

<b>Section</b>	
<p>Executive Summary - maximum 500 words</p>	<p><b>Executive Summary</b></p> <p>The Carleton Centre for Community Innovation is a proven knowledge mobilizer for community development in Canada. The objective of this project is to disseminate information on social finance tools and instruments that will address the knowledge needs of the sector and assist in adapting their activities to include diversified streams of finance available through social enterprises and social purpose businesses. Our second target audience is interested funding bodies and financial institutions who need access proven tools and instruments in order to invest in the community not-for-profit sector.</p> <p>We are partnering with five organizations that have a strong local presence, and are simultaneously key players in national networks. Our partners represent both potential funders of social finance, financial institutions, municipal government, agencies, and not-for-profit organizations all of whom have expressed interest in pursuing tools and instruments in social finance both for their own use and to disseminate to larger audiences.</p> <p>Using both qualitative and quantitative approaches, we will first test and disseminate social finance tools and instruments adapted to the Canadian context in our local environment. Our first target audience will be in the City of Ottawa. We will develop several key products including fact sheets and two handbooks (one for funders and financial institutions looking to invest in social enterprises and one for the community not-for profit sector). The handbooks will provide detailed information on how to use social finance tools. We will provide a catalogue of social finance tools available. Our partners have already indicated that they would like to take up these tools and disseminate them further in the community.</p> <p>We will then move on to national dissemination of knowledge. We will make the tools and instruments and the handbooks available through the internet. We will work with our partners to reach a number of national networks interested in further development of social finance. We will make a number of presentations that will encourage use of the tools and instruments via the internet with our target audiences. We will utilize Carleton University to disseminate knowledge through academic networks, course modules and academic journal articles.</p> <p>Our intended result is to have funders, financial intuitions, agencies and, community not-for-profit organizations take up and use these new social finance tools in order to diversify streams of revenue for the sector. In order to do this all groups must have access to easily understood material that provides concrete resources for implementation of these ideas.</p>

	<p>Our impact on the sector will be to bring forward new knowledge and a deeper understanding of social finance tools and instruments. The dissemination of this information on new sources of revenue will assist the sector achieve long-term sustainable growth and development through diversified streams of revenue.</p> <p>Our impact on individual Canadians is to provide dissemination of new innovation that will help the community not-for-profit sector adapt and thrive thus ensuring the sustainability of this vital sector of our economy in the future.</p>
	<p><b>Qualifications of Carleton Centre for Community Innovation (3CI)</b></p> <p>The Carleton Centre for Community Innovation is a proven knowledge mobilizer with considerable expertise in this area. Within the community-not-for profit sector there is a high degree of trust in the work of 3CI. This reputation has been built from our CEDTAP program where we have been leaders in community economic development technical assistance for ten years. We have a key role both to incubate new tools and instruments drawing on university research capacities and to disseminate community innovation research and development broadly. Dr. Tessa Hebb (Director) has a lengthy track record of expertise in this field. This project proposal is part of the long-term objectives of the Carleton Centre for Community Innovation and will be a catalyst for future knowledge generation and dissemination to the sector.</p>
<p>For Innovation Projects Only</p>	<p><b>Innovation Activity</b></p> <p>We intend to disseminate with our partners, new tools and instruments for social finance. These tools and instruments enable community not-for-profits to access diversified finance streams necessary for their growth and sustainability. Not-for-profits have already described their need to be “effective and efficient” in using and accessing new sources of financing their mission and goals (Annex A). Such tools and instruments must also be available for funders (and other financing sources) interested in investing in the community-not-for-profit sector. These tools and instruments will assist both groups in adapting to a changing funding environment.</p> <p>Such new practices include the development and investment in social economy enterprises to generate additional streams of revenue for the community-not-for-profit. Increasingly both funders and not-for-profits want to explore the possibilities of financing social economy enterprises.</p>

	<p>Once these groups are ready to explore this avenue they need access to detailed information on how to implement these ideas. Several innovative tools have been developed in other jurisdictions such as the US and UK, but this information needs to be available in the Canadian context. While we are currently seeing network building on issues related to social finance, yet there remains a limited amount of resources that detail for both funders, investors, and organizations on how they should proceed.</p> <p>This proposal falls under the category of Money detailed in Annex A, and specifically addresses three key points raised by the sector:</p> <p style="padding-left: 40px;"><b>“External Factors:</b> ... lack of funding ... are rated by stakeholders as three of the biggest barriers to innovation.</p> <p style="padding-left: 40px;"><b>Fundraising:</b> and excellent source of revenue and ripe for innovative approaches ....</p> <p style="padding-left: 40px;"><b>Fee for Service:</b> Enterprising activities to generate income by harnessing core skills, contracting services and consulting.” (Annex A)</p>
<p>Project Objectives (maximum 500 words)</p>	<p><b>Objective</b></p> <p>The project proposal will address Component 2 of the Call for Proposals: dissemination of innovation. The objective of this project is to disseminate information on tools and instruments for the not-for-profit sector as well as funders, and other financing sources. These tools and instruments will assist both groups in adapting to a changing funding environment.</p> <p>Initially we will pilot the dissemination of social finance tools and instruments in the Ottawa area with our community partners. Based on the results of our Ottawa area pilot, we will reach out to a national audience in our dissemination of tools and instruments in social finance. We will utilize the network of our key partners including, other United Way organizations across Canada, the Community Foundations of Canada network, other city government and municipal bodies, other community loan funds and their network the Canada Community Investment Network Co-operative, and other credit unions and their provincial and national umbrella organizations.</p> <p>Social finance tools range from grants and below-market investments, to market-rate investments. For funders and investors these tools will enable investment in social enterprise either as below-market program related investments (PRIs) or as market-rate investments for foundations and other large institutional investors such as pension funds. In the past these foundations interested in this approach have expressed frustration that this</p>

	<p>type of investment is “often too small, too difficult to replicate and requires too much due diligence on the part of the investor in areas of which they have limited expertise.”</p> <p>The not-for-profit sector itself need small scale approaches to meet needs of their target groups, while investors need scale and replicable investment opportunities. Social finance tools link these two scales of need. They also enhance transparency and accountability for the organizations and provide measurements of social-return on investments as well as standard financial accounting.</p> <p>Community not-for-profit organizations are increasingly interested in developing social enterprises that generate revenue through goods and fee-for-service. Seeking these innovative approaches to financing requires outside expertise and accessible tools in order to implement this approach to financing.</p> <p>Social finance can also include promotion of social marketing opportunities that are of mutual benefit to both the community not-for-profit sector and the businesses with which they partner. Mission-related philanthropy is a further social finance tool that provides innovative sources of revenue to the community not-for-profit sector.</p> <p>Our project provides access university-based research for the sector and its funders. We also draw from a number of international sources in gathering effective tools and instruments for social finance, that can be shared through our dissemination network with the sector and its funders and potential revenue sources.</p> <p>This project directly links to the objectives of the call for proposals. It will disseminate innovative social finance tools and instruments that will enable the community not-for-profit sector to be more effective and efficient in accessing new revenue streams for their organizations.</p>
<p>Added Value and Impact (maximum 300 words)</p>	<p><b>Added Value and Impact</b></p> <p>Our impact on the sector will be to bring forward new knowledge and a deeper understanding of social finance tools and instruments. The dissemination of this information on new sources of revenue will assist the sector achieve long-term sustainable growth and development through diversified streams of revenue.</p> <p>Additionally dissemination of tools and instruments in social finance will have an impact on the funders and financial intuitions who seek scalable, replicable models in order to invest in social enterprises and social</p>

	<p>purpose businesses.</p> <p>As a by-product we anticipate that individual donors would find these new social finance approaches to be of interest and has the possibility of bringing new sources of funding and investment to the sector.</p> <p>This project will increase capacity in the sector by providing knowledge and skills in social finance that will help diversify financing streams for the community-not-for-profit sector. This benefits not only the sector, but also the whole community and all levels of government. These new tools and new approaches are needed in order to respond to new demands. The old approaches were based on old community economic development models.</p>
<p>Approach or Methodology (maximum 300 words)</p>	<p><b>Methodology</b></p> <p>Our approach will utilize both qualitative and quantitative methods.</p> <p>We will conduct a Literature Review of existing social finance tools and instruments in Canada and internationally.</p> <p>We will prepare an inventory of tools.</p> <p>We will segment our market into agencies, donors, financial institutions, and community not-for-profit organizations and will develop our material accordingly.</p> <p>We will do key informant interviews to help identify what elements are most relevant to the Ottawa context.</p> <p>We will assist in a mapping exercise sometimes known as a neighbourhood drill down. This exercise will build on data available from our partners. A 'neighbourhood drill down' is an effective tool in developing social enterprises in specific geographic locations. We will work with our steering committee to determine a test site. It will describe the how, what and where of implementing and investing in social enterprises in a given community. The sample mapping exercise will be a template (available on the web site) for others to follow when undertaking social finance investing or developing social enterprises in their communities.</p> <p>Pilot tools and instruments with our partners.</p> <p>Use round tables to focus group test the tools and effectiveness in our pilot city environment.</p>



Beneficiaries  
(maximum 300  
words)

## **Beneficiaries**

### **Immediate beneficiaries:**

Those funders, financial institutions and community not-for-profit organizations and agencies who wish to pursue a concrete plan to implement a social enterprise or social purpose business in their communities. These beneficiaries include our partners in this proposal and their local and national networks.

The broad community of interest in social finance. While there are a number of initiatives underway to develop capacity and networks in social finance, once the enthusiasm is generated there are few resources that help either funders and financial institutions to actualize a social finance investment in their communities nor for the community not-for-profit sector to develop their social enterprises or social purpose businesses. With excitement and interest growing in this area it is important to disseminate concrete easy to use resources; otherwise we will lose this opportunity for concrete results.

### **Long term:**

These tools and instruments will assist both community not-for-profit organizations and funders in adapting to a changing funding environment. Such a change critical as it is anticipated that in addition to available grants and contributions, financing streams will need to be diversified in the community-not-for-profit sector in the future.

Long- term it is anticipated that with scalable and replicable tools and instruments that social finance will attract new investors into community not-for-profit sector. This is a benefit for investors and for the sector itself, as well as for all levels of government.

Finally, Canadian communities will benefit from a vibrant and sustainable community not-for- profit sector with diversified financing streams that ensure future viability.

Part B

Intended Results (maximum 300 words)	Objectives	Key Intended Results	Potential Performance Indicators
	#1 Develop tools adapting to local context	Test and refine social finance tools and instruments for local context	<p>Inventory completed</p> <p>Engagement of partners and other interested parties.</p> <p>Partners test tools and provide feedback</p>
	#2 Dissemination locally	Increased knowledge and skills in social finance locally – with both potential finance sources and community not-for profit sector	<p>Handbooks developed</p> <p>Minimum of five presentations – one to each local partner.</p> <p>Seminar on social finance tools and instruments to be held at Carleton University.</p> <p>Survey of partner’s use of inventory of tools and use of handbooks.</p>
	#3 Dissemination nationally	<p>Increased knowledge And skills in social finance across Canada – with both potential finance sources and community not-for profit sector.</p> <p>Increased use of social finance as a stream of revenue for community not-for-profit sector.</p>	<p>Handbook distributed</p> <p>Web site developed with tools and instruments available: templates tools database</p> <p>Electronic networks notified of web site tools and resources</p> <p>National presentations with partners’ networks and other social finance venues.</p>

	<p><b>Long Term Impact</b></p> <p>The Carleton Centre for Community Innovation is developing itself as a national incubator for tools and instruments in social finance. As a university research centre we are able to bring forward superior academic research and disseminate knowledge to Canadian communities in ways that promote long-term growth and development. We are a knowledge mobilizer and are able to draw on ten years of providing technical assistance to Canada’s communities. We anticipate that over the long-term our work will be supported by foundations, corporations, governments, granting councils, development agencies and Carleton University.</p>
<p>Risks and Challenges (maximum 300 words)</p>	<p><b>Risks to Intended Results</b></p> <p>The greatest risks to achieving our intended results would be a lack of interest with the broader community. Social finance is a new and evolving financial innovation. It requires a change of thinking by both the funder and financial community, government, and the community not-for-profit sector itself. Some within the sector fear that it is a means to replace grants for their organization and are not used to thinking about financial instruments beyond traditional grants and contributions. Some resent a shift toward ‘market-based’ financial tools in this sector.</p> <p>A second risk would be if these groups find social finance is too complex. They may have had a previous experience that was not successful. They may think it too difficult to carry out, and too time consuming. It may challenge the way things have always been done in the past.</p> <p>Finally, there is the risk that from both the financing side and the community not-for-profit sector there is not substantial follow through or take up of these social finance tools and instruments. After initial interest our intended audience may find it difficult to innovate in the face of multiple competing demands on time and resources.</p> <p><b>Overcoming Challenges</b></p> <p>We will capitalize on increasing interest in social finance as a means to diversify financing within the sector with the support of our partner organizations and their reach into the community. We will build on the momentum and provide knowledge that will back up organizations’ enthusiasm to embrace these new concepts. A similar approach has already proved successful in social finance both the US and the UK. We will capitalize on these international models, and place them in a Canadian</p>

	<p>context.</p> <p>We will present at conferences on social finance utilizing internet technology and our handbooks to demonstrate the tools available.</p>
<p>Work Plan (maximum 500 words)</p>	<p><b>Work Plan</b></p> <p>See Appendix I for detailed work plan.</p> <p>Time allocations for each team member for each item in the work plan are detailed in the results-based reporting found in Appendix V.</p> <p>Representatives of the partner organizations have agreed to participate on a Steering Committee which will provide advice and feedback to the research team. In addition the partner organizations will play a key role in the dissemination activities.</p>
<p>Knowledge Dissemination Plan (maximum 300 words)</p>	<p><b>Knowledge Dissemination Plan</b></p> <p>Objective 1: Increase awareness of social financing tools. Timeline: throughout project. Lead: Dr. Tessa Hebb</p> <p>Objective 2 Develop and disseminate easy- to -use social finance tools and instruments within the funders and investor community and the community not-for-profit sector in Ottawa. Timeline: April 08 to August 08. Lead: Arlene Wortsman.</p> <p>Objective 3: Develop and disseminate easy- to -use social finance tools and instruments within the funders and investor community and the community not-for-profit sector nationally. Timeline September 08 to January 09. Lead: Dr. Tessa Hebb.</p> <p>Target audiences:</p> <ol style="list-style-type: none"> <li>1. Funders: in the public and not for profit sector- agencies such as the United Way, Community Foundation. This group seeks new avenues for financing in the community not-for-profit sector. They also want methods to measure the impact</li> </ol>

of their investment.

2. Voluntary/not for profit agencies in Ottawa interested in accessing capital to support their activities.
3. Forums of voluntary sector agencies who are formed around a specific issue-Crime Prevention Ottawa, Homelessness, immigrant groups, youth at risk.
4. Individual donors.
5. National community not-for-profit sector.
6. Academic community
7. Governments-municipal, provincial and federal

Method of communication

1. handbooks
2. fact sheets
3. database (access through internet)
4. articles to be placed in newsletter of partner organization
5. power point presentations to committees of partner organizations i.e. United Way Community Impact Council, Crime Prevention Ottawa
6. workshops with agencies
7. presentations at national conferences of United Way, Community Foundation
8. academic articles
9. 3CI website with links to partner groups and vice versa
10. regular interim reports to Human Resources and Social Development Canada (HRSDC), and project partners
11. final products –including web site links, handbooks and report will be sent with covering letter to City Council members, relevant provincial government Departments and HRSDC

<p>Capacity to Complete the Project (maximum 300 words)</p>	<p><b>Capacity to Complete Project</b></p> <p>Carleton Centre for Community Innovation, Faculty of Public Affairs and Management, Carleton University, Ottawa, Canada). The core mission of 3CI is to generate knowledge for community innovation. 3CI uses research, education and project management to assess and strengthen innovation in communities across Canada and around the world. Its main interests are in social finance, community economic development and local governance practices and policy development. A multidisciplinary and action-oriented research unit based in the Faculty of Public Affairs and Management at Carleton University, 3ci's programs and projects are funded by foundations, corporations, governments, granting councils, development agencies and Carleton University.</p> <p>The Centre has a ten-year track record of successfully providing knowledge and tools for community innovation. The CEDTAP (CED Technical Assistance Program) was recognized as a national leader in assisting community innovation.</p> <p>See Appendix II for two years of financial statements.</p> <p><b>Principals:</b></p> <p>Dr. Tessa Hebb          Director, Carleton Centre for Community Innovation          613 520 2600 ex 1217</p> <p>Arlene Wortsman          Senior Research Associate,          Carleton Centre for Community Innovation          613 520 5792</p> <p>See Appendix III for principal's CVs</p> <p><b>Partners</b></p> <p><b>Alterna Savings Credit Union, Kimberley Ney, Senior Vice President</b>          Role: test and use social finance tools, disseminate knowledge of tools to other financial institutions and community not-for-profit sector locally and nationally, disseminate knowledge of social finance tools nationally through credit union networks. Serve on steering committee.</p> <p><b>City of Ottawa, Steve Kanellakos, Deputy City Manager</b>          Role: test and use social finance tools, disseminate knowledge of tools to other</p>

community not-for-profit sector locally and nationally, disseminate knowledge of social finance tools nationally through municipal networks across Canada. Serve on steering committee.

**Community Foundation of Ottawa, Barbara MacInnis, President**

Role: test and use social finance tools, disseminate knowledge of tools to their donors and grantees locally, disseminate tools and knowledge to other Community Foundations in Canada through and their, disseminate knowledge of social finance tools nationally through credit union networks. Serve on steering committee.

**Ottawa Community Loan Fund, George Brown, President and CEO**

Role: test and use social finance tools, disseminate knowledge of tools locally and nationally to social enterprises themselves potential funders, CED organizations and community investment organizations such as the Canadian Community Investment Network Co-Op(CCINC). Serve on steering committee.

**United Way/ Centraide Ottawa, Michael Allen, President**

Role: test and use social finance tools, disseminate knowledge of tools to other United Way organizations and to United Way Agencies locally and nationally, utilize Neighbourhood and Community Capacity Impact Council to disseminate tools, disseminate knowledge of social finance tools nationally through United Way networks. Serve on steering committee.

See Appendix IV for letters of intent from all partners.

**Subject matter experience/expertise and management capacity**

Dr. Tessa Hebb and Arlene Wortsman have substantive knowledge of the social finance field. They coauthored *Financing Social Economy Enterprises*, a major report for Industry Canada which examined the range of financing options for social purpose businesses. Dr. Hebb is the Director of the Carleton Centre for Community Innovation (3ci) focusing on innovative financial tools and instruments that facilitate investment in social economy enterprises. Examples of previous undertakings in this area include assisting a major pension fund in Canada in making a \$2 million investment in affordable housing in the Ottawa region. In March of 2007 she brought together key players from the philanthropic community to facilitate their investments in social economy enterprises. Dr. Hebb has been engaged in a four year study of US pension fund investment in urban revitalization, commissioned by the Ford and Rockefeller Foundations. Dr. Hebb also served as an external expert in community investing on the *Community Finance Advisory Committee*, HRSDC, Government of Canada.

Arlene Wortsman has extensive experience working with the voluntary and public sectors. She was the principal author and project manager of a project undertaken in partnership with the United Way of Ottawa and LASI/World Skills that developed a community based strategy for the

	<p>integration of internationally trained workers into Ottawa’s labour market. In 2006 she was involved in the development of a framework and arrangements for creating a pooled Community Economic Development Investment Fund whereby Canadian pension funds can invest in projects that meet their requirements for risk and return to investors and create positive social, economic and environmental outcomes.</p> <p><b>Financial Administration</b>          Carleton University has a Business Office which houses Research Accounting, a department experienced with the reporting requirements of a variety of funding agencies. The Director and Departmental Administrator have the authority to approve expenditures for 3ci. The Research Account Administrator approves these.</p> <p>Carleton University has a number of formal financial policies and procedures that apply to 3ci. These are available on the Carleton website (<a href="http://www.carleton.ca">www.carleton.ca</a>) under the finance department. Carleton University’s financial statements are audited annually. Carleton University and 3ci have over 10 years experience in research fund administration.</p>
<p>Budget Templates -           Complete one budget template per fiscal year</p>	<p><b>Budget</b></p> <p>See Appendix V for detailed budget templates.</p>
<p>Budget Explanations (maximum 500 words)</p>	<p><b>Budget</b></p> <p>See Appendix V for detailed budget documents.</p>