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

(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 166(4), the first indent of 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 Committee of the Regions (2),

Having regard to the opinion of the Social Committee (1),

Having regard to the proposal from the European Commission,

Acting in accordance with the ordinary legislative procedure (3),

Whereas:

(1) The Treaty on the Functioning of the European Union (TFEU) aims at an ever closer union among the peoples of Europe and confers on the Union the task, inter alia, of contributing to the flowering of cultures of Member States, while respecting their national and regional diversity and at the same time ensuring that the conditions necessary for the competitiveness of the Union's industry exist. In that respect, the Union, where necessary, supports and supplements Member States' actions to respect cultural and linguistic diversity, in accordance with Article 167 TFEU and the 2005 Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions (the "2005 Unesco Convention"), to strengthen the competitiveness of the cultural and creative sectors and to facilitate adaptation to industrial changes.


(3) The Commission Communication on a European agenda for culture in a globalising world, endorsed by the Council in its resolution of 16 November 2007 (7) and by the European Parliament in its resolution of 10 April 2008 (8), sets the objectives for future activities of the Union for the cultural and creative sectors. It aims to promote cultural diversity and intercultural dialogue, culture as a catalyst for creativity in the framework for growth and jobs and culture as a vital element in the Union's international relations.

(4) With regard to the Charter of Fundamental Rights of the European Union and in particular Articles 11, 21 and 22 thereof, the cultural and creative sectors make an important contribution to the fight against all forms of discrimination, including racism and xenophobia, and are an important platform for freedom of expression and for the promotion of respect for cultural and linguistic diversity.

(5) The 2005 Unesco Convention, which entered into force on 18 March 2007 and to which the Union is a party, underlines that cultural activities, goods and services have both an economic and a cultural nature, because they convey identities, values and meanings, and must not, therefore, be treated as solely having commercial value. That convention aims to strengthen international cooperation, including international co-production and co-distribution agreements, and solidarity so as to favour the cultural expression of all countries and individuals.


It also states that due attention is to be paid to the special circumstances and needs of various social groups, including persons belonging to minorities. Accordingly, a support programme for the cultural and creative sectors should foster cultural diversity at international level in line with that convention.

(6) Promoting tangible and intangible cultural heritage, in the light of, inter alia, the 2003 Unesco Convention for the Safeguarding of the Intangible Cultural Heritage and the 1972 Unesco Convention Concerning the Protection of the World Cultural and Natural Heritage, should also contribute to the enhancement of the value of the relevant sites whilst giving to peoples a sense of ownership of the cultural and historical value of such sites.

(7) The Commission Communication entitled "Europe 2020 – A strategy for smart, sustainable and inclusive growth" (the "Europe 2020 Strategy") defines a strategy that aims to turn the Union into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. In that communication, the Commission noted that the Union needs to provide more attractive framework conditions for innovation and creativity. In that regard, cultural and creative sectors are a source of innovative ideas that can be turned into products and services that create growth and jobs and help address societal changes. Moreover, excellence and competitiveness in those sectors are primarily the result of efforts on the part of artists, creators and professionals that need to be promoted. For that purpose, access to finance for the cultural and creative sectors should be improved.

(8) In its conclusions on mobility information services for artists and for culture professionals (1), the Council confirmed the importance of the mobility of artists and cultural professionals for the Union and for achieving its objectives within the Europe 2020 Strategy, and called on the Member States and the Commission, within their respective spheres of competences and with due regard to the principle of subsidiarity, to facilitate the provision of comprehensive and accurate information to artists and cultural professionals seeking to be mobile within the Union.

(9) In order to contribute to the enhancement of a shared cultural area, it is important to promote the transnational mobility of cultural and creative players and the transnational circulation of cultural and creative works, including audiovisual works and products, thereby promoting cultural exchanges and intercultural dialogue.

(10) The MEDIA, Culture and MEDIA Mundus programmes have been the subject of regular monitoring and external evaluations, and public consultations have been organised on their future, from which it emerges that those programmes play a very important role in protecting and promoting Europe's cultural and linguistic diversity and that they are relevant for the needs of the cultural and creative sectors. It also appears from those monitoring, evaluation and consultation activities, as well as from various independent studies, in particular the study on the entrepreneurial dimension of cultural and creative industries, that the cultural and creative sectors are facing common challenges, namely the rapid change caused by the digital shift and globalisation, market fragmentation relating to linguistic diversity, difficulties in accessing finance, complex administrative procedures and a shortage of comparable data, which all require action at Union level.

(11) The European cultural and creative sectors are inherently diversified along national and linguistic lines, which results in a culturally rich and highly independent cultural landscape, providing a voice for the different cultural traditions of Europe's heritage. However, such diversification also gives rise to a series of obstacles that impede the smooth transnational circulation of cultural and creative works and hamper the mobility of cultural and creative players within and outside the Union, which can lead to geographical imbalances and, subsequently, to a limited choice for the consumer.

(12) Given that the European cultural and creative sectors are characterised by linguistic diversity which leads in some sectors to fragmentation along linguistic lines, subtitling, dubbing and audio description are essential to the circulation of cultural and creative works, including audiovisual works.

(13) The digital shift is having a massive impact on how cultural and creative goods and services are made, disseminated, accessed, consumed and monetised. While the need to seek a new balance between the increasing accessibility of cultural and creative works, fair remuneration of artists and creators and the emergence of new business models is recognised, the changes resulting from the digital shift offer wide opportunities for the European cultural and creative sectors and for European society in general. Lower distribution costs, new distribution channels, the potential for new and for increased audiences and new opportunities for niche products can facilitate access and increase circulation of cultural and creative works worldwide. In order to use those opportunities to the full and adapt to the context of the digital shift and globalisation, the cultural and creative sectors need to develop new skills and require

(1) OJ C 175, 15.6.2011, p. 5.
greater access to finance in order to upgrade equipment, develop new production and distribution methods and adapt their business models.

(14) Current distribution practices underpin the film financing system. However, there is an increasing need to promote the emergence of attractive legal online offers and to encourage innovation. Therefore, it is essential to promote new distribution modes in order to allow new business models to emerge.

(15) Digitisation of cinemas has been an ongoing issue for many small cinema operators, particularly single-screen operators, due to the high costs of the digital equipment. While the Member States have primary competence for culture and should therefore continue to address that issue at national, regional and local level, as appropriate, there is potential for financing from Union programmes and funds, in particular those aimed at local and regional development.

(16) Audience development, especially as regards young people, requires a specific commitment on the part of the Union, to support, in particular, media and film literacy.

(17) One of the greatest challenges for the cultural and creative sectors, especially for micro, small and medium-sized enterprises ("SMEs") and micro, small and medium-sized organisations, including not-for-profit and non-governmental organisations, is the difficulty they face in accessing the funds that they need to finance their activities, to grow, and to maintain and increase their competitiveness or internationalise their activities. While that is a common challenge for SMEs generally, the situation is significantly more difficult in the cultural and creative sectors due to the intangible nature of many of their assets, the prototype profile of their activities, and their intrinsic need to take risks and experiment in order to innovate. Such risk-taking needs to be understood and supported also by the financial sector.

(18) As a pilot project, the European Creative Industries Alliance is a cross-sectoral initiative that primarily supports the creative industries at policy level. It aims at leveraging additional funds for creative industries and at stimulating the demand for creative industries' services by other industries and sectors. Testing of new tools for better support for innovation in creative industries will take place and will be leveraged to feed into a policy learning platform composed of European, national and regional stakeholders.

(19) Bringing together the current MEDIA, Culture and MEDIA Mundus programmes for the cultural and creative sectors within a single comprehensive programme (the "Programme") would more effectively support SMEs and micro, small and medium-sized organisations in their efforts to take advantage of the opportunities offered by the digital shift and globalisation and would help them to address issues currently leading to market fragmentation. 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 two independent sub-programmes and a cross-sectoral strand. In particular, it is important to ensure synergies at the level of implementation between the Programme and the national and regional strategies for smart specialisation. To that end, the Programme should establish a coherent support structure for the different cultural and creative sectors consisting of a grants system complemented by a financial instrument.

(20) The Programme should take into account the dual nature of culture and cultural activities, recognising, on the one hand, the intrinsic and artistic value of culture and, on the other hand, the economic value of those sectors, including their broader societal contribution to creativity, innovation and social inclusion.

(21) With regard to the implementation of the Programme, the intrinsic value of culture and the specific nature of the cultural and creative sectors should be taken into account, including the importance of not-for-profit organisations and projects under a Culture Sub-programme.

(22) A self-standing financial instrument, the Cultural and Creative Sectors Guarantee Facility (the "Guarantee Facility"), should enable the cultural and creative sectors at large to grow, and in particular should provide sufficient leverage for new actions and opportunities. Selected financial intermediaries should act in favour of cultural and creative projects to ensure a balanced loans portfolio in terms of geographical coverage and sector representation. Moreover, public and private organisations have an important role to play in that context, in order to achieve a broad approach under the Guarantee Facility.

(23) Funding should also be provided for the European Capitals of Culture action and for the administration of the European Heritage Label action, as they contribute to the strengthening of the feeling of belonging to a common cultural area, to the stimulation of intercultural dialogue and mutual understanding and to the enhancement of the value of cultural heritage.
In addition to Member States and overseas countries and territories which are eligible to participate in the Programme pursuant to Article 58 of Council Decision 2001/822/EC (1), the Programme should also be open, subject to certain conditions, to the participation of European Free Trade Association ("EFTA") countries which are parties to the Agreement on the European Economic Area ("EEA") and of the Swiss Confederation. Accessing countries, candidate countries and potential candidate countries benefiting from a pre-accession strategy as well as countries covered by the European Neighbourhood Policy should also be able to participate in the Programme, except as regards the Guarantee Facility.

The Programme should further be open for bilateral or multilateral cooperation actions with third countries on the basis of additional appropriations to be defined, and specific arrangements to be agreed upon, with the parties concerned.

Cooperation in the cultural and audiovisual fields should be fostered between the Programme and international organisations such as Unesco, the Council of Europe, the Organisation for Economic Co-operation and Development ("OECD") and the World Intellectual Property Organisation ("WIPO").

It is necessary to ensure the European added value of all actions and activities carried out within the Programme, their complementarity to Member States' activities, their compliance with Article 167(4) TFEU and their consistency with other Union activities, in particular in the fields of education, employment, the internal market, enterprise, youth, health, citizenship and justice, research and innovation, industrial and cohesion policy, tourism and external relations, trade and development, and the digital agenda.

In compliance with the principles for performance-related assessment, the procedures for monitoring and evaluating the Programme should include detailed annual reports and should refer to specific, measurable, achievable, relevant and time-bound targets and indicators, including qualitative ones. Procedures for monitoring and evaluation ought to take into account the work of relevant players such as Eurostat, and the findings of the ESS-net Culture project and of the Unesco Institute for Statistics. In that context, as regards the audiovisual sector, the Union's participation in the European Audiovisual Observatory (the "Observatory") should be continued.

In order to ensure optimal monitoring and evaluation of the Programme during its entire duration, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the adoption of additional quantitative and qualitative indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

As stated in the Commission report of 30 July 2010 on the impact of the European Parliament and Council Decisions modifying the legal bases of the European Programmes in the areas of Lifelong Learning, Culture, Youth and Citizenship, the substantial shortening of the delays in the management procedures has increased the efficiency of programmes. Particular care should be taken to ensure that administrative and financial procedures continue to be simplified, including through the use of sound, objective and regularly updated systems for determining lump sums, unit costs and flat-rate financing.

In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council (2).

In accordance with Council Regulation (EC) No 58/2003 (3), the Commission has since 2009 entrusted the Education, Audiovisual and Culture Executive Agency with implementation tasks for the management of Union action in the fields of education, audiovisual and culture. The Commission may therefore use, on the basis of a cost-benefit analysis, an existing executive agency for the implementation of the Programme, as provided for in that Regulation.

This Regulation lays down a financial envelope for the entire duration of the 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 management (1), for the European Parliament and the Council during the annual budgetary procedure.

(34) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including measures for the prevention, detection and investigation of irregularities, the recovery of funds lost, unduly paid or incorrectly used and, where appropriate, administrative and financial penalties in accordance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (2) (the "Financial Regulation").

(35) With regard to the European Anti-Fraud Office ("OLAF") and pursuant to Council Regulation (Euratom, EC) No 2185/96 (3) and Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council (4), appropriate measures should be drawn up and implemented to prevent fraud and to recover funds which have been lost or transferred or used improperly.

(36) Since the objectives of this Regulation, namely to safeguard, develop and promote European cultural and linguistic diversity, to promote Europe’s cultural heritage and to strengthen the competitiveness of the European cultural and creative sectors, in particular of the audiovisual sector, cannot be sufficiently achieved by the Member States, given the transnational and international character of the Programme, but can rather, by reason of its scale and expected effects, 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 those objectives.


(38) Provision should be made for measures governing the transition from the MEDIA, Culture and MEDIA Mundus programmes to the Programme.

(39) In order to ensure continuity in the funding support provided under the Programme, the Commission should be able to consider the costs directly linked to the implementation of the supported actions and activities as eligible for financing, even if they are incurred by the beneficiary before the grant application is submitted.

(40) In order to ensure continuity in the funding support provided under the Programme, this Regulation should apply from 1 January 2014. For reasons of urgency, this Regulation should enter into force as soon as possible after its publication in the Official Journal of the European Union.

**HAVE ADOPTED THIS REGULATION:**

**CHAPTER I**

**General provisions**

**Article 1**

**Establishment and duration**

1. This Regulation establishes the Creative Europe Programme for support to the European cultural and creative sectors (the "Programme").

2. The Programme shall be implemented for the period from 1 January 2014 to 31 December 2020.

**Article 2**

**Definitions**

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

(1) 'cultural and creative sectors' means all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities 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. The cultural and creative 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, festivals, music, literature, performing arts, publishing, radio and visual arts;

(2) 'SMEs' means micro, small and medium-sized enterprises, as defined in Commission Recommendation 2003/361/EC (5);


Article 3
General objectives
The general objectives of the Programme shall be:

(a) to safeguard, develop and promote European cultural and linguistic diversity and to promote Europe’s cultural heritage;

(b) to strengthen the competitiveness of the European cultural and creative sectors, in particular the audiovisual sector, with a view to promoting smart, sustainable and inclusive growth.

Article 4
Specific objectives
The specific objectives of the Programme shall be:

(a) to support the capacity of the European cultural and creative sectors to operate transnationally and internationally;

(b) to promote the transnational circulation of cultural and creative works and transnational mobility of cultural and creative players, in particular artists, as well as to reach new and enlarged audiences and improve access to cultural and creative works in the Union and beyond, with a particular focus on children, young people, people with disabilities and under-represented groups;

(c) to strengthen the financial capacity of SMEs and micro, small and medium-sized organisations in the cultural and creative sectors in a sustainable way, while endeavouring to ensure a balanced geographical coverage and sector representation;

(d) to foster policy development, innovation, creativity, audience development and new business and management models through support for transnational policy cooperation.

Article 5
European added value
1. Recognising the intrinsic and economic value of culture, the Programme shall support actions and activities with a European added value in the cultural and creative sectors. It shall contribute to the achievement of the objectives of the Europe 2020 Strategy and its flagship initiatives.

2. European added value shall be ensured through one or more of the following:

(a) the transnational character of actions and activities which complement regional, national, international and other Union programmes and policies, and the impact of such actions and activities on the cultural and creative sectors as well as on citizens and on their knowledge of cultures other than their own;

(b) the development and promotion of transnational cooperation between cultural and creative players, including artists, audiovisual professionals, cultural and creative organisations and audiovisual operators, focused on stimulating more comprehensive, rapid, effective and long-term responses to global challenges;

(c) the economies of scale and critical mass which Union support fosters, creating a leverage effect for additional funds;

(d) ensuring a more level playing field in the European cultural and creative sectors by taking account of low production capacity countries and/or countries or regions with a restricted geographical and/or linguistic area.

Article 6
Structure of the Programme
The Programme shall consist of:

(a) a MEDIA Sub-programme;

(b) a Culture Sub-programme;

(c) a Cross-sectoral Strand.
Article 7

Logos of the Sub-programmes

1. The Commission shall ensure the visibility of the Programme through the use of logos, which shall be specific to each of the Sub-programmes.

2. The beneficiaries of the MEDIA Sub-programme shall use the logo set out in Annex II. The Commission shall establish details for the use of that logo and shall communicate them to the beneficiaries.

3. The beneficiaries of the Culture Sub-programme shall use a logo which shall be established by the Commission. The Commission shall establish details for the use of that logo and shall communicate them to the beneficiaries.

4. The Commission and the Creative Europe Desks referred to in Article 16 shall also be entitled to use the logos of the Sub-programmes.

Article 8

Access to the Programme

1. The Programme shall foster cultural diversity at international level in line with the 2005 Unesco Convention.

2. The Programme shall be open to the participation of the Member States.

3. Without prejudice to paragraph 4, the Programme shall be open to the participation of the following countries provided that they pay additional appropriations and that, for the MEDIA Sub-programme, they meet the conditions set out in Directive 2010/13/EU of the European Parliament and of the Council (1):

(a) acceding countries, candidate countries and potential candidate countries benefiting from a pre-accession strategy, 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, Association Council decisions or similar agreements;

(b) EFTA countries that are party to the EEA Agreement, in accordance with that Agreement;

(c) the Swiss Confederation, on the basis of a bilateral agreement with that country;

(d) countries covered by the European Neighbourhood Policy, in accordance with the procedures established with those countries following the framework agreements providing for their participation in Union programmes.

4. The countries referred to in points (a) and (d) of paragraph 3 shall be precluded from participating in the Guarantee Facility.

5. The Programme shall be open for bilateral or multilateral cooperation actions targeted at selected countries or regions on the basis of additional appropriations paid by, and specific arrangements to be agreed upon with, those countries or regions.

6. The Programme shall permit cooperation and joint actions with countries not participating in the Programme and with international organisations which are active in the cultural and creative sectors such as Unesco, the Council of Europe, the OECD or the WIPO on the basis of joint contributions for the realisation of the Programme's objectives.

CHAPTER II

MEDIA Sub-programme

Article 9

Priorities of the MEDIA Sub-programme

1. The priorities in the field of reinforcing the European audiovisual sector's capacity to operate transnationally shall be the following:

(a) facilitating the acquisition and improvement of skills and competences of audiovisual professionals and the development of networks, including the use of digital technologies to ensure adaptation to market development, testing new approaches to audience development and testing new business models;

(b) increasing the capacity of audiovisual operators to develop European audiovisual works with a potential to circulate in the Union and beyond and to facilitate European and international co-production, including with television broadcasters;

(c) encouraging business-to-business exchanges by facilitating access to markets and business tools enabling audiovisual operators to increase the visibility of their projects on Union and international markets.

2. The priorities in the field of promoting transnational circulation shall be the following:

(a) supporting theatrical distribution through transnational marketing, branding, distribution and exhibition of audiovisual works;

(b) promoting transnational marketing, branding and distribution of audiovisual works on all other non-theatrical platforms;

(c) supporting audience development as a means of stimulating interest in, and improving access to, European audiovisual works, in particular through promotion, events, film literacy and festivals;

(d) promoting new distribution modes in order to allow the emergence of new business models.

Article 10

Support measures of the MEDIA Sub-programme

In order to implement the priorities set out in Article 9, the MEDIA Sub-programme shall provide support for:

(a) the development of a comprehensive range of training measures promoting the acquisition and improvement of skills and competences by audiovisual professionals, knowledge-sharing and networking initiatives, including the integration of digital technologies;

(b) the development of European audiovisual works, in particular films and television works such as fiction, documentaries and children's and animated films, as well as interactive works such as video games and multimedia with enhanced cross-border circulation potential;

(c) activities aiming to support European audiovisual production companies, in particular independent production companies, with a view to facilitating European and international co-productions of audiovisual works including television works;

(d) activities helping European and international co-production partners to come together and/or providing indirect support for audiovisual works co-produced by international co-production funds based in a country participating in the Programme;

(e) facilitating access to professional audiovisual trade events and markets and the use of online business tools inside and outside the Union;

(f) establishing systems of support for the distribution of non-national European films through theatrical distribution and on other platforms, as well as for international sales activities, in particular the subtitling, dubbing and audio description of audiovisual works;

(g) facilitating the circulation of European films worldwide and of international films in the Union on all distribution platforms, via international cooperation projects in the audiovisual sector;

(h) a European cinema operators' network screening a significant proportion of non-national European films;

(i) initiatives presenting and promoting a diversity of European audiovisual works, including short films, such as festivals and other promotional events;

(j) activities aimed at promoting film literacy and at increasing audiences' knowledge of, and interest in, European audiovisual works, including the audiovisual and cinematographic heritage, in particular among young audiences;

(k) innovative actions testing new business models and tools in areas likely to be influenced by the introduction and use of digital technologies.

Article 11

European Audiovisual Observatory

1. The Union shall be a member of the Observatory for the duration of the Programme.

2. The Union's participation in the Observatory shall contribute to the achievement of the priorities of the MEDIA Sub-programme by:

(a) encouraging transparency and the establishment of a level playing field as regards the accessibility of legal and financial/market information, and contributing to the comparability of legal and statistical information;

(b) providing data and market analysis useful for the elaboration of the action lines of the MEDIA Sub-programme and for the evaluation of their impact on the market.

3. The Commission shall represent the Union in its dealings with the Observatory.

CHAPTER III

Culture Sub-programme

Article 12

Priorities of the Culture Sub-programme

1. The priorities in the field of reinforcing the cultural and creative sectors' capacity to operate transnationally shall be the following:

(a) supporting actions providing cultural and creative players with skills, competences and know-how that contribute to strengthening the cultural and creative sectors, including encouraging adaptation to digital technologies, testing innovative approaches to audience development and testing new business and management models;
(b) supporting actions enabling cultural and creative players to cooperate internationally and to internationalise their careers and activities in the Union and beyond, where possible on the basis of long-term strategies;

(c) providing support to strengthen European cultural and creative organisations and international networking in order to facilitate access to professional opportunities.

2. The priorities in the field of promoting transnational circulation and mobility shall be the following:

(a) supporting international touring, events, exhibitions and festivals;

(b) supporting the circulation of European literature with a view to ensuring its widest possible accessibility;

(c) supporting audience development as a means of stimulating interest in, and improving access to, European cultural and creative works and tangible and intangible cultural heritage.

Support measures of the Culture Sub-programme

1. In order to implement the priorities set out in Article 12, the Culture Sub-programme shall provide support for:

(a) transnational cooperation projects bringing together cultural and creative organisations from different countries to undertake sectoral or cross-sectoral activities;

(b) activities by European networks of cultural and creative organisations from different countries;

(c) activities by organisations with a European vocation fostering the development of emerging talent and stimulating the transnational mobility of cultural and creative players and circulation of works, with the potential to exert a broad influence on the cultural and creative sectors and to provide for lasting effects;

(d) literary translation and its further promotion;

(e) special actions designed to make the richness and diversity of European cultures more visible and to stimulate intercultural dialogue and mutual understanding, including Union cultural prizes, the European Capitals of Culture action and the European Heritage Label action.

2. The measures set out in paragraph 1 shall support, in particular, not-for-profit projects.

CHAPTER IV
Cross-sectoral Strand

Article 14
Cultural and Creative Sectors Guarantee Facility

1. The Commission shall establish a Guarantee Facility targeting the cultural and creative sectors.

The Guarantee Facility shall operate as a self-standing instrument and shall be set up and managed in accordance with Title VIII of the Financial Regulation.

2. The Guarantee Facility shall have the following priorities:

(a) to facilitate access to finance for SMEs and micro, small and medium-sized organisations in the cultural and creative sectors;

(b) to improve the capacity of participating financial intermediaries to assess the risks associated with SMEs and micro, small and medium-sized organisations in the cultural and creative sectors and with their projects, including through technical assistance, knowledge-building and networking measures.

The priorities shall be implemented in accordance with Annex I.

3. In accordance with Article 139(4) of the Financial Regulation, the Commission shall implement the Guarantee Facility in an indirect management mode by entrusting tasks to the EIF as referred to in point (iii) of Article 58(1)(c) of that Regulation, subject to the terms of an agreement between the Commission and the EIF.

Article 15
Transnational policy cooperation

1. In order to promote transnational policy cooperation, the Cross-sectoral Strand shall support:

(a) transnational exchange of experiences and know-how in relation to new business and management models, peer-learning activities and networking among cultural and creative organisations and policy-makers related to the development of the cultural and creative sectors, promoting digital networking where appropriate;

(b) the collection of market data, studies, analysis of labour market and skills needs, European and national cultural policies analysis and support for statistical surveys based on instruments and criteria specific to each sector and evaluations, including measurement of all aspects of the impact of the Programme;

(c) payment of the contribution fee for Union membership of the Observatory to foster data collection and analysis in the audiovisual sector;
(d) testing of new and cross-sectoral business approaches to funding, distributing and monetising creation;

(e) conferences, seminars and policy dialogue, including in the field of cultural and media literacy, promoting digital networking where appropriate;

(f) the Creative Europe Desks referred to in Article 16 and the performance of their tasks.

2. By 30 June 2014, the Commission shall carry out a feasibility study exploring the possibility of collecting and analysing data in the cultural and creative sectors other than the audiovisual sector, and shall present the results of that study to the European Parliament and to the Council.

Depending on the results of the feasibility study, the Commission may submit a proposal to amend this Regulation accordingly.

Article 16

Creative Europe Desks

1. The countries participating in the Programme, acting together with the Commission, shall establish Creative Europe Desks in accordance with their national law and practice (the "Creative Europe Desks").

2. The Commission shall support a network of Creative Europe Desks.

3. The Creative Europe Desks shall carry out the following tasks, while taking into account the specific characteristics of each sector:

(a) provide information about, and promote, the Programme in their country;

(b) assist the cultural and creative sectors in relation to the Programme and provide basic information on other relevant support opportunities available under Union policy;

(c) stimulate cross-border cooperation within the cultural and creative sectors;

(d) support the Commission by providing assistance regarding the cultural and creative sectors in the countries participating in the Programme, for example through the provision of available data on those sectors;

(e) support the Commission in ensuring proper communication and dissemination of the results and impacts of the Programme;

(f) ensure the communication and dissemination of information concerning the Union funding awarded and the results obtained for their country.

4. The Commission, acting together with the Member States, shall ensure the quality and results of the service provided by the Creative Europe Desks through regular and independent monitoring and evaluation.

CHAPTER V

Performance results and dissemination

Article 17

Consistency and complementarity

1. The Commission, in cooperation with the Member States, shall ensure the overall consistency and complementarity of the Programme with:

(a) relevant Union policies, such as those in the fields of education, employment, health, the internal market, the digital agenda, youth, citizenship, external relations, trade, research and innovation, enterprise, tourism, justice, enlargement and development;

(b) other relevant Union funding sources in the field of culture and media policies, in particular the European Social Fund, the European Regional Development Fund and the research and innovation programmes, as well as the financial instruments relating to justice and citizenship, external cooperation programmes and the pre-accession instruments.

2. This Regulation shall apply and be implemented without prejudice to the international commitments of the Union.

Article 18

Monitoring and evaluation

1. The Commission shall ensure regular monitoring and external evaluation of the Programme against the qualitative and quantitative performance indicators set out below:

(a) indicators for the general objectives referred to in Article 3:

(i) the cultural and creative sectors' level, change in and share of employment and share of gross domestic product;

(ii) the number of people accessing European cultural and creative works, including, where possible, works from countries other than their own;
(b) indicators for the specific objective referred to in point (a) of Article 4:

(i) the scale of international activities of cultural and creative organisations and the number of transnational partnerships created;

(ii) the number of learning experiences and activities supported by the Programme which have improved the competences and increased the employability of cultural and creative players, including audiovisual professionals;

(c) indicators for the specific objective referred to in point (b) of Article 4 as regards the MEDIA Sub-programme:

(i) the number of admissions for non-national European films in Europe and European films worldwide (10 most important non-European markets) in cinemas;

(ii) the percentage of European audiovisual works in cinemas, on television and on digital platforms;

(iii) the number of people in the Member States accessing non-national European audiovisual works and the number of people in the countries participating in the Programme accessing European audiovisual works;

(iv) the number of European video games produced in the Union as well as in the countries participating in the Programme;

(d) indicators for the specific objective referred to in point (b) of Article 4 as regards the Culture Sub-programme:

(i) the number of people directly and indirectly reached through projects supported by the Programme;

(ii) the number of projects addressed to children, young people and under-represented groups and the estimated number of people reached;

(e) indicators for the specific objective referred to in point (c) of Article 4:

(i) the volume of loans guaranteed in the framework of the Guarantee Facility, categorised by national origin, size and sectors of SMEs and micro, small and medium-sized organisations;

(ii) the volume of loans granted by participating financial intermediaries, categorised by national origin;

(iii) the number and geographical spread of participating financial intermediaries;

(iv) the number of SMEs and micro, small and medium-sized organisations benefiting from the Guarantee Facility, categorised by national origin, size and sectors;

(v) the average default rate of loans;

(vi) the achieved leverage effect of guaranteed loans in relation to the indicative leverage effect (1:5.7);

(f) indicators for the specific objective referred to in point (d) of Article 4:

(i) the number of Member States making use of the results of the open method of coordination in their national policy development;

(ii) the number of new initiatives and policy outcomes.

2. The results of the monitoring and evaluation process shall be taken into account in the implementation of the Programme.

3. In addition to regularly monitoring the Programme, the Commission shall establish a mid-term evaluation report, based on an external and independent evaluation, which:

(a) includes qualitative and quantitative elements, in order to assess the effectiveness of the Programme in achieving its objectives, the efficiency of the Programme, and its European added value;

(b) addresses the scope for simplification of the Programme, its internal and external coherence, the continued relevance of all its objectives and the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth;

(c) takes into account evaluation results concerning the long-term impact of Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC.


5. On the basis of a final external and independent evaluation, the Commission shall establish a final evaluation report which assesses the longer-term impacts and the sustainability of the Programme on the basis of the selected quantitative and qualitative indicators. With regard to the specific objective referred to in point (c) of Article 4, the Commission shall also evaluate the effects of the Guarantee Facility on access to bank loans and the associated costs for SMEs and micro, small and medium-sized organisations in the cultural and creative sectors.

Article 19

Communication and dissemination

1. The Commission shall provide the countries participating in the Programme with information concerning the projects which have received the Union’s funding, by transmitting the selection decisions within two weeks of their adoption.

2. Beneficiaries of the projects supported by the Programme shall ensure the communication and dissemination of information concerning the Union’s funding they have received and the results obtained.

3. The Commission shall ensure the dissemination of relevant information to the Creative Europe Desks.

CHAPTER VI
Delegated acts

Article 20

Delegation of powers to the Commission

The Commission shall be empowered to adopt delegated acts in accordance with Article 21 in order to supplement the qualitative and quantitative performance indicators laid down in Article 18(1).

Article 21

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 shall be conferred on the Commission for the duration of the Programme.

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 the 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. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. 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 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 VII
Implementing provisions

Article 22

Implementation of the Programme

1. The Commission shall implement the Programme in accordance with the Financial Regulation.

2. The Commission shall adopt by means of implementing acts an annual work programme concerning the Sub-programmes and the Cross-sectoral Strand. The Commission shall ensure in the annual work programme that the general and specific objectives set out in Articles 3 and 4 as well as the priorities set out in Articles 9 and 12 are implemented annually in a consistent manner, and shall outline the expected results, the method of implementation and the total amount of the financing plan. The annual work programme shall also contain a description of the measures to be financed, an indication of the amount allocated to each measure and an indicative implementation timetable.

For grants, the annual work programme shall include the priorities, the eligibility, selection and award criteria, and the maximum rate of co-financing. The financial contribution from the Programme shall be a maximum of 80% of the costs of the operations supported.

For the Guarantee Facility, the annual work programme shall include the eligibility and selection criteria for financial intermediaries, the exclusion criteria in respect of the content of projects submitted to the participating financial intermediaries, the annual allocation to the EIF and the eligibility, selection and award criteria for capacity-building providers.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 23(4).

3. The Commission shall adopt the general guidelines for the implementation of the Programme in accordance with the advisory procedure referred to in Article 23(3).

Article 23

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. The Creative Europe Committee may meet in specific configurations to deal with concrete issues relating to the Sub-programmes and the Cross-sectoral Strand.

3. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

4. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
**Article 24**

**Financial provisions**

1. The financial envelope for the implementation of the Programme for the period from 1 January 2014 to 31 December 2020 is set at EUR 1 462 724 000 in current prices.

   The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

2. The financial envelope referred to in paragraph 1 shall be allocated as follows:
   
   (a) at least 56% for the MEDIA Sub-programme;
   
   (b) at least 31% for the Culture Sub-programme;
   
   (c) a maximum of 13% for the Cross-sectoral Strand, with at least 4% being allocated for the transnational cooperation measures listed in Article 15 and for the Creative Europe Desks.

3. The administrative costs in respect of the implementation of the Programme shall form part of the allocation set out in paragraph 2 and the total amount of those costs shall not exceed 7% of the Programme's budget, of which 5% shall be allocated to the implementation of the MEDIA Sub-programme and 2% to the implementation of the Culture Sub-programme.

4. The financial envelope referred to in paragraph 1 may cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are directly necessary for the management of the Programme and the achievement of its objectives, in particular studies, meetings of experts, information and communication actions, including institutional communication of the political priorities of the Union in so far as they are related to the general objectives of the Programme, and expenses connected with IT networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission in managing the Programme.

5. The financial envelope referred to in paragraph 1 may cover the technical and administrative assistance expenses necessary to ensure the transition between the measures adopted under Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC and this Regulation.

If necessary, appropriations may be entered in the budget beyond 2020 to cover similar expenses, in order to allow for the management of actions not yet completed by 31 December 2020.

6. By way of derogation from Article 130(2) of the Financial Regulation, and in duly justified cases, the Commission may consider costs directly linked to the implementation of the supported actions and activities as eligible even if they are incurred by the beneficiary before the submission of the grant application.

**Article 25**

**Protection of the financial interests of the Union**

1. The Commission shall take appropriate measures to ensure that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and inspections and, if irregularities are detected, by recovery of the amounts unduly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.

2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks and inspections, over all grant beneficiaries, contractors and subcontractors who have received Union funds under the Programme.

3. OLAF may carry out investigations, including on-the-spot checks and inspections in accordance with the provisions and procedures laid down in Regulation (Euratom, EC) No 2185/96 and Regulation (EU, Euratom) No 883/2013, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under the Programme.

4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and international organisations, contracts, grant agreements and grant decisions resulting from the implementation of this Regulation shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct audits and investigations, according to their respective competences.

**CHAPTER VIII**

**Final provisions**

**Article 26**

**Repeal and transitional provision**


2. Activities undertaken by 31 December 2013 on the basis of the Decisions referred to in paragraph 1 shall, until they are terminated, continue to be managed in compliance with those Decisions.
Article 27

Entry into force

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

It shall apply from 1 January 2014.

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

Done at Strasbourg, 11 December 2013.

For the European Parliament
The President
M. SCHULZ

For the Council
The President
V. LEŠKEVIČIUS
ANNEX I

IMPLEMENTATION ARRANGEMENTS FOR THE CULTURAL AND CREATIVE SECTORS GUARANTEE FACILITY

The financial support provided by the Guarantee Facility shall be earmarked to SMEs and micro, small and medium-sized organisations in the cultural and creative sectors, adapted to the specific needs of the sectors and branded as such.

1. Tasks

The Guarantee Facility shall provide:

(a) guarantees to participating financial intermediaries from any country participating in the Guarantee Facility;

(b) participating financial intermediaries with additional expertise to evaluate risks associated with SMEs and micro, small and medium-sized organisations and with their cultural and creative projects.

2. Selection of participating financial intermediaries

The EIF shall select participating financial intermediaries in conformity with best market practice and with the specific objective referred to in point (c) of Article 4. The selection criteria shall include in particular:

(a) the volume of debt financing made available to SMEs and micro, small and medium-sized organisations;

(b) the risk management policy for lending operations, in particular in relation to cultural and creative projects;

(c) the ability to build a diversified loan portfolio and to propose a marketing and promotion plan to SMEs and micro, small and medium-sized organisations across regions and sectors.

3. Duration of the Guarantee Facility

Individual guarantees may have a maturity of up to 10 years.

In accordance with point (i) of Article 21(3) of the Financial Regulation, repayments generated by the guarantees shall be assigned to the Guarantee Facility for a period not exceeding the period of commitment plus 10 years. Repayments generated in accordance with the provisions of relevant delegation agreements by the operations of the MEDIA Production Guarantee Fund set up before 2014 shall be assigned to the Guarantee Facility in the period 2014-2020. The Commission shall inform the Member States of such assignments through the Creative Europe Committee.

4. Capacity-building

Capacity-building under the Guarantee Facility is the provision of expertise to participating financial intermediaries in order to increase their understanding of the cultural and creative sectors (in aspects such as the intangible nature of collateral assets, the size of the market lacking critical mass, and the prototype nature of products and services) and the provision to each participating financial intermediary of additional expertise in building portfolios and evaluating risks associated with cultural and creative projects.

The resources allocated to capacity-building shall be limited to 10 % of the budget for the Guarantee Facility.

The EIF shall select the capacity-building providers on behalf of the Guarantee Facility and under the supervision of the Commission through a public and open procurement procedure, on the basis of criteria such as experience in financing the cultural and creative sectors, expertise, geographical reach, delivery capacity and market knowledge.

5. Budget

The budgetary allocation shall cover the full cost of the Guarantee Facility, including payment obligations towards participating financial intermediaries such as losses from guarantees, management fees for the EIF managing the Union’s resources, and any other eligible costs or expenses.
6. Visibility and awareness-raising

The EIF shall contribute to the promotion of the Guarantee Facility vis-à-vis the European banking sector. Additionally, each participating financial intermediary and the EIF shall ensure that an appropriate level of visibility and transparency is given to the support under the Guarantee Facility, by providing information on the financial opportunities to the target SMEs and micro, small and medium-sized organisations.

To that end, the Commission shall, inter alia, provide the network of Creative Europe Desks with the necessary information to enable them to carry out their tasks.

7. Types of loan

Types of loan covered by the Guarantee Facility shall include, in particular:

(a) investment in tangible or intangible assets;

(b) business transfers;

(c) working capital (such as interim finance, gap finance, cash flow, credit lines).
ANNEX II

LOGO OF THE MEDIA SUB PROGRAMME

The MEDIA Sub programme logo shall be as follows:

![MEDIA Logo](image-url)