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CULT HERIT 18
RELEX 1584
CULT 133
DEVGEN 203
COASI 206
COEST 728
COAFR 439
MAMA 251
COLAC 187
CIVCOM 334
CFSP/PESC 1791
JAI 1853
ENV 1210
GLOBAL GATEWAY 41

INFORMATION NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	A new public-private partnership for EU international cultural relations - presentation by a representative of MCF Capital Management LLC

Delegations will find in the annex a presentation given by an external stakeholder (a representative from MCF Capital Management LLC) at a meeting of the WP RELEX-HQ (International Cultural Relations) on 6 December 2024. The views expressed in the presentation are solely those of the third party concerned. This document cannot be regarded as stating an official position of the Council and it does not reflect the views of the Council or of its members.

RELEX - HQ

A NEW PUBLIC-PRIVATE PARTNERSHIP FOR EU INTERNATIONAL CULTURAL RELATIONS



Bruxelles 6 December, 2024

SETTING THE SCENE

EVOLUTION AND TRENDS IN FINANCIAL MARKETS

- **Impressive growth of Financial Markets**
 - **Global Financial Markets are 3,5 x Global GDP**
- **Predominance of Institutional Capital**
 - **Sovereign Funds, Pension Funds, Investment funds, Private Equity, Endowments, Foundations, etc.**

SETTING THE SCENE

EVOLUTION AND TRENDS IN FINANCIAL MARKETS

- **Investor's Pressure mounting**
 - New investors generations require adoptions of sustainable investment strategies
- **Emerging Impact Investment**
 - From Risk Mitigation to positive Social Impact

EMERGENCE OF IMPACT INVESTMENT

- **United Nations SDGs**
- **UN approval of Principles for Responsible Investment ESG (2006) by a group of largest Institutional Investors, Intergovernmental experts and Civil Society**
 - **Signatories of PRI grown to over 6000 across the globe with total capital committed in excess of US \$ 2.5 trillion**
 - **EU most represented area with 44% of total capital committed**

EMERGENCE OF IMPACT INVESTMENT

- **Business RoundTable Statement on the Purpose of a Corporation (2019)**
 - From shareholder value to stakeholder value
- **EU Corporate Sustainability Reporting Directive | CSRD (2022)**
 - Europe is global leader in regulating ESG investment
- **UN Pact for the Future (2024)**

TAPPING FINANCIAL MARKETS MOVING FROM ENVIRONMENT TO SOCIAL

- **Up to 87% of ESG investment in 2023 was on environment, the «E» to mitigate environment risk**
- **The social pillar, the «S», was 11% of which culture and arts were less than 2%**

TAPPING FINANCIAL MARKETS MOVING FROM ENVIRONMENT TO SOCIAL

- **To steer Private Capital into the “S” a mindset change is required turning a “cost” into an “investment opportunity”**
- **Projects based on both financial and social positive returns in line with ESG requirements (double materiality)**

TOWARDS AN INNOVATIVE INVESTMENT PARADIGM FOR EU INTERNATIONAL CULTURAL RELATIONS

- **Public Budgets limited and shrinking**
- **From Governments, Donors and Sponsors to Investors and Partners**
- **From Public Funding allocations to Public-Private investments**

TOWARDS AN INNOVATIVE INVESTMENT PARADIGM FOR EU INTERNATIONAL CULTURAL RELATIONS

- **Needed: a toolkit of complementary financial (grants, debt, equity) and non-financial (tax, guarantee, regulations, metrics) investment to innovate Public-Private partnership**
- **An attractive investment ecosystem for Private Capital**