members and groups that will be impacted by the project or has demonstrated a plan/intention to do so.	5
B) <b>Core project impacts – Mitigation Stream</b> (30 points)	The project scope is clearly aligned with the core objective of the Fund.	10
	The project's anticipated outcomes can be achieved through this work.	5
	Applicants were asked if their project has direct greenhouse gas reduction potential. Based on whether they responded yes or no, please rate their response based on the criteria below.  For projects that have direct GHG reduction abilities (e.g., installing solar, building retrofits, or converting to EVs)  The estimated GHG reductions of this project are reasonable for the project's scope of work.	5
	For projects that do not have direct GHG reduction abilities (e.g., completing a feasibility study for a fleet conversion, detailed design plans for a net-zero building)  The project's scope of work is needed to enable future GHG reductions.	
	The benefits of the project would not be achieved in the regular course of business.	5
	The applicant demonstrates what steps will be taken to minimize unintended consequences/risks.	5

OR



Category	Evaluation criteria	Points
B) <b>Core project impacts – Adaptation Stream</b> (30 points)	The project scope is clearly aligned with the core objective of the Fund.	10
	The project's anticipated outcomes can be achieved through this work.	5
	The project will help to manage and meaningfully address impacts of climate change and/or increase the community-readiness to respond to climate change impacts.	5
	The benefits of the project would not be achieved in the regular course of business.	5
	The applicant demonstrates what steps will be taken to minimize unintended consequences/risks.	5
C) <b>Co-benefits and secondary objectives</b> (10 points)	The project will have additional community benefits beyond mitigation and/or adaptation. Please select all that apply. <ul style="list-style-type: none"> <li>▪ Enhanced social equity or reduced barriers to equitable climate response.</li> <li>▪ Local green jobs generated, or growth in the clean inclusive economy.</li> <li>▪ Reduced costs and improved affordability.</li> <li>▪ Contribution to community wellbeing and health.</li> <li>▪ Protection or enhancement of natural assets.</li> <li>▪ Contribution to a broader long-term shift and capacity for future climate change action.</li> <li>▪ Potential for knowledge sharing and replication in other communities in Nova Scotia.</li> <li>▪ Other benefits to a community or group of communities.</li> </ul>	N/A
	This project will meaningfully contribute to the identified co-benefits, as demonstrated in the project workbook, by outlining how they will be achieved.	10
D) <b>Organizational capacity</b> (10 points)	The project team identified possesses the capacity and resources to successfully implement the project.	10



Category	Evaluation criteria	Points
E) <b>Measurement and evaluation</b> (10 points)	The applicant has clearly demonstrated how the project outcomes and results will be measured and evaluated.	10
F) <b>Project budget and work plan</b> (25 points)	The project timelines are reasonable, include clear milestones, and demonstrate an understanding of how the project will be managed and completed on time.	10
	The applicant demonstrates a clear understanding of the project costs and how it will be funded, and the project budget is reasonable to achieve the proposed outcomes at an acceptable quality.	10
	This project represents good value for money: <ul style="list-style-type: none"> <li>▪ Effectiveness: Are the costs associated with the project necessary in achieving its outcomes?</li> <li>▪ Efficiency: Does the proposed project work plan maximize the impact of each dollar spent?</li> </ul>	5



# 9.

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# REPORTING REQUIREMENTS



## 9. Reporting requirements

### 9.1 Monitoring and outcome evaluation

In the application stage, applicants are required to describe how they intend to measure project success and identify several milestones and deliverables throughout the project's life cycle. Grant recipients are required to provide quarterly progress reports to demonstrate that the project is being implemented as planned. Progress reporting is meant to be simple and to identify whether a project is on track, on schedule, and to identify new risks or challenges.

At the end of the project, recipients will be required to submit a Project Impact Final Report detailing the impact the project has had on the community and environment. This will include a financial report on how the funding was spent, and a description of how activities contributed to achieving the relevant project objectives and co-benefits.

This report will require recipients to highlight their project's impact using key performance indicators (KPIs), such as:

- Reduced energy intensity of buildings (GJ/m<sup>2</sup>/year)
- Square footage of floorspace retrofitted
- Litres of fuel oil/gasoline/diesel avoided
- MW/KWh of clean electricity generated from renewable sources
- Number (#) of green jobs created
- Number (#) and value (\$) of physical assets made to be climate-ready

Grant recipients implementing mitigation projects will be required to provide information for the calculation of greenhouse gas (GHG) emissions reductions. The Grant Recipient Guidebook and the GHG Emissions Workbook include resources to support evaluation.

Some types of mitigation projects may be exempt from this requirement:

- Feasibility studies and plans;
- Outreach, education and public awareness-raising;
- The purchase of sustainable, low-impact goods and services;



- Active transportation projects;
- Projects that enhance GHG removal from the atmosphere, such as carbon sequestration through tree planting; and,
- Other project types that do not have readily available GHG quantification methods.



## Appendix A – Online application form\*

Category	Questions
<p>A)</p> <p><b>Relevance to community needs and challenges</b> (15 points)</p>	<p>Please concisely describe the project, providing an overview of what it will involve, how it will be undertaken and what specific challenge or opportunity it aims to address.</p>
	<p>Please describe the need for the project and how it will address an identified challenge or opportunity within the community (with the objective of removing or reducing greenhouse gas emissions and/or increasing capacity to adapt to climate change).</p>
	<p>How will you engage community members or groups that will be impacted by the project to garner community support? Please identify any project partners who will be engaged/involved.</p>
<p>B)</p> <p><b>Core project impacts – Mitigation Stream</b> (30 points)</p>	<p>How does the project seek to avoid or reduce greenhouse gas emissions?</p>
	<p>What are the project’s anticipated outcomes or results? Please be specific.</p>
	<p>Does the project have direct greenhouse gas emission reduction potential?</p>
	<p>If “Yes”: What is the estimated quantity of greenhouse gas emissions that will be reduced over the project’s lifetime?</p>
	<p>If “No”: Please describe how the project creates a foundation or precedent for future projects/initiatives that could lead to greenhouse gas emission reductions.</p>
	<p>Please describe how the project will enhance what your organization would normally do in its business-as-usual activities.</p>
<p>OR</p>	<p>What are the potential risks and/or uncertainties associated with the project? What steps will you take to mitigate them?</p>



Category	Questions
B) <b>Core project impacts – Adaptation Stream</b> (30 points)	Please describe how the project enhances community capacity to adapt to climate change, and reduce vulnerability and exposure of human and natural systems within the community.
	What are the project’s anticipated outcomes or results? Please be specific.
	How will the outcomes/results identified above help to manage and meaningfully address the impacts of climate change and/or increase community-readiness to respond to climate change impacts?
	Please describe how the project will enhance what your organization would normally do in its business-as-usual activities.
	What are the potential risks and/or uncertainties associated with the project? What steps will you take to mitigate them?



Category	Questions
<p>C) <b>Co-benefits and secondary objectives</b> (10 points)</p>	<p>Please identify only the co-benefits your project will realistically achieve by selecting those that apply. Co-benefits are the additional impacts of the project for the community, on top of the primary objective of mitigation or adaptation.</p> <ul style="list-style-type: none"> <li>▪ Enhanced social equity or reduced barriers to equitable climate response.</li> <li>▪ Local green jobs generated, or growth in the clean inclusive economy.</li> <li>▪ Reduced costs and improved affordability.</li> <li>▪ Contribution to community wellbeing and health.</li> <li>▪ Protection or enhancement of natural assets.</li> <li>▪ Contribution to a broader long-term shift and capacity for future climate change action.</li> <li>▪ Potential for knowledge sharing and replication in other communities in Nova Scotia.</li> <li>▪ Other benefits to a community or group of communities.</li> </ul> <p><b>Important Note:</b> Any co-benefit or secondary objective identified must be clearly detailed as a deliverable in your workbook, which will need to be reported on if your application is successful. Claims that are not supported by evidence in the workbook will not be considered valid in the evaluation process.</p>
<p>D) <b>Organizational capacity</b> (10 points)</p>	<p>Please describe the project management team and the roles of any partners involved in implementing the project.</p> <p>Are permits required for the project? Please list the required permits and specify whether they must be secured prior to commencing the project or if they are part of the project's design process.</p>
<p>E) <b>Measurement and evaluation</b> (10 points)</p>	<p>Please explain how you plan to measure and evaluate the outcomes and results of the project that you identified in the section "Core project impacts".</p>



Category	Questions
F) <b>Project budget and work plan</b> (25 points)	In the Applicant Workbook, demonstrate that the activity timeline is reasonable, has clear milestones, and demonstrates understanding of how the project will be managed and completed on time.
	In the Applicant Workbook, demonstrate a clear understanding of the project costs and how it will be funded, and that the project budget is reasonable to achieve the proposed outcomes at an acceptable quality.
	In the Applicant Workbook, demonstrate how the project represents good value for money: <ul style="list-style-type: none"> <li>▪ Effectiveness: The costs associated with the project are necessary in achieving its outcomes.</li> <li>▪ Efficiency: The proposed project work plan maximizes the impact of each dollar spent.</li> </ul>

\*Please note: The questions above carry point values in the evaluation process. In addition to these, the full application asks supplementary questions that aim to gather general information to help the Technical Advisory Committee fully understand the scope and timing of the project and the role of your organization.

For example, applicants will also be asked to address, in brief:

- Whether the project can realistically be completed by November 30, 2027, given that projects may have less than one year to complete the work and can only begin after a funding agreement is executed.
- Whether all required matching funds will be fully secured and ready to document at the time funding decisions are made in Fall 2026.
- Whether all required permits and approvals will be secured by the time funding decisions are made.





## Sustainable Communities Challenge Fund

Administered by:



Funded by:

