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Kim Kline, president of Bioscience Association Manitoba, said the province is in the process of creating a Manitoba Life Science Strategy.

Bioscience industry gets schooled on social impact investing at AGM

Province's biotech sector shows impressive growth

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IN just about every respect, the province's biotech industry grew during the pandemic as the industry pivoted to address a public health emergency.

Bioscience Association of Manitoba (BAM) released some of the results of a survey done in 2021 at its annual meeting on Thursday, including employment up over 7,500, but total revenue declined a bit to \$9.9 billion from \$10.4 billion in 2019.

The sector grew in just about every other type of metric, with ag-biotech dragging down the total revenue likely because it had to deal with the depressed conditions caused by the 2021 drought that challenged the entire ag industry.

But it is the kind of pivoting Manitoba companies undertook to innovate and produce personal protective equipment and vaccines and therapeutics that BAM's president Kim Kline said generated growth while so many other sectors were forced on their heels during the pandemic and now in the current economic environment.

It is the sector's commitment to innovation that makes it an obvious target audience to be encouraged to think about social impact investing, something the current Manitoba government has now committed close to \$10 million towards.

Teresa Dukes, executive director of the province's Social Innovation Office, gave what amounted to a tutorial on social impact investing at the BAM annual meeting.

She said the concept of investments that can achieve measurable social and/or environmental impacts is on the rise around the world, with the UN estimating that there is a \$2.5-trillion annual gap in sustainable development goal investing.

In Canada impact investing — where the goal is to achieve positive social or environmental outcomes as well as actual financial profits — doubled between 2015 and 2019 to more than \$20 billion and continues to grow.

Dukes said her decision to try to motivate the bioscience industry to start thinking about impact investment projects is because, she said, "The ecosystem most ready and mobilized to get involved is biotech."

Social impact investing can come in many different forms.

The Manitoba government is one of the only provinces in the country to commit to social impact bonds.

Like every other kind of debt financing, "lenders" agree to loan funds to an enterprise with an agreed-upon term length and dividend in return.

In the case of Manitoba social impact bonds, the province will commit to a specific return on investment to investors on projects that achieve agreed upon, measurable impacts.

The projects that have been started to date, including: a smoking cessation project that is funded by Shoppers Drug Mart/Loblaw's; a women's heart health project, funded by the Victoria Hospital Foundation; and a project designed to connect at-risk Indigenous mothers with doulas, also known as birth helpers, funded by the Win-

savings have been demonstrated," Dukes said.

She said this kind of investment model in addressing important social and environmental issues is helpful because many of those challenges involve system-wide change, something that government programming on its own cannot accomplish.

As well, she said government spending in general is notoriously not backed "by even the most basic evidence that the money is being spent wisely."

"The more people who are trying to help us solve societal problems the better," she said.

This kind of investment tool can be a way for innovative solutions to be sought for challenging social and environmental issues.

Kline said there is a greater appetite from investors of all types to engage in this kind of pursuit and she said many of her members showed their inclination in that regard by going full out to address the health care demands during the pandemic.

While Dukes may not have lined up any new projects, the bioscience sector is set to become more formally integrated into provincial economic development.

Kline said the province is in the process of creating a Manitoba Life Science Strategy.

"We are thrilled to be part of the consultative process," Kline said. "This province has never had one in the past."

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Teresa Dukes, executive director of the province's Social Innovation Office

nipeg Foundation and a handful of philanthropic family offices in the province.

The idea is that these innovative projects will achieve measurable savings to the province and the province agrees to pay back the principle and a premium if agreed-upon results are achieved.

"They are generally designed so that government is saving money at a certain point based on financial modelling that can justify the expenditure at later date, but is only paid after those