Social finance intermediary resource:
Guide for written agreements with social purpose organizations (SPOs)

Common Approach is supporting the impact measurement approach for the Government of Canada's Social Finance Fund (SFF). Learn more here.

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 (not all!) will be collected and shared using the Common Impact Data Standard.

A key step will be to ensure that the contract documents with portfolio companies include all the necessary elements related to implementing the Common Impact Data Standard.

Common Approach has provided a checklist and sample language to facilitate this. If you have any questions about the checklist or sample language, please get in touch! We would be happy to assist.

For more information on the data collection requirements of the Social Finance Fund, read, “**Social Finance Fund impact data collection for SFIs**.”

Data collection checklist for contract documents

- [ ] The investee is required to provide demographic data about their management and board members at investment; an update will be required at years four and eight, and at fund conclusion or exit.

- [ ] 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, as determined in agreement with the investor.

- [ ] 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 or digital tool. ***For SPOs there are several free software options**.*

Sample language for contract documents

Demographic Data and Impact Data Reporting Requirements

1. The Portfolio company must provide disaggregated demographic data regarding the composition of its management team and board of directors at investment, with updates at four and eight years, and at fund conclusion or exit. The specific reporting method will be determined jointly by the Investor and the Portfolio company.
2. The Portfolio company must provide annual impact data that includes the following:
   a. Intended outcomes, indicators selected to measure progress toward these outcomes and the UN Sustainable Development Goals (SDGs) to which the Portfolio company's outcomes contribute.
   b. Updates on the results achieved and progress made towards the intended outcomes.

All impact data must be submitted using the Common Impact Data Standard. The Portfolio company is required to use an aligned software or digital tool for this purpose. Common Approach to Impact Measurement is available to advise the Portfolio company on how to do this cost-effectively with minimal burden.