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INFORMATION NOTE

From: General Secretariat of the Council
To: Conseil

Subject: The limit for cultural projects implemented under the ERDF 2014-2020
- *Information from the Polish delegation*

Delegations will find attached an information note from the Polish delegation on the above subject, which has been put on the agenda under 'Any Other Business' for the next Education, Youth, Culture and Sport Council meeting on 30 and 31 May 2016.

The limit for cultural projects implemented under the ERDF 2014-2020

Regulation (EU) No 1301/2013 on the European Regional Development Fund¹ (ERDF) introduces the notion of 'small-scale' projects regarding culture. On this basis, the Commission has limited the maximum project cost to EUR 5/10 million and specified that this figure relates to the total cost, not the eligible cost. The Member States were not consulted prior to this decision.

Moreover, during the negotiations on operational programmes, the Commission proposed the same solutions for all countries, without any reflection on different countries' needs. Finally, the scope of intervention is the same in smaller and bigger countries, even if their cultural potential is totally different.

In the opinion of the Polish Ministry of Culture and National Heritage, the proposed limit is too low.

The first impressions coming from the assessment of projects in the 2014-2020 financial period show that this limit is very often far too low, leading to artificial splitting of projects by applicants.

What is more, conservation work related to protected monuments has to fulfil strict requirements, and the unpredictability of the condition of historical buildings may generate additional costs that are impossible to calculate during the investment preparation. In the opinion of the Polish Ministry of Culture and National Heritage, the limit may result in ineffective expenditure and a lower impact on socio-economic development.

¹ OJ L 347, 20.12.2013, p. 289.

Additionally, the cost of projects should be expressed in eligible, not total costs. Determining the maximum value on the basis of the total costs reduces EU support for cultural heritage (the final sum devoted to conservation work may be very low after deduction of the documentation and management costs as well as all the ineligible project costs, e.g. VAT). What is more, it causes numerous problems related to qualification of certain costs (e.g. costs of documentation, which is very often prepared many years in advance as part of the applicant's broader investment strategy). In addition, the maximum size of projects based on total costs in effect limits the right of the Member States to provide higher own contributions to projects.

In September 2015, the Polish Ministry of Culture and National Heritage sent to the Council of the European Union a request for a corrigendum to the ERDF Regulation. Recently we have received information that there are plans to adopt the 'Omnibus Regulation', including the ERDF Regulation, during the Slovak Presidency. In the opinion of the Polish Ministry of Culture and National Heritage, the Omnibus Regulation could be a good means by which to revise the Commission's decision on the restrictions in the cultural sector. That is why it is necessary to:

- clarify the definition of small-scale cultural infrastructure; or
- exempt investment priority 6c related to cultural heritage from the above definition.

Such an approach will in effect make it possible to:

- raise the maximum cost of cultural projects to EUR 10 million for all projects (not only for UNESCO sites);
- consider the eligible costs of projects, rather than the total costs.

The Polish Ministry of Culture and National Heritage considers this issue to be of high importance for cultural heritage and cultural infrastructure in Europe. That is why we hope it will attract the interest of ministers for culture across the EU Member States. Therefore, we would be very grateful if Mr Tibor Navracsics and DG Education and Culture would raise this issue during the process of amending the ERDF Regulation.