

November 16, 2023

The Honourable Jenna Sudds, P.C., M.P.

Minister of Families, Children and Social Development
House of Commons
Ottawa, Ontario K1A 0A6

The Honourable Chrystia Freeland, P.C., M.P.

Deputy Prime Minister and Minister of Finance
Department of Finance Canada
90 Elgin Street, Ottawa, Ontario K1A 0G5

Dear Minister,

Thank you for continuing to advance the Government of Canada's Social Innovation and Social Finance Strategy. We applaud the Government of Canada's investments to date in the \$50 million Investment Readiness Program (IRP) from 2019-21 and the subsequent \$50 million IRP renewal in 2022-23.

We welcomed your recent congratulatory announcement to IRP partners and recipients on October 23, 2023, as well as encouraging remarks delivered during the November 1-2, 2023 Sustainable Finance Forum by both yourself and the Prime Minister. As you both rightly articulated, Social Purpose Organizations (SPOs) tackle our most pressing social challenges and are key partners to the Government of Canada in making life more affordable for Canadians. From developing affordable housing and providing quality jobs, including to those facing barriers to traditional employment, to advancing the green economy while revitalizing an inclusive culture and advancing social cohesion, SPOs are both important economic actors and the beating hearts of communities from coast to coast to coast.

It is imperative now that this important work continues. The job of enabling SPOs to innovate and access much needed capital is incomplete.

We offer the following recommendations to further advance the Government of Canada's Social Innovation and Social Finance Strategy co-developed by the SI/SF Co-Creation Steering Group:

1. As a priority, renew the Investment Readiness Program (IRP) for a minimum of four (4) years at a minimum of \$25 million/year starting from 2024, including streams for investment-readiness grants to SPOs, data infrastructure building and ecosystem-building initiatives by sector partners;
2. Center Justice, Equity, Diversity, Decolonization, Inclusion, and Accessibility throughout the implementation of the SI/SF Strategy, including the renewal of the IRP;
3. Include the development of emerging and existing social finance intermediaries within the IRP mandate, and ensure community finance organizations (CFOs) can access a portion of IRP capacity building funding. CFOs such as place-based impact funds, community outcomes funds, investment co-operatives, community loan funds, community land trusts, etc. play unique roles to provide access to finance to underserved communities and SPOs at the local level;

4. Mandate new fit-for-purpose IRP funding streams suiting SPOs where investment-readiness supports will soon result in access to social finance, including support for incubator cohorts and accelerator programs which have demonstrated success in facilitating SPO access to capital;
5. Task a working group to explore long-term, systems-level initiatives (e.g. regulatory sandboxes, tax incentives, levies on financial institutions to flow capital to communities, strategic outcomes procurement, etc.) that require multiple Government agencies and sector leaders to coordinate.

We stand ready and poised to support renewed funding that truly counts in making communities stronger, more resilient and sustainable all while building capacity of SPOs to participate in the growing social finance market and specifically prepare them to take on investments.

We look forward to your feedback on our recommendations. If you have any questions or if you wish to discuss these recommendations, we welcome a conversation with you to discuss this in further detail.

Yours Sincerely,

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Shayna Hammer
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cc:

The Right Honourable Justin Trudeau, P.C., M.P., Prime Minister of Canada

The Honourable Anita Anand, P.C., M.P., President of the Treasury Board

The Honourable Ryan Turnbull, M.P., Parliamentary Secretary to the Minister of Innovation, Science and Industry

The Honourable Rechie Valdez, P.C., M.P., Minister of Small Business

The Honourable Sean Fraser, P.C., M.P., Minister of Housing, Infrastructure and Communities

The Honourable Ratna Omidvar, Senator

Mr. John Hannaford, Clerk of the Privy Council and Secretary to the Cabinet