# Innovative Partnerships for Social Impact



Indigenous Economic Prosperity Forum

Access to Capital - Unlocking Community Potential

**February 28th, 2019** 





**Mike Watson** 

General Manager Stó:lō Community Futures

#### **Background Information**

### 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

#### The Brand - STÓ:LŌ MEANS BUSINESS™

STÓ:LŌ MEANS BUSINESS™



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

#### **SCF Business Loan Funding Programs**





#### 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

#### SCF Partners - Community Futures - *Pooled Funds*

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 Partners - SCF/BMO Micro Loans Program





#### 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

#### SCF Partners - SCF/Vancity Indigenous Impact Fund

# Vancity



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

#### **NACCA - Forum Objectives**



#### Purposes of Indigenous Economic Prosperity Forum

- Access new capital
- Showcase partnerships

#### **Targets**

- Governments
- Institutions
- Corporate Canada

#### **Emerging New Sources of Capital**

- 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** 

#### **Impact Markets Getting Larger**

#### 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** 

#### **Towards an Indigenous Impact Market**

- BC is the LargestRegion for Impact –50%
- Canadian Indigenous Impact Market
  - March, 2018 StudyUBC
  - > \$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** 

#### **Emerging Impact Models - Indigenous Opportunities**

#### **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

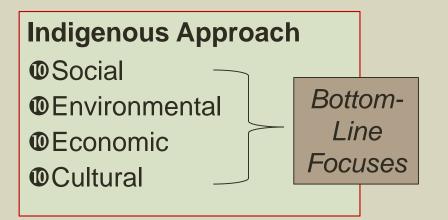
#### **SCF/Vancity Indigenous Impact Lending Program**

Additional AFI Impact Investment Capital

#### **Indigenous Social Enterprises**

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

Social Enterprises – Companies that address societal issues



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

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



#### **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 17th to 19th, 2019, Harrison Hot Springs







For more information, watch our website at www.odiiic.com





# Thank you!

#### **Any Questions?**

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