



Council of the
European Union

Brussels, 11 January 2019
(OR. en)

Interinstitutional File:
2018/0190(COD)

5149/1/19
REV 1

LIMITE

CULT 6
AUDIO 2
CADREFIN 5
RELEX 6
IA 4
CODEC 45

NOTE

From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	15618/18
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 - Examination of recitals

Delegations will find attached the text of the above mentioned proposal, prepared by the Presidency with a view to the Cultural Affairs Committee's meeting on 16 January 2019.

The text now includes recitals which have not yet been examined by the Council preparatory bodies, with the exception of the recitals (9), (15), (18bis), (22), (23) and (32), which reflect changes in corresponding Articles of the partial general approach, as adopted by the Council on 20 December 2018 (doc. 15618/18).

For those recitals, **bold type underlined** and [...] are used to indicate changes to the Commission proposal (doc. 9170/18).

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**

(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 procedure

Whereas:

- (1) Culture, cultural heritage and cultural diversity are of great value to European society from a cultural, environmental, social and economic point of view and should be promoted and supported. The Rome Declaration of 25 March 2017 as well as the European Council in 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 the persons belonging to minorities. These values are common to the Member States in a society where pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail. These values are further reaffirmed and articulated in the rights, freedoms and principles enshrined in the

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

Charter of Fundamental Rights of the European Union, which has the same legal value as the Treaties, as referred to in Article 6 of the TEU.

- (3) Article 3 of the TEU further specifies that the Union's aim is to promote peace, its values and the well-being of its people and that, among others, it shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced.
- (4) The Commission Communication on a New European Agenda for Culture³ further sets out the objectives of the Union for the cultural and creative sectors. It aims to harness the power of culture and cultural diversity for social cohesion and societal well-being, fostering the cross-border dimension of cultural and creative sectors, supporting their capacity to grow, encouraging culture-based creativity in education and innovation, and for jobs and growth as well as strengthening international cultural relations. Creative Europe, together with other Union programmes, should support the implementation of this New European Agenda for Culture. This is also in line with the 2005 UNESCO Convention for the Protection and Promotion of the Diversity of Cultural Expressions, which entered into force on 18 March 2007 and to which the Union is a party.
- (5) The promotion of European cultural diversity depends on the existence of flourishing and resilient cultural and creative sectors, able to create, produce and distribute their works to a large and diverse European audience. This thereby enlarges their business potential and contributes to sustainable growth and jobs creation. In addition, promotion of creativity contributes to boosting competitiveness and sparkling innovation in the industrial value chains. In spite of recent progress, the European cultural and creative market continues to be fragmented along national and linguistic lines, which do not allow the cultural and creative sectors to fully benefit from the European single market and the digital single market in particular.
- (6) 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 their broader contribution to growth and competitiveness, creativity and innovation. This requires strong European cultural and creative sectors, in particular a vibrant European audiovisual industry, taking into account its capacity to reach large audiences and its economic importance, including for other creative sectors as well as cultural tourism. However, competition in global audiovisual markets has been further intensified by the deepening digital disruption e.g. changes in media production, consumption and the growing position of global platforms in the distribution of content. Therefore, there is a need to step-up the support to the European industry.
- (7) To be effective, the Programme should take into account the specific nature of the different sectors, their different target groups and their particular needs through tailor-made approaches within a strand dedicated to the audiovisual sector, a strand dedicated to the other cultural and creative sectors and a cross-sectoral strand.
- (8) The cross-sectoral strand aims at exploiting the potential of collaboration among different cultural and creative sectors. There are benefits in terms of knowledge-transfer and administrative efficiencies to be gained from a joint transversal approach.

³ COM(2018) 267 final.

- (9) Union intervention is needed in the audiovisual sector to accompany the Union's Digital Single Market policies. This concerns notably the modernisation of the copyright framework and the proposed Regulation on online transmissions of broadcasting organisations⁴, as well as the proposal to amend Directive 2010/13/EU of the European Parliament and of the Council⁵. They seek to strengthen the capacity of European audiovisual players to finance, produce and disseminate works that can be sufficiently visible on the different media of communication available (e.g. TV, cinema or Video On Demand) and attractive to audiences in a more open and competitive market within Europe and beyond. Support should **target, in particular, works produced by independent companies and** be scaled up in order to address recent market developments and notably the stronger position of global platforms of distribution in comparison to national broadcasters traditionally investing in the production of European works.
- (10) The special actions under Creative Europe such as the European Heritage Label, the European Heritage Days, the 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.
- (11) Culture is key to strengthen inclusive and cohesive communities. In the context of migration pressure, culture has an important role in the integration of migrants to help them feel part of host societies and develop good relations between migrants and new communities.
- (12) Artistic freedom is at the core of vibrant cultural and creative industries, including the news media sector. The programme should promote cross-overs and collaboration between the audiovisual sector and the publishing sector to promote a pluralistic media environment.
- (13) In line with Articles 8 and 10 of the Treaty on the Functioning of the European Union (TFEU), the Programme in all its activities should support gender mainstreaming and the mainstreaming of non-discrimination objectives and, where applicable, should define appropriate gender balance criteria.
- (14) In line with the Joint Communication "Towards an EU strategy for international cultural relations", endorsed by the European Parliament's resolution of 5 July 2017⁶, European funding instruments and in particular this programme should recognize 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.
- (15) [...] **Taking into account the** Commission Communication "Towards an integrated approach to cultural heritage for Europe" of 22 July 2014⁷, relevant policies and instruments should draw out the long term and sustainability value of Europe's cultural heritage, **including digital cultural heritage**, and develop a more integrated approach to its preservation and valorisation and support.

4 [COM\(2016\) 594 final](#)

5 [COM/2016/0287 final](#)

6 [JOIN/2016/029](#)

7 [COM/2014/0477 final](#)

- (16) In line with the Commission Communication "Investing in a smart, innovative and sustainable Industry – A renewed Industrial Policy strategy" of 13 September 2017⁸, future actions should contribute to the integration of creativity, design and cutting-edge technologies to generate new industrial value chains and revitalise competitiveness of traditional industries.
- (17) The Programme should be open, subject to certain conditions, to the participation of European Free Trade Association members, acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy as well as countries covered by the European Neighbourhood Policy and Union's strategic partners.
- (18) Third countries which are members of the European Economic Area (EEA) may participate in Union programmes in the framework of the cooperation established under the EEA agreement, which provides for the implementation of the programmes by a decision under that agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation to grant the necessary rights for and access to the authorizing officer responsible, the European Anti-Fraud Office (OLAF) as well as the European Court of Auditors to comprehensively exert their respective competences.
- [(18bis) **Derogations from the obligation of fulfilment of the conditions set out in Directive 2010/13/EU [AVMSD] should be subject to scrutiny and granted to Neighbouring 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 in the Directive [AVMSD] should be monitored on a regular basis. Moreover, participation in actions funded by the MEDIA strand should be defined on a case by case basis in the relevant work programme(s).**]
- (19) The Programme should foster the cooperation between the Union and international organisations such as the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the Council of Europe, including Eurimages and the European Audiovisual Observatory ("the Observatory"), the Organisation for Economic Co-operation and Development and the World Intellectual Property Organisation. This programme should also support the Union commitments relating to the Sustainable Development Goals, in particular its cultural dimension⁹. As regards the audiovisual sector, the programme should ensure the Union's contribution to the work of the European Audiovisual Observatory.
- (20) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate actions and to the achievement of an overall target of 25 % of the Union budget expenditures supporting climate objectives. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes.
- [(21) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the TFEU apply to this Regulation. These rules are laid down in the

⁸ [COM \(2017\)479 final](#)

⁹ 2030 Agenda for Sustainable Development, adopted by the United Nations in September 2015, A/RES/70/1

Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the member States, as the respect for the rule of law is an essential precondition for sound financial management and effective Union funding.]

- (22) [...]
- (23) [...]
- (24) Organisations from the cultural and creative sectors with a large European geographical coverage and whose activities entail delivering cultural services directly to the Union's citizens and that thus have the potential to have direct impact on European identity should be eligible for Union support.
- (25) In order to ensure efficient allocation of funds from the general budget of the Union, it is necessary to ensure the European added value of all actions and activities carried out with the Programme, their complementarity to Member States' activities, while consistency, complementarity and synergies should be sought with funding programmes supporting policy areas with close links to each other as well as with horizontal policies such as Union competition policy.
- (26) 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. Actions should have a clear European added value.
- (27) One of the greatest challenges of the cultural and creative sectors is their access to finance allowing their activities to grow maintain or increase their competitiveness or internationalise their activities. The policy objectives of this Programme should also be addressed through financial instruments and budgetary guarantee under the policy window(s) of the Invest EU Fund.
- (28) Taking into account the technical expertise required to assess proposals under specific actions of the Programme it should be provided that, where relevant, evaluation committees may be composed of external experts.
- (29) The Programme should include a realistic and manageable system of performance indicators to accompany its actions and monitor its performance on a continuous basis. This monitoring as well as information and communication actions relating to the Programme and its actions should build on the three strands of the programme.
- (30) This Regulation lays down a financial envelope for the Creative Europe programme which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹⁰, for the European Parliament and the Council during the annual budgetary procedure.

¹⁰ OJ C 373, 20.12.2013, p. 1.

- (31) Regulation (EU, Euratom) No [...] (the 'Financial Regulation') applies to this Programme. It lays down rules on the implementation of the Union budget, including the rules on grants including those to third parties, prizes, procurement, financial instruments and budgetary guarantees.
- (32) The types of financing 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 expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation. **The total amount of administrative costs should not exceed 7% of Programme's budget.**
- (33) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹¹, Council Regulation (Euratom, EC) No 2988/95¹², Council Regulation (Euratom, EC) No 2185/96¹³ and Council Regulation (EU) 2017/1939¹⁴, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may 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. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁵. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

¹¹ 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 L248, 18.9.2013, p. 1).

¹² 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).

¹³ 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 L292, 15.11.1996, p.2).

¹⁴ 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 L283, 31.10.2017, p.1).

¹⁵ 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).

- (34) Pursuant to Article 94 of Council Decision 2013/755/EU¹⁶, 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.
- (35) In order to amend non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of indicators laid down in Article 15 and in Annex II. The Commission should carry out appropriate consultations during its preparatory work, including at expert level. Those consultations should be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (36) In order to ensure smooth implementation of the Programme, the costs incurred by the beneficiary before the grant application is submitted, in particular costs related to intellectual property rights, may be considered as eligible, provided that they are directly linked to the implementation of the supported actions.
- (37) Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016, there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Programme on the ground.
- (38) 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 powers should be *exercised* in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹⁷. It is necessary to ensure the correct closure of the predecessor programme, in particular as regards the continuation of multi-annual 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, if necessary, the management of actions that have not yet been finalised under the predecessor programme by [31 December 2020].
- (39) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union. 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, and to promote the application of Articles 21 and 23 of

¹⁶ 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).

¹⁷ 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).

the Charter of Fundamental Rights of the European Union. It is also in line with the United Nations Convention on the Rights of Persons with Disabilities.

- (40) 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, as well as 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 of the Treaty on European Union. 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 that objective.
- (41) Regulation (EU) No 1295/2013 should therefore be repealed with effect from [1 January 2021].
- (42) In order to ensure continuity in the funding support provided under the Programme, this Regulation should apply from [1 January 2021].

Chapter I

General Provisions

Article 1

Subject matter

This Regulation establishes the Creative Europe programme (the 'Programme').

It lays down the objectives of the Programme, the budget for the period 2021 – 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 whose activities are based on cultural values and artistic and other individual or collective creative expressions regardless of whether their activities are market or non-market oriented, the type of organization and financing of the organization. The activities may 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. They will have a potential to generate innovation and jobs in particular from intellectual property. The 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 any natural or legal person created and recognised as such under national law, Union law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity without a legal personality in accordance with [Article 197(2)(c)] of the Financial Regulation;

- (3) 'blending operation' means actions supported by the EU budget, including within blending facilities pursuant to Article 2(6) of the Financial Regulation, combining non-repayable forms of support and financial instruments from the EU budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;
- (4) A ['Seal of Excellence'] can be awarded with the beneficiaries' consent to high quality projects submitted to Creative Europe which are deemed to deserve funding under this programme but do not receive it due to budget limits. It recognises the value of the proposal and may support the search for funding under the European Structural and Investment Funds, provided that such projects are consistent with the objectives of the Fund concerned. The rules of the Fund providing support shall apply.

Article 3

Programme objectives

- (1) The general objectives of the Programme are:
- (a) to safeguard, develop and promote European cultural and linguistic diversity and heritage;
 - (b) to increase the competitiveness of the cultural and creative sectors, in particular the audiovisual sector.
- (2) The programme has the following specific objectives:
- (a) enhancing artistic and cultural cooperation, including the mobility of artists and professionals, at the European level, in order to support the creation of European content and strengthen the economic, social and external dimension of Europe's cultural and creative sectors;

- (b) promoting the cooperation, competitiveness, scalability and innovation potential of the European audiovisual industry and supporting the creation, circulation and promotion of European works, including through mobility, networking and collaboration of creators and professionals;
 - (c) promoting policy cooperation and innovative actions, including through mobility, networking and collaboration of creators and professionals, supporting all strands of the programme, including the promotion of a diverse and pluralistic media environment, media literacy and social inclusion.
- (3) The Programme shall support actions and activities with a European added value under the following strands:
- (a) "CULTURE" covers cultural and creative sectors with the exception of the audiovisual sector;
 - (b) "MEDIA" covers the audiovisual sector;
 - (c) "CROSS SECTORAL strand" covers activities across all cultural and creative sectors.

Article 4
Strand CULTURE

In line with the objectives referred to in Article 3, the strand "CULTURE" shall have the following priorities:

- (a) to strengthen the transnational creation and circulation of European works as well as the mobility of cultural and creative professionals to support transnational cooperation;
- (b) to increase cultural participation and promote audience development across Europe;
- (c) to promote societal resilience and social inclusion through culture and cultural heritage;
- (d) to enhance the capacity of European cultural and creative sectors to innovate, 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 of European cultural and creative sectors to be active at the international level;
- (g) to contribute to the Union 's global strategy for international relations.

The priorities are further detailed in Annex I.

Article 5
Strand MEDIA

In line with the objectives referred to in Article 3, the strand "MEDIA" shall have the following priorities:

- (a) to nurture talents and skills and to stimulate cooperation, and innovation in the creation and production of European audiovisual works, encouraging inter alia collaboration across Member States with different audiovisual capacities;
- (b) to enhance theatrical and online distribution and provide wider access across borders to European audiovisual works, including through innovative business models and the use of new technologies;
- (c) to promote European audiovisual works, including audiovisual heritage, and support audience development, especially for younger audiences across Europe and beyond.

These priorities shall be addressed through support to the development, production, promotion, access, and dissemination of European works with the objective of reaching diverse audiences within Europe and beyond, thereby adapting to new market developments and accompanying the implementation of the Audiovisual Media Services Directive.

The priorities are further detailed in Annex I.

Article 6
CROSS SECTORAL strand

In line with the objectives of the Programme referred to in Article 3, the "CROSS SECTORAL strand" shall have the following priorities:

- (a) to support cross-sectoral transnational policy cooperation including on the role of culture for social inclusion and on artistic freedom and promote visibility of the programme and support the transferability of results;

- (b) to support innovative approaches to content creation, access, distribution, monetisation and promotion across cultural and creative sectors and with other sectors, including by taking into account the digital shift;
- (c) to promote cross cutting activities covering several sectors aiming at adjusting to the structural changes faced by the media sector, enhancing a free, diverse, and pluralistic media environment, quality journalism and media literacy, including in the digital environment;
- (d) to support the establishment and activities of programme desks in participating countries.

The priorities are further detailed in Annex I.

Article 7

Budget

1. The financial envelope for the implementation of the Programme for the period 2021 – 2027 shall be EUR [1 850 000 000] in current prices.

The programme shall be implemented according to the following indicative financial distribution:

- at least 33% for the objective referred to in Article 3 (2)(a) (strand CULTURE);
- at least 58% for the objective referred to in Article 3(2)(b) (strand MEDIA);
- up to 9% for the activities referred to in Article 3(2)(c) (CROSS SECTORAL strand).

2. The amount referred to in paragraph 1 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.
3. In addition to the financial envelope as indicated in paragraph 1, and in order to promote the international dimension of the Programme, additional financial contributions may be made available from Regulation .../... [Neighbourhood, Development and International Cooperation Instrument]¹⁸ and from Regulation .../... [Instrument for Pre-accession Assistance (IPA III)]¹⁹, to support actions implemented and managed in accordance with this Regulation. This contribution shall be financed in accordance with the Regulations establishing those instruments.
4. [Resources allocated to Member States under shared management may, at their request, be transferred to the Programme. The Commission shall implement those resources directly in accordance with [Article 62(1)(a)] of the Financial Regulation or indirectly in accordance with [Article 62(1)(c)] of that Regulation. Where possible those resources shall be used for the benefit of the Member State concerned.]

¹⁸ [Reference]

¹⁹ [Reference]

[Article 8

Third countries associated to the Programme

1. The Programme shall be open to the following third countries, provided that they pay additional appropriations:
 - (a) European Free Trade Association (EFTA) members which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA agreement;
 - (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 similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
 - (c) countries covered by the European Neighbourhood Policy, 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 similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
 - (d) other countries, in accordance with the conditions laid down in a specific single agreement covering the participation of the third country to any Union programme, provided that the agreement:
 - (a) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (b) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article [21(5)] of [the new Financial Regulation];

(c) does not confer to the third country a decisional power on the programme;

(d) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

2. The participation to the MEDIA and CROSS SECTORAL strands by the countries referred to in points (a), (b) and (c) of paragraph 1 shall be subject to fulfilment of the conditions set out in Directive 2010/13/EU.
3. The agreements concluded with countries specified in point (c) of paragraph 1 may derogate from obligations set out in paragraph 2 in duly justified cases.]

[Article 8 bis

Other third countries

The Programme may support cooperation with third countries other than those referred to in Article 8 with regard to actions financed through additional contributions from the external financing instruments according to Article 7(3) if it is in the Union's interest.]

Article 9

Cooperation with international organisations and the European Audiovisual Observatory

1. Access to the Programme shall be open to international organisations active in the areas covered by the Programme in accordance with the Financial Regulation.

2. The Union shall be a member of the European Audiovisual 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 10

Implementation and forms of EU funding

1. The Programme shall be implemented in direct management in accordance with the Financial Regulation or in indirect management with bodies referred to in Article 61(1)(c) of the Financial Regulation.
2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes, and procurement. It may also provide financing in the form of financial instruments within blending operations.
3. Blending operations under this Programme shall be implemented in accordance with the Regulation .../... [InvestEU[...]]²⁰ 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 X of] Regulation XXX [successor of the Regulation on the Guarantee Fund] shall apply²¹.

²⁰ [Reference]

²¹ [Reference]

Article 11

Protection of Financial Interest of the Union

Where a third country participates in the programme by a decision under an international agreement or by virtue of any other legal instrument, the third country shall grant the necessary rights and access required for the authorizing officer responsible, the European Anti-Fraud Office (OLAF), the European Court of Auditors to comprehensively exert 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, provided for in Regulation (EU, Euratom) No 883/2013.

Article 12

Work programmes

1. The Programme shall be implemented by annual work programmes referred to in Article 110 of the Financial Regulation. 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.
2. The work programme shall be adopted by the Commission by means of an implementing act. These implementing acts shall be adopted in accordance with the procedure referred to in Article 20a(3).

Chapter II

Grants and eligible entities

Article 13

Grants

1. Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.

2. The evaluation committee may be composed of external experts.
3. By way of derogation from Article [130(2)] of the Financial Regulation, and in duly justified cases, costs incurred by the beneficiary before the submission of the grant application, may be considered eligible, provided that they are directly linked to the implementation of the supported actions and activities.
4. Where applicable, the actions of the Programme shall define appropriate criteria to achieve gender equality.

Article 14

Eligible entities

1. The eligibility criteria set out in paragraphs 2 to 4 shall apply in addition to the criteria set out in [Article 197] of the Financial Regulation.
2. The following entities active in cultural and creative sectors, as defined in Article 2(1), are eligible:
 - (a) legal entities established in any of the following countries:
 - (1) a Member State or an overseas country or territory linked to it;
 - (2) third countries associated to the Programme;
 - (3) third country listed in the work programme under the conditions specified in paragraphs 3 and 4;
 - (b) any legal entity created under Union law or any international organisation.
3. Legal entities active in cultural and creative sectors established in a third country, which is not associated to the Programme are exceptionally eligible to participate where this is necessary for the achievement of the objectives of a given action.

4. Legal entities active in cultural and creative sectors established in a third country, which is not associated to the programme should in principle bear the cost of their participation. Additional contributions from the external financing instruments according to Article 7(3) may cover the costs of their participation if it is in the Union's interest.

Chapter III

Synergies and complementarity

Article 15

Complementarity

The Commission, in cooperation with the Member States, shall ensure the overall consistency and complementarity of the Programme with the relevant policies and programmes, in particular those relating to gender balance, education, youth and solidarity, employment and social inclusion, research, technology and innovation, industry and enterprise, agriculture and rural development, environment and climate action, cohesion, regional and urban policy, State aid and international cooperation and development.

Article 16

Cumulative and combined 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 Regulation (EU) No XX/XXXX [CPR], provided that the contributions do not cover the same costs. The cumulative financing shall not exceed the total eligible costs of the action and the support from different Union programmes may be calculated on a pro-rata basis.

2. A proposal eligible under the Programme may be awarded a [Seal of Excellence] provided that 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 quality requirements of that call for proposals;
 - (c) it may not be financed under that call for proposals due to budgetary constraints.

Chapter IV

Monitoring, Evaluation and Control

Article 17

Monitoring and reporting

1. Qualitative and quantitative indicators to report on progress of the Programme towards the achievement of the objectives laid down in Article 3 are set in Annex II.
2. To ensure effective assessment of progress of the programme towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 19 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 programme implementation and results are collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where relevant, Member States.

Article 18
Evaluation

1. Evaluations, based on regular collection of data and consultation of stakeholders and beneficiaries, shall be carried out in a timely manner to feed into the decision-making process.
2. The interim evaluation, based inter alia on external and independent analyses of the Programme, shall be performed once there is sufficient information available about the implementation of the Programme, but no later than four years after the start of the programme implementation.
3. At the end of the implementation of the Programme, but no later than two years after the end of the period specified in Article 1, a final evaluation report based on external and independent analyses of the Programme shall be established by the Commission.
4. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and 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 granularity. Such data and information shall be communicated to the Commission, in a way that complies with other legal provisions; for instance, when necessary, personal data shall be made anonymous. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds.

Article 19
Exercise of the delegation

1. The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 17 shall be conferred on the Commission for a period of seven years from 1 January 2021.
3. The delegation of power referred to in Article 17 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 on Better Law-Making of 13 April 2016.
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 17 shall enter into force 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 20

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin 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.
2. The Commission shall implement information and communication actions relating to the Programme, and its actions and results supported through its strands. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Article 20a

Committee procedure

1. The Commission shall be assisted by the Creative Europe Committee. This committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. The Creative Europe Committee may meet in specific configurations to deal with concrete issues relating to the three programme Strands.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 21

Repeal

Regulation (EU) No 1295/2013 is repealed with effect from 1 January 2021, without prejudice to Article 22.

Article 22

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) No 1295/2013 which shall continue to apply to the actions concerned until their closure.
2. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under Regulation (EU) No 1295/2013.
3. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 7(4), to enable the management of actions not completed by 31 December 2027.

Article 23

Entry into force

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

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

Done at Brussels,

For the European Parliament

The President

For the Council

The President

ANNEX I

Complementary information about the activities to be funded

1. CULTURE STRAND

The priorities of the CULTURE strand of the Programme referred to in Article 4 shall be pursued through the following actions, including with the aim of strengthening the circulation of European works in a digital and multilingual environment, where appropriate, through translation, whatever the media. The details of the actions shall be defined in the work programmes:

Horizontal actions:

- (a) Cooperation projects;
- (b) European networks of cultural and creative organisations from different countries;
- (c) Cultural and creative pan-European platforms;
- (d) Mobility of artists and cultural and creative operators;
- (e) Support to cultural and creative organisations to operate at international level;
- (f) Policy development, cooperation and implementation in the field of culture, inter alia through the provision of data and exchange of best practices, pilot projects and incentive measures to promote gender equality;

Sectorial actions:

- (a) Support to the music sector: promoting diversity, creativity and innovation in the field of music including live performance, in particular the distribution of all musical repertoires in Europe and beyond, training actions and audience development for all European repertoires, as well as support for data gathering and analysis;
- (b) Support to the book and publishing sector: targeted actions promoting cultural and linguistic diversity, creativity and innovation, in particular the translation and promotion of European literature across borders in Europe and beyond, training and

exchanges for sector professionals, authors and translators as well as transnational projects for collaboration, innovation and development in the sector;

- (c) Support to architecture and cultural heritage sectors: targeted actions for the mobility of operators, capacity-building, audience development and internationalization of the cultural heritage and architecture sectors, promotion of 'Baukultur'²², support to the safeguarding, conservation and enhancement of cultural heritage and its values through awareness-raising, networking and peer-to-peer learning activities;
- (d) Support to other sectors of artistic creation when specific needs are identified including targeted actions in favour of the development of the creative aspects of cultural tourism and the design and fashion sectors as well as to their promotion and representation outside the European Union.

Special actions aiming at rendering visible and tangible European cultural diversity and heritage and nurturing intercultural dialogue:

- (a) European Capitals of Culture ensuring financial support to Decision No 445/2014/EU of the European Parliament and of the Council²³;
- (b) European Heritage Label ensuring financial support to Decision No 1194/2011/EU of the European Parliament and of the Council²⁴;
- (c) EU cultural prizes;

²² According to Davos Declaration 'Towards a high-quality Baukultur for Europe', 2018.

²³ 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).

²⁴ 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).

- (d) European Heritage Days;
- (e) Support to such European cultural entities that aim at promoting young, high potential artists and have an inclusive approach or that are delivering direct cultural service to European citizens with a large geographical coverage.

2. MEDIA STRAND

The priorities of the MEDIA strand of the Programme referred to in Article 5 shall take into account the differences across countries regarding audiovisual content production, distribution, and access, as well as the size and specificities of the respective markets and the linguistic diversity, and shall, as defined in the work programmes, provide support for, inter alia:

- (a) Development of audiovisual works, including non-linear content and video games, by independent production companies;
- (b) Production of innovative TV content and serial storytelling by independent production companies;
- (c) Promotion and marketing tools, including on line 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) through coordinated distribution strategies covering several countries, including subtitling or dubbing;
- (e) Support to the multilingual access to cultural TV programmes online through subtitling;
- (f) Support to business to business exchanges and networking activities to facilitate European and international co-productions;

- (g) Support to 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, including through the organisation and promotion of European awards, such as the LUX Prize;
- (i) Initiatives promoting audience development and film education 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 affecting the whole value chain;
- (k) European Video on Demand (VOD) operators' network(s), 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;
- (n) Specific measures to contribute to a more balanced gender participation in the audiovisual sector, including studies, mentoring, training and networking activities;
- (o) Support 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.

3. CROSS SECTORAL STRAND

The priorities of the CROSS SECTORAL strand of the Programme referred to in Article 6 shall be pursued through, in particular, the following actions, the details of which shall be defined in the work programmes:

Policy Cooperation and outreach:

- (a) Policy development, transnational exchange of experiences and know-how, peer learning activities and networking among cultural and creative organisations and policy makers, of a cross-sectoral nature;
- (b) Analytical cross-sectoral activities;
- (c) Support actions that aim at fostering trans-border policy cooperation and policy development on the role of social inclusion through culture;
- (d) Enhance knowledge of the programme and the topics it covers, foster citizen outreach, and help the transferability of results beyond Member State level.

The Creative Innovation Lab:

- a) Encourage new forms of creation at the cross roads between different cultural and creative sectors, for instance through experimental approaches and the use of innovative technologies;
- b) Foster innovative cross sectoral approaches and tools which may encompass multilingual and social dimensions to facilitate access, distribution, promotion and monetisation of culture and creativity, including cultural heritage.

Programme Desks:

- (a) Promote the programme at national level and provide information on the various types of financial support available under union policy and assist the cultural and creative actors in applying under the programme;
- (b) Stimulate cross border cooperation between professionals, institutions, platforms and networks within and across the policy areas and sectors covered by the programme;
- (c) Support the Commission in ensuring a proper communication and dissemination of the results of the programme to the citizens.

Cross cutting activities supporting the news media sector:

- (a) Addressing the structural changes faced by the media sector by promoting and monitoring a diverse and pluralistic media environment;
- (b) Supporting high media production standards by fostering cooperation, cross-border collaborative journalism, and quality content;
- (c) Promoting media literacy to allow citizens to develop a critical understanding and use of the media.

ANNEX II

Indicators

CULTURE STRAND:

Number and scale of transnational partnerships created with the support of the Programme
Number of artists & cultural &/or creative players (geographically) mobile beyond national borders due to Programme support, by country of origin (including the proportion of women)
Number of people accessing European cultural and creative works generated by the Programme, including works from countries other than their own
The number of projects supported by the Programme addressed to disadvantaged groups, among others people with migrant background and unemployed persons, especially unemployed young people
The number of projects supported by the Programme involving third countries organisations

MEDIA STRAND:

The number of people accessing European audiovisual works from countries other than their own and supported by the Programme
Number of participants in learning activities supported by the Programme who assess they have improved their competences and increased their employability (including the proportion of women)
Number, budget and geographical origins of co-productions developed and created with the support of the Programme
Number of people reached by Business to Business promotional activities in major markets

CROSS-SECTORAL STRAND:

Number and scale of transnational partnerships formed (composite indicator for creative innovation labs and news media actions)
Number of events or activities promoting the Programme organised by the programme desks