

**IMAGINE**  
CANADA

# **Journey to Impact: Unlocking Purpose through Social Finance**

Experiences of Canadian Social  
Purpose Organizations



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## About Imagine Canada

Imagine Canada is a national, bilingual charitable organization whose cause is Canada's charities. Through our advocacy efforts, research and social enterprises, we help strengthen charities, nonprofits and social entrepreneurs so they can better fulfill their missions. Our vision is of a strong Canada where charities work together alongside business and government to build resilient and vibrant communities.

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## Foreword

Social Innovation and Social Finance represent new and emergent approaches that harness the creativity, compassion, and entrepreneurial spirit that thrives in social purpose organizations. These new approaches have immense potential to help solve the toughest and most persistent challenges our communities and society faces. Social purpose organizations are at the heart of this movement, and having access to resources is essential to their ability to innovate, scale solutions, and sustain their activities long-term.

Since the Social Innovation and Social Finance Strategy was developed by the Co-Creation Steering Group in 2018, the Government of Canada has been actively implementing many of the twelve mutually reinforcing recommendations. One important element in strengthening the social innovation and social finance ecosystem is the Investment Readiness Program (IRP). This federal program helps social purpose organizations build their capacity to participate in Canada's growing social finance market and prepare to take on investments to scale their solutions. Another ground-breaking, long-term social finance initiative by the Federal Government is the \$755 million Social Finance Fund (SFF), which was launched in May 2023 to advance the growth of the social finance market in Canada.

This Social Finance Research Report by Imagine Canada is very timely given the Federal Government's major focus on building a sustainable economy and its recent initiatives, such as IRP and SFF, to advance the growth of the social finance market in Canada. It provides invaluable insights on where we can continue to strengthen the social innovation and social finance ecosystem in Canada. In particular, the case studies cover a wide breadth and depth of social innovation initiatives for which social finance may apply, providing real-life portraits of the many diverse areas where social finance can help scale impact.

A handwritten signature in black ink that reads "Ryan Turnbull". The signature is written in a cursive, flowing style.

Ryan Turnbull  
Member of Parliament for Whitby  
Chair, Social Innovation Caucus, House of Commons

# EXECUTIVE SUMMARY

This report presents the findings of research aimed at advancing social innovation and social finance in Canada. The study focused on understanding the enablers and barriers of social finance, as well as exploring why social purpose organizations (SPOs) engage in social finance. The research also expanded the understanding of the social finance ecosystem and highlighted the importance of co-creation and collaboration within this system. Social finance in Canada is about helping people and the economy at home. It is also tied to Canada's promise to work on important global issues, like the UN's Sustainable Development Goals. It shows how local efforts can align with global goals.

The research followed a robust methodology, including data collection through individual analysis of 22 case studies, cross-case analysis, participant validation, and an expert group survey. Knowledge mobilization and engagement activities, such as one-page fact sheets, webinars, blog posts, workshops, a podcast, and generous honoraria, were employed to foster collaboration, trust, and giving back.

## Key Findings and Insights:

- 1. Motivations for Engaging in Social Finance.** Social purpose organizations engage in social finance primarily to diversify funding sources, access capital, and overcome challenges with traditional financing. The focus on social impact and sustainability drives organizations to seek tailored financial solutions and build collaborative partnerships. Tailored financial solutions are particularly crucial for communities that face challenges in accessing financial products that align with their values.
- 2. Enablers and Barriers of Social Finance.** The study identified several enablers and barriers of social finance for social purpose organizations. Enablers include a clearly defined social or environmental mission, visionary governance, impact measurement, and access to social finance products. Barriers include limited financial track record, high transaction costs, and lack of accessible social finance products. Understanding and addressing these barriers are crucial for promoting inclusive and sustainable social finance practices.
- 3. Hybrid Organizations Can Increase Organizational Resilience.** Hybrid organizations, which integrate for-profit and nonprofit activities, have become a common approach to addressing intricate social, environmental, or legal challenges. By combining social and financial objectives, organizations generate sustainable solutions that drive positive impact while ensuring financial viability. Some nonprofit and charitable organizations choose to create for-profit entities to overcome regulatory barriers, deploy funds efficiently, or reduce transaction costs. This approach demonstrates the need for flexibility within the social finance landscape and highlights the importance of adapting to the unique challenges faced by organizations.
- 4. Expanded Understanding of the Social Finance Ecosystem.** The study emphasizes the importance of expanding our understanding of the social finance ecosystem to include universities, foundations, pension funds, incubators, accelerators, economic development organizations, and global development organizations. Including these stakeholders in the ecosystem fosters diverse perspectives and promotes collaborative solutions.
- 5. Role of Consultants in Social Finance.** Consultants play a vital role in social finance by providing expertise, conducting market research, facilitating impact measurement, building partnerships, and supporting policy development. Their contributions enable organizations to navigate the complex social finance landscape effectively.
- 6. Social Finance is a Complex Adaptive System.** The social finance ecosystem operates as a complex adaptive system, characterized by growing interconnectedness and adaptation, feedback loops, and enabling factors. Navigating the social finance landscape successfully requires understanding and leveraging these dynamics.

# INTRODUCTION

## Context

Social purpose organizations (SPOs), including charities, nonprofits, social enterprises, cooperatives, and businesses with a social mission, play an important role in addressing socio-economic and environmental challenges in Canada. They tackle issues such as food insecurity, affordable housing, and transitioning to a low-carbon economy (Government of Canada, 2018). However, as they strive to make an impact, they grapple with the challenge of securing consistent funding. Traditional sources, like grants and donations, have become less reliable, and accessing conventional financing options can be daunting.

Against this backdrop, social finance is emerging as a viable solution for many SPOs. Social finance mobilizes private capital to generate both social and environmental impact, as well as financial returns. It offers SPOs an opportunity to diversify their revenue streams, secure assets, ensure a constant cash flow, and pave the way for innovative, self-sustaining income models. It can also provide affordable capital, foster community building, and align capital with values, ultimately furthering resilience, sustainability, and impact.

Canada's social finance ecosystem encompasses various initiatives like supporting nonprofits with mortgages, investing in businesses employing vulnerable groups, and funding cooperative ventures. However, it has historically, been characterized by disparate initiatives that operate in silos, lacking coordination and specific financial tools tailored to the unique needs of SPOs, especially charities and nonprofits. Acknowledging these gaps and recognizing the transformative potential of social finance and social innovation in addressing complex societal, economic, and environmental challenges, the Government of Canada introduced the Social Innovation and Social Finance (SI/SF) Strategy.

The strategy draws from twelve recommendations made by a co-creation steering group and emphasizes equity to support SPOs in reaching a diverse and underserved Canadian demographic (Government of Canada, 2018). It is also connected to the United Nations' 2030 Agenda and Sustainable Development Goals (SDGs)

and reflects global efforts to cultivate sustainable and inclusive economies. The importance of SPOs in driving social innovation and fulfilling SDG commitments is acknowledged, highlighting the pivotal role of the social economy in advancing such milestones.

The SI/SF Strategy has three foundational elements:

- 1. Investment Readiness Program (IRP).** The goal of the IRP is to strengthen the SI/SF ecosystem and support SPOs by providing non-repayable capital that will enable them to build skills and capacity to access social finance investment. It launched in 2019 with \$100 million invested to date.
- 2. Social Finance Fund (SFF).** The SFF is a commitment of \$755 million over 10 years to accelerate the growth of Canada's social finance market by providing conditionally repayable contributions to select fund managers (wholesalers) who then support social finance intermediaries investing in diverse SPOs. The first tranche of \$400 million over five years was announced in May 2023.
- 3. Social Innovation Advisory Council (SIAC).** Launched in February 2023 and comprising leaders and experts from the social purpose, social innovation, and social finance sectors, SIAC serves as an advisory group to the Government of Canada on policies and initiatives related to social innovation and social finance.

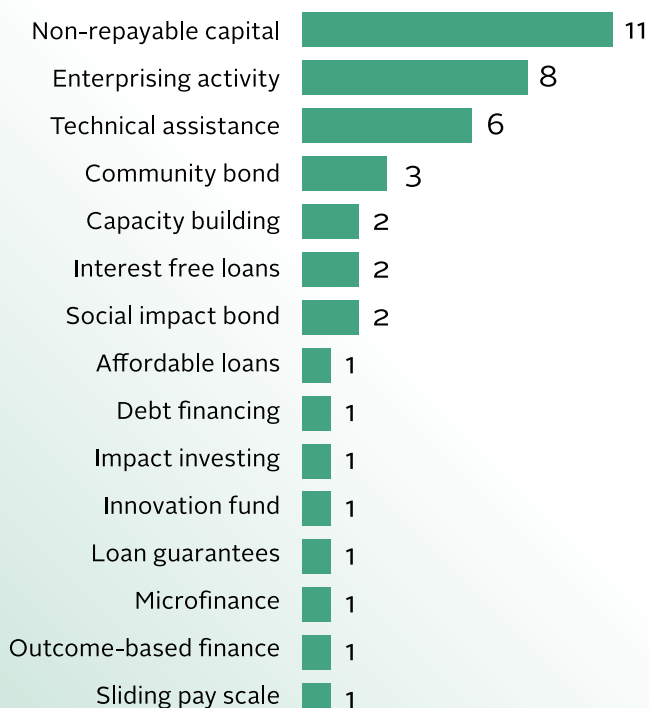
Funding from the Investment Readiness Program allowed Imagine Canada to conduct a survey of Canadian charities to learn about their readiness to engage in social finance. More than 1,000 charity leaders responded to the survey, which was completed in early 2020. Survey results indicated that the leaders of larger, more established charities were familiar with social finance and its potential benefits. However, 66% of charity leaders either had not heard of, or lacked clarity about, social finance. The survey also found that charity leaders had concerns about several key aspects of investment readiness, such as generating earned income, the ability to repay loans, and board approval for such financial avenues. For more information, see [Are Charities Ready for Social Finance?](#) (Jog, 2020).

## Participating Organizations

The research presented in this report builds on the survey by using a case study approach to explore the experiences of 22 SPOs from across the country that have engaged in social finance activities. Seven of the organizations we studied were IRP funding recipients; 15 were not. The selected SPOs were diverse on numerous dimensions.

- 1. Organizational Types.** Participating SPOs represented different types of social purpose entities, including charities, nonprofits, social enterprises, and cooperatives.
- 2. Social Finance Approaches.** Study participants engaged in various social finance approaches and mechanisms. The two most common approaches include utilizing non-repayable capital and engaging in enterprising activities. See Figure 1 for a full list of approaches used.
- 3. Organizational Needs.** Each organization had unique needs and objectives. For example, some organizations wanted to diversify or create more sustainable and consistent sources of revenue. Others wanted to scale their impact, align capital with their organizational mission, or provide much needed seed funding or guarantees.
- 4. Populations Served.** The participating organizations served many different populations and groups, including people with Indigenous, Black, and Muslim backgrounds, as well as people with disabilities and low-income people.
- 5. Subsectors.** Study participants included organizations that operated in religion, international development, energy, poverty reduction, agriculture, food sustainability, sports & recreation, and innovation & economic development subsectors.
- 6. Stages of Investment Readiness.** As shown in Figure 2, participating organizations varied in their position on the Investment Readiness Continuum. The continuum, developed by ESDC and partners, is a spectrum of stages SPOs may be in as they move towards investment readiness. It has five stages:
  - **Social Finance Awareness.** The organization is beginning to familiarize itself with the concept of social finance. They are evaluating its relevance and appropriateness for their proposed project, determining if it aligns with their goals and needs.
  - **Business Model/Plan Development.** The organization is developing a comprehensive business model or plan. This involves assessing the feasibility and viability of the project through market analysis, strategic planning, evaluating operations, designing a financial model, understanding legal implications, and conducting technical and risk assessments.
  - **Organizational Ability.** The organization is ensuring it has the appropriate foundational structures in place. This includes having the correct corporate and legal structure, establishing a strong governance framework, and assembling a team with the skills and expertise to deliver the project successfully.

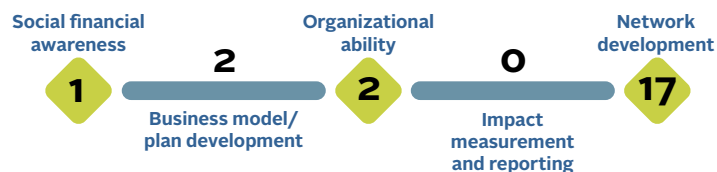
**Figure 1. Social finance approaches\* used by study participants**



\*See [Appendix 2](#) for definitions

- Impact Measurement and Reporting.** The organization is designing and implementing mechanisms to measure and report on their impact or the impact of a particular project. Given the nature of social finance, robust impact measurement and evaluation mechanisms are important. This stage involves determining the desired change, establishing impact metrics, setting up data collection processes, creating dashboards for analysis and decision-making, and establishing a reporting system.
- Network Development.** The organization is actively working on expanding and cultivating its investor network. This involves pinpointing potential investors, understanding their priorities and seeing how they align with the project's objectives, fostering personal relationships with these investors, gaining familiarity with investor-specific terminologies, and ensuring they can effectively pitch their business model in line with investor expectations.

Figure 2. Number of participating organizations in each investment readiness stage



**7. Varying Levels of Ecosystem Awareness.** While many participating SPOs were at the Network Development stage of the Investment Readiness Continuum, some organizations had more familiarity with the social finance ecosystem than others. For some, social finance was relatively new, and they approached it from a need to problem-solve without necessarily linking it to the broader field. For others, their experience and deeper understanding of the social finance landscape allowed them to integrate their initiatives strategically with overarching ecosystem goals and trends.





# FINDINGS

## 1. Motivations for Engaging in Social Finance

Organizations had many motivations for engaging with social finance. The most common were a desire to diversify their income streams to increase their impact and sustainability; challenges with traditional financing; the appeal of collaboration; and the need to overcome legal or regulatory barriers.

### **Diversification for Impact and Sustainability.**

Several participants highlighted the importance of diversifying income streams to ensure long-term financial stability and sustainability. Many social purpose organizations are finding that donations, grants, and restricted funds are increasingly unpredictable. They can also make it difficult to do long-term planning and scale innovations. In response, SPOs are exploring new approaches to funding their work, including investments, revenue-generating activities, and tailored financial solutions. SPOs that are engaging in social finance are striving to align their financial resources and assets with their core mission, amplify their social or environmental footprint, reduce grant reliance, and create resilient revenue channels.

### **Challenges with Traditional Financing.**

Many organizations expressed the need for capital to support their growth, operations, and impact. However, they found that traditional financing models did not meet their needs. This led them to seek out innovative options, access to affordable capital, and patient and flexible finance. The two most common challenges participants had with traditional financing were general access and access to solutions that met their needs and values.

- a. **Access.** Small businesses, social enterprises, charities, and nonprofits often face challenges in accessing traditional financing, such as loans and grants. Eligibility criteria, lengthy application processes, and project-based funding limit their options and hinder growth.

### **b. Tailored Financial Solutions.**

Various communities face challenges in accessing financial products that align with their needs and values, and participants highlighted the need for tailored financial solutions, supportive policies, and inclusive regulations to bridge these gaps and promote financial inclusion. By offering tailored financial solutions that respect and acknowledge different cultural and religious values, as well as the historical distrust in traditional financial solutions and institutions that exists in some communities, social finance can promote financial inclusion and ensure that everyone, regardless of background, has the tools and resources they need for economic prosperity.

### **Collaboration and Partnerships.**

For many SPOs, the allure of engaging in social finance stems from the immense value they place on collaboration and forging partnerships. By aligning with similar-minded entities, investors, and stakeholders, organizations can harness collective strength, share insights, and tap into a wealth of expertise. These collaborative networks not only serve as a supportive backbone but also open doors to opportunities that amplify their scale and deepen their impact. This interplay of mutual growth and shared mission-driven focus serves as a compelling motivator for organizations to delve into the realm of social finance.

### **Overcoming Legal and Regulatory Challenges.**

Many SPOs are driven to explore social finance due to legal or regulatory challenges they encounter. These challenges restrict their profit-making capabilities or constrain their operational flexibility. To thrive and achieve their objectives, it becomes imperative for these organizations to devise innovative strategies that align with Canada Revenue Agency rules and other regulations. A notable approach adopted by some, based on legal counsel, has been the establishment of for-profit entities within their current structures. This method allows SPOs to circumvent limitations while ensuring compliance.

## 2. Enablers and Barriers

From the interviews we conducted, it was obvious that social finance plays a pivotal role in leveraging capital for social and environmental outcomes. Its potential to scale and sustain impactful initiatives is undeniable. However, like any financial avenue, social finance is not without challenges, and many factors shape its adoption and utilization.

Enablers that facilitate the adoption, utilization, and success of social finance include having a clearly defined social or environmental mission and a robust scaling strategy. These are bolstered by visionary leadership, prudent financial management, and adherence to regulatory standards. An organization's ability to measure and report its impact stands out as a vital tool in establishing credibility. Finally, access to social finance products and engagement in collaborative networks enhance the reach and success of SPOs.

Barriers that limit the adoption, utilization, and success of social finance can be characterized as either internal or external. Internal challenges include limited financial management capacity and resources, high transaction costs, complexities related to measuring impact, and organizational culture, particularly risk aversion. External obstacles include legal constraints or perceptions of those. At the system level, the fragmented nature of the social finance ecosystem and the lack of availability of social finance products further complicate the terrain.

Understanding these enablers and barriers is crucial for any stakeholder navigating the social finance ecosystem, and it is imperative to address these challenges to grow the ecosystem and allow SPOs to tap into the benefits of social finance. The 22 case studies in this report offer insights into how SPOs leverage strengths and mitigate challenges with social finance.

*Figure 3. Enablers and barriers that facilitate, or limit, the adoption, utilization, and success of social finance*



### 3. Emergence of Hybrid Organizations

Five organizations that participated in this study (iDE Canada, Plan International Canada, Pillar Nonprofit Network, Innovate Calgary, and the United Church of Canada) established revenue-generating entities to overcome regulatory barriers, utilize funds, and minimize transaction costs. Aspiring to both social impact and financial resilience, these SPOs exemplify a worldwide trend towards hybridity.

Hybrid structures combine for-profit and nonprofit elements, integrating financial and social goals. Some hybrid entities originated as social enterprises, channeling profits back into their missions, while others launched for-profit arms within their larger nonprofit or charitable umbrella to harness legislative benefits or diminish risks, largely informed by legal counsel. These hybrid models were inspired by legal innovations like Community Interest Companies in Nova Scotia and Community Contribution Companies in British Columbia. They are also the result of a blending of sectoral lines, the rise of impact-centric entrepreneurship, and a demand from investors for both social/environmental and financial value.

The rise of hybrid organizations reflects a broader societal shift that is driven by increased socio-political consciousness, heightened competition for financial resources, technological advancements, and public concerns over issues like inequality and homelessness (Haigh, Walker, Bacq & Kickul, 2015). By fusing elements from the for-profit and nonprofit sectors, hybrid organizations are believed to be uniquely positioned to tackle complex social and environmental challenges.

Many SPOs have found social finance to be instrumental in achieving their combined goals of profit and societal impact. Traditional financing methods often fall short, either due to not aligning with these dual aims or because of the perceived risks that come with balancing both. Social finance, however, provides financial solutions tailored specifically to the needs of these hybrid organizations.



## 4. Role of Consultants

In the dynamic world of social finance, consultants appear to play a pivotal role as intermediaries and knowledge mobilizers. For many participants in our study, consultants acted as bridges, spanning gaps in expertise, understanding, connectivity, and information sharing within the social finance realm. As social finance grows and changes, consultants appear to play a crucial role in guiding organizations through unfamiliar terrain. Whether just starting out or well-versed in investment, SPOs frequently turn to consultants for assistance in various areas.

- 1. Expertise and Guidance.** Consultants provide guidance to SPOs on the intricacies of both traditional finance and social finance. They help them understand the landscape, identify opportunities, apply for opportunities, and navigate challenges. They also assist in developing strategies and frameworks for integrating social and financial goals effectively.
- 2. Market Research and Analysis.** Working with SPOs, consultants conduct market research and analysis to identify potential social finance opportunities. They examine market trends, assess the viability of social impact projects, and evaluate the financial risks and returns associated with various investments.
- 3. Impact Measurement and Evaluation.** Consultants help SPOs design and implement impact measurement frameworks and develop reporting systems. They enable organizations and investors to track, measure, and report the impact generated by their social finance activities. This is increasingly important as funding/financing becomes directly tied to impact measurement.
- 4. Partnership and Network Development.** Consultants help build partnerships and networks within the social finance ecosystem. By connecting SPOs and other stakeholders, consultants contribute to the growth and development of the social finance ecosystem, fostering innovation and creating synergies.

- 5. Capacity Building.** Consultants offer capacity-building support to SPOs venturing into social finance, which is often new territory for them. They deliver training and educational materials to enhance understanding and build the necessary skills at various levels.
- 6. Policy and Advocacy.** By engaging in policy discussions, research, and knowledge mobilization activities, consultants contribute to shaping the regulatory landscape.

It is important to note that despite the important role consultants play, some SPOs express concerns about depending too much on consultants. While consultants offer technical expertise, their advice does not always match an organization's specific needs or situation and they are sometimes perceived as distant from grassroots work. The extensive role of consultants in the social finance ecosystem also raises issues of access and equality. For instance, smaller organizations, working with limited budgets, might find hiring a consultant too expensive. Or they might not understand the value consultants offer or how to find the right ones. This can further disadvantage them in comparison to larger, better-resourced organizations. These concerns, while valid, are balanced by the immediate and tangible advantages consultants offer. Many organizations lack the in-house technical expertise or the means to sustain such expertise over the long, especially with project-based funding models. Therefore, consultants, with their diverse roles, have emerged as crucial enablers and knowledge sharers in the social finance ecosystem. Initiatives like subsidized consulting and community-driven platforms can contribute to democratizing access to this expertise, working towards a more inclusive social finance landscape.

## 5. Expanding Our Understanding of the Ecosystem

Throughout the research, it became clear that there is a need to expand our understanding of the social finance ecosystem to include a variety of actors that play vital roles in shaping, financing, and innovating within the broader social finance landscape. These include:

- Colleges and universities,
- Foundations,
- Pension funds,
- Incubators and accelerators,
- Economic development organizations, and
- Global development organizations/charities.

Universities, for example, produce research on social challenges, develop potential solutions for those challenges, and educate the next wave of social entrepreneurs and innovators. They also host incubators and entrepreneurship centres, which translate academic discoveries into actionable societal benefits and are the birthplace of many SPOs. Similarly, independent incubators and accelerators provide resources, mentorship, and networks to early-stage social enterprises and other SPOs.

Foundations and pension funds can channel significant capital towards socially beneficial projects. Foundations that have evolved beyond grant-making are actively exploring impact investing, with some transitioning their assets to a 100% impact portfolio. Pension funds' long-term investment outlook can align with the long horizon of many social impact projects. With their regional focus, economic development organizations have the potential to direct investments towards projects with tangible impacts on local communities. Their ties to governmental bodies can also be influential in shaping policies that are favourable for social finance. Lastly, the expansive reach of global development organizations and charities, along with their experience in innovative and blended finance, offer unparalleled insights into what interventions are effective and what challenges lie ahead for social finance.

Policymakers and practitioners alike need to take a holistic view of the social finance ecosystem so that the strategies they develop are comprehensive, collaborative, and impactful. Many actors are actively engaged in social finance, and their expertise can guide and inform investment and strategy decisions in the growing ecosystem.



## 6. A Complex Adaptive System

In the Canadian social finance ecosystem, diverse actors spanning public, private, and civil society realms come together to foster innovation and achieve meaningful impact. The ecosystem operates as a complex adaptive system (Holling, 2001; Baker and Widmaier, 2015), where various entities intricately connect, adapt, and evolve in pursuit of impactful societal transformations. This system has several defining features.

### 1. Growing Interconnectedness and Adaptation.

The landscape of the social finance ecosystem is evolving, and ties among actors within the system are increasing. While each participant has a distinct role and influence that ripples across the ecosystem, these roles also intersect and overlap, and some actors play multiple roles. On the demand side, SPOs and community groups seek support and resources. Although they sometimes operate in silos, their needs may either converge or diverge, painting a complex picture of varying requirements and aspirations. The supply side includes a wide variety of actors, such as impact investors, philanthropic foundations, financial institutions, and governmental bodies. Each of these actors advances social finance initiatives based on their distinct agendas and focus areas, which do not always align with the needs of the demand side. Bridging this gap are the intermediaries, which include organizations such as community loan funds, credit unions, Indigenous financial institutions, and chartered banks. Intermediaries not only connect demand to supply but also introduce financial innovations, guiding capacity-building, and mitigating risks. Specific initiatives such as the Social Finance Fund further amplify the role of intermediaries, pooling capital, leveraging private investments, and standardizing best practices. As this research also demonstrates, consultants also play a role in enhancing the flow of knowledge, expertise, and efficacy of resources in this growing ecosystem.

It is important to note the fluidity within the ecosystem, which allows many of these actors to transition between different roles, embodying the adaptive spirit that characterizes the landscape.

Other key actors, such as policymakers and higher education institutions, among others, contribute significantly to building networks, shaping conducive policies, cultivating capacities, encouraging the collaborative utilization of resources, and enhancing transparency through rigorous impact assessments.

The ecosystem is in continuous growth, bending, and reshaping in response to internal and external shifts. Actors do not evolve in isolation; they shape and are shaped by others in the system. As societal needs, market dynamics, and regulatory environments change, so do the strategies and operations of those within the system.

- 2. Feedback Loops.** These are the mechanisms that provide stakeholders with information on the efficacy of their actions. From impact measurement tools to stakeholder engagement avenues, these loops ensure that the system remains responsive and in continuous evolution.
- 3. Enabling Factors.** In the evolving landscape of the Canadian social finance ecosystem, elements like data, trust, glocalization, networks, communication, and learning serve as catalytic agents, fostering an environment of collaboration and innovation (see Figure 4). They aid in nurturing a culture of learning, coordination, and information dissemination, pivotal in steering the ecosystem towards a cohesive, shared vision and a more enabling regulatory environment.
- 4. Need for Continuous (Re)Learning, Inclusion, and Shifting of Power Dynamics.** Canada's social finance landscape is undergoing a transformative shift, emphasizing the importance of continuous (re)learning, inclusion, and the need to shift power dynamics. There is a clear drive to challenge entrenched practices, acknowledge the systemic inequalities that have historically been a part of our financial structures, and develop more equitable, accessible, and inclusive financial mechanisms. This ambition is not just to stimulate economic growth but to ensure that it aligns with social development.

The IRP Partners network exemplifies this shift. While each member organization preserves its unique identity and focus, there is a collaborative effort that mirrors the broader trends in the ecosystem. This dynamic collaboration among varied stakeholders signals a move from conventional norms.

There is also a pressing need to apply social finance judiciously, ensuring it truly benefits communities and the environment at large. Traditional financial and measurement metrics, although important, may not capture the complete societal impact, particularly in relation to historically marginalized communities. Thus, there is a need for tailored and adaptive solutions.

Mentorship, peer-learning, and collective knowledge also stand out as ways to foster meaningful change.

To navigate this evolving ecosystem, organizations need a clear vision, robust training frameworks, and strategic partnerships. Recognizing that different SPOs will have unique challenges further underscores the importance of an inclusive and responsive approach.

Advocating for equitable practices in social finance is not just about balancing economic and social interests. It is also about shifting power dynamics and granting more decision-making authority to historically marginalized communities and those on the demand side.

**Figure 4. The Social Finance Ecosystem**

A learning ecosystem – coordination, learning, and information sharing



# Case Studies

The following cases present 22 inspiring stories of Canadian SPOs using social finance approaches to advance their missions. Our aim in presenting these case studies is to showcase the potential of social finance to empower social purpose organizations that are addressing wicked problems and contributing to sustainable development goals.

Each case has been crafted using a design thinking approach to understand the journey of these organizations, their investment readiness stage, the role of social finance in helping them achieve their missions, and key lessons or best practices they were able to share.

Direct quotes from participants amplify the voices of those directly involved in the transformative process. By sharing the successes of these organizations, and the lessons they have learned, we hope to inspire other SPOs to explore and harness the potential of social finance.





# THE UNITED CHURCH OF CANADA

## Empowering churches: Unleashing capital for sustainable community transformation

### The Organization

The United Church of Canada is a progressive, protestant Christian denomination that is focused on deep spirituality, bold discipleship, and daring justice, with community locations and impact from coast to coast to coast.

### The Need

As society continues to shift, churches need to find new ways of engaging local community, building financial resources, and making the best use of their resources, including their buildings.

### The Solution

Non-repayable capital and training were utilized to establish a network that aims to increase curiosity and awareness of social finance, adaptive leadership, and change management skills. The overall goal was to restore community vitality by exploring avenues for increased financial sustainability, diversifying revenue sources, and leveraging church assets for community purposes.

### In Their Own Words

“Churches often store their assets, such as investment funds, in traditional Guaranteed Investment Certificates (GICs), but these GICs don’t generate substantial investment income; they mainly serve as secure storage for funds. While carrying slightly higher risk, impact investing and social finance can offer investment opportunities that deepen social and ecological good and build awareness.”

### Key lesson(s) or best practice(s) shared

- In the field of social finance or community investing, it is crucial to know your audience and begin the change management process earlier than anticipated.
- Providing foundational, simplified information, and avoiding jargon helps engage a wider audience and overcome any lack of basic knowledge.

### AT A GLANCE

#### Type of organization

Registered Canadian Charity

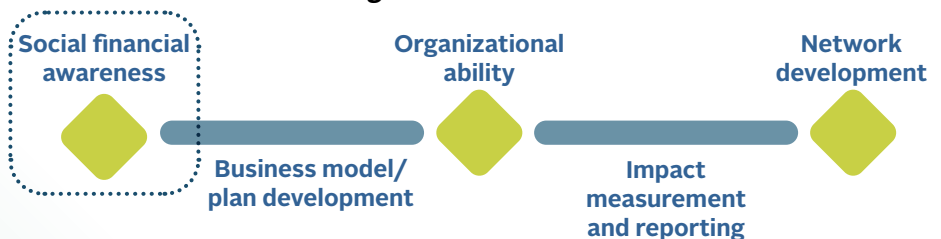
#### Social finance approach

Capacity-building and IRP non-repayable capital

#### Sustainable development goal(s)



#### Investment readiness stage



# BYJ TORONTO

## Unlocking organizational potential for impact

### The Organization

BYJ is a Toronto-based organization that aims to bridge equity gaps for African Canadian youth, families, and community groups by assisting with employment, education, and social supports.

### The Need

Moving beyond the founder stage and becoming sustainable require patient and flexible capital, expertise, and resources. However, lengthy grant applications, project-based funding, and a lack of sustainable funding create significant challenges.

### The Solution

Through networks and training programs, BYJ is building their capacity, refining their strategies, improving their operations, and exploring alternative funding models that provide stable and long-term sources of revenue.

### In Their Own Words

“I first came across the idea of social finance as a program recipient myself. The idea that different sources of funding can come together to improve the education, economic mobility, health, and housing for the undeserved and marginalized appealed to me. We now see ourselves as being able to take part to help our clients.”

### Key lesson(s) or best practice(s) shared

Even if organizations are not currently ready to pursue social finance, there are several benefits to engaging with this field: learning, networking, and becoming more aware of the resources available to support their social and environmental goals.

### AT A GLANCE

#### Type of organization

Nonprofit organization

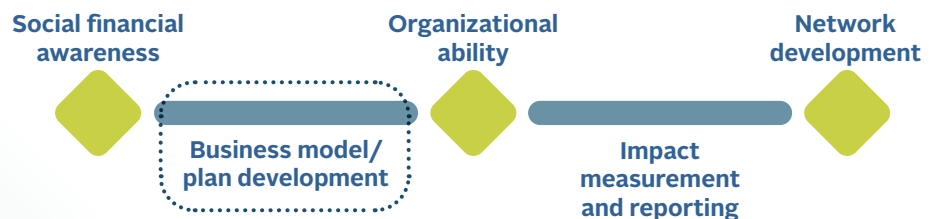
#### Social finance approach

Capacity-building through training

#### Sustainable development goal(s)



#### Investment readiness stage



# WESTERN ARCTIC YOUTH COLLECTIVE

## Building resilient communities through youth-led initiatives



### The Organization

WAYC was created in 2020 by Inuvialuit and Gwich'in youth, for youth with connections to the Beaufort Delta region of the Northwest Territories. It aims to empower youth to be change makers by providing a platform of youth-led collaborative initiatives and partnerships in their communities.



### The Need

Establishing a sustainable source of revenue that could provide a reliable income stream and reduce the dependence on grants was necessary to continue carrying out programs and services. Additionally, it was essential that this source of revenue not be affected by changes in government policies or donor preferences.



### The Solution

The proposed solution is to start a social enterprise in the Northwest Territories that provides a communal space for selling local goods, working, and gathering. This multi-use space would also address the lack of safe places for community members and cater to the needs of visitors to the region.



### In Their Own Words

“We can’t constantly rely on grants. It’s not sustainable. It’s a lot more work than it should be. Funding can also change so quickly with a change of government that doesn’t reflect or align with your objectives and values. And we also see an opportunity that is missing in the region.”

### Key lesson(s) or best practice(s) shared

Knowing your organization’s worth and valuing your time and contributions is critical for achieving success, particularly for Indigenous grassroots organizations advocating for their community’s needs and working towards a sustainable future.

### AT A GLANCE

#### Type of organization

Unincorporated organization

#### Social finance approach

Enterprising activity

#### Sustainable development goal(s)



#### Investment readiness stage

Social financial awareness

Organizational ability

Network development



# ABRAHAMIC FINANCE

## Increasing access and financial inclusion for Muslims in Canada and beyond



### The Organization

Founded in 2013, Abrahamiac Finance (AF) provides services focused on Islamic Finance aiming to increase access to alternative financial systems that are based on ethical, socially responsible, and faith-aligned underpinnings which are both viable and profitable.



### The Need

Muslims in Canada face challenges in accessing financial products that align with their religious values and principles. Developing tailored financial solutions, raising awareness, embracing digital advancements, and ensuring supportive policies and regulations will bridge the gap and promote financial inclusion.



### The Solution

Through partnerships and technical assistance, AF works to develop Sharia-compliant financial products, promoting education and awareness, fostering collaborations, supporting digital financial services, and providing policy and regulatory guidance.



### In Their Own Words

“At nearly \$4 Trillion, Islamic finance is clear proof that social, responsible, faith-centric, and profitable finance can exist. Canada can play an important role by making this industry flourish which not only will facilitate people of all walks of life but allow it to become a desired country for investment.”

### Key lesson(s) or best practice(s) shared

In this domain, it is essential for individuals to recognize that achieving initial momentum can be challenging. Therefore, it is advisable not to compare oneself to others' progress, but rather to evaluate personal growth from the previous year or benchmark. Introducing new concepts requires time, and the cumulative effect of consistent daily efforts will eventually lead to success. Stay persistent and keep pushing forward—you will ultimately reach your goals.

### AT A GLANCE

#### Type of organization

Corporation

#### Social finance approach

Technical assistance

#### Sustainable development goal(s)



#### Investment readiness stage

Social financial awareness



Business model/  
plan development

Organizational ability



Impact measurement  
and reporting

Network development



# KALAWIKK

## Prioritizing equity in every aspect, including the pay scale for consulting



### The Organization

Kalawikk, the Mi'Kmaq word for diamond, is a company that is passionate about harnessing the untapped potential of diversity to drive business success. Led by owner and founder, Tera McDonald, the range of services aims to help organizations build more inclusive and diverse workplaces.

### The Need

As a founder-led consultancy, there was a need to prioritize relationships over profits, align business practices with Indigenous values, and reduce barriers to accessing consulting services for those with limited financial resources.

### The Solution

A sliding pay scale is utilized to charge clients based on their ability to pay. This is a way to honour Indigenous values of reciprocity and community service, and to make services accessible to a wider range of clients, including those with limited financial resources.

### In Their Own Words

“I think that, especially with a sliding scale model, you are building inside of the communities you choose to serve, which means that everyone improves, no one gets left behind. It's values-aligned. It's how you show up and community.”

### Key lesson(s) or best practice(s) shared

There is a need to shift away from dominant business practices based on ownership and securing one's piece of the pie towards creating responsible and inclusive practices that prioritize serving the community, especially those impacted by systemic inequalities.

### AT A GLANCE

#### Type of organization

Sole proprietorship

#### Social finance approach

A sliding pay scale for enterprising activity

#### Sustainable development goal(s)



#### Investment readiness stage



# 10C

## A successful journey to purchasing 42 Carden Street



### The Organization

10C is a hub for community activators and change makers in Guelph, Ontario. Currently, 10C activates 25,000 s.f. of social purpose real estate. 10C uses place making, social enterprise, social finance, social innovation – and food – to create new ways to connect, collaborate and share resources.

### The Need

Project capital was needed to purchase and redevelop a property that would be utilized as a community co-working and event hub. Traditional funding streams were lengthy and complex, and an opportunity to align finances with the organizational vision of building sustainable relationships with like-minded organizations and individuals would be best fit.

### The Solution

A series of community bonds ranging from \$1,000 to \$150,000 CAD were developed, and 140 investors were reengaged to raise approximately \$2.3 million CAD. A successful outcome included the purchasing and re-development of 42 Carden Street and increased community engagement and partnerships.

### In Their Own Words

“The future is social. The practice of making investments intended to create social or environmental impact in addition to financial returns is fundamental to us and our work.”

### Key lesson(s) or best practice(s) shared

Board support, legitimacy of leadership, a willingness to learn and adapt, and community support were critical to the success of our community bond offering.

### AT A GLANCE

#### Type of organization

Not for Profit Social Enterprise

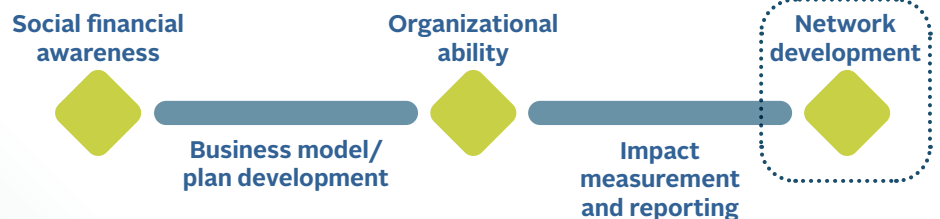
#### Social finance approach

Community bond

#### Sustainable development goal(s)



#### Investment readiness stage



# BC RENT BANK

## Fighting homelessness and predatory lending, one loan at a time



### The Organization

BC Rent Bank is a project of Vancity Community Foundation, funded by the Province of B.C. BC Rent Bank partners with community based social service agencies to deliver rent bank services throughout the province.

### The Need

A small amount of financial assistance can stabilize rental housing and prevent essential utility disconnection during unanticipated short-term financial challenges and unforeseen life events. However, many people in need are often unable to borrow from traditional institutions, leaving payday loans and debt traps the only option.

### The Solution

Rent banks offer interest-free loans, and at times non-repayable grants, to help low-to-moderate income renters who are struggling to pay rent and/or essential utilities (gas/hydro). The maximum financial assistance a rent bank can provide is \$3,500. Repayment terms are from six to 36 months. Terms of agreement are set by the rent banks themselves.

### In Their Own Words

“Rent banks have proven to be a valuable resource. Since 2019, nearly 3,500 households in B.C. have accessed financial assistance from a rent bank. In a 2021 rent bank survey, 94% of respondents had maintained or improved their housing situation, and 61% said they would have faced homelessness without assistance.”

### Key lesson(s) or best practice(s) shared

Adaptability and responsiveness to the needs of partners and service recipients has been key to evolving our practices and achieving our growth.

### AT A GLANCE

#### Type of organization

Nonprofit organization

#### Social finance approach

Microfinance - interest-free loans, with non-repayable grants available at select rent banks.

#### Sustainable development goal(s)



#### Investment readiness stage

Social financial awareness



Organizational ability



Network development



Business model/  
plan development

Impact  
measurement  
and reporting

# DUNIN-DESHPANDE QUEEN'S INNOVATION CENTRE

## Building change makers and catalysing potential



### The Organization

Founded in 2012, DDQIC aims to catalyse the potential for creative problem-solving, developing entrepreneurial mindsets, and fostering a culture of innovation across Queen's University, the Kingston community, and globally.

### The Need

Students and researchers need access to capital and a bridge between academia and industry to translate new and transformative ideas into real-world solutions.

### The Solution

DDQIC enables the successful implementation of innovative solutions by supporting students and researchers in entrepreneurship, commercialization, and investment. They achieve this through partnerships with private donors and government grants, offering resources like incubators, workshops, programs, non repayable capital, and pitch competitions.

### In Their Own Words

“The opportunity costs of doing social or environmental work when an organization is not very good or efficient at what they do is huge. For example, it could mean that for a million dollars, a million nets were handed out instead of two, which ultimately means that a million children got malaria when it could have been prevented.”

### Key lesson(s) or best practice(s) shared

Adopting business practices, including market discipline and entrepreneurship principles, can empower social purpose organizations(SPOs) to focus on creating a strong value proposition, demonstrating proof of concept, and competing effectively. This, in turn, can increase their impact and effectiveness.

## AT A GLANCE

### Type of organization

Nonprofit organization

### Social finance approach

Technical assistance and non repayable capital

### Sustainable development goal(s)



### Investment readiness stage

Social financial awareness



Organizational ability



Network development



Business model/  
plan development

Impact  
measurement  
and reporting



# FURNITURE BANK

Furnishing homes.  
Maximizing Impact.  
Building a national network.



## The Organization

Founded in 1998, Furniture Bank (FB) is a registered charity and social enterprise which redistributes gently-used furniture and housewares from donors in the community to families and individuals experiencing furniture poverty.

## The Need

It was essential to increase and diversify sources of revenue to sustain the charity's work and meet the various expenses associated with running its operations and providing its services. However, to scale impact in the GTA and across Canada required accessing affordable capital.

## The Solution

By creating a social enterprise, FB was able to generate revenue through the sale of services and then reinvesting back into their programs and services. Through IRP non-repayable capital, it was able to build capacity by developing the technological infrastructure and expertise to engage with investors effectively.

## In Their Own Words

“Our charity has achieved remarkable independence and financial stability through social finance, social enterprise, and social procurement. As a result, we have the authority to advocate for change on our own terms and work with other organizations having similar objectives, both in Toronto and across Canada. It is a matter of immense pride for us to state that we can now cover nearly 80% of our operating expenses through these efforts.”

### Key lesson(s) or best practice(s) shared

To unlock the potential of social finance initiatives and achieve positive social and financial outcomes, there is a need for a cultural shift at all levels of the organization towards a growth mindset that prioritizes positivity and possibility.

### AT A GLANCE

#### Type of organization

Registered Canadian Charity and Social Enterprise

#### Social finance approach

Social enterprise activity and IRP non-repayable capital

#### Sustainable development goal(s)



#### Investment readiness stage

Social financial awareness



Organizational ability



Network development



Business model/  
plan development

Impact  
measurement  
and reporting

# HIKE NOVA SCOTIA

## Unleashing the beauty of Nova Scotia's trails



### The Organization

Hike NS encourages and promotes hiking, walking and snowshoeing throughout Nova Scotia. It formed in 2007 as a registered not-for-profit society. It is governed by a board of directors with strong regional and special interest representation.

### The Need

Increasing revenue and reducing dependence on any one source was necessary to help weather any unforeseen changes or challenges, as well as to ensure organizational sustainability and achieving mission.

### The Solution

This organization created a diverse mix of funding sources, including provincial government funding, grants, membership sales, merchandise sales, registration fees for events, sponsorships from businesses, fundraising events such as online and silent auctions, and selling ads on their E-News and website.

### In Their Own Words

“We went through an intentional process to work with a social finance consulting group, and they walked us through the process and kind of helped open our minds to the options that are out there and then helped us come up with a bit of a plan.”

## Key lesson(s) or best practice(s) shared

By thinking like entrepreneurs and exploring different revenue-generating opportunities, SPOs can continue to do good work while reducing their dependence on a single source of funding. A consultant can provide guidance, expertise, and a fresh perspective in this regard.

## AT A GLANCE

### Type of organization

Nonprofit organization

### Social finance approach

Enterprising activity

### Sustainable development goal(s)



### Investment readiness stage

Social financial awareness

Organizational ability

Network development



# HORTI-CITÉ

## Transforming urban landscapes with sustainable solutions



### The Organization

Founded in 2019, Horti-Cité is an NPO with a mission to promote and develop sustainable and mobilizing agriculture in the Outaouais / the Gatineau region.

### The Need

As an organization, there was a need to explore multiple sources of income, including grants, customer revenues, partnerships, and investments, to ensure financial stability, scalability, and long-term sustainability. Diversification of income streams reduces dependency and provides the necessary resources for growth and innovation.

### The Solution

Non-repayable capital through IRP was utilized to drive innovation, provide community-led programming, consulting, mentorship, and access to key resources in order to launch and scale urban agriculture.

### In Their Own Words

“In 2019, when we transitioned to a non-profit organization, our primary sources of funding were grants and donations, which we utilized for targeted small-scale projects. However, as of 2023, we have achieved a significant shift in our financial structure. Approximately 52% of our income now comes from our own independent sources, generated through social enterprise activities. The remaining 48% of our funding still comes from subsidies provided by generous donors.”

### Key lesson(s) or best practice(s) shared

It is essential to have a well-defined budget for each project and pay attention to all the details. When it comes to reporting and delivering results, it is crucial to be diligent and thorough. The same level of vigilance should be applied to maintaining consistency between the information provided to the site and the donors.

### AT A GLANCE

#### Type of organization

Nonprofit Organization

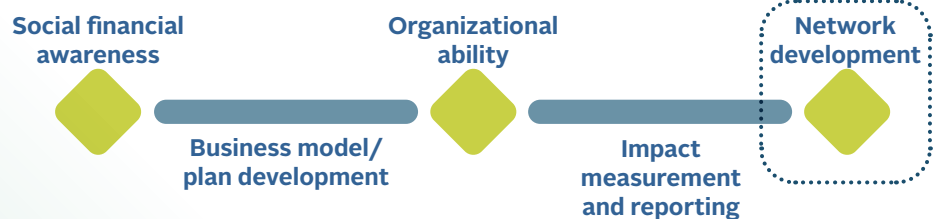
#### Social finance approach

IRP non-repayable capital and enterprising activity

#### Sustainable development goal(s)



#### Investment readiness stage



# IDE CANADA

## Increasing livelihoods and long-term resilience through entrepreneurship

### The Organization

iDE Canada is an international non profit organization that is dedicated to empowering entrepreneurs to end poverty. Using the Human Centered Design approach (HCD) and a market systems development (MSD) approach iDE builds innovative solutions that transform livelihoods and create sustainable impact. It focuses on Agriculture, WASH and Access to Finance.

### The Need

Entrepreneurs, especially women in emerging markets face numerous barriers to access affordable finance to invest in their businesses. Traditional forms of financing do not provide financial products designed to meet their needs or at a time when they need it the most.

### The Solution

iDE deploys social finance through strategic partnerships with tools such as revolving debt funds, the Paul Polak innovation fund, blended finance and social impact bonds. It creates strong economic, social and environmental impact while building sustainable businesses across the world.

### In Their Own Words

“Investing in rural entrepreneurs creates resilient individuals, businesses and communities to find their own solutions to end poverty.”

**Key lesson(s) or best practice(s) shared**  
Social finance can be a key enabler for non profit organizations to drive impact when it is combined with innovation and technical assistance.

## AT A GLANCE

**Type of organization**  
Registered Canadian Charity

**Social finance approach**  
Debt financing, innovation fund, and social impact bonds

**Sustainable development goal(s)**



### Investment readiness stage



# INNOVATE CALGARY

## Catalyzing the innovation ecosystem for social and economic impact

### The Organization

Innovate Calgary has been the innovation transfer and business incubator centre for the University of Calgary for over 30 years, fostering entrepreneurship and bringing new technological discoveries to the world.

### The Need

Pressing challenges are often too big for any single entity to solve, and there is a need to go beyond traditional technology transfer to act as a guide for students, faculty, and researchers to foster entrepreneurship and bring new technological discoveries to the world while creating economic and social impact.

### The Solution

The Social Innovation Hub brings together social entrepreneurs, innovators, and partners to redefine innovation, provide community-led programming, coaching, mentorship, and access to key resources such as capital, space, and networks, in order to launch and scale social innovation and impact.

### In Their Own Words

“There’s all these misconceptions, some stemming from just the name, not-for-profit, that they can’t actually bring any revenue in the door, which is obviously not true.”

### Key lesson(s) or best practice(s) shared

- The approach to social finance should be one of learning and openness, building relationships with partners and ventures instead of just transactional interactions.
- Successful social purpose organizations in this space have a mindset of questioning the status quo and a culture of innovation, often with personal connections to the problems they are working on.

### AT A GLANCE

#### Type of organization

Corporation

#### Social finance approach

Technical assistance and non repayable capital

#### Sustainable development goal(s)



#### Investment readiness stage

Social financial awareness

Organizational ability

Network development



# INSPIRIT FOUNDATION

## Fully committed to impact: Investing for a better world

### The Organization

Inspirit Foundation is a public foundation based in Toronto, Ontario, Canada, aiming to promote inclusion and pluralism through media and arts, support for young change makers, and impact investing—specifically addressing discrimination based on ethnicity, race, or religion.

### The Need

There was interest in aligning financial resources with mission, maximizing social impact, and leveraging additional capital to generate positive outcomes.

### The Solution

By leveraging their investment capital and committing to investing all of their assets in alignment with their mission, Inspirit Foundation aims to create systemic change and advance their goal of inclusion and pluralism.

### In Their Own Words

“It’s been a relatively solitary journey, but we are encouraged that there is growing interest, including from larger foundations, whose support hasn’t always materialized as desired.”

## Key lesson(s) or best practice(s) shared

To maximize the impact of social finance initiatives for social purpose organizations, it is crucial to prioritize deep skills, cultural competency, comfort with ambiguity, and the willingness to relinquish control.

## AT A GLANCE

### Type of organization

Registered Canadian Charity

### Social finance approach

Impact investments, grants, non-repayable capital, loan guarantees, & social impact bonds

### Sustainable development goal(s)



### Investment readiness stage

Social financial awareness

Organizational ability

Network development



# KINGSTON ECONOMIC DEVELOPMENT CORPORATION

Empowering growth.  
Building together.

## The Organization

The Kingston Economic Development Corporation is a not-for-profit agency established in 1998 to serve as the sales and marketing arm for the City of Kingston, focusing on attracting new foreign and domestic investment, supporting existing businesses and fostering start-ups and entrepreneurs.

## The Need

Smaller cities often face unique social and economic challenges including retaining young talent and relying on brick-and-mortar establishments as a key contributors to support the local economy and especially vibrant downtowns.

## The Solution

Participating in initiatives supported by different levels of government and private donors/sector to provide support, resources, and place-based funding as a way to retain talent, as well as help local brick and mortar businesses achieve their goals of attracting customers, growing their audience, and contributing to the overall health of the community.

### Key lesson(s) or best practice(s) shared

- Embrace innovation and avoid saying “no” to unconventional ideas, and instead brainstorm with partners and collaborators to overcome challenges and obstacles.
- Recognize the value of initiatives that have social or environmental benefits and consider the potential long-term impact, even if they may not align perfectly with immediate economic goals. Find creative ways to integrate them into overall strategies.

### In Their Own Words

“Access to funding and support programs designed to be directly impactful for small and medium enterprises and allow for flexibility to recognize varying business challenges helps empower sustainability and growth. Being able to adapt programs and services that respond to business and community needs supports response to the evolution of the economy.”

### AT A GLANCE

#### Type of organization

Nonprofit organization

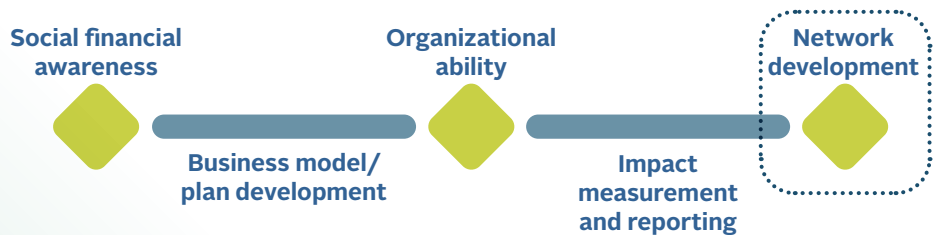
#### Social finance approach

Non-repayable capital and technical assistance

#### Sustainable development goal(s)



#### Investment readiness stage



# PILLAR NONPROFIT NETWORK

## Empowering local impact: Transforming philanthropy through place-based solutions



### The Organization

Pillar Nonprofit Network supports nonprofit organizations in fulfilling their missions in their community. They provide leadership, advocacy and support to the nonprofit sector through the promotion of volunteerism, professional development, networking, and information.

### The Need

The need identified is to develop financing options that promote local self-sufficiency for social enterprises in London and Southwestern Ontario. The goal is to engage local investors and provide access to capital for social enterprises, fostering community impact and economic development.

### The Solution

VERGE Capital was established to reimagine philanthropic opportunities, by acting as a social finance intermediary and promoting the growth of social enterprises and impact investors in Southwestern Ontario. They provide loans to early stage social enterprises and larger scale projects with a clear social impact and commitment to Southwestern Ontario. VERGE Capital will be launching its third fund this year to continue supporting social enterprises in the region.

### In Their Own Words

“One of the things that excites me is reimagining what individuals in the nonprofit and socially-focused sectors can achieve collectively. I’m especially interested in transforming finance and addressing the challenge of access to capital for underserved communities and BIPOC individuals. Being part of an ecosystem and a non profit initiative that actively works to reduce these barriers is something I look forward to.”

**Key lesson(s) or best practice(s) shared**  
Learning from and collaborating with experts and professionals in related fields can be instrumental in navigating and advancing the social finance landscape.

### AT A GLANCE

#### Type of organization

Registered Canadian Charity

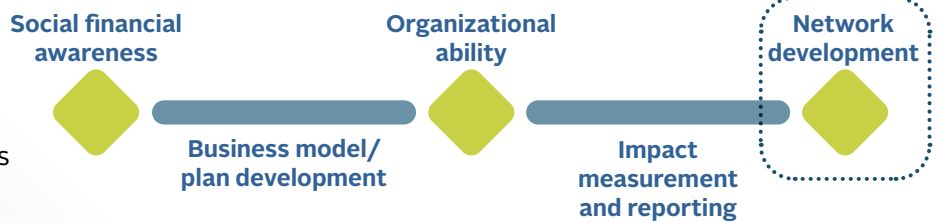
#### Social finance approach

Place-based affordable loans, IRP non-repayable capital, and community bonds

#### Sustainable development goal(s)



#### Investment readiness stage





# PLAN INTERNATIONAL CANADA

## Innovating finance for a better world



### The Organization

Plan International Canada is a member of a global organization that partners with youth, families, communities, local organizations, supporters, celebrated ambassadors, and governments to ensure that children, especially girls, are safe, healthy, educated and empowered.

### The Need

The organization has identified a demand from donors and corporate partners for additional support in a consulting format in regards to innovative finance. This approach is also in response to the legal challenges of operating within Canada's charitable structure which has limited their ability to generate profit and provide such support.

### The Solution

Introducing Plan Catalyst, a for-profit subsidiary dedicated to forging partnerships and revenue-generation models that drive impactful change. With a focus on innovative finance, Plan Catalyst offers enhanced flexibility to address the unique needs of donors and partners, providing expert support and guidance while creating sustainable impact.

### In Their Own Words

"Our focus is on catering to the needs of communities rather than solely prioritizing investor interests. This shift allows us to engage locally and make a meaningful difference. Our goal is to be innovative and expand our impact through exploring new financing possibilities."

### Key lesson(s) or best practice(s) shared

It is important to avoid imposing predetermined financial frameworks or ways of thinking on partners and instead foster an inclusive and collaborative approach. Embracing flexibility and adaptability is key, as it allows for constant evolution and adjustment based on the ongoing implementation process.

### AT A GLANCE

#### Type of organization

Registered Canadian Charity

#### Social finance approach

Technical assistance

#### Sustainable development goal(s)



### Investment readiness stage



# RAVEN INDIGENOUS IMPACT FOUNDATION

## Centering Indigenous knowledges, values, and world views to realize community-level change

### The Organization

The Raven Indigenous Impact Foundation (RIIF) is a registered charity established to research, develop, deploy, and evaluate outcomes finance tools in collaboration with Indigenous communities to address complex community-level issues.

### The Need

The current funding models and approaches have failed to produce lasting change or impact in Indigenous communities, which face pressing social and economic problems in Canada. Despite the billions of dollars spent by the state, better outcomes have not been achieved and innovation is sorely lacking.

### The Solution

Outcomes finance offers supportive funding tools to improve Indigenous lives through the utilization of Community-Driven Outcomes Contracts. These contracts link payments to measurable outcomes and engage outcomes purchasers, investors, and partners. They prioritize Indigenous communities and knowledge while advocating for a fresh approach to tackling social problems.

### In Their Own Words

“Private capital needs to play a role in driving the momentum of change at the community level. Outcomes finance represents a real market-building opportunity. Outcomes finance is also a new opportunity for public-private partnerships to start working at the community level.”

### Key lesson(s) or best practice(s) shared

Building a track record and financial expertise is crucial, along with maintaining a mission-oriented approach that is grounded in continuous learning, unlearning, and iteration.

### AT A GLANCE

#### Type of organization

Registered Canadian Charity

#### Social finance approach

Outcome-based finance and technical assistance

#### Sustainable development goal(s)



### Investment readiness stage

Social financial awareness

Organizational ability

Network development



# SOLSHARE ENERGY

## Powering communities with community-owned solar systems for a brighter and cleaner future



### The Organization

SolShare Energy is BC's first community-owned solar energy investment program. Its mission is to enable investors to share in ownership of a diverse portfolio of renewable energy installations that offer financial, social, and environmental returns.

### The Need

There was a need for a solution that allows individuals to invest in solar projects that are not on their property and gives them a return on investment. There was also a need to create investment opportunities for individuals who believe in the benefits of renewable energy, but do not have a lot of capital.

### The Solution

SolShare partners with property owners who want solar power plants on their property but lack the capital and expertise for the projects. SolShare's community of investors fund the projects. They collectively own the power plants, and SolShare is responsible for installation and maintenance of the systems. Investors earn annual dividends from revenue generated by selling power to the property partners, generating a positive impact on the environment and community. IRP capital was utilized for capacity building to attract more investors.

### In Their Own Words

"With the rise in bank interest rates, we need to target high return projects to compete for investors."

## Key lesson(s) or best practice(s) shared

Social purpose organizations need to understand financing options, and which are a fit. Because they are innovative, community investment models face challenges of potential partners and investors resisting what they do not understand.

## AT A GLANCE

### Type of organization

Social Enterprise

### Social finance approach

Social enterprise activity and IRP non-repayable capital

### Sustainable development goal(s)



### Investment readiness stage

Social financial awareness



Organizational ability



Network development



Business model/  
plan development

Impact  
measurement  
and reporting

# THE FARMERS' TRUCK

## Increasing fresh food access in under served communities



### The Organization

The Farmers' Truck was created in 2015 to serve food deserts in greater Moncton, New Brunswick. They now share what they've learned starting by designing the ultimate mobile market truck - a first of its kind in North-America.



### The Need

Capital was needed to invest in development and marketing, keep up with demand, and hire the necessary staff. Because the organization is a social enterprise, it did not meet eligibility criteria for grants or other funds available to nonprofits. Accessing traditional loans was a challenge as well.



### The Solution

Through the Investment Readiness Program, non-repayable capital was utilized for development-driven activities. Impact investment opportunities are now sought. To date, 25 trucks have been sold in communities across the continent.



### In Their Own Words

"Social enterprise is understood a lot more in the United States than it is in Canada... More can be done in terms of education, eliminating barriers, and funneling opportunities for finance to open up doors."

## Key lesson(s) or best practice(s) shared

Communication plays a crucial role in applying for impact investment opportunities for social enterprises. It can help you convey your mission and impact, build trust and credibility, and highlight your unique selling proposition.

## AT A GLANCE

### Type of organization

Social Enterprise

### Social finance approach

Social enterprise activity and IRP non-repayable capital

### Sustainable development goal(s)



### Investment readiness stage

Social financial awareness



Business model/  
plan development

Organizational ability



Impact measurement and reporting

Network development



# THE RAW CARROT

## Soup with purpose, empowering abilities



### The Organization

The Raw Carrot is a social franchise that believes that every person who WANTS to work should have the opportunity for a Hand Up (instead of just a handout) in life!

### The Need

There was a need to refine the business model, seek expert advice, ensure legal compliance, and access opportunities for capital to support the social purpose organization's growth and sustainability.

### The Solution

The IRP non-repayable capital served the purpose of examining and refining the organization's model. The IRP aimed to prepare the organization for social finance and potentially larger social investments. Since then, the organization has further explored this area and obtained a significant zero-interest loan.

### In Their Own Words

“Since 2014, The Raw Carrot has created permanent part-time employment for 32 individuals on the Ontario Disability Support Program at 4 Raw Carrot locations and increased their monthly income by 15% - 25% on top of their disability stipend. Almost \$200,000 of healthy gourmet soup is sold per year. Staff report an increase in dignity, purpose and social connections as a result of participation in meaningful work.”

### Key lesson(s) or best practice(s) shared

It is important to find social finance tools that align with one's capabilities and take logical progressions rather than making abrupt and challenging choices. Explore different options, assess their compatibility with one's organization, and consider existing expertise and skills.

### AT A GLANCE

#### Type of organization

Nonprofit Organization

#### Social finance approach

Zero-interest loan, IRP non-repayable capital, and enterprising activity

#### Sustainable development goal(s)



#### Investment readiness stage

Social financial awareness

Organizational ability

Network development



# TRINITY CENTRES FOUNDATION

## The \$2.5 million community bond campaign

### The Organization

Founded in 2018, Trinity Centres Foundation is a pan-Canadian charitable organization that was created with the vision of preserving, restoring, and re-purposing underutilized churches into community hubs and affordable housing.

### The Need

As an organization that works in capital development projects with the kinds of organizations that have large barriers accessing financing from traditional financial institutions, a need for creating a pool of funds to allow potential clients to access financing became evident.

### The Solution

Structuring and managing a 2.5-million-dollar community bond from public and private foundations was seen as the best way to create access and unlock pre-development financing that will allow further financing for various project.

### In Their Own Words

“The advantage of a community bond is that you get to structure it based on your needs, balanced with what the investors are willing to bear. You get a little more flexibility in terms of how you structure that tool when compared to a loan.”

### Key lesson(s) or best practice(s) shared

Engaging with the social finance community of practice, as well as sharing information and experiences is essential to building understanding and insight in this developing field.

### AT A GLANCE

#### Type of organization

Registered Canadian Charity

#### Social finance approach

Community bond

#### Sustainable development goal(s)



#### Investment readiness stage

Social financial awareness



Business model/  
plan development

Organizational ability



Impact measurement and reporting

Network development



# CONCLUSION

**This research provides valuable insights into the social finance ecosystem in Canada and its potential to address pressing societal challenges while promoting financial sustainability for social purpose organizations. If social finance is to fulfill its potential, it is crucial that all actors in the ecosystem understand why social purpose organizations engage in social finance, and the factors that help and hinder them in their efforts to use social finance tools. This was the major focus of this research.**

We found that social purpose organizations pursue social finance primarily because they want to diversify their funding sources to improve their financial sustainability, and because traditional financing models do not meet their needs. Factors that help organizations successfully utilize social finance include having a clearly defined social or environmental mission, a scaling strategy or business model, visionary and entrepreneurial leadership and governance, sound financial management knowledge and practices, and an ability to measure impact. Co-creation and collaboration also emerged as vital drivers of successful social finance initiatives, as did having access to suitable social finance products. Barriers to success include having a limited financial track record, high transaction costs, difficulty measuring impact, legal and regulatory constraints, and a perception of and aversion to risk.

The research also uncovered some major trends in the social finance ecosystem. The creation of hybrid organizations and social enterprises exemplifies the adaptability and resilience of social purpose organizations but also highlights the challenges

many social purpose organizations experience in trying to fulfill their missions while working within an outdated legal and regulatory regime. The crucial role that consultants play as knowledge brokers and mobilizers underscores the importance of expertise, intermediation, and guidance in the social finance landscape while, at the same time, revealing the challenges many social purpose organizations face in these areas. An expanded and more nuanced understanding of the social finance ecosystem and how it is evolving would help drive positive change.

Social finance, as evidenced in the cases presented in this report, has the potential to empower social purpose organizations, increase their preparedness and sustainability, and promote a more sustainable and equitable future for Canadians. With a commitment to ongoing collaboration, capacity building, and inclusivity, stakeholders can create a resilient and impactful social finance marketplace. By combining the expertise of social purpose organizations with the power of private capital, we can help create a more sustainable and inclusive future.

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# APPENDIX 1

## Methodology

This research used a case study approach. Case studies allow researchers to develop a comprehensive understanding of complex issues within specific contexts. We chose the case study approach so that we could examine real-life situations and use them to develop insights into the complexities and nuances of social finance implementation. By analyzing multiple cases, we were able to identify common themes, challenges, and success factors that other research methods may not uncover.

Study participants were identified using a purposive sampling strategy. Interviewees included directors and executive directors, founders, board members, managers, and consultants from 22 social purpose organizations (SPOs). All interviews were conducted via video conference, which allowed us to include organizations from across Canada in this research. Interviews lasted between 60 and 90 minutes. Each participant was offered a \$500 honorarium.

The interview questions were designed to explore the experiences of SPOs in implementing social finance tools. The questions covered the following areas:

### 1. Demographic Information and Background.

Participants were asked to introduce themselves and provide some background on their position, including their tenure with the organization and their previous work experience. This information was used to contextualize their experiences.

**2. Understanding of Implementation.** Participants were asked about their utilization of IRP's non-repayable capital or other social finance tools, the financial structure and rationale for selecting/participating in these tools, the decision-making process, key outcomes, and barriers faced.

**3. Networks.** Participants were asked to describe any interactions or collaborations with other nonprofits, charities, social enterprises, or actors related to social finance adoption.

**4. Change Design and Feedback.** Participants were asked to share best practices and lessons learned to assist other SPOs interested in adopting similar social finance tools.

After completing the interviews, we prepared one-page summaries of each case. We then shared these summaries with participants and asked them for their feedback. By using a participatory research approach and treating research participants as experts and knowledge holders, we ensured that the findings accurately reflected their experiences and insights and that the overall presentation of the case study aligned with their organization's brand image and/or values.

Following data validation, we completed cross-case analysis, comparing the data from all cases. This allowed us to identify common patterns, themes, and insights, leading to more comprehensive conclusions about the social finance ecosystem in Canada. Then, to add to the perspectives of the case study participants representing the demand side, we took a step to broaden our perspective recognizing the importance of a holistic view. We engaged other key actors in the social finance ecosystem, specifically those from the intermediaries and supply side by circulating a short survey that was anchored on the findings from the cross-case analysis. The survey questions revolved around the identified enablers, barriers, and investment readiness needs. Among roughly 40 impact investors and consultants invited, about 15 shared their insights, thus enriching our research by adding depth and breadth from diverse vantage points.

Involving these stakeholders provided a broader perspective on the impact of social finance tools and the nature of its implementation in social purpose organizations. The survey data was analyzed, and the themes identified during the cross-case analysis were further developed and refined. This iterative process with earlier findings deepened our understanding of the topic.

# APPENDIX 2

## Terminology

The list below is a curated compilation derived from our thorough literature review in the social finance sector. It aims to facilitate understanding by clarifying key terms and concepts. Recognizing the breadth and diversity of interpretations in this field, our goal is to present the terminology and definitions in a way that is accessible and informative, fostering greater comprehension and inclusivity.

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Accelerators (also known as incubators)	<p>Programs, platforms or entities that support entrepreneurs and early-stage organizations as they navigate the challenges of their start-up stages. Their goal is to facilitate growth to become financially and operationally self-sustaining. To achieve this, they typically provide access to funding, networking opportunities, mentorship, business expertise, technical support, and access to facilities. Accelerators can be established and managed by a variety of stakeholders, including private businesses, academic institutions, development institutions, non-profits, government agencies, and private individuals.</p> <p>Dreyer, B., Putter, M., &amp; Scotch, S. (2015). <i>Investment vehicle innovations</i>. Graduate School of Business, University of Cape Town and SAID Business School, University of Oxford. <a href="https://www.sbs.ox.ac.uk/sites/default/files/2019-01/impact-innovative-vehicles.pdf">https://www.sbs.ox.ac.uk/sites/default/files/2019-01/impact-innovative-vehicles.pdf</a></p>
Affordable loan	<p>Loans readily accessible to individuals with average earnings. Designed to help those facing challenges in securing standard credit from institutions like banks, these credit solutions often feature reduced interest rates, extended repayment periods, and smaller loan values. Additionally, they come with more adaptable criteria, facilitating eligibility for those with lower credit scores.</p> <p>GeeksforGeeks. (n.d.). <i>Why cheap and affordable credit is important for the development of the country</i>. <a href="https://www.geeksforgeeks.org/why-cheap-and-affordable-credit-important-for-the-development-of-the-country/">https://www.geeksforgeeks.org/why-cheap-and-affordable-credit-important-for-the-development-of-the-country/</a></p>
Capacity building	<p>The structured support provided by investors to enhance the performance, strategy, and impact of investees. It can be applied either before or after an investment and can be offered directly by the investor or via third parties. This tool, which encompasses a spectrum of non-financial aids such as human resources development, impact targeting, measurement, and reporting, as well as specialized support, aims to bolster the investability and operational capacity of organizations. When effectively utilized, capacity building enhances the competitiveness of investors, boosts the business performance of investees, amplifies impact for beneficiaries, and fortifies markets and sectors. It is also known as technical assistance, portfolio engagement, non-financial support, and value-additive support.</p> <p>Pineiro, A., &amp; Bass, R. (2017). <i>Beyond investment: The power of capacity-building support</i>. Global Impact Investing Network. <a href="https://thegiin.org/assets/GIIN_issuebrief_capacitybuilding_finalwebfile_101217.pdf">https://thegiin.org/assets/GIIN_issuebrief_capacitybuilding_finalwebfile_101217.pdf</a></p>
Catalytic capital	<p>A unique form of investment characterized by its patience, risk-tolerance, flexibility, and concessionary nature. It is specifically designed to aid impact-focused enterprises and organizations that struggle to secure capital under favorable terms in the traditional marketplace. The goal of such capital is not just to generate a financial return but to stimulate significant social and environmental impact, draw in additional investments, and drive community development, broadening opportunities and economic growth. By fostering innovations that prioritize the welfare of people and the planet, catalytic capital also sets the stage for mainstream investors to contribute to transformative investments.</p> <p>MacArthur Foundation. (n.d.). <i>Catalytic Capital Consortium</i>. <a href="https://www.macfound.org/programs/catalytic-capital-consortium/">https://www.macfound.org/programs/catalytic-capital-consortium/</a></p>

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# APPENDIX 2 *(Continued)*

## Terminology

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Community bond	<p>“A social finance tool that can be used by charities, non-profits and co-operatives to finance socially and environmentally impactful projects. Similar in many ways to a traditional bond, they are an interest bearing loan from an investor, which has a set rate of return and a fixed term.”</p> <p>Tapestry Community Capital. (n.d.). <i>Community bonds</i>, para. 1. <a href="https://tapestrycapital.ca/community-bonds/">https://tapestrycapital.ca/community-bonds/</a></p>
Crowdfunding platforms	<p>“Mechanisms for collecting small amounts from many financial sources and supporters to finance nonprofit-related activities, social enterprises, as well as for-profit enterprises. They are often internet-based platforms for the most part.”</p> <p>Andrikopoulos, A. (2022). <i>The essentials of social finance</i> (A. Triantafillou, Trans.). New York: Routledge, p. 34.</p>
Debt financing	<p>“The act of raising capital by borrowing money from a lender or a bank, to be repaid at a future date. In return for a loan, creditors are then owed interest on the money borrowed. Lenders typically require monthly payments, on both short- and long-term schedules. Debt financing also includes peer-to-peer lending, lines of credit and government-subsidized loans.”</p> <p>Lightspeed. (2023, March 23). <i>Advantages and disadvantages of debt financing</i>, para. 1 &amp; 2. <a href="https://www.lightspeedhq.com/blog/advantages-of-debt-financing/">https://www.lightspeedhq.com/blog/advantages-of-debt-financing/</a></p>
Enterprising/ enterprise activity	<p>Any entrepreneurial initiative or venture—from selling products such as cookies and agricultural items to more extensive operations like running cafés or marketing software—that seeks to generate financial returns while also creating positive social or environmental impacts. These activities employ market-based strategies and innovative models to address societal challenges, foster financial sustainability, and enhance capacity to meet community needs. In Canada, charitable and nonprofit activities considered ‘business’ are subject to a complex set of rules and regulations under the federal Income Tax Act and the Charities Directorate of the Canada Revenue Agency.</p> <p>Manwaring, S., &amp; Kairys, K. (2021). Regulating business activity. In S. D. Phillips and B. Wyatt (Eds.), <i>Intersections and innovations: Change for Canada’s voluntary and nonprofit sector</i>. Edmonton: Muttart Foundation. <a href="https://era.library.ualberta.ca/items/22cdae0a-2b50-457c-8cdf-2da90604e087/view/68eebf8a-93bc-45e5-863a-42ff8ec479c0/Intersections-and-Innovations-Change-for-Canadas-Voluntary-and-Nonprofit-Sector.pdf">https://era.library.ualberta.ca/items/22cdae0a-2b50-457c-8cdf-2da90604e087/view/68eebf8a-93bc-45e5-863a-42ff8ec479c0/Intersections-and-Innovations-Change-for-Canadas-Voluntary-and-Nonprofit-Sector.pdf</a></p>
Impact investing	<p>“Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on investors’ strategic goals.” The impact investment market provides capital in sectors such as sustainable agriculture, renewable energy, conservation, microfinance, and affordable and accessible basic services including housing, healthcare, and education.</p> <p>Global Impact Investing Network. (n.d.). <i>What is impact investing?</i> para 1. <a href="https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing">https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing</a></p>
Innovation fund	<p>“Public funds that are explicitly focused on innovation, combining grants, loans, and equity.”</p> <p>While many innovation funds are focused on technology, they are increasingly engaging in social issues.</p> <p>Mulgan, G. (2015). Social finance: Does ‘investment’ add value? In Nicholls, A., Paton, R., &amp; Emerson, J. (Eds.), <i>Social finance</i> (pp. 45–64). Oxford: Oxford University Press., p. 54.</p>

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# APPENDIX 2 *(Continued)*

## Terminology

Interest-free loan	<p>A financial arrangement where only the principal balance is required to be repaid, on the condition that the borrower adheres to a strict deadline for full repayment. Failure to meet this deadline can result in penalties, including the potential loss of the zero-interest benefit and the application of retroactive interest to the loan. These loans are commonly offered by third-party lenders and are also referred to as zero-interest loans.</p> <p>DePersio, G. (2023, May 11). <i>Zero-interest loans: Why you should beware</i>. Investopedia. <a href="https://www.investopedia.com/articles/personal-finance/081216/zero-interest-loans-why-you-should-beware.asp">https://www.investopedia.com/articles/personal-finance/081216/zero-interest-loans-why-you-should-beware.asp</a></p>
Intermediaries	<p>“Actors who work to connect the demand with supply in the social finance landscape, including financial intermediaries such as community loan funds, credit unions, Indigenous financial institutions, and chartered banks. Intermediaries can also refer to organizations working to broker partnerships outside the social finance space, in areas such as social procurement or knowledge and skill development.”</p> <p>Government of Canada. (2019). <i>Investment and Readiness Stream of the Social Finance Fund: Conversation guide for engagement</i>, p. 17. <a href="https://www.canada.ca/content/dam/esdc-edsc/documents/programs/social-innovation-social-finance/consultation-investment-readiness-stream/discussion-guide/Invest_and_Readiness_Stream_of_SFF-EN.pdf">https://www.canada.ca/content/dam/esdc-edsc/documents/programs/social-innovation-social-finance/consultation-investment-readiness-stream/discussion-guide/Invest_and_Readiness_Stream_of_SFF-EN.pdf</a></p>
Islamic finance	<p>Sharia (Islamic law) compliant banking, lending, and saving practices that focus on achieving common good. It bans practices that are viewed as exploitative, such as financial speculation, interest, and contractual ambiguity. It is also known as shariah-compliant finance and economics.</p> <p>Islamic Relief Worldwide. (n.d.). <i>Islamic social finance</i>. <a href="https://islamic-relief.org/islamic-social-finance/">https://islamic-relief.org/islamic-social-finance/</a></p>
Loan guarantee	<p>A legally binding agreement in which a third party, known as the guarantor, signs on behalf of a borrower. This agreement ensures that if the borrower were to default on the loan in a way that cannot be resolved, the guarantor becomes responsible for covering the lender’s losses up to the credit exposure amount. The guarantor may or may not have a direct connection to the borrower, but they are willing to assume the financial responsibility in case of default.</p> <p>Peterdy, K. (n.d.). <i>Guarantee</i>. Corporate Finance Institute. <a href="https://corporatefinanceinstitute.com/resources/commercial-lending/guarantee/">https://corporatefinanceinstitute.com/resources/commercial-lending/guarantee/</a></p>
Microfinance	<p>“Funding individuals and organizations that do not have access to the conventional banking system, because they either do not possess property or have very low income.”</p> <p>Andrikopoulos, A. (2022). <i>The essentials of social finance</i> (A. Triantafyllou, Trans.). New York: Routledge, p. 59.</p>
Non-repayable capital	<p>Capital given to social purpose organizations or other social or environmental initiatives without the expectation of repayment. Through IRP, non-repayable capital was utilized to support eligible organizations as they design, plan, measure, and scale their operations, priming them to participate in the Canada’s growing social finance market and accept investments. Source: Author.</p>
Outcome-based finance  (also known as “pay for performance” and “results-based financing”)	<p>“Financing mechanisms where a funder makes payments conditional on achievement of pre-agreed outcomes. The full payment is only received if the agreed upon outcomes— i.e. measurable and independently verifiable social or environmental impacts — are achieved. Under this system, private finance is first deployed to achieve the desired outcomes, and only after pre-agreed impacts (outcomes) have been verified, is concessional money made available by the outcome “buyer,” often a foundation, development finance institution or government.”</p> <p>World Bank Group. (2017). <i>Can outcome-based financing catalyze early stage equity investments in green small and growing businesses?</i> p. 3. <a href="https://documents1.worldbank.org/curated/zh/946281530131480373/pdf/Can-Outcome-Based-Financing-Catalyze-Early-Stage-Equity-Investments-in-Green-Small-and-Growing-Businesses-in-SA.pdf">https://documents1.worldbank.org/curated/zh/946281530131480373/pdf/Can-Outcome-Based-Financing-Catalyze-Early-Stage-Equity-Investments-in-Green-Small-and-Growing-Businesses-in-SA.pdf</a></p>

# APPENDIX 2 *(Continued)*

## Terminology

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Revolving debt fund	“A self-replenishing pool of money, utilizing interest and principal payments on old loans to issue new ones.”  USAID Center for Innovation and Impact. (2019). <i>Greater than the sum of its parts: Blended finance roadmap for global health</i> , p. 25. <a href="https://www.childhealthtaskforce.org/sites/default/files/2019-08/Blended%20Finance%20Roadmap%20for%20Global%20Health%20%28USAID%29_PSE%20Subgroup%20Meeting_08.27.2019.pdf">https://www.childhealthtaskforce.org/sites/default/files/2019-08/Blended%20Finance%20Roadmap%20for%20Global%20Health%20%28USAID%29_PSE%20Subgroup%20Meeting_08.27.2019.pdf</a>
Sliding pay scale	A sliding pay scale is a pricing approach that adjusts costs based on criteria like an individual's income, promoting fairness by making services more affordable for those with lower incomes. It ensures that pricing is proportional to one's ability to pay and is often used in healthcare and social services. Social purpose organizations may adopt sliding pay scales to support those in need, boost their reputation, and receive tax benefits. They make up revenue shortfalls resulting from the below-market price services through grant funding or donations.  Banton, C. (2023, February 26). <i>Sliding scale fees: Meaning, criticisms, and examples</i> . Investopedia. <a href="https://www.investopedia.com/terms/s/sliding-scale.asp">https://www.investopedia.com/terms/s/sliding-scale.asp</a>
Social impact bond	“An innovative financing mechanism in which governments or commissioners enter into agreements with social service providers, such as social enterprises or non-profit organisations, and investors to pay for the delivery of pre-defined social outcomes. More precisely, a bond-issuing organisation raises funds from private-sector investors, charities or foundations. These funds are distributed to service providers to cover their operating costs. If the measurable outcomes agreed upfront are achieved, the government or the commissioner proceeds with payments to the bond-issuing organisation or the investors. In reality, the term “bond” is more of a misnomer. In financial terms, SIBs are not real bonds but rather future contracts on social outcomes.”  Galitopoulou, S., & Noya, A. (2016). <i>Understanding social impact bonds</i> . OECD. Working Paper, p. 4 <a href="https://www.oecd.org/cfe/leed/UnderstandingSIBsLux-WorkingPaper.pdf">https://www.oecd.org/cfe/leed/UnderstandingSIBsLux-WorkingPaper.pdf</a>
Technical assistance	The process of providing targeted support to an organization facing a development need or problem, typically delivered over an extended period, with the aim of enhancing the organization's capacity. It is also commonly referred to as consulting.  Centers for Disease Control and Prevention. (2018). <i>Professional development offerings: Technical assistance</i> . <a href="https://www.cdc.gov/healthyschools/professional_development/e-learning/pd101/section_02.html">https://www.cdc.gov/healthyschools/professional_development/e-learning/pd101/section_02.html</a>
Venture philanthropy	“Venture philanthropy is a new, more integrated approach to philanthropy that takes its name from the conventional business concept of venture capital and integrates social returns with economic gains. Venture philanthropy seeks to use all the resources of the philanthropic organization and align those with its mission, this includes its endowment assets as well as its granting arm. Because endowment assets are invested, venture philanthropists look for both positive social impacts and financial returns to the foundation.”  Hebb, T. (2012). <i>The utilization of social finance instruments by the not-for-profit sector</i> . Ottawa: Carleton Centre for Community Innovation. p. 9. <a href="https://carleton.ca/3ci/wp-content/uploads/3ci-Utilizing-Social-Finance-Report-August-16-Final1.pdf">https://carleton.ca/3ci/wp-content/uploads/3ci-Utilizing-Social-Finance-Report-August-16-Final1.pdf</a>

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