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Committee on Industry, Research and Energy

2011/0370(COD)

29.2.2012

DRAFT OPINION

of the Committee on Industry, Research and Energy

for the Committee on Culture and Education

on the proposal for a regulation of the European Parliament and of the Council
on establishing the Creative Europe Programme
(COM(2011)0785 – C7-0435/2011 – 2011/0370(COD))

Rapporteur: Silvia-Adriana Țicău

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SHORT JUSTIFICATION

Importance of the cultural and creative sectors (CCS)

The cultural and creative sectors (CCS) make an important contribution to jobs and economic growth, representing 4.5% of total European GDP in 2008 and accounting for some 3.8% of the workforce. The cultural and creative sectors also contribute to the development of other sectors of the economy, such as tourism and information and communications technologies (ICTs). By driving innovation and entrepreneurship as part of smart, sustainable growth, the cultural and creative sectors contribute towards social integration.

Problems and common challenges

The CCS are facing various common challenges and difficulties, such as a fragmented market, globalisation and the digital shift, a shortage of data and the lack of private-sector investment. In particular, cultural and creative sector SMEs and organisations encounter difficulties in accessing finance. These difficulties are mainly due to the following causes:

- the intangible nature of many of their assets, such as copyright;
- the fact that, unlike other industrial projects, cultural works are generally not mass-produced, and are often a unique prototype, whereas long-term investment is required to ensure profitability;
- entrepreneurs in the cultural and creative sector often do not possess the requisite marketing skills to promote projects to financial institutions;
- financial institutions have insufficient knowledge of these sectors and are not prepared to invest in developing the knowledge needed to assess the risks relating to them;
- there is often a lack of reliable data, which limits the possibilities of SMEs in this sector securing credit.

Description of the Creative Europe programme

The Creative Europe programme brings together and continues the Culture, Media and Media Mundus Programmes. The overall budget for the actions (2014-2020) amounts to EUR 1 801 billion, which is a 37% increase over the current level of expenditure. The Creative Europe Programme consists of three strands: the Cross-sectoral Strand addressed to all CCS (15% of the programme budget); the Culture Strand addressed to CCS (30% of the programme budget); and the MEDIA Strand, addressed to the audiovisual sector (55% of the programme budget).

The Cross-sectoral Strand provides CCS with a mechanism that facilitates access to finance for cultural and creative sector SMEs and organisations and improves the capacity of financial institutions to assess cultural and creative projects. That mechanism will be complementary to the other EU mechanisms under the Structural Funds and the Programme for Competitiveness and Innovation.

Both the priorities and the support measures for the Culture and MEDIA Programmes seek to reinforce CCS capacities in order to: encourage the use of digital technologies to ensure

adaptation to developments in the market; adaptation to digital technologies; new business and distribution models; support transnational marketing and distribution on online platforms.

To implement the programme, the Commission will adopt annual work programmes by means of implementing acts, in accordance with the advisory procedure. The majority of the grants awarded via Creative Europe will be managed by the Education, Audiovisual and Culture Executive Agency by way of calls for proposals. The financial aid provided cannot exceed 50% of the final costs of the operations supported (unless otherwise specified in the annual programme). The Commission will manage directly certain facets of the programme, such as: the awarding of prizes, cooperation with international institutions, international audiovisual coproduction funds, and funding of the 'European Capitals of Culture' and 'European Heritage Label' programmes.

The Commission will perform regular monitoring of the Creative Europe Programme on the basis of the performance indicators set out in Article 14, which include: the sectors' share of employment and share of GDP; the degree of internationalisation of cultural operators and the number of transnational partnerships; the number of admissions for European films in Europe and worldwide; the percentage of European audiovisual works in cinemas, TV and digital platforms; the volume of loans granted in the framework of the financial facility.

Rapporteur's Position

In the amendments proposed, the rapporteur for the ITRE Committee advocates introducing new specific objectives for the programme which strengthen the strands relating to adapting CCS to globalisation and the digital shift. The changes are aimed, in particular, at the online accessibility of cultural material, improving the way in which this is managed and preserved digitally and promoting partnerships between cultural institutions and the private sector, in order to create new ways of funding the digitisation of cultural material and to foster its innovative use. The rapporteur also advocates making improved access to CCS products for persons with disabilities one of the specific objectives of the programme.

AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on Culture and Education, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) Whereas persons with disabilities continue to have limited access to cultural and creative products, and the specific objectives of the Creative Europe Programme should include that of facilitating access to cultural and creative products for persons with disabilities.

Or. ro

Justification

In order to help protect and promote European linguistic and cultural diversity, and to consolidate the competitiveness of the cultural and creative sectors, there is a need to include among the specific programme's specific objectives that of supporting sustainable and inclusive growth by facilitating access to cultural and creative products for persons with disabilities.

Amendment 2

Proposal for a regulation Recital 9

Text proposed by the Commission

Amendment

(9) It emerges from these monitoring, evaluation and public consultation exercises that the Culture, MEDIA and MEDIA Mundus programmes play a very important role in protecting and promoting Europe's cultural and

(9) It emerges from these monitoring, evaluation and public consultation exercises that the Culture, MEDIA and MEDIA Mundus programmes play a very important role in protecting and promoting Europe's cultural and

linguistic diversity and that they are relevant for the needs of the cultural and creative sectors, but also that the objectives of any new programme should be realigned to the goals of Europe 2020. It also appears from these evaluations and consultations, as well as from various independent studies, in particular the study on the entrepreneurial dimension of cultural and creative industries, that the cultural and creative sectors are facing common challenges, namely a highly fragmented market context, the impact of the digital shift and globalisation, difficulties in accessing finance and a shortage of comparable data, which all require action at Union level.

linguistic diversity and that they are relevant for the needs of the cultural and creative sectors, but also that the objectives of any new programme should be realigned to the goals of Europe 2020. It also appears from these evaluations and consultations, as well as from various independent studies, in particular the study on the entrepreneurial dimension of cultural and creative industries, that the cultural and creative sectors are facing common challenges, namely a highly fragmented market context, the impact of the digital shift and globalisation, difficulties in accessing finance and a shortage of comparable data, which all require action at Union level. **However, the digital shift, unlike the other challenges, should be viewed both as a catalyst and as an opportunity.**

Or. ro

Justification

Technology and the availability of broadband infrastructure in urban and rural areas opens up new opportunities for creators to produce and distribute their works to a wider public at a lower cost, independently of physical and geographical constraints. Providing that ICTs are used to the full by cultural content providers and traditional patterns of production and distribution are reviewed, this offers potentially larger audiences and markets for creators and a more diverse cultural offer for citizens.

Amendment 3

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) The cultural and creative sectors are faced with a digital transition that is shaking up traditional models, transforming value chains and calling for new business models. The digital shift and wider access to cultural resources offers enormous

economic opportunities and is a precondition for the further development of Europe's cultural and creative capacities and of its industrial presence in this field.

Or. ro

Justification

Moreover, the digitised material can be re-used – for both commercial and non-commercial purposes – for uses such as developing learning and educational content, documentaries, tourism applications, games, animations and design tools, provided that this is done with full respect for copyright and related rights.

Amendment 4

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) The digital shift is having a massive impact on how cultural and creative goods and services are made, disseminated, accessed, consumed and monetised. These changes offer great opportunities for the European cultural and creative sectors. Lower distribution costs, new distribution channels and new opportunities for niche products can facilitate access and increase circulation worldwide. In order to seize these opportunities and adapt to the context of the digital shift and globalisation, the cultural and creative sectors need to develop new skills and require greater access to finance to upgrade equipment, develop new production and distribution methods and adapt their business models.

Amendment

(11) The digital shift is having a massive impact on how cultural and creative goods and services are made, disseminated, accessed, consumed and monetised. These changes offer great opportunities for the European cultural and creative sectors ***and European society in general***. Lower distribution costs, new distribution channels and new opportunities for niche products can facilitate access and increase circulation worldwide, ***while simultaneously contributing to enhancing social cohesion***. In order to seize these opportunities and adapt to the context of the digital shift and globalisation, the cultural and creative sectors need to develop new skills and require greater access to finance to upgrade equipment, develop new production and distribution methods and adapt their business models.

Or. ro

Justification

Local and regional development strategies have successfully incorporated the cultural and creative sectors into many fields: promotion of cultural heritage for business use; development of cultural infrastructure and services to support sustainable tourism; clustering of local businesses and partnerships between CCS and industry, research, education and other sectors; setting-up of innovation labs; sustainable urban development.

Amendment 5

Proposal for a regulation
Recital 11 a new

Text proposed by the Commission

Amendment

(11a) Digital material should be managed and maintained efficiently, in order to prevent information preserved in digital format becoming illegible when the hardware and software on which it is stored becomes outdated, when the storage devices deteriorate with age and/or when those devices are no longer able to cope with the large volume of new and continually-changing content.

Or. ro

Justification

In spite of progress made across the EU on the preservation of digital material, in several Member States no clear and comprehensive policies are in place on the preservation of digital content. The absence of such policies poses a threat to the survival of digitised material and may also result in the loss of material produced in digital format (born digital material).

Amendment 6

Proposal for a regulation
Recital 12

Text proposed by the Commission

Amendment

(12) Current distribution practices underpin the film financing system. However, there is an increasing need

(12) Current distribution practices underpin the film financing system. However, there is an increasing need

to promote the emergence of attractive legal online offers and encourage innovation. Therefore, promoting flexibility of new distribution modes in order to allow the emergence of new business models is essential.

to promote the emergence of attractive legal online offers and encourage innovation, **particularly in relation to the mobile internet**. Therefore, promoting flexibility of new distribution modes in order to allow the emergence of new business models is essential.

Or. ro

Justification

Since the internet is increasingly being accessed from mobile devices (telephones, computers, etc), reference should be made to mobile internet technologies, which have an important role to play in ensuring new and flexible means of distribution.

Amendment 7

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) Current distribution practices underpin the film financing system. However, there is an increasing need to promote the emergence of attractive legal online offers and encourage innovation. Therefore, promoting flexibility of new distribution modes in order to allow the emergence of new business models is essential.

Amendment

(12) Current distribution practices underpin the film financing system. However, there is an increasing need to promote the emergence of attractive legal online offers and encourage innovation. Therefore, promoting flexibility of new distribution modes in order to allow the emergence of new business models is essential. **The provision of these legal and attractive online offers should be based on a comprehensive pan-EU strategy involving all the stakeholders. These new legal online offers should be aimed at fostering artistic creation and safeguarding the interests of their creators, but also at ensuring as broad as possible public access to cultural and creative sector products.**

Or. ro

Justification

Legal and attractive online offers should foster artistic creation and protect the interests of their creators, but should also ensure as broad as possible public access to CCS products.

Amendment 8

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) Europe should take immediate action to harness the benefits of the digital shift and the preservation of digital materials. Should Member States not step up their investments in this area, there is a risk that the cultural and economic benefits of the digital shift will materialise in other continents and not in Europe.

Or. ro

Justification

Digitisation is an important means of ensuring greater access to, and use of, cultural material. The cost of digitising the whole of Europe's cultural heritage is high and cannot be covered by public funding alone. Private sector sponsoring of digitisation or partnerships between the public and private sectors can involve private entities in digitisation efforts and should be further encouraged.

Amendment 9

Proposal for a regulation

Recital 12 b (new)

Text proposed by the Commission

Amendment

(12b) The online accessibility of cultural material will make it possible for citizens throughout Europe to access and use it for leisure, studies or work. It will give Europe's diverse and multilingual heritage a clear profile on the internet, and the digitisation of their assets will help Europe's cultural institutions to continue carrying out their mission of giving access to

and preserving our heritage, in a digital environment.

Or. ro

Justification

The online accessibility of cultural material will make it possible for citizens throughout the EU to access and use it for leisure, studies or work. At the same time, the online accessibility of cultural material will mean that Europe's diverse and multilingual heritage acquires a clear internet profile.

Amendment 10

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) The European Capital of Culture and the European Heritage Label help to strengthen the feeling of belonging to a common cultural area, and contribute to enhancing the value of cultural heritage. **Funding should be provided for these** two Union actions.

Amendment

(16) The European Capital of Culture and the European Heritage Label help to strengthen the feeling of belonging to a common cultural area, and contribute to enhancing the value of cultural heritage. **These** two Union actions **will be funded through the Creative Europe Programme.**

Or. ro

Justification

Clarifies the text and the source of funding for these two programmes, which are already EU flagship initiatives.

Amendment 11

Proposal for a regulation

Article 3 – paragraph 2 – point a

Text proposed by the Commission

(a) the transnational character of its activities and their impact, which will complement national, international and other Union programmes;

Amendment

(a) the transnational character of its activities and their impact, which will complement **regional**, national **and** international, and other Union programmes;

Justification

CCS develop at the local and regional levels, where networking and clustering function. Local and regional development strategies have successfully incorporated the cultural and creative sectors into many fields.

Amendment 12

Proposal for a regulation

Article 3 – paragraph 2 – point d a (new)

Text proposed by the Commission

Amendment

(da) enhancing social cohesion by improving access to cultural and creative sector products for all European citizens, and in particular for persons with disabilities;

Justification

Improving access to CCS products for all European citizens, and in particular for persons with disabilities, will contribute significantly to social cohesion within the EU.

Amendment 13

Proposal for a regulation

Article 5 – point d a (new)

Text proposed by the Commission

Amendment

(da) to encourage partnerships between cultural institutions and the private sector in order to create new ways of funding digitisation of cultural material and to stimulate innovative uses of such material, while ensuring that public-private partnerships for digitisation are fair and balanced.

Justification

In order to foster the protection and promotion of European linguistic and cultural diversity and to consolidate the competitiveness of the cultural and creative sectors, the specific objectives need to include that of encouraging partnerships between cultural institutions and the private sector in order to create new ways of funding digitisation of cultural material and to stimulate innovative uses of such material.

Amendment 14

**Proposal for a regulation
Article 5 – point d b (new)**

Text proposed by the Commission

Amendment

(db) to improve conditions for the digitisation and online accessibility of in-copyright material by:

Or. ro

Justification

In order to foster the protection and promotion of European linguistic and cultural diversity and to consolidate the competitiveness of the cultural and creative sectors, the specific objectives need to include that of improving conditions for the digitisation and online accessibility of in-copyright material.

Amendment 15

**Proposal for a regulation
Article 5 – point d c (new)**

Text proposed by the Commission

Amendment

(dc) to improve conditions for the management and storage of digital format materials, in order to guarantee their long--term preservation;

Or. ro

Justification

In order to foster the protection and promotion of European linguistic and cultural diversity and to consolidate the competitiveness of the cultural and creative sectors, the specific

objectives need to include that of improving conditions for the management and storage of digital format materials, in order to guarantee their long-term preservation.

Amendment 16

Proposal for a regulation Article 5 – point d d (new)

Text proposed by the Commission

Amendment

(dd) to support sustainable and inclusive growth by facilitating access to cultural and creative products for persons with disabilities;

Or. ro

Justification

In order to help protect and promote European linguistic and cultural diversity, and to consolidate the competitiveness of the cultural and creative sectors, there is a need to include among the specific programme's specific objectives that of supporting sustainable and inclusive growth by facilitating access to cultural and creative products for persons with disabilities.

Amendment 17

Proposal for a regulation Article 9 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) supporting actions providing operators with skills and knowhow encouraging the adaption to digital technologies, including testing new approaches to audience building and business models;

(a) supporting actions providing operators with skills and know-how encouraging the adaption to digital technologies, including testing new approaches to audience building and business models; **mobile internet technologies should form an integral part of this process, in view of their increasing use;**

Or. ro

Justification

In view of their increasing use, mobile internet technologies should form an integral part of the process of consolidating the capacities of the cultural and creative sectors, and support should be given for the actions through which operators acquire skills and know-how.

Amendment 18

Proposal for a regulation

Article 11 – paragraph 1 – point a

Text proposed by the Commission

(a) facilitating the acquisition of skills and the development of networks and in particular encouraging the use of digital technologies to ensure the adaptation to market development;

Amendment

(a) facilitating the acquisition of skills and the development of networks and in particular encouraging the use of digital technologies to ensure the adaptation to market development;
mobile internet technologies should form an integral part of this process, in view of their increasing use;

Or. ro

Justification

In view of their increasing use, mobile internet technologies should form an integral part of this process of consolidating the capacities of the cultural and creative sectors, and support should be given for the actions through which operators acquire skills and know-how.

Amendment 19

Proposal for a regulation

Article 14 – paragraph 3 – point a

Text proposed by the Commission

(a) In addition to the regular monitoring the Commission shall establish an external evaluation report no later than end-2017 in order to assess the effectiveness in achieving the objectives and the efficiency of the Programme and its European added value in view of a decision on the renewal, modification or suspension of the Programme. The evaluation shall address the scope for simplification, its

Amendment

(a) In addition to the regular monitoring the Commission shall establish an external evaluation report no later than end-2017 in order to assess the effectiveness in achieving the objectives and the efficiency of the Programme and its European added value in view of a decision on the renewal, modification or suspension of the Programme. ***The Commission shall present to the European***

internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of Decision No 1855/2006/EC, Decision No 1718/2006/EC and Decision No 1041/2009/EC of the European Parliament and of the Council.

Parliament an annual report on the results and performance indicators for the programme. The evaluation shall address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of Decision No 1855/2006/EC, Decision No 1718/2006/EC and Decision No 1041/2009/EC of the European Parliament and of the Council.

Or. ro

Justification

The Commission should present to Parliament an annual report based on the monitoring and evaluation under Article 14, so that Parliament can monitor the results and performance indicators for the programme.

Amendment 20

Proposal for a regulation

Article 17

Text proposed by the Commission

In order to implement the programme, the Commission shall adopt annual work programmes by way of implementing acts in accordance with the advisory procedure referred to in Article 18 (2). The annual work programmes shall set out the objectives pursued, the expected results, the method of implementation and the total amount of the financing plan. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. For grants they shall include the

Amendment

In order to implement the programme, the Commission shall adopt, **by 31 March each year**, annual work programmes by way of implementing acts in accordance with the advisory procedure referred to in Article 18 (2). The annual work programmes shall set out the objectives pursued, the expected results, the method of implementation and the total amount of the financing plan. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. For grants they shall include the

priorities, the essential evaluation criteria and the maximum rate of co-financing.

priorities, the essential evaluation criteria and the maximum rate of co-financing.

Or. ro

Justification

It is important that a clear calendar be established that is available all CCS operators wishing to make project applications, so that they can schedule the necessary resources with a view to the cofinancing of their projects.

Amendment 21

Proposal for a regulation
Article 19 – paragraph 1

Text proposed by the Commission

1. The financial envelope for implementing this Programme for the period set out in Article 1 (1) is fixed at EUR 1 801 000 000.

Amendment

1. The financial envelope for implementing this Programme for the period set out in Article 1 (1) is fixed at EUR 1 801 000 000. ***The indicative budgetary allocation shall be 15 % for the Cross-sectoral Strand, 30 % for the Culture Strand and 55% for the MEDIA Strand. The financial aid provided may not exceed 50% of the final costs of the operations supported, unless otherwise specified in the annual programme or in the call for proposals.***

Or. ro

Justification

In order to give CCS operators the possibility of scheduling their resources with a view to the cofinancing of their projects, it is important that the regulation set out explicitly the indicative budgetary allocation for each of the programme's strands.

Amendment 22

Proposal for a regulation Article 19 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

(1a) The financial aid provided may not exceed 50% of the final costs of the operations supported, unless otherwise specified in the annual programme or in the call for proposals. Under no circumstances may the financial aid awarded exceed 75% of the final costs of the operation supported.

Or. ro

Justification

In order to give CCS operators the possibility of scheduling their resources with a view to the cofinancing of their projects, it is important that the regulation set out explicitly the maximum limit for financial aid as a proportion of the final costs of the operations supported.