

RECOMMENDATIONS FOR THE 2016 FEDERAL BUDGET



Pre-Budget Submission to the House of
Commons Standing Committee on Finance by
the Canadian Community Economic
Development Network

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The following people and organizations are members of the Canadian CED Network's Policy Council:

- Lars Boggild, *Purpose Capital*, Toronto, ON
- John Buck, *Community Economic Development and Employability Corporation (CEDEC)*, Montréal, QC
- Courtney Hare, *Momentum*, Calgary, AB
- Crescentia Dakubo, Thunder Bay, ON
- Ryan Gibson, *St. Mary's University*, Halifax, NS
- Norman Greenberg, *Alternative Programs for Youth and Families*, Halifax, NS
- Walter Hossli, *Momentum*, Calgary, AB
- Marianne Jurzyniec, *Affinity Credit Union*, Saskatoon, SK
- David LePage, *Accelerating Social Impact CCC*, Vancouver, BC
- Carol Madsen, Vancouver, BC
- Elspeth McKay, *Operation Come Home*, Ottawa, ON
- Rupert Downing, *Community Social Planning Council of Greater Victoria*, Victoria, BC

The Canadian Community Economic Development Network

This brief has been prepared by the Canadian Community Economic Development (CED) Network for the House of Commons Standing Committee on Finance as part of its consultations on priorities for the 2016 federal budget. The Canadian CED Network is a national association of community organizations, co-operatives, credit unions, foundations, municipalities and practitioners working to enhance the social, economic and environmental conditions of Canada's communities. We have several hundred members in all regions of Canada inclusive of urban, rural, northern and Aboriginal community settings. Our head office is in Victoriaville, Québec, with regional staff and member committees throughout Canada. Community Economic Development is citizen-led action to enhance the social and economic conditions of their communities on an integrated and inclusive basis, reducing poverty, unemployment and social disadvantage by building assets and creating opportunities.

The Network can be contacted through our website <https://ccednet-rcdec.ca> or at our national office:

59, rue Monfette, CP 119E, Victoriaville, QC G6P 1J8
Tel. 819-795-3056. Fax 819-758-2906
info@ccednet-rcdec.ca

Introduction

The Canadian Community Economic Development Network is a national association of community organizations, co-operatives, credit unions, foundations, municipalities and practitioners working to enhance the social, economic and environmental conditions of Canada's communities. We have several hundred members in all regions of Canada inclusive of urban, rural, northern and Aboriginal community settings.

Community Economic Development is citizen-led action to enhance the social and economic conditions of communities on an integrated and inclusive basis. It reduces poverty, unemployment and social disadvantage by building assets and creating opportunities. What distinguishes CED is its understanding of the interconnectedness of social, economic and environmental issues, and a philosophy that the solutions which tend to be most effective for the complex problems communities face are those that involve and are driven by the people who are directly affected.

Today, it's obvious that the economy is connected to the environment. It's no longer just public health specialists and epidemiologists who know that your health is affected by your income. And businesses are essential to building communities. Taking action to shift the economy to a community level, as part of a move to re-embed social goals in economic choices is a growing trend. We see it in consumer choices for healthy, local food, the creation of new co-ops and social enterprises, and the move towards community and impact investment, to name a few.

Community leaders understand that complex challenges they face require multi-faceted responses. Recent trends in the social economy, social finance, and community resiliency reflect that, expanding the scope of innovative community-based practices tremendously, with examples ranging from new community crowdfunding strategies to impact investing, from Québec's recent social economy law to the UN Task Force on the Social Solidarity Economy.

Our recommendations focus on how the government can implement the measures it has already committed to undertaking in the election and the Ministerial mandate letters in ways that will maximize their success and value for communities.

Social Infrastructure

The government will be making significant infrastructure investments, including in much needed social infrastructure.

By better accounting for the social, environmental and economic impact of government policy and spending through social value weighting, the Federal government can ensure its spending is providing the best return on investment, thereby supporting fiscal sustainability. Procurement is a powerful government instrument, and including social value weighting will see these benefits through to vulnerable communities and individuals, supporting social enterprises in the creation of accessible education and job opportunities for communities traditionally underserved by the economy.

As documented in the recent House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities report on Social Finance, CED initiatives have a proven track record for including vulnerable populations in the workforce to enhance Canada's productivity, investing in community infrastructure, and creating new opportunities for local investment by community members. These measures can produce medium- to long-term savings in government expenditures. In particular, organizations that provide training and job opportunities for

people with barriers to employment take vulnerable individuals who were previously accessing government resources and transition them into employed, tax-paying citizens. Not only does provide a net gain for the Federal budget, but it has holistic spin-offs for vulnerable communities at large, while strengthening the labour market and creating accessible employment opportunities.

For these reasons, we recommend that those infrastructure investments:

- Include a social finance fund and social infrastructure grant program that could leverage private investment and provide matching capital for durable social infrastructure projects.
- Include a social impact-scoring component on all infrastructure contracts and recipients.
- Include community benefit agreements, building on Ontario's Bill 6.

Community-Based Renewables

As part of Canada's climate change strategy, community renewable energy offers excellent local investment opportunities and tangible socio-economic impacts. While contributing to the transition to a low-carbon economy, community-based projects inspire a new kind of social entrepreneurship, building a strong social licence for clean technologies and empowering local citizens, especially Indigenous peoples, with the opportunity to re-invest clean energy project returns into local infrastructure, health and education. We recommend that

- new infrastructure investment includes criteria that prioritize funding for clean energy projects for communities vulnerable to climate change
- and that financing is made available and affordable to communities and project developers through the Canadian Infrastructure Bank, including federal loan guarantees to support private investment.

Community Enterprise Access to SME Programs

Community enterprises operated by non-profits, co-operatives, and micro-enterprises established by or dedicated to supporting marginalized individuals and communities create wealth and respond to the needs of rural and urban communities. Contrary to popular misconceptions, community enterprises have a higher survival rate than traditional small- to medium-enterprises while offering a positive financial and social return on investment.

We recommend that social enterprises, non-profits, and co-operatives be given access to existing regulatory and tax measures and business development programs that are currently available to small- and medium- enterprises through awareness-raising efforts for government officials to ensure a level playing field for alternative forms of incorporation.

Partnerships for Implementation

All these recommendations will be most successful if they are implemented with a partnership approach. A roundtable bringing together representatives from the CED community and relevant government departments would facilitate the ongoing co-construction and refinement of public policy in support of communities. This would provide a process for meaningfully involving the CED sector in the development and regular review of government initiatives to ensure they meet shared public policy objectives.

Conclusion

Community economic development initiatives and community leaders are key partners in addressing cross-sectoral, complex issues. The recommendations above can help ensure that more Canadians benefit from the significant investments being made by the federal government now and in the future.

Resources

Social Infrastructure, Social Procurement and Community Benefits Agreements

Exploring the Potential of Social Finance in Canada, House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, 2015
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Toronto Community Benefits Network <http://www.communitybenefits.ca/>

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Spurring Local Economic Development with Clean Energy Investments: Lessons from the Field, US Department of Energy, 2013
http://www1.eere.energy.gov/wip/solutioncenter/pdfs/clean_energy_investment_cases.pdf

Community Enterprise Access to SME Programs

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