



Creative Europe Programme: renewing support to the cultural and creative sectors

Architects, dancers and a wide range of others from the cultural and creative scene are set to benefit from the new Creative Europe Programme. The new programme for 2014 to 2020 will bring together the current Culture, Media and Media Mundus programmes in a single structure.

Background

The Commission has proposed to establish the Creative Europe Programme, merging and replacing the current Culture, Media and Media Mundus programmes which have run from 2007 to 2013. The budget proposed by the Commission for the new programme would be [€1.8 billion](#) (an increase of 37%) for the period 2014-2020.

The [proposed](#) programme covers the range of cultural and creative sectors (CCS), including architecture, archives and libraries, artistic crafts, audiovisual (including film, television, video games and multimedia), cultural heritage, design, festivals, music, performing arts, publishing, radio and visual arts.

These sectors now represent 4.5% of EU GDP and 3.8% of employment (8.5 million jobs). In addition, they generate spill-over effects in other sectors such as tourism and ICT content production. According to the Commission, creativity also plays a role in education, drives innovation and entrepreneurship, and contributes to social inclusion. Moreover, the cultural and creative sectors have significant growth potential: between 2000 and 2007, employment in these sectors grew by an average of [3.5%](#) a year, compared to 1% in the overall EU economy. Employment growth in the US and China in these sectors was also high, at almost 2% a year. According to the Commission, Europe is the world leader in exporting creative industry products, and to maintain this position, investment is needed in the sector's capacity to operate across borders. Cultural issues are set to have a high profile in the context of EU-US trade discussions.

However resilient the creative sector has been to the crisis, it faces **challenges** such as digitalisation, globalisation, market fragmentation, and access to finance. Statistics also show considerable differences between Member States in availability of sector-specific infrastructure (e.g. the number of inhabitants per cinema screen ranges from [184 000](#) in Romania to 10 000 in Spain).

In September 2012, the European Commission adopted a new [strategy](#) to unlock the full potential of the cultural and creative sectors, in particular for boosting job creation.

The Commission's proposal

Under the ordinary legislative procedure ([2011/0370\(COD\)](#)) the Commission [proposed](#) in November 2011 to establish the Creative Europe Programme, as well as to set up for the first time a financial facility for the cultural and creative sectors to improve their access to finance. The programme would consist of three strands: Cross-sectoral, Culture and Media. The indicative budgetary split is 15%, 30% and 55% respectively.

The Creative Europe Programme aims to help European cultural and creative industries become more competitive, take advantage of the digital shift and create more international careers and jobs. It seeks to safeguard and promote European cultural and linguistic diversity. Specific objectives include: strengthening the sector's capacity to operate beyond national borders by reinforcing relations and networks between operators; promoting transnational circulation of works and operators, to reach new audiences in the EU and beyond; strengthening financial capacity; supporting transnational cooperation to promote policy development, innovation, audience building and new business models.

The new programme would introduce simplifications, in comparison to the current programmes. These would include creating a single programme committee as well as

Creative Europe desks – one-stop-shop EU entry points open to all the cultural and creative industries. Further changes include shifting from operational grants to project grants in the Culture Strand.

The programme will cover EU Member States and European Free Trade Association (EFTA) countries (Iceland, Liechtenstein, Norway and Switzerland), as well as EU accession and candidate countries, potential candidates as well as countries covered by the European Neighbourhood Policy. The programme will also have an international dimension through integrating the Media Mundus programme.

The programme is to be managed by the Education, Audiovisual and Culture Executive Agency ([EACEA](#)). Only organisations, rather than individuals, would be eligible to apply, yet the programme is expected to reach 300 000 artists and 8 000 organisations.

The new [financial guarantee facility](#) would total up to €1 billion, enabling small operators to access bank loans. The European Investment Fund (EIF) is to provide credit risk protection to lending banks at a 70% guarantee rate. Currently banks lack experience of credit assessment in the cultural and creative sectors, therefore capacity building for them on the financial specificities of the sector is planned as part of the guarantee facility. The guarantee facility is considered more efficient than direct grants to beneficiaries, since it attracts extra funding from investors. It is also expected to reduce SME dependence on public funding.

Council and Parliament

The proposal was referred to the Parliament's Culture and Education Committee, which adopted its [report](#) (rapporteur Silvia Costa, S&D, Italy) in December 2012. Amendments adopted seek to make Creative Europe a framework programme, with distinct Culture and Media programmes therein. Members also sought to strengthen definitions of the scope of the programme and its actions.

An EP Policy Department [note](#) to the committee had suggested that the proposal seems to follow a trend of "loans over grants, market-driven funding decisions and diminishing public subsidies". In addition, with the information currently available, it is not

possible to know if it will have the envisaged impact. In particular, "the biggest shift [is] expected to happen with (...) the Cross-sectoral Strand which (...) remains the weakest point", and is also most likely to be dropped in case of a major MFF budget cut.

The **Council** reached a "[partial general approach](#)" in May 2012 on the bulk of the Commission's proposal. In November, the council also reached agreement on its position on the guarantee facility. Member States expressed concerns about lack of detail in the Commission proposal. They also want the Culture and Media strands treated separately.

Parliament and Council have been negotiating in informal trilogues, with a view to reaching a first reading agreement, allowing the programme to be in place by 1 January 2014.

Budgetary questions

The budgetary allocation for the programme has been left to one side, pending agreement on the 2014-2020 Multiannual Financial Framework (MFF). Under the European Council's agreement of 8 February 2013 on the MFF, which remains subject to EP consent, the Creative Europe programme budget would be reduced to around [€1.293 billion](#).

Stakeholder views

Stakeholders of the Culture Strand voice different concerns than those of the Media Strand. Representatives of the audiovisual field (the [British Film Institute](#) and the [British Screen Advisory Council](#), BSAC) call for the maintenance of the autonomy of the Media Strand. The BSAC wants the expertise and budget kept separate, highlighting the differences between the two business models.

[Culture Action Europe](#) calls for the inclusion of social outreach and the educational dimension in the programme's objectives. The [Museums Association](#) is concerned about the lack of recognition of museums' role as catalysts of urban regeneration and local economic government and urges continued operational funding to networks such as the Network of European Museum Organisations (NEMO). [NEMO](#) wants to ensure museums are central to the future culture policy, despite the fact that they are not explicitly mentioned in the Commission proposal.