

Creative Europe programme 2014-2020

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In public deliberation, the Council reached a **partial general approach** on the proposal for a regulation establishing the "Creative Europe" programme for the period 2014-2020, and bringing together the three current independent programmes: CULTURE, MEDIA and MEDIA Mundus. The text presented to the Council, on which a large majority of delegations have already indicated their broad agreement, is intended as a **Presidency compromise text**.

Main issues discussed: as this regulation is part of the Multiannual Financial Framework (2014 - 2020) currently under discussion, the partial general approach does not include the provisions with budgetary implications.

- **Structure of the programme:** delegations in general welcomed the structure of the Programme as proposed by the Commission, which is a "one-stop-shop" for cultural and creative sectors, provided that the cultural part and MEDIA-related part will be treated as separate strands, each having its own priorities, measures and budget. They endorsed in principle the general and specific objectives of the Programme as well as the priorities and support measures of individual strands. Delegations also supported the fact that the Programme will be potentially open to a broader number of participants such as the countries of the European Neighbourhood area.

During the examination delegations nevertheless expressed a degree of concern regarding the **lack of detail in the Commission proposal**. While they accepted the Commission's argument that the programme needs to be flexible in order to accommodate unpredictable changes in the future, delegations asked for the text to be clearer and for the Member States to have a bigger role in the implementation of the programme.

In response to these concerns, the Presidency has made a number of adjustments to the text. The main changes can be summarised as follows:

- **Intrinsic value of culture:** a recurrent concern of delegations has been to ensure a better balance between economic objectives such as competitiveness and growth, and the cultural objectives of promoting cultural and linguistic diversity. **In order to find this balance, a recital which underlines the dual nature of culture** (artistic and economic) has been added, Article 5a (1) on European added value (former Article 3) has been modified to feature both the intrinsic and economic value of culture, and a new recital on a shared cultural area has been inserted;

- **Audience development:** delegations took the view that when trying to reach new audiences, the Programme should pay **particular attention to children and young people, as well as to groups which do not usually enjoy access to culture** for social, professional, health or other reasons. Therefore a particular focus on those target groups has been added among the specific objectives of the Programme (Article 5 (b)) and an indicator on measuring the number of projects addressed to them has been introduced in Article 14 (Culture Strand);

- **National points of contacts** (Article 8a): a separate article on the **Creative Europe Desks** has been added in order to emphasise the essential role of those structures during the implementation of the programme at national level;

- **Funding of commercial cultural projects** (Article 10 (2)): in response to delegations' wish to emphasise that the projects to be funded under the Culture Strand should be primarily **non-profit** a new

paragraph has been added to Article 10. As a final element of the compromise on this point, recital 23 has been modified to underline the importance of non-profit making organisations and projects in the cultural field : the Commission underlined that it would not be fair to exclude from funding every profitmaking cultural or creative organisation, since this would discourage them not only from seeking additional sources of financing but also from trying to be successful;

- **Indicators** (Article 14): while delegations agreed with the need to measure the impact of the Programme in order to produce reliable and comparative data, they felt that indicators as proposed by the Commission did not include any qualitative indicators and did not correspond sufficiently to the objectives against which they are to measure progress, such as for example the objective to strengthen circulation of European films beyond national borders. A number of amendments were therefore made in Article 14 (1). In response to a proposal to **introduce an additional qualitative indicator for the general objectives which would measure the cultural diversity of the selected projects**, a new paragraph 1a in Article 14 has been added according to which indicators others than the ones listed in Article 14 (1) should be adopted by the Commission using the examination procedure;

- **Implementing provisions** (Articles 17 and 18): in response to delegations wishes to strike a balance between a slim and flexible text and the need to ensure the appropriate involvement of Member States, a number of adjustments to the comitology provisions have been made. Firstly, the advisory procedure as proposed by the Commission has been changed to a **mixed procedure**: the examination procedure would apply to annual work programmes, while the advisory one would apply to the general guidelines. Secondly, the text specifies that the Programme committee may meet in specific configurations, which means that Member States can send different experts depending on the topic of the Committee's agenda. Finally, a **new provision on communication** has been introduced according to which the Commission will provide ex-post information to countries participating in the Programme on selection decisions (Article 15 (- 1));

Financial provision: Ministers were also invited to have an exchange of views on the new Cultural and Creative Sectors Facility proposed in the programme, on the basis of a discussion paper prepared by the Presidency. This loan instrument was designed to facilitate access to finance by cultural and creative enterprises, 80 % of which are small and medium-sized enterprises. The facility should also be seen in the context of the general focus on the contribution of small and medium- sized enterprises to jobs and growth. By encouraging financial institutions to build up their business in relation to the cultural and creative sectors and thereby facilitating access to finance for these sectors, the proposed new Cultural and Creative Sectors Facility is intended to strengthen the sectors' financial capacity and competitiveness, thereby opening new opportunities for growth and employment. It is also envisaged that the Cultural and Creative Sectors Facility will lessen small and medium-sized enterprises' dependence on public subsidies in some cases, while opening up new revenue streams in others. Management of the Cultural and Creative Sectors Facility is envisaged to be mandated to a third party financial institution, such as the European Investment Fund (EIF), due to the nature of the expertise required for the running of such a facility.

Member states were generally favourable to this new instrument, considering it a step in the right direction but several member states pointed out that **most SMEs in the cultural and creative sectors would need help in applying for financing and should have equal access to the Facility. A number of Member States expressed concerns that this new lending Facility would replace grants** and be economically rather than culturally orientated. Some Member States were of the view that the Facility could reduce small and medium-sized enterprises dependence on public subsidies in some cases, while opening up new sources of revenue in others.

Many Member States underlined the need for clear criteria, as well as the **importance of a geographical balance regarding access to loans**. Several ministers called for complementarity between the Facility and

national and European subsidies. The Commission underlined that the involvement of the European Investment Fund was a guarantee for the financial sector. It also indicated that the Facility would not replace grants and that 55% of grants in this sector already go to SMS with less than 10 employees.