

Jubilee Fund

FEBRUARY 2018

Investigating the Social Impact of Jubilee Fund Loan Guarantees and Bridge Financing

A. Purpose of the Study

The Jubilee Fund is an ethical investment fund that provides flexible financing in the form of loan guarantees and/or bridge financing for worthy projects that do not qualify for traditional financing. “Worthy projects” are those that address the inter-related issues of poverty, lack of financial assets, and lack of access to credit. The primary beneficiaries are usually social purpose organizations like charities, not-for-profit organizations, and social purpose businesses (co-operatives and social enterprises) that hope to initiate or complete community-based projects that reduce poverty and financial exclusion in Manitoba¹.

To better understand the role that Jubilee Fund plays in helping Manitoba organizations that reduce poverty and financial exclusion, and to investigate the social impact that can result from the Jubilee Fund’s loan guarantees and bridge financing, the following questions were considered:

- What were social purpose organizations able to achieve through the Jubilee Fund that they would not otherwise have been able to do?
- In what ways does the Jubilee Fund contribute to the creation of social value as a loan guarantor/ financier and/or through the loan guarantee/bridge financing?
- Is it possible to calculate a Social Return on Investment (SROI) on the Jubilee Fund’s contribution towards the social value created?
- What does this say about the role of the Jubilee Fund in social finance, community economic development, and poverty reduction in Manitoba?

Such findings about social impact could then be reviewed alongside information about the Jubilee Fund’s financial, economic, and other impacts to inform communications with investors and partners, strategic planning and activities, assessment/evaluation frameworks, social finance policy decisions, and future research directions.

B. Executive Summary

Eupraxia Training was engaged to undertake the investigation of social impact in July 2017. The purpose of the study was to identify and, where possible, quantify the social value created by six to twelve of the social purpose organizations with which the Jubilee Fund has worked in recent years. This included getting an understanding of how much of the resulting social change could be credited directly to the Jubilee Fund’s work (attribution) and whether the social changes might have happened even without the

¹ “The Jubilee Fund’s mission is to finance projects that reduce poverty and have a positive social impact in Manitoba.” <http://www.jubileefund.ca> (accessed January 2018)

Jubilee Fund's involvement (additionality). While the number of organizations in the study is small², it is informative to see the financial, economic and social value that credit tools such as the Jubilee Fund's loan guarantees can create. This work was described as affecting individual lives, the social purpose organization's potential, community capacity, and community economic development more generally.

The study found that the social purpose organizations that had previously been unable to access financing were able to realize a wide range of impacts as a direct result of securing a loan guarantee and/or bridge financing. **Financial and economic impacts** such as the following were identified by the eight social purpose organizations that participated in the study:

- loans from Assiniboine Credit Union (ACU) became accessible;
- economies of scale were achieved;
- markets and outreach expanded;
- word-of-mouth referrals and business recommendations increased;
- business goals advanced;
- supply chains were expanded and stabilized;
- banking fees were reduced;
- staff time was used on service provision instead of fundraising;
- necessary leasehold improvements could be made;
- layoffs were avoided;
- revenues increased; and
- additional funding was leveraged.

In addition, the eight organizations mentioned **social and/or non-monetary impacts** that occurred specifically because of the loan guarantee, such as:

- new daycare spots became available in under-served areas, meaning that parents could go to work or to classes;
- waitlists for subsidized and pre-school daycare spots were reduced;
- marginalized employees had supportive employment with opportunities for advancement and training;
- local food culture grew and become more innovative;
- newcomers' familiarity and cooking skills with Canadian foods increased, meaning that family food budgets could be used more effectively;
- new training programs were developed;
- English language skills increased;
- more newcomers could get their overseas credentials recognized and look for work in their field;
- women got promotions into management positions;
- psychological services could be provided at a reduced cost (or free) to low-income individuals;
- low-income homeowners could reduce their utility bills;
- some participants did not return to jail;
- familiarity with social financing increased;
- sector-specific networks were developed;
- working relationships between social purpose organizations and the financial sector improved; and
- under-served areas of Winnipeg received important social services meaning that more children, families, and individuals got the information, assistance, referrals, or support they needed.

One organization stated that significant environmental gains had been made as a direct result of the loan guarantee.

² The Jubilee Fund works with twelve to fifteen social purpose organizations a year. On average, six to twelve of these have been considered ineligible for traditional financing.

By becoming part of the “Jubilee Fund family”, the recipient organizations gained access to trusted business mentors on the Board, supportive networks of like-minded enterprises, training opportunities, and a sense of security from knowing that there was always someone to call for advice or help in challenging times. The value of being part of a mission-driven community and working to address social challenges alongside other like-minded professionals was mentioned several times by the recipients.

These investment impacts, i.e. the impacts directly attributable to the portion of the social purpose organization’s work that resulted from securing the loan guarantee, are highly unlikely to have occurred otherwise. The organizations would not have had the same impact without accessing credit and yet traditional forms of credit were out of reach. Nor are they likely to have received other private credit. The Jubilee Fund is the only organization of its type in Manitoba and is, in fact, rare in Canada³. As such, both the attribution and the additionality of the impacts experienced by the eight participating organizations can be confirmed: Jubilee Fund loan guarantees and/or bridge financing result in a varied and significant investment impact.

However, established proxies and multipliers do not seem to exist for the financial and economic impacts of loan guarantees or similar forms of private or public credit schemes, let alone their social impacts. This means that precise calculations about the value of returns on the Jubilee Fund’s investment cannot be made at this time. The World Bank and OCED are exploring the matter, but have not yet determined how best to calculate and attribute the social value created by such financial tools. Nonetheless, preliminary research suggests that all or nearly all of the credit for new impacts goes to a loan guarantor like Jubilee Fund when no other sources of such support are available, because in such situations the full weight of the financial risk is borne by the loan guarantor.

Given the lack of established proxies and multipliers, as well as the lack of comparative research about the social value created by credit tools, a Social Return on Investment (SROI) calculation was not possible within the scope of this study. Instead, this report provides in an inventory of the types of additionality described by ten of the Jubilee Fund’s primary beneficiaries⁴ in the hopes that more precise metrics related to the social value created by credit tools can be identified in the near future. It is further hoped that this study will contribute to the discussion about how best to measure social impact for Manitoba initiatives.

Even without a specific investment-to-social value ratio, it was clear that, for six to twelve social purpose organizations a year, the Jubilee Fund removes a daunting and sometimes mission-threatening barrier to accessing financing, allowing them to pursue their visions and mandates in more effective and impactful ways. Through its multi-faceted non-monetary support, the Jubilee Fund also contributes to the professional development of and connections within the community economic development sector. Recipients of loan guarantees and bridge financing were unequivocal in giving credit and expressing gratitude to the Jubilee Fund for its role in their ability to do their social purpose and poverty reduction work.

³ At time of writing there were only eight other organizations in Canada doing similar work.

⁴ Eight organizations were included in the focus groups and SROI reports from two further organizations were reviewed.

C. Background Information

Jubilee Fund Loan Guarantee/Bridge Financing

The Jubilee Fund works with twelve to fifteen organizations per year. These organizations are established, stable social purpose organizations that have “projects or ventures that contribute to the social and economic strength of our community.” More specifically, Jubilee Fund encourages applications from “social business, low-income housing projects and community projects with tangible benefits to local residents.”⁵ Within those categories, Jubilee Fund investors prioritize projects that have encountered barriers to traditional financing and investors know that they are making small concessions in financial returns in order to make a contribution to the expected social impacts⁶. The intent is that support for social purpose organizations will result in reduced poverty and increased well-being and inclusion at the grassroots level.

Most organizations work with Jubilee Fund on a longer-term basis (five to ten years) to make monthly payments more manageable; some projects may however be as short as one year. Several organizations have applied for support for sequential projects. Organizations may also apply for a combination of loan guarantees and bridge financing to cover start-up costs, leasehold improvements, or the purchase of capital assets. Default rates are extremely low for both organizations and for newcomers who can apply for assistance with costs associated with credential recognition of re-training⁷. Although many recipients already have good business acumen, non-monetary supports provided by Jubilee Fund include information and advising, as well as networking opportunities within the community economic development and social finance sectors.

Beyond the approved organizations, an additional 10-20 organizations annually may apply for support for their projects, but are either not eligible or not accepted.

The Jubilee Fund works in partnership with Assiniboine Credit Union (ACU), which provides the loan for which the guarantee or bridge financing has been secured. As mentioned above, this is the only working arrangement of its kind in Manitoba and is, in fact, rare in Canada.

Assiniboine Credit Union Financing

Assiniboine Credit Union (ACU) prioritizes the financing of social impact initiatives, but some successful organizations do not have the required capital assets to secure a loan. The loan guarantee and/or bridge financing provided by the Jubilee Fund therefore makes it possible for organizations to access financing through ACU. “Jubilee Fund-supported loans are social impact loans that ACU could not likely make otherwise”⁸. The ACU adjudicates, monitors, and then provides the loan. Throughout the duration of the loan, the ACU offers information, coaching, and business development assistance. The ACU’s Community Builder Account can help some not-for-profits avoid transaction and product fees.

Organizations may begin the financing discussion at ACU and be re-directed to Jubilee Fund if they are ineligible for independent financing at ACU or they may begin the discussion at Jubilee Fund and be connected to ACU once criteria is met for a loan guarantee.

⁵ <http://www.jubileefund.ca/faq.php> (accessed January 2018)

⁶ Jubilee Fund investments strike a balance between “financial first” and “impact first” investing (see Freireich and Fulton, 2009).

⁷ Only a very small percentage of loan guarantees have defaulted since the Jubilee Fund’s inception; only 5 (or 2%) of the 246 individual SEED loans defaulted.

⁸ Brendan Reimer, email communication (July 18, 2017)

Jubilee Fund's Theory of Change

To begin the analysis of the social impact of the Jubilee Fund's loan guarantees and bridge financing, it is useful to establish the connection between the Jubilee Fund's activities and its larger vision. Contribution analysis conventions⁹ state that social impact stemming from an activity can only be evaluated if the activities fall within the organization's mandate or Theory of Change.

The Jubilee Fund's draft Theory of Change suggests that providing access to credit and bridge financing allows individuals and organizations to:

- build their own organizational and individual credit
- finance new facilities and programs in under-served communities
- work towards financial stability
- provide new programs and supports for people living in poverty
- build capacity through training programs
- expand organizational capacity to have even greater social impact

As well, the Jubilee Fund intends to make it possible for the Assiniboine Credit Union to:

- take on a low-risk opportunity to build trust
- develop relationships with non-profit organizations and low-income individuals with no credit or poor credit ratings¹⁰
- increase capital available to charities, non-profit organizations, co-ops and social enterprises
- provide loans that would otherwise not happen.¹¹

In doing this work, both Jubilee Fund and ACU also contribute to increased public awareness about the community economic development sector and about social finance principles, processes, and tools. More specifically, the Jubilee Fund creates awareness about the inequities and adverse consequences of financial exclusion experienced by social purpose organizations, who operate largely on a not-for-profit basis and without capital assets. A representative of ACU said "Jubilee Fund, as a living example of social finance, [...] bring[s] awareness and understanding to the sector and the public simply by existing and communicating its mission and purpose."¹² As a result, if the Jubilee Fund did not exist, Manitoba would lose an important social finance model, as there are "very few models for individuals [investors] to participate in something like that in Canada."¹³

A more detailed description of the kinds of social value that result from the Jubilee Fund's work follow below. First, however, is an explanation of the methodology used to gather information about and categorize the types of social impact witnessed or experienced as a result of the Jubilee Fund's work.

D. Methodological Approach

What follows is an overview of key concepts that were used to investigate the Jubilee Fund's social impact. First, some tensions within the field of impact evaluation are presented. Then, key principles and

⁹ Mayne, John. 2008. Addressing Cause and Effect in Simple and Complex Settings through Contribution Analysis.

¹⁰ For example, three groups with a longer-term working relationship with Jubilee Fund now have independent financial relationships with Assiniboine Credit Union and can secure loans on their own. They are considered to have "graduated" into the "Paid in Full Club".

¹¹ Draft Theory of Change provided through internal document (August 2017)

¹² Brendan Reimer, email communication (July 18, 2017)

¹³ Brendan Reimer, email communication (July 18, 2017)

limitations of Social Return on Investment (SROI) are identified. After that, other frameworks being developed for impact evaluation are reviewed. Specifically, models related to “impact” and “additionality” are reviewed. This allows us to consider different ways of highlighting the social value that is created by social purpose organizations.

Growing Interest in Impact Evaluation

In the past four decades, because of a growing interest in the various “ripple-effects” of social purpose organizations, both as investment opportunities and as drivers of social change, new evaluation models have been developed to look at the multi-faceted value that can result from the social purpose work being carried out.¹⁴ Analysts and researchers are increasingly recognizing the monetary and non-monetary value of the *social* returns that result from mission-driven investments and activities, in addition to financial, economic, organizational, and environmental returns. The hope is that deeper understanding will encourage additional investments.

A significant amount of analysis and research has been conducted about international development funding, but impact evaluation is increasingly being conducted closer to home to look at funding for community and community economic development projects, not-for-profit activities, and other forms of social purpose work.

In part, the push to describe the multi-faceted value created by social purpose organizations is driven by funders and investors who not only want to ensure that limited resources are well-allocated (accountability) but who also want to promote the opportunities in impact investing more widely (marketing), particularly when opportunities for profit generation exist. There is a strong sense that without a clearly-articulated value statement, social purpose organizations risk being under-valued or misrepresented as an expense rather than an investment in social good and social infrastructure, while at the same time being given a great deal of responsibility for solving complex social challenges.

This puts a corollary pressure on the organizations that carry out the social purpose work, requiring them to describe their catalytic function without necessarily having the tools or resources to sufficiently explain the various and inter-related impacts of their activities¹⁵. Instead, their focus is, quite correctly, on “doing the doing”, working towards the desired social change that forms the organization’s core mission.

Measuring the Impact of Jubilee Fund’s Loan Guarantees and Bridge Financing

Currently, Social Return on Investment (SROI) is a popular framework through which the presence and value of social impacts is investigated and calculated. SROI is different from traditional cost-benefit analysis in that it actively seeks out evidence of social change and tries to monetize the value created by impacts that are of the greatest long-term materiality to the primary beneficiaries. Following steps outlined in SROI methodology, primary and secondary beneficiaries are interviewed about impacts they have witnessed or experienced and then the impacts are categorized and prioritized for materiality. The resulting findings can then be compared to existing research and, where possible, established proxies or multipliers can be applied in order to get a better sense of the size of role that the Jubilee Fund had played (attribution/contribution) with the social purpose organizations it had supported.

¹⁴ Mulgan, Geoff. Measuring Social Value. (Stanford Social Innovation Review, Summer 2010 https://ssir.org/articles/entry/measuring_social_value)

¹⁵ Smirl, Ellen. 2017. State of the Inner City Report 2017: Between a Rock and a Hard Place - Challenges in Measuring Value and Impact in Community-Based Programming. Winnipeg: Canadian Centre for Policy Alternatives.

However, SROI is a labour-intensive methodology that is not necessarily the most appropriate tool for ascertaining the value of social impacts. Most social purpose organizations cannot conduct that level of data collection and research, nor can they afford to hire external evaluators or justify that expense in light of their primary missions. Inputs (especially non-monetary inputs) can be difficult to quantify and monetize. Causality can be difficult to establish. The idea of value must sometimes be negotiated with stakeholders because social metrics are not available or well-documented for all types of social purpose work, and may be difficult to validate and reproduce. Nor, some would argue, should all efforts for the common good be monetized¹⁶.

One of the options then is to use *SROI-influenced* methods like social impact analysis (which investigates social impact without necessarily monetizing all the impacts). Such methods can also be very informative, are less time-consuming than full SROI calculations, and are still based on a different line of inquiry than more traditional evaluation methodologies: primary and secondary beneficiaries are engaged as active participants in the evaluation process; the social impacts of greatest materiality to beneficiaries are sought out and highlighted; and the organization's Theory of Change and related "chains of events" are investigated. In short, a concerted effort is made to inquire about the broader social landscape that is affected by a program, service, or activity¹⁷, but without trying to reduce the effects to a single investment-to-impact ratio.

Modifying traditional evaluation processes by integrating the positive elements of SROI-influenced methodologies like social impact analysis is useful because we need to develop more sophisticated ways of investigating and foregrounding the social value created by social purpose organizations if we want to provide more complete descriptions of the blended value that results from their activities. Without this more nuanced description, we risk focusing only on financial or economic indicators and underestimating the social value of this important work.

However, three challenges presented themselves in applying an SROI-influenced social impact lens to the Jubilee Fund's work. First, proxies and multipliers needed to be identified for loan guarantees themselves, not just for the social impacts created by the organizations receiving the loan guarantee. Second, the additionality related specifically to the loan guarantee needed to be considered. Third, the collaborative nature of the relationship between the Jubilee Fund and ACU needed to be considered. Together, the research about how these three challenges are addressed in other situations guided the decision-making around attribution/contribution levels so that a defensible argument could be made about the portion of credit that Jubilee Fund could reasonably claim for having directly or indirectly contributed to positive social change¹⁸.

Appropriate Proxies or Multipliers

Generally, SROI or social impact analyses are applied to "downstream" social innovation projects like programs and services that have social improvement as their core mission (poverty reduction, social cohesion, newcomer settlement, employability, parental engagement, truth and reconciliation, etc.). The investments (inputs) that are needed to create certain outputs, outcomes and impacts can then be reviewed, causality can be discussed, and cost-benefit calculations or ratios can be determined. Proxies and multipliers make it possible to monetize impacts and compare them to investments. Usually,

¹⁶ See Michael Sandel's "What Money Can't Buy: The Moral Limits of Markets" (2013).

¹⁷ For details, see <http://socialvalueint.org/wp-content/uploads/2016/12/The-SROI-Guide-2012.pdf>

¹⁸ The OCED Development Assistance Committee describes impact as "positive and negative primary and secondary long-term effects produced by the intervention, whether directly or indirectly, intended or unintended."

abundant research exists to back up arguments of the associated costs/dollar amounts and the subsequent value of different social impacts in various circumstances.

However, because Jubilee Fund serves as a risk-sharing intermediary that creates *access* to capital for organizations that otherwise would not have been eligible for financing (i.e. Jubilee Fund is not directly responsible for providing programs or services to socially marginalized individuals), there is an indirect relationship between the Jubilee Fund and the resulting social impacts and social value. As a loan guarantor, the Jubilee Fund cannot necessarily use the same proxies and multipliers that apply to social purpose organizations' enterprise impact and claim the credit for the same portion of the investment impacts.

In reviewing the literature on the possible contribution/attribution levels that might have been applied in other circumstances to social impacts made possible by loan guarantees (including a very thorough 2017 World Bank report on tools used globally to create financial access), it became apparent that very little research has been done on the financial and economic additionality, never mind the social additionality, that results from the finance tools that support social purpose organizations in doing their work^{19,20}. Established proxies and multipliers do not even seem to exist for measuring the impact of public credit schemes, which might conceivably be more widely researched than private credit opportunities. As one of many reports says, "rigorous evidence on the impact of public credit guarantee schemes is still scarce"²¹ and "[f]urther work is required to address these challenges and accurately identify the impact of credit guarantee schemes". It is striking that even in international development reports *social* value of projects does not often seem to be investigated in detail, never mind quantified in some way.²²

As a result, more formal SROI processes could not be used to describe the return on Jubilee Fund's investment in the impact of the social purpose organizations. The different types of impacts can be identified and the general proportion of credit given to ACU or Jubilee Fund can be discussed within the context of existing research. As well, the sense of the urgency of the loan guarantee can be considered, as that might increase its perceived value and impact. However, without a well-supported proxy or multiplier that guides attribution/contribution levels for loan guarantors, no credible monetization can take place.

This study therefore re-focused on creating an inventory of the types of impact that have been witnessed or experienced by primary beneficiaries, categorized according to existing frameworks by theorists working in the area of impact evaluation. Looking at the list of impacts, it becomes easier to infer the different types of financial, economic, social and organizational value that grow from the Jubilee Fund's support even if a specific return-on-investment ratio cannot be identified. At the end of this report, recommendations have been made to increase the available data about Jubilee Fund's investment impact over time. The hope is that in the near future the emerging information about the valuation of impact investments of various kinds can form the basis of a more comprehensive evaluation strategy.

¹⁹ de la Torre, A. et al. 2017. Innovative Experiences in Access to Finance: Market-Friendly Roles for the Invisible Hand? (World Bank Group: Washington, DC).

²⁰ Schmuckler, S. and Juan Carlos Gozzi. 2016. Public Credit Guarantees and Access to Finance. (Warwick Economics Research Paper Series)

²¹ Ibid de la Torre et al, p. 204

²² For example, when discussing micro-loans for women in developing countries, only economic benefits were mentioned, not social benefits that might arise for the women from improved education, increased social status, shifted family dynamics, improved support networks, improved role modelling for children, etc.

Categorizing Types of Impact

Because specific proxies and multipliers could not be found to monetize the social value or even calculate attribution/contribution levels of loan guarantees or credit schemes, other frameworks or methodologies used to evaluate effectiveness of impact investing, debt financing, community bonds, micro-loans, risk sharing, credit guarantees, and other types of impact investment products were researched. The hope was that the work of other theorists in impact evaluation could provide a way forward in describing the Jubilee Fund's catalytic role with the organizations it supports.

One useful framework by Stanford professors Brest and Born identifies three basic categories of impact investing: enterprise impact, investment impact, and non-monetary impact, where:

Enterprise impact is the social value of the goods, services, or other benefits provided by the investee enterprise. Investment impact is a particular investor's financial contribution to the social value created by an enterprise. Non-monetary impact reflects the various contributions, besides dollars, that investors, fund managers, and others may make to the enterprise's social value.²³

This non-monetary impact is defined by Brest and Born in the same article as follows:

Beyond just providing capital, fund managers, together with investors and other actors, can improve an enterprise's social outputs by providing a range of non-monetary benefits. We describe them in approximately the order of their appearance on the impact investing stage.

1. Improving the enabling environment for social enterprises and investors
2. Finding and promoting impact investment opportunities
3. Aggregating capital and providing other investment services
4. Providing technical and governance assistance to enterprises, and helping them build strategic relationships
5. Gaining socially neutral investors
6. Securing and protecting the enterprise's social mission

This means that ...

As a loan guarantor, the Jubilee Fund can investigate its investment impact as well as its non-monetary impact. The investment impact would be described as a specific portion of the social purpose organization's enterprise impact, provided that the enterprise can demonstrate that such impacts are new and can be directly linked back to the Jubilee Fund's loan guarantee and/or bridge financing. This "value-added" can also be called "additionality".

Types of Additionality

The Jubilee Fund can seek out examples of its investment impact in a number of areas. Brest and Born provide a second useful framework for looking at the kinds of effects or "additionality" that could be ascribed to investment impacts.

Additionality is defined by Brest and Born as follows:

For an investment or non-monetary activity to have an impact, it must provide additionality—that is, it must increase the quantity or quality of the enterprise's social outcomes beyond what would otherwise have occurred."

²³ Brest, P. and K. Born. (<http://www.evaluatingimpactinvesting.org/syllabus/additionality/>)
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Report prepared by Margerit Roger, Eupraxia Training

Articles on impact investing generally listed only two types of additionality: financial and economic. However, attempts are clearly being made to expand this list. Some readings mention “organizational additionality”, referring to infrastructure and capacity changes that have occurred as a result of an investment. “Behavioural” and “environmental” additionality are investigated by others. According to Koenig and Jackson (based on Mustapha et al 2014)²⁴, other types of additionality might be categorized as follows:

Types of Additionality	Examples
Financial	Offering better terms, longer maturities, countercyclical finance, lower price, subordination, holding riskier portfolios, providing smart subsidies, guarantees and other to enhance returns and reduce risks
Aggregation	Supporting projects at regional or global level for aggregation of opportunities, diversification of risk and cross-boundary sharing of experience
Signalling	Providing a stamp of approval, providing credibility, attracting other investors, acting as honest broker
Knowledge	Strengthening the quality of the investment model and technology; sharing knowledge, building the capacity of local partners, facilitate technology transfer, publicly share experiences and learning (beyond project boundaries)
Demonstration	Support innovative pacesetter to de-risk new business models, attracting capital in lower income, fragile countries and frontier markets not (yet) able to attract significant level of commercial capital
Poverty	Influencing design to reach lower income market segments, reduce inequalities, improve local participation, generate employment of the Bottom of the Pyramid (BoP)
Standards	Promoting high environmental, social, and governance standards in invest companies, financial institutions, funds and at industry level
Market-building	Strengthening policy environment, build eco-systems and support market infrastructure, generate market data and support industry research

SROI and social impact analysis can be said to focus on social “additionality” more broadly. As part of the International Association for Impact Assessment’s attempt to define social impact, Vanclay (2003) argues that a convenient way of conceptualizing the term is as changes to one or more of the following:

- People’s way of life – that is, how they live, work, play and interact with one another on a day-to-day basis;
- Their culture – that is, their shared beliefs, customs, values and language or dialect;
- Their community – its cohesion, stability, character, services and facilities;

²⁴ Koenig, A. and E.T. Jackson. Private Capital for Sustainable Development: Concepts, Issues and Options for Engagement in Impact Investing and Innovative Finance (Danida Evaluation Department, Copenhagen, 2016. See especially chapter 3 and Annex F. http://web.archive.org/web/20160814170448/http://um.dk:80/en/danida-en/results/eval/Eval_reports/evaluation-studies/publicationdisplaypage/?publicationID=E15693B2-6449-4AB1-A33A-BC8BE0067D42)

- Their political systems – the extent to which people are able to participate in decisions that affect their lives, the level of democratization that is taking place, and the resources provided for this purpose;
- Their environment – the quality of the air and water people use; the availability and quality of the food they eat; the level of hazard or risk, dust and noise they are exposed to; the adequacy of sanitation, their physical safety, and their access to and control over resources;
- Their health and wellbeing – health is a state of complete physical, mental, social and spiritual wellbeing and not merely the absence of disease or infirmity;
- Their personal and property rights – particularly whether people are economically affected, or experience personal disadvantage which may include a violation of their civil liberties;
- Their fears and aspirations – their perceptions about their safety, their fears about the future of their community, and their aspirations for their future and the future of their children.^{25,26}

This means that ...

The examples of investment impact mentioned during the focus group and interviews can be organized into different categories of “additionality” (financial, economic, social, organizational, and environmental), making it easier to understand the kinds of value being created by the Jubilee Fund’s loan guarantees and/or bridge financing.

It is noteworthy that criteria used to determine additionality in other settings reflect some of the Jubilee Fund’s eligibility criteria. For example, in her 2014 guide, Heinrich outlines the following criteria for the Donor Committee for Enterprise Development (DCED), a global forum working to increase the effectiveness of private sector development:

- Criterion 1 for assessing additionality: The company has insufficient funds to self-finance the project (within a reasonable time frame).
- Criterion 2 for assessing additionality: The company lacks the knowledge or competencies to design and/or implement a business model in a way that maximizes poverty-reducing or other (economic) development impacts.
- Criterion 3 for assessing additionality: Without the public subsidy, the company would be unwilling to implement the proposed business model and/or changes in operational standards because of a perceived negative balance of costs/risks and benefits.
- Criterion 4 for assessing additionality: The company cannot access the services offered by the publicly-funded agency on a commercial basis – whether commercial bank funding or advisory support of similar quality.
- Criterion 5 for assessing additionality: The cost-shared project does not displace other companies already operating in the market, or that are ready to undertake the same project without public support.
- Criterion 6 for assessing additionality: The cost-shared contribution does not duplicate other donor-funded support – whether grant, in-kind advice, loan or equity.

²⁵ Vanclay, F. 2003. International Principles for Social Impact Assessment. *Impact Assessment & Project Appraisal* 21(1), 5-11. <http://dx.doi.org/10.3152/147154603781766491>

²⁶ See also Animating Democracy’s continuum of impact: <http://www.animatingdemocracy.org/social-impact-indicators>

- Criterion 7 for assessing additionality: Public support leverages investment by other entities that would otherwise not be forthcoming.
- Criterion 8 for assessing additionality: Conditions attached to support, or agency activities complementing the cost-sharing collaboration, are expected to have a positive influence on wider business operations, operations by other businesses, or the business environment²⁷.

Several of these (Criteria 1, 3, 4, 6, 7 and 8) are part of Jubilee Fund’s considerations when selecting recipients of loan guarantees and/or bridge financing.

This means that ...

Focusing on financially-excluded social purpose organizations increases the likelihood that most of the investment impact (financial, economic, social, organizational, and environmental additionality) will be attributable to the Jubilee Fund, because without the Jubilee Fund these impacts would likely not have occurred.

Criticality

One further concept must be introduced at this point. Since the perception of value can change according to conditions (scarcity or criticality, for example, can increase the value of something), the role of the Jubilee Fund’s loan guarantee or bridge financing must also be seen in light of the importance that receiving a loan guarantee or bridge finances has for the organization. In some cases, the positive effect of the social purpose organization’s work itself may be of great importance but in other circumstances the value of what has been avoided may be just as or more valuable.

So, for example, if an intervention demonstrates additionality but is also mitigating or reducing serious negative social effects, then that might be valued differently than interventions that mitigate or reduce less significant effects. Or, if the organization would have been seriously affected in a negative way without the loan guarantee, that might also speak to increased social significance or value. The geographical proximity of the program or service to its target population is a further example of increased criticality.

As an example, preventing the loss of daycare spaces could be an example of “poverty additionality”, but the particular loss of rare subsidized spaces for children with special needs (behavioural, cognitive, physical, etc.) may increase the social value of their presence in some neighbourhoods or circumstances.

This means that ...

Where the Jubilee Fund loan guarantee is either providing critical support or the recipient social purpose organization is offering unique or critical programs and services, the investment impact may increase even more.

The steps taken to identify an appropriate attribution/contribution level are described starting on page 27 of this report.

²⁷ Heinrich, M. 2014. Demonstrating Additionality in Private Sector Development Initiatives: A Practical Exploration of Good Practice for Challenge Funds and other Cost-Sharing Mechanisms.

Summary on Methodology

In short, in the absence of established proxies and multipliers to arrive at a defensible SROI ratio, this study has focused on identifying examples of additionality witnessed or experienced by eight of the primary beneficiaries as a way of highlighting the Jubilee Fund's impact on social purpose organizations. In this way, the investment impact can be inferred from the accumulation of examples, even if it cannot be monetized as a ratio.

Specifically, the impacts mentioned by the eight participating organizations are organized according to Brest and Born's impact and additionality frameworks and then considered in terms of the "criticality" of the Jubilee Fund's support to the social purpose organization. The more critical the Jubilee Fund's support is to an organization, and the more critical the organization's expressed additionality is within its own context, and the more investment impact the loan guarantee conceivably has to *its* stakeholders, increasing the Jubilee Fund's social return to its investors. Then, the amount of credit attributable to the Jubilee Fund is determined.

Future research and evaluation work by Jubilee Fund can gather focused data on the realms that appear to produce the greatest social value. Other researchers around the world will perhaps arrive at the necessary proxies and multipliers for loan guarantees in that time as well, so that more specific financial implications or SROI ratios can be calculated in the future.

E. Research Process

Jubilee Fund and Assiniboine Credit Union

The research process began by getting a sense of the connections between the primary beneficiaries, the Jubilee Fund, and the Assiniboine Credit Union. The feedback from the ACU and primary beneficiaries framed the study because in order to determine attribution/contribution levels for the eight social purpose organizations participating in the study, it is important to situate the Jubilee Fund in relation to the Assiniboine Credit Union (ACU), the financial institution through which social purpose organizations ultimately receive their loans or financing. Together, ACU and the Jubilee Fund make it possible for the recipient organizations to carry out the task for which they are seeking a loan guarantee and/or financing. Understanding the nature of the working relationship clarifies levels of contribution/attribution for both organizations.

The first step was therefore to send a list of questions to a representative of the ACU. The questions were as follows:

- How many other social finance organizations does ACU know of in Winnipeg that serve the same population of social purpose organizations as the Jubilee Fund?
- What approximate portion/percentage of social purpose organizations in the Jubilee Fund's niche would not be able to carry out their work in the same way or to the same degree if it weren't for the Jubilee Fund?
- What other effects (organizational maturation, goal clarity, right-sizing, training, etc) does Jubilee Fund financing seem to have on the social purpose organizations that receive financing?
- What would likely happen to the niche organizations if the Jubilee Fund ceased to exist?
- What changes have taken place in the local social finance sector over time as a direct or indirect result of the Jubilee Fund's work?

In an emailed response, the representative of the Assiniboine Credit Union stated (among other things) that:

- the ACU and Jubilee Fund serve the same general population of social purpose organizations in Winnipeg

- there are no other social finance loan guarantee organizations in Winnipeg
- the Co-op Loan/Loan Guarantee Board and the upcoming Canadian Co-op Investment Fund are for larger organizations that are unlikely to meet the Jubilee Fund's eligibility criteria
- if the ACU turns down an organization, Jubilee Fund is the only other alternative
- there are likely six to twelve organizations that would not have received loans without the Jubilee Fund's loan guarantee
- child care is likely an area in which the Jubilee Fund will have an expanding role
- ACU is not aware of ways in which the Jubilee Fund may have had an impact on business acumen, organizational maturity, goal clarity, etc in the organizations requesting/approved for loan guarantees
- the "six to twelve" organizations would struggle to access the debt they need to start or expand what they do if the Jubilee Fund didn't exist
- ACU is not aware of other ways in which the Jubilee Fund may have had an effect on the local social finance sector
- Jubilee Fund-supported loans are social impact loans that ACU could not likely make otherwise
- if the Jubilee Fund didn't exist, there might be a reduction of opportunity for individuals to invest in a social finance fund
- the opportunity for impact through those "six to twelve" organizations would either be lost or diminished.

This inquiry underscored the higher risk profiles of the organizations that received loan guarantees from the Jubilee Fund. The fact that they would very likely have been refused financing without the Jubilee Fund's loan guarantee confirmed the presence of additionality in that there was an "increase [in] the quantity or quality of the enterprise's social outcomes beyond what would otherwise have occurred"²⁸. It also confirmed that the Jubilee Fund had played a substantial role in any investment impact that had been created by those organizations.

Focus Group with Primary Beneficiaries

As a result of the ACU's response, a focus group was convened of the "six to twelve" capital-constrained organizations that would not have received financing from the ACU without the Jubilee Fund's loan guarantee or would not have been able to manage without the Jubilee Fund's bridge financing. Eight of the approximately twenty organizations that had received loan guarantees in the past five years were invited to participate in the focus groups. The eight represented social purpose organizations providing childcare, psychologist services, newcomer supports, and employment opportunities.

In the focus group, the eight participants were asked to address the following:

- Who are your stakeholders and, of those, who are your primary and secondary beneficiaries?
- What type of role has the Jubilee Fund played for your organization?
- What impact have you been able to have because of being able to access an ACU loan with the assistance of the Jubilee Fund loan guarantee?
- What would have happened if the Jubilee Fund didn't exist?

The focus group significantly broadened the discussion about the Jubilee Fund's impact on the organizations themselves, their ability to serve their existing or new clients, and therefore the indirect effect on their stakeholder "ecosystem".

²⁸ Brest, P. and K. Born. 2013. When Can Impact Investing Create Real Impact? Stanford Social Innovation Review (https://ssir.org/up_for_debate/article/impact_investing)

The bottom line that emerged from the focus group was that:

- A large number of primary and secondary stakeholders were identified by each participating organization, referencing the network and/or supply chain to which these organizations belong.
- The organizations expressed that because of the Jubilee Fund they had secured ACU financing, but they had also received advice and access to a network of like-minded “colleagues” because of the Jubilee Fund.
- Every focus group participant emphatically confirmed that without receiving a loan guarantee from Jubilee Fund they could not have accessed other financing from ACU.
- Participants in the focus group felt that, without the loan guarantee and/or bridge financing, their organization’s success would either have been very limited, their impact would have been significantly diminished or, in one case, they would have had to close.
- Instead, the eight organizations represented in the focus group were able to do things like provide child care to more families, take on projects that provided marginalized Manitobans with employability skills and work experience, train more socially-aware counsellors, and expand their purchasing power and supply chain with local farmers.
- In some cases, securing the loan as a result of the guarantee from Jubilee Fund allowed them to leverage other funds (suggesting increased credit worthiness and risk tolerance as a result of the Jubilee Fund loan guarantee).
- As well, the group expressed a sense of shared mission in social equity and poverty reduction.

This work was described as affecting individual lives, the organization’s potential, community capacity, and community economic development. Although this finding would need to be validated with social purpose organizations who have not directly benefitted from JF’s support, the participants reported a perception of increased public awareness about social finance options, as several participants mentioned discussions they had about social finance with other organizations who might benefit from Jubilee Fund support.

The following points were made during the focus group with the eight social purpose organizations:

- not-for-profit organizations find it a) difficult/impossible to accumulate savings or a “war chest” for growth or improvement ; b) difficult/impossible to come up with assets with which to secure a loan;
- social enterprises and for-profit social purpose organizations are likely to have a mandate to re-invest profits in their organization or workforce instead of creating savings;
- some social enterprise organizations are “subsidiaries” of profit-generating organizations that would like to focus on social goals in some areas of their business;
- for-profit social purpose organizations are ineligible for most government grants;
- social purpose organizations may have atypical business structures and multiple bottom lines;
- community improvement benefits everyone (“healthy communities vs chaos”) and yet not everyone takes the risk to achieve this;
- funders often set eligibility requirements or “strings attached” activity restrictions that disqualify or discourage not-for-profits from applying (for example, funds cannot be used for staffing or admin);
- there is often a “Catch 22” situation in that the organization cannot become financially viable without growing or making up-front investments and yet cannot secure the debt to invest in the organization because, as a social purpose organization, it does not have savings or assets;
- without working capital, organizations risk stagnating.

Additional comments arose about:

- the difficulty of adequately describing social impact that arises from the work of these organizations
- the imbalanced focus on financially-defined impacts when not-for-profit organizations are explicitly focused on other gains
- the lack of discussion about what “value” means in social contexts, in particular as defined by the primary beneficiaries

- a desire to borrow from Jubilee Fund directly at a slightly lower interest rate because Jubilee Fund removes constraints for organizations doing value-based work and their support is seen as a tangible endorsement as well as an expression of trust and hope.

Organizations were particularly grateful for the Jubilee Fund's very reasonable, collaborative approach and its trusting, low-administrative practices which allowed organizations to focus on their primary mandates instead of fulfilling bureaucratic requirements.

Individual Interviews

After conducting the focus group, individual interviews were conducted with three of the participants from the focus group in order to understand specific points more clearly. The hope was that more specific examples would provide insight into created social impact in the realms of childcare and a social enterprise in the restaurant sector.

a) King's Park Child Care Centre

King's Park Child Care Centre (KPCCC) has accessed Jubilee Fund loan guarantees twice (in 2003 and 2007) to complete unexpected and urgently-needed leasehold improvements. Both times, the KPCCC had to move one of its two programs out of existing facilities on very short notice; the centre would have had to close its doors if Jubilee Fund had not provided a loan guarantee to secure financing to renovate the new child care space in a nearby mall to meet regulatory requirements, which include a play space, natural light, appropriate heating and ventilation, and secure access.

Because of high rents and a temporary deficit, no financial institution (including Assiniboine Credit Union) was willing to provide financing without a loan guarantee. Jubilee Fund's loan guarantee made it possible for KPCCC to get the necessary loans and, ten years later, the centre is full, thriving, and playing an important role in the community. This includes having an impact on the retail mall in which they are situated, bringing business to the neighbourhood.

The KPCCC currently provides pre-school and school-age programming to 84 children from 60 families. Approximately 75% of the spaces are subsidized; subsidized spaces are accessed primarily by low-income working and newcomer families. Three spaces were allocated to children needing special support. Sixteen part- and full-time staff are employed. The waitlist that existed before the renovations has been resolved.

In 2003, the daycare had 32 pre-school spaces for 30 families in addition to spaces for school-age children. 80% of the spaces were subsidized. An expertise has been developed by staff for children needing special supports and they continue to be an important part of the centre's population. There were seven part- and full-time staff.

Subsidized spaces are provided to parents who are income-tested and also meet at least one of the following additional criteria: they are working, looking for work, in school, or under medical supervision (health crises, depression, injury, etc). Some parents may also receive a subsidy if they are in a "special social need" category where, for example, children have been living in abject poverty with malnutrition, harmful habits, etc.

When asked what might have happened to the children in the centre if the centre had closed in 2003, the Director stated that parents of children with special support needs would likely have had to leave work or school to care for the children at home, because spaces for "special needs children" were very hard to come by in southern Winnipeg at the time (autism was not as well understood yet and parents were sometimes asked to remove their children from a child care because of their behaviour).

One single mother, a recovering alcoholic, had an autistic child who often ran away from home, which only served to increase the mother's stress, low self-esteem, and inappropriate coping strategies. KPCCC accepted the child into the centre but also gave the mother a volunteer opportunity at the centre to support her in her recovery. A number of years later, the mother re-married and moved out to the country with her husband. The son, now in his 30s, was never apprehended and still lives with his mother.

This type of wrap-around support for the family of the child attending the centre was common, according to the Director. If struggling families were contacted by Child and Family Services, for example, the centre staff might request an opportunity to work with the family before children were apprehended.

For example, a young newcomer father who needed help with learning how to avoid physical discipline practices that are illegal in Canada was removed from his home by Child and Family Services because the children's school had reported abuse. The father, who had developed a close relationship with the child care centre, was supported and mentored throughout his learning and was able to have supervised visits with his children there. The family was reunited and became healthy and strong.

In other words, children and parents both benefit directly from being in a supportive environment, whether they are newcomers, low-income, experiencing a job loss, or otherwise under-resourced, overwhelmed, or misinformed. This work directly reflects the mission of the Jubilee Fund.

As well, the centre works with a range of organizations who collaborate on social missions. The Director said in the interview, for example, that eight social workers had her "on speed dial" for families requiring support in order to prevent child apprehensions. Similarly, foster families have the opportunity to learn and receive support for managing children with Fetal Alcohol Syndrome (FAS) and other children with special needs. If possible, the centre will provide short-term emergency care for children to allow over-stressed and exhausted parents to get a few hours of respite. If necessary, other organizations like Family Dynamics can be contacted if parents need counselling or in-home supports.

The location of the KPCCC in southern Winnipeg plays a role in the amount of social impact that the centre has. Because most suburban neighbourhood include some social housing but do not have the corollary social support framework that is available downtown, there are less resources for struggling families. "There are pockets of poverty that are overlooked, but the daycares see them all", the Director said. There is not a robust food bank program, for example. This means that the KPCC prepares for more hungry children in the week before the child tax credit arrives, and may even teach parents how to food shop at a grocery store instead of at a convenience store to make the money last.

To summarize, if the KPCC had closed in 2003, which would have occurred if the Jubilee Fund had not provided a loan guarantee, the following negative social impact were identified as a distinct possibility (at least until another daycare opened or other child care spaces could be located):

- 32 pre-school children would have lost daycare spots (learning opportunities, social connections, food security support)
- a portion of the parents in the 30 families would have at least temporarily been unable to work, look for work, attend school, and/or manage their medical conditions
- given the overall scarcity of child care spaces, a portion of parents may not have found subsidized child care spots, putting strain on household budgets
- parents of children needing special supports would not have had access to information and expertise

- social workers and collaborating agencies may not have been able to find supports for families in crisis and may therefore not have been able to prevent child apprehensions
- seven staff would have been out of work

Instead:

- children in southern Winnipeg, especially those with special needs, are able to come to a supportive early childhood learning environment with experienced staff
- parents can go to work and school or address health issues
- professionals with experience in teaching children with special needs (autism) are available to children, parents and other organizations
- a social network exists for parents with children who have particular needs
- social support systems can be navigated more effectively
- Child and Family Services does not need to intervene as often
- families are guided in child-rearing practices that support the whole family

This summary does not include information about the economic activity or benefits that were generated through renovations, new and increased purchases, taxes paid by new staff positions, taxes paid by income-earning of parents, increased chance of learning and earning potential of children, etc. Very similar consequences would have been experienced a second time in 2007 when the school-age program was at risk of closing.

b) Ryerson School-Age Centre

A second, not-for-profit child care centre echoed many of the same sentiments about the social value of newly-created child care spaces. In this second case, the Jubilee Fund loan guarantee allowed Ryerson School-Age Centre to open 48 pre-school child care spots, 24 of them in the Eastern Star Preschool, in Charleswood. Without the loan guarantee, the organization would not have opened its Charleswood location, effectively eliminating 24 of the new spots. This would have affected the employment and training plans of families in the area, and reduced or eliminated the local opportunity for subsidized child care spaces until another not-for-profit could fill that need.

The high demand for pre-school childcare spots in this neighbourhood became apparent when twice as many people as expected showed up to the registration open house.

Besides the economic and social benefits that emerged because the daycare could open their fourth location with the additional 24 pre-school spots, the director indicated that the working relationship with both Jubilee Fund and ACU had been very positive and important to an overall sense of community development. Connections made through Jubilee Fund events and/or ACU collaboration created a “circle of caring” that resulted in support networks, information-sharing, and reciprocal fundraising. In the absence of government incentives or assistance, having two organizations that really believed in the value of the project made a “huge difference” to the overall outcome of the daycare’s expansion and business growth.

c) Diversity Foods

Diversity Foods at the University of Winnipeg is a “sustainability-minded social enterprise”²⁹ owned by the University of Winnipeg Community Renewal Corporation and SEED Winnipeg that experienced significant financial, economic, environmental, and social impacts as a result of two loan guarantees secured through Jubilee Fund. The focus of this report is on the social impacts mentioned during interviews, although several examples of the economic impact are mentioned as well. Environmental

²⁹ <https://www.diversityfoodservices.com>

impacts were not further investigated as a part of this study either, although they were mentioned during the interviews.

Diversity Foods was originally created to deliver food services to the University while providing meaningful employment and ownership opportunities for community members. A rarity in the Winnipeg foodservice industry when it first started, Diversity Foods had decided not to go the conventional route for its cafeteria, which would have been less costly but would have meant focusing the menu on packaged foods that could be prepared and served by a small staff. Instead, Diversity Foods decided to incorporate social and environmental goals into its mandate, creating employment opportunities for marginalized individuals and focusing on the preparation of fresh, locally-sourced foods.

A few years after opening, the social impacts of the diversified and expanding cafeteria, restaurant, catering and special events business include employability increases, shifts in youth food culture, newcomer acculturation, expanded marketing for local food producers, increased social enterprise awareness, and the strengthening of a mentoring network in the Winnipeg foodservice sector.

While it may appear that these social impacts could not easily be related back to the Jubilee Fund loan guarantees, staff from Diversity Foods were adamant that the first loan guarantee was a critical turning point for the business. They also stated that the subsequent financial, economic and social benefits could not have been realized - or certainly could only have been realized to a much smaller degree or in a much longer timeframe - if Diversity Foods had not been able to secure the first loan guarantee from the Jubilee Fund. Diversity Foods had been turned down by other lenders for being too high a financial risk, meaning that Elements restaurant would not have been able to open and take advantage of a particular confluence of available culinary and social enterprise expertise, entrepreneurial spirit, market readiness, and emerging trends.

The social impacts of opening Elements therefore appear to be inextricably linked to receiving the Jubilee Fund loan guarantee, even if the later impacts and increased capacity of Diversity Foods as an entity (some of them mentioned below) can only be indirectly linked.

When Diversity Foods first opened Pangea's Kitchen at the University of Winnipeg, the staff consisted of 22 "rookie refugees" and 8 experienced staff. Within a few years, it became clear that business growth was not only possible but necessary to achieve greater financial stability. An opportunity presented itself when the university expansion created demand for a second restaurant in one of its new buildings, but financing could not be secured. Finally, after being approved for a Jubilee Fund loan guarantee, the financial foundation was in place and Elements was able to open.

Beyond significant economic impacts resulting from increased purchasing power, business diversification, increased market profile, being able to take advantage of economies of scale, and being able to leverage additional resources from other funders³⁰, the opening of Elements had a significant impact on the lives of Diversity Foods employees. Firstly, the staff complement grew significantly but the ratio of employees remained the same: around 80% of the staff still self-identified as experiencing marginalization in the labour market because of racism, addictions, sexual orientation, contact with the justice system, or the effects of living in poverty.

This meant that, because of the opening of Elements, more individuals were experiencing economic and social gains:

- more people could be hired;
- training time and mentor/staff ratios could improve, reflecting the needs of an inexperienced and/or at-risk staff;
- job and promotion opportunities increased; and
- work experience could be diversified.

³⁰ Including United Way and SEED Winnipeg

Social impacts were also mentioned for unexpected areas as well:

- Food familiarity is expanded for newcomers, who learn how to purchase, prepare and cook foods that are common in Canada while on the job.
- Improved food familiarity and expanded cooking skills means that newcomer employees can feed their families on lower budgets.
- Employees have opportunities to improve their language skills through work experience and through Diversity Foods' engagement in literacy development through offering extra ESL classes during reading week when foodservice operation is slower (deemed the most effective way to learn language in a recent federal study³¹).

Today, 106 staff are employed at Diversity Foods and the percentage of marginalized staff experiencing positive social impacts remains at 80%. As well, new capacity continues to be developed:

- More women moved into management positions, resulting not just in increased work opportunities but also in role modelling for newcomer women who began to expand their own career aspirations.
- Diversity Foods now offers a much broader work experience ranging from cafeteria style food preparation and table service restaurant work to special events catering, creating an employment ladder that allows employees to advance and move until they feel ready to transfer their knowledge and skills to other parts of the foodservice industry in Winnipeg.
- To balance out the cyclical nature of the University year, Diversity Foods has now expanded into counter-cyclical business ventures including other catering and foodservice operations like Fort Whyte Alive's Buffalo Stone Café and Players Course's Eagles' Roost that again expand its outreach, market, and diversity.
- Employees are more likely to be able to remain employed year-round; lay-offs are avoided.

At a systems level, "hiring and training these individuals has multiple positive impacts on the individuals hired and the local community, including increased local spending and a reduction in the utilization of particular public services and social organizations" as stated in a report called "Diversity Food Services Local Impact Analysis"³².

More specifically, the author states in her report that the following wider impacts were witnessed:

- reduced reliance on social assistance programs
- increased local spending
- reduced crime rate
- reduced reliance on food programs
- reduced healthcare costs³³

Social and environmental impacts in the local agricultural community as well as in the local food scene were also identified in interviews and could be investigated further. "Diversity procures 54% of their overall purchases within a 250-mile radius of the city from small-scale producers, often directly from the farm. These purchases help to grow the local economy while simultaneously increasing nutritional value to consumers and reducing environmental impacts associated with the transportation of this food."³⁴

This connection to local food producers has definitely been made possible by the opening of Elements (and indirectly, therefore, by Jubilee Fund), according to staff interviewed for this study. By being able to

³¹ Presentation by Immigration, Refugees and Citizenship Canada at 2017 Summit for Newcomer Serving Organizations in Saskatoon

³² Akerstream, A. 2017. Diversity Food Services Local Impact Analysis. Report for Asper MBA, page 2.

³³ Ibid, page 9.

³⁴ Ibid, page 2.

pay organic farmers in advance for a guaranteed amount of their product, the farmers experience reduced risk and are willing to engage in a “farm to table” social enterprise. A demand for new food products and corollary services (like the World Wise distribution centre) is created which in turn inspires restauranteurs and chefs to create cutting-edge menus that make their way into hospitality and tourism value chains, gradually shifting the “food dollar spending habits” of citizens and visitors alike. Individual chefs may not be able to create such changes, but a culinary community can shift the local food culture if some of the market risk is removed. A further example of this cultural shift can be seen in youth food culture as former employees leave Diversity Foods to open their own restaurants (Dancing Noodle, Sleepy Owl Bakery, etc) while maintaining professional connections and building their own networks in the local foodservice industry. Without the Jubilee Fund’s assistance in opening Elements, interviewees said that much of this activity would not have happened.

In addition to the aforementioned financial, economic and social impacts flowing from the opening of Elements, one more important non-monetary impact must be mentioned. The interviewed staff were unequivocal in identifying the value created by being part of the “Jubilee Fund family”. They spoke about superior advice and no-cost mentorship provided by the “smart and experienced Board with an astounding level of business acumen”, the trust and loyalty shown by the Jubilee Fund staff and Board that showed up as a “deep commitment all the way through”. Staff valued that Jubilee Fund Board members went out of their way to support Diversity Foods by visiting, enjoying meals there, sending customers, increasing profile and offering marketing opportunities, making referrals, and staying in touch even after the loan was paid off. The ripple-effect of relationship-building made it possible to develop longer-term and broader networks of “like-minded businesses”, as well as building a sense of security that comes from knowing that they could call Jubilee Fund contacts at any time and ask questions.

By comparison, a recent request for a loan guarantee from Jubilee was turned down because the request fell outside the Jubilee Fund’s poverty reduction mandate. As a result, Diversity Foods was required to approach the lender directly, secure a traditional business loan, and pay a significant loan fee despite their positive financial history and prior working relationship. Higher interest rates and loan fees would be examples of financial additionality that Diversity could have avoided if the project had fallen within the Jubilee Fund mandate, but instead became a business expense.

To summarize, if Diversity Foods had not received the first Jubilee Fund loan guarantee to open Elements, the following social impacts would likely not have been realized:

- A significant number of individuals experiencing labour market marginalization would not have developed new work skills and/or found suitable, supportive employment to ease them into more mainstream work opportunities.
- Fewer newcomers would have become acculturated to local foods and cooking as quickly, with possible consequences on family budgets.
- Fewer newcomers would have received specialized foodservice and employability language training.
- The local food culture and associated local producers and networks would not have developed as quickly or been as innovative in the given timeframe.

Instead,

- There is an accumulated foundation of knowledge and skill for increasing the employability of citizens with a range of barriers and limitations through workplace exposure.
- There is an increasingly complex employment ladder within Diversity enterprises, so that employment experience can create transfer skills for a range of other types of work.
- Spin-off businesses are beginning to appear as part of the knowledge-exchange network in the food development, marketing, and sales sector as well as in hospitality and foodservice.
- Young people are exposed during their university years to more interesting, sustainable, and healthy food options.

Summary of Findings

To review the possible sources of social value created through the Jubilee Fund, information gathered during the focus groups interviews, and review of the documents is summarized below.

Stakeholder Lists

The following is an amalgamation of all stakeholders mentioned in the focus groups, interviews, and documentation provided by Jubilee Fund about the recipients of the loan guarantees or bridge financing. Although this list is not intended to be exhaustive, it demonstrates the scope and size of beneficiaries and stakeholders who might be affected to varying degrees by the presence or absence and degree of success of one of the social purpose organizations that participated in the focus group session.

Individuals	<ul style="list-style-type: none"> • Primary beneficiaries of social purpose services and programs (children, students, adults with mental health needs, newcomers, individuals with inadequate/no employment, racialized individuals, etc) • Families (parents, foster parents, grandparents)
Educational Institutions	<ul style="list-style-type: none"> • Area schools • Colleges • Universities
Governments/Governmental Departments	<ul style="list-style-type: none"> • City of Winnipeg • Government of Manitoba • Child and Family Services • Social Services for Children and Youth • Early Learning and Child Care • Canada Revenue Agency • Social Assistance • Justice • Manitoba Housing
Professional organizations/Groups	<ul style="list-style-type: none"> • Speech and language pathologists • Occupational therapists • Manitoba Child Care Association • Mental health professionals • Addictions counselling
Business-Related	<ul style="list-style-type: none"> • Community businesses • Managers and staff • Suppliers (grocers, cleaning, building materials, equipment, foods, etc) • Local farmers • Clients and customers of social purpose organizations and related businesses
Building-Related	<ul style="list-style-type: none"> • Landlords • Residential Tenancies Branch

Financial Institutions/Funders	<ul style="list-style-type: none"> • Assiniboine Credit Union • Other financial institutions • Funders and sponsors • Investors
Other	<ul style="list-style-type: none"> • The environment more broadly • Other businesses in the same sector as the social purpose organization

Examples of Investment Impact from Focus Group Discussions and Interviews³⁵

The following charts provide an overview of the kinds of impacts mentioned by the eight social purpose organizations that participated in the focus groups and interviews. The impacts were described as being directly related to the loan guarantee and/or bridge financing with the explanation that, without the Jubilee Fund, other financing and subsequent activity would not have been possible. Attribution/contribution levels related to the investment impact are discussed in more detail below.

Again, the charts are not intended to be exhaustive but rather a listing of different kinds of impact and additionality that arose in the discussions. The examples describe benefits that might be experienced to varying degrees by an organization and/or by its clients or customers.

Individual outcomes are listed first. Financial and economic impacts mentioned in the interviews and focus groups follow. Examples of social additionality are listed in the third chart.

I. Individual (Client/Customer) Outcomes and Examples (Examples include knowledge gained, skills developed, attitudes shifted, and opportunities and capacities developed)	
More low-income Manitobans’ accessed necessary programs and services as a direct result of the social purpose organization’s new/increased activity	<ul style="list-style-type: none"> • More children, families, and individuals got the information, assistance, referrals, or support they needed. • Services by one social purpose organization could be provided at a reduced cost (or free) to low-income individuals. • Clients served by organizations experienced reduced stress and related reductions in negative coping strategies. • Individuals with physical health problems and/or mental health struggles (as well as their children) could make progress, experience new successes, and improve their quality of life. • Participants in some programs did not return to jail. • Low-income homeowners could reduce their utility bills. • Students could access healthier foods while going to university. • Familiarity with Canadian foods increased; cooking skills increased; food budgets could be used more effectively by newcomers. • English language skills improved.

³⁵ Information on outputs was not gathered during the focus groups. This focus group consisted only of eight participants representing the “6-12” organizations who would not have been eligible for financing without the Jubilee Fund’s loan guarantee.

I. Individual (Client/Customer) Outcomes and Examples

(Examples include knowledge gained, skills developed, attitudes shifted, and opportunities and capacities developed)

<p><i>As a result of the new activity, individuals could pursue new goals.</i></p>	<ul style="list-style-type: none"> • New enterprises were started because of access to information, capital, training, increased experience, and increased confidence. • Individuals could volunteer to develop work skills. • Individuals could develop transferable employment-related skills to improve access to the job market. • Women got promotions into management positions. • Participants in programs could get their overseas credentials recognized and look for work in their field.
<p><i>Personal financial circumstances improved</i></p>	<ul style="list-style-type: none"> • People with very little work experience could get jobs and improve their household/family income.

II. Financial and Economic Additionality and Examples

(Several examples from Brest and Born's categories of additionality can be seen: financial, aggregation, signalling, knowledge, demonstration, poverty, standards, and market-building additionality.)

<p><i>The social purpose organization did not close its doors.</i></p>	<ul style="list-style-type: none"> • One not-for-profit at risk of closing within three weeks became financially viable and was able to grow. • No one lost their job; new people were hired.
<p><i>The social purpose organization could expand and stabilize its offerings and market.</i></p>	<ul style="list-style-type: none"> • New clients/customers could be reached. • The restaurant and hospitality sector diversified. • More low-income individuals could be provided with services and programs in under-served areas. • The number and location of daycare spots was increased. • The business could expand its supply chain with local organic farmers. • The business was able to expand its environmental sustainability mandate. • More under-employed people could be hired and trained. • More newcomers could be assisted. • New materials, supplies, and services could be purchased. • Market demand could be solidified. • Supply chains could be stabilized.
<p><i>The enterprise could save money or manage its money more effectively.</i></p>	<ul style="list-style-type: none"> • Reduced interest rates were paid. • No loan fees were paid. • Other banking fees were reduced. • Longer maturity rates were possible. • Mentoring was provided free of charge. • Free-of-charge outreach and promotional opportunities were provided.

II. Financial and Economic Additionality and Examples

(Several examples from Brest and Born's categories of additionality can be seen: financial, aggregation, signalling, knowledge, demonstration, poverty, standards, and market-building additionality.)

<p><i>The enterprise could become more profitable.</i></p>	<ul style="list-style-type: none"> • The business could take on more and larger contracts. • Counter-cyclical business opportunities could be developed. • New and greater opportunities to create revenue streams could be realized. • Economies of scale could be utilized for increased purchasing power. • Supply chains could be developed and expanded.
<p><i>The organization could increase its financial and/or capital assets.</i></p>	<ul style="list-style-type: none"> • Leasehold improvements could be made. • Capital assets could be purchased. • Additional funds could be leveraged.
<p><i>Financial and other gains are made by partners and local areas businesses.</i></p>	<ul style="list-style-type: none"> • ACU received the interest on the loan. • Jubilee Fund expanded its reach with investors. • ACU got exposure in organizations/markets that it might not have reached otherwise, leading to possible sales of other financial tools. • Other businesses in the area of the social purpose organization experience an increase in business (for example the businesses in the mall around the expanded daycare).

III. Social and Non-Monetary Additionality

(This includes educational, interpersonal, environmental, networking, and community-building examples).

<p><i>Learning both within the social purpose organization and with its primary beneficiaries increased.</i></p>	<ul style="list-style-type: none"> • Staff in the social purpose organization became more familiar with financial tools, financing procedures, and loan application processes. • Mentors and experienced Board members provided advice or coaching to more social purpose organizations. • Employees developed new training models and capacities. • More employment laddering was possible in larger organizations. • More career-building experiences were possible in larger organizations. • New types of training (including ESL) were provided by the workplace.
<p><i>The organization could use its time more effectively</i></p>	<ul style="list-style-type: none"> • Time and staff did not need to do time-consuming, oft-piecemeal fundraising with private donors or areas businesses. • Reporting remained reasonable. • Mentoring was more effective because of improved mentor-mentee ratios.

III. Social and Non-Monetary Additionality

(This includes educational, interpersonal, environmental, networking, and community-building examples).

<p><i>Equity issues could be addressed.</i></p>	<ul style="list-style-type: none"> • More women were hired and gradually moved into managing positions. • More Indigenous staff were hired and gradually moved into managing positions. • More newcomers were hired and gradually moved into managing positions. • More LGBTQ staff were hired and gradually moved into managing positions.
<p><i>The organizational core mandate was more successful.</i></p>	<ul style="list-style-type: none"> • There can be more subsidized daycare spots, more infant spots, and more emergency spots when there are economics of scale. • Wait times for child care are reduced. • Newcomers are able to return to school and/or to get accreditation. • Services are located close to under-served populations. • Some pro bono work can be provided to clients who could not otherwise afford services. • More trainees ‘graduate’ from a training program with a broadened understanding of their work.
<p><i>A more collaborative environment exists</i></p>	<ul style="list-style-type: none"> • In a highly competitive funding environment, organizations are less likely to share ideas and information; having a loan guarantee makes it easier to share information. • Organizations feel that they are active collaborators in a community-based movement to address poverty and social inequity. • Sector-specific networks develop. • Supported social purpose organizations consider themselves part of the “Jubilee Fund family”, increasing capacity for collaboration. • Improved relationships were experienced with financial institutions.
<p><i>Awareness about social purpose organizations increases</i></p>	<ul style="list-style-type: none"> • Organizations’ staff, clients, customers, partners and collaborators, Board of Directors, etc become more aware of alternate social finance models.
<p><i>Alternative models of social engagement are presented</i></p>	<ul style="list-style-type: none"> • A more community-based, interdependent way of living is modelled.
<p><i>New policies can be recommended</i></p>	<ul style="list-style-type: none"> • More detailed, grass-roots-driven definitions of social impact could be considered. • Policies that limit the ability of social purpose organizations to expand could be analyzed and re-worked.

Analysis

Attribution/Contribution Levels for Jubilee Fund

How much credit can the Jubilee Fund get for the impacts that result from its loan guarantees or bridge financing? Based on comments from the focus group and interviews, the Jubilee Fund should be given all of the credit for the organization's ability to access credit (financial impact) and to get related support with the initial application process (non-monetary impact). The organizations clearly stated that the Jubilee Fund loan guarantee or bridge financing had a very strong impact on their ability to carry out their mission (enterprise impact) and to increase capacity and potential into the future (possibly financial, economic, organizational, and/or other impacts). Without getting the loan guarantee, the participants stated that they would not have been able to do the things listed in the chart to the same degree or with the same effect (including social impacts). Certainly, ACU would concur that these organizations would not likely have received financing through another avenue because they were considered to be too high a risk and because no other organization like Jubilee Fund exists in Manitoba.

However, research was also conducted into the levels of attribution granted to loans by other organizations in order to balance out the possibly subjective opinion of the social purpose organizations who had participated in the focus groups and/or interviews.

As mentioned earlier, no specific proxy or multipliers exist for loan guarantees, making it difficult to select a specific percentage of attribution, but an OECD survey about the level of financial impact that could be attributed to credit tools such as loan guarantees suggests that:

“there are two different approaches to measuring the amount of resources mobilized by a guarantee: i) using the *total value of the project* with which the guarantee was associated or ii) using the *total amount of resources* (e.g. loan, equity) mobilized by a specific guarantee.”³⁶

Despite the fact that this binary discussion is limited to straight-forward financial impact (not including economic or social impacts, for example), the authors of the study state that there are two problems with the “total value of the project” approach:

- Where a guarantee covered only a small share of the total project cost, it would be difficult to assert that it played a crucial role in the decision to make the investment. Accordingly, measuring the amount of resources mobilized in terms of “total project amount” would overstate the effect.
- If two different guarantees covering different elements of a financing package were both reported in the data, then the “total value of project” would be counted twice.

The authors go on to state that:

“On the other hand, causality can realistically be assumed between a guarantee and the loan or investment it covers, particularly where the guarantee covers a large share of the loan – and this was the approach taken in the survey, e.g. the amount mobilized was defined as the amount of the instrument (loan, equity) to which the guarantee related.”³⁷

This would suggest that the Jubilee Fund can claim credit for the percentage of financial impact equivalent to the percentage of loan covered by the guarantee, but it remains unclear whether this same

³⁶ Halvorson-QUEVEDO and M. Mirabile. 2014. Guarantees for Development. OECD.

³⁷ Ibid, page 5

percentage could also be applied to determine attribution levels or the value of resulting *social* impacts. The policy conclusion ultimately drawn by authors Halvorson-Quevedo and Mirabile is that:

“The best approach for quantifying the resources mobilized by a guarantee is to use the value of the resources backed by the guarantee. In future, if statistical information on guarantees is gathered, this methodology would measure the resources directly mobilized by a guarantee and available for investment – information that is of great interest to the developing countries involved. “

This suggests that there would be a direct link between “resources mobilized” (financial or otherwise) and the Jubilee Fund loan guarantee and/or bridge financing.

Similarly, the Canadian Small Business Financing Program (CSBFP) seems to claim full responsibility for wider financial and economic impacts experienced by the small business community as a result of its work:

“The value of the CSBFP can be seen through the loans it leverages for the small business community, relative to the costs of the program, and through **the wider economic benefits it generates**. It has also generated benefits for the federal government via a recent collaboration on a new IT system.”³⁸

It also takes credit for organizational impacts that result from the financing program:

“[T]he CSBFP demonstrates value for the investment made in that it returns approximately five dollars to the economy for every dollar spent on the program. The program recovers a proportion of its claims payments through fees and is making efficient use of its administrative resources and runs on a relatively small sum at IC considering the magnitude of funds it makes available to the small business community. The program's new on-line loan registration system has been leveraged by another government program, facilitating efficiency across departments.”

While this conclusion seems slightly exaggerated, given that the small businesses might have received loans elsewhere and given that the small businesses would have contributed monetary and non-monetary inputs themselves, it is interesting that the broader “ripple-effect” is strongly linked to the original risk-taker in the longer chain of events: because of the CSBFP, small businesses received loans and there were subsequent wider economic benefits, new collaborations, IT advancements in the federal government, capacity to leverage new working relationships, and increased efficiencies across departments.

This means that ...

The Jubilee Fund can confidently claim a high attribution level when evaluating its impact, because its role is unique in its financial “ecosystem” and because additionality can be demonstrated. As mentioned earlier, the impact of social purpose organizations after receiving a loan guarantee and/or bridge financing is varied and identifiable. Even though it works with a small number of organizations at a time, the cumulative effect of supporting social purpose organizations that had difficulties accessing credit is clearly vital to those organizations, to its beneficiaries, and to the larger community. If the Jubilee Fund did not exist, the positive impacts are unlikely to have been as significant or to have occurred within the same timeframe, and many would not have occurred at all.

³⁸ https://www.ic.gc.ca/eic/site/ae-ve.nsf/eng/h_03711.html#es

Social Value and Associated Economic Value

What then, is the total value of the financial, economic, and social impacts mentioned by the eight participating organizations? These are the “returns” that have arisen from the Jubilee Fund’s “investment”. In the absence of established proxies and multipliers for loan guarantees, even knowing that a high level of credit can be attributed to the loan guarantor in the longer chain of events, it is impossible within the scope of this study to express the value of the investments against the value of financial, economic, and social returns in monetary terms.

However, we can identify from among the examples of additionality related to the Jubilee Fund some of the impacts that are more easily attached to monetary values. For example, the effect of having more daycare spaces or having a greater pool of employment-ready individuals is more obviously linked to the economy and hence more measurable in those terms. It should not however be assumed that employment is more valuable than having more subsidized daycare spaces for children with special needs or more young adults interested in more nutritious, locally-sourced food. “Easier to evaluate” in monetary terms does not mean more valuable overall. In fact, if we tackle the challenge and find better methods to identify and evaluate social impact, we may instead find that social impact becomes more “value-able” and hence is seen to be more valuable than it currently is.

Returning to the two examples of the monetary value that might arise from new daycare spaces and increased opportunities for employability training, we can refer to the following information to provide some context.

Child Care Canada³⁹ states that quality childcare is an issue of lifelong learning, parental employment, equity, and social solidarity. The website states that:

“Without the availability of affordable reliable ECEC, women may be forced to stay out of the paid labour force, to work at poorly paid part-time employment, or not to take advancement. Some women - especially single mothers - are forced to depend on social assistance and into poverty. In this way, the absence of adequate child care contributes to exclusion from the labour force and to marginalization through poverty and unemployment. Thus, ECEC services are essential for reducing family poverty by permitting parents to participate in training, education and employment. Without adequate care for their children, poor families may never be able to escape poverty through education and employment”⁴⁰.

A number of more specific cost-benefit analyses have been done in recent years. A 2012 report called “The Economic Value of Child Care” states that:

“Child care and early childhood education multipliers across North America range in value, from 1.6 to 3.25, depending on the region being considered. This means that for every dollar invested, the economy’s output can be up to \$3.25.

³⁹ <http://childcarecanada.org/why-good-child-care> (accessed January 2018)

⁴⁰ <http://childcarecanada.org/why-good-child-care-parental-employment> (accessed January 2018)
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- For example, for every public dollar that is spent on child care in Ontario, the multiplier is 2.27. This means that an investment of \$1 results in an economic output of \$2.27.”⁴¹

In its 2017 report called “Ready For Life: A Socio-Economic Analysis of Early Childhood Education and Care”, the Conference Board of Canada similarly states that:

“ Greater investment in early childhood education (ECE) can be a springboard to success. Expanding ECE in Canada would increase female labour market participation, improve child outcomes (especially for disadvantaged children), and reduce Canada’s income inequality”.

Further:

“Our analysis shows that investments in ECE that bring mothers into the workforce will result in a more equitable distribution of family incomes. In 2015, Canadian families with young children where the mother didn’t work made up 43 per cent of low income households (below \$36,000), compared to just 12 per cent of those with working mothers. Introducing extended ECE programming would drop income inequality for families with young children by 2.3 per cent (as measured by the Gini coefficient, which calculates how the distribution of income among individuals within a country deviates from an exactly equal distribution). This is an impressive result given that expanding all-day kindergarten to children under 5 would only affect 0.5 per cent of census families. More importantly, about 23,000 families—many of them single-parent families—would be lifted out of poverty after the introduction of an expanded ECE program”.⁴²

By supporting child care enterprises, the Jubilee Fund’s loan guarantees and/or bridge financing therefore contribute to participation of women in the labour force, reduced use of social assistance, increase household incomes, increase parental access to training, and improve child outcomes (especially for disadvantaged children).

When considering a second example, i.e. the monetary impact of having more employment-ready individuals in Manitoba, we can refer to two kinds of information: the economic value of having more workers as well as the value of having fewer people living in poverty or on income assistance, with all the corollary costs to education, health, and justice. Two SROI studies were conducted for Jubilee Fund supported organizations in this area.

Manitoba Green Retrofit works with multi-barriered individuals and helps them develop “both hard and soft skills that range from carpentry, punctuality and work-site etiquette. Many employees remain at MGR for three or more years as they have opportunities to grow their skills and to develop further as full time employees.”⁴³ The SROI attributed to the program in terms of new skill development, health and safety training, soft skills development, assistance with government paperwork (including parole-related paperwork), advocacy, one-on-one coaching, money

⁴¹ https://www.oise.utoronto.ca/atkinson/UserFiles/File/News/The_Economic_Value_of_Child_Care_January2012.pdf (accessed January 2018)

⁴² <http://www.conferenceboard.ca/press/newsrelease/2017/10/26/expanding-early-childhood-education-and-care-in-canada-yields-significant-economic-and-societal-benefits> (accessed January 2018)

⁴³ SIm pact. 2015. Manitoba Green Retrofit: An SROI Study.
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management skills, encouragement for post-secondary education, parenting skills, and work experience were calculated at 4:29 to 1.⁴⁴

Similarly, an SROI study done with Diversity Foods in August 2017 described both the employment-related and environmental enterprise impact:

Diversity procured almost three quarters of a million dollars of local product that competitive organizations would likely have ordered from major suppliers, whose purchases focus on price and quantity available, and would therefore likely be imported. These local purchases also have a substantially smaller carbon footprint than imported purchases due to the fraction of greenhouse gas emissions created that are resultant of the transportation process. Likewise, for every dollar spent on employment with their organization, the community benefit is at least 1.68 times that amount. Due to their strong community values and local focus, Diversity has created almost 2.2 million dollars in local benefit in one fiscal year (local purchases + SROI benefit), which will have long lasting positive impacts on the local economy.⁴⁵

By supporting employment-related enterprises, the Jubilee Fund's loan guarantees and/or bridge financing therefore contribute to individuals' development of technical skills, life and "soft skills", money management, literacy, language, health and safety training, and employability skills. In addition, wrap-around supports for marginalized individuals, like advocacy and systems navigation, can be provided by the social purpose organizations. If the employment-related enterprise works with newcomers, there is an additional layer of valuable acculturation, settlement and interrogation to which the Jubilee Fund contributes.

Conclusions

Based on the findings of this study, the Jubilee Fund plays a very important and sometimes critical role for the social purpose organizations that are supported through its loan guarantees and/or bridge financing. None of the eight recipient organizations participating in the study would have been able to access financing from credit unions or banks without private credit (and no other such private credit organizations or lending arrangements exist in Manitoba). The "additionality" (positive effects that would not otherwise have been witnessed or experienced) of the financial, economic, and social impacts is well-demonstrated in a number of categories, with unanimous concurrence by the interviewed organizations. The different kinds of additionality also fall squarely within the Jubilee Fund's Theory of Change.

Without the Jubilee Fund, it is highly unlikely that the resulting impacts would have been experienced by the eight social purpose organizations or by their clients or customers, and certainly not to the same degree or within the same timeframe. It is beyond the scope of this study to determine a precise portion of the enterprise impacts that can be related to Jubilee Fund's investment impact, but attribution rates would be very high (because of the Jubilee Fund's rare position in Manitoba, because additionality can be demonstrated, and because of attribution precedents set by other researchers).

⁴⁴ Spreadsheet with calculations related to 2015 Manitoba Green Retrofit: An SROI Study.

⁴⁵ Akerstream, A. 2017. Diversity Food Services Local Impact Analysis. Report for Asper MBA, page 19.
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While limited in its capacity by the relatively small number of organizations that Jubilee Fund can work with each year, the criticality of the support to those organizations is high. With these organizations, which would not otherwise have been able to access credit, Jubilee Fund clearly demonstrates its mission to break down barriers to financial inclusion. As well, there are clear poverty reduction effects that the recipient social purpose organizations can demonstrate as a result of the new activity specifically made possible through the Jubilee Fund loan guarantee and/or bridge financing.

More evidence is needed to identify specific areas in which the Jubilee Fund's social impact might be especially big, as measurement was complicated by a lack of established proxies and multipliers. Firmer evidence is needed to foreground and adequately value the less tangible social impacts that result from the social purpose organization's new activities. Nonetheless, the financial, economic and social impact of this unique financing model is certainly worth investigating further.

Recommendations for Evaluation

As impact investing is expected to continue to grow, it will be important to figure out how impact evaluations can begin to capture more than financial metrics⁴⁶. At the end of their report called "Measuring the Impact in Impact Investing", authors So and Staskevicius say the following:

We believe that informal, inconsistent, and weak impact measurement methods could be a real constraint to the growth of the impact investing sector and its prospects to create real social change. We believe that impact investing holds tremendous potential in tackling some of our world's most pressing challenges; however, we also believe that the term "impact investing" runs the risk of being diluted and used as a marketing tool if a certain level of rigor in impact measurement is not established in the industry⁴⁷.

Because of its unique role in social finance in Manitoba, the Jubilee Fund can play an important role in supporting the development and implementation of progressive, thoughtful, and practical evaluation strategies that balance cost with utility. The Jubilee Fund, recognized and prized as a collaborative and supportive partner, could bring together key stakeholders to discuss shared information needs of investors or social purpose organizations. It could model reasonable, socially-focused evaluation strategies that highlight positive social changes. It could draw on the experience of its Board members and the wider social enterprise community, as well as its recipient organizations, to suggest ways of measuring the difficult-to-measure in a way that can communicate the important social value-added of social purpose organizations more broadly.

Quite specifically, in the initial stages of such developmental work, the Jubilee Fund could do the following:

- finalize its Theory of Change
- begin to create a more detailed inventory of its non-monetary inputs

⁴⁶ The 2016 Canadian Impact Investment Trends Report reveals tremendous growth in Canada's impact investment industry. The survey, which represents data as at December 31, 2015, was conducted between April and August 2016. Eighty-seven organizations responded to the survey. <https://www.riacanada.ca/impact-trends/>

⁴⁷ So, I. and A. Staskevicius. 2015. Measuring the "Impact" in Impact Investing. Harvard Business School.

- compare a range of qualitative data collections tools (surveys, interviews, focus groups) that could be used to explore social impact in more detail
- host a discussion about social impact evaluation strategies with its recipient organizations
- guide the development of a social impact evaluation framework for its own social finance tools
- consider the feasibility of developing metrics for one type of social impact in collaboration with recipient organizations
- consider providing \$1000 tracking grants to recipient organizations to assist them in gathering information about social impacts, thereby encouraging a community of practice
- keep an eye on research being done at World Bank, OECD, and other larger impact investment groups to see what kinds of metrics begin to come out for loan guarantees, “micro-insurance”, and similar credit tools
- Become familiar with databases and information sources like IRIS (<https://iris.thegiin.org/metrics>) and similar tools to explore the availability of useful reports, proxies, and multipliers
- Host information events about investment impact evaluation
- Consider poverty reduction frameworks like Sustainable Livelihoods
- Locate other organizations that may be doing similar work in Canada or around the world to explore how they measure their social impact

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Appendix

Jubilee Fund's General Inputs, Activities, Outcomes, and Impacts

In order to carry out its Theory of Change, the Jubilee Fund utilizes a broad range of **inputs**⁴⁸. These include:

- Jubilee Fund Board Resources
- Executive Committee
- Finance
- Personnel
- Project development and support
- Event/ Fundraising
- Staff Resources
- Communications
- Capital
- Research
- Partners
- On-going activities

Note: In order to make a more precise monetary calculation of social return on the investment dollar, these inputs would need to be quantified, which falls outside the scope of this study.

The types of **activities** that Jubilee Fund undertakes in order to achieve its goals are:

- Staff supervision
- Loan and loan guarantee approval
- Policy review
- Financial control and oversight
- Awareness-raising about Jubilee Fund
- Donation raising
- JIC sales support
- Development of referral network
- Admin for JIC sales
- Administration for loan guarantee
- Office management
- Bookkeeping
- Database management
- Meeting coordination
- Jubilee Fund annual newsletter
- Website updates
- Speaking engagements
- Presentations to investors and donors
- CED community networking
- Social Finance community networking
- Raise capital through investments
- Research into Social Return on Investment
- Research into Social Impact Bonds and Community Bonds
- Manage loans with partners
- Provide investments with partners

Some of the general **outcomes** identified for Jubilee Fund as an organization include:

- Increased awareness about social finance
- Increased donations and JIC sales
- Satisfied donors and investors
- Improved decision-making and financial performance
- Greater financial capacity for projects
- Jubilee Fund financial stability
- Investments available
- Donations available
- Increase in appropriate capital reaching charities and social enterprises
- Earned revenue
- Greater ability to show evidence/ impact
- Greater charity and social enterprise capacity to grow revenues and impact

⁴⁸ Internal document (August 2017)

By investing in interventions that enable the conditions for financial inclusion and poverty reduction⁴⁹ - broader direct and indirect **impacts** were described by Jubilee Fund as being:

- Broader reach into the community through larger and more capital intense projects
- Additional housing and local businesses
- Facilitate financial inclusion
- SE's additional capability to employ low income people
- Contribute to newcomer citizenship
- Contribute to family wellbeing
- Contribute to family financial security
- Contribute to Individual physical health
- Contribute to access to education and work skills
- Contribute to access to Employment training
- Help to develop relationships with financial institutions

Within this larger context, it becomes possible to focus on the social impact and social value of the loan guarantees and bridge financing arrangements that are made available to social purpose organizations in Manitoba.

⁴⁹ See Sustainable Livelihoods model of social asset-building

Eupraxia Training

Margerit Roger, M.Ed., is a consultant in program planning and evaluation. She has designed, delivered, and evaluated a wide range of programs for industry, government, post-secondary institutions, and not-for-profit organizations. Often, the programs were designed to give marginalized populations (newcomers, people with lower literacy levels, apprentices and workers lacking Essential Skills) access to learning and employment opportunities, and so her primary interest is in the wider social impact created by programs because the broader ripple-effect of social programs and services needs to be further investigated and documented in order to plan for improved social outcomes. “We see what we measure, and we measure what we see.” Research related to this work is influenced by methodologies like collective impact, Social Return on Investment (SROI), and values-based evaluation. Margerit completed the SROI training in Calgary in 2014. A sample case study from 2015 can be found here (<http://www.familydynamics.ca/wp-content/uploads/2015/12/FD-Report-October-2015-Walking-School-Bus-Breakfast-Club1.pdf>). Additional information can be found at <https://eupraxiatraining.com>

For this project, Christie Huff of Huff Consulting in Montreal provided valuable feedback. Christie Huff has a diverse work and educational background that includes having worked at all levels of government and with for-profit, non-profit and social enterprises. She has Bachelor’s Degrees in Economics and Commerce and has done extensive professional development related to the diverse areas in which she has worked, including management and leadership, community development, and adult training and development. Her Master’s degree in Human Systems Intervention (2012, Concordia University) solidified her orientation towards systems thinking and equipped her with the theoretical foundation and practical orientation to help systems unleash their potential to serve their clients and stakeholders. She takes an evidence-based approach to work with systems that are often dealing with very complex realities. Her goal is to empower systems to approach their challenges as collaboratively as possible so that their change efforts may be successful and sustained.