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Subject:	Proposal for 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 – Progress report

I. Introduction

1. On 30 May 2018, the European Commission submitted to the European Parliament and to the Council a proposal for a Regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013¹.
2. The European Parliament has appointed Ms Silvia COSTA (S&D, IT) as the Rapporteur. The opinion of the European Parliament is still pending.
3. The opinion of the European Economic and Social Committee is expected to be adopted in December 2018, while that of the Committee of the Regions will be adopted at a later stage.

¹ ST 9170/18 + ADD 1.

4. The Commission presented its proposal and the impact assessment to the Cultural Affairs Committee and the Audiovisual Working Party on 22 June 2018. The examination of the impact assessment continued and was finalised at the meeting on 2 July 2018.
5. Since the proposed Regulation is part of the package linked to the Multiannual Financial Framework (MFF), all provisions identified as possible elements of the future draft Negotiating Box have been set aside and will be addressed later in the course of the negotiations on the MFF. These provisions, which appear between square brackets in the text, concern recital 21 (rule of law), Article 7.1 (amount and current prices), Art. 7.4 (transfers), Art. 8.1(d) (third country participation).
6. The Cultural Affairs Committee, including the experts from the Audiovisual Working Party, has examined the proposal at eight meetings since July. On several occasions the Commission has provided further explanations and presentations on different issues (horizontal financial issues, InvestEU, synergies with other EU programmes and policies).
7. The Presidency has submitted a number of compromise text proposals. The most recent of these can be found in document 13776/18.
8. Although some Member States are still consulting and do not have final positions, it has nevertheless been possible to establish the main tendencies of delegations and clarify many important issues (e.g. definitions, objectives, priorities and actions of the three strands, comitology). This progress report seeks to summarise, in Section II below, the main reactions of delegations.

II. The principal reactions of delegations

In general, Member States have welcomed the Commission's approach to maintaining the general structure of the current programme with the three distinct strands (CULTURE, MEDIA and CROSS-SECTORAL), as this takes into account the specific features and particular needs of different sectors and follows the positive experience gained under the current Programme. Although this is an issue for the MFF Negotiation Box and is in square brackets, many Member States nevertheless expressed their support for the ambitious budget of the Programme (approx. +21 %) and agreed with the indicative allocations of funds to strands.

1. Definitions (Article 2)

Several Member States have asked for detailed explanations and concrete examples of blending operations in cultural and creative sectors. The proposal for 'Seal of Excellence' has raised concerns among many Member States, notably on the relevance and application of this label in cultural projects and its added value to the Programme. The Presidency has submitted a compromise wording in order to reflect better the label's link to structural funds, and has suggested a different name – a 'Quality label'.

2. Programme structure and objectives (Articles 3-6)

Globally, Member States welcomed the general and specific objectives of the Programme, although some Member States would like to see greater focus on contemporary creativity, a level playing field, cultural and linguistic diversity and European added value. The Presidency has tried to accommodate these suggestions in several compromise proposals and to find a better balance between the intrinsic and economic value of culture.

3. Budget distribution (Article 7)

A number of Member States' delegates in the Cultural Affairs Committee have expressed support for the increased budget of the Programme and agreed with the indicative allocations of funds to strands. Member States have agreed to insert the budget distribution in percentages. In addition, taking into account comments of some Member States, the Presidency proposed a compromise wording in corresponding recital (32) that now provides for a limit of 7 % of the total amount of administrative costs.

4. Third countries associated to the Programme (Article 8)

Some Member States have serious concerns about points 2 and 3 of Article 8 (fulfilment of the conditions of Directive 2010/13/EU and derogations). Although they support broad cooperation with third countries in the Programme, Member States believe that the conditions for cooperation should be clear in advance and should not allow for derogations.

5. Mutual insurance mechanism (Article 10)

Member States questioned the advantage of this new instrument. After detailed explanation from the Commission, it was possible to overcome these concerns.

6. Implementation (Article 12)

During the discussions in the Cultural Affairs Committee, Member States have made clear that the work programmes, based on which the Programme is implemented, should be annual and should be adopted in cooperation with the Member States in the Programme Committee. The Presidency has proposed a compromise wording for reintroduction of a Programme Committee in Article 20a. This proposal has been broadly accepted by the Member States. Furthermore, the Member States emphasised the need to strengthen the role of national programme desks, as their knowledge and assistance is crucial for supporting cultural and creative actors applying to the Programme. The Presidency has addressed these issues in its compromise proposals (notably in Annex I).

7. Gender equality (Article 13, Annex II)

Many Member States demanded to consider gender equality as regards criteria and indicators of the Programme. The Presidency has tried to accommodate these suggestions in the compromise proposal.

8. Eligible entities (Article 14)

During several meetings of the Cultural Affairs Committee many Member States have voiced their concerns with regard to the inclusion in Article 14.5 of the European Youth Orchestra and the European Film Academy in the list of entities that may be awarded grants without a call for proposal. While recognising the outstanding quality of their performances and unique expertise in the field, some Member States have questioned the privileged status of those two entities under the Creative Europe programme and considered that all cultural players should have equal conditions for access to the Programme. Member States expressed their views on different compromise proposals based on an option paper prepared by the Presidency.

9. Monitoring, assessment and control (Articles 17-20, Annex II)

In addition to the quantitative indicators, several Member States proposed that the Programme be monitored by means of qualitative indicators, as they can contribute significantly to a better and more comprehensive understanding of the effects of implementing the programme. The use of delegated acts (Article 17.2 and Article 19) to develop the provisions for a monitoring and evaluation framework, including to review or complement the indicators in the Annex, have been opposed by some Member States.

III. CONCLUSION

The Permanent Representatives Committee is invited to submit this progress report to the Council, so that the Council can take due note of it.
