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(RSD12) Symposium | October 6–20, 2023**

Facing Current Canadian SI/SF Ecosystem: Building understanding through systems mapping and thinking

Dilek Sayedahmed, Tara Campbell, Gryphon Theriault-Loubier, Maryam Mohiuddin Ahmed, Sean Geobey, Katey Park, and Sergio Nava-Lara

By using systems thinking as a guiding approach to understanding complex social and environmental challenges, we study and identify the system actors in the Canadian social finance ecosystem. We aim to outline the stakeholders, the relationships between them, the roles they play, the goals they have, the results they are achieving, and the potential gaps and barriers they are facing. The overall objective of the research is to gain a better understanding of the Canadian social finance and social innovation ecosystem. We contribute to the understanding, growth, and development of the Investment Readiness Program (IRP) partnerships and the social economy ecosystem in Canada. The project supports ecosystem actors and social purpose organisations (SPOs) in system navigation and identifies relationships in the social economy ecosystem. Mini maps aim to identify potential areas to bring new actors into the ecosystem and build new relationships to support them.

KEYWORDS: systemic design, systems sensing and thinking, social innovation ecosystems

RSD TOPIC(S): Mapping & Modelling, Methods & Methodology

Presentation summary

This is an acronym-filled project; let's begin by covering the acronyms, as well as entities and concepts that are essential for this research project.

- SF/SI: Social Finance/Social Innovation
- IRP—Investment Readiness Program¹
- CCEDNet—Canadian Community Economic Development Network²
- ESDC—Employment and Social Development Canada
- SPO—social purpose organisations
- System actors—An organisation that supports and/or interacts with the social finance ecosystem and SPOs.
- RSP—Readiness Support Partner
- AJAH—IRP Data Partner³

Expected finding(s) and scope

In today's interconnected realm, the imperative of understanding intricate systems, especially within the field of social finance, has never been greater. Social financing, as defined by the Table of Impact Investment Practitioners (2021), involves investments that juxtapose “social and environmental outcomes with financial returns.” In the words of Meadows (2008), “Systems thinking is a discipline for seeing wholes, recognizing patterns and interrelationships, and learning how to structure those interrelationships in more effective, efficient ways.” It's this holistic vision that has driven the Canadian government to allocate \$755 million via their Social Finance Fund and an additional

¹ The Investment Readiness Program (started 2021–2022) is a \$50 million program designed to help advance social innovation and social finance (SI/SF) in Canada.
<https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/investment-readiness.html>

² CCEDNet is a federally incorporated charity and member organisation dedicated to the belief that community economies can be sites of transformation. <https://ccednet-rcdec.ca/about/>

³ AJAH is Canadian social enterprise that works with organisations in the public, for-profit, and non-profit sectors to design strategies that increase the availability and utility of their individual and combined data.
<https://www.ajah.ca/>

\$100 million through the Investment Readiness Program (IRP) to augment the nation's social finance tapestry.

The Canadian social finance ecosystem, brimming with a diverse set of actors and intricate relationships, epitomises the complexity inherent in systems. Drawing inspiration from systems thinking and accentuated by the principles of systemic design, as Jones (2014) elucidates, this study dives deep into this multifaceted terrain. A pivotal component of this initiative is the participatory action research orchestrated by the Waterloo Institute of Social Innovation and Resilience (WISIR). At its core, the aim is to foster robust systems of self-governance (Ostrom, 1990) within the social financing domain.

In his seminal work, Stroh (2015) mentions, "The problems we face with the social sector are complex, interdependent, and culturally embedded." Our methodology, reflecting systemic design grounded in participatory system mapping and a principles-based evaluation (Patton, 2017; Norman, 2021), is a testament to this complexity. The strategy does not merely aim to revamp the governance dynamics of the social economy ecosystem but seeks to harness social financing as an instrument for continuous learning and evaluation (Geobey, 2012).

Our findings cast light on the Canadian social finance milieu as a vast nexus of housing entities from social purpose organisations (SPOs) to investment bodies. These constituents are woven into a rich tapestry of mutual goals and relationships. The IRP partnerships, in particular, crystallise as a salient facet in our assessment, illustrating their pivotal role in the social economy's architecture. Nevertheless, despite its vibrancy, numerous navigational hurdles persist for many stakeholders.

Integral to our analysis is a mini-maps approach. This methodology, by emphasising flexibility and adaptability in systems mapping, resonates with Meadow's (2008) assertion that "Once we see the relationship between structure and behavior, we can begin to understand how systems work, what makes them produce poor results, and how to shift them into better behaviour patterns." Thus, these maps, tailored for the project's specific needs—be it a focus on funded projects or stakeholder engagement—become instrumental tools in the expansive landscape of the IRP and Canadian social finance ecosystem.

In summation, the insights procured from this exploration stand to enrich the multifaceted components of the Canadian social landscape immensely. Beyond academic enlightenment, this research offers a tangible guide to stakeholders. It paints a future replete with enhanced collaboration, streamlined system navigation, and proactive challenge resolution, thereby heralding sustained innovation in social finance.

Research Objectives/Questions

Meadows (2008) writes that if information-based relationships are hard to see, functions or purposes are even harder. A system's function or purpose is not necessarily spoken, written, or expressed explicitly except through the system's operation (Stroh, 2015). Therefore, we believe that the best way to deduce a system's purpose is to watch to see how the system behaves. With this project, we watch the Canadian ecosystem and observe its participants. Through the IRP ecosystem, we aim to make sense of the overall SF/SI ecosystem, that is, the system outside of the IRP. The missions of our analyses are sensemaking, navigation, and documenting relationships, communications, and collaborators (Westley, 2009).

Therefore, our research inquiries evolve around two questions:

- What is the Canadian Social Finance ecosystem that we probe and sense?
- How does ecosystem navigation work from an organisation's perspective?

Conceptual framework: methodology & data

Methodology

Methodologies to answer research inquiries mainly surround document reading on the IRP. We mainly use existing tables, documents, grey literature, and secondary data.

The goal of this work through system maps is to incorporate in real-time existing data from administrative databases linked to the onboarding procedures of social purpose organisations and establishment of social financing deals so that they can be displayed in accessible formats for use by social purpose organisations, ecosystem support actors, social financiers, policymakers, and researchers. Likely, methods include network analysis to identify key nodes and connections, as well as descriptive statistics with different data filters to highlight the role of different sub-sectors within the ecosystem.

We recognise that the IRP will not live forever and that extension beyond the core IRP would still be of value in the future. The organisations that leave early and/or never get funded by IRP are naturally the best proxy for what the post-IRP world looks like. By mapping the overall Canadian SF/SI, this is what we would like to visualise and prepare for in the long run. We take a mapping approach to the system as it currently is while noting that the IRP that we know is slated to disappear.

We believe that a human-centred and utilization-focused system mapping approach is a natural way of connecting all parts of the IRP process, but also ensures the maps produced are useful to the people who are going to be using it.

In addition to organisations and projects as part of the IRP, we consider the following:

- Organisations leaving the IRP
- Organisations who applied and were not able to receive funding as part of the IRP
- Organisations not aware of the IRP
- Organisations on the investment readiness continuum—and which organisations land where on the continuum?

Mini maps approach

Systems can be embedded in systems, which are embedded in yet other systems (Meadows, 2008). Many of the interconnections in systems operate through the flow of information, so we want to zoom into these information flows and the sub-systems they may create (Stroh, 2015). Information holds systems together and plays a great role in determining how they operate; hence, with our mini maps, we want to identify and see how such operations take place.

Developing excessively large maps could get in the way of making the system mapping process useful. So, we did not want to be too wedded to a single pre-determined approach, as well as to an idea of a very large map.

Rather than being wedded to one tool, and since it could be beneficial to tie multiple approaches together as system-change tools, we aim to use a combination of the following system-change mapping tools:

Three Horizons Framework (Sharpe et al., 2016) to engage with the IRP ecosystem:

We will be using the Three Horizons Framework as a way of thinking about transitioning from a past/status quo to a desired future with a temporary scaffolding (e.g., the IRP) in between.

Looking at the Canadian SI/SF ecosystem with system archetypes (Braun, 2007):

We will be using Prospects for Partnership and Limits to Growth archetypes in our mapping approaches, as well as the bathtub analogy (Stroh, 2015).

Looking at the Canadian SI/SF ecosystem with leverage points (Meadows, 2008):

We will be using reinforcing feedback loops and information flows in our analyses.

Data

The data for this preliminary project consists of existing secondary data, as well as notes and input from our co-designed activities at CCEDNet convenings. Convenings will be used for information verification and validation and to reconnect with a more diverse audience of the Canadian social finance and innovation ecosystem.

Prior to this research, the Investment Readiness Program underwent a developmental evaluation process and Employment and Social Development Canada (ESDC) and AJAH provided the data from that process for our further analysis. This information, coupled with publicly available information from the previous version of the Investment Readiness Program (IRP), including grey literature and online system navigation tools developed by the Table of Impact Investment Practitioners and the Community Foundations of Canada, will be analysed. For example, IRP applicant organisation data with beneficiaries and nonbeneficiaries as well as IRP-funded projects of the RSPs. A literature table will be developed to track key findings from grey literature.

This study will involve scoping the types of data that are being generated within the new IRP ecosystem and how they are being collected.

Contribution of the Study

We aim to contribute to fields at the intersection of project management and governance, as well as collective action and social innovation.

Tied into this, the system mapping work will add additional transparency to the ecosystem and further establish boundaries, identify how this system is nested within and provides space for other systems, and provide the information needed to lower the cost of dispute resolution within the ecosystem to ensure long-term development of trust and mutual accountability, ultimately leading to more social financing investments with greater social and environmental impact.

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