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CALOUSTE GULBENKIAN

LABORATÓRIO DE  
INVESTIMENTO SOCIAL

# **Portuguese Social Investment Taskforce**

## **Summary of the 1<sup>st</sup> meeting of subgroup 2**

**“Social enterprises capacity building towards impact and investment”**

**October, 2014**



## MEETING: 1<sup>st</sup> meeting of sub group 2, OCTOBER 6<sup>TH</sup> 9:00AM

### ATTENDEES

#### Sub-group:

- Carla Pinto, *CASES* (Public body responsible for representing the third sector)
- Francisco Palmares, *Calouste Gulbenkian Foundation*
- Graça Fonseca, *Lisbon City Hall*
- Luísa Valle, *Calouste Gulbenkian Foundation*
- Margarida Pinto Correia, *EDP Foundation*
- Maria José Garcia, *Santa Casa da Misericórdia de Lisboa* (Public body responsible for distributing funds raised by the 'National Lottery')
- Sandro Fonseca, *EDP Foundation*

#### Social Investment Lab Members:

- Filipe Santos, *INSEAD*
- António Miguel
- Pedro Sampaio
- Joana Cruz Ferreira

### MEETING OVERVIEW

The main goal of the first meeting was to identify the priority topics that shall be study in order to develop more resilient, effective and efficient social enterprises in Portugal. Sub-group 2, composed by senior representatives of institutions with traditional and strong relationships with the social sector in Portugal, has appointed the following topics:

- 1. Social enterprises capacity-building towards impact and investment;**
- 2. Intersectoral collaboration in order to tackle social problems;**
- 3. Outcome-based contracting of public social services.**

The next meeting, which shall gather all the Taskforce members, will be held on the 7<sup>th</sup> of November, 9 am, at the Calouste Gulbenkian Foundation. The sub groups will present the priority topics set.



## **PRIORITY TOPICS:**

### **1. Social enterprises capacity-building towards impact and investment**

The group felt the need to clarify the difference between social organizations within the sector, in the following way:

- 1) The largest share of the sector is composed by social enterprises that have long been established and have strong traditions of contracting social services with the public sector based on activities and outputs. Many small scale social enterprises are also included in this share, since most of them conduct unprofessional interventions, have unqualified staff and operate according to an assistencialist approach.
- 2) The social innovation and social entrepreneurship initiatives, which represent a small fringe of the sector, and which continuously seek for new business models and new forms of generating social impact, and that might be in a privileged position to attract and apply social investment.

The group agreed in not favouring the last category of social enterprises over the first and broader one. The members believe that all of them have a lot to benefit from receiving capacity building training, even though some of the initiatives are too small to be feasible to be funded by social finance instruments.

Under this scope, the group distinguished both the capacity building training towards impact - this is, training to develop skills in order to generate social impact (not only to measure it), and the training to become investment ready, which concerns the development of different skills such as the know how to manage the growth phase of the organization.

### **2. Intersectoral collaboration in order to tackle social problems**

After the presentation of the social project recently launched by the Lisbon City Hall – a Social Impact Bond to finance coding classes in the primary education, the topic of the collaboration between different parties of the ecosystem was brought to the table. The lack of trust, organizations' egos and the lack of know how to manage partnerships were appointed as big obstacles for the Portuguese social sectors to manage consortiums throughout the past years. However, the team believes that the mobilization of efforts for a bigger cause is the way forward, so members were very interested in assessing the potential of combined actions illustrated by real life case studies.

### **3. Outcome-based contracting of public social services**

The sub group acknowledges the importance of a behavioural shift towards outcome based contracts, but considers that this change must be undertaken/imposed by supply side of the market. The group debated the fact that this approach will represent an evolution of some existing practices.

Some further considerations regarding the in-depth analysis of this topic were made, such as the distortion of the incentives that a bad outcome based mechanism can create and the importance of relying the focus on the measurement approach undertaken, as a key feature to the success of the new contracting logic.



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#### **NEXT STEPS:**

The agenda for the following months will be divided into sub group meetings – exclusive to the members of each sub-group, and general meetings, which shall be attended by all the members of the Taskforce. We invite the members to take note of the followings dates for the general meetings that will be held at Calouste Gulbenkian Foundation:

- **Intermediate meeting, 7th of November, 9 am**
- **Intermediate meeting, 6th of February, 9 am**
- **Intermediate meeting, 8th of May, 9 am**
- **Final meeting, 3rd of July, 9 am**

The sub-group meetings will be booked later, depending on the availability of the respective members. If relevant, individual meetings will be solicited in order to collect information and feedback on specific topics.

Until the next meeting, the Social Investment Lab will be working on the priority topics defined by the sub group, in order to answer to some questions raised in the work session and to inform the debate in the following events.