



# Creative Europe

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Culture



# Overview

- Introduction: why a Creative Europe programme, the framework, inputs
- What problems is it seeking to address?
- The new objectives, priorities and simplified instruments for Culture
- Cultural and creative sectors' financial facility
- International dimension
- The timetable for negotiations



# Introduction

- A programme for the cultural and creative sectors for 2014-2020
- Bringing together 3 existing programmes (Culture – MEDIA – MEDIA Mundus) + creating a new financial facility to guarantee bank loans
- Proposed budget of € 1.8 billion for 7 years, 37% increase on current levels



## Why Creative Europe?

**In addition to the intrinsic value of culture .....**

### **Big potential of Europe's cultural and creative sectors**

- Driver of economic growth and employment (4.5% of EU GDP, 3.8% of EU workforce)
- Greater contribution than many other key sectors
- Higher than average growth rates in recent years
- But facing common challenges and could contribute even more!

### **Guiding principles**

- Only invest in areas with European added value
- Focus on certain key priorities to maximise impact



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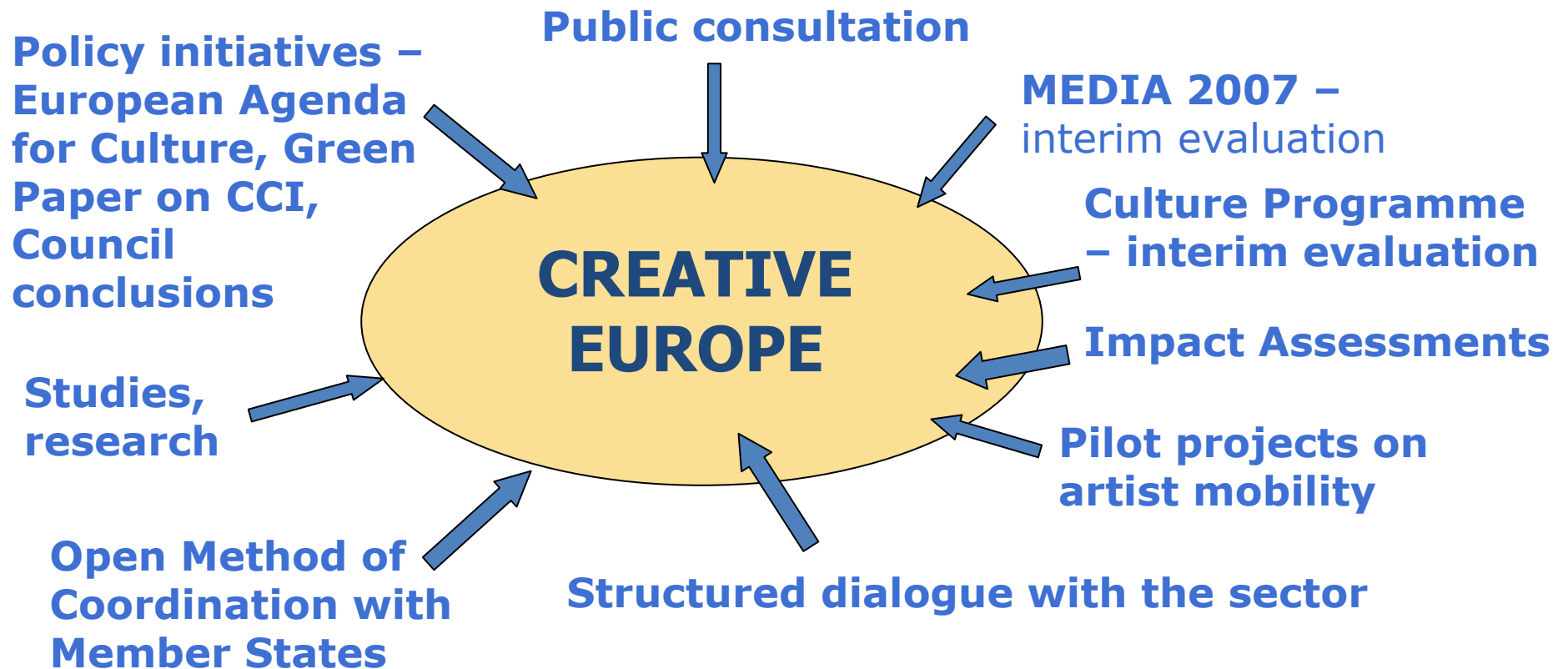
## Creative Europe framework

**€1.8 billion**

<b>Culture</b> <b>30 %</b>	<b>MEDIA</b> <b>55 %</b>	<b>Cross-sectoral</b> (Financial Facility + data support + piloting) <b>15 %</b>
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## Building Creative Europe on long term experience





**What problems is Creative Europe  
seeking to tackle?**

**4 challenges**



# Challenge 1: A fragmented market/cultural space

## **Problem**

- Fragmented area, many small markets due largely to language
- Difficulties for artists and cultural works to break into new countries
- Cultural and linguistic diversity a challenge, but also a richness and value the EU is committed to safeguarding and promoting

## **Creative Europe**

- Capacity-building to help artists develop international careers and foster international networks to create professional opportunities
- Support for the transnational circulation of works, including international touring, literary translation, and development of long-term audiences for European cultural works





## Challenge 2: The digital shift

### **Problem**

- Changing how art is made, disseminated, distributed, accessed, consumed and monetised
- Challenges, but also big opportunities
- Change in paradigm: need to engage audiences as active participants, not just passive observers
- Some excellent examples, but knowledge is fragmented across Europe and under-developed

### **Creative Europe**

- New focus on audience development
- Capacity-building to facilitate peer learning, knowledge transfer and faster adjustment



## Challenge 3: Access to finance

### **Problem**

- Chronic difficulties for SMEs in the sector to access bank loans (60% are micro enterprises)
- Estimated funding gap of € 2.8 – 4.8 billion
- Banks don't understand the sector, its risk profile and assets, and lack an incentive to invest to develop expertise

### **Creative Europe**

- Create an incentive for banks to invest in these sectors
- By creating an entirely new financial facility to facilitate access to finance by guaranteeing bank loans



## Challenge 4: Lack of data

### **Problem**

- Very little comparable data in cultural field
- Makes it difficult to pinpoint problems and their scale
- Makes it difficult to develop evidence based policies
- But we need to design the best possible policies at national and European level to help these sectors

### **Creative Europe**

- Support better and more comparable data collection, studies, evaluation, statistical surveys
- Extension of mandate of European Audiovisual Observatory to other cultural and creative sectors



## How to tackle the problems?

- **New and refocused objectives and priorities**
- **Simplified instruments**



# General objectives

Shift away from focus on citizenship (other EU tools for this) to:

- Fostering the safeguarding and promotion of European cultural and linguistic diversity
- Strengthening the competitiveness of the cultural and creative sectors with a view to promoting smart, sustainable and inclusive growth



# Specific objectives

- Support the capacity of European CCS to operate transnationally
- Promote the transnational circulation of cultural and creative works and operators and reach new audiences in Europe and beyond
- Strengthen the financial capacity of CCS, in particular SME
- Support transnational policy cooperation in order to foster policy development, innovation, audience building and new business models



# New Culture priorities

## **Capacity-building**

- Support cultural operators to develop skills and knowhow to facilitate adjustment to the digital shift
- Support artists/cultural professionals to internationalise their careers
- Strengthen European and international networks to facilitate access to new professional opportunities

## **Transnational circulation**

- Support international touring, events and exhibitions
- Support literary translation
- Support for audience building and building a long-term audience for European cultural works



# Culture instruments

- Successful instruments maintained, but some simplifications
- Reduction in number of calls managed by EACEA from 9 to 4
- 4 main grant instruments managed by EACEA:
  - **Cooperation projects**
  - **European networks**
  - **European platforms**
  - **Literary translation**
- Special actions managed by Commission (European Capitals of Culture, EU cultural prizes, European Heritage Label)





## Other simplifications

- Operating grants replaced by simpler project grants
- Greater use of flat rates, grant decisions, framework partnership agreements, electronic application and final reporting
- Electronic portal for applicants



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# Cultural and Creative Sectors' Financial Facility



## What and for who?

- Complementary to grants
- Facilitate access of CCS SME to finance (bank loans)
- « SME » defined in a Commission recommendation from 2003
- Open to profit-making and non-profit-making entities as long as they can repay loans



## How?

- Managed by European Investment Fund (EIF)
- Incentivise banks to lend to the sector by risk sharing by guaranteeing bank loans
- Create a network of banks across Europe willing to develop portfolios of loans to the sector
- The banks must undergo training/capacity-building to understand the risk profile of the sector



## Effects?

- € 200 m could generate € 1 billion+ worth of loans
- Permanent change of mentality among banks towards the sector
- Increase number and geographical spread of banks/financial intermediaries willing to lend to these sectors
- Cost-efficient for EU budget: the money is « revolving »
- European added value:
  - Economies of scale and savings from having a Europe wide scheme
  - Spreading of expertise in only a few countries to banks across Europe



## International dimension

- Programme **objectives** seeking to help artists and their works cross borders both within and beyond Europe
- **Full participation** of certain 3rd countries in programme:
  - Possibility of full participation to same European 3rd countries as before
  - New possibility for European Neighbourhood countries
- Targeted bilateral actions - “**windows**” - with selected countries or regions

*Being explored:*

- Some increase in budget for 3rd country costs
- Possibility of 3rd country partners in some actions being explored



# Timetable

- EU budget proposal for 2014-2010 adopted June 2011
- « Creative Europe » adopted 23 November 2011
- Negotiations on overall budget and sectoral programmes in parallel
- Budget negotiations must conclude first, hopefully under CY Presidency
- Then sectoral negotiations can be completed, hopefully early 2013
- Publication of calls for proposals if possible mid-autumn 2013
- Entry into force on 1 January 2014
- (All timings subject to the progress of negotiations between Member States and the European Parliament)



Thank you for your attention  
Questions & Comments

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