

# Innovative Partnerships for Social Impact



**Indigenous Economic Prosperity Forum**  
*Access to Capital – Unlocking Community Potential*

**February 28<sup>th</sup>, 2019**



**Mike Watson**

General Manager  
Stó:lō Community Futures

# Who is Stó:lō Community Futures?



Funding from WED

Mandate: Indigenous People of S'ólh Téméxw

24 First Nation Communities

56 Occupied Reserves

Nearly 15,000 Indigenous People

Over 300 Indigenous Businesses

**STÓ:LŌ**  
MEANS  
BUSINESS™



The **STÓ:LŌ MEANS BUSINESS** Brand was designed by Jason Forseth, a Seabird Island First Nation Band Member



Started with a total of \$600,000 loan capital

- No increase in 28 years

**General Investment Funds**

Loans up to \$150,000

Business Plan required

Overseen by the SCF Loan Funds Committee

**Entrepreneurs With Disabilities**

Additional supports to overcome barrier to entrepreneurship

Self-disclose a disability

New modified Program,  
**Community Futures  
Lending & Investment Pool  
(CFLIP)** introduced:

- Designed to attract more depositors
- Starting immediately
- Borrowing Rate – RBC Prime + 0% Floating

Indigenous CF's have participated in pooled –asset programs, to redistribute surplus capital from other CF's

Currently, SCF has 4 programs additional loan capital of \$1 million

Fixed interest rate of 1.85%, monthly repayment of principle and interest, and five year terms

SCF lending operates on the margin, current interest rates are 8% to 10%, with a low loan default about 2.5%

SCF access funds solely for increased entrepreneurial lending



## SCF/Bank of Montréal (BMO) Micro Loans Program

Two tranches of \$100,000 committed by the Bank of Montréal in 2014

Loans under \$10,000

Over 40+ Micro Loans granted to date

Only a business strategy required

Highly-success program for Indigenous start-ups

Low delinquency rates



The Vancity logo is displayed in a bold, red, sans-serif font on a white rectangular background.

Award Winning New  
Indigenous Loan  
Fund

## SCF/Vancity Indigenous Impact Lending Program, in partnership with Vancity

Formerly the Stó:lō Community Loan Fund

Recently rebranded with \$1.50 million in capital

Maximum Loan of \$500,000 for Community businesses

Loans secured with Community Band Council Resolution

- Maximum Loan of \$150,000 for Indigenous businesses and entrepreneurs

Overseen by the SCF Loan Committee and Board



## Purposes of Indigenous Economic Prosperity Forum

- Access new capital
- Showcase partnerships

## Targets

- Governments
- Institutions
- Corporate Canada



1. TRADITIONAL CAPITAL
2. RESPONSIBLE INVESTING
3. SOCIALLY RESPONSIBLE INVESTING (SRI)
4. ESG RISK ASSESSMENTS
5. IMPACT INVESTING

### FOCUS ON THE IMPACT

#### **Impact Investing**

Investments made into companies, organizations and funds, with the intention to generate social and environmental impacts, alongside a financial return

“Merging Profit with a Purpose . . . To forge New Ground”

Socially Motivated Investors can assist with Indigenous Economic Reconciliation

### **2018 – Canadian Responsible Investments Surpasses \$2 trillion**

- 41.6% growth in 2 years
- RI is now 50.6% of all Canadian Investment Industry

### **2016 – Canadian Impact Investing Market total \$14.75 billion**

- Up 60% over 2 years

### **New Investors for Impact**

- Millennials / Female – New Values
- High Net Worth Individuals
- Asset Management
- Foundations / Charities
- Credit Unions / Banks / Insurance
- Institutional Investors
- New Public / Private Capital

Growing focus in aligning Investments with Values

- **BC is the Largest Region for Impact – 50%**
- **Canadian Indigenous Impact Market**
  - March, 2018 Study – UBC
  - \$1.21 billion

## Top Canadian Impact Focuses (2016)

1. Affordable Housing / Real Estate
2. Clean Energy / Technologies
3. Social Enterprises
4. Indigenous Business / Communities
5. Food / Agriculture
6. Healthcare Services

## **Indigenous Impact Business Model**

Achieving Sustainable Income

Creating Positive Indigenous Impacts

### **United Nations – 17 Sustainable Development Goals (SDGs)**

- Indigenous Alignment with SDGs

### **Manitoba Southern First Nation Network of Care – Strengthen bond between Indigenous mothers and infants**

- Social Impact Bonds – Performance-based funding

### **Concordia University – First Canadian University in Sustainable Bond**

- Science Hub – Impact 3 SDGs

### **Raven Indigenous Capital Partners – Venture Funds**

- McConnell Foundation Funded – Invest in Indigenous Social Enterprises

### **SCF/Vancity Indigenous Impact Lending Program**

- Additional AFI Impact Investment Capital

**Indigenous People are the original Social Entrepreneurs and Experts in Travel and Trade**

**Social Enterprises – Companies that address societal issues**

**Indigenous Approach**

- Ⓣ Social
- Ⓣ Environmental
- Ⓣ Economic
- Ⓣ Cultural

*Bottom-Line Focuses*

**Recommendations – 2018 Social Innovation and Social Finance Strategy Co-Creation Steering group – Must be an Indigenous-led Strategy**

**New \$800 million Social Finance Fund . . . To kickstart Canada’s social-finance market**

- Creating Impact



**Nations Creations – a Stó:lō Social Enterprise**

# One Drum Indigenous Impact Investment Corporation – A New Approach to Indigenous Impact



**Vision**

- Advancing Indigenous economies, while producing positive Indigenous Impacts

**Mission**

- Access new capital, build new partnerships and create social innovative opportunities, focused on achieving positive Indigenous impacts in S'ólh Téméxw

**Brand**

- Achieving Positive Indigenous Impacts

Achieving positive Indigenous impacts

One Drum Indigenous Impact Investment Corporation

Stó:lō Solutions for Stó:lō Opportunities



## New One Drum Partnerships:

- Indigenous Clean Energy Sector
  - 12 Partners
  - Seeking Province of BC funding support
- Financial / Universities / Governments / Private Sector
- Joint Ventures - Focuses
  - Utilities Sector
  - Clean Energy Sector
  - Energy Focus
  - Real Estate and Building Sectors

## One Drum - Focused Upon: Being Market-Ready

- Producing Sustainable Income
- Creating Positive Indigenous Impacts



Indigenous Impact and Social Finance Forum – June 17<sup>th</sup> to 19<sup>th</sup>, 2019, Harrison Hot Springs



For more information, watch our website at [www.odiiic.com](http://www.odiiic.com)



*Thank you!*

Any Questions?

Mike Watson

General Manager, Stó:lō Community Futures

President, One Drum Indigenous Impact Investment Corporation

**Office:** (604) 824-5270

**Cell:** (604) 793-8175

**Email:** [mwatson@stolocf.ca](mailto:mwatson@stolocf.ca)