



In the October issue of CAGP-ACPD's Government Relations Information Bulletin, we mentioned that the Government of Canada is looking at changing the way it finances charities and non-profit organizations.

These changes were partially inspired by a National Task Force on Social Finance report that was released last December. The report, entitled *Mobilizing Private Capital for Public Good*, recommends seven actions that Canada needs to undertake in order to address the main challenges that these organizations are currently facing. Below is a summary of their recommendations:

Recommendation #1

To maximize their impact in fulfilling their mission, Canada's public and private foundations should invest at least 10% of their capital in mission-related investments (MRI) by 2020 and report annually to the public on their activity.

Recommendation #2

To mobilize new capital for impact investing in Canada, the federal government should partner with private, institutional and philanthropic investors to establish the Canada Impact Investment Fund. This fund would support existing regional funds to reach scale and catalyze the formation of new funds. Provincial governments should also create Impact Investment Funds where these do not currently exist.

Recommendation #3

To channel private capital into effective social and environmental interventions, investors, intermediaries, social enterprises and policy makers should work together to develop new bond and bond-like instruments. This could require regulatory change to allow the issuing of certain new instruments and government incentives to kick-start the flow of private capital.

Recommendation #4

To explore the opportunity of mobilizing the assets of pension funds in support of impact investing, Canada's federal and provincial governments are encouraged to mandate pension funds to disclose responsible investing practices, clarify fiduciary duty in this respect and provide incentives to mitigate perceived investment risk.

Recommendation #5

To ensure charities and non-profits are positioned to undertake revenue generating activities in support of their missions, regulators and policy makers need to modernize their frameworks. Policy makers should also explore the need for new hybrid corporate

forms for social enterprises.

Recommendation #6

To encourage private investors to provide lower-cost and patient capital that social enterprises need to maximize their social and environmental impact, a Tax Working Group should be established. This federal-provincial, private-public Working Group should develop and adapt proven tax-incentive models, including the three identified by this Task Force. This initiative should be accomplished for inclusion in 2012 federal and provincial budgets.

Recommendation #7

To strengthen the business capabilities of charities, non-profits and other forms of social enterprises, the eligibility criteria of government sponsored business development programs targeting small and medium enterprises should be expanded to explicitly include the range of social enterprises.

Click [here](#) to read the full report.

The Standing Committee on Finance is going to undertake a [study on charitable donations](#) immediately following the pre-budget consultations. CAGP-ACDPD™ is hopeful that we will be asked to participate or consulted as part of the study.

Send in your donor stories today! If you have a donor story to share and would like to see it posted in the News section of the LEAVE A LEGACY™ website or an upcoming Stories and Stats, please contact the National LEAVE A LEGACY™ coordinator by email - leavelegacy@cagp-acdpd.org, or by phone, 1-888-430-9494 ext. 3.

