



Impact Investing in Portugal

How can an emerging field overcome the challenges
to its establishment?

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Dissertation submitted in partial fulfilment of requirements
for the MSc in International Management with the specialization in
Entrepreneurship & Innovation, at the Universidade Católica Portuguesa,
6th June 2019.

ABSTRACT ENGLISH

Title: Impact Investing in Portugal

Keywords: Institutional Change, Institutional Entrepreneurship, Impact Investing

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Impact Investing does not only provide an example how to bring common interest together and drive changes and success forward, but further present a potential innovative solution to the most pressing societal challenges of our world today. However, as any innovation, also Impact Investing is encountering resistance to its establishment. Theory of institutional change and institutional entrepreneurship are central to shed light on how to overcome these resistances. This study outlines a framework of how fields emerge, develop and are trying to achieve institutionalization while facing challenges and resistance to their establishment. This framework generates theory elaboration and identifies challenges as main variable and trigger for change and collectivism, conformity and legitimacy of institutional entrepreneurs as key success factors for the institutionalization process of emerging fields. Furthermore, this study presents a pilot of how to apply Impact Investing in mature markets and enhances valuable insights for actors driving change and success forward.

ABSTRACT PORTUGUESE

Title: Investimento de Impacto em Portugal

Keywords: Mudança Institucional, Empreendedorismo Institucional, Investimento de Impacto

Author: Lucy Marie Dreger

O investimento de impacto não fornece apenas um exemplo de como juntar interesses comuns e impulsionar as mudanças e sucesso, mas pretende também apresentar uma solução potencial e inovadora para os desafios sociais que são mais urgentes no mundo atualmente. No entanto, como em qualquer inovação, o investimento de impacto também sofre de alguma resistência na sua implementação. A teoria da mudança institucional e do empreendedorismo institucional são cruciais para esclarecer como superar essas resistências. Este estudo tem como intuito desenhar um framework de como os mercados surgem, se desenvolvem e de como tentam atingir a sua institucionalização ao mesmo tempo que enfrentam desafios e resistência à sua implementação. Este framework permite formular a teoria e identificar os desafios como a principal variável e impulsionadora da mudança e do coletivismo, conformidade e legitimidade dos empreendedores institucionais como fator-chave de sucesso para o processo de institucionalização de mercados emergentes. Além disso, este estudo apresenta um piloto de como fazer um investimento de impacto em mercados maduros e enfatiza insights valiosos para os responsáveis por impulsionar a mudança e o sucesso.

ACKNOWLEDGEMENTS

First of all, I would like to thank my supervisor, Tommaso Ramus, for his constant availability, great feedback and his outstanding support during my thesis. I could not have asked for a better professor and I am very thankful that he guided me with not only useful remarks and comments, but with great interest and motivating engagement throughout the last six months.

Furthermore, I would like to thank all interviewees, who were involved in my study, for interesting discussions, great insights, and especially, for their open- and willingness to share their time, opinions and answer my questions. They provided me with not only significant study contribution but with personal support and motivation for my future career, thank you.

Additionally, I would like to recognize my friends who offered constant support along the way. Not only emotional but also with topic related discussions and contribution to enrich my thesis with different perspectives and valuable content.

Lastly, I want to express my very profound gratitude to my brother and my parents for their endless support. Thank you for providing me this unique opportunity to study in Lisbon and supporting me all the way through my Master. This accomplishment would not have been possible without you.

TABLE OF CONTENT

ABSTRACT ENGLISH	I
ABSTRACT PORTUGUESE	II
ACKNOWLEDGEMENTS	III
TABLE OF CONTENT	IV
LIST OF ABBREVIATIONS	VI
LIST OF TABLES	VII
LIST OF FIGURES	VIII
1 INTRODUCTION	1
2 LITERATURE REVIEW	3
2.1 TRANSFORMATION OF ORGANIZATIONAL FIELDS	3
2.1.1 <i>Organizational fields</i>	3
2.1.2 <i>Institutional change</i>	4
2.1.3 <i>Actors, Actions and Meanings</i>	6
2.2 INSTITUTIONAL ENTREPRENEURSHIP.....	7
2.2.1 <i>Institutional Entrepreneurship in Emerging Fields</i>	8
3 METHODOLOGY	10
3.1 RESEARCH APPROACH	10
3.2 DATA COLLECTION	10
3.3 DATA ANALYSIS	13
4 FINDINGS	17
4.1 EMERGENCE AND DEVELOPMENT OF IMPACT INVESTING IN PORTUGAL.....	17
4.1.1 <i>Phase 0: Traditional social sector in Portugal, until 2007</i>	17
4.1.2 <i>Phase 1: Development and promotion of social entrepreneurship and innovation, 2007 – 2012</i>	18
4.1.3 <i>Phase 2: Emergence of Impact Investing, 2013 – 2015</i>	21
4.1.4 <i>Phase 3: Building Block of Impact Investing, 2016 – 2019</i>	23
4.1.5 <i>Phase 4: Institutionalization of Impact Investing, the future</i>	28
5 DISCUSSION	32
6 CONTRIBUTION	34

7	LIMITATIONS AND CONCLUSION	36
	REFERENCE LIST	38
	APPENDIX	43
	APPENDIX A: INTERVIEW GUIDE	44
	APPENDIX B: LIST OF INTERVIEWEES	45
	APPENDIX C: CODED INTERVIEW TRANSCRIPTS.....	47

LIST OF ABBREVIATIONS

EIB	European Investment Bank
HR	Human Resources
IES	Inovação e Empreendedorismo Social (Social Business School)
MIES	Mapa de Inovação e Empreendedorismo Social
NGO	Non-Profit Organization
PSI	Portugal Social Innovation
SDG	Sustainable Development Goals
SIB	Social Impact Bonds
SIF	Social Impact Funds
UN	United Nations

LIST OF TABLES

TABLE 1: Stages of Institutional Change.....	5
TABLE 2: Description of Data Collection.....	12
TABLE 3: Description of Variables.....	13
TABLE 4: Phases of Field Transformation.....	32

LIST OF FIGURES

FIGURE 1: Temporal Evolution of Impact Investing in Portugal	15
FIGURE 2: Phase Analysis of Impact Investing in Portugal	16

1 INTRODUCTION

Throughout the last decades, the global society has increasingly been debating about our responsibility to act in a sustainable and socially acceptable manner, both from a private and a corporate perspective (Bhaduri & Selarka, 2016). Throughout this very discussion, governments, organizations and numerous institutions began to think about creating a way of change. Since then, the world is working toward a set of ambitious targets for addressing global challenges today, e.g. The Sustainable Development Goals (SDGs) and the Paris Climate Agreement. And while observing these problems and goals societies face today, it became clear that government and philanthropy can't solve them on their own (Cohen, 2018). Over the next decade, the United Nation (UN) estimates that implementing the SDGs will cost between \$50USD trillion and \$70USD trillion; the Paris Climate Agreement will cost over \$12USD trillion over 25 years (Rockefeller, 2018). Thus, the critical question is: how will we pay for the transition to a more sustainable world? – The \$200USD trillion private capital invested in global financial markets depicts the answer pursuing innovative investment solutions to mobilize private sector capital in new, more efficient and scalable ways to solve social, economic, and environmental problems globally (Rockefeller, 2018). However, to target global challenges, innovative financial solutions are not enough to solve these issues alone. Innovative financial solutions are embedded in a complex system of organizational fields (Greenwood, Suddaby, & Hinings, 2002). In order to bring common interest together and drive changes and success forward to solve global challenges (National Research Council, 1988), it requires the creation of new institutions or the transformation and reformation of existing ones by leveraging new approaches (Greenwood, Suddaby, & Hinings, 2002).

To answer the demand for social needs, social and environmental issues have fuelled the formation of new funding called *Impact Investing*. By utilizing approaches from the venture capital markets, Impact Investing aims to generate social and environmental impact alongside a financial return (Global Impact Investing Network, 2017). While social Impact Investing is not a new concept, there has been an increasing effort to create more financial interest in specific fields and establish a formal Impact Investing market, as shown in the Portuguese market. While the market is now emergent with many actors pushing for institutionalization, challenges and resistance arise (Calouste Gulbenkian Foundation & MAZE, 2018). In order to implement these innovations and approaches in established organizational fields today, the theory of institutional change is central to that issue. Further, to understand how change and fields arise, the concept

of institutional entrepreneurship has emerged within theory. Institutional entrepreneurship explores how actors shape emerging institutions and transform existing ones despite the complexities and path dependence that are involved (Garud, Hardy, & Maguire, 2007).

The main part of the theory is focused on the emergence of fields, while less attention has been given to the process of institutionalization and how fields become accepted and, thus, taken-for-granted. Therefore, this study seeks to build upon the institutionalization process of emerging fields and addresses the research question: *How can an emerging field overcome the challenges to its establishment?* To answer this question, the empirical case was a qualitative case study of the emerging field of Impact Investing in Portugal by demonstrating the institutionalization process in practice and, hence, to elaborate theory building.

The findings of this research provide a methodological and empirical explanation of the emergence and development of the Impact Investing field in Portugal, conducted through interviews and studies with key actors, who are creating and developing the Impact Investing space with their meanings and participation. Further, they described arising challenges of the field and suggested strategic responses to overcome them.

This dissertation makes contributions to the study of institutional change, institutional entrepreneurship, and Impact Investing. First, it discovers that institutional change is structured as a rotation of variables (actors, meanings, actions, and challenges) lead by challenges. Second, this case study observed that through field transformation, new institutional entrepreneurs emerge and replace previous ones due to their better fit of characteristics and their capability to take up on change and reformation. Hence, institutional entrepreneurs emerge as a strategic solution to overcome challenges. Third, this study examines that institutional entrepreneurship is created and led by collectivism and a shared system of codes and only succeeds through the conformity of all actors. Further, this study suggests actor's face the opportunities that topics are yet be defined as they emerge and therefore open up spaces to benefit from their power by shaping relationships, practices, and rules. Emerging fields need key actors that enjoy the power of legitimacy and facilitate a powerful stakeholder network in order to support the institutionalization process. Last, considering Impact Investing, this case study demonstrates a pilot business model which was created to answer the demand of social needs.

2 LITERATURE REVIEW

2.1 Transformation of organizational fields

William James (1909/1996) said, “What really exists is not things made but things in the making.” Change is at the heart of important organizational phenomena as individual careers, teamwork, organizational strategy making, and the growth and decline of industries and sectors (Poole, Van de Ven, & eds., 2004). In order to understand those changes, it is necessary to understand where and why change happens.

2.1.1 Organizational fields

DiMaggio (1983) defined a field as collections of organizations that constitute an area or institutional life where all involved actors produce similar services or products, directly or indirectly. The focus thereby lies on the interactions between those organizational communities and executing in a meaningful way, which creates a shared system of meanings (Scott, 1994). This designed system establishes the boundaries of each community, defining its membership, the way of behaving, and the relationships between those organizational communities (Lawrence, 1999). It consists of critical suppliers, resource and product consumers, regulatory agencies and other organizations and shared collective beliefs. Organizations develop these emerging beliefs from processes of repeated interactions and produce categorizations of their exchanges to achieve what we call “status of objectification” and, then, constitute the reality on our social environment (Greenwood, Suddaby, & Hinings, 2002). Over time, these shared understandings and collective beliefs become reinforced by regulatory processes involving the state (government) and professional bodies, which press conformity upon communities. Later, they reproduce coded prescription of our social reality and can legitimize social norms (Deephouse, 1999). Institutional processes and phases of “isomorphism” give fields stability for some time. Meaning, isomorphic phases and practices are being reproduced by regulatory and interactive processes and create stability within a field. Differences of interpretation and emphasis may be temporarily released by socially negotiated consensus (Greenwood, Suddaby, & Hinings, 2002). However, according to Hoffman, fields are “not static but evolving” (1999), saying that the appearance of stability in a field is probably misleading (Greenwood, Suddaby, & Hinings, 2002). Literature has primarily been focused on the relative stability of fields. In organizational studies, structuration and security are portrayed as increasing the specificity of, and consensus

over, resilient logics of actions. Nevertheless, most current studies of change and innovation, including institutional theories, has been giving additional proof that progression and development within a field lead to institutional change and can create new emerging fields (Poole, Van de Ven, & eds., 2004).

2.1.2 Institutional change

Institutions are commonly defined as “rules, norms, and beliefs that describe reality for organizations and explaining what is and is not, what can be acted upon and what cannot” (Hoffman, 1999). They specify and justify social arrangements and behaviours and can thus be usefully viewed as performance scripts (Jepperson, 1991).

As financial, economic and social crisis are increasing in today’s world (United Nations, 2018), the conversion of existing institutions has assumed greater urgency. The demand for institutional change is growing among organizations and citizens and efforts for change has been made (Battilana, Leca, & Boxenbaum, 2009). Institutional literature, weather it focuses on economics, sociology or cognition, has primarily focused on explaining the stability and persistence of institutions as well as identical or similar (isomorphic) changes in fields, which implies movement from one position to another (Maguire, Hardy, & Lawrence, 2004). However, more recently, there is interest in how *nonisomorphic* change can be explained implying different stages of institutional change by creating, maintaining, transforming and disrupting institutions (Tina Dacin, Goodstein, & Scott, 2002). Associated with this has also been an emphasis on processes of challenge and struggle within and over institutional fields, when power relations are maintained or transformed (Lounsbury, Ventresca, & Hirsch, 2003). Table 1 summarizes and illustrates the different stages of institutional change according to *nonisomorphic* theory.

According to this model, stage 1 (*Precipitation Jolts*) occurs when social, technological or regulatory events, called “jolts” (Meyer, Brooks, & Goes, 1990), alter established practices within an institution. These events can take the form of social upheaval, technological disruptions or regulatory change and cause the emergence of new players, the ascendance of actors or new entrepreneurs in stage 2. This emergence unsettles the previous structured field by introducing new ideas and creating a new structure of actors, actions and meanings (Greenwood, Suddaby, & Hinings, 2002).

TABLE 1
STAGES OF INSTITUTIONAL CHANGE

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Precipitating Jolts	Deinstitutionalization	Preinstitutionalization	Theorization	Diffusion	Reinstitutionalization
Social Technological Regulatory	Emergence of new players Ascendance of actors Institutional entrepreneurship	Independent innovation Technical viability paramount	Specification of general organizational failing Justification of abstract possible solution Moral and/or pragmatic legitimacy	Increasing objectification Pragmatic legitimacy	Cognitive legitimacy

TABLE 1: Stages of Institutional Change

This stage of *Deinstitutionalization* refers to the next stage of *Preinstitutionalization* (stage 3), when recent and new actors create innovation or seek technically viable solutions to locally perceived problems (Tolbert & Zucker, 1999) and, hence, moving one step forward. When this process has been done, the next stage refers to *Theorization* of an institution, which according to Tolbert and Zucker (1999) theoretical accounts simplify the properties of new practices and their outcomes. Theorization is the process when actions and conventions become abstracted and simplified for further adoption and growth in a theoretical context. It is a matter of practices being institutionalized or not (Greenwood, Suddaby, & Hinings, 2002). Referring Tolbert and Zucker, this stage has often been neglected from actors, whose simply follow “old” and previous existing institutional “scripts”, instead of understanding how these scripts have been produced, maintained, and changed. Therefore, theorization faces the challenges of awareness, acceptance and adoption of new meanings and actions for extant actors. Greenwood (2002) described theorization as “the development and specification of abstract categories and elaboration of chains of cause and effect” and involves two main tasks. First, the specification of a general organization failing, for which a local innovation is a solution or treatment and, secondly, the justification of that innovation. In general, it can be described as the goal of models, which are first make transitions from theoretical formulation to social movements and end in institutional imperative (Strang & Meyer, 1993). This transition is challenged by achieving legitimacy. Therefore, theorization connects to one central concern of institutional thinking, the

conferring of legitimacy. Legitimacy gives ideas the ability to be defended with logic or justification to provide economic benefits and be adopted by others (Scott, 1995). It creates a bridge between new ideas and economic outcomes for an institutional field. When theorization is successful, it is followed by stage 5, the diffusion stage. At that stage innovations confront expansion and objectification, meaning innovations claim to gain social consensus and broaden their value. Full institutionalization occurs with cognitive legitimacy and the innovations become taken-for-granted as the natural and appropriate solution (Suchman, 1995). A field or an institution is fully institutionalized once change survives future generations and is accepted as the definitive way of behaviour (Tolbert & Zucker, 1999).

2.1.3 Actors, Actions and Meanings

Studies of organizational change explored the process of institutionalization as an interplay between actors, actions, and meanings (Zilber, 2002). The emphasis on the taken-for-granted nature of institutions can be understood that individuals and organizations are carriers of institutional common meanings. Meanings come from sociocultural collectivism and not from individuals (Zilber, 2002). As Friedland and Alford (1991) argue, “There is no one-on-one relationship between institutions and the meaning carried by the practices associated with it.”. Meanings are given and perceived in institutions by actors and connect actors to action. Institutional meanings consist in the interplay between actors in the ways structures and practices are seen and understood, both consciously and unconsciously (Zilber, 2002). In an institution, meanings need to be analysed not only as qualities of actions and structures, but also as the cognitive process of interpreting them as shared models (Strauss & Quin, 1997). In this context, an individual’s interpretations can be seen as part of institutional agency and can, therefore, create, reproduce, and change institutions (Karnøe, 1997). Institutional agency refers to the introduction, or resistance to, new structures or practices and is either attributed to an organization as a whole (Goodstein, 1994) or an organizational field (“institutional entrepreneurs”). It implies that if all actors enact the same institutional practices and associate them with the same corresponding institutional meanings, institutionalization will be stronger than if different sub-groups reflect and enact different institutions. The challenge thereby is the process of achieving conformity between all actors and implementing a new-shared system of meanings. Institutions change to deinstitutionalization if institutional practices are not associated with existing institutional meanings and led by new meanings (Zilber, 2002).

2.2 Institutional Entrepreneurship

Literature to the concept of *Institutional entrepreneurship* has increasingly emerged in recent years to explore how actors shape emerging institutions and transform existing ones despite the complexities and path dependence that is involved (Garud, Hardy, & Maguire, 2007). Institutional Entrepreneurship was first introduced by DiMaggio in 1988, who argued that “new institutions arise when actors with sufficient resources see in them an opportunity to realize interests that they highly value and create a whole new system of meanings that ties the functioning of disparate sets of institutions together” (Garud, Jain, & Kumaraswamy, 2002). Therefore, Institutional Entrepreneurship is a concept that reintroduces agency, interests and power into institutional analysis of organizations and organizational change (DiMaggio & Powell, 1991).

To qualify as an *Institutional Entrepreneur*, an actors must break free of with existing rules and practices associated with the dominant meanings and institutionalize the alternative standards, methods or purposes they are championing (Battilana, 2006). This has to be developed to propose a change in fields populated by diverse organizations, many of whom are invested in, committed to, and advantaged by existing structural arrangements (Garud, Hardy, & Maguire, 2007). Eisenstadt (1980) proposed that institutional entrepreneurs are one variable, among others, that is relevant to the process of social change. He argues that institutional entrepreneurship is the adoption by individuals and organizations of leadership that roles in times of institutional change (Eisenstadt, 1980). Building on DiMaggio’s (1991) definition and studies, institutional entrepreneurs are change agents, however, Battilana, Boxenbaum, and Leca (2009) argued that not all change agents are institutional entrepreneurs. Meaning, institutional entrepreneurs must fulfil two conditions. First, “initiate divergent change”, and second, “actively participate in the implementation of these changes” (Battilana, Leca, & Boxenbaum, 2009). They defend the argument that only actors who initiate contrary changes, can be regarded as institutional entrepreneurs. Changes are considered as a break in the institutional template for organizing within a given institutional context. “Only when the introduced changes are divergent with reference to the institutional environment in which they are embedded to change agents qualify as institutional entrepreneurs.” The second condition requires the challenge to actively participant in change efforts. Actors must actively, and revolutionary mobilize resources to implement change (Battilana, Leca, & Boxenbaum, 2009).

2.2.1 Institutional Entrepreneurship in Emerging Fields

Considering field-level conditions, *mature* fields represent well-established structures and shared meanings of actors that participate in a network of repeated interactions (Maguire, Hardy, & Lawrence, 2004). Groups of organizations develop common purposes and actions in an already clearly defined and established environment, where a legal system is highly legitimated (Hoffman, 1999). In research of environmentalism, Hoffman (1999) classified a mature organizational field as the highly organized period, where environmentalism has become a normative institution. Acceptance and cooperation dominate relationships among actors. Referring to Fligstein (1997), the situation is different when a field is emerging. Whereas institutions in mature field are widely diffused and highly accepted by actors, emerging fields are narrowly diffused and weakly established and are described as “proto-institutions” by Lawrence, Hardy and Phillips (2002). *Emerging* fields are contrarily to mature fields, legally weak institutions. Only a small number of cases represent new meanings and actions of the emerging field promoted by a minor group of actors (Maguire, Hardy, & Lawrence, 2004).

For the study of institutional entrepreneurship emerging fields are important arenas, because uncertainty provides considerable scope for institutional entrepreneurs to be strategic and opportunistic (Fligstein, 1997). Considering the scope and stage of creation of emerging fields, substantial rewards provide actors with compelling advantages (Garud, Hardy, & Maguire, 2007). Furthermore, the arena of emerging fields displays different challenges than those posed by more structured field, since, for example, environmental or social pressures will be less relevant if there are no established leaders or arrangements in the field. Shared values and normative rules have yet to develop and diffuse power challenges individual actors to push and convince others (Maguire, Hardy, & Lawrence, 2004). Consequently, institutional entrepreneurs pose the problem of maintaining stable sets of arrangements, rules and norms in ways to meet the interests of diverse stakeholders. Without taken-for-granted shared meanings and channels, actors need to overcome the challenges of missing institutionalized resources that are existing in mature fields and need to push for creation and establishment of necessary resources (Fligstein, 1997).

Overall, literature has shown that institutional entrepreneurship contributes to organizational theory in recent years by reviving its mandate to attend to the role of organizations and individual actors in larger social systems (Greenwood, Suddaby, & Hinings, 2002). This revival is crucial during times when the understanding of market failure while facing the difficulty and

challenge of reforming is needed. It proves, the understanding about how the social system influences organizational behaviour and how individual and corporate actions can affect the social system. Since institutional change is a highly complex and uncertain process, additional effort trying to understand further how actors can initiate and implement change is crucial.

This study seeks to build upon the theory on institutional change and institutional entrepreneurship reviewed above to develop a process model of the emergence and development of fields and identify the role of actors, actions and meanings within that process. The analysed theory has evoked several challenges that arise when seeking the institutionalization of an emerging field. Based on the theoretical gap of neglected strategies to overcome the difficulties identified in the literature review, this field study addresses the following research question: *How can an emerging field overcome the challenges to its establishment?*

3 METHODOLOGY

3.1 Research Approach

The foundation of this thesis is based on a qualitative research design of practices and information exchange among Impact Investing actors in Portugal. Aim of this research was theory elaboration by refining the understanding of institutional change and entrepreneurship as to discover its particular dynamics in emerging fields while taking the example of the Impact Investing field in Portugal. The choice to use a qualitative research design is justified for the following reasons. First, qualitative research allows in-depth examination of a new phenomenon and is suitable for gaining an understanding of a complex (problem) area that is difficult to measure (Creswell, 2014). Further, since Impact Investing has received comparatively little attention in the literature, a qualitative approach is appropriate for this type of early-stage research, with limited knowledge, that is explorative in nature.

I chose to enable new theory building within the field of Impact Investing, since an institutional change was already transparent and has been taken place to identify the characteristics of actors, actions, and meanings during the process of change and the development of new strategies. Further, the geographically Portuguese market was chosen to, on the one hand narrow and limit the dissertation focus, and on the other side, to minimize sample variation due to environmental factors (Zott & Huy, 2007). The Impact Investing market in Portugal represents the illustration of how actors create fields, transform existing ones by leveraging institutional arrangements (Maguire, Hardy, & Lawrence, 2004), and how actors act as institutional entrepreneurs in such process. I intended to understand and describe the emergence of this field and the change over time to enable theory how to overcome challenges.

3.2 Data Collection

I collected data using (a) nine semi-structured interviews as well as additional (b) industry and company reports for the empirical research study of this thesis. Using interviews as my primary source of data, I was exploring the emergence, the change and resulting challenges of the field espoused by significant actors. The industry and company reports served as important source to understand historical changes in the field and explaining further details of actors and actions,

as well as characteristics and the development of the field. Those reports were used as supportive sources to further uphold the findings throughout the interviews taken. The sources and uses of my data are summarized in Table 2.

TABLE 2
DESCRIPTION OF DATA COLLECTION

Primary Data

(a) **Semi-structured interviews**

Objective (Use in Analysis): Insights of motivations (meanings), different perspectives (role), strategies (actions) and further opinions (challenges) from significant actors of the field.

<i>Interviewee</i>	<i>Actor / Organization</i>	<i>Role</i>
Luis Jerónimo	Calouste Gulbenkian Foundation	Investor (for social services); Key actor / market creator
João Santos	MAZE (Social Investment Lab)	Incubator, acting as an agency; Key actor / market creator
Carlos Azevedo	Social Business School IES	Educator of Social Entrepreneurship and Innovation; Key actor / market creator
Prof. Filipe Santos	CATÓLICA Lisbon (university)	Educator of Impact Investing; Key actor / market creator
João Machado	Portugal Social Innovation	Public agency (initiative) managing impact investment, Key actor / market creator
Kim Kreilgaard	European Investment Bank	Investor; Public institution
João Barata	Academia de Código	Social Entrepreneur
Frederico Fezas	Junior Achievement PT	Social Entrepreneur
João Pedro Talvares	ACEGE, Junior Achievement PT	Consultant; Social Entrepreneur

Secondary Data

(b) **Industry and company reports**

<i>Reports / Paper</i>	<i>Objective (Use in Analysis)</i>
<ul style="list-style-type: none"> ▪ Portuguese Social Investment Taskforce report (2015) 	Coded for identification of participating and key actors for interviews taken; coded for strategies and insights of phase 2 and 3.
<ul style="list-style-type: none"> ▪ Portuguese Social Investment Taskforce; Progress report (09/2018) 	Coded for change and development of strategies over time (2015 – 2018) by key actor; coded for identification of actors, meanings and actions of phase 4.

- Portugal Social Innovation, Company presentation (2018) Coded for strategy and public promotion of the Portugal Social Innovation initiative.
- Carvalho, A. (2010). Quantifying the third sector in Portugal: An overview and evolution from 1997 to 2007. Coded for phase 0; for the identification of actors, meanings, actions and challenges before 2007.
- History 2008 - 2015 – IES Social Business School (<http://ies-sbs.org/historia>) Coded for phase 1 and 2; for the identification of actions between 2008 – 2015 by one key actor
- Catalyzing the Social investment Market in Portugal: sharing a two-year journey (2015); EVPA Presentation (<https://evpa.eu.com/uploads/documents/Impact-Investment-in-Portugal-Filipe-Santos.pdf>) Insights for phase 1 and 2 from the perspective of a key actor.
- OECD-European Commission Capacity Building Seminar report: Building enabling ecosystems for social enterprises, Brussels, 17-18 February, 2016 (www.oecd.org) Insights into the key strategies of phase 3 (access to market and finance strategy); Insights to public promotion of the topic.
- EIB Group Support for the Social Sector, EIB company publication (https://www.eif.org/eib.org/attachments/thematic/support_for_the_social_sector_en.pdf) Insights into growth and development strategy of phase 3; Insights to promotion and perspective of key actor.

TABLE 2: Description of Data Collection

3.3 Data Analysis

After the conduction of the interviews, all interviews were transcribed and read several times aiming to get a good overview and all the fundamental insights of the provided information and adapt them to the theory gathered in the literature review. Due to the elaboration of institutional change in this field study, my data analysis is first based on process theory where strategic change is explained within a process model. Process theory explains a series of events leading to an outcome, where the understanding of temporal ordering and chosen interactions between actors are important (Mohr, 1982). For the analysis, the first step was the creation of a process flowchart (timeline) to illustrate the temporally evolution and emergence of Impact Investing in Portugal, which is illustrated in Figure 1. This visual mapping strategy allows the presentation of large quantities of information gathered during the interviews as well as from reports given in little space and provides a useful tool for the development and verification of theoretical ideas. This was used to easily present precedence, parallel processes, and proof that critical variables change over time (Langley, 1999).

Further, the synthetic (sensemaking) strategy was used. Synthetic approach transforms the developed and holistic process data from stories composed of “events” to “variables” that combines their critical factors of development (Langley, 1999). For the analysis, the interviews and reports were coded by the variables actors, meanings, actions, and challenges over time, based on the definition of Greenwood et al. (2002) defined in Table 3.

TABLE 3
DESCRIPTION OF VARIABLES

<i>Variables</i>	<i>Theoretical Definition</i>
Actors	Participants in the field that are trying to actively push and create a change.
Meanings	Collective interests and goals from actors, leading to actions following a common script of opinions, beliefs and motivations. Consist in the interplay between actors.
Actions	New practices and activities that are led by actors to establish and execute common meanings.
Challenges / Triggers	Key Problems, which led to institutional change and the emergence of new actors, and development of new strategies.

TABLE 3: Description of Variables.

FIGURE 1

TEMPORAL EVOLUTION OF IMPACT INVESTING IN PORTUGAL

1) ACTORS



PHASE

(0) Traditional social sector

(1) Development and promotion of social entrepreneurship and innovation

2) MEANINGS

Create impact with a volunteering approach

Create and scale impact with an entrepreneurial approach

3) ACTIONS

Milestones

Rises between 1997 and 2007 have concentrated on religious institutions, followed by environment, culture and the recreation of social services

"Big boom" of Social Entrepreneurship and Social Innovation in Portugal

Launch of **IES Business School**

Launch of **MIES** (Map of Innovation and Social Entrepreneurship)

Actions

Government bodies, foundations and intermediaries provide support to help develop the sector

First congress on Social Entrepreneurship and Innovation
Start of organizing events to promoting and create network

Start of mapping the eco-system to identify player and mark neglected issues of the field

Start of building capacity for social entrepreneurs (B certificate movement, training programs and bootcamps etc.)

1) ACTORS		Portugal Social Innovation (public initiative)							
Portugal Social Innovation		Portugal Social Innovation (public initiative)							
Social Investment Lab / MAZE		Social Investment Lab (MAZE) / Social Investment Taskforce Group							
IES Business School		IES Business School							
Calouste Gulbekian Foundation		Calouste Gulbekian Foundation							
Others:									
Non-Profit Social Entrepreneurs		Non-Profit Social Entrepreneurs (Junior Achievement, traditional non-profit organisations)							
Profit Social Entrepreneurs		For-Profit Social Entrepreneurs (Coding Academy, SPEAK, ColorADD, etc.)							
(Impact) Institutions		Social Institutions (Santa Casa, Foundations, Impact Hub, etc.)							
(Impact) Investors		EIB, Venture Capital, Business Angels, Banking industry (Banco Atlantico, etc.)							
		2013	2014	2015	2016	2017	2018	2019	Future
PHASE		(2) Emergence of Impact Investing			(3) Building Block of Impact Investing			(4) Institutionalization of Impact Investing	
2) MEANINGS		Create and scale impact with new financial resources			Create impact with private capital from investors and with new financial instruments			Institutionalization of Impact Investing	
3) ACTIONS									
Milestones		Launch of (incubator) Social Investment Lab (today MAZE) by IES in Gulbekian	Launch of Taskforce Group for Impact Investing in Portugal (with participants from banks, regulators, academia, government and practitioners)	Launch of Portugal Social Innovation (PSI) , public initiative for social investments	First EIB fund in northern Portugal	Launch of MAZE fund (€40 Mio.) as joint venture with Mustard Seed	Launch of second PSI fund with more than €80 Mio.	New announcements of upcoming VC funds (e.g. from Associação Portuguesa Business Angels (APBA))	Goals: 10% Outcome based commissioning; Communication and promotion of successful lock-step models (ventures) to educate and merge private, social and public sector
Actions		Development of national agenda / business plan for eligible period of European Structural Fund (2014-2020) for €150 Mio. managed by <i>Portugal Social Innovation</i>		Development of new financial instruments: Social Impact Bond and Social Investment funds	Creation of ONE VALUE (data base / knowledge centre that aggregates information about public investment in social issues)			First impact stage at Web Summit in Lisbon	

FIGURE 1: Temporal Evolution of Impact Investing in Portugal

The next step was the analysis of the timeline by applying the temporal bracketing strategy. The approach here was to identify for the study result significant similarities, differences and patterns to theory and translate them into recurring codes (Lacey & Luff, 2009). As Van de Ven and Poole (1995) suggested, the most common pattern to use is the linear order of “phases” that occur over time to produce a given result through consistency. In that way, I identified five phases characterized by the internal consistency of the key variables, actors, meanings, and actions, presented in Figure 2.

FIGURE 2

PHASE ANALYSIS OF IMPACT INVESTING IN PORTUGAL

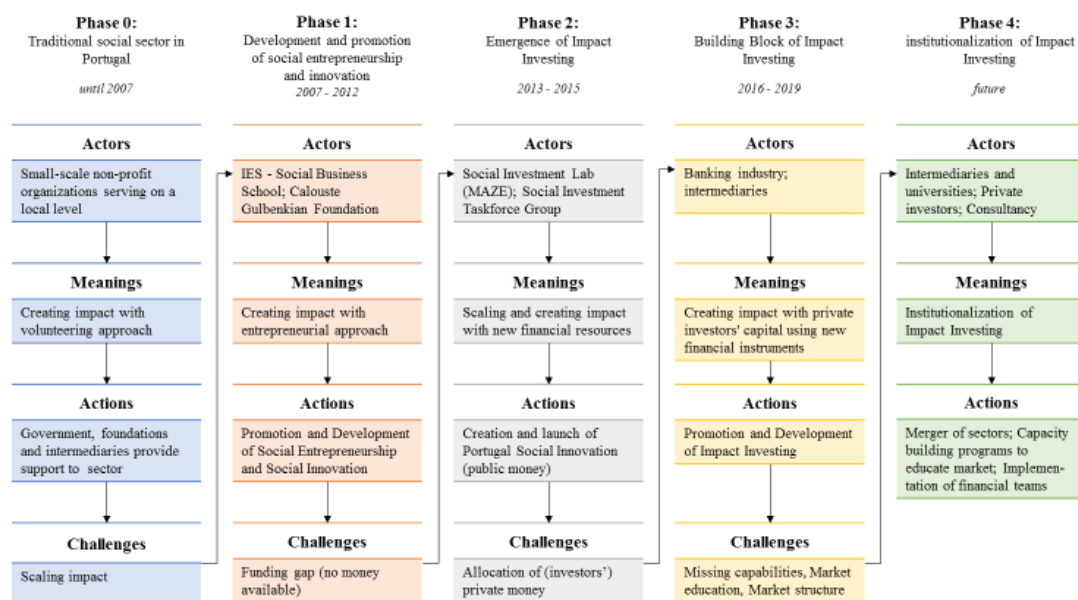


FIGURE 2: Phase Analysis of Impact Investing in Portugal

Lastly, to address the research question of this study, the challenges of the field conducted throughout the interviews and from secondary data were added to the developed process model. Resulting from that analysis, bridges from one phase to another were identified. Consequently, challenges were characterized as triggers that lead the field to move from one stage to another by finding strategies to overcome challenges.

Overall, with this sensemaking strategy, I was able to take the process of emergence as a whole, as one unit of analysis, to construct measures from detailed events data into new outcomes and context and describe it (Langley, 1999). This strategy is upheld by the transcribed interviews, which are summarized in Appendix C.

4 FINDINGS

4.1 Emergence and development of Impact Investing in Portugal

This section will summarize the findings yielded in the interviews. It is divided into five phases of analysis explaining the emergence and development of the Impact Investing field in Portugal. Each phase describes the movement and strategies from one stage to another and how *actors*, *meanings* and *actions* have created institutional change while facing *challenges*.

4.1.1 Phase 0: Traditional social sector in Portugal, *until 2007*

Actors: According to government statistics there were approximately 55.000 social sector organisations existing by 2007 in Portugal (Carvalho, 2010), that were supported and sponsored by volunteers and sponsorship of public utilities, charities and the catholic church.

“My program (Cohesion and Social Integration at the Calouste Gulbenkian Foundation) is coming from a long tradition from the foundation. Since the very beginning, we are working on the charity side.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

"Half of the 6.000 non-profit organizations in Portugal are in a way related to the catholic church." - Carlos Azevedo (IES)

Two-third of the sector operated at below municipality level and typically served a local or regional need. Therefore, the social sector in Portugal was generally characterised by small-scale organizations, which mainly served on a local level.

“Portugal has a great social tradition and many of non-profit and small-scale social projects.” - João Barata (Academia do Código)

However, between 1997 and 2007 there were an emerging group of NGOs aiming to act as umbrella organisations, since historically, they haven’t achieved the scale or influence to develop a voice at a national level (Carvalho, 2010).

Meanings: The traditional social sector economy in Portugal considered all organisations with a social mission. These institutions have a long history of social activities in Portugal (over 500 years) and were created by private initiative with the purpose of giving organized expression to the moral duty of solidarity and justice between individuals (Carvalho, 2010).

“Junior Achievement exists over 100 years. (...) In Europe we have a cluster of 41 countries. (...) Our model is very much based on volunteers and sponsors.” - Frederico Fezas Vital (Junior Achievement)

Overall, the core meaning of phase 0 was the creation of impact with a volunteering approach. Meaning, doing good without receiving money.

Actions: The social sector was promoted by the government as its own provision and budget for social services. Generally, government bodies, foundations and intermediaries provided support to help develop the sector (Carvalho, 2010).

“We have deals with municipalities, because they have the autonomy when it comes to education and to manage the funds for education. We have an agreement with municipalities which includes goals and outcomes defined by them and they pay us for that. They pay for our service” - Frederico Fezas Vital (Junior Achievement)

Stating Carvalho (2010), “the evolution from 1997 to 2007 was revealing and highlighted with disparities across the sector. The overall number of organizations grew about 90% and the level of employment nearly 85%.” These rises have concentrated on religious institutions, followed by environment, culture and the recreation of social services and displayed the increasing importance of the Portuguese third sector within the national economy at that time.

Challenges: By 2007 the sector remained quite unbalanced, with a trend towards growth and apparent independence to be more characteristic of social services and cooperatives rather than a uniform and unified movement (Carvalho, 2010). At that time, sustainability and financial independence from public funding appeared as an interest within the sector in Europe (Anheier, 2004). In order to achieve that sustainability and financial independence, organizations needed to scale their social mission and their impact.

"There were always people trying to solve problems in their local community. But they were very isolated and they had a lot of difficulties to access money. The projects had a low level of scale and as a consequence a low level of impact. They were very local and since they were not fundraising, they were much less impactful than they could be for a long time." - João Machado (Portugal Social Innovation)

At that time, scaling was the major challenge for organizations and the trigger to led the field change and move to a new phase. Monitoring the evolution of third sector composition was essential to understand its dynamic role in the Portuguese economy and society.

4.1.2 Phase 1: Development and promotion of social entrepreneurship and innovation, 2007 – 2012

"It was around 2007 and 2008, the big boom of social entrepreneurship and social innovation in Portugal started." - Frederico Fezas Vital (Junior Achievement)

Actors: The first upheaval which altered established practices towards institutional change within the social sector in Portugal started with the promotion and development of the social entrepreneurship and social innovation eco-system. This movement was driven by the creation of a new actor in the field, the (later named) IES Social Business School, with the meaning of "inspiring and empowering a better world through social entrepreneurship".

“A couple of friends came together to build that organization (IES) which focused back in that time to develop the eco-system of social entrepreneurship in Portugal.” - Carlos Azevedo (IES)

“We are following the movement of social innovation and social entrepreneurship in Portugal since the early days. I think the time when people talking about that was 2007 / 2008.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

IES was born from the involvement of key people around the theme of social entrepreneurship, who believed that this area of knowledge and action should be stimulated in Portugal. Consequently, the concept of social innovation and social entrepreneurship arose as a resonate strategy within the field to address and overcome the challenge of scaling impact.

“We adopted those concepts in a quiet organic way. Not, because they were new things that we wanted to not stop following, but because these concepts were really resonate what the foundation was already doing.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

Together with a group of social entrepreneurs, traditional institutions and the Calouste Gulbenkian Foundation, key actors developed a new meaning within the social sector in Portugal.

Meanings: The core in phase 1 was to create and scale impact with an entrepreneurial approach. The introduction and development of this new concept of social entrepreneurship was the leading meaning which connected actors to actions.

“We have been working closely with IES. We created together an initiative, which called translated into English: “Ideas of Portugal’s origin”. It was a call for ideas to set up and promote social entrepreneurship in Portugal.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

"Before 2014 among all the activities, we tried to reinforce the eco-system with creating new projects and bring new projects from abroad to the field." - Carlos Azevedo (IES)

Applying new methodologies to identify the potentialities, opportunities, needs and challenges of the initiatives of social entrepreneurship and social innovation, was the goal by the leading group of actors. They needed and aimed to characterize the ecosystem in Portugal where they are inserted.

Actions: The first pilot project took place in the municipality of Cascais in 2009 and was supported by the IEFP - Employment and Professional Training Institute and the Cascais Town Hall. As response to previous structures in the social sector, IES tried to develop new ideas to promote entrepreneurship and innovation and took actions as institutional entrepreneur in such way:

“IES was founded back in 2008 as an institute for social entrepreneurship here in Portugal. (...) The first congress was launched late 2008. Later, our first activities started in 2009 by mapping the eco-system. The second part was to build capacity on the social entrepreneurs we were mapping. The idea of mapping was one, to mark the neglected issues Portugal were facing to the resources the eco-system has, and second, to certify highly potential initiatives.” - Carlos Azevedo (IES)

The research project and mapping initiative MIES (Map of Innovation and Social Entrepreneurship) was launched in 2012, which aimed to contribute to the growth and competitiveness of a new market of social entrepreneurship and innovation in Portugal. With that action, they wanted to introduce a stronger market orientation in the field. The number of IES network initiatives increased internationally and first projects in Africa were launched in cooperation with the Calouste Gulbenkian Foundation. By 2014, 1000 alumni were formed by IES-INSEAD programs, with a record number of bootcamps achieved in a year. Those bootcamps followed the concept of social entrepreneurship in order to promote and introduce such concept in the field.

“Our aim was to align our programs with the life-cycle of a social entrepreneur. We launched bootcamps on social entrepreneurship which helped to structure your idea. Later, we were helping them to scale their venture, in terms of growth, of size, but also in terms of impact they were creating to reach more people.” - Carlos Azevedo (IES)

Further launches of ‘Scaling for Impact’ and leadership programs were established, with a total of 60 graduates and 20 participating projects. Organisations were able to develop innovative and impactful solutions to different social issues due to a value-driven and strong connections to their communities.

“The third program was the ISEP from INSEAD, which was more a leadership program to target more leaders from within companies, from the public sector or even social entrepreneur from a more major stage. - Carlos Azevedo (IES)

Those organisations were willing to prioritise impact over profit and embrace innovation in order to provide better and more effective services (Calouste Gulbenkian Foundation & MAZE, 2018). Moreover, further research was done in order to give legitimacy and proof to the new concept of social entrepreneurship within the field.

“We basically focused on research. That is why the ‘social entrepreneur guide to change the world’ was launched. But, also a couple of case studies and articles, which were very important to support the movement.” - Carlos Azevedo (IES)

Challenges: While the first phase of promoting the concept of social entrepreneurship and innovation continued to develop, a national perceived problem emerged. Despite its impact, the sector faced a funding gap that threatens to disrupt progress and prevent social organization from realizing their full potential (Calouste Gulbenkian Foundation & MAZE, 2018). Most of social organizations only had enough cash to cover a few months of costs. They operated month-to-month without the ability to plan for the future, leaving them vulnerable to changes in funding (Calouste Gulbenkian Foundation & MAZE, 2018).

“We had a lot of social innovators, that were doing a lot of great things, but they all had the same concern. They didn’t have financing resources and instruments and they didn’t know how to fundraise money for their projects.” - João Machado (Portugal Social Innovation)

Financial vulnerability limited impact and impaired the ability to fully realize social missions. Consequently, the funding gap was the main challenge and the trigger which led the field move to the next phase: the emergence of Impact Investing in Portugal.

4.1.3 Phase 2: Emergence of Impact Investing, 2013 – 2015

Actors: The beginning of Impact Investing in Portugal was identified with the emergence of new actors. All interviewees commonly agreed on the starting point of Impact Investing in Portugal, identified with the creation of the Social Investment Lab, which was the “think-tank” to develop social investments in Portugal.

“One was the launch of the Social Investment Lab by IES in partnership with the Gulbenkian Foundation. That was the kick-off point, which was in 2013. That was the starting point.” - Carlos Azevedo (IES)

"From my perspective, the first milestone was the inception of the Social Investment Lab, because all the other things would not have been possible if the foundation would not have delivered that." - Luís Jeronimo (Calouste Gulbenkian Foundation)

The Social Investment Lab, a laboratory created by IES in partnership with the Calouste Gulbenkian Foundation, further brought the Social Investment taskforce group into existence. This group, which consisted of actors from different industries and sectors, aimed to bring a divergent perspectives, opinions and goals together to promote the Social Investment market in Portugal.

“The second important milestone for the eco-system was the launch of the taskforce group for Impact Investing with a lot of people from banks, regulators, government, academics and practitioners.” - Carlos Azevedo (IES)

“This laboratory was a unit we created and was incubated by IES to launch that market. Our first approach was, that we need to engage with an incredible provider to give us legitimacy. That was the Gulbenkian Foundation, which leveraged all the other stakeholders, the Social Investment taskforce group. We had all the municipalities from Porto and Lisbon, different foundations and regulators around one table.” - Filipe Santos (CATÓLICA Lisbon)

Meanings: The core of phase 2 was the scaling and creation of impact with new financial resources. Both, the Social Investment Lab and the taskforce group were created and followed the meanings to develop new financial instruments for the eco-system of social entrepreneurship and innovation by finding and implementing new funding opportunities for social organizations and impact ventures.

“The group discussed how they can create a structure, handled as a national agency, that will be in charge to design new financial instruments specifically for social entrepreneurship.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

Actions: The Social Investment taskforce group came together to discuss the opportunity that Portugal will receive a lot of money from the European Structural Fund within the following years (2014 – 2020). At the same time, they saw the opportunity of having many social entrepreneurs in Portugal established that were developing solutions to social challenges in Portugal but were all facing the same issue of missing funding.

“2014 was the start of the eligible period of the European structural funds and it would go to 2020. Therefore, we had to decide what to do with that money in 2014. (...) We have a lot of social innovators, that are now doing a lot of great things, but they all have the same concern. They don't have financing instruments and they don't know how to fundraise money for their projects.” - João Machado (Portugal Social Innovation)

Therefore, the taskforce group discussed how a structure, handled as a national agency, that will be in charge to design instruments specifically for social entrepreneurship, can be designed. That same agency can further promote social entrepreneurship among the country. As a result, they designed a program with a new business plan of what the Portuguese government could implement in the national agenda: Portugal Social Innovation (PSI), a public initiative for social investments was created and started to operate and invest in social organizations as a national agency.

“We channeled € 150 Mio. from the European Structural Fund, since we are a member of the European Union.” - João Machado (Portugal Social Innovation)

"The first programs started in 2015 and were born out of public budget. The second funding for the Junior program was a Social Impact Bond. I believe that was the first Social Impact Bonds also in Portugal, which was launched by Portugal Social Innovation and those were our kick-starts back then." - João Barata (Academia do Código)

Challenges: By the end of 2015, the situation was as the following:

“What we felt by then was, that the eco-system has been built up. We have an intermediary, that is going to bridge the gap between investors and ventures. We have companies being certified. We also have many actors which are now fostering social entrepreneurship and helping new entrepreneurs to be more impact-driven.” - Carlos Azevedo (IES)

The eco-system has been established and built up and a solution for the funding gap has been developed. At that point, the field was facing the challenge finding ways and a structure to allocate the money from the European Structural fund and, especially, to execute the meanings of innovating new financial instruments and implement them into the new market. The beginning of the allocation of the public fund from the European Union was slow due to bureaucracy processes, however, very structural.

“Our goal to create Portugal Social Innovation was to cover the entire spectrum of projects from both, non-profit and full-profit, and creating appropriate instruments for each of the sector of the market. But at the same time with the mindset of, when the government enters, usually, private people (investors) move away, which we call “crowding-out”, and we wanted to do the opposite “crowding-in”. Meaning, we only give money when private people come in. This was to make sure that we use the public money to attract private money and not so scare them. That was part of the design of the initiative.” - Filipe Santos (CATÓLICA Lisbon)

Public money has been raised and started being allocated to beneficiaries. However, the goal was to attract also private money and bring it into the market. In order to combine the philanthropic and commercial sector, the challenge was to attract private money and bring it into the field. Therefore, the trigger which led the field move to a new phase was the allocation of private money.

“Our main goal was to attract private money and bring them into the philanthropic sector in combination with the commercial sector” - Filipe Santos (CATÓLICA Lisbon)

4.1.4 Phase 3: Building Block of Impact Investing, 2016 – 2019

“The time since the launch of PSI was very quick. I see the field developing more like a building block and less affected by big milestones since 2015. From my perspective it is a continuing and fast-growing field.” - Carlos Azevedo (IES)

After the launch of the Social Investment Lab, the Social Investment Taskforce group and PSI in 2015, the Impact Investing field in Portugal was established and continued to develop.

Actors: New actors were entering the emerging field, developing and pushing for change. The banking industry began to raise awareness of the meanings of the emerging field and start actions to participate.

“Our institute (European Investment Bank) started to be involved with the launch of our incubator program 2017. Since then, we have been speaking with MAZE. But really investing in that field, we only started in October 2018 during the web summit in Lisbon. From our involvement, it is relatively recent. But we are really putting money now on the ground.” - Kim Kreilgaard (European Investment Bank - Office Portugal)

“We have some new investors examples like Banco privado, Banco Atlantic Europa, etc. They have announced to enter the impact fund of MAZE and they are doing it as an investment.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

Further, institutions like Casa do Impacto sponsored by Santa Casa de Misericordia or the Impact Hub hosted many events and teaching programs, pushed for promotion of Impact Investing and change within the social sector.

“I believe awareness is raising towards the social sector from the investor perspective. Casa do Impacto is a great way of generating this awareness. But we are still in the early days of that movement.” - João Barata (Academia do Código)

Furthermore, next to IES, universities like NOVA SBE and CATÓLICA Lisbon offered Social Entrepreneurship and Impact Investing classes within student programs to share knowledge and let new social entrepreneurs enter the market.

Meanings: Creating impact with private capital from investors and with new financial instruments (SIB, SIF, and new lock-step models) has been the core of phase 3. These goals pushed the field to follow two general endgames. First, to attract private money and bring it into the philanthropic sector in combination with the commercial sector, and second, to find more ways of funding initiative that develop business models that are positively related with social and environmental impact.

“We fundamentally believe, we are there to catalyse investments and private sector involvement to show that the business models work and that is money to be made. We don’t see any contradiction between social and profit.” - Kim Kreilgaard (European Investment Bank - Office Portugal)

Actions: Impact Investing started to spin-off in 2016, which was an important milestone. At that time the eco-system has been built up, intermediaries such as Portugal Social Innovation or MAZE started acting as agencies within the field, that was going to bridge the gap between investors and ventures.

"We always wanted to operate in the middle of all the key points. We have public sectors projects, we have private sectors projects, social sector projects and we try to create both supply and demand for impact investing." - João Santos (MAZE)

Further, companies have been certified and many actors were fostering social entrepreneurship and helping new entrepreneurs to be more impact-driven. To follow the endgames and new meanings, new actions took place. New financial instruments were created to follow the alignment between impact and profit.

"We want to have a large scale in the future, which we only can achieve with a for-profit model. Therefore, we look at social investment funds and social impact bonds, as our main financial instruments to lower barriers of our growth and facilitate more potential customers. We want to reach more customers buying our product." - João Barata (Academia do Código)

PSI launched three new instruments and invested in more than 250 projects in Portugal with almost 30 Million Euro since 2016.

"Looking back to 2017, we had nothing. But looking towards the end of 2019 we will have already 5 funds running in the field. From my point of view, the main difference is that everyone is working together in a network and is helping each other." - João Machado (Portugal Social Innovation)

PSI confirmed, that a network has been built up within the field, which supported the conformity of actors within the field. Further actions as the launch of ONEVALUE, an impact database, MAZE X, an incubator program for impact venture from all around Europe has been launched within phase 3.

"Further, we have help from a data base, which called ONEVALUE, which was created by MAZE. However, right now it is under our scope. They created it, but since we are a public initiative we have easier access to more projects which are involved in ONEVALUE." - João Machado (Portugal Social Innovation)

Challenges: However, after an increased number of actors and actions within the market of Impact Investing in Portugal, the field faces a proportional increased number of challenges due to development, which are presented in the following.

(1) Missing capabilities

While trying to execute the alignment of impact and profit, the field is facing the challenge of missing management know-how (HR) and financial expertise (Finance).

"The biggest challenges on the supply-side is probably a lack of high-quality managers for start-ups. (...) On the investors side, there needs to be more awareness of the good results, which exist today. (...) In short: we need higher education for entrepreneurs." - João Santos (MAZE)

In order to implement new financial instruments, social organization and impact ventures struggle with the management and use of those instruments. Organizations in the field consist mostly of passion-driven teams whose team members either focus on the impact creation and neglect the financial and management importance to run a business or they have the business know-how but missing specific expertise, for example, in engineering or psychology. In consequence, the field faces a lack of high-quality managers. Most teams are missing the know-how, how to manage a team, how to recruit talent and how to operate in the new market.

“They are so busy just managing their business on a daily base and they are focusing on whatever they are doing. But they don’t have the capacity and also not often the management capacity to step back and start over with a better structure and have a parity on the impact and quantify.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

Organizations need to be capable to use the new financial tools in order to turn them investable. However, 88% of social organizations in Portugal are implemented by social economy entities, which are associations, charities and foundations, and do not have traditions in accounting or management skills to present and proof their outcome and success. Professionalism in most terms of those companies is missing in the field to accelerate growth.

“There are no traditions in accounting from those associations. What happened in the past were, that they were receiving grants and donors from foundations but did not have to submit reports because of that type of financial supports.” - João Machado (Portugal Social Innovation)

(2) Market education

The Impact Investing market in Portugal emerged as an internetwork of the public, social and private sector, since it aimed the alignment of profit and impact and mainly solved national issues, which used to be solved and supported by the public sector. Therefore, one main challenge was to bring all actors from different sectors together and create conformity on the specific issue of Impact Investing. Multiple interviewees mentioned the challenge of establishing perception and acceptance from the more traditional established social sectors, where participants are more sceptical that the leading actors try to privatize the sector.

“I think there is also a challenge in terms of perception and the acceptance from the more traditional established social sector, which thinks we try to privatize the sector.” - Luís Jeronimo (Calouste Gulbenkian Foundation)

Interviewees further argued that traditionally and culturally, it is accepted and understood to earn and make money in the private sector, however, it is not yet accepted and understood to earn money with an impact driven project.

“It is very much connected to the catholic culture and environment here in Portugal. This sector has not been used to deal with profit-driven people, because doing good used to be a social commitment. We don’t have that conversion place where you can earn money and be impact driven and align both in the lock-step model. You don’t have that culture here in Portugal and that is why we don’t recruit talent.” - Carlos Azevedo (IES)

The acceptance of the concept of connecting impact and profit is missing in Portugal yet and needs to be created in order to institutionalize the Impact Investing field. That cultural related challenge is further the reason why necessary high-quality talents are missing. Many entrepreneurs fail and go back to the private sector, since they are not able to full-time commit to a project due to missing resources and financial support in the field in order to scale their venture. While trying to educate the social and public sector within that issue, the acceptance of and alignment with the private sector displays another challenge on the other side. The challenge is still to attract private capital and bring it into the market. Although, more money is coming into the field, the amount of private money compared to the public money from the European Structural Fund is still very small.

“The existing challenge is to educate actors that there is proof of successful financially impact related projects and illustrate that this is the trend where the capital goes to. People just need to be educated about that impact investments exist. On the investors side, there needs to be more awareness of the good results, which exist today.” - João Santos (MAZE)

Transformation needs to take place and more cases and proof to demonstrate success is missing. In Portugal, many non-profit and small-scale social projects exist, however there are still only few impact ventures that combine the new meanings of creating and measuring impact with a for-profit business model through lock-step and with private investor’s money.

(3) Market structure

“When you have money available for organization, but they are not capable to get and manage that investment, there is an issue in the system. (...) I see the problem from the big picture. It is the combination of know-how, people and money and especially the structure of it, which creates that issue.” - Frederico Fezas Vital (Junior Achievement)

Social entrepreneurs are facing the issue of a well-structured market situation. From the entrepreneurial perspective, structural and process barriers hinder the establishment of social investments for social organization and ventures. Today, there are financial resources available and, as discussed before, there is more capital coming into the field. However, the process to receive the money is very time and resource consuming, since the target groups which need the financial support do not have enough budget and people to manage the processes to receive the money, which turned out to be a big bureaucratic issue. After the application is approved, the

(time) gap between the approval and the refund from the European Structural fund is lacking and takes up to one or two years, which is in most cases the “killing gap” for entrepreneurs.

“After the application for money for social entrepreneurs is approved, the process of receiving the money is lacking. You don’t get the money how and when you should get it. The gap between having everything approved and getting the money, you can find a lack of one or two years, which is a killing gap for most of them. Most of the applying small companies are facing cash-flow issues. They don’t have money to pay their own salaries and when you don’t get the money right away, they die.” - Carlos Azevedo (IES)

This process barrier takes mainly place for public money, why entrepreneurs prefer to receive money from private funds, rather than from the available public.

“Using European Funds is a blessing at the same time it is a curse. It is a curse, because the strings attached, the huge amounts of procedures and regulation that we need to comply to move that money, it comes with high transaction costs. The processes are very time and resource consuming for us, but also for the projects that submit application to us.” - João Machado (Portugal Social Innovation)

“One challenge, which slowed the progress a little bit down, was the information system, the process of all the applications, because it was a pillow of the whole Portuguese political framework. It was not only under control of that initiative.” - Filipe Santos (CATÓLICA Lisbon)

Overall, the emergence and development of Impact Investing was slow in development, but very structural. Actions and conventions become abstracted and simplified for further adoption and growth. While new actors pushing for establishment, other actors still follow “old” and previous existing institutional “scripts”, instead of understanding how these scripts of an emerging field have been produced, maintained, and changed. Justification of the abstract possible solution of the alignment between impact and profit as well as the moral and pragmatic legitimacy of the field represent the main challenges. These challenges are the triggers to lead the field find strategies to follow up with the next phase which need to consist of successful solutions and strategies.

4.1.5 Phase 4: Institutionalization of Impact Investing, *the future*

Actors: In order to address the challenge of missing capabilities, key actors in the future will be intermediaries and universities, who will promote Impact Investing to high-quality talents and to recruit them for the market and bring them in.

“I think the way to get more talents is to keep investing in good education. Further, I think, it is about initiatives like us (MAZE), speaking with the government to let them

understand what we think and how we can help entrepreneurs and students that are thinking about becoming entrepreneurs.” - João Santos (MAZE)

"MAZE is doing some changes. They are creating a new fund. But not only that. They are helping organization by providing a paid service to proof impact." - Frederico Fezas Vital (Junior Achievement)

On the one hand side, intermediaries as MAZE will be key to recruit talent. On the other side, they will also be key to recruit investors. Intermediaries can facilitate transaction in different ways. For the investors side, it represents a route to market, enabling them to deploy their capital among organizations which are “investment ready”. On the other side, intermediaries offer access to investment capital, providing support and, especially, guidance to organizations with little experience of funding options (Calouste Gulbenkian Foundation & MAZE, 2018). MAZE as well as PSI are creating this bridge between supply and demand already and will continue to be key actors in the future. However, due to capacity shortage only a few organizations can benefit from it and high prices need to be charged, which lowers the scaling process. Actors recommend creating more intermediaries that can facilitate access to capital, give performance management support and financial advices to solve the issue of missing capabilities.

“There should be a platform that would handle the management of investment processes in organization in a way that they would reach many organizations, because when they do that, they could charge less.” - Frederico Fezas Vital (Junior Achievement)

Moreover, key actors for the future will be private investors who are bringing more private capital into the market. Not only the banking industry, but also insurance companies and companies which already addressing social needs will enter the market.

“I think the most obvious approach is who is actually paying for social services and that approach could open up for some pilot cases or for testing other approaches. The other area I would see, are pension funds and insurance companies like health insurances. Those, which pay again for social needs already.” - Kim Kreilgaard (European Investment Bank - Office Portugal)

Furthermore, consultancy companies have been raised attention to the emerging field and start improving their commitment and involvement in that area.

"We had conversations with consultancy firms like Deloitte and KPMG. They said, that they are trying to look for and study how can they can build a team or taskforce within companies to work on that field." - João Machado (Portugal Social Innovation)

Meanings: The core of the future will be the institutionalization of the field and to reach the stage of being ‘taken-for-granted’ and being accepted from all sectors and actors. Acceptance and adoption of the field will be key in the future. The goal is to achieve more legitimacy from the government and connect it to the social and private sectors. Enlarged legitimacy will give

Impact Investing the ability to defend the logics with proof and successful cases in order to execute and fulfil the economic benefits.

"Today, because of the movement and pushing for its credibility by all the millennials, everyone is now focused on, that this will be the future. Today it is clear, that this is the future and now for many players it is the question: how can we be part of it." -- João Santos (MAZE)

Actions: In order to overcome the challenge of missing market education, future actions will concentrate proactively on educating all sectors and proof the developed concept with successful cases.

"It is to communicate and deliver successful cases and make it evident that it is possible to combine profit and impact. What the taskforce progress report also shows, is that we need to work together with the private and public sector and to bring both worlds together to create a change. Using the examples that we have and show them to the public and show that the idea of outcome-based commissioning works." - Luís Jeronimo (Calouste Gulbenkian Foundation)

The focus on outcomes is planned and will enhance the effectiveness of social service delivery and, thus, promote innovation furthermore. In order to prove successful cases more capacity building programs are planned to strengthen social organizations and to introduce financial instruments suited to their needs.

"The work with the government is very important in this term. Therefore, what we are creating and setting up right now is a training academy for outcomes-based commissioning services, because they need to realize the benefits of that sort of funding." - Luís Jeronimo (Calouste Gulbenkian Foundation)

"We are preparing an event in 2020 about Impact Investing and we need to sit at one table with almost 20 entities in Portugal." - João Machado (Portugal Social Innovation)

Moreover, to merge both profit and non-profit parties, actors are planning to acquire new investors and educate them with the new financial instruments existing in the market today.

"We are planning to have an impact stage at web summit. This kind of events promote the space and show success cases and let people understand that there is a good existing eco-system. Therefore, when you do a lot of impact events, you start to create a community and within a network or community you develop and reach further talents." (MAZE, Joao Santos)

Social entrepreneurs are learning from capacity building programs and planning to strengthen their knowledge in finance. Setting up financial teams in order to deal with funding will be a suitable and necessary solution for organizations and ventures in the future.

“Recently, we have hired a finance team and we are trying to make it one of our priorities to receive the funding earlier in order to be able to scale faster. We want to have a large scale in the future, which we only can achieve with a for-profit model. Therefore, we look at social investment funds and social impact bonds, as our main financial instruments to lower barriers of our growth and facilitate more potential customers.” (Academia do Código, Joao Barata)

Lastly, to open up for innovation and especially the process of scaling will be key to establish the former Impact Investing market to institutionalize the field.

"I think it is important to have an openness to other innovation and see how it develops and see how pilots take place and prove themselves. (...) I think it is also very interesting to following what is happening in other countries and bring it in and demonstrate that there is really money to make. That is also our objective with our investment in funds, that we want to demonstrate that you can make money while doing impact investing." - Kim Kreilgaard (European Investment Bank - Office Portugal)

5 DISCUSSION

This thesis aimed to extend research on the transformation of fields and to identify the resulting challenges of institutional change to find strategies to overcome them. Therefore, I started my study with the research question: *How can an emerging field overcome the challenges to its establishment?* The goal was to adopt the stages of institutional change (Greenwood, Suddaby, & Hinings, 2002), considering institutional entrepreneurship in emerging fields (Maguire, Hardy, & Lawrence, 2004), to the emergence of the Impact Investing in Portugal and to develop a theory elaboration approach to find an appropriate answer to the question.

The findings show that the transformation of a field follows a process of connected phases. Temporal consistency of a shared set of codes led to the identification of phases following a specific and continuing framework of variables (*actors, meanings, actions* and *challenges*). This process made me identify a framework of institutional change through theoretical wording. The result is a framework of five phases, explaining how institutional change creates the development of a field following a specific code of variables, which is displayed in Table 4.

TABLE 4
PHASES OF FIELD TRANSFORMATION

Phase 0	Recognize a weakness of the status quo
Phase 1	Promote a new approach (as strategic solution)
Phase 2	Implement the new approach with pilots
Phase 3	Requiring new resources to enable the field to grow
Phase 4	Institutionalize the field

TABLE 4: Phases of Field Transformation

The initial point is the existence of an established field (in this research, the social sector in Portugal), which follows ‘old’ institutional scripts and a taken-for-granted solution enjoying cognitive legitimacy. Therefore, first upheavals form the first phase of change (phase 0), which mainly recognize a weakness of the status quo. Thus, the first phase discovers a problem within the field. The taken-for-granted status of the field lacks in development, growth, or the fit with environmental changes, and consequently, opens up for potential space for altering established practices through new strategies. Then, the next phase (phase 1) promotes a new approach as a possible solution and strategy to solve the problem. In my study, an entrepreneurial approach was promoted as an appropriate strategy to overcome out-of-date structures of the social sector, which did not fit to the existing and developing environmental and infrastructure. As a result, phase 2 involves the implementation of the new approach with pilots to test and bring it into

practice and to apply it to environmental movements. In my study, this phase was characterized by the emergence of new actors and, as a consequence, by the development of a field (Impact Investing). As a result, transformation begins and, thus, requires new resources to enable growth in phase 3. Once, the approach is implemented with first activities, the field needs more resources to scale and establish newly developed practices. Ultimately, the last phase (phase 4) aims the institutionalization of the field to establish new methods. Full institutionalization occurs with cognitive legitimacy and when new institutional scripts become taken-for-granted as the natural and appropriate solution.

6 CONTRIBUTION

In my research, I have addressed three areas of theory elaboration – institutional change, institutional entrepreneurship, and Impact Investing.

Concerning institutional change, I uphold previous research that institutional change and, mainly, the emergence of fields follows a specific script of change in a structure of stages through consistency of actors, meanings and actions (Greenwood, Suddaby, & Hinings, 2002). What is new is the adoption of the variable challenges, which activates the field to move from one stage to another. These challenges, identified as “triggers”, are being pushed by the number of interactions between actors, meanings and actions and link the field to a next phase by developing new strategies, again, of actors, meanings and actions. This effective process ends in a circle structure and presents a new script of change. Moreover, through the outcomes of my findings, I developed a phasing framework of institutional transformation (Table 4) which contributes to research in the way that it provides a roadmap for the integration of an emerging field. Further, it displays how a new approach can be adopted by mature markets, as the example of Impact Investing shows. It provides actors an orientation of how and why transformation occurs when applying new models into established fields.

In examining institutional entrepreneurship, previous research state that to qualify as an institutional entrepreneur, actors need to act as change agents (Battilana, Leca, & Boxenbaum, 2009). Only when they introduce and initiate contrary institutional change with a clear goal, they are regarded as institutional entrepreneurs. However, I observed that institutional entrepreneurs are also characterized by their emergence and their reason to act. In this case study, many new actors emerge over time as they provide a strategic solution to a challenge and, thus, are the outcome of change. These new institutional entrepreneurs emerge and replace previous ones due to their better fit of characteristics and their capability to take up transformation and reformation. The process of change developed the features of these new actors about overcoming challenges and present strategic solutions.

Furthermore, I observed that institutional change, as well as institutional entrepreneurship, are characterized by collectivism. These movements are not led by one specific leader or group of leaders following the top-down approach, instead, they are created by collectivism and a shared system of codes combining norms using the bottom up approach. Although leading actors were identified within this case study pushing for transformation, change and success were only

achieved through the conformity with and the evolution of actors. Facing Impact Investing today, the compliance and acceptance of all sectors, markets and actors still displays the biggest challenge, but is at the same time, the key driver for change. As the development of the field was identified as a “building block”, it demonstrates best this collectivistic character.

Moreover, an emerging field provides the opportunity to offer “old or new” actors the opportunity to leverage their specific resources to engage in institutional entrepreneurship and change fields in a way that they profit more from their own skills and resources. Since emerging fields still need to create new shared meanings and structures, a wide range of opportunities to privilege from their power and abilities arise for actors. They have the chance to shape relationships, practices, and rules that will define the field as it emerges. Further, I understood and suggested that for the success of the institutionalization process, fields need key actors that enjoy the power of legitimacy and facilitate a powerful stakeholder network. The ability to create an agenda for actions across actors and meanings, to understand cultural norms and practical structures along with a variety of different stakeholders, opens space and the opportunity for institutional change. My case study proofed, that collective beliefs only become reinforced by regulatory processes involving the state and professional bodies, which press conformity upon communities. Therefore, it suggests that institutional entrepreneurs cooperate with the state from the beginning onwards to drive change faster and more efficient to reproduce coded prescription of social reality and legitimize social norms. Especially, when the conversion of existing institutions has assumed great urgency.

Lastly, taking the field of Impact Investing into consideration, this study provides a pilot for other countries and markets, which seek to apply new approaches, or the specific approach of Impact Investing. Impact Investing demonstrates a new innovative business model facing social needs and was created through the weakness and lack of scaling impact and missing resources. Although, it develops new meanings by the adoption of profit and impact, it continues the same mission: answering the demand of social needs.

7 LIMITATIONS AND CONCLUSION

My study entails three limitations.

First, as a single case study, it has limited generalizability, why it is suggested to replicate this research throughout a different path in further elaborations and apply it to other studies in a different context. In this case, however, it was necessary to explore specific and complex activities to understand the linkage to theory.

Second, since I did not investigate in coordination and power dynamics, I did not study how actors interact in shared systems of meanings and why some are more powerful or resistant than others. Despite the capacity to produce enriched understanding and explanation of process theorizing, I did not study the power dynamics of actors and their resistance to transformation. Since, I interviewed mainly change actors, who agreed and pushed for change, resistance was mostly neglected throughout my analysis. For future research, I suggest taking further perspectives of actors into consideration who might be more resistance or different in terms of acceptance towards change.

The third limitation concerns the specificity of Impact Investing. Since Impact Investing has received comparatively little attention in the literature, no qualitative research proof of its impact is given to support the evidence of this study. However, the early phase of Impact Investing is exemplary for emerging fields, as it has no ‘official’ and clear defined institutional features as a leading actor, established structures of cooperation and domination or stable sets of accepted norms and interorganizational relationships (Maguire, Hardy, & Lawrence, 2004). Consequently, this topic presents a substantial area of exploration for future research.

Impact Investing has received little attention in literature; contrary to the attention it receives in today’s media. Impact Investing does not only provide an example to bring common interest together and drive changes and success forward, but further presents a potential solution to the most pressing societal challenges of our world today as we can face in the example of Portugal. With my study, I wanted to provide new findings and contribute to the process of institutionalization and how emerging fields can overcome the challenges to their establishment, but further to share and demonstrate the importance and the potential of this innovative financial solution, Impact Investing. Through the demonstration of all interviewees and the existing publications in the media, I believe and conform with the “godfather” of Impact Investing, Sir Ronald Cohen, who is convinced that capitalism will in the future leave people behind and investing in

good will be key for success. He once said, 'In the 19th century the concept behind a company was to look for profit; in the 20th century they added the item risk, and today in the 21st century the main item is and will be impact.' Concluding, research on reforming institutions has assumed greater urgency and will be crucial for positive and successful change in the future.

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APPENDIX

APPENDIX A: Interview Guide

Master thesis topic: Impact Investing landscape in Portugal

Research Question: How can Impact Investing overcome the challenges to its establishment?

Interview form: Semi-structured

First of all, thank you again for your time.

As part of my master thesis, I am conducting research on the field of Impact Investing in Portugal. I am analysing the emergence, the participating actors and main objectives of the field, as well as the challenges this field is facing and how it can overcome those to its establishment. For this purpose, I conduct semi-structured interviews with main actors of the field to understand different perspectives and important milestones as well as movements, which have taken place. Semi-structured means that I will ask you several questions to which there are no right or wrong answers and you are free to say whatever comes to your mind on the subject. For the purpose of analysing the interviews later on, I would like to record and transcribe our conversation – is that okay for you? The answers can be anonymized or your name and company can be mentioned, what do you prefer? Thank you!

(1) Introduction

Tell me shortly about your organization and your position.

- a. What is your organization doing?
- b. What is your specific role in the field of Impact Investing in Portugal? How are you involved?

(2) Temporal evolution and characteristics of Impact Investing in Portugal

Portugal Inovação Social was launched with the allocation of €150 million from the European Structural Funds in 2014.

- c. Was that the starting point of Impact Investing in Portugal or how did the field emerge?
- d. How has the field changed over time?
- e. Which organization would you identify as most important in the field? Why?

(3) Challenges and opportunities

As written in the Portuguese Social Investment Taskforce report, the field of Impact Investing in Portugal is facing some resistance and challenges today, for example:

- *Gap in funding (leads to disrupted progress)*
- *Missing capabilities and resources (neglected potential)*
- *Legitimacy (commissioning for outcomes)*
 - f. Which challenges would you identify as most challenging in the ecosystem of Impact Investing? Why?
 - g. What are opportunities and drivers to overcome those challenges?
 - h. Who / which actors would you say are in key position in removing obstacles and accelerating growth in the future? Why?

APPENDIX B: List of Interviewees

Name	Role in Organisation	Organization	Type of Organization	Organization Snapshot
João Santos	Senior principal	MAZE (previously Social Investment Lab)	Incubator (Intermediate)	MAZE operates as an intermediary to strengthen impact ventures to scale, reorient capital towards impactful outcomes and offer market intelligence to simplify the interactions between impact investors and entrepreneurs.
Frederico Fezas Vital	CEO	Junior Achievement Portugal	Social Entrepreneur	Largest and oldest non-profit organization worldwide for entrepreneurial education.
	Resident Social Entrepreneur and Teacher	CATÓLICA Lisbon	University (Academia)	Preeminent business and economics school in Europe. Strong focus on Entrepreneurship and Innovation.
João Machado	Equipa Técnica de Financiamento	Portugal Inovação Social	Government Initiative	Portugal Social Innovation is a Portuguese public initiative created to develop the social investment market and promote social innovation and social entrepreneurship in Portugal using four innovative financing instruments.
Carlos Azevedo	CEO	IES Social Business School	Social Business School	First business school focused on Innovation and Social Entrepreneurship in Portugal; offering a portfolio of training, research and consulting that responds to social entrepreneurs, social organisations, public sector, companies, foundations and universities.

Luís Jerónimo	Head of Social Investment	Calouste Gulbenkian Foundation (Cohesion and Social Integration Programme)	Foundation	Portuguese institution dedicated to the promotion and the arts, beneficence, science, and education. One of the wealthiest charitable foundations in the world. The Cohesion and Social Integration Programme contributes towards constructing a fairer society, with solidarity and commitment towards the most vulnerable groups in the population.
Kim Kreilgaard	Head of Office	European Investment Bank	Publicly owned international financial institution	European Union's nonprofit long-term lending institution; "policy-driven bank" whose shareholders are the member states of the EU; the EIB uses its financing operations to bring about European integration and social cohesion
Prof. Filipe Santos	Dean and Chaired Professor of Social Entrepreneurship	CATÓLICA Lisbon	University	Preminent business and economics school in Europe. Strong focus on Entrepreneurship and Innovation.
João Barata	Director of Operation	Academia de Código	Social Entrepreneur	For-profit impact venture offering 14-week long innovative coding bootcamps for unemployed young adults.
João Pedro Talvares	ACEGE President; JA Portugal Chairman	ACEGE, Junior Achievement Portugal	Social Entrepreneur (before involved in Consulting)	Social institution; Largest and oldest non-profit organization worldwide for entrepreneurship education.

APPENDIX C: Coded Interview Transcripts

Phase 0: Traditional social sector in Portugal, until 2007			
<i>Variables</i>	<i>Key Dynamics</i>	<i>Quote</i>	<i>Reference</i>
Actors	Small-scale non-profit organizations serving on a local level	"Portugal has a great social tradition and many of non-profit and small-scale social projects."	<i>João Barata (Academia do Código)</i>
		"My program (Cohesion and Social Integration; Calouste Gulbenkian Foundation) is coming from a long tradition from the foundation. Since the very beginning, we are working on the charity side. This agenda has been involved from the early years."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
		"JA (Junior Achievement) exists over 100 years. It comes from the U.S. and it started back in the days in Boston and spread all over the world. In Europe we have a cluster of 41 countries. Portugal has JA now for the last 13 years, since 2005. (...) Our model is to have programs taught by public volunteers, They provide volunteers from several companies. (...) Our model is very much based on volunteers and sponsors. 60% of our income comes from them. Apart from that, we have deals with municipalities, because they have the autonomy when it comes to education and to manage the funds for education. We have an agreement with municipalities which includes goals and outcomes defined by them and they pay us for that. They pay for our service."	<i>Frederico Fezas Vital (Junior Achievement)</i>
		"There were always people trying to solve problems in their local community. But they were very isolated in their communities and they had a lot of difficulties to access money. The projects had a low level of scale and as a consequence a low level of impact. They were very local and since they were not fundraising, they were much less impactful than they could be for a long time."	<i>João Machado (Portugal Social Innovation)</i>
		"Half of the 6.000 non-profit organizations in Portugal are in a way related to the catholic church and they are a huge lobby. Most of them are runned by priests, by the church."	<i>Carlos Azevedo (IES)</i>
Meanings	Creating impact with volunteering approach	"In Portugal, there is a special status of IPSS (Instituição Privada de Solidariedade Social - social solidarity private institutions) granted by the government (through the Ministry of Labor and Social Solidarity) to third sector organizations that apply and meet certain requirements. These organizations are eligible to celebrate Cooperation Agreements and Management Agreements with the government, through which it funds the provision of public services by private organizations."	<i>Carvalho, A. (2010). Quantifying the third sector in Portugal: An overview and evolution from 1997 to 2007. Voluntas: International Journal of Voluntary and Nonprofit Organizations, 21(4), 588-610.</i>
		"Most of the latter will be the religious Misericórdias, some of which are as old as 500 years."	<i>Carvalho, A. (2010). Quantifying the third sector in Portugal: An overview and evolution from 1997 to 2007. Voluntas: International Journal of Voluntary and Nonprofit Organizations, 21(4), 588-610.</i>

Actions	Government, foundations and intermediaries provide support to the sector	"Basically, we were receiving applications and awarding the good ones."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
		"The evolution from 1997 to 2007 is also quite revealing and highlights the disparities across the sector. The overall number of organizations has grown about 90% and the level of employment nearly 85%. But these rises have concentrated on Religious institutions, followed by Environment, Culture and recreation and Social services. In terms of revenue, growth is very significant in activities such as the Environment, Social services and Religion but the Law, advocacy and politics and International segments lose their income altogether. Such numbers show an unequivocal trend in the Portuguese third sector towards gaining importance in the economy, both in terms of employment level and especially in terms of revenue."	<i>Carvalho, A. (2010). Quantifying the third sector in Portugal: An overview and evolution from 1997 to 2007. Voluntas: International Journal of Voluntary and Nonprofit Organizations, 21(4), 588-610.</i>
Challenges	Scaling impact	"This agenda (and I am being simplistic) is becoming more and more proactive in the sense that the foundation is established some key areas and structures for that agenda, instead of simply giving money out. The foundation is trying to embed a venture philanthropy perspective to give financial and non-financial support to ventures."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
		In recent years, the third or voluntary sector has become more important for 'Europe', as indicated by the 1997 Communication of the European Commission and various declarations by the European Parliament and the EU's Economic and Social Council. These official statements not only suggest greater political interest in the third sector, they also seem to indicate that the European Union is taking a more active role in policy-making in this field."	<i>Anheier, H. K. (2004). The third sector in Europe: Five theses. In Strategy mix for nonprofit organisations (pp. 285-299). Springer, Boston, MA.</i>
		"I think the main challenge is the scaling process. Especially, here in Portugal, where you have a small market, it is a good place to test things and ideas, but it is very difficult to scale later on. I believe, to raise awareness for social is kind of easy, but to make it scale will be the main issue."	<i>João Barata (Academia do Código)</i>

Phase 1: Development and promotion of social entrepreneurship and innovation, 2007 – 2012			
<i>Variables</i>	<i>Key Dynamics</i>	<i>Quote</i>	<i>Reference</i>
		"It was around 2007 and 2008, the big boom of social entrepreneurship and social innovation in Portugal started."	<i>Frederico Fezas Vital (Junior Achievement)</i>
Actors	IES - Social Business School; Calouste Gulbenkian Foundation	"A couple of friends came together to build that organization (IES) which focused back in that time to develop the eco-system of social entrepreneurship in Portugal."	<i>Carlos Azevedo (IES)</i>
		"We are following the movement of social innovation and social entrepreneurship in Portugal since the early days. I think the time when people talking about that was 2007 / 2008."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
		"We adopted those concepts in a quiet organic way. Not, because they were new things that we wanted to not stop following, but actually because these concepts were really resonate what the foundation was already doing."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
Meanings	Creating impact with entrepreneurial approach	"Before 2014 among all the activities, we were trying to reinforce the eco-system with creating new projects and bring new projects from abroad to the field."	<i>Carlos Azevedo (IES)</i>
		"We have been working quiet closely with IES. We created together an initiative, which called translated into English: "Ideas of Portugal's origin". It was a call for ideas that were challenging the Portuguese in order to set up and promote social entrepreneurship in Portugal with new projects. It was an open and transparent call for social entrepreneurs."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>

Actions	Promotion and Development of Social Entrepreneurship and Social Innovation through capacity building programs	<p>"IES was founded back in 2008 as an institute for social entrepreneurship here in Portugal. A couple of friends came together to build that organization which focused back in that time to develop the eco-system of social entrepreneurship in Portugal. Basically, they went to INSEAD to attend a social entrepreneurship course. What happened afterwards, they came back to Portugal and started organizing a couple of events. A dozen of people discussing the topic of social entrepreneurship, how it should be developed, what will be the first steps of that eco-system, etc. The first congress was launched late 2008. Then, our first activities were launched in 2009. In terms of what we have done, we started by mapping the eco-system in Cascais, and in the north in the villa real region. Then, we came down to Porto to map Porto and in 2015 we mapped the whole country using a conversion fund from the European Union. This is the first part of our work.</p> <p>The second part, which started in 2011, was to build capacity on the social entrepreneurs we were mapping. The idea of the mapping was one, to mark the neglected issues Portugal were facing to the resources the eco-system has, and to certify highly potential initiatives. We certified more than 157 initiatives, among them you find ColorADD, SPEAK etc. That was the first step. The second step was that we launched a couple of programs focusing on leveraging resources, but also to build capacity on social entrepreneurs. Our aim was to align our programs with the life-cycle of a social entrepreneur. You started with an idea or with facing societal problems. We launched a bootcamp on social entrepreneurship and the bootcamp would help you to structure your idea, because having an idea is very broad. Therefore, the bootcamps help creating a solution starting with the problem. The second program was the scaling from impact. We were helping them to scale their venture, in terms of growth, of size, but also in terms of impact they were creating to reach more people. The third program were the ISEP from INSEAD, which were more a leadership program to target more leaders from within companies or from the public sector or even social entrepreneur from a more major stage. The third thing we basically did focused on research, that is why the social entrepreneur guide to change the world was launched, but also a couple of case studies and articles, which were very important. We were decoding all the practices that social entrepreneurs in the field were doing. We were decoding for others to use it in a more practical and better way and to shorten the learning gap, to make learning quicker. That was the first part of our history."</p>	<i>Carlos Azevedo (IES)</i>
Challenges	Funding gap (no money available)	<p>"We had a lot of social innovators, that were doing a lot of great things, but they all had the same concern. They didn't have financing resources and instruments and they didn't know how to fundraise money for their projects."</p> <p>"The first program started in 2015. We were funded by the Municipality of Lisbon. The first projects were born out of public budget, which was voted by citizen of the municipality. Then, the second funding for the Junior program was a Social Impact Bond from the municipality together with the Gulbenkian foundation. In Social Impact Bonds you work for or with an impact measurement goal and we were funded by achieving those goals and results. I believe that was the first Social Impact Bonds also in Portugal, which was launched by Portugal Social Innovation and those were our kick-starts back then."</p>	<p><i>João Machado (Portugal Social Innovation)</i></p> <p><i>João Barata (Academia do Código)</i></p>

Phase 2: Emergence of Impact Investing, 2013 – 2015

<i>Variables</i>	<i>Key Dynamics</i>	<i>Quote</i>	<i>Reference</i>
Actors	Social Investment Lab (MAZE); Social Investment Taskforce Group	“One was the launch of the Social Investment Lab by IES in partnership with the Gulbenkian Foundation. That was the kick-off point, which was in 2013. That was the starting point. The second important milestone for the eco-system was the launch of the taskforce group for Impact Investing with a lot of people from banks, regulators, government, academics and practitioners.”	<i>Carlos Azevedo (IES)</i>
		“The starting point, I would say, was the creation of the taskforce group for social investment. That was created by the Gulbenkian Foundation with the leadership of myself and Antonio Miguel from MAZE. Before MAZE was called Social Investment Lab, which was basically the think-thank to develop social investments in Portugal.”	<i>Filipe Santos (CATÓLICA Lisbon)</i>
		“This laboratory was a unit we created and was incubated by IES to launch that market. Our first approach was, that we need to engage with an incredible provider to give us legitimacy. That was the Gulbenkian foundation, which leveraged all the other stakeholders, the Social Investment taskforce group. We had all the municipalities from Porto and Lisbon, different foundations and regulators around one table.”	<i>Filipe Santos (CATÓLICA Lisbon)</i>
		“From my perspective, the first milestone was the inception of the Social Investment Lab, because all the other things would not have been possible if the foundation would not have delivered that. Even because Portugal Social Innovation, which has a key role today on those matters, would not have been developed if the Lab did not have existed.”	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
		“I believe, we were the ones, who set that up. Before we were re-branded to MAZE, we were the Social Investment Lab, which was led by Antonio Miguel, Filipe Santos and Joana, who were full-time involved. They were the ones, who allowed it to happen. They designed and presented the structure of how Portugal Social Innovation should look like and what kind of instruments it should have. It was probably the most important product for the public sector for Impact Investing in Portugal. I don’t think it creates the market by itself at all, but I think it helps.”	<i>João Santos (MAZE)</i>
Meanings	Scaling and creating impact with new financial resources	“Portugal Social Innovation was created in the late 2014 on the paper. We are a public initiative, a mission unit of 14 or 15 people and we were created in the beginning of 2015 with two main goals. The first one was and still is to promote social innovation and entrepreneurship in a way to generate new solution for key societal problems. The second main goal was to foster the social investment market in Portugal by designing instruments that are better adjusted to the specific needs of the entities that usually implements these types of projects, because until 2014 we only had financing and financial instruments in Portugal, that were directed to the SMEs, factories or industries. They were not designed to the specific needs of social entities.”	<i>João Machado (Portugal Social Innovation)</i>
Actions	Creation and launch of Portugal	“Therefore, we channelled € 150 Mio. from the European Structural Fund, since we are a member of the European Union.”	<i>João Machado (Portugal Social Innovation)</i>

Social Innovation (public money)	<p>"2014 was the start of the eligible period of the European structural funds and it would go to 2020. Therefore, we had to decide what to do with that money in 2014. At that time there was a taskforce of people that joined, in which Filipe Santos was one of the opinion leaders. But others, the founder and managing director of MAZE, Antonio Miguel and a lot of key people. They met a lot of times at that time and discussed the following issue: Portugal will receive a lot of money for the next years and we think that we have a lot of social entrepreneurs in Portugal that need money. We have a lot of social innovators, that are now doing a lot of great things, but they all have the same concern. They don't have financing instruments and they don't know how to fundraise money for their projects."</p>	<p><i>João Machado (Portugal Social Innovation)</i></p>
	<p>"The relationship with that Lab, which was created as an incubator start-up, was great, because they brought all the technically and expertise know-how for such area and we were able to bring the financial support from the foundation. We further used some of our convenient power to establish a network of stakeholders, the social investment taskforce group. Since then, we are acting as a foundation both, as an investor and as a market builder. What we have done was following the journeys which other countries have done, like the UK with Social Finance. We replicated basically their success and taskforce to engage all the relevant stakeholders and shape that agenda collectively. We capitalized the existing working experiences and adopted it to the local and national context of Portugal."</p>	<p><i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i></p>
	<p>"The first program started in 2015. We were funded by the Municipality of Lisbon. The first projects were born out of public budget, which was voted by citizen of the municipality. Then, the second funding for the Junior program was a Social Impact Bond from the municipality together with the Gulbenkian foundation. In Social Impact Bonds you work for or with an impact measurement goal and we were funded by achieving those goals and results. I believe that was the first Social Impact Bonds also in Portugal, which was launched by Portugal Social Innovation and those were our kick-starts back then."</p>	<p><i>João Barata (Academia do Código)</i></p>
Challenges Allocation of private money	<p>"What we felt by than was, that the eco-system has been built up. We have an intermediary, that is going to bridge the gap between investors and ventures. We have companies being certified. We also have many actors which are now fostering social entrepreneurship and helping new entrepreneurs to be more impact-driven."</p>	<p><i>Carlos Azevedo (IES)</i></p>
	<p>"Our goal to create Portugal Social Innovation was to cover the entire spectrum of projects from both, non-profit and full-profit, and creating appropriate instruments for each of the sector of the market. But at the same time with the mindset of, when the government enters, usually, private people (investors) move away, which we call "crowding-out", and we wanted to do the opposite "crowding-in". Meaning, we only give money when private people come in. This was to make sure that we use the public money to attract private money and not so scare them. That was part of the design of the initiative."</p>	<p><i>Filipe Santos (CATÓLICA Lisbon)</i></p>
	<p>"Our main goal was to attract private money and bring them into the philanthropic sector in combination with the commercial sector."</p>	<p><i>Filipe Santos (CATÓLICA Lisbon)</i></p>

Phase 3: Building Block of Impact Investing, 2016 – 2019

<i>Variables</i>	<i>Key Dynamics</i>	<i>Quote</i>	<i>Reference</i>
		“The time since the launch of PSI was very quick. I see the field developing more like a building block and less affected by big milestones since 2015. From my perspective it is a continuing and fast-growing field.”	<i>Carlos Azevedo (IES)</i>
Actors	Banking industry; intermediaries	“Our institute (European Investment Bank) started to be involved with the launch of our incubator program 2017. Since then, we have been speaking with MAZE. But really investing in that field, we only started in October 2018 during the web summit in Lisbon. From our involvement, it is relatively recent. But we are really putting money now on the ground.”	<i>Kim Kreilgaard (European Investment Bank - Office Portugal)</i>
		“We have some new investors examples like Banco privado, Banco Atlantic Europa, etc. They have announced to enter the impact fund of MAZE and they are doing it as an investment.”	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
		"From my perception, it has not much change in terms of actors. The main ones like Gulbenkian, Portugal Social Innovation, Santa Casa and other institutions are still the same. Maybe big companies are working more with Corporate Social Responsibility, but not specific in the field of Social Investment. They more focus from a PR perspective to be socially responsible. With social investors, we do have more funding from funds in the field, which are not traditional VC funds. We have talks about those funds, but mainly with investors from outside Portugal. I believe awareness is raising towards the social sector from the investor perspective. Casa do Impacto is a great way of generating this awareness. But we are still in the early days of that movement."	<i>João Barata (Academia do Código)</i>
Meanings	Creating impact with private investors' capital using new financial instruments	“We fundamentally believe, we are there to catalyse investments and private sector involvement to show that the business models work and that is money to be made. We don't see any contradiction between social and profit.”	<i>Kim Kreilgaard (European Investment Bank - Office Portugal)</i>
		"We need to bring more private capital to the table and we need to find more ways of funding initiative that develop business models that are positively related with social and environmental impact. For those ones, business models are evident and have the potential to change. That is why Social Impact Bonds emerged. Now, the discussion is on outcome-based commissioning with the public sector. Public money available to target these issues is not sufficient but is being managed as efficient as it should be. (...) Our endgame is a long-term vision that in like 10 years, 10% of the commissioning from the public sectors is outcomes based.”	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
Actions	Promotion and Development of Impact Investing	“The time since the launch of PSI was very quick. I see the field developing more like a building block and less affected by big milestones since 2015. From my perspective it is a continuing and fast-growing field.”	<i>Carlos Azevedo (IES)</i>
		“Looking back to 2017, we had nothing. But looking towards the end of 2019 we will have already 5 funds running in the field. From my point of view, the main difference is that everyone is working together in a network and is helping each other.”	<i>João Machado (Portugal Social Innovation)</i>

	"Further, we have help from a data base, which called ONE-VALUE. ONEVALUE was created by MAZE. However, right now it is under our scope. They created it for two years, but since we are a public initiative we have easier access to more projects which are involved in ONEVALUE. Therefore, it is now us managing that tool, that data base. But it was created outside."	<i>João Machado (Portugal Social Innovation)</i>
	"Right now, we are finishing fundraising for that Venture Capital fund that is the joint venture between MAZE and Mustard Seed."	<i>João Santos (MAZE)</i>
	"We always wanted to operate in the middle of all the key points. We have public sectors projects, we have private sectors projects, social sector projects and we try to create both supply and demand for impact investing. "	<i>João Santos (MAZE)</i>
	"We want to have a large scale in the future, which we only can achieve with a for-profit model. Therefore, we look at social investment funds and social impact bonds, as our main financial instruments to lower barriers of our growth and facilitate more potential customers. We want to reach more customers buying our product."	<i>João Barata (Academia do Código)</i>
Challenges	Missing capabilities; Market education; Market structure	
	"The biggest challenges on the supply-side is probably a lack of high-quality managers for start-ups. (...) On the investors side, there needs to be more awareness of the good results, which exist today. (...) In short: we need higher education for entrepreneurs."	<i>João Santos (MAZE)</i>
	"The existing challenge is to educate actors that there is proof of successful financially impact related projects and illustrate that this is the trend where the capital goes to. 84% of the people saying they want to put their money within environmental, sustainability or social criteria according to a journey. Therefore, all the capital is going to go there. People just need to be educated about all the impact funds which are appearing and the matters to put their money into it, because most of the people who want to invest, are not aware of that this market and impact investments exist. On the investors side, there needs to be more awareness of the good results, which exist today."	<i>João Santos (MAZE)</i>
	"They are so busy just managing their business on a daily base and they are focusing on whatever they are doing. But they don't have the capacity and also not often the management capacity to step back and start over with a better structure and have a parity on the impact and quantify."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>
	"I think there is also a challenge in terms of perception and the acceptance from the more traditional established social sector, which thinks we try to privatize the sector. What we are now doing apart from just investing in social impact bonds, is capacity building work which accure not private to the investment but alongside the investment."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>

<p>"Further, the ability to be invested in, meaning it is not enough to have money, it is your structure and your model that allows you to get the money and use it properly, because if not, it will be more a cost than a benefit. The process to get the money is still very heavy for organizations like ours, which typically do not have big budgets and many people. It is very difficult to manage the time to manage the financing. Especially, when it is public. When it is private, it is easier."</p>	<p><i>Frederico Fezas Vital (Junior Achievement)</i></p>
<p>"When you have money available for organization, but they are not capable to get and manage that investment, there is an issue in the system. (...) I see the problem from the big picture. It is the combination of know-how, people and money and especially the structure of it, which creates that issue."</p>	<p><i>Frederico Fezas Vital (Junior Achievement)</i></p>
<p>"There are no traditions in accounting from those associations. What happened in the past were, that they were receiving grants and donors from foundations but did not have to submit reports because of that type of financial supports. There were grey clouds above those entities, and nobody knew where the money went and what they did with that money, which led to some scandals also."</p>	<p><i>João Machado (Portugal Social Innovation)</i></p>
<p>"Using European Funds is a blessing at the same time it is a curse. It is a curse, because the strings attached, the huge amounts of procedures and regulation that we need to comply to move that money, it comes with high transaction costs. The processes are very time and resource consuming for us, but also for the projects that submit application to us."</p>	<p><i>João Machado (Portugal Social Innovation)</i></p>
<p>"For example, it is okay to earn a lot of money in a private company, but culturally it is not okay to earn a lot of money in a social project. It is very much connected to the catholic culture and environment here in Portugal. This sector has not been used to deal with profit-driven people, because doing good used to be a social commitment. We don't have that conversion place where you can earn money and be impact driven and align both in the lock-step model. You don't have that culture here in Portugal and that is why we don't recruit talent."</p>	<p><i>Carlos Azevedo (IES)</i></p>
<p>"After the application for money for social entrepreneurs is approved, the process of receiving the money is lacking. You don't get the money how and when you should get it. The gap between having everything approved and getting the money, you can find a lack of one or two years, which is a killing gap for most of them. Most of the small companies that are applying for Portugal Social Innovation are facing cash-flow issues. They don't have money to pay their own salaries and when you don't get the money right away, they die."</p>	<p><i>Carlos Azevedo (IES)</i></p>
<p>"One challenge, which slowed the progress a little bit down, was the information system, the process of all the applications, because it was a pillow of the whole Portuguese political framework. It was not only under control of that initiative."</p>	<p><i>Filipe Santos (CATÓLICA Lisbon)</i></p>

Phase 4: The institutionalization of Impact Investing, the future

<i>Variables</i>	<i>Key Dynamics</i>	<i>Quote</i>	<i>Reference</i>
Actors	Intermediaries and universities; Private investors (et al insurance companies); Consultancy	"I think the way to get more talents is to keep investing in good education, like NOVA SBE in Lisbon is doing. That new top European campus will attract and further bring high-quality students in. Further, I think, it is about initiatives like us (MAZE), speaking with the government to let them understand what we think and how we can help entrepreneurs and students that are thinking about becoming entrepreneurs."	<i>João Santos (MAZE)</i>
		"We support the entrepreneurs, that are investment ready in order to raise capital and we support the investors by showing them where the good investments are. Previously, we did it directly with the investors and now we are doing it through that new fund."	<i>João Santos (MAZE)</i>
		"There are a lot more entrepreneurs. Right people are coming out of university, who want to do something in that area, which is very motivating for us."	<i>João Santos (MAZE)</i>
		"I think both, universities and schools like ours, play an important role in that field. However, NOVA and CATÓLICA are having higher paid and more theoretical courses than ours. Most of the social entrepreneurs in the field they don't have the ability to pay those courses. That is why they are coming to us, they also feel coming to us is not coming to a very strict structural academic course, where they tell you what to do and how to work."	<i>Carlos Azevedo (IES)</i>
		"We need more social start-ups. We are talking now too much about the same things the past years, there needs to be more growth and proof. (...) You have the academia that have the overview, that mapping what is going on in that sector and providing the theoretical background, training people like IES is doing it with their courses. That also creates a movement with their courses."	<i>Kim Kreilgaard (European Investment Bank - Office Portugal)</i>
		"I think the most obvious approach is <i>who</i> is actually paying for social services and that approach could open up for some pilot cases or for testing other approaches, like the Social Impact Bond for example opens up for. The other area I would see, are pension funds and insurance companies like health insurances. Those, which pay again for social needs. There is a whole breath of potential for innovation and I had meetings here with some of those health insurance companies and I am not sure how far they are now. But it seems to me, they are taking it step by step and looking at it."	<i>Kim Kreilgaard (European Investment Bank - Office Portugal)</i>
		"MAZE is doing some changes. They are creating a new fund. But not only that. They are helping organization by providing a paid service to proof impact. They are doing a great job. However, I am not sure if that I enough."	<i>Frederico Fezas Vital (Junior Achievement)</i>
		"There should be a platform that would handle the management of investment processes in organization in a way that they would reach many organizations, because when they do that, they could charge less. It could be an outsourcing provided service, that social organizations could continuing to focus on creating an impact and not spending most of the time with the financials."	<i>Frederico Fezas Vital (Junior Achievement)</i>
		"I think it is not a job of one person or organization in particular. It is the way we make that agenda developing."	<i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i>

		<p>"We had conversations with consultancy firms like Deloitte and KPMG and they said, that they are trying to look for and study how can we build a team or taskforce within companies to work on that field. They were scanning the market, trying to figure out what to do, what they need to do, because there is a lot of money coming to that field.</p> <p>Somehow and somewhere the boom will come, more briefly than people will expect – I personally believe."</p>	<p><i>João Machado (Portugal Social Innovation)</i></p>
Meanings	Institutionalization of Impact Investing	<p>"Today, because of the movement and pushing for its credibility by all the millennials, everyone is now focused on, that this will be the future. Today it is clear, that this is the future and now for many players it is the question: how can we be part of it. Before, some of those teams were very sceptical and today they are trying to understand how they can create their own fund and which kind of knowledge they need to develop in order to do that."</p>	<p><i>João Santos (MAZE)</i></p>
Actions	Merger of sectors; Capacity building programs to educate market; Implementation of financial teams; Focus on outcomes	<p>"It is to communicate and deliver successful cases and make it evident that it is possible and how it is possible to combine profit and impact. Not what we will do, but what we have successfully done and present the results. (...) What the taskforce progress report also shows, is that we need to work together with the private and public sector and to bring both worlds together to create a change. Using the examples that we have and show them to the public and show that the idea of outcome-based commissioning works."</p>	<p><i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i></p>
		<p>"The work with the government is very important in this term. Therefore, what we are creating and setting up right now is a training academy for outcomes-based commissioning services, because they need to realize the benefits of that sort of funding."</p>	<p><i>Luís Jeronimo (Calouste Gulbenkian Foundation)</i></p>
		<p>"We are planning to have an impact stage at web summit. This kind of events promote the space and show success cases and let people understand that there is a good existing eco-system. Therefore, when you do a lot of impact events, you start to create a community and within a network or community you develop and reach further talents."</p>	<p><i>João Santos (MAZE)</i></p>
		<p>"I believe the market will discipline that field. I think investors will play an important role and the next thing will be to remove boundaries between the private and the non-profit or impact sector and to merge them. It will merge, because we have been pressured by consumers and producers, thus, it must change. Both trends will align, that is what I feel. It will take time and the way the state, the Portuguese government, is contracting public services will change as well. In the future they will pay impact ventures by results, by saving money for the state and not by outputs."</p>	<p><i>Carlos Azevedo (IES)</i></p>
		<p>"Recently, we have hired a finance team and we are trying to make it one of our priorities to receive the funding earlier in order to be able to scale faster. We are trying to introduce the checklist of items we need to deliver to get the money earlier in our process, in order to guarantee that it will work better in the future. We want to have a large scale in the future, which we only can achieve with a for-profit model. Therefore, we look at social investment funds and social impact bonds, as our main financial instruments to lower barriers of our growth and facilitate more potential customers."</p>	<p><i>João Barata (Academia do Código)</i></p>

	<p>"We need better tools to align social innovations with the SDGs and to understand better how they can get better connected with companies or funds. In general, we need a stronger focus on social innovation."</p>	<p><i>Frederico Fezas Vital (Junior Achievement)</i></p>
	<p>"I can give you an example, we are preparing an event in 2020 about Impact Investing and we need to sit at one table with almost 20 entities in Portugal and talk to them and check if they are available to organize that with us. After only 2 days we had the confirmation of all the 20 entities and after one week we were all sitting together at one table. I think, that doesn't happen in any other countries, as far as I know."</p>	<p><i>João Machado (Portugal Social Innovation)</i></p>
	<p>"I think it is important to have an openness to other innovation and see how it develops and see how pilots take place and prove themselves. The challenge is to demonstrate to have enough time and money and resources to make the transition and to allow for these innovations to spread off and to gain entry to the established system."</p>	<p><i>Kim Kreilgaard (European Investment Bank - Office Portugal)</i></p>
	<p>"I think it is also very interesting to following what is happening in other countries and bring it in and demonstrate that there is really money to make. That is also our objective with our investment in funds, that we want to demonstrate that you can make money while doing impact investing. That is key to get more attraction."</p>	<p><i>Kim Kreilgaard (European Investment Bank - Office Portugal)</i></p>

