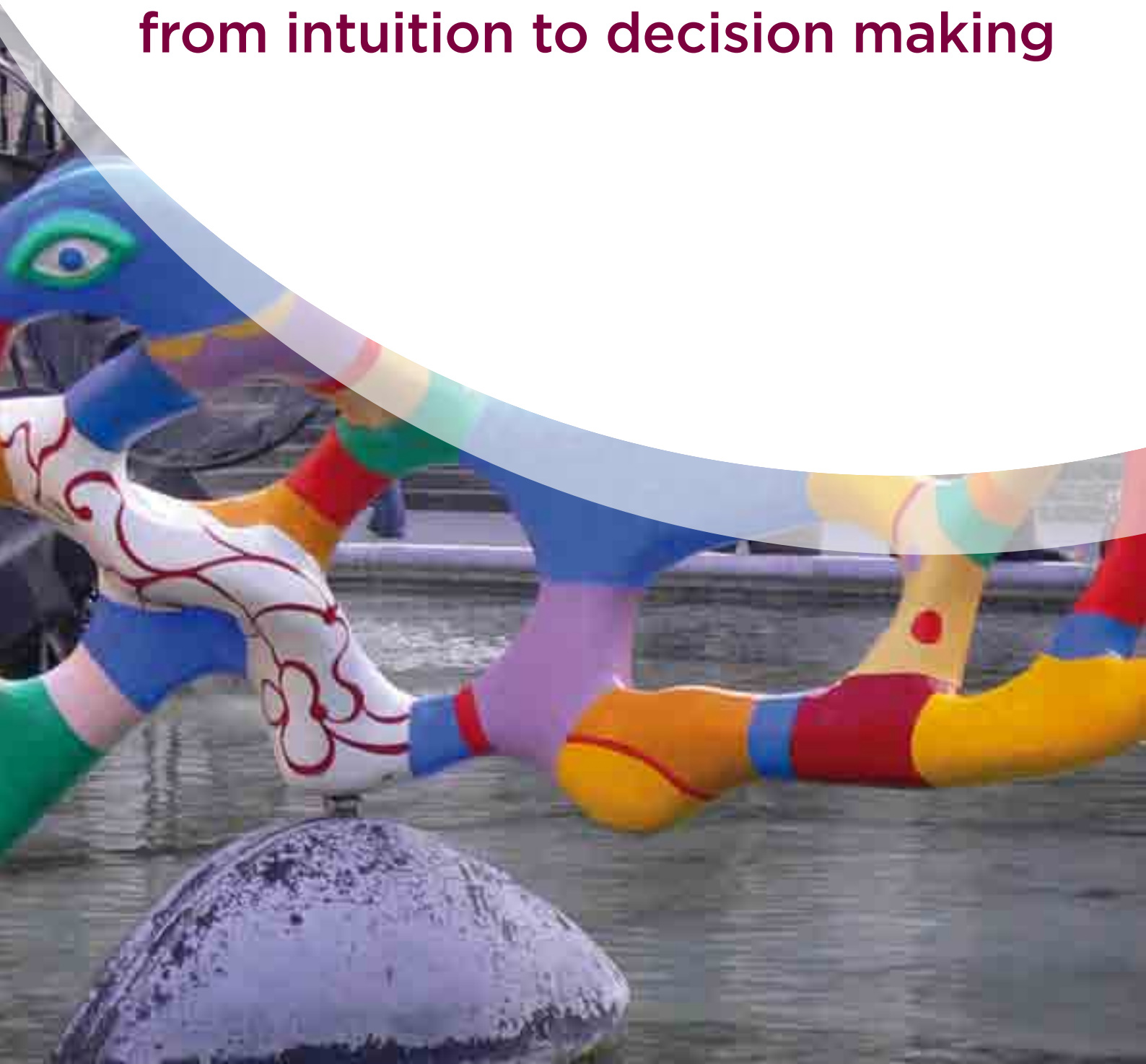
FORUM D'AVIGNON 2011

Kurt Salmon

Cultural undertaking & investment: from intuition to decision making



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Foreword

Financial and social crises, budget discipline all over the world... rarely has an environment been so highly strung, impacting on all economic activities. And yet, in this lacklustre environment, cultural consumption increases and the number of cultural offerings available on the internet explode... as if culture forms part of the answer to the questions and expectations of citizens and consumers; and even more so in this crisis environment.

Jeff WALL, Children, 1988, © of the artist.

However, this climate is forcing more and more cultural "investors" to ask themselves new questions:

- Which project to invest in?
- What are the qualitative and quantitative criteria for evaluating an investment in culture?
- How to evaluate "soft" projects?
- How will these investments pay off in the future?

All this in a context in which, even if the investment is long-term, innovation and decision cycles are forever getting shorter and new business models and cultural offerings are appearing, largely thanks to new technology.

It is only by meeting these challenges that cultural investors and entrepreneurs, whether they are in the public or private sphere, can benefit from this pivotal period: a period in which culture is changing its status and is becoming seen as a profitable investment or generating profits for both the economy and society as a whole.

In 2009 and 2010, we studied the links between the culture and attractiveness of different regions. For the 2011 edition, we chose to investigate the decision models linked to an investment in a cultural project. Our goal: to define a useful framework for decision makers, highlighting the different indicators – economic and qualitative – to be taken into account and how to combine them.

Our goal here is not to create a decision matrix in the strict sense of the term. It is more to plot out a general framework that can help with decision making, each situation remaining unique as it is ultimately tied to a structure, geographical area, context and the particular nature of the project.

In carrying out this international study, we relied on interviews with nearly sixty public sector and private sector decision-makers, promoters, artists and creators, as well as experts focused on a cultural-based investment (infrastructure, events, products, etc.) who had to take this type of decision at one time or another.

Happy reading,

Vincent FOSTY, Marco LOPINTO, Marie-Joëlle THENOZ, Jean-Pascal VENDEVILLE

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Ever more culture!

Being alive and anchored in its era, culture is ceaselessly welcoming new disciplines: the latest to enter the cultural field are video games and cooking. All of our experts stress the importance of this type of opening which is essential for maintaining contact with the public. In its broadest sense, culture demonstrates its direct and indirect economic value: if so many new projects are being developed, it is because both private and public investors know that a well-run cultural project not only generates profits but can also allow an entire economic system to develop within a given geographical area. In this profitable environment, culture sees the emergence of new investors, focused on new types of projects; in particular, efforts to attract creative industries to an area are increasing. Public-private partnerships are created for projects at an unprecedented rate. At the same time, working in the cultural arena is de facto a matter for professionals; as well as artistic sensibilities, management skills are becoming indispensable. Other new skills required by these developments include all those related to digital. Many players in the cultural scene have put information technology at the heart of their development strategy and are already achieving remarkable results. Talent remains, of course, the most essential ingredient.

Everything becomes culture

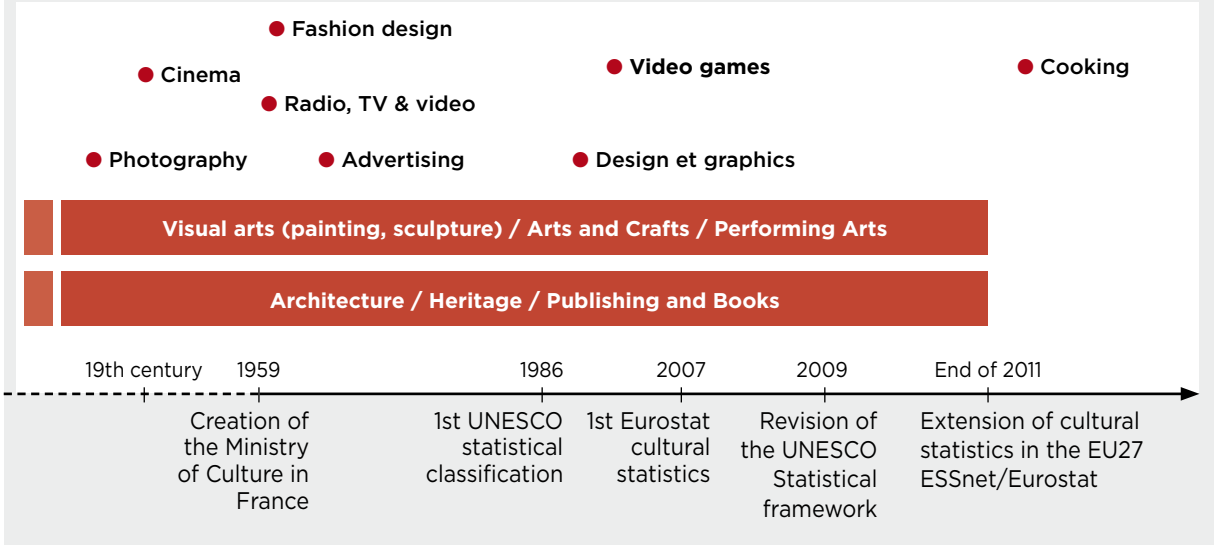
What is culture? The answer to this question is not the same as it was during the last century and will no doubt continue to evolve in the future. Without denying the importance of traditional disciplines (painting, music, literature, theatre, etc.), all experts have noted that new disciplines are regularly given the label of "culture". A recent example? The video games sector, which, since the mid-Noughties, has progressively gone from being an entertainment industry to acquiring the status of cultural industry. This was consecrated in 2009 when UNESCO included this activity within the scope of its cultural statistics.

It is this capacity to integrate the new that keeps culture alive and assures its longevity. The timeline below shows how the cultural field has constantly been open to new activities.

This expansion is experienced daily by the players we interviewed. In Germany, Bernd FESEL, Managing director of the regional agency for the support of creative industries (ECCE[1]), refers to a 2009 study carried out by the German federal government for defining the scope of intervention in the sector. This study defines 11 branches of the current creative economy: CD's, books, art, films, radio, theatre, performing arts, design, architecture, the press, advertising, multimedia and video games. For him, the list could go on as it does not include cooking which, for many players, is already part of the cultural sector. Since November 2010, in fact, French cooking and the Mediterranean diet have been included in the UNESCO list showing the intangible cultural heritage of humanity: proof, if any be needed, that the very notion of the cultural field has not finished evolving.

1- European Centre for Creative Economy.

The expansion of the cultural field with the integration of cultural and creative industries



Major economic impact

The economic weight of culture is growing around the world.

In 2005, within the European Union, the cultural sector employed 3.1% of the total active population of the Union. This is about 7.2 million people or more than the active populations of Austria and Denmark combined! And the movement is intensifying: whilst total employment declined in the EU between 2002 and 2004, employment in this sector increased by 1.85% during the same period.

Production in the sector is also growing: in 2005, it represented 2.6% of the EU's GDP or more than 654 billion Euros. This is more than the chemical, rubber and plastic industries (2.3% of GDP).

This effect is felt even more strongly in the rest of the world: in the United States, cultural industries employed 8.41% of the workforce in 2002 and produced 12% of GDP for the same year, or 1.25 billion dollars. In Canada, meanwhile, they contributed to 3.8% of GDP and generated 40 billion dollars in revenue for 2002. This is more than the mining, gas and petroleum sectors and even the agricultural and forestry sectors. Finally, in China, the cultural sector employed 1.48% of the workforce in 2006, or 11.32 million jobs and contributed 2.45% to GDP with a turnover of 47.6 billion Euros.

These figures naturally inspire decision-makers in the public and private sectors: for many of those we interviewed, investment in culture is an effective way of attaining development goals and achieving economic recovery.

It is not only a question of creating direct employment: culture also brings considerable leverage.

This is underscored, for example, by the economic analysis carried out this year for the Avignon Forum by the firm Tera Consultants on the database created in 2009 and 2010 by Kurt Salmon for an international panel made up of 47 cities from 21 different countries. This analysis shows that "if public expenditure on culture by cities only accounts for an average of 0.7% of GDP per capita, this same expenditure is, however, statistically correlated to about 9% of GDP per capita". This correlation does not mean, of course, that there is a strict relationship of cause and effect: many other players need to be taken into account when explaining the performance of cultural investment. Nonetheless, the econometric analysis certainly shows the leverage cultural investment has on GDP growth. For a town, investing in culture does not only serve to improve the well-being of inhabitants or develop social living: it's also a way to boost their economy.

The well-known example of Bilbao, with its Guggenheim Museum, illustrates this leverage effect well. Indeed, the 132 million Euros that was invested in the project were fully amortised in the first year since the direct spending by visitors caused the GDP for the city to increase by 144 million Euros. 10 years later, the leverage is increasing. Now, 210 million Euros is brought into the city each year by the Guggenheim Museum.

This is not an isolated case. The city of Metz is undergoing the same dynamics following the opening of the Pompidou Centre.

The investment costs (land purchase, construction, etc.) were 70 million Euros, co-funded by public entities (10 million by the Department, 10 by the Region, 4 by the State, 2 by Europe and the rest by Greater Metz), while the operating budget for the year 2009 totalled 12 million (9 financed by grants and 3 by their own revenue). A year after opening, the first benefits of the Pompidou-Metz Centre are as follows:

Pilier tulipe ©Centre Pompidou-Metz.

- The development of tourism which results in significant increases in overnight stays and hotel business.
- Metz traders also estimate that 35% to 40% of visitors to the museum then go on to visit the city; thus profiting the shops and especially the restaurants.
- An accelerated pace of urban development, notably the restoration of the amphitheatre quarter which will include 1,600 residences and 40 businesses with private investments amounting to 460 million Euros and a public investment of 160 million.
- The re-branding of the city, which is more difficult to evaluate in the short term but which is nonetheless felt to be important by inhabitants and economic players; this has already resulted in an increase in demand for business premises and building permits.

The "Bilbao effect" is no exception. It shares many similarities with Metz: in both cases, we can refer to medium-sized cities that had no prior cultural institution of renown. In order to support these cultural projects, both cities developed additional infrastructures (restaurants, hotels, parking) and regarded these projects from the very beginning as levers of development, integrated into a more global economic strategy.

But the positive effects of these cultural investments go far beyond the economic sphere: they frequently also become real catalysts for creativity. This is something that affects the whole society and all its sectors.

"Creativity is essential for promoting innovation in the economic sector", notes David THROSBY, Professor of Economics at the Macquarie University (Australia). *"Creative ideas are an essential ingredient of innovation, whether that applies to a product or to a process. These innovations lead to technological change which in turn fuels economic growth. There is an undeniable link between the creativity of companies and their economic performance and with economies in general"*. At a more institutional level, the strategy of the European Commission for the period 2010-2020, entitled "Europe 2020: a strategy for intelligent, sustainable and inclusive growth", develops a lever of organisational, technological and social innovation.

New investors and projects

The interviews allowed us to identify several types of investment:

Four main types of cultural investments

- Investments in cultural facilities and building heritage
- Investments in cultural events, support for creation and collections
- Investments in the establishment of conditions of attractiveness and accommodation for stakeholders in cultural industries
- Investments in cultural industries and the production of content

Investments in cultural facilities and building heritage

This is a question of conserving and enhancing existing heritage sites and cultural facilities (museums, monuments, etc.) but also of building new sites. The public sector retains a significant role in this area but the private sector also takes possession of these matters. So we see "Culturespaces", a subsidiary of GDF-Suez, running and managing monuments and museums entrusted to them via delegations of the public services, both in France and Europe. The company decided, at the end of 2010, to diversify and acquire for the first time, a piece of listed heritage with the purchase of the Hôtel de Caumont, the current conservatory of the city of Aix-en-Provence. The goal is to transform the site into a space for temporary exhibitions by 2014, something that will also meet the needs of the city as the site will remain open to the public and will enrich the range of cultural offerings.

Investments in cultural events, support for creation and collections

More and more artists and project creators are engaged in creating individual enterprise projects. The visual artist Barthélémy TOGUO has thus chosen to create a House of Artists at Bandjoun Station, in the East of Cameroon. His idea is to establish contact between the rich, traditional culture of the region and contemporary art; to preserve this culture within Africa and to allow it to encounter artists from around the world. But above all, it is a place for living, expression and exchange, aiming to welcome the local population within a cultural context.

At another level, this type of investment in cultural events is attracting more and more initiatives. Didier FUSILLIER, the director in charge of the Lille European Capital of Culture project in 2004, noted that, *"this event attracted so few candidates before the Noughties"*. Today, on the contrary, the craze is such that more and more cities are applying to organize this event.

Investments in cultural industries and the production of content

The creative and cultural industries have seen a significant expansion in the last 20 years and are mainly investing in content producers that make use of technology and digital. The CD sector is thus a hallmark activity of this type of production in which major international companies and smaller producers work alongside one

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another. These producers seek to differentiate themselves by producing content that is less commercial but which focuses more on the cultural diversity of their artists. "*This is the goal that the No Format! label have set themselves*", explains Laurent BIZOT, the label's director and founder. Created in 2004, this production house positioned itself as a discoverer and pillar of musical diversity. The origins of the project lie in a refusal to conform with regards to the recording industry.

No Format! provides a place for artists that offer atypical, cross-bred works that do not fit the formats of the large production companies. Since 2004, 18 albums have been produced with 15 different artists. The challenge for this type of structure is to ensure economic viability. This is why No Format! have relied on a model that minimizes production costs. In addition, they also offer their artists and producers consulting services in legal matters (representing 30% of their turnover).

Investments in the establishment of conditions of attractiveness and accommodation for stakeholders in cultural industries

This type of investment is experiencing a new approach. Public, private and mixed structures are being created in order to provide players in the creative industries with support and assistance, even with spaces and infrastructure suited to their development. This is the goal, for example, of the regional agency for the support of creative industries (ECCE) in Germany, which followed on from the "Ruhr, European Capital of Culture 2010".

To support the cultural and creative industries in the region, the agency has organised its activities around four key themes:

- The development of existing centres of creativity and the creation of new spaces;
- The intensification and structuring of exchanges between players and networking them together;

- The organisation of annual events with international appeal;
- The development of good communications.

Before supporting or funding projects, ECCE expects entrepreneurs to develop a mid-term regional strategy for their sector, of which the project must be the cornerstone. The task of the ECCE is to moderate and facilitate the process of strategy building with all players involved in the project and later on the implementation of that strategy and not to organize the projects themselves.

For its part, the Dutch Design Fashion Architecture (Dutch DFA) inter-ministerial programme, created in 2009 and financed mainly by government subsidies, displays the same kind of ambition: strengthen the international position of three sectors of activity (design, fashion, architecture) through partnerships with national players (organisations, professional associations, companies) and international ones. Among the many projects initiated, the Dutch Design Workspace in Shanghai, opened in September 2010 as a business incubator, is one of the most significant. The goal: help Dutch entrepreneurs from one of these three disciplines to set themselves up in China or expand their activities there. The programme includes an evaluation of a business plan, advice for setting up a business, legal and administrative information and an introduction to high-level networks.

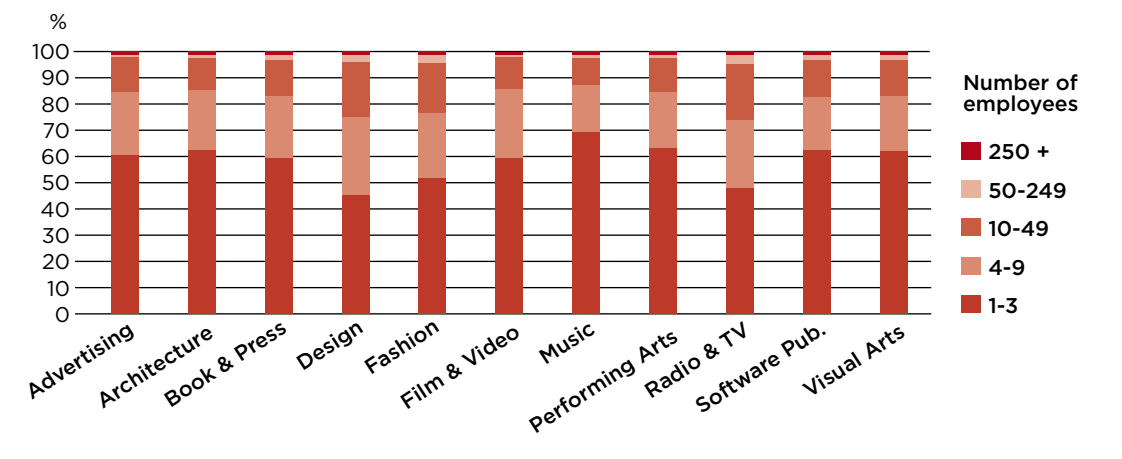
Industrialisation and professionalization: the requirements of modern culture

The cultural sector remains highly fragmented with SME's being over-represented. It is to be noted that there is a strong entrepreneurial spirit with a large number of SME start-ups being created. The entrepreneurial culture seeks to innovate both in terms of the creation of products and creative processes.

Finally, the degree of industrialisation varies greatly depending on the sector.

- Some are still relatively unstructured or have a multitude of players present (e.g. performing arts);
- Others, however, are concentrated around industrial conglomerates (e.g. film industry majors).

Size of enterprises by sector across creative and cultural industries



Source: Study of the entrepreneurial dimension of cultural and creative industries in Europe *(2010), Utrecht School of Art for the European Commission*

When they concentrate together, the cultural and creative industries implement an ever more structured industrial dynamic. We see, for example, the emergence of geographical concentrations and/or centres of excellence in the form of clusters. The goal: reach critical mass in terms of resources but also create synergies in terms of skills and expertise, particularly of brand capitalisation and the creation of derivative products. It was in this way that the Imaginove cluster was formed in the Rhône-Alpes region of France, concentrating on cinema, audiovisual, video games and animation and multimedia. Today, it brings together more than 200 Rhône-Alpes companies in search of a common goal: to develop synergies between these sectors by encouraging forward thinking and stimulating professional innovation.

Another major change:

- The professionalization of cultural players and the consequent appearance of new professions and new training courses.

For successful evolution, the sector needs to recruit new talent with versatile profiles. Apart from what is traditionally expected, new requirements are emerging:

- The more the sector becomes industrialised and attracts entrepreneurs, the more it needs economic expertise. Firstly, to carry out projects properly, in terms of management, commerce and marketing but also to manage partnerships, especially with financiers, related to cultural projects and this implies controlling the financing mechanisms (banks and financial institutions, sponsorship and donations etc.).
- Advances in technology continue to require the recruitment and permanent training of technical specialists, notably as regards digital technology matters. This area of expertise has become crucial for many projects.

How technology has changed everything, including "traditional" culture

As technological progress advances, digital technology affects the entire culture, particularly through two objectives:

Digital technology as a means to enhance heritage

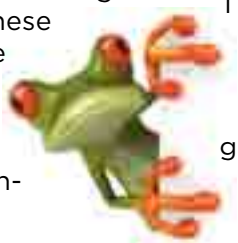
The Château of Versailles: an example of heritage enhancement and brand development using digital technology

The Château has made these new technologies an important focus of its development strategy. In addition to a website that attracts some five million virtual visitors a year, the Château of Versailles presents itself as a real laboratory of innovation: geolocation, virtual visits and augmented reality with "Versailles live", in conjunction with Orange, image recognition, 3D videos etc. New ideas are constantly being tried out. The Château of Versailles has also invested in social networks and the blogosphere in order to reach a younger public and has led an aggressive policy of valorisation of its intangible assets, including the Château de Versailles brand, by means of multiple partnerships. The initial goal of the digital Grand Versailles project, which was launched in 2005, was very pragmatic: to test and then deploy digital applications that are useful for visitors and for spreading knowledge, as part of a global effort to improve the welcome experienced by the public.

Today, though, thanks to the strengthening of digital technology as a major focus of development, the Château has positioned itself as a real laboratory for the use of new technologies.

Moreover, the Château of Versailles is the first French museum to have joined the "Google Art Project", a network of 17 museums from around the world that offers virtual visits of exhibition halls, with access to works of art in very high definition, the phase two of which is to be launched in the spring of 2012. This project has been an important source of visibility for the museum due to the fallout in the media. There were no less than one million virtual visitors to the Château of Versailles during the first month.

Finally, the museum has invested in mobility, an essential aspect of modern practices. The mobile site of the Château de Versailles alone accounts for nearly 15% of overall use of online tools. The Orange assistance application for visiting the gardens offers the visitor a geolocation tool which also applies to content. At the forefront of innovation, it is based on the technology of augmented reality and includes the highlighting of hidden spaces. Faced with the challenge of presenting visitor information presented by these gardens, the museum and Orange created together an interactive tool which even offers visitors exclusive content such as interviews with curators, architects, fountain engineers and gardeners.



Digital technology, a tool for developing cultural products and services

Los Angeles: A reorganisation of the film industry focusing on digital technologies as a lever for cultural strategy.

The American film industry is a prime example of a cultural and creative industry and one that has developed an indispensable model for the industrialisation of cinema. Faced with the development of new patterns of production (in particular,

with regards to independent cinema), however, a drop in cinema attendances and the emergence of new modes of consumption (such as DVD's, VOD, downloading from the internet), this sector needs to reinvent itself in order to meet these challenges and ensure its future. To this end, Hollywood is now focusing on digital technologies with the development of 3D in order to address piracy and be able to offer rich cultural content and new visual experiences to the audience.

The new 3D technology has transformed data for the film industry:

- Ticket sales for the 3D films offered in North America have alone generated growth of 11% in recent years;
- The number of digital projection rooms in the world increased by 86% in 2009 alone (16,000 theatres equipped in 2010).

At the same time, we are witnessing a decompartmentalisation of the cinema and video games sectors towards an enlarged hub of excellence aimed at taking advantage of technology and related expertise.

For Hollywood, a firmer alliance with the video games sector is a source of technological innovation, especially in the graphic arts. Video games also benefit from the visual style developed by the cinema. New

commercial and marketing strategies are thus developed in order to accelerate the process of releasing a video game based on a popular film or, conversely, producing a film based on the scenario of a game, the goal being to be able to offer a more complete range of quality products to a loyal mass audience. An example of this strategy's implementation is the adaptation of "Harry Potter" as a video game by Electronic Arts, which sold more than 9 million copies in 5 months.

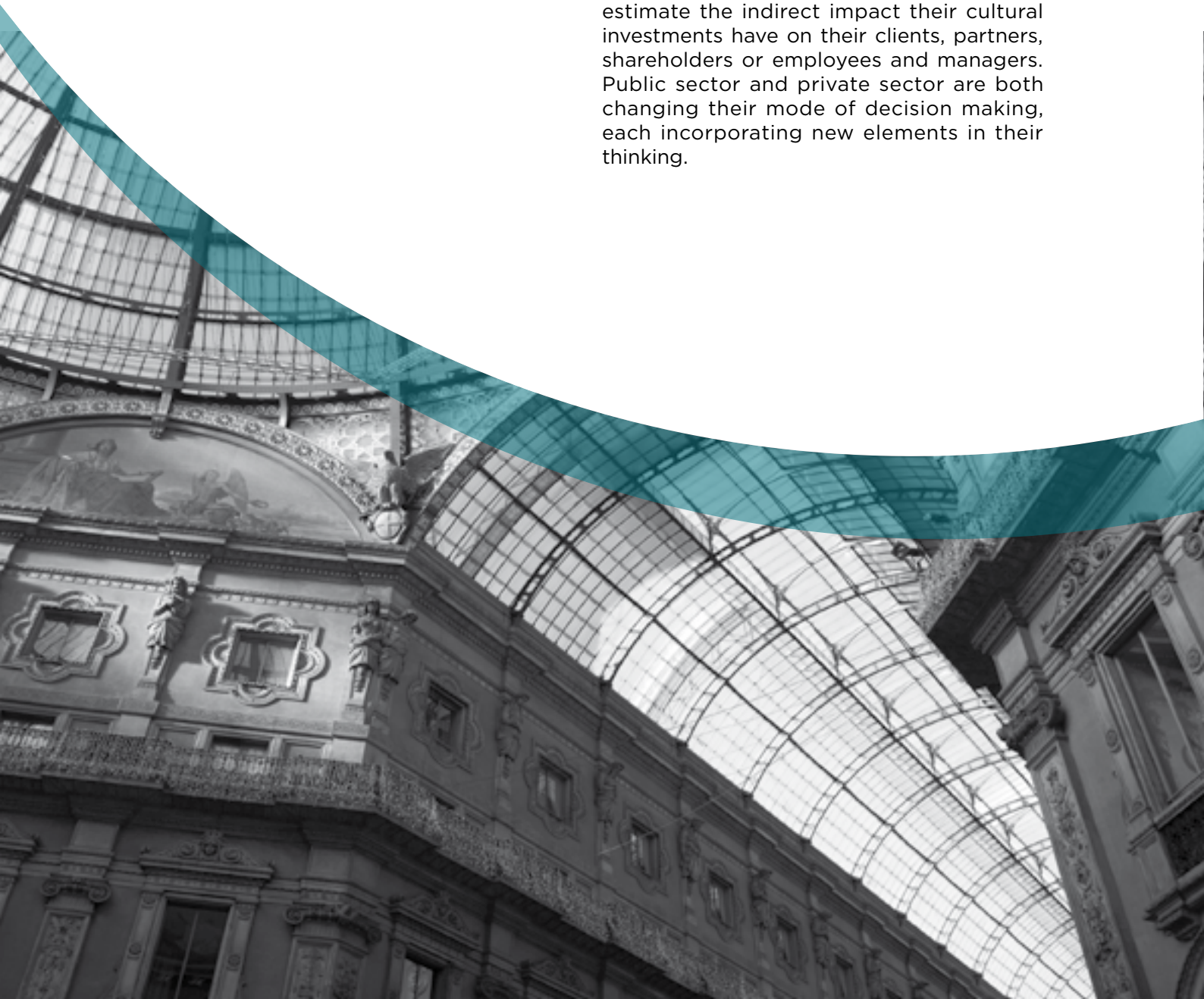
In a more global sense, then, digital technology allows cultural practices and methods of conceiving new works to be renewed, in particular:

- To support new practices (mobility, access to information, development of Web 2.0 and 3.0, geolocation, value-added services etc.);
- To perpetuate the effects of a cultural initiative (increase the lifespan of an event beyond the event itself by capturing video, allowing users to talk about it etc.);
- To change professional working practices (for example, the restoration of works of art in Florence now uses lasers);
- To create new cultural products (introduction of 3D to cinema, in video games, visual arts etc.).

The fact remains though, that the talent of artists and creators is still the basis for cultural innovation.

Is investment in culture an investment like any other?

How is the decision made for a cultural investment? For many of the players we asked, the process of decision making begins like it does for any other type of investment: feasibility studies, the drawing up of a business plan, targets, risk assessment, implementation of control and monitoring systems etc. One goes from a logic of means – investment in culture based on "passion and intuition" rather than an a priori strategy – to a logic of goals to be met. This first step is essential in order to convince investors and to then make the project concrete. It is thanks to this approach that project developers are increasingly able to find new partners. For even if the state or large companies maintain a dominant cultural role as patrons, their contribution tends to decline, which then obliges project developers to diversify their sources of revenue. For their part, private companies try more and more to estimate the indirect impact their cultural investments have on their clients, partners, shareholders or employees and managers. Public sector and private sector are both changing their mode of decision making, each incorporating new elements in their thinking.



ROI, risk management, investment sustainability: when the rules of traditional finance also partly apply to cultural projects

Think, first of all, in economic terms, find the quantified arguments: this is the dominant mode of decision making in the field of cultural investment, both in the public sector and the private sector. Such was the approach, for example, of the City of Glasgow. During the 1980's, this city suffered the full force of the decline in traditional industries (steel, textiles etc.) and the mass unemployment that followed it. *"We then undertook an analysis of the opportunities for development that might exist in order to revitalize the economy"*, explains Steve INCH, former Executive Director for development for the City of Glasgow. *"Preliminary studies carried out at the time showed that the city had an interest in developing culture, among other things, on its territory. A development programme was drawn up, giving the city measurable goals (usually of an economic nature) and a road map setting out the results to be achieved"*. It is thanks to this goal-oriented method that policy-makers could be persuaded to make these investments and that the projects could be effectively run and monitored over time.

This approach has also been followed in Belgium by Wallimage, a public fund delegated by the public service to restructure the audiovisual industry for the Walloon region. Philippe REYNAERT, its director, told us that when selecting which projects to finance, the institution looked at the following:

The cultural nature of the project;

- It's structuring effect on the audiovisual sector in the region;
- The viability of the project and the return on investment for Wallimage;
- The credibility of the producer and his team;
- The budget available.

Structured governance was also put in place in order to analyse candidates and choose projects to be financed, consistent with the objectives of the fund. Candidates came to defend their project in front of a committee which then reported to the administrative board. Finally, each project is rated on the basis of the selection criteria listed above, in order to make a rational choice.

Guillaume Canet et Marion Cotillard à Liège pour le tournage de « Jeux d'Enfants » ©Wallimage

In the private sector, Renaud DONNEDIEU DE VABRES, advisor on strategy, development and culture for the Allard Group, argues that, *"the cultural projects in which the group has invested were set up not just on the basis of artistic or aesthetic taste but with a real conviction that a new economic model exists in which the creation of*

value is based on cultural excellence. This is the logic of an entrepreneur that tries to develop an activity in emblematic areas of heritage whilst seeking a valorisation strategy based on culture. At the same time, it is necessary to find a profitable business model, something which will be provided by an additional private-sector partner". It is, then, the combination of a cultural project with economic goals that attracts the group's investments.

Of course there are exceptions to this requirement when generalising about economic rationality: we also met policymakers and project developers who rid themselves of any logic based on results and remain committed purely on the basis of their cultural sensibilities.

Moreover, amongst those that explicitly mention the need to objectify their investments with business criteria, the vast majority also refer to qualitative criteria, based for some on their sensibilities, when talking about their cultural investments. These types of investment, providing as they do positive values and connections between individuals, cannot, in fact, be limited to economic indices alone.

The new patrons of culture or how to find novel types of funding

Investing in culture is a common practice for banks, public funders and many large companies. Cultural patronage, with its implications in terms of business strategy (branding, employee cohesion, taxation), is an important source of funding for cultural projects. Among the many examples of recourse to patronage, we can cite the Queen Elizabeth Competition in Belgium, which was created in 1937 and aims to reward young talent in classical music, its resources mainly coming from sponsors and private donors (Belgacom, Delhaize, BNP, National Lottery etc.). The fidelity of its investors has guaranteed the continuity of the competition and its independence with regards to public subsidies.

This situation, though, is changing: In France, for example, patronage is now much more oriented toward education and health. This is revealed in the latest ADMICAL-CSA study entitled "Business Patronage in France". Culture and heritage accounted for only 380 million Euros in 2010, against 975 million in 2008. They thus lost their third place they held in industry-funded patronage.

States and local governments too are reducing their financial commitment. It is up to cultural project developers to find new investments and develop innovative business models. This is, for example, what the organizers of the Aix-en-Provence Festival have managed to do. The event was able to diversify its sources of financing by focusing heavily on patronage from individuals and national and international companies. Sponsorship revenues thus account for more than 17% of the global budget, or 3.35 million Euros. This is as much as the contribution of the State (17.4%) and the local government (16.6%). 85% of sponsorship revenue comes from national and regional companies, 15%

from individual patronage. The Festival can count on community of 260 individual patrons, 120 of whom are French, 90 are American and 50 are of other nationalities. To achieve this result, the Festival created a business club in order to mobilize regional companies, with contributions ranging from 6,500 to 50,000 Euros. Despite the decline in cultural patronage, the event has been able to retain its level of sponsorship revenue thanks to a lot of activity on this network and a significant local presence. This example shows that in the performing arts there are ways to add to the support provided by the public authorities using other sources of financing.

The difficulty today, for some players, lies in finding financing and reassuring or convincing investors and patrons.

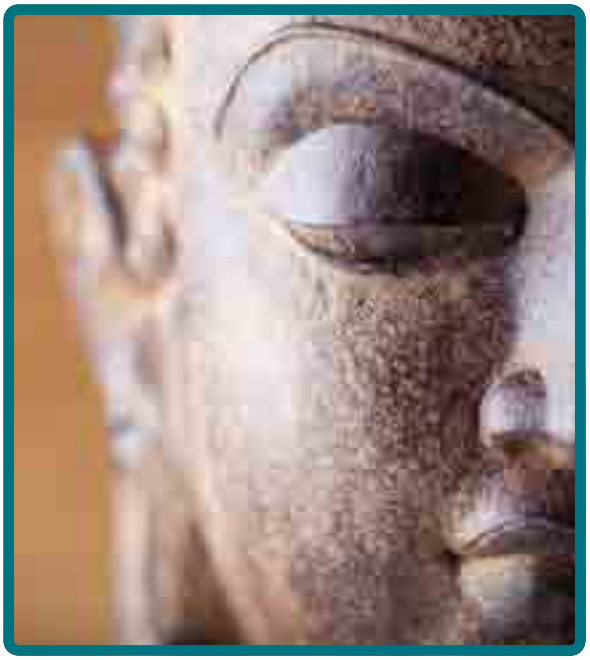
Leaving one's mark: how companies and local authorities try to attract their public with culture

For many players, culture has become more and more a way of differentiating themselves and responding to new demands from the consumer, customer or citizen. Local areas as well as companies are happy to promote culture as a vector of communication and valorisation of their image.

In 1990-1991, in the context of exiting communism, the new democratic government of Poland decided to create a cultural institution in the City of Krakow, the International Cultural Centre, attached to the Ministry of Culture and Heritage, explains Jacek PURCHLA, Director of the Centre. The activity of the ICC focuses on a multidimensional approach to cultural heritage. Its interests focus on: the cumulative legacy of European civilization, Central Europe's multiculturalism, memory and identity, dialogue between cultures and societies, preservation of historic sites and artefacts, cultural policies, the phenomenon of a historical city and also the origins and development of modern art. Its aim is to renew the image of Poland at an international scale and to provide a space for cultural encounters between East and West in the field of heritage. Thus the ICC hosts representatives of culture, politics, economics and media from all over the world, organizes conferences and seminars, as well as playing an educational role for heritage experts, researchers and youth by proposing a research grant programme, research seminars and postgraduate study courses, international summer courses and programmes for children and young people based on our exhibitions. Multilingual books published by the ICC are a way to reach international readership while the exhibition programme of the ICC Gallery familiarizes the public with a wide range of developments in the world's art and architecture. The key adjective to describe ICC's activity is interdisciplinary.

Adrian SCHIESS, Malerei, 2005 @ SABAM Belgium 2011;
Ann Veronica JANSSENS, Yellow yellow skyblue, 2005

In the private sector, the Neuflize OBC bank has opted for lateral positioning with regard to the world of culture as they aim at a clientele that invests in art but equally because they assist entrepreneurs from the cultural sector, a particularity which distinguishes them from the large investment and retail banks. The focal point of this strategy is to support entrepreneurs in their professional activity that will one day, on the sale of their businesses or catalogues, become private customers of the bank. It is mainly for this reason that Neuflize OBC has become the leading financier of French cinema, with 8 films out of 10 financed by the bank and with a 70% market share in this sector. The bank also brings its commitment to the world of culture to the attention of its customers, most of whom are individual art lovers. *"Our role today, as banker and corporate citizen, is to assist in protecting the heritage that was built in the past and developing the cultural wealth of tomorrow. Whether one considers the heritage aspect or the creation of wealth, culture is strongly associated with these objectives, hence our desire to associate the image of culture with the bank, notably with respect to our customers"*, explains Philippe VAYSSETTES, CEO of the Neuflize OBC bank. A special offer has also been available since 2001 for supporting the sellers of art (galleries, antique dealers, auction houses) in their entrepreneurial projects. Private customers are also supported in their art purchases. Neuflize OBC offers customers financing backed by their art collections, rather than their real estate, something which demonstrates a break with the usual practices of the industry. The bank has developed original marketing for customers, oriented towards their cultural interests with cultural events or representations of a work of art or photograph on the back of their customers' cheque books.



Elsewhere, Google has designed their "Art Project" in order to demonstrate the company's attachment to culture and the possibilities offered by technology, allowing the bonds between works of art and the public to be strengthened. The investment here is based on considerations related to public

affairs as much as to the Google brand, the expected performance of its engineers and the consistency of its management. In fact, the project was initially thought up during the periods of "creative free time" which the company allows its employees. The Google Art Project is about *"showing that technology can be of service to art but above all it is about providing access to culture to those that are deprived of it"*, explains Amit Sood, Director of the project. The "Art Project" displays online works selected by museums in very high-definition and creates a virtual visitor space based on Google technology. Everybody can create their own virtual gallery. An initiative for the general public, in a context in which digital technology is ever more present in the field of culture and where internet users are increasingly inclined to new cultural experiences.

Culture as a source of employee motivation? The experience of large private-sector groups

For an increasing number of companies, culture can also be used to support internal communication. This means federating employees and developing their pride in belonging.

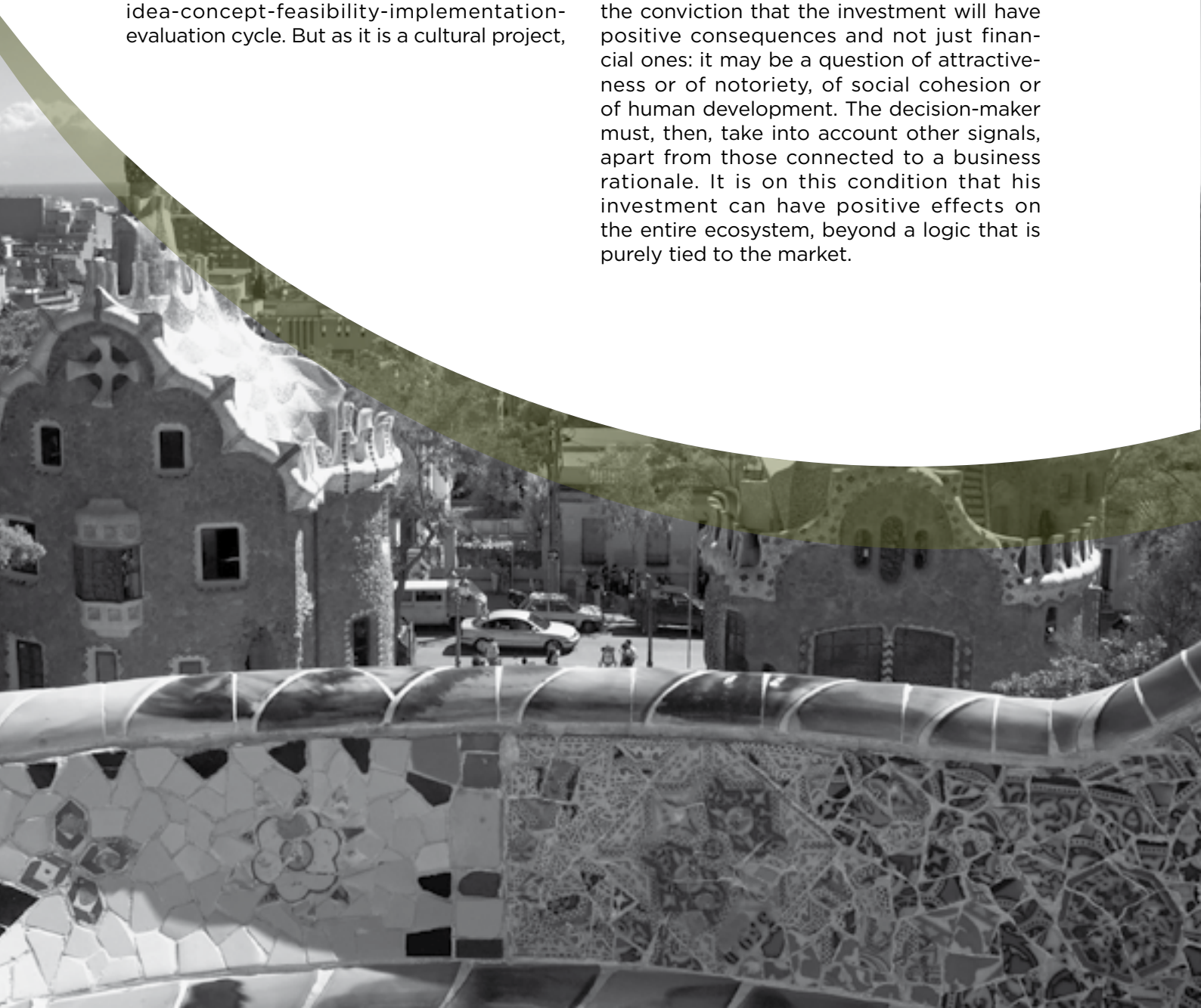
In Belgium, the telecoms group Belgacom created a foundation in 1996: Belgacom Art. What was its mission? Integrating contemporary art in all its forms with the working environment of the group's employees. Today, the foundation displays 450 works of contemporary art (photos, paintings, sculptures, videos, prints) in the different buildings belonging to the group. *"Belgacom wished to make the place more human by giving all its employees the chance to live every day surrounded by works of art and to thus become familiar with contemporary artistic creation"*, explains Baudouin MICHIELS, President and CEO of the foundation. Guided tours, followed by creative workshops, are also offered for the children of employees during the summer.

Francesco CLEMENTE, By fire or by water, 1990

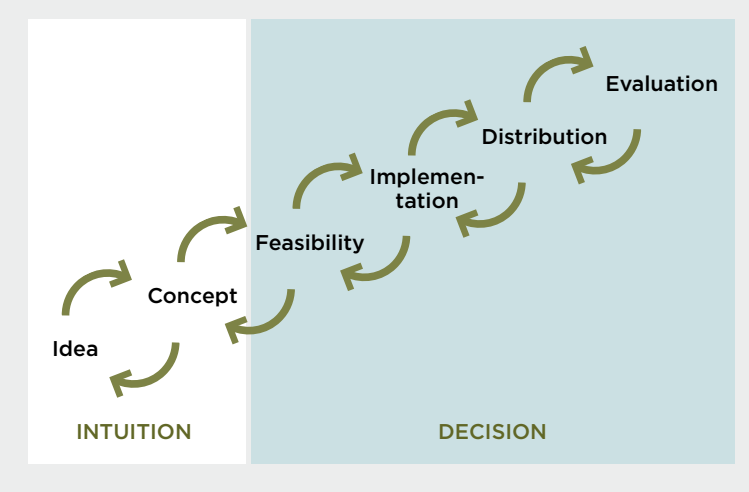
How do we invest in culture? From intuition to decision-making: project cycle and reference framework for cultural projects

Artist/Manager: on-going and mandatory dialogue

When deciding to invest in a project linked to culture, the players that we interrogated generally proceed as they would for any other innovative project: by following the idea-concept-feasibility-implementation-evaluation cycle. But as it is a cultural project, another element plays a major role: the intuition, even passion that the initial idea provokes in the decision-maker, depending on his sensibilities. He must subsequently have the conviction that the investment will have positive consequences and not just financial ones: it may be a question of attractiveness or of notoriety, of social cohesion or of human development. The decision-maker must, then, take into account other signals, apart from those connected to a business rationale. It is on this condition that his investment can have positive effects on the entire ecosystem, beyond a logic that is purely tied to the market.



Development cycles for innovation projects



Given the increasingly innovative nature of cultural projects, especially those involving R&D, the decision cycle and the development cycle (from design to implementation) are tending to become shorter. This is particularly found in "technological" projects, where the risks of obsolescence restrict the life-cycle of the service/project. Hence the necessity of putting in place a process of joint-construction for projects, mixing teams and expertise in order to accelerate the implementation of the project.

The specificity of the cultural object, its function as carrier of a message – identity, culture, values – is widely recognised. That is why these investments sometimes benefit from a specific legal framework. This is the case, for example, in certain countries, with the principle of the cultural exception, which is debated in the context of free trade agreements under the auspices of the World Trade Association. This principle allows cultural industries to be protected with the application of special obligations and safeguards. For this reason, these investments are not subject merely to the law of supply and demand.

This partial protection does not prevent cultural projects from still being perceived by decision-makers as riskier than "traditional" investments.

Indeed, assessing the impact of a cultural project remains difficult because it always falls within the logic of the prototype: Didier FUSILLIER, Director in charge of the Lille European Capital of Culture 2004, recounts an inaugural party that was organised to launch the event. Attendance was expected to be low, around 40,000 people. In the end, 700,000 people attended the event. The organisers and partners simply could not estimate the degree of enthusiasm of the people and their desire to celebrate the city together. Similarly, when budgetary planning for the event was carried out, the authorities expected a balance sheet deficit. Yet the investment (74 million Euros, 20% of which were publicly funded) turned out to be profitable: 2.5 million Euros profit was made after tax.

Another imperative highlighted by our experts: Take the long-term into account. Indeed, a cultural project generally involves a long duration because:

- A long time is needed between the idea and delivery of the project. A cultural facility, for example, needs between 8 and 10 years to be built. The Pompidou Centre in Metz took 7 years, from the choice of Metz in 2003 to house a new Pompidou

Centre to the opening to the public in May 2010, as Emmanuel MARTINEZ, Secretary General of the establishment, recalled.

- It is part of the logic of reiteration. Taking this dimension into account right from the start is essential in addressing the issue of durability and to be able to forecast how resources and organisation need to evolve in the future.
- It is part of a programme of development on a larger scale and of a longer duration.

The impact is only measurable in the medium and long term, especially if is a highly innovative project that may require time to build public support. With the European Capital of Culture, for instance, it takes 10 years from the moment of applying before the impact can be felt.

Our conviction today – and that of our interviewees – is that it is necessary to promote ongoing dialogue between all the parties involved in an investment project rather than putting the cultural dimension of projects in opposition to economic assessment.

In this sense, Aline VIDAL, contemporary art gallery owner in Paris, observes that the relationship between artists and other players has considerably evolved over the last 25 years. *"With the development of a more global world and communication tools, a new, well-informed generation of artists has appeared."*

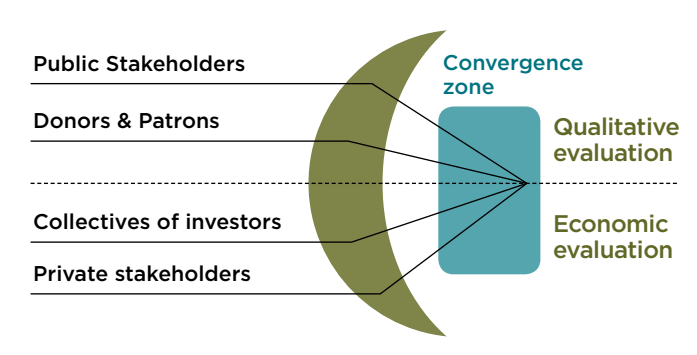
When the public sector is concerned about profitability and the private sector is considering the "non-economic" aspects, the lines are shifting

Public-sector and private-sector decision-makers have both changed their positions with regard to cultural investments. The playing field is changing and the interests of these two worlds can converge, especially in response to changing patterns of public cultural consumption

A number of trends emerge:

- The strategies put into place in the cultural sector fit within a more global strategy. We are seeing, then, an increase in the number of initiatives to help the cultural industries and the creative economy (for example, the creation of centres of excellence, such as the one in Lille, the image-culture-media centre, via the "Pôle Image" centre and the "Plaine Image" development) and a much more cross-sectional approach to culture with regard to other policies or parts of the company.
- The need to take into account the economic dimension of cultural investments is more and more marked, especially on the part of public-sector players. They too are looking for financial equilibrium for their projects, by means of sources other than subsidies.
- Social cohesion and the creation of social bonds (within a community) are highlighted in projects, even by private-sector players.
- The importance of culture in the environment is recognised as much by the private-sector, who use it as a lever in recruiting and retaining employees,

The convergence of interests



as it is by the public-sector when providing inhabitants of an area with a pleasant living environment.

- The new practices and the "need for culture" on the part of customers/users are fully appreciated by the different players. Better understanding between the public and private sectors is taking place, allowing better coordination of skills and means in order that everyone reach their goals.

Overall, public and private sector players are moving towards similar operating model. Both need to invest in new areas and seek new partners in order to carry out their cultural investment projects. In this context, their interests can converge.

The example of the DUTCH Design Fashion Architecture programme for the support of creators from these three disciplines, which was mentioned previously, illustrates this change in position on the part of public-sector players. This initiative was conceived more with capacity building and project incubation in mind rather than seen as a "window" for subsidies. It illustrates the fact that a concerted strategy between the different players involved, involving a target market and having common objectives, works for the benefit of all.

Appraisal time: how to measure the non-economic impact?

The qualitative impact of a project is increasing, even for private-sector players.

In addition to the cultural efforts undertaken on behalf of their customers, in 1997 the Neuflize OBC bank created a Foundation for Photography. Each year, a selection committee shows the bank's 1,000 employees a series of works by contemporary photographers. The employees are invited to select their favourite and the photographer's works are then purchased by the Foundation. This is quite an original system which is both an element of social cohesion for employees and a method for promoting lesser known artists.

In the public-sector, the City of Brussels has created the NO KAO festival of urban culture. The idea being to provide a stage for urban music culture and to strengthen social cohesion, notably by recognising forms of musical expression coming out of the large Congolese and Moroccan communities, who then have their own place in the festival programme.

It is, then, understood by the majority of players that cultural investments must also produce results other than economic ones. A real difficulty remains, though: how to define, at the moment of project design, what the qualitative impact should be? And how, in certain cases, can one determine

during the evaluation and assessment stage if such an impact has been successful? There is no universal, analytical framework that allows this type of information to be synthesised and standardised. This is something which is perceived as a gap by the players faced with an investment decision.

Without claiming to be exhaustive, our interviews have allowed us to identify the major types of issue that cultural projects can address and identify evaluation criteria. For each of these themes, we have proposed suggested criteria for assessing their success.

Typology of stakes and examples of evaluation criteria

ECONOMIC DIMENSION

REACH AND REPUTATION
- Development of brand image
- Development of cultural tourism
- National and international viability

ECONOMIC DEVELOPMENT
- Entrepreneurial dynamics (creation, installation and business development)
- Employment
- Consolidation of sectors

ECONOMY OF KNOWLEDGE
- Development of a qualified higher education
- Support for research / innovation
- Development of the qualification of human capital and development of know-how
- Access to culture

HERITAGE VALORIZATION
- Valorisation of tangible heritage
- Valorisation of intangible heritage
- Valorisation of the brand

SOCIETAL DIMENSION

SOCIAL COHESION / COMPANY CULTURE
- Promotion of pride in belonging
- Adherence to identity values
- Promotion of cultural diversity
- Winning loyalty of the public, the population and employees

SOCIAL RESPONSIBILITY
- Development of a common culture
- Improving equal opportunities social diversity

DEVELOPMENT OF CULTURAL ACTIVITIES
- Development of uses
- Development of supply

CREATIVITY AND ARTISTIC EXPRESSION
- Development of amateur practices
- Development of professional practices

Some business rating agencies have begun to be interested in the cultural dimension of the companies they assess.

Thus, in 2007, the Diversum association in France launched the first ratings service for measuring the contributions that organisations make to cultural diversity. Since December 2008, the association has issued the Diversum finance label. This gives a guarantee to all investors – institutional or individual – that at least 25% of their cash funds or of their investment portfolio will be used for financing companies that promote cultural diversity. The label is granted for one year on the basis of checks carried out by the Diversum association. Note that it is not the companies themselves that are granted the label, rather, by means of a two-step mechanism, it is the financial products used in the companies. The methodology seeks to determine the "cultural footprint" of each player (i.e. its contribution to cultural diversity) by studying general attitude and impact on local cultures. The rating spectrum now includes 1,200 companies in Europe and in North America, 650 government offices of member countries of the European Union, Canada, the United States, Mexico and Switzerland as well as 150 institutions or organisations operating under the aegis of the United Nations and European Union.

Other players have not explicitly set up this type of rating but are thinking about doing so. *"Today, the cultural dimension for us is not a criteria in the social analysis of companies"*, reveals Marie-Pierre PEILLON, director of financial and extra-financial research for Groupama Asset Management. *"But this aspect could be correlated with the human capital of the company, with an analysis of its impact on the ability to attract and retain talent"*. For her, this field should be the subject of a research project in order to standardise the data to be processed and allow analyses to be carried out in the same way as they are with accounting records.

Vivendi, for their part, have included support for cultural diversity among their strategic goals for sustainable development and has integrated this dimension into the variable remuneration paid to the group's executives. The objectives and indicators have been fixed. To assess the achievement of these objectives, the group requested support from the non-financial rating agency Vigeo, based on data supplied by subsidiaries and the supporting documents submitted.

At the territorial level, new indicators also appear.

In Singapore, Michael KOH, CEO of the National Heritage Board, explained that, since 2002, his city-state, in conjunction with the university, has developed a specific indicator, the "Heritage Awareness Index" (HAI). This indicator measures Singaporeans' knowledge about their heritage, history and involvement in cultural life. This young nation, which has been independent for 46 years, can distinguish itself from its competitions in Asia with regards its quality of life and its promotion of culture. The HAI is also a way of measuring a pride of belonging felt by its residents.

Creativity in funding models

In a context of growing scarcity of sources of funding, new models are being created for finding investors. Buoyed by the phenomenon of social networking, groups of players are gathering around common centres of interest to help finance projects.

One example is the "My Major Company" initiative created in 2007. This is the first community-based music label in France. This internet platform allows artists, internet users and music professionals to connect with each other. The artists use the platform for offering their music to the public. Interested internet users can either invest in the production of an album, or else financially support the artist. They will then be remunerated depending on the success of the album and the amount of their initial investment. There are different reasons for investing and speculating: some people do so in order to express their support for an artist that they like; others do so out of curiosity, in order to learn more about the process of making an album and about the world of music in general; and finally, some people speculate in order to try their luck and potentially make some money.

Similarly, in the film production business, the "People for Cinema" site offers internet users the chance to take part in the financing of a film by partnering with French distributors. To attract investors, the site provides users with exclusive information on the subject of the film, the synopsis, the casting, the marketing plan etc., as well as financial information (repayment threshold, expected return). Internet users invest in increments of € 20 but are only debited once the required budget has been obtained. As with "My Major Company", they are remunerated according to the revenues generated by the film.

Another pioneering example: the creation of a private structure for a public-sector player to ensure the economic feasibility of the project.

This is the approach taken by the Belgian Federal Science Policy Office (BELSPO). In 2011 they launched a programme to digitize the heritage stored in the federal museums, as part of its mission to conserve federal, cultural heritage. In order to find the 150 million Euros that the project initially required, a public-private partnership (PPP) was formed. This PPP was without precedent in Belgium and in Europe and it brought together the public player, experts, scientists and curators from BELSPO around a consortium of companies involved in the digitization of content.

The goal was not only economic: the project also aimed to combine different skills, which required educational work to be carried out within the public administration in order to convince them of the merits of the approach. *"The first obstacle to be overcome was distrust of the private sector"*, says Philippe METTENS, Chairman of the Belgian Federal Science Policy Office (BELSPO). In terms of sponsorship, a proposal was made to create a foundation, in addition to the PPP. Its aim will be to raise funds for the valorisation of certain collections and to highlight elements of heritage. Thanks to this partnership, BELSPO is in place to become a major international player in the digitization of heritage, thus preparing itself for the future creation of a mixed society specialised in digitization technology.

Other forms of public-private cooperation should also be noted.

In the field of the press, Valérie BOAGNO, Director General of "Le Temps", the Swiss benchmark media group, explains that she put in place an original model for public-private partnerships in order to finance the digitisation of four million newspaper articles from their historical archives (some go back to 1798)and make them available via a website. *"The operation, which cost one million Swiss francs, was financed 60% by public funding and 40% by private sponsorship, on the condition that access to the digitised collection was free of charge to the public. At present, consultation of the collection represents about 10% of our global internet audience."*

Antoine GOSSET-GRAINVILLE, Deputy Director of the Caisse des Dépôts & Consignations, a long-term investor serving general public interest and the economic development of France, stresses that his establishment has set up an investment fund that takes into account the specificities of the cultural sector. *"The Heritage and Design Fund aims to provide equity over the long term to profitable companies with a minimum turnover of five million Euros, in the fields of books, cinema, audiovisual, music and heritage brands. The Heritage and Design Fund, with a budget of 40 million Euros, financed nine operations between 2005 and 2010. In 2010, the Caisse des Depots provided a further instalment ('Heritage and Design 2') of 45 million Euros"*.

The common imperative: exemplary governance

Each project creates a special alchemy between public-sector investors, private-sector or mixed finance and niche or large-scale initiatives, each one creating its own governance model. Decision-making is thus organised on the basis of structured mechanisms, sometimes on the basis of formal selection criteria and sometimes simply based on personal intuition.

Our interviews showed that the public sector is particularly concerned with questions about the theme of governance, feeling the need to renew their practices in this area. On the private-sector side, cultural projects in companies are run in the same way as they are for any other type of project. For these players, no specific issue has arisen regarding governance. .

How to define good governance? The players we met identified a number of criteria

Fairly represent all the profiles in the governance structure

The purchases of the Belgacom Art Foundation are determined by a dedicated purchasing committee made up of four people: two French speakers and two Dutch speakers, with an equal number of men and women. Every three years, one of the members is systematically replaced in order to bring in a new perspective. When deciding on a purchase, a simple rule is followed: if three out of the four members consider that the work meets the criteria laid down, the work is purchased.

An annual report is sent to the Board of Directors of Belgacom, in order to also involve them in the process.

Also in Belgium, Wallimage, the public fund for the support of the audiovisual industry in the Walloon region, selects their projects by means of a committee made up of four people: two employees and two people from outside who analyse the candidates separately. The committee then meet to arbitrate and make proposals. Successful candidates are invited to defend their project in front of the committee and the director of the fund. The final decision is then up to the Board.

Agree on a method for defining project goals

The 2010 report drawn up to assess the European Capitals of Culture has shown that agreeing on goals is a key element in the process of setting up the event. In effect, most of the candidate cities pursue a number of goals: develop the international image of the city and its region, put in place a programme of cultural activities and artistic events, attract visitors, strengthen social cohesion etc.

To make the project successful, it is important to reach a consensus regarding the different goals that matter to each partner.

Develop, where necessary, structures that support mixed profiles between the public and private sectors

Public structures are tending to become closer to private-sector ones in terms of seeking credibility, skills and cost reduction.

The case of BELSPO described above is exemplary in this respect but is not an isolated case. Bernard LANDRY, former Prime Minister of Quebec, stated that the marriage between public and private sector was desired in the region and that this model proved effective with regard to cultural projects. The costs of the project are reduced and better managed, cooperation is more intense. *"It is a very natural system"*, he summarises.

Establish a close link between governance and management

This allows them to "stay the course" and move as quickly as possible from decision to action. The management needs to be sensitive to the specificities of the cultural projects as well as supervised by governance. In effect, in its role of appointing managers, governance must ensure the smooth flow of communication with those it has chosen to put in place. This is a key player for success that many players, from the public as much as the private sector, have stressed.

Didier FUSILLIER confirms that direct access to the mayor, Martine AUBRY, during the implementation of the project, was a key element to its success.

Anticipate the evolution of the project and how it adapts to changes in context

In particular, address the question of the successor to the project leader. How will the project continue to live on without its initial creator? How to ensure the continuity of the project and its future governance? This question needs to be considered before the project's start. This is the situation that Jacek PURCHLA, Director of the International Centre of Culture in Warsaw, is confronted with. After having run the centre for nearly 20 years, he is today trying to organise his succession and explains that this is a highly important issue in the pursuit of cultural initiatives in the city.

Similarly, the 2010 report drawn up to assess the European Capitals of Culture notes that the operational structure has remained in place in most cities after the ending of the cultural year, usually for a period of 3 to 8 months, in order to help take stock of the actions taken. For a small number of cities, this structure has been preserved but transformed into another body, in order to continue working beyond the cultural year.

Cultural undertaking & investment: what about tomorrow?

The financial crisis has not spared Culture; patrons and donors are cutting their contributions just like many countries engaged in political consolidations of their public finances are doing. Our belief is to the contrary, however, and that this needs to be the time to invest.

Culture and cultural/creative industries remain buoyant sectors with high potential; vectors of business development, innovation, new skills, improvement in living conditions and a "better life" together.

For example, in the field of conservation and heritage development, digitisation projects of various heritage collections (Book, Film, Broadcasting and Photography) held by cultural institutions; present huge opportunities.

In their recent study report of January 10, 2011, the Committee of Wise Men, a think tank commissioned by the European Commission on the "conditions of online European heritage", envisage that digital content (an estimated investment of about 100 billion Euros for all collections within the cultural institutions of the European Union) would constitute new "raw material for products and services, particularly for sectors such as tourism, education and new technologies", stimulating economic growth and job creation.

Another example of activity with strong potential is “cultural utilities”. These new infrastructures sit at the intercept between the transport network of digital data and content, which are created to store/conserve/exploit ever-increasing database volumes and provide contact services for users.

These databases are vital in contributing towards the construction of this new cultural and digital world, and are already an essential part of our everyday comforts and improve our living environment. For individuals and companies alike, this “convenience” is becoming a mandatory requirement.

Investing in “cultural utilities” and the conditions for their implementation is proving strategic for each territory. This involves building and developing these culture-based infrastructures as quickly as possible, as was previously the case for rail or energy infrastructures.

Awareness of this issue is underway but must become more grounded. This was pointed out by Philippe AUGIER, Mayor of Deauville and President of France Congress in his report to the President of the French Republic in 2009, “For a winning policy of major events”. He particularly defends the opinion that the great events of the future are likely to be virtual. It is therefore essential to define a coherent captive and organised policy of major events that could end up contributing to the growth of the French economy.

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The central question that arises today is not about identifying projects or potential investment themes in the cultural field, but about creating the most favourable conditions for investments to best be made and accelerated.

This year, we would like to conclude our study by sharing five tangible ways of promoting and increasing investment in culture:

- Develop new methods of assessment and valuation of investment projects.
- Popularise the public’s consideration for their cultural footprint, to encourage social contribution and value it based on public response.
- Encourage and promote the cultural entrepreneur.
- Improve co-operation and competition within the cultural sector, collaboration in “logical clusters”.
- Develop an additional funding model which augments existing systems to pour and channel public savings towards cultural projects.

Developing new methods of assessing and valuing investment projects

Methods of evaluation and the promotion of cultural projects accepted by all must be defined, allowing for a simplification and acceleration of the dialogue between project developers and investors. These methods must facilitate the investment decision and reduce the perceived risk for this type of project.

Prior estimation of the future value of a cultural project is sometimes very difficult. How much value can be attributed to a work of art or a creation according to its inherent uniqueness and originality? How can we value intangible cultural assets over the long term? What are the expected benefits of new equipment or cultural events?

Because there is no shared method of evaluation and development to answer these questions so a dialogue remains difficult between project promoters and investors.

New methods must be developed. On one hand, it involves taking into account the key elements and characteristics of each project. On the other, it's all about promoting better understanding and reading various indicators on the side of investors and financial analysts.

For example, in the cultural and creative industries investment criteria are strongly influenced by the logic of "Return on Investment". However, for investment projects in the field of Arts (living, plastics) or Heritage, the inclusion of this criterion is less so, "return on investment" being related more so to the art market or to access and distribution to as many people as possible.

Standardising "cultural footprint" considerations

The contribution of each actor (public or private) within the diverse cultural environment, also known as ones "cultural footprint"[2] should be taken into account.

In the field of sustainable development, legislation and regulations have been introduced, accompanied by objective indicators. This has helped guide the actions of businesses and public players in this field. Similarly, a regulatory framework for establishing the notion of "cultural footprint", would on one hand accelerate investments of all contributors (public and private) in cultural projects and on the other, develop their action towards the general public.

Such a device would lead contributors to establish as part of their overall strategy a specific plan of action, fully impacting their investment policies.

A dynamic of sorts could then be initiated, promoting transversal and universal Culture.

Furthermore, the "cultural footprint" would become an element of communication, integrated into the social audit of companies and institutions. It would provide, through objective performance indicators, information on the level and quality of engagement

of the contributor within his cultural environment.

Such a framework would enhance objective cultural activities and reassure potential investors, facilitating their decisions to invest in future projects.

This proposal is in line with other initiatives designed to measure the performance of companies, public organisations and territories. This also includes the OECD, which began publishing, in May 2011, and in addition to the GDP of each country suggests a new indicator of its level of development: "Better Living"[3].

2- The methodology designed and developed by Diversum, a rating agency for cultural diversity created in 2007, studies both the general attitude and impact on local cultures of private and public actors.

3- This indicator values the environment, health and the balance between professionnal and private life.

Encouraging and promoting the cultural entrepreneur

In many projects analysed in our study, a central character appears - the cultural entrepreneur. Alongside designers and artists from all backgrounds, with their entrepreneurial and artistic fibres, it is often an entrepreneur who plays a pivotal role in the initiation, development and success of projects. Their involvement is essential at many stages; coordinating the necessary skills, securing funding, developing possible business models, defining the concepts of "marketing" , driving the "back office", anticipating the needs and expectations of the public... all the elements which will ultimately allow designers and artists to find their audience.

If this type of "cultural entrepreneur" has always existed in one form or another across the history of culture, we believe it is now essential to promote and enhance their actions as the internet entrepreneurs were once supported.

We could imagine including:

- To create meeting zones facilitating regular contact between artists, funders - from large banks to business angels - large cultural industry businesses and new technology. The aim is to encourage initiatives and innovative projects.
- To promote the establishment of ecosystem networks of contributors involved in culture so that they support each other at different stages of a project.

- To develop "nurseries" of cultural start-ups in partnership with communities, corporate campuses or universities.
- To devise tax incentive schemes to support "cultural entrepreneurs".
- To encourage large cultural and creative industry to lead capital development initiatives in fledgling "cultural" companies in line with their own strategy.
- To create an annual prize for the most innovative cultural entrepreneur, awarded by the public and cultural industry major players in each OECD country.

Accelerating co-operation and competitiveness of companies in the cultural sector, encouraging them to congregate in clusters

In an industry largely made up of very small companies (fewer than 10 people), it seems important to create conditions for each to break out of their isolation. Coming together promotes exchanges between companies (but also with third-parties such as research laboratories, training centres, institutions...), to share best practices, to give themselves visibility nationally and internationally, to pool resources... in short, to promotes access and visibility.

"The cluster"[4] could be a way, organisationally, to respond with strong added value, for:

- Members of the cluster itself;
- The territories in which these clusters would be located;
- Other organisations working with the cluster (including places of education and education);
- Public policies associated with this cluster, and would speed up co-operation and competitiveness of the culture sector.

Beyond this networking, clusters help to structure more and more complex ecosystems in which designers, artists, entrepreneurs, investors, researchers, curators, patrons and investors can evolve... enabling them to:

- Create or strengthen a structure by sector (e.g. for live performances);
- Identify missing skills. Members could then acquire them through training, partnerships, subcontracting or co-operation agreements;
- Strengthen links between public and private actors via, for example, training, R&D, identification of partners, resources (artistic, technical...) and funding;
- Set up medium and/or long term structural projects (new products, projects and opening up to new markets) that individual members could not achieve alone because of a lack of human and financial resources.

These devices could be built especially with the help of the local public sector and local professional institutions. Eventually, they could acquire the emergence of larger companies by the consolidation or merging of certain entities.

4-Clusters group together, businesses, colleges, institutions and research laboratories, aiming to develop innovative projects.

Developing a funding model to complement existing systems, to pour and channel public savings to projects in the field of culture

In Europe, access to finance remains a major obstacle to business development in the cultural sector.

Thus, according to the Green Paper[5], "Unlocking the potential of cultural and creative industries" of the European Commission, 85% of companies in cultural and creative industries are struggling to find financing. In the Netherlands, one company from the cultural and creative industries out of seven tries a form of external financing but less than half actually gets it (compared with two thirds in other sectors).

In addition, schools and cultural institutions (museums, libraries, research centres, festival and event organisers...) are more likely to have to search for new sources of funding; they can no longer rely solely on grants (which are becoming less and less commonplace), donations/sponsorship/patronage, borrowing or own revenue (ticketing, publishing, merchandising...).

Developing new funding methods complementary to existing ones, allowing for the collection and channelling of savings (particularly from the general public) to projects in the culture sector, seem worth exploring.

This type of financing could offer a new alternative to the individual or the company who wishes to place their savings or make a donation to this sector.

It could be based on mechanisms already in place within the framework of solidarity savings[6].

This device would provide the investor with at least the following possibilities:

- To purchase solidarity investment savings with their bank or through a stock savings plan; a portion of the funds would be invested in a cultural project through a specialised actor: the cultural funder.
- To subscribe, via a bank, to an investment product or "sharing". Part of the interest earned from the investment would be repaid in the form of a gift to one or more institutions or cultural associations of their choice.
- To subscribe directly to the capital of a cultural funder; 100% of savings is then invested in projects with high cultural impact and/or in making equity investments and/or the issuance of loans to cultural sector and creative industry companies.

This could be promoted by regulations requiring banks to have at least a "cultural" fund in the employee savings schemes.

Beyond the investment itself, one could imagine, subject to legal feasibility, providing an opportunity for the investor to benefit from a number of advantages once the project is completed.

5- Green Paper "Unlocking the potential of the cultural and creative industries", 2010.

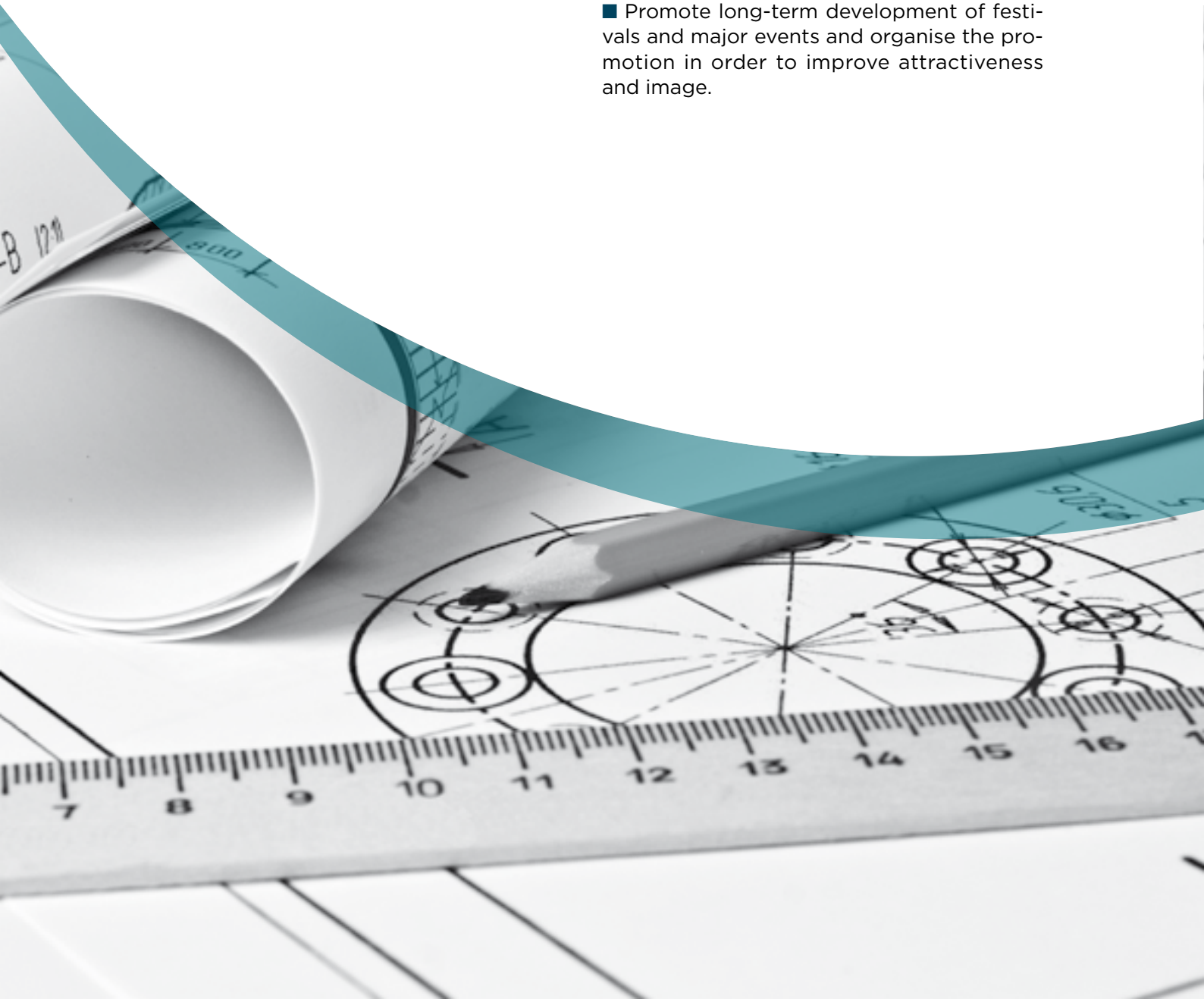
6- In France, for example, since 2004, outstanding solidarity savings have been multiplied by five, with an outstanding total of 3.15 billion Euros on 31 December, 2010 (source Finansol).

Annexes

Focus and objectives of the 2011 study

The two studies conducted in 2009 and 2010 for the Avignon Forum highlighted the links between culture and urban areas attractiveness. It relies on quantitative indicators associated with a panel of 47 cities and 21 countries and identified four factors that influenced decisively the conditions of implementation of the so-called cultural levers and strategies that they underpin, including the need to:

- Include more systematically culture into overall development strategies to benefit from its potential for economic development and social development;
- Promote new ways of co-operation and defragment education to facilitate innovation and job creation;
- Use digital technologies to give greater value to material and immaterial heritage, promote and facilitate their access;
- Promote long-term development of festivals and major events and organise the promotion in order to improve attractiveness and image.



The study this year is part of the general theme of the edition of the Avignon Forum 2011: "Investing Culture" in order to understand the mechanisms and patterns of decisions related to an investment in a cultural project.

This study aims to identify the frame of reference for decision makers and economic and quality criteria that prevail in the decision in favour of investments in culture, whether they come from public or private actors. Indeed, the cultural impact of these investments is often evaluated ex post. However, to date, it lacks a real census of the elements upon which to decide the nature and scope of a cultural investment.

The framework proposed here is intended to be a "tool box" and not a decision matrix. It identifies factors to be taken into account in the investment decision with each situation being unique and tied to an area and context.

2011 study definitions and scope

The study concerns the cultural sector in the broad definition of it and involves:

- Cultural activities (music, film, architecture...);
- Cultural goods (paintings, photographs, video games, movies, music, antiques, musical instruments...);
- Cultural services (audiovisual distribution activities, promotion of shows and cultural events, cultural information services...);
- Higher education.

The study also uses the following concepts:

- "Undertaking", that is to say, the action of a '*person who wants to and is capable of transforming an idea or invention into a successful innovation*' (J. SCHUMPETER) because one is guided by enthusiasm and the ability to have a vision and take risks";
- "Invest", which in turn covers different meanings, especially when combined with culture: take a stand ("Investing culture"), putting ones energy into something ("Investing in culture"), attaching

Culture is defined by UNESCO as "[...] the set of distinctive spiritual, material, intellectual and emotional features of society or a social group and that encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs". As such, Culture differs from Entertainment which involves activities for spending free time by turning away from concerns and worries towards pleasure and leisure. Etymologically speaking, the two terms are opposed because entertainment is to "redirect for one's own benefit" in an individual logic, while the concept of Culture is to "share" and "develop" within a group logic.

This definition of culture is not just theoretical. The majority of people interviewed actually associate culture with civilisation, closer community, the construction or enhancement of identity and emphasise its universal aspect.

much importance to something ("To be invested by culture"), use and invest capital in an economy with the aim of some return ("Investing in culture"). As part of our study, we start from this definition and bring more nuances to it.

In any case, talking "investment" calls upon the notion of return on investment. If this means the amount of money won or lost compared to the amount initially invested, it refers more broadly to the benefits associated with an investment. Therefore, in theory, it can be measured, quantified and totalled up, whether economically or financially, or through qualitative indicators.

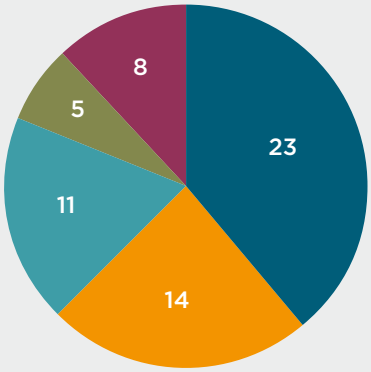
For investors and project developers, the notion of undertaking or investing can actually be characterised by a number of financing tools to raise funds for a project:

- The gift is the transfer of property or a right that grants a person or structure a benefit over another;
- Patronage, involving the support of a person or structure (the patron) in an initiative of general interest without a commercial incentive for the sponsor. The terms of this sponsorship can be financial, skill-based, technological, etc... It sometimes provides tax benefits;
- Sponsorship, which consists of financial, material or technical contributions to a cultural initiative while allowing the person or structure (the sponsor) to have a financial or rights return;
- The loan is a contract whereby a person or structure gives an object, material, goods or money, subject to restitution of the terms they agree upon to conduct the project;
- The grant is financial assistance from government funding for a project and defined in advance;
- Capital investment involves the equity of a person or structure in the capital of a company, in order to earn money through longer-term capital gains; doing so will also allow it to have a reasonably more significant decision-making power within the company.

Methodology for the 2011 study

The study is based this year on a two-pronged approach: a qualitative analysis conducted at international level with sixty or so public and private managers, cultural operators, project promoters, artists and creators all mobilised during investment of a cultural project and confronted at the moment of decision making.

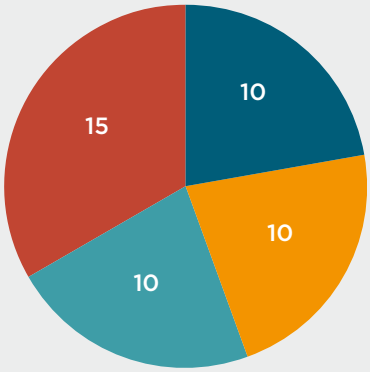
Number of individuals



- Private business
- Institutional
- Public operators
- Project developers
- Experts

These interviews helped to share the lessons learnt from 45 projects. From a methodological point of view, the study sought to build a portfolio of "lessons learned" balanced on the four types of investments specified in the study.

Types of investment



- Cultural facilities and buildings heritage
- Events/support for creation and collections
- Implementation of emergence and development conditions
- Development of cultural industries and content production

Therefore, the approach does not aim to obtain an exhaustive classification of cultural projects, but to understand the process and decision making associated with these projects by covering different kinds.

Case studies: examples... to follow?

Among public operators more prone to financial constraints in times of scarcity of public budgets, developments are strong enough in terms of:

- Integration of investment in the creation of a cultural facility in an overall development strategy of the economic attractiveness of a territory;
- Economic models with less and less use of public money;
- New approaches to heritage value based on the mix of expertise from public and private sector and allowing public bodies to invest in the production of digital content to become actors of cultural and creative industries;
- Changes of posture of public actors positioning themselves more in empowerment and "incubator" set-ups and less as a subsidies' office.

The four following cultural investment projects illustrate these changes.

The Pompidou Centre, Metz: an example of investment in the creation of a cultural facility

The Pompidou Centre opened in May 2010 in Metz. Even if it has been widely adopted by Metzians, its construction is more the result of an opportunity, intuition and the meeting of two strong wills than a conscious strategy. In the late 1990s, Jean-Jacques AILLAGON, President of the Pompidou Centre, decided to go further in the lending policy and accessibility of the museum's collections by offering to create a new institution in the region. Jean-Marie RAUSCH, the mayor of Metz, in turn sought an opportunity to renew the image of his city and contribute to economic development.

Among different applications, Metz was chosen because of the political commitment of the city on the project and sufficient funding from local authorities to fund the construction and operation of the facility.

Objectives

For the Pompidou Centre, it was about creating a regional office to develop the Museum's collections by offering them to a wider public through exhibitions.

For Metz and its surroundings, it was an opportunity to promote the territory with an important cultural institution, considering its position and cross-border competition from neighbouring cities (Luxembourg, Frankfurt...) as well as to contribute to economic development strategies by capitalising on the city's image and reputation of the Centre Pompidou.

In terms of attendance, 300,000 visitors were expected in the first year.

The facility's challenge was to become sustainable by providing a rich and varied programme involving 4 to 6 temporary exhibitions per year.

Budget

Investment costs (land purchase, construction...) were around 70 million Euros, co-funded by public actors (10 million Euros by the Department, 10M by the Region, 4M by the State, 2M by Europe and the rest by Metz Métropole), whereas the operating budget in 2009 totalled 12 million (9M financed by grants and 3M by own revenue).

Communities have also got involved in major urban works to accommodate the facility and its visitors by up to 60 to 70 million Euros. A similar budget is planned to build a convention centre next to the Pompidou Centre.

Principles of governance and management

The project was handled by the urban community of Metz Métropole. The Pompidou Centre has positioned itself as a partner and in turn, followed the construction of the facility closely.

In 2006, a "Project House" was opened up to educate people and inform them of the project. It was not until 2008 that a preparatory association was created to prepare the final legal structure, programming and the opening of the facility; it was they who later created a Public Office for Cultural Co-operation, chaired by the current president of the Pompidou Centre in Paris.

From the start, a curator, seconded to the Pompidou Centre, led the project first as over-viewer then as director of the preparatory association, finally becoming director of the institution in March 2010.

A strict but flexible steering group has also been set up to ensure smoothness and reactivity. All partners (such as the local trade association) were involved throughout the project in advance of meetings and seminars (the Etats généraux du Commerce, for example) to be informed on the progress of the project.

Quantitative and qualitative results

One year after the opening of the facility, success was achieved: 800,000 visitors were welcomed in 2010, more than double the expected attendance. 85% of visitors were French (20% in Paris) and 15% were international, mainly from neighbouring countries (Luxembourg, Belgium, Germany, the Netherlands, Switzerland). Membership also set records: 19,000 members in one year.

A year after opening, the initial impacts of the Pompidou Centre Metz are:

- Tourism development which results in a significant increase in overnight stays and hotel bookings.
- Metz merchants also believe that from 35 to 40% of visitors came to the museum then visited the town, much to the profitability of shop owners but especially to restaurant owners.
- The acceleration of urban development including regeneration of the amphitheatre district which will have 1,600 residences and 40 businesses for private investments amounting to 460 million Euros and 160 million Euros from public investments.
- The changing image of the city; more difficult to assess in the short term but nevertheless felt by the inhabitants and economic actors of the city which is reflected already in an increase in demand for business premises and building permits.

Vue de nuit ©Centre Pompidou-Metz.

News and lessons learnt

The example of the Pompidou Centre Metz demonstrates, on the basis of analysing initial results one year after its opening, that such investments generate substantial benefits for mid-sized cities. Like the Guggenheim Museum in Bilbao, which led to a revival of the city (called the "Bilbao effect"); we can see the same for the city of Metz. This is therefore not an isolated effect. It even seems to be reproduced for territories with similar characteristics: a medium-sized city filling a lack of renowned cultural institutions, of associated infrastructure development (restaurants, hotels, and parking) to support the cultural supply and use of culture as a lever for development as part of a broader economic strategy.

Some key success factors are worth noting about this project, including:

- The continuing political and public commitment and their ability to decide and act quickly;
- The appointment of a project manager in 2003 that remained throughout the project;
- Awareness and ownership of the project by people through the establishment of a communication program based on the opening of a "Project House" and a preparatory association.

It was also found through this project that public investment has had a ripple effect on private investment.

As was the case in Bilbao, the challenge now is for Metz to overcome the novelty effect and build on its success. With the launch of Pompidou Mobile in October 2011, works of art are moving closer towards their public: a new chapter has opened for accessing culture.

The Festival d'Aix-en-Provence: an example of investment in a cultural event

The Festival d'Aix-en-Provence was founded in 1948 with a view to reinvest in culture after the Second World War. Its mission has since been to promote an international culture focused on outdoor opera.

©Festival d'Aix-en-Provence.

Other activities were added to the original design of the Festival in order to democratise opera and contribute to the training and professional integration of young artists. Concerts are offered throughout the year. Educational activities and teaching have been developed with local partnerships such as the European Academy of Music, founded in 1998, or an educational service to Aix in partnership with the National Education and the Paul Cézanne University. These activities aim to educate both professionals and the general public, young people and teachers to lyrical art and opera.

The challenge for the Festival is to promote openness through cross-cultural encounters. Thus, amongst others, a "Mediterranean Culture" programme was added to the Festival in 2008 so that artists from diverse backgrounds can perform and contribute to the exchange of cultures.

Three core values embody the Festival d'Aix and help direct its management team:

- Creativity (combined with creation);
- The pursuit of excellence both in the arts as well as in education and sponsorship;
- The sharing and transmission of knowledge, particularly in the context of rapport with the public, education and training.

Objectives

The main objectives of the Festival, as described in the multiannual convention between the festival and public authority signatories, are:

- Organise an annual festival around a programme of international reputation

and artistic innovation with four opera productions annually and the organisation of regular concerts;

- Strengthen the work of the European Academy of Music and its local regional roots and European dimensions;
- Increase the presence of the festival at local level by developing collaborations with local cultural institutions;
- Make the festival a European centre for reference;
- Continue the implementation of its artistic and cultural education projects and audience development, particularly emphasising the efforts made towards the young people and school communities throughout the year;
- Maintain a price policy which has a large reserve of seats at affordable prices.

Budget

The Festival d'Aix-en-Provence, a self-financing structure of up to 65%, set up an original self-funding finance strategy on top of public subsidies.

On a total budget of 19.3 million Euros of sponsorship, revenues account for more than 17%, or as much as the contribution by the state (17.4%) and local government (16.6). 85% of the revenue comes from sponsorship by national and regional companies and 15% from individual patronage.

The Festival is a community of 215 individual patrons of which 120 are French, 90 American and 49 are other nationalities. A local business club, Club Campra, was created to mobilise regional businesses (22 to date), in amounts ranging from 6,500 to 50,000 (representing a total of over 350,000 Euros) and help create a regional community around the event. In 2010, 16 of the 19 new corporate sponsors have joined as well.

Despite, in France, cultural business patronage eroding since 2008 in favour of social and educational sponsorship, the festival has kept its patrons thanks to the development of "crossed" philanthropy with, for example, support from companies for educational activities. Using its strong local roots, it also saw progress in 2010 in individual sponsorship and regional SME's. It also managed to develop individual support outside France. It now has a very active club of donors in the United States and has just initiated a similar approach in the UK.

Principles of governance and management

The Festival has an association with a Board of Directors (consisting of representatives of the state, local government, qualified people in the private sector) and an office. The Chair of the Board is held today by a qualified private sector individual.

A three-year agreement was reached between the Festival and the government (State, Region, Department, association of municipalities and municipality) in the determination of grants. It sets out the objectives of the Festival and how to assess the results. A technical committee made up of representatives from the public authorities of each signatory and the association management meets twice a year to assess compliance and actions taken by the association.

Quantitative and qualitative results

In 2011, the Festival hosted just over 72,000 spectators, including more than 30,000 attendees for free performances, concerts, rehearsals and broadcasts on the big screen. The seat occupancy rate was 97.5% for operas and 83% for concerts.

Despite its international character, the event has triumphed over its local roots: since 2004, an average of 53% of spectators has come from the region. This was only 20% 12 years ago.

The Festival opens up more and more to young people and the general public with targeted actions that achieve great success: child rates, "discoveries", awareness in schools, colleges and secondary schools,

joint projects carried out with young musicians, singers and artists... These activities helped to reach nearly 8,000 school and public associations in 2011.

Synergies with the Conservatory of Music of Aix-en-Provence have also been developed.

The national and international media gives wide coverage of the event each year. A network of 11 European opera academies (ENSO: European Network of Academies Opera) was incorporated into the initiative of the festival and has raised 2.5 million Euros in European aid in just two years.

News and lessons learnt

The example of the Festival d'Aix-en-Provence illustrates two major points:

- The festival features a particularly original business model in the context of French opera: a part of subsidies up to 35% of revenue and, consequently, a very large share of own revenue including from ticketing, sponsorship and co-production; these being the three main sources of income. The specificity of this business model has clearly enabled the festival to survive the economic crisis of 2008 without much impact in terms of funding. It also shows that public money can be a powerful tool for private fundraising in the cultural sector.
- International by nature, audience and artistic offerings, the Festival has chosen to pursue a policy to enhance its local presence and its relationship with stakeholders and the local population.

This case is an illustration of event identification development. While remaining faithful to a conception of opera based on a vision of citizenship and European opera, the festival has reinvented itself by offering new activities and content to attract new audiences, contributing to trade between cultures and the transmission of knowledge.

Convincing others about the value of renewing the public and programmes has not been easy in the internal governance of the Festival which is very sensitive with regards the original identity of the event. However, partners and the public have largely adhered to the development of this so-called "citizen's opera".

Digitisation project of the Royal Library of Belgium: an example of investment in digital content production

In Belgium, the Federal Ministry of Science Policy (BELSPO) launched, in 2010, a new initiative to make better use of net worth (80 million objects and works of art, valued in 2002 at 6.2 billion Euros) and to ensure the emergency conservation of some collections (e.g., newspapers) and attract new audiences through a program of digitisation of the federal museums.

The lack of public funds mobilised for this initiative led to the establishment of a Public-Private Partnership (PPP). Initially, the partnership involved the collection of the royal library which includes several million items (books, records, films, and works of art...), then that of all other federal scientific institutions. It now includes the digitisation of works over a period of 5 years and the transfer/migration of digital data over a period of 20 years.

A single portal for the general public to access the scans is on its way.

The PPP was contracted out in the fourth quarter of 2011.

Objectives

The main objective of digitisation is the development of heritage and the emergency rescue of some items to then attract new audiences to the federal scientific institutions via new routes, products and

museum services. It will also allow for the better dissemination of knowledge related to this unique heritage.

Digitising targets films, soundtracks (Cinematek), National Archives, libraries and fine art (Royal Museums of Art and History, Royal Museums of Fine Arts).

The quality of this digitisation work (technical validation of such high-volume scanning, compliance with the working conditions) is an imperative which guides the PPP.

Budget

In total, the overall budget allocated to this PPP is around 900 million Euros, including financial costs; 464 separate projects are spread across all federal scientific institutions...

Private pre-financing of the operation should speed up scanning and an annual fee from the state will reimburse the companies that will lead the operation.

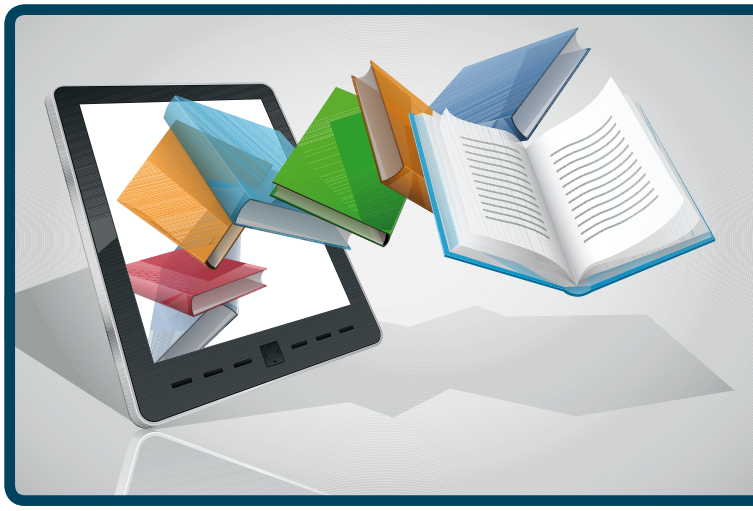
Principles of governance and management

The public-private partnership, previously unprecedented in Belgium and Europe, brings together the skills of various public actors (experts/scientists, curators) of BELSPO, as well as those from the consortium of companies specialising in digitisation. The governance has been contracted out in the PPP.

In terms of sponsorship, a proposal was made to create a foundation whose purpose would be to conduct fundraising to value certain collections and highlight heritage elements. The joint public-private team will reassure potential sponsors willing to participate in a cultural project, given its level of collective expertise.

News and lessons learnt

This project illustrates implementation by a public actor for a new approach to heritage development based on the mix of expertise (scientific, technological, organisational, financial and managerial) from public and



private sector and the establishment of an "articulated" common project with corporate foundations. It illustrates the opportunity given to public actors involved in the production of digital content and a chance to become actors of cultural and creative industries themselves.

This operative choice required educational work within the administration to combat the distrust of public services and convince people of merits and contributions other than those based around finance.

Via this partnership, BELSPO is able to create new added value and become a player in the provision of services internationally in the context of other heritage digitisation projects. This will be through the future creation of a joint venture in digitisation engineering.

Moreover, in a context of fiscal constraints and institutional crisis where the significant commitment of 100% public funds is frowned upon, this "technology partnership" offers a pragmatic alternative. Other options were considered, including that of borrowing from the European Investment Bank and the Belgian State. This was rejected in light of the level of debt in Belgium and, paradoxically, the requirements of rapid returns on investment needed to repay the loan, up against the main purpose of the approach, namely, the conservation and enhancement of heritage.

DUTCH Design Fashion Architecture: an example of investing in the implementation of enabling conditions of cultural and creative industries in the Netherlands

In the Netherlands, the strategic program DUTCH Fashion Design Architecture (DFA Dutch), over a period of 4 years (2009-2012), is aiming to strengthen the international position of three areas: design, fashion and interior/exterior architecture.

Four target markets are covered: China, India, Germany and Turkey.

This program is being deployed through a public/private partnership approach between six trade associations representing companies from three branches in the Netherlands: the Dutch Ministry of Culture and Science Education, the Ministry of Foreign Affairs, the Ministry of Economic Affairs, the cities of Amsterdam, Eindhoven and Rotterdam and the office of the Master Architect of the Government.

Temporarily, it operates in complement to sectoral structures and existing infrastructure to support the internationalisation of these three sectors.

Objectives

Two qualitative objectives have been defined for this programme:

- Externally: building sustainable international partnerships in the three areas in the four target countries by relying on diplomatic networks, the press, the world of education and expatriates.
- Internally: to develop working arrangements between cross-sectoral partners in Dutch DFA to facilitate the increasing internationalisation of the three sectors.

The originality of Dutch DFA is multidisciplinary collaboration and a long-term approach. The aim being to limit the barriers to entry into these countries, strengthen the sales of companies participating in the programme and support international entrepreneurship, capitalising on diplomatic networks and existing foreign contacts.

Specifically, the programme supports study tours, business matchmaking, incubators, participation in dedicated professional forums and exhibitions...

Budget

The budget is 3 million Euros per year from the three departments, supplemented by about €25,000 a year by two cultural institutions.

This program was launched in 2009 against a backdrop of recession and deep cuts in cultural spending. Dutch DFA is housed and financially linked within the "Netherlands Architecture Fund (SFA)", a foundation which depends on the Ministry of Culture.

Principles of governance and management

Public-private governance is organised into three levels:

- The "Steering Group" formed by public and private programme initiators, the departments having observer status. With four meetings per year, the Steering Group agrees on the yearly strategy and monitors programme development.
- The "Programme Group" meets monthly under the guidance of the Director of Dutch DFA. It includes operational actors from professional organisations represented in the Steering Group. It selects the project leaders from the three sectors in respect of the strategy deployed. Each member is responsible for monitoring at least one project and is responsible for internal communication within their professional organisation.
- Finally, in the Dutch DFA Programme Office, four full-time staff work daily to analyse project applications, co-ordinate these projects in terms of content, carry out financial tracking and maintain the website. The website in English is the exchange

platform for all projects by country. A modular Dutch DFA booth is present at different fairs and biennial exhibitions around the world. Four independent external service providers act as relays in the target countries.

Quantitative and qualitative results

Among the sixty projects which have been supported since its creation, the opening in September, 2010 of a Dutch Design Workspace in Shanghai, a business incubator, is probably the most significant result. It allows project actors to manage the administrative burden and language barrier and integrate into high-level networks, providing a workspace and a support programme for Dutch entrepreneurs from the three disciplines (design, architecture, fashion) as well as those wishing to settle in China or simply expand their activities (evaluation of business plans, advice for setting up a business, law/administration, events...).

Several projects have pursued/initiated in China, especially for a dozen micro-enterprises and Dutch SME's (KCAP, MVRDV, Five Spices, NorthernLight...).

Another Dutch Design Workspace is to open in Mumbai and an Office Desk in Germany soon.

News and lessons learnt

Three years after launching the programme, the Dutch example shows two strong changes of posture of public actors:

- Establishing a targeted public-private strategy, concerted between the various economic and cultural actors involved, to promote cultural sectors, target markets and to have clear objectives at an acceptable economic cost.
- The paradigm shift from an institutional logic of "one-stop grants to single-stream" to a logic of "empowerment" of professional organisations and businesses in targeted sectors to bring collaborative projects that meet local needs in high-potential countries that have a strong impact in terms of international notoriety.

In addition, the following lessons can be learnt:

- To engage governance to obtain short-term results, the choice of a temporary structure used to speed up the process;
- The establishment and learning of the collaborative process takes time (a year was needed for Dutch DFA);
- When implementing this type of programme, it is important not to underestimate the time and cost;
- The selection criteria for project applications are drastic. A debate on the amount requested, a demonstration of the value added in terms of innovation, networks and foreign market penetration, brand awareness of the "Netherlands brand" internationally, multidisciplinarity of projects crossing two or three sectors, the connection with a long-term strategy, the meeting between the project and the local response to a need identified in the target countries (economic, social, identity...),

The very positive approach to continuous programme evaluation: self-assessments of project participants, the annual internal report and finally, the independent on-going in itinere and ex post evaluation of the programme.

Extending the programme beyond 2012 is still under consideration.

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Forum d'Avignon

The Forum d'Avignon aims at strengthening the links between culture and the economy, suggesting subjects for reflection at global, European and local levels. The Forum d'Avignon was created after the ratification of the UNESCO convention on cultural diversity, and since its beginning, has been backed by the French Ministry of Culture and Communication. Each year the Forum organizes, with its partners, international meetings which provide opportunities for unique discussions and exchanges between actors from the worlds of culture, the creative industries, the economy and the media.

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A think tank dedicated to culture

Each year the Forumd'Avignon publishes new studies highlighting the essential links between culture and the economy, on themes suggested by its Advisory Board. Throughout the year these themes are examined and proposals put forward by working groups that are organized by the Forum d'Avignon with experts, international consulting firms and its public and private partners. The Forum's think tank tackles subjects such as culture, financing and economic models; culture and attractiveness of the territories; culture and digital; culture and innovation. For its third edition in 2010, six publications have been produced for the Forum d'Avignon, following the three studies presented in 2009.

The international meetings of culture, the economy and the media

An international and cross-sectoral event associating debates and performances by artists, the Forum d'Avignon is a field for reflection in which the economic dimension of culture and the roles of social cohesion and job creation in cultural areas are being, explored. The Forum d'Avignon is where concrete proposals, unique networking opportunities, heritage and innovations discoveries are brought together. The directions explored each year are disseminated among national and international authorities. Over 400 committed people come together: artists, chairmen,writers, professors, filmdirectors, philosophers, students from international universities, representatives of the creative and cultural industries. The diversity of the points of view is also symbolized by the cosmopolitan diversity of the speakers, coming from all over the world.

For more information, www.forum-avignon.org

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