

# Culture Action Europe's position on the first European Commission's proposal for the Multiannual Financial Framework 2028–2034 package

Culture Action Europe welcomes the proposed doubling of the EU's culture budget, as well as the continued visibility and autonomy of the Creative Europe – Culture strand as part of the AgoraEU programme.

At the same time, we emphasise that the proposed funding represents only the bare minimum required to sustain and develop Europe's cultural sector. We therefore call on the European Parliament and the Council of the European Union to further **strengthen and increase this budget** as negotiations move forward.

Moreover, we urge the European Parliament and the Council of the European Union to **ensure opportunities for culture funding across other proposed funding programmes**, such as the European Competitiveness Fund, Horizon Europe, the Global Europe Instrument, National and Regional Partnership Plans, the European Social Fund, and others.

# **Summary of key proposals**

#### AgoraEU

#### 1. Earmark the Creative Europe - Culture strand.

Fix the Culture strand's envelope directly in Article 11 so its budget (at least 1796 million) is visibly ring-fenced within AgoraEU and guaranteed in negotiations.

#### 2. Ensure AgoraEU's budget is topped up with revenues from digital fines

Reintroduce a programme-specific adjustment mechanism (as used in the 2021–2027 MFF), which allowed a share of antitrust and competition fines imposed by the European Commission to be redirected to seven EU funding programmes, including Creative Europe. Ensure that fines collected under the Digital Markets Act, the Digital Services Act, and the Al Act are used to top up AgoraEU.

#### 3. Publish an Annex with specific funding lines.

Restore an Annex (as in Creative Europe 2021-2027) that lists eligible actions under the Culture strand, which would give applicants clarity, certainty, and continuity.

## Add new funding lines.

If the programme's budget is increased, introduce new funding lines:

- (1) a rapid-response scheme to protect artistic freedom and support artists at risk;
- (2) micro-grant fast track for first-time applicants/emerging artists and cultural professionals to test ideas and cooperate cross-border;
- (3) acquisition support so cultural institutions can buy or programme European works, extending the life and reach of EU-funded content.

Place all three in the Annex and reference them in Article 4 as objectives.

#### 4. Sectoral approach.

If the programme's budget is increased, retain sector-specific actions and extend them to visual arts and performing arts (alongside music, books and publishing, heritage and architecture) to reflect the ecosystem fairly.

### 5. Social conditionality and fair pay under simplified funding.

As lump sums become a default funding format, add a safeguard so that grant beneficiaries commit (via an EU Charter on Working Conditions in the Cultural Sector / a declaration of honour / code of practice) to providing fair pay and decent working conditions.

#### 6. Clarify funding for the Programme Desks.

With the cross-sectoral strand discontinued, explicitly state in AgoraEU where and how Programme Desks are financed so their role is not weakened. Maintain distinct Creative Europe – Culture Desks, separate from CERV National Contact Points.

#### 7. Retain the Programme Committee as a governance structure (comitology).

Reinstate a Creative Europe Committee under Regulation (EU) No 182/2011 to give Member States a formal say on Annual Work Programmes.

#### 8. Strengthen the visibility of the Creative Europe - Culture strand.

Require a Culture strand logo in beneficiary communications and promotions.

**9. Provide opportunities to support culture and socially engaged arts** as drivers of democracy, social cohesion, and community building.

#### **European Competitiveness Fund**

#### Establish a structural component dedicated to cultural and creative industries.

Currently, the European Competitiveness Fund features four structural thematic 'windows'; none of them focuses on competitiveness and entrepreneurship in the creative economy. We propose adding a fifth window dedicated to cultural and creative industries (amendments to Article 1(2), Article 3(2), with a dedicated budget line under Article 4(2)).

#### **Horizon Europe**

- 1. Establish a dedicated structural component for culture and creativity under Part II 'Competitiveness' of the Horizon Europe programme, with a guaranteed financial envelope. This component would support collaborative research and innovation activities across the fields of arts, culture, and creativity, and would sit alongside the four existing components currently envisioned in the proposed Horizon Europe Regulation.
- 2. Ensure that Part II 'Society' of the proposed Horizon Europe programme explicitly covers culture-related research, namely support for activities to tackle global societal challenges in the areas of upholding the social and democratic role of culture and the cultural and creative sectors, and safeguarding cultural heritage.

#### **National and Regional Partnership Plans**

1. Earmark 2% for culture in National and Regional Partnership Plans or any relevant structural and cohesion funding instrument in the next MFF.

It should be reserved for enhancing access to culture and cultural participation, preserving and promoting cultural heritage and diversity, and investing in cultural infrastructure, in line with <a href="Article">Article</a> 167 TFEU.

- 2. Ensure the following principles in distributing the 2% for culture:
  - artistic freedom and autonomy of cultural institutions;
  - geographic balance in funding distribution;
  - support for small and independent creators, cultural professionals, and organisations;
  - fair pay and equitable remuneration for EU funding beneficiaries.

# Proposals for legislative amendments on culture funding in the Multiannual Financial Framework 2028–2034 package following the European Commission's proposal in July 2025

# by Culture Action Europe October 2025

Following the <u>publication</u> of the European Commission's first proposal for the Multiannual Financial Framework (MFF), the EU's long-term budget for 2028–2034, on 16 July 2025, Culture Action Europe welcomes the proposal to increase the EU's culture budget.

However, we emphasise that the proposed funding represents only the bare minimum required to sustain and develop the European cultural sector.

Despite the proposed doubling of funding in current prices for culture (from over €820 million in the 2021–2027 MFF to €1796 million in the proposed 2028–2034 MFF) and for media (from €1427 million to €3194 million), these allocations still account for only 0.25% of the total MFF proposal. When adjusted for inflation and expressed in constant prices, the actual increase for culture and media is 71%.

Culture Action Europe has long <u>advocated</u> for 2% of the EU budget to be allocated to culture. As underlined by the <u>European Parliament Research Service</u>, every euro the EU invests in culture and creativity can generate up to €11 in GDP.

We therefore call on the European Parliament and the Council of the European Union to further strengthen and increase the budget for culture as negotiations progress.

We also acknowledge the continued visibility and autonomy of the cultural funding stream as part of the AgoraEU programme, particularly the clearly defined Creative Europe – Culture strand. We consider the AgoraEU Regulation a strong foundation for the upcoming negotiations. At the same time, we see room for improvement and therefore put forward several proposals, outlined in this paper.

Moreover, we are concerned by the marginal references to culture in other proposed programmes. In our view, they could be significantly strengthened, given the well-documented contributions of culture to competitiveness, external relations, social cohesion and regional development, and research and innovation. For this reason, this paper puts forward proposals not only for the AgoraEU programme, but also for other funds, such as the European Competitiveness Fund, Horizon Europe, the Global Europe Instrument, National and Regional Partnership Plans, the European Social Fund, and others.

# Suggested amendments to the **AgoraEU Regulation proposal**

# 1. Earmark the Creative Europe – Culture strand

To ensure the visibility and continuity of the Creative Europe – Culture strand in AgoraEU, we strongly recommend explicitly earmarking its funding in the legal base of the regulation.

Specifically, we propose that <u>Article 11</u> of the draft AgoraEU Regulation fix the Creative Europe – Culture strand's budget by setting a minimum amount of €1796 million.

Without such a provision, there is a risk that funds intended for the Creative Europe – Culture strand could be redirected to other priorities or strands. While the Commission rightly emphasises flexibility in programme management, such flexibility also creates the possibility of reallocating funds away from cultural objectives. A ring-fenced envelope would prevent this and provide clarity and predictability for cultural operators and stakeholders.

#### 2. Ensure AgoraEU's budget is topped up with revenues from digital fines

In addition to the proposed financial envelope of €8 582 000 000 in current prices (Article 11(1) of the proposed AgoraEU Regulation), we suggest that the AgoraEU programme also benefit from a programme-specific adjustment mechanism, following the precedent set in the 2021–2027 MFF.

Under Article 5 of Regulation (EU, Euratom) 2020/2093, revenues from fines imposed under Council Regulations (EC) No 1/2003 and (EC) No 139/2004 were made available as additional allocations for selected programmes (including Creative Europe) through a programme-specific adjustment<sup>1</sup>. This mechanism was a political outcome of the 2021–2027 MFF negotiations, following advocacy from the European Parliament for greater investment in culture and youth. Starting in 2022, seven EU programmes benefited from additional funding sourced from EU competition fines on top of their original envelopes. Creative Europe received 5.45% of total additional allocations. Article 8(2) of the Creative Europe 2021–2027 Regulation explicitly identifies programme-specific adjustments as a source of the programme's budget.

However, the Commission proposal for the MFF 2028–2034 does not include a continuation of this mechanism. Instead, it foresees that net fines entered in the budget in the previous year will contribute to the Flexibility Instrument, which is designed to finance specific unforeseen expenditure (Article 8(2a) of the proposal for a Council Regulation laying down the MFF 2028–2034).

<sup>&</sup>lt;sup>1</sup> Since 2021, the European Commission has imposed nearly €5 billion in fines under Council Regulations (EC) No 1/2003 and (EC) No 139/2004 (merger and antitrust). The yearly breakdown is as follows:

<sup>• 2021: €1233</sup> million

<sup>• 2022: €363</sup> million

<sup>• 2023: €157</sup> million

<sup>• 2024: €3213</sup> million

While we understand the rationale for flexibility in unforeseen circumstances, we believe that a portion of the fines collected under the Digital Services Act, the Digital Markets Act, and the Al Act should be redirected to support culture.<sup>2</sup>

Tech companies increasingly rely on cultural content and copyrighted works, often without authorisation or fair remuneration, to train AI systems. Allocating part of these fines to AgoraEU, particularly the Creative Europe – Culture strand, would strengthen the EU's commitment to fairness, cultural sustainability, and digital sovereignty.

This measure would also offer a policy response to the economic displacement effects that AI has on artists, creators, and cultural professionals.

To operationalise this measure, the <u>proposal</u> for a Council Regulation laying down the MFF 2028–2034 should be amended to explicitly allow for targeted allocations to specific programmes, namely AgoraEU. This could be achieved through the introduction of a dedicated article on programme-specific adjustment, by analogy with <u>Article 5</u> of the current MFF Regulation (EU, Euratom) 2020/2093, which allowed for additional allocations to specific Union programmes based on revenue from fines.

This article should specifically mention that revenues from fines imposed under Regulation (EU) 2022/2065 (Digital Services Act), Regulation (EU) 2022/1925 (Digital Markets Act), and Regulation (EU) 2024/1689 (Artificial Intelligence Act) shall be available for an additional allocation of commitments appropriations for year n+1, starting for the year 2029 and ending in 2034, to the Union instruments or programmes contributing to supporting Europe's cultural and creative sectors, and payment appropriations for year n+1, starting for the year 2029 and ending in 2034.'

The proposed AgoraEU Regulation, under <u>Article 11</u>, should include a provision specifying that additional budgetary allocations may originate from programme-specific adjustments, as defined in the <u>MFF 2028–2034 Regulation proposal</u>.

#### 3. Publish an Annex with specific funding lines. Add new funding lines.

Culture Action Europe proposes including an Annex to the proposed AgoraEU Regulation, which would detail specific types of actions to be supported under the Creative Europe – Culture strand.

The annex would give applicants a clearer understanding of the opportunities available and maintain consistency with <u>Annex I</u> of the current Creative Europe 2021–2027 Regulation, which outlines the eligible actions and priorities under the current programme.

If the programme's budget is increased, we recommend that the new annex include, in addition to the existing horizontal and sectoral actions, the following actions:

Enforcement under the Al Act, including the possibility of fines, will begin on 2 August 2026.

<sup>&</sup>lt;sup>2</sup> Since 2021, the first fines have also been <u>imposed under the Digital Markets Act</u>: €500 million for Apple and €200 million for Meta. A number of additional Commission proceedings are currently ongoing under both the Digital Markets Act and the Digital Services Act.

- Protection of the autonomy or cultural organisations and artistic freedom of artists and cultural and creative sector professionals, in particular those at risk.
- Support for first-time applicants and early-stage cultural actors to enable the creation of new artistic works, test creative ideas, and experiment with artistic practices through an inclusive, low-barrier access grant scheme;
- Support for European cultural organisations and institutions to acquire, license, or programme European cultural works;

#### 3.1. Supporting artistic freedom

Following the model of Creative Europe's <u>Media Freedom Rapid Response Mechanism</u>, we propose establishing a dedicated **emergency support scheme for artists and cultural professionals at risk** on a regular basis. It would provide targeted grants to individuals facing repression, harassment, or loss of income due to the political or sensitive nature of their work.

This measure would bring to life the principles articulated in <u>Article 4</u> of the proposed AgoraEU Regulation: 'The implementation of the 'Culture' specific objective shall be carried out with full respect of artistic freedom and diversity of cultural expressions, and contribute to the improvement of working conditions for artists and cultural and creative professionals.'

It is suggested to add the following objective to Article 4:

'(h) supporting the protection of the autonomy of cultural organisations and artistic freedom of artists and cultural and creative sector professionals, in particular those at risk, in accordance with Article 13 of the Charter of Fundamental Rights of the European Union.'

It is suggested to add the following action to the Annex listing the activities supported under the Creative Europe – Culture strand of AgoraEU: 'Protection of the autonomy of cultural organisations and artistic freedom of artists and cultural and creative sector professionals, in particular those at risk.'

#### 3.2. Supporting first-time applicants

Despite Creative Europe's efforts to support emerging talents (for example, through platforms), access to EU funding remains highly competitive and administratively burdensome. Young professionals, early-stage cultural organisations, and first-time applicants often lack the track record or experience required to succeed in the main calls.

To address this, we propose introducing a dedicated micro-grant fast-track scheme for first-time applicants within the Creative Europe – Culture strand. The grants ranging from €5,000 to €15,000 would be suitable for piloting early-stage ideas, testing new artistic or collaborative concepts, supporting informal or emerging cultural groups.

Unlike the existing Platforms, which are managed by established organisations and involve competitive internal selection processes, this scheme would offer access to funding for applicants without prior EU project experience and focus on learning-by-doing.

It would allow participants to gain experience in cross-border cooperation, build familiarity with EU funding procedures, and provide a stepping stone towards participation in larger-scale projects.

While we understand the operational details would be shaped by future annual work programmes, we strongly recommend that such a mechanism be explicitly referenced in the AgoraEU's objectives and in the suggested Annex.

It is suggested to revise Article 4(a) of the proposed AgoraEU Regulation with the following wording (hereinafter, addition **in bold**): 'fostering cross-border creation, cooperation and exchanges across various formats, including through the mobility of artists and cultural and creative professionals, artistic residencies, as well as partnerships between organisations of all sizes and tailored support for first-time applicants and early-stage cultural actors.'

It is suggested to add the following action to the Annex listing the activities supported under the Creative Europe – Culture strand of AgoraEU: 'Support for first-time applicants and early-stage cultural actors to enable the creation of new artistic works, test creative ideas, and experiment with artistic practices through an inclusive, low-barrier access grant scheme.'

#### 3.3. Acquisition programme for cultural organisations and institutions

Culture Action Europe proposes the introduction of a dedicated acquisition funding scheme under the Creative Europe – Culture strand of the AgoraEU programme. It would support public cultural organisations and institutions (e.g. galleries, museums, libraries, theatres, etc.) in acquiring European cultural goods and services, including works of art (e.g. paintings, sculptures, digital art), theatre or performance rights, outputs from Creative Europe-funded projects, etc.

The objective of this measure would be to strengthen the sustainability and long-term impact of European cultural production building on the AgoraEU's objective of 'supporting the circulation, distribution, promotion and visibility of diverse European cultural content' (Article 4(c) of the proposed AgoraEU Regulation). While previous editions of Creative Europe have supported the creation of a significant and distinctly European body of artistic work, there is currently no mechanism that ensures these works continue to circulate, reach wider audiences, or be integrated into public collections and programmes.

The proposed acquisition programme would offer grants to cultural institutions to purchase, license, or programme cultural content created by European artists and cultural operators. It will prioritise works or services developed through EU-funded projects, helping to extend their lifespan and reach.

The scheme would support demand-side mechanisms, rather than focusing exclusively on production. It would align with the broader objectives of the AgoraEU programme to ensure cultural participation, diversity, and access across the EU.

It is suggested to revise Article 4(c) of the proposed AgoraEU Regulation with the following wording: 'supporting the circulation, distribution, promotion and visibility of diverse European cultural content through various channels across the Union and internationally, including through European platforms for emerging artists, support to entities aiming at training and promoting young

artists, prizes that promote artistic talent and excellence, touring initiatives, festivals, and translation, and cultural acquisition programmes.'

It is suggested to add the following action to the Annex listing the activities supported under the Creative Europe – Culture strand of AgoraEU: 'Support for European cultural organisations and institutions to acquire, license, or programme European cultural works.'

#### 4. Sectoral approach

Culture Action Europe notes the absence of sector-specific funding in the proposed Regulation (for music, books and publishing, cultural heritage and architecture). Our members are concerned that this may jeopardise the success of well-established and effective funding lines such as Music Moves Europe, Literary Translation, etc., which are widely seen as good practices that should be preserved.

At the same time, we acknowledge the Commission's position, as <u>outlined</u> during the CULT Committee meeting in the European Parliament, that Creative Europe is intended to support cross-sectoral and transversal projects which foster collaboration and synergies across sectors.

If the sectoral approach is to be preserved, we believe it should be expanded to cover additional sectors, such as visual arts, performing arts, and others, to ensure a more balanced and fair representation across the cultural ecosystem. However, such an approach would require significantly more resources, which would only be feasible with an increased budget.

## 5. Social conditionality and fair pay in simplified funding

Culture Action Europe welcomes the European Commission's proposal to reduce administrative burden for beneficiaries through the use of simplified forms of funding (financing not linked to costs and lump sums), which will become the standard form of contribution for reimbursing grants according to Article 15(5) of the AgoraEU Regulation proposal.

However, we would like to highlight a risk associated with simplified funding, such as lump sums. Since lump sums eliminate the need for a detailed, line-by-line budget breakdown, there will be less visibility into how funds are distributed across specific cost categories. This could potentially lead to situations where staff involved in the project are not paid adequately, or where social security contributions and other fair employment conditions are not ensured. With lump sums, the EU may have limited means to monitor or enforce fair treatment of cultural professionals in such cases.

At the same time, <u>Article 4</u> of the proposed Regulation states: 'The implementation of the "Culture" specific objective shall [...] contribute to the improvement of working conditions for artists and cultural and creative professionals.'

In line with the EU's <u>longstanding commitment</u> to improving working conditions in the cultural and creative sectors, we recommend adopting additional safeguards that do not compromise the goal of simplification.

For example, grant beneficiaries could be required to sign a declaration of honour or endorse a code of practice / EU Charter for Decent Working Conditions in the Cultural Sector in which they commit to fair pay and decent working conditions and describe the measures they intend to adopt.

A good example is the <u>Fair Practice Code</u> in the Netherlands, where all organisations applying for public cultural funding (e.g. from the Mondriaan Fund, Creative Industries Fund, etc.) must endorse the code as part of their application. Applicants are expected to integrate the code into their organisational practices and comply with fair practice standards or clearly justify why they cannot in specific cases.

As part of Culture Action Europe's discussion paper '<u>Towards the Culture Compass: A Sector Blueprint'</u>, the authors have developed the idea of an EU Charter for Decent Working Conditions in the Cultural Sector, to be adopted as a Communication of the European Commission.

While not legally binding, the Charter would carry both moral and political weight. By signing it, the Commission and Member States would commit to upholding its principles and taking responsibility for ensuring fair working conditions across the EU. Endorsements could also come from social partners and other European networks and organisations. At the national level, the Charter could be supported by employers and cultural operators who work with or commission artists.

The Charter will be built around three core principles: Fair Pay, Fair Share, and Fair System. More details here.

## 6. Clarify funding for the Programme Desks

In the current Creative Europe Regulation, Creative Europe Desks are funded through the Cross-Sectoral strand (<u>Article 7(1d)</u>). The discontinuation of the Cross-Sectoral strand in the proposed AgoraEU programme raises a question regarding the future funding structure of the Programme Desks.

While the AgoraEU Regulation proposal lists Programme Desks as one of the cross-cutting and horizontal priorities and activities under <u>Article 10(d)</u>, it does not clarify how the Desks will be financed or under which strand their support would fall. The remark 'The financing of cross-cutting and horizontal priorities and activities shall be determined by their nature and scope' leaves the question open.

Given that Creative Europe Desks are crucial in promoting the programme across participating countries and supporting applicants (60% of applicants in 2021–2022 contacted their national Desk before submitting an application, according to the European Parliament's report on the implementation of the Creative Europe Programme 2021–2027), we recommend that the Programme Desks be explicitly included as a clearly defined structural action under one of the AgoraEU strands. We also believe that the Creative Europe – Culture and MEDIA Desks should remain separate from the CERV National Contact Points.

#### 7. Retain the Programme Committee as a governance structure (comitology)

The AgoraEU proposal omits the establishment of a Programme Committee, an important governance structure under the current Creative Europe 2021–2027 Regulation.

Under <u>Article 24</u> of the current regulation, the <u>Creative Europe Committee</u>, composed of representatives from 27 Member States, assists and supports the European Commission and provides an opinion on the Creative Europe Annual Work Programmes. This Committee is part of the wider <u>comitology procedure</u> laid out under <u>Regulation (EU) No 182/2011</u>, <u>Article 5</u>, which ensures Member States can participate in the adoption of implementing acts of the European Commission (in this case, Creative Europe Annual Work Programmes).

The removal of this committee structure would weaken Member States' formal role in shaping the programme's implementation and reduce the overall transparency and accountability of the process.

We therefore propose that the Programme Committee be maintained as part of the AgoraEU governance framework, in alignment with the established comitology procedures for the adoption of Work Programmes.

It is recommended to adopt the wording used in the current Creative Europe 2021–2027 Regulation:

#### 'Committee procedure

- 1. The Commission shall be assisted by a committee (the 'Creative Europe Committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
- 2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
- 3. The Creative Europe Committee may meet in specific configurations to deal with concrete issues relating to the individual strands of the Programme.'

#### 8. Strengthen the visibility of the Creative Europe - Culture strand

To strengthen the visibility of the AgoraEU programme and the Creative Europe – Culture strand in particular, Culture Action Europe proposes introducing a requirement for beneficiaries to use a dedicated logo in all communications and promotional materials related to funded projects.

Such a requirement already exists for beneficiaries of the MEDIA strand under the Creative Europe 2021–2027 programme (Article 23(1) of the current Regulation).

By analogy, the following provision could be added to the AgoraEU Regulation:

'The recipients of Union funds shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the

media and the public, in particular the name of the Programme and, for actions funded under the Creative Europe – Culture strand, the Creative Europe – Culture logo, as set out in Annex XX.'

9. Provide opportunities to support culture and socially engaged arts as drivers of democracy, social cohesion, and community building.

AgoraEU should support culture as a driver of democratic participation, social cohesion, community building, and the rule of law. This could be achieved by:

- amending point (b) under Article 4 as follows:
  - 'improving access to and participation in culture and cultural heritage for all, notably for young people, and strengthening social resilience and social cohesion, in particular intergenerational fairness, equality and diversity, through cultural engagement and the support of socially engaged arts;'
- adding a new point (d) under Article 9:
  - 'd) supporting cultural participation and the creation of diverse and inclusive creative content as a means of community building, fostering social cohesion, and upholding democratic values and civic engagement.'

# Suggested amendments to the <u>European Competitiveness Fund</u> <u>Regulation</u> proposal

In the European Competitiveness Fund Regulation proposal, cultural and creative industries are mentioned only once, under the Digital Leadership window: 'Support to cultural and creative industries, complementing the AgoraEU programme.' This marginal reference and the absence of any structural recognition of the sector, overlooks the substantial and well-documented economic contribution of cultural and creative industries across Europe.

According to the <u>European Parliament Research Service</u>, every euro the EU invests in culture and creativity can generate up to €11 in GDP. Another compelling example of the sector's impact is the success of the <u>Cultural and Creative Sectors Guarantee Facility</u> that provided loan guarantees to banks to encourage lending to cultural and creative businesses, which often struggle to access finance due to their intangible assets and high-risk profiles. With €200 million in guarantees, the Facility <u>has leveraged €2 billion</u> in loans, reducing the financing gap by up to 30%. The facility was part of Creative Europe 2014-2020 and is now continued under the InvestEU programme.

The absence of a dedicated window for cultural and creative industries also risks neglecting the positive effects of culture-related initiatives previously supported under other EU programmes, such as the <u>Worth Partnership Project</u> under the Single Market Programme, initiatives under the <u>Digital Europe programme</u>, and the <u>Cultural and Creative Sectors Guarantee Facility</u> under InvestEU.

Given this proven track record and clear economic value, we propose the creation of a dedicated structural window for cultural and creative industries within the European Competitiveness Fund. It should align with the structure of Horizon Europe, which mirrors the Competitiveness Fund and currently faces similar gaps in integrating cultural and creative industries.

Proposed amendments to create a dedicated 'Cultural & Creative Industries window':

- Recital 18: 'The ECF should operate through five policy windows that mirror Union's key
  policy priorities: Clean Transition and Industrial Decarbonisation; Digital Leadership;
  Health, Biotech, Agriculture and Bioeconomy; Resilience and Security, Defence industry
  and Space; Cultural and Creative Industries.'
- Add recital (after 40) to justify the Cultural and Creative Industries window: 'The cultural and creative industries are a strategic part of Europe's competitiveness, productivity and exports, and an engine for innovation in content, design and user-facing technologies. Given their SME and micro-enterprise fabric, intangible-asset intensity and skills needs, a dedicated window is necessary to tailor financing and support instruments. Actions under this window shall complement and not replace measures under the AgoraEU programme and respect Article 167 TFEU.'
- Article 1(2): add a new point (e): 'Cultural and Creative Industries' window implemented through the activities set out in Chapter II and contributing to the specific objectives set out in Article 3(2), point (e).'

- Article 3(2): add a new point (e):
  - '(e) For support to Cultural and Creative Industries, the specific objectives of increasing the cultural and creative businesses' access to finance for prototyping, production, distribution and internationalisation; fostering innovation and adoption of digital tools in cultural and creative industries value chains; scaling creativity, entrepreneurial, digital, intellectual property management skills and quality jobs; strengthening clusters, studios, venues and shared infrastructures; boosting cross-border circulation of creative works and services, SME collaboration and participation in EU value chains.'
- Article 4(2): add a new budget line for Article 3(2)(e):

# 'EUR [5,000,000,000] for the specific objectives referred to in Article 3(2), point (e).'

- Article 15(3): extend the list to include point (e) so the Commission adopts a dedicated Cultural and Creative Industries work programme by implementing act together with the others.
- Insert a new Chapter VIII SUPPORT FOR CULTURAL AND CREATIVE INDUSTRIES detailing specific activities under the Cultural and Creative Industries window.
- Article 83(1): add a new letter (i):
  - '(i) Cultural and Creative Industries Committee for matters concerning specific objectives set out in Article 3(2), point (e).'

# Suggested amendments to the <u>Horizon Europe Regulation</u> proposal

#### 1. Adding a structural component dedicated to culture

1) The current <u>Horizon Europe</u> programme 2021–2027 includes *Cluster 2: Culture, Creativity and Inclusive Society* under Pillar II. Cluster 2 <u>focuses</u> on 'strengthening democratic values, including rule of law and fundamental rights; **safeguarding our cultural heritage; exploring the potential of cultural and creative sectors,** and promoting socio-economic transformations that contribute to inclusion and growth, including migration management and integration of migrants.'

The 2025 call for Horizon Europe 'Culture, creativity and inclusive society' <u>attracted</u> 1331 proposals, marking a record-breaking year for the social sciences and humanities and other fields. This represents an 80% increase in applications compared to 2024 and nearly 250% more than in 2021.

However, despite the clear demand, a dedicated culture cluster remains completely absent from the proposal for the next Horizon Europe programme under the EU's 2028-2034 long-term budget.

We propose adding a dedicated structural component 'Culture, Creativity and Democracy' under Part II 'Competitiveness', with its own financial envelope, to support collaborative research and innovation activities across the arts, culture, heritage, and creativity. It should be introduced as a fifth component alongside the four currently outlined in <a href="Article 4">Article 4</a> of the proposed Regulation.

Add point 4(b-i-5):

'collaborative research and innovation activities under Chapter VIII 'Cultural and Creative Industries' of the European Competitiveness Fund.

Respectively, add the following paragraph under Article 6(5-b-i):

'EUR [4,000,000,000] for collaborative research and innovation activities under Chapter VIII 'Cultural and Creative Industries' of the European Competitiveness Fund.'

2) In addition, the proposed Part II 'Society' component has the potential to cover culture-related research too. We recommend making this explicit in <a href="Article 15(4)">Article 15(4)</a> of the proposed Regulation:

'The Programme shall support activities to tackle global societal challenges in the areas of strengthening democratic values and tackling disinformation, including rule of law and fundamental rights; upholding the social and democratic role of culture and the cultural and creative sectors, and safeguarding cultural heritage; promoting socio-economic transformations that contribute to inclusion and growth, addressing demographic and intergenerational challenges, including from a youth perspective and including migration management and integration of migrants.'

#### 2. Ensuring balanced sectoral representation across advisory boards

In the past, there have been instances where advisory bodies under Horizon Europe lacked representation from key sectors such as culture, social sciences, humanities, and the arts—for example, the expert group for the interim evaluation of Horizon Europe.

To ensure more inclusive and representative governance, we emphasise the importance of including experts from all relevant sectors and knowledge areas, particularly the humanities, in the advisory bodies of the next Horizon Europe programme.

We propose the following amendment to <u>recital 18</u> of the proposed Regulation:

'The Programme should ensure the effective promotion and protection of values and principles of the European Research Area and the Pact for Research and Innovation, notably ethics and integrity in research and innovation, freedom of scientific research, science for policy, gender equality and equal opportunities, non-discrimination, open science and the promotion of attractive research careers and mobility. In particular, the Programme should ensure the effective promotion of equal opportunities for all and the implementation of gender mainstreaming, including the integration of the gender dimension in R&I content. It should aim to address the causes of gender imbalance. Particular attention should be paid to ensuring, to the extent possible, gender and sectoral balance in evaluation panels and in other relevant advisory bodies such as boards and expert groups.'

# Suggested amendments to the <u>European Fund for economic, social and</u> territorial cohesion, agriculture and rural development, fisheries and <u>maritime affairs, prosperity, and security Regulation</u> proposal

# (National and Regional Partnership Plans)

# 1. Earmarking 2% for culture in National and Regional Partnership Plans

The <u>proposed regulation</u> for the European Fund for economic, social and territorial cohesion, agriculture and rural development, fisheries and maritime affairs, prosperity, and security refers to cultural objectives, but only marginally. In Article 3 (1-D-IV), it states: 'promoting culture as a catalyst for European values and supporting a vibrant and diverse cultural sector.'

However, we believe that a specific share of the Fund should be allocated to culture. This proposal is based on two key arguments: first, the regulation already suggests earmarking 14% for social objectives under Article 10(5); and second, a positive precedent was set during the COVID-19 recovery, when <u>almost 2%</u> of the Recovery and Resilience Facility was allocated to culture and creative industries.

Therefore, it is proposed to add the following amendment after Article 10(5):

'At least 2 % of the financial envelope referred to in paragraph 2 and of the amount referred to in paragraph 4 shall be dedicated to enhancing access to culture and cultural participation, preserving and promoting cultural heritage and diversity, supporting the working conditions and resilience of artists and workers in the cultural and creative sectors, and investing in cultural infrastructure in line with Article 167 TFEU. The amount set out in paragraph 2, point (a) letter (ii), as well as the external assigned revenue from the Social Climate Fund, shall be excluded from the basis for the calculation of this minimum allocation.'

Based on the lessons learned during the pandemic, we recommend introducing a set of guiding criteria for the use of these funds:

- Member States must uphold artistic freedom and freedom of artistic expression and ensure the autonomy of cultural institutions.
- Funding support should be geographically balanced and ensure equitable access for cultural operators across the country, both in urban and rural areas.
- Allocated resources should not be concentrated on a single or a few cultural beneficiaries. Instead, support should target small and independent creators, cultural professionals, and organisations.
- The bodies, institutions and organisations that distribute funding must commit to social conditionality and provide fair pay and equitable remuneration for EU funding beneficiaries.

#### 2. Redirecting rule of law-related decommitments to Creative Europe - Culture Strand

National and Regional Partnership Plans imply that Member States and regions can propose investments to better solve pressing national and regional challenges and receive EU money to do so.

The <u>legal base</u> includes safeguards to ensure compliance with the Charter of Fundamental Rights of the European Union and the rule of law, referred to as the two horizontal conditions. The proposed regulation introduces the possibility to block part or all of payments to a Member State if one or more of these horizontal conditions (Rule of Law or Charter) are not met.

Article 15(4) states: 'The appropriations corresponding to decommitments in accordance with Article 7(3) of Regulation (EU, Euratom) 2020/2092 and Articles 8 [Charter] and 9 [Rule of Law horizontal condition] of this Regulation may be made available again for use under other Union instruments or programmes implemented under direct or indirect management, in particular those contributing to supporting Europe's democracy, civil society, Union values or the fight against corruption.'

The regulation proposes that decommitted funds could be recommitted through the annual budgetary procedure, based on a proposal from the European Commission and requiring the agreement of the European Parliament and the Council. We assume that the main beneficiary programme for such recommitted funds will be AgoraEU since it supports 'Europe's democracy, civil society, Union values or the fight against corruption.'

Culture Action Europe proposes that decommitments related to violations of horizontal principles impacting artistic freedom be reallocated under the Creative Europe – Culture strand.

Article 15(4) should state the following: 'The appropriations corresponding to decommitments in accordance with Article 7(3) of Regulation (EU, Euratom) 2020/2092 and Articles 8 [Charter] and 9 [Rule of Law horizontal condition] of this Regulation may be made available again for use under other Union instruments or programmes implemented under direct or indirect management, in particular those contributing to supporting Europe's democracy, civil society, Union values, the fight against corruption, as well as culture and creative sectors.'

To enable this, it would also be necessary to include artistic freedom explicitly within the scope of the Rule of Law report.

Contact person:

Luiza Moroz, Head of Policy, luiza@cultureactioneurope.org