

## Canada's Fastest Growing Population

Statistics Canada stated in 2017 that the Indigenous population in Canada was growing four times faster than the rest of the country. NACCA and the AFIs have long been seeking a significant investment of capital by the federal government to meet this increased demand. Indigenous economic development is the missing piece in "Reconciliation". Adding this piece is necessary to move to a future of sustainability, independence and true nation-to-nation relationships. Only then can we break the cycle of economic marginalization and ongoing dependence on government programs.

## Indigenous Growth Fund

The Aboriginal Financial Institutions (AFIs) require adequate capital to serve businesses that are growing in number and sophistication.

To remedy this capital short-fall, NACCA is setting up the Indigenous Growth Fund: a new fund that will leverage government investment to raise additional capital, growing to \$500 million over time. The combined amount will be available to AFIs to support small as well as larger scale developmental lending.



# National Aboriginal Capital Corporations Association

## Economic reconciliation through Aboriginal Financial Institutions

"Our entrepreneurs are one of the main building blocks of a sustainable economy for Indigenous communities."

**Shannin Metatawabin, CEO, NACCA**

Reconciliation between Indigenous Peoples and Canada will take hard work. Attempts at assimilation and cultural genocide, residential schools, Indian agents, unceded territories, dishonoured treaties...the list goes on and on. It is a testimony to our resilience that we are still here. It will take the work of current and future generations to rebuild so that we don't merely survive, but thrive and prosper.

To that end our leaders and elders have long called for "reconcili-action" realizing our economic rights and opportunities through real, measurable action by all levels of government and corporate Canada.

One area ripe for economic reconciliation is business financing.

Capital is a bedrock of business development and of independent, sustainable nations. Yet as sources including the Conference Board of Canada, National Indigenous Economic Development Board, and Canadian Chamber of Commerce point out, Indigenous entrepreneurs and communities still have unequal access to loan and equity capital.

Barriers to access are complex. Varying by region and Indigenous heritage group, they include factors such as community remoteness, legal impediments in the Indian Act, lower personal savings, credit ratings, and financial literacy. These barriers hinder Indigenous citizens and nations alike. They call for reconcili-action.



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NACCA, the National Aboriginal Capital Corporations Association, is a membership-driven national association for a network of Aboriginal Financial Institutions, or AFIs. NACCA supports the AFI network, which offers financing to First Nations, Métis, and Inuit businesses and communities. NACCA is committed to the needs of AFIs and the Indigenous businesses that they serve.



Andrew Leach (NACCA Chair), The Honourable Bardish Chagger (Minister of Small Business) and Shannin Metatawabin (NACCA CEO).

## Aboriginal Financial Institutions

Aboriginal Financial Institutions (AFIs) are autonomous, Indigenous-controlled, community-based financial organizations. AFIs provide business financing and support services to First Nations, Métis, and Inuit businesses in all provinces and territories. Support includes business loans, non-repayable contributions, financial and management consulting, and business start-up and aftercare services.

The AFI network plays a critical role in filling the financing gaps and unmet needs faced by Indigenous entrepreneurs.

AFIs are connected with their communities at the grassroots level. The AFI network is highly focused and dedicated to meeting the developmental lending needs of Indigenous businesses across the country.

Today, NACCA is a network of over 50 AFIs that supply developmental lending directly to Indigenous entrepreneurs. In turn, this provides a return on investment rate to GDP. NACCA continues to seek additional sources of capital to ensure the network remains sustainable.



## NACCA programs include:

- Aboriginal Business Financing Program offers non-repayable contributions to eligible Indigenous entrepreneurs and community-owned Indigenous businesses.
- Aboriginal Capacity Development Program builds the capacity of AFIs to deliver better lending services to all of the Indigenous businesses we serve.
- The Interest Rate Buy-Down (IRB) helps lower interest costs related to accessing additional capital.
- Aboriginal Developmental Lending Assistance (ADLA) supports AFIs in recovering some of the costs associated with the provision, management, and repayment of developmental loans.
- Enhanced Access loan fund helps AFIs access additional loan capital for viable, qualified, Indigenous businesses for all areas across Canada.

## AFI Achievements and Impact 2017-2018

- Through the Aboriginal Business Financing (ABFP) program, 11 AFIs provided \$21 million in funding for 717 Indigenous businesses.
- Through the Aboriginal Capacity Development Program (ACDP), 37 AFIs accessed \$882,691 of learning and development funds.
- Through the Interest Rate Buy-Down (IRB) program, four AFIs had drawn down on established lines of credit to finance additional developmental loans.
- Through the Aboriginal Developmental Lending Assistance (ADLA) program, AFIs provided 712 developmental loans with a value of \$35.3 million.
- Through the Enhanced Access (EA) program, five AFIs provided \$739,000 for eight loans in developmental lending to Indigenous entrepreneurs in remote, non-AFI serviced locations.

