

STICHTING DOEN

VRIENDEN
LOTERIJ

NATIONALE
POSTCODE
LOTERIJ

BankGiro
Lotterij

Innovative finance for Arts and
Culture in Development

For what end?-Lessons learned

Idriss Nor;
Manager private equity and intl. culture



Why “innovative” finance?

Our hypothesis (~1994)

- Small cultural SME's not only need subsidies but also other kind of finance to become more sustainable and to grow;
- Banks are not willing yet to provide this kind of finance;
- Prove that the cultural sector is as well full of entrepreneurs and that other –more traditional- investors will follow: more money for culture



What did we do and what did we learn?

Creative sector (film; music; etc) Africa and Latin-America

- Loans
- Bank guarantee/warrant (direct or via fund)
- Micro-loans
- Private equity



Conclusion

- Beware of the 'buzz'... innovative finance is not a goal itself.
- Specific definitions needed: what is the market? which kind of finance? For what kind of organizations?
- Specific knowledge is needed to handle these type of investments;
- Arts and culture sector mostly has other aims than regular businesses or industry;
- Alignment of goals is needed if culturefunds partner with regular financial institutions unfamiliar with the culture sector;

