

# Bridging the Gap: Social Finance for Indigenous Food Systems



## Partners

- NORDIK Institute
- Rural Agri-Innovation Network (RAIN)



# Workshop Objectives

Planning impactful food sovereignty initiatives

Pathways towards social enterprise

Social finance as a vehicle for sustainability

Gather blueberries	Moose hunting	Trapping
Canning	Tapping maple trees	Ice fishing
Raised chickens	Harvest wild rice	Deer hunting

# Activity #1

## Food system bingo

# Agenda

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1. Setting the Context

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2. Shoal Lake #39 Independent First Nation's Food Sovereignty Project

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3. Break

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4. What is Social Enterprise?

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5. What is Social Finance?

# Food Insecurity in Ontario

67.2% of Ontario households on social assistance face food insecurity, surpassing the national average (NWHU, 2022).

In Ontario, 16.1% of the population is food insecure, with 20.6% of children living in food-insecure households (Ottawa Public Health, 2022).

Indigenous off-reserve populations experience food insecurity at rates almost three times the Ontario average (NWHU, 2022).

Reliance on food banks doesn't address root causes like financial inadequacy and systemic issues in the global food system (ODPH, 2020).

# Indigenous Food Systems

- Indigenous Food Systems: More than just sustenance; tied to nature, environment, and community strength.
- **Challenges:** Not just financial. Includes government regulations, resource access, and lack of capital. Multi-faceted solutions needed.
- **Self-defined Economic Growth:** Indigenous communities should dictate growth respecting culture and traditions.
- **Rising Food Costs:** Trend will continue; calls for innovative approaches.

**If we could have the magic wand for our communities, what would change to make it more food secure? What would that look like?**

**Activity #2**



**Shoal Lake #39  
Independent First  
Nation's Food  
Sovereignty  
Project with  
Charlene  
Mandamin**

- **Overview:** Multi-faceted food sovereignty project
- **Key objectives:** Life promotion, education, and potential economic development
- **Strategies:** Cultural Reconnection, Educational Alignment, and Community Collaboration

**Shoal Lake #39  
Independent  
First Nation's  
Food  
Sovereignty  
Project with  
Charlene  
Mandamin**

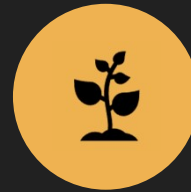
# Summary



**HOLISTIC APPROACH:**  
FOCUSES ON LIFE PROMOTION AND MENTAL HEALTH.



**SEASONAL ADAPTABILITY:**  
ACTIVITIES ALIGN WITH NATURAL CYCLES.



**EDUCATIONAL DUAL-PURPOSE:**  
GREENHOUSE PROGRAMS SERVE AS BOTH EDUCATIONAL TOOLS AND SUSTENANCE SOURCES.



**RESOURCE INGENUITY:**  
UTILIZED A VACANT SCHOOL GARAGE AND REPURPOSED MATERIALS TO SET UP A FOOD PRODUCTION FACILITY.



**LONG-TERM VISION:**  
RECOMMENDS PLANNING FOR A 5- TO 10-YEAR TIMELINE TO ENSURE SUSTAINABILITY AND GOAL ALIGNMENT.

**Activity # 3**  
**Asset Mapping**

**What existing strengths or assets does your community possess in the areas of food access and food security?**



# Planning for social impact

# Get clarity on your social impact

- **Impact:** the end result we're working towards. The purpose of your organization or project. Biggest change you are working towards.
- **Outcomes:** The priority changes that must occur to achieve the intended impact. 2-3 main outcomes are usually enough.
- **Performance Measures:** How we will measure progress toward our priority outcomes. Tangible signs that you are making progress.
- **Strategies:** The combination of actions we will take to achieve the outcomes. Ask, what would it take to succeed?

**Activity # 4**

**Social Impact of  
Shoal Lake #39**

# Social Impact of Shoal Lake #39

- **Impact:** Promote life and well-being through a sustainable, culturally-rooted food sovereignty program in the Shoal Lake #39 IFN community.
- **Outcomes:**
  1. Enhanced Youth Well-being: Increased mental and emotional well-being among youth aged 16 to 29
  2. Knowledge Transfer: Bridge the generational gap through sharing of traditional skills and practices
  3. Economic Viability: Achieve market readiness for community-produced food products.
- **Performance Measures:** how progress will be measured toward priority outcomes.
- **Strategies:** the strategies with actions the community will take to achieve the outcomes.



**Clip from Shoal  
Lake #39 –  
Product  
Examples**

# What is Social Enterprise?

- An enterprise with specific social or environmental protection objectives as its primary purpose. It seeks to maximize profits while maximizing benefits to society and the environment – any profits are used to fund things that benefit society or the environment.



# Identifying and targeting the ideal customer

## 1. Customer Need or Challenge

- Every enterprise relies on customers with specific needs or challenges.

## 2. Solution

- These needs can be met or resolved by a particular product or service.

## 3. Financial Viability

- A sound business model identifies both the need and the customer's ability to pay.

## 4. Targeting

- Once identified, focus your efforts on reaching the ideal customer.

# Social enterprise – what is the need or challenge you want to solve?

## 1. Identifying the Need:

- What is the need that requires a solution? Focus on finding the root of the issue.

## 2. Who Has the Need:

- Who does this need to be addressed for? (Target Customer)

## 3. Impact on Target Customer:

- How is your target customer affected by this unmet need?

## 4. Location of Target Customer:

- Where are these customers located?

## 5. Requirements for Addressing the Need:

- What resources or solutions are needed to fulfill this need?

## 6. Need Statement:

- [Target Customer] in [Area/Location] requires [Action/Solution] in order to [Fulfill This Need]

# Social Business Model Canvas

A tool to help your team plan, communicate, and refine your social enterprise business model

Requires a team and dialogue, ideally with a facilitator.

## SOCIAL BUSINESS MODEL CANVAS

**MISSION:** Empowering the Shoal Lake #39 IFN community through sustainable food sovereignty, by crafting culturally-rooted wild rice energy bars that nourish life and well-being.

IMPLEMENTATION		VALUE	MARKET	
<b>Key Allies</b> Wild Rice Growers Educational Institutions Community Organizations Technical Service Providers (labelling, food safety, logistics) Distributors	<b>Key Resources</b> Supply chain of ingredient suppliers Processing space Digital platforms	<b>Social Innovation</b> Revitalize traditional Foods Community-driven	<b>Customer Relationships</b> Community-driven Trust & Inclusivity Transparent Communication	<b>Channels</b> Retail spaces – co-ops, farmers' markets Regional events – gatherings, festivals Online platform - eCommerce
	<b>Key Activities</b> Sourcing ingredient, production, developing markets	<b>Value Proposition</b> Culturally-rooted Sustainably-produced Impacts the community	<b>Consumer Benefits</b> Nutrient-dense Convenient Culturally-relevant	
FINANCES				
<b>Cost of Delivery</b> Raw material costs, labour costs, facility costs, packaging, distribution, quality control, and marketing.		<b>Community Reinvestment</b> Dedicated % of profit Towards local food Sovereignty projects.	<b>Revenue Streams</b> Direct-to-Consumer Sales Retail partnerships Subscription models	

# Social Enterprise Examples (find pics)

- Examples of 3 different types of social enterprise:
  1. For individuals or partnerships between two people – Tea Horse
  2. For a community or an organization – Agawa Fisheries
  3. For a group of communities who work together – Arctic Co-op

# Old Crow Co-op





# Activity #5

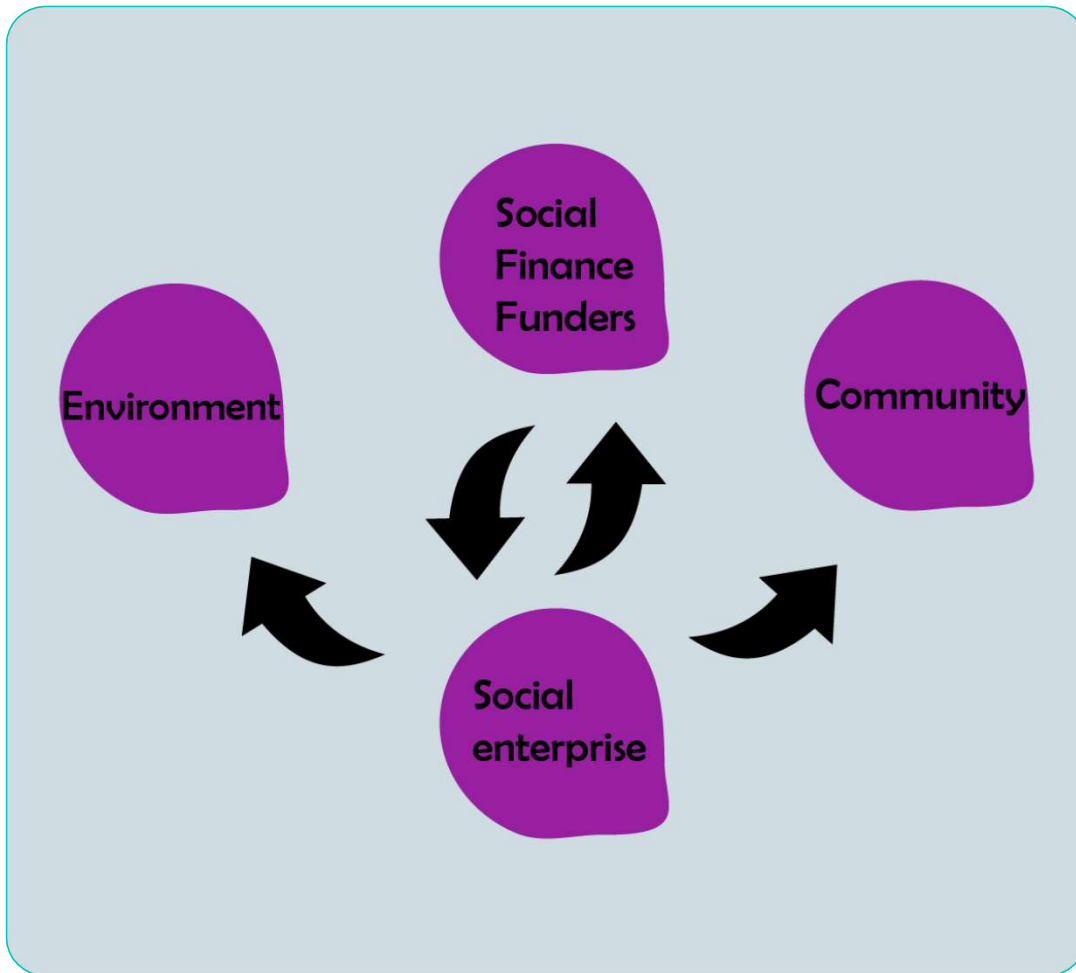
## Food product examples

- Wild rice energy bar
- Wild blueberry barbecue sauce

## Exercise

Around your table, choose one product example.

For the product your table selected, go through the customer need questions provided.



## What is Social Finance?

○ A source of money that's given with an expectation of return for benefitting the health of the environment, people in a community, and the investor who gave it.

# What is Social Finance?

- The “social” refers to the intention by the participants to produce other positive outcomes
- The “finance” is the management and creation of financial resources to further an organization’s objectives (can be non-repayable or investments/repayable sources)

# Context for Social Finance

1

Demand is growing – more orgs are looking to diversify revenues/start enterprises for impact

2

Growing diversity of organizations, co-ops, and companies that are seeking social impact

3

Growing number of institutions and individuals who want to invest in social impact (credit unions, foundations, individuals)

# Pros/Cons of Social Finance

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Pros: Opportunity to access financial resources beyond government grants or philanthropy. Encourages a focus on creating/delivering products or services because of investor's demands.

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Cons: Its time & resource intensive to take on investment and time needs to be managed to attract, manage, and report on financing. It creates risks. If you can't pay back your loan, you may have to give up assets to pay off debt.

# Types of Social Finance

Non-repayable	Repayable		
	Debt	Equity	Other
Earned Revenues Grants & Donations Go Fund Me Pre-Sales of Product	Loans Community Bonds	Shares in a business (common or preferred)	Community-driven outcomes contract (CDOC) Revenue/Earnings Share Agreements

# Debt

**Secured loans** – loans secured against specific assets (e.g. Mortgage)

**Unsecured loans** – loans not secured against a specific asset but are still a debt. If there's a loss, lender can try to reclaim, but usually has a higher interest rate.

**Community Bonds** - A tradeable loan, where the original lender can sell their loan to someone else.

Community Bond Example: A community centre raises \$1 million in community bonds 200 community bonds at \$5,000 each to community members at 4% interest over 7 years. "giving" bond where interest can be donated for a tax/charitable receipt.

# Equity

**Equity %** - common shares in an organization. Investors receive a share of any profits and are owners with a say (typical in Angel investment)

**Preferred shares** – a share in a for-profit cooperative / social enterprise by an individual. Often not transferable and may have restrictions on being withdrawn.

Preferred share – upon dissolution, they get paid back for investment first.



# Other

**Community-driven Outcomes Contract (CDOC)** – a contract where investors fund a project led by community, and government pays back investors only if project meets its goals.

**Revenue Share Agreement** – Patient capital financing option that anticipate growing revenue and require longer time horizon.

**Earnings Share Agreement** – Even more patient capital financing that functions like a profit-sharing partnership. Takes a % of net income / can be slow to repay.

# Three Major Uses of Financing

01

**Managing Growth** – Support investments in growth through the expansion of sales and activity.

02

**Managing cashflows** – Manage cash flow variability resulting from buying inventory or having to wait to receive payment.

03

**Acquiring important assets** – acquire buildings and equipment.

# Match Your Finance Needs

Venture Stage	Design	Prototype	Scale
Type of Capital to Maximize	Non-Repayable Capital	Equity	Debt
Major Uses of Finance	Managing Growth		
		Managing Cashflows	
			Acquiring Fixed Assets

# Sources of Social Finance

Angel Investors	Foundations Engaged in Impact Investing	Community Foundations – Impact Investing	Purpose Built Lenders	Impact Venture Capital
Red Thread Ventures	Inspirit Foundation	Waterloo Region	<b>Indigenous Growth Fund</b>	<b>Raven Indigenous Capital</b>
Spring Investing Collective	McConnell Foundation	Toronto	<b>Fair Finance Fund</b>	Active Impact
Maple Leaf Angels	Metcalf Foundation	Oakville	Social Enterprise Fund	Arctern
Backbone	Catherine Donnelly	Hamilton	New Dawn Enterprises	Pangaea Ventures
Valhalla	Northpine	London	Harvest Impact	Cycle Capital
KNDL	Lawson		Verge	BKR Capital
<b>Northern Ontario Angels</b>	Mastercard Foundation		Community Forward Fund	Good&Well

# Sources of Social Finance – Social Finance Fund (SFF)

- Aims to inject \$755 million into Canada's social finance market to foster growth, innovation, and social impact.
- Targeted at charities, non-profits, social enterprises, and other social purpose organizations, aiming to increase their access to flexible financing opportunities.
- Wholesalers receive repayable and non-repayable funds from the SFF and invest in social finance intermediaries, leveraging at least \$2 in private capital for every \$1 in federal support.
- Funding is granted over a 10-year period, with all repayments expected by 2036-2037.
- <https://socialfinance.fund/> - Follow for more details

# Resource Sharing



<https://rainalgoma.ca/onwaa/>



## Intermediate Entrepreneurship Training

For Indigenous Women &  
Gender Diverse People

### Program Highlights

- 💡 Build a business plan
- 💡 Cashflow Forecasting
- 💡 Marketing Strategy
- 💡 Operations and Supply Chain

[Sign Up Here](#)



Every Tuesday and Thursday from 6:00pm  
to 8:00 pm starting November 7, 2023

# Evaluation survey





# References

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# Closing – Important take-aways Activity