

Creative Europe programme 2021-2027

OVERVIEW

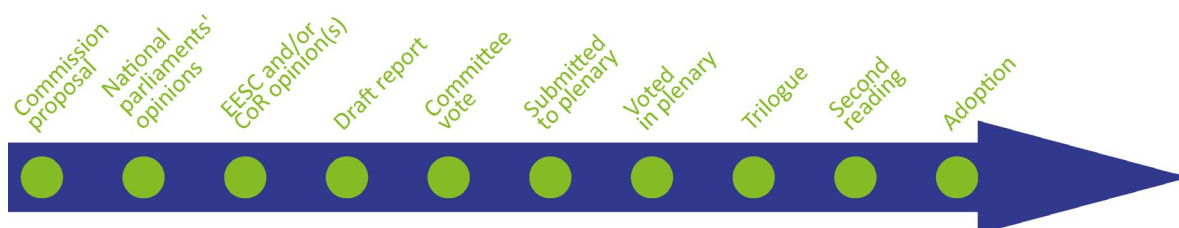
Having considered the possibility of merging the Creative Europe programme with other programmes supporting European values, rights and justice, the European Commission has decided to continue the Creative Europe programme as a stand-alone programme, increasing its budget by 17 %. The only programme focusing exclusively on cultural and creative activities and enterprises, it falls under the 'Cohesion and values' heading of the 2021-2027 multiannual financial framework.

The previous programme focused on the economic dimension of the cultural sector and its contribution to job creation and economic growth. Some stakeholders had voiced concern at taking such a strongly economic approach to culture. Under the new programme, the economic dimension is one axis alongside the social dimension, as well as culture's contribution to international relations. The new framework for cultural policy therefore highlights not only the economic dimension of the cultural and creative sectors, but also the role of culture in social cohesion and its relation to creative and artistic freedom and diversity, and freedom and plurality of media.

The Parliament, Council and Commission started trilogue negotiations in autumn 2019. After an almost year-long break, the negotiations resumed in the second half of 2020 when the Council, the Commission and the EP reached a common agreement. The new programme was then finally adopted in May 2021, but applies with retroactive effect from 1 January 2021.

Proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013

<i>Committee responsible:</i>	Culture and Education (CULT)	COM(2018) 366
<i>Rapporteur:</i>	Massimiliano Smeriglio (S&D, Italy)	30.5.2018
<i>Shadow rapporteurs:</i>	Tomasz Frankowski (EPP, Poland)	2018/0190 (COD)
	Monica Semedo (Renew, Luxembourg)	Ordinary legislative procedure (COD)
	Niklas Nienass (Greens/EFA, Germany)	(Parliament and Council on equal footing – formerly 'co-decision')
	Christine Anderson (ID, Germany)	
	Elżbieta Kruk (ECR, Poland)	
	Martina Michels (The Left, Germany)	
<i>Procedure completed.</i>	Regulation (EU) 2021/818 OJ L 189, 28.5.2021, pp. 34–60	



Introduction

Cultural policy is a Member State competence. Articles [6](#) and [167](#) of the Treaty on the Functioning of the European Union (TFEU) define the EU's role as being to support (including financially), supplement and coordinate Member States' efforts in this field in order to preserve the EU's cultural diversity and its cultural heritage.

Cultural policy covers the economic aspects of cultural and creative organisations' and enterprises' activities as well as aspects linked to culture as a factor in identity and social cohesion. Both are interlinked and contribute to the well-being of EU citizens, the EU's economy and social cohesion. They result from and reflect common values tied to democracy and freedom of expression and creation.

It is estimated that the creative and cultural sectors account for [7.5%](#) of the EU workforce (over 12 million full-time jobs), making them the third employer after the construction, and food and beverages sectors, generating value added of approximately €509 billion. Yet cultural and audiovisual activities and operators face many challenges and barriers, including the digital shift, language barriers, market fragmentation, difficulties in accessing funding in a sector dominated by micro enterprises and small and medium-sized enterprises (SMEs), a low level of mobility and global competition.

Existing situation

The current support programme for the cultural sector and its operators for the years 2014 to 2020 was defined in the Creative Europe programme set up by [Regulation \(EU\) No 1295/2013](#). In line with a 2007 European agenda for culture, it aimed to safeguard, develop and promote European cultural and linguistic diversity, and European cultural heritage. The 2014-2020 programme addressed barriers to cultural and creative sector development and to the activities of operators and creators. These include global competition, digitisation, access to finance for cultural and creative SMEs, linguistic barriers, and differing national regulations resulting in market fragmentation.

The 2014-2020 [Creative Europe programme](#), under budget heading 3 – Security and citizenship, was the only EU funding programme devoted solely to cultural and audiovisual activities. It has been [popular](#) despite a low EU budget and a relatively low success rate among applicants.

The creative and cultural sectors have the potential to contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth thanks to their dynamic growth and employment opportunities for young people. The Creative Europe programme has therefore defined measures to strengthen the competitiveness of the cultural and creative sectors (CCS) – the audiovisual branch in particular – and create jobs. These include:

- supporting CCS enterprises' capacity to operate across the EU and internationally;
- promoting the circulation of works and the mobility of artists, creators and cultural workers across the EU via audience development and better access to culture and cultural works both in the EU and beyond;
- strengthening the financial capacity of cultural and creative SMEs, micro- to medium-sized organisations (the majority of the sector's enterprises), while striving for balanced geographical coverage and sector representation; and
- promoting innovation and creativity, focusing on policy and audience development and new business and management models, plus policy cooperation across the EU.

The programme's funding was divided into:

- the culture sub-programme, whose budget totals 31 % of programme funding, which promotes cultural heritage cultural and linguistic diversity, focusing on cultural and creative operator training activities (adaptation to digital technologies and innovative strategies),

reinforcing European cultural and creative sector organisations, and improving access to culture;

- the MEDIA sub-programme (56 % of programme funding), which aims to strengthen the audiovisual sector's competitiveness, and focuses on training, new skills and competences for audiovisual professionals, knowledge-sharing and networking initiatives, also in digital technologies, and European audiovisual projects, such as films and television programmes (fiction, children's and animated films, documentaries and short films), interactive works (video games), and European and international co-productions. It also supports the distribution of non-national European films in cinemas, via distribution platforms and subtitling, dubbing and audio-description, facilitating the worldwide circulation of European films, and film literacy;
- a cross-sectoral strand, (13 % of programme funding), covering among other things the guarantee facility ensuring access to financing for SMEs in the sector.

Parliament's starting position

On 2 March 2017, the European Parliament adopted a [resolution on the implementation](#) of the regulation establishing the 2014-2020 Creative Europe programme. Two prior research papers commissioned by the Committee for Education and Culture (CULT) contributed to this resolution: '[MEDIA: implementation, first experiences](#)', and '[Culture](#) sub-programme: first experiences with the implementation of the new programme'.

The resolution called for greater financial means to match the policy's ambitions, the programme's geographical scope, and the sector's economic importance. It recommended keeping the programme and its priorities in its current form with a strengthened cross-sectoral strand covering three new support measures: Creative Europe Mundus for transnational cooperation, social inclusion and innovative crossover, and cross-sectoral projects. Parliament also recommended a guarantee facility to be better balanced across sectors and the EU.

Parliament asked the Commission for a better balance between artistic and managerial components of the programme, with a greater focus on artists and creativity. It called for a higher profile for the European Heritage Label in order to strengthen European identity and a feeling of belonging, and recommended introducing a European theatre prize, alongside the EU's six other [prizes and awards](#).

Parliament regretted the administrative and regulatory obstacles, and the under-representation of cultural micro-enterprises resulting from onerous financial requirements. It called for a bigger share in the programme's budget to go to the culture strand, together with a wider use of lump-sum payments and flat-rate reimbursements. Further simplification of application and reporting procedures could be achieved with less rigid deadlines, and a template for the cooperation agreement. The resolution highlighted the need for proper monitoring and analysis of the cultural, economic and societal impact of policies in the cultural and creative sectors.

The resolution stressed that the artistic quality of projects should be among the programme's objectives and selection and evaluation criteria, together with an intercultural dimension in projects on the cultural integration of migrants and refugees. Parliament asked the Commission to be more transparent in its proposal evaluations, give clear explanations for rejecting projects, and give a higher profile to the European dimension in all measures taken and in project results. It also pointed to the contribution of popular European film co-productions to the sector's competitiveness. Given that linguistic diversity is an important part of European culture and identity, Parliament called for the wider use of subtitling and dubbing in audiovisual works, and for the translation of European works of literature to facilitate circulation across the EU, also suggesting setting up an annual European book fair. Parliament called on the Commission to consider establishing a European culture and creativity observatory, along the lines of the [European Audiovisual Observatory](#), to improve understanding of the sector.

Council and European Council starting position

An informal meeting of Heads of State or Government of the EU Member States in November 2017 in Gothenburg focused on [education and culture](#). The first theme of the new Leaders' Agenda – a work programme seeking solutions to the main political challenges the EU faces and setting priorities – highlighted the role of culture both for economic competitiveness and social cohesion and inclusion, as well as the synergies between education and culture. Proposing an Erasmus for young professionals of the arts, and a European student card promoting student participation in cultural activities, the EU leaders made recommendations and suggested running pilot projects in these areas as well as increasing financing so as to step up efforts in these areas. These objectives were confirmed in the December 2017 [European Council conclusions](#).

Preparation of the proposal

The Commission's proposal for a new regulation on the Creative Europe programme of 30 May 2018 was preceded by an open public [consultation](#) on the mid-term evaluation of the Creative Europe programme, between 23 January and 16 April 2017. A [synopsis report](#) on the programme's effectiveness, efficiency, coherence and added value and on the relevance of its priorities, was prepared by an independent contractor – ICF. It issued an overall positive evaluation of the programme, with nearly 80 % of respondents considering the programme's objectives still relevant to the sector's challenges and needs. Respondents criticised budgetary limitations and difficulties in accessing the funding by smaller stakeholders, as well as the perceived bureaucratic burden. Programme areas considered worthy of future support included video on demand, technological innovation, digital shift, new platforms for content distribution and internationalisation.

However, stakeholders' views on the programme's coherence varied slightly by sub-programme and strand. For example, the majority of respondents agreed that two new Media schemes 'Audience development' and 'International co-production funds' strengthened the [consistency](#) and impact of the sub-programme, while opinions on the impact of the new scheme 'Support to the development of European video games' on programme consistency were split almost equally.

The consultation results fed into the April 2018 [mid-term evaluation](#) of the programme carried out in line with Article 18(3) of the regulation. An external and independent evaluation of the programme resulted in a series of recommendations impacting a possible successor programme. The evaluation pointed to the need to focus more on audiences, open-mindedly consider the digital revolution and its potential benefits for quality content and the sector's global competitiveness, and capacity-building for cultural operators. On the financial procedural shortcomings of the programme, the authors suggested a simplified and speedier grant support system, and the reduction of the number of underlying grant contracts. The authors argued that a publication providing information on all possible funding opportunities and business support for creative and cultural operators was needed, and that projects could be based on synergies between various support programmes such as Erasmus+, Horizon 2020, or in the area of citizenship, migration policies, etc. It suggested considering new indicators and data, as yard sticks for not only the economic but also the social impact of the programme as well as the artistic and cultural quality of the outcomes. Possible benefits of more effective support for innovation and experimentation were highlighted to boost new collaboration and cross-over projects across the CCS.

In its May 2018 [impact assessment](#) accompanying the proposal for a regulation on the 2021-2027 Creative Europe programme, the Commission explored the idea of establishing an EU values framework in the EU budget. It considered the possibility of grouping the four current funding programmes that fall into this category: Rights, Equality and Citizenship, Europe for Citizens, Creative Europe, and Justice, to highlight the fact that the EU is based on common values enshrined in the treaties and the EU Charter of Fundamental Rights; rights that are shared by all its citizens and rooted in European history, democratic principles and identity. EPRS published an [initial appraisal](#) of the Commission's impact assessment.

Focusing on what Europeans have in common instead of highlighting divisions that nurture extremist views, the programme would promote open, inclusive, cohesive and democratic societies based on education and cultural participation. It would empower people through the protection and promotion of rights, values, and Europe's cultural and linguistic diversity and heritage. Such efforts would help overcome fragmentation on the European market, and cope with digital shift, which, together with US competition, is challenging the EU's cultural diversity and creative activities. The Commission's decision to keep a self-standing Creative Europe programme and put it under heading 2 – 'Cohesion and Values', policy cluster 7 – 'Investing in people, social cohesion and values', reflects the [new structure](#) of the 2021-2027 multiannual financial framework (MFF) and a shift in priorities.

Although the May 2018 [impact assessment](#) refers to the initial structure of the values framework in the MFF, it analysed the scenario of cutting the budget by 15 % due to the lower overall budget resulting from Brexit. It concluded that such cuts would have a negative impact in both the Media and the Culture sub-programmes, and a resulting disproportionate impact on countries with lower audiovisual production capacity, reduced training activities, and a lower number of EU co-productions characterised by a higher potential for cross-border success. Less support for the cinema operators' network would have a negative impact on access to European non-national films for citizens of central and eastern European countries, weakening cultural diversity in the cultural offer and in cultural participation, and reducing cross-border cooperation and new market opportunities for cultural operators. Cuts would also limit the participation of EU neighbouring countries in the programme, while the administrative costs of running a smaller programme would be higher.

In October 2018, EPRS published an [evaluation of the implementation](#) of the 2014-2020 Creative Europe programme. It focused on selected elements of the two sub-programmes and the cross-sectoral strand, and addressed progress in the implementation process of both its organisational and financial aspects. However, it was difficult to fully assess the programme's implementation since many projects are still running, and the final reports of many that have ended are not yet available.

Nevertheless, it was noted that the programme contributes to cross-border cooperation which points to its European added value, even though some countries (France, Italy, UK, Belgium, and Germany) have a bigger [share](#) owing to their role as coordinators of many projects. When both coordination and participation are taken into consideration, the balance between beneficiary countries is better. It is suggested that improving the assistance and information targeted at potential beneficiaries is more important than aiming at an increase in the volume of applications.

The study noted the poor visibility of selected actions, such as EU cultural prizes (literature and architecture analysed in the assessment), despite their potential to promote EU action in favour of culture and creativity. It is suggested this potential could be enhanced by displaying the prize at the architectural sites, on the covers of the books and on the websites of authors awarded prizes (especially in the case of architecture awards). The European Heritage Label, starting a similar initiative in 2019, is the first step in this direction.

The changes the proposal would bring

The evaluation of and consultation on the 2014-2020 Creative Europe programme confirmed that its current objectives were still valid but a new stronger focus would be placed on digital shift and the resulting intensification of disinformation and market concentration. It would slightly change the framework and the focus according to the New Agenda for Culture published by the Commission on 22 May 2018. The Commission's [proposal](#) sets out three axes for action based on culture's social, economic and external dimensions. It highlights a renewed focus on social aspects and identity issues and not solely on the economic dimension, [following criticism](#) from some cultural stakeholders. It includes 'fashion' in the design section of the 'cultural and creative sectors' without changing the definition of the CCSs.

The current programme's two sub-programmes and its cross-sectoral strand would become Culture, MEDIA and the cross-sectoral strands. The latter would no longer cover the financial guarantee facility, an instrument for cultural and creative industry SMEs, facilitating their access to bank loans. That would be moved to the [InvestEU Fund](#). This fund covers the cultural, creative, media and audiovisual sectors, together with journalism, as cultural activities with a social goal, without further practical details.

The proposal for a new regulation on the Creative Europe programme would increase by 17 % the overall budget for the cultural, creative and audiovisual sector, from the previous funding of €1 403 million (['virtual' \[sic\] 2014-2020 budget for EU-27](#) Member States and European Development Fund) to €1 642 million (commitments, 2018 prices). The share of the MEDIA and Culture strands in the total Creative Europe budget would be 2 % higher for each strand than in the previous programme, while funding for the cross-sectoral strand would be down from 13 % to 9 %, with the Financial Guarantee now moved to a different programme, InvestEU. The Culture strand would still have the objective of safeguarding cultural and linguistic diversity. It would focus on circulation of works, and mobility and capacity-building for creators and cultural operators. There would be a new focus on societal resilience, social inclusion, cultural participation, and the strengthening of European identity and values, particularly thanks to synergies between culture and education. Special attention would be paid to the role of culture in external relations and cultural diplomacy.

Specific sectors of the strand would gain particular attention. The music sector would receive support for promoting diversity, audience development for a European repertoire, and data gathering and analysis as support for these actions. The publishing sector would also get funding for action promoting diversity, particularly through the translation of European literature and its promotion in Europe and beyond. Particular attention would be paid to architecture and cultural heritage in the proposal, which recommends the promotion of [Baukultur](#) as defined and highlighted in the 2018 [Davos Declaration](#) of European ministers of culture. The mobility of the sector's operators, capacity-building, conservation and measures to raise awareness of cultural heritage are among recommendations for the sector.

The MEDIA strand would still support the sector's competitiveness and the development of audiovisual works, but would also focus on advertising and marketing, partly on the basis of data analysis and including online activities. The promotion of European works at fairs in Europe and beyond, accompanied by support for the promotion and dissemination of European works with the potential to reach wider audiences across the EU and beyond, in line with the Audiovisual Media Services Directive, would also be a priority. Specific measures would address gender balance and climate concerns in the audiovisual sector.

Audience development would continue to be a focus, while concern over the strong position of global distribution platforms challenging EU audiovisual productions would be brought to the fore. A European video-on-demand operators' network providing access to a significant share of non-national European films, together with innovative storytelling and virtual reality, would seek to strengthen the sector's competitiveness. Similar networks of film festivals and cinema operators would be supported.

The new focus of the cross-sectoral strand would be cross-sectoral transnational policy cooperation including social inclusion, via cultural activities and innovative approaches to the creation of, access to, and distribution and promotion of content. Its new priority would be the promotion of media plurality, also thanks to cooperation between the audiovisual and publishing sectors, and innovative approaches to them. Support for free media and quality journalism and media literacy would help to address disinformation. The strand's funding would also support the creative innovation lab to encourage creation across creative and cultural sectors, the use of innovative technologies, and cross sectoral approaches across the value chain.

Reacting to criticism over red tape, the proposal would simplify procedures and introduce wider use of framework partnership agreements, and e-forms and e-reports with lighter reporting requirements and regular monitoring of implementation. More flexibility would allow for swifter adaptation to new circumstances and market developments. The introduction of ['cascading' grants](#) (or sub-grants) would facilitate the participation of smaller players, who would join the project in its implementation phase without bearing administrative costs.

Concerning financial issues, the [European Union Youth Orchestra](#) and the [European Film Academy](#) would be granted the programme's support without participating in calls for proposals. The wider introduction of lump sums, unit costs and flat rates would also contribute to administrative simplification and lower administrative costs. The introduction of blending operations previously applied to external cooperation would allow for the combination of EU funding with private co-funding, or repayable with non-repayable support from public and private institutions or investors.

Given the programme's popularity, its budgetary constraints and a resulting low success rate among applicants, the proposal would introduce the possibility to award a Seal of Excellence to a project proposal that was eligible, was assessed in a call for proposals, complied with the minimum quality requirements but, despite its high quality, could not be financed owing to lack of funds. The seal would be designed to facilitate access to alternative funding.

Advisory committees

Consultation of the EU advisory committees is mandatory when it comes to the Creative Europe regulation. The European Economic and Social Committee adopted its [opinion](#) on the proposal on 12 December 2018. It called for an increased budget of €1 930 billion instead of €1 850 billion, with an extra €80 million for cross-sectoral projects between the CCS and other industries such as the digital economy, tourism, art and luxury products, and more support from other EU programmes, particularly at least €3 billion from Horizon Europe in view of fully benefiting from the digital revolution.

The Committee of the Regions drafted an opinion on 'Creative Europe' and 'A New European Agenda for Culture' following a [consultation](#) with representatives of local and regional associations and other stakeholders on 11 September 2018. On 6 February 2019, it adopted its [opinion](#) calling for a €2 billion budget. It stressed the role of local and regional authorities in cultural policy and for cultural and creative industries, calling for the right balance between large-scale cultural projects and those focused on local and regional levels. It noted the lack of clarity concerning the guarantee facility for small and medium-sized cultural enterprises, which form the majority of the sector's firms.

National parliaments

None of the 17 parliamentary chambers from [14 Member States](#) that scrutinised the proposal raised subsidiarity concerns by the deadline of [10 September 2018](#). However, three national parliamentary chambers (from Germany, Italy and Portugal) issued opinions on the proposal.

The Bundesrat requested the inclusion of children's films with European potential in the new MEDIA sub-programme. It welcomed the support for cultural and creative sector projects in the InvestEU facility and synergies with other EU funding, but stressed that the independence of artists was of primary importance as was the independence of the whole sector from political agendas. Italy's Chamber of Deputies was concerned with the difficulties some of its cultural and creative sector professionals encountered in accessing funding, and suggested a 50 % increase in the programme's budget as well as wider dissemination of information on funding opportunities. It also stressed the need to support smaller-scale productions, and local and regional culture, languages and dialects. Portugal supported the regulation, seeing in it the potential for synergies with other policy areas such as youth, labour market, social issues, urban, rural and regional policies, digital transformation, research and innovation, external actions and the single market, but also support for creative talent in appropriate sectors.

Stakeholder views

In its [position paper](#) on the 2021-2027 Creative Europe programme, [Culture Action Europe](#) (CAE), a major European network of cultural organisations, artists, activists, academics and policy-makers, welcomed the Commission proposal, and stressed the social, artistic and cultural objectives, including creation and artistic research, without disregarding the economic dimension, as a basis for the programme. CAE highlighted the need for ambitious funding to support the mobility of works and of cultural workers and organisations. It also called for EU co-financing rates of at least 80 % in order to facilitate access to the programme for smaller players and emerging cultural operators. The network emphasised the need for a holistic approach, mainstreaming culture in other policy areas and establishing cross-overs and addressing common challenges through horizontal approaches. It also called on Member States to double the funding. The [European Alliance for Culture and the Arts](#) also called for the inclusion of support for culture, arts and heritage in many other EU funding programmes.

[IETM](#), an international network for contemporary performing arts, gathering over 500 performing arts organisations and individual members working in contemporary performing arts, including interdisciplinary live art forms and new media, [welcomed](#) the programme's increased budget but still considered it insufficient. In its [ten-point reflection paper](#), IETM called on the European Parliament and the Council to double the funding, and stressed the value of the arts in human dialogue across various identities, mentalities and realities, and the precarious situation of artists, which needed to be taken into consideration in the regulation. It also called for the inclusion of culture and arts in other programmes, including research, education, climate action, environment and agriculture, single market and regional development, asylum and international cooperation. The [European Film Agency Directors](#) association, representing government or government agencies in charge of national funding for the audiovisual sector, welcomed the increase by more than 30 % of the budget for the audiovisual sector announced in the MFF at the beginning of May 2018. It called for new measures with a stronger external impact and for the online visibility of European works to be enhanced.

Similarly, [the International Union of Cinemas](#), an association of cinema operators and their national associations, welcomed the [expansion](#) of the Creative Europe strand devoted to the audiovisual industry, in line with its [statement](#) of April 2018.

Legislative process

The European Commission published its [legislative proposal](#) for the 2021-2027 Creative Europe regulation on 30 May 2018. The European Parliament [assigned](#) the file to the Committee on Culture and Education (CULT), which appointed Silvia Costa (S&D, Italy) as rapporteur.

On 19 July 2018, the CULT committee had an [exchange of views](#) with a representative of the Commission. It welcomed the plan to keep a separate, stand-alone programme devoted to culture, creativity and the audiovisual sectors but considered the financial means allocated to it still insufficient. However, with the cross-sectoral financial guarantee moved from the Creative Europe programme to the InvestEU Fund, more money would be available for funding.

The debate also focused on cultural education, digitalisation and the digital market in the context of pirating, subscription video platforms, and the visibility and flexibility of the programme, the need to establish horizontal links with other programmes, such as the Horizon programme on research and innovation and the Erasmus+ programme, and the subtitling of audiovisual works, for example in Arte Europe. Emphasis was also placed in the need for more support for the music sector, which had benefited from the preparatory action Music Moves Europe.

In her [draft report](#) on the regulation, published on 26 October 2018, the rapporteur also noted that the programme's priorities and specific action required clarification to avoid misinterpretation and confusion among beneficiaries.

The report wished to see a differentiation between market and non-market oriented activities, and fashion design included within the definition of cultural and creative sectors. It also suggested that the split between programme strands' budgets be expressed in percentages as proposed by the Council, and the budget allocation for cooperation projects in the culture strand be guaranteed on the grounds of the very low success rate of applicants for grants in the strand.

Following the adoption by the CULT committee of its [report](#) on 20 February 2019, Parliament adopted its [first-reading position](#) in plenary on 28 March 2019, highlighting among the objectives of the programme the intrinsic value of culture, and the contribution of culture to social and personal development, youth participation, media literacy and better use of digital technologies. The resolution also stressed the need for gender equality and the participation of under-represented groups, such as people living in rural and remote areas, from disadvantaged backgrounds or people with disabilities.

It called for support for artist and cultural operator mobility, and highlighted that, while horizontal actions on music and artists' and cultural professionals' mobility are an asset, many barriers, such as possible double taxation, legal status, and visa or work permit issues, still prevail. An amendment made support conditional on the delivery of potential European added value, notably through the project's contribution to the sense of belonging, and the sharing of common roots.

Parliament suggested setting the programme budget at €2 806 million at constant prices to cover new actions and priorities, and distributing the budget between the various strands in percentages as follows: no less than 33 % for the Culture strand, no less than 58 % for the MEDIA strand and up to 9 % for the cross sectoral strand.

Parliament proposed awarding grants on the basis of high cultural quality, impact, and quality and efficiency in implementation. The resolution proposed a mechanism to guarantee that projects awarded the Seal of Excellence would be eligible in the next funding period under other EU funds, and to ensure that funds for creative and cultural sector operators eligible under the Cultural and Creative Sector Guarantee Facility would be guaranteed within the InvestEU funding instrument to which the Facility was being moved.

The resolution suggested that specific genres such as fiction, documentaries, children's and animated films, quality and narrative video games and multimedia with a cross-border potential, as well as works relating to the history of European integration, and one or more European video-on-demand (VOD) network of operators (a kind of European Netflix), screening a significant proportion of non-national European works, should be given explicit support under the MEDIA strand. On the other hand, the cross-sectoral strand should support diverse and pluralistic media, enhancing professional ethics in journalism, digital skills, critical thinking and media literacy among citizens.

Parliament also suggested that third countries should be able to participate in the programme's governance structures and stakeholder forums, in order to facilitate the exchange of information and encourage agreements with new countries.

The resolution insisted on continuing a permanent structural dialogue with cultural and creative sector operators and with a CCS forum, to allow for better exchanges among all sectors. Flexible programme implementation was to be achieved by means of a work programme established by the Commission using implementing acts, leaving it beyond the scrutiny of the Parliament and the Council. To address this issue the resolution proposed that the work programme be adopted through delegated acts.

Among the EU prizes awarded for achievements in the cultural area Parliament mentioned a European Theatre Prize that used to exist but that had been abandoned in 2014. Parliament clarified the types of activities for which the European Union Youth Orchestra might be awarded grants without a call for proposals, and insisted that the orchestra should strive to diversify its revenues by 'actively seeking financial support from new sources'.

Parliament also recommended that the European Film Academy receive grants without calls for proposals in the context of its cooperation with Parliament on the LUX Film Prize, following the conclusion of a cooperation agreement with Europa Cinemas.

Parliament called for the programme to be evaluated against quantitative and qualitative impact indicators with a common set of such indicators for all strands, whose efficiency should be evaluated regularly by the Commission.

Council

The [Cultural Affairs Committee](#) of the Council of the European Union met on 2 July 2018 to examine the [impact assessment](#) accompanying the proposal for the regulation and to hold an initial exchange of views on the programme. The proposal was examined by the committee and delegates at the [Audiovisual Working Party](#) on 4 September 2018.

On 27 November, the Education, Youth, Culture and Sport Council meeting discussed the 2021-2027 Creative Europe programme, and identified various challenges, such as gender equality, diversity, translation and subtitling. A [partial general approach](#) was adopted on 20 December 2018, but this did not cover budgetary aspects since those depended on the final agreement on the multiannual financial framework for the 2021-2027 period.

The Council clarified the definition of 'cultural and creative sectors', specifying that it included both market and non-market oriented activities regardless of the type of organisation and its financing, and considering the list of such activities mentioned in the Commission document as examples. It also suggested that the 'Seal of Excellence' be awarded with the beneficiaries' consent, and specified that projects awarded with the seal should be eligible under the European structural and investment funds. Concerning the programme's objectives, the Council added mobility of artists and professionals in order to support the creation of European content and innovation, as well as the circulation and promotion of European works. Among strand-specific objectives, it stressed audience development for the culture strand, and young audience development, and audiovisual heritage for the MEDIA strand. The cross-sectoral strand stressed the importance of the digital shift, in the context of content creation, distribution, monetisation, promotion and access, as well as artistic freedom.

The Council proposed to express the budget allocated to specific strands in percentages: 33 % for the culture strand, 58 % for MEDIA and 9 % for cross-sectoral. It also added that annual work programmes established by the Commission should indicate the sums allocated to each action and set out the overall amount reserved for blending operations.

The partial general approach excludes European Film Academy and European Union Youth Orchestra eligibility for grants without a call for proposals, and accepts exceptional participation in the programme by cultural and creative legal entities established in a third country.

The text specifies external and independent analysis, among other inputs, that should contribute to the interim and final evaluation of the programme. It also adds provisions on the Creative Europe Committee to assist the Commission on concrete issues related to the three strands of the programme.

Trilogue negotiations

At its meeting on 22 July 2019, at the beginning of the new parliamentary term, the CULT committee decided to open interinstitutional negotiations. Up to December 2019, the trilogue meetings made progress on a technical level, but negotiations on political issues – the programme's governance, inclusion, music sector, EFA, and EUYO – were problematic given the distance between the Council and EP positions. This situation and the lack of a new proposal for the programme resulted in the CULT committee's decision on 12 December to halt the negotiations aimed at reaching an early second-reading agreement.

At a [February 2020](#) press conference, the [CULT committee](#) declared the [European Council President's](#) proposal to [cut MFF funding](#) unacceptable. For Creative Europe, it would result in a [20 % cut](#) to the Commission proposal, and over 50 % to the Parliament's position for a programme with funding which accounts for just 0.14 % of the EU budget.

After the Covid-19 outbreak, the CULT committee chair Sabine Verheyen (EPP, Germany) stated in May 2020 that the programme budget needed to [double](#) to €2 806 million, as stated in the EP's March 2019 resolution, since cultural and creative sector enterprises in the EU were the first to close and would be the last to come out of confinement.

In its 27 May 2020 revised proposal for the overall MFF, 'The EU budget powering the recovery plan for Europe', the Commission proposed funding for the Creative Europe programme at the level of [€1 520 million](#). The CULT committee immediately expressed its [disappointment](#) with a funding proposal that was lower than the initial proposal of €1 642 million (commitments, 2018 prices) of May 2018. In its 22 June press release the committee stated that a 13 % cut to Creative Europe will lead to an unacceptable decrease in the number of supported artists and creators.

The European Council conclusions of 21 July maintained the [initial funding level](#) at €1 642 million proposed by the Commission in May 2018.

In its [resolution](#) on the European Council's July conclusions, adopted on 23 July, the EP stressed its concerns with flagship programmes such as Creative Europe 2021-2027 which risk a drop in funding between 2020 and 2021, and particularly from 2024 when the whole MFF will be underfunded compared to 2020. The resolution gave EP negotiators a clear mandate to defend the funding for each programme separately.

After the MFF negotiations were over, the interinstitutional negotiations (two trilogue meetings) resumed under the German Presidency in the second half of 2020. A [compromise agreement](#) was reached between the EP and the Council in December 2020. The funding level rose by 36 % to €2 200 million, providing much-needed support for the audiovisual, creative and cultural sectors dramatically hit by long periods of total lockdown for activities such as live performances and music. The latter gained a specific focus in the programme to support young talents and transnational distribution. The programme will promote projects that represent European values, inclusion, and gender equality, by paying attention to female talent and women's artistic and professional careers. The easily-recognisable MEDIA logo will feature on productions and projects supported by the MEDIA strand of the programme for the whole period of its implementation, contrary to the Commission's wish which was to have one EU logo for all EU projects. The participation of disabled people and socially marginalised groups in the creative and cultural sectors, as both creators and audiences, will also be promoted.

As concerns the implementation of the programme, the EP did not succeed in replacing implementing acts by delegated acts, which would have given both the EP and the Council a say in these decisions. Its efforts to guarantee the programme's support for the European Union Youth Orchestra and the European Film Academy also failed. Instead specific calls will be organised allowing such entities to secure long-term stable funding and designating well-defined roles for them. The European Film Academy together with the EP will play a role in the LUX Film Prize. The Commission agreed to have the programme's funding for its three strands defined in percentages rather than specific sums of money. Thus the culture strand will get at least 33 %, the MEDIA strand at least 58 %, and the cross-sectoral strand 9 % of the funding as the EP wished.

The CULT committee voted in January 2021 to endorse the compromise agreement, while Council adopted its first-reading position in April. Following the CULT committee's recommendation for second reading, the EP voted to adopt the text at second reading on 19 May 2021. Signed the following day, the [regulation establishing the Creative Europe programme](#) entered into force on 28 May and applies retroactively from 1 January 2021.

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