



SOCIAL INNOVATION AND SOCIAL FINANCE, “LEAVE NO ONE BEHIND”

OVERVIEW

The Assembly of First Nations (AFN) has initiated work on social innovation and social finance (SI-SF), as it relates to resolutions by Chiefs-in-Assembly.

AFN Resolution 16/2015, *Support for Social Innovation/ Financing to enhance Funding for First Nations Socio-Economic Development*, called for enhanced collaboration and partnerships to address the unmet needs of First Nations citizens. Funding for this work was only made available in March 2019.

AFN Resolution 92/2018, *Social Innovation-Social Finance Framework - Leaving No One Behind*, directed the AFN to develop and seek resources from Employment and Social Development Canada (ESDC) to fund a policy paper/framework on social innovation and social finance to help identify First Nations finance gaps, priorities and solutions-based

approaches. The Chiefs Committee on Human Resources Development (CCHRD) contributed to this resolution and requested for continued guidance and recommendations for this work. The Chiefs Committee on Economic Development (CCED) is also being provided with updates.

The Chiefs-in-Assembly directed the AFN to work with the federal government to identify investments and carve out specific resources from the Investment Readiness Program to support First Nations developments on Social Innovation and Social Finance.

The AFN submitted a proposal in December 2018 to ESDC and secured funding from March 2019 to November 2019 to prepare a policy paper/framework developed by First Nations, for First Nations.

UPDATE

Social Innovation and Social Finance (SI-SF) are about developing new solutions to social/economic challenges.¹ The aim is to improve the quality of life of First Nations citizens through social initiatives with local governments and within economies in collaboration with partners by exploring

creative ideas and methods to measure their impacts.

While the term “social innovation” has come to describe this work for the general population, First Nations have always practiced innovation, invention, resiliency and sustainability, and

¹ <https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance.html>

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First Nations continue to inform these practices from a First Nations strength-based approach.

In November 2018, the Government of Canada released its Fall Economic Statement and announced the elements of a Social Innovation and Social Finance Strategy.² In November 2018, the Government committed up to \$755 million over 10 years, starting in 2020-2021, for the creation of a repayable Social Finance Fund, and investment of \$50 million over 2 years in an Investment Readiness Program (IRP) made ready through grants and contributions.

The pilot IRP was launched in 2019-2020 to help social-purpose organizations (charities, non-profits, co-operatives, social enterprises, and Indigenous organisations, etc.) to advance their social or environmental missions, and improve their ability and readiness to participate successfully in the social finance market place. In June 2019, the IRP's delivery partners were announced and include, among others, the **National Aboriginal Capital Corporation (NACCA)** to facilitate the program distribution with its network of Aboriginal Financial Institutes (AFIs).³

A questionnaire to inform the design and implementation of the IRP specific to First Nations, along with an Open Call for Applications to seek members for the new *Social Innovation Advisory Council* (which closed on September 2, 2019) was shared

among AFN policy and leadership tables over the course of the last several months.

The Minister of Families, Children and Social Development, and the Minister of Employment, Workforce Development and Labour, are mandated to develop a SI-SF Strategy for Canada. In August 2018, their Co-creation Steering Group released a Final Report and Recommendations of the Steering Group.⁴

Given the supportive research, the AFN continues to monitor "Transforming our World: The 2030 Agenda for Sustainable Development," which is a plan of action for people, planet and prosperity, and pledges that no one will be left behind.⁵ The United Nations Sustainable Development Goals (SDGs), are a set of 17 goals to address issues of importance to First Nations, such as decent work, economic growth, zero poverty, affordable and clean energy, good health, and others.⁶ The SDGs serve as a key instrument to leverage opportunities to better track and measure the unacceptable socio-economic gaps experienced by First Nations - currently ranked on the Human Development Index between 63rd and 78th, while Canada is ranked overall between 6th and 8th.

The AFNs activities on SI-SF include the development of a literature review, environmental scan, a cost/benefit analysis, and gathering of views from several policy tables, along with the coordination of a

² Social Innovation and Social Finance Strategy link:
<https://www.budget.gc.ca/fes-eea/2018/docs/statement-enonce/toc-tdm-en.html>

³ National Aboriginal Capital Corporation (NACCA) link:
<https://nacca.ca/nacca-set-to-launch-indigenous-growth-fund/>

⁴ Co-creation Steering Group, and Final Report and Recommendations
<https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/reports/recommendations-what-we-heard.html>

⁵ United Nations General Assembly Resolution/ Agenda 2030 link:
https://www.unfpa.org/sites/default/files/resource-pdf/Resolution_A_RES_70_1_EN.pdf

⁶ United Nations Sustainable Development Goals link:
<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

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national roundtable which took place on September 5, 2019 in Vancouver British Columbia.

The AFN Roundtable on Social Innovation and Social Finance – *First Nations Approaches in Leaving No One Behind* gathered 30 participants from across the country to share innovative practices in addressing gaps and barriers from a First Nations-led and strength-based approach. The Roundtable served to collect unique and culturally inspired innovative approaches to help guide the SI-SF policy paper/framework, developed by First Nations, for First Nations.

One example explored at the Roundtable is the ability of social innovation and social finance applications to raise the productivity of the First Nations labour force to provide one of the greatest social returns on investment, as well as boost economic growth and development. It is estimated that closing the employment gap alone can increase Canada’s annual economic output by \$27.7 billion.

Throughout this development, the AFN continues to inform senior federal officials that discussions on SI-SF are not to be considered consultations with the federal government.

NEXT STEPS

The AFN will:

- continue to advocate for First Nations specific and targeted SI-SF funding to empower First Nations citizens, governments and regional capacity efforts.
- seek recommendations from, and provide updates to, the Chiefs Committee on Human Resources Development (CCHRD) and provide updates to interested Chiefs Committees.
- work with First Nations and ESDC to assist meaningful ways to engage.
- continue to advocate the federal government for transparency on data and the need to better measure and track progress in meeting the United Nations Sustainable Development Goals, and Agenda 2030, *Leave No One Behind*.

