



SOCIAL FINANCE FUND IMPACT DATA COLLECTION FOR SOCIAL FINANCE INTERMEDIARIES

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This document will be updated as information becomes known.

Common Approach has partnered with Realize Capital Partners to support the co-creation of the impact measurement approach of the Government of Canada's Social Finance Fund (SFF) alongside Fonds de Finance Sociale – Cap Finance and Boann Social Impact.

Over the next ten years, Common Approach will support SFF participants in implementing the Common Impact Data Standard so it is easier to measure and share the impact of their work in this program. Common Approach's Data Standard is one of several SFF initiatives to support impact measurement and management practices within the social finance market.

This document outlines:

1. [Benefits of the Common Impact Data Standard for SFIs and their investees](#)
2. [What impact data will be collected and when for the SFF?](#)
3. [How to adopt the Common Impact Data Standard for the Social Finance Fund?](#)

In partnership with:



1.0 Benefits of the Common Impact Data Standard for SFIs and their investees

Common Approach is dedicated to leading the process of implementing an impact data collection strategy that will benefit both Social Finance Intermediaries (SFIs) and the Social Purpose Organizations (SPOs) they invest in. This section highlights some of the key advantages for each of them.

1.1 Benefits for SFIs:

1. Easier data collection from investees: SFIs will spend less time collecting data from their investees. The Common Impact Data Standard will help SFIs avoid the mess of aligning investees' spreadsheets with their own.
2. Easier reporting to wholesalers: SFIs will spend less time reporting to their wholesaler(s). ESDC requires SPO-level data. The Common Impact Data Standard will allow SFIs to report this data to their Wholesaler with one simple file export.
3. Flexibility: SFIs will have the flexibility to use their own outcomes framework and indicators. The Common Impact Data Standard has been designed to be adaptable to each specific context (cultures, regions, sectors, etc.) and work with already-established standards.
4. Data relevance: The Common Impact Data Standard can work for very simple impact data and for very rich, complete impact data. Using the Common Impact Data Standard, SFIs will be able to access the best data their investees have. It provides an easy way for investees to share the full complexity and richness of SPOs data, such as data about the data (collection method, date of collection, description), qualitative data, narratives, etc.
5. Interoperability with other standards: The Common Impact Data Standard will help SFIs use and connect leading reporting standards such as Impact Norms, SDGs, IRIS+, GRI, ISO standards, etc.
6. Interoperability with existing systems: The Common Impact Data Standard can be integrated into the software services that SFIs are already using, such as financial performance systems. This will avoid duplication of effort and improve data analysis capacity.
Please introduce Common Approach to your software provider so we can work to make this happen for you!
7. Better analysis and decision-making: The Common Impact Data Standard makes it easier for SFIs to analyze and aggregate the data from their investees. The Common Impact Data Standard can make it easier to identify patterns and correlations

between impact data, leading to more informed investment decisions and strategic planning for their fund.

1.2 Benefits for SPOs:

1. **Reduced reporting burdens:** SPOs will be able to easily share impact data without reentering information into (multiple) form(s) or logging into multiple reporting platforms.
2. **Flexibility:** SPOs will have the flexibility to use the measurement approach (collection method, tools, indicator selection) that is the most appropriate to their context. They will not be burdened with irrelevant indicators or software that is poorly tailored to their needs.
3. **Capacity-building:** Using impact measurement software helps SPOs with their impact measurement and data collection. Many softwares guide the data collection processes. Some software supports the processes of developing a theory of change and selecting indicators. Using software will enable SPOs to refine and improve their impact measurement practices.
4. **Better impact:** With all their data in one place—their own software rather than their investors' portals—SPOs will be able to analyze their impact more accurately and comprehensively, learn more from their data, and make informed decisions for improving their impact.

Using the Common Impact Data Standard will not fundamentally change how SFIs and SPOs are currently doing impact measurement and management. It does not replace existing indicators, taxonomies, or software. It is a system to organize impact data that creates interoperability of impact measurement by knitting together existing standards, tools, methods and data. To use it, all that an SFI or SPO needs to do is use an aligned software. Some SFIs or SPOs may already be using the Common Impact Data Standard without even knowing it!

It's also important to note that the Common Impact Data Standard doesn't give any guidance on which methodologies, standards or indicators to choose. However, wholesalers, with the support of Common Approach, will provide capacity-building support to help SFIs and SPOs on this journey, if needed.

If you want to know more about what Common Approach contributes to the impact investing and ESG impact measurement and management ecosystem, [please read this document](#).

2.0 What impact data will be collected for the SFF, and when?

Social finance intermediaries (SFIs) that receive investment through the Government of Canada's Social Finance Fund (SFF) will be required to collect data about the social purpose organizations (SPOs) they invest in. This will need to be reported alongside data about the SFI itself to their SFF investor(s) (wholesaler(s)). The required data includes information about the organization, the investments, and the intended impacts of the SPO. Some of this data will be collected and shared using the Common Impact Data Standard. This section outlines SFF's timeline for SFIs to implement the Common Impact Data Standard (slowly) and the timeline for when certain data elements will become required (not all at once). The next section will outline the steps SFIs can take to align with the Data Standard.

Table 1 is intended to give an indication of the minimum required impact data SFIs will need to collect and when it will need to be collected, from the Social Finance Fund's perspective. This table does not replace the specific requirements established by each wholesaler in their agreements with SFIs. Wholesalers may decide to ask for more information sooner for those who are ready and able to report.

Table 1: Minimum required impact data SFIs will need to collect

Data requirements	Submission frequency ¹	Starting
<p>Demographic data about the management team and board members of each SPO in which the SFIs have invested.²</p> <p>(If the SFIs invest in other SFIs, only the demographic data about the management team of that underlying SFI must be collected and submitted.)</p>	<p>Annual for new investments made during the year.</p> <p>Updated very infrequently (TBD, potentially 3-5 years) for all investees.</p>	<p>Phase 1</p> <p>(Phase 1 has been delayed. It will be implemented concurrently with Phase 2.)</p>
<p>Information on each SPO's intended stakeholders (e.g. regional and demographic characteristics of customers/beneficiaries), intended outcomes, the indicators each SPO has selected to measure progress toward those outcomes, and the SDGs to which each SPO's outcomes contribute.</p> <p>Each SPO's organizational information (e.g. legal name, address, primary contact name and email address, organization type, sector served, localities served, provinces and territories served).</p>	<p>Annual for new investments made in SPOs during the year plus any changes to previously reported investments.</p>	<p>Phase 2</p> <p>Phase 2 will come into effect no sooner than April 2025.</p>
<p>Impact data that each SPO has collected to measure progress toward their intended outcomes.</p>	<p>Annual, for all SPO investees.</p>	<p>Phase 3</p> <p>Phase 3 will come into effect no sooner than April 2026.</p>

¹ Each wholesaler will set their own date when annual reporting is due.

² The approach to collecting demographic data has yet to be finalized by wholesalers. A SFF Demographic Data Collection Expert Group was convened and has developed a series of recommendations. Their aim was to provide wholesalers' decision-making bodies with a protocol that carefully balances the tradeoffs outlined in the report ["Disaggregated Demographic Data Collection of Board Members and Management Team for the Social Finance Fund - Options to Consider"](#). The start of Phase 1 has been delayed due to the work of this Expert Group and the pending confirmation from wholesalers.

All of the data above will be collected and submitted to wholesalers using the Common Impact Data Standard. **SFIs and SPOs do this by using aligned software. In Phases 1 and 2, some use of spreadsheet tools will be accommodated.** Common Approach is available to advise SFIs on how to do so with minimal burden on themselves and their investees.

2.1 A Phased Implementation

Over the 16 years of the Social Finance Fund, the impact data that SFIs are required to collect will be slowly and carefully augmented. SFIs will be consulted and have ample lead time before any new data collection requirements come into effect.

Evolving requirements will lead to the collection of increasingly rich and complex data, enabling the various stakeholders (ESDC, wholesalers, SFIs and SPOs) to better analyze the data, inform decisions, and maximize potential impact.

Exactly when and how data collection requirements will come into effect is not yet decided; it is not something that can be decided at this point in time. To help SFIs do their own planning, we have mapped the implementation into loose phases.

Phases pertain to the whole Social Finance Fund: all wholesalers, SFIs, and SPOs will enter each new phase together. The purpose of phases is to allow thoughtful, reasonable implementation of data collection systems across all parties within the SFF. Common Approach is responsible for coordinating wholesalers, SFIs and SPOs through the phases.

Within the phases, wholesalers and SFIs have the flexibility to develop custom timelines for their investees. For example, even when the whole SFF is in Phase 3, a wholesaler may decide that a new SFI does not need to meet the Phase 3 requirements until two years after the close of the deal. This allows wholesalers and SFIs the needed flexibility to give newly funded entities and small entities a reasonable timeline for implementing data collection systems. In other cases, some SFIs may already have more established and complex data collection systems. Wholesalers may decide collaboratively with the SFI to collect more information earlier than the prescribed phases.

In keeping with Common Approach's commitment to being community-driven and SPO-centered, SFF data collection will begin *very* simply. Over time, more data will be collected. For example, many SPOs have data that can be informative to SFIs but exceeds

minimum data requirements. Examples of such data are the date(s) that data was collected, the relationships between output data and outcome data, and indicator results disaggregated by stakeholder group.

This data will be more complex, multidimensional, and interconnected. This will allow for powerful insights not currently available to SFIs. It will also require the use of a database or software. As many SFIs have already found, trying to combine, compare, and aggregate this data in a spreadsheet can break Excel.

Common Approach is available to help you select software that will meet your needs. We recommend you start that process at the same time as you think about your data collection plans.

3.0 How to adopt the Common Impact Data Standard for the Social Finance Fund?

All social finance intermediaries (SFIs) that receive investment from a wholesaler as part of the Government of Canada’s Social Finance Fund will need to collect and report data using the Common Impact Data Standard. This standard was developed to complement SFIs’ existing impact measurement practices in ways that their investees will appreciate.

This section outlines both the required and recommended steps to align with the Common Impact Data Standard. The specific requirements will evolve over time in consultation and with the support of SFIs. These requirements do not replace specific agreements with wholesalers at the time of investment.

SFIs are required to collect impact data from SPOs and submit that data to wholesaler(s) using the Common Impact Data Standard.

Step 1: SFIs must use an aligned software or data utility

SFIs’ current software scenarios	Action items
<p>The SFI is already using an aligned software</p> <p><i>Please visit our website for the list of aligned software and soon-to-be-aligned software.</i></p>	<p>Done! Nothing more to do.</p>
<p>The SFI is using a software or custom platform (e.g. CRM) that is not aligned with the Common Impact Data Standard.</p>	<p>Common Approach will contact the SFI’s software provider or internal technical team to discuss potential alignment. Common Approach offers up to six hours of free technical support alignment process.</p> <p><i>Additional information: How to ensure your software meets SFF requirements</i></p>

<p>The SFI is currently managing impact data using spreadsheets.</p>	<p>As a stopgap, Common Approach is creating integrations with data utilities like spreadsheets to meet SFF requirements for the first few years.</p> <p>An Airtable extension and Excel Python script that SFIs can use have been developed. These tools require manual effort and technical or coding expertise. Common Approach is here to support SFIs in aligning their spreadsheet-based tools with the Common Impact Data Standard. In Phases 1 and 2, 1:1 support will be provided.. In subsequent phases, Common Approach will provide videos and how-to documents.</p> <p>Over time, spreadsheets will not be able to handle the complexity of the Data Standard, and software will be required.</p>
<p>The SFI is not currently using any software.</p>	<p>The SFI will need to either select an aligned software or ensure that their chosen software is aligned to the Data Standard (timeframe to be decided).</p> <p>Common Approach will give each SFI custom support in choosing software that is the best fit for their impact measurement needs and internal capacities.</p> <p><i>Additional information: A guide for social finance intermediaries who need new software</i></p>

Common Approach has resources that can help SFIs align their software. Please visit [our YouTube channel](#) for video demos from aligned software. If there is a software you would like to see aligned, please [reach out and introduce us](#).

Step 2: SFIs must collect and import impact data from SPOs.

When SPOs report to SFIs, they will send a Common Impact Data Standard file (in JSON-LD format. CSV format will be supported in Phases 1 and 2. Common Approach is working on it).

SFIs will import Common Impact Data Standard files (in JSON-LD or CSV format) into their aligned software. Common Approach is working with aligned softwares to ensure that they have this functionality.

Step 3: SFIs must export impact data and send it to the wholesaler(s).

Once SFIs have collected all impact data from their portfolio, they can export their Common Impact Data Standard file (in JSON-LD or CSV format) to send to their wholesaler(s).

Common Approach is hoping that by Phase 3, some aligned softwares will be able to do this automatically through APIs, but there are many steps to get there. No promises.

In order to meet those requirements, it is recommended that SFIs do the following activities to ensure that SPOs can submit the correct data in the correct format:

Step 4: Assess SPO impact measurement practices to ensure that each SPO will be able to submit the data the SFI needs to submit to their wholesaler.

During screening and due diligence, SFIs may find it beneficial to assess the impact measurement capacities of SPOs to ensure that they will be able to submit intended impacts as required by ESDC/wholesalers. SPOs will need to be able to define their intended social and/or environmental impact outcomes and associated indicators (starting in Phase 2). They will need to be able to measure, and report to the SFI, progress on those indicators annually (starting in Phase 3).

Common Approach has resources that can help SFIs with this task. SFIs may choose to use the [Common Foundations self-assessment](#). SPOs should be able to answer “yes” to all questions in practices 1 (describe your Change) and 2 (use indicators) at the time of investment and should have a concrete plan for meeting the items in practice 3 within one year of investment.

Common Approach has resources that can help SPOs meet these requirements. [Watch the video tutorials](#).

Step 5: Communicate SPO reporting requirements in their agreements with SPOs.

In the spirit of transparency and effective communication, SFIs may choose to incorporate into their term sheets a clause that describes both near-term and future data collection obligations for investees.

Common Approach provides a checklist for SFIs to ensure that they have included all the necessary elements in their contract documents:

- ❑ *The investee is required to provide demographic data about their management and board members during due diligence or at the time of investment and update at a frequency to be determined (perhaps every 3-5 years).*
- ❑ *The investee will be required to submit their intended social and/or environmental outcomes, associated indicators, intended stakeholders and the [UN Sustainable Development Goals \(SDGs\)](#) to which outcomes contribute.*
- ❑ *The investee will be required to submit reports on those indicators annually.*
- ❑ *The investee may be required to submit additional impact data, such as indicating if the indicator is a scale, depth or duration indicator.*
- ❑ *All of the above must be collected and submitted to investors using the Common Impact Data Standard. Investees do this by using an aligned software.*

***For SPOs there are several free software options**.*

Reasonable exceptions are expected and encouraged. The impact measurement should be SPO-centered and low-burden. SPOs should be given adequate time to onboard onto software. For some investees, such as microborrowers, impact measurement software may never be appropriate. Common Approach is available to advise on alternatives when required.

Step 6: Communicate software alignment requirements to SPOs.

SPOs will need to use software to store their impact data. For at least the first two phases, spreadsheet tools will be supported. Subsequently, likely Phase 3, a software aligned with the Common Impact Data Standard will be required, with the exception of certain specific cases (depending on the size of the organization and/or the size and length of investment). Among the softwares that are already aligned are both easy-to-use, free softwares as well as more sophisticated softwares.

The SPO-focused softwares that have aligned with Common Approach were designed to make impact measurement easier for SPOs. The user experience guides the SPO through

impact measurement. Software is a good way to help SPOs find impact measurement easy.

SPO impact data tracking tool scenarios	Action items
The SPO is already using an aligned software.	Perfect, we are all set!
The SPO is using a software/custom platform that is not aligned with Common Approach (for impact data or any kind of data such as CRM or project management software).	Common Approach will contact their software provider or internal technical team to discuss potential alignment. Common Approach offers up to six hours of free technical support as part of the alignment process.
The SPO is currently using spreadsheets to manage impact data.	<p>As a stopgap, Common Approach is creating integrations with spreadsheet tools (data utilities) to meet SFF requirements for the first few years.</p> <p>An Airtable extension and Excel Python script that SPOs can use have been developed. These tools require manual effort and technical or coding expertise. Common Approach is here to support SFIs in aligning their spreadsheet-based tools with the Common Impact Data Standard. In Phases 1 and 2, 1:1 support will be provided by a human. In subsequent phases, Common Approach will provide videos and how-to documents.</p> <p>Over time, spreadsheets will not be able to handle the complexity of the Data Standard, and software will be required.</p>

<p>The SPO does not yet use any software.</p>	<p>The SPO will need to choose an aligned software.</p> <p>Common Approach will direct them to online resources to help them choose software that provides the best fit for their impact measurement needs and internal capacities and which provides them the best chance for long-term success.</p>
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Common Approach has resources to help SPOs select an aligned software. Please visit [our YouTube channel](#) for videos on aligned software. If none of these softwares meet your SPOs needs, please [reach out and introduce us](#) to your preferred software.

After collecting data, SPOs need to be able to export their data in a JSON-LD file and send it to their investor(s). Every aligned software already has this export feature.

Step 7: Provide SPOs impact measurement and management capacity-building support.

To make sure that the data collected and reported by SPOs is accurate and representative of their impact strategy, SFIs may want to provide SPOs assistance to develop capacities in impact measurement and management. SFIs can decide to provide support themselves or refer SPOs to capacity-building activities and material that will be developed by wholesalers³, Common Approach, and/or a network of impact measurement capacity builders (trainers, consultants, accelerators, etc.).

Step 8: Roll up outcomes and indicators in their framework.

A primary benefit of the Common Impact Data Standard is the portfolio-level impact analysis it will enable SFIs to do. This is particularly true for later phases of implementation, once the data collection is more complete (SPOs typically already have the data; they just don't typically submit it to their investors.)

Once an SFI has imported SPOs data, the SFI can aggregate the data using the framework they wish, be it the SDGs, IRIS+ themes, or a set of custom themes. The

³ *The wholesalers are currently working on capacity-building program planning. More information to come soon.*

Common Impact Data Standard helps SFIs to make sense of the many different indicators used by their investees.

For the first year of reporting, Common Approach offers up to 24 hours of support to each SFI, providing guidance on how to roll up dissimilar outcomes and indicators into a portfolio-level impact analysis using the framework of their choosing. For subsequent years, Common Approach will offer up to 5 hours of support.

In time, should the Common Approach vision come to fruition, SFIs should be able to simply click a button in their aligned software to assemble the portfolio by SDGs or IRIS+ or whatever other framework they are using. (We are getting there, little by little.)

Want to learn more? Watch the recording of our previous info session, ["Aggregating portfolio indicators using a flexible framework."](#)