



# Stichting DOEN

Gertrude Flentge, programme manager culture & media



# Alternative Finance models for culture

- Culture and microfinance in Mali
- Crowd funding through the web



## DOEN Foundation

- the fund of 3 Dutch Charity Lotteries
- aims to make the world a liveable place in which everyone can participate through financing initiatives that are sustainable, entrepreneurial and innovative
- More info: [www.doen.nl](http://www.doen.nl)



## DOEN Culture International:

Culture as a contribution to an open society:  
critical thinking and creativity = development

Targeting development of cultural sector by financing projects,  
programmes and organisations in all cultural disciplines



Major concern: how to create sustainable finance mechanisms for the cultural sector in Africa, Asia and Latin-America, so that culture can flourish and becomes less independent on (western) donor money?

➤ Involvement Arterial Network

# Culture and Microfinance in Mali

A pilot programme of DOEN in cooperation with Strømme Foundation.



## Starting points:

- to find the 'niche' where the microfinance and cultural sectors meet each other on their own terms
- to create a model that can be copied elsewhere by other MFI's

# Dilemma's:



- Cultural values – commercial values
- Is a cultural microloan economic movement or an entrepreneurial subsidy
- How to create a model that can be upscaled/copied

## Process:



1. Identifying needs cultural sector: interviews with musicians, visual artists, photographers, filmmakers, performance artists and cultural operators:
  - Short term: one-off opportunity: participate in international exhibit, equipment rental, pre-financing costs of tour, obtain travel documents, buy materials
  - Medium to long term investment: recording/producing album, opening/improving showroom/exhibition space, purchase of equipment

## Process:



## 2. Selection MFI's (3 in Mali) and development **cultural loan products:**

Producttype 1: short term 200 – 2000 US\$

Producttype 2: - 10.000 US\$

- Fixed terms: a.o. waiting period (1/2 year), interest (around 2%), guarantee (money, household equipment, third party)
- Flexible terms: longer grace period, term of loan, extra business training

# Process:



## 3. Training of loan officers to understand artistic activity and its potential market:

- How much money is the artistic activity realistically going to bring in?
- What is the artist's capacity to repay and in what amounts?
- Business Development System (how to interact with artists, advice on loan handling, cash flow of artistic products)

# Process:



## 4. Monitoring throughout loan period and after completion:

- bank-client interaction
- handling loan by artist and repayment
- was loan used for specified activity
- impact loan on artist's activity:
  - Did loan further artistic development/career?
  - Did loan push artist to behave commercial at costs of artistic value?

# Results?



- End 2010
- Expectations:
  - microfinance will not uplift cultural sector
  - If artist manages to set-up long term relationship with MFI it can further artistic (business) development in crucial moments (trust between artist and MFI)
  - Artistic community can have added value for MFIs in terms of communication and work satisfaction

## Basic conditions for success on long term a.o.:

- Improvement business skills artists
- Firm artistic vision and strategy

# CROWD FUNDING

[www.africaunsigned.com](http://www.africaunsigned.com)



STICHTING  
**DOEN**

■ NATIONALE ■  
**POSTCODE**  
■ LOTERIJ ■



[www.sellaband.com](http://www.sellaband.com) / [www.africaunsigned.com](http://www.africaunsigned.com)

- Income generation artists
- Break through monopoly official production companies with more democratic system
- Capacity building African studio's and internet presence artists

## [www.africaunsigned.com](http://www.africaunsigned.com)

- Fans invest shares of EUR 5 in their favorite band
- Every artist gets: demo with 3 songs, internet profile and marketing
- EUR 5.000: first payment to the artists, song for investor
- EUR 10.000: recording 3 songs
- EUR 25.000: recording album



Questions?

