INDIGENOUS PERSPECTIVES ON SOCIAL INNOVATION AND SOCIAL FINANCE IN CANADA

Canadian Council for
ABORIGINAL
BUSINESS

IN PARTNERSHIP WITH

Canada

ENVIRONICS
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EXECUTIVE SUMMARY

ABOUT THE RESEARCH

Social innovation and social finance (SISF) are growing trends in the business and finance community and the need to generate social outcomes, in addition to business income, may become the new norm. The increased attention to these emerging business values has been identified as particularly relevant to Indigenous communities and businesses. In fact, notions of social innovation and social finance align fundamentally with Indigenous values such as sovereignty, transparent consensus building, and environmental stewardship.

However, the conversation around social innovation and social finance has been dominated by Canada's financial sector, concentrated mainly in urban centres like Toronto, Vancouver, and Montréal. Differences in how SISF concepts are defined, discussed, and actioned in rural and Indigenous business communities have not been fully captured in current public discussions and research practices.

Leading the Federal Government's efforts to expand the reach of SISF projects, Employment and Social Development Canada (ESDC) has introduced a suite of programs to enable the stepwise development and support of financial intermediaries and local service providers, including the creation of (a) a Social Finance Fund (SFF), to launch in 2021, making approximately $700 million available in repayable capital, and (b) an Investment Readiness Program (IRP), launched in 2019, making $50 million available in grants and contributions to prepare organizations for accessing social finance. Within the SFF, specific investments were announced for Indigenous prosperity ($50 million into the Indigenous Growth Fund). Throughout 2021, ESDC is committed to engaging National Indigenous Organizations, Modern Treaty and Self-Government agreement holders, and other key Indigenous stakeholders to understand how they define social innovation and social finance and how they see the tools used in their respective communities.

In partnership with ESDC, the Canadian Council for Aboriginal Business (CCAB) embarked on this research project to develop a preliminary, qualitative understanding of how businesses navigate the current social finance ecosystem. Through in-depth individual interviews (IDIs), CCAB sought the perspectives of the organizations on both sides of the social finance equation: Indigenous organizations that have a social innovation aspect to their business (known as Social Purpose Organizations, or SPOs), and the social finance lenders and investors.

CCAB's goal with this research is to better reflect the knowledge, values, and preferences of Indigenous businesses with respect to SISF in the design and implementation of the Government of Canada's SISF Strategy. This research will be used to establish priorities, develop operational definitions, and inform future research needs, thereby addressing a significant knowledge gap about the role of social finance in the Indigenous business community. CCAB is committed to keeping its members informed about ways to successfully access social finance investment and connect to the dynamic network of Indigenous SPOs.

RESEARCH HIGHLIGHTS

A key finding of the research is that investment tools designed to advance social finance need to work for the Indigenous SPOs for whom they are intended, which is often not the case for existing funding available to Indigenous entrepreneurs. Making this happen is challenging considering the diversity of these organizations, who have in common a commitment to "do good" for their communities but otherwise vary considerably in approach and structure. This makes it particularly important that Indigenous SPOs recognize themselves as a social enterprise so that they seek out social finance investment and to ensure they meet the eligibility criteria when they do apply. For this to happen, Indigenous SPOs must have a say in the criteria used to define them.

> Participants were provided with a definition of SPO from the Government of Canada website to compare and contrast their own views on the term's meaning and significance. It is essential to note that there is no universally accepted definition of SPO, and the definition chosen for the SISF Strategy will not necessarily reflect what an Indigenous Financial Intermediary deems investment worthy. The definition of SPO provided as a basis for this research generally resonated with participants, with two caveats:
>
> Participants questioned the requirement that a majority of net profits be directed to the social cause and the apparent focus on Western values of money and profit over Indigenous values such as community, family, and the environment.

Indigenous SPOs have concerns that the approach and metrics for evaluating social impact are too often quantitative in nature and imposed by funders. They would like to have more input into the evaluation measures to ensure their unique, culturally-based approach to social impact is reflected – for example, through the use of qualitative metrics (stories). It is particularly important that these metrics can be used not just to monitor impact but to identify ways to improve over time.

There is consensus among Indigenous SPOs that, to successfully achieve their social goals, they need: (a) financing at a sufficient level for growth, having mostly outgrown the limited amounts available to start-ups, (b) increased capacity/human capital, and (c) greater opportunities to build relationships, with potential clients and with the communities they support.

Considering these needs, most SPOs recognize the potential and benefit of a finance model that considers the social impact, despite being relatively new to the concept. Their most positive financing experiences have been with funders, often Indigenous, who (1) understand the value of social innovation, (2) are willing to build an on-going relationship (as opposed to a transactional one), and (3) share Indigenous culture and values. Thus, it is these three aspects that they would like to see integrated into social finance intermediaries that facilitate the social finance investments made by governments.

To enable Indigenous SPOs to access social finance investment, they would require time to learn about the options and pull together the application. In addition to helping build this capacity, funders can help by:

a) educating SPOs, perhaps in the form of best practices around topics like impact measurement and options for structuring an SPO;

b) proactively advertising and reaching out to prospective SPOs; and

c) substantially streamlining the application process.

METHODOLOGY

The results are based on 16 in-depth individual interviews (IDIs) conducted across Canada in June/July 2020. The interviews were distributed as follows:

- Twelve (12) interviews with senior leaders within Indigenous organizations that have a social innovation aspect to their business. All are revenue-generating businesses; interviewees included one not-for-profit organization (with a for-profit subsidiary) and two Aboriginal economic development corporations (AEDCs). These organizations are referred to throughout this report as "Social Purpose Organizations (SPOs)" for brevity. However, it is important to recognize that many Indigenous businesses operate with a social lens or with social impact as a consideration, yet do not refer to themselves as an SPO; in fact, one of the participating businesses explicitly does not identify with the definition of SPO as provided, despite their extensive involvement in socially impactful activities.

- Four (4) interviews with senior leaders within Indigenous-controlled Financial Intermediaries. These organizations facilitate the investments made by wholesale lenders (such as governments) to Indigenous SPOs.

The research was undertaken as a collaboration between CCAB and Environics Research, one of Canada's leading public opinion research firms. CCAB initially conducted an environmental scan to determine what is already known about Indigenous organizations, concepts, and processes through which socially-oriented Indigenous businesses and projects are financed. This information helped guide the development of an interview guide that probes more deeply into the knowledge, opinions, and behaviours of Indigenous business leaders and financial intermediaries. CCAB led the questionnaire design, supported by Environics and with input from ESDC. CCAB's research team identified and recruited the research participants, through networking and CCAB's membership, and conducted the IDIs. Subsequently, Environics analyzed the results of the interviews and developed the report.

Statement of limitations: Qualitative research such as this provides insight into the range of opinions held within a population, rather than the weights of the opinions held, as would be measured in a quantitative study. The SPO interviews were conducted primarily with revenue-generating businesses drawn from CCAB's membership, representing one type of SPO. The results, therefore, may not translate directly to not-for-profit organizations. Thus, while the results of the interviews cannot be projected to the full population of Indigenous social enterprises, it can be used as directional information in developing policy and communications.

SECTION I

SOCIAL PURPOSE ORGANIZATIONS

WHAT DISTINGUISHES THESE ORGANIZATIONS?

The Indigenous organizations in this study are all ensuring that their businesses create positive outcomes for their communities. Still, there is substantial diversity in the way they do this on the ground and within their business structure. A social mandate appears to be intrinsic to these organizations; further research is needed to understand when and why SPOs decide upon a revenue-generation model (e.g., for-profit or not-for-profit).

Social Purpose Organizations are an evolving business structure. In striving to make the world a better place, human ingenuity has conceived a unique and diverse set of organizations for that purpose. From a funder's perspective, however, this creates complexity in categorizing an organization as an SPO.

Participants were asked to describe their organization and its mandate, with the goal of identifying common characteristics. The common theme is that the pursuit of positive outcomes for Indigenous Peoples and communities is built into the organization's DNA. While each Indigenous organization is pursuing this goal in its own way, there exist some overarching themes in what they are trying to achieve. Moreover, there is a natural synergy between these overarching goals, and organizations often hold goals that fall under multiple themes.

- **Economic development** for Indigenous Peoples and communities through employment. This includes: hiring Indigenous staff, providing training and skills development, and addressing barriers to employment.
- **Environmental sustainability.** Promoting and emphasizing sustainability, biodiversity, and environmental stewardship.
- **Cultural respect**, through actively including Indigenous values in their work, offering cultural and language programs to community members, and promoting Indigenous culture in non-Indigenous markets – ultimately contributing to Indigenous connection to and pride in their culture.
- **Social justice.** Supporting traditionally disadvantaged groups, especially youth, but also women, people with disabilities or two-spirited, or working to address health conditions (e.g., type 2 diabetes) that are disproportionately high among the Indigenous population.

These commonalities exist despite a notable diversity among the organizations, in terms of:

- The industries in which they operate, ranging from technology, to beauty and fashion, food production and service, consulting, hotels/hospitality, and construction, among others.
- Their structures, which include for-profit companies, not-for-profits, and Aboriginal economic development corporations (AEDCs).

One area that requires further understanding is how and when Indigenous organizations come to call themselves SPOs. This is important to ensure Indigenous businesses that should qualify for social finance funding are not excluded because they are unfamiliar with the terminology or do not see themselves as fitting the mainstream definition of SPO. At what stage in its development does an organization decide upon its social mission and its revenue-generation approach? Are SPOs typically non-profit organizations that realize their model is not financially sustainable and begin to look at for-profit revenue sources? Or is a for-profit or revenue-generation model purposely chosen at the outset so it can ultimately sustain the social objective? Since there are likely advantages and disadvantages of each path, SPOs in each category may need different supports.

"Part of my problem with many social enterprises is that they think like non-profits because they want to create social impact first, but I think you need to make money first so that you're still around next year."

"There is a difference between an individual entrepreneur with close ties to the community and an individual entrepreneur, motivated by profit with a social arm of their business. The differences lie in governance and transparency, as well as the business model."

VIEWS ON SOCIAL PURPOSE ORGANIZATION DEFINITION

Participants found the SPO definition currently used by the Government of Canada to be generally reasonable. Still, they questioned the requirement to funnel the majority of profits into a social cause and the focus on capitalist values of money and profit over Indigenous culture and values.

Interview participants were provided with the following definition of an SPO: "A social purpose organization is an innovative business model, whether not-for-profit or for-profit, that pursues a social, cultural, or environmental mission through the sale of goods and services, with the majority of net profits directed back to its mission" (Government of Canada, 2019).

Organizations were in broad agreement that this definition reflects their business/organization, with two main caveats:

- The criterion that most profits need to be funneled into a social cause. Some participants pointed out that successful, "self-sufficient" Indigenous entrepreneurs and Indigenous organizations that employ Indigenous people are already inherently supportive of their community members. The "majority of net profits" criterion is restrictive, reducing the flexibility SPOs may need in deciding how to use profit (for example, reinvesting in operations to withstand a recession or other period of economic uncertainty, or innovating to protect a competitive advantage). It should be noted that the perspective of non-profit SPOs could be different, but further research is required to confirm that (since only one non-profit was included in this study).
- The definition uses a Westernized or capitalist method of evaluating success that does not recognize Indigenous SPOs as inherently different because of culture: culture underpins and is thus intertwined with the social goals of an SPO and cannot be separated. A culturally-relevant SPO definition would include concepts of community, land, family, intergenerational wealth, and health and wellness. Ultimately, Indigenous SPOs, like most Indigenous businesses, are rooted in the worldview and perspectives of their Elders and ancestors and are guided by their unique cultural values. It may be that mainstream (non-Indigenous) funders view the cultural and social aspects of Indigenous SPOs as synonymous; however, the input of these participants suggests culture is central to how they operate and needs to be explicitly reflected in the definition.

  "[The definition] needs more of a cultural aspect. From my experience, non-Indigenous SPOs will try to be equitable and accommodate all cultural groups, while our organization is focused mainly on OUR culture and guided by Indigenous cultural values."

  "Why does the majority of net profits have to be reinvested? If it's for non-profit or for-profit, for-profit companies want to make profit. It connotes a restriction…Why can't we have both [fulfill a social purpose as well as make a good profit]?"

Importantly, at least one participant noted that defining an SPO serves the funders rather than the businesses themselves. What is unclear is the extent to which this requirement to conform to a criterion or "fix a box" helps or hinders SPOs. Does it restrict the creativity of their vision or the flexibility of their decision-making? Or does it help them refine their approach and leverage the experience of other SPOs? Either way, it is crucial that Indigenous SPOs be involved in developing any definition used to describe and categorize them, especially if access to funding depends upon meeting the eligibility criteria.

> *"Who is the definition for? It's for the people who are working on the funding/supporting side... We need to look at new ways of measuring...For the funder, they'll need both quantitative and qualitative (story-based, holistic) responses."*

It should be noted that one of the participating organizations does not consider itself an SPO. Instead, they describe themselves as a "for-profit business that happens to engage in a lot of socially impactful activities because that's the way our owner was raised."

MEASURING SOCIAL IMPACT

Social impact measurement often initially focuses on quantitative metrics but evolves to include qualitative metrics (stories) that better reflect Indigenous values. A key challenge that needs to be addressed is the disconnect between the metrics required by funders and those of importance to the SPOs themselves.

Participants were asked about how their organizations measure the impact of their work. Six of the 12 participating organizations described a formal process by which they track their impact. Two key themes emerged in discussions of their approach to impact measurement:

- In the evaluation of metrics, Indigenous SPOs land on qualitative metrics, such as those that are value-based and incorporate storytelling. Their initial experience with impact measurement focuses on quantitative metrics, such as number of individuals supported or environmental key performance indicators, such as elimination of single-use plastics. However, often this reliance on quantitative data does not sit right with Indigenous SPOs, and they begin to explore qualitative metrics that better reflect their values and mesh with their storytelling traditions.

  "Our metrics have been iterated on for many years. From 2016 to 2018, we had a similar format for our annual social impact report – time and money, with subcategories like pro-bono and volunteer work. Early in 2019, we convened a group of Indigenous and non-Indigenous innovators because we didn't feel comfortable with the metrics. Instead, we decided to move toward a values and story-based approach. In this way, we aligned our impact with our values."

  "One of the impacts we talk about often is the qualitative impact of setting examples for other Indigenous kids and entrepreneurs – it is difficult to measure but might be one of our biggest impacts, beyond Indigenous employment, etc."

- Indigenous SPOs want the opportunity to design the metrics they will achieve and report upon so that they reflect their unique ability to create social impact. The requirement to measure and prove impact, and the metrics for doing so, is often prescribed by funders. This may be at odds with the measurement approach or metrics Indigenous SPOs would independently choose to use, particularly those that would help them further improve their social impact (rather than simply evaluate it).

> *"We are always at the mercy of our funders. There are 60 different ways to track it, all dependent on our funders. We rely on project-based, small-scale funding...We could have been measuring impacts over twenty years, but instead we are required to monitor instead of evaluate our impact due to funding requirements."*

> *"When you're measuring outcomes for government, it's all about checkboxes: how many women? Urban/rural? Identity groups? But those are only one level of description. There are also the stories of how it changed their lives, outcomes described by what the Elders say. People fall asleep if there are too many statistics. Digital storytelling/clips are powerful. As other people view these stories, they get inspired and creates a multiplier effect. It's an additional metric but harder to quantify."*

> *"I saw from the side of helping entrepreneurs write business proposals that traditional performance metrics were not creating success, they were creating frustration. There needs to be a wider model to incorporate Indigenous experiences and visions of success, not "square peg in a round hole," going beyond numbers toward a story-based approach. The social impact story is not represented in the metrics. This applies to the application process as well, which rarely takes into account individual circumstances and challenges, or recognition of prior learning."*

Four of the 12 organizations are not yet formally measuring their impact (the two remaining organizations did not discuss this aspect of their business). Key barriers include a lack of capacity and financial resources to develop and institute a measurement or evaluation program.

> *"We are a young development corporation with no HR department, and hence no sort of formal tracking mechanism to measure our impact…It wasn't a priority of former leadership because we were still trying to get organized and build our businesses."*

Thus, it would be beneficial to earmark additional funding (at adequate levels), to build capacity and ensure the need to measure impacts and fulfill reporting requirements do not detract from the SPO's ability to fulfill its social mission. Such funding was recently awarded to one SPO – through two organizations, the Social Research Centre and Common Good Solutions – to help them identify what data to collect and how to collect it.

SUPPORTS NEEDED TO FULFILL SOCIAL GOALS

Three supports that would help Indigenous SPOs meet their goals are: access to adequate financing, particularly for businesses beyond start-up who are looking to grow; skilled human capital to help them address competing demands on their time; and greater opportunities for building relationships to uncover new business prospects and strengthen their community connections.

Interview participants were asked what their organizations need over the next few years to fulfill their mandate successfully . Three themes were commonly raised:

1. **The need for financing** to grow and expand their business operations. Organizations would like to see a variety of financing options to accommodate the needs of different business structures and different stages of business growth. In particular, participants report a gap in financing for organizations that have moved beyond the start-up stage.

"We are at a stage of the business where we don't need $200,000 we need $2-10 million. But it's difficult to find programs focused on business expansion, not just start-ups. Some of these programs that were started by the government are starting to pay off. If we want to keep the businesses growing and build intergenerational wealth and achieve self-sufficiency, then we need to address financing for later stage businesses."

"We'll need capital to scale our impact and demonstrate that a technology firm can be an economic success at a scale not often seen in the Indigenous business community."

"Funding. Yukon – and our communities – has such small population bases so we can't get the volume of sales needed to meet repayment expectations. External funding sources are always an issue."

2. Another limitation to growth is a shortfall of **skilled human capital**. SPOs require people (and time) to learn, measure feasibility, apply for funding, deliver social impact and measure that impact. Funding to provide SPOs with the necessary skills and person-hours can alleviate some of these pressures.

    "Social well-being programming requires qualified, high-skill staff that aren't currently available. Qualified talent has long-term timelines, i.e., prospective program coordinator not available for six months. Thus, we have limited capacity to deliver on social services and functions. It also takes time to do due diligence to ensure that the social side makes sense financially. This also requires low-cost, qualified talent to conduct the feasibility work."

3. Businesses also highlight their desire to **build relationships**, both to generate more business opportunities and to ensure they remain connected and relevant to their communities.

    "Indigenous businesses, and businesses that serve Indigenous populations, must maintain strong relationships with the communities they serve. There is a need for advisors, consultants that can guide how to make meaningful engagement."

    "[Looking over the next couple of years, what do you need to fulfill your mandate/objective and be successful?] We can't look that far into the future yet — there is too much change happening all at once and too much civil unrest. We really need to sit with this sense of unease and discomfort. …We are building networks and seeking advice from trusted colleagues and sources."

FAMILIARITY WITH SOCIAL FINANCE

Familiarity with social finance varies across the organizations. While a few are relatively sophisticated, most are fairly new to the concept of social finance and are still learning what it means for their organization.

Participants were provided with the following definition to assess their understanding of, and experience with, social finance: "Social Finance, also known as impact investing, refers to the practice of making investments intended to create a measurable social or environmental impact as well as to generate financial returns. Social finance is a key source of financial support for developing and scaling social innovation" (Government of Canada, 2019).

Familiarity. The concept of having a social or environmental purpose is intrinsic to these organizations. In contrast, their familiarity and understanding of the social enterprise and social finance ecosystem ranges considerably. A few have quite a sophisticated knowledge of social finance, what is available, and how to access it. Some are in the process of learning about social finance tools, while others are in the very early stages of recognizing their organization as an SPO and learning what social finance tools are available.

Sources of learning (each mentioned by a single organization) include:

- EntrepreNorth's accelerator program
- McConnell Foundation
- Grand Challenges Canada
- Indigenous Innovation Initiative

Others have learned through their interactions with social finance funders, with specific mentions of Raven Indigenous Capital Partners, Capital for Aboriginal Prosperity and Entrepreneurship (CAPE), and Vancouver City Savings Credit Union (Vancity).

> *"Our organization was founded on community values – but terms like social enterprise, social innovation, and social finance were not in currency at the outset and were learned later."*
>
> *"We need to learn more about it – how does one prepare an application for it? What are investors looking for? We are very much in the beginning stages of our experience with social finance."*

EXPERIENCES WITH FINANCING THEIR SOCIAL ENTERPRISE

Indigenous organizations discussed various approaches to financing their business, ranging from traditional banks, to (typically non-Indigenous) specialized funding programs for Indigenous entrepreneurs, to Indigenous-led sources. The most positive experiences are those where funders have a strong understanding of the value of social innovation, are willing to build an on-going relationship, and share Indigenous culture and values.

The experiences of the Indigenous SPOs in this study with various financing sources can be categorized into three tiers:

1. **Traditional/mainstream banks** – CCAB's body of research indicates that, apart from personal savings, traditional banks are a primary source of financing for Indigenous entrepreneurs (regardless of whether they are an SPO). However, the group of organizations included in this study appears to have reached the limits of what traditional banks are willing to offer. They need more capital than is available, may lack the collateral and/or track record necessary to secure financing/investment, and encounter a lack of understanding of and interest in their business model. This drives them to seek out alternative financing sources.

"We went to our long-time bank for a line of credit to help grow the business. Revenue was increasing year-over-year and we needed a $10,000 line of credit to hire our third employee. They refused to give us a dollar more – they couldn't meet our funding needs, had no interest, and couldn't offer alternative lending products. Social innovation and social finance did not seem to be on their radar."

2. **Specialized programs (non-Indigenous sources)** – There is a growing group of investors who are looking to help Indigenous businesses overcome barriers to accessing financing by providing programs more tailored to their needs. Sources used by Indigenous SPOs in this study are: VanCity, Business Development Canada (BDC), Federal Economic Development Initiative for Northern Ontario (FedNor), and CAPE. Participants generally describe these as positive experiences (more so than with traditional banks), although they still encounter low funding ceilings.

   "CAPE fund only invested in Indigenous businesses or businesses that impacted Indigenous communities. When they exited [their investment], the goal was always to return full control of the business to the founder/entrepreneur."

3. **Indigenous-led funding sources** – These are typically the most positive experiences. Participants in this study have accessed funding to further their social goals through Raven Capital (funded two SPOs in this study), a CCAB women-owned microfinancing loan, Rainy Lake Tribal Area Business & Financial Services Corporation (an Aboriginal Financial Institution), and other (unnamed) Aboriginal economic development corporations.

   "Rainy Lake is owned by six local First Nations and structured to lend money to First Nation-owned businesses. Moreover, it has been easier for us to obtain financing from Rainy Lake compared to a traditional bank – there is less paperwork and fewer requirements. We don't have a track record yet to attract large investment."

   "Raven Capital was, by far, the most receptive. They knew what we were trying to do from the start and paid attention to social impact. With a solid understanding of what the founder and future business were all about, it was easier to pitch the business idea."

When an investment source works well. Indigenous SPOs had positive experiences with social finance investments – and particularly Indigenous-led sources – for the following reasons:

- Understanding and appreciation of social innovation – SPOs felt their business model was understood, and that the value of the approach was judged to outweigh any risk associated with it. Flexible terms and structure were offered that recognized the uniqueness of the business and allowed them to access/use funding in a way that made the most difference.

- Building a relationship (not transactional) – SPOs enjoyed working with funders that went beyond financial support to provide mentorship, education, or other forms of support (including with the application process). Often, they described the funder as a true partner, as invested in the SPO's success as the SPO itself.

- Shared culture – Sharing an Indigenous perspective and values makes it easier for the parties to communicate, understand, and trust each other.

  "[What works well?] Not having to explain what we are and how we operate. When speaking to other intermediaries about financing options for small business, it always concerns debt financing. Raven Capital doesn't just offer a loan, it offers equity. They become a part of the company."

“Part of what was so positive about the interaction was that I could get help to navigate the application process. I was able to reach staff to talk to.”

“There is a need for bankers that are directly interested in the partnerships created by social finance. There is a behavioural shift that needs to be considered when trying to build trust vis-à-vis social finance investments”

SUPPORTS NEEDED TO BE READY FOR SOCIAL FINANCE INVESTMENT

To allow them to access social finance investment, Indigenous SPOs need the time and capacity to investigate the options and pull together the application. In addition to helping build this capacity, funders can help by proactively advertising and reaching out to prospective businesses, and substantially streamlining the application process.

Indigenous organizations describe difficulties with traditional sources of financing (e.g., banks) and find the idea of social finance appealing.

One of the key ways to make social finance opportunities more viable is to help Indigenous SPOs **navigate the various funding options and submit applications.** This is partly a function of the need for information and education about social finance and the need to make that information accessible to everyone regardless of prior level of knowledge, but also reflects a lack of capacity/time to spend on researching options and writing applications.

“We need someone to help us navigate the social finance market. We can provide data, but we need a partner to help us navigate application process and writing applications. We cannot afford a full-time CFO…It speaks to a need for increased capacity to apply for these types of funding opportunities. Moreover, we need to have a better understanding about how social finance investment works, how we would apply for it…”

“Finance language can be scary to Indigenous people and organizations. If you want to bring folks to the table who have been historically overlooked, change the language from Grade 12 literacy to Grade 5. Meet people where they are with programs and outreach.”

“It’s great that the money exists, but we need to have a better understanding of how it could benefit us, how we could prepare for it. We need someone to aid in preparing an application for social finance. Even as it pertains to COVID-19 relief, we have very limited capacity for applying to government programming. There is nobody on the other end of the [phone] line when considering who/what is eligible and isn’t.”

“We didn’t have the capacity and are not aware of every kind of funding offered to First Nation businesses. [We would consider social finance in future] with improved communication about the funding opportunities and what the requirements are to apply successfully.”

“We need the information – What will they fund? How do you apply? How much could they be eligible for? SPOs in Newfoundland are small, under-resourced businesses and don’t have time to be able to run their businesses and learn more about, and apply for, social finance.”

There is indication that previous negative experiences with government (for example, not being able to break into government procurement) may deter organizations from applying for new government-sponsored funding opportunities in the future.

> *"One of the biggest things we haven't been successful at is gaining a foothold in government procurement. It has not been the best use of our resources to pursue government RFPs. The exercise is de-energizing when I know what we and other Indigenous businesses contribute would be very valuable."*

Acknowledging these capacity challenges, at least one participating organization took advantage of the Investment Readiness Program, a federal fund designed to support social purpose organizations as they contribute to solving pressing social, cultural, and environmental challenges across Canada.

> *"We wouldn't have gotten here if it weren't for the Investment Readiness Fund, giving us the ability to develop, facilitate, and access social financing and to pull all the knowledge and capacity together. Most Indigenous communities can't do it."*

A further recommendation is to structure social finance tools to be more flexible to the needs of Indigenous SPOs. For instance, taking on debt is a cultural barrier to Indigenous business growth and speaks to the need for education, but also finding an approach that is comfortable for these organizations.

> *"Our challenge is finding flexible funding models that recognize the immediate needs of technology firms. We didn't choose a non-profit social innovation model because they move too slowly for technology. We need immediate, flexible funding to make timely purchases before our business plan is fully developed."*

> *"It was hard to find opportunities that I could access given my specific needs, and also to feel supported by the intermediary. It can also be difficult to stack different types of funding, such as private investment, First Nation finances, and federal funding."*

> *"All funding we have received has been in the form of grants. We are setting the business up to take loans at a moment's notice and making sure our finances and paperwork are in order with the banks to do business loans...We can use debt properly as a lever to advance our position, but it is not a concept the Nation fully understands. Our culture is based on sharing of resources, not ownership. Debt is based on ownership – someone owns dollars that you're borrowing at a cost. Though the concept of ownership is somewhat foreign to the First Nation, the conversation is increasing and evolving."*

SOCIAL PURPOSE ORGANIZATION RECOMMENDATIONS FOR FUTURE SOCIAL FINANCING

Indigenous SPOs want a partner in their social finance intermediary: an on-going relationship with an organization that values social innovation and understands the Indigenous worldview. Other requirements include universal access regardless of location, size, or structure; level of knowledge of social finance; and flexible and relevant funding opportunities.

Participants were asked how they would like to see social financing deployed, and through which financial intermediaries – that is, how could or should the model be improved? Three themes emerged:

1. **Relationships and an understanding of Indigenous culture need to be central.** The social financing should be delivered by someone who understands the Indigenous perspective and the goal of the organization, and is willing to be a partner and build a longer-term relationship in support of reaching that goal.

   "Ideally, the funding should flow through communities because they understand existent needs and gaps, but I'm not sure what that would look like."

   "For any financing to be deployed, it would have to come from an organization that is willing to meaningfully engage with the entrepreneur and has the same worldview."

   "The lenders in the Indigenous space have the best line of sight on the communities they serve … They understand Indigenous communities better than the big banks."

   "Develop a relationship with an agent that can understand and appreciate what you're doing and create linkages to investors and community resources."

   "There is a need for more innovative solutions to social finance investment, more forward-looking, more diversity in terms of age, sex, race, etc. A board of directors that is engaged with the entrepreneur in a meaningful way."

2. **Ensure universal access (or multiple streams of access)**. This means ensuring organizations have access to the fund regardless of location, size or structure. But it also refers to overcoming barriers related to a lack of knowledge, through education about business generally and social finance specifically.

   "No one size fits all. Indigenous businesses have different models, sizes, scalability. Not all organizations are within close proximity to financial service providers."

   "It needs to be a leap-frog approach: Boosting entrepreneurs above their systemic barriers and getting them ahead. Not only boosting them above systemic access to capital needs, but also coaching/mentorship to advance people even further. There is a need for coaching and guidance vis-à-vis social finance investment… I propose a centralized system so that community members from a broad range of groups and populations can access the Social Finance Fund through their preferred intermediary."

   "We'd prefer one of the five big banks (RBC, CIBC, TD, BMO, and Scotiabank) because almost every community has a local branch. It needs to be universally accessible to all communities across the country."

   "We should focus [business education] more on business acquisition rather than business start-up because the hardest challenge is making a business profitable and resilient. If the business goes broke, it doesn't enrich the community and we don't realize the community impacts, except for the employment/entrepreneurial experience."

3. Related to the issue of access, social finance needs to be **flexible** and delivered in a way that makes sense for Indigenous SPOs. For instance, eligibility criteria and reporting requirements need to be both reasonable and relevant to the organizations that are trying to access the funding.

“The language is you must do this and you must do that or you’re not eligible – it’s too prescriptive. It’s more about checking boxes than building relationships. You don’t care about me, but you care about how I fill out the form.”

“In Newfoundland, businesses are under-resourced. Therefore, the services from financial intermediaries must be accessible, delivered in layman’s terms, include reasonable criteria to apply, and cut down on red tape. The mechanism for delivery doesn’t matter.”

“Reporting requirements are nuts because they do not want to have fraudulent claims. The Manitoba government takes one year to administer a grant. Relaxing the rules and regulations attached to social finance, specifically spending less on policing fraudulent claims and thus allowing more funding available to SPOs.”

While not explicitly stated, responses to previous questions also clearly demonstrate a need for larger sources of funding to accelerate growth. Many of these organizations are tapping out on the sources currently available.

“We have already borrowed $1 million from one dev corp and that’s the limit, [and another] $250,000 from another dev corp for hotel. We are not opposed to paying back a loan, but need access to larger sums of money, as we have largely outgrown local sources of funding.”

Intermediaries trusted to deploy social financing. The following organizations were identified as possible intermediaries for delivering social finance investments; this is not an exhaustive list but those that came to mind as examples during the interview. It should be noted that there was not always consensus on the potential for these intermediaries; for instance, some participants expressed concerns about social finance being deployed by AFIs or traditional banks.

- Raven Capital
- Community Foundation Canada
- National Aboriginal Capital Corporations Association (NACCA)
- VanCity
- Regional/Community-specific
    - AFIs (e.g., Louis Riel Capital Corporation, däna Näye Ventures)
    - First Nations Chamber of Commerce (e.g., Yukon)
    - Nunavut Business Credit Corporation
- Traditional / Chartered banks

IMPACT OF THE COVID-19 PANDEMIC

As for mainstream businesses, the effects of the pandemic have not been equally distributed among Indigenous SPOs. Companies that can deliver their products/services digitally have fared reasonably well, while others are struggling. In some cases, the social impact of these businesses has been diminished. The pandemic has had a profound impact on all businesses, but the effects have varied.

There have been some **positive outcomes** from the pandemic. Technology companies and other businesses that had already undergone a digital transformation have adapted reasonably well, and in some cases, seen new opportunities arise as a result. Online direct-to-consumer retailers are similarly thriving during the pandemic.

> *"After several years of exploring digital platforms to create space for Indigenous entrepreneurs and start-ups to work, meet, and interact, I was able to survive the worst economic impacts of the pandemic. I did not have a physical location yet, so I was able to seamlessly transition to virtual business."*

> *"[Our sales are] up 1000 percent, so we have less of a need for social finance."*

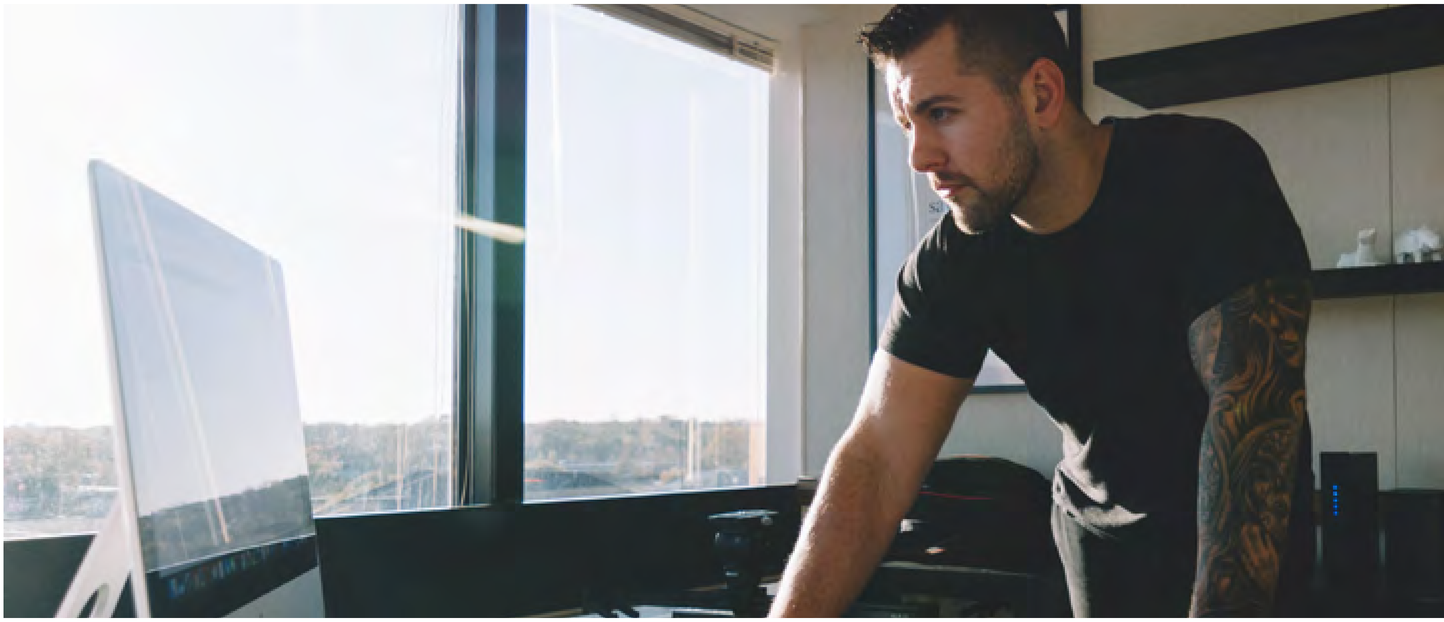
> *"There is a human cost to integrating digital technology. While our sales are projected to shrink by 30-40 percent, our profit will dramatically increase. The COVID-19 pandemic has accelerated the shift to e-commerce that was already underway."*

There have also been negative impacts of the pandemic. Some SPOs report that their social impact has been reduced and that they feel less connected with the communities they serve, at least in part due to travel restrictions and reduced in-person interaction. The sudden and drastic disappearance of certain markets has left some service-based businesses struggling to survive. Other challenges include supply chain issues and efforts to retain skilled employees in this environment.

> *"The social impact aspects of the business have taken a hit since they involved a lot of in-person meetings, group training, and events. Ecosystem development is more challenging with limits on travel and large gatherings."*

Among the businesses struggling in the pandemic landscape, the need for social financing to support operational costs was mentioned. At least one organization noted they were not eligible for existing COVID-19 relief funds. The government response to the COVID-19 pandemic has demonstrated the importance of delivering a timely and accessible funding model.

> *"There is an opportunity for a social finance fund to help organizations get back on their feet…by providing operational funding because businesses still need to operate, even in the midst of a pandemic."*



SECTION 2

SOCIAL FINANCE INTERMEDIARIES

FINANCIAL INTERMEDIARY PROFILE

The four social finance intermediaries interviewed for this research are united in their focus on building strong economic ecosystems over Return on Investment (ROI). They are filling a gap in the market by supporting scale-ups (rather than start-ups) and being willing to accept greater risk.

Three of the four Financial Intermediaries that we spoke to for this research direct 100 percent of their funding to Indigenous entrepreneurs, while the fourth (and newest) focuses on Indigenous and community-based entrepreneurs across Northern Canada. That is, the interviews did not include any mainstream social finance intermediaries that fund Indigenous entrepreneurs in addition to non-Indigenous ones.

Two of the Financial Intermediaries are relatively long-standing, were established out of financial settlements made by governments to their peoples, and thus focus on directing those funds to help their specific communities.

One of the Financial Intermediaries is a newer organization purposely created to support Indigenous SPOs. The fourth organization is a charity focused on building entrepreneurial capacity; as a charitable entity, it cannot operate its own fund, but plans to work with a general partner (an Indigenous intermediary) that will administer the fund, with the goal of having it up and running within the next year.

Objectives. The common theme for all four Financial Intermediaries is their focus on promoting sustainable economic growth and economic ecosystems, rather than ROI. They are intentional in choosing which industries to invest in, help Indigenous entrepreneurs access major economic opportunities in their regions, and support interconnected development between communities.

> *“The businesses we’ve supported have helped communities transition away from extractive to conservation-focused industries, such as eco-tourism / adventure travel, hospitality businesses that incorporate cultural aspects, B&Bs, hotels, and restaurants, or just infrastructure to support the tourism economy in the region.”*
>
> *“[We are] investing both in the financial return, but placing a higher degree of importance on impact…looking at ways to grow the local economy, grow local supply chains, support the ecosystem of local business growth.”*
>
> *“Through our success in providing loan and equity investments to [Indigenous] businesses, we are playing a leading role in building a strong and self-sustaining [territorial] economy.”*
>
> *“Our mission is to empower Indigenous entrepreneurs with the capital and expertise they need to succeed.”*

There are also commonalities in their recognition of the need to: (a) take on more risk than mainstream Financial Intermediaries are willing to accept, and (b) go beyond start-up financing to fund business growth and scale-up:

> *“[The fund is designed] to provide that mezzanine financing, and take the higher risk, [through] debt financing and equity investment to Inuit businesses.”*
>
> *“We are looking at developing a fund…that is aligned with social finance and designed to accept more risk than an average fund.”*

"There are no other Indigenous equity providers. AFIs are [currently] providing operational capital (debt) which is very regional. [We see ourselves] as the key to growing the Indigenous economy through providing growth capital. Entrepreneurs have very few assets to collateralize, without seed capital (typically from family members). It makes it very difficult to earn capital to build a business. We are filling the void of providing equity capital to businesses that otherwise would be ineligible…Indigenous equity is a unicorn."

IMPACT MEASUREMENT

The results suggest that impact measures are chosen to be appropriate for and reflect the objectives of the Indigenous SPOs that are receiving funding.

Each of the four Financial Intermediaries has a different approach to measuring the social impacts of the Indigenous SPOs they fund. Consistent with the findings of the SPO interviews, two of the Financial Intermediaries emphasized the importance of choosing impact measures that reflect what Indigenous Peoples themselves want to achieve.

- One described how it defines impact measures in partnership with the First Nations:

  "What do funders want to measure, what is important and useful to First Nations, and then balance how onerous the reporting would be." Outcomes are measured in four areas: economic prosperity, social empowerment, cultural vitality, and environmental conservation.

- Another also uses a community-centered model for outcome measurement, called a Community-Driven Outcomes Contract (CDOC), based on social impact bonds (SIBs). "The most important difference between the CDOC and SIBs is who determines the sought-after outcomes: SIBs' outcomes are determined by the outcomes purchaser, while CDOCs' outcomes are determined by the beneficiary communities. Thus, CDOCs are designed to be more effective and relevant for the beneficiary while achieving savings for the outcomes purchaser and securing returns for the impact investors; truly, a win-win-win situation."
- For a third, a key metric is employment created for people in their community.
- The fourth is in the process of developing relevant outcome measures: "We are thinking about it in terms of capacity building: knowledge acquisition, confidence building, fundraising, business growth, and local impact including jobs created, employment, employment income, as well as cultural identity and resilience within their business models."

LOCATING INVESTMENT OPPORTUNITIES

Identifying the right businesses to invest in comes down to finding the right people; relationships are key to this, but also to building a strong partnership throughout the life of the investment.

Financial Intermediaries were asked about how they go about locating the companies they choose to invest in, including what they look for in, and how they connect with, a social investment opportunity.

What are you looking for? To fulfill their mandates, these Financial Intermediaries are searching for viable business opportunities backed up by market demand. However, a key factor is the people: finding a good fit with a talented entrepreneur or team, and ensuring they have the support they need – both financial and otherwise – to be successful.

> *"We invest in people. First and foremost, we are looking for solid management teams and entrepreneurs."*

> *"You're always looking for product-market fit. As long as you have proof of sales and proof of market potential, and you know how to reach those customers, then there is opportunity to invest in those entrepreneurs…One of the gaps is that we need a fund to be able to invest in our entrepreneurs at the end of the program…We need to have a flexible, patient, risk-tolerant fund with favourable terms for the entrepreneurs that graduate through our accelerator program."*

> *"The most important metric for us is looking at employment: Will the investment create full- or part-time positions? We wouldn't turn down a viable company because it doesn't provide a lot of jobs, we don't set up quotas or anything. We assess businesses according to demand in market sectors and the three regions in Nunavut. We let the marketplace decide to a certain extent."*

Process. Since people are central to Financial Intermediaries' selection criteria, relationships are key to finding and developing successful partnerships. Although not explicitly stated, this inherently means locating good investment opportunities can be a longer-term initiative that requires patience and effort.

Moreover, these relationships are not limited to a financial transaction, where the Financial Intermediaries hand over the funding and walk away: Financial Intermediaries also invest in entrepreneurs by providing mentorship, business advice and education/training programs. This aspect of what Indigenous Financial Intermediaries offer is particularly valued by SPOs themselves, as described in their interviews.

> *"We are not faceless, nameless bankers – we make a point of visiting with clients and providing an annual revenue/written report at no additional cost. We have a very close relationship with clients, and as a result, have repeat customers. Start-ups come back for growth financing to expand further. Although we do our due diligence so that financial performance piece is there, but there is no complicated application form."*

> *"It took a really long time to build trust in the communities and businesses that we support. We work with the same First Nations and organizations consistently, which has helped the relationship-building piece. Entrepreneurs that haven't worked with us previously would seek out someone from their community that have a relationship with us."*

> *"To operate in the Indigenous space is all about relationality. Our first investment took six months. We got to know them, their Board of Directors, and the management team…Where do you want to be in five years? How do we help you get there? We're not there to take a profit."*

INDIGENOUS FINANCIAL INTERMEDIARIES' VIEWS ON SPO READINESS

There is a general sense that more can be done to help SPOs prepare themselves for investment, including support with business planning, increasing human capital, and building financial literacy.

Financial Intermediaries indicate that SPOs face a range of challenges to their readiness to receive investment. These include: the need for support with business planning, because it is both an important business practice and a requirement to access funding sources; human capital and addressing capacity issues; and, from a broader perspective, building greater financial literacy so that Indigenous Peoples have the skills necessary to fulfill their entrepreneurial aspirations.

> *"[Challenges include] understanding personal liability and taxation and having enough experience. Business sector research – target market, demand for product, and location...[But] the biggest thing is planning. A business plan that incorporates all of the above. Next is ensuring that the business has the internal capacity…making sure they're able to build up human capital, the technical and soft skills."*

> *"First Nations experience common barriers when trying to access financing. Many First Nations didn't expect originally the governance piece and evaluating viable, sustainable businesses. Support is needed to develop business plans/feasibility projects. The available funding sources for that work is limited."*

> *"Challenge is building the entrepreneurial mindset, instead of bootstrapping their organizations they should become the leaders of their organizations and build and lead their organizations while bringing more people into the organization...Lots of limiting beliefs related to how you can grow as a business when you don't grow up with a lot of wealth in the North…There is a gap in knowledge and capacity, needing to bridge those two worlds…As long as people understand their business model and matching it with their financial model and financial strategy – highlights a need for financial literacy. Financial literacy is a major thing."*

FINANCIAL INTERMEDIARIES' VIEWS ON INVESTMENT READINESS

It is unclear whether there are other types of organizations ready to act as social finance intermediaries or fill a gap in the financing ecosystem. Financial Intermediaries themselves would benefit from support with capacity building, addressing systemic bias in the investment industry, and improving communication about future funding opportunities.

Potential investing partners. Financial Intermediaries were asked their views about the social finance ecosystem, particularly what organizations might have untapped potential in the Indigenous space. There appears to be no obvious "solution" to this question, with mixed views about the various types of organizations identified as possibilities, including Aboriginal Financial Institutions, Aboriginal economic development corporations, and Indigenous trusts.

"Indigenous organizations and communities have indicated they need more funding. Other Financial Intermediaries exist but no one provides all the wrap-around supports that we offer…The feedback that we've received from First Nations on the support provided by us and other funding sources indicates that they value us "differently" and experience a different level of support from us."

Challenges facing FIs. In addition to the challenges facing SPOs to make them investment-ready, Financial Intermediaries are facing challenges in fulfilling their mandates. These challenges include:

- A lack of information about the Federal Government's Social Finance Fund and its status.

  "There is a divorce where information about the social finance fund is not being disseminated across the country. ITK plays a critical role in facilitating the relationship between organizations like ours and the Federal Government…Central, national organizations – NACCA, CCAB, etc. – need to make sure that all of the Indigenous financial institutions get information, especially those that relate to social finance."

- Lack of funding for internal capacity building – capacity issues are not only limited to SPOs, but also affect those that are helping Indigenous SPOs in their growth efforts.

  "There needs to be some money earmarked to the operational development of the Financial Intermediaries, in addition to the money for the entrepreneurs."

- Biased perceptions of Indigenous Peoples negatively impact interest in Indigenous communities as a potential for investment. Efforts are needed to address this bias and educate investors.

  "There is systemic racial bias in the financial system, most of the time the bias is unconscious. People think they are sacrificing return or doubt the viability of the business…People are not used to seeing an Indigenous venture capital firm, being new is a challenge."

FINANCIAL INTERMEDIARIES' VIEWS ON COVID-19 IMPACT

The pandemic has had a disproportionate economic impact on certain industry sectors, although Financial Intermediaries are not yet certain what this means for SPOs. The current awareness of social inequities could be advantageous for social finance funds generally and Indigenous SPOs specifically.

Two of the four Financial Intermediaries suggest there has been a depressionary impact from COVID-19 on investments from finance/capital providers to Financial Intermediaries. There is less certainty about the pandemic's impact on the financial performance of SPOs; however, it was noted that the impact is strongly sector-specific (e.g., harder on tourism/hospitality and brick-and-mortar retail, while e-commerce, technology and software providers are doing relatively well).

A couple of interesting thoughts were shared about the impact of COVID-19:

- One Financial Intermediary noted that the spotlight the pandemic has shone on societal inequities has primed interest in *"trying to develop more conscious investing practices…and value-aligned investing."* Such trends are likely to be advantageous to social finance funds and thus create more opportunities for SPOs.
- Another noted that *"SPOs tend to be not as correlated to the market, in terms of returns. They are slower growing, but more resilient through difficult times."* Financial Intermediaries can help SPOs adjust to the post-COVID context, in contrast to banks that are simply seeking debt repayment. Thus, now is the time for government intervention in the form of social finance funding – which would also have the benefit of improving the risk appetite from private equity.

SECTION 3

KEY RECOMMENDATIONS

Based upon the findings of this initial research into Indigenous SPOs and the Financial Intermediaries that deliver funding, CCAB believes the following actions – on the part of governments, mainstream lenders, and Indigenous SPOs and Financial Intermediaries themselves – will help ensure greater success for Indigenous SPOs.

1. ENSURE THE DEFINITION OF AN SPO IS NOT A BARRIER TO FUNDING ACCESS.

CCAB's body of research has consistently demonstrated that Indigenous businesses face barriers accessing financing, and the current research suggests this is no different for SPOs. Governments need to make sure the definition used to determine eligibility for funding LyŘƛƎŜy∕ƨdžă {tћs is inclusiveΣ regardless of location, size, or structureΣ and not a barrier to Indigenous participation. .ŀăŜŘ dzLJƨyƒ ǘKƛă ŦŜŜŘōŀŎƙΣ //!. ƴŜŎƨƳƳŜyŘă ǘKŀǘ ǘKŜ DƨǾŜƴyƳŜyǘ ƨŦ /ŀyΛŘŀ co-develops a culturally appropriate definition of an Indigenous SPO with Indigenous organizations.

2. BUILD THE CAPACITY OF INDIGENOUS INTERMEDIARIES TO DELIVER FUNDING.

Indigenous SPOs emphasized the value of working with Indigenous-led intermediaries, indicating that shared culture and values help communicate and build trust ăƨ critical to business relationships. //!. ƴŜŎƨƳƳŜyŘă ǘKŀǘ ǘKŜ Government ƨŦ /ŀyΛŘŀ fund LyŘƛƎŜy∕ƨdžă intermediaries ǘƨ grow and build theƛƴ capacity (human and technological) ǘƨ further ǘŀƙŜ on this role. Diversifying the available funding alternatives will help improve access for Indigenous SPOs.

3. DEVELOP INTERCULTURAL COMPETENCY AMONG NON-INDIGENOUS LENDERS.

While Indigenous-led organizations build their capacity to fund and support Indigenous SPOs, there continues to be a role for mainstream lenders. Reconciliation requires non-Indigenous lenders to become true partners and champions. CCAB recommends that non-Indigenous lenders educate themselves about the barriers facing Indigenous SPOs and how to support them better. Available resources include the Reconciliation and Responsible Investment Initiative's (RRII) *Advancing Reconciliation in Canada: A Guide for Investors*, the Congress of Aboriginal Peoples' *Reconciliation Toolkit for Business Leaders*, and CCAB's *Business Reconciliation in Canada Guidebook*.

4. ENSURE METRICS TO EVALUATE SOCIAL IMPACT INCORPORATE INDIGENOUS EXPERIENCES AND VISIONS OF SUCCESS.

The research emphasized the uniqueness of each Indigenous SPO and its ability to create a social impact. Thus, it is important for Indigenous SPOs to have input into the design of the metrics they will strive for and report on. CCAB recommends that these measures should include qualitative indicators in addition to quantitative ones so that they are meaningful for and relevant to Indigenous SPOs and the communities they serve.

5. DEVELOP CENTRES OF KNOWLEDGE ABOUT INDIGENOUS SOCIAL FINANCE.

The research revealed a need for information, awareness-building, and education about social finance in the Indigenous business community. Indigenous organizations that support Indigenous business development should consider becoming centres of knowledge about social finance, with governments' financial support. These centres could provide Indigenous Peoples with the best available information about social finance and funding sources and act as mentors to the next generation of social purpose entrepreneurs.

6. PREPARE NOW TO TAKE ADVANTAGE OF UPCOMING AND FUTURE FUNDING OPPORTUNITIES IN SOCIAL FINANCE.

Financial Intermediaries are seeking investment-ready SPOs, and this interest will grow with the release of funding opportunities through the Government of Canada's SISF strategy. Both Indigenous SPOs and Indigenous-led Financial Intermediaries should reflect on how best to position themselves to benefit. The research suggests time and effort are well spent on building connections and trusted relationships, educating themselves on social finance, and growing the capacity to write applications.

7. ADDRESS GAPS IN THE EXISTING RESEARCH ON INDIGENOUS SOCIAL FINANCE.

The current research was a pilot initiative designed to generate a preliminary understanding of social finance through an Indigenous lens. More research is needed to broaden and deepen that understanding, thereby providing governments, Financial Intermediaries, and Indigenous SPOs with evidence on which to base decisions. CCAB plans to identify and fill gaps in existing research, notably:

- Quantify the universe of Indigenous SPOs, including social purpose businesses and/or non-profits
- On the SPO side, explore the non-profit model to identify similarities and differences with SPOs that are structured as for-profit businesses
- One the Financial Intermediary side, explore the current capacity and potential of AEDCs to deploy social finance funding to Indigenous SPOs


Terminal


Short
Long

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