Beyond grants: three strategies cities can use to build sustainable cultural ecosystems

What the URBACT ITN REinventing Culture in Urban Places Network learned about funding culture beyond public budget

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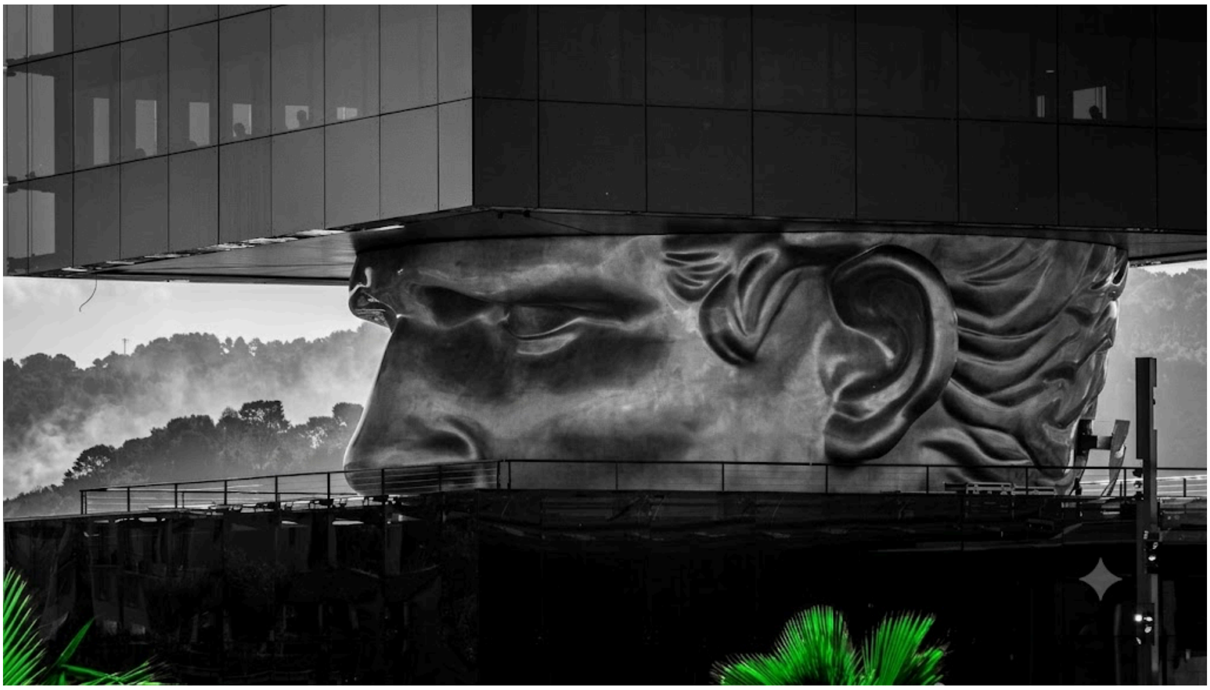


Le Gutteur 2015, Sculpture architecturale, Cagnes sur Mer, France modified with AI

Across Europe, cities are increasingly expected to address complex challenges. From social inclusion and neighbourhood regeneration to tourism and local economic development, culture is increasingly recognised as part of the solution. Yet, when it comes to public investment, culture is still too often treated as a luxury rather than a necessity. Rarely at the top of political priorities, it is frequently one of the first policy areas to feel the impact of shrinking municipal budgets.

This raises an important question, one that cannot be answered through traditional funding mechanisms alone. Is the challenge for local cultural policy simply about finding more funding? Or is it about unlocking the resources that already exist within a city?

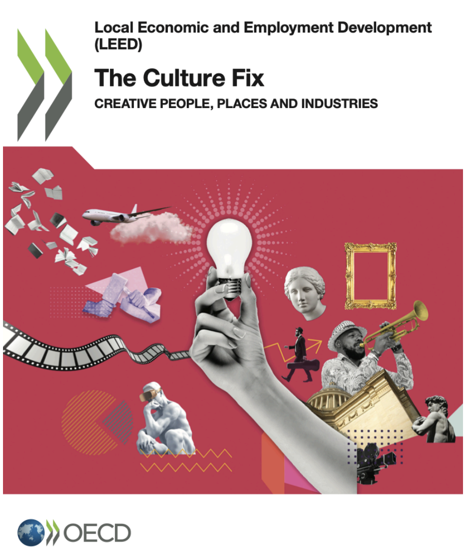
This question was at the heart of the **third RECUP Masterclass "Grants and Beyond"** organised within the **URBACT Innovation Transfer Network RECUP – REinventing Culture in Urban Places.** Bringing together European institutions, researchers and local practitioners, the discussion quickly moved beyond funding programmes to explore how cities can create the conditions for culture to thrive through partnerships, shared resources and stronger local ecosystems.

Over the past two years, the six URBACT ITN RECUP partner cities have been exploring exactly this challenge. Starting from the Good Practice CUP4Creativity in Újbuda (Budapest), they discovered that successful cultural policies are rarely built around a single funding opportunity. In most cases, they emerge when municipalities act as facilitators, connecting artists, residents, community organisations, businesses and public institutions around shared local challenges. Following this perspective, the network transferred a collaborative governance model aiming at generating new opportunities and mobilising resources from across the community. This experience offers three lessons that may be relevant far beyond the **URBACT ITN RECUP** network.

1. Move from funding projects to building ecosystems

One of the strongest messages emerging from both the RECUP experience and the masterclass is that sustainable cultural policies cannot rely on a single source of funding. European programmes, municipal budgets and grants remain essential, but they should be understood as catalysts. **Money matters. But, on its own, it rarely creates resilient cultural ecosystems.**

The experience of Újbuda illustrates this particularly well. What made **CUP4Creativity** transferable was not simply the availability of financial resources, but the existence of a local ecosystem where cultural institutions, artists, neighbourhood organisations, schools and residents continuously collaborated around common objectives. **Funding became one ingredient within a much broader system built on relationships, trust and shared ownership.**



This represents a significant shift in perspective. In addition to asking "*Which funding programme should we apply for?*" cities may also achieve greater long-term resilience by asking ***"Which actors already share our vision, and how can we connect them?"***

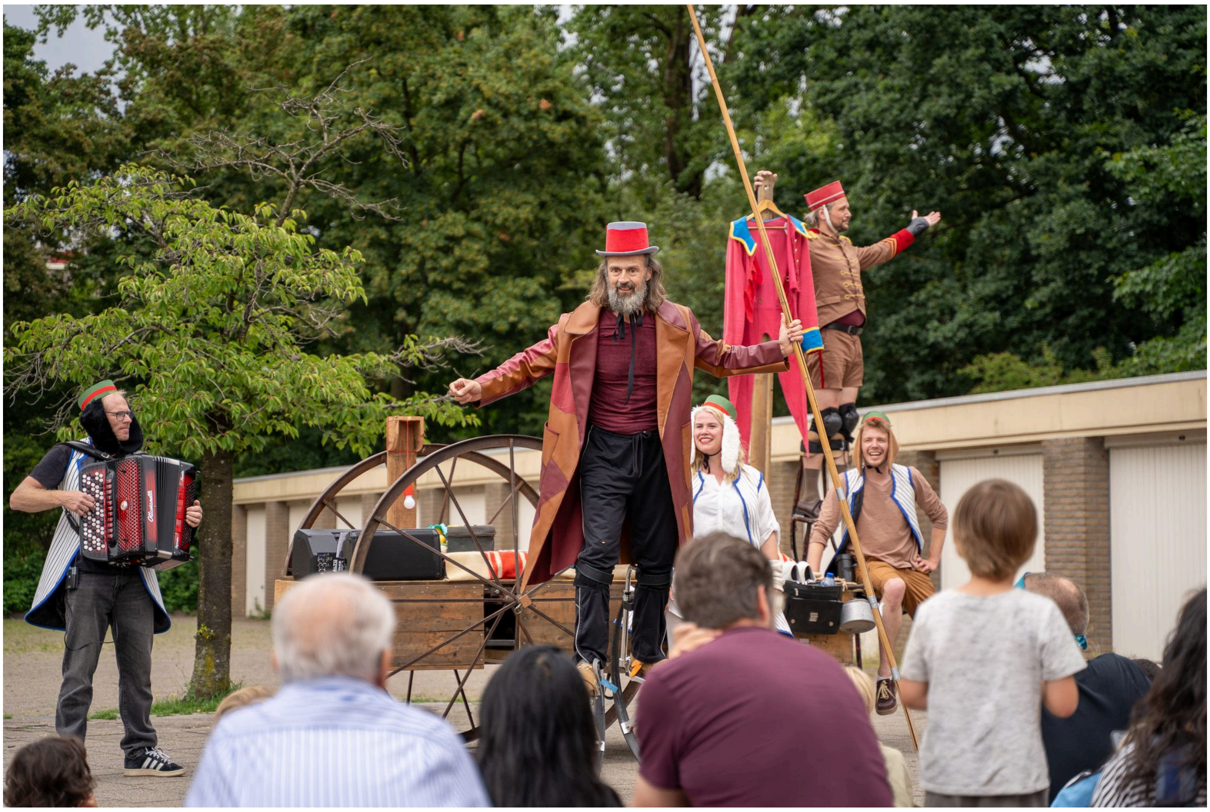
Recent work by the [OECD 2022] reaches a similar conclusion, arguing that culture should no longer be treated as an isolated policy sector but as a cross-cutting investment capable of contributing to economic development, wellbeing and social cohesion. RECUP's experience builds on this argument by showing that these outcomes depend on financial investment, which remains crucial in most of the cases, but also on the quality of the local ecosystem supporting cultural action.

2. Expand the idea of what a resource actually is

What if the most valuable resources a city owns are the ones that never appear in its budget? It is not a way to provoke, but an attempt to broaden the understanding of what counts as a resource is, in many ways, the more consequential shift.

Community centres, schools, universities, local businesses, volunteers, communication channels, empty buildings and civic networks can all become strategic resources when they are intentionally connected.

Several RECUP cities demonstrated this in practice. In **Amersfoort**, existing community spaces became places where cultural participation also generated new social relationships and reduced barriers to engagement.



Amfersfoort' streets theater in a Community Center

In Sandyford, the **Business Improvement District** showed how the private sector can actively contribute to local cultural life, not simply through sponsorship but through long-term collaboration and shared responsibility for the vitality of the district.

Dubrovnik is now taking this approach one step further. Rather than approaching local hotels and businesses merely as potential sponsors, the city is organising matchmaking events designed to build partnerships between cultural organisations and the tourism sector. The objective is not simply to secure additional funding, but to identify shared interests and create collaborations that generate value for both the cultural ecosystem and the local economy.

In this model, municipalities become less providers of cultural services and more orchestrators of relationships, capable of activating resources that already exist within their communities.

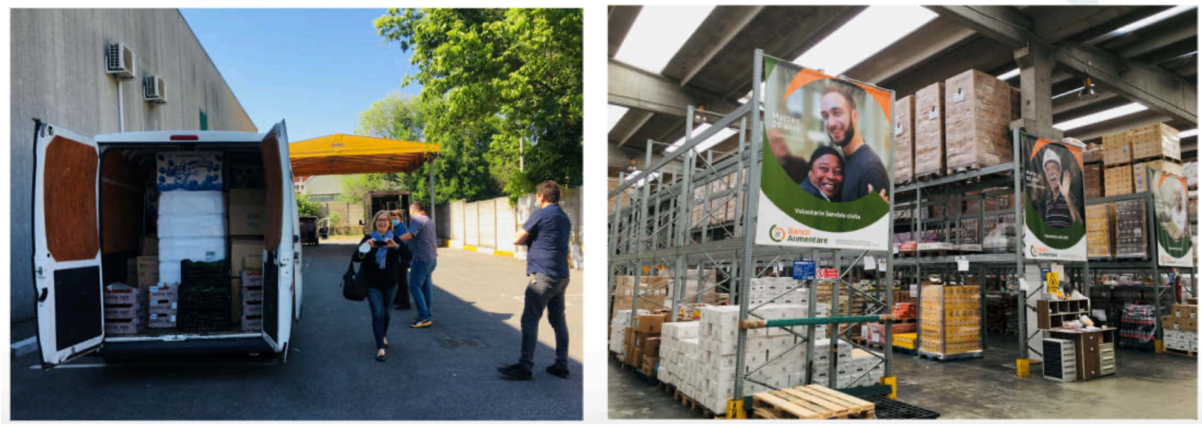
3. Demonstrate public value, not simply cultural activity

Even the strongest partnerships struggle to survive without long-term political commitment. And political commitment increasingly requires evidence.

One of the key messages emerging from the RECUP Masterclass was that demonstrating impact is becoming just as important as securing funding. During the RECUP Masterclass, researchers from the Italian National Research Council (CNR) highlighted how **impact assessment can help reposition culture as an investment rather than simply an expense.** This means evaluating cultural initiatives not only through traditional indicators such as visitor numbers or ticket sales, but also through their contribution to broader public objectives including social cohesion, wellbeing, participation and the activation of public spaces.

This reflects a broader shift in how cultural policies are being justified**.** For decades, culture has often been perceived as a discretionary expense. Today, an expanding body of international evidence suggests that **cultural participation generates measurable public value across multiple policy fields**. The challenge for cities is therefore to demonstrate how these initiatives contribute to addressing wider urban challenges.

Several European cities are already moving in this direction. **Milan,** for example, has increasingly invested in methodologies capable of assessing the wider social impact of cultural initiatives, helping reposition culture as an investment in urban development rather than a competing budget line. This is also consistent with the broader OECD argument that culture creates value far beyond the cultural sector itself.



Milan' experience within the URBACT APN Cities4Csr Network

For local governments, impact evaluation is therefore much more than a reporting requirement. It is a strategic instrument for building long-term legitimacy, attracting partners and strengthening future investment.

From funding culture to enabling cultural ecosystems

Shifting the focus from short-term grants to long-term sustainability, one of the most important lessons emerging from RECUP is that the future of cultural policy will not be determined solely by the size of municipal budgets.

Public investment is and will remain essential. European funding will continue to play a crucial role, not only in terms of grant but also as a cooperation tool. Yet the cities that appear most resilient are those that understand funding as only one component of a much larger ecosystem. They invest not only in projects, but in relationships, mobilising community assets alongside financial ones, and inviting businesses, universities, civic organisations and residents to act as co-creators rather than beneficiaries. In doing so, they are not simply financing culture; they are strengthening the social fabric that allows culture to flourish.

In this perspective, **the future of cultural funding may depend less on finding new money than on recognising, connecting and activating the extraordinary resources that already exist within our cities.**