

Canadian Council for
**ABORIGINAL
BUSINESS**



**KEY FINDINGS
OF THE INDIGENOUS
PERSPECTIVES ON
SOCIAL INNOVATION
AND SOCIAL FINANCE IN
CANADA REPORT**

Indigenous Social Purpose Organizations

Definitional Issues

Social finance investments need to work for the Indigenous Social Purpose Organizations for whom they are intended, inclusive of the various approaches and structures they may adopt (that is, industry focus, for-profit vs. non-profit). For this to happen, Indigenous Social Purpose Organizations must have a say in the criteria used to define them.

Measuring Impact

The approach and metrics for evaluating social impact are too often quantitative in nature and imposed by funders. There is a need for Indigenous Peoples 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.

Supports

We heard about three aspects that Indigenous Social Purpose Organizations would like to see integrated into the social finance intermediaries facilitating social finance investments made by governments:

- financing at a sufficient level for growth, having mostly outgrown the limited amounts available to start-ups
- increased capacity/human capital
- greater opportunities to build relationships, with potential clients and with the communities they support

COVID-19 Impacts

Among the businesses struggling in the pandemic landscape, the need for social financing to support operational costs was mentioned. The government response to the COVID-19 pandemic has demonstrated the importance of delivering a timely and accessible funding model.

Indigenous-controlled Financial Intermediaries

Profile

The common theme among the financial intermediaries interviewed is their focus on promoting sustainable economic growth and economic ecosystems, rather than Return on Investment. 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.

There are also commonalities in their recognition of the need to:

- take on more risk than mainstream financial intermediaries are willing to accept
- go beyond start-up financing to fund business growth and scale-up

Financial intermediaries themselves would benefit from support with capacity building, addressing systemic bias in the investment industry, and improving communication about future funding opportunities.

Measuring Impact

Although each financial intermediary has a different approach to measuring the social impacts of the Indigenous Social Purpose Organizations they fund, the results suggest that impact measures are chosen to be appropriate for and reflect the objectives of the Indigenous Social Purpose Organizations receiving funding.

Views on SPO Readiness

Financial intermediaries indicate that Social Purpose Organizations 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
- from a broader perspective, building greater financial literacy so that Indigenous Peoples have the skills necessary to fulfill their entrepreneurial aspirations