



# Creating the BC Rural Dividend Program: Big Opportunities for Small Communities



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## Introduction

In 2015, the Government of British Columbia announced the BC Rural Dividend Program to help small rural communities to strengthen and diversify their economies. This poster demonstrates how the program came to be, and how a solution was crafted that would respond to the unique and changing needs of rural communities.

## Rural Economies in Transition

The B.C. economy relies heavily on the natural resource sector, which accounts for over \$2 billion in revenue and 156,000 jobs. Natural resources are located in rural areas, making the strength of rural communities key to the economic performance of the province.

These rural communities are facing a period of economic transition. During 2004-2007, rural communities experienced a 'boom' period, but recognized less benefits than they had in the past, in part due to technological advances. The 2008 recession then hit, resulting in layoffs, mine and mill closures and movement of the labour force to more prosperous areas.

Around the same time, the mountain pine beetle infestation emerged and significantly impacted the forestry sector. An estimated 57% of the province's pine volume will be destroyed by 2021. This infestation has also impacted tourism and agricultural industries due to the loss of natural beauty and the effect on soil and water quality.

Recently, the impacts of the Softwood Lumber Agreement, which could see duties of 12.5% to 25% placed on Canadian lumber; and the decline in oil and gas has added further stress to rural communities which aim to stay competitive in a global marketplace.

## Program Design

The Rural Secretariat combined recommendations from the Rural Advisory Council and lessons learned from other provinces which resulted in these aspects of the Rural Dividend:

- Eligible communities are limited to communities with a population under 25,000;
- Eligible applicants include local government, First Nations and not-for-profits;
- Flexibility in eligible projects as communities know best how to identify their challenges;
- Communities are required to cover a portion of the cost of the project through financial and in-kind contributions.
- Staff allow for continuous improvement and adjustments to the program in each funding round to reflect shifting community needs and a changing environment.
- A funding stream is provided for communities which require assistance to develop the capacity to deliver a large project.

Rural Secretariat staff also met with staff from various other B.C. ministries to develop an understanding of the areas covered by existing programs and how the Rural Dividend Program could truly impact rural communities in ways not already achieved through other programs.

It was determined that applicants could apply for funding in three different streams:

1. Project Development: which had a cap of \$10,000 and could be used for feasibility studies and business case creation
2. Single Applicant: which had a funding cap of \$100,000
3. Partnerships: which had a funding cap of \$500,000 and required the applicant to have one or more partners

Program goals:

- Job creation and retention
- Increased community economic competitiveness and diversity
- Creation of partnerships between First Nations and non-First Nations communities.

## First Intake

The Rural Dividend launched on April 4, 2016 and received 180 applications. Of these, 120 were funded, disbursing over \$8 million to small rural communities.

Some funded projects include:

- shared facilities to support small scale food production and food service businesses;
- a digital technology innovation hub;
- an entrepreneurship program for seniors and youth;
- a bioenergy plant to which uses biomass to produce electricity and heat; and
- a multiplex community theatre.

## Looking to the Future

The Rural Dividend is committed to continuous improvement in order to provide the best value to its target audience. The program office began to evaluate the application process and requirements while the first intake was underway. Based on applicant comments and evaluation of the program, several areas were changed prior to the second intake of the program. Most notable is the requirement of less rigorous financial statements for smaller funding amounts and a new online application system which streamlines the process for applicants and staff.

New Strategic Focus

Youth  
Innovation  
Partnerships

The second intake of the program launched on October 3, 2016 and closes October 31st. The Rural Advisory Council will continue to provide advice on subsequent intakes and will also be looking at other ways to reduce barriers for rural communities and improve the lives of those living in rural B.C.

## Resources

Government of British Columbia. (2014). Supporting Rural Development: Creating a Voice for Rural British Columbia. Victoria, B.C.  
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## Further Information

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