



EUROPEAN
VENTURE
PHILANTHROPY
ASSOCIATION

CASE STUDY

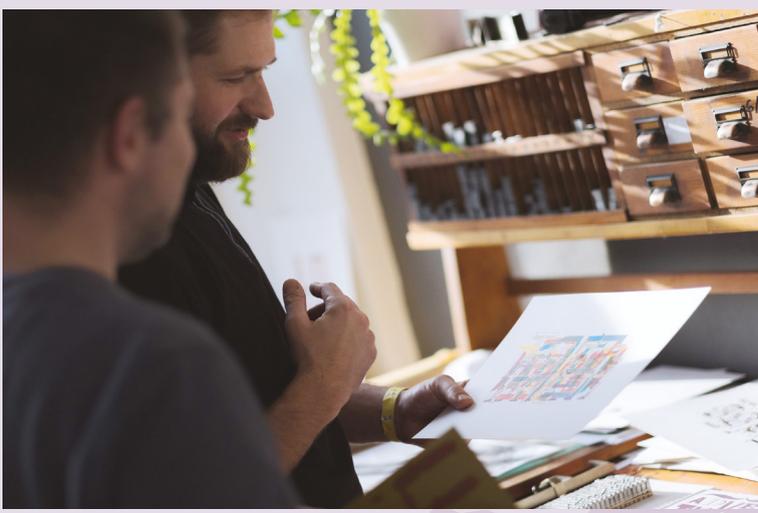
VP/SI IN CENTRAL EASTERN EUROPE TISE – CVERNOVKA FOUNDATION

SOCIAL PROBLEM AND SOLUTION

Following a change of owner, the building hosting “Cvernovka” – a community of creative professionals in Bratislava – had to be cleared in July 2016. Seeing the need to keep the community alive, four members of this group decided to set up the **Cvernovka Foundation** and look for a new space. They found an **abandoned building**, previously hosting a secondary school, and managed to sign an agreement with the regional government to rent it for 25 years.

By renovating this building, the foundation has established a new creative centre for **local artists to develop** and **revive the cultural life** of the city district and local neighborhood. The idea is for the centre to be self-sustainable and all the money raised to be **re-invested**

or used for cultural, social or educational programmes. After months of renovation, the five-floor building, now re-branded as “**Nová Cvernovka**” (New Cvernovka), opened its door as a working space for creative individuals, and is currently home to 79 studios dedicated to fine arts, photography, film-making, music, design, architecture and more. It also hosts a **public library**, organising lectures and seminars throughout the year, as well as local shops of Slovak brands of children’s clothing, design furniture, eco-friendly clothing, etc. There are also some services regularly open for visitors, such as bar, cake bakery, coworking space, park with playground and some local design showrooms. And finally, it is used as a **venue for cultural events** from concerts, theatre performances, to art exhibitions and many more.



Providing a working space for creative individuals
© Peter Gall



Slovakia

ABOUT THE VPO & THE SPO

| TISE | Cvernovka | Cvernovka Foundation | Nová Cvernovka |
|---|---|--|--|
| Venture Philanthropy Organisation (VPO) | Informal group | Social Purpose Organisation (SPO) | Creative Centre |
| <ul style="list-style-type: none"> Founded in 1991 Sectors: Culture & Recreation; Development; Housing; Education; Environment; Health; Financial inclusion; Voluntarism funding & promotion; Business & professional associations. | <ul style="list-style-type: none"> 2008 - 2015 Group of creative professionals gathering in a refurbished thread factory ("Cvernovka" in Slovak). | <ul style="list-style-type: none"> Founded in 2015 Founded by 4 members from the initial group Foundation set up to have a legal status, allowing them to apply for a loan with TISE. | <ul style="list-style-type: none"> Creative hub Social enterprise, rebranded "Nová Cvernovka" (New Cvernovka) when they opened the new centre on 1 May 2017. |

OBJECTIVES FOR THIS PROJECT



CVERNOVKA FOUNDATION

Vision

Cvernovka Foundation contributes to developing a creative industry that will help improve the quality of life in Bratislava.

Objectives

The foundation aims to **maintain and expand the existing ecosystem of artists, innovators and developers** who started in the original Cvernovka community, in a new location and under one roof, to **build a creative, cultural and social centre** in Bratislava.

On top of this, it also works with service providers with a social or environmental mission. It also strives to make the centre as **eco-friendly** as possible in terms of energy consumption and waste management.

TISE

TISE's objective is to help the foundation **increase its revenues** in order to scale its social impact.

APPROACH TO IMPACT MEASUREMENT



| Objective | Indicators |
|---|---|
| <ul style="list-style-type: none"> Expand the existing ecosystem and create synergies between creative individuals Increase cultural activities and events in the Bratislava region | <ul style="list-style-type: none"> # of creative individuals, professional teams and studios working in the centre # of workshops organised # of exchange programmes organised # of events organised at the centre # of visitors at these events |

The foundation looks at measurable quantitative but also **qualitative aspects** of their activities and services. For example, it has already hosted several high-profile

events, such as the White Night Bratislava 2017 and the award ceremony for the National Prize for Design.

TISE'S INVESTMENT

FINANCIAL SUPPORT



In 2017, TISE provided a **7-year loan** of **€350,000** to:

- finalise the initial investment into the building, prepare the studio space; and
- renovate the open space that would be used for the public cultural events.



Cvernovka Foundation also benefited from **public support**: as the building was a former school, the regional government gave the foundation the right to use the property for the next 25 years. As part of the agreement signed in July 2016, the Foundation committed to organising cultural and social events.

NON-FINANCIAL SUPPORT



While finalising details of the contract, TISE extensively studied the different budget scenarios with the founders of Cvernovka, **advising** them on the best option in terms of **revenue strategy** and **financial management**. This would allow Cvernovka to meet the requirements and repay the loan in time following the agreed conditions.

FINANCIAL AND SOCIAL RETURN TO DATE



From July 2018 financial report

FINANCIAL RETURN

Cvernovka Foundation is a **hybrid business model**, as the foundation receives donations, while Nová Cvernovka, working as a social enterprise, **generates its own revenues** through three streams:

- renting working spaces for creative individuals and businesses,
- providing food and drink services on the site, and
- organising cultural activities and events.

SOCIAL RETURN

From May 2017 to June 2018



79

contracted studios / artists
- i.e. all creative individuals renting or (co-)organising an event in the venue



160

events open for public
- i.e. cultural, artistic or educational workshops organised

CVERNOVKA FOUNDATION'S DEVELOPMENT PLAN

The Cvernovka Foundation is now looking into a former dormitory building next to the existing location. It is developing a cohousing model that combines different social and age groups, primarily focused on teachers, arts students, artists and elderly people. This **affordable housing project with community features** will provide space for around 80 people.

In parallel, the foundation is working on a concept for the other “half” of the building, in coordination with other stakeholders and experts to create **a space for social innovators**, social-oriented companies and NGOs. This building will also provide complementary public services, such as kindergarten, workshop, shared kitchen, etc.

In addition, the foundation coordinates a common project with Bratislava City District of Nove Mesto to build a skate park for young people and to facilitate the participation process with local neighbourhoods in order to create a park that will attract public.

Preliminary estimation of costs of the whole reconstruction rounds up to **€2.8m**. The foundation will need to grow the team with experts from different fields, architects, technicians and social innovators, etc. Beforehand, the founders are focusing on making the creative centre **self-sustainable** as soon as possible.

WHAT THEY THINK



The support from TISE came at a very crucial point of the project implementation – the reconstruction of the building. That was the exact point when our genuine enthusiasm clashed with the harsh reality represented by risk management department of the commercial bank. We had no further resources to finish the reconstruction and there was high risk that the community wouldn't be able to move to premises and start paying the rent, which we were relying on. TISE believed in the project and its social impact and offered the foundation a loan without collateral.”

Braňo Čavoj, Co-Founder, *Cvernovka Foundation*

FOR MORE INFORMATION



Contact us at knowledge.centre@evpa.eu.com



Visit our website www.evpa.eu.com

Disclaimer

The case study presented in this leaflet features organisations that are continuously working on their business model. As a result, all cases are evolving organisations and thus their model is continuously evolving.

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