



Council of the
European Union

Brussels, 31 May 2018
(OR. en)

Interinstitutional File:
2018/0190 (COD)

9616/18
ADD 1

CULT 72
AUDIO 45
JAI 571
FREMP 88
INF 97
COPEN 175
DROIPEN 82
JUSTCIV 131
RELEX 497
CADREFIN 64
IA 163
CODEC 928

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	30 May 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

No. Cion doc.:	SWD(2018) 291 final
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Subject:	COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT Accompanying the documents Proposal for a Regulation establishing the Rights and Values programme Proposal for a Regulation establishing the Justice programme Proposal for a Regulation establishing the Creative Europe programme
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Delegations will find attached document SWD(2018) 291 final.

Encl.: SWD(2018) 291 final

Brussels, 30.5.2018
SWD(2018) 291 final

COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

Proposal for a Regulation establishing the Rights and Values programme
Proposal for a Regulation establishing the Justice programme
Proposal for a Regulation establishing the Creative Europe programme

{COM(2018) 366 final} - {COM(2018) 384 final} - {COM(2018) 383 final} -
{SEC(2018) 274 final} - {SWD(2018) 290 final}

This impact assessment was prepared to analyse a possible proposal for a European Culture, Rights and Values programme — merging the 2014-2020 Rights, Equality and Citizenship programme, the Europe for Citizens programme and the Creative Europe programme — and the Justice programme. On 2 May 2018, the European Commission adopted its proposals for a new Multiannual Financial Framework (MFF) for 2021-2027. The Commission decided to have a self-standing Creative Europe programme and to create a Justice, Rights and Values Fund with two underlying funding programmes: the Justice programme and the Rights and Values programme. The impact assessment remains valid in underpinning all these initiatives. Under *these proposals* over this period, the Justice and the Rights and Values programmes will have a budget of EUR 947 million while the Creative Europe Programme will have a budget of EUR 1,850 million.

This impact assessment was prepared to support the preparation of the future funding programmes for values, rights, justice, culture, media and citizen participation. It analyses the feasibility of creating an EU values framework in the EU budget, merging four current funding programmes — Rights, Equality and Citizenship; Europe for Citizens; Creative Europe; and Justice — as well as two prerogative lines. The aim is to simplify and streamline funding, develop synergies among current programmes, ensure a clear focus on European added value and reach a critical mass of funding to promote and protect EU common values and deliver tangible results to EU citizens.

The starting point of the analysis of the impact assessment is that the European Union is based on a community of values shared by all its citizens and rooted in Europe's history, democratic principles and identity. These values are enshrined in the EU Treaty and the EU Charter of Fundamental Rights and encompass, in particular, non-discrimination and equality, anti-racism and tolerance, rule of law and independence of the judiciary. They also encompass cultural diversity, freedom of expression, including media freedom, pluralism, citizen participation and artistic freedom. Our creations form our common cultural heritage and cultural and linguistic diversity and reflect and highlight the importance of artistic and creative freedom in Europe. Also, these creations make an important contribution to the fight against all forms of discrimination, including racism and xenophobia, and are at the heart of the EU project and EU identity. To be able to play this inclusive role for Europe's society at large, the cultural and creative sectors need to be robust and competitive; artistic creations and cultural content need to be circulated within Europe and beyond.

There are some challenges that are common to the policy areas analysed in the impact assessment:

- Our vocation to build a strong internal market but also a community based on a common cultural bond, shared values, rights, historical and cultural heritage and people's involvement is hampered by the tendency to focus on our differences and not on what unites us. Populist, extremist and nationalist movements are challenging the idea of our open, inclusive, cohesive and democratic society where cultural participation and capability based on education allow for the building of a more resilient way of living together.
- The fragmented nature and limited resources of current EU funding programmes dedicated to values, rights, citizenship, culture and media limits the EU's capacity to respond to old and new challenges. This is particularly true in the context of the digital shift, and the effect has been even more competition from US players in European audiovisual and cultural markets, with tangible negative effects on Europe's cultural diversity.

The consequences of not addressing this double challenge could be very high if confidence in European institutions and values is eroded. The quality of our democracy would be weakened, and there are already alarming signals, considering, for example, that today only half of young Europeans regard democracy as the best form of government. Discrimination may be amplified by the misuse of

online networks, while citizens are less confident in exercising their rights. Public opinion could become increasingly inward looking and locked into national media and cultural ‘bubbles’ under deteriorating indicators of media freedom and pluralism. This would also affect negatively the development of a sense of European cultural identity. Europe’s image on the world stage would also be weakened, at a time when other global players are building up their soft power through culture.

In the light of the above, three main scenarios were analysed:

- The status quo of maintaining four funding programmes.
- The second scenario proposes to develop synergies among the current programmes and to bring these synergies together under a single political chapeau on EU values with two underlying funding programmes: the European Culture, Rights and Values programme and the Justice programme.
- A third scenario would see the creation of one single funding programme covering all four funding programmes listed above.

The third scenario of one funding programme was discarded for reasons connected to the legal basis. However, given the position of the United Kingdom and Ireland on the area of freedom, security and justice and the position of Denmark as laid down in Protocols 21 and 22 annexed to the Treaties, the Justice programme, while also commanding the ordinary legislative procedure, needs to remain a separate instrument.

The impact assessment compiled the lessons learned from the Creative Europe programme, the Rights, Equality and Citizenship programme and the Europe for Citizens programme to propose a new structure, and it explored delivery mechanisms that will promote EU values and culture while achieving the objectives of efficiency, flexibility, synergies and simplification set for the next multiannual financial framework. The results of the mid-term evaluation were duly taken into account. All the programmes evaluated have shown clear added value. However, the analysis showed that there is room for improvement from the current situation of four funding programmes.

Therefore, a preferred alternative that is proposed to the current situation and baseline scenario is to develop synergies among the current programmes and prerogative lines and to bring these synergies together under a single political chapeau on EU values with two underlying funding programmes: the European Culture, Rights and Values programme and the Justice programme.

The new architecture aims at: developing synergies among policies where there is a common ground for action, while respecting their specific characteristics; reducing overlap and fragmentation; ensuring flexibility in the allocation of funds, while ensuring a certain degree of predictability of funding dedicated to each policy; fostering cross-sectoral and innovative actions; and ensuring a critical mass of resources to promote values, taking also into account the needs of each policy. The new clustering will make it possible to further exploit the potential of current programmes to promote EU values and increase EU added value. In this model it is fundamental to take full advantage of the interplay between cultural diversity, historical memory and the potential of the creative sector on the one hand, and principles such as justice, rights, equality and anti-discrimination on the other hand. The common denominator of citizenship will make this possible.

The overall initiative is expected to increase the EU’s potential to promote and protect values by developing synergies between current funding programmes. However, the proposed programme acknowledges and maintains the specific characteristics of the individual policies, including through the design of specific objectives and strands. The architecture of the European Rights, Culture and Values programme provides straightforward simplification, from four current funding programmes to

only two funding programmes in the future. There is no ranking of the priorities between the different strands of the proposed framework or between the priorities within a strand, but the design of the programme favours flexibility.

On 20 April 2018, the Regulatory Scrutiny Board gave a positive opinion on the accompanying impact assessment. The Board included a recommendation to further improve the report, some key aspects of this being full exploitation of the evaluation findings, a better design of the future priorities, a clarification of the expected impacts of the changes in delivery mechanisms. These aspects were strengthened in the final version of the impact assessment.

The Commission decided to have a self-standing Creative Europe programme and to create a Justice, Rights and Values Fund including two programmes: the Justice programme and the Rights and Values programme. The impact assessment remains valid in underpinning all these initiatives. This decision is reflected in the post-2020 MFF proposal package that the Commission presented on 02 May 2018 .