



RURAL ECONOMIC DEVELOPMENT (RED) PROGRAM

Program Guidelines

Ministry of Agriculture,
Food and Rural Affairs



The Rural Economic Development Program

The Rural Economic Development (RED) Program is a community development initiative that helps rural communities remove barriers to community development and economic growth, and develop the tools and flexibility they need to become strong rural communities. Through the program, rural residents, business people and municipal leaders can co-ordinate their activities, resources and expertise to work towards common community development goals. The coordinated actions undertaken as a result help to build revitalized rural communities that work better for the people who live in them.

The objectives of the RED Program are to create diversified business climates in rural Ontario; the creation and retention of long-term jobs; a strategic and coordinated local and regional approach for economic development, the creation of alliances and partnerships; and the development of information, tools and resources to enhance rural economic development.

In 2003, the RED Program was focused to include three priorities:

- Community (downtown) revitalization;
- Improved access to health-care services; and
- Skills training and enhancement.

Since its inception in 2001, the RED Program has assisted numerous communities and sectors in rural Ontario to overcome barriers to economic development and growth. It can help yours.

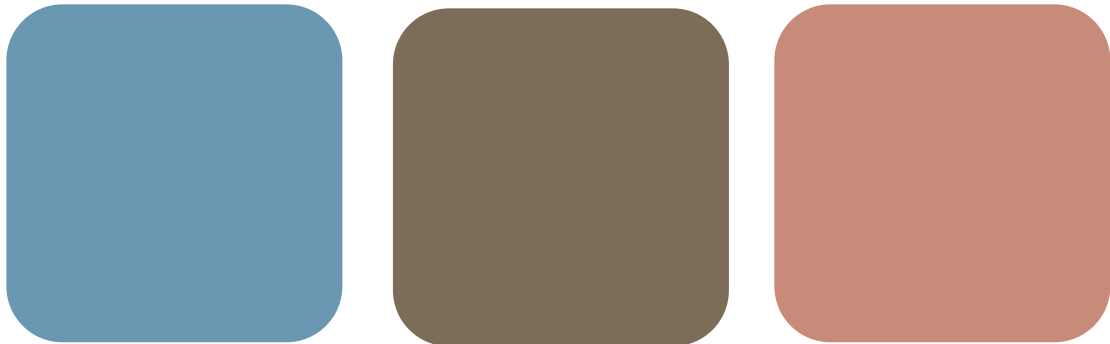
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WHO MAY APPLY

The Rural Economic Development (RED) Program

Eligible applicants include strategic alliances between (any combination of) individuals, businesses, community organizations (including not-for-profit) and municipalities with an arm's length relationship from each other. All applicants must share in the risks of the project, invest in the project, and have a vested interest in completing the project. Individuals or individual businesses are not eligible to apply as sole applicants.

Applicants must demonstrate their ability to complete the project and carry on needed work after the project is finished. Applicants must establish and present the positive impact the project will have on the rural economy.

Eligible projects must accrue benefits to rural Ontario. For the purposes of the RED Program, rural encompasses all of Ontario with the exception of the Greater Toronto Area (GTA) and eight large urban areas. These large urban areas are the cities of Hamilton, Ottawa, Greater Sudbury, Thunder Bay, London and Windsor, and the regions of Waterloo and Niagara.

However, communities and lower tier municipalities with a population of less than 100,000 in the GTA or in the eight large urban areas will be considered rural.





FUNDING

Projects are cost-shared with the provincial government investing up to 50 per cent of the project's eligible cost in most cases. Funding may be available at up to 90 per cent of the total eligible project costs, under special circumstances. In-kind contributions are not eligible for cost sharing. Payments are based upon the receipt of paid eligible invoices along with proof of payments.

Examples of eligible expenditures include, but are not limited to:

- Development and distribution of marketing and promotional materials;
- Skill enhancement costs (specialized training);
- Consultants, project management and/or sub-contractor fees;
- Travel costs incurred by applicants/contractors;
- Architectural, engineering, legal, accounting or other professional fees;
- Minor capital costs including renovations or specialized equipment/furnishings necessary for the project;
- Feasibility and business plan preparation;
- Software and other communication technology; and
- Bank fees for the project.

Ineligible expenditures include, but are not limited to:

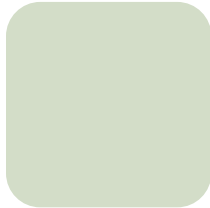
- Land, buildings and major infrastructure;
- Direct wage subsidies for staff;
- Debt restructuring, fundraising or financing;
- Normal or on-going business and production operations (including startups and/or expansions);
- Costs incurred prior to the approved project start date;
- Recurring costs such as reprinting; and
- Costs incurred in preparing an application.

HOW TO APPLY



The application process for the Rural Economic Development Program is as follows:

(1) An optional Pre-proposal: whereby applicants submit a brief description of their proposed project and receive feedback on the fit of their proposed project with program criteria; and



(2) Full Application: whereby applicants provide a full description of their project for assessment and approval.

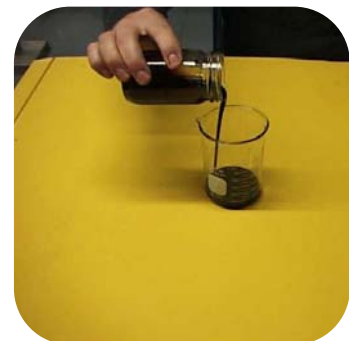


Project approval will be based on a fully developed application that must include a clear demonstration of the need for the project (including the economic barrier it will assist in overcoming); a sound financial plan, including satisfactory assessment of the applicants' financial viability, and demonstrated project feasibility; the economic development potential of the project; and specific outcomes and performance measures.

SELECTION PROCESS

A Project Review Panel reviews applications and recommends projects to the Minister of Agriculture, Food and Rural Affairs. The panel has wide representation and the members have expertise in business and rural economic development.

Applications are assessed according to evaluation criteria for the Rural Economic Development Program. Evaluation is conducted on an individual basis and includes the fit of the project with the priorities and objectives of the Rural Economic Development Program; level of commitment of the applicants; demonstrated economic benefits to the broader rural community; and the amount of financial support from private sector sources.





SUCCESSFUL PROJECTS

All applicants for approved projects will be required to sign an Agreement (i.e., contract) with the Province of Ontario. Applicants are strongly advised to review a sample Agreement prior to approval and to seek legal counsel regarding the terms and conditions of the Agreement.

All parties signing Agreements with the Province of Ontario are required to have comprehensive general liability insurance with coverage for at least \$2 million per occurrence. This insurance must show the Province (Her Majesty the Queen in right of Ontario) as an additional insured on the policy and contain the endorsements specified by the Agreement and is required throughout the term of the Agreement. A Certificate of Insurance from each of the applicants will be required to be submitted to the Ministry prior to the signing of an Agreement.

Municipalities and First Nations are required to submit a Municipal By-law or Band Counsel Resolution allowing the municipality or the band to enter into an Agreement with the Province of Ontario. All companies and incorporated entities will also be required to provide proof of current status (i.e., certificate of status) and constituting documents (i.e., articles of incorporation or letters patent, etc.) which indicate the full and proper name of the organization as well as the proper signatories to the Agreement. In the event that your business or organization is not incorporated (i.e., sole proprietorship, unincorporated association, etc.), please be advised that the individual who signs the Agreement on behalf of the business or organization will be assuming personal liability for the project. Moreover, this individual would be subject to all the terms and conditions set forth in the Agreement.



SUBMISSIONS

Pre-proposals and full applications are accepted on an on-going basis and may be submitted either in hard copy (one unbound copy) or electronically by email to the RED Program. Allow up to eight weeks for the review of your application prior to the approvals process, which may require additional time.

Please note a copy of the application will be appended to the final Agreement.



CONFIDENTIALITY

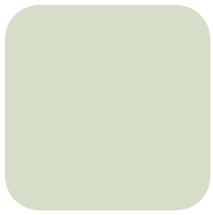
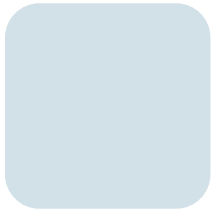
Application forms and supporting material submitted to the Province of Ontario will be subject to the Freedom of Information and Protection of Privacy Act. Any information submitted in confidence should be clearly marked “CONFIDENTIAL” by the applicant.



WHERE TO GET AN APPLICATION OR HELP

Information and application forms are available on our website at www.ontario.ca/rural.

Information and advice on how to develop a project and complete an application is also available from consultants in the regional offices of the Ministry of Agriculture, Food and Rural Affairs. A listing of offices and phone numbers are available on our website or call us at 1-888-588-4111.



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