



Deloitte's Art & Finance Panels - ArtCity 2020  
Culture & Sustainable Impact Investment

24 October 2020



**MAKING AN  
IMPACT THAT  
MATTERS**  
*since 1845*

# Culture and Sustainable Impact Investment

*With the Covid-19 crisis, financing culture has become even more problematic hence should we consider new creative financing approaches?*

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**Monica Palumbo**

Partner Sustainability & Assurance  
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## PANELISTS



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# Culture and Smart Cities

*As a result of the current sanitary crisis and the digitization of culture, does it make sense to include culture in the concept of smart cities?*

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# Cultural and Creative Sectors: levers for sustainable economic and social development

Over recent years, the **relationship between sustainability, arts, and culture has attracted growing interest**. This has fostered the launch of an increasing number of initiatives and research activities aimed at providing the multiple actors involved – civil society, governments, non-governmental organizations, private businesses, investors – with innovative and dedicated solutions, for the implementation of **more effective and inclusive strategies for the preservation and valorization of culture**.

Several studies show that **the broad artistic, cultural and creative sector represents a powerful lever for economic and social development**:



**Direct and indirect economic impacts** on local communities, which can boost urban regeneration, improve tourism and eno-gastronomic sectors;



**Active engagement and social cohesion**, promotion of cultural diversity, reduction of inequalities, development of more peaceful and inclusive societies, with positive implications for the psycho-physical wellbeing of people in local communities.

Moreover, **cultural and creative industries have become major drivers of economies and trade strategies both in developed and developing countries<sup>1</sup>**, representing around<sup>2</sup>:



**3%**  
of the world's GDP



**30 million**  
jobs



Source: \* Roland Berger

<sup>1</sup> Source: *Giovinazzo, M., Williams, G., Culture for the Future*, European Union, 2019.

<sup>2</sup> Source: *Cultural times: The first global map of cultural and creative industries*, EY, 2015.

# Culture and Sustainable Development

## Culture in Sustainable Development Goals

The Agenda for Sustainable Development unanimously adopted by UN Member States in September 2015, comprising 17 Sustainable Development Goals (SDGs) and 169 specific targets, includes several explicit references to cultural topics.

The international community is drawing attention to the fact that the **support and development of culture requires strong commitment from all stakeholders**, including governments; private, public, and nonprofit organizations; and every single individual.

## UNESCO Thematic Indicators for Culture in the 2030 Agenda

**UNESCO Thematic Indicators for Culture in the 2030 Agenda** (Culture | 2030 Indicators) is “a framework of thematic indicators whose purpose is to measure and monitor the progress of culture’s enabling contribution to the national and local implementation of the Goals and Targets of the 2030 Agenda for Sustainable Development. [...]”

The framework will assess **both the role of culture as a sector of activity, as well as the transversal contribution of culture across different SDGs and policy areas.**”

Source: UNESCO CULTURE | 2030 Indicators  
<https://whc.unesco.org/en/culture2030indicators/>



**“Culture is who we are and what shapes our identity. Culture contributes to poverty reduction and paves the way for a human-centred, inclusive and equitable development. No development can be sustainable without it.**

*Placing culture at the heart of development policies constitutes an essential investment in the world's future and a **pre-condition to successful globalization processes that take into account the principle of cultural diversity.**”*

UNESCO, Sustainable Development Goals for Culture on the 2030 Agenda



8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

11.4 Strengthen efforts to protect and safeguard the world’s cultural and natural heritage.

# The impact of COVID-19 on Culture

With billions of people confined in their houses due to pandemic or directly battling the COVID-19 virus, **arts, culture and creativity have shown their power to unite and connect people, and also to offer hope, strength, and comfort.** Creative and cultural organizations around the globe have demonstrated their resiliency, by implementing digital initiatives aimed at providing people with the right to access to culture. Yet, the **cultural and creative sectors are among the hardest hit by the pandemic**, with large number of jobs at risk and uncertainty around the future of many organizations.



## Museums

- 13% of museums may never reopen
- 95% of the estimated 95,000 museums worldwide were closed in May due to COVID-19

*(ICOM and UNESCO, May 2020)*

## Art Galleries

- Comparing the first six months of 2020 and 2019, galleries reported an average -36% in sales
- Negative impacts of art fairs cancellation

*(ArtBasel & UBS, September 2020)*

## Cultural & Creative Sectors

- Jobs at risk ranging from 0.8 to 5.5% of employment across OECD regions

*(OECD, 2020)*



## New Deloitte Italy's Report to be released

Pulse Survey on the impact of COVID on arts and culture:

- **Physical premises remain fundamental** in the arts and culture sector, online is only partially effective;
- **Cultural consumption is still negatively affected by COVID;**
- New public and private support, and new competences are needed to overcome the crisis.

# Looking Ahead

## Culture & Sustainable Impact Investment

With the Covid-19 crisis, financing culture has become even more problematic hence should we consider new creative financing approaches



### New Financing Approaches

Social and impact investing strategies and products dedicated to arts and culture



### Governments Support

Governmental institutions may implement new legislative instruments and frameworks, also aimed at boosting private support to arts and culture



### Reporting

Structured and periodic reporting on funds may increase transparency and investors confidence



### Social Impact Measurement

Frameworks to evaluate the social return on investments in arts and culture may increase the awareness of investors





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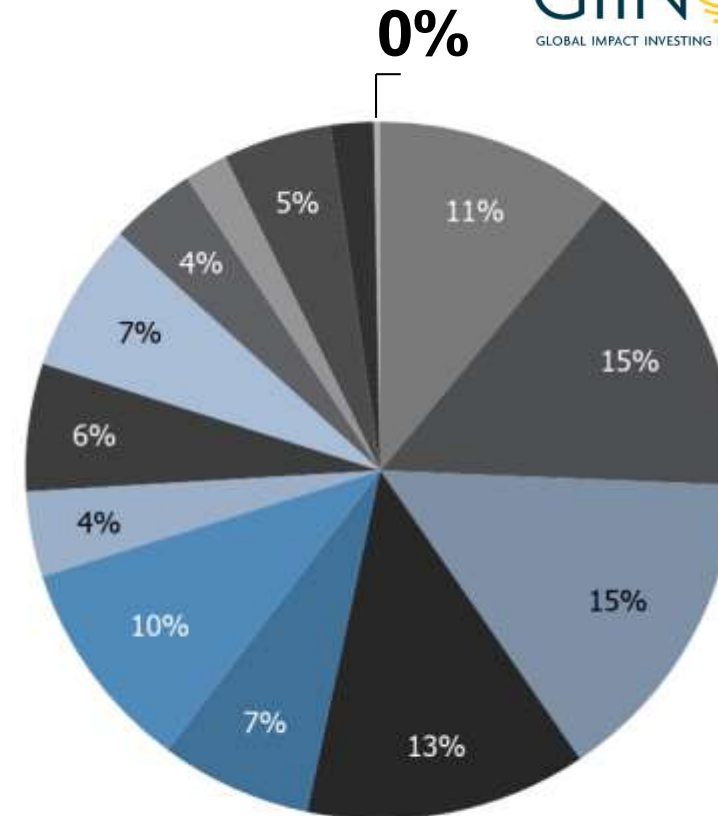


“Impact Investments are investments made into companies, organizations and funds with the intention to generate *social* and *environmental* impact alongside a *financial* return. “





- Financial Services (excl. microfinance)
- Other
- Energy
- Microfinance
- Housing
- Food & Agriculture
- Infrastructure
- Healthcare
- Water & sanitation
- Education
- Manufacturing
- Forestry
- Information & Communication Technologies
- Arts & Culture



0%

Source: GIIN Annual Impact Investor Survey 2019, p.19



**Ethical Fashion**



**Sustainable Food**



**• Social Impact Media**



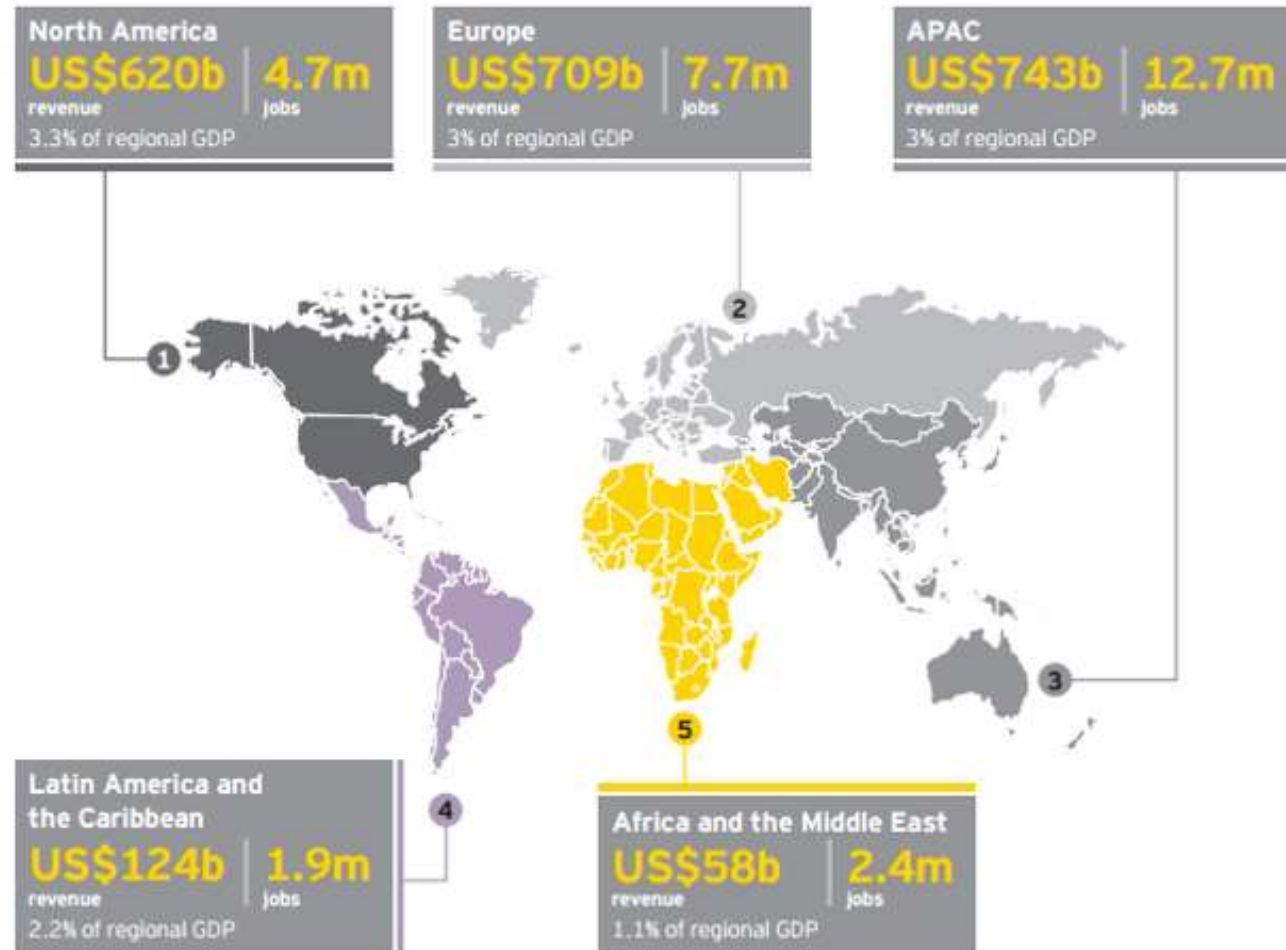
**Other Creative Businesses**



**Creative Places**

# #CreativityLens

Big in the north: CCI strongpoints\*\*



Source: Cultural times: the first global map of cultural and creative industries, EY, 2015

\*\* Rounded figures



**Laura Callanan, Founding Partner**  
**UpstartCo-Lab.org**  
**@UpstartCoLab**



**LSC**  
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**NAVY** | **YARD** |

NYC Inclusive  
Creative  
Economy Fund



**La**  
MAMA



**GMDC**  
BUILDINGS THAT WORK



## Arts & Culture Impact Fund

A £20 million fund offering loans between £150,000 and £1 million to help social enterprises in the arts, cultural and heritage sectors innovate and grow.



### Cultural Heritage Seed Fund

500,000-3,000,000 KES in seed grant-loan hybrids  
In collaboration with the British Council

Call for applications is now closed. Stay tuned for later application calls.

**Young Women in Creative Industries Fund**

Up to 1,000,000 KES in loans and technical assistance - in collaboration with JENGA CCI/Goethe-Institut Kenya



### Growth Fund

5,000,000 to 10,000,000 KES in loans  
In collaboration with Agence Française de Développement (AFD)



### East Africa Creative Business Fund

USD 20,000-USD 50,000 for creative businesses in the five East African countries, in partnership with the European Commission, and Agence Française de Développement (AFD)



**co**Galleries  
where art lives

**CREATIVE  
★ ACTION ★  
NETWORK**

 **ziel**

**KICKSTARTER**



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Thank you



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