

Creative Europe Programme

In a nutshell

Creative Europe, which brings together under one roof three different culture and media-related programmes from the previous 2007-13 funding period, is designed to support the activities of the cultural and audiovisual sectors in participating countries, and generate synergies between the two sectors. Its €1.46 billion budget represents a 9% increase on the total spent in the various sub-programmes in 2007-13. Of this envelope, 31% is earmarked for culture, 56% for media and 13% for the cross-sectoral strand, including a Guarantee Facility to be launched in 2016.

EU's Multiannual Financial Framework (MFF) heading and policy area

Heading 3 (Security and citizenship)

Culture; industry

2014-20 financial envelope (in current prices and as % of total MFF)

Commitments: €1 462.72 million (0.14%)

2014 budget (in current prices and as % of total EU budget)

Commitments: €180.57 million (0.13%)

Payments: €184.29 million (0.13%)

2015 budget (in current prices and as % of total EU budget)

Commitments: €177.67 million (0.12%)

Payments: €165.17 million (0.12%)

Methods of implementation

Direct management (European Commission; Education, Culture and Audiovisual Executive Agency (EACEA)) and *indirect management* (European Investment Fund).



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- EU role in the policy area: legal basis
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- Assessment of programme/measures
- Other EU programmes and action in the same field

EU role in the policy area: legal basis

The [Creative Europe programme](#) (CE) for the period 2014-20 cuts across two policy areas identified in the [Treaty on the Functioning of the European Union](#) (TFEU): (1) culture; and (2) industry, which are addressed by Titles XIII and XVII TFEU respectively. Article 167(1) TFEU says that, 'The Union shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity and at the same time bringing the common cultural heritage to the fore'. Under Articles 166(4), 167(5) and 173(3) TFEU, the EU can support and supplement action taken by the Member States in the three policy areas listed above, introducing measures by way of the **ordinary legislative procedure**, but it may not try to harmonise national laws and regulations.

[Regulation \(EU\) No 1295/2013](#) establishing the Creative Europe Programme for the period 2014-20 came into force on 11 December 2013, repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC, previously in force.

Objectives of the programme

CE is designed to support the activities of the cultural and audiovisual sectors in participating countries (including Member States, countries belonging to the European Economic Area (EEA), and (potential) candidate countries) facing the challenges of a shift towards digitalisation, market fragmentation, global competition and difficulty accessing financing.

CE aims to enhance the creative and cultural industries' (CCI) and audiovisual sector's competitiveness on the global market, and to help them to adapt to and take advantage of the digital shift. Amid a linguistically fragmented European cultural and audiovisual market, the programme is meant to create favourable conditions for increased multilateral and international cooperation in Europe, for transnational mobility of CCI and audiovisual industry workers and their works (through translation and subtitling for non-national European works, festivals and international exhibitions, and distribution), and to foster 'European', i.e. cross-border, careers in these sectors. CE also funds support for peer-learning, networking, platforms and various European prizes. A further objective is to protect and safeguard European cultural heritage and linguistic and cultural diversity, in line with the principles of the [European Agenda for Culture](#).

Having integrated the hitherto separate programmes Culture, MEDIA and MEDIA Mundus (operational between 2007 and 2013), CE is divided into three distinct strands: two sectoral strands – Culture and Media – and a cross-sectoral strand that includes a self-standing financial instrument, the Guarantee Facility. This financial instrument is designed to facilitate access to financing for European SMEs (the majority of firms in this domain are of this size) active in a sector characterised by a high level of financial risk that is difficult to assess for most banking institutions, and to allow the latter to share knowledge in this field. It also supports studies and statistical data collection to develop analytical tools for evidence-based policy-making in both strands. The cross-sectoral strand also covers [Creative Europe desks](#) in participating countries: a one-stop shop tasked with providing information in every country on every aspect of the programme. The programme should also support the Europe 2020 strategy to promote sustainable growth, jobs and social cohesion.

Guarantee Facility

The Cultural and Creative Sectors Guarantee Facility, which forms part of Creative Europe's cross-sectoral strand, is a self-standing, €121 million fund to be set up and managed by the European Investment Fund (EIF) in accordance with Title VIII of the EU's [Financial Regulation](#). The Facility, which will become operational in 2016, is designed to enhance cultural and creative SMEs' and organisations' access to finance, by providing credit risk protection to financial intermediaries building portfolios of loans. It will also support capacity and expertise building to correctly analyse relevant risks. The Facility should help businesses and organisations in the culture sector to tap up to €1 billion in bank loans and private investment, thereby reducing their dependence on public funds. According to a 2012 European Parliament DG IPOL analytical [note](#), the Facility reflects a general shift in Europe towards 'loans over grants, market-driven funding decisions and diminishing public subsidies'.

Funded measures

During the previous two funding periods (2000-06 and 2007-13), the budgets for culture and media policy were: €236.5 million for Culture 2000 (2000-06); €400 million for Culture 2007 (2007-13); €454 million for Media Plus (2000-06); and €755 million for Media 2007 (2007-13). A total of €636.5 million was spent on the Culture programme and €1 209 million on the Media programme in the 2000-13 period, with an additional €19 million spent on supporting cultural organisations active at EU level as well as minority languages in the 2004-06 period. An extra €59 million was spent during the 2001-06 period on networking projects and the Media training programme, while €23 million was spent on cooperation with third countries (2008-10 and 2011-13).

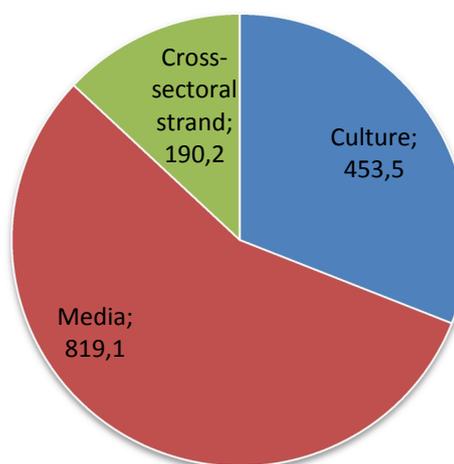
Although the €1.46 billion budget for CE in 2014-20 is 9% higher than that for the previous period, it reflects a cut from the [initial European Commission proposal](#) of €1.8 billion. Of the €1.46 billion, 31% is earmarked for culture, 56% for media and 13% for the cross-sectoral strand.

The CE budget is directly managed by the Commission's Education and Culture DG and its executive agency, the EACEA. Available funding takes the form of grants that can cover [up to 80%](#) of the total eligible cost of the project attributed through calls for proposals open to organisations, networks or firms (individuals cannot apply). The EU contribution is higher for transnational cooperation projects or SMEs. Funding for certain measures (studies, networks, organisation of prizes, etc.) is provided through public procurement.

The following budget for grants is proposed in the **Culture** strand of the 2015 CE [annual work programme](#):

- €38 million in 2015 for **cooperation projects** of a maximum duration of two years, aimed at promoting the transnational mobility of artists and CCI operators, and the

**Creative Europe budget for 2014-20,
in million euros**



circulation of their works. Over €536 000 has been granted for [the Faces Behind the Nose](#) project (involving nine EU Member States) in which clowns perform in healthcare institutions to bring joy and culture to patients;

- €3.4 million in 2015 for European creators' and artists' organisations joining **European platforms** to present (emerging) talents via a pan-European programme that promotes their mobility, European values and cultures, contributes to audience development, and includes branding and communication activities; €420 100 has been granted to set up [Aerowaves](#), a platform uniting dancers from 21 EU and EFTA Member States, to promote young European dancers' European careers, reach new audiences and promote innovation;
- €3.4 million in 2014 for **networks** with broad CCI coverage and projects that enhance the sector's capacity to operate on an international or transnational scale, or develop new business models or approaches to audience development; a Belgian initiative, [Design Europe 2021 – Design for Cultural and Creative Growth](#) (EU grant of approximately €180 000), aims to create a European network of regional and national design centres to strengthen the European design sector and provide a structure for sharing expertise;
- €3.6 million is earmarked every year for eligible publishing houses and publishers for **translation** of European literature; The project [Slavic Authors to the World](#) has been allocated €50 000 for translating Slavic-language literature into English and Portuguese; conversely, €90 000 has been allocated for the [translation of 10 books into Latvian](#) (by authors from eastern, western and northern Europe).

CE also provides funding (between €5 000 and 60 000) for five European prizes: the Contemporary Architecture prize; the EU Prize for Literature; the European Border Breakers Awards (EBBA) in pop music; the MEDIA prize for a film project with the best box-office potential; and the EU Prize for Cultural Heritage/the Europa Nostra Awards. Almost €40 million was invested in some 400 heritage projects (conservation, research, education, training and heritage conservation services) between 2007 and 2013. In addition, with a budget of 1.5 million per city, the European Capitals of Culture initiative is designed to trigger national investment of between €15 and 100 million.

In the **Media** strand of the programme, not only is the total amount of available funding higher, but the range of projects and actions supported is broader. Funds are available for (international) co-productions, video-games development, audience development, film development and distribution, on-line distribution and market access. Financial support can be obtained for film festivals, cinema networks, training and TV programming.

Under the current programme, as part of the Media strand:

- €1.5 million was available in 2014 (total budget for 28 months of support) for measures facilitating **international co-productions** of feature films, animated films, documentaries of at least one hour intended for cinema release, and for a specific distribution strategy that strengthens the international circulation of a given work; the Dutch funding scheme [HBF+Europe](#) (€300 000) aims to foster talented directors from eastern Europe, Africa, Asia and Latin America and support the distribution of international co-productions;

- €1.9 million for **audience development** is earmarked in 2015 for projects supporting cooperation on film literacy initiatives with a European dimension, and events presenting (and popularising) non-national European films on various distribution platforms; [Moving Docs](#) was awarded €150 000 (eight EU Member States participating) for regular and simultaneous screenings in urban and rural areas of the best European and international documentary films;
- €2.5 million is available for European production companies **developing a video game** concept or for projects with high circulation potential in Europe and beyond that present European cultural diversity, heritage and identity; a Polish producer of '[Industrial](#)', a game that involves organising, managing and developing new industry along the lines of the Industrial Revolution, has received €148 731 in support;
- €5.4 million has been earmarked in 2015 for projects promoting innovative **online distribution** models of Video on Demand services that allow transnational marketing and branding of European films and improve their global circulation and audience; [Speed Bunch 3](#), with a grant of over €220 000 (partners in four EU Member States), will be able to continue earlier experiments with new distribution patterns;
- €7.4 million has been made available in 2014 for **training** of audiovisual professionals to allow them to acquire new skills and competences, share knowledge and use digital technologies; an initiative of four renowned animation film schools in four EU Member States, [Animation Sans Frontières](#), was granted €134 245 in support for an eight-week workshop on the international animation industry and market. The [Producers' Workshop 'Baltic Bridge East by West'](#) has received a €73 477 grant for a networking project to help producers, sales agents, scriptwriters and directors from the EU, Ukraine and Georgia acquire skills and knowledge;
- €11.8 million is available for **TV programming** projects involving at least three European broadcasters producing a work of high creative value and cross-border potential; [Palace for the People](#) received €70 000 in support for a programme on palaces built for the people by communist regimes in Bulgaria, Romania (project initiators), Lithuania and Germany;
- €17.5 million for **development of single projects or slates** (catalogues of three to five projects) of animation, creative documentaries or fiction films with significant cross-border circulation potential.

The lion's share (€4 900 000 of approximately €9 260 000) of the third, **cross-sectoral, strand** will fund the Creative Europe desks in participating countries. Technical support for the establishment of the Guarantee Facility (operational as of 2016) and support for innovation in the creative and cultural sector (experimental business models) are to receive €1 million each.

Assessment of programme/measures

The proposal for a Regulation establishing the Creative Europe programme was accompanied by an *ex ante* [impact assessment](#) by the Commission, in which it argued that combining the previous MEDIA, Culture and Media Mundus programmes would have five advantages over the status quo: (1) it would bring about greater policy synergies in the cultural sectors concerned, especially with a view to their contribution

to the Europe 2020 strategy; (2) a combined programme would make it easier to achieve knowledge transfer and cross-fertilisation between sectors; (3) it would simplify programme management; (4) it would cut red tape and generate economies of scale; and (5) it would allow the creation of a single cross-cutting financial instrument, boosting access to private funding.

In 2010 a third-party [interim evaluation](#) of Creative Europe's predecessor programme, Culture 2007-13, was carried out, which found that it had successfully stimulated cross-border cooperation, supported artistic and literary creation and improved the circulation of cultural products. On the other hand, stakeholders interviewed by the authors criticised the Commission's interpretation of Article 167 TFEU and called for a specific focus on the challenges posed by increasing digitisation. The authors also noted that the EU15 countries tended to dominate cross-border projects, presumably thanks to greater pre-existing capacity, and that the programme did not clearly articulate how its three objectives should be interpreted.

There was also a third-party [interim evaluation](#) in 2010 of the Media programme for 2007-13, which concluded that the programme provides significant added value in the form of support for training, project organisation and networking, allowing projects to be more ambitious, complementing existing national support, and making the European audiovisual sector more competitive. But the authors also wrote that not enough had been done to foster demand for European works by the public, cinemas and TV broadcasters, compared to the effort that went into expanding audiovisual production capacity; and that positive discrimination had failed to correct the imbalance between countries with high and low audiovisual production capacity. They recommended that more innovative support and intervention tools be developed, and positive discrimination for low-production countries be stepped up.

Other studies published in 2010 looked at the financing needs of the cultural and creative sector. In a [report](#) to the Commission, Angel Capital Group [described](#) the difficulties that creative businesses in Europe have securing finance, not least during an economic downturn, while a [report](#) prepared for the ECCE Innovation network and the Nantes metropolitan region noted that less than half of creative businesses in the Netherlands expect to get financing when needed, compared to two thirds of SMEs in other sectors.

Two analytical notes on the Culture and MEDIA strands of Creative Europe were published in 2012 by the European Parliament's policy department (DG IPOL) at the request of the EP's Culture and Education (CULT) Committee. The [note](#) on the Culture strand explains that Creative Europe reflects a new conception of the culture industry as more than just an intrinsic public good, but observes that much commentary focuses on whether the programme amounts to an economic policy based on economic and commercial values, rather than a cultural policy as such – a concern echoed in a [study](#) by the Stuttgart-based Institute for Cultural Relations. The authors of the DG IPOL note also cite stakeholder criticism of the Guarantee Facility as exclusively directed towards profitable media enterprises at the expense of smaller non-profit cultural organisations, and point to concerns that merging the former Culture and MEDIA programmes as well as the former CCPs and MEDIA desks could needlessly confuse stakeholders and result in a loss of specialised know-how.

The [note](#) on the MEDIA strand welcomed Creative Europe as a fitting response to the sector's needs in view of the increased budget for measures from previous programmes

that were seen to work well. But the authors also warned that steps would need to be taken to ensure that SMEs from smaller Member States that had trouble accessing finance did have access to the programme's Guarantee Fund. The authors also criticised the failure to recognise the need to cultivate specific audiences, such as children and older people, and the fact that there was no focus on media literacy. DG IPOL also produced a [study](#) in 2013 assessing the impact of the European Capitals of Culture initiative since its inception in 1985, during which time the title has been awarded to some 60 cities in 30 countries. The authors concede that evidence of long-term benefits in cities that have taken part is difficult to gather, but do cite examples of events that have become permanent fixtures, such as Lille 3000 and the Zinneke Parade in Brussels, as well as additions to cities' cultural infrastructure, such as the Arena live entertainment venue in Liverpool.

The European Parliament's priority in its [response](#) to the Commission's proposal for Creative Europe was to defend a 9% increase in the budget, compared with its predecessor programmes, against Council opposition. Parliament argued that the Culture and Media strands of Creative Europe should remain distinct sub-programmes in their own right, and succeeded in inserting a specific provision on funding for subtitling, dubbing and audio description of European films, as part of efforts to foster the circulation of European films within the Media sub-programme. The EP also underlined the intrinsic and social value of culture, alongside its economic potential. The proposal was approved by 650 votes to 32, with 10 abstentions, on 19 November 2013.

Under [Decision No 1855/2006/EC](#) and [Decision No 1718/2006/EC](#), the Commission is to present a final evaluation report of Culture 2007-13 and an ex post evaluation report of MEDIA 2007-13 by 31 December 2015.

Other EU programmes and action in the same field

Additional financial support for cultural measures and projects can be obtained from other EU sources such as the European Structural and Investment Funds (ESI), whose contribution to culture is even greater than that of the CE. Between 2006 and 2013, €6 billion from the European Fund for Regional Development (ERDF) was spent on support for culture, compared to €400 million from the Culture programme and €755 million from the MEDIA programme. Flexibility in the use of this fund meant that, in 2007-13, an initial 1% budget allocation for culture in projects in [Austria](#) had grown to as much as 5.71% by the end of the period.

Between 2014 and 2020 the ESI and the funds belonging to it can support culture in the following ways:

- ERDF (€358.1 billion for cohesion policy), with funding for cultural heritage protection (mentioned under Theme 6) and territorial cooperation that can promote the cultural sector and cultural activities; €10.1 billion will be invested in over 100 cooperation projects between regions and territorial, social and economic partners between 2014 and 2020 (the Interreg V programme);
- The European Social Fund (ESF), with €80 billion spent between 2014 and 2020 on employment and mobility projects (particularly aimed at young Europeans), tackling poverty and social exclusion, acquisition of skills and lifelong learning; the ESF can also support projects in the cultural sector;

- The European Agricultural Fund for Rural Development (EAFRD) (total budget for 2014-20: €95 billion) includes provisions on support for rural development, on the development of cultural activities in rural areas with a view to contributing to the quality of life of rural populations, and to the protection of cultural heritage in rural areas;
- The European Maritime and Fisheries Fund (EMFF) (total budget for 2014-20: €6.4 billion), part of which supports community-led local development (CLLD), refers in Article 63 of the 2014 [Regulation](#) to the protection of cultural heritage and the development of cultural activities in maritime areas, chiefly through the development of architectural heritage and cultural centre infrastructure, as well as education and research in this area. The [FARNET](#) network is an example of activities in this domain.

Other funding is also available from the following programmes:

- Horizon 2020, with almost €80 billion allocated over the seven-year period to innovation and research under subsection 'Europe in a changing world – Inclusive, innovative and reflective societies'. This can be used to fund projects concerning 'transmission of European cultural heritage, uses of the past [and] 3D modelling for accessing EU cultural assets', including research projects on heritage, identity, cultural diplomacy and cultural assets digitisation to be launched within the 2014-15 Horizon 2020 work programme;
- The COSME programme (€2.3 billion for 2014-20), which is aimed at SMEs and business creation, can support CCI enterprises interested in the digitisation of content and the development of new technologies, mainly in the fashion design sector, where the [WORTH](#) pilot project is testing new business models.

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