

**We are the charitable and nonprofit sector.**

**We build the communities that Canadians want to live in. We support Canadians in areas as diverse as arts and culture, health care and research, environmental protection, religious observance, social services, job training, seniors' services, fitness and amateur sport, education, and disaster relief. We provide Canadians a platform to express their generosity and compassion around the world.**

**We mobilize the skills and efforts of almost 13 million volunteers every year.**

**We are a vital part of the economy, employing some two million Canadians from coast to coast, in communities large and small, and accounting for more than 8% of GDP.**

**We are a vital partner, helping governments deliver services and fulfill their social, environmental, and economic goals.**

**We generate and hold large amounts of research and local knowledge and drive social innovation. We are increasingly adopting social finance models.**

**And with the right support, we can and will do more. We have concrete ideas about how the federal government can give us that support.**

***A milestone opportunity exists for a fundamental 'reset' – the creation of legal and regulatory frameworks that enable social good to thrive.***

The federal government has committed to a new legal and regulatory framework for the charitable and nonprofit sector. We welcome this. The current framework dates back to Queen Elizabeth I and does not reflect the ways that organizations operate or finance themselves in today's world.

There is much to be done to understand the full range of policy needs, the implications of different courses of action, and the role of provincial and territorial governments in any comprehensive reforms. For the most part, organizations are too focussed on their mission to devote resources, time, or thought to potential regulatory reform. Umbrella organizations, such as Imagine Canada, are in a good position to partner with government to research these issues and play a convening role, but this will require investment. **We call on the federal government to invest adequate resources to allow the sector to fully participate in the process, to carry out a broad and full consultation process, and to convene the sector as full partners in any reform process. We also look to Parliamentarians, for example those serving on the House of Commons Standing Committee on Finance, to play an active role in ensuring Parliament's involvement in studying and consulting on any proposed reforms.**

***Program innovation, organizational evolution and service relevancy need to be fuelled by timely information, data, research and information.***

Measurement, data, and evaluation are key enablers of innovation and the foundation of sound policy decisions; their absence is a critical impediment. This is equally true for governments, the private sector,

and for charities and nonprofits. In the case of our sector, it is important to stress that the lack of timely data is reaching a critical state, with the most recent sector statistics being more than a decade old.

The federal government used to generate economic data about the charitable and nonprofit sector. It no longer does, meaning that policy decisions are made with limited understanding of their impacts on a large and vibrant part of Canada's social fabric and economy.

Further, data that would be of use to individual organizations often does not reach them, and when it does they face significant gaps in their capabilities to make use of it. Some gaps are technical, some are driven by scarcity of key skills, and others by ill-founded pressures to keep organizational overhead artificially low. The net effect is that the vast majority of organizations are not equipped to use data to its maximum potential.

**We call on the federal government to work in partnership with us to identify and address shortfalls in current government data collection, and ways in which organizations can better access and use government data to improve the services they offer Canadians.**

***A small step forward has been witnessed in the administration of grants and contributions, creating an example of positive reform that could be replicated across the government.***

Grants and contributions should be a means to efficient, community-based delivery of public services. Over the years, numerous studies have pointed out significant shortcomings in how the federal government administers grant and contribution programs. Recommendations for improvement have largely been ignored.

The Department of Canadian Heritage has announced reforms that, while not a comprehensive solution, will improve things for both charities and nonprofits, and for the Department. Measures like multi-year funding, consistent application processes, on-line services, and electronic delivery of funds will reduce administrative costs and improve services.

**We call on the federal government to mandate departments and agencies to adopt the grant and contribution reforms that have been made by the Department of Canadian Heritage.**

***Bold leadership can create an environment that ensures access to capital and helps fulfill the potential of social entrepreneurship and social finance.***

Governments around the world are recognizing the potential of social finance and social entrepreneurship to provide new ways of funding social good. But the market remains underdeveloped, particularly in attracting private capital.

**We call on the federal government to explore ways to catalyze the social finance market, such as a capital matching program for impact investing funds, or utilizing unclaimed assets as a source of capital for impact investing funds.**