



# BANDE DES MONTAGNAIS DE NUTASHKUAN CASE STUDY

The social and economic impact of multi-phased  
financing

## ABSTRACT

This case study examines the partnership between Bande des Montagnais de Nutashkuan and The Usand Group as they work collaboratively on strategic social and economic development projects.

# Bande des Montagnais de Nutashkuan Case Study: The social and economic impact of multi-phased financing

## Introduction:

Bande des Montagnais de Nutashkuan (Natashquan First Nation) has been able to achieve its full financial potential, due in part to an ongoing partnership with The Usand Group.

The Usand Group is a capital firm that secures innovative and customized financial solutions for First Nation, Inuit, and Métis communities. Working alongside community members every step of the way, we collaborate to find financial solutions that fit the needs, capacity and strengths of the band. These solutions are designed to enhance the financial and social wealth of the community and create a sustainable path to full participation in the global economy.

## History of Natashquan First Nation:

Innu of Natashquan, which means “the place where we hunt bear”, is located at the mouth of the Natashquan River in the Gulf of Saint Lawrence, 336 km east of Sept-Îles. The majority of its’ members reside on reserve, with a population of just over 1000. The local economy is based chiefly on arts and handicrafts, trapping, tourism, construction, transport and commercial fishing.

## Methodology:

A multi-phased approach to financing.

For many communities, Usand employs a multi-phased approach to financing, creating a strong financial foundation on which to build. This involves discovering a community’s short term, immediate needs and longer-term goals, then creating a ‘roadmap’ process to achieve that vision.

The first phase is usually an initial refinancing component that streamlines and integrates outstanding loans to free up financial capacity, and will often incorporate either an economic or social development project that is immediately required.



The first phase is also designed to account for future plans, such as new infrastructure or economic development, after which Phase 2 financing is implemented to help achieve those medium and long-term targets.

Usand's financing packages are designed to maximize community opportunities over the medium and long term by providing business expertise and linking a community into an existing network of professionals, to provide the key tools required, to successfully launch future projects. Usand can help advise a community on a particular order for projects that aligns with their strategic plans *from a financing perspective*, to ensure that the capital required for future projects is attainable.

Further, it is Usand's mandate to ensure that, as much as possible, Indigenous communities and organizations have the opportunity to own their projects 100% by presenting equity financing alternatives for consideration. In this way, the economic and social aptitude is continually developed on reserve, and all profits from business ventures are for the benefit of community members or Indigenous business owners. This is a key feature of the benefit of the Usand approach to First Nation financing.

### Natashquan Phase 1:

Already a strong economic mainstay for the region, Natashquan First Nation is a well-known fishing area, rich in salmon. In recent years, they have made great economic advances, most notably, the 2008 Nanemessu-Nutashkuan Agreement, a partnership with Hydro-Québec.

“This agreement gave us powerful economic leverage, by allowing us to engage with a recognized financial institution for a multi-million-dollar loan to carry out many beneficial projects. These projects will raise the quality of life for all members of our community.”

Chief Rodrigue Wapistan

While the community had many of its own successes, leadership had long been planning to strengthen and expand its resources and revenue. They began by identifying their fiscal and civil goals and developed a five-year plan.

The Usand Group met with the community so they could collaboratively determine the viability of each project. During the initial assessment, Usand was able to provide Natashquan with additional cost saving opportunities by refinancing existing debt and payables on more beneficial terms. This provided the community with an immediate increase in revenue and gave them the opportunity to explore additional projects.

The community had visions of a gathering place for its' youngest members, and after meeting with The Usand Group, it was decided that an arena would be the first project to commence.

Given the lack of accessibility to like resources as well as the regions extended winter season, an arena would be both a welcome addition and a logistical challenge. Usand was able to source bridge financing that allowed construction to begin immediately, so

## Bridge Financing

Bridge financing is not new to the financial world, but has not been available as a financial pathway for most First Nations until now. This type of financial arrangement solves a key challenge in the building process for projects and without it, the community would not have moved forward as quickly.

that the limited building season could be utilized. In a matter of 9 days, financing for the arena was secured.

The bridge financing provided for the arena helped jumpstart the community's 5-year plan. This, in conjunction with the new debt structure developed by Usand, was the economic push the community had been looking for.

### Outcomes:

- \$19.3 million in financing
- Bridge loan allowed expeditious building of arena
- Refinancing and restructuring of existing debt saved the Nation hundreds of thousands of dollars

### Conclusion:

The Usand model avoided the one-size-fits-all approach typical to First Nation finance. Instead, Usand connected Natashquan directly to the innovative financial products they needed, while negotiating terms that were the best fit for the community. Natashquan received both short term positive impacts and a long-term debt structure, allowing the community to better meet current economic and social targets, while providing a solid base for future growth.

Bridge financing was a critical component of the project and has proven to be an effective tool that brings financing to a community within strict time constraints.

When quick project completion provides a high community impact, such as community housing or building a business to bring in new revenue, bridge financing is a perfect fit for a First Nation in order to pull forward the timing of these positive impacts so their effects can be felt sooner.

### Natashquan Phase 2:

After completion of the arena, the community plans to continue its' focus on socioeconomic projects. The first

of which includes an addition to the school and updates to their local outfitters 'Pourvoirie Hipou'. Situated on the mouth of the St. Lawrence, the community relies heavily on the local fishing industry as a principle source of revenue. The prospective renovations to the outfitters will provide additional resources and tourism for the area.

Natashquan has future plans for the development of an industrial park that will include a mechanical service garage and a municipal garage. Included in their five-year plan, is a new Band Administrative office, that will provide them with increased capacity for future planning and development.

Plans for yet another phase are already in the works, as the Band expects to begin building some much-needed housing.

### Outcomes:

- Financing has already been secured by Usand for all the community's projects
- Increased tourism and associated revenue
- New administrative office, municipal garage, mechanical service garage
- Usand continues to work with Natashquan and develop a plan to meet their housing needs