



Common Approach to Impact Measurement: flexible community-driven impact measurement (Canada)

What?

The Common Approach to Impact Measurement, or Common Approach, is Canada's first flexible research-based, evidence-informed and community-driven measurement standard for social purpose organisations (including for- and non-profit social enterprises, cooperatives, not-for-profit organisations, charities). It aims to foster the development and evolution of flexible standards for impact measurement by leveraging existing frameworks, while fostering accountability and learning. As a community-driven effort, it involves non-profits, social enterprises, grant makers, investors and academics seeking to establish a better way to measure social impact. Key partners include the Canadian Community Economic Development Network, the Centre for Social Innovation, the Social Research and Demonstration Corporation, SAMETRICA impact measurement platform, the First Nations Information and Governance Center, the Territoires innovants en économie sociale et solidaire (TIESS), the Social Enterprise Institute, the University of Toronto, and the VanCity Foundation.

Why?

The Common Approach was developed to improve orientation and capacity development, to enhance communication with stakeholders and potential funders while allowing for customisation where necessary (to account for social mission, context sensitivity, stakeholder ownership, etc.). It aims to address problems of lack of capacity, complexity, fragmentation, need for flexibility and reporting burden and create a shared culture around impact measurement.

It originated from the research and consultative efforts undertaken as part of the Ontario Social Enterprise Strategy 2016-21. In 2015, Ontario's Ministry of Development and Economic Growth (MEDG) consulted more than 400 stakeholders and concluded that there was a pressing need to improve and harmonise impact measurement. In the Social Enterprise Strategy for 2016-2021, the government of Ontario identified the lack of a standardised approach to impact measurement as an impediment to the development of the social enterprise ecosystem and set three goals related to impact measurement:

- Equip social enterprises with solid business fundamentals;
- Connect enterprises to markets and capital to grow and scale;
- Demonstrate the value of social enterprise and social finance.

MEDG convened an Impact Measurement Task Force comprising federal government, impact measurement experts, social enterprise leaders and other funders and foundations to develop an action plan for a standard

approach to impact measurement and reporting by Ontario social enterprises. This approach is meant, on the one hand, to respect the diversity of current practices and, on the other, to minimise administrative burdens related to impact measurement, effectively balancing the needs for flexibility and rigidity.

Key Activities

In 2016 and 2017, more than 70 stakeholders from Ontario's social enterprise sector (including for- and non-profit social enterprises, cooperatives, mediators of social enterprises, donors and funders, as well as representatives from universities and governments) were consulted, revealing that: 1) measurement is too time consuming, 2) every funder requests new measures, 3) there are too many tools and methodologies, 4) there is a need for a shared sectoral story.

Launched nation-wide in July 2018, the Common Approach provides an enabling infrastructure (community-owned standards including a shared data standard), essential practices (the Common Foundations), flexible standards (the Common Framework), and basic organizational information (the Common Form).

Following the notion that a standard needs to be a shared, community-based culture, rather than a document to be sustainable over time, the Common Approach is rooted in two grounding principles:

1. The standard and its evolution are shaped by all of its users and all social purpose organisations that adopt the standard can participate in the decision-making.
2. The standards should reflect the needs of charities, social purpose business and the communities that they serve rather than those of foundations, grant makers and impact investors.

Building on existing foundations, the Common Approach strives to ensure flexibility through evolving standards defined by the community of practitioners. The Common Approach standards do not prescribe what data organisations should report or use. They make it easier for social purpose organisations to measure and use the data that they find most relevant for their work, rather than metrics imposed by funders. In this way, it applies a "similar-enough" approach that fosters convergence but refrains from forced harmonisation.

Impact

Three distinguishing factors have contributed to the success of the Common Approach:

- It is a **holistic ecosystem endeavour** that brings together a wide variety of stakeholders beyond the initial consultations.
- The Common Approach was developed **as a harmonised culture rather than rigid pre-definition of indicators** thanks to its guiding principles of bounded flexibility, evolving community of practice rather than static document, and building on what already exists. This makes it appealing for social purpose actors, ensuring its long-term sustainability and immediate connectivity for anyone wishing to apply it.
- The **inclusive values** enshrined in this community-owned and community-driven approach, empowering social purpose organisations and their beneficiaries, serve as an example for similar policy initiatives in the future, in Europe, and all around the world.

Participation throughout the co-creation process has been high and different stakeholder groups continuously provide feedback:

- through working groups and committees, including sector representatives, academic experts, social finance advisors, etc. from across Canada;
- through public outreach, dissemination, partnerships as well as high-profile Common Foundation

Champions;

- through training and capacity building delivered by a network of training providers drawn such as the Social Enterprise Institute;
- through stakeholder surveys, which demonstrate high levels of commitment to continue in this endeavour.

What started as a local initiative at the provincial level gradually captured the attention of federal policy makers. Initially promoted by the Ontario Ministry of Development and Economic Growth (MEDG), the subsequent two-year project established the approach on a national level through funding by Employment and Social Development Canada (ESDC). Today, the Common Approach is actively engaged in a number of federal government efforts on social impact, social finance and the Sustainable Development Goals.

References

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- <https://www.ontario.ca/page/making-impact-ontarios-social-enterprise-progress-report> [4]
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- <https://sprott.carleton.ca/2019/unlocking-social-change-through-a-common-approach-to-impact-measurement/> [7]
- <https://carleton.ca/commonapproach/key-elements/> [8]
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- <https://carleton.ca/commonapproach/common-foundations-to-impact-measurement-self-assessment-tool/> [12]
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[2] <https://www.ontario.ca/page/impact-social-enterprise-strategy-ontario>

[3] <https://www.ontario.ca/page/ontarios-social-enterprise-strategy-2016-2021>

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