



PORTUGUESE SOCIAL INVESTMENT TASKFORCE

The Portuguese Social Investment Taskforce was divided in three sub-groups: (1) Knowledge creation and market intelligence, (2) Capacity-building and readiness towards impact and social investment, and (3) Financing mechanisms for social innovation and incentive structures to attract new sources of capital.

SUB-GROUP #2 – CAPACITY-BUILDING AND READINESS TOWARDS IMPACT AND SOCIAL INVESTMENT

This sub-group focuses on building demand for social investment by organisations seeking to address social issues. Members identified three priority areas, outlined in the table below, to research in order to inform the final recommendations of the Taskforce. The research notes below outline for each priority area:

- (1) What question(s) are we trying to address with this potential recommendation?
- (2) What did other countries do to address this issue?
- (3) What are the main lessons learned?
- (4) What is unique about Portugal that should be considered when adapting to the Portuguese context?

The recommendations for this sub-group target three specific types of stakeholders: **social organisations** should have access to capacity-building programmes that improve their investment and impact readiness; **social investment intermediaries** should develop business models based on what the market needs; and **public sector commissioners** should contract outcome-based social services. Implementing these recommendations in Portugal will require coordination and support from Portugal Inovação Social.

#	Priority area	Case studies	Key learnings	Priority
2.1	Improve the impact assessment capabilities and investment readiness of social organisations	Edna McConnell Clark Foundation (USA) Social Innovation Fund (USA) Investment and Contract Readiness Fund (UK)	Social sector organisations require financial and non-financial support to become investment ready, particularly during their early-stages of development. Funders and funding programmes should be directed appropriately to facilitate such support. Capacity-building programmes need to address both investment readiness (finance and governance) and impact readiness (capacity to deliver outcomes).	High
2.2	Ecosystem of intermediaries to support the broad social investment market	Comptoir de l'Innovation (France) Social Finance (UK) Third Sector Capital Partners (USA)	Intermediaries are needed to support social organisations to become investment ready and to design financial products that align the needs of investors and social sector organisations. Intermediaries are needed to coordinate the different market participants.	High
2.3	Evidence- and Outcome-based commissioning of social services	Commissioning Academy (UK) Harvard SIB Lab (USA) Social Value Act (UK)	Government needs capacity-building support to help them contract on an outcomes basis. Legal frameworks that simplify the process of contracting on outcomes are needed.	Medium



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PRIORITY AREA 2.1: SUPPORTING SOCIAL ORGANISATIONS TO IMPROVE THEIR IMPACT AND INVESTMENT READINESS

What question(s) are we trying to address with this potential recommendation?

Social sector organisations have the ability and mission which make them well suited to address some of society's most complex social issues. However, they often lack the necessary capital to grow and innovate and to fully realise their potential. One of the barriers preventing access to financing is limited expertise and skills in areas such as financial and operational management, business development, impact/outcome measurement, and performance management.

To attract a broader range of finance, social sector organisations need to demonstrate appropriate governance, financial and operational competencies, alongside a viable operating model. Capacity-building support is needed to help build these competencies.

What did other countries do to address this issue?

Three initiatives from the US and UK demonstrate different approaches to helping organisations become impact and investment ready:

Purpose	Live example	Rationale for selection
Early-stage capacity-building through grant funding	Edna McConnell Clark Foundation (EMCF)	EMCF's grant funding approach combines financial and non-financial support to help organisations strengthen their organisational and measurement capacity.
Focus on collaboration and on building evidence-based programmes	Social Innovation Fund (SIF)	SIF is a central government grant programme to help identify and scale local programmes. Success is measured on grant recipients' ability to demonstrate their programmes' effectiveness in addition to improved organisational capacity.
Preparing social sector organisations for social investment	Investment and Contract Readiness (ICRF)	ICRF is a government-sponsored fund to support social organisations in raising investment and/or bidding for public contracts.

Early-stage capacity-building through grant funding - Edna McConnell Clark Foundation (US)²

The Edna McConnell Clark Foundation's (EMCF) grant-model combines both financial and non-financial support to help recipients improve their organisational capacity, accountability and evaluation processes.

EMCF's grant-making approach provides: (1) access to growth capital to strengthen organisational capacity; (2) access to strategic support to help organisations develop business plans with a strong emphasis on understanding their product and how to sell it to commissioners; and (3) access to specialised support on topics such as fundraising, evaluation, and marketing/communications. In addition, payment to grantees is tied to meeting agreed performance measures. This helps the organisations become accustomed to delivering against performance indicators.

² Contents adapted from the report "Results and lessons from the first 10 years", The Edna McConnell Clark Foundation's Youth Development Fund, accessed at http://www.emcf.org/fileadmin/media/PDFs/EMCF_ResultsandLessonsReport_2001-2012.pdf



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EMCF's approach is designed to help recipients build their organisational capacity to consistently deliver impact and secure long-term funding. Recipients of support, such as ROCA Inc.², were some of the first organisations to win social impact bond contracts.

Focus on collaboration and on building evidence-based programmes - Social Innovation Fund (US)

The Social Innovation Fund (SIF) was designed to help the social sector improve its evidence-base and organisational capacity. It developed in response to a central government belief that innovative programmes exist at the local level and need support to scale.

The fund addresses these concerns through funding grant making intermediaries – such as Foundations – who are well positioned to identify and support impactful programmes in their communities.

The fund has two key features. First, funding from the SIF needs to be matched by the grant making intermediary as well as the social sector organisations receiving support. This allows the central government to leverage its funding and encourage intermediaries and social sector organisations to engage and build relationships with other funders. Second, the SIF measures success through requiring recipients to have evidenced their social impact by the end of the grant period. This focus on measuring impact helps create a marketplace of evidence-based organisations.

The SIF has supported the development of social investment in the US through increasing the number of organisations with robust evidence-based models, building a pipeline of investable social sector organisations, facilitating partnerships between intermediaries and social sector organisations, and promoting the development of the intermediary market through providing them with access to funding.

Preparing social sector organisations for social investment - Investment and Contract Readiness Fund (UK)³

Recognising that social sector organisations needed capacity-building support to become investable, scalable, and able to bid for government contracts, the Cabinet Office launched the £10 million Investment and Contract Readiness Fund (ICRF).

The fund, managed by The Social Investment Business, provides grants to social sector organisations to purchase business support from specialist providers which have been approved by the fund. The type of support offered can range from business planning, finance, governance, impact measurement, investment structuring and legal advice which is necessary for them to raise finance for a specific purpose or to be in a position to win business (e.g. to provide services to the public sector).

To access ICRF funding, organisations must seek to raise more than £0.5 million of investment or bid for contracts of over £1 million. This requirement helps ensure that capacity-building support is purpose-driven and focused on achieving a clear goal related to social investment.

By 2014, social organisations supported with £800,000 from the ICRF had raised £24.1 million in investment and won £13.5 million in contracts. This has facilitated the growth of social investment in the UK by (1) strengthening intermediaries and social sector organisations, (2) demonstrating the value of investment and contract readiness activities, (3) building strong and long-term relationships between social organisations and specialist providers, and (4) increasing the number of social organisations raising capital and bidding for public sector contracts.

² ROCA Inc. is the delivery partner in a Massachusetts Juvenile Justice Social Impact Bond funded by Goldman Sachs.

³ Contents adapted from the UK National Advisory Board to the Social Impact Investment Taskforce established under the Presidency of the G8, accessed at <http://www.socialimpactinvestment.org/>



What are the main lessons learned?

A review of the experiences from other countries has produced four key lessons learned for Portugal:

- **Funders and funding programmes should facilitate financial and non-financial support to grantees.** Grant funders have knowledge and expertise that can be combined with financial support to not only fund organisations, but build their capacity. Grants are often the first source of funding available to social organisations. This allows grant funders the unprecedented ability to shape the development of these organisations and build their capacity from an early-stage.
- **Government capacity-building programmes should align with market need.** The need for capacity-building extends beyond social investment. Initial programmes should be designed to create a minimum level of business competency across the sector with future ones focused on social investment.
- **Government capacity-building programmes can promote partnership development between social organisations and capacity-building providers.** There are barriers, such as funding and/or lack of awareness, that prevent social organisations and capacity-building providers from partnering. Requiring them to apply together for funding fosters collaboration and creates a foundation for a long-term relationship.
- **Government capacity-building programmes should tie access to funding to specific capital raise goals and/or contracts.** Linking funding for capacity-building to specific capital raise targets and/or government contracts ensures that recipients are working towards a concrete goal. As a result, more social sector organisations will have the business competencies needed to raise capital and/or bid for government contracts as well as the experience/learnings from going through the process.

What is unique about Portugal that should be considered when adapting to the Portuguese context?

Portugal should focus on improving the capacity of social sector organisations to deliver impact and attract social investment. The following steps should be taken into account:

- Map the business and finance needs of social organisations in Portugal in order to ensure that capacity-building programmes offer the appropriate type and level of support. Feedback from investors, intermediaries, and social organisations is needed to capture the full range of perspectives. The mapping exercise should build on the CNIS 2012 report that highlighted the operational constraints social organisations in Portugal face.
- Create a series of diagnostic tools to help both funders and social sector organisations identify areas that need improvement. This will help organisations better understand the value of capacity-building and help them address potential issue areas.
- Incentivising venture philanthropy in the country through the creation of a fund which will provide match funding to foundations willing to provide long-term financial and non-financial support to social organisations. Foundations should consider partnering with strategic stakeholders such as consultancy firms or business schools to access technical expertise.
- Develop a series of capacity-building programmes that move the market towards social investment. The first programme should focus on general capacity-building of effective organisations. This will promote the establishment of a minimum level of business competency for the market. Future iterations of the programme should tie support to raising social investment in order to facilitate building a pipeline of potential deals.



PRIORITY AREA 2.2: DEVELOPING AN ECOSYSTEM OF INTERMEDIARIES CAPABLE OF SUPPORTING THE BROAD SOCIAL INVESTMENT MARKET

What question(s) are we trying to address with this potential recommendation?

A robust social investment market needs intermediaries to facilitate cooperation between the different market participants (public sector commissioners, investors, and social sector organisations). Key roles include:

- **Advising social sector organisations on financial and business matters:** social sector expertise is required to ensure sector-appropriate advice which facilitates market growth.
- **Structuring financial mechanisms:** designing and structuring ways of financing social innovation based on their understanding of social issues, and the needs of social organisations and investors.
- **Promoting collaboration between government, investors and social organisations:** drawing on a range of skills and expertise to align these different market participants’ objectives and bring them together.
- **Evaluating outcomes and managing performance:** helping social organisations capture and monitor their impact, enabling them to adjust their operations and improve performance.
- **Building and disseminating evidence of what works:** their experience and close involvement in the development and management of social investment projects means that intermediaries can share their learnings about what works.
- **Building a diverse and strong investor base:** working closely with investors to educate them on the market. This will increase credibility and, as a consequence, should attract new sources of capital.

What did other countries do to address this issue?

The experience of intermediaries from France, UK and the US is reviewed to understand their role in developing the social investment market. They demonstrate the importance of understanding the social investment market and identifying where there are opportunities to add value.

Purpose	Live example	Rationale
Developing a business model that supports market development	Comptoir de l’Innovation (France)	Comptoir de l’Innovation (CDI) and Social Finance have developed a business models around understanding each social investment market participants’ needs and developing products to address them.
	Social Finance (UK)	
Developing a business model focused on Social Impact Bonds	Third Sector Capital Partners (US)	Third Sector Capital Partners (TSCP) has developed a business model focused on providing support to stakeholders interested in Social Impact Bonds.



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Developing a business model that supports market development – Comptoir de l’Innovation (France)

Le Comptoir de l’Innovation (CDI) was launched, as a subsidiary of Groupe SOS, in order to finance, support and develop social organisations. CDI’s business model is focused on a range of stakeholders and its activities include: (1) fund management, (2) evaluation, (3) incubation, (4) consultancy, and (5) promotion and dissemination.

CDI has made two major contributions to the French social investment market. First, it has helped social organisations access investment from major corporations and investment funds. For example, Aviva, a French insurance company, provided capital for a €10 million fund that invests in early-stage social organisations seeking to scale. Investments are made over a 7 year period with returns targeted at 3.5-4.5%. The relationship between Aviva and CDI demonstrate the role corporations can play in developing a social investment market. This has parallels to Portugal where companies have historically supported social sector organisations through their Corporate Social Responsibility (CSR) budgets.

Second, it developed a rating method/diagnostic tool for evaluating social organisations. The system helps identify social organisations strengths and weaknesses from a business and impact perspective and how they can improve. The rating method/diagnostic tool is used by CDI and other investors in France when investing in social organisations.

Since its creation in 2010, CDI has supported the development of the social investment sector in France by linking major corporations and investment funds with social organisations and creating a rating method/diagnostic tool that has helped organisations capacity build.

Developing a business model that supports market development - Social Finance (UK)

The experience of Social Finance UK demonstrates the importance of working with each key market participant to understand their needs and objectives and how these can be addressed. Social Finance is a not for profit organisation that partners with the government, the social sector and the financial community to find better ways of tackling social problems in the UK and beyond. Since 2007, Social Finance has raised over £24 million of social investment for social sector organisations and has designed a series of programmes to tackle social challenges.

Social Finance’s work is built around providing specialist services to each type of core market participant to help them understand the value of social investment and build the market. For example, Social Finance is working to develop a pipeline of investable social sector organisations from initial incubation and business model development through to financial/business advisory support to social sector organisations which are ready for scale or investment. Four areas of activity are reviewed in the table below to highlight the different stakeholders accessing support and what services are being offered to them.

Through working across each stage of the social investment process, Social Finance has been able to contribute to building the market.

Grants and other sources of funding available to intermediaries in the UK have been critical to enabling Social Finance to develop a sustainable business model. Early grant funding support came from a range of Foundations and other philanthropic sources as well as the UK’s Big Lottery Fund. However, the majority of income is now earned and has allowed it to develop and grow on a sustainable basis.



Service	Stakeholder	Description	Type of activities
Advising public sector commissioners	Public sector entities	Work alongside public sector commissioners to reshape their services to focus on outcomes and social impact and the potential for social investment to help fund delivery.	<ul style="list-style-type: none"> – Analysis and data evaluation – Outcomes-based contracting – Service design and financial analysis – a holistic assessment of the cost of a social issue and the potential to generate savings or better outcomes
Impact Incubator	Foundations Social organisations	Bring together foundations' expertise in tackling social issues and Social Finance's ability to develop and implement new business models.	<p>Exploring new ways of tackling the following issue areas:</p> <ul style="list-style-type: none"> – Black and Minority Ethnic mental health inequalities – Children leaving care – Perpetrators of domestic abuse
Financial/business advice	Social organisations	Work alongside both early stage and mature social ventures to scale and expand their impact.	<ul style="list-style-type: none"> – Business planning – Strategy development – Investment readiness support – Financial modelling and investment structuring – Capital raising
Social Impact Bonds	Government, investors, and social organisations	Work across different sectors to structure outcome-based projects with external finance.	<ul style="list-style-type: none"> – Defining the social issue – Programme design – Defining outcome metrics and measurement – Procurement and contracting

Table 1. Overview of services provided by Social Finance

Developing a business model focused on Social Impact Bonds - Third Sector Capital Partners

Third Sector Capital Partners (TCSP) has developed a business model based on helping commissioners and social organisations launch social impact bonds. TCSP provides advisory services to stakeholders interested in pursuing Pay for Success contracts. TCSP has worked with various levels of government:

- Federal level: TCSP has supported the White House Office of Management and Budget and the White House Office of Social Innovation on their Pay for Success financing arrangements.
- State level: TCSP also works on state-level US Pay For Success projects, including the biggest (in terms of capital raised) to date – Massachusetts Social Impact Bond.

The US Pay For Success social finance market has benefited from the presence of two leading intermediaries (the other is Social Finance US, not profiled here). TCSP market-position also reflects the development of social investment in the US, where organisations have been providing financing to charities and social enterprises since the 1970s. TCSP has specialized and developed a business model focused on a particular demand from the market for Pay For Success social finance instruments.

TCSP receives funding from a variety of different sources, such as capital raising and project management fees. TCSP has also received a large Social Innovation Fund grant.

What are the main lessons learned?

The main learning is that intermediaries are critical for market development. Their business models should reflect what the market needs, and there needs to be a sufficient amount and mix of grant funding and earned income sources which will sustain their activities and allow them to pursue initiatives which grow the market. From the analysis of the case studies, the following key learnings have been highlighted:



Intermediaries are key to developing new ways of financing social organisations that address their needs

- The rating method/diagnostic tool developed by CDI has given social investors the ability to assess social organisations' value propositions;
- The capital that Social Finance has raised for social organisations is tailored to organisations' financial needs while also being structured to attract investors;
- Intermediaries are drivers of innovation. In the Massachusetts SIB, TSCP created a structure whereby the risk of not achieving outcomes is shared with the delivery organization and TSCP.

Intermediaries can play distinct roles in developing the social investment market

- Social Finance has strengthened the UK social investment market, bridging the gap between investors and investees by working directly with different parties and being a hub for best practice and experience;
- Social Finance has been instrumental in working with Government to encourage outcomes-based contracting and co-commissioning of public services as well as helping to build Government and Local Authority capacity to develop SIBs;
- CDI has introduced corporations to social investment. Corporations, such as Aviva, have invested in social organisations using their CSR budgets;
- TSCP has raised capital for effective intervention models with potential to scale.

Intermediaries need to be able to access adequate sources of funding in order to perform their role in the market [SIF, ICRF]

- In the US, the Social Innovation Fund provides federal government funding to intermediaries to work with social organisations. The Fund requires match-funding to be secured, which means intermediaries must engage and build relationships with local funders and thereby grow and strengthen the market.
- In the UK, the Investment and Contract Readiness Fund provides central government funding for social sector organisations so that they can access support from intermediaries to raise capital and/or bid for public sector contracts.

What is unique about Portugal that should be considered when adapting to the Portuguese context?

In Portugal, there is a range of specialist providers who offer business support to social organisations. They are undercapitalized and face similar financing obstacles as the social organisations that they support.

To promote the development of social investment intermediaries, they need access to funding. Investors⁴, commissioners and Portugal Inovação Social (as market catalyst), can play a crucial role:

Providing a combination of grant capital and match funding to intermediaries, enabling them to focus on their core business. Funding should be tied to clear goals. These goals should be both flexible enough to allow a variety of organisations to apply, while simultaneously building the market. SIF's requirement that organisations have a robust evidence base at the end of the grant period is a good example.

Creating capacity-building instruments and venture philanthropy programmes, whereby social investment intermediaries can access funds to provide specialist services to social organisations.

⁴ Disclaimer: Laboratório de Investimento Social, acts as a social investment intermediary in Portugal and has received a 3-year grant support by Calouste Gulbenkian Foundation. Laboratório de Investimento Social has intermediated, developed and structured the first Social Impact Bond in Portugal. This experience mirrors the role of Social Finance in the UK since 2007.



Raising awareness and disseminating best practice, sharing information, improving links between the social investment and mainstream financial markets and promoting the role of social investment intermediaries.

PRIORITY AREA 2.3: PROMOTING EVIDENCE- AND OUTCOME-BASED COMMISSIONING BY THE PUBLIC SECTOR

What question(s) are we trying to address with this potential recommendation?

At a time when public sector budgets are limited and social problems are complex, there is a need to find effective solutions that generate high impact. Outcome-based commissioning offers a potential solution. Outcome-based commissioning is a contracting structure where payment is only made if there is evidence that shows that an outcome has been achieved.

The benefits of this type of commissioning framework include⁵:

- The alignment of public sector funding to the achievement of improved outcomes for beneficiaries.
- Improved delivery for beneficiaries as the service needs to focus on addressing the issues preventing them from achieving a given outcome.
- The development of an evidence base on what interventions work and the associated cost savings.
- The promotion of more rigorous performance management of service delivery and service adaptation.

This research note aims to assess different ways of promoting an evidence-based and outcomes-oriented culture within the public sector.

What did other countries do to address this issue?

Three examples of public sector initiatives to promote improved commissioning have been reviewed.

Purpose	Live example	Rational for selection
Training and capacity-building support for government	Commissioning Academy (UK) Harvard SIB Lab (USA)	The Commissioning Academy is a training programme that targets public sector leaders and aims to improve public sector commissioning. The Harvard SIB Lab is an initiative that provides <i>pro bono</i> technical assistance to public sector entities that are interested in adopting pay-for-success contracts for social services.
A legal framework which requires consideration of non-financial factors	Social Value Act (UK)	A legal framework that requires Government commissioners to consider the social, environmental and economic wellbeing of the communities in which services are being delivered.

Training and capacity-building support for government- The Commissioning Academy (UK)

The UK Cabinet Office recognized that government efficiency could be increased through the better commissioning of public services and launched a training programme to upskill public sector leaders and their procurement teams.

The Commissioning Academy is a training programme led by the UK Cabinet Office and supported by a consortium of social sector organisations and other government departments. The programme involves six sessions delivered over a period of 5 months, during which participants explore commissioning practices with a range of expert speakers through case studies and practical exercises. These sessions cover key

⁵ Adapted from Toby Eccles and Sarah Doyle, Musings on finance and social change [need to include publication reference/web link]



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commissioning issues, such as: outcome-based formats of commissioning; working with the voluntary and community sector; behavioral insights; market engagement and development; alternative funding models; joint commissioning; and multi-agency models of service delivery.

Participants come from a variety of organisations and sectors. The programme was initially launched as a pilot and has since been expanded. By the end of the programme, participants are better able to design procurement processes and commission services that align to their intended objectives.

Harvard Kennedy School SIB Technical Assistance Lab (US)

The Harvard SIB Lab was launched to support state and local governments develop Social Impact Bonds. The Lab addresses the knowledge and skills gap of public sector commissioners in contracting on this basis, which is new and innovative.

Since 2011, the Lab has been providing *pro bono*⁶ technical assistance to state and local partners. The assistance model includes 12 to 15 months of support to help guide state government partners through the programmatic, budgetary, and regulatory and procurement processes of pay-for-success contracts. Core aspects of the model include:

- The Innovation Fellow (typically, a recent graduate) working as a member of the government team to provide assistance both in coordinating the policy process and performing technical analysis;
- Access to senior technical assistance and support on a range of issues including developing the appropriate evaluation methodology;
- Access to specialist support for up to six months of programmer/data analyst time to match datasets across agencies, establish historic performance trends, and identify the target population to be served by pay-for-success programs.

The goals of the programme are to capacity-build the public sector and to develop a pipeline of social impact bonds. It is too early to judge whether the capacity-building support provided will allow government to develop SIBs without the Lab's support. However, the model has helped launch social impact bonds in Massachusetts and New York State and the Lab is currently working with 10 other states.

A legal framework which requires consideration of non-financial factors - Social Value Act (UK)

The Social Value Act 2012 demonstrates how government can create legal frameworks to improve commissioning processes. It was established to allow commissioners to take into consideration, at both a central and local level, how services will affect the social, environmental and economic wellbeing of the communities where they are launched.

This provides government more flexibility when determining the winner of public sector contracts. In addition, organisations delivering services must also consider their broader impact. For example, the added-value of having caseworkers with a history of offending can be taken into consideration when commissioning a criminal justice service. One of the Act's goals was to allow more social enterprises and charities to bid for and win public sector contracts.

⁶ The SIB Lab was established with the support of substantial grant funding from the Rockefeller Foundation



What are the main lessons learned?

Reflections on the examples of the Commissioning Academy, Harvard SIB Lab and the Social Value Act suggest three main learnings.

- **Training internal champions within government are crucial.** Commissioning teams need training and support to help them design and implement outcome-based contracts, as the process for developing these types of contracts tends to be different from current government practice.
- **Establishing a track record of outcome-based contracts is important for building momentum.** Outcome-based commissioning will be more easily scaled once there are pilot projects on the ground and live examples that commissioners can relate to. In the UK, after the launch of the first Social Impact Bond at Peterborough prison, the Department of Work and Pension created an Innovation Fund, an outcome-based commissioning programme that led to the creation of 10 new SIBs.
- **Legal frameworks that promote an outcomes-culture are needed.** It is often difficult for government to adopt new contracting arrangements either because the current legislation prevents it or makes it difficult. This can slow the development of an outcomes-based culture. Creating new legal frameworks can simplify and streamline the process.

What is unique about Portugal that should be considered when adapting to the Portuguese context?

Training government staff, launching pilot projects, and creating supportive legal frameworks are crucial to developing an outcomes-oriented culture in Portugal. A number of factors should be taken into consideration:

An ecosystem promoting outcomes-based commissioning is developing in the country. The Portugal 2020 agreement has a clear focus on outcomes and will result in a significant flow of money into the Portuguese social sector from 2014 through to 2020.

Portugal Inovação Social has a mandate to create a Social Impact Bond fund, which will provide funding for outcome-based contracts.

There is a lack of legislation that enables outcome-based commissioning. Although the current legislation does not prohibit outcome-based commissioning, it makes the process difficult. Amendments to the existing legislation could be made to facilitate and encourage the commissioning of public services on an outcomes-basis.



[PROPOSED RECOMMENDATIONS FOR CONSIDERATION BY THE TASKFORCE]

SUB-GROUP #2 – CAPACITY-BUILDING AND READINESS TOWARDS IMPACT AND SOCIAL INVESTMENT

The members of sub-group #1 have identified three priority areas – (1) Improve the impact assessment capabilities and investment readiness of social organisations, (2) Promote an ecosystem of intermediaries to support the broad social investment market and (3) Promote evidence- and outcome-based commissioning of social services

This research note encompasses the analysis of these priority areas, which will be used to inform the final recommendations of the Taskforce, as highlighted below.

[RECOMMENDATION]

Priority area 2.1 - Improve the impact assessment capabilities and investment readiness of social organisations

The analysis of these priority areas have suggested the following high-level recommendation, which should be discussed and validated by the Taskforce members:

"Create capacity-building programmes for social organisations that improves their ability to deliver outcomes and their capacity to attract and secure social investment"

[RECOMMENDATION]

Priority area 2.2 - Promote an ecosystem of intermediaries to support the broad social investment market

The analysis of this priority areas have suggested the following high-level recommendation, which should be discussed and validated by the Taskforce members:

"Build resilient and specialist intermediaries who help connecting investors, public commissioners and social organisations"

[RECOMMENDATION]

Priority area 2.3 - Promote evidence- and outcome-based commissioning of social services

The analysis of this priority areas have suggested the following high-level recommendation, which should be discussed and validated by the Taskforce members:

"Promote evidence and outcome-based commissioning of social services by public sector representatives"