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Subject: Position of the Council at first reading in a view of the adoption of a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL establishing the Creative Europe Programme (2021 to 2027)
and repealing Regulation (EU) No 1295/2013

REGULATION (EU) 2021/ ...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

establishing the Creative Europe Programme (2021 to 2027)
and repealing Regulation (EU) No 1295/2013

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular, Article 167(5), and Article 173(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 110, 22.3.2019, p. 87.

² OJ C 168, 16.5.2019, p. 37.

³ Position of the European Parliament of ... (not yet published in the Official Journal) and position of the Council at first reading of ... (not yet published in the Official Journal).
Position of the European Parliament of ... (not yet published in the Official Journal).

Whereas:

- (1) Culture, arts, cultural heritage and cultural diversity are of great value to European society from a cultural, educational, democratic, environmental, social, human rights and economic point of view and should be promoted and supported. The Rome Declaration of 25 March 2017 and the European Council of 14 and 15 December 2017 stated that education and culture are key to building inclusive and cohesive societies for all and to sustaining European competitiveness.
- (2) According to Article 2 of the Treaty on European Union (TEU), the Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and the respect for human rights, including the rights of persons belonging to a minority. Those values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail. Those values are further reaffirmed and articulated in the rights, freedoms and principles enshrined in the Charter of Fundamental Rights of the European Union (the ‘Charter’), which has the same legal value as the Treaties under Article 6 TEU. In particular, the freedom of expression and information and the freedom of the arts and science are enshrined, respectively, in Articles 11 and 13 of the Charter.
- (3) Article 3 TEU further specifies that the Union’s aim is to promote peace, its values and the well-being of its peoples and that, inter alia, it is to respect its rich cultural and linguistic diversity and ensure that Europe’s cultural heritage is safeguarded and enhanced.

- (4) The communication of the Commission of 22 May 2018 entitled ‘A New European Agenda for Culture’ sets out objectives for the cultural and creative sectors. It aims to harness the power of culture and cultural diversity for social cohesion and societal well-being by fostering the cross-border dimension of cultural and creative sectors and fostering their capacity to grow, to encourage culture-based creativity in education and innovation, and for jobs and growth, and to strengthen international cultural relations. The Creative Europe Programme (the ‘Programme’), together with other Union programmes and funds, will support the New European Agenda for Culture. The intrinsic value of culture and of artistic expression should be preserved and promoted, and artistic creation should be at the heart of the Programme. That is also consistent with the 2005 Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which entered into force on 18 March 2007 and to which the Union and its Member States are parties.
- (5) In order to foster the shared area of cultural diversity for the peoples of Europe, it is important to promote the transnational circulation of artistic and cultural works, collections and products, thereby encouraging dialogue and cultural exchanges, and the transnational mobility of artists and of cultural and creative professionals.
- (6) Safeguarding and enhancing cultural heritage facilitates free participation in cultural life, in line with the United Nations Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights. Therefore, cultural heritage plays an important role in the construction of a peaceful and democratic society, in processes of sustainable development and in the promotion of cultural diversity.

- (7) The promotion of European cultural diversity is based on the freedom of artistic expression, the capabilities and competences of artists and cultural operators, the existence of flourishing and resilient cultural and creative sectors and the ability of artists and cultural operators to create, innovate and produce their works and distribute them to a larger and more diverse European audience. This thereby enlarges the business potential of the cultural and creative sectors, increases access to and the promotion of creative content, artistic research and creativity, and contributes to sustainable growth and job creation. In addition, the promotion of creativity and new knowledge contributes to boosting competitiveness and sparking innovation in industrial value chains. The Union's rich cultural and linguistic diversity is a key asset for the European project. At the same time, the European cultural and creative market is characterised by geographical specificities, linguistic specificities, or both, which can cause market fragmentation. Continuing efforts are therefore required to ensure that the cultural and creative sectors fully benefit from the European single market and, in particular, from the digital single market.
- (8) The digital shift represents a paradigm change for cultural and creative sectors. It has reshaped habits, relations, and production and consumption models. This presents a number of challenges. At the same time, the digital shift offers new opportunities for cultural and creative sectors in terms of the creation of, distribution of and access to European works, which benefits European society as a whole. The Programme should encourage cultural and creative sectors to take advantage of those opportunities.

- (9) The Programme should take into account the dual nature of the cultural and creative sectors, recognising, on the one hand, the intrinsic and artistic value of culture and, on the other, the economic value of those sectors, including the broader contribution of those sectors to growth, competitiveness, creativity and innovation. The Programme should also take into account the positive impact of culture on intercultural dialogue, social cohesion and the dissemination of knowledge. This requires strong European cultural and creative sectors, in particular a vibrant European audiovisual industry, given its capacity to reach diverse audiences and its economic importance, including its economic importance for other creative sectors. However, competition in global audiovisual markets has been further intensified by the deepening digital shift, for example changes in media production and consumption and the growing position of global platforms in the distribution of content. Therefore, there is a need to step up support for the European industry.
- (10) As exemplified by the Union action for the European Capitals of Culture, established by Decision No 445/2014/EU of the European Parliament and of the Council¹ (the ‘European Capitals of Culture’), the cultural and creative sectors have an important role in enhancing and revitalising the Union’s territories. In that way, the cultural and creative sectors are key drivers for boosting quality-based tourism and regional, local and urban development across the Union.

¹ Decision No 445/2014/EU of the European Parliament and of the Council of 16 April 2014 establishing a Union action for the European Capitals of Culture for the years 2020 to 2033 and repealing Decision No 1622/2006/EC (OJ L 132, 3.5.2014, p. 1).

- (11) In order to be effective, the Programme should take into account the specific nature and challenges of the different cultural and creative sectors, their different target groups and their particular needs through tailor-made approaches within a strand dedicated to the audiovisual sector (the ‘MEDIA strand’), a strand dedicated to the other cultural and creative sectors (the ‘Culture strand’) and a cross-sectoral strand (the ‘Cross-sectoral strand’).
- (12) The Programme should support actions and activities with European added value, which complement regional, national, international and other Union programmes and policies and positively impact European citizens, and should support the development and promotion of transnational cooperation and exchanges within the cultural and creative sectors. Through such actions and activities, the Programme contributes to the strengthening of European identity and values while promoting cultural and linguistic diversity.
- (13) Music, in all its forms and expressions, and in particular contemporary and live music, is an important component of the cultural, artistic and economic landscape of the Union and its heritage. It is an element of social cohesion and it serves as a key instrument to enhance economic and cultural development. The Culture strand should therefore pay attention to the music sector.

- (14) The Culture strand should promote the networking of creative communities and foster cross-border and multi-disciplinary collaboration with the use of different skillsets, such as artistic, creative, digital and technological skillsets.
- (15) The cross-sectoral strand aims to exploit the potential of collaboration among different cultural and creative sectors and to address the common challenges they face. There are benefits in terms of knowledge transfer and administrative efficiencies to be gained from a joint transversal approach. In this context, the Programme desks contribute to the achievement of the objectives of the Programme and its implementation.

- (16) Union intervention is needed in the audiovisual sector to accompany the Union's Digital Single Market policies. That concerns, in particular, the modernisation of the copyright framework by means of Directives (EU) 2019/789¹ and (EU) 2019/790² of the European Parliament and of the Council, and Directive 2010/13/EU of the European Parliament and of the Council³, as amended by Directive (EU) 2018/1808 of the European Parliament and of the Council⁴. Directives (EU) 2019/789 and (EU) 2019/790 seek to strengthen the capacity of European audiovisual operators to create, finance, produce and disseminate works that are prominently displayed on different media, for example TV, cinema or Video On Demand, that are available and attractive to audiences in a more open and competitive market within Europe and beyond. Those Directives also aim to achieve a well-functioning market place for creators and right holders, especially for press publications and online platforms, and to ensure fair remuneration of authors and performers, which are dimensions that should be taken into account across the Programme. Furthermore, support should be scaled up in order to address recent market developments, in particular the stronger position of global platforms of distribution in comparison to national broadcasters that traditionally invest in the production of European works. As the market conditions and audiovisual operators continue to evolve, specific criteria to define what constitutes an independent production company should be provided in the context of the implementation of the Programme.

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- ¹ Directive (EU) 2019/789 of the European Parliament and of the Council of 17 April 2019 laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes, and amending Council Directive 93/83/EEC (OJ L 130, 17.5.2019, p. 82).
- ² Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC (OJ L 130, 17.5.2019, p. 92).
- ³ 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) (OJ L 95, 15.4.2010, p. 1).
- ⁴ Directive (EU) 2018/1808 of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU 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) in view of changing market realities (OJ L 303, 28.11.2018, p. 69).

- (17) The Programme should allow for the broadest possible participation of organisations in the cultural and creative sectors in it and for those organisations to access the Programme in the broadest way possible, regardless of their geographical origin. The Programme should support those organisations and the best talent, wherever located, to operate across borders and internationally. The MEDIA strand should take into account the differences across countries regarding the production and distribution of audiovisual content and access to audiovisual content and trends relating to the consumption of audiovisual content, and, in particular, their linguistic and geographical specificities, thereby providing a more level playing field, broadening the participation of, and increasing collaboration among, Member States with different audiovisual capacities and supporting European talent, wherever located, to operate across borders and internationally. The specificities of the outermost regions referred to in Article 349 of the Treaty on the Functioning of the European Union (TFEU) should also be taken into account.

- (18) The special actions under the Programme such as the Union action for the European Heritage Label established by Decision No 1194/2011/EU of the European Parliament and of the Council¹ (the ‘European Heritage Label’), the European Heritage Days, European prizes in the areas of contemporary, rock and pop music, literature, heritage and architecture and the European Capitals of Culture have directly reached millions of European citizens, have demonstrated the social and economic benefits of European cultural policies, and should therefore be continued and whenever possible expanded. The Culture strand should support the networking activities of the European Heritage Label sites. Consideration should also be paid to the possibility of extending the European prizes to new fields and sectors, notably theatre.
- (19) Culture is key to strengthening inclusive and cohesive communities. In the context of migration issues and integration challenges, culture plays a fundamental role in providing opportunities for intercultural dialogue and in integrating migrants and refugees, helping them to feel part of host societies, and in developing good relations between migrants and new communities.
- (20) In order to contribute to an inclusive society, the Programme should promote and increase cultural participation across the Union, in particular with regard to people with disabilities and people from disadvantaged backgrounds.

¹ Decision No 1194/2011/EU of the European Parliament and of the Council of 16 November 2011 establishing a European Union action for the European Heritage Label (OJ L 303, 22.11.2011, p. 1).

- (21) In accordance with the Davos Declaration of 22 January 2018 entitled ‘Towards a high-quality Baukultur for Europe’, steps should be taken to promote a new integrated approach to the shaping of a high-quality built environment which is anchored in culture, which strengthens social cohesion, which guarantees a sustainable environment and which contributes to the health and well-being of the population as a whole. That approach should not only place an emphasis on urban areas, but also on the interconnectivity of peripheral and rural areas. The concept of Baukultur encompasses all factors which have a direct impact on the quality of life of citizens and communities, thereby fostering inclusivity, cohesion and sustainability in a very concrete way.
- (22) Freedom of expression and artistic freedom are at the core of vibrant cultural and creative sectors. In particular, the news media sector needs a free, diverse and pluralistic media environment. In conjunction with Directive [2010/13/EU](#), the Programme should therefore promote a free, diverse and pluralistic media environment, encouraging crossovers and cross-cutting activities supporting the news media sector. The Programme should provide support for new media professionals and enhance the development of critical thinking among citizens by means of promoting media literacy.
- (23) The Programme should also stimulate interest in and improve access to European audiovisual works, in particular through audience development measures, including film literacy.

- (24) The mobility of artists and cultural workers beyond borders under the Culture strand can contribute to better linked, stronger and more sustainable cultural and creative sectors in the Union because this is a way to accelerate the development of skills and the learning curve within the cultural and creative sectors, to improve intercultural awareness and to foster the transnational co-creation, co-production, circulation and dissemination of works.
- (25) Cooperation projects, in particular small-scale projects, given the specificities of the cultural and creative sectors, should be at the core of the Culture strand. Therefore, the Commission should facilitate participation in the Programme by achieving substantial simplification of bureaucratic procedures, mostly in the application stage, and, for small-scale projects, by allowing higher co-financing rates.
- (26) In line with Articles 8 and 10 TFEU, the Programme, in all its activities, should support gender mainstreaming and the mainstreaming of non-discrimination objectives and should, where applicable, define appropriate gender-balance criteria. Women are actively engaged in cultural and creative sectors as authors, professionals, teachers, artists and audience members. However, it is less likely that women occupy decision-making positions in cultural, artistic and creative institutions. Therefore, the Programme should promote female talent in order to support women's artistic and professional careers.

- (27) Taking into account the Joint Communication of 8 June 2016 entitled ‘Towards an EU strategy for international cultural relations’, endorsed by the resolution of the European Parliament of 5 July 2017 on the mandate for the trilogue on the 2018 draft budget¹, and the Council conclusions of 24 May 2017 on an EU strategic approach to international cultural relations, European funding instruments and, in particular, the Programme should recognise the relevance of culture in international relations and its role in promoting European values by dedicated and targeted actions designed to have a clear Union impact on the global scene.
- (28) In line with the communication of the Commission of 22 July 2014 entitled ‘Towards an integrated approach to cultural heritage for Europe’, relevant policies and instruments should ensure the legacy of the 2018 European Year of Cultural Heritage, which successfully and efficiently mainstreamed culture into other policy fields, in particular through a participatory governance approach, in drawing out the long term and sustainability value of Europe’s cultural heritage, developing a more integrated approach to its preservation and valorisation and supporting the sustainable safeguarding, the regeneration, the adaptive reuse and the promotion of its values through awareness-raising and networking activities. In the culture sector, consideration should be given to supporting artists, creators and artistic craftspeople skilled in the traditional trades related to cultural heritage restoration. In the audiovisual sector, in particular, heritage works are a crucial source of memory and cultural diversity and represent potential market opportunities. In this context, audiovisual archives and libraries contribute to the preservation and re-use of, and new market developments for, heritage works.

¹ OJ C 334, 19.9.2018, p. 253.

- (29) In line with the communication of the Commission of 10 March 2020 entitled ‘A New Industrial Strategy for Europe’, the Union should rely on its strengths, in particular its diversity, its talents, its values, its way of life and its innovators and creators.
- (30) The success of the Programme relies on the development of innovative and effective projects that generate good practices in terms of transnational European cooperation in the cultural and creative sectors. Wherever possible, such success stories should be promoted, encouraging the support of new business models and skills, fostering traditional know-how and translating creative and interdisciplinary solutions into economic and social value.
- (31) The Programme should be open, subject to certain conditions, to the participation of Members of the European Free Trade Association, acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy, European Neighbourhood Policy countries and the Union’s strategic partners.
- (32) Third countries which are members of the European Economic Area may participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area¹, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation requiring third countries to grant the necessary rights and access required for the authorising officer responsible, the European Anti-Fraud Office (OLAF) and the Court of Auditors to comprehensively exercise their respective competences.

¹ OJ L 1, 3.1.1994, p. 3.

- (33) Third countries should aim to participate fully in the Programme. However, as regards third countries that do not fulfil the conditions for participating in the MEDIA and Cross-sectoral strands but participate in the Culture strand, they should be able to set up and support Programme desks to promote the Programme in their country and to stimulate cross-border cooperation within the cultural and creative sectors.
- (34) Derogations from the obligation to fulfil the conditions set out in Directive 2010/13/EU should be subject to scrutiny and granted to European Neighbourhood Policy countries in duly justified cases, taking into account the specific situation of the audiovisual market in the country concerned and the level of integration in the European audiovisual policy framework. Progress towards the achievement of the objectives set out in Directive 2010/13/EU should be monitored on a regular basis. Moreover, participation in actions funded by the MEDIA strand should be set out on a case-by-case basis in the relevant work programmes.
- (35) The Programme should foster the cooperation between the Union and international organisations such as Unesco, the Council of Europe, including Eurimages and the European Audiovisual Observatory (the ‘Observatory’), the Organisation for Economic Co-operation and Development (OECD) and the World Intellectual Property Organisation. The Programme should also support the Union commitment relating to the Sustainable Development Goals, in particular its cultural dimension. As regards the audiovisual sector, the Programme should ensure the Union’s contribution to the work of the Observatory.

- (36) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement adopted under the United Nations Framework Convention on Climate Change and to achieve the United Nations' Sustainable Development Goals, the Programme is intended to contribute to mainstreaming climate actions and to the achievement of an overall target of 30 % of Union budget expenditure supporting climate objectives. In line with the European Green Deal as a blueprint for sustainable growth, the actions under this Regulation should respect the 'do no harm' principle. During the implementation of the Programme, relevant actions should be identified and put in place without changing the fundamental character of the Programme, and should be reassessed in the context of the relevant evaluations and review process.
- (37) For simplification and efficiency, the Commission should be able to divide budgetary commitments into annual instalments. In that case, the Commission during the Programme's implementation should commit the annual instalments, taking into account the progress of the actions that receive financial assistance, their estimated needs and the budget available. The Commission should communicate to the beneficiaries of grants an indicative timetable covering the commitment of the individual annual instalments.

- (38) Horizontal financial rules adopted by the European Parliament and by the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹ (the ‘Financial Regulation’) and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes and indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (39) ‘LUX - the European Audience Film Award by the European Parliament and the European Film Academy’ has established itself as a distinctive European prize, promoting and disseminating European films that reflect European identity and values beyond national borders, and building on collaborations with a community of renowned film creators and European film organisations and networks.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (40) Since its creation, the European Union Youth Orchestra has developed a unique expertise in promoting access to music, as well as intercultural dialogue, mutual respect and understanding through culture, while also favouring the international career development and training of young musicians. The particularity of the European Union Youth Orchestra lies in the fact that it is a European orchestra, created by a resolution of the European Parliament, that transcends cultural boundaries and is composed of young musicians selected across Europe in accordance with demanding artistic criteria through a rigorous and transparent annual audition process in all Member States. This special contribution to Europe's cultural diversity and identity should be acknowledged by, for example, providing for actions in which the European Union Youth Orchestra and similar European cultural entities can apply to participate. The possibility of multiannual funding for such entities should be provided for in order to ensure the stability of their functioning.
- (41) Organisations in the cultural and creative sectors with a large European geographical coverage and whose activities entail delivering cultural services directly to the European citizens and that thus have the potential to have direct impact on European identity should be eligible for Union support.

- (42) In order to ensure the efficient allocation of funds from the general budget of the Union, it is necessary that all actions and activities carried out under the Programme provide European added value. It is also necessary to ensure that they complement Member States' activities. Consistency, complementarity and synergies should be sought with funding programmes that support policy areas with close links to each other, ensuring that potential beneficiaries are aware of the different funding opportunities, and with horizontal policies such as Union competition policy.
- (43) Financial support should be used to address market failures or sub-optimal investment situations in a proportionate manner, and actions should not duplicate or crowd out private financing or distort competition in the internal market.
- (44) It is important that the Programme address the structural challenges of Europe's cultural and creative sectors, which have been exacerbated by the COVID-19 pandemic. The Programme encompasses the fundamental role of European culture and media in citizens' well-being and in empowering them to take informed decisions. The Programme, together with other relevant Union funding programmes and Next Generation EU, should support the short-term recovery of the cultural and creative sectors, enhance their longer-term resilience and competitiveness in order to best address potential major crises in the future and accompany their digital and ecological transition.
- (45) The policy objectives of the Programme are also addressed through financial instruments and budgetary guarantees under the policy windows of the 2021-2027 Invest EU Programme, which, inter alia, continue to facilitate access to finance for small and medium-sized enterprises and organisations in the cultural and creative sectors.

- (46) Impact, quality and efficiency in the implementation of projects under the Programme should constitute key evaluation criteria for the selection of the projects in question. Taking into account the technical expertise required to assess proposals under specific actions of the Programme, members of committees to evaluate such proposals ('evaluation committees') may be external experts. When selecting the external experts, due consideration should be paid to their professional backgrounds and to the gender balance of the committee in question.
- (47) The Programme should include a realistic and manageable system of qualitative and quantitative performance indicators to accompany its actions and to monitor its performance on a continuous basis. Such monitoring and information and communication actions relating to the Programme and its actions should build on the three strands of the Programme.
- (48) Considering the importance and complexity of gathering and analysing data and of measuring the impact of cultural policies, the Commission should help to gather evidence and statistical data on the trends and developments of the cultural and creative sectors by making use of its expertise and that of other relevant research institutions and should regularly report to the European Parliament and to the Council on the data gathered.
- (49) The Programme should be established for a period of seven years to align its duration with that of the multiannual financial framework for the years 2021 to 2027 laid down in Council Regulation (EU, Euratom) 2020/2093¹ (the '2021-2027 MFF').

¹ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11).

- (50) This Regulation lays down a financial envelope for the Programme which is to constitute the prime reference amount within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources¹, for the European Parliament and the Council during the annual budgetary procedure.
- (51) The Financial Regulation applies to this Programme. The Financial Regulation lays down rules on the implementation of the Union budget, including the rules on grants, including those to third parties, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts.
- (52) The forms of funding and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the need for administrative simplification, in particular in the application process, for the benefit of all parties involved, and the expected risk of non-compliance. When making that choice, the use of lump sums, unit costs and flat rates, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation, should be considered.

¹ OJ L 433 I, 22.12.2020, p. 28.

(53) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹ and Council Regulations (EC, Euratom) No 2988/95², (Euratom, EC) No 2185/96³ and (EU) 2017/1939⁴, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council⁵. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

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- ¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).
- ² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p.1).
- ³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).
- ⁴ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).
- ⁵ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (54) It should be possible to award quality proposals for actions that are eligible under the Programme but cannot be financed under it due to budgetary constraints with a Seal of Excellence label, based on a specific set of criteria. The Seal of Excellence label recognises the quality of the proposal and simplifies the search for alternative funding under the European Regional Development Fund or the European Social Fund Plus. For actions in respect of which a Seal of Excellence label could be awarded, additional information should be provided in the relevant calls for proposals.
- (55) In view of Article 349 TFEU and taking into account the communication of the Commission of 24 October 2017 entitled ‘A stronger and renewed strategic partnership with the EU's outermost regions’, the specific contribution of the regions referred to in that Article to the cultural diversity of the Union, as well as their role in promoting exchanges of, including through mobility, and cooperation with people and organisations from third countries, in particular from their neighbouring countries, should be valued. Pursuant to Council Decision 2013/755/EU¹ and taking into account the contribution of overseas countries and territories to the international cultural influence of the Union, persons and entities established in overseas countries and territories are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked. It should thus be possible for people to benefit equally from the competitive advantages that the cultural and creative industries can offer, in particular economic growth and employment.

¹ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision) (OJ L 344, 19.12.2013, p. 1).

- (56) In order to ensure the effective assessment of the Programme's progress towards the achievement of its objectives, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of developing a monitoring and evaluation framework and of reviewing the Programme indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

¹ OJ L 123, 12.5.2016, p. 1.

- (57) In accordance with Article 193(2) of the Financial Regulation, it is possible to award a grant for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, the costs incurred prior to the date of submission of the grant application are not eligible for Union financing, except in duly justified exceptional cases. In accordance with Article 193(4) of the Financial Regulation, the costs incurred prior to the date of submission of the grant application are also not eligible for Union financing in the case of operating grants and the grant agreement is to be signed within four months of the start of the beneficiary's financial year. In order to avoid any disruption in Union support which could be prejudicial to Union's interests, it should be possible to provide in the financing decision, for a limited period of time at the beginning of the 2021-2027 MFF, and only in duly justified cases, for the eligibility of activities and costs from 1 January 2021, even if those activities were implemented and those costs incurred before the grant application was submitted.
- (58) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making, the Programme should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the Programme on the ground.

- (59) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to adopt the work programmes. Those implementing powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹. In particular, as provided for by this Regulation, time limits should be proportionate and should afford committee members early and effective opportunities to examine the draft implementing act and express their views.
- (60) It is necessary to ensure that the 2014-2020 Creative Europe Programme established by Regulation (EU) No 1295/2013 of the European Parliament and of the Council² (the ‘2014-2020 Programme’) is closed correctly, in particular as regards the continuation of multiannual arrangements for its management, such as the financing of technical and administrative assistance. As from 1 January 2021, the technical and administrative assistance should ensure, where necessary, the management of actions that have not yet been finalised under the 2014-2020 Programme by 31 December 2020.
- (61) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter. In particular, this Regulation seeks to ensure full respect for the right to equality between men and women and the right to non-discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, as enshrined in Articles 21 and 23 of the Charter. This Regulation is also in line with the United Nations Convention on the Rights of Persons with Disabilities.

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission’s exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

² Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC (OJ L 347, 20.12.2013, p. 221).

- (62) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of their transnational character, the high volume and wide geographical scope of the mobility and cooperation activities funded, their effects on access to learning mobility and more generally on Union integration, and their reinforced international dimension, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity, as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (63) Regulation (EU) No 1295/2013 should therefore be repealed with effect from 1 January 2021.
- (64) In order to ensure continuity in providing support in the relevant policy area and to allow the implementation to start from the beginning of the 2021-2027 MFF, this Regulation should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

Chapter I

General Provisions

Article 1

Subject matter

This Regulation establishes the Creative Europe Programme (the ‘Programme’) for the duration of the 2021-2027 MFF.

It lays down the objectives of the Programme, the budget for the period from 2021 to 2027, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) ‘cultural and creative sectors’ means all sectors:
 - (a) whose activities, many of which have potential to generate innovation and jobs in particular from intellectual property:
 - (i) are based on cultural values and artistic and other individual or collective creative expressions; and

- (ii) 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 or management;
- (b) irrespective of:
- (i) whether the activities of those sectors are market-oriented or non-market-oriented;
 - (ii) the type of structure that carries out those activities; and
 - (iii) how that structure is financed;

those sectors include, inter alia, architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design (including fashion design), festivals, music, literature, performing arts, (including theatre and dance), books and publishing, radio, and visual arts;

- (2) ‘legal entity’ means a natural person or a legal person which is created and recognised as such under national law, Union law or international law, which has legal personality and which may exercise rights and be subject to obligations when acting in its own name, or an entity which does not have legal personality as referred to in point (c) of Article 197(2) of the Financial Regulation;

- (3) ‘blending operation’ means actions supported by the Union budget, including within blending facilities pursuant to Article 2(6) of the Financial Regulation, that combine non-repayable forms of support and financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, or from commercial finance institutions and investors.

Article 3

Programme objectives

1. The general objectives of the Programme are to:
 - (a) safeguard, develop and promote European cultural and linguistic diversity and heritage;
 - (b) increase the competitiveness and the economic potential of the cultural and creative sectors, in particular the audiovisual sector.

2. The Programme has the following specific objectives:
 - (a) to enhance artistic and cultural cooperation at the European level in order to support the creation of European works and strengthen the economic, social and external dimension of and innovation and mobility in Europe’s cultural and creative sectors;
 - (b) to promote competitiveness, scalability, cooperation, innovation and sustainability, including through mobility, in the European audiovisual sector;

- (c) to promote policy cooperation and innovative actions supporting all strands of the Programme and to promote a diverse, independent and pluralistic media environment, and media literacy, thereby fostering freedom of artistic expression, intercultural dialogue and social inclusion.
3. The Programme shall cover the following strands:
- (a) the Culture strand, which covers cultural and creative sectors with the exception of the audiovisual sector;
 - (b) the MEDIA strand, which covers the audiovisual sector;
 - (c) the Cross-sectoral strand, which covers actions across all cultural and creative sectors.
4. Recognising the intrinsic and economic value of culture, the Programme objectives shall be pursued through actions with European added value. The European added value shall be ensured, inter alia, through:
- (a) the transnational character of actions and activities, which complement regional, national, international and other Union programmes and policies, thereby promoting European common roots and cultural diversity;
 - (b) cross-border cooperation, including through mobility, among organisations and professionals in the cultural and creative sectors, and the potential of such cooperation to address common challenges, including the digital shift, and to promote access to culture, active engagement of citizens and intercultural dialogue;

- (c) the economies of scale and growth and jobs which Union support fosters, creating a leverage effect for additional funds;
 - (d) providing a more level playing field through actions with European added value under the MEDIA strand that take into account the specificities of different countries, in particular regarding the production and distribution of content, access to content, the size and specificities of their markets and their cultural and linguistic diversity, in a way that broadens the participation of countries with different audiovisual capacities and strengthens collaboration between those countries.
5. The Programme objectives shall be pursued in a way that encourages inclusion, equality, diversity and participation, which, where appropriate, shall be achieved through specific incentives that:
- (a) ensure that people with disabilities, people belonging to minorities and people belonging to socially marginalised groups have access to the cultural and creative sectors and that encourage their active participation in those sectors, including in both the creative process and audience development; and
 - (b) foster gender equality, in particular as a driver of creativity, economic growth and innovation.

Article 4
Programme actions

The Programme shall support actions that are in accordance with the priorities set out in Articles 5, 6 and 7 and the descriptions set out in Annex I.

Article 5
Culture strand

1. In line with the Programme objectives referred to in Article 3, the Culture strand shall have the following priorities:
 - (a) to strengthen transnational cooperation and the cross-border dimension of the creation, circulation and visibility of European works and the mobility of operators in the cultural and creative sectors;
 - (b) to increase access to and participation in culture and to increase audience engagement and improve audience development across Europe;
 - (c) to promote societal resilience and to enhance social inclusion and intercultural dialogue through culture and cultural heritage;
 - (d) to enhance the capacity of the European cultural and creative sectors, including the capacity of individuals working in those sectors, to nurture talent, to innovate, to prosper and to generate jobs and growth;

- (e) to strengthen European identity and values through cultural awareness, arts education and culture-based creativity in education;
 - (f) to promote capacity-building within the European cultural and creative sectors, including grassroots organisations and micro-organisations, so that they are able to be active at the international level;
 - (g) to contribute to the Union's global strategy for international relations through culture.
2. The actions through which the priorities set out in paragraph 1 of this Article are to be pursued are set out in Section 1 of Annex I.

Article 6

MEDIA strand

1. In line with the Programme objectives referred to in Article 3, the MEDIA strand shall have the following priorities:
- (a) to nurture talent, competence and skills and to stimulate cross-border cooperation, mobility, and innovation in the creation and production of European audiovisual works, thereby encouraging collaboration across Member States with different audiovisual capacities;

- (b) to enhance the circulation, promotion, online distribution and theatrical distribution of European audiovisual works within the Union and internationally in the new digital environment, including through innovative business models;
 - (c) to promote European audiovisual works, including heritage works, and to support the engagement and development of audiences of all ages, in particular young audiences, across Europe and beyond.
2. The priorities set out in paragraph 1 of this Article shall be addressed through support for the development, production, promotion, and dissemination of European works and support for access to those works, with the objective of reaching diverse audiences within Europe and beyond, thereby adapting to new market developments and accompanying the implementation of Directive 2010/13/EU.
 3. The actions through which the priorities set out in paragraph 1 of this Article are to be pursued are set out in Section 2 of Annex I.

Article 7
Cross-sectoral strand

1. In line with the Programme objectives referred to in Article 3, the Cross-sectoral strand shall have the following priorities:
 - (a) to support cross-sectoral transnational policy cooperation, including cooperation on the promotion of the role of culture in social inclusion and cooperation on artistic freedom, to promote the visibility of the Programme and to support the transferability of the results of the Programme;
 - (b) to encourage innovative approaches to the creation, distribution and promotion of, and access to, content across cultural and creative sectors and other sectors, including by taking into account the digital shift, covering both market and non-market dimensions;
 - (c) to promote cross-sectoral activities that aim at adjusting to the structural and technological changes faced by the media, including enhancing a free, diverse, and pluralistic media environment, quality journalism and media literacy, including in the digital environment;
 - (d) to support the establishment of Programme desks in participating countries and the activities of Programme desks and to stimulate cross-border cooperation and the exchange of best practices within the cultural and creative sectors.

2. The actions through which the priorities set out in paragraph 1 of this Article are to be pursued are set out in Section 3 of Annex I.

Article 8

Budget

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 1 842 000 000 in current prices.
2. As a result of the programme-specific adjustment provided for in Article 5 of Regulation (EU, Euratom) 2020/2093, the amount set out in paragraph 1 of this Article shall be increased by an additional allocation of EUR 600 000 000 in 2018 prices as specified in Annex II to that Regulation.
3. The indicative distribution of the amount set out in paragraph 1 of this Article shall be:
 - (a) at least 33 % for the objective referred to in point (a) of Article 3(2) (Culture strand);
 - (b) at least 58 % for the objective referred to in point (b) of Article 3(2) (MEDIA strand);
 - (c) up to 9 % for the objective referred to in point (c) of Article 3(2) (Cross- sectoral strand).

4. The indicative distribution of the amount set out in paragraph 2 of this Article shall be:
 - (a) at least 33 % for the objective referred to in point (a) of Article 3(2) (Culture strand);
 - (b) at least 58 % for the objective referred to in point (b) of Article 3(2) (MEDIA strand);
 - (c) up to 9 % for the objective referred to in point (c) of Article 3(2) (Cross-sectoral strand).
5. The amounts set out in paragraphs 1 and 2 may be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, including corporate information technology systems.
6. In addition to the amounts set out in paragraphs 1 and 2 of this Article, and in order to promote the international dimension of the Programme, additional financial contributions may be made available from a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument and from a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III) to support actions that are implemented and managed in accordance with this Regulation. Such contributions shall be financed in accordance with the Regulations establishing those instruments.

7. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the Programme subject to the conditions set out in Article 26 of a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the instrument for financial support for border management and visa (the ‘Common Provisions Regulation’). The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Those resources shall be used for the benefit of the Member State concerned.
8. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments. Those commitments shall not exceed 40 % of the amount set out in paragraph 1.

Article 9

Third countries associated to the Programme

1. The Programme shall be open to the participation of the following third countries, provided that they contribute financially to the Programme:
 - (a) Members of the European Free Trade Association which are members of the European Economic Area, in accordance with the conditions laid down in the Agreement on the European Economic Area;
 - (b) acceding countries, candidate countries and potential candidates, 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 and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;
 - (c) European Neighbourhood Policy countries, 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 and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;

- (d) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement:
 - (i) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (ii) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes, and their administrative costs;
 - (iii) does not confer on the third country a decision-making power in respect of the Union programme;
 - (iv) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

The contributions referred to in point (d)(ii) of the first subparagraph shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation.

2. The participation of the countries referred to in paragraph 1 of this Article in the MEDIA strand and Cross-sectoral strand shall be subject to the fulfilment of the conditions set out in Directive 2010/13/EU.
3. The agreements concluded with countries as referred to in point (c) of paragraph 1 may derogate from the obligations set out in paragraph 2 in duly justified cases.

4. Countries as referred to in points (a) and (b) of paragraph 1 of this Article that fully participated in the 2014-2020 Programme may fully participate in the Programme on a provisional basis if they can show that they have taken tangible steps to align their national law to Directive 2010/13/EU, as amended by Directive (EU) 2018/1808.
5. Countries as referred to in point (b) of paragraph 1 of this Article shall be allowed to continue to participate in the Programme beyond 31 December 2022 provided that they provide the Commission with evidence showing that they have fulfilled the conditions set out in Directive 2010/13/EU.
6. Access to the actions corresponding to the priority referred to in point (d) of Article 7(1) shall be ensured for countries that exceptionally participate in the Culture strand but do not fulfil the conditions for participating in the MEDIA strand and Cross-sectoral strand under paragraph 2 of this Article.

Article 10

Other third countries

Where it is in the Union's interest, the Programme may support cooperation with third countries other than those referred to in Article 9 with regard to actions financed through additional financial contributions from the external financing instruments in accordance with Article 8(3).

Article 11
Cooperation with international organisations
and the European Audiovisual Observatory

1. Access to the Programme shall be open to international organisations that are active in the areas covered by the Programme, in accordance with the Financial Regulation.
2. The Union shall be a member of the Observatory for the duration of the Programme. The Union's participation in the Observatory shall contribute to the achievement of the priorities of the MEDIA strand. The Commission shall represent the Union in its dealings with the Observatory. The MEDIA strand shall support the payment of the contribution fee for Union membership of the Observatory and data collection and analysis in the audiovisual sector.

Article 12
Data gathering on cultural and creative sectors

To strengthen the evidence base for the development of the cultural and creative sectors and to measure and analyse their contribution to Europe's economy and society, the Commission shall gather appropriate data and information, making use of its own expertise and that of the Council of Europe, the OECD, Unesco and relevant research institutions, as appropriate. The Commission shall report regularly to the European Parliament and to the Council on the data gathered. The Commission shall share relevant findings on the data gathered with stakeholders.

Article 13

Forms of Union funding and methods of implementation

1. The Programme shall be implemented under direct management in accordance with the Financial Regulation or under indirect management with bodies as referred to in point (c) of Article 62 (1) of that Regulation.
2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes and procurement. The Programme may also provide financing in the form of financial instruments within blending operations.
3. Blending operations under the Programme shall be implemented in accordance with Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺ and Title X of the Financial Regulation.
4. Contributions to a mutual insurance mechanism may cover the risk associated with the recovery of funds due by recipients and shall be considered a sufficient guarantee under the Financial Regulation. The provisions laid down in Article 37 of Regulation (EU) 2021/... of the European Parliament and of the Council²⁺⁺ shall apply.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... (OJ L ...).

⁺ OJ: please insert in the text the number of the Regulation contained in file PE-CONS 74/20 (2020/0108 (COD)), and insert the number, date, authors, name and OJ reference of that Regulation in the footnote.

² Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing Horizon Europe- the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (OJ L ..., ..., p. ..).

⁺⁺ OJ: Please insert the number of the Regulation contained in file PE-CONS ST 7064/20 (2018/0224 (COD)), and insert the number, date, authors, name and OJ reference of that Regulation in the footnote.

5. Entities active in cultural and creative sectors that have received over 50 % of their annual revenue from public sources over the last two years shall be considered as having the necessary financial, professional and administrative capacity to carry out activities under the Programme. They shall not be required to present further documentation to demonstrate that capacity.

Article 14

Protection of the Union's financial interests

Where a third country participates in the Programme by means of a decision adopted pursuant to an international agreement or on the basis of any other legal instrument, that third country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.

Article 15

Work programmes

1. The Programme shall be implemented through annual work programmes as referred to in Article 110 of the Financial Regulation. Annual work programmes shall give an indication of the amount allocated to each action and set out, where applicable, the overall amount reserved for blending operations. Annual work programmes shall also contain an indicative timetable for implementation.

2. The Commission shall adopt annual work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).

Chapter II

Grants and eligible entities

Article 16

Grants

1. Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.
2. In order to ensure that applications are properly evaluated, members of evaluation committees may be external experts. External experts shall have a professional background related to the field assessed and, where relevant, knowledge of the geographical area concerned by the application.

3. In accordance with point (a) of the second subparagraph of Article 193(2) of the Financial Regulation, and by way of derogation from Article 193(4) of that Regulation, in duly justified cases specified in the financing decision, activities supported under this Regulation and the underlying costs incurred in 2021 may be considered eligible as of 1 January 2021 even if those activities were implemented and those costs were incurred before the grant application was submitted. The grant agreements for the operating grants of the 2021 financial year may exceptionally be signed within six months of the start of the beneficiary's financial year.
4. Where applicable, the Programme actions shall set out appropriate criteria to achieve gender equality.

Article 17

Eligible entities

1. The eligibility criteria set out in this Article shall apply in addition to the criteria set out in Article 197 of the Financial Regulation.
2. The following entities are eligible to participate in the Programme if they are active in cultural and creative sectors:
 - (a) legal entities established in:
 - (i) a Member State or an overseas country or territory linked to that Member State;

- (ii) a third country associated to the Programme; or
- (iii) a third country listed in the work programme, subject to the conditions set out in paragraphs 3 and 4;

(b) legal entities created under Union law;

(c) international organisations.

3. Legal entities active in the cultural and creative sectors established in a third country which is not associated to the Programme shall exceptionally be eligible to participate in the Programme where such participation is necessary for the achievement of the objectives of a given action.
4. Legal entities active in the cultural and creative sectors established in a third country which is not associated to the Programme shall in principle bear the cost of their participation. Where it is in the Union's interest, additional contributions from the external financing instruments in accordance with Article 8(3) may cover the costs of the participation of such legal entities.

Chapter III

Synergies and complementarity

Article 18

Complementarity

The Commission, in cooperation with the Member States, shall ensure the overall consistency and complementarity of the Programme with the relevant Union policies and programmes, in particular those relating to gender balance, education, in particular digital education and media literacy, youth and solidarity, employment and social inclusion, in particular for socially marginalised groups and minorities, research, technology and innovation, including social innovation, industry and enterprise, agriculture and rural development, environment and climate action, cohesion, regional and urban policy, sustainable tourism, State aid, mobility and international cooperation and development.

Article 19

Cumulative and alternative funding

1. An action that has received a contribution under the Programme may also receive a contribution from any other Union programme, including Funds under the Common Provisions Regulation, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The cumulative financing shall not exceed the total eligible costs of the action, and the support from the different Union programmes may be calculated on a pro-rata basis.
2. A project may be awarded a Seal of Excellence label as defined in point 45 of Article 2 of the Common Provisions Regulation under the Programme where it complies with the following cumulative conditions:
 - (a) it has been assessed in a call for proposals under the Programme;
 - (b) it complies with the minimum quality requirements of that call for proposals; and
 - (c) it cannot be financed under that call for proposals due to budgetary constraints.

A project that has been awarded a Seal of Excellence label in accordance with the first subparagraph of this paragraph may receive support from the European Regional Development Fund or the European Social Fund Plus in accordance with Article 73 (4) of the Common Provisions Regulation.

Chapter IV

Monitoring, Evaluation and Control

Article 20

Monitoring and reporting

1. Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the objectives laid down in Article 3 are set out in Annex II.
2. To ensure the effective assessment of the Programme's progress towards the achievement of its objectives, the Commission is empowered to adopt delegated acts, in accordance with Article 22, to develop the provisions for a monitoring and evaluation framework, including amendments to Annex II in order to review or supplement the indicators where necessary for monitoring and evaluation.
3. The performance reporting system shall ensure that data for monitoring the implementation and the results of the Programme are collected efficiently, effectively, and in a timely manner.
4. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where appropriate, on Member States.

Article 21
Evaluation

1. The Commission shall carry out evaluations based on the regular collection of data and consultation of stakeholders and beneficiaries, in a timely manner to feed into the decision-making process.
2. Once sufficient information about the implementation of the Programme is available but, in any event, no later than 31 December 2024, the Commission shall carry out an interim evaluation of the Programme, which shall be based, inter alia, on external and independent analyses. The Commission shall submit a report on the interim evaluation to the European Parliament and to the Council no later than six months after the interim evaluation has been carried out.
3. After 31 December 2027 but, in any event, no later than 31 December 2029, the Commission shall carry out a final evaluation of the Programme, which shall be based on external and independent expertise. The Commission shall submit a report on the final evaluation to the European Parliament and to the Council no later than six months after the final evaluation has been carried out.
4. The Commission shall communicate the conclusions of the evaluations referred to in paragraphs 2 and 3, together with its observations on those evaluations, to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions.

5. The evaluation reporting system shall ensure that data for Programme evaluation are collected efficiently, effectively, in a timely manner and at the appropriate level of detail. The recipients of Union funds shall communicate such data and information to the Commission in a way that complies with other legal provisions. For example, personal data shall be made anonymous where necessary. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds.

Article 22

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 20 is conferred on the Commission for a period of seven years from 1 January 2021.
3. The delegation of power referred to in Article 20 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 20 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council, or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Chapter V

Transitional and Final Provisions

Article 23

Information, communication and publicity

1. 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 MEDIA strand, the MEDIA logo, as set out in Annex III.
2. The Commission shall implement information and communication actions relating to the Programme, to actions taken pursuant to the Programme and to the results obtained.

3. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 3.

Article 24

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.

Article 25

Repeal

Regulation (EU) No 1295/2013 is repealed with effect from 1 January 2021.

Article 26
Transitional provisions

1. This Regulation shall not affect the continuation of or modification of actions initiated pursuant to Regulation (EU) No 1295/2013, which shall continue to apply to those actions until their closure.
2. The financial envelope for the Programme may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted pursuant to Regulation (EU) No 1295/2013.
3. If necessary, appropriations may be entered in the Union budget beyond 2027 to cover the expenses for the assistance referred to in Article 8(5), to enable the management of actions not completed by 31 December 2027.

Article 27
Entry into force

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

It shall apply from 1 January 2021.

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

Done at ..., ...

For the European Parliament
The President

For the Council
The President

ANNEX I

DESCRIPTION OF THE PROGRAMME ACTIONS

SECTION 1

CULTURE STRAND

The priorities of the Culture strand referred to in Article 5 shall be pursued, including with the aim of strengthening the circulation of European works in a digital and multilingual environment, and where appropriate, by means of translation, regardless of the type of medium used, through the following actions, the details of which, including possible higher co-financing rates for small-scale projects, shall be defined in the work programmes:

Horizontal actions:

Horizontal actions aim to support all the cultural and creative sectors, with the exception of the audiovisual sector, in addressing common challenges they face at European level. In particular, horizontal actions shall co-finance transnational projects for collaboration, networking, mobility and internationalisation, including through residency programmes, touring, events, exhibitions and festivals. The following horizontal actions shall be supported under the Programme:

- (a) transnational cooperation projects that bring together organisations in the cultural and creative sectors of all sizes, including micro-organisations and small-sized organisations, and from different countries to undertake sectoral or cross-sectoral activities;

- (b) European networks of organisations in the cultural and creative sectors from different countries;
- (c) cultural and creative pan-European platforms;
- (d) transnational mobility of artists and operators in the cultural and creative sectors and the transnational circulation of artistic and cultural works;
- (e) support, including in terms of capacity building, to organisations in the cultural and creative sectors in order to help them operate at the international level;
- (f) policy development, cooperation and implementation in the field of culture, including through the provision of data and the exchange of best practices, pilot projects and incentives to promote gender equality.

Sectoral actions:

To respond to shared needs within the Union, the following sectoral actions shall be supported in those cultural and creative sectors, notably the music sector, whose specificities or specific challenges require a more targeted approach that complements the horizontal actions:

- (a) support to the music sector: actions that promote diversity, creativity and innovation in the field of music, including live performance, in particular, the distribution and promotion of all musical repertoires in Europe and beyond, training actions, participation in and access to music, and audience development for all European repertoires, and support for data gathering and analysis; those actions shall build on and continue to support the experiences and expertise gained within the ‘Music moves Europe’ initiative;

- (b) support to the book and publishing sector: targeted actions that promote diversity, creativity and innovation, the promotion of European literature across borders in Europe and beyond, including in libraries, training and exchanges for sector professionals, authors and translators and transnational projects for collaboration, innovation and development in that sector; targeted actions that promote the translation of literature and, where possible, the adaptation of literature into accessible formats for people with disabilities;
- (c) support to architecture and cultural heritage for a quality built environment: targeted actions for the mobility, capacity-building and internationalisation of architecture and cultural heritage operators; the promotion of Baukultur, peer learning and audience engagement in order to disseminate high-quality principles in contemporary architecture and cultural heritage interventions; support to the sustainable safeguarding, the regeneration and the adaptive reuse of cultural heritage and the promotion of its values through awareness-raising and networking activities;
- (d) support to other sectors of artistic creation where specific needs are identified, including targeted actions for the development of the creative aspects of sustainable cultural tourism and of the design and fashion sectors and for the promotion and representation of those other sectors of artistic creation outside the Union.

Special actions that aim to render European cultural diversity and heritage visible and tangible and to nurture intercultural dialogue:

- (a) financial support to the European Capitals of Culture;
- (b) financial support to the European Heritage Label and networking activities between the sites awarded the European Heritage Label;
- (c) Union cultural prizes;
- (d) European Heritage Days;
- (e) support to European cultural entities such as orchestras that aim to train and promote young, high potential artists and have an inclusive approach with a large geographical coverage, or entities that deliver direct cultural services to European citizens with a large geographical coverage.

SECTION 2

MEDIA STRAND

The priorities of the MEDIA strand referred to in Article 6 shall take into account the requirements of Directive (EU) 2018/1808 and the differences across countries regarding the production and distribution of, and access to, audiovisual content and the size and specificities of their respective markets and linguistic diversity, and shall be pursued through the following actions, the details of which shall be defined in the work programmes:

- (a) development of audiovisual works by European independent production companies, covering a variety of formats (such as feature films, short films, series, documentaries, narrative video games) and genres, and targeting diverse audiences, including children and young people;
- (b) production of innovative and quality TV content and serial storytelling, addressing diverse audiences, by European independent production companies;
- (c) promotion and marketing tools, including online and through the use of data analytics, to increase the prominence, visibility, cross-border access, and audience reach of European works;
- (d) support to international sales and circulation of non-national European works on all platforms (e.g. cinema theatres, online) targeting both small and large-sized productions, including through coordinated distribution strategies covering several countries and encouraging the use of subtitling, dubbing and, where applicable, audio description tools;

- (e) support to the multilingual access to cultural TV programmes online through subtitling;
- (f) support to networking activities for audiovisual professionals, including creators, and business-to-business exchanges to nurture and promote talent in the European audiovisual sector, and facilitate the development and distribution of European and international co-creations and co-productions;
- (g) support to activities of European audiovisual operators at industry events and fairs in Europe and beyond;
- (h) support to the visibility and outreach of European films and audiovisual creations aimed at wide European audiences beyond national borders, especially young people and multipliers, including through the organisation of screenings, communication, dissemination and promotion activities in support of European Awards, in particular ‘LUX - the European Audience Film Award by the European Parliament and the European Film Academy’;
- (i) initiatives promoting audience development and engagement, including film education activities, addressing in particular young audiences;
- (j) training and mentoring activities to enhance the capacity of audiovisual professionals to adapt to new creative processes, market developments and digital technologies that affect the whole value chain;

- (k) a network or networks of European Video on Demand operators, screening a significant proportion of non-national European works;
- (l) European festivals and festivals' network(s) screening a significant proportion of non-national European works, while preserving their identity and unique profile;
- (m) A European cinema operators' network, with a broad geographic coverage, screening a significant proportion of non-national European films, fostering the role of European cinemas in the circulation of European works;
- (n) specific measures to contribute to a more balanced gender participation in the audiovisual sector, including studies, mentoring, training and networking activities;
- (o) support to policy dialogue, innovative policy actions and exchange of best practices – including through analytical activities and the provision of reliable data;
- (p) transnational exchange of experiences and know-how, peer learning activities and networking among the audiovisual sector and policy makers.

SECTION 3

CROSS-SECTORAL STRAND

The priorities of the Cross-sectoral strand referred to in Article 7 shall be pursued through the following actions, the details of which shall be defined in the work programmes:

Policy cooperation and outreach actions that:

- (a) support policy development, the transnational exchange of experiences and know-how, peer learning and awareness raising activities, networking, and regular cross-sectoral dialogue among organisations in the cultural and creative sectors and policy makers;
- (b) support analytical cross-sectoral activities;
- (c) aim to foster cross-border policy cooperation and policy development with regard to the role of social inclusion through culture;
- (d) enhance knowledge of the Programme and the topics it covers, foster citizen outreach and assist with the transferability of results beyond Member State level.

The ‘creative innovation lab’ actions, which shall:

- (a) encourage new forms of creation at the crossroads between different cultural and creative sectors, for example through experimental approaches and the use of innovative technologies;

- (b) foster innovative cross-sectoral approaches and tools which shall, where possible, encompass multilingual and social dimensions to facilitate the distribution, promotion and monetisation of, and access to, culture and creativity, including cultural heritage.

The 'Programme desks' actions, which shall:

- (a) promote the Programme at national level, provide relevant information on the various types of financial support available under Union policy, and assist operators in the cultural and creative sectors to apply for support under the Programme, including by informing them of the requirements and procedures related to the various calls for proposals and by sharing good practices;
- (b) support potential beneficiaries in application processes and provide peer mentoring for newcomers to the Programme, stimulate cross-border cooperation and the exchange of best practices between professionals, institutions, platforms and networks within and across the policy areas covered by the Programme and cultural and creative sectors;
- (c) support the Commission in ensuring proper communication and dissemination of the results of the Programme to citizens and operators in the cultural and creative sectors.

Cross-cutting actions that support the news media sector, which shall:

- (a) address the structural and technological changes faced by the media sector by promoting an independent and pluralistic media environment, including by supporting independent monitoring for assessing risks and challenges to media pluralism and freedom, and by supporting awareness-raising activities;

- (b) support high-quality media production standards by fostering cooperation, digital skills, cross-border collaborative journalism, and quality content, thereby contributing to professional ethics in journalism;
 - (c) promote media literacy in order to enable citizens to use, and develop a critical understanding of, the media and support knowledge sharing and exchanges on media literacy policies and practices;
 - (d) include specific measures to contribute to a more balanced gender participation in the news media sector.
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ANNEX II

COMMON QUALITATIVE AND QUANTITATIVE IMPACT PROGRAMME INDICATORS

The number and scale of transnational partnerships created with the support of the Programme, including the country of origin of the beneficiary organisations.

Qualitative evidence of success stories in the artistic, business and technological innovation fields due to Programme support.

Indicators

Culture strand:

The number and scale of transnational partnerships created with the support of the Programme.

The number of artists and operators in the cultural and creative sectors that have moved beyond national borders due to Programme support, indicating country of origin and the proportion of women.

The number of people who have accessed European cultural and creative works supported by the Programme, including works from countries other than their own.

The number of projects supported by the Programme addressed to socially marginalised groups.

The number of projects supported by the Programme involving organisations from third countries.

MEDIA strand:

The number of people who have accessed European audiovisual works supported by the Programme from countries other than their own.

The number of participants in learning activities supported by the Programme who have assessed that they have improved their competences and increased their employability, indicating the proportion of women.

The number, budget and geographical origins of co-productions developed, created and distributed with the support of the Programme and co-productions with partners from countries with different audiovisual capacities.

The number of audiovisual works in lesser-used languages developed, produced and distributed with the support of the Programme.

The number of people reached by Business to Business promotional activities in major markets.

Cross-sectoral strand:

The number and scale of transnational partnerships formed (composite indicator for the ‘creative innovation lab’ action and cross-cutting actions that support the news media sector).

The number of events or activities promoting the Programme organised by the Programme desks.

The number of participants in the ‘creative innovation lab’ action and cross-cutting actions that support the news media sector, indicating the proportion of women.

ANNEX III

MEDIA strand logo

The MEDIA strand logo shall be as follows:



Creative
Europe
MEDIA