SOCIAL IMPACT BONDS IN PORTUGAL - LEARNINGS TO DATE
CASE STUDY: JUNIOR CODE ACADEMY

CONFÉRENCE EUROPÉENNE SUR L'INNOVATION SOCIALE ET L'INVESTISSEMENT À IMPACT DE PARIS

September 2016

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PORTUGUESE SIB PILOT PROJECT - STRUCTURE

1/4 students aged 8 are retained in the same school year
On average, each students costs approximately €4,000 to the Lisbon Council
Computer programming is an innovative approach to improve logical thinking

The Lisbon council wanted to test if computer programming improves school performance
PORTUGUESE SIB PILOT PROJECT – PAYMENT MECHANISM

65 students in the intervention group

67 students in the control group

99,000.00 €

11,000.00 €

Grant

Investment

Outcome payments

Incentivise outcomes

Savings potential

3
PORTUGUESE SIB PILOT PROJECT – EVIDENCE BASE

No evidence
More risk

Junior Code Academy

Department for Work & Pensions

Nurse-Family Partnership

Robust evidence
Less risk
## PORTUGUESE SIB PILOT PROJECT – MOVING FORWARD

<table>
<thead>
<tr>
<th>Initial SIB Pilot in 3 schools</th>
<th>SIB programme in more schools in Lisbon and Fundão (north) (2000 students)</th>
<th>Junior Code Academy is embedded in school curriculum in Portugal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/2015</td>
<td>2016/2017</td>
<td>~400,000 students Long-term</td>
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</tbody>
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- **Building stronger evidence**
- **Get key stakeholders to “buy in” the SIB model**
- **Learn from an outcome-based contract environment**
- **Cost savings profile is more robust**
- **SIB dimension attractive for investors**
- **Wider outreach and impact**
- **Influencing public policy in education**
- **Expectation that public sector will internalise the teaching of computer programming based on evidence**
PORTUGUESE SIB PILOT PROJECT – MAIN LEARNINGS

• In Portugal, Social Impact Bonds will be mostly used to create the evidence that does not exist amongst the social organizations.

• Despite not being economically viable, pilot projects are important to test the instrument and to have its buy in from the main stakeholders.

• The market needs quick wins - launching a small scale pilot is crucial to create momentum and to convince about the applicability of the concept.

• SIBs can embed different value propositions. Promoting public savings is one of them. In Portugal, the value of this instrument will mostly rely on the creation of best value for money due to the reallocation of risk while testing innovative interventions.

• The market not only values the financial innovation entailed in a Social Impact Bond, but also the performance management support that it involves and the opportunity to learn with it.

• The existence of an intermediary that breaks down emerging traps and connects all the parties is crucial in the first projects.
15 million EUR SIB Outcome fund

This initiative is funded by EU Structural Funds and will act as the outcome payer in order to foster the adoption of outcome-based commissioning in Portugal. First call for proposals open until November 15th.
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