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PORTUGAL SOCIAL INNOVATION CASE STUDY

**How to use venture philanthropy
financing to support the
experimentation & scaling of a social
innovation: from match-funding to
impact investment.**

HOW IS COLORADD COLOURING THE WORLD?

1. THE SOCIAL PROBLEM

The challenges currently being faced by society are diverse and complex. Less common or less visible issues are sometimes neglected. One such example is **colour blindness**.

Colour blindness is a birth condition that limits the ability to distinguish colours. There are three different types of colour blindness, and it is estimated to affect around 350 million people worldwide (10% of the male population and 0.5% of the female population). In Portugal, the affected population is estimated to be around 550,000 people.

Such a condition represents a significant limitation in the lives of those who have it, simple tasks like choosing clothes for daily wear or even the freedom to choose a professional field are affected, which can significantly impact self-esteem, autonomy, and personal fulfilment.

In a world where the vast majority of communication is done through colour (around 90%), a solution for this problem was lacking.

2. THE INNOVATIVE SOLUTION

ColorADD is an innovative and universal colour identification system for colour blind people whenever colour is a factor of orientation or choice, enabling the understanding of information by anyone, anywhere in the world, regardless of their social, cultural, or religious background.

The way it works is simple: it is based on five graphic symbols representing the primary colours (blue, yellow, red), white and black. By combining these symbols through knowledge acquired from the "Theory of Colour Addition," the entire palette of identifiable colours emerges.

The creation process of ColorADD was not immediate; it was the result of several years of work and dedication, which, according to the founder Miguel Neiva, can be divided into three main stages:



1. 2000 - 2009 understanding the lack of effective solutions to help overcome the personal constraints imposed by colour blindness, solution research and development;
2. 2010 ColorADD company was created and the code was disclosed;
3. 2014 ColorADD Social association was created to take the solution to schools with the aim of ensuring access to all children.

The entrepreneur Miguel Neiva is an Ashoka Fellow which believes *“that design, more than the ability to create beautiful objects, has the power to make the world a better place”*.

3. THE FINANCING PHASES & POTENTIAL FOR IMPACT

Both the company and the association ColorADD sought funding promoted by Portugal Social Innovation, a public initiative that mobilises funds from the European Union to finance social innovation projects and drive impact investment through instruments specifically designed for that purpose.

In the case of ColorADD Social association it was through the **match-funding instrument** named **Partnerships for Impact**, whereas in the case of the ColorADD company it was through the **Social Innovation Fund equity line** in co-investment with private co-investors:

- A. **Partnerships for Impact**: finances 70% of the funding needs of social innovation projects, with the remaining 30% provided by public or private social investors.

The association ColorADD Social aims to combat social exclusion caused by colour blindness, with a particular focus on the 1st Cycle of Basic Education, 3rd grade school, to ensure that all children have access to equal opportunities for learning, understanding and living with differences. To achieve that goal, a programme was developed allowing all students to experience colour blindness, including capacity-building actions, colour blindness screening activities, digital kit(s) for libraries and schools, including all participating students.

ColorADD Social got the approval of four (4) applications in the framework of the finance instrument Partnerships for Impact, one implemented in the North, another one in the Centre



and two others in the Alentejo region. All four applications were submitted in partnership with social investors, as follows:

LEADING ENTITY	APPLICATION CODE	REGION	STARTING DATE	CLOSING DATE
Coloradd Social - Association	POISE-03-4639-FSE-000029	NORTE	01/01/2017	31/12/2019
FUNDING				
Portugal 2020 (70%)		125 906 €		
Social Investment (30%)		53 960 €		
TOTAL		179 865 €		
SOCIAL INVESTORS				
Calouste Gulbenkian Foundation				

LEADING ENTITY	APPLICATION CODE	REGION	STARTING DATE	CLOSING DATE
Coloradd Social - Association	POISE-03-4639-FSE-000870	CENTER	01/07/2021	31/12/2022



FUNDING	
Portugal 2020 (70%)	74 332 €
Social Investment (30%)	31 857 €
TOTAL	106 189 €
SOCIAL INVESTORS	
Intermunicipal Community Médio Tejo	

LEADING ENTITY	APPLICATION CODE	REGION	STARTING DATE	CLOSING DATE
Coloradd Social - Association	POISE-03-4639-FSE-000030	ALENTEJO	01/06/2017	31/12/2019
	POISE-03-4639-FSE-000757		16/03/2020	15/03/2022
FUNDING				
Portugal 2020 (70%)	170 260 €			
Investimento Social (30%)	72 969 €			



TOTAL	243 229 €
SOCIAL INVESTORS	
Calouste Gulbenkian Foundation	
Eugénio de Almeida Foundation	
Intermunicipal Community do Alentejo Central (CIMAC)	
Miguel e Associados – Graphic Design, Lda	

RESULTS:

The project has shown a high success rate because since its inception until January 2023, it has reached over **108,000 people** within the school community, delivered over **43,200 ColorADD kits to students**, including more than **500 libraries** using the ColorADD code.

Over **3,000 awareness and capacity-building actions** were conducted, reaching more than **1,776 schools**, conducting over **42,492 colour blindness screenings** involving over 43,600 students, and engaging more than 6,400 teachers and school professionals.

Additionally, the code has been included in over **900,000 school textbooks**, and more than **2,600,000 national high school exams** have been conducted using the ColorADD code. The association was also able to scale the awareness programme to countries like Kenya, India, and Mozambique.

B. **Social Innovation Fund**: is a financial instrument, currently under the direct management of the Portuguese State Owned Bank – Banco Português de Fomento, that co-invests in equity alongside with private investors, designed to support social innovation and entrepreneurship initiatives requiring significant investments, in their consolidation or



expansion phase, if presenting conditions of financial sustainability that allow for the repayment of such investments.

The company ColorADD applied for the Social Innovation Fund to strengthen their business presence and scaling in the Northern region of Portugal, as well as its expansion at national level. ColorADD got an investment of €375,000, of which €225,000 from the Social Innovation Fund, and the rest from other investors, including from the Fund Common Good and CORE Angels Impact.

The investment round aimed to create the required conditions to recruit new employees, subcontract essential services for the efficient functioning of the organisation, strengthen the ability to engage potential partners and improve follow-up sales processes to integrate the solution in existing structures or services provided either by private or public sector, such as big corporations, municipalities, front-line services.

RESULTS:

The ColorADD code is currently being used in multiple sectors, from clothing and textiles to educational games like UNO, modelling clay (plasticine), painting materials, and pencils. It is also used by cities in their public spaces and public transportation systems such as metro and bus lines/stops. It is present in sports venues like the Dragão Stadium in Porto, hospitals where it is used to distinguish materials or signal routes for different specialties, parking lots of shopping centres, beach flags, and more. Due to its versatility, the ColorADD code presence is increasing its presence internationally.

4. THE WAY FORWARD

The future looks promising for both the company ColorADD and the association ColorADD Social, with both initiatives experiencing growing adoption nationally and internationally.

Their growth is expected to continue in a consistent manner, always seeking not to compromise the safety and trust users have in the code, but also to honour the innovation developed and recognitions received, namely by the United Nations Organisation as one of



the 54 best innovation practices and by the International Design For All Foundation awards, to decrease inequalities

The internationalisation approach will continue to rely on strategic partnerships, in the case of ColorADD Social, in the short term, there will be a pilot in Spain with the aim of understanding the viability and potential needs for expanding the project into Spanish schools. In the long term, the aim is to scale the project to developing countries with greater need.

