



Building On Success,  
Reaching New Heights

NACCA  
Strategic Plan

National Aboriginal Capital  
Corporations Association

2017-2022



# List of Acronyms

**ACCs:** Aboriginal Capital Corporations

**ACFDCs:** Aboriginal Community Futures Development Corporations

**ADLs:** Aboriginal Developmental Lenders

**AFIs:** Aboriginal Financial Institutions

**AFOA:** Aboriginal Financial Officers Association

**CANDO:** Council for the Advancement of Native Development Officers

**CCAB:** Canadian Council for Aboriginal Business

**INAC:** Indigenous and Northern Affairs Canada

**NACCA:** National Aboriginal Capital Corporations Association

**NAEDB:** National Aboriginal Economic Development Board

The National Aboriginal Capital Corporations Association (NACCA) is a Canada-wide network of Aboriginal Financial Institutions (AFIs) dedicated to stimulating economic growth for First Nations, Métis and Inuit people by promoting and underwriting Indigenous business development.

Founded in 1996, our network has a truly national reach. With over 50 Aboriginal-led AFIs across each province and territory of Canada, our network serves Inuit, Métis and First Nations heritage groups in northern, remote, rural and urban lending contexts.

AFI lending helps make Indigenous rights and well-being a reality. AFIs share with their clients a

broader perspective on value – as serving not only net worth and returns, but cultural, social, and self-determination goals as well.

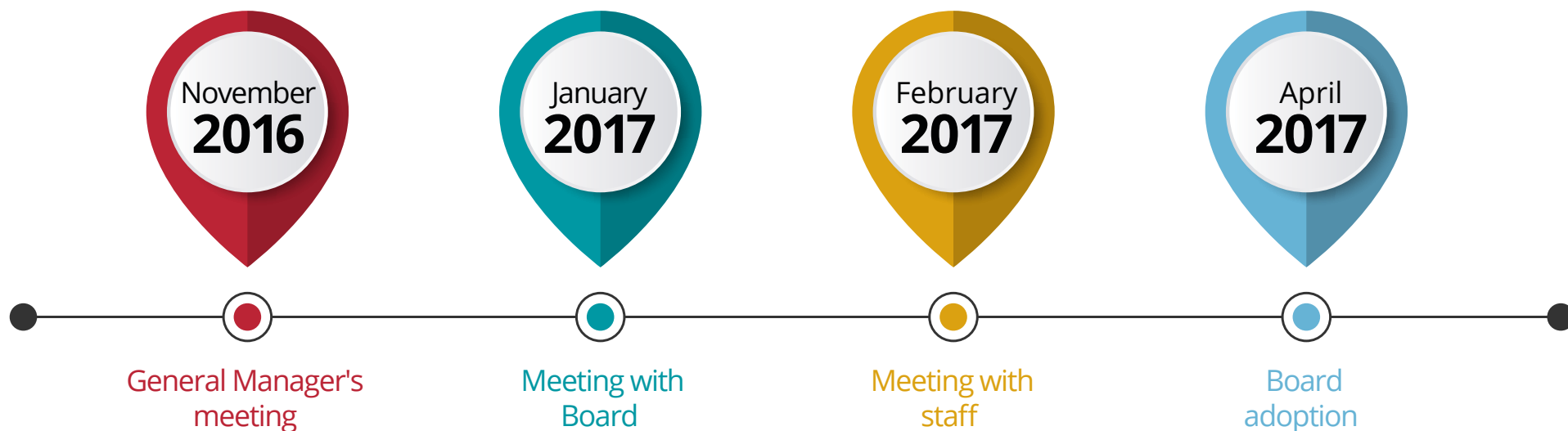
By supporting the visions and investing in the strengths of Aboriginal entrepreneurs, our network brings forward reconciliation of the best, empowering kind.

The 2017-2022 NACCA Strategic Plan seeks both to honour the crucial building work that AFIs perform every day, and to point the way to new heights that the network and its clients might attain.

## Purpose of the Plan

This Strategic Plan marks an important milestone for NACCA. Though ambitious, it is achievable in a 5-year timeframe. Most important: it builds on a solid foundation of the network's success to date.

The Plan was developed through a consultative process, which included strategic planning sessions with AFI General Managers, NACCA's Board of Directors, and NACCA staff.



The plan includes both clear strategic directions and metrics of success. These metrics will allow NACCA to measure whether we have achieved our priorities.

Designed as an evergreen document, the plan will entail regular course checks and adaptations, as required. Throughout, NACCA will implement it in discussion with member AFIs.

Over the next 5 years, the plan will guide NACCA's efforts to improve the programs, tools and training that we offer to member AFIs and the entrepreneurs they support. It will help us further a mature, mutually respectful relationship with our federal partners. It will prompt us to share the many success

stories – of both our members and the Indigenous entrepreneurs they support. The plan will guide us in inspiring confidence in the network and, through this, acquiring further capital to expand its work. Finally, the plan will initiate a continuous process of systems improvement.

NACCA's logo is a stylized eagle in flight. Like the eagle that inspires us, we set our sights high with this Strategic Plan. But it is also to a destination we can reach.

Building on our network's achievements, under the steady leadership of our Board and CEO, NACCA will strive for a new level of performance over the next 5 years.

## The strategic plan includes both clear strategic directions...

Aboriginal Financial Institutions (AFIs) are formed at the recommendation of First Nations leaders, initially believing the \$25 million tranche would make it a short term project.

**1985**

**1995**

6 initial AFIs, with a 7th in 1995, started a voluntary network. The initial six were:

1. Alberta Indian Investment Corporation.
2. Indian Agricultural Business Corporation. (now Indian Business Corporation)
3. Saskatchewan Indian Equity Foundation.
4. Société de Crédit Commercial Autochtone.
5. Tale'Awtxw Aboriginal Capital Corporation.
6. Ulnooweg Development Group.

**1997**

NACCA is incorporated through the formal Association act, now representing 22 ACCs.

**1998  
1999**

**1999** Members AFIs across the NACCA partners Canada and Pea to deliver the Aboriginal Entrepreneursh

**1998** Launch of Inuit Youth Busi together the ne Board of Directo

**1998-1999** IN. Outstanding Ach Award received of Access to Cap (forerunner of A

**2007**

INAC takes over AEP program from Industry Canada

Funding is in the \$7M range  
AFIs provided 30,520 loans accumulating.

\$1.2 billion recording a 100% GLP increase in a ten-year period.

**2009**

First time in AFI history to provide \$100 million in loans in a single year.

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(AEP).

**2014**

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iations with INAC.

**2002**

Membership  
surpasses 50 AFIs.

**2014  
2015**

\$2 billion milestone in developmental  
loans to Aboriginal entrepreneurs  
and businesses.

The Aboriginal Developmental Loan  
Allocation (ADLA) program is added  
to the AEP.

Funding increases to \$10M.

**2017**  
**20<sup>th</sup>**  
**Anniversary**

**2015  
2016**

The NACCA assumes manager  
responsibilities and 11 agreements  
with AFIs for the Aboriginal Capacity  
Development Program (ACDP).

*"You must know where you came from yesterday,  
know where you are today, to know where you're going tomorrow."*

<sup>1</sup>Cree saying cited by Shawnee-Cherokee author Trace A. DeMeyer in *One Small Sacrifice: A Memoir* (Blue Hand Books: Greenfield, MA 2012), 15.

Before outlining our future priorities, we pause on milestones of  
our past and present.

## Our Past

Our story began in the late 1980s, when Aboriginal leaders created AFIs with support from the Government of Canada. Their goal was to improve delivery of small business capital and lending support services to Aboriginal people and communities. Aboriginal Capital Corporations (ACCs) delivered business financing, support, and advisory services to small and medium-sized Aboriginal businesses. Aboriginal Community Futures Development Corporations (ACFDCs) provided smaller, riskier loans to Aboriginal businesses at the earliest stage of their development.

NACCA itself originated from a series of national meetings of ACCs organized by Industry Canada. The goal of an initial handful of ACCs was to serve as a national advocate vis-à-vis the federal government. Over time, the Association supplemented its work with programs, training and capacity support to members. In 1999, it extended its membership to include ACFDCs as well. Within the last decade, a third sub-set of AFIs, Aboriginal Developmental

Lenders (ADLs) joined the network. Capitalized by provinces or Indian Trust monies, these AFIs meet the growing demands of majority-owned or majority-controlled Aboriginal businesses with larger capital needs.

Throughout, the Association has maintained a constant relationship with the federal government – first with Aboriginal Business Canada, and later with Indigenous and Northern Affairs Canada. Though that relationship has also been tested at times, past federal evaluations and reports indicate that NACCA has served as a consistent, constructive partner to the Government of Canada.

In 2014, as a sign of its confidence in the Association's capacity to deliver, Indigenous and Northern Affairs Canada transferred its Aboriginal Business Financing Program to NACCA, together with 14 AFIs. NACCA's annual budget grew from \$5 million to \$35 million.

The Association launched the Aboriginal Entrepreneurship Program, designed to strengthen



the network and increase the availability of capital. To help it manage its new programs, NACCA introduced an Aboriginal Entrepreneurship Committee to advise its smaller, competency-based Board. In that same year, 2014, the Association launched a new awards program, recognizing outstanding AFIs with the highest value of new small

business loans.

Thus has the Association evolved greatly – along with its members and the growing diversity of the clients they serve.

## Our Present

NACCA has long served as the unified voice of AFIs and an advocate for Indigenous economic development. Much has improved – in part through AFI lending itself. And yet, the same inequities that gave rise to AFIs in the late 1980s remain. Indigenous business owners are growing in number and clout, but they still lack access to the capital and pre- and post-loan care they require.

As such, NACCA's **vision** reflects a consistent thread from its founding to the future it envisages:

**“Promoting thriving, prosperous, Aboriginal businesses with equitable access to capital and care.”**

Likewise, NACCA's **mission** reflects its constant purpose over the years:

**“To serve as the voice of Aboriginal Financial Institutions and as a national advocate for Aboriginal business development.”**

NACCA achieves its mission through its advocacy and by providing capacity and professional development support to its members. In 2014, it added program management to its roles.

NACCA's **values** reflect our Association's deeply Indigenous character – as well as its commitment to the hard work and professionalism that the financing sector demands:

**Awareness** of the rights, aspirations, and needs of Indigenous people

**Balance** of our advocacy and program delivery roles

**Diligence** in our work

**Integrity** in our relationships

**Respect** for our diversity and distinct Indigenous cultures

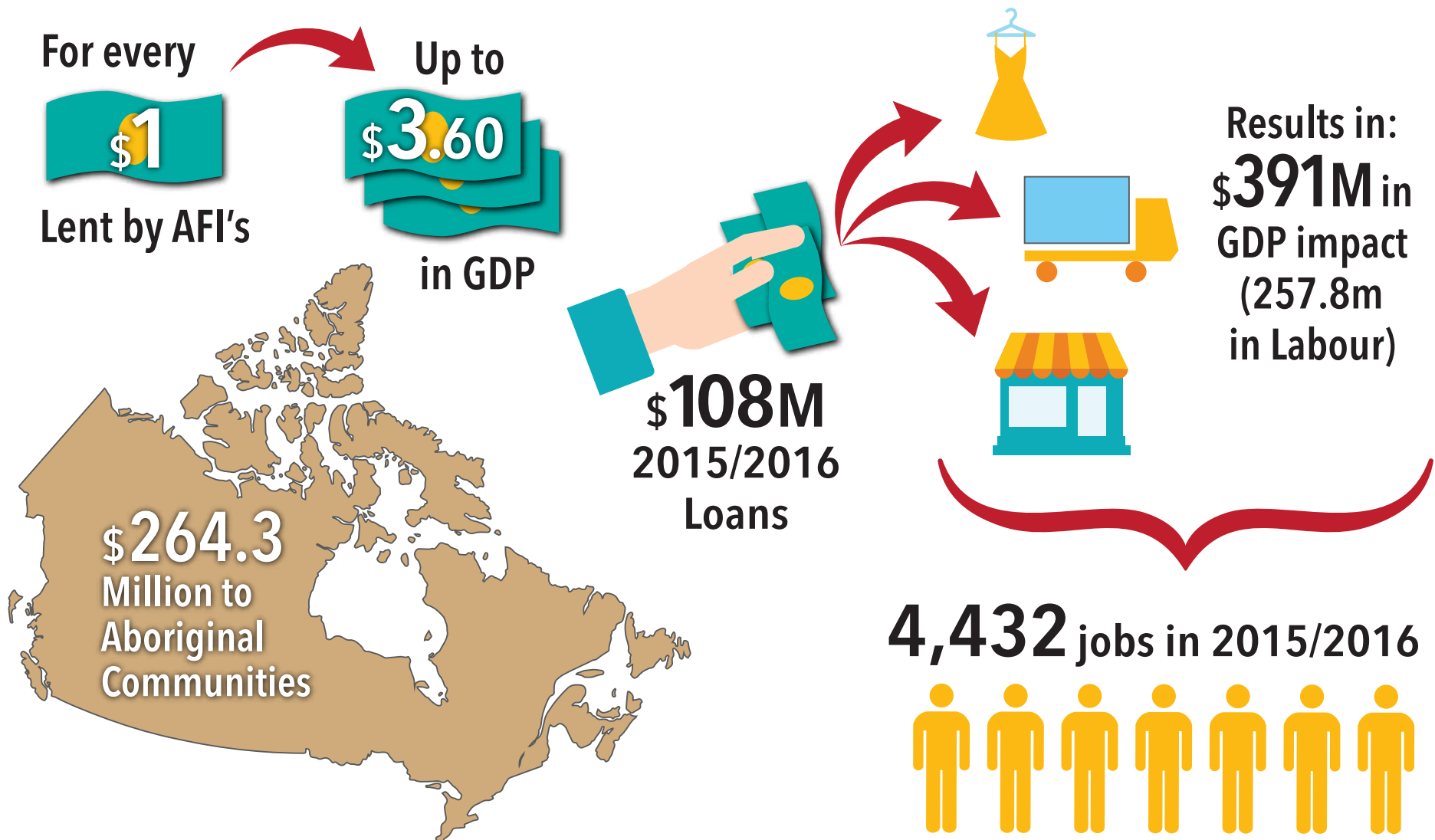
**Sharing** of our knowledge within and beyond the network

Our vision, mission, and values have changed little since the Association's founding. The primary reason for this has been the success of the AFI network whose work NACCA supports.

## Performance

Over the years, the AFI network has developed into a powerful lending force. The numbers – taken from both internal data and recent Conference Board of Canada reports – speak for themselves:

- The network has generated almost \$2.3 billion in loans to Indigenous businesses, turning over \$365 million in government capital contributions several times in the past 25 years.
- In 2015/16 alone, AFI loans created or maintained 4,432 jobs, and entailed a direct economic impact of over \$264 million to Indigenous economies across the country.
- Of the \$2.3 billion in loans made to the end of 2015/16, AFIs have written off only 5.2 percent. This well below the 10 percent average loss rate for a micro-lender.
- The network's innovative approach to risk management has yielded both lower loan losses and impacts including a GDP contribution of up to \$3.60 for every dollar loaned.



## Our Assets

NACCA works not despite, but through, its diversity. The Association serves and represents ACCs, ACFDCs, and ADLs. AFIs serve each heritage group in every region and geography, in a range of sectors and both official languages. The Association's national character is reflected in its 9-member Board of Directors. Nominated based on their competence, Directors pledge to represent all member AFIs collectively once elected.

Beyond the network's performance, diversity and national scope, NACCA features a passionate and knowledgeable membership with a deep reach into the Indigenous communities they serve. Its

Technical Advisory Working Group, composed exclusively of AFI General Managers, draws on their expertise in recommending programs and products tailored to Indigenous business-owners.

Finally, NACCA has the significant asset of being Indigenous-controlled, with Indigenous directors and senior staff members.

Thus, NACCA not only advocates on behalf of Indigenous self-determination. Like the AFIs it represents, it demonstrates self-determination within the financial sector.

As in the past, NACCA's future success will depend on the network's ability to navigate challenges and opportunities in the broader landscape. The landscape is mixed, with cause for optimism in some areas and uncertainty in others.

On the positive side, the Canadian economy appears to be picking up again, with growth in jobs and economic activity exceeding recent predictions. Perhaps most significant: the Aboriginal economy is on the rise. Aboriginal people are becoming entrepreneurs at unprecedented rates, and businesses are becoming more diverse. Beyond individual entrepreneurs are the community-owned businesses, joint ventures and various forms of social enterprise that are growing in size, number and complexity.

The emerging demand has already prompted some AFIs to evolve their lending to meet the growing demand of medium-sized and larger Indigenous businesses – a trend that NACCA expects to continue.

Besides larger businesses, the lending landscape features a burgeoning group: the fast-growing

population of Indigenous youth. AFIs will wish to reach and serve these potential future entrepreneurs with services, and in formats they find useful – likely digitized and online. To help AFIs begin this work, NACCA will need to conduct targeted outreach – both with Indigenous youth and with the federal departments involved in skills and training programs to leverage their contributions.

Access to capital is a challenge for Indigenous women in particular. In the past, NACCA has indicated its desire to promote economic inclusion of Indigenous women entrepreneurs through tailored services. Such initiatives as the recently announced joint US-Canada council to support advancement of women entrepreneurs provide a renewed occasion to continue this work.

On the whole, the future is bright for realizing the economic dimension of our Indigenous rights. An especially positive development is the stance of the federal government, which has committed to serve as a genuine partner to Indigenous peoples. For the 150th Anniversary of Confederation, Canada has made reconciliation and advancement of Indigenous rights high priorities. Federal departments are

making unprecedented investments in housing and infrastructure, education, and skills training for Indigenous peoples. AFIs across the spectrum may well seek to diversify into these areas.

And in fact, they must diversify, as shadows mar the landscape too. Beyond our borders, the clouds of protectionism – in particular, in the United States – could jeopardize Canada's future economic growth. Indigenous people are disproportionately affected in downturns: and even in good times, there is far to go before our people will achieve social and economic parity with non-Indigenous Canadians. Though Canada's intentions may be good, it is not yet clear that the federal government will be in a position to deliver to communities impatient for change.

Perhaps the most pressing issue facing the network has been the erosion of the capital base of AFIs, where federal contributions have flatlined since 2012.

AFI lending has contributed to both Aboriginal economies and the economy at large – yet their contributions are not well known. This situation needs to change. It is time for the network, now in its third decade of existence, to declare its presence on the landscape. Beyond our traditional partners of Industry Canada and INAC, we need to start forming relationships with a range of federal departments – with portfolios spanning social financing, innovation, natural resources, fisheries, agriculture, and the green economy. We also need to communicate our story to potential clients, private partners, other lenders, and the public at large.

In continuity with our past, aware of present opportunities, NACCA needs to emerge with confidence into the future. The four priorities outlined next will help us achieve this goal.

## Priority 1: Serving NACCA Members

NACCA's reason for being is its members and the Aboriginal businesses they serve. Mindful of this, the Association will prioritize member satisfaction, seeking to engage its members through conferences, webinars and social media platforms. In an environment where web-based loan services are increasing, NACCA will develop

tools and applications to assist AFIs. We will enlist program information to its best use, enabling AFIs to provide comprehensive care to the next generation of Indigenous entrepreneurs. NACCA will target its training and capacity support to distinct tiers of lenders.

### Strategic Directions to Achieve this Priority

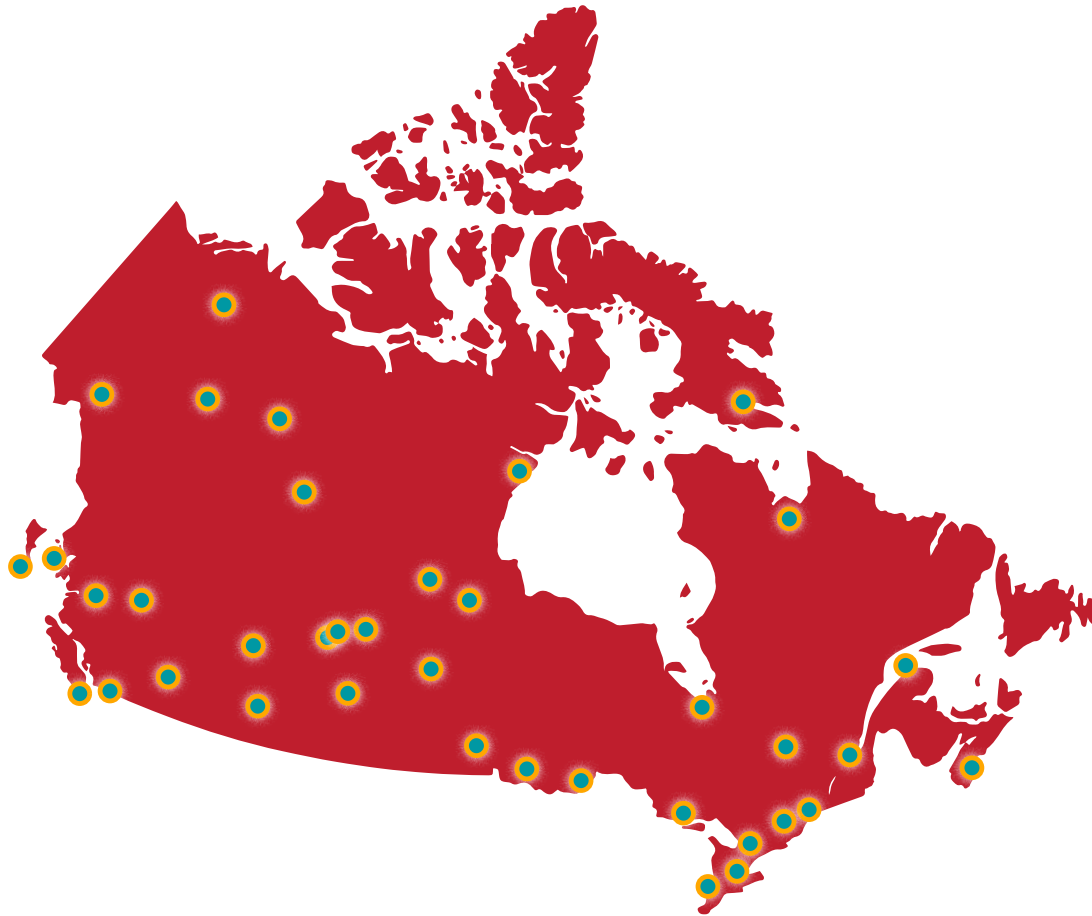
Over the next five years, NACCA will:

- a. **Engage AFIs and potential clients** by holding regular conferences and gatherings, improving NACCA's web interface and enlisting social media.
- b. **Provide AFIs with tools** encouraging them to improve client service, through such things as web-based application processes and more comprehensive pre- and post-loan services.
- c. **Focus on youth and women**, using research and NACCA data to identify their lending needs, holding dedicated forums, and inviting youth to help develop new products.
- d. **Manage and use NACCA's program information** by improving its information management systems and using information to drive product and program development.
- e. **Help members build capacity** by publishing leading practices, implementing new tools and systems, and dedicating resources to accommodate various tiers of AFIs.



## Expected Impacts of Our Work

- Engaged AFI's and potential clients as noted at gatherings and member surveys
- More and better tools for the AFI network to assist them in improving client services
- Decisions, products and programs informed by effective information use and management
- Products and programs tailored to, and accessed by, Indigenous youth and women
- Enhanced capacity in areas targeted by certification for interested AFI's
- An increase in the number of certified AFI's and staff



## Priority 2: Inspiring Confidence in the Network

The network's accomplishments are real, but not yet well known. Many have called the network one of Indigenous Canada's best-kept secrets; yet a secret may mean a missed opportunity. In the next 5 years, NACCA will tell the network's story to decision-makers and potential partners, its own members, potential clients, and the public. It will build relationships

seeking to amplify the network's influence at policy tables, and improve its training and capacity-building by concluding strategic partnerships with like-minded organizations. The Association will enhance its own reputation by obtaining certification of its internal processes.

### Strategic Directions to Achieve this Priority

Over the next five years, NACCA will:

- a. **Tell the network's story** to the government, other lenders, and the public by sending out a delegation of NACCA's most experienced lenders, by participating in major national events, and by taking guest speaking and other opportunities to get the word out.
- b. **Foster beneficial relationships** with other Indigenous organizations (AFOA, CCAB, CANDO, NAEDB, NAOs), federal and provincial politicians, departments beyond INAC and Industry, non-Indigenous professional associations and the private sector.
- c. **Improve communications with AFIs** through regular technical conferences, improving the website, and enhancing the Association's social media presence.
- d. **Enhance NACCA's credibility** by obtaining certification for the Association.

## Expected Impacts of Our Work

- More capital and program funding to support AFI lending as a result of our advocacy
- Fruitful partnerships with like-minded organizations, formalized by MOUs
- A seat at major national tables addressing Aboriginal economic development
- Increased member satisfaction, tracked through an annual member survey
- Greater public impact, with increased mention of the network by opinion leaders
- A stellar reputation for NACCA as an organization, enhanced by certification



## Priority 3: Expanding AFI Financing

The primary achievement of the AFI network has been in developmental lending, which is a high cost, high risk activity. Since 2012, federal investment in the network has not risen. Some AFIs would like to continue focusing on developmental lending. Others are seeking to grow their range of services into new sectors and products, larger loans and ventures,

and social financing. A priority will be to secure new capital – both loan and equity capital – to allow the network’s financing activity to grow. NACCA will also work with its TAG Working Group to maximize the benefits of the capital that the network already receives, developing criteria to guide allocations and reallocations.

### Strategic Directions to Achieve this Priority

Over the next five years, NACCA will:

- a. **Seek new capital, including accompanying program funding, for the network**, by developing and distributing the investment case for the network’s developmental financing; sending out a delegation of experienced lenders to decision-makers; and identifying social financing umbrellas that could allow the network to become a leader in socially responsible investment.
- b. **Optimize the use of existing capital** by developing a tiered approach to allocating capital among AFIs, reallocating capital based on lending activity, as required.
- c. **Promote diversification** of the network’s funding sources by allowing AFIs to support projects exceeding \$250,000, developing tools that will enable AFIs to expand, and facilitating their exploration of options in social finance, innovation and housing sectors.

## Expected Impacts of Our Work

- Increase in capital dollars and accompanying program funding available to expand the networks financing activities
- Un-served and under-served areas are identified
- Increase in the number of larger and syndicated loans
- Identify and implement as appropriate mechanism(s) to raise additional loan capital from non-government sources.
- Entry of interested AFIs into new sectors, sharing of lessons learned and leading practices.



## Priority 4: Assessing and Building on the Network's Success

The foregoing has made clear that the network as a whole is successful, and has had a significant impact on Indigenous business development in Canada. Yet there is scope better to understand, benchmark and measure our network's successes and to cultivate AFI leading practices as norms.

NACCA's board has committed to investing in the network by funding quality management systems (e.g. ISO) for interested AFIs. It will also tailor capacity resources to assisting AFIs in meeting this goal. NACCA has committed to take the lead in this process, seeking certification itself within the next year.

### Strategic Directions to Achieve this Priority

Over the next five years, NACCA will:

- a. **Share leading practices of AFIs** by identifying and publicizing them at conferences, major national events, and online.
- b. **Assess the network's impact** on Indigenous business in Canada by collecting and analyzing relevant data about the network's activities.
- c. **Develop, adopt and promote standards** for the network by developing criteria for a tiered allocation approach, offering AFIs certification, and pursuing certification for NACCA as an organization within the next year.
- d. **Invest in members' pursuit of certification**, and targeting capacity development funding to assist them in achieving it.



## Expected Impacts of Our Work

- AFI leading practices are known, publicized and influence practice, programs and policy.
- The network clearly understands its proven (and potential) impact on Indigenous business.
- Capital and program funding are allocated in a way that maximizes its use and encourages AFI lending.
- An increasing number of AFIs and staff are certified by a recognized third party.
- NACCA has met and maintained the highest standards of service and professionalism.
- NACCA has invested in continuous improvement of the network and its services.
- Interested AFIs – and the network as a whole – will attain a new level of performance



## Summary of Strategic Priorities

The drawing below depicts the strategic priorities arranged in a non-hierarchical, circle format. And indeed, there is no “first and last” among the four priority areas identified – they mutually reinforce

each other and work together as a piece. The plan is ambitious. But it also builds on an established record of success. As such, it is achievable in a 5-year timeframe.

### SUPPORT

#### Serving Members

- a. Engage AFIs and community
- b. Provide AFIs with tools
- c. Focus on youth & women
- d. Manage and use NACCA's information
- e. Help members build capacity

### PROMOTE

#### Inspiring Confidence

- a. Tell the network's story
- b. Foster relationships
- c. Improve communications with AFIs
- d. Enhance NACCA's credibility

### CAPITAL

#### Expanding AFI Financing

- a. Seek more capital
- b. Optimize existing capital
- c. Promote diversification

### CAPACITY

#### Assessing & Building on Success

- a. Share leading practices
- b. Assess the network's impact
- c. Develop, adopt and promote standards
- d. Invest in certification.



The AFI network has existed for three decades. In that time, the network has weathered up- and down-turns, federal governments with diverse philosophies, and the emergence of other players on the Indigenous financing and economic development landscape. From its origins in 1996, NACCA's mission and vision, Indigenous character, and grounding in Indigenous rights and values have guided our work.

The path that NACCA's 2017–22 Strategic Plan sets for the Association reflects continuity with the past, while also promoting a future of a reputable lending network with a strong, visible presence on the landscape.

Once implemented, the network will be even better positioned to support the vision, and invest in the strengths, of Aboriginal entrepreneurs.

NACCA is under the leadership of an energetic new CEO, who has dedicated himself to cultivating a corporate culture that will engage NACCA staff in our mission, values and focus on our members. The Association features a strong team to bring the work forward. That work can begin immediately, with first steps taken already in preparation for NACCA's AGM in June 2017.

## Priority 1: Serving NACCA Members

- Engaged AFIs and potential clients, as noted at gatherings and member surveys
  - Increased number and variety of gatherings, member satisfaction survey.
  - Increased traffic on website, social media
- More and better quality tools for the AFI network to enhance client services
- Decisions, products and programs informed by effective use & management of information
  - Development of effective information management systems
- Products and programs tailored to, and accessed by, Indigenous youth and women
  - Forums and products aimed at youth and women
  - Tracking the number and dollar values of loans to youth and women across the network
  - Enhanced capacity for interested AFIs in areas targeted by performance management systems
  - Tracking the number of certified AFIs

## Priority 2: Inspiring Confidence in the Network

- More capital and program funding to support AFI lending as a result of our advocacy, tracking:
  - Additional capital dollars and program funding acquired
- Fruitful partnerships with like-minded organizations, formalized by MOUs, tracking:
  - Number and use of formal and informal partnerships
- A seat at major tables addressing Aboriginal economic development
- Greater public impact, with increased mention of the network by opinion leaders
  - Change in public visibility of the network
- A stellar reputation for NACCA as an organization, enhanced by certification
  - NACCA attains and retains certified status

### Priority 3: Expanding AFI Financing

- Identify:
  - Un-served and under-served areas
  - Appropriate mechanism(s) to raise additional loan capital from non-government sources.
  
- Track:
  - Capital and program dollars received and utilized
  - Number of larger and syndicated loans
  - Activity of AFIs in industry sectors

## Priority 4: Assessing and Building on the Network's success.

- AFI leading practices are known, publicized and adopted.
  - Leading practices are publicized and made available online
  - Leading practices have influenced AFI practices, programs and policies.
- The network clearly understands its proven (and potential) impact on Indigenous business.
  - Ongoing analysis yields a solid evidence base of successes and areas to improve.
- Capital is allocated in a way that maximizes its use and encourages AFI lending.
  - Develop and use tiered approach
  - Track use of capital and program funding across network
  - Capital is reallocated as required across network.
- AFI performance is optimized:
  - Certification is attained for those interested and performing well
  - Support is provided for others that might be interested
  - Investments in capacity-development continue.
- NACCA has met and maintained the highest standards of service and professionalism.
  - NACCA is certified and maintains its accreditation.