

SOCIAL INVESTMENT IN PORTUGAL

Portugal has seen two major initiatives taking a leadership role in developing the social investment market in the country: the Portuguese Social Investment Taskforce and Portugal Inovação Social, a catalyst entity using EU Structural Funds to foster social investment.

Portuguese Social Investment Taskforce

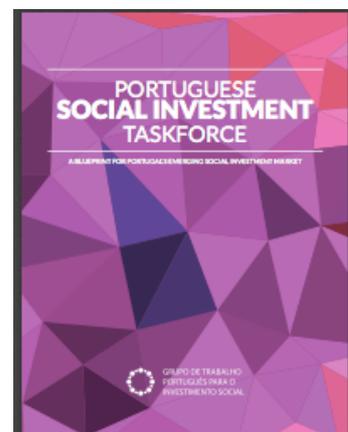
The Portuguese Social Investment Taskforce believes that addressing the financial obstacles faced by the social sector requires a collaborative approach. Convened by the Calouste Gulbenkian Foundation, with the support of Laboratório de Investimento Social and Social Finance UK, the Taskforce brought together a range of organisations and perspectives from across Portugal to think about how to support social innovation and build a social investment market.

The Taskforce launched in July 2014, as a 12 month initiative to promote meaningful and informed discussion about the potential of social investment in Portugal. The European Commission offered generous funding to support our work. The Taskforce divided into three working groups focusing on: (1) knowledge and market intelligence, (2) capacity building for impact and investment readiness, and (3) financing mechanisms for social innovation.

The Taskforce approached this work through plenary meetings, parallel meetings (working groups) and focus groups. The first 12 months of work have been presented at the Social Innovation World Forum 2015 with the launch of the final report.

The five recommendations made by the Taskforce reflect the main challenges for the social investment industry globally. The recommendations are the following:

1. Strengthen social organisations through capacity building programmes (*demand*).
2. Introduce financial instruments suited to social organisations and social innovation (*supply*).
3. Promote an outcomes-based culture in public services (*government enablement*).
4. Set up a knowledge and resource centre (*market intelligence*).
5. Promote specialist intermediaries to facilitate access to capital (*intermediation*).



Each of these five recommendations contains an action plan with tasks, expected outcomes and key players for implementation. These are distributed according to timing priorities ranging from short to medium and long term.

Since the launch of the final report of the Portuguese Social Investment Taskforce – “A blueprint for Portugal’s emerging social investment market” – the focus of its members have been in adopting and implementing these recommendations. A one year progress report will be published by the end of 2016.

All information about the progress and monitoring of this work is available at <http://grupodetrabalho.investimentosocial.pt>

Portugal Inovação Social: catalyst entity for social investment through the use of EU Structural Funds

Portugal Inovação Social represents a milestone in the promotion of social investment in Portugal. Its ground breaking mission is to catalyse the social investment market. Established by the Portuguese Government, approved by the Cabinet Council and endowed with €150 million from the European Structural Funds under the scope of the Partnership Agreement – Portugal 2020, it will have a strong mandate and substantial resources with which to drive the development of the social investment market over the next five years.

There are four pillars to Portugal Inovação Social’s strategy. It will support the growth of both the supply and demand sides of the social investment market; it will target the lack of adequate funding for social organisations through the provision of investment capital, venture philanthropic capital and outcomes funding and it will provide capacity building support to help social organisations deliver impact at scale:

1. A Social Innovation Fund

Portugal Inovação Social will launch a wholesale fund that will co-invest in Portuguese social organisations and social investment products that have a demonstrated potential to generate social and financial returns. The aim is to mobilise capital and encourage investment into the social sector. Similar initiatives in other social investment markets have been essential, particularly in early social investment deals, often acting as a ‘cornerstone’ investor, encouraging other investors to invest.

2. A Social Impact Bond Programme

Under this programme, Portugal Inovação Social will make available outcomes funding to local and regional governments in Portugal that are interested in developing social impact bonds or similar structures. This facility is designed to improve the financial viability of early SIBs and incentivise local government commissioners to move towards paying for outcomes so that innovative solutions can be developed to address key social issues.

3. A Capacity Building Programme

Portugal Inovação Social will make grants available to social sector organisations to enable them to access support from specialist providers in areas such as financial management, business modelling, impact measurement, leadership and governance. The programme aims to support social organisations to take on investment to develop, strengthen and grow, thereby improving their capacity to expand their valuable work.

4. A Venture Philanthropy Programme

This initiative will provide match-funding to philanthropic organisations committed to adopting the venture philanthropy approach to grant making. Organisations must

commit to providing both financial and non-financial support to grant recipients, thereby ensuring that grantees become more sustainable and effective. The programme aims to promote venture philanthropy in Portugal, benefiting recipient social organisations while simultaneously growing the market for impact and investment readiness support.

For more information see:

e-mail: investimentosocial@ies-sbs.org

web: www.investimentosocial.pt

twitter: @invest_socialPT

OECD-European Commission Capacity Building Seminar: *Building enabling ecosystems for social enterprises*
Brussels, 17-18 February, 2016.

