

CREATIVE EUROPE

PROGRAMME ANALYSIS AND RECOMMENDATIONS

Culture Action Europe is a membership not-for-profit organisation. We connect those that strive to put culture at the heart of the public debate and decision making. We believe, that culture is a pillar for sustainable societies, its enjoyment is a fundamental human right and a fully democratic European Union is essentially a cultural project. As the major cultural network in Europe, we are the political voice of tens of thousands cultural players, practitioners and activists across the continent.



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RECOMMENDATIONS

Culture Action Europe (CAE) has carried out an analysis of the first two years of operation of the Creative Europe programme's Culture sub-programme. The analysis and ensuing recommendations are based on a survey launched by CAE. They offer a preliminary appraisal of how the cultural sector has adapted to Creative Europe, as well as the programme's adjustment to the needs of the sector. Thanks to the detailed insights of CAE's members and close contacts, the survey offers a comprehensive, cross-sectoral, trans-European assessment of the current programme and points to critical aspects that should be taken in consideration for a more effective implementation and, in particular, when designing the following post-2020 cycle of the programme.

With regard to the EU Creative Europe Programme, Culture Action Europe:

Priorities and structure

- 1** Considers a re-balance of priorities imperative in view of the current socio-political challenges that Europe faces with the goal to build a more inclusive and cohesive Europe. Notes that the increasing economic orientation of the Culture sub-programme and subsequent neglect of social, artistic and cultural priorities is a concerning trend for the sector. Calls therefore for a balanced approach giving equal weight to the cultural, social and economic aims and objectives of the programme, also in the view of the increasing evidences¹ of the contribution of culture to democratic openness, trust and political engagement. Calls to underline the EU-added value of selected projects and their contribution to foster European integration and cohesion through culture.
- 2** Notes that synergies between MEDIA and Culture are not apparent.
- 3** Calls for the development of a cross-sectoral strand accessible to all cultural players, balancing funding approaches adequate for organisations with innovative artistic, cultural and social goals and those market oriented initiatives that require a different financial logic, currently dominant within the cross-sectoral strand.

¹[Indicator Framework for Culture and Democracy](#)

- 4 Recalls that the contribution of the loan guarantee facility to the not-for-profit sector is still unclear and at the present time, runs a high risk of becoming geographically imbalanced. Suggests that further appropriations dedicated to the facility should be limited until results demonstrate its value to the wider sector. Calls the Commission to consider the possibilities of developing synergies with other programmes better tailored to accommodate financial instruments, such as EFSI.
- 5 Notes that priorities show an exceedingly narrow focus, limiting the development of more experimental and innovative segments of the cultural sector, as well as lowering the reactivity to unforeseen events in a rapidly changing world. Notes that such flexibility is a key asset of the cultural ecosystem and central to the logics of operation of the sector. Calls therefore to open the scope of priorities and to allow greater flexibility in budget allocation for non-specified activities of up to 20%, in particular for the network strand.
- 6 Calls to support the sustainability of Networks by including a mixed funding approach, combining operating funding and project grants that adjust better to their logic of operation.
- 7 Calls for more clarity in the European Platforms strand with respect to its policy rationale and sustainability. Notes that promotion of new talent needs to be accompanied with career development.
- 8 Calls for more clarity in the literary translation strand with regards to its policy objectives. Notes that under its current definition and budget, the literary translation strand does not sufficiently contribute to promote linguistic diversity.

Access, application, reporting, simplification and transparency

- 9 Regrets that the programme remains difficult to access for small cultural not-for-profit organisations, particularly in cooperation projects, and risks an increasing

geographical imbalance. Notes that countries that have recently joined the EU, as well as those that participate in the programme but are not EU members often have difficulties in accessing the programme; hence limiting its impact.

10 Acknowledges and welcomes the simplification effort; yet notes that on average, one month is needed to prepare an application, excluding project design. Stresses that the application process remains a significant barrier to access for a substantial number of cultural organisations, particularly small organisations. Calls for the introduction of a real two-stage application and a tailored application for small cultural organisations. Notes that a longer time-span between the announcement of the call and the submission deadline, as well as better and earlier communication, including expected delays, would facilitate the application process.

11 Notes that organisations devote above one month of full time work on average to reporting duties. Suggests financial reporting to be simplified by only listing expenses above a certain cost level, as well as reducing the number of financial details required. Encourages including questions from the interim report in the final report, where they would only need to be expanded.

12 Notes that audits of transnational programmes with multiple partners are complex and imply considerable costs, subsequently impacting the budget. For those projects above € 750.000 the required external audit raises the cost of application without guarantee of accessing funding. Notes that guarantees remain problematic for small organisations, which often need to be guaranteed by stronger partners. Considers further simplification could be achieved by reducing the financial planning form and creating a special section for organisations with lower annual turnover; as well as limiting duplications in different forms and increasing flexibility in formats of submission, among others.

13 Praises the work of the Creative Europe Desks and calls for harmonisation in their level of support. Suggests expanding the remit of the CEDs to cover all EU programmes of interest for the cultural sector. Calls for a faster and better flow of information between EACEA and the CEDs and points out that greater attention should be given to IT compatibility and smaller administrative errors that hinder the application process.

- 14** Notes that transparency in the evaluation is the bedrock of the reputation of a public programme. Calls for clearer selection criteria and their significance in the final decision as comparison between evaluations show discrepancies on how points are awarded. Calls for clear benchmarks for evaluators; as well as trainings to improve their alignment. Invites the Commission to explore options such as inviting applicants to clarify details of the application or evaluating proposals through a balanced jury of qualified experts. Asks for greater transparency in the selection of experts and more clarity in the final stage between the evaluation through experts and the final selection.
- 15** Calls for a greater balance between quantitative and financial criteria and qualitative criteria in the selection process, including artistic content and activities, also allowing space to distinguish between staff, artists and expert costs in the e-form budget overview as it often leads to misunderstandings by experts. Points out that the weight given to the EU Prize for Literature in the evaluation of the Literary translation projects does not adjust well to the reality of the publishing sector.
- 16** Re-instates that progress should be made in expanding qualitative evaluation in reporting in consultation with the sector. Notes that dedicated resources will be needed to accompany the development and implementation of methodologically sound qualitative evaluations frameworks and tools.
- 17** Points to the payment structure as one key area of improvement. Recognises that achieving a balance between the current financing rates and the available budget is complex, yet encourages the Commission to increase financing rates in those strands where they hinder access to the programme. Notes the substantial and increasing cash-flow problems, affecting even staff salaries. Suggests exploring options such as introducing yearly transfers, paying 10% of the last instalment at the moment of report submission or reducing the time-span between submitting the report and the transfer to one month.
- 18** Suggests applying the exchange rate of the day to shelter organisations and providers from unexpected changes, leading to loses, and align project reporting with book-keeping.

Impact and budget of the current programme

19 Regrets the low and decreasing success rates of applications in the Culture sub-programme. Invites the Commission and the Council to substantially increase the budget and ensure that it is not reduced by the (potential) withdrawal of countries from the programme. Calls for a non-preferential approach between all cultural initiatives, to valorise the current hybridisation between practices and formats and to recognise the equally challenging conditions under which all cultural sub-sectors operate. Stresses that any future expansion in terms of priorities or structure should be accompanied by an increase in the budget.

Post-2020 cycle

20 Stresses that the next cycle of the programme should correct the current imbalance between the economic, cultural and social domains. Notes that the EU-added value of selected projects and their contribution to fostering European convergence through culture should be explicitly considered in the programme and the selection of beneficiaries. Calls for strengthening and including, with the appropriate budget allocation, the following priority areas in order to meet the current and foreseen needs of the sector; traditional and digital audience engagement, cultural diversity, intercultural dialogue, social inclusion and cohesion; international cooperation, cross-sectoral and crossover projects, citizen's participation, sustainable development, equality according to current EU law obligations², freedom of expression and cultural rights. Points to the inter-linkages between these domains. In particular, audience development should move beyond quantitative approaches and progress towards audience engagement, taking into account participation, inclusion and diversity.

21 Calls to consider the amendment of the Creative Europe legal basis to accommodate projects and organisations with high cultural relevance for the Europe. Stresses, however that any negative impact of such amendments on the Creative Europe Culture budget would be unacceptable. Reinstates the need to guarantee the independence and transparency of the decision-making process, indispensable for building confidence in equal opportunities for all.

²EU directive 2000/43/EC on the implementation of the principle of equal treatment between persons irrespective of racial or ethnic origin, EU directive 2000/78/EC on the establishment of a general framework for equal treatment, EU directive 2006/54/EC on the implementation of the principle of equal opportunity and equal treatment of men and women in matters of employment and occupation, and EU directive 2004/113/EC on the implementation of the principle of equal treatment between men and women in the access to and supply of goods and services.

22 Calls for a cross-sectoral strand that offers a balanced space for innovative cross-sectoral and crossover projects with artistic, cultural and social aims. Notes that cross-sectoral initiatives, within and beyond Creative Europe, should reach beyond the traditional cultural sector to include research, education and technological experimentation, which by nature present high economic risk levels but high social returns; hence requiring higher financing rates and hindering the support of these initiatives through traditional financial mechanisms.

23 Calls for better and deeper harmonised sectoral data on the following areas: participation and well-being, sectoral business structure, artists' and creative practitioners' economic situation, and their socio-economic background. Calls for better data on equality as regarded in EU law², building upon the new European handbook on Equality Data.

24 Calls upon the European Commission to ensure continued cultural exchange with neighbouring countries, including the UK, in order to maintain strong ties between civil society and safeguard the stability of the cultural sector and creative exchange.

25 Affirms that culture has a fundamental role to play in promoting a sustainable and united Europe and stresses the key role of European institutions in accompanying the peaceful emergence of a hyper-diverse Europe. Calls therefore to continue to promote a transversal approach to culture across policy areas, and to ensure greater policy coherence, in particular regarding research, education and skills development, regional development, migration and sustainability.

EXECUTIVE SUMMARY

Culture Action Europe's analysis on Creative Europe

Creative Europe – Structure and objectives

- ⇒ The structure of the programme, divided in MEDIA and Culture, is increasingly clear for respondents and more than half sees it as appropriate for their organisations. Yet, 62% believe that it's not positive for the sector as a whole, as it signals a trend where social and cultural objectives are increasingly seen as subordinate to the economic development of the sector. The contribution of culture to the economy of the European Union is undeniable, amounting to 4.5% of the EU GDP and around 4% of the EU's share of employment. Yet, in the current socio-political context, more than ever, there is a need to guarantee that economic, social and cultural objectives are balanced within the programme. Failing to do so would constrain the wider contribution that artists and cultural actors can make to the European project. In this regard, culture can strengthen democracy: as the new indicator framework for Culture and Democracy shows, there is a robust relationship between active cultural engagement and democratic openness, political engagement, trust in society and well-being.
- ⇒ The synergies between MEDIA and Culture are not apparent in the view of respondents. The fact that the loan-guarantee facility is often cited as an example of such transversal approach signals to an increasing market-driven understanding of such synergies.
- ⇒ The majority of the respondents (64%) consider that the priorities of the Culture sub-programme offer sufficient scope to develop some of their core activities, while a third struggle to do so. Priorities are regarded as too narrow in focus, especially when approaching innovative and experimental artistic creation. More flexibility in budget allocation for non-specified activities (up to 20%) is also seen as important, particularly for networks, as they need to be able to react to the rapidly changing socio-political reality of the EU.
- ⇒ The emphasis the programme gives to the different priorities diverges from the sector's main drivers. Intercultural dialogue emerges as the main priority for cultural operators, considered by 68% as very relevant, followed by trans-national and international cooperation (54%), audience development (48%) and fostering policy development (42%). Sustainability, innovation and new business models are only seen by 17% as very relevant. Audience development should progress towards an approach to audience engagement that takes into account participation, inclusion and diversity. Given the

limited budget of Creative Europe and its low success-rate of only 15%³, increasing the financial appropriations to the CCS loan guarantee facility should be avoided until its transversal value for the cultural sector has been demonstrated in practice. It is also felt that the CCS loan guarantee runs a high risk of becoming geographically imbalanced. Additionally, some respondents feel that artistic quality and artistic work are being increasingly side-lined in favour of socio-economic drivers.

Application and accessibility

- ⇒ Respondents acknowledge that the application process has improved with respect to previous programmes. However, 80% of the respondents believe that the Culture sub-programme is not easily accessible for cultural organisations, and 88% consider the application process a barrier for small organisations.
- ⇒ The administrative procedure, the application tools and the forms to fill in remain too complex and burdensome. Overall, experienced organisations devote a month of work to apply to Creative Europe, excluding project design.
- ⇒ Increasing the time-span between the launch of the call and the application deadline would allow organisations to build higher quality and more tailored partnerships, while pressures would be diluted across a longer period. Better and earlier communication regarding the publication of the calls, including expected delays, would also be seen as a big improvement that carries no financial implications. Equally, small administrative lapses in the forms and compatibility formats can also be easily corrected.

Strands

- ⇒ Respondents note that more clarity in the European Platforms strand with respect to its policy rationale and sustainability is needed. To be effective, promotion of new talent needs to be accompanied with career development.
- ⇒ In Creative Europe, the European networks strand shifted from operational funding to project funding. 60% of the respondents had to adjust priorities leading to tensions with the needs of their members and audiences in some domains. Allowing for a higher percentage of the budget to be devoted to non-specified activities would ease such situation. Alternatively, a mixed funding approach, combining operating funding and project grants, is seen as adjusting better to the realities of networks. Networks are concerned by the lower importance given in the application to activities in comparison to operative and structural issues, such as reach or membership. 66% of the

³[EP Report on the implementation of Creative Europe, Feb. 2017](#)

respondents would see positively a rebalance of the points assigned across evaluation's criteria.

- ⇒ Literary translation projects encourage the translation and promotion of books awarded with the EU Prize for Literature. The sector's stakeholders report that it is difficult to convince publishing houses to acquire licenses based on prizes.

Support

- ⇒ Overall, applicants are satisfied with the support they receive. CEDs are seen as an integral part of the application process, with 70% of the respondents having reached to the CEDs for help and 67% finding their advice very useful. Harmonisation of the level of service across countries and faster and better flow of information between EACEA and the CEDs are the two main suggestions to improve the capacity of the CEDs to respond to the needs of applicants. There is no consensus with respect to widening the scope of activity for the Desks, with the exception of aggregating information of EU programmes relevant for the cultural sector under the CEDs.
- ⇒ The technical Helpdesk of EACEA was used by 44% of respondents in their application, with 64% being satisfied with their support. IT issues emerge as a problematic area across a number of respondents (e.g. lack of compatibility).

Simplification

- ⇒ A simplified procedure was promised under the Creative Europe. 36% of the respondents see positively the changes introduced, but 40% believe it remains too complex. The transition from paper to e-forms and the simplification of the description of activities are seen positively, as well as the possibility to submit some documents after the deadline. Yet, as these documents need to be ready immediately upon request the potential for simplification is diminished. Additionally, the new forms added, together with the duplication of information in excel and e-form, and the difficulties to estimate accurate statistics add additional challenges.
- ⇒ A real two-step application emerges as the most effective way forward to achieve substantial simplification, with 84% in favour of the measure. If this measure is to be taken forward success rates at the first stage should not act as a disincentive. Equally, the application should not restrict the expression of the proposal's creative component and offer policy guidance.
- ⇒ Concrete suggestions for simplification include: Simplifying the financial planning form and creating a special section for organisations with lower turnover, limit duplications or

very similar questions in different forms, set pages/half pages/lines limits rather than characters, and increase flexibility in formats of submission.

Audits and guarantees

- ⇒ Above a third of the respondents have audits in-house. Overall, 50% of the respondents see running financial audits as burdensome or very burdensome and imply a costly additional investment given the complexity of auditing transnational programmes with multiple partners. Above €750.000, the need to submit audits at the time of the application imply an additional investment without the security of accessing funding. Increasing the time to submit the audits is seen favourably.
- ⇒ Bank guarantees are a cause of hardship for smaller organisations. Banks do not tend to offer guarantees to non-profits if they do not own tangible assets, such as buildings.

Evaluation and transparency

Respondents understand that qualitative evaluation of the level of complexity of EU programmes will always be a challenge. Suggestions to improve transparency include:

- ⇒ Clearer selection criteria and their significance in the final decision as comparison between evaluations show discrepancies on how points are awarded. More detailed and faster feedback, including clarifying the amount of points deducted when negative issues are raised by evaluators. Adding a dedicated space in the e-form budget summary of the application to indicate staff, artists and experts costs would decrease misunderstandings by experts.
- ⇒ Clear benchmarks that offer sufficiently detailed information and trainings for experts to improve their alignment.
- ⇒ Invitations to clarify details of the application, as feedback suggests that many negative evaluations stem from misunderstanding by experts.
- ⇒ The cultural sector cannot be understood, nor assessed, through quantitative or structural criteria. It is acknowledged that the indirect and long-term impacts of cultural activities are difficult to measure, yet they should be taken into account. More qualitative evaluation is seen positively by 76% of respondents. Qualitative evaluation is a field that should be developed with determination and progressively introduced in the assessments to complement quantitative evaluation. The Commission could contribute by supporting the development, in consultation with the sector, of adaptable frameworks and ready-to-implement tools.

- ⇒ More transparency in the selection of experts is necessary according to 64% of the respondents. An alternative proposal would be to move towards a jury of qualified experts in each priority area, with a balanced representation in terms of geographical origin, gender and expertise.
- ⇒ After the evaluation is submitted by the experts to the Commission the process lacks transparency. Clarifying this last step is crucial.

Finances and payment

- ⇒ 82% of respondents see substantial area for improvement in the payment structure. In particular, pre-financing and co-financing rates are problematic for 65% and 35% of respondents respectively. The current rates require organisations to have reserves, access loans or alternative funding, both increasingly difficult to obtain and reinforcing geographical imbalances. This limits participation of organisations with lesser turnover. Acknowledging that European initiatives in the field of culture need to comply with the subsidiarity principle, and that the current budget of Creative Europe limits an increase in financing rates, a better balance could be achieved in those strands where rates might hinder participation in the programme. Greater financial flexibility is needed to be able to support projects and collaborations that arise during the time-span of the grant.
- ⇒ Serious and increasing cash-flow problems arise from the time-span between the submission of the report and the last instalment, even affecting staff salaries. As such, participants suggest exploring options such as reducing the transfer period, transferring 10% of the remaining grant at the point of submission of the report or introducing yearly transfers.
- ⇒ The exchange rate rule is problematic for 62% of the organisations' surveyed. Applying the exchange rate of the day of payment would adjust better to reality, limit losses, protect organisations from unexpected changes and align project reporting with book-keeping.

Communication with institutions

- ⇒ Respondents are satisfied (85%) with the quality of communication. In order to ameliorate the response rate and flow of communication, respondents ask for reinforcement of the CED and EACEA's support structures, as they are aware of the workload of officers.

Reporting

- ⇒ Organisations devote an average of 37.2 days to reporting obligations. Added to the time needed to apply, 2 months of full time work dedicated to comply with administrative work are required.
- ⇒ Opinions regarding the added value of indicators diverge. Respondents clearly favour more qualitative evidence (86%). As such, data collection through testimonials or similar formats is seen favourably. Stories must be collected within structured, cost-effective evaluation frameworks, and compiled by external evaluators. According to the respondents, a good indicator framework should try to capture some or most of the following impacts: EU added value, artistic innovation, learning and aesthetic experience, participation, development of critical thinking, sustainability, degree of new cooperation, the creation of bonds between communities, and the degree of structural change over time in the professional development of the sector. The move towards a greater use of evidence should be coupled with resources to make these evaluations feasible and methodologically sound.
- ⇒ Suggestions for simplification of reporting include the repetition of questions included in the interim report in the final report, where they would only need to be expanded, the elimination of indicators (statistics) that are not meaningful or a substantial simplification targeted to few but relevant areas of impact, and narrowing of the scope of the report limited to results instead of merely listing activities.
- ⇒ Financial reporting can be simplified by only requesting to list expenses above a certain cost level, avoiding in this way the lengthy process of listing minor costs. Separating expenses per category (e.g. receipts from 3r countries) is also seen as a heavy process with limited value-added.

Creative Europe: Post 2020

Future beneficiaries

81% agree on the need to facilitate the access of micro and small organisations to Creative Europe, without disregarding larger organisations and cooperative structures. In order to have a fair level playing field, two different approaches could be needed; one catering for large and medium organisations and one adapted to micro and small organisations.

Future priorities

- ⇒ There is a split between those who think that the current priorities cover some of the core needs of the sector (40%) and those who feel they would be insufficient when looking into the future (40%). Yet, there is a consensus on the need to rebalance the emphasis given to economic priorities and artistic, cultural and social priorities within the

programme. Audience engagement and social inclusion, followed by International cooperation and the increasing importance of cross-sectoral and crossover projects are the priorities that sector feels better suit their current and future needs. The need to make explicit the EU added value of initiatives is also mentioned. The Guarantee Facility and access to markets is only seen by 40% as an important priority. As such, it is felt Creative Europe's priorities need to be re-balanced by strengthening the focus and scope of the following domains: cultural diversity and intercultural dialogue, social inclusion and cohesion. Domains falling outside of the current remit of the programme but considered important in the period ahead are citizen's participation, sustainable development, equality, freedom of expression and cultural rights.

- ⇒ Education for and through culture and the arts emerges as an important priority not sufficiently addressed by current European programmes (in Creative Europe and beyond). Proposals include a dedicated ERASMUS + line on lifelong arts education for artists and educators to ease problems in artists' mobility and inclusion to the labour market of young graduates. Culture and education is not solely understood within the boundaries of the sector. Engagement with the 2020 education framework is also suggested as an area where culture has a clear role to play. In particular, to advance in transversal competences such as cultural awareness and creativity. In this respect, maximising policy coherence across policy fields is a needed step. Early cultural and artistic education is key for audience development, yet Education and Culture remain disconnected policy fields.
- ⇒ Harmonised data is needed for sound policy development. The Structural Business Statistics needs to cover the cultural sector, and data regarding artists' livelihoods and their socio-economic background are increasingly needed. More and better data on equality as regarded in EU law is needed. The new European handbook on Equality Data offers a good base to build upon.

Future structure

Any future structure should retain an approach where economic, social and cultural and artistic values are ensured. This balanced logic should also be reflected in a transversal strand. Any new inclusions should be accompanied with a corresponding budget increase in order not to overburden financially the Culture sub-programme. Currently, 83% of respondents consider the actual budget as insufficient when the low success rate is taken into account.