

A Work Project, presented as part of the requirements for the Award of  
a Master's Degree in Management from the NOVA – School of  
Business and Economics

# The Role of Impact Investment in Strengthening Arts organizations

---

## The case of PARTIS

**Jaime Santiago Pinto 2570**

**January 2017**



A Work Project carried out under the supervision of:  
**Professor António Miguel**

## **Methodology**

The thesis that follows is Desk-based and concerns the PARTIS case study , a program created by The Gulbenkian Foundation to fund arts organisations that generate both social and artistic impact.

The main goal of this thesis is to evaluate the first year of the programme (2015) based on the 2015 PARTIS report and on a comparison to the international benchmark, for example the Arts Impact Fund, in the United Kingdom.

The researcher followed the following methodology to work on this thesis: 1) Information collection, 2) Literature Review, 3) The PARTIS Case Study and 5) the final recommendations to PARTIS based on the theory and benchmark case. The information is categorized through some variables: barriers, criteria for project analysis, business model, financing and impact and this structure gave the motto for the recommendations section.

Throughout one semester the researcher was closely mentored by Professor António Miguel, his supervisor, in developing the study, and followed a structured training plan recommended by NOVA.

In addition, the researcher used a qualitative content analysis approach, having a trusting and valuable collaborative relationship with the PARTIS director, Hugo Seabra, and R&D of NOVA Faculty of Social Sciences member, Diana West. The researcher met Diana because she did a thesis on the same program with an anthropological focus and advised the case study direction. In addition, the researcher met Hugo Seabra in order to know more about PARTIS project and provided useful exclusive information about the program.

All necessary meetings were held and all the necessary data from PARTIS and other Literature Review was provided.

## I. Literature Review

### a) Main concepts

When one talks about social initiatives, one can say these initiatives are of a **Social Entrepreneurship** kind. It is a practice of combination between innovation, resourcefulness and way to address critical social and environmental issues and the Social entrepreneurs are focused to transform practices that are the causes of poverty, marginalization and environmental deterioration (Skoll, 2012), developing and implementing sustainable solutions for neglected problems of society. In fact, inclusive Arts initiatives are often considered social entrepreneurship initiatives because they ideally promote artistic education and essentially are concerned about a social problem. Therefore, we could consider the promoters of these projects to be social entrepreneurs. Sometimes this process take place in different organisational contexts (e.g. a third sector organisation, a company, a public institution, or through a new organisation). Core principles of Social entrepreneurship include (1) the delivery of value to society (2) a focus on innovation with regard to established rules and (3) the pursuit of sustainability principles in the designed solution, and the commitment to empower the main participants in the value chain (Glossary, 2014). The financing of social entrepreneurs and their innovations is one of the main focuses in the area of social investment.

Social entrepreneurship initiatives evolve to be social innovations. A **Social Innovation**, which is a specific solution to a social issue and expects to have a positive impact taking into consideration the opportunity cost of the resources (Glossary, 2014). It should be simple in conception, replicable for other contexts and based on cheap and abundant resources or on highly scalable resources and business models. In fact, this is the “successful” outcome of the process of social entrepreneurship.

Finally, social initiatives start to receive monetary or no monetary resources for the sustainability and financing the initiatives. We could suggest that the most important concept for this case study is the **Social Impact Investment**, which is a mechanism that target specific social objectives in conjunction with a financial return and measurement of the achievement of both tasks (G8 Taskforce, 2014).

According to the GIIN (G8 Social Investment) there are four characteristics that define this concept: (1) Intentionality (the investor’s investments in order to generate social and environmental impact, creating enterprises and funds which would expand the access to essential goods and services and generating positive impact through these operations); (2) Investment with return expectations (the investment is expected to generate a financial return on capital or a return of capital. However, the investors have another important role through other mechanisms of investment. For instance, the support of early-stage business model incubation, providing technical assistance or funding for research and development); (3) Range of return expectations and asset classes as the Impact investments generate returns from below market to risk-adjusted market rate and they could be made across asset classes, including fixed income, venture capital and private equity. Finally, (4) the Impact measurement (the investor has a “hallmark” to measure and report the social and environmental performance of underlying investments, in order to

ensure transparency and accountability to inform the practice of impact investing and build the field).

In addition, the best practices for impact investing include: (1) the Establishment and statement of the social and environmental objectives to relevant stakeholders; (2) Setting the performance metrics and targets to these objectives using standardized metrics; (3) Monitoring and management of the performance of investees against these targets and (4) Report on social and environmental performance to relevant stakeholders.

In sum, Impact investments are made in order to generate not only a social return but also a financial return. It establishes a large range of social and environmental issues where different investors and intermediaries are concerned about these issues, according to their priorities and contexts (Impact Program, 2014).

In fact, in this mechanism the social objectives are not the only investment criteria, the reimbursement of funds and return are also expected in the medium and long term. In fact, Traditional philanthropy and other traditional investment mechanisms are important; however the Social investment is a hybrid way that facilitates the access of social organizations to finance their projects. Therefore, impact and value creation to society is a new criterion for the Social investment process. It is a big challenge to correlate and identify the link between those variables, however, financial return and social value creation are not mutually exclusive (Glossary, 2014).

Another important concept that is essential to the impact of Arts organizations is the Theory of Change, because it describes and illustrates a desired situation that is expected to happen in a determined context and it is focused on the combination between a program initiatives (activities or interventions) and the leading to the achievement of desired goals (Center For Theory of Change, 2016). It is done through the Outcomes Framework: (1) the identification of desired long-term goals; (2) identification of all the key outcomes that would make the goals occur (Center For Theory of Change, 2016). In addition, the theory of Change explains how the performance of a social organisation should lead to the creation of value for society, more important than only benefit directly the customers with goods and services (Arts Impact Fund, 2016). Therefore, the organisations, should test hypotheses, validate the best ones and adapt them in order to create the greatest possible impact, articulating this process. In fact, the theory of Change explains how the organisations should lead to the short and medium term results of the impact, through the performance of the organisation creating the of all the spillovers of value to society (Arts Impact Fund, 2016).



**Figure 1** - Theory of Change steps. Source: Arts Impact Fund.

The Theory of Change is used by social enterprises in order to find a cause for the outcomes that they want to achieve. However, these organizations should make clear the assumptions involved between the activities and the supposed outcome, including making reference to any evidence or research. Therefore, it would add more credibility to the theory due to the differentiation between a “*hypothetical causal chain and a more established one*” and it would create a basis of claims about attribution respecting the causes of a particular effect (positive or negative) (Arts Impact Fund).

For the Arts Impact Fund, as a social investor, the outcomes are particularly interesting to target in three impact areas: youth & educational attainment, health & well-being and citizenship & community. However, there are no specific outcomes for these areas, because one could come up with hundreds or thousands of particular outcomes. (Arts Impact Fund, 2016).

#### **b) The role of arts organizations**

Nowadays, arts organizations pursue an important civic role in society. We have four different types of arguments to support/to sustain this claim.

First of the all, the *inherent argument*. According to the Article 27 of the Universal Declaration of Human Rights that establishes a right in participation in the cultural life of the society and all arts organizations should correspond and be active on their communities, in particular when they receive public funding or other protection. (United Nations).

Secondly, the *social justice argument*. Because of social inequality and division, arts organizations are crucial to articulate this disparity enabling social action by, with and for the disadvantaged.

Thirdly, the *intrinsic argument*. Arts organizations are uniquely placed to engage in civic matters since they are seen as neutral or third spaces, and that people respond to the material of the arts using different values and faculties from those they apply to explicitly political media.

Finally, the *dutiful argument*. Because of the declining of trust, engagement and investment in traditional civic organizations, like churches or political parties, arts and cultural organizations represent an essential mechanism to mobilize and animate citizens in democratic processes (CGF Civic Role, 17).

In fact, evaluating the civic role of arts organizations is a big challenge: the method to evaluate the impact is difficult to design: sometimes the means of collecting data are inappropriate and the resources (people and money) to do it properly are limited (CGF Civic Role, 18). In spite of the lack of any arguments against the civic role of arts organizations, there are some important aspects that we should consider. Firstly, arts organizations should have a civic component, meaning that they should stay focused on their vision and mission. Secondly, sometimes, the civic role of arts organizations could limit the local and central government’s responsibilities to communities about a social issue, for instance Thirdly, arts and culture are in the political

discussion and some groups might be privileged over others by arts organizations (intentionally or not). Finally, when arts organizations develop their civic role, they could be counterproductive, having a negative effect not only amongst some audiences but also on local artists (CGF Civic Role, 23)

### **Arts organizations face several barriers in their development**

Although there is no clarity about what the objective of being ‘more civically engaged’ is, it is essential to separate opportunities and barriers into a dichotomy: extrinsic (change is brought about by the public policy or public action) and intrinsic (change is brought about by agents inside the arts organizations).

As a result, barriers can be segmented into the following categories: funding, skills, leadership, engagement and perception. These barriers represent core challenges faced by arts organizations in achieving full potential and, ultimately, the intended impact.

Lack of funding and austerity are two of the main barriers faced by arts organizations. Most arts organizations are funded through donations, volunteer work and borrowed spaces, without which their ability to deliver programs is hindered. Furthermore, arts organizations are placed in a wicked position: on the one hand, their small scale is an advantage when it comes to local engagement and establishing roots in the communities where they operate; on the other hand, because they are small, they are often unnoticed by policy makers who could provide them with better financial incentives. On top of these organic challenges, macro factors such as austerity measures are increasingly affecting arts organizations. Budget cuts, reduced funding and limited resources are becoming the norm which consequently undermine the capacity for these arts organizations to achieve impact, creating a vicious cycle of lack of funding resulting in less impact, resulting in even less funding [CGF Civic Role, 24].

The second barrier for the organizations’ work is the lack of structural attention and skills. According to Borwick (2012), some of the challenges that organisations face are the development of skills, capabilities and instincts. As arts organisations have management and governance structures that are required to conduct an effective civic work, the attention should be directed to work effectively in order to impact the artistic peers rather than community stakeholders (CGF Civic Role, 24).

The third barrier is the leaders’ reticence and confidence about the arts’ contribution. In fact, the institutions are suspicious about assuming their civic issues. The members could be nervous and concerned about the wrong language and the difficulty in capturing diverse participants. In consequence, this lack of confidence of the members of the organizations would be projected out

to their targeted community as the organization's "message" is misunderstood sometimes. (CGF Civic Role, 25)

Another important barrier is the disconnection between artists and communities about what art is and what art does. There are some critiques of the enthusiasm of the development of civic programs exclusively through the arts and culture, in particular when there is no expansion of determined conceptions about the value art to all communities, even when the secular followers. are passionate to the arts'. So, the artistic creation has not the same value to all the communities, creating a limitation of implementing an arts organization in a specific community (CGF Civic Role, 25)

Finally, the last barrier is the restriction of the Arts by its association with privilege. According to Stevenson, there is some tension between the goal of continuing to support traditional arts activities and organizations while, at the same time, arguing against the privileging of these forms of art. (CGF Civic Role, 25)

## **II. International Benchmark: social investment and arts projects**

About the international view of social investment, we have the case of the United Kingdom where the social investment is well-developed.

The *Arts Impact Fund* is a new initiative created to promote the great potential of social investment in arts. The fund's investment is for artistic, social and financial return and offers repayable finance to arts organizations that work in England, showing that it is possible to be sustainable, to have great artistic ambitions and have a positive impact on society (Arts Impact Fund, 2016).

In fact, arts organizations, as businesses, are not excluded from the economic changes (sometimes challenging situations) in funding investment and many of them are exploring new ways to increase their sustainability, playing a crucial role in the welfare and cohesion of their local communities.

The truth believe of the Arts Impact Fund is the role of arts in everyday lives and in cultural identity and economy. In addition, the arts create new opportunities, new jobs and valuable compensations for the communities.

Therefore, the Fund support could be divided in four aspects. Firstly, they want to support more organizations to become enterprising and resilient by investing in arts. Secondly, they want to promote a positive impact of the art in communities through focusing on artistic and social outcomes and supporting more organizations that work for benefit the individuals and communities. Finally, they want to attract more social investors to the arts by lending to grow the

organizations work and benefit the sector. This fund can finance between £150,000 and £600,000 depending on the organization's need.

In fact, the arts and other cultural sectors are crucial to contribute to the employment and economic growth. According to this fund, they attribute over £850million annual spending by tourists in the UK to the arts and culture industry and 0.4 per cent is attributed to the arts contribution to the UK's total GDP.

## Criteria

For the Arts Impact Fund, there some requisites that the organisations should take account of in order to obtain financial support for their projects. So, we have general criteria and specific criteria for this situation. (Arts Impact Fund eligibility criteria, 2016)

The first general criterion is the adequacy of the **Core Operations**. This means the organizations should work primarily in the arts (theatre, dance, literature, music, combined arts and visual arts) or should be cultural places (museums, art galleries, theatres ...)

The second general criterion is the **Structure**, meaning that organizations should be registered as "charities", "community interest companies (CICs)" or can be other incorporated entities with evidence of social mission, depending on the strength of the social mission.

The third is the **Geographical** criterion. Organizations should be registered in England and working for benefit of communities of the country.

Finally, the **Social Impact priorities**. The candidates should prove that they are working with the beneficiaries in Citizen and Community, Health and Wellbeing or Youth and Educational Attainment areas.

Apart from the general criteria, we have core specific criteria for selection of the projects.

The first criterion is **Exploring the Artistic Excellence**. In the *Governance* category, they want to know about the clearness of an organization's artistic mission (protected in their constitution); the artistic strategy to target ambitious artistic goals and about the talent and experience of the organization's board on artistic work. In the *Review* category, the fund wants to know how the organizations collect the evidence of its artistic performance and about the organization's analysis of its artistic output and the group that is involved in that process. In the *Commitment* category, they want to know how the organization leads to the Arts Industry, like the creation of Partnerships or forums.

The second criterion is the **Identification of the Social Impact**. In the *Governance* category, the organization should have a social mission, in preference when their work is linked to their targeted group. In addition, they ask about the board's capacity of leading and delivering the organization's plans for social impact.

In the *Commitment* category, they ask for a plan for social impact through the artistic programs created and how intend to deliver that, the ambition of the organization in beneficiaries support and how they try to target their beneficiaries through the social activities. In the *Review* category,

it is asked about methods of collecting of the impact of social activities plus its establishment and the way they use that information, who are the beneficiaries of this process and if there is an independent review about the organization's impact.

Finally, the last criterion for the selection of the projects is the **Understanding Financial and Operational Resilience**: In the *Planning of Resilience* category, the question is raised about the appropriation of the funding request according to the organization scale, if the plans of the organizations show, in one hand, the usage of the funds will be used and repaid for and, in other hand, a clear demonstration of the need of investment and its contribution to its long-term sustainability. In the *Understanding risk* category, the fund asks if there are skills/systems to manage the loans in the organization and if the organization's board understands the key risks in the business plan and if they have a way to reduce these risks. In the *Commitment* category, the organization's plans for sustainability taking account of the life of the loan and the capacity of the Board and Management to take the loan is assessed.

## Case studies

Why do these case studies have interest for our analysis? On one hand, this is because we have very good examples of successful organizations that were supported by the Fund and, on the other hand, it demonstrates the attraction of social investment that the Fund created, being a credible supporter to the social and artistic initiatives. These are the projects that were already supported by Arts Impact Fund as they fit all the requirements needed to apply to the funds.

The *Bow Arts Trust* is an arts organization that aims to support the community living in East London through an "Arts and Creative Services" program as the organization has a financial sustainable social enterprise model (Bow Arts, 2016). This educational charity will have a credit of £600,000 to purchase and develop property.

The *South East Dance* is a dance organization where supports the most talented artists from different origins, allowing them to appreciate the exhilaration and health benefits of dance (South East Dance, 2016). This organization will use the fund to extend fundraising and they can start to work on its new hub.

The *Titchfield Festival Theatre* is an amateur dramatics theatre based in Hampshire operated exclusively by an enthusiastic volunteer work and has been a popular organization in the local community producing more than 22 shows per year (Arts Impact Fund, TFT). They will use the investment to improve the venue and become more energy-efficient.

The *Autograph Media* is one of the world's leading authorities for the representation of visual identities of ethnic and cultural minorities, running a photography gallery and education centre based in Shoreditch.

The *Live Theatre* was founded on Tyneside in 1973 by Geoff Gillham, Val McLane and its main objective is to attract new public as they offer a friendly and informal environment on their place. (Live, 2016). They will use the fund essentially for a new commercial hospitality venture.

The *Second Floor Studio and Arts* is an organization that supports the development of visual and fine arts and designer making. They will use the fund to develop a new website (Second Floor, 2016).

The *Soho Theatre* will invest in building a subsidiary working on a digital content and it is pretended to produce a pilot run of digital comedy.

The *London School of Mosaic* will use the fund to create a place for a new mosaic centered on education program.

### **Opportunities for Social Investment**

In general, the Organizations are exclusively looking to fund activities, so they are developing new revenue streams because of reductions require innovation in business models and funding approaches. (Social Investment Insights Series, 2015; 10)

In the same report, it is believed that substantial tangible and intangible assets of Arts offer the potential to support investment. Therefore, it is suggested that by expanding/diversifying core activities, using the skills and intellectual property and using of the cross-subsidise core programs, the organizations would get more revenues for their sustainability and their activities. For the first aspect, it is suggested to increase the membership by targeting new audiences using the media tools. For the second they could develop training courses for the public in general, corporate program or digital products. For the third, the renting space for events and other activities, for instance. (Social Investment Insights Series, 2015; 10).

In addition, Social Investment could play an important role to support organizations on the circumstance.

The first aspect that the organizations should take into account is an investment in facilities and equipment. For instance, the rent of space where is not used or funds to renovate properties and investing in new facilities or equipment could be good practices to obtain more investment.

The second aspect is the investment in new revenue financial mechanisms and growth. This means that investment in new staff systems, working capital, marketing and growth capital for product development would be essential for the measurement of Social Investment and credibility in usage of the funds. For example, the quasi-equity and equity investment could provide this type of capital.

The third aspect is the assets' transfer to the community. The pressure on the local budgetary authority to create culture and leisure services would be a fundamental measure to involve the community on the creation of benefits of arts locally.

Finally, the last important aspect is the creation of innovative approaches to fundraising such as the crowdfunding initiatives and the community shares. For example, the Arts, for instance, has “communities of interest” which are important supporters of the projects. The creation of crowdfunding initiatives can be a powerful way to support the arts projects and these channels have been used to get donations, being a way to have access to investment.

### **III. Case Study: PARTIS**

The Calouste Gulbenkian Foundation has been supporting several social initiatives in these years and the main methodology is the integration through the artistic practices. Because of the very positive results of this methodology, it was decided to launch the "Artistic Practices for Social Inclusion", called PARTIS, through the Gulbenkian Human Development Program (PARTIS regulation, 2015; 1).

The PARTIS program intends to distinguish the best and / or most innovative integration projects through artistic practice in visual arts, performing arts and audiovisual. In particular, the theater, dance, music, circus, graffiti, performance, painting, sculpture, installation, video and photography giving a consistent support to informed and sustained proposals which they can be evaluated and replicated (PARTIS regulation, 2015; 3). In addition, the program aims to support projects that (1) promote the social inclusion of citizens in vulnerable situations (2) facilitate the dialogue between cultures and ages that promotes equal opportunities and the strengthening of social and territorial cohesion. Through these artistic practices, PARTIS aims to encourage the formulation of new responses (or complementary and integrated responses to existing ones) to social needs, in order to create a social inclusion and social justice and to contribute to the development of personal, social and cognitive tools, promoting the exercise of full citizenship (PARTIS regulation, 2015; 3).

#### **Criteria for selection**

There some important requisites that are considered when an art organization applies (PARTIS regulation, 2015; 7):

The first requisite is the integration of professionals from the artistic area chosen by the organization (valuing paths with experience in art and social inclusion) and their experience on the promotion of the organization and partners.

The second requisite is the combination of social innovation and artistic excellence, meaning that the projects should link a social issue with artistic practices. Also, the quality and linkage between the diagnosis and the objectives, expected results, proposed activities and resources to affect the project are another important criterion.

The third requisite is the definition of objectives and results to be achieved should be clear as their indicators should be measurable and verifiable for project evaluation plus the overall ambition of the project (ability to respond to the problems identified, to find structure, comprehensive and effective responses to the challenges);

The fourth requisite is composition of the partnership and respective contributions to the proposed intervention in the project should be adequate as well as showing the replicability of the logic of intervention in groups or problems, and clearness of the conditions that guarantees the possibility of the replication of the intervention model.

The fifth requisite is to demonstrate the sustainability of the changes achieved by the projects, meaning that it is necessary to have a clear identification of the conditions that the project will practice on the direct participants, during the implementation process and the partner entities through its resources.

Finally, the projects should show the expectation of the durability of the project beyond the execution phase financed under PARTIS. Furthermore, the projects should show the expectation of continuity in the professionalizing or semi-professionalizing way (in areas other than exclusively artistic ones) for some of the direct participants of the project;

## Projects – description

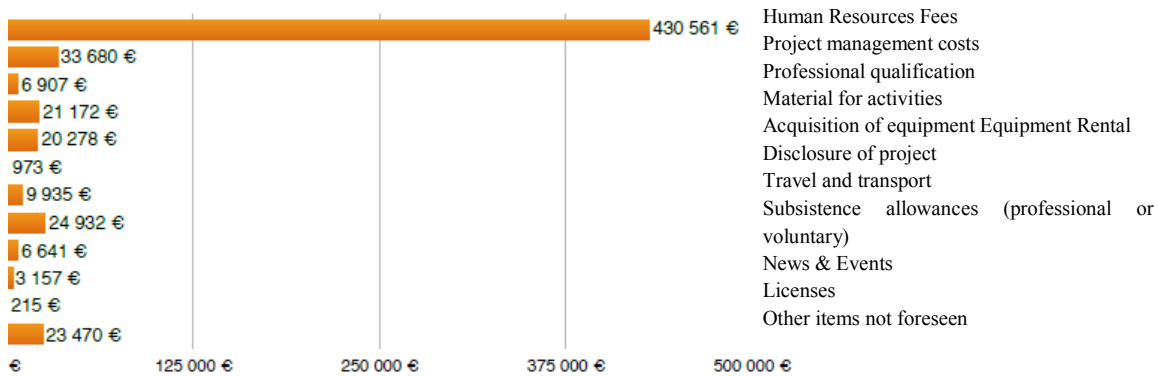
In the table we have seventeen projects that were selected by the 2015 PARTIS program (Description of PARTIS projects, 2015):

Project	Number of beneficiaries	Issue(s)	Description
<i>Integrar pela Arte – Este Espaço que Habito</i>	200 people between 14 and 20 years in tutelary measures	Social exclusion	To foster an active and dynamic participation of creative experiences through photography tools with the aim of bridging the frailties that impact on the social / relational skills of young people.
<i>Sons à Margem</i>	30 people aged between 16 to 30 who lives in sensitive areas or territories	Social exclusion	To develop the technical and artistic skills of young people from disadvantaged neighborhoods and territories, thus promoting the possibility of designing a career or working as technicians in these areas.
<i>Festival de Música de Setúbal (FMS) e Ensemble Juvenil</i>	4500 young emerging musicians, classical musicians from the conservatory and musicians with disabilities	Social exclusion	aims to offer the opportunity to create a musical project involving disadvantaged, excluded or disabled youth and bringing together citizens from different backgrounds through the annual FMS, annual workshops, extra regular teaching groups and the creation of a new Ensemble Juvenil", a social and musical inclusive group.
<i>CCA Orquestra Geração</i>	46 children and youth from Amarante from the most disadvantaged socio-economic backgrounds	Social exclusion; absenteeism, behavior and school failure	Promoting the social inclusion of children and youth through the integration in a musical project and try to make the reintegration into school environment of those who are in greater educational and social vulnerability.
<i>Mala Mágica – Artes Circenses para a Cidadania</i>	90 young people in the educational centers of Bela Vista and Navarro de Paiva	vulnerability , the self and hetero-exclusion	Achieves to build artistic and circus skills with young people, where it is possible to improve personal and social development and create opportunities for inclusion.
<i>Ópera na Prisão</i>	50 inmates aged between 16 to 25 years in Leiria Prision.	Social exclusion	aims to promote the self-esteem, self-control and personal and civic formation of the inmates of the Leiria Prison through the artistic creation in the field of music in general but Opera, in particular

<i>IBISCO - DE (Departamento de Educação)</i>	35 children and pre-adolescents who live in sensitive neighborhoods of Loures and Setúbal.	school failure, absenteeism, demotivation	Apply their educational methodology to the younger through the intervention by Art, guaranteeing the maintenance of affection between children and school and giving them the tools got from the Theater to their real lives.
<i>Mãos que Cantam</i>	25 deaf students	Social exclusion	Project where Social inclusion of deaf students is possible through their participation in a choir, demonstrating that deafness is not a limitation to musical expression and it is possible to promote the equal opportunities in artistic practices.
<i>Refúgio e Teatro: dormem mil gestos nos meus dedos</i>	120 asylum seekers and refugees of different nationalities, age groups and cultures	Social exclusion	artistic project that includes asylum seekers and refugees from different backgrounds and the beneficiaries themselves (i.e., "RefugiActo") emerge as "trainers" and energizers of corporal and dramatic expression sessions with other asylum seekers and refugees (this Asylum-seekers and refugees are faced with a reality that is unknown to them), reflecting in the psychological well-being of the beneficiaries, from their arrival until the integration phase.
<i>Há Festa no Campo</i>	150 residents (elderly) of Juncal do Campo and Freixial do Campo	Social exclusion, self-exclusion and social isolation	<i>"Reactivate the sense of belonging and citizenship of the villages, empowering them to be the main agents of development and pressure on local power"</i> . The intention is to strengthen/join the communities of Juncal do Campo and Freixial do Campo (Castelo Branco) making them participate in initiatives that promotes their identity and reinforce the empowerment of the place where they live.
<i>O Mundo à Nossa Volta</i>	120 children and young people in risk.	Social exclusion	Promote the Cinema as a part of artistic education, in particular because of the involvement of all arts (music, painting, sculpture, architecture, literature, poetry, representation). Kids learn to make a film organically (with technical skills and material) and learn to see the incredible relationships between images and sounds that produce new meanings.

<i>Companhia Limitada</i>	64 isolated people (mostly elderly or immigrants) from Mouraria zone, Lisbon.	Social exclusion, Isolation	Fight against the isolation using art as a “mediator” between the universe of those who live in solitude and the world where they can re-integrate. Also it is intended to create networks of new relationships and a continued service of artistic support.
<i>cbr LINHAS ART LAB</i>	25 young people victims of exclusion	Social exclusion	Tries to combine the creation of artistic forms with the contemporary need to create a relationship between the arts and the social context through this Theatrical pedagogical propose, creating an artistic training curriculum that would join youth communities in risk or in situations of social exclusion.
<i>URB</i>	50 people of all ages residing in peripheral urban areas with serious social problems.	Poverty, Social exclusion	Aims to develop a film project (script, identify actors and other technical staff) in order to create a television series of 55 episodes about life in the most fragile social contexts in big cities.
<i>MARGENS – Entre o Artístico e o Social / Um Projeto de Empatias</i>	20 homeless men from the Poço dos Negros hostel	Social exclusion	The project aims to provide training in the performing arts (areas of creativity and production through the integration of young people interested in the production team of a festival, promoting the personal value for this type of work and enjoy the true social inclusion.
<i>Daqui p’ra cá</i>	10 gipsy children aged 6 to 13 years living in Cova das Faias Social Neighborhood and 10 children from the Clara Leão School of Dance	Social exclusion	Promote the children’s approach through experiences of dance, dramatic expression and photography and there will be a show where all children will participate and the whole community is involved.
<i>Victoria 283</i>	Children 6/ 12 years old living in adverse socioeconomic conditions	Social exclusion, Poverty	The project proposes to lead a group of children to rethink their city, constructing of an installation around a model, a summary of the creative process of the children.

## Financial Implementation



**Figure 2** - Financial Resources executed by rubric (available from FCG) Total = €581,921. (Source: PARTIS 2015 report)

Regarding of the analysis of the financial execution of the resources made available to the projects by the Calouste Gulbenkian Foundation, it is shown the values that were submitted by the end of December 2015.

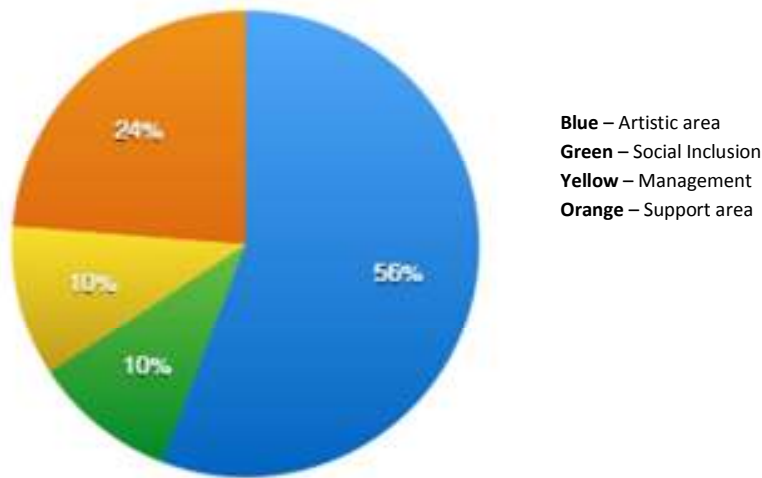
In this period, it is shown, in the “fees with human resources” item, the highest consumption of resources. with 74% (430,561 €) of the total. It represents the most important part of the funding available. In addition, but with a significantly lower value, the rise of the costs associated with project management, which is € 33,680, 6% of the total amount.

**As shown below in the figure, this indicator reveals idea of the size and Relevance of PARTIS as an incentive instrument for investments and commitments for intervention in the area of arts and social inclusion,**

**And this aspect should be highlighted as a relevant outcome of the Program.**

**In this ability to attract resources from local partners, the brand image and quality assurance**

## Human Resources



**Figure 3** - Professionals at the service of Project (volunteers) by work area (Source: PARTIS 2015 report)

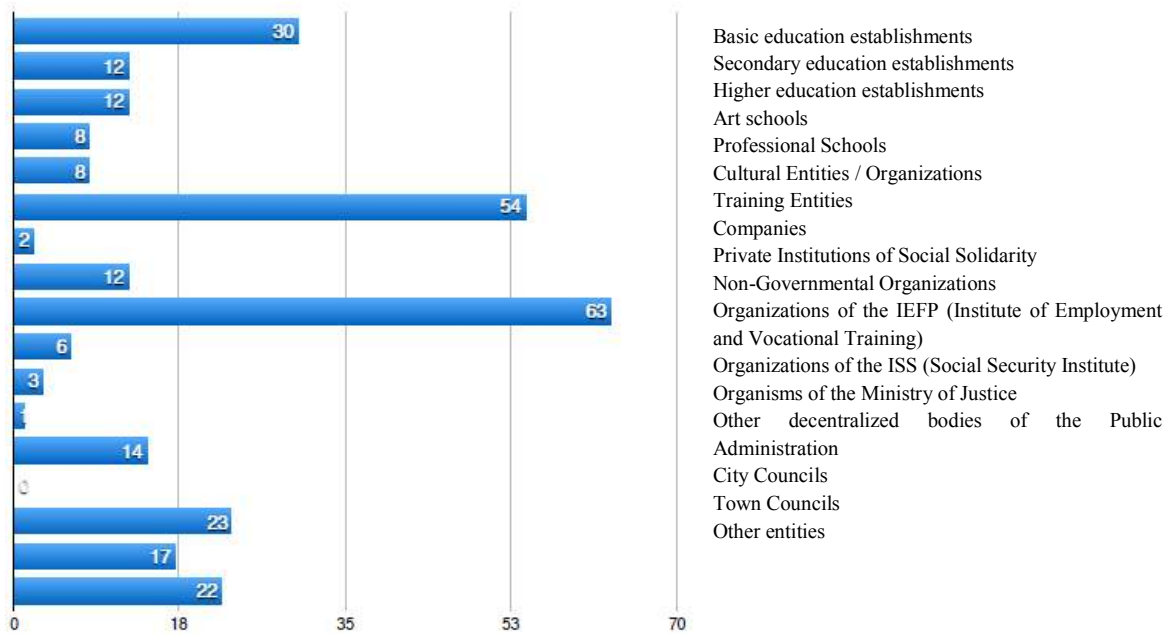
According to PARTIS 2015 report, it was found that professionals in the artistic areas (56%) remained the largest group, followed by support professionals (24%). Then, the figure shows the areas of management and social inclusion, both with 10%. This distribution trend is evident from the beginning of the implementation of PARTIS projects. This is where the small number of professionals in the area of social inclusion, which is 10%.

Also in the case of the volunteers, the artistic areas are maintained, with the highest number of professionals (44%), followed by support areas (37%), social inclusion area (14%) and, the management areas.

## Partnerships

Cultural entities / organizations occupy the largest share of the type of partner entities that have participated in the implementation of the projects (54), having been superseded by the Private Social Solidarity Institutions (63), followed by establishments (30) and municipal councils (23). This data allow us, through field partnerships, to highlight four important aspects that have determined the nature of this program on the ground.

A very relevant figure relates to the total number of partners (287), which corresponds to an average of more than twenty-two (22) partners per project. It reveals that, in the one hand, the growing importance of projects and their results in the intervened territories. On the other hand, the aggregating capacity of efforts that projects have when associated with an institution with the weight of the Gulbenkian Foundation, which is confirmed through the perceptions gathered in face-to-face monitoring actions.



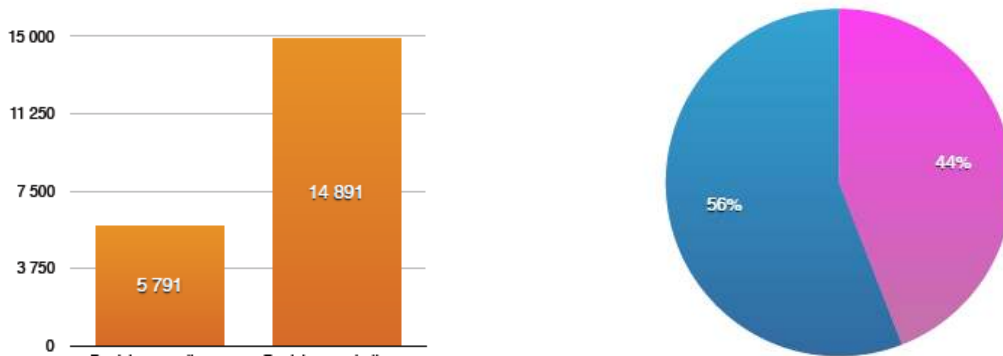
**Figure 4** - Number of partners who have already participated actively in the implementation of the project (Source: PARTIS)

### Direct and Indirect Participants

All projects identify direct and indirect participants, meaning that there are more than four hundred and forty-five (445) direct participants per project. In spite of the differentiated distribution of these values, it is seemed that the global numbers reached could be considered satisfactory depending on the individual nature of each project.

Also the amounts reached at the level of the indirect participants (14891), which makes a higher average of 1145 participants, showing a significant visibility of all the projects (Fig. 11).

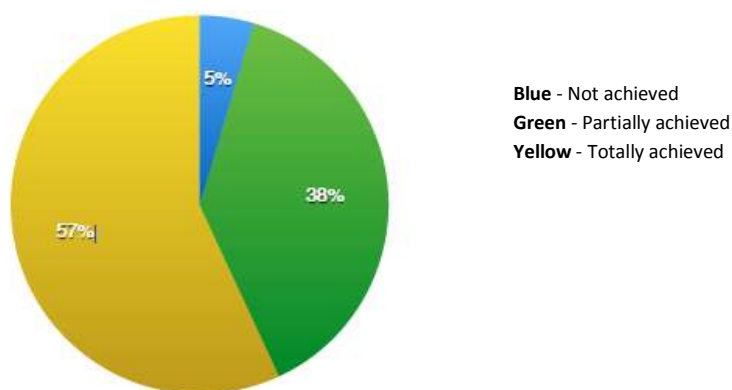
Regarding the sex of the participants, the male gender predominates, although the imbalance is very significant (12 %), particularly if we consider the implementation context of some projects.



**Figure 5 and 6** - Number of direct and indirect participants (first bar, the direct and the second bar indirect participants); Number of direct participants, per genre (purple: Feminine; blue: Masculine)

### Objectives and Results

The ability to achieve the proposed objectives is measured by the effectiveness of the projects and it is positive. The figures presented by the projects point to a scenario in which fifty-seven percent (57%) of the objectives are fully achieved and thirty-eight percent (38%) partially achieved, leaving only five percent (5%) of the objectives. This data clearly reflects the vitality and maturity of the projects implemented, and point to very relevant values in the overall effectiveness of the Program itself (Fig. 20).



**Figure 7** - Number of specific objectives, according to their level of achievement (n = 13) (total objectives = 65)

## **V - Recommendations: how can PARTIS harness from impact investment tools?**

From this analysis and, according to PARTIS 2015 report, we can conclude that PARTIS is already a reference for the actors in the artistic and social sectors in Portugal and the success of the second edition in adhesion level and the quality of the projects presented confirms this success. Therefore, we can say that the role of the PARTIS Program in valuing the arts as a catalyst for change and social impacts is already recognized and the evolution of the projects and the Program is closely followed by many of the actors of these systems (artistic and social). In fact, the quality image and the prestige of the Calouste Gulbenkian Foundation have helped this ability to raise additional resources, increasing the transformative potential of the reality of the projects financed and their social impact.

In comparison with the Arts Impact Fund, both have some similarities and differences on the criteria of admission.

The first similar aspect is the promotion of the Artistic Excellence, through the implementation of both Social Issue and Artistic education.

The second similar aspect is the clearness of objectives and results to be achieved, showing the adequate indicators to measure the project evaluation. In addition, both ask about the overall ambition of the project and the composition of the partnership and respective contributions to the proposed intervention in the project should be adequate;

The third similarity is the expectation of the durability of the project and the expectation of continuity according to the life of the funds.

Nonetheless, what really differentiates the cases of PARTIS and Arts Impact is Understanding Financial and Operational Resilience (for instance, in the *Understanding risk*, the fund asks about the skills/systems to manage the loans and the capacity of the board to understand the key risks of decisions and in *Commitment*, the real capacity of the Board and Management to obtain the fund). This is because, in the case of PARTIS, this aspect is not clear and detailed in the criteria. In the contrary of the case of Arts Impact Fund, we could examine in detail. In general, I could suggest that in the PARTIS case there are no detail and clearness in the criteria as we have in the English case. So, PARTIS could benefit from the Funds case borrowing some criteria that is not clear in the regulation and it is essential to the organizations to examine in detail what is really required to obtain financial support.

Therefore, it is believed that some aspects should be improved and I would like to make some recommendations to PARTIS in order to attract more and more social investment to the program. These recommendations are based on several sources of information: the desk based research, benchmark, face-to-face interviews and PARTIS information analysis.

## **Impact**

In the Impact, PARTIS should ask projects to create processes and supports for recording and monitoring the results / changes achieved, in particular in the area of social inclusion. According to the report, most of the funds are used to finance the human resources. So, PARTIS should support the organisations to manage of the necessary funds to invest in efficient tools to monitoring better the results and the impact of the activities, prioritising the building of the organisations tools to analyse the evidence of their impact (the low evidence would be a barrier to maintain the outputs and outcomes and the communication of impact, for instance). Sometimes, some organisations have the capacity to get sophisticated tools to capture social impact data, so PARTIS could share some examples of best practices with organisations that have less capacity to do so.

Some projects identified the reduced presence of professionals in the social area which led other organisation members to present an incipient work in the dimension of social inclusion of projects. So, it is recommended to PARTIS to encourage organisations to develop a peer networking and trust “*within umbrella bodies and frontline organisations*” of the sector, asking always for regular feedback and a regular supervise on the development of the projects.

## **Criteria Analysis**

The Gulbenkian project should strengthen the evaluation of “Artistic Excellence” by finding an alternative approach. In this thesis, it was showed the Arts Impact Fund criteria about the importance of the Artistic Excellence. Therefore, it is essential to reinforce this criterion, for example asking about the real artistic mission of the organization and what is the artistic strategy to achieve important artistic goals. In addition, as the creation of partnerships and other artistic initiatives are important in these areas, it can be asked about how the organisation would engage in this situation.

## **Business Model and financing mechanisms**

The report identifies the gaps about the sustainability of the projects. Although in PARTIS criteria is asked about the expectation of durability of the projects, it is suggested to PARTIS ask the organisations more about the funding request according to the organisation scale, showing a clear demonstration of the investment appropriation but most important the of the board and management’s capacity to take and manage the investment.

Because of the lack of funding and austerity, organisations should look for innovative tools to fundraising. Therefore, when the project funding time is finishing, PARTIS should encourage the supported organisations to create crowdfunding initiatives and to create a community shares (group of supporters of the projects) and these initiatives could be a potential way to get donations and necessary investment for the projects.

## VI - References

### Reports

Calouste Gulbenkian Foundation, *Regulamento PARTIS: Práticas Artísticas para a Inclusão*, retrieved 15/11/16.

Calouste Gulbenkian Foundation, *PARTIS 2015 report*, retrieved 29/11/16.

### Web

Stanford Social Innovation review, *Social Entrepreneurship: The Case for Definition*. Retrieved 5/11/16 from: [https://ssir.org/articles/entry/social\\_entrepreneurship\\_the\\_case\\_for\\_definition](https://ssir.org/articles/entry/social_entrepreneurship_the_case_for_definition)

The Real Deal, *What is Impact Investing?*, retrieved 20/11/16 from: <http://sites.ndtv.com/therealdeal/what-is-impact-investing-and-how-does-it-work/>

Arts Impact Fund, *Theory of Change*, retrieved 20/11/16 from: <https://artsimpactfund.org/theory-of-change-guide-for-arts-and-cultural-organisations/>

Impact investing, *Logic Models: How Social Impact Measurement Tools and Methods fit into your Logic Model?* Retrieved 29/12/16 from: <http://impactinvesting.marsdd.com/social-impact-measurement/how-social-impact-measurement-tools-and-methods-fit-into-your-logic-model/>

Gulbenkian Foundation, *PARTIS project*, retrieved 29/10/16 from: <https://gulbenkian.pt/project/partis/>

Gulbenkian Foundation, *PARTIS project description*, retrieved 30/11/16 from: <https://gulbenkian.pt/wp-content/uploads/2016/12/Partis-II-resumo-dos-projetos-apoiados.pdf>

Entrepreneurship, *The Meaning of "Social Entrepreneurship"*, retrieved 12/11/16 from: <https://entrepreneurship.duke.edu/news-item/the-meaning-of-social-entrepreneurship/>

Laboratório de Investimento Social, Glossary, retrieved 30/12/16 from: <http://investimentosocial.pt/wp-content/uploads/2015/02/RN1-Glossary.pdf>

Center for the Theory of Change, *What is Theory of Change?*, retrieved 4/11/16 from: <http://www.theoryofchange.org/what-is-theory-of-change/>

*Bowarts organization*, retrieved 2/1/17 from: <http://www.bowarts.org/about/about-us>

Arts Impact Fund, *Eligibility criteria*, retrieved 2/1/17 from:

<https://artsimpactfund.org/eligibility-criteria/>

Skoll Centre for Social Entrepreneurship, *What is Social Entrepreneurship?* Retrieved 23/11/16

from: <http://www.sbs.ox.ac.uk/faculty-research/skoll/what-social-entrepreneurship>

Impact Programme, *What is impact investment ?* Retrieved 29/12/16 from

<http://www.theimpactprogramme.org.uk/what-is-impact-investment/>

Arts impact fund, *Titchfield festival*, retrieved 2/1/17 from: [https://artsimpactfund.org/titchfield-](https://artsimpactfund.org/titchfield-festival-theatre/)

[festival-theatre/](https://artsimpactfund.org/titchfield-festival-theatre/)

*Second Floor UK*, retrieved 2/1/17 from: <http://www.secondfloor.co.uk/>