



United Nations
Educational, Scientific and
Cultural Organization



Provisional programme of the Symposium “Funding Culture: Managing the Risk”

Organized within the framework of UNESCO activities on the links between culture and development, with the support of the Government of Spain

UNESCO, Room XI
16 and 17 April 2010

Challenges and Context

This symposium is part of a series of initiatives organized by UNESCO on the theme of “Culture and Development”. It follows the UNESCO World Forum on Culture and Cultural Industries (Monza, September 2009) and the symposium Culture and Development: a response to the challenges of the future? (Paris, October 2009). During the course of these debates, the idea of examining the perception of risks associated with investing in the culture and creative sectors emerged as an important new and innovative approach to considering the question of their funding.

Through this symposium, UNESCO proposes to challenge the perception of risks, to identify the risk-management mechanisms and to develop new frameworks to encourage investments in the culture and creative sectors in developing countries. Representatives from development agencies (AFD, AECID), international and regional financial institutions (World Bank; BID, BNDES) and multilateral organizations (OECD, EU, UNDP) have been invited to present their perspectives as specialists on these questions and to inform the debates.

The symposium’s thematic approach was developed in consideration of the important challenges to be faced by the international community within the framework of the Millennium Development Goals (MDGs). The Seminar on Culture and Development in Girona (May 2010), taking place under the Spanish Presidency of the EU and the UN Summit on the MDGs (New York, September 2010) offer two important opportunities to translate the theories and models into political will and actions. This symposium aims, therefore, to contribute new perspectives to the debates and to take advantage of the global momentum around the cultural and development agenda.

Introduction

Creativity, culture and development

The potential of the culture and creative sectors (crafts, design, music, performing arts, audiovisual, publishing, festivals, etc) has been recognized only recently by economists and development actors. UNCTAD's 2008 *Creative Economy Report*, argued that these sectors "can foster income generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development."

On a strictly economic level, creative industries, which are at the heart of the culture sector, have become an important motor for global economic growth, representing 3.4 per cent of global GDP with an average annual growth of 8.7 per cent between 2000 and 2005. Their growth has been supported by the development of ICTs and the multiple synergies and convergences that currently operate between creativity, cultural goods and new media.

Cultural sub-sectors in developing countries in need of funding

There is often a great disparity between countries regarding the dynamism of the culture and creative sectors. In developing countries, these sectors encounter difficulties to thrive and to attract the interest of policy makers and investors. Indeed, despite the real benefits in terms of economic growth and poverty reduction and the many conferences and public commitments on this subject in the last few years, the culture sector has often been neglected and marginalized by investors and by the development community. According to the OECD, 1.7 per cent of international development aid was allocated to the culture sector. In light of this context, it is time to act by questioning the funding *status quo* in developing countries.

How risk perception curbs investments in the culture sector

Whatever the proposed and expected outcomes (return on investment, positive impact on socio-economic development), the perception that investments in the culture and creative sectors are inherently risky is one of the main reasons behind investors' mistrust of funding this sector. Is this mistrust justified? To what extent does this perception reflect the reality of risks involved in investing in the culture sector? What are the causes of these risks? What role can the international cooperation play in reducing these risks? What other mechanisms can be proposed to improve risk management and thus support the emergence of national and regional markets for the sector?

Agenda

Friday, 16 April

9.30 - 10 am Welcome - Coffee for participants

10 - 10.15 am Opening of the Symposium

10.15 am - 1 pm **Round Table I**
Risks in Funding Culture: Myth or Reality?

The challenges of attracting funding for the culture and creative sectors are country specific. Developing countries, however, have common experiences and challenges due to weaknesses in their cultural sub-sectors, which places them at a distinct disadvantage to the funding structures operating in OECD countries. Underdeveloped domestic markets, lack of transparency and accountability explain the difficulty culture sectors in developing countries have to attract funding. This is particularly true for small and medium cultural enterprises, which constitute the cornerstone of the sector. Does the perception of risk associated with investments in the culture sector reflect the reality of this sector in developing countries? What are the causes of these risks? What specific factors of developing countries increase the risks of investing in their culture sectors?

1 - 3 pm Lunch

3 - 5.45 pm **Round Table II**
Dealing with Risk: What Works

The mechanisms for investing in the culture sector in OECD countries are operating with relative success. Although rarer in developing countries, certain mechanisms have been established, such as the Bank for Investment and Development (BIDC/OIF). There are a number of investment framework models already available for culture sub-sectors: for example, distribution of risk, funds allocated for capacity building, and aid development programmes. The plethora of models helps to isolate and to analyze what “works” and what needs to be improved. What are the principle risk management mechanisms available today? What are the results? How can international development programmes be involved in the establishment of risk reduction frameworks?

Saturday, 17 April

9.30 - 10 am Welcome – Coffee for participants

10 am - 12.30 pm **Round Table III and Conclusions**
How to Encourage Investments in the Culture Sector?

Supporting growth of the culture and creative sectors in developing countries requires greater partnerships between states, the private sector, development agencies, development banks and financial institutions. What kind of partnerships and collaborations can encourage funding culture? How can the perceptions and management of risk involved in investing in the culture sector be improved? What support given to financial institutions can help ease the way for their investments in cultural sub-sectors in developing countries?

12.30 - 1 pm Closing session