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A Decade of Creative Europe

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1. *Introduction*

Creative Europe is the European Union's Programme dedicated to supporting the cultural, creative and audiovisual sectors. This Report presents the main results of the final evaluation of the Creative Europe 2014-2020 Programme (hereunder 'CE1') and the mid-term evaluation of the Creative Europe 2021-2027 Programme (hereunder 'CE2') in line with the relevant provisions in the two legal instruments[1]. The actions of both Programme iterations have been organised into three strands in order to cater for specific needs: MEDIA (audiovisual and video games), Culture (all other cultural and creative sectors), and Cross-sectoral (including news media).

The European Union's role in culture is governed by subsidiarity as outlined in Article 167 of the Treaty on the Functioning of the European Union (TFEU)[2] whilst the role of the EU in media is also governed by single market (Art 26), and competitiveness (Art 173) provisions of the TFEU. This framework is the basis for the dual objectives of Creative Europe: to safeguard, develop and promote European cultural and linguistic diversity and heritage, and to increase competitiveness and economic potential of the cultural and creative sectors (hereunder 'CCS'), in particular of the audiovisual sector.

CE2 builds on the strengths of CE1, while introducing innovations. These were mainly in response to the digital shift, which represents a paradigm change. Recognising the importance of the CCS[3] and the magnitude of the challenges they face, the Programme was allocated a budget of EUR 2.44 billion for the 2021-2027 funding period, representing a 66% increase from the previous funding period. The distribution of the budget among the three strands remained relatively stable under both funding periods: 56-58% for MEDIA, 31-33% for Culture and 13-9% for the Cross-sectoral strand. The budget has been fully executed across both programming periods, including during the Covid pandemic when many venues were locked down.

The budget of Creative Europe is very limited, equivalent to 0,2% of the current EU budget, whereas Member States are the primary source of public funding. However, Creative Europe targets activities where the EU intervention can bring additional value compared to the actions of Member States alone. In particular, it addresses the fragmentation of the cultural, creative and media sectors along national and linguistic borders. Moreover, national-level funding alone is insufficient to support the overall competitiveness and diversity of EU media, audiovisual and other cultural and creative sectors. In particular, Creative Europe supports transnational cooperation and circulation of content across the EU, through pan-European activities such as collaborations, co-productions and networks, thus leveraging the value of national cultural assets beyond national borders. This approach also facilitates equal access to media and cultural content for people living in the EU.

The wide participation of Members of the European Free Trade Association which are members of the European Economic Area, candidate countries and potential candidates as well as European Neighbourhood Policy countries constitutes a valuable asset of the Programme, strengthening its

[1] Creative Europe was established in 2013 by Regulation (EU) 1295/2013 of the European Parliament and of the Council integrating the Culture, MEDIA 2007 and MEDIA Mundus Programmes into one single funding instrument. In 2021, a new Creative Europe was established for the period 2021-2027 (Regulation (EU) 2021/818 of the European Parliament and of the Council

2 CONSOLIDATED VERSION OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION.

[3] The Cultural and Creative Industries ecosystem plays a key role as one of 14 key industrial ecosystems identified following the adoption of *'A New Industrial Strategy for Europe'* Communication in 2020, COM(2020) 102 final; Brussels, 10.3.2020

relevance and outreach. It contributes to the EU efforts for cultural diplomacy by creating tangible ties with these countries. For countries on the path to EU accession, their participation in Creative Europe is a positive aspect in relation to Chapter 26 of the Acquis Communautaire on Education, Culture and Media. As regards the audiovisual sector, alignment of third countries with the Audiovisual and Media Services Directive is an ex-ante condition for participation in the MEDIA and cross-sectoral strands, thus acting as an incentive to accelerate regulatory convergence.

2. Achievements and challenges

MEDIA strand

MEDIA has successfully contributed to safeguarding cultural diversity and strengthening competitiveness. Over three decades the core mission of MEDIA has remained clear: to bring quality European films and series to people across Europe. Thus, MEDIA actions are embedded across the value chain of the audiovisual industry helping to build a resilient and European ecosystem. This is all the more important given the tough competition the EU audiovisual sector is facing from global players, including not only major Hollywood studios, but, increasingly, the biggest tech companies in the world.

MEDIA has notably strengthened the transnational circulation of European films and series, in a sector significantly fragmented along national borders. The evaluation revealed that, on average, MEDIA supported[4] EU films and series could be viewed by audiences in 9.5, 6.6 and 3.2 more EU countries across TV, cinema and video-on-demand respectively, than comparable EU works which did not receive MEDIA funding. It is estimated that, under the previous Programme alone, MEDIA supported EU films and series attracted at least 241 million admissions more in EU countries outside their home country compared to films and series which did not receive MEDIA support.

MEDIA's support to European cinemas is another successful initiative in respect of the transnational circulation of European films and series. Between 2014-2023, the Europa Cinemas network increased its geographical coverage by 32% to reach over 750 municipalities. It sold almost 40% of all tickets for non-national European films in the EU by 2023, which shows significant EU added value.

MEDIA funding has also enhanced the production and eventual release of high-quality audiovisual works. In particular, it has supported films and TV series in their crucial development phase. The share of supported titles eventually released is estimated at 29% of all films and series supported for development during the evaluation period, apparently above the market average. This indicates a positive impact of funding. A third of video games developed with the help of MEDIA funding were eventually commercialised, a sign of success in a highly competitive and dynamic sector.

MEDIA has focused on European cross-border co-productions to achieve more impact at European level, both at development stage and in the production of programming for TV and video-on-demand. Such co-productions increase competitiveness, by increasing audiences abroad, bringing in new sources of financing and sharing know-how. The share of supported cross-border European co-productions has increased substantially from 36% under CE1 to 84% under CE2 (2021-2023),

[4] Including CE1 actions: Development Slate; Development-Animation; Development-Documentaries; Development-Fiction; Support to Television Programming of Audiovisual European Works; Support to international co-production funds; Distribution Automatic; Distribution Selective; Sales Agents; and CE2 actionss: Development Slate; Development Mini Slate; Co-development; TV and online content; European Distribution; European Sales Agents; Films on the Move.

significantly higher than the estimated market average for EU works not supported by MEDIA (13.7%).

Moreover, MEDIA supported films, series and games have consistently achieved critical acclaim and recognition. Over the period 2014-2023, supported works received around 1200 nominations and 500 awards from prestigious international festivals and awarding bodies. For example, supported works have received 127 awards at Cannes, 86 awards at the Berlinale, and 73 awards at the European Film Awards. This reflects the high cultural value and international standing of the European works supported by MEDIA.

Cultural diversity has been strengthened through measures which address countries with lower audiovisual capacities, notably by fostering collaboration. The share of supported works involving collaborations between low capacity and high-capacity countries has increased from less than 5% under CE1 to around 30% under CE2 (2021-2023). Also, the share of supported works in lesser used languages increased from 25% under CE1 to 32% under CE2 (2021-2023). While progress has been made in broadening the participation of all Member States, support is still concentrated on a limited number of beneficiary countries.

More broadly, MEDIA has also leveraged equity investment by providing blended support to MediaInvest, which was introduced as of 2021 under InvestEU. This novel equity investment platform is dedicated to European audiovisual and gaming projects. The aim of MediaInvest is to stimulate more private investment, thus strengthening competitiveness. The target is to leverage up to €400 million equity investment between 2022-2027. Four investment deals have already been signed under MediaInvest, and it is well on track to meet its target. This is also an effective complement to loan guarantees (see below under the assessment of cross-sectoral actions).

Overall MEDIA has helped to shape a European ecosystem and complements policies of Member States which have a domestic focus. However, this effect cannot in itself counter powerful market forces which are transforming sector and arise from changing consumer behaviour and technological advances.

Culture strand

The Culture strand has constantly served as an instrument to empower CCS organisations across Europe to cooperate beyond national borders and this happens in a way and on issues that are not covered by national funding. In sectors facing challenges such as market and linguistic fragmentation, digital transformations, a high share of very small organisations, limited mobility and work precariousness, the Culture strand provides a platform for cross-border collaboration, enabling actors to engage in joint creation and exchanges that are generally not supported at this scale at national level. Moreover, the strand supports the efforts of the EU through its cross-cutting elements of social inclusion and gender equality, sustainability and contributes to the EU diplomatic efforts in the field of culture.

Under CE1, it facilitated over 1,200 transnational projects, creating over 7,500 cultural activities supporting more than 22,000 professionals in internationalising their careers and gaining experience in other countries. Under CE2, from 2021 to 2023, the Culture strand supported 630 projects, channelling EUR 294 million to over 2,000 organisations in 39 countries. It facilitated the translation of more than 1,500 books, bolstering linguistic diversity and access to literature from lesser-used languages. Culture Moves Europe offered over 3,800 emerging artists opportunities for mobility and exposure enabling them to forge new, (often) sustainable

international partnerships. Additionally, the strand has supported initiatives such as networks of cultural organisations, platforms supporting young artistic talent, orchestras and cultural prizes.

Through the development of skills of CCS professionals, as well as the evidence found that 8 in 10 collaborations continued after the completion of a project, the strand makes a contribution to developing lasting partnerships and a European cultural space.

The strand's relevance has become especially evident during the crises faced over the 2014-2023 period. While COVID-19 posed an existential threat to the CCS, the Programme responded with flexibility, designing innovative instruments such as Culture Unite or by adapting its financial support to aid the CCS. Similarly, as a response to the Russian war of aggression against Ukraine, the strand developed a EUR 5 million call to support Ukrainian CCS.

However, it must be noted that some sectors are not sufficiently represented in the horizontal actions of the strand, such as fashion and design, to this day.

The Programme relies on the principle of excellence with no pre-defined budget envelope per participating country. Indeed, funds are allocated based on the projects' quality and not depending on the organisations' country of origin. As a result, the allocation of funding through grants is influenced by several factors. For instance, countries with strongly established cultural and creative sectors and/or which serve as regional hubs tend to receive a more important share of funds (such as France, Italy, Germany and Belgium). However, under CE2, some countries such as Croatia, Slovenia and Serbia have started playing a more prominent role in the Programme. However, some efforts are still needed to reach out to countries that are not sufficiently engaged with Creative Europe.

There is a persistent gap between demand and available funding.[5] To address this, adjustments have been made in recent years to increase accessibility and balance funding across project scales; by capping the number of projects the same organisation can be a part of in the same call, as well as the publication of large-scale Cooperation Projects every two years instead of every year.

Cross-sectoral strand

Support to news media was launched in 2021 and high-quality projects have been funded to address key structural and technological changes and promoting media independence and pluralism as well as media literacy. Revenues in news media are sharply declining as advertising has shifted to global online platforms whilst the Media Pluralism Monitor[6] shows risks for media pluralism and editorial independence across Member States. Few Member States are dedicating significant financial resources to supporting the safety of journalists or resilience and innovation in media outlets.

The Creative Innovation Lab has provided seed funding for collaboration between audiovisual and other cultural and creative sectors. After initial difficulties in attracting relevant proposals, it has gradually provided added value by funding multidisciplinary projects which address common challenges, notably reaching wider audiences and monetisation, through harnessing digital applications such as artificial intelligence and block chain. Despite this, innovation remains a formidable challenge for the EU CCSs. Only 30% of EU CCS companies have adopted a digital

[5] This gap is particularly acute in the European Cooperation Projects, the strand's largest action, where the action faces massive and increasing oversubscription. It went from receiving 463 submissions in 2021 to 831 in 2023 and due to a stable budget, had its success rate dropping from 27% in 2021 to 17% in 2023. The trend of oversubscription for each Cooperation Projects call continued in the years following 2023.

[6] Centre for Media Pluralism and Media Freedom (2025) Media Pluralism Monitor

transformation strategy and investment in AI represents less than 1% of their total investments. The evaluation also pointed out that transmedia exploitation of the same Intellectual Property has a positive impact on the popularity of the works covered and on competitiveness. In this respect, synergies are more pronounced between audiovisual and other copyright-intensive media sectors (music and publishing). They face to some extent common challenges and opportunities for competitiveness and digital transformation, at a time in which large extra-EU platforms have increased control over what content people spend they time on.

As regards financial instruments, the first Cultural and Creative Sectors Guarantee Facility (CCS GF) made a very effective contribution. Through effective collaboration between the Commission and the European Investment Fund a strong market response was cultivated in sectors previously perceived as high risk due to the intangible nature of the companies' assets, cash flow difficulties and shortage of reliable economic data. Over EUR 1.8 billion in loans was leveraged, which exceeded by far the initial goal of EUR 600 million. It thus reduced the gap in debt financing, estimated to be EUR 837m – EUR 2.07 bn per year, by 15%-30%. The audiovisual and multimedia sectors represented 44% of loans, but several other sectors including music, performing arts and video games also benefited. The CCS GF was subsequently incorporated into InvestEU as of 2021.

Creative Europe Desks set in all participating countries have been of great importance for the promotion of the Programme and support to potential applicants, in particular micro-organisations with limited capacities.

3. Administrative efficiency

The European Education and Culture Executive Agency, which implemented the bulk of Creative Europe, provided efficient centralised implementation of calls and management of grants. Overall, the cost of administration as a proportion of the total budget for the previous Programme, was well below expected benchmarks and has been further reduced under the current Programme. It went from 7,74% of the grand total budget in 2014 to 6,74% in 2023. Administrative costs have increased less than the operational budget, indicating that efficiency savings have been achieved.

A number of measures (lump sums, higher co-funding ceilings, multiannual agreements) were taken to simplify procedures and reduce the application burden on applicants. Feedback from beneficiaries suggest that the administrative burden decreased under the current Programme, with 73% of participants from CE1 considering application costs to be high, reduced to 66% in CE2.

4. Looking into the future

The evaluation has provided valuable lessons for the design and implementation of EU level funding for culture and media going forward, with its results feeding into the impact assessment of the successor Programme of Creative Europe, i.e. AgoraEU.

<u>MEDIA strand</u>

Circulating European films, series, documentaries and other audiovisual works across national borders brings Europeans closer together by sharing powerful European stories, while also strengthening European companies competing with global media and tech giants. However further efforts are needed to attract wider cross-border audiences on all platforms, in particular younger generations. Furthermore, despite significant developments in improving the level playing field

between MEDIA countries, continuous efforts are needed to increase geographic and linguistic diversity and broaden participation.

MEDIA has evolved through a sharpened focus on innovation and cross-border collaboration, including co-productions and pan-European distribution. This adaptability is key as it responds to market trends and new challenges, such as the growth of streaming. Since media markets are global, innovative and dynamic, it will be important to continue monitoring trends to steer MEDIA so that it keeps pace with developments. On videogames, demand for support in this dynamic and fast-growing sector largely exceeds current budget envelopes. While adjustments have already been made in several MEDIA actions to reflect both its economic importance and appeal among Europeans of all ages, further reflection is needed on how best to strengthen this support in the future.

The combination of grant funding and financial instruments has served the industry well by catering for different needs, from access to seed funding and co-financing to bridging loans and equity for ambitious pan-European ventures.

Intellectual Property intensive content industries share common challenges, for example to attract wider audiences in the digital age and to respond to changing consumer preferences (especially when it comes to digital native young people). The success of and experience with MEDIA in reaching wider cross-border audiences through co-productions and pan-European distribution for example is very relevant in this regard.

Given the scale of the challenges, MEDIA needs to be accompanied by collaboration with Member States and the whole audiovisual industry in order to better exploit synergies.

Culture strand

Under both iterations of the Programme, the Culture strand has helped the CCS address key challenges, such as the fragmentation of the European market along national and linguistic lines and the transformations resulting from the dual transition. However, some needs have become more acute in recent years, while new ones have emerged, such as attacks on artistic freedom or the rise of artificial intelligence. There is a need to better respond to them, in line with the ambition of the upcoming Culture Compass for Europe.

The demand for funding, up to four times greater than the current available budget for the Cooperation projects action, shows the high demand from the CCS for the strand. Funding is crucial for the strand to continue helping CCS unlock their full potential and project themselves into the future, while widening access to a diversity of cultural content across borders.

The strand's sectorial approach addressed specific challenges of certain sectors, while the horizontal approach offers more agility and leeway for cultural and creative operators. It is important to keep a combination of both, to ensure the strand keeps a strong policy focus.

Further efforts are needed to increase the visibility of the Culture strand in CCS and countries not sufficiently engaged with it. Outreach could be further improved by sharing and better targeting information about the strand for organisations in such sectors and countries.

There is a need to have a regular review and close monitoring of the simplification measures introduced in CE2. In this respect, the Culture strand should maintain its focus on addressing accessibility challenges and continue to expand its reach to CCS organisations that have no prior experience working at EU level.

Several lessons have emerged as well regarding the regular monitoring, evaluation and data availability. The Commission will implement concrete measures to develop a more systematic approach to the strand's data collection. These include a thorough analysis of data currently available, for a better use of them without increasing the burden on beneficiaries. In parallel, efforts and additional resources will be put on further developing in-house reporting tools and collecting data from the CCS representatives.

Cross-sectoral strand

Support to news media amounts to only about EUR 15 million per year, yet it is subject to strong demand. For example, the Journalism Partnerships action has been oversubscribed by 700%. Going forward support will be crucial as challenges across the EU have kept increasing in areas such as media freedom and pluralism, media viability and disinformation, negatively impacting societal resilience and democratic participation.

Future Creative Innovation Lab calls need to continue to refine criteria to ensure that funded projects are genuinely innovative and contribute to the long-term digital transformation of audiovisual and other cultural and creative industries. There is also scope under the Creative Innovation Labs action for better targeting cross-sectoral innovation synergies, which allow for the development and exploitation of cross-sectoral Intellectual Property in particular.