



Good Practices on Impact Investing

A Policy Learning Platform event
28.10.2021 Valencia, Spain

The **Policy Learning Platform** thematic workshop “**Good practices on Impact Investment**” took place as a part of the [AGORADA+ 2021](#) Conference held in Valencia on 28 and 29 September 2021. The workshop included topical presentations by **Alexandre Almeida** from National Innovation Agency (Portugal), **Evdokia Balamou** from Larnaca and Famagusta Districts Development Agency (Cyprus), **Tracey Hannon** from Clann Credo (Ireland) and **Viktorija Vaitkevičienė** from Coinvest Capital (Lithuania).





Highlights

Impact investing goes beyond traditional investments as it is also taking into account possible **environmental and social impacts** of investments in addition to financial returns. This concept, although in theory known already for some time, is still relatively new and used rarely in practice. The workshop explored the lessons learned from the existing instruments and fostered a discussion on how to make impact investing more widely used in Europe. Key learnings of the workshop include:

It all starts with the mindset of people

- The introduction by [Alexandre Almeida](#) from the National Innovation Agency (Portugal) made clear that the challenges with impact investments are related to a larger extent to the **mindsets of people** and how to make a transformation that, apart from looking only for financial profits, would also consider social, and environmental returns. In this context, it is especially important to **support experimentation** and taking chances with impact investments to enable the change in mindsets to take place.

Corporate Social Responsibility and SMEs

- As presented by [Evdokia Balamou](#), from Larnaca and Famagusta Districts Development Agency (Cyprus), SMEs often perceive **Corporate Social Responsibility /CSR** strategies as time consuming and expensive. Extra effort is needed to convince SMEs that **CSR principles are also relevant to them**. One example of **successful advocacy** towards SMEs comes from Cyprus where a specific assessment tool - the Socially Responsible Investment tool – has been developed to assist SMEs in their CSR process.

Supporting social innovation is not only about the money

- [Tracey Hannon](#) from Clann Credo (Ireland) emphasized that in the case of **support to social innovations**, providing financial support is not only about the money involved but also about giving **confidence to local community members** and enabling them to take **collective responsibility** for the future.

Practical advice on impact investing

- Tracey also advised that when setting up a **social finance instrument** or **support framework** of any sort, it is important to stick to your strengths and work with the **social economy segment** that you know the best (e.g., voluntary sector, community organizations, businesses, family businesses, etc).
- According to [Viktorija Vaitkevičienė](#) from Coinvest Capital (Lithuania), when setting up new financial impact investment instruments it would be important to find ways how to not mix up providing subsidies with making investments with an impact and creating a potential for future.

Good practices

The presentations from experts across European regions featured good practices related to impact investing.

Matching investors, researchers, and enterprises

[Road-CSR](#) project - [Socially Responsible Investment Tool](#)

- SRI is an investment tool that considers environmental, social, and corporate governance criteria and it **helps SMEs to implement CSR in their business core**. The purpose of the tool is to enable asset owners/investment managers to undertake a basic assessment of company's environmental, social and governance practices, and to thereby enable them to consider these **extra-financial factors** as part of investment decisions to generate **long-term competitive financial returns and positive societal impacts**.

[Innova-FI](#) project - [RIS3 One Stop Liaison Office](#)

- RIS3 One Stop Liaison Office is a **joint mediation structure** of the Region of Central Macedonia, Greece, between **business and academic sectors** in the region. It undertakes networking and collaboration initiatives, mapping business needs in the priority areas of the RIS3 Strategy and organizing targeted actions to address them. It seeks to **link research, innovation and new technologies** produced in the universities and research centres with the real economy.



Access to finance

[RaiSE](#) project – [Clann Credo](#)

- Clann Credo is Ireland's **leading provider of loans to community and voluntary organisations** providing a social return and capacity to sustain a loan. The organisation provides term, bridging and working capital loans to community-based organisations for the development facilities and services throughout Ireland. These projects must demonstrate a capacity to meet the repayments on a loan in addition to the addressing a **social need**. No personal guarantees are required, and early repayment is not penalised.

[RECREATE](#) project - [Co-invest for Transport and Communications](#)

- Coinvest for Transport & Communication is a venture capital fund promoting **sustainable mobility and environmentally friendly transport**. It was initiated by the Ministry of Transport and Communications in Lithuania with the goal to promote innovations in the sector. Under this fund, investments are made only into micro and small enterprises regardless and the investment size can be up to up to 800 thousand Euro for 5 years.

[Innova-FI](#) project – [Portugal Ventures](#)

- Portugal Ventures is a public venture capital fund, that leverages on European Structural Funds to address a **market failure in the support of SMEs** in Portugal. Portugal Ventures' mission is to invest in start-ups in the pre-seed and seed stages. As a public operator, the investment strategy follows clear objectives mostly linked to the systemic impact of projects in order to fully address the identified market failure. Since 2012, Portugal Ventures has analysed over 1811



projects; established a network of more than 70 ignition partners; invested more than 140M €; funded more than 110 start-ups.

Next steps

Considering the **goals of green and just transition** for the European Union, impact investments might become an increasingly important paradigm in the near future for achieving those goals at EU, national and regional level.

Impact investment includes a broad range of **different financial instruments** (loans, grants, equity, bonds, etc) and it is based on a variety of **different business models**. In some cases, the way to define and measure impact investment can be challenging, and **more exchanges and promotion of good practices is needed** to make different target groups aware of its potential. Interregional learning and benchmarking of different available impact investment instruments is a useful tool to get the concept more broadly accepted and implemented across Europe.

In addition to the Workshop, the Policy Learning Platform team also organized a matchmaking session on the second day of the AGORADA conference. Even if you were not able to attend, the [Interreg Europe Policy Learning Platform](#) can help you address any policy challenges. Through [matchmaking sessions](#) and [peer reviews](#) we can provide you with experiences and in-depth knowledge from other regions that have successfully found solutions for the challenges you are experiencing. Curious about who these services work? Visit our [expert support](#) webpage and contact us.

Policy Learning Platform resources

- Policy Brief: "[The social economy and support to social enterprises in the European Union](#)"
- Policy Brief: "[Regional Branding for SME success](#)"
- Policy Brief: "[Internationalisation of SMEs](#)"
- Policy Brief: "[Vouchers for the competitiveness of SMEs](#)"
- Policy Brief: "[How to boost entrepreneurship in rural areas?](#)"
- E-workshop: "[Scaling-up European SMEs](#)"

For more information on [AGORADA+ 2021](#), have a look at the [proceedings of the event](#), and the [photos taken](#).

