



CHANTIER
DE L'ÉCONOMIE SOCIALE

Investing for social impact and social change

Concordia Student Union February 11, 2015



L'ÉCONOMIE SOCIALE.
ÇA PARLE D'ARGENT ET DE VALEURS HUMAINES.



Concordia is not alone!

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- The proposed initiative to invest in cooperative housing for students is an excellent example of a growing movement for a new approach to economic development
- In Quebec and across the world, diverse citizen based economic initiatives have come together as a movement for a social and solidarity economy



What are we talking about?

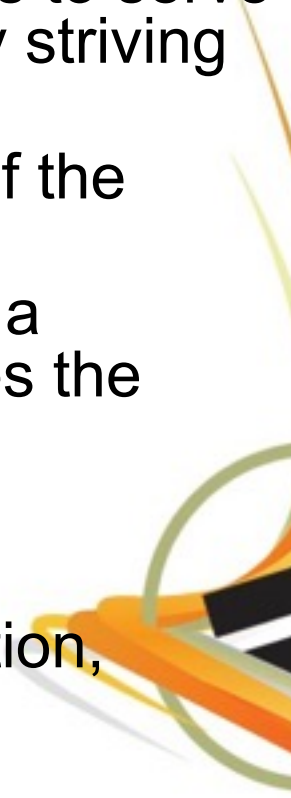
The social and solidarity economy is :
an economic force producing goods and
services and contributing to wealth creation

a social movement working to transform
our development model in favor of a more
inclusive and democratic economy

a movement of civil society working in
partnership with government and the private
sector



Definition of the social economy in Quebec

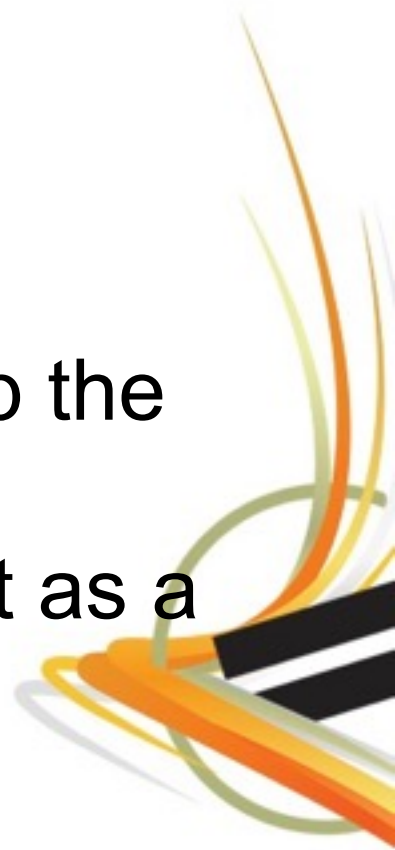
- The objective of the social economy enterprise is to serve its members or the community, instead of simply striving for financial profit.
 - The social economy enterprise is autonomous of the State.
 - In its statute and code of conduct, it establishes a democratic decision-making process that implies the necessary participation of users and workers.
 - It prioritizes people and work over capital in the distribution of revenue and surplus.
 - Its activities are based on principles of participation, empowerment, and individual and collective responsibility.
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The Quebec reality

- Collective enterprises (cooperatives, mutuels, non-profits) are present in the a wide variety of sectors;
agriculture, financial services, housing, homecare, social insertion, health, daycare, recycling, small manufacturing, culture, tourism, new technologies, radio, television, business services, personal services, funeral homes, commerce, real estate, rural transportation etc.
- Estimated 7500 collective enterprises; 8% GNP

Chantier de l'économie sociale

- A network of networks of collective enterprises, local and regional development organisations, social movements, youth, First Nations, researchers to promote and develop the social economy
- Recognition by Quebec government as a participant in economic and social development



The Chantier's mission

- **The Chantier's mission is to promote the social economy as an integral part of Quebec's plural economy, and in doing this, to participate in the democratisation of the economy and the emergence of a new development model.**



The structure of the Chantier

- Network of 22 regional hubs in each region and with the Cree Nation
- Electoral colleges (enterprises, support organisations, hubs, social movements)
- Youth committee
- International committee
- Committee on financial tools and access to capital
- Executive committee



**TURNING
IDEAS INTO
REALITY...**

**CHANTIER DE
L'ÉCONOMIE
SOCIALE
FINANCIAL
TOOLS**

Chantier
de l'économie sociale

 **trust**



RISQ

RÉSEAU D'INVESTISSEMENT
SOCIAL DU QUÉBEC

Development tools

- RISQ (1997): 15M\$ investment fund offers non-guaranteed loans up to 50,000\$, technical aid and pre-start up capital
- Chantier de l'économie sociale Trust (2007): 52.8\$ patient capital fund for 50,000 to 1.5\$M
- New financial product: Patient capital for community housing (32M\$)
- On-going exploration of new avenues and new tools to increase access to capital

Financial Products

1. Technical Assistance
2. Pre-Startup
3. Capitalization Loan (RISQ)
4. Operations Patient Capital (Trust)
5. Real Estate Patient Capital (Trust)

Technical Assistance



A group of residents in Lac-Kénogami got together to create a solidarity cooperative that will provide the community with a range of quality local services to meet personal and community needs (convenience store, gas station, post office, space for meetings and training sessions, health cooperative, etc.).

With a loan from RISQ they paid a consultant to analyze the financial data of the convenience store they planned to acquire and prepare budget estimates.

Pre-Startup



Mieux-Naître à Laval

Mieux-Naître à Laval will be a perinatal resource centre for Laval families, especially mothers in difficulty.

The group plans to acquire a property or land on which to build the centre, which is set to open in 2014-15. With RISQ financing they will hire two people to broaden and solidify the service provider partnerships, test the market, and raise the necessary funds.

Quasi-equity



Café du Brûlot

The Coopérative de Solidarité - Café du Brûlot will provide Chibougamau residents with a café featuring a cultural component, including a performance space, film projection room, etc.

RISQ financing equivalent to 67% of operating fund required to get the café up and running.



Somes numbers

History of Funded Projects (1997-2014)

	Technical assistance	Pre-Startup	Capitalization
No. of projects	365	39	381
Investments	\$1,7 million	\$2,6 million	\$14 million
Average / project	\$4 540	\$66 812	\$37 598

Capitalization

➤ Parameters

Interest rate	Fixed for the duration of the investment
Amount of investments	From \$50,000 to \$1.5 million
Repayment	No requirement to repay capital for 15 years
	Possibility of early repayment with no penalty after 12 months

Capitalization

➤ Eligibility criteria

E L I G I B L E	Types of businesses	<ul style="list-style-type: none">- social economy enterprises- Legal status: COOP or NPO- Less than 200 employees
	Types of projects	Start-up, expansion, asset acquisition, consolidation
E N O T E L I G I B L E	Sectors	Childcare centre, domestic help, perinatal services, educational services, housing
	Types of projects	Recovery, refinancing, substitution of public service jobs

Operations Patient Capital

To cover what needs?	Operations fund: <ul style="list-style-type: none">-marketing costs-equipment purchase-leasehold improvements-inventories-pay off operating deficit during start-up-etc.
Investment amount	From \$50,000 to \$250,000
	Up to 35 % of project cost
Characteristics	Without guarantee
	Possibility of upgrading business equity

Real Estate Patient Capital

To cover what needs?	Acquisition, construction, renovation, enlargement of real estate assets: <ul style="list-style-type: none">-property-building-warehouse-etc.
Investment amount	35% to 90 % of project cost
Characteristics	Mortgage financing with a financial institution
	Guarantee of subordinate ranking for fixed assets
	Create a replacement reserve for real estate assets

Statistics

as at December 31st, 2014

Number of financed enterprises	141
Number of authorized projects	171
Authorized investments	\$46 million
Total generated investments	\$287 million
Number of jobs created and/or maintained	2 703 Insertion: 349

And how does Concordia fit into all this?

Concordia students have already initiated several social economy projects

Concordia University has spearheaded a new initiative RECODE in collaboration with the Chantier and other universities

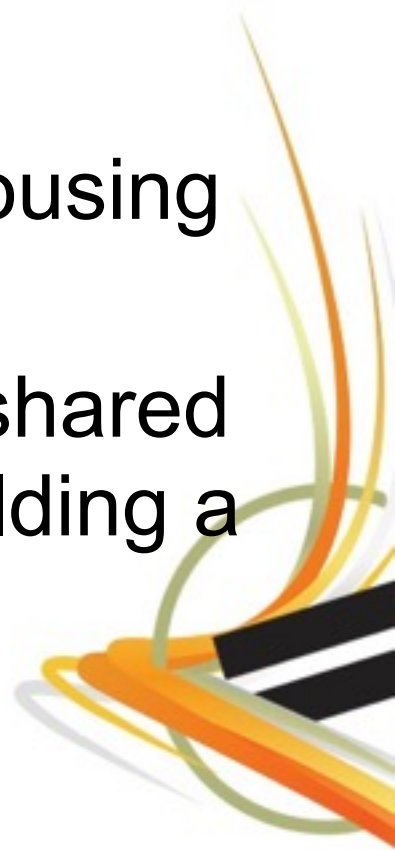
The student housing project represents a major and inspiring initiative that will contribute to building the movement while responding to students' basic needs

How can we work together?

- . The Chantier is already a partner of UTILE with a representative on the Board of Directors
 - . Through one of its investment funds, the Chantier d'économie sociale Trust, we can be financial partners in the upcoming housing projects
 - . Through our youth initiatives, there are many possibilities for collaboration in Montreal and internationally
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Next steps?

- . Collaboration around the student housing initiative
- . Many other possibilities based on shared values and our commitment to building a better world!



To learn more

Chantier de l'économie sociale (French)

www.chantier.qc.ca

The social economy in Quebec and
worldwide (French)

Economiesocialequebec.ca

International experiences with a focus on
public policy (English-French-Spanish)

www.reliess.org



Thank you!

