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Subject:	Proposal for a Regulation of the European Parliament and of the Council on establishing the Creative Europe Programme - <i>Partial general approach</i>
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**I. INTRODUCTION**

1. The Commission adopted its proposal<sup>1</sup> for a Regulation of the European Parliament and of the Council on establishing the Creative Europe Programme on 25 November 2011. The proposed programme brings under a single framework three, currently self-standing, programmes: Culture, MEDIA and MEDIA Mundus programmes. It also includes a new financial facility which aims at improving access to financing for small and medium-sized enterprises operating in the cultural and creative sectors (CCSs). The programme consists of three strands:

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<sup>1</sup> COM (2011) 785 final - 17186/11.

1. a Cross-sectoral strand which includes the financial facility for the CCSs and transnational policy cooperation;
2. a Culture strand;
3. a MEDIA strand.

The Commission has proposed a total budget of 1,8 billion EUR for the duration of the programme (2014 - 2020).

## **II. WORK IN THE COUNCIL**

2. Between January and April this year the Council's preparatory bodies examined in detail the Commission proposal. 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.
3. 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.

4. In response to these concerns, the Presidency has made a number of adjustments to the text, and a revised version can be found in Annex to this report<sup>2</sup>. The main changes can be summarised as follows:

**a) *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 (footnote 6), 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 (footnote 9).

**b) *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).

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<sup>2</sup> Since the proposal for the Creative Europe programme is part of the Multiannual Financial Framework (2014 - 2020), the partial general approach submitted for agreement does not include the provisions with budgetary implications. These include the financial envelope and the indicative budgetary allocations in Article 19 (1) and (1a), as well as all references to the Cultural and Creative Sectors Facility in Article 2 (3), Article 5 (c), Article 7, Article 14 (1) (b) (iii) and the Annex I. Similarly, due to ongoing negotiations in the Working Party on Combating Fraud with a view to a standard article on the protection of the financial interests of the EU, Article 20 will remain in square brackets and is also excluded from the partial general approach.

**c) *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.

**d) *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 (see footnote 10).

**e) *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.

**f) *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)).

**III. TASKS FOR COUNCIL**

5. 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, adjusted to take account of the last remaining reservations raised during the Coreper meeting of 25 April 2012<sup>3</sup>.
6. In the light of the above, the Council is invited to consider the compromise proposal tabled by the Presidency with a view to reaching a partial general approach at its meeting on 10-11 May 2012 pending the opinion of the European Parliament.

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<sup>3</sup> The Commission has entered a general reservation on the whole text pending the opinion of the European Parliament and progress on Multiannual Financial Framework. In addition, the DE delegation maintains a general reservation, while the UK, FR and DK delegations maintain parliamentary scrutiny reservations.

7. The provisions related to the Cultural and Creative Sectors Facility are not part of the partial general approach submitted for agreement (see footnote 2). With a view to providing guidance for further work on this part of the proposal, the Presidency therefore additionally invites Ministers to give their views on the proposed Cultural and Creative Sectors Facility on the basis of the Presidency issues paper that can be found in doc. 9291/12.
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Proposal for a  
**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on  
establishing the CREATIVE EUROPE PROGRAMME**

(Text with EEA relevance)

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**CHAPTER I**  
**General provisions**

*Article 1*  
**Establishment and duration**

1. This Regulation establishes the Creative Europe Programme for support to the European cultural and creative sectors ('the Programme').
2. The Programme shall be implemented for the period from 1 January 2014 to 31 December 2020.

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<sup>4</sup> The recitals will be examined at a later stage.

## *Article 2*

### **Definitions**

For the purpose of this Regulation, the following definitions shall apply:

1. 'cultural and creative sectors' means all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether these activities are market or non-market oriented and whatever the type of structure that carries them out and irrespective of how it is financed. These activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education, management or regulation. The cultural and creative sectors include inter alia architecture, archives and libraries, museums, artistic crafts, audiovisual (including film, television, video games and multimedia), cultural heritage, design, festivals, music, performing arts, publishing, literature, radio and visual arts;
2. [...]
- [3. 'financial intermediaries' means financial institutions providing or planning to provide loan facilities or additional expertise regarding the cultural and creative sectors;]
4. 'SMEs' means micro, small and medium-sized enterprises as defined in the Commission Recommendation 2003/361/EC<sup>5</sup>.

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<sup>5</sup> Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.



### *Article 3*

[...]

### *Article 4*

#### **General objectives**

The general objectives of the Programme shall be:<sup>6</sup>

- (a) to foster the safeguarding and promotion of European cultural and linguistic diversity<sup>7</sup>;
- (b) to strengthen the competitiveness of the cultural and creative sectors with a view to promoting smart, sustainable and inclusive growth.

### *Article 5*

#### **Specific objectives**

The specific objectives of the Programme shall be:

- (a) to support the capacity of the cultural and creative sectors to operate transnationally;
- (b) to promote the transnational circulation of cultural and creative works and transnational mobility of cultural players and audiovisual professionals as well as to reach new audiences and improve access to cultural and creative works in the Union and beyond with a particular focus on children, young people and underrepresented groups;

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<sup>6</sup> New recital 15a: “A support programme for the cultural and creative sectors should take into account the dual nature of culture and cultural activities recognising on the one hand, culture’s intrinsic and artistic value and, on the other, the cultural sector’s economic value, including its broader societal contribution to creativity, innovation and social inclusion.”

<sup>7</sup> New recital 10a: “Given that the European cultural and creative sectors are characterized by linguistic diversity which leads in some sectors to fragmentation along linguistic lines, subtitling, dubbing and audio description are essential to the circulation of cultural and audiovisual works. ”

- (c) [to strengthen the financial capacity of the cultural and creative sectors, and in particular SMEs and organisations;]
- (d) to foster policy development, innovation, creativity, audience development and new business and management models through support for transnational policy cooperation.

### *Article 5a*

#### **European added value**

1. Recognising the intrinsic and economic value of culture<sup>8</sup>, the Programme shall support actions and activities presenting a potential European added value in the field of culture<sup>9</sup> and the cultural and creative sectors. It shall contribute to the achievement of the objectives of the Europe 2020 strategy and its flagship initiatives.
2. European added value shall be ensured in particular through:
  - (a) the transnational character of actions and activities and their impact in particular in the field of culture and in the cultural and creative sectors which will complement national, international and other Union programmes and policies;
  - (aa) the transnational cooperation between cultural players, audiovisual professionals, cultural organisations and audiovisual operators stimulating more comprehensive, rapid and effective responses to global challenges and creating long-term systemic effects on the sectors;

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<sup>8</sup> New wording of recital 5: “The UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions which entered into force on 18 March 2007, and to which the Union is a party, underlines that cultural activities, goods and services have both an economic and a cultural nature, because they convey identities, values and meanings, and must therefore not be treated as solely having commercial value. The convention aims at strengthening international cooperation, including international co-production and co-distribution agreements, and solidarity so as to favour the cultural expression of all countries. A support programme for the cultural and creative sectors should foster cultural diversity at international level in line with the convention.”

<sup>9</sup> New recital 20a: “In order to contribute to the enhancement of a shared cultural area it is important to promote the transnational mobility of cultural players and the transnational circulation of cultural and audiovisual works and products and thereby promoting cultural exchanges and intercultural dialogue.”

- (b) the economies of scale and critical mass which Union support fosters creating a leverage effect for additional funds;
- (c) [...]
- (d) ensuring a more level playing field in the European cultural and creative sectors by taking account of low production capacity countries and/or countries or regions with a restricted geographical and linguistic area;
- (e) [...]

### *Article 6*

#### **Structure of the Programme**

The Programme shall consist of the following strands:

- (a) a Cross-sectoral Strand;
- (b) a Culture Strand;
- (c) a MEDIA Strand.

## **CHAPTER II**

### **The Cross-sectoral Strand**

#### *[Article 7*

#### **The Cultural and Creative Sectors Facility**

1. The Commission shall establish a Facility targeting the cultural and creative sectors and operated within the context of a Union debt instrument for SMEs. This facility shall have the following priorities:
  - (a) facilitate access to finance for SMEs and organisations in the European cultural and creative sectors;
  - (b) to this end, improve the capacity of financial institutions to assess cultural and creative projects, including technical assistance and networking measures.
2. The priorities shall be implemented as defined in Annex I.]

#### *Article 8*

#### **Transnational policy cooperation**

In order to promote transnational policy cooperation the Cross-sectoral Strand shall provide support for:

- (a) transnational exchange of experiences and know-how on new business and management models, peer-learning activities and networking among cultural organisations and audiovisual operators and policy makers related to the development of the cultural and creative sectors, promoting digital networking where appropriate;
- (b) market data, studies, analysis of labour market and skills needs, policy analysis, support for statistical surveys and evaluations including measurement of all aspects of the impact of the Programme;

- (c) contribution fee for the Union membership of the European Audiovisual Observatory to foster data collection and analysis in the cultural and creative sectors;
- (d) testing of new and cross-sectoral business approaches to funding, distributing and monetising creation;
- (e) conferences, seminars and policy dialogue including in the field of cultural and media literacy promoting digital networking where appropriate;
- (f) the Creative Europe Desks set out in Article 8a to carry out their tasks.

### ***Article 8a***

#### **The Creative Europe Desks**

1. The Commission, acting together with the countries participating in the Programme, shall establish a network of the Creative Europe Desks.
2. The Creative Europe Desks shall carry out the following tasks:
  - (a) promote the Programme in the countries participating in the Programme;
  - (b) assist the cultural and creative sectors regarding the Programme and provide basic information on other relevant support opportunities available under Union policy;
  - (c) stimulate cross-border cooperation within the cultural and creative sectors;
  - (d) support the Commission by providing assistance regarding the cultural and creative sectors in the countries participating in the Programme, for example through the provision of available data on these sectors;
  - (e) support the Commission in ensuring proper communication and dissemination of the results and impacts of the Programme as set out in Article 15 (2).

## **CHAPTER III**

### **Culture Strand**

#### *Article 9*

#### **Priorities of the Culture Strand**

1. The priorities in the field of reinforcing the sector's capacity to operate transnationally shall be the following:
  - (a) supporting actions providing cultural players with skills, competences and know-how that contribute to strengthening the cultural and creative sectors, including encouraging adaptation to digital technologies, testing new approaches to audience development and testing of new business and management models;
  - (b) supporting actions enabling cultural players to cooperate internationally and to internationalise their careers and activities in the Union and beyond;
  - (c) providing support to strengthen European cultural organisations and international networking in order to facilitate access to professional opportunities.
2. The priorities in the field of promoting transnational circulation and mobility shall be the following:
  - (a) supporting international touring, events and exhibitions;
  - (b) supporting the circulation of European literature with a view to ensuring the widest possible accessibility;
  - (c) supporting audience development as a means of stimulating interest in and improving access to European cultural works and cultural heritage.

## *Article 10*

### **Support measures of the Culture Strand**

1. In order to implement the priorities set out in Article 9 the Culture Strand shall provide support for:
  - (a) transnational cooperation projects bringing together cultural organisations from different countries to undertake sectoral or cross-sectoral activities;
  - (b) activities by European networks of cultural organisations from different countries;
  - (c) activities by organisations with a European vocation fostering the development of emerging talent and stimulating the transnational mobility of cultural players and circulation of works, with a systemic and structuring effect;
  - (d) literary translation;
  - (e) special actions aiming to achieve greater visibility for the richness and diversity of European cultures, and stimulate intercultural dialogue and mutual understanding, including Union cultural prizes, the European Heritage Label and the European Capitals of Culture.
2. The support measures set out in Article 10 (1) shall in particular support non-profit making projects.<sup>10</sup>

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<sup>10</sup> Recital 23 should read as follows: "With regard to the implementation of the Programme, the intrinsic value of culture and the specific nature of the cultural and creative sectors should be taken into account, including the importance of non-profit making organisations and projects under the Culture Strand, and particular care should be taken to ensure that administrative and financial procedures are simplified."

## **CHAPTER IV**

### **MEDIA Strand**

#### *Article 11*

#### **Priorities of the MEDIA Strand**

1. The priorities in the field of reinforcing the sector's capacity to operate transnationally shall be the following:
  - (a) facilitating the acquisition and improvement of skills and competences of audiovisual professionals and the development of networks including the use of digital technologies to ensure the adaptation to market development, testing new approaches to audience development and testing of new business models;
  - (b) increasing the capacity of audiovisual operators to develop audiovisual works with a potential to circulate in the Union and beyond and to facilitate European and international co-production;
  - (c) encouraging business to business exchanges by facilitating access to markets and business tools for audiovisual operators to increase the visibility of their projects on Union and international markets.
2. The priorities in the field of promoting transnational circulation shall be the following:
  - (a) supporting theatrical distribution through transnational marketing, branding, distribution and exhibition of audiovisual works;
  - (b) promoting transnational marketing, branding and distribution of audiovisual works;



- (c) supporting audience development as a means of stimulating interest in and improving access to audiovisual works in particular through promotion, events, film literacy and festivals;
- (d) promoting new distribution modes in order to allow the emergence of new business models.

## *Article 12*

### **Support measures of the MEDIA Strand**

In order to implement the priorities set out in Article 11 the MEDIA Strand shall provide support for:

- (a) a comprehensive offer of acquisition and improvement of skills for audiovisual professionals, knowledge sharing and networking initiatives, including the integration of digital technologies;
- (b) the development of European audiovisual works with enhanced cross-border circulation potential;
- (c) activities aiming at facilitating European co-productions of audiovisual works including television works;
- (cc) activities helping European and international co-production partners to meet and/or provide indirect support for audiovisual works co-produced;
- (d) facilitating access to professional audiovisual trade events and markets and the use of online business tools inside and outside the Union;
- (e) establishing systems of support for the distribution of non-national European films through theatrical distribution and on all other platforms as well as for international sales activities;
- (f) facilitating circulation of European films worldwide and of international films in the Union on all distribution platforms;
- (g) a European cinema operators' network screening a significant proportion of non-national European films;

- (h) initiatives presenting and promoting a diversity of European audiovisual works such as festivals and other promotional events;
- (i) activities aimed at increasing audiences' knowledge of, and interest in, European audiovisual works;
- (j) innovative actions testing new business models and tools in areas likely to be influenced by the introduction and the use of digital technologies.

## **CHAPTER V**

### **Performance results and dissemination**

#### *Article 13*

#### **Consistency and complementarity**

1. The Commission, in cooperation with the Member States, shall ensure overall consistency and complementarity with:
  - (a) relevant Union policies, such as those in the fields of education, employment, health, internal market, the digital agenda, youth, citizenship, external relations, trade, research and innovation, enterprise, tourism, justice and development;
  - (b) other relevant Union funding sources in the field of culture and media policies, in particular the European Social Fund, the European Regional Development Fund, the Research and Innovation Programmes, as well as the financial instruments relating to justice and citizenship, external cooperation programmes and the pre-accession instruments.<sup>11</sup>
2. This Regulation shall apply and be implemented respecting international commitments of the Union.

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<sup>11</sup> Deleted text ("In particular, it will be important to ensure synergies at the level of implementation between the Programme and the national strategies for smart specialisation") to be reflected in a recital.

## *Article 14*

### **Monitoring and evaluation**

1. The Commission shall ensure regular monitoring and external evaluation of the Programme against qualitative and quantitative performance indicators including the following:
  - (a) Indicators for the general objectives referred to in Article 4:
    - i. the percentage of people reporting that they access European cultural and audiovisual works from countries other than their own;
    - ii. the cultural and creative sectors' level, change in and share of employment and share of gross domestic product.
  - (b) Indicators for the specific objectives referred to in Article 5:
    - i. With regard to the objective referred to in point (a) of Article 5:
      - the scale of international activities of cultural organisations and the number of transnational partnerships created;
      - the number of learning experiences supported by the Programme which have improved competences and increased employability of cultural players and audiovisual professionals.
    - ii. With regard to the objective referred to in point (b) of Article 5:

Culture Strand<sup>12</sup>:

- the number of people directly and indirectly reached through projects supported by the Programme;
- the number of projects addressed to children, young people and underrepresented groups and the estimated number of people reached.

MEDIA Strand:

- the number of admissions for non-national European films in Europe and European film worldwide (ten most important non-European markets) in cinemas;
  - the percentage of European audiovisual works in cinemas, TV and digital platforms.
- iii. [With regard to the objective on strengthening of the financial capacity of cultural and creative sectors referred to in point (c) of Article 5:
- volume of loans granted in the framework of the financial facility;
  - number and geographical spread of financial institutions providing access to finance for the cultural and creative sectors;
  - number, national origin and sub-sectors of final beneficiaries benefitting from the financial facility.]
- iv. With regard to the objective referred to in point (d) of Article 5:
- the number of Member States making use of the results of the Open Method of Coordination in their national policy development and the number of new initiatives and policy outcomes.

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<sup>12</sup> New wording of recital 27: “In compliance with the principles for performance related assessment, the procedures for monitoring and evaluating the programme should include detailed annual reports and refer to the specific, measurable, achievable, relevant and time-bound targets and indicators laid down in this Regulation. Procedures for monitoring and evaluation should take into account the work of relevant players, such as the Unesco Institute for Statistics.”

- 1a. Qualitative and quantitative performance indicators other than the indicators set out in Article 14(1) shall be adopted by the Commission in accordance with the examination procedure referred to in Article 18 (2).
2. The results of the monitoring and evaluation process shall be taken into account when implementing the Programme.
3. In addition to the regular monitoring the Commission shall establish by 2017 an external evaluation report, including qualitative and quantitative elements, in order to assess the effectiveness in achieving the objectives and the efficiency of the Programme and its European added value. The evaluation shall address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of Decision No 1855/2006/EC, Decision No 1718/2006/EC and Decision No 1041/2009/EC of the European Parliament and of the Council.
- 3a. The Commission shall evaluate the longer-term impacts and the sustainability of the effects of the Programme on the basis of quantitative and qualitative indicators.

### ***Article 15***

#### **Communication and dissemination**

- 1. The Commission shall provide the countries participating in the Programme with information concerning the projects which have received the Union's funding by transmitting the selection decisions within two weeks of their adoption.
1. Beneficiaries of the projects supported by the Programme shall ensure communication and dissemination of information concerning the Union funding they have received and the results obtained.

- 1a. The Commission shall ensure dissemination of relevant information to the Creative Europe Desks referred to in Article 8a.
2. The Creative Europe Desks shall ensure the communication and dissemination of information concerning the Union funding awarded and the results obtained for their country.

## **CHAPTER VI**

### **Access to the Programme**

#### *Article 16*

#### **Provisions concerning non-EU Member States and international organisations**

1. [...]
2. The Programme shall be open to the participation of the following countries provided that the conditions are met, including, for the MEDIA strand, those contained within Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive)<sup>13</sup>, and additional appropriations are paid by these countries:
  - (a) acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective Framework Agreements, Association Council Decisions or similar agreements;
  - (b) European Free Trade Association countries which are members of the European Economic Area (EEA), in accordance with the EEA Agreement;
  - (c) the Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country;

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<sup>13</sup> OJ L 95, 15.4.2010, p.1.

- (d) countries of the European neighbourhood area in accordance with the procedures defined with those countries following the framework agreements providing for their participation in Union programmes.
- 3. The Programme shall be open for bilateral or multilateral cooperation actions targeted at selected countries or regions on the basis of additional appropriations paid by these countries or regions.
- 4. The Programme shall permit cooperation and joint actions with countries not participating in the Programme and with international organisations which are active in the cultural and creative sectors such as UNESCO, the Council of Europe, the Organisation for Economic Co-operation and Development or the World Intellectual Property Organisation on the basis of joint contributions for the realisation of the Programme's objectives.

## **CHAPTER VII**

### **Implementing provisions**

#### *Article 17*

#### **Implementation of the Programme**

1. The Commission shall implement the Programme [in accordance with the Financial Regulation (EU) No xxx/2012].
2. The Commission shall adopt by means of implementing acts annual work programmes concerning the strands set out in Article 6.

The annual work programmes shall set out the objectives pursued, the expected results, the method of implementation and the total amount of the financing plan. They shall also contain a description of the measures to be financed, an indication of the amount allocated to each measure and an indicative implementation timetable. For grants they shall include the priorities, the eligibility, selection and award criteria, and the maximum rate of co-financing.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 18 (2).

3. The Commission shall adopt the general guidelines for the implementation of the Programme in accordance with the advisory procedure referred to in Article 18 (3).



## *Article 18*

### **Committee procedure**

1. The Commission shall be assisted by a committee (“the Creative Europe Programme Committee”). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
- 1a. The Creative Europe Programme Committee may meet in specific configurations to deal with concrete issues related to the strands set out in Article 6.
2. Where reference is made to this paragraph, Article 5 of the Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 4 of the Regulation (EU) No 182/2011 shall apply.

## *Article 19*

### **Financial provisions**

1. The financial envelope for implementing this Programme for the period set out in Article 1 (1) is fixed at [EUR 1 801 000 000.]
- 1a. The indicative budgetary allocation among the strands set out in Article 6 is as follows:
  - (a) the Cross-sectoral Strand: [15%];
  - (b) the Culture Strand: [30%];
  - (c) the MEDIA Strand: [55%].

2. The financial allocation for the Programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required directly for the management of the programme and the achievement of its objectives; in particular, studies, meetings of experts, information and communication actions, including corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme.
3. The financial allocation may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under Decision No 1855/2006/EC, Decision No 1718/2006/EC and Decision No 1041/2009/EC of the European Parliament and of the Council. If necessary, appropriations could be entered in the budget beyond 2020 to cover similar expenses, in order to enable the management of actions not yet completed by 31 December 2020.
4. The Commission shall implement the Union financial support in accordance with Regulation XX/2012 [the Financial Regulation].
5. In duly justified cases the Commission may consider costs directly linked to the implementation of the supported actions as eligible even if those costs are incurred by the beneficiary before the submission of the financing application.

**[Article 20]**

**Protection of the financial interests of the European Union**

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the restitution of the amounts wrongly paid and, where appropriate, by effective, proportional and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds. The European Anti-fraud Office (OLAF) may be authorised to carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in the Regulation (Euratom, EC) No 2185/96 with a view to establishing that there has been fraud, corruption or any other illegal activity affecting the financial interests of the European Union in connection with a grant agreement or decision or a contract concerning Union funding.
3. Without prejudice to the first sub-paragraphs, cooperation agreements with third countries and international organisations and grant agreements and grant decisions and contracts resulting from the implementation of this Programme shall expressly empower the Commission, the Court of Auditors and OLAF to conduct such audits, verifications or on-the spot checks Regulation XX/2012 [the Financial Regulation].]

## CHAPTER VIII

### Final provisions

#### *Article 21*

##### **Repeal and transitional provisions**

1. Decision No 1855/2006/EC, Decision No 1718/2006/EC and Decision 1041/2009/EC of the European Parliament and of the Council shall be repealed with effect from 1 January 2014.
2. Activities undertaken before the 31 December 2013 on the basis of the Decision No 1855/2006/EC, Decision No 1718/2006/EC and Decision 1041/2009/EC of the European Parliament and of the Council shall continue to be managed until they are terminated in compliance with the provisions of those Decisions.

#### *Article 22*

##### **Entry into force**

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

It shall apply from 1 January 2014.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

**IMPLEMENTATION ARRANGEMENTS FOR THE CULTURAL AND CREATIVE  
SECTORS FACILITY**

The Commission shall establish a facility targeting the cultural and creative sectors and operated within the context of a European Union debt instrument for small and medium-sized enterprises. The financial support thus provided shall be earmarked to small and medium-sized enterprises and organisations operating in the cultural and creative sectors.

*1. Tasks*

The Cultural and Creative Sectors Facility shall carry out the following tasks:

- (a) Provide guarantees to appropriate financial intermediaries from any country participating in the Creative Europe Programme;
- (b) Provide financial intermediaries with additional expertise and capacity to evaluate risks associated with operators in the cultural and creative sectors;

*2. Selection of intermediaries*

Intermediaries shall be selected in conformity with best market practice with regard to the effect on:

- the volume of debt financing made available to cultural and creative operator and/or
- cultural and creative operator access to finance, and/or
- risk-taking in cultural and creative operator financing by the intermediary concerned.

### 3. *Duration of the Cultural and Creative Sectors Facility*

Individual guarantees may have a maturity of up to 10 years.

In accordance with Article 18.2 of Regulation XX/2012 [the Financial Regulation], revenues and repayments generated by the guarantees shall be assigned to the financial facility. For financial facilities already set up in the previous multiannual financial framework, revenues and repayments generated by operations started in the previous period shall be assigned to the financial facility in the current period.

### 4. *Capacity Building*

Capacity building under the Cultural and Creative Sectors Facility is essentially the provision of expert services to the financial intermediaries signing a facility agreement under the Cultural and Creative Sectors Facility, with the objective of providing each financial intermediary with additional expertise and capacity to evaluate risks associated to financing the cultural and creative sectors. Additionally, operators in the cultural and creative sectors could benefit from this capacity building by developing the appropriate skills to elaborate business plans and to prepare accurate information of their projects that would help the financial intermediary evaluate the cultural and creative projects in an efficient way.

### 5. *Budget*

The budgetary allocation shall cover the full cost of the Facility, including payment obligations towards financial intermediaries such as losses from guarantees, management fees for the EIF managing the Union's resources, as well as any other eligible costs or expenses.

6. *Visibility and awareness-raising*

Each intermediary shall provide an appropriate level of visibility and transparency to the support given by the Union, including adequate information on the financial opportunities made available by the Programme.

It shall be ensured that the final beneficiaries are adequately informed of the available financing opportunities.]

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