

Creative Europe programme 2014-2020

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PURPOSE: to present the main objectives of the Creative Europe Programme - A new framework programme for the cultural and creative sectors (2014-2020).

CONTENT: "Creative Europe", the new framework programme for the cultural and creative sectors (CCS) for the 2014-2020 Multi-Annual Financial Framework (MFF), will bring together the current Culture, MEDIA and MEDIA Mundus programmes under a common framework and create an entirely new Facility to improve access to finance.

By specifically targeting the needs of the cultural and creative sectors aiming to operate beyond national borders, and with a strong link to the promotion of cultural and linguistic diversity, the programme will complement other European Union (EU) programmes such as structural fund support for investment in the cultural and creative sectors, heritage restoration, cultural infrastructure and services, digitisation funds for cultural heritage and the enlargement and external relations instruments.

For the 2014-2020 MFF, the Commission proposes a significant increase in the budget devoted to the cultural and creative sectors, a total of **€ 1.801 billion**(current prices), a 37% increase on current spending levels. This increase is fully in line with the rationale and priorities of the Europe 2020 strategy.

The new Programme will be a simple, easily recognisable and accessible gateway for European cultural and creative professionals, regardless of their artistic discipline, and it will offer scope for international activities within and outside of the EU.

In preparing the proposal, the Commission has consulted widely with interested parties. It has also drawn on the interim evaluations of the current programmes, and independent studies.

Lessons learned for the future

Culture Programme 2007-2013: drawing lessons from current experience, the objectives proposed for the future Framework Programme will be adapted to the real needs of project promoters, including cultural and creative SMEs. They will also promote the job and growth potential of these sectors, while continuing to have a strong link to the promotion of cultural and linguistic diversity. Regarding the different actions under the programme, numerous improvements and simplifications will be introduced. The large number of calls and categories, which increase complexity and reduce transparency, will be reduced from 9 to 4. Another simplification will be the discontinuation of operating grants, which have proven insufficiently result-oriented and complicated for applicants and beneficiaries. All future actions will use project grants, which are simpler and foster a longer-term approach.

MEDIA 2007 Programme (2007-2013) and MEDIA Mundus Programme (2011-2013): a number of simplification opportunities have been identified both on a strategic and operational level. These will include: a focus on structuring actions with a maximum systemic impact; creation of a financial facility to progressively replace direct grants where possible; increasing the leverage of EU funds; streamlining of the international dimension previously covered in the separate MEDIA Mundus Programme within the single legal basis; a crosscutting value chain approach which supports a number of film projects with high commercial and circulation potential ("champions") throughout the value chain, from training to distribution; transversal projects covering several segments and players of the value chain; and support to sales agents with broad market reach and a global market approach.

A new Financial Facility: one serious problem facing the creative and cultural sectors which needs to be addressed, but cannot be tackled through grants, is the difficulty encountered by small cultural and creative enterprises and organisations in accessing finance. Small under-capitalised enterprises find it therefore very difficult to finance their activities and to grow and maintain their competitiveness. It is estimated that there is a funding gap of some €2.8 billion to €4.8 billion in terms of bank loans for these SMEs. The problem is more acute in some Member States than in others: well-developed expertise on the part of financial institutions is only to be found in a limited number of countries.

The programme will therefore set up for the first time a financial Facility for the cultural and creative sectors. It will be complementary to other EU facilities under the Structural Funds or

the Competitiveness and Innovation Programme, which has a transversal approach and very limited impact on extending activities in sectors in which intermediaries (financial

institutions) have little activity, such as the cultural and creative sectors. This Facility will provide strong European added value and enable valuable networking and peer learning.

Key actions and priorities of the Programme: a single framework programme will be the most coherent and cost-effective solution for supporting the cultural and creative sectors and to help promote their important contribution at EU level. It offers the best basis to focus attention on the challenges currently facing these sectors and to target EU support on those measures that provide EU added value by helping them optimise their potential for economic growth, job creation and social inclusion.

The design of the programme recognises the complexity and heterogeneity of the cultural and creative sectors, which include publically funded organisations, non-profit organisations as well as commercial enterprises.

This is why the option of a framework programme has been chosen, comprised of three Strands:

- an Cross-sectoral Strand addressed to all cultural and creative sectors;
- a Culture Strand addressed to the cultural and creative sectors;
- a MEDIA Strand addressed to the audiovisual sector.

The indicative budgetary allocation will be 15% for the Cross-sectoral Strand, 30% for the Culture Strand and 55% for the MEDIA Strand.

Expected impact of the programme: the impact sought for the programme will be to strengthen the adaptation of the cultural and creative sectors to globalisation and the digital shift. Overall, the more targeted focus on transnational circulation of works should lead to higher level of circulation of works, more trade within the internal market, more international trade and increased revenues for the sector.

In the **Culture Strand**, this will include a clearer focus on capacity-building and transnational circulation, including international touring, new European platforms with a large-scale structuring effect, and more strategic packages of support for literary translation for publishing houses including promotional support.

The **MEDIA Strand** will increase resources for distribution, including increased and more focused funding for sales agents to allow for the emergence of stronger sales agents with higher buying and selling power on the international market. Strengthening support to Europe-based international co-production funds will boost co-production between European and non-European producers, increasing the number and improving the quality of the works, and thereby contributing to further opening international markets.

By improving access to finance for the cultural and creative sectors through improved investment and investor readiness, the new financial Facility will increase the capacity of these sectors to attract private

finance, strengthen their financial capacity and the commercial potential of works, thereby strengthening their competitiveness and opening up new opportunities for growth and employment.

Management mode: the vast majority of grants under the Culture and MEDIA Strands will continue to be managed through the Executive Agency for Education, Audiovisual and Culture (EACEA) through calls for proposals. As confirmed by various evaluations this has proved to be a costeffective management mode for cross-border projects. Some aspects of the programme will be managed directly by the Commission, notably the special actions, including prizes, cooperation with international institutions including international audiovisual co-production funds, and the funding for the European Capitals of Culture and the European Heritage Label. Management of the cultural and creative sector financial Facility will be mandated to a third party financial institution, most likely the European Investment Fund (EIF) due to the nature of the expertise required for the running of such a facility.

A considerable number of **simplifications** were already introduced for the management of the current Culture and MEDIA programmes. However further improvements will be introduced in Creative Europe. Greater use will be made in general of flat rates, more grant decisions and framework partnership agreements, electronic application and reporting for all actions, and an electronic portal to reduce paperwork for applicants and beneficiaries. Another significant simplification measure will be the merging of the two information networks to reap economies of scale, greater transparency for the public by having only one EU entry point, and a higher quality service.