



News Release

For Immediate Release

Minister Duclos and Minister Mihychuk launch a call for nominations for a Steering Group to co-create a Social Innovation and Social Finance Strategy for Canada

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Ottawa, Ontario

Employment and Social Development Canada

Today, the Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development, and the Honourable MaryAnn Mihychuk, Minister of Employment, Workforce Development and Labour, announced a call for nominations to seek membership on a Steering Group that will embark on a collaborative initiative to co-develop a Social Innovation and Social Finance Strategy with Government.

Through consultations and engagement activities, the Steering Group will seek perspectives of industry, sector and community leaders to co-create a Social Innovation and Social Finance Strategy. Previous findings from government consultations and engagement activities related to social innovation and social finance will help the Steering Group identify policy solutions for the Strategy.

The Government of Canada, recognizing that new approaches are required to tackle social issues, invites leaders, practitioners and experts from multiple fields, including the community, philanthropic, financial and research sectors to [apply to become a member of the new Steering Group](#).

The application period will be open from October 25 to November 21, 2016 (23:59 PT). The members of the Steering Group will be announced in winter 2017.

Quote

“This new steering group—which will be composed of leaders, practitioners and experts from multiple fields—is a critical step towards finding innovative solutions for our society’s most difficult problems. We truly do intend to develop the Strategy with, and not for, our community of stakeholders who will be our partners. This embodies one of the principles of social innovation, that of partnership. Social innovation and social finance will help government to achieve social outcomes in a smarter and more efficient manner, while also improving capacity of social sector to achieve their objectives.”

– The Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development

“As part of our commitment to strengthen the middle class and help those working hard to join it, our government is bringing a new spirit of innovation to social policy, because we recognize that traditional approaches alone are no longer sufficient to solve complex social issues. This means forging new paths to job creation, looking to social enterprise for leadership, and establishing this Steering Group to leverage a broad range of ideas and know-how from people on the leading edge of social innovation; this is how we’re going to make a real difference for people in our country.”

– The Honourable MaryAnn Mihychuk, Minister of Employment, Workforce Development and Labour

Quick Facts

- Social finance is a tool that seeks to mobilize private capital for public good. It is a new way of implementing more effective solutions to complex social challenges that leverages the resources of all members of a community.
- In the United Kingdom, government support for social finance over the past five years has helped generate over £600 million in social investment, launch 32 social impact bonds and grow the domestic social enterprise sector, which now employs 2.3 million individuals.



- In the United States, the Social Innovation Fund, which was created in 2009, has so far resulted in the evaluation of 26 strategies in fields such as youth development and healthy living. Eighty-five percent of these strategies were found to have had a positive impact on targeted outcomes.
- The Government of Canada's planned Social Innovation and Social Finance Steering Group will consist of government officials who will be consulting with external stakeholders to co-create the Social Innovation and Social Finance Strategy.
- The co-creation of the Social Innovation and Social Finance Strategy may take up to 18 months.

Associated Links

[Apply to become a member of the Social Innovation and Social Finance Steering Group](#)

[Global Social Economy Forum](#)

Contacts

Media Relations Office
Employment and Social Development Canada
819-994-5559
media@hrsdc-rhdcc.gc.ca

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Backgrounder

On September 7, 2016, Minister Duclos announced the creation of a new Steering Group to jumpstart social innovation on a national scale at the [Global Social Economy Forum \(GSEF\)](#). GSEF is an international association that brings together local governments and stakeholders committed to supporting the development of the social and solidarity economy.

Today, Minister Duclos and Minister Mihychuk announced a call for nominations to apply to the Steering Group.

Social innovation and social finance at a glance

Social innovation can improve people's quality of life through testing creative ideas, collaborating with new partners and measuring their impact. By innovating socially, community organizations can find new solutions to longstanding problems and share them with others across the country and around the world.

Social finance investments:

- involve repayable capital working to produce both a financial return and a measurable social impact;
- can be made by many different types of investors, including charitable foundations, high net-worth individuals, retail investors, credit unions, chartered banks, governments and institutional investors such as pension funds;
- can be made into a variety of organizations seeking to achieve social impact, including registered charities, non-profit organizations, co-operatives and socially responsible businesses;
- can be made using a variety of financial instruments, including secured and unsecured loans, community bonds, quasi-equity and equity investments and social impact bonds; and

- can help improve the sustainability of non-profit organizations and charities, which have seen their traditional sources of funding stagnate or decline in recent years. Though it does not replace traditional government funding, social finance can help attract new sources of financial resources to address social issues.

Both social innovation and social finance can help stimulate inclusive economic growth. Many social finance investments flow to social enterprises that create jobs and develop the human capital of groups that are under-represented in the labour market.

Examples of social innovation

- The Government of Canada is one of many funders that support Pathways to Education Canada, a community-based charitable organization founded in 2001, dedicated to helping youth in low-income communities graduate from high school and successfully transition into post-secondary education. Pathways works closely with community-based partners and volunteers to deliver an innovative after-school program that offers secondary students a comprehensive suite of academic, social and financial supports, which include tutoring, one-on-one and group mentoring and direct financial supports (e.g. bus tickets, lunch vouchers). In established Pathways sites, high-school drop-out rates have decreased by as much as 70 percent. In 2007, Pathways was established as a national organization to support the successful replication of the model across the country and, as of September 2016, Pathways operates sites in 18 communities across six provinces, with two new sites anticipated to open next year.
- Tyze is a secure web-based tool that provides a network of support for people in need of care, including seniors, persons with disabilities, and those experiencing chronic illness. It offers a private online space for people, including family members, friends, neighbours and professional caregivers, to communicate and work together to care for an individual. Seventy-eight percent of its users have reported that Tyze makes it easier for them to ask for support, manage their care, share information and communicate with each other. Tyze is powered by Saint Elizabeth Health Care, a Canadian national not-for-profit health care organization, and is now in use in Canada, the United Kingdom and the United States.

Examples of social finance

- The Saint John Community Loan Fund helps individuals earn income and attain greater self-reliance through the provision of loans, including social enterprise business loans, as well as different training supports, such as programs for women to start their own businesses. Investors in the Fund can invest as little as \$250 and can choose the financial return of their investment, up to a rate of three percent annually. Since its creation in 1999, the Fund has provided 251 loans, which have contributed to returning 150 people to employment and launching 111 businesses.
- The Social Enterprise Fund provides financial support in the form of loans to organizations across the province of Alberta seeking to launch or grow a social enterprise. The Social Enterprise Fund was established in 2008 through a unique collaboration between the Edmonton Community Foundation and the City of Edmonton, with other contributors including the United Way, the Alberta Real Estate Foundation, and several private contributors. Since 2008, the Fund has invested in many successful social enterprises, including the Centre for Race and Culture, Verto Labour Services and Redemptive Redevelopment.
- The Community Forward Fund is a non-profit organization that makes loans to, or arranges financing for, non-profits and charities. The Community Forward Fund had raised \$9.8 million in investment as of May 2014, with plans to raise significantly more capital in future years. In 2012, the Fund invested in the Ottawa Community Immigrant Services Organization's Nonprofit Housing Corporation in order to secure a piece of land and build 74 units of affordable housing for immigrants and refugees.
- In 2015, the Caisse de l'économie solidaire Desjardins made a loan of \$5.9 million toward the construction of a new 115,000-foot warehouse by Renaissance, a social enterprise which operates 11 thrift stores in the Greater Montreal Area. Renaissance's social mission is to facilitate the workforce integration of people experiencing barriers to labour market participation. It offers a 26-week paid job

training program, which combines theoretical training, practical work experience and personal counselling. Over 20 years of operation, Renaissance has helped some 3,380 individuals reintegrate into the labour market.

Previous consultations and engagement activities

Since 2010, practitioners and experts in the fields of social innovation and social finance in Canada have been actively organizing themselves to make recommendations to governments on key public policy issues. The Canadian Task Force on Social Finance published [a first report](#) in 2010, followed by [a progress report](#) in 2011. Canadian stakeholders also participated in the [G7-based Social Impact Investment Taskforce](#) over 2013 and 2014, and formed a National Advisory Board to this Taskforce, which published [a report](#) on priorities for Canada in 2014.

The Government of Canada has also contributed to consultation processes related to social finance in recent years by launching a [National Call for Concepts for Social Finance](#) in 2013 and by participating in the recent studies on social finance undertaken by the [Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities](#) and the [Standing Committee on Public Safety and National Security](#). There have not been comparable consultation processes that have focused on social innovation.

Scope of the Social Innovation and Social Finance Steering Group

The Steering Group will be responsible for defining the scope of policy issues it proposes to address through a draft Strategy. The draft Strategy may propose that the Government consider the following issues, which have been raised during the policy discussions led by stakeholders on social innovation and social finance in recent years:

- the skills and capacity of community organizations and governments to pursue social innovation and social finance, including their capacity to measure social outcomes and impact;
- federal laws, regulations and policies that have an impact on the ability of community organizations to participate in social innovation and social finance initiatives; and
- the availability of capital to fund, replicate and scale up social innovation and social finance projects.