

# A Principles-Focused Evaluation of the Investment Readiness Program

## Final Report



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# Acknowledgments

We are immensely grateful to Mike Toye and Sarah Leeson-Klym from CCEDNet for their invaluable guidance and continuous incredible feedback. Special thanks also go to Robin Wisener and the entire ESDC team for their ongoing feedback, which has significantly enhanced our work. Shout out to Wayne Miranda, who is now supporting the wider system, and whose efforts are greatly appreciated.

A big thanks to Richard Bartle-Tubbs and Ben McNamee from Daro (formerly Ajah) for being outstanding collaborators. We particularly appreciate Ben's insightful feedback and both Richard and Ben's efforts in organizing and hosting the IRP Cartography Club.

We also extend our deep appreciation to our partners in Justice, Equity, Diversity, and Inclusion (JEDI): Victor Beausoleil, Narinder Dhami, Rosa Flores Fernandez, Shady Hafez, Tate Juniper, Tara Levandier, Janielle Maxwell, and Omar Omar. Your commitment and efforts in these areas profoundly enrich our initiatives.

A special thank you goes to Susanna Redekop and Marisol Fornoni for their substantial contributions and support.

# Table of Contents

<b>Executive Summary</b>	<b>5</b>
<b>Acronyms</b>	<b>8</b>
<b>1. Background and Literature Review</b>	<b>9</b>
<b>2. Method</b>	<b>13</b>
2.1. Participants	13
2.2. Design Process for Principles-Focused Evaluation	13
2.2.1. Incorporating a Justice, Equity, Diversion, Inclusion, and Accessibility (JEDI+A) lens	13
2.3. Procedure	14
2.3.1. Baseline Survey	14
2.3.2. Learning Circles	14
2.3.3 Third IRP Convening: Share back & Workshop Session	17
2.4 Data Analysis Plan	17
<b>3. Results</b>	<b>18</b>
3.1. Baseline Survey Results	18
3.2 Awareness of IRP 1.0 Principles	20
3.3 Feedback on Current Principles: Results from Learning Circles and Third IRP Convening	21
3.4 Values of the IRP Partners: Results from Learning Circle	29
3.5 Challenges Identified: Results from Learning Circle	30
3.6 Feedback on Principles-Focused Evaluation as a Tool in the SF/SI Ecosystem	35
3.7 Evaluability	35
<b>4. Recommendations and Conclusions</b>	<b>37</b>
4.1. Recommendations for Future Principle Efforts	37
4.2 Evolution of the IRP Principles	38
4.3 Conclusion	39
<b>5/ References</b>	<b>41</b>

<b>6/ Appendices</b>	<b>42</b>
Appendix A : Original IRP 1.0 Principles Infographic	43
Appendix B: Survey Items for Baseline Survey	44
Appendix C: Table 1	46
Appendix D: Table 2	47

# Executive Summary

The Investment Readiness Program (IRP) is a government-funded initiative in Canada to support social purpose organizations (SPOs) as they address pressing social, cultural, and environmental challenges across the country. This fund is part of a larger strategy to strengthen the Canadian social innovation / social finance (SI/SF) ecosystem. The chosen evaluation for the IRP was a Principles-Focused Evaluation (PFE) due to the IRP's complex system and dynamic objectives and the ability of principles to assist in navigating these circumstances. To date, there have been two iterations of the IRP. During IRP 1.0, principles were created to inform and guide program design and implementation.

The current evaluation occurred in the context of IRP 2.0 and intended to explore the relevance of these principles to the reality of the SI/SF ecosystem. The objectives of the current PFE were to identify:

- Whether the principles are clear, meaningful, and actionable, and if so
- Whether they are being followed, and if so
- Whether they are leading to desired results

To accomplish these objectives, IRP partners were invited to participate in a baseline survey, activities during three IRP convenings (large meetings of the IRP community), and learning circles (small group discussions focused on mutual learning). During these activities, participants provided feedback on the existing IRP 1.0 principles, discussed values and beliefs within the system, and considered common challenges experienced in the SI/SF ecosystem. These activities provided significant opportunity for participants to share stories and experiences, an avenue to compare understanding and perspectives, and seeded the start of communities of learning.

The findings from the baseline survey indicated varied perceptions regarding the implementation and efficacy of the existing IRP 1.0 principles within the GUIDE framework. Although respondents generally showed agreement and positivity towards the principles, specifically acknowledging their guiding and developmental roles, a notable portion also conveyed uncertainties regarding their use in guiding decisions. A total of 15 IRP partners participated in PFE Learning Circles. There were six learning circle groups, each ranging in size from 2-6 people, with the typical format including three separate 1.5-hour working sessions. The learning circle methodology was selected as it serves as an impetus towards decolonial evaluation methods (Roholt et al., 2023), centering collective learning and peer engagement, typically aiming to minimize hierarchical structures within the group to create an inclusive and collaborative environment.

Many partners supported the principles as highly meaningful when they were understood. They felt that the principles provided generally helpful direction for program implementation, as opposed to formalized rules or strict directives. The results of the PFE suggest that IRP partners desire increased clarity of the principles, including additional context or positive examples to allow for interpretation at the organizational or individual level. In considering whether principles were being followed or leading to desired results, most participants in the learning circles reported that they would be unable to recite the principles if asked. While the IRP partners may tacitly understand and embody many of these principles in their daily actions, operational processes, and organizational strategies, they remain underutilized as a tool for guidance, relation to and navigation of the complex SI/SF landscape.

IRP partners identified nine pertinent values that they felt would help improve and strengthen the future of Canada’s SI/SF ecosystem. They are:

<b>Invest in Long-Term Solutions</b>	<b>Measure Impact Effectively</b>	<b>Displace Traditional Finance</b>
<b>Embrace Risk-Taking</b>	<b>Improve Awareness of Social Finance</b>	<b>Prioritize Incrementalism and Building on Existing Tools</b>
<b>Foster Collaboration and Deep Meaningful Connections to Community to Build an Integrated System</b>	<b>Promote and Maintain Justice, Equity, Diversity, Inclusion and Accessibility (JEDI+A) Lenses</b>	<b>Support SPO Autonomy</b>

Effective principles are derived from experience, expertise, values, and research (Patton, 2017). Drawing from the experience of experts in the SI/SF ecosystem, our data collection strategies, and ensuring integration of the values of ecosystem members, we suggest the consideration of the following revised IRP principles:

- 1. Expand Social Finance Awareness.** Broaden the knowledge and availability of social finance options to social purpose organizations (SPOs), communities and people. Recognize that many communities and cultures have existing practices and expertise. Prioritize deep, meaningful relationships with communities and SPOs, and allow for the time it takes to build connections in this ecosystem.

- 2. Advance JEDI+A perspectives.** Identify, strengthen and use justice, equity, diversity, inclusion and accessibility (JEDI+A) lenses in decision-making to enhance the diversity of social finance and social innovation. Establish ongoing communication and collaboration within the SI/SF ecosystem to continually assess and prioritize JEDI+A objectives, ensuring alignment with evolving community needs and values.
- 3. Cultivate Collaborative Ecosystems.** Foster an ecosystem culture that prioritizes collaboration over competition. Engage in open and transparent communication with partners, social purpose organizations, experts, and government stakeholders with the greater goal of synergy, mutual learning, and breaking down silos.
- 4. Empower Social Purpose Organizations (SPOs).** Support SPOs by tailoring approaches to meet their needs and context, balancing accountability with working to reduce barriers to participation, simplifying processes where it makes sense, and supporting SPOs throughout their growth. Maintain and encourage autonomy and resilience throughout the ecosystem.
- 5. Enable Adaptation.** Encourage ‘learning loops’ and iteration by continually assessing what is working, what is not, and using this information to improve. Allow for the time and resources necessary to learn, change our minds and pivot in SI/SF program design.
- 6. Embrace Risk and Experimentation.** Encourage risk-taking as it fosters innovation. Share, learn and appreciate the knowledge generated from taking risks in the SI/SF ecosystem, using setbacks as learning opportunities for future pivots.

Finally, this report suggests several key implementation recommendations for the SI/SF space to enable future alignment with the principles:

- Establish diverse feedback loops to revisit principles in the Canadian SI/SF ecosystem, including at the initial phases of project or program design
- Provide a variety of examples of positive use of principles to celebrate achievement and illustrate effective application
- Foster learning through the development of case studies and the use of teaching cases
- Identify, support and develop a variety of communication channels for sharing learning, building trust, and enhancing transparency
- Incorporate JEDI+A lenses
- Continue to advocate for the value and use of principles and principles-focused evaluation



# Acronyms

**PFE** – Principles-Focused Evaluation

**IRP** – Investment Readiness Program

**SF / SI** – Social Finance / Social Innovation

**WISIR** – Waterloo Institute for Social Innovation and Resilience

**CCEDNet** – Canadian Community Economic Development Network

**ESDC** – Employment and Social Development Canada

**SPO** – Social Purpose Organizations

# 1/ Background and Literature Review

## **What is the Investment Readiness Program?**

In 2018, the Government of Canada announced the Social Innovation and Social Finance Strategy developed by the Social Innovation and Social Finance Strategy Co-Creation Steering Group. Part of this strategy was the creation of a \$755 million Social Finance Fund, which would be invested, alongside private sector capital, into Canadian social purpose organizations (SPOs). The Steering Group identified a significant gap within the Canadian Social Innovation and Social Finance (SI/SF) ecosystem: the limited capacity within many existing Social Purpose Organizations (SPOs) to effectively manage repayable finance if they were to receive such investments.

In response, in 2019 Employment and Social Development Canada (ESDC) announced the launch of the \$50 million Investment Readiness Program (IRP) to address this capacity gap amongst SPOs. After the conclusion of this program in 2021, an additional \$50 million was announced for a second round of IRP funding running from 2021-2023. This second round integrated learning from the initial 2019-2021 IRP program (see Community Foundations of Canada summary [here](#)), and as part of this renewal the IRP sought to integrate further learning about the SI/SF ecosystem. The key objective of this report is to take part of this learning – a principles-focused evaluation – to support effective long-term self-governance within the Canadian SI/SF ecosystem.

### **The key objectives of the Investment Readiness Program include:**

- 1. Support for Social Purpose Organizations:** Some SPOs may be engaged in highly innovative projects, but not consider themselves social enterprises. They may also need more awareness regarding the availability of diverse financial support options. The program provides knowledge and financial support to SPOs operating at various stages of development, from those with innovative ideas in the early design stage to more established organizations seeking resources to scale their work.
- 2. Building Capacity:** The IRP addresses the varying levels of readiness among SPOs to receive investment. It aims to build skills and capacity by offering funding for activities such as market analysis, product and service development, business planning, and acquiring technical expertise.

### **There are two streams of delivery for the IRP:**

- Stream 1 (Readiness Support Partners):** This stream provides SPOs funding through Readiness Support Partners. These funds enhance skills and capacity, enabling organizations to more effectively access social finance investment. As mentioned, SPOs can vary incredibly in their level

of development. While some are in the initial design phase, others are at a relatively advanced stage and are seeking resources to expand and scale their initiatives. The Readiness Support Partners aim to support the SPOs at various stages of development.

- **Stream 2 (Ecosystem Builders):** This stream focuses on investing in projects that contribute to the growth and strengthening of the SI/SF ecosystem. This includes fostering inclusivity and integration within the ecosystem, connecting various stakeholders, such as SPOs, networks, experts, social finance intermediaries, researchers, and the government. The Waterloo Institute for Social Innovation and Resilience (WISIR), as a partner with the Canadian Community Economic Development Network (CCEDNet), falls under this umbrella.

The Investment Readiness Program aims to create more resilient, equitable, and sustainable communities by supporting SPOs in navigating the social finance landscape, building their capacity, and fostering a robust ecosystem for social innovation and finance in Canada. Additionally, the IRP focuses on supporting more investment in social purpose organizations to improve their social impact in Canada and enhancing the overall governance of the social finance and social innovation ecosystem, considering perspectives from the public, private and social sectors.

### **What is a Principles-Focused Evaluation?**

Principles-focused evaluation is an evaluation approach that is intended to guide the development of programs operating in complex contexts. Complex contexts or situations are characterized by many interconnected actors, high degrees of dynamism, evolving circumstances, and flexible boundaries. The approach was first articulated by Michael Quinn Patton (2017) and was created to address the strategic needs of programs seeking to evolve their practice and innovate in complex, uncertain contexts. The approach was considered ideally suited to the needs of the IRP, which sought to use real-time feedback to guide its strategy and evolution as an intentional ecosystem of practice.

The approach draws on many of the foundations of Developmental Evaluation (Patton, 2010), incorporating a spirit of adaptive learning using data to guide strategic decision-making. Principles-focused evaluation starts with establishing core principles to guide and frame data gathering. The process of establishing solid principles can be informed by the GUIDE Framework, which suggests that they provide; (1) meaningful *guidance*; (2) are *useful* for making decisions and acting; (3) *inspiring* to the users; (4) *developmental* adaptable, and (5) *evaluable* (i.e., can be effectively assessed). Principles-focused evaluation is methodologically agnostic and can be used with quantitative, qualitative, participatory, or any standard methods and tools. It is distinct in that the evaluation work is framed through the lens of principles, which are also to be evaluated and adapted just as the programs adapt.

Establishing principles and gathering evidence aligned with those principles allows program leaders to explore ways, activities and processes that produce favourable results while offering insight into areas where developmental changes are needed. With the IRP program, a PFE approach was chosen to reflect the policy and practice context's highly dynamic, innovative nature. It enabled the program to learn how an ecosystem approach can support the IRP program's goals and identify what evolutions, changes and choices were best suited for this.

### **What were the Investment Readiness Program 1.0 Principles?**

Thus far, there have been two iterations of the IRP: IRP 1.0 supported funding from 2019-2020, while IRP 2.0 refers to the second round of IRP funding between 2022-2023. During IRP 1.0, principles were created with the intention to inform and guide program design and implementation. The Investment Readiness Program 1.0 Principles were developed by the Employment and Social Development Canada (ESCD) leveraging their extensive experience in the social innovation / social finance (SI/SF) field and alignment with the overarching objectives of the IRP. During IRP 1.0, the six principles were formatted into an infographic, which was shared in onboarding materials and at IRP 1.0 convenings (See [Appendix A](#)). The current Principles-Focused Evaluation was launched during IRP 2.0.

#### **The six IRP 1.0 principles were:**

**Principle #1:** Extend the reach of social finance and social innovation to communities, organizations, and people.

**Principle #2:** Enhance the diversity of social finance and social innovation in location, organization, people, context.

**Principle #3:** Open and transparent engagement with partners, social purpose organizations, experts, and government

**Principle #4:** Keeping the social purpose organization (SPO) focus by tailoring approaches and activities to social purpose organizations as primary beneficiaries.

**Principle #5:** "Learn by Doing" by hearing what is working and what is not and by using information to course-correct implementation and for future program design

**Principle #6:** "Collaborate by Default" by expanding social innovation and social finance inclusiveness through engagement, collaboration, and partnerships within the ecosystem and beyond.

## **What are the Objectives of this Evaluation?**

This Principles-Focused Evaluation was guided by the following research questions:

- How useful and meaningful are the existing principles from IRP 1.0?
- Do the existing principles reflect the values of the current Canadian social finance ecosystem? If not, what refinements are needed for the principles to align with the prevailing values of the present Canadian social finance ecosystem?
- What, if any, are some examples of how the IRP 1.0 principles have guided action?
- Do the IRP 1.0 principles require improvements/updates? If so, what are the recommended principles for the SI/SF system that align with IRP participants?

## **What is Outside the Scope of this Evaluation?**

The current principles-focused evaluation was not designed to evaluate the achievement of the core objective of the IRP, which focuses on increasing the number of Canadian investible SPOs. This exclusion is intentional, as other evaluation and research elements align more closely with this mandate. Additionally, the timing of IRP 1.0 and IRP 2.0 commenced much earlier than the announcement of the Social Finance Fund (SFF) wholesalers, resulting in limited engagement with them. For further insights regarding the IRP objectives, readers can consult resources such as Daro's (formerly Ajah) Final Reports (See <https://irp-ppi.ca/en/ajahs-final-irp-reports/>).

# 2/ Method

## **2.1. Participants**

Eligible participants were organizations that held partnerships as Readiness Support Partners or Ecosystem Builders within the IRP. At the time of recruitment and data collection, 24 IRP organizations held partnerships with the Government of Canada.

Recruitment occurred during two phases. Participants were recruited between March and May 2023 for the online baseline survey. A total of 13 participants completed this survey. Secondly, recruitment for the learning circles occurred throughout June–September 2023. Of the 24 IRP organizations, team members from 15 of these organizations sent a representative to a Learning Circle group. Each organization sent 1–3 participants (totaling  $n = 19$ ). Finally, observational data was used from the third IRP convening, which took place in person in Ottawa. A total of 39 participants attended the third IRP convening and provided feedback on the IRP principles and evaluation process.

## **2.2. Design Process for Principles-Focused Evaluation**

The design of the principles-focused evaluation was a collaborative and iterative process, drawing from the book *Principles Focused Evaluation: The Guide* (Patton, 2017), existing PFE literature, key IRP stakeholders, and expert evaluators. Regular meetings and check-ins occurred with ESDC, CCEDNet, and three evaluators with 10+ years of expertise in community-led program evaluation to provide insight into the PFE design. Semi-structured interviews occurred with individuals in leadership roles within the IRP ( $n = 3$ ). Moreover, discussions on the evaluation design were facilitated during the first two IRP convenings, and IRP partners were engaged and provided feedback. Thus, the design of the PFE incorporated government, knowledge users, academic resources, and credentialed evaluators.

### **2.2.1. Incorporating a Justice, Equity, Diversity, Inclusion, and Accessibility (JEDI+A) lens**

As part of the project design, each deliverable including the PFE, incorporated a justice, equity, diversity, inclusion and accessibility lens by centering decolonial design philosophies at the outset. Given this framing, the first all partners' convening incorporated a value mapping exercise that helped orient the direction of the PFE. As part of this exercise, the team surfaced personal and organizational values that motivated attendees' participation in the IRP 2.0. As a result, the PFE's design methodology entailed centering relationality and a posture of learning inspired from the Learning Partnership model (VeLure Roholt et al., 2023). In line with this framing, the research team

decided to carry out “learning circles” instead of focus group discussions, and create open spaces for sitting with the IRP principles and noticing areas for change and alignment (Norton, 2003). These methodological interventions, in congruence with other JEDI+A activities (such as the JEDI stewarding group1), created the space for the IRP principles to be re-examined, critiqued and revised as part of the last all partners’ convening towards the end of the project.

## **2.3. Procedure**

System sensing entailed numerous interactions with IRP partners and SI/SF ecosystem members (e.g., during convenings, formal and informal meetings, semi-structured interviews) and conducting document analyses of 1.0 IRP reports. However, this PFE report will focus on the methodology and key findings from three sources of data collection, including the (1) baseline survey, (2) learning circles, and (3) observational data from the third IRP convening. All aspects of the study were approved by the University of Waterloo Research Ethics Board (REB #44024).

### **2.3.1. Baseline Survey**

The baseline survey was distributed via email using Qualtrics software. The objective of the survey was to capture preliminary feedback on the existing six IRP principles (See [Appendix A](#)). Following the GUIDE framework (Patton, 2017), we were interested in measuring if each of the existing six principles were guiding, useful, inspiring, developmental (i.e., adaptive in diverse contexts), and evaluable from the perspective of IRP partners. Survey items were slightly modified from Patton’s (2017) rubric for rating effectiveness principles. A sample survey item includes, “Principle #1 is meaningful to the work that my organization does in support of the Investment Readiness Program” and responses ranged from 1 (strongly agree) to 5 (strongly disagree) on a 5-point Likert scale. For all survey items in the baseline questionnaire, please see [Appendix B](#). The survey was offered in both English and French and participants were offered a 1 in 3 chance to win a \$50 gift certificate to boost response rates.

### **2.3.2. Learning Circles**

A “learning circle” is a collaborative and participatory learning approach where individuals gather to share knowledge, insights, and experiences on a specific topic or skill (Norton, 2003). Learning circle methodology emphasizes collective learning and peer engagement, typically aiming to minimize hierarchical structures within the group to create an inclusive and collaborative environment. The learning circle methodology was chosen to align with the desire to encourage all stakeholders to actively contribute, speak, listen, and participate in discussions related to the principles. In learning circles, each member is recognized as having something valuable to

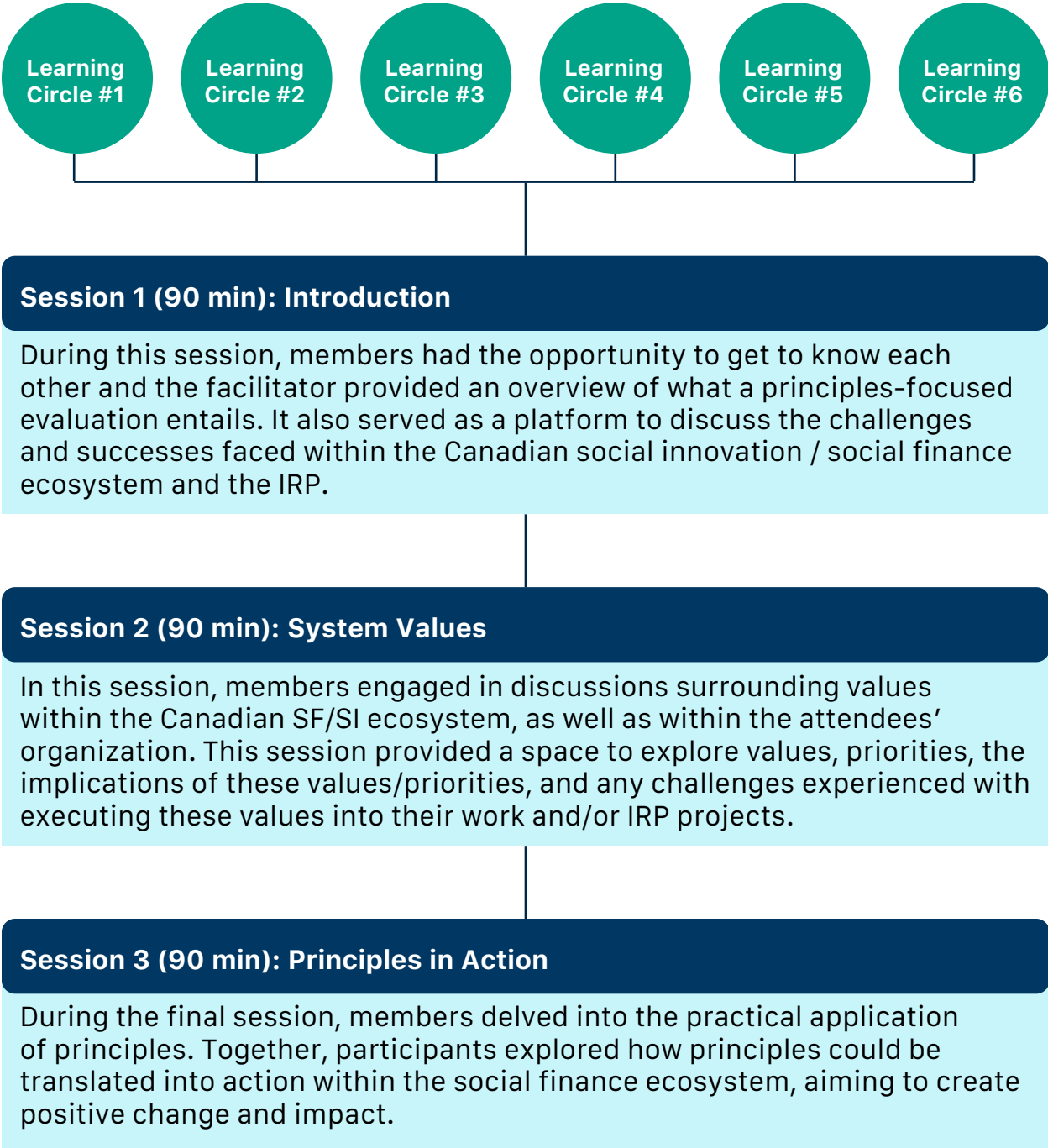
contribute and something to learn, fostering a sense of equality and shared learning. During recruitment, participants were informed that the learning circles would have the following key objectives:

<b>Learning and Relationship Building</b>	<b>Principles Development</b>	<b>Reflective Practice</b>
Gain insights into the innovative practices and initiatives implemented by other organizations in the Canadian social finance / social innovation (SF/SI) ecosystem, fostering collaborative learning and relationship building.	Collaboratively create principles that are helpful for the SF/SI ecosystem, providing a framework for organizations and other system actors to navigate challenges and make informed decisions.	Engage in discussions about your organization’s values and priorities within the context of the IRP and the wider social finance landscape. This valuable reflective practice may strengthen and provide clarity towards your organization’s mission and goals.

Each learning circle was composed of a small group of 2-6 individuals who attended all sessions together. Each learning circle included members from different IRP partner organization(s) to encourage IRP partners to meet new people from within the ecosystem. A total of six learning circles were facilitated. They all occurred via Zoom and were video/audio recorded. The typical format of the learning circle was three separate sessions spanning 90 minutes (see below for a brief overview of the typical 3-session structure). To boost recruitment, there were also two “rapid session” learning circles. These sessions were one three-hour session and focused primarily on system values and qualitative feedback/discussion of the principles.



**Figure 1.** Typical format for learning circle methodology



### **2.3.3 Third IRP Convening: Share back & Workshop Session**

As part of their programming, the IRP implemented “all partner convenings,” which served as forums for IRP partners to discuss and disseminate updates about the program and connect with other partners. During IRP 2.0, three Investment Readiness Program (IRP) convenings occurred, with the third iteration of the IRP Convening occurring in person in Ottawa. Under the stewardship of the PFE facilitator, this event hosted a share-back session and a workshop designed to elicit constructive feedback on the evolving IRP principles and the progress made by the PFE thus far. The discourse was recorded and incorporated into the examination and discussion of the principles.

### **2.4 Data Analysis Plan**

The baseline survey was analysed using SPSS software version 25.0. Mean values were reported on each of the five GUIDE criteria to assess level of agreement. All open-ended responses were organized into themes. The learning circles used qualitative research methodology and were guided by three overarching questions:

1. What are the reflections and feedback on the existing IRP 1.0 principles?
2. What are the values of the IRP partners? Do these values align with the existing IRP 1.0 principles?
3. What challenges do IRP partners face in the SI/SF ecosystem? Do the 1.0 IRP principles assist with challenging decision-making?

The learning circle data was analyzed using an inductive thematic approach wherein themes are derived bottom-up and developed based on the data (Terry et al., 2017). All learning circles were audio-recorded and transcribed verbatim by a transcriber. Together, the authors KP and GTL read line-by-line through 4 of the 6 learning circle transcripts (i.e., 16.5 hours of learning circle data) and engaged in collaborative discussion to identify codes and develop themes. During these meetings, codes relevant to the PFE research objectives were highlighted and organized into higher-order categories. Since saturation was achieved, the remaining 2 learning circles were coded independently by KP (i.e., 7.5 hours of learning circle data) and minor refinements were made to the existing themes as needed. Virtual whiteboards (known as Mural boards) were used during all learning circles. The “sticky note” responses (i.e., virtual post-it notes) in the Mural board were coded alongside the verbal responses.

The third IRP convening occurred partway through the learning circle data analysis. Preliminary themes/findings were presented during this session. Participants were organized into small groups to discuss and share considerations and feedback for each principle based on the preliminary findings. These verbal responses were also integrated into the qualitative data analyses.

# 3/ Results

## 3.1. Baseline Survey Results

A total of 52 IRP partner individual team members were approached to complete the survey. However, only 13 respondents completed the survey, representing a 25% response rate. We were later informed that some responses were “on behalf of the entire IRP partner organization” which may explain why response rates were lower than anticipated.

The baseline survey responses ranged from 1 (strongly agree) to 5 (strongly disagree).

1 - Strongly Agree	2 - Agree	3 - Neutral	4 - Disagree	5 - Strongly Disagree
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**Table 1.** Mean values for 1.0 IRP principles assessed using GUIDE framework survey items (*n* = 13)

	Guiding	Useful	Inspiring	Developmental	Evaluable
1. Extend the reach	2.54	2.42	1.96	2.19	2.62
2. Enhance the diversity	2.31	2.42	1.85	2.08	2.46
3. Open and transparent engagement	2.23	2.58	2.12	2.25	2.62
4. Keep the SPO focus	2.08	2.31	2.15	2.19	2.69
5. Learn by Doing	1.83	2.21	1.92	1.88	2.58
6. Collaborate by Default	2.17	2.25	1.79	1.83	2.67

**Table 2.** Frequency of perceived adherence to each of the six 1.0 IRP principles (n = 12)

	Most of the Time	Sometimes	Seldom	Never
1. Extend the reach	75.0%	25.0%	-	-
2. Enhance the diversity	58.3%	41.7%	-	-
3. Open and transparent engagement	58.3%	33.3%	8.3%	-
4. Keep the SPO focus	50.0%	33.3%	16.7%	-
5. Learn by Doing	33.3%	50.0%	16.7%	-
6. Collaborate by Default	54.5%	45.5%	-	-

Table 1 illustrates the relatively positive performance of each of the six principles within the GUIDE framework. Respondents generally expressed agreement that these principles provided guidance and proved to be useful, inspiring, and developmental. Secondly, Table 2 suggests that, overall, the principles are perceived as being implemented “Most of the Time” or “Sometimes.”

Participants were asked the open-ended question, “Do you feel a sense of community has been established within the Investment Readiness Program? Why or why not?” All responses have been organized into themes in [Appendix - Table 1](#). Overall, participants reported difficulty building a sense of community due to (1) short timelines, (2) a virtual environment, and (3) a desire for more collaboration and networking opportunities.

Finally, participants were asked the open-ended question “What do you like about the existing principles? What would you change?” All responses were organized into themes in [Appendix Table 2](#). Participants responded to the survey item with (1) positive reflections on the current 1.0 principles; (2) comments regarding that the principles are not being used; (3) concerns surrounding the unclear implementation of the principles; (4) suggestions that principles should be community-driven; and (5) more specifics on JEDI+A groups.

Overall, the baseline results suggested some mixed perceptions regarding the implementation and effectiveness of the IRP 1.0 principles within the GUIDE framework. While respondents generally expressed agreement and positive sentiments towards the principles, particularly regarding their guiding and developmental aspects, a significant portion also expressed concerns and confusion surrounding implementation. These baseline findings were used to inform learning circle design and facilitation questions.

### **3.2 Awareness of IRP 1.0 Principles**

Most participants in the learning circles reported that they would be unable to recite the principles if asked. Many reported that they vaguely remembered hearing about the principles at past IRP convenings, that they were buried somewhere in application documents, and that they only interacted with them while filling out the baseline survey for the current evaluation. Because of this, we cannot conclude that the principles themselves guided actions. However, it is noteworthy that the original principles did overlap significantly with the values and objectives of the IRP partners, and there was still evidence of these principles being reflected in action. The process of participants participating in the learning circles strengthened the awareness and discussion of the principles, and revisiting the principles on a semi-frequent basis is encouraged.

*“The programs we conceptualize and design had already started before I was exposed to those principles. However, the fundamentals and core components certainly aligned with the approach we took in program development and design. We ensured diversity of perspectives and voices.”*

However, five participants in the learning circles identified that they were aware of the principles and used them. Some reported using them to apply for grants, evaluate SPO funding applications, and were referenced in program design. One of these participants had a printout of the infographic (see [Appendix A](#)) posted on her office wall.

*“I’m familiar with the principles. I wrote a grant proposal outlining how I planned to meet these principles.”<sup>1</sup>*

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<sup>1</sup> Note: Some quotes have been edited for brevity and to improve clarity. However, the meaning behind the quotes remains unchanged.

### **3.3 Feedback on Current Principles: Results from Learning Circles and Third IRP Convening**

Throughout the discussions on each of the six IRP 1.0 principles, the participants reflected on whether the principles were meaningful to their work, if the principles aligned with the SI/SF ecosystem, and what challenges arose when trying to implement them.

Overall, the participants engaged in fruitful and productive conversations surrounding their evaluation practices, organizational objectives and values, and how they were acting on each of the principles. Participants routinely expressed familiarity with the supporting rationale and general intent of each principle. Participants were, in general, highly animated and eager to reflect in significant detail on the implications of each principle for their organization, role, or the ecosystem. The principles, or at a minimum the ideas from which the principles were derived, were a source of meaning for many participants.

The most frequent points of concern were the application of a principle to a specific context or scenario, the variety of pressures limiting the application of a principle even when the intent was present, and the need for a wider recognition and utilization of the principles among the ecosystem to navigate relationships, opportunities and challenges.

The evaluation process facilitated rich exchanges of knowledge, fostering collective learning and critical reflection among participants. Conducting an evaluation of this nature earlier in the program cycle would likely assist in improving recognition and utilization of the principles, and provide a depth of shared experience of scenarios where principles were helpful.

At the conclusion of each section, a proposed revision to the relevant principle is provided. These proposed principles were formulated by incorporating feedback and perspectives from the discourse within the learning circles, with the objective of closer alignment of each principle with identified values and collective insights garnered during the deliberative process.

**Principle #1:** Extend the reach of social finance and social innovation to communities, organizations, and people.

Investment Readiness Partners reported strong endorsement for “extending the reach” of social finance to SPOs, and there is evidence of this principle in action. Several IRP partners reported their community-driven outreach and engagement strategies, as well as tailoring workshops/information sessions to SPOs and communities. It was also reported that positions were created to fill this important role and demand for “extending the reach” to different SPOs and communities. There was a noteworthy overlap of extending the

reach with enhancing JEDI+A goals, with some IRP partners prioritizing building connections with rural or remote SPOs, BIPOC communities, queer communities, people with disabilities, youth, and so forth.

A challenge with adherence to this principle was the lack of shared knowledge and education around social finance within the communities. Participants reported that much of the terminology and language in SI/SF is profoundly inaccessible and, at times, exclusionary. A lack of recognition within SI/SF knowledge bases of pre-existing knowledge and expertise that shares the motivations and values of SI/SF could be unfairly disregarded. The ability of the SI/SF ecosystem to extend its reach is limited when the terminology is niche, confusing, or does not recognize a community context or existing expertise. Furthermore, "Extending the Reach" can imply that the direction of the reach does not have forms of Social Finance that could be disrupted by efforts to engage with the community. It may very well be that "Extending the Reach" needs to include sensing, listening, and an openness to learning from and with the communities, organizations and people being 'reached.'

*"I would also say that social finance seems to require a significant educational effort, even for terms like 'intermediaries' or 'social purpose organization.' The language we use can be quite specialized. So, it's mostly accessible to those who are already informed or who learn about it from someone else. In this way, it's somewhat like a proprietary ecosystem, even though it aims to be inclusive."*

IRP partners commented on their desire to ensure that the relationships being built are deep, meaningful and based on a commitment to trust. In other words, rather than simply "extending the reach," it is essential that deep, trusting relationships are fostered, especially with communities. It was acknowledged that building deep connections can be a time-consuming and resource-intensive process, which should be considered in SI/SF program designs. Further, maintaining relationships should be valued more highly. Several discussions highlighted barriers to maintaining deep relationships with communities and SPOs. These barriers included high staff turnover, short-term contracts, and project-based funding cycles that limit the capacity of organizations to engage in long-term engagement.

**Revised Principle #1: Expand Social Finance Awareness.** Broaden the knowledge and availability of social finance options to social purpose organizations (SPOs), communities and people. Recognize that many communities and cultures have existing practices and expertise. Prioritize deep, meaningful relationships with communities and SPOs, and allow for the time it takes to build connections in this ecosystem.

**Principle #2:** Enhance the diversity of social finance and social innovation in location, organization, people, context

Similar to the first principle, there was a strong level of endorsement for enhancing the diversity of social finance and evidence of this principle in action. Participants often noted that Justice, Equity, Diversity, inclusion, and Accessibility (JEDI+A) values were at the heart of their work, and they would be committed to JEDI+A values regardless of whether it was a listed principle. Some IRP partners reflected on having JEDI+A focused staff positions within their organizations, which aligns with their commitment to following this principle.

*"I would say one thing I'm really proud of within the organization is simply the fact that there is a role for something like a JEDI intern. I think that's so prevalent and important, not only in this ecosystem but in the entire workforce as a whole."*

Despite the strong endorsement of this principle, IRP partners commented on how the principle does not help with decision-making. For example, one participant stated, "There is never a fork in the road where we're like, well, should we be diverse or not be diverse?" According to Patton (2017), principles should be useful and provide guidance for making decisions. There was some discussion regarding the question of, "when resources are limited, which communities/groups do you target? (e.g., rural areas? BIPOC communities?)". Overall, the feedback suggests a need for greater clarity, specificity, and practical guidance within the principle to effectively promote diversity and inclusion within social finance and innovation initiatives. In our suggested revised principle, we propose incorporating a feedback loop to continually assess, revisit, and prioritize JEDI+A objectives.

*"And it's all driven by diversity. But these principles are too high-level, vague, and kind of obvious. They should be written down. They're important, but they don't aid in decision-making."*

**Revised Principle #2: Advance JEDI+A perspectives.** Identify, strengthen and use justice, equity, diversity, inclusion and accessibility (JEDI+A) lenses in decision-making to enhance the diversity of social finance and social innovation. Establish ongoing communication and collaboration within the SI/SF ecosystem to continually assess and prioritize JEDI+A objectives, ensuring alignment with evolving community needs and values.



**Principle #3:** Open and transparent engagement with partners, social purpose organizations, experts, and government

Discussions during the Learning Circles highlighted the challenges inherent in navigating the landscape of openness and transparency, including uncertainties about where to seek support and potential repercussions. For example, organizations may worry that their funding might be at risk if they disclose “failures.” Moreover, incentives have been observed for organizations to withhold information. Some IRP partners felt that with limited funding, ecosystem members are competing for the “same piece of the pie,” and many may lose their competitive edge if they communicate too openly. Notably, this sentiment was not endorsed by all IRP partners, with some reporting that they did not feel a competitive atmosphere with IRP partners and SPOs.

It was also a point of contention when asking the question, “transparent for whom?”. This principle can imply an expectation of being open and transparent in all contexts and scenarios, where this expectation can be difficult to meet, or not reciprocated. For example, some IRP partners asked questions about the costs and time involved in being open or felt that directives around openness neglected to provide a supportive framing for being open. Some partners identified having open and frank communication channels and relationships with individuals in similar roles at other organizations where a trusted relationship existed, but did not feel those relationships necessarily existed between their respective organizations. Notably, previous comments around high staff turnover, short-term contracts, and project-based funding cycles may contribute to the formation of these individual relationships but not organization-wide platforms for transparency and openness. Highlights of remarkable openness included shared program design and shared resourcing between partners, distinctly tied to collaborative practices.

Additionally, some IRP partners felt as though they were not receiving full transparency from those involved in program design, implementation or funding. At times, discussions indicated a kind of ‘one-way’ direction with transparency and openness and a sense of vulnerability in being fully open and transparent where the behaviour was not modelled by program implementation teams. Within these discussions, participants wondered why they were not involved in the co-design of the program and/or left out of conversations surrounding future IRP iterations. Again, this sentiment was not held by all IRP partners. Several participants reported that their small-sized, personal meetings with ESDC were remarkably welcoming, supportive and constructive in response to open discussions of project setbacks.

*“When I chat with ESDC IRP staff, there is tremendous support for experimentation, learning by doing, taking risks, and a high tolerance for both pivoting and outright failure.”*

There were also several discussions surrounding the desire to balance open and transparent communication, but also considering the real and valid limits to complete transparency. Participants reflected on the impact of open and transparent communication on community members. Principle #3 in its current form does not consider who will have access to the “open and transparency communications.” One participant noted that the people who are most affected by the outcomes (i.e., community members) should have access to the information gathered. Furthermore, it was also highlighted that we need to respect the stories of community members to ensure confidentiality and privacy. When we receive information from SPOs, it should be kept confidential to maintain trust. The principle in its current form does not account for these nuances.

*“We would love to transparently post everything we’re hearing, thinking about, and learning as it happens, but of course, we can’t do that. We need to be very cautious about how we respect the stories we’re hearing from our participants.”*

Finally, attendees of the learning circles discussed the importance of intention within this principle. In other words, what is the greater goal of being open and transparent? By anchoring this principle to specific objectives, such as breaking down silos, fostering trust, and promoting collaboration within the social financing system, it may become more meaningful and actionable.

*“It’s missing that intention, right? Like, what we achieve by being transparent. I think it should be anchored to goals like removing silos, building trust, and becoming more comfortable working with one another to create a seamless social financing system. That scope clarifies what we mean when we say open and transparent.”*

**Revised Principle #3: Cultivate Collaborative Ecosystems.** Foster an ecosystem culture that prioritizes collaboration over competition. Engage in open and transparent communication with partners, social purpose organizations, experts, and government stakeholders with the greater goal of synergy, mutual learning, and breaking down silos.

**Principle #4:** Keeping the social purpose organization (SPO) focus by tailoring approaches and activities to social purpose organizations as primary beneficiaries.

IRP partners agreed and endorsed the notion that SPOs are at the centre of the work they do within the IRP. There were several tangible ways that this occurred throughout IRP, such as checking in with SPOs frequently to ensure the support they receive is helpful (and if not, pivoting to support them),

making it easier for SPOs to collect and share impact data, and encouraging them in their leadership efforts to reduce power dynamics from funders. As illustrated in the quote below, IRP partners described how administrative forms were reduced or otherwise adapted to support the SPOs in their core missions rather than adding to administrative burden.

*“Our process has lightened the accountability requirements to better adapt to the realities faced by communities or organizations that receive funding. This allows them to focus on meeting needs rather than on the administrative tasks required to submit project proposals and manage the accountability process.”*

As indicated by the quote below, many IRP partners also reflected on the need to check in with the SPOs to determine their needs and tailor approaches to meet those needs.

*“I think we also emphasized the importance of being very clear from the start about the outcomes we expect the SPO to achieve through this intervention or program, and tracking those outcomes. As you pointed out, you can continue to run these programs and make modifications, thinking participants enjoy them, but if they’re not achieving the mutually established outcomes that the SPO aims to reach by the end, then you’re not truly focused on the SPO’s needs.”*

There were some interesting discussions within one learning circle that “keeping the SPO focus” may mean that some SPOs chose not to participate in social finance. They commented on how knowledge and options should be provided to SPOs, who can then make an informed decision, which may include opting out from Social Finance for a variety of reasons. Again, we return to a theme of ‘bringing’ social finance to those who ‘need’ it, where in fact a relationship based on listening, trust and sense of community could avoid some problems.

*“I’m just going to build on that list. I love it. Often, it’s like, ‘we have the thing and you must want it.’ But in practice, it should really be about meeting the needs and demands of communities, organizations, and people who have been excluded from financial systems. It shouldn’t be about us pushing our solution on those we’ve identified and left behind. Instead, it should be framed in their words and according to their demands.”*

In one learning circle, it was proposed that this principle doesn’t account for long-term thinking or long-term growth. Specifically, there exists a need to address the continuity of support and resources beyond the early phases to ensure the sustained success and impact of these organizations in the long term.

*“We are so focused on small to medium-sized organizations right now that there’s no pipeline thinking for when they grow. So, if we succeed*

*with them, what happens next? It feels like that whole startup vacuum problem. We're really good at growing a bunch of startups, but then there's no future support for them as they move to the next stage. And similarly, we're really good at supporting growth-stage organizations, but then there's no skill-up support for them after that."*

Finally, despite the strong endorsement for this principle, a few comments noted that it was somewhat confusing grammatically. Multiple partners recommended that it be reworded for clarity.

**Revised Principle #4: Empower Social Purpose Organizations (SPOs).**

Support SPOs by tailoring approaches to meet their needs and context, balancing accountability with working to reduce barriers to participation, simplifying processes where it makes sense, and supporting SPOs throughout their growth. Maintain and encourage autonomy and resilience throughout the ecosystem.

**Principle #5:** "Learn by Doing" by hearing what is working and what is not and by using information to course-correct implementation and for future program design

Although IRP partners respected that learning by doing and course-correcting is a noble goal in the SI/SF ecosystem, the most common criticism of this principle was that there needs to be more time for significant course correction during the IRP 2.0 funding cycle. Some participants reflected on how it can be challenging to get their projects off the ground, evaluate progress, and pivot effectively in a short period of time. Many respondents suggested that a longer funding cycle would have fostered more opportunities for pivoting and 'learning by doing.'

*"I just feel that, you know, if we had more time, like three years, there would be way more learnings that we could implement as we worked through this and had more time to explore what others are doing. Right now, we're busy trying to do our own thing and trying to see what others are doing—it's just hard to fit it all in."*

There are also real and practical constraints when pivoting within the IRP, as evident in the statement below:

*"So we constantly learn by doing because we're inventing something that hasn't been done before. Every time we do it, we modify it a bit, so this has been a constant part of our work in terms of an IRP principle. What I would add is that government mechanics allow for narrow pivots, but not large ones, so you can't really change the budget. Therefore, there are some*

*learning opportunities where we would have liked to pivot, but we can't if it requires a significant overhaul of the contracting work."*

However, many participants stated that they did engage in small-scale and informal ways of learning by doing. This included check-ins with SPOs and relatively minor changes to their projects to improve efficiency. One learning circle discussed the benefits of incorporating developmental evaluations and learning loops into program designs.

*"Definitely, my suggestion would involve more of a developmental evaluation framework with learning loops to ensure that learning is happening at every level. This framework would also continuously harvest and share the information gathered from these learning processes. Additionally, creating learning groups and implementing more developmental evaluations would ensure that this learning is taken to different levels and used to continuously enhance and improve the program."*

**Revised Principle #5: Enable Adaptation.** Encourage 'learning loops' and iteration by continually assessing what is working, what is not, and using this information to improve. Allow for the time and resources necessary to learn, change our minds and pivot in SI/SF program design.

**Principle #6: "Collaborate by Default" by expanding social innovation and social finance inclusiveness through engagement, collaboration, and partnerships within the ecosystem and beyond.**

Firstly, there is evidence of this principle in action, as noted in the quotes below:

*"We adopted this principle, interpreting it to mean that we work in partnership on almost everything we do. This manifested as collaborative contracts rather than traditional employee roles. For a long time, 'collaborate by default' meant that it was always two or three or four organizations working together to accomplish something. This approach fostered a sense of intellectual and shared ownership—not in terms of intellectual property rights, but in the sense that it wasn't 'This is mine.' It was always, 'This is ours,' right?"*

*"One example is our partnership with [redacted], where we've worked together to create a unified application process. We didn't make them identical, but rather joint, allowing applicants to apply to both organizations through a single process. We also shared knowledge and collaboratively developed this process."*

The findings from the learning circles highlight the significant value that IRP partners place on collaboration. Collaboration was evident in numerous practices such as program design, formal and informal partnerships, storytelling, and share-backs on lessons learned. However, difficulties can arise when attempting to collaborate in a competitive space.

*“And we are going to be competing on the same turf for funding sources, so I think that poses a general barrier to collaboration between organizations.”*

Other challenges emerged when trying to connect with new collaborators, particularly within established ecosystems like Quebec which have existing layers of structure that can make collaborative relationships highly prized, but subject to certain constraints and timeframes. Additionally, where collaboration relies on trust or existing relationships, the evaluation suggests the consideration of organizational contexts with numerous short-term contract positions where collaborators may leave an organization or change their positions after only a few months in a given role. Additionally, designing collaborative processes adds time to projects, even though such efforts are highly regarded and were mentioned as significant highlights in discussions with IRP partners. As mentioned before, the lack of time was perceived as a barrier within other principle discussions as well (e.g., building deep connections, learning by doing). It should again be considered that collaboration can add time to IRP projects and time comes at a cost, not just financial in terms of human hours but also operational as added bottlenecks and dependencies can slow down project development and implementation. Within this principle, there needs to be more guidance on when collaboration is appropriate and to what extent, especially when facing tight timelines. It is also worth considering that timing issues will tend to encourage ‘default’ collaborative relationships, rather than the seeking of new collaborative opportunities. Furthermore, the absence of direction on prioritizing collaboration with specific partners poses additional challenges. Thus, while collaboration is deeply valued by many IRP partners, questions remain about how collaboration can be reconciled within larger ecosystem dynamics and program restrictions.

The learnings from this principle were incorporated into Revised Principle #3: Cultivate Collaborative Ecosystems (see above).

### **3.4 Values of the IRP Partners: Results from Learning Circle**

“Vision is where you want to go. Strategy is how you intend to get there. Effectiveness principles provide guidance about how to implement strategy in a way that is true to the vision.” (Patton, 2018, p. 3). Effective principles can provide a connection between vision and strategy. In the context of principles-focused evaluation, a “value” typically refers to a guiding belief or ethical principle that underpins the program and where you want to go. With this in

mind, participants were prompted to reflect on the question, “How might we build a better Canadian SI/SF ecosystem?” This prompting question intended to reflect on the ideals and priorities of the stakeholders involved. A total of 9 overarching values emerged as themes in the learning circles. See [Table 3](#) for the list of values, a brief description and sample quotes.

This activity was important as it allowed us to identify if the values of the ecosystem were reflected into the IRP principles. When the value was not in any IRP 1.0 principles, they were incorporated into the revised IRP 2.0 principles. For example, the value of investing in long-term solutions was integrated into principle #1 (“allow for the time it takes to build connections in this ecosystem”) and principle #5 (“allow for the time and resources necessary to learn, change our minds and pivot in SI/SF program design.”) Finally, the identified value of risk taking informed the development of our final revised principle:

**Revised Principle #6: Embrace Risk and Experimentation.** Encourage risk-taking and as it fosters innovation. Share, learn and appreciate the knowledge generated from taking risks in the SI/SF ecosystem, using setbacks as learning opportunities for future pivots.

### **3.5 Challenges Identified: Results from Learning Circle**

Effective principles are intended to assist and guide decision-making (Patton, 2017). We asked participants about the challenges they’ve experienced or witnessed others experiences in the SI/SF ecosystem, with the goal of gathering insights that may inform the development of principles aimed at addressing these challenges. Therefore, participants were prompted to reflect on the question, “What are some challenges you have experienced or noticed in the SI/SF ecosystem?” Five common challenges were reported in the learning circles. You can see a summary of the challenges in [Figure 1](#), which are direct virtual post-it notes amalgamated from all six learning circles.

Since principles are intended to guide action, we also designed our principles to be helpful in navigating difficult scenarios. For example, the challenge of “knowledge gaps” may be overcome with the prioritization of deep meaningful connections.

**Table 3.** Values identified in Learning Circles

Theme	Brief Description of Theme	Sample Quotes
<b>Invest in Long-Term Solutions</b>	Prioritize long-term strategies and programming to allow time for experimentation, learning, and developing meaningful relationships.	<i>“We need to improve the ecosystem, and to do that, I think we need to scale it to make it more permanent. We require long-term funding for its mission, similar to how private enterprise and economic development are supported.”</i>
<b>Embrace Risk-Taking</b>	Demonstrate a willingness to innovate and explore new approaches, acknowledging that taking calculated risks can lead to learning and improvement.	<i>“Coming from the for-profit sector, you often hear stories about small businesses launching several projects or businesses and failing before they find success. This is generally accepted as the norm. However, in the not-for-profit sector, there’s a tendency among funders to want guaranteed success. This often leads to very minimal improvements in projects, as organizations are cautious about taking bigger risks. I think there needs to be a shift in risk assessment to allow for more substantial innovation.”</i>
<b>Foster Collaboration and Deep Meaningful Connections to Community to Build an Integrated System</b>	Emphasizes the importance of building strong networks, partnerships, and collaboration to leverage collective strengths to achieve common goals. Prioritize collaboration over competition in program design.	<i>“Build trust to reduce fragmentation, remove silos, and allow people to collaborate more effectively. This will enable us to learn from one another and build a stronger system.”</i>



Theme	Brief Description of Theme	Sample Quotes
<b>Promote and Maintain Justice, Equity, Diversity, Inclusion and Accessibility (JEDI+A) Lenses</b>	Ensure that access to funding is equitable across Canada. Amplify the voices of communities that have been historically marginalized.	<i>"The one thing I'll say right now, which I had written down, is that I'm not seeing the word 'access' anywhere. I just wanted to mention that accessibility, or access to economic justice, or access to other resources, is something I think about a lot, and I don't see it reflected there yet."</i>
<b>Measuring Impact Effectively</b>	Measure impact alongside financial stability. The impact data should be shared transparently to inform decision-making, improve accountability, and drive positive social change.	<i>"Impact measurement skills are essential so that impact can be valued alongside financial stability."</i>
<b>Improve Awareness of Social Finance</b>	Enhance public knowledge and understanding of social finance, fostering greater awareness of its potential benefits and applications- while using accessible language. Equip SPOs to make informed decisions regarding social finance.	<i>"Raising more awareness outside of the Social Innovation/Social Finance ecosystem about what it is and why it's important."</i>

Theme	Brief Description of Theme	Sample Quotes
<b>Displace traditional finance</b>	Shift towards alternative, socially responsible financing models that prioritize social and environmental impact alongside financial returns. This theme also includes reflections on the greater purpose and the "why" of SI/SF.	<i>Social finance and social innovation are tools for achieving something bigger and more enduring. Sometimes it feels like we lose sight of that, and we think all of our efforts are just to achieve social finance. But that's not the ultimate outcome we're working towards."</i>
<b>Prioritize Incrementalism and Building on Existing Tools</b>	Emphasize the importance of gradual progress and continuous improvement of the Canadian SI/SF ecosystem. This value encourages building on what works rather than proposing a "new and shiny" solution. Recognizing incrementalism is a slow and steady process that takes time and resources.	<i>"Let's move away from shiny objects, shiny new things to embracing steady, deliberate efforts and investments. We're not looking for quick fixes or merely repackaging old ideas; change takes time and resources, and we need to commit to investing in it."</i>
<b>Support SPO autonomy</b>	Supports the empowerment and autonomy of social purpose organizations (SPOs), recognizing their expertise, agency, and capacity to drive change within the ecosystem. This includes supporting SPOs to maintain autonomy and vision when interacting with funders and support SPOs in conducting impact measurement in-house.	<i>"Our funding system often favors giving \$15,000 or \$50,000 grants to social purpose organizations for hiring consultants to handle specific tasks. This creates a cycle where a cottage industry of consultants emerges, specializing in these tasks. However, what we fail to do is empower these organizations with the permanent, in-house skills needed to address these challenges themselves."</i>

**Figure 2. Challenges identified in the IRP**



### **3.6 Feedback on Principles-Focused Evaluation as a Tool in the SF/SI Ecosystem**

A PFE approach offers several advantages in the complex and dynamic SI/SF ecosystem. Participants highlighted that continued principles-focused evaluations could serve as a useful touchpoint or anchor, helping to organize projects and align activities within the broader objectives. Moreover, PFE can facilitate coordination among funded participants and promote alignment with shared goals. The PFE also provides a platform for connection and collaboration among participants. It can foster meaningful interactions and relationships, allowing individuals to get to know each other better and enhance collaboration. This can, in turn, support the ecosystem's desire to maintain deeper and meaningful relationships. Finally, many participants reflected on the importance and utility of reflecting on the principles. Specifically, the practice of revisiting and discussing the principles may be effective in encouraging its use.

*“What I find intriguing about these principles is that they present a sort of challenge. We’re using them to identify where we might be falling short, to pinpoint what we’re not yet achieving within these principles. Then, we leverage them to drive further progress, adopting a more systemic perspective.”*

*“The current discussion seems to lack depth in terms of understanding the true meaning of these principles and how they directly connect to our purpose. At least, that’s been my experience thus far. So, I’m curious if you envision a broader significance for them. They seem, in theory, to encapsulate the depth of our mission, exploring the intricate nuances of why we do what we do. Let’s delve deeper into that aspect.”*

### **3.7 Evaluability**

In moving towards the revised principles, the importance of evaluability resurfaces. It is important to centre thinking about power within the SI/SF ecosystem with three overarching questions:

- Who is evaluating?
- Who is being evaluated?
- Why is the evaluation occurring?

At its core these questions clarify the governance context attached to evaluation. From this evaluability can be determined, and Patton (2017) provides a useful starting point for measuring evaluability using the following criteria:

1. Can the meaningfulness of a principle (to those expected to follow it) be assessed?
2. Can the adherence to the principle be documented and judged?
3. If it is being adhered to, is it possible to trace the results that arise from it? (Does following the principle lead to where the adherents want to go?)
4. Can data help discern the overall effectiveness of the principle?

Broader objectives than the achievement of static pre-determined and highly visible goals can support the broadening of not just SI/FI evaluations but also experimentation in governance structures that underpin novel social finance approaches. Furthermore, Patton (2017) advocates for a shift in perspective regarding evaluability, moving away from primarily assessing the achievement of goals retrospectively (a 'back end activity') towards considering laying the groundwork for an effective evaluation from the start of a program (a 'front end activity'). The above criteria can assist in developing a useful, evaluable process throughout a program's design and implementation.

Lastly, using the Learning Partner approach (VeLure Roholt et, al., 2023) as a lens to Patton's criteria may help bring a more decolonial lens to the notion of evaluability in relation to the revised principles. As such, a posture of "learning" as opposed to simply "judging" may prove helpful as additional researchers and practitioners work to discern the effectiveness of the revised principles which are more community-centric and grounded in deeper relationality. In this gesturing towards more relational approaches through the Learning Partner model (VeLure Roholt et, al., 2023), evaluability then becomes scaffolded onto:

1. Deep stakeholder and community engagement
2. Defining the challenges in doing the work and how programs are using the principles to respond to them
3. Designing the evaluation approach in line with the revised principles for each iteration of the work
4. Justifying conclusions based on the collected data and its connectedness to the principles to all stakeholders involved
5. Sharing lessons widely to generate learning across the ecosystem

# 4/ Recommendations and Conclusions

## **4.1. Recommendations for Future Principle Efforts**

**Establish diverse feedback loops to revisit principles in the Canadian SI/SF ecosystem, including at the initial phases of project or program design.**

Given the ever-evolving SI/SF ecosystem landscape, members should embed regular systems-level practice of principle reflection, discussion and refinement. This ongoing process will encourage the principles to remain current to the evolving needs of the ecosystem and provide a touchpoint for knowledge-users, as well as providing a means to track the development of ecosystem dynamics over time. The practice of revisiting principles, interacting with them and considering how they relate to desired results is likely to encourage principle contextualisation and ultimately adherence. This practice aligns with the Learning Partnership model (Roholt et. al, 2023) to evaluation, which promotes maintaining a “posture of learning” and continuing to nurture relationships thin ecosystems. From this perspective, the current evaluation can be thought of as the first iteration and suggestive template for future evaluative purposes.

**Provide a variety of examples of positive use of principles to celebrate achievement and illustrate effective application**

During the evaluation, many organization suggested they were already working in alignment with these principles, despite having limited awareness of them. The IRP program could aim to celebrate successes and provide positive examples of navigating challenging circumstances, developing relationships, or seizing opportunities by using the principles. The IRP program could seek to incorporate principles into program design and learning initiatives, such as the lunch and learns, newsletter, or IRP website.

**Foster learning through the development of case studies and the use of teaching cases**

To facilitate deeper understanding and application of the principles, stakeholders should prioritize the development and dissemination of experiences within the ecosystem, particularly through case studies and teaching cases. These real-world examples may offer invaluable insights into how the principles can be effectively implemented and adapted within diverse contexts. By sharing experiences, best practices, and lessons learned, stakeholders may collectively enhance their capacity for principles-centered decision-making and action.

### **Identify, support and develop a variety of communication channels for sharing learning, building trust, and enhancing transparency**

Ensure active involvement of stakeholders representing diverse perspectives and expertise throughout the design of the Principles-Focused Evaluation and co-creation of the principles. This can be achieved through critical and decolonial approaches such as the learning partnership model, learning circles, regular consultations, or advisory committees like the JEDI+A stewarding group, fostering a sense of ownership and buy-in among all involved parties. Additionally, existing communication channels should be reinforced, supported and celebrated where appropriated.

Ensure transparent and accessible communication channels for sharing updates, progress, and outcomes related to PFE assessment. This may include regular newsletters, online portals, or dedicated communication platforms to disseminate information, solicit feedback, and foster a sense of community and collaboration among stakeholders.

### **Incorporate JEDI+A lenses**

Ensure justice, equity, diversity, inclusion, and accessibility lenses are a core part of the PFE design and implementation. This includes leaning on decolonial research methods and tools, particularly community-centric, participatory approaches that emphasize a “posture of learning” over expertise. This entails challenging entrenched power dynamics and hierarchies as well as respecting data sovereignty when working with equity deserving communities and their representatives. This may also be reflected in spotlighting alternate, JEDI+A centered approaches to living the principles in action.

### **Continue to advocate for the value and use of principles and principles-focused evaluation**

The value of principles lies in their ability to provide a clear and consistent framework for guiding actions, decisions, and behaviours. In future program designs, it may be beneficial to provide context to the users of the principles as to how they can be used and may be beneficial in implementation.

## **4.2 Evolution of the IRP Principles**

Following integration of data gathered from the baseline survey, learning circles, and IRP convenings, the recommended set of revised principles are:

- 1. Expand Social Finance Awareness.** Broaden the knowledge and availability of social finance options to social purpose organizations (SPOs), communities and people. Recognize that many communities and cultures have existing practices and expertise. Prioritize deep, meaningful relationships with communities and SPOs, and allow for the time it takes to build connections in this ecosystem.
- 2. Advance JEDI+A perspectives.** Identify, strengthen and use justice, equity, diversity, inclusion and accessibility (JEDI+A) lenses in decision-making to enhance the diversity of social finance and social innovation. Establish ongoing communication and collaboration within the SI/SF ecosystem to continually assess and prioritize JEDI+A objectives, ensuring alignment with evolving community needs and values.
- 3. Cultivate Collaborative Ecosystems.** Foster an ecosystem culture that prioritizes collaboration over competition. Engage in open and transparent communication with partners, social purpose organizations, experts, and government stakeholders with the greater goal of synergy, mutual learning, and breaking down silos.
- 4. Empower Social Purpose Organizations (SPOs).** Support SPOs by tailoring approaches to meet their needs and context, balancing accountability with working to reduce barriers to participation, simplifying processes where it makes sense, and supporting SPOs throughout their growth. Maintain and encourage autonomy and resilience throughout the ecosystem.
- 5. Enable Adaptation.** Encourage 'learning loops' and iteration by continually assessing what is working, what is not, and using this information to improve. Allow for the time and resources necessary to learn, change our minds and pivot in SI/SF program design.
- 6. Embrace Risk and Experimentation.** Encourage risk-taking and as it fosters innovation. Share, learn and appreciate the knowledge generated from taking risks in the SI/SF ecosystem, using setbacks as learning opportunities for future pivots.

### **4.3 Conclusion**

While the initial IRP 1.0 principles resonated with the values of the Canadian SI/SF ecosystem and IRP partners, there needs to be more alignment between this agreement and practical application in day-to-day work. Moving forward, there is a pressing need for increased awareness and adoption of these principles within the ecosystem.



The findings of this PFE emphasize the critical role of a shared vision and principles in managing change at the sector level, particularly in a diverse and complex landscape like the SI/SF ecosystem. The PFE highlights the necessity of aligning stakeholders around common goals to ensure coherent and effective action. These principles provide a common objective and set standards and best practices crucial for the sector's rapidly evolving nature.

Moreover, shared principles strengthen the sector's resilience and ability to respond to external dynamics, including evolving market demands and emerging social challenges. By fostering cohesion and alignment, these principles enable essential partnerships and collaborations, addressing complex issues collaboratively. However, the feedback highlights the importance of deeply integrating these principles into daily operations to drive collective success and sustainability.

Informed by an analysis of IRP principles feedback, values, and challenges, this report proposes a refined set of six principles to guide future program designs within the Canadian SI/SF ecosystem, ensuring alignment with sector needs and aspirations. These principles aim to address the complexities and diverse dynamics present in the sector, fostering collaboration, innovation, and sustainability for the advancement of social impact initiatives.

## 5/ References

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# 6/ Appendices

## Appendix A : Original IRP 1.0 Principles Infographic



## **Appendix B: Survey Items for Baseline Survey**

For each of the six principles, the following survey items were asked:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. Principle X provides clear advice and guidance on what to do, what to value, and how to act to be effective in my organization. <sup>6</sup>					
2. Principle X is useful for making choices and decisions. In other words, when there is a fork in the road, I could see this principle being helpful for decision-making. <sup>U</sup>					
3. Principle X's guidance is feasible to follow. <sup>U</sup>					
4. The values expressed by Principle X are inspiring. <sup>I</sup>					
5. Principle X is meaningful to the work that my organization does in support of the Investment Readiness Program. <sup>I</sup>					
6. I can see how Principle X is relevant to the diverse contexts and situations encountered in my organizations work with the Investment Readiness Program. <sup>D</sup>					
7. Principle X has an enduring quality and I can envision the principle being meaningful over time. <sup>D</sup>					
8. I can measure whether Principle X is being followed or adhered to in our work. <sup>E</sup>					

<sup>G</sup> – survey item measuring “guiding”

<sup>U</sup> – survey items measuring “usefulness” (items were averaged to obtain a single score)

<sup>I</sup> – survey items measured “inspiring” (items were averaged to obtain a single score)

<sup>D</sup> – survey items measured “developmental” (items were averaged to obtain a single score)

<sup>E</sup> – survey item measured “evaluable” (items were averaged to obtain a single score)

**To what extent do you currently adhere to this principle in your organization?**

- a) Most of the time
- b) Sometimes
- c) Seldom
- d) Never

**After each principles was evaluated individually, the following open-ended questions were asked:**

1. Do you feel a sense of community has been established within the Investment Readiness Program? Why or why not?
2. What do you like about the existing principles? What would you change?

## **Appendix C: Table 1**

**Appendix Table 1.** Perceived sense of community: Themes derived from open-ended survey items at baseline

Theme	Sample Quotes
<p>Difficulty of Short Timelines</p>	<p><i>“Timing of projects don’t align for successful collaboration. It’s unclear if we are (or even should be) working in unison in the same direction.”</i></p> <p><i>“The difficult part might be inviting, creating space for, and following through on new/emergent collaborations given the varying stages of IRP partner projects (some finishing, others heads down in work, others maybe still ramping up)”</i></p>
<p>Difficulty with Virtual Environment for Building Connections</p>	<p><i>“I believe it would have been more impactful to have met in person at least once to foster stronger relationships.”</i></p>
<p>Desire for More Opportunities to Connect</p>	<p><i>“I feel that we lack sufficient opportunities to connect unless we actively make an effort to foster those connections. However, not everyone has the time or recognizes the value in these occasional conversations.”</i></p> <p><i>“The IRP Partner meetings (3-hour, 3-day sessions) and IRP lunch n’ learns are beneficial for fostering connections among us. However, I believe we could create more opportunities for collaborative projects between partners working on similar themes, rather than each organization pursuing separate IRP projects.”</i></p>

## **Appendix D: Table 2**

**Appendix Table 2.** Qualitative feedback on the IRP 1.0 principles at baseline

Theme	Sample Quotes
Positive feedback on principles	<p><i>"I think the principles are strong. I am very encouraged to see SPOs at the centre of the initiatives."</i></p> <p><i>"I appreciate how much is focused on being stronger, better, more inclusive, when we do things together and in collaboration. It is a central ethos that I am grateful is so present throughout the principles above. I feel as though the principles are well rounded."</i></p>
Principles aren't being used and/or own principles are adopted	<p><i>"There isn't anything inherently wrong about the principles right now. But they haven't been used, adopted by the ecosystem in a visible way."</i></p> <p><i>"The principles are fine - I'm not sure what to do with them though. I find my own personal values and our organizational values/principles to be the driving force behind how we are approaching our work in the IRP, not these principles."</i></p>
Unclear Implementation	<p><i>"I generally like them, but sometimes they're quite high-level. For example, what exactly do we mean by 'expand reach'?"</i></p> <p><i>I would suggest making them more measurable."</i></p>
Principles should be community-driven	<p><i>"I'm also uncertain about Principle 4; I don't agree that Social Purpose Organizations (SPOs) should be viewed as the primary beneficiary. Instead, I believe that communities should hold that role."</i></p>



Theme	Sample Quotes
More specifics on Justice, Equity, Diversity and Inclusion	<p><i>“There is not enough emphasis on Diversity, Equity, and Inclusion (DEI) in the principles”</i></p> <p><i>“Descriptions of diversity, JEDI, inclusion etc should be specified, what groups? some groups are more excluded from this space than others.”</i></p>