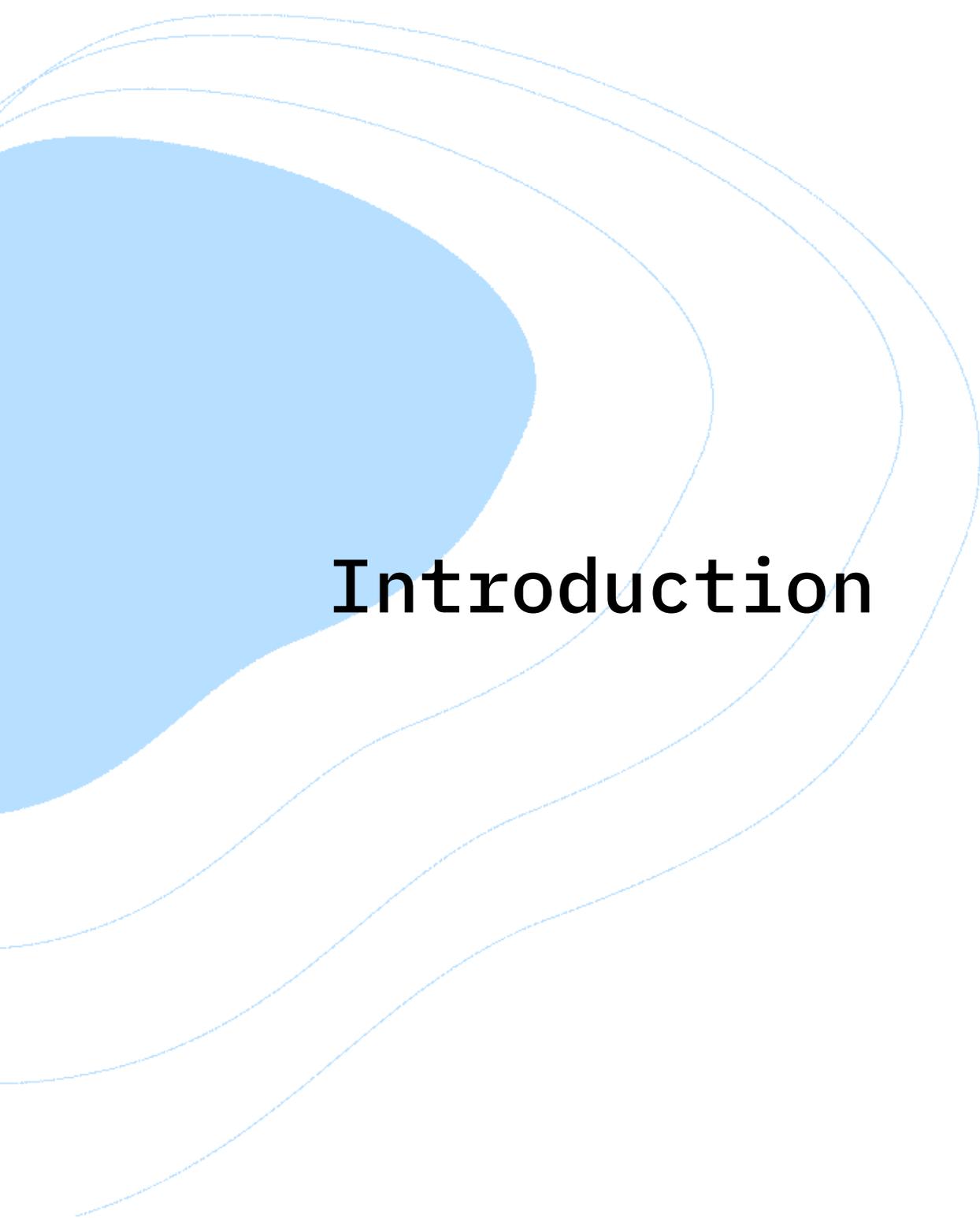


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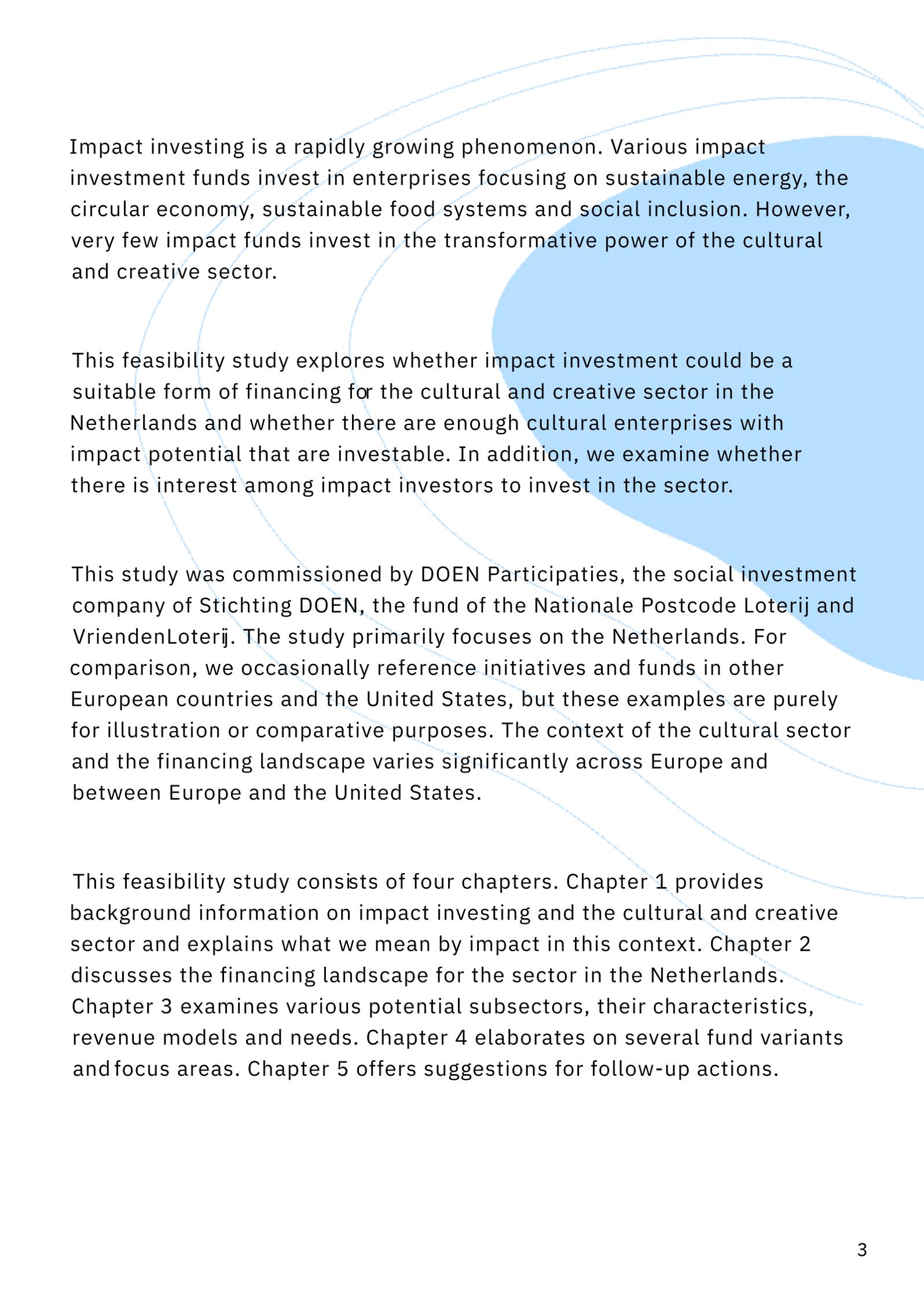
# Feasibility Study Impact Investing in the Cultural and Creative Sector Introduction

Commissioned by DOEN Participaties B.V.  
Performed by Martijn Blom en Arthur Steiner

**DOEN**  
PARTICIPATIES  
POSTCODE LOTERIJ



# Introduction

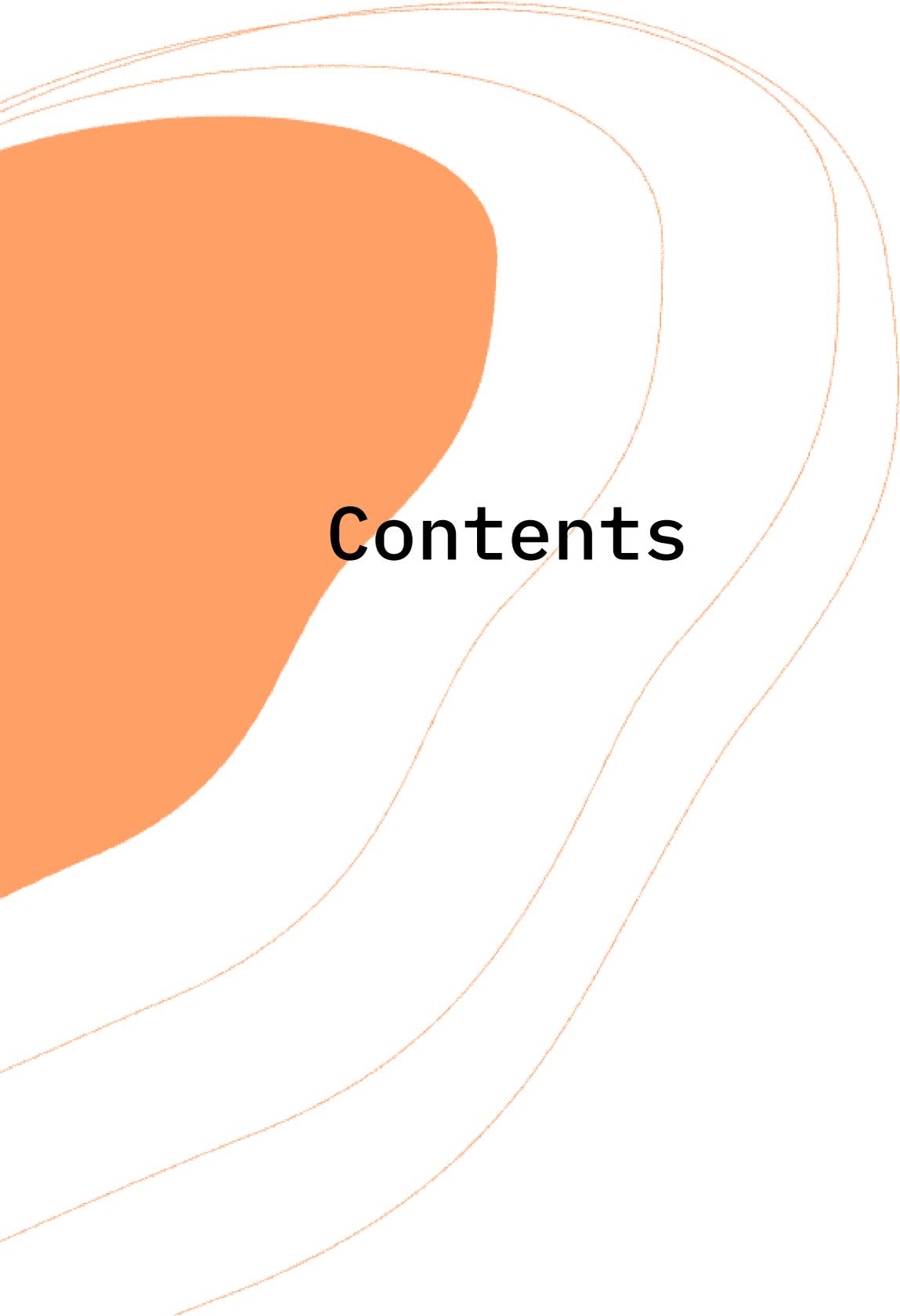


Impact investing is a rapidly growing phenomenon. Various impact investment funds invest in enterprises focusing on sustainable energy, the circular economy, sustainable food systems and social inclusion. However, very few impact funds invest in the transformative power of the cultural and creative sector.

This feasibility study explores whether impact investment could be a suitable form of financing for the cultural and creative sector in the Netherlands and whether there are enough cultural enterprises with impact potential that are investable. In addition, we examine whether there is interest among impact investors to invest in the sector.

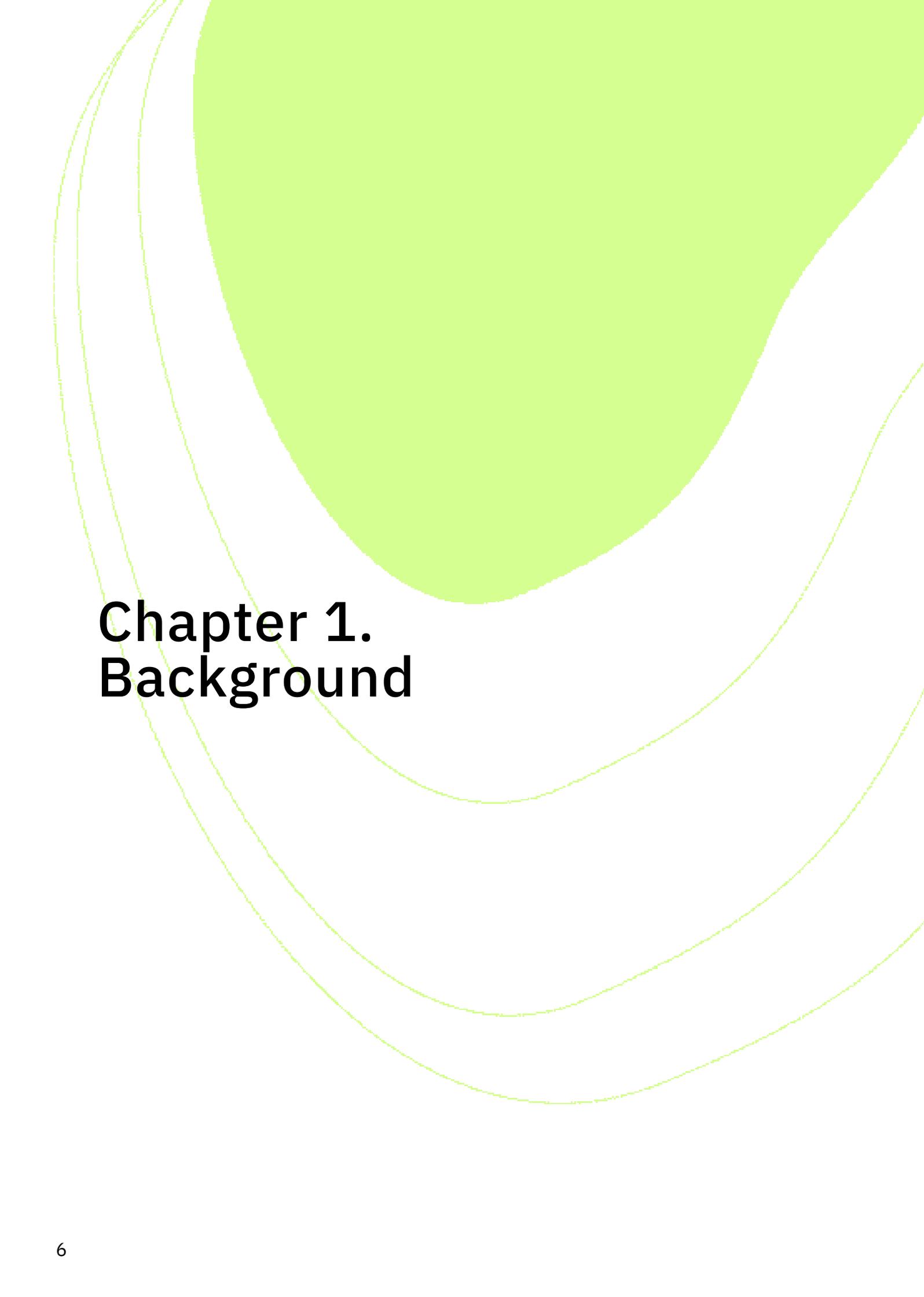
This study was commissioned by DOEN Participaties, the social investment company of Stichting DOEN, the fund of the Nationale Postcode Loterij and VriendenLoterij. The study primarily focuses on the Netherlands. For comparison, we occasionally reference initiatives and funds in other European countries and the United States, but these examples are purely for illustration or comparative purposes. The context of the cultural sector and the financing landscape varies significantly across Europe and between Europe and the United States.

This feasibility study consists of four chapters. Chapter 1 provides background information on impact investing and the cultural and creative sector and explains what we mean by impact in this context. Chapter 2 discusses the financing landscape for the sector in the Netherlands. Chapter 3 examines various potential subsectors, their characteristics, revenue models and needs. Chapter 4 elaborates on several fund variants and focus areas. Chapter 5 offers suggestions for follow-up actions.



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# **Chapter 1. Background**

# 1.1. Impact Investment

In recent years, impact investing has emerged as a new form of investment situated between philanthropy and traditional investments. There are various definitions of impact investment, but a commonly used description is that it involves investments made with the intention of generating positive social and/or ecological impact alongside financial returns. It is often added that the aim is to create additional value for the initiatives being invested in, which should be demonstrable and measurable<sup>2</sup>

**Impact Investment refers to investments made with the intention of generating positive, measurable social and/or environmental impact alongside a financial return**

Definition by the Global Impact Investing Network (GIIN)  
(<https://thegiin.org/>)

Impact investors are often high-net-worth individuals, philanthropic foundations, pension funds, insurance companies, endowed institutions, and banks who invest through intermediaries such as fund managers across a range of sectors, including renewable energy, regenerative agriculture, healthcare, education, technologies for cleaner water and air and affordable housing for lower-income groups. The global market for impact investments has grown in the past year from \$1.164 trillion to \$1.571 trillion, according to the Global Impact Investing Network (GIIN)<sup>3</sup>

Impact investments can take various forms, such as concessionary loans (loans with, for example, low interest rates), venture capital (risk capital for startups with social impact), private equity (investments in large companies), quasi-equity (a hybrid of debt and equity financing), social impact bonds (bonds with repayment based on achieved impact targets) and recoverable grants (grants that can be repaid under certain conditions).

The most common form of impact investments involves equity investments (venture capital/private equity) through an investment company that pools capital from multiple investors to finance a diverse portfolio of social enterprises in exchange for shares in the companies. The investment company invests in the equity of social enterprises and sells the shares at a profit and/or pays dividends. The investment company acts as the general partner (GP), while the investors act as limited partners (LPs), who are the capital providers for the fund. The fund's capital is used to purchase shares in companies. The fund manager is responsible for managing the fund and may receive a management fee for this service.

An example is the Sweden-based Norrsken VC, one of the largest impact investors in Europe, which recently raised €320 million and plans to finance 30 companies with a focus on impact in sectors such as climate technology, energy, biotechnology, AI and health technology<sup>4</sup>. Over the past 25 years, DOEN Participaties has become the largest impact investor for sustainable and social startups in the Netherlands. Currently, its portfolio includes 50 equity stakes and convertible loans, as well as 18 fund investments<sup>5</sup>.

## 1.2. Definition of the Cultural and Creative Sector

In the Netherlands, various definitions of the “cultural and creative sector” exist, differing significantly across government agencies, funds, academic institutions and researchers. Sometimes the sector is narrowly defined, while at other times a broader definition includes “media and entertainment” and, for example, advertising agencies. The Culture Monitor uses a culture-oriented definition, while the Creative Industry Monitor applies a broader definition focused on the creative industries<sup>6</sup>

**The Culture Monitor distinguishes 10 domains within the Dutch cultural and creative sector: Architecture, Audiovisual, Visual Arts, Design, Heritage, Games, Literature, Music, Performing Arts and Theatre.**

Culture Monitor (<https://www.cultuurmonitor.nl/>)

**The Creative Industry Monitor identifies three subsectors and fourteen domains: 1) Arts and Heritage: Performing Arts, Creative Arts, Cultural Heritage and Other Arts and Heritage, 2) Media and Entertainment: Radio and Television, Press Media, Film, Music Industry, Book Industry, Other Publishers and Live Entertainment, 3) Creative Business Services: Architecture, Communication and Design.**

Creative Industry Monitor

(<https://mediaperspectives.nl/project/monitor-creative-industrie/>)

For this feasibility study, we have based our analysis on the 10 “cultural domains” used by the Culture Monitor. As a result, we exclude creative industries such as newspapers and press, radio and television, marketing and advertising agencies from this study. Therefore, in this study, we refer to “The Cultural and Creative Sectors” rather than the “Creative Industries”.

Within the 10 cultural domains, both commercial enterprises and non-commercial institutions are active, covering popular culture, subculture, counterculture and non-commercial culture. Examples include commercial creative enterprises such as streetwear brands (design) or hip-hop labels (music), as well as non-commercial institutions such as museums (visual arts) and theatres (performing arts).

Between 2019 and 2022, the cultural and creative sector in the Netherlands grew by 2.9% annually, resulting in 390,000 jobs by 2022. For comparison, the total economy's job growth during the same period was 1.6% per year. The job growth in the cultural and creative sector is mainly attributed to creative business services, with design standing out as a prominent subsector.<sup>7</sup>

Amsterdam has the highest concentration of cultural and creative sector jobs, with over 77,000 positions in 2022.<sup>8</sup> However, the focus of job growth in the sector has recently shifted from Amsterdam to other regions in the Netherlands, such as Eindhoven, Rotterdam, Utrecht and The Hague.

The cultural and creative sector is relatively small in scale. The average company size, with 1.7 jobs per establishment, is significantly smaller than the average in the ICT sector (3.9 jobs) and the economy as a whole (4.7 jobs). The proportion of self-employed individuals (freelancers) in the cultural and creative sector is also exceptionally high and continues to rise. In 2022, nearly 52% of all jobs in the sector were held by self-employed workers in the Netherlands.<sup>9</sup>

## 1.3. Perspectives on Economy and Culture

Within and outside the sector, various perspectives exist on the relationship between economy and culture. Funds, policymakers and institutions often hold differing views on the current economic system and the role of culture within it.

In this feasibility study, we distinguish three perspectives on culture and economy: 1) the “creative economy” perspective, 2) the “culture as a public good” perspective and 3) the “social and solidarity economy” perspective.

In brief, the “creative economy” perspective emphasises the sector within the current economic system, while the “social and solidarity economy” perspective focuses on a systemic transition towards a “*new economy*”. The “culture as a public good” perspective highlights culture as a collective good that lies outside market mechanisms. Below, we briefly elaborate on these three economic perspectives.

## 1.3.1 The “Creative Economy” Perspective

The “creative economy” perspective emphasises the socio-economic benefits of the sector for society. It focuses on various “creative industries” and how they drive socio-economic development in a country, city or neighbourhood. Key elements include entrepreneurship, intellectual property and the commercialisation of products and services with a cultural component.

In the book *The Creative Economy: How People Make Money from Ideas* (2001), British professor John Howkins describes the creative economy as “a new way of thinking and acting that revitalises the industries of production, services, retail and entertainment, with a focus on individual talent or skill, and on art, culture, design and innovation”<sup>10</sup>. Similarly, American scholar Richard Florida emphasised in *The Rise of the Creative Class* (2002) the importance of the creative class for economic growth and urban development, arguing that creative hubs attract innovation, talent and investments<sup>11</sup>.

Essentially, the “creative economy” perspective highlights the sector’s role as a driver of economic growth. Heritage sites, for example, can attract tourists and create positive spillover effects, while creative businesses such as design shops, fashion stores and creative hubs can contribute to urban development<sup>12</sup>. Various (local) governments apply the “creative economy” framework to strengthen their cities or countries.

Therefore, the concept often involves the socio-economic “benefits” of arts and culture. Arts and culture can stimulate economic growth by attracting tourism, creating jobs and promoting innovation. They also contribute to social cohesion and improve both mental and physical health. Cultural amenities further enhance the quality of life in neighbourhoods.

**“The creative economy is an evolving concept based on the contribution and potential of creative assets to contribute to economic growth and development. It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives: it is a set of knowledge-based, and thus more localized, economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy.”**

UNCTAD (<https://unctad.org/publication/creative-economy-outlook-2024>)

Several organisations worldwide promote the “creative economy” perspective. The UN Conference on Trade and Development (UNCTAD) plays a key role in strengthening the global economic and developmental agenda of the “creative economy” and publishes the Creative Economy Outlook annually.<sup>13</sup> The British Council also actively promotes this view of culture and the economy on an international level. The accelerator and impact investor Upstart Co-Lab similarly bases its investment strategies on the “creative economy” perspective.<sup>14</sup>

## 1.3.2 The “Culture as Public Good” Perspective

From the “culture as public good” perspective, the cultural and creative sector, unlike the “creative economy”, is distinguished from economically driven sectors such as industry and services. The focus is on artistic and cultural values, as well as social and sometimes political motivations for the sector.

In his recent book *Culture is not an industry: Reclaiming art and culture for the common good* (2024), Justin O’Connor argues against approaching culture purely from an economic standpoint.<sup>15</sup> By talking about “the creative economy”, according to him, culture is poorly viewed as a market product, with the result that the way in which culture can contribute to social and political imagination is repressed. According to O’Connor, art and culture should be an essential part of democracy: a place where ideas can be freely thought about and a breeding ground for radical change. He states: “ We need to reassert public value over private profit, and to return culture to the public realm rather than leave it to market citizenship.”<sup>16</sup>

In contrast to the “creative economy” perspective, this view focuses more on the intrinsic value of the sector, such as the importance of a flourishing cultural life as a societal goal in itself. Arts and culture are seen as a “public good” that generates positive effects for society, justifying government support. The belief is that part of the cultural offering would not exist without government intervention, for instance because the market would be too small to sustain high-quality content. This is comparable to other “common goods” such as clean air and national defence, where market mechanisms fall short and the government must step in to finance them.

In 2022, 150 countries gathered at MONDIACULT, the world's largest conference on culture, reaffirming culture as a "global public good"<sup>17</sup> In the Netherlands, this perspective also underpins the national subsidy system (referred to as the "BIS"), with the Dutch government emphasising the importance of making cultural offerings accessible to as many people as possible.<sup>18</sup>

**"The notion of common goods refers to goods, facilities or resources that benefit the entire community or society as a whole rather than specific individuals or groups within that society."**

IFACCA Culture as Common Good

Various funds and financiers stress the importance of culture in the "public space" and its role as a driver of societal change. For example, the Prince Claus Fund for Culture and Development supports artists and cultural organisations in countries where cultural expression is under pressure. The Netherlands-based European Cultural Foundation funds artists and cultural pioneers because they address complex issues in ways that transcend political debates. The foundation believes in the power of culture to connect, create space for dialogue and promote European public space. Stichting DOEN finances art and culture projects that use radical imagination to show that a different world is possible, creating space for diverse perspectives.

Unlike the socio-economic "benefits" such as economic growth and social cohesion central to the "creative economy", this perspective invests in culture for the "societal change" it can generate in public space and civil society. Culture here is linked to concepts such as freedom of expression, imagination, critical voices, dialogue and democracy.

### 1.3.3 The “Social and Solidarity Economy” Perspective

The role of the cultural and creative sector can also be examined from the perspective of the Social and Solidarity Economy (SSE). This view emphasises the significant role of the sector in shaping alternative ways of living, working and developing a “new economy”.

The focus is on initiatives promoting horizontal, equitable, collective and more inclusive forms of collaboration, such as cultural cooperatives, artist collectives and community-driven initiatives. Examples include cultural free zones resisting further privatisation and gentrification of cities, as well as cooperative craft workshops, shared studios or music spaces and art collectives that organise themselves democratically. An example of this is organisations that promote “collective ownership” of cultural venues.

In addition, the "Open Movement" is a global initiative centred around the free sharing of creativity, culture and knowledge. This movement includes projects like Creative Commons, open-source software, Copyleft, platform cooperatives, online community radio and streaming and remix culture. It seeks to make access to art and culture more accessible, inclusive and flexible while encouraging reuse. The movement highlights the importance of collective creativity, imagination and knowledge exchange, aiming to remove barriers often present in traditional copyright and ownership systems.

"The Social Solidarity Economy is an alternative to capitalism and other authoritarian, state-dominated economic systems. In SSE ordinary people play an active role in shaping all of the dimensions of human life: economic, social, cultural, political, and environmental. SSE exists in all sectors of the economy production, finance, distribution, exchange, consumption and governance. It also aims to transform the social and economic system that includes public, private and third sectors. SSE is not only about the poor, but strives to overcome inequalities, which includes all classes of society. SSE has the ability to take the best practices that exist in our present system (such as efficiency, use of technology and knowledge) and transform them to serve the welfare of the community based on different values and goals.

(...) SSE seeks systemic transformation that goes beyond superficial change in which the root oppressive structures and fundamental issues remain intact."

RIPESS (<https://www.ripess.org/>)

There are also examples of horizontally and cooperatively organised funds demonstrating that collective investments can be achieved through democratic, inclusive decision-making processes. These initiatives resemble credit unions (cooperative banks owned by their members), which offer cultural entrepreneurs access to affordable financing based on joint decision-making. A key example is the Boston Ujima Project, a democratically member-led venture capital fund in Boston with the mission of returning wealth to communities of colour.

The Ujima Fund provides loans and equity investments in local cultural and community-based creative enterprises. It has raised \$4.5 million for its investment fund.<sup>19</sup> The initiative uses a “participatory investment process” where members can propose projects they believe will have a positive impact on the community. These proposals are often collected during neighbourhood meetings where hundreds of residents, local creative businesses and artists come together. Financial experts from the community conduct due diligence and provide recommendations before the investments are put to a vote. The Boston Ujima model is similar to the way credit unions operate.

These investment models are often described as “non-extractive” financing.<sup>20</sup> This means that the financial structure ensures the lender’s returns never exceed the value created by the borrower with the capital provided. This can be achieved through mechanisms such as low interest rates, grace periods, zero collateral or repayment schedules with no payments of interest until after the project can cover expenses . Alternatively, interest may only be charged once the project becomes profitable. In such a model, profits generated by an initiative can flow back into a revolving fund, allowing the success to support future cultural spaces that need funding.

In the Netherlands, several funds also promote the development of a new social and solidarity economy. Examples include the Fonds Burgerbewegingen, the Stadmakers Fonds and Fonds Kwadraat, which provides non-extractive loans to artists. Stichting DOEN plays a pioneering role in this field, particularly through the Arts Collaboratory network and the Postcode Loterij Buurtfonds, which supports community-driven initiatives. On its website, Stichting DOEN emphasises its focus on “social practice” (artists involving communities and individuals in their creative processes) and cultural initiatives striving for horizontal, equitable and inclusive collaboration models.

In contrast to the “creative economy” perspective, which emphasises socio-economic “benefits”, this view describes a “systemic transition” from the current extractive economy to an alternative, values-driven “new economy”. In other words, the focus here shifts from “social change” to “systemic change”.

## 1.4. Impact and Value of the Cultural and Creative Sector

What is the impact of the cultural and creative sector? This question has been widely discussed and debated in recent years and significant research has been conducted on the topic<sup>21</sup> Such research often distinguishes between the societal and ecological impact and the “inherent value” of the sector.

Impact refers to the external societal effects of the sector, while its inherent value is expressed through concepts such as imagination, inspiration, experience, reflection and offering new perspectives. In the United Kingdom, the term “cultural value” is sometimes used to differentiate this from “socio-economic benefits”. The terms “intrinsic” and “instrumental value” are also occasionally employed to describe this distinction. In this study, we use the terms “social and ecological impact” versus “inherent value”.

## 1.4.1 The Impact of the Cultural and Creative Sector

In recent years, there has been increasing attention on the cultural and creative sector's role in driving or accelerating change in areas such as the economy, society and the environment.

In this context, the sector's impact can be described across various dimensions, including healthcare, education, climate and diversity and inclusion. Impact is often assessed based on contributions to the Sustainable Development Goals (SDGs), which consist of seventeen global targets aimed at making the world a better place by 2030. These goals serve as a global framework for addressing challenges such as poverty, education and the climate crisis.<sup>22</sup>

There are numerous examples of how the sector contributes to the SDGs. Theatre companies offer educational programmes in schools located in disadvantaged areas, while music labels collaborate with prison systems. Interaction designers have developed tools that help blind and visually impaired individuals interpret body language through mobile apps.<sup>23</sup> A gaming company has designed specialised games for trainee surgeons to improve motor skills in a captivating virtual environment.<sup>24</sup> A film organisation works with asylum holders from the film industry to help them find employment in the Dutch film and television sector.<sup>25</sup>

There are varying views on what constitutes impact within the cultural and creative sector. This study will not delve further into this debate and we refer to the various initiatives in the Netherlands that are conducting deeper research into the impact of the cultural, such as the Impact Tiendaagse.<sup>26</sup>

# ***Measurability and Demonstrability of Impact***

Diverse opinions exist regarding the pressure from governments and financiers to make the societal effects of the cultural and creative sector measurable and demonstrable.

Some argue that the sector's unique value lies precisely in its ability to transcend the dominant focus on utility and returns. There is resistance against the increasing demand for measurement, control and efficiency often imposed on cultural and creative organisations. Critics contend that the sector is one of the few domains where ambiguity and open-endedness are embraced, standing in contrast to a world increasingly dominated by functionality and utility. In short, the sector's added value extends beyond predefined impact targets, instead creating space where the unthinkable can be explored and the unplanned can be embraced as a strategy.

Composer and musician Merlijn Twaalfhoven refers to this as the importance of “play space” in addressing societal issues<sup>27</sup>. This concept involves allowing for non-profitable experiments, artistic research and the acceptance of failure. The undefined and unmeasurable nature of imagination is seen as crucial to the sector, distinguishing it from “social enterprises” that aim for clearly defined impacts with maximum efficiency. Twaalfhoven also speaks of the “ability to embrace uncertainty” as a core skill of artists. By adopting an artistic mindset, one becomes more comfortable with uncertainty. He even founded an Academy for Uncertainty Competency<sup>28</sup>.

The Dutch Scientific Council for Government Policy (WRR) has also advocated for restraint in imposing predefined impact criteria that extend beyond artistic and cultural considerations<sup>29</sup> It warns that the risk of market-driven thinking is that everything is subjected to the same standards, leading to the dominance of “measurable outcomes”. In the article “Measuring is Knowing, But Is It Really?”, Stichting DOEN suggests that when evaluating the impact of social arts practices, the focus should be on participants’ experiences rather than reducing everything to numerical data.<sup>30</sup>

**“Data confirms what already exists. If you want to go somewhere new, it makes no sense to focus only on what already is. What you need to get where you have not yet been is imagination – the domain of the cultural and creative sector.”**

Hans Stegeman, Chief Economist, Triodos Bank

## 1.4.2 The “Inherent Value” of the Cultural and Creative Sector

Beyond the societal and economic benefits of the cultural and creative sector lies its inherent value. The fact that cultural initiatives contribute to a thriving cultural life holds intrinsic significance for society. This “inherent value” is frequently emphasised within the sector itself as a defining strength, setting it apart from other industries. After all, a shopping centre also provides economic value to a community, a tech incubator fosters innovation and a medical startup contributes to public health.

The inherent values of the cultural and creative sector are closely linked to 1) cultural relevance, 2) artistic strategies and 3) the cultural commons.

When considering cultural relevance, we mean the added value and necessity of an initiative within the cultural context in which it operates. Criteria such as *originality, craftsmanship could be taken* into account. Originality refers to the extent to which a person has created something new. Craftsmanship, for example, can be assessed through peer recognition. These aspects are not easy to assess but form a crucial foundation for the potential success and growth of a cultural organization.

Consider, for example, the critical importance of the right aesthetic and narrative choices in a video game for the company’s ultimate commercial success. Ideally, the evaluation of cultural value should be conducted by peers or professionals from the specific discipline in which the enterprise operates. For instance, assessing the originality, craftsmanship of a video game is best done by individuals with extensive knowledge of the gaming sector, as they can most accurately compare the game with others in the industry and determine how trendsetting its artistic vision and style are within that context.

The evaluation of an initiative can often be unconsciously influenced by subjective norms and personal biases. Opinions about artistic relevance are shaped by individual cultural reference points. Being aware of unconscious biases is essential for identifying blind spots when assessing artistic value. Therefore, diversity and inclusion must be seen as integral aspects of artistic evaluation. It is crucial that key figures from the cultural enterprise's community or network are involved in the assessment process. Research has shown that a lack of representation in funding bodies and selection committees has led to limited financial support for bicultural Dutch artists and the marginalisation of certain forms of artistic expression.

The “inherent value” of art and culture is also linked to its ability to constantly produce new perspectives, or new ways of approaching or perceiving or being affected. Artistic strategies could be employed such as embodying, affecting, expressing, imagining, inspiring, caring, co-creating, empowering and subverting. More about creative strategies and ways to evaluate them can be found in The Creatures Framework<sup>31</sup>

The inherent and unique value also relates to the cultural commons, which can be defined as societal cultural space between the state and the market. It is space for collective practices of sharing, creating, and sustaining culture as a shared resource, emphasizing collaboration, meaning-making, and resistance to commodification. It encompasses both artistic and communal actions that reclaim and govern cultural and urban as well as rural spaces collectively, fostering inclusivity and collective ownership. More about the “cultural commons” can be found in the work of Pascal Gielen, such as in his book *Trust, Building on Cultural Commons* (2024).

Besides that, imagination is not solely an individual expression or experience but also a collective process. Art and culture bring people together, create shared experiences and identities, strengthens civic space and promote dialogue. The UN highlights the unique nature of cultural activities and services as common goods and carriers of identities, values and meanings, as well as the importance of cultural exchange for dialogue and mutual respect.<sup>32</sup>

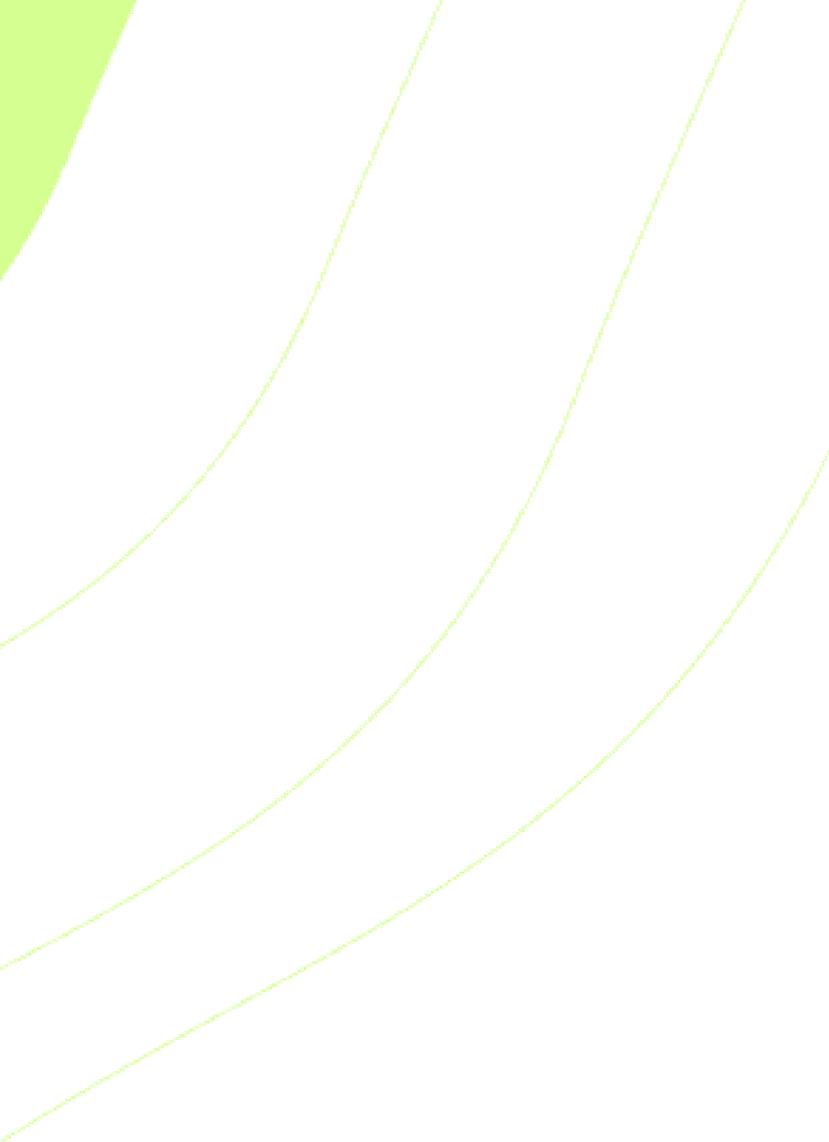
**“Does creativity mean to constantly produce something new? Or does it mean to produce constantly new perspectives, or new ways of approaching or perceiving or being affected by a work of art or by a creative product?”**

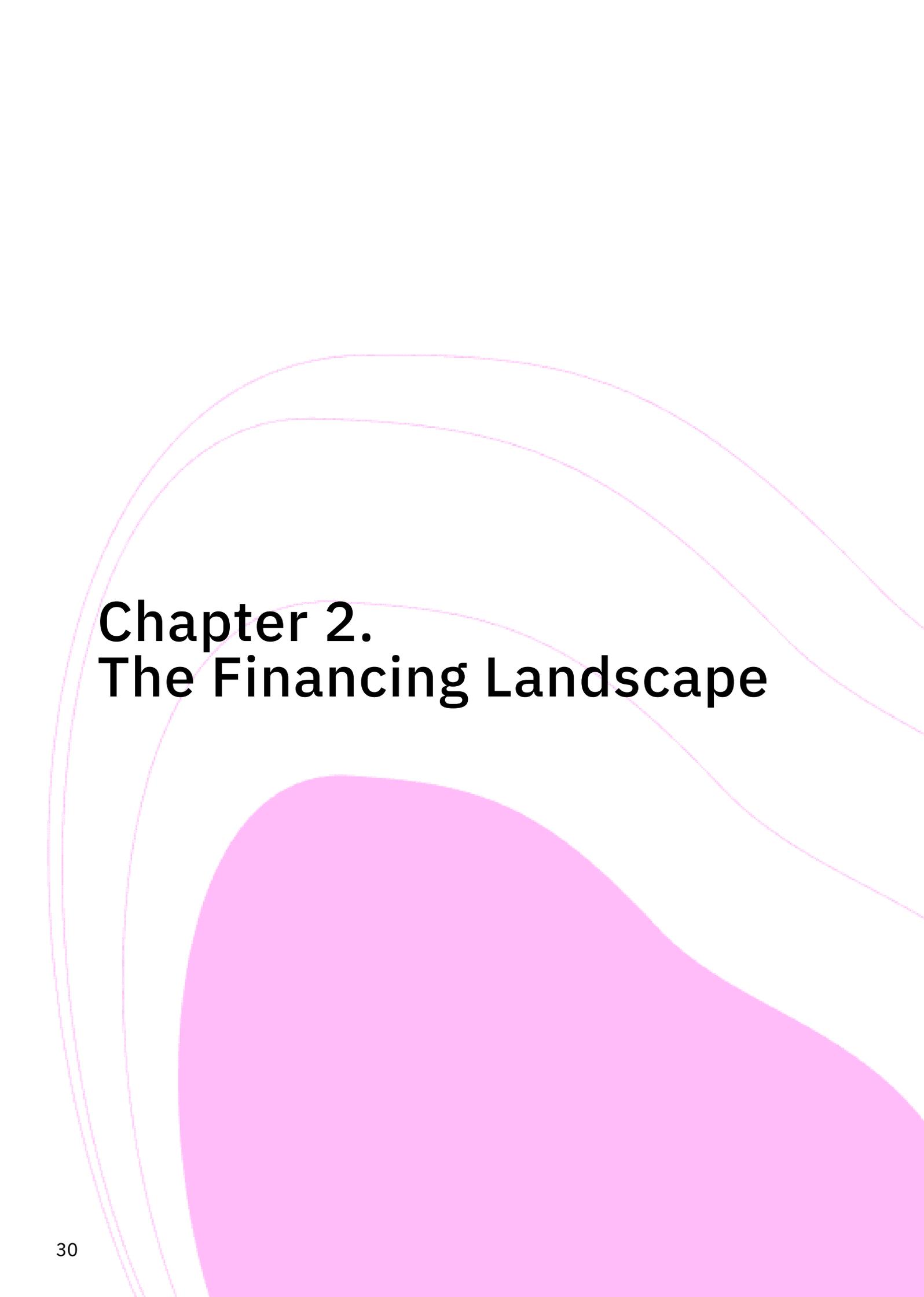
Florian Schneider, Professor Artistic Entrepreneurship NTNU

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# **Chapter 2.** **The Financing Landscape**

The financing landscape for the cultural and creative sector in the Netherlands is diverse, offering various options to meet the wide range of financing needs of the sector's many stakeholders. A large museum, for example, has different financial needs than a game developer or a glassblowing workshop.

The financing landscape in the Netherlands can be broadly divided into four categories: Government Subsidies, Private Funds, Loans and Risk Capital.

## 2.1. Government Subsidies

The government remains the primary financier of the cultural and creative sector in the Netherlands. The total annual budget for the cultural basic infrastructure (including funds) for the subsidy period 2025-2028 amounts to €497.22 million.<sup>33</sup> The national cultural subsidy system is called the *Cultural Basic Infrastructure* (BIS) and provides four-year grants to organisations in the cultural and creative sector. The Council for Culture advises on the allocation of these subsidies, which are generally available only to established cultural organisations. In addition to the BIS, there are six national cultural funds.

There is also significant attention in the Netherlands to the societal and economic impact of the sector. For instance, in the multi-year policy letter “The Power of Creativity (2023-2027)” by former State Secretary Uslu, it was emphasised that culture can contribute to addressing societal challenges. Uslu stated: “We need artists, designers and other creative professionals to tackle complex transitions. They possess the tools to address change and can explore and envision new futures.”<sup>34</sup>

A noteworthy recent development is the approval of the Creative Industries Immersive Impact Coalition (CIIIC) by the National Growth Fund, with a €102.3 million budget for its initial three-year phase. The CIIIC is a coalition of 120 participants from the creative sector, knowledge institutions, education, industry, events, media and culture, with the mission of promoting the development of immersive experiences (IX) in the Netherlands. “With IX, you can think of using virtual reality to relive historical events, attending a virtual concert in your living room, instruction and training in healthcare and education.” A key aspect of the initiative is the focus on public interests and the role of the cultural and creative sector in addressing major societal transitions.<sup>35</sup>

In addition, the Dutch mission-driven innovation policy assigns an important role to the cultural and creative sector to accelerate the major transitions. Since 2023, innovation policy has been focusing on five objectives: Energy Transition, Circular Economy, Health & Care, Agriculture, Water & Food and Security, with an annual budget of €4.9 billion<sup>36</sup>. According to the national government, these societal challenges are so complex and extensive that they span multiple disciplines, necessitating cross-sector collaboration. The government has designated the cultural and creative sector as a top sector, making it a vital link in addressing these societal challenges. Complex, nationwide problems require not only technological and social solutions but also cultural ones. The creative power, imagination and design capabilities of the cultural and creative sector can make a significant contribution in this regard<sup>37</sup>.

The European Union also offers numerous subsidy and innovation programmes for the cultural and creative sector, such as Creative Europe, Digital Europe, Horizon Europe (including the S+T+ARTS programme) and specific initiatives like The New European Bauhaus. In addition, the European Institute of Innovation & Technology (EIT) has recently established a new Knowledge and Innovation Community (KIC) specifically for the cultural and creative sector. The aim of this Culture and Creativity KIC is to promote innovation in the sector and contribute to the green, social and digital transitions in Europe. To support this, the EIT has allocated €150 million over the next six years<sup>38</sup>.

## 2.2. Private Funds

Annual reports from private funds reveal that the total cultural funding from private sources amounted to €283 million in 2022.<sup>39</sup> Three of the largest contributors are the VriendenLoterij (€71 million), Het Cultuurfonds (€40 million) and the VSB Fund (€12 million). Other well-known funds include Fonds21 (originating from the SNS REAAL Fund), Amodo, Droom en Daad and the Gieskes Strijbis Fund.

Het Cultuurfonds (formerly the Prince Bernhard Cultural Fund) has offered a “Fondsen op Naam” (Named funds) structure since 1987 as a special provision for substantial donations and legacies. This construction makes it possible for private high net worth individuals to establish their own fund under the umbrella of Het Cultuurfonds, with a self-defined mission, while the fund assists with management, including handling grant applications. Currently, Het Cultuurfonds manages nearly 500 of these named funds, ranging from €50,000 to several million euros. The number of named funds has doubled over the past decade and their cumulative capital has grown from over €100 million to more than €200 million, making this donation model increasingly significant.<sup>40</sup>

## 2.3. Loans

In the Netherlands, there are several loan facilities available for the cultural and creative sector. Loans enable the sector to finance projects that are highly likely or certain to generate revenue, such as purchasing property, renovations or acquiring equipment. Loans are also available for pre-financing (also known as bridge loans) to resolve short-term liquidity issues, for example when payment is received only after a film has been released or a festival has taken place, or when a subsidy payment is delayed.

Banks generally provide limited credit to the sector because cultural institutions and businesses often fail to meet standard banking criteria. In addition, the expected returns are usually too low for a market-conform interest margin, the projects are often too small in scale and the risks are difficult to assess. When providing loans, banks typically focus on a company's long-term financial forecast to determine whether interest and principal can be repaid on time each year.<sup>41</sup>

Triodos Bank has traditionally been the specialist bank for the cultural and creative sector in the Netherlands. In the past, it even operated a dedicated cultural fund that provided long-term loans to the sector, leveraging two tax incentives: cultural investment and donation deductions. However, following the discontinuation of the cultural investment scheme, the fund has since ceased. Triodos Bank continues to offer loans for cultural buildings in the Netherlands and the film industry in countries such as Spain and Belgium. The bank utilises the European Union's Cultural and Creative Sectors Guarantee Facility (CCS GF) provided by the European Investment Fund (EIF).

The organisation Cultuur+Ondernemen currently offers the most significant loan facility for the cultural and creative sector in the Netherlands. The “Cultural Loan Facility” provides start-up capital for cultural enterprises to launch new product lines, serve as bridge loans or finance the purchase of new instruments, film equipment or the renovation of studios and workspaces. Cultuur+Ondernemen issues approximately 50-60 loans annually, primarily to film and theatre producers, with loans ranging from €5,000 to €500,000.

Other Dutch funds that offer loans include the Blockbusterfonds, which provides loans and guarantees for exhibitions, performances and festivals. Through a loan or guarantee, a museum or venue can invest more in the marketing of an exhibition or show, attracting additional visitors and generating extra revenue to repay the loan. The Fonds Kwadraat finances artists, musicians, photographers and designers with interest-free loans of up to €8,000 for developing, producing and presenting new work. These loans can be used for producing exhibitions, publications, purchasing equipment like laptops or cameras, conducting material research, creating prototypes or participating in artist residencies.

Finally, Brabant C is a new cultural fund established by the Province of North Brabant with a budget of €25 million, focusing on culture and impact within the province. Unlike many other Dutch funds, Brabant C offers both grants and loans. The fund has partnered with ASML, investing approximately €2 million over the next two years in cultural projects in the Brainport region through a combination of grants and loans. Brabant C primarily focuses on large productions, performing arts, films and cultural real estate.

Internationally, there are also various loan facilities for the cultural and creative sector. Since 2015, Nesta has managed three impact investment funds – the Arts & Culture Impact Fund, the Arts Impact Fund and the Cultural Impact Development Fund. These funds offer loans to socially driven arts, culture and heritage organisations in the UK, in a similar way to Cultuur+Ondernemen in the Netherlands. Recently, the Nesta Arts & Culture Finance team merged with New Philanthropy for Arts & Culture to form Figurative.<sup>42</sup>

## 2.4. Venture Capital

In the private sector, venture capital and private equity is a common financial instrument in medium and small enterprises. However, working with shareholders is uncommon in the cultural and creative sector. As a result, there are very few venture capital funds investing in businesses within the cultural and creative sector in the Netherlands. Existing venture funds in this space often focus on the sustainable fashion industry, digital platforms and apps, as well as immersive and digital art experiences.

An example is VP Capital, the investment company of the Belgian-Dutch Van Puijenbroek family, who originally started a textile company in 1865. VP Capital now holds approximately 400 direct and indirect investments across various industries, including manufacturing. Another example is the Good Fashion Fund, established by the Laudes Foundation (formerly the C&A Foundation), which focuses on innovative solutions in the textile and apparel industry, specifically targeting the transformation of textile supply chains in Vietnam and Bangladesh. The UK-based PDS Ventures invests in sustainable and circular fashion entrepreneurs, while the US-based Closed Loop Partners focuses on new production technologies, material research, advanced recycling technologies and blockchain and IoT solutions for material lifecycle tracking in the fashion industry.

Other examples include: New Renaissance Ventures from Austria, which invests in startups in new media and culture with a strong technological component; PDS Capital, a fashion-focused fund committed to sustainability in the fashion value chain; and the Next Narrative Africa Fund, managed by HEVA Fund, which has invested \$30 million in equity for African television and film projects with social and environmental impact.<sup>43</sup> Creative UK also holds an equity portfolio across various digital and creative startups, while ST'ART, a Belgian investment company, provides loans and equity financing to cultural and creative businesses based in Wallonia and Brussels, with a current portfolio of 72 companies and a total investment of €37 million.

In the United States, Upstart Co-Lab is a pioneer in impact investing within the creative economy. An initiative of Rockefeller Philanthropy Advisors, it is supported by prominent foundations such as the Ford Foundation, Heron Foundation, Andrew S. Mellon Foundation, Rockefeller Foundation and Surdna Foundation. Upstart recently raised \$15 million for a new fund investing in creative ventures.<sup>44</sup>

# Endnotes

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# Chapter 3. Potential Focus Areas

To define the various focus areas where a potential impact investment fund could be directed, we consider three criteria:

1. Transformative Impact (IMPACT)
2. Inherent Cultural Value (CULTURE)
3. Solid Revenue Model (PROFIT)

# Criterion 1: Transformative Impact

The first criterion is to determine whether an initiative contributes to accelerating at least one of the four system transitions outlined in the strategic compass of Stichting DOEN. These transitions also guide investments made through DOEN Participaties BV in enterprises or other investment funds.

1. The transition from a linear to a circular economy. Emphasising an economy focused on restoring natural systems and designing products in such a way that raw materials can be reused.
2. The transition from increasing inequality to a world where everyone participates and counts. Focusing on vulnerable groups and promoting diversity and inclusion.
3. The transition to a society that puts the commons first. Emphasising citizen collectives, energy cooperatives and neighbourhood businesses, and initiatives working with alternative ownership models.
4. The transition to a society where there is room for radical imagination. With a strong focus on “social practice” and imagination as a collective process.

## Criterion 2: Inherent Cultural Value

The second criterion for defining the sectors involves the previously described inherent cultural value. This is assessed by examining 1) the cultural commons, 2) the cultural value of an organisation and 3) the artistic strategies employed.

An initiative can be evaluated by how it strengthens and expands the cultural commons, defined as the societal cultural space between the state and the market. It can be assessed by determining the relevance and necessity of an initiative within the cultural and creative context in which it operates, considering factors such as originality, expressive power and craftsmanship. Lastly, artistic strategies can be examined to see how they create new perspectives and novel ways of resonating with audiences on both individual and collective levels.

This criterion can also involve artistic innovation, such as new discoveries in artistic research or initiatives that foster new connections and unconventional collaborations across various disciplines.

## Criterion 3: Solid Revenue Model

The third criterion for defining the focus areas for impact investment is the presence of a solid revenue model. This means that an initiative must be capable of generating sustainable and independent income, which is essential for the long-term survival and growth of a venture.

A revenue model may consist of one or multiple income streams, such as margins on product sales or services rendered (e.g. hourly billing), ticket sales for a festival, subscriptions, catering operations, corporate sponsorships, structural donations from patrons or supporter groups. Another commonly used revenue model in the sector involves real estate exploitation.

# Potential Focus Areas

We have chosen these three criteria (impact, culture profit) because we believe an impact investment fund targeting the sector should aim to balance financial, social and cultural objectives. A fund focused solely on the societal impact of the sector could overlook its vital inherent cultural value, such as providing space for “imagination”.

Moreover, the cultural value is a crucial differentiating factor between social entrepreneurs and cultural entrepreneurs.

Based on these three criteria, we have defined six potential focus areas in the cultural and creative sector, each with its own characteristics and needs.

1. New Materials and Crafts
2. Ethical Fashion
3. Social Design
4. Cultural Spaces
5. Cultural Productions and Expression
6. The Culture

We will discuss these six focus areas further to clarify the key similarities and differences between the groups, as well as their specific needs for financial and non-financial support.

## 3.1. New Materials and Crafts

Traditional crafts such as woodworking, ceramics, carpet weaving, spinning and glassblowing are under pressure. Not only in the Netherlands but across Europe, preserving the knowledge and livelihoods of artisans is becoming an increasing challenge. A potential impact fund could focus on enterprises led by artists, designers and architects who are revitalising traditional crafts while simultaneously developing and testing new materials, techniques and technologies, accelerating the transition towards a circular economy.

In the Netherlands, there are numerous examples of designers working at the intersection of traditional craftsmanship, scientific research and new production techniques, focusing on revitalising crafts as a future-proof strategy for both tangible and intangible heritage.

An example is the work of Christien Meindertsma, one of the leading Dutch designers today.<sup>45</sup> Since the beginning of her career, she has been committed to sustainable, locally produced design objects, often using flax and wool. She has conducted groundbreaking artistic research on robotic 3D printing with wool, without the use of water. Another example is Eric Klarenbeek, the first designer to develop a 3D printer for living fungi (mycelium). His Mycelium Chair is part of the permanent collection of the Centre Pompidou.<sup>46</sup>

Pauline van Dongen, a Dutch designer and researcher, specialises in wearable technology.<sup>47</sup> She explores the relationships between people and clothing through alternative design practices, including the development of smart textiles. The creative company Zeefier has developed a sustainable alternative to harmful synthetic dyes in the textile industry, based on seaweed pigments.<sup>48</sup> NEFFA (New Fashion Factory) has developed an innovative 3D production technology using mycelium to promote sustainability in the fashion and interior design industries.<sup>49</sup> Recently, NEFFA secured investment from four investment companies, including DOEN Participaties.<sup>50</sup>

Another notable project is the Loop Living Cocoon by bio-designer and architect Bob Hendrikx, which is the world's first living coffin made from mycelium.<sup>51</sup> The coffin fully decomposes into nature within 45 days. Loop Biotech recently raised €2 million within two weeks from 1,000 shareholders via a crowd-equity platform. In addition, the textile innovation studio BYBORRE recently secured €16.9 million in a Series B financing round.<sup>52</sup> The company provides a platform where designers can create custom textiles from sustainable raw materials, which are then produced on-demand using “digital knitting” technology.

We believe that there is sufficient deal flow in the Netherlands, and especially in Europe, of investable businesses focusing on crafts, new materials and sustainable production processes that accelerate the transition to a circular economy.

## Financing Needs

This segment has a strong need for business support and connections with the right people to elevate projects to the next level. Designers often struggle to establish spin-off companies independently from their artistic and design research and their practice. There is a pressing need for strategic commercial partners, connections with larger businesses and marketing experts who can help commercialise circular materials. This support would also allow designers to remain focused on their creative work and experimentation.

Involving commercial team members who understand the sector is crucial, including expertise in intellectual property (IP). Programmes that go beyond standard business model canvas workshops or generic tech-focused incubator and accelerator programmes would be more effective. The sector needs support structures experienced in working with designers, particularly for facilitating joint ventures with major fashion brands, large-scale manufacturing industries, sun protection companies or the construction sector.

A “venture studio approach” could effectively meet the needs of this sector by providing hands-on guidance for building (joint) ventures. Unlike traditional investment models where investors merely provide capital, a venture studio plays a much larger role by actively collaborating with teams to build new companies. Venture studios offer not just funding but also strategic and business guidance, operational support, team-building and access to networks, including talent, technology and market expertise. Such a venture studio model could create a business ecosystem tailored to designers, and impact investors could play a critical role in establishing this type of support infrastructure. Currently, this is lacking in the ecosystem.

This model could help design studios navigate the critical phase between experimental design research, grant-based funding and project-based work, transitioning towards the market. Blended finance, combining innovation grants for R&D with start-up capital in the form of risk-bearing equity (venture capital), would best match the financing needs of this sector. Such a combination of grants with venture capital could also help bridge the gap between innovation grants and venture capital, ensuring continued support for design research while investment and venture-building drive groundbreaking innovations towards the next phase.

## 3.2. Ethical Fashion

The fashion industry is one of the most polluting industries in the world. Large “fast fashion” brands increasingly present themselves as sustainable, yet the entire system in which they operate remains highly harmful. “Ethical fashion startups”, such as sustainable clothing brands, aim to reduce negative effects, including worker exploitation, environmental pollution and overproduction. A potential impact investment fund could focus on circular enterprises in the fashion industry. Unlike the focus area of new materials and crafts, ethical fashion is more directly connected to entrepreneurs operating in the consumer market, such as clothing brands.

Stichting DOEN has been working for several years towards the transition to a more circular fashion sector and supports innovative companies working with alternative production methods, textile recycling and pioneering consumer brands. Some prominent startups supported by DOEN include WEAR (sneaker cleaning and refurbished sneakers)<sup>53</sup>, Soft Revolt (3D-printed bras)<sup>54</sup>, Loop.a Life (knitwear made from recycled wool)<sup>55</sup>, New Optimist (circular and social fashion)<sup>56</sup> and LENA The Fashion Library<sup>57</sup>. In 2022, Stichting DOEN issued an open call for ethical fashion entrepreneurs, offering €50,000 grants to help them grow their businesses.

DOEN Participaties has also long invested in ethical fashion startups. One example from its portfolio is MUD Jeans, which introduced a pair of jeans made from 100% recycled denim<sup>58</sup>. DOEN Participaties also invested in the textile studio Makers Unite to expand production capacity and provide more companies with circular workwear and merchandise.<sup>59</sup> Part of the revenue generated is used to train newcomers to become self-sufficient within the textile industry.

We believe that the ethical fashion sector aligns well with DOEN Participaties' long-standing experience. As a result, it would likely be easier for DOEN Participaties to build a strong pipeline of investable companies in this space. Furthermore, a new fund could build on this foundation by focusing on the cultural dimension of ethical fashion. Fashion is not just an economic or sustainability issue but also a powerful form of cultural expression deeply intertwined with identities, experiences, lifestyles, stories and community values.

Artistic vision, style, storytelling, imagination and the connection to cultural values within communities are crucial for fashion businesses aiming to inspire lifestyle changes among consumers. Aesthetics and storytelling significantly influence people's motivation to make sustainable choices. Ethical fashion consumer brands are often successful when deeply embedded in diverse communities and subcultures, allowing them to reflect shared values and ways of life. Ethical fashion, therefore, extends beyond sustainability and supply chains – it is also closely tied to culture, community and imagination.

A compelling example is the young, inclusive Rotterdam-based brand Versatile Forever, one of the winners of the DOEN Textielcall 2022.<sup>60</sup> Versatile Forever is a fashion brand based entirely on second-hand textiles, redefining upcycling as a bold Gen Z fashion statement rather than a fringe sustainability effort.<sup>61</sup> The brand produces bikinis made from leftover fabric scraps and recently launched a collection made from upcycled football scarves from Feyenoord and other clubs. In Correa Alves' vibrant and surrealist work, her multicultural environment, diversity and Rotterdam's culture play a central role.<sup>62</sup>

The brand demonstrates that the shift from a linear to a circular economy goes beyond upcycling and supply chain transformation – it involves cultural change as well. It shows that fashion is a form of cultural expression tied to ways of life upheld by communities with shared values. A potential cultural impact fund focusing on ethical fashion should not overlook the cultural dimension of fashion as an impact factor.

## Financing Needs

For emerging fashion entrepreneurs, securing financing is often a significant challenge. A report by ABN Amro revealed that circular startups face difficulties obtaining funding, especially for scale-ups in the fashion and textile sectors. While grants and loans are available through the RVO (Netherlands Enterprise Agency), the Stimuleringsfonds voor de Creatieve Industrie and various accelerators, they are typically limited to smaller amounts ranging from €5,000 to €20,000. In addition, financing options for scale-ups remain scarce. Banks often consider these fashion ventures too risky and are unfamiliar with their revenue models.

There is a pressing need for access to venture capital for both early-stage and scaling fashion startups. Currently, the available capital is insufficient compared to the funding demands of promising ethical fashion innovators. As a result, limited access to venture capital in the early and mid-stages consistently emerges as a significant barrier preventing ventures from advancing further.

Additionally, there is a strong demand for business mentorship from individuals familiar with the fashion sector, as well as other forms of non-financial support, such as ethical fashion incubator and accelerator programmes. The sector requires grants for R&D, combined with favourable loans and venture capital. Moreover, support is needed to facilitate strategic collaborations between fashion brands and major textile companies, including partnerships for collaborative fashion collections or sneaker collaborations.

An impact investment company focusing on circular fashion could respond to the needs of ethical fashion brands seeking to build equity. Currently, financing for the sector mainly consists of loans and grants, which often do not contribute to equity building or long-term financial sustainability. Loans are, by definition, external capital and, even under favourable conditions, always place repayment pressure on an organisation or entrepreneur. Grants are often project-specific and sometimes explicitly prohibit the building of equity. Investing in equity, on the other hand, could offer a solution for fashion enterprises by increasing their equity capital and contributing to long-term financial health.

### 3.3. Social Design

In recent decades, there has been increasing attention towards social design. Social design is the field where design and architecture are used to create societal or ecological impact. A potential impact investment fund could focus on this large group of small design studios.

Social design studios often consist of self-employed professionals and small teams of designers and (landscape) architects working on various social challenges. Their work often involves interventions in public spaces, nature, healthcare or issues related to diversity and inclusion. Through their working methods, they contribute to multiple impact dimensions. In the context of Stichting DOEN's strategic compass, they are particularly relevant because they address the "systemic transition from growing inequality to a world where everyone participates and matters, with a focus on vulnerable groups and diversity and inclusion".

A notable example of a social design studio supported by Stichting DOEN is the practice of Simon Dogger.<sup>63</sup> Simon Dogger, one of the first blind designers to graduate from the Design Academy Eindhoven, focuses on developing innovative solutions to improve quality of life. One of his projects, The Emotion Whisperer, helps visually impaired individuals perceive body language.<sup>64</sup> The system includes glasses with a camera that sends images of conversation partners to an app capable of recognising facial expressions. These expressions are then translated into tactile signals on a wearable device around the arm, with specific vibrations indicating emotions like a smile or surprise. Simon developed a prototype and researched both daily life integration and market potential for the tool.

Another example of a social design studio focused on vulnerable groups is Fysiek Fabriek, a collective of social designers creating customised assistive tools for people with physical disabilities.<sup>65</sup> The company connects people with physical challenges, local creative industries and socially engaged organisations to co-create solutions for practical challenges.

Beyond working with vulnerable groups, some design studios focus on interventions in public space and landscapes. These studios often work on community-driven projects, such as redesigning squares, parks and urban or rural areas to enhance liveability and strengthen social cohesion.

For example, Space for Play is a design studio creating climate-adaptive neighbourhood squares and playgrounds using a participatory co-design process involving residents and children.<sup>66</sup> The emphasis is not only on the final result but also on the process, ensuring all voices are included in urban development. Another example is Strootman Landschapsarchitecten, focusing on design research and projects ranging from forest, park and garden design to ecological and infrastructure planning.<sup>67</sup>

These studios often engage communities directly in their design process using participatory design methods, where residents and stakeholders actively contribute and become part of the creative process, allowing for a diverse range of perspectives. Stichting DOEN specifically supports these practices where communities are involved throughout the design process.

Social designers and architects generally rely heavily on private clients and design or architecture competitions to sustain their studios. They often supplement their income with part-time teaching roles at design academies or universities. These professionals frequently function as creative service providers, working on a project basis (hourly billing) and rarely developing standalone products for independent commercial exploitation.

“Impact commissioning” is a growing revenue source for this group. These are projects commissioned by social organisations (NGOs) and local governments such as municipalities and water authorities, where designers contribute to social challenges or spatial transformation projects. However, interviews reveal that such clients often work slowly, have limited budgets and pay irregularly, making them an unstable revenue source.

## Financing Needs

The sector requires project financing for design research, proof-of-concept development and bridging the gap to market implementation. Like material designers, social designers are often less interested in scaling a single product and are more focused on strategic collaborations with larger businesses. Given the highly service-oriented nature of this segment, loans and venture capital are generally less suitable. Interviews revealed limited experience and interest among social designers in loans or equity investments.

Social Impact Bonds (SIBs) are a financial instrument where private capital is used to address social challenges. Instead of the traditional model of providing subsidies, a close collaboration is formed on a project basis between service providers, investors and sometimes an intermediary. Clear agreements are made in advance regarding objectives and results that must be achieved for the target group. Private investors bear the financial risk but can also be rewarded for it. An independent party measures whether the set goals have been achieved. If successful, the government or a philanthropic organisation reimburses the investors with a return on investment. If the results fall short, the investors lose their money.

Social Finance NL

Social Impact Bonds (SIBs) – also known as “pay-for-success” models – could be a fitting financing tool for this group alongside grants and public commissions. In an SIB, an impact investor funds a social intervention carried out by a service provider. The government repays the investor only if the programme achieves the pre-defined social outcomes. If the programme succeeds, the investor is repaid with a return on investment. If the outcomes are not met, the investor absorbs the loss.

**“I once said, back when I was still working as a designer: We should remove the word ‘commissioner’ from our vocabulary entirely. It creates a false dependency, and you can never break free from it. You’ll never have enough resources to invest yourself.”**

Bart Ahsmann - Click NL

## 3.4. Cultural Spaces

Cultural spaces such as creative hubs, workshops, music venues, rehearsal rooms, open-air cinemas and cultural incubators are invaluable for fostering new cultural impulses in urban areas. They play a vital role in the redevelopment of spaces, such as former industrial zones, declining rural areas or sites that lay fallow. These initiatives not only promote circularity, urban development and economic growth but also contribute to the broader transition towards a society with more communal and accessible cultural spaces for collective imagination. There is also a significant demand for affordable and accessible studios and workspaces. A potential impact investment fund could directly focus on investing in these shared cultural spaces.

Numerous examples of cultural spaces and creative hubs exist in the Netherlands, such as NYMA Makersplaats, a 150-metre-long building in Nijmegen where craftsmanship, traditional trades, innovation, culture and art intersect.<sup>68</sup> In addition to providing studios and workspaces of various sizes, NYMA Makersplaats hosts courses and events to strengthen the creative production industry. Another example is Brutus, initiated by Joep van Lieshout in Rotterdam, where 10,000 square metres in the M4H area of Rotterdam-West are being transformed into residences, art galleries, studios, an open-air cinema, a club, hospitality venues, a sculpture garden and a public art labyrinth.<sup>69</sup>

Stichting DOEN has long focused on cultural spaces contributing to the transition towards a society where the “commons” take centre stage. DOEN prioritises initiatives that adopt alternative ownership models. For example, DOEN supports Amsterdam Alternative, a collaboration between various cultural venues in Amsterdam where music, film, dance, theatre and other art forms are presented, while also serving as spaces for living and working.<sup>70</sup> Currently, 34 venues are part of Amsterdam Alternative. In 2019, the collective launched the Vrij Beton project to advocate for permanent free spaces in the city and resist urban gentrification caused by commercial property developments.<sup>71</sup> One of the venues within this network is the cultural hub OT301.<sup>72</sup>

Another example combining affordable housing with artist studios is Bajesdorp.<sup>73</sup> This four-storey building was founded by residents opposing property vacancy and advocating for a livable neighbourhood. It has since become a sustainable cultural space, hosting around 20 homes and artist studios. Financing was achieved through community bonds, where bondholders from the local community receive a 2% annual return on their investment, with full repayment within 10 years. A total of 2,467 bonds were sold to realise this cultural hub.

## Financing Needs

From our interviews with the sector, a recurring interest emerged in collaborating with impact investors to acquire cultural properties and land, placing them under collective ownership by the cultural community.

Impact investors could, for instance, invest in properties and transfer them into a steward-owned foundation, ensuring that the community collectively owns the building. Collective ownership could take the form of a cooperative or an association where members co-own the building. All members would then rent from the association – and indirectly from themselves. The investor would generate returns through rental income.

This model not only helps preserve cultural spaces as shared, accessible areas but also prevents speculative development while promoting sustainable urban growth where the community is prioritised. Impact investors could play a critical role in driving the transition towards a circular, creative and inclusive society where collective ownership and local decision-making become standard. Models such as “community land trusts” could serve as inspiration for such structures.

A community land trust (CLT) involves residents, users, entrepreneurs, local neighbours and local governments in the ownership and decision-making process concerning land. Together, they form a community of people who collaboratively develop, live, share and manage facilities. The land is removed from the market and placed under shared community ownership, preventing property prices from being influenced by rising land costs and ensuring affordability and accessibility. The trust provides shared management of the land and its buildings, guaranteeing affordability and sustainability for future generations. Sustainable design, construction and management choices are encouraged because a community land trust is anti-speculative and focuses on long-term goals and community interests, uniting both local and public concerns.

Community Land Trust NL

The Stadmakers Fonds is a good example of a fund that invests in impact-driven organisations that are looking for real estate financing. It assists initiatives in purchasing property and land and helps finance construction with a balanced financial return.<sup>74</sup> One possibility would be to establish a similar fund specifically aimed at supporting the cultural sector in acquiring property and land.



## 3.5. Cultural Productions and Expression

Theatre performances, exhibitions, films, music festivals, photography, literature and other cultural expressions play a crucial role in a society that fosters radical imagination. Production houses, dance groups, theatre companies, music festivals and game studios develop groundbreaking projects that highlight diverse perspectives, insights, voices and stories on social issues. A potential impact investment fund could focus directly on enabling such cultural expressions through productions that present new perspectives.

Stichting DOEN has long supported theatre companies and production houses through the VriendenLoterij Fund, empowering radical imagination to show that another world is possible while offering space for a diversity of perspectives. DOEN financed for example Introdans, where inclusivity and diversity take centre stage, and the theatre productions of PS Theater from Leiden, which focus on the personal stories of people who have experienced social inequality firsthand.<sup>75</sup> Many more projects from the VriendenLoterij Fund can be found on their specific website.<sup>76</sup> According to DOEN, “this richness of ideas, sounds and images challenges the dominant societal narrative of individual gain and the planet as a mere resource”.<sup>77</sup>

## Financing Needs

The financing needs in this segment vary significantly. On the one hand, there is a strong demand for long-term “core funding”, as opposed to temporary or project-specific grants. On the other hand, there is a need for loans, as performing arts, festivals and music events often require upfront investment before generating revenue. Pre-financing (also called bridge loans) is a commonly used financing model in the performing arts, music and film sectors alongside grants. Income is often only generated once a film is released, a festival has taken place or a performance has been staged, or when a music album or video game is sold. To address this temporary liquidity issue, impact investing through loans or revenue-based financing can be a suitable tool.

Revenue-based financing is a form of capital provision where investors provide funding in exchange for a percentage of future revenues, rather than a fixed interest rate as with a traditional loan or an ownership stake as with equity investments. Production houses or companies can raise capital by offering a share of future income, such as ticket sales from performances or royalties from streaming services, to an investor. This model is commonly used in independent film productions and low-budget films but could also apply to theatre productions and other performing arts, as it offers flexible financing without sacrificing ownership.

Several production houses, festivals and dance companies have benefited from bridge loans. A case study, featured by Cultuur+Ondernemen is the International Dance League, a Rotterdam-based organisation promoting urban dance.<sup>78</sup> The organisation required a bridge loan because expenses such as staffing and production costs arose long before the event generated income. For many producers, this means covering a substantial portion of expenses upfront. Another example is impact producer Joost Vervoort, who, alongside former game developers from Guerrilla Games, is developing the video game All Will Rise, which focuses on climate justice.<sup>79</sup> Players engage in global climate litigation cases within the game, inspired by Joost's involvement with the activist group Fossilvrij, which took legal action against the ABP pension fund. The team is currently seeking venture capital to develop the game and intends to offer impact investors a return from the game's sales revenue.

An impact production fund investing in large-scale, socially impactful theatre productions, films, music events and video game projects would directly address a key need within the sector. Investors could benefit not only from the financial returns generated by the productions but also from the societal impact created by these projects.

A relevant example of such a fund is Think Film, an organisation developing an impact investment model specifically for documentaries.<sup>80</sup> Think Film specialises in social impact campaigns tied to documentaries on issues such as the Navalny case, deforestation and Indigenous land rights in the Amazon forest. These campaigns, often run in collaboration with local NGOs, serve as lobbying tools to influence policymakers, including advocating for legislative changes. Impact investors could invest not only in the film itself but also in the accompanying impact campaigns, generating both financial returns and measurable social impact.

## 3.6. The Culture

A significant number of creative enterprises that deliberately generate social impact emerge from a movement known as “the culture”. In the report “Irreplaceable and uncatchable: The innovative power of the culture”, the UNESCO Commission discusses the societal impact of this group of cultural entrepreneurs and artists with bicultural backgrounds<sup>81</sup>. These creative entrepreneurs address social issues, foster understanding between cultures, amplify the voices of marginalised communities and create opportunities for employment and economic development. They also challenge dominant societal systems. Creating impact is an intrinsic part of their mission. A potential impact investment fund could focus specifically on this group.

UNESCO Netherlands describes “the culture” as “a diasporic cultural sphere where value creation emerges”<sup>82</sup>. Its forms of expression – such as design, fashion, nightlife, music, film and art – are influenced by postcolonial migration and are deeply rooted in (Afro-)diasporic cultural production. Due to its diasporic foundations, this cultural ecosystem primarily develops in urban environments and migrant neighbourhoods<sup>83</sup>.

The culture is closely linked to hip-hop culture, which centres on self-expression, individuality and activist critiques of societies that marginalise certain groups. It is a lifestyle upheld by communities sharing common values, experiences and attitudes. “The culture” consists of an inclusive community of people from diverse ethnic backgrounds. Creators within this sphere are often pioneering and trendsetting. Breaking with prevailing norms defines the independent and defiant nature of the culture, with key drivers being self-determination, personal growth, identity formation and a “do-it-yourself” mindset<sup>84</sup>.

Compared to the previously discussed sectors, this group tends to have a noticeably stronger commercial focus. Many of these entrepreneurs have a deep understanding of market dynamics and are rooted in their sectors. A prime example is the Amsterdam-based brand SMIB (an inversion of Bims, short for Bijlmer)<sup>85</sup> This collective not only produces hip-hop music but also organises an annual festival, designs clothing and creates films.<sup>86</sup> The New Originals is a creative consumer brand that began in 2011 as a close-knit group of friends sharing their passions for fashion, design and music through a blog.<sup>87</sup> It has since become a successful brand operating in art, music, fashion and nightlife. Similarly, the Amsterdam-based creative company Patta has expanded from being a global streetwear brand into a community-driven hub for creatives.<sup>88</sup> Their initiative, Patta Academy, originated from summer schools they organised for children in Amsterdam-Zuidoost who couldn't afford holidays.<sup>89</sup> Today, the academy serves as an incubator for creative entrepreneurship and talent development.

Other examples include DAR Cultural Agency and The Niteshop, – creative agencies that represent diasporic communities and promote diverse cultural expressions.<sup>90</sup> These platforms represent talented artists, organise cultural programmes, talks and exhibitions and challenge Eurocentric narratives.<sup>91</sup> “The focus lies on meaningful collaborations between artists from the design, architecture and visual arts fields, alongside brands, museums and communities, with a core emphasis on balancing artistic growth with financial independence.”<sup>92</sup>

According to the UNESCO Commission, this group of creative entrepreneurs systematically lacks recognition and support. This is evident in limited access to funding from institutional investors and the grant system, as well as restricted access to cultural institutions and distribution channels. Due to this lack of visibility and exclusion, the impact potential of these entrepreneurs remains underutilised, and important messages, stories and perspectives remain unheard, leaving critical societal issues unaddressed. UNESCO therefore recommends greater recognition of the power and success of “the culture”, specifically highlighting its role in identifying and addressing societal challenges. According to UNESCO, “the culture makes an invaluable contribution to achieving the SDGs. They are embedded in society and capable of reaching large audiences, including youth. Their innovative power is indispensable for shaping the city of the future.”<sup>93</sup>

## Financing Needs

This group has a particular need for seed capital to cover start-up costs for new businesses or product lines. A potential impact fund could adopt an approach tailored specifically to this sector. One strategy could involve focusing on cities with similar typologies and multicultural characters, such as Amsterdam, Hamburg, Milan, Marseille, Rotterdam and Antwerp, or other parts of the Kingdom of the Netherlands, such as the Caribbean Netherlands. A defining feature of this group is their translocal nature – deeply rooted in local culture while simultaneously connected to global cultural movements.

Another critical need among creative entrepreneurs with bicultural backgrounds is for representation from within their communities among investors, along with improved access to existing financial networks. There is a strong resistance to the tokenistic appropriation of the culture for the sake of diversity and inclusion checkboxes without genuine structural change. It is not about outdated models of participation but about true agency and shared decision-making. Real engagement and genuine connections are essential. What this group needs are impact investors willing to fund these communities, their rich cultural expressions and diverse impact dimensions to help sustain their unique identity and long-term existence.

An impact investment fund could focus on supporting the culture by investing in creative ventures that help shape the city of the future through imagination, community, translocality and social impact. This could involve a diverse range of enterprises, such as ethical fashion brands, music festivals, nightclubs and record labels.

"This is a group with ambition, a deep understanding of market language, but they often hit barriers. Due to the limited recognition and financial support within the grant system, a DIY mentality has emerged – if the system doesn't work for them, they find their own way."

Martin van Engel, Diversity and Inclusion Advisor

"When I look at the focus areas of DOEN Participaties, I think: yes, it aligns perfectly with 'the culture'."

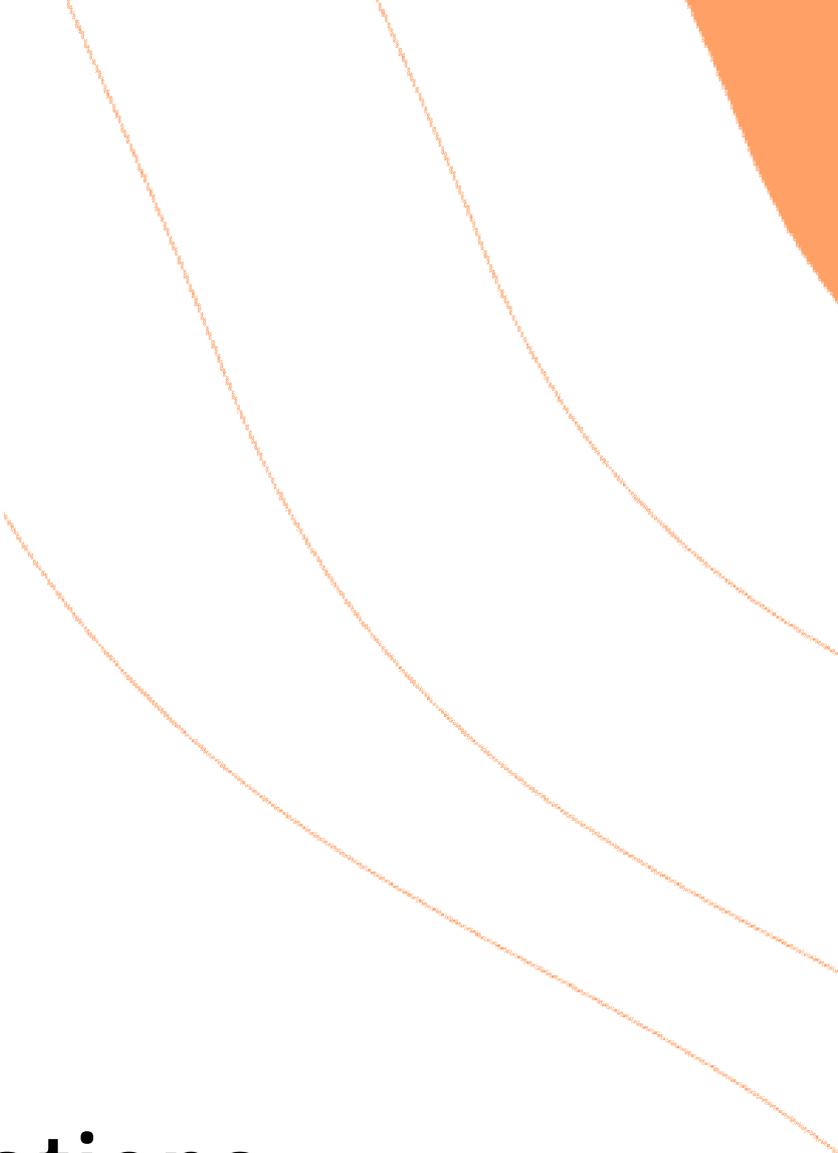
Lisanne Bedaux, UNESCO Netherlands

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# Chapter 4. Recommendations

## 4.1. Feasibility

The feasibility of an impact investment fund focusing on the cultural and creative sector is the central question of this study. Is there a match between impact investors (and fund managers) and the cultural and creative sectors?

From both the demand and supply sides, it is clear that a match is possible. The sector requires strengthened equity, the acquisition of properties and pre-financing for cultural productions. Impact investors could play a key role in addressing these needs.

**“We could innovate and scale faster with more financial resources, but investors often demand returns, which disrupts the focus of a holistic business. We need mission-driven clients because clients who think purely in numbers consider innovation too risky due to the lack of data. The word ‘innovation’ comes from the Latin ‘innovatus’, meaning ‘renewed’. True innovation will thrive only when we embrace renewed ways of investing as well.”**

Ermi van Oers, Nova Innova

## Deal Flow

Can sufficient deal flow be generated for an impact investment fund in the Netherlands? Deal flow refers to the number of investable proposals presented to an investment company. A cultural impact investment fund would only be feasible if substantial deal flow can be created.

Above all, the investability depends on the investor's objectives, conditions, sector focus and goals. Not every investor fits the sector, and not every business benefits from or suits financial products other than grants, such as loans and venture capital.

The examples provided in this study indicate that it should be possible to generate sufficient deal flow within the Netherlands. However, we believe it would be wise for the fund to also focus on other European countries. Generally, the more specific a fund's focus, the broader its geographical reach should be.

## Challenges

The greatest challenge is that impact investors are still relatively unfamiliar with and disconnected from the cultural and creative sectors. They are often not well-acquainted with the various asset classes within the sector, struggle to assess value, perceive the sector as too risky and have limited knowledge of successful examples of impact investment in the sector.

Additionally, there is limited awareness within the cultural and creative sector itself regarding impact investment and the various financial instruments available. It is also uncommon in this sector to allow investors to participate directly in a company. During the interviews conducted, it became evident that some within the sector were unaware of the difference between impact investors and conventional investors. Furthermore, many entrepreneurial creators do not speak “the language” of impact funders and feel they must explain themselves extensively, while fearing that external investors might gain influence without fully understanding the nature of the sector and its working methods.

We also foresee that it will take time to engage entrepreneurs with bicultural backgrounds properly. The impact investment community currently lacks diversity, making it essential to involve key figures from the sector and provide them with decision-making power. This could be achieved through roles in the investment committee, appointing ambassadors and talent scouting. Diversity and inclusion must be an integral part of the fund, not an afterthought. A fund can only succeed if it has credibility within the sector. This can only be achieved through proactive scouting and close collaboration with the sector.

Investing in the cultural and creative sector also requires patience (patient capital). Patient capital refers to funds where the provider understands that the money will be committed for an extended period. Therefore, there is a need for investors who are willing to look beyond short-term returns (both financial and impact-related) and embrace the values, language and working methods of the sector. Furthermore, securing investment often requires intensive guidance for the entrepreneurs involved.

**“We see that the organisations we work with in our incubator, particularly the more cultural startups that bring genuinely new ideas, often struggle to find financing in the Netherlands.”**

Jon Heemsbergen, Art-up

## The Fund Manager

One of the greatest challenges is finding a suitable fund manager with the experience and willingness to manage a fund for the cultural and creative sector.

Fund managers act as intermediaries responsible for overseeing the fund, such as investment houses and venture capital firms. Finding a qualified fund manager with both knowledge of and affinity for the sector, as well as the ability to work with diverse asset classes and a mix of financing instruments (e.g. equity, loans, grants), will be challenging.

A possible solution could be appointing a fund manager unfamiliar with the sector but willing to build a new team of experts or adopt a hybrid setup. In such a hybrid structure, a front-end team of sector specialists would handle investments and relationships, while a back-end team would manage accountability, administration and investor relations.

A final possibility is to establish a new fund management entity from scratch. While this approach could be costly and time-consuming, it would allow the fund to be structured according to its own vision and to assemble a dedicated, appropriately skilled team.

## Conditions

Based on the sector analysis and the challenges outlined above, we have identified several conditions for the success of an impact investment fund for the cultural and creative sector:

1. A fund manager with affinity and knowledge of the sector. It is also possible to work with a fund manager less familiar with the sector but willing to operate with a hybrid setup. This would involve a newly formed front-end team with sector expertise and a back-end team of experienced fund managers responsible for administration, governance and investor relations.
2. Sector involvement and shared decision-making from the outset. Key figures from the sector could be included in the investment committee or even made co-shareholders in the fund. Alternatively, a cooperative structure could be chosen, emphasising horizontal decision-making. Diversity and inclusion should be core principles of the investment fund, not secondary considerations.
3. Proactive scouting is important to find investable opportunities. The fund manager must take an active role in identifying suitable ventures rather than passively waiting for proposals. Building a strong investment pipeline should be an initial priority. This can be achieved through collaboration with external scouts and sector ambassadors.
4. A willingness to work with a blend of financial instruments. The fund manager should be open to a combination of philanthropy, loans and equity investments.
5. Patient capital is crucial. A fund within the cultural and creative sector will require a long-term investment horizon.

## 4.2. Potential Fund Structures

There are several potential variations of fund structures possible. These are briefly outlined schematically below.

### Place-Based Fund for Urban Culture

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Structure: Equity investments (venture capital) in creative ventures within a specific neighbourhood, city or multiple cities, or on the fringes of Europe with similar cultural characteristics.

Focus areas: Urban culture, popular culture, music, nightlife, fashion brands, street culture, festivals, independent radio and urban fringe areas – working towards shaping the city of tomorrow.

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Link to DOEN's Strategic Compass: Supporting the transition to a society that embraces radical imagination and inclusivity by investing in creative businesses connected to the multicultural realities of young people, shaping the urban culture of the future.

### Venture Studio for New Material and Crafts

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Structure: Blend van filantropie voor R&D, venture capital en non-financial support voor materiaal-ontwerpers en ambachten in Europa + Venture studio

Focus areas: Designers, artists, and cultural entrepreneurs who work with new materials such as mycelium, algae, and fungi, operating at the intersection of new techniques, production processes, and traditional crafts, such as "digital knitting" or 3D printing with wool using robots.

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Link to DOEN's Strategic Compass: Accelerating the transition from a linear to a circular economy by investing in the groundbreaking work of designers and revitalizing traditional crafts, thereby replacing materials with sustainable, natural alternatives.

## Venture Capital Fund for Circular Fashion

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Structure: Venture capital for circular fashion start-ups and scale-ups in the Netherlands/Europe.

Focus areas: Ethical fashion brands, circular start-ups, and scale-ups in the fashion industry working with smart textiles featuring solar cells, sneaker upcycling, and expression interwoven with identities, lifestyles, stories, and deeply rooted in communities.

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Link to DOEN's Strategic Compass: Accelerating the transition to a circular fashion and textile industry by investing in ethical fashion start-ups and scale-ups, and by promoting behavioral change in the cultural lifestyles of diverse communities.

## Real Estate Fund for Free Cultural Spaces

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Structure: Loans for the acquisition of cultural properties, bringing them into (collective) ownership within the Netherlands.

Focus areas: Cultural spaces, cultural properties, free spaces, creative hubs, workshops, performance venues, rehearsal spaces, open-air cinemas, sculpture gardens and incubators.

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Link to DOEN's Strategic Compass: Contributing to a society where radical imagination flourishes by investing in free cultural spaces that prioritise horizontal, equitable and inclusive collaboration models while adopting alternative ownership structures.

# Production Fund for Radical Imagination

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Structure: Pre-financing and revenue-based finance for large cultural productions such as theatre performances, exhibitions, films and games that offer new perspectives on societal issues.

Focus areas: Cultural productions, including theatre, dance, music, festivals, exhibitions and films.

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Link to DOEN's Strategic Compass: Contributing to a society where radical imagination flourishes by investing in cultural productions that use creativity to show that a different world is possible while questioning dominant societal narratives.

## 4.3. Risk Mitigation and Impact Maximisation

To mitigate risks and maximise impact, the following strategies could be considered:

- *Mixed Model:* A combination of two or more of the fund structures and asset classes mentioned above could be implemented. For example, real estate investments could support investments in creative ventures. A venture-building model could also be combined with a venture capital component, funding both cultural ventures and productions (such as film or theatre projects). This diversified approach helps spread risk. However, it may deter potential investors focused on specific asset classes.
- *Evergreen Structure:* An evergreen fund would have a long-term investment horizon with an open-ended structure, allowing investors to join or exit at any time. There would be no pressure to sell a business within a fixed period. Such a fund could adopt alternative cost and reward structures, with some profits potentially reinvested into the sector. A steward-ownership model could also be considered, where investors never have control over ownership or decision-making power. Investors would hold shares but without governance rights. However, this structure may deter some potential limited partners (LPs).
- *Impact-Linked Models:* In these models, the success of investments would be measured not only by financial returns but also by achieved impact. Profits could be redistributed among a broader group of stakeholders by separating ownership, decision-making and financial returns, as seen in a steward-owned model. However, this structure is still relatively unfamiliar and could discourage some investors.

## 4.4. Recommended Fund Model

The final structure of the fund will, of course, be determined in consultation with DOEN. Below, we provide a preliminary outline based on the findings of this study.

As highlighted throughout this report, there is significant diversity in themes and financial instruments available. In the previous chapter, we suggested five focus areas: (1) new materials and craftsmanship, (2) ethical fashion, (3) cultural spaces, (4) creative productions and expression, and (5) the culture. In addition, we proposed various investment formats suitable for the needs of these target groups, such as equity investments in creative ventures, investments in cultural properties and pre-financing or revenue-based finance for impactful cultural productions.

We recommend establishing an impact fund that provides venture capital to creative ventures but also suggest combining this with investments in cultural real estate. The real estate component could be integrated into the equity investment portfolio, for example as part of the fund's asset base. One option would be to allocate a maximum of 20% of the fund's assets to cultural properties to preserve them as communal and accessible spaces under community ownership.

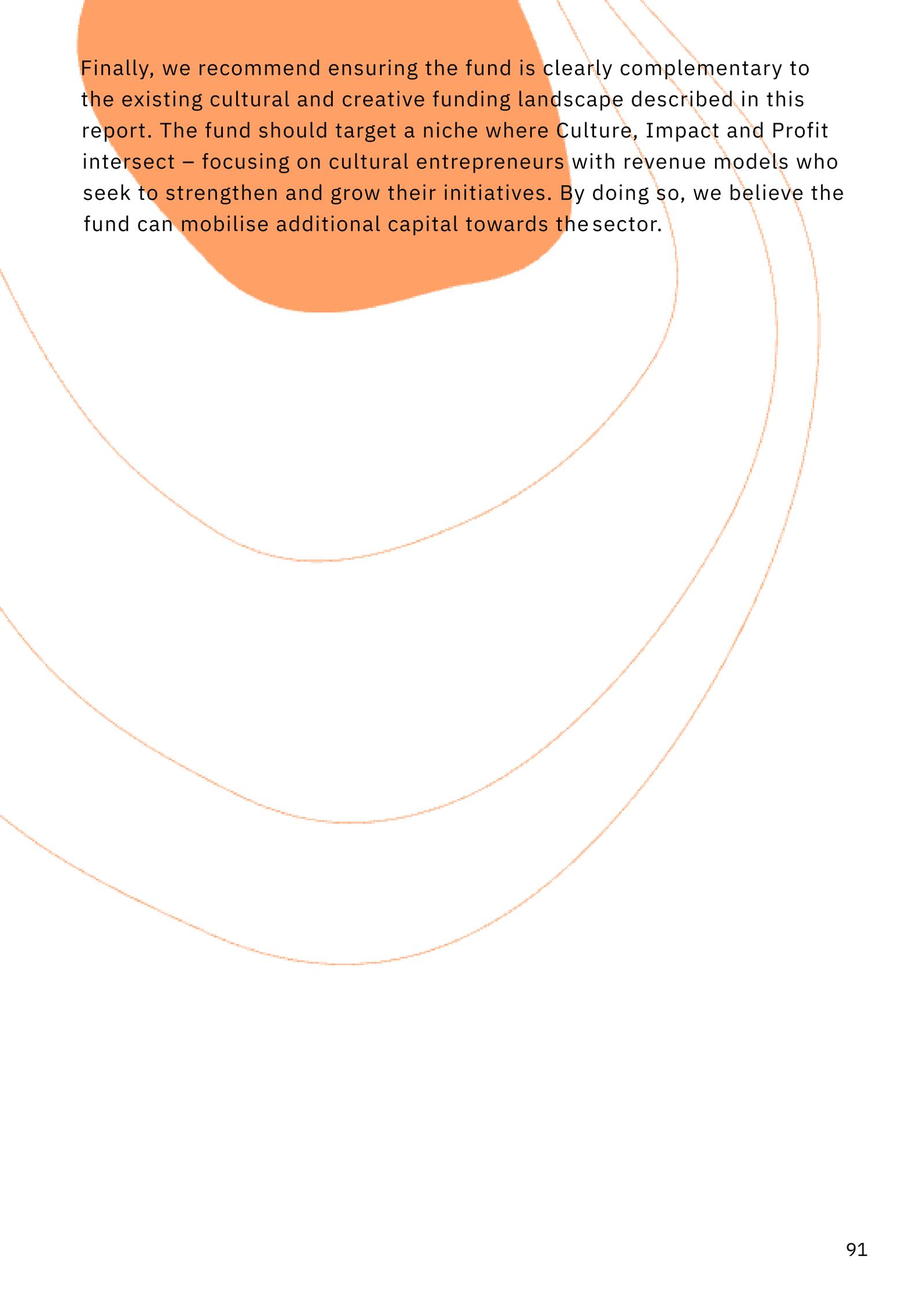
We propose the thematic focus of the fund to be a *Place-Based Fund for Urban Culture*, combined with investments in cultural properties and major impact-driven cultural productions such as films, performances and exhibitions. The Urban Culture theme would focus on cultural entrepreneurs working towards the city of tomorrow, including fashion brands, street and nightlife culture, festivals, diasporic urban culture, music festivals and record labels, as well as free spaces and venues in the city's fringe areas. A place-based fund would work on shaping the city of the future through imagination, community, translocality and impact.

Geographical focus: We recommend focusing on Europe, with an emphasis on urban areas that share a similar multicultural dynamic, such as Amsterdam, Hamburg, Milan and Marseille. Additionally, we suggest focusing on diasporic urban culture and creative ventures operating translocally (deeply rooted in local contexts while connected to global cultural expressions). The fund could begin by targeting Dutch cities before expanding to other European cities, starting with Belgium, Germany, Italy, Spain, Denmark and France to strengthen deal flow.

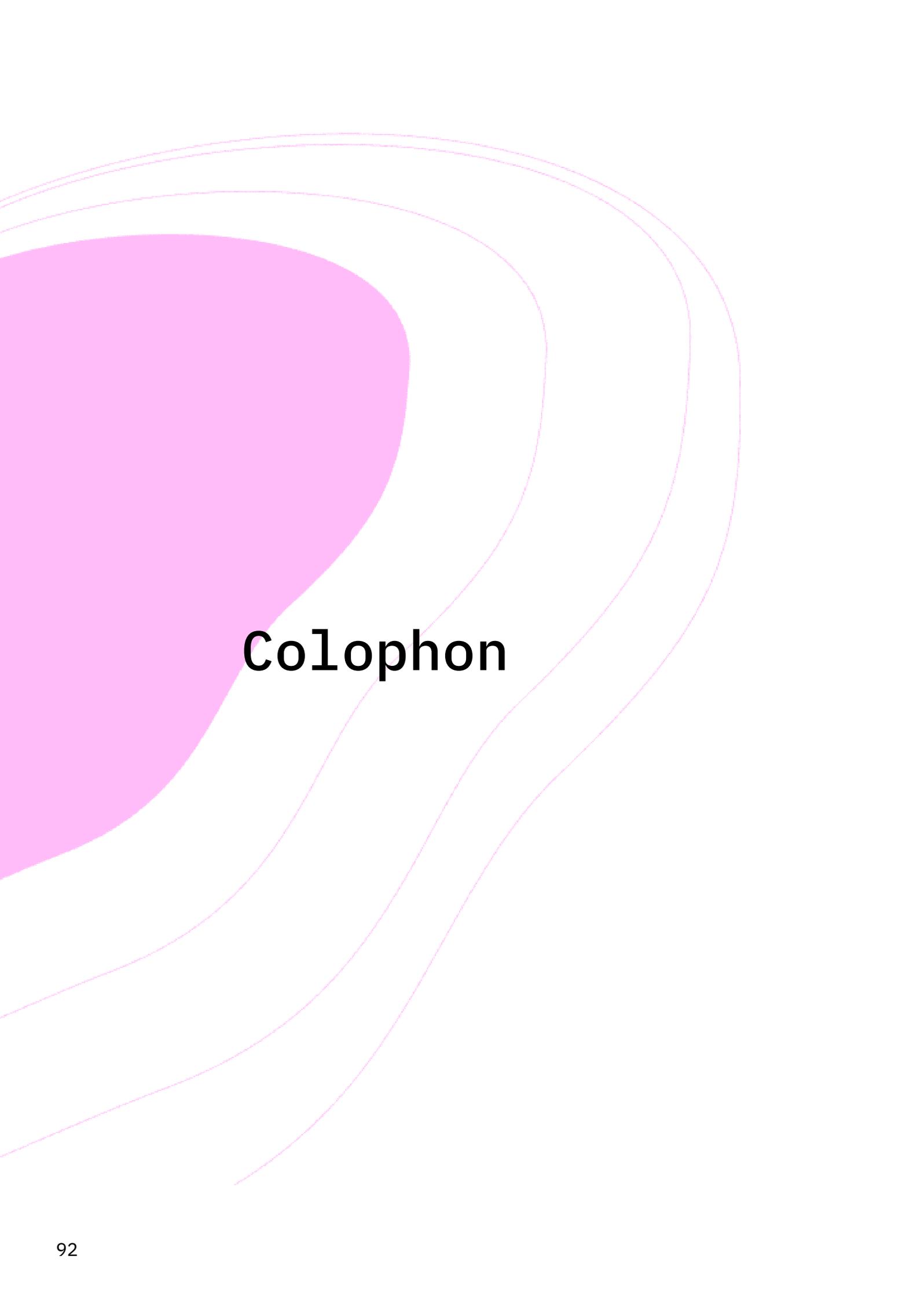
Fund structure: We recommend moving away from a traditional closed-end, and instead establishing a patient capital fund with a longer-term horizon. This approach would allow for collaborative planning with entrepreneurs to determine the most sustainable growth path. We also suggest a blended approach, combining equity, loans and grants to best meet the sector's needs.

Operational structure: We recommend a hybrid setup, where a front-end team composed of sector experts collaborates with a back-end team managed by an established, experienced fund manager responsible for accountability, administration and investor relations. For this hybrid structure, we advise partnering with the creative team within DOEN, given its in-depth sector knowledge. It is crucial for the fund to work alongside an established cultural organisation with strong cultural sector expertise within Europe.

We also recommend exploring and testing a steward-ownership model, where investors receive shares in a business or property, but (at least part of) the decision-making power remains with the community. In addition, it is essential to involve key figures from the target groups in the fund's development from the outset and ensure they have a say in its operations. Diversity and inclusion should be a core principle of the fund. Furthermore, we advise establishing a robust non-financial support facility alongside the financial investments.



Finally, we recommend ensuring the fund is clearly complementary to the existing cultural and creative funding landscape described in this report. The fund should target a niche where Culture, Impact and Profit intersect – focusing on cultural entrepreneurs with revenue models who seek to strengthen and grow their initiatives. By doing so, we believe the fund can mobilise additional capital towards the sector.

The page features a large, abstract graphic on the left side. It consists of several overlapping, wavy, organic shapes in shades of pink and purple. The most prominent shape is a solid, bright pink area that tapers to the right. To its right are several thin, light purple outlines that follow a similar wavy path, creating a sense of depth and movement. The overall composition is modern and minimalist.

# Colophon

This feasibility study was conducted by Martijn Blom and Arthur Steiner on behalf of DOEN Participaties. Martijn Blom (<https://www.linkedin.com/in/martijnblomdroomzaken/>) focuses on the design, structuring, and advising of impact funds, both in the field of market building at Impact Europe (<https://www.impacteurope.net/stream/market-building>) and directly for a wide range of organizations and initiatives. His goal is to promote at least 100 funds by 2030 through 100funds. Arthur Steiner (<https://www.linkedin.com/in/aasteiner/>) is an art historian and co-founder of New Silk Roads (<https://newsilkroads.com/>), working as a researcher, curator, and strategic advisor for impact-driven cultural organizations.

Special thanks to DOEN Participaties for their trust, the DOEN Culture team for their input, and above all, to Merijn Ten Thije and Mirjam Niessen for the pleasant collaboration. We would also like to thank Zineb Seghrouchni for our valuable and inspiring conversations .

We are further grateful to the following people for their valuable input during the interviews:

Adama Sanneh, Alexander Ramselaar, Aniela Hoitink, Barbera Wolfensberger, Bart Ashman, Caroline Woolard, Chiara Crozzoli, Christien Meindertsma, Cyril Gouiffes, David Dixon, Didier Lebon, Emma van der Leest, Ermi van Oers, Felix Guttmann, Florian Schneider, Florencia Giulio, Francesca Sanderson, Frederik Duerinck, Gerrit-Jan van 't Veen, Hans Stegeman, Isabelle Schwartz, Joachim Fleury, Evert Faber van der Meulen, Joep van Gorp, Jon Heemsbergen, Joost Beunderman, Joost Vervoort, Joshua Kauffman, Laura Callanan, Leendert van Driel, Lisa Wolters, Lisanne Bedaux, Marcus Desando, Marjolein Cremer, Martin van Engel, Martijn Paulen, Mi You, Mirjam Hament, Moktar Nabil, Nicolay Boyadjiev, Nicoletta Tranquillo, Pauline van Dongen, Peter Kirkhoff Eriksen, Richard van der Laken, Sanaz Amidi, Simon Dogger, Tamar Guttmann, Timothy Sabayo, Ugo Bacchella, Violet Broersma, Ward Wolff, Youssef Louakili, Zineb Seghrouchni.

Design and Website: Janine Zielman  
DOEN Participaties 2024 – 2025

