



**EUROPEAN AGENDA FOR CULTURE**  
**WORK PLAN FOR CULTURE 2011-2014**

**POLICY HANDBOOK**

**ON**

*How to strategically use the EU support programmes, including Structural Funds, to foster the potential of culture for local, regional and national development and the spill-over effects on the wider economy?*

**WORKING GROUP OF EU MEMBER STATES EXPERTS  
(OPEN METHOD OF COORDINATION)  
ON  
CULTURAL AND CREATIVE INDUSTRIES**

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## 1. Introduction

### Objective and target group

Cultural and creative industries<sup>1</sup> are in a strategic position to promote smart, sustainable and inclusive growth in all EU regions and cities, and thus contribute fully to the Europe 2020 Strategy, which is the EU's growth strategy for the coming decade.

While some EU regions have been very good at tapping into this extraordinary potential as a way to promote socio-economic development - including through the use of EU Structural Funds -, it however appears that many others have not been making most of this potential.

The objective of this Policy Handbook is to better sensitize local, regional and national authorities as well as the cultural community of the potential of cultural and creative industries in boosting regional and local development. The Handbook intends to help them in formulating local, regional and national strategies for cultural and creative industries. It also aims to serve as a tool for the planning and implementation of a strategic use of the EU support programmes, including the Structural Funds, to foster the potential of culture for local, regional, national development and the spill-over effects on the wider economy.

The target group for the Handbook are the policymakers at local, regional and national level responsible for both cultural and economic planning as well as those responsible for the planning of the EU Structural Funds. Based on existing experience from different Member States the Handbook introduces ways to use the EU Structural Funds for developing CCIs at local, regional as well as national level and also bridging CCIs with the rest of the economy to foster innovation, tourism and urban regeneration. It also contains useful information on the next generation of EU Structural Funds covering the period 2014-2020.

### Mandate of the Working Group

In its conclusions on a Work Plan for Culture 2011-2014 adopted on 18-19 November 2010<sup>2</sup> the EU Council decided to establish a Working Group on Cultural and Creative Industries composed of experts nominated by the Member States. The first topic of this Working Group was to reflect on the "Strategic use of EU support programmes, including Structural Funds, to foster the potential of culture for local and regional development and the spill-over effects of CCIs on the wider economy."

This comes at a crucial moment. There are still funds available from the Cohesion Policy 2007-2013 programming period. Moreover, the negotiations for the next programming period 2014-2020 have already started. The Working Group hopes that the results presented in the current Policy Handbook can be effectively used in directing funds from current period and planning the funds for the next period to foster the full potential of CCIs in local and regional development policies.

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<sup>1</sup> In defining the "cultural and creative industries", the Handbook adopts the approach from the European Commission's Green Paper "Unlocking the potential of cultural and creative industries": "Cultural industries" are those industries producing and distributing goods or services which at the time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film, DVD and video, television and radio, video games, new media, music, books and press. This concept is defined in relation to cultural expressions in the context of the 2005 UNESCO Convention on the protection and promotion of the diversity of cultural expressions.

"Creative industries" are those industries which use culture as an input and have a cultural dimension, although their outputs are mainly functional. They include architecture and design, which integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design or advertising. [http://ec.europa.eu/culture/documents/greenpaper\\_creative\\_industries\\_en.pdf](http://ec.europa.eu/culture/documents/greenpaper_creative_industries_en.pdf)

<sup>2</sup> [www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/educ/117795.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/educ/117795.pdf)

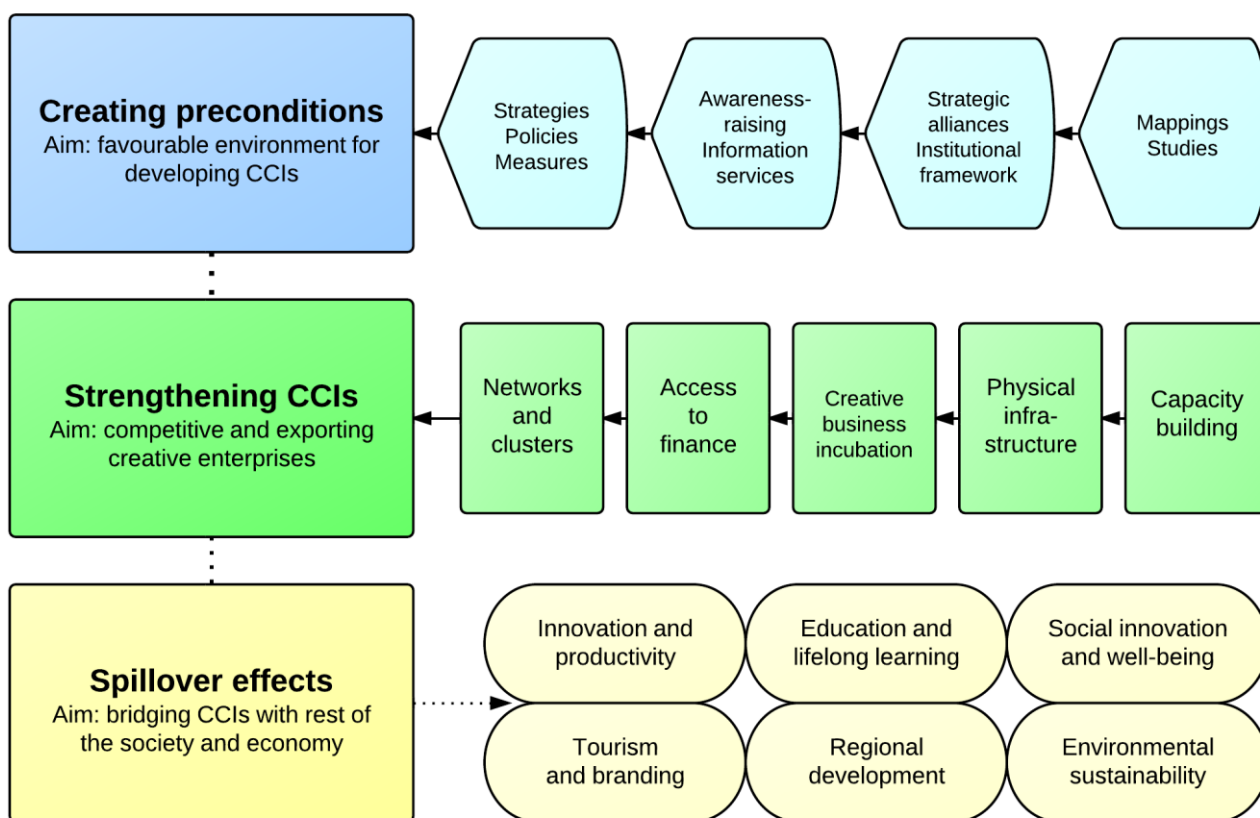
Additionally, the Policy Handbook feeds into national and regional innovation strategies for smart specialisation (RIS3)<sup>3</sup>, which is a potential tool to help the EU achieving smart growth. The process of establishing and implementing smart specialisation strategies is expected to lead to a more efficient use of national, regional and EU Structural Funds in the current programming period 2007-2013 and to provide a quick-start for the future Cohesion Policy along the lines of the Europe 2020 strategy and priorities.

### Framework for Policy Handbook

The Handbook is divided into three main parts. The first part together with the annexes introduces the main rationale for developing CCIs. The second part gives an overview of the different EU Structural Funds and the current planning processes for the next financial period 2014-2020. The third part is dedicated to examples from different Member States that can be used as a toolkit for implementing concrete projects. The examples are introduced in a logical development progression, starting with activities creating favourable conditions for CCIs development, following with strategies aiming at strengthening the cultural and creative sectors and entrepreneurs and finishing with initiatives bridging CCIs with other areas. We note, however, that not all Member States were equally active in the work of the Expert Group, which leads to some regions being better analysed than others and therefore being overrepresented with examples and case studies.

### Framework for developing Cultural and Creative Industries (CCIs)

EU OMC Working Group on CCIs, 2012



<sup>3</sup> RIS3 is about having an innovation-driven development strategy that focuses on each region's strength and competitive advantage. It aims at identifying factors of competitiveness and concentrating resources on key priorities. It also aims to harness regional diversity by avoiding uniformity and duplication in regional investment goals. It combines goal-setting (EU 2020, Innovation Union) with a dynamic and entrepreneurial discovery process involving key stakeholders from government, business, academia and other knowledge-creating institutions.

CCIs are by nature inter-disciplinary, they combine culture on one hand and economy on the other. Arts and culture are often described as the core in a system where the cultural and creative industries surround the core and the wider economy surrounds the cultural and creative industries. This Handbook is intended to apply to both core cultural activities as well as the industries with a cultural dimension but having a direct commercial aim. Together the core cultural and artistic expressions and the cultural and creative industries provide a great potential for local, regional and national development and spill-over effects on the wider economy.

This Policy Handbook does not concentrate on what should be done, rather on how these recommendations can be implemented in practice. The suggestions are illustrated by relevant case studies and good practices from all over Europe. The group collected a number of case studies from the Member States and it formed the basis for this work<sup>4</sup>. The examples presented in the Handbook do not form an exhaustive list; rather it is a limited selection to highlight the existing practices in the Member States. There are more useful examples listed in other studies commissioned by the European Commission (see under "Useful reading"). The Working Group encourages all the local, regional and national authorities as well as the CCIs operators to upload good models, examples and practices through the online tool on [www.creativeindustries.ee/omc](http://www.creativeindustries.ee/omc).

There is clearly no "one-size-fits-all" strategy in the field of CCIs and it is up to each and every region in the EU to find its own way based on its own assets, but the authors of the Handbook are convinced that the good practices can serve as examples and inspiration for national, regional and local authorities. Lastly, this Handbook should prove useful in the event of the launch of an EU-wide CCIs awareness-raising initiative, on which the OMC Working Group was asked to reflect.

## **Working method**

The Working Group convened for the first time on April 12, 2011 in Brussels and had altogether six meetings. All 27 Member States were involved in some stage of the work, some more actively than others. During its first meeting Mr Ragnar SIIL (Estonian Ministry of Culture) was elected as the chair of the working group. Ms Kirsi KAUNISHARJU (Finnish Ministry of Education and Culture) and Ms Gráinne MILLAR (Temple Bar Cultural Trust, Ireland) were appointed as coordinators for subgroups. The Working Group expresses its gratitude to all the experts from the Member States and the European Commission, as well as for the representatives of civil society and academia for their valuable contribution.

### Useful reading:

- Commission Communication "Regional Policy contributing to smart growth in Europe 2020" (2010)<sup>5</sup>
- Study on the contribution of culture to local and regional development – Evidence from the Structural Funds (2010)<sup>6</sup>
- Study on the Entrepreneurial Dimension of the Cultural and Creative Industries (2011)<sup>7</sup>
- Study on the Impact of Culture on Creativity (2009)<sup>8</sup>
- Study on the Economy of Culture in Europe (2006)<sup>9</sup>
- Recommendations of the EU Platform on the Potential of Cultural and Creative Industries (2011)<sup>10</sup>

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<sup>4</sup> <http://www.creativeindustries.ee/omc>

<sup>5</sup> [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/communic/smart\\_growth/comm2010\\_553\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/smart_growth/comm2010_553_en.pdf)

<sup>6</sup> [http://ec.europa.eu/culture/key-documents/contribution-of-culture-to-local-and-regional-development\\_en.htm](http://ec.europa.eu/culture/key-documents/contribution-of-culture-to-local-and-regional-development_en.htm)

<sup>7</sup> [http://ec.europa.eu/culture/key-documents/entrepreneurial-dimension-of-the-cultural-and-creative-industries\\_en.htm](http://ec.europa.eu/culture/key-documents/entrepreneurial-dimension-of-the-cultural-and-creative-industries_en.htm)

<sup>8</sup> [http://ec.europa.eu/culture/key-documents/impact-of-culture-on-creativity\\_en.htm](http://ec.europa.eu/culture/key-documents/impact-of-culture-on-creativity_en.htm)

<sup>9</sup> [http://ec.europa.eu/culture/key-documents/economy-of-culture-in-europe\\_en.htm](http://ec.europa.eu/culture/key-documents/economy-of-culture-in-europe_en.htm)

<sup>10</sup> <http://ec.europa.eu/culture/our-policy-development/documents/workshops-recommendations.pdf>

## 2. Why is it worth investing in cultural and creative industries?

The following chapter gives an overview of the main findings of the studies commissioned by the European Commission in 2006-2011. These findings concentrate mainly on the economic aspects and spill-over effects of CCIs. In addition to these aspects the key element for the CCIs is the intrinsic value of culture.

### **CCIs contribute to the GDP, growth and employment**

*The Economy of Culture in Europe, 2006<sup>11</sup>,  
KEA European Affairs*

In 2003, the turnover of the cultural and creative sector in Europe amounted to €654 billion. In terms of value added to the European economy as a whole, it represented 2.6% of Europe's GDP.

The relative importance of the cultural and creative sector becomes more apparent when its value added to Europe's GDP is compared with that of other industries. For instance, real estate activities (including the development, buying, selling and letting of real estate), one of the driving sectors of the European economy in the last years, accounts for 2.1% of Europe's GDP – a figure that is inferior to the cultural and creative sector's contribution. The economic contribution of the cultural & creative sector is also higher than that of the sector of food, beverages and tobacco manufacturing (1.9%), the textile industry (0.5%) and the chemicals, rubber and plastic products industry (2.3%).

Overall, the cultural and creative sector exhibited an impressive performance during the examined period - the years from 1999 to 2003. Whilst the nominal growth of the European economy in this period was 17.5%<sup>7</sup>, the growth of the cultural and creative sector in the same years was 12.3% higher - in other words, the overall growth of the cultural and creative sector's value added was 19.7%. This means that the cultural and creative sector grew faster than the general economy and that it was therefore a vital driver for development in Europe.

Furthermore, as far as the dynamic of the contribution of the cultural and creative sector to European GDP is concerned, figures show a positive trend over the years, meaning that the sector grew in economic importance and that its contribution to the general wealth of Europe has become more and more significant.

In 2004, a minimum of 4.714 million people worked in the cultural & creative sector alone, equivalent to 2.5% of the active employed population in the EU25. An additional 1.171 million were employed in the sector of cultural tourism. The figures confirm the analyses of most studies on cultural employment: (1) Cultural employment is growing faster than total employment. (2) Cultural employment is of an "atypical" nature. Some will say it is somehow a foreshadowing of tomorrow's job market: more flexible, project-led, requiring mobility and high qualifications.

*Note based on later data: A study carried out by the TERA Consultants (Building a Digital Economy: The Importance of Saving Jobs in the EU's Creative Industries<sup>12</sup>, March 2010) revealed that the cultural and creative sectors (including the cultural and creative industries) accounted for 4.5% of total EU GDP in 2008 and some 3.8% of the workforce. The GDP contribution is greater than the chemicals and plastic products industry (2.3 %) or real estate activities (2.1 %). In Helsinki, 9% of business turnover is from the creative sector, one of the fastest growing in the city.*

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<sup>11</sup> [http://ec.europa.eu/culture/key-documents/economy-of-culture-in-europe\\_en.htm](http://ec.europa.eu/culture/key-documents/economy-of-culture-in-europe_en.htm)

<sup>12</sup> <http://www.droit-technologie.org/upload/dossier/doc/219-1.pdf>

## **CCIs contribute to the local and regional development**

*Study on the Contribution of Culture to Local and Regional Development – Evidence from the Structural Funds, 2010<sup>13</sup>,  
Centre for Strategy and Evaluation Services*

Culture-based development has relevance for regions in all stages of development - in the 'convergence' regions, where support for infrastructural development may continue to be needed, but also in both convergence and 'competitiveness' regions where the infrastructure and other local resources can be exploited to enhance the comparative advantages of the local economy and to stimulate creativity and enterprise.

In many regions the creative sector is rapidly growing, outperforming other more established sectors in terms of growth in new businesses, turnover and employment; in many instances the absolute size of the sector now exceeds that of a range of traditional industries.

Many cities and regions and some Member States have some form of creative sector strategy; the focus and detail of this strategy, however, vary considerably; in the most developed regions the promotion of the creative sector is part and parcel of a strategy for knowledge-based industries.

As well as its inherent dynamism and growth potential, the creative sector has a number of other attractive qualities from a local development perspective; it makes use of a range of skills at a series of different levels, it tends to be socially responsible and inclusive and it usually involves 'clean', environmentally friendly processes.

In more technical terms, creative activities often generate positive externalities in the areas where they are located, their openness and interaction with other activities give rise to agglomeration and cluster effects and they tend to generate a high proportion of total value added locally.

A longer-term and more strategic approach to culture-based development is required at a local and regional level. This should be mainstreamed into development strategies that are integrated and built on partnerships between public authorities, cultural organisations, the relevant business interests and representatives of civil society.

## **CCIs contribute to the rest of economy, innovation and social well-being**

*The Impact of Culture on Creativity, 2009<sup>14</sup>,  
KEA European Affairs*

Culture-based creativity is an essential feature of a post-industrial economy. A firm needs more than an efficient manufacturing process, cost-control and a good technological base to remain competitive. It also requires a strong brand, motivated staff and a management that respects creativity and understands its process. It also needs the development of products and services that meet citizens' expectations or that create these expectations. Culture-based creativity can be very helpful in this respect.

Digital technologies play an important role in this intangible economy as they provide new forms of social exchanges and contribute significantly to new expressions of creativity. Of course cultural production (such as music, publishing and movies) makes new technology more relevant to consumers, enables the development of new markets and contributes to digital literacy.

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<sup>13</sup> [http://ec.europa.eu/culture/key-documents/contribution-of-culture-to-local-and-regional-development\\_en.htm](http://ec.europa.eu/culture/key-documents/contribution-of-culture-to-local-and-regional-development_en.htm)

<sup>14</sup> [http://ec.europa.eu/culture/key-documents/impact-of-culture-on-creativity\\_en.htm](http://ec.europa.eu/culture/key-documents/impact-of-culture-on-creativity_en.htm)

It therefore becomes an imperative for industry to meet and to create new kinds of demand that are not based merely on the functionality of a product but are instead rooted in individual and collective aspiration. In this new paradigm, marketing and services are as important as production. This requires creative skills and thoughts as productivity gains at manufacturing level are no longer sufficient to establish a competitive advantage. Culture-based creativity is a powerful means of overturning norms and conventions with a view to standing out amid intense economic competition. Creative people and artists are key because they develop ideas, metaphors and messages which help to drive social networking and experiences.

Culture-based creativity is a fundamental means for industry and policy decision makers to adopt and implement more user-centred strategies (less about “making things” more about providing a service).

It helps to promote well-being, to create lifestyle, to enrich the act of consumption, to stimulate confidence in communities and social cohesion. It is increasingly used in the management of human resources, notably through artists-in-residence projects.

Culture-based creativity is therefore a key input for businesses or public authorities which want to communicate more effectively, challenge conventions and look for new ways to stand out. It contributes to product innovation, to branding, to the management of human resources and to communication.

Cultural productions, as communication tools charged with subjectivity and emotion, have participated in the expression of social life since the origin of human kind. Culture-based creativity plays a key role in generating social innovation.

Social cohesion can be defined as a set of shared norms and values for society which also encompasses the diversity of people’s different backgrounds and helps to ensure that those from different backgrounds have similar life opportunities. It is the ability of cultural activities to help express specific cultures, while also developing strong and positive relationships between people from different backgrounds in the workplace, in schools, and within neighbourhoods.

Culture can offer new approaches both in terms of tackling what are sometimes referred to as ‘social problems’, for which current approaches are deemed inadequate. Policy areas in which culture has successfully helped in this respect include urban regeneration, social cohesion, crime prevention, health and the fight against pollution.



## 3. The framework for the EU Cohesion Policy and future of Smart Specialisation Strategy

### 3.1. The EU Cohesion Policy and its impact on culture

#### The EU Cohesion Policy 2007-2013

Spending on Cohesion Policy (€ 344 billion for the 2007-2013 period), also referred to as regional policy, is supported through three funds known as Structural Funds<sup>15</sup>. These are:

- The European Regional Development Fund (ERDF),
- The European Social Fund (ESF),
- The Cohesion Fund.

Culture-based interventions may be financed under all three objectives of Cohesion Policy (convergence; regional competitiveness and employment; European territorial cooperation) and through two of the Structural Funds (European Fund for Regional Development- EFRD and European Social Fund-ESF).

Managing Authorities in Member States are responsible for the management of Structural Funds in line with the National strategic reference frameworks and the Operational Programmes. In the current programming period, there are no thematic Operational Programmes dedicated to culture in Member States<sup>16</sup> and culture is integrated into different horizontal priorities.

In addition, under the European territorial cooperation objective, the Commission manages two EU programmes which have been subsidising cross-border, transnational and interregional cooperation in culture: INTERREG IVC, financed by the European Regional Development Fund <sup>17</sup>and URBACT II<sup>18</sup>, jointly financed by the European Union (European Regional Development Fund) and the Member States.

Finally, the European Agricultural Fund for Rural Development<sup>19</sup> and the European Fisheries Fund<sup>20</sup>, which are not strictly Structural Funds, pursue similar aims by serving as financial instruments to support rural and fisheries development and structural adjustment.

#### Impact of the Cohesion Policy 2007-2013 on Culture

Since 2007, investments in culture through the Structural Funds have been largely linked with the protection and promotion of cultural heritage and the creation of infrastructure and services in view of enhancing local attractiveness and boosting tourism. In the Regulation on ERDF, certain investment priorities specifically deal with culture (article 4): "protection and preservation of cultural heritage; development of cultural infrastructure and cultural services"; for a total of 434 Operational Programmes in EU27 approved under ERDF, funds directly allocated to culture represent approximately € 6 billion (1.7% of total funds), of which € 2.9 billion are ring-fenced for the objective "protection and preservation of cultural heritage", € 2.2 billion for the development of cultural infrastructure, and € 797 million to support cultural services. However, these figures may represent only about half of the total amount that culture-related projects are receiving from the Structural Funds in the current period.

<sup>15</sup> [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/newregl0713\\_en.htm](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/newregl0713_en.htm)

<sup>16</sup> In the programme period 2000-2006, two Member States ran national OPs dedicated to culture: Greece and Portugal.

<sup>17</sup> <http://www.interreg4c.eu/>

<sup>18</sup> <http://urbact.eu/>

<sup>19</sup> [http://europa.eu/legislation\\_summaries/agriculture/general\\_framework/l60032\\_en.htm](http://europa.eu/legislation_summaries/agriculture/general_framework/l60032_en.htm)

<sup>20</sup> [http://europa.eu/legislation\\_summaries/maritime\\_affairs\\_and\\_fisheries/fisheries\\_sector\\_organisation\\_and\\_financing/l66004\\_en.htm](http://europa.eu/legislation_summaries/maritime_affairs_and_fisheries/fisheries_sector_organisation_and_financing/l66004_en.htm)

As regards cultural and creative industries, investments may also relate to research and innovation (entrepreneurship, SMEs, clusters, networks), information society (digitisation), education, youth, urban regeneration (as part of integrated projects), improvement of human and social capital and skills development, but there is no data on the volume of the Structural Funds which have been supporting these industries.

### **The Cohesion Policy 2014-2020**

On 6 October 2011, the European Commission adopted a draft legislative package<sup>21</sup> which will frame the Cohesion Policy for 2014-2020. The new proposals are designed to reinforce the strategic dimension of the policy and to ensure that EU investment is targeted on Europe's long-term goals for growth and jobs ("Europe 2020").

The package includes:

- An overarching regulation setting out common rules governing the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) as well as three specific regulations for ERDF, ESF and Cohesion Fund.
- Two regulations dealing with the European territorial cooperation goal and the European grouping of territorial cooperation (EGTC), two regulations on the European Globalisation Fund (EGF) and the Programme for Social Change and Innovation.

In addition, on 12 October 2011, the Commission presented a set of legal proposals designed for the Common Agricultural Policy, including a specific regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)<sup>22</sup>. On 2 December 2011, the Commission proposed a new fund for the EU's maritime and fisheries policies: the European Maritime and Fisheries Fund (EMFF)<sup>23</sup>. The Commission has proposed to allocate an overall budget of €376 billion for Cohesion Policy instruments in 2014-2020.

As laid down in the draft General Regulation, the Common Strategic Framework that the Commission has proposed in order to improve synergies, encompasses actions covered by the three Structural Funds plus the European Fisheries Fund and the European Agricultural Fund for Rural Development. It will translate the thematic objectives and investment priorities for 2014-2020 into more detailed key actions which will ensure an integrated use of the CSF Funds<sup>24</sup>. Through Partnership Contracts agreed with the Commission, Member States will commit to focussing on fewer investment priorities in line with the objectives included in these documents.

These proposals are now being discussed by the Council and the European Parliament, the aim being to have them adopted by the end of 2012, to allow for the launch of a new generation of Cohesion Policy programmes in 2014 (cf. proposed timing in Annex).

While the approach is now clearly non sectorial, the eligibility of the various sectors - including the cultural sector - is nevertheless not questioned. Besides, "ex ante" conditionalities have been introduced for these funds, to ensure that the conditions necessary for their effective support are in place.

The structure of the Cohesion Policy post 2013, in that it concentrates on the objectives of Europe 2020, corresponds to a strategic approach which is an important way to draw maximum value from

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<sup>21</sup> [http://ec.europa.eu/regional\\_policy/what/future/proposals\\_2014\\_2020\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm)

<sup>22</sup> *ibid*

<sup>23</sup> [http://ec.europa.eu/fisheries/reform/com\\_2011\\_804\\_en.pdf](http://ec.europa.eu/fisheries/reform/com_2011_804_en.pdf)

<sup>24</sup> SWD(2012) 61, 14.3.2012, Part I and Part II (pp 4, 11, 20, 22 and 31)

expenditure under each fund in the current climate. Cohesion funding would be more effectively achieved by concentrating on the objectives of Europe 2020.

### **Impact of Cohesion Policy 2014-2020 on Culture**

In these new proposals, there is not the same level of detail as in the 2007-2013 programming; investment priorities which directly derive from the objectives of EU 2020 remain more general. They are likely to cover all the sectors including culture, as investment in culture/cultural and creative industries may have a significant impact on smart, sustainable and inclusive growth. Indeed, in its 2010 Regional Policy contributing to smart growth in Europe 2020 Communication<sup>25</sup>, the Commission proposed that the potential of culture/CCIs to reinforce the creative and innovative potential of and social cohesion in European regions be fully recognised.

The "Elements for a Common Strategic Framework 2014 to 2020" adopted by the Commission on March 14, 2012 further illustrates some of the opportunities for culture in the context of the Cohesion Policy<sup>26</sup>.

In many regions and cities, cultural and creative sectors constitute a major asset for growth. The challenge is how to further integrate the cultural and creative sectors into regional innovation strategies for smart specialisation<sup>(see note 3)</sup>, which in the current Commission proposals will be an *ex ante* conditionality to access funds. To this end, regions have to fully take into consideration the complex links between traditional cultural assets (cultural heritage, dynamic cultural institutions and services) and the development of creative businesses or tourism. The Commission has published a guide to Regional Innovation Strategies for Smart Specialisation<sup>27</sup>, drafted by the Smart specialisation platform - S3Platform<sup>28</sup> – aiming to assist regions and Member States in developing, implementing and reviewing regional smart specialisation strategies, with one section dedicated to cultural and creative industries.

EU Member States and regions are therefore invited to use Structural Funds to finance their own strategies in this field through investment priorities such as "promoting centres of competence; promoting clusters; developing ICT products and services; promoting entrepreneurship; developing new business models for SMEs in particular for internationalisation; improving the urban environment; developing business incubators; supporting the physical and economic regeneration of urban and rural areas and communities, etc."

### **Linking thematic objectives of the Commission Staff Working Document "Elements for a Common Strategic Framework" to culture and CCIs**

The Staff Working Document "Elements for a Common Strategic Framework"<sup>29</sup>, adopted by the Commission on 14 March 2012, further illustrates some of the opportunities for culture in the context of the Cohesion Policy. Several key actions refer particularly to cultural and creative industries:

- Thematic Objective 1/ RTD & Innovation / Capacity building for the exploitation of new ideas: **support for clusters, partnership, infrastructures, business advisory services, also for creative hubs and CCIs;**

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<sup>25</sup> [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/communic/smart\\_growth/comm2010\\_553\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/smart_growth/comm2010_553_en.pdf)

<sup>26</sup> *ibid*

<sup>27</sup> [http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/documents/guide/draft\\_12\\_12\\_2011.pdf](http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/documents/guide/draft_12_12_2011.pdf)

<sup>28</sup> The establishment of a "Smart Specialisation Platform" (S<sup>3</sup>P) was announced in the Commission Communication "Regional Policy contributing to smart growth in Europe 2020", which was adopted at the same time as the Innovation Union Flagship with the purpose of assisting regions and Member States to develop, implement and review regional smart specialisation strategies.

<http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/s3platform.cfm>

<sup>29</sup> <http://ec.europa.eu/esf/BlobServlet?docId=386&langId=en>

- Thematic Objective 3 / Competitiveness of SMEs: **development of SMEs in emerging areas such as CCIs, new forms of tourism;**
- Thematic Objective 6 / Environment & resources: diversification of rural & urban economies by protecting cultural heritage; **rehabilitation of cultural infrastructure (integrated urban development projects);**
- Thematic Objective 9 / Social inclusion: **promotion of intercultural activities;**
- Thematic Objective 10 / Investing in Education, Skills and Lifelong Learning: **promotion of creative skills and creativity.**

Moreover culture and CCIs could also be supported under other investment priorities (e.g. Thematic Objective 2 / Enhancing access to and use and quality of information and communication technologies: **ICT applications;** Thematic Objective 9 / Social inclusion: **urban and rural regeneration**).

### 3.2. CCIs and Smart Specialisation Strategy

#### How to act?

The Structural Funds, but also the European Agricultural Fund for Rural Development and the European Fisheries Fund, can support such strategies. So far, the exchange of experience has shown that the following set of recommendations might pave the way for using CCIs to design and implement a targeted implementation strategy focused on the delivery of the Europe 2020 objectives. Although not exhaustive, these recommendations represent a starting point and can be completed and customised according to the specificities, experience and priorities of each region.

#### **A. Map regional assets (this mapping should take into account the level of development of CCIs in the region concerned):**

- Identify specialisation patterns in the region through a CCI mapping analysis (mapping should comprise quantitative as well as qualitative analysis). The European Cluster Observatory can provide assistance in this type of mapping exercise<sup>30</sup>.
- Identify optimal CCI-specific conditions and develop a positive creative climate to enhance the attractiveness of the city or the region (creative ecosystem).
- Identify lead organisations and dynamic individuals who are potential partners in development projects and possible structures for co-ordinating action. In this respect, the Europe Enterprise Network could provide assistance in organising matching events or assist in co-coordinative actions<sup>31</sup>.
- Collect, if possible, statistical data and perform qualitative-based surveys to better understand the dynamics of CCIs to be used for implementing smart specialisation strategies.
- Perform benchmarking activities to better understand the positioning of the region in the sector of CCIs in comparison to other EU regions.

#### **B. Involve all cultural, administrative and political actors in the decision making process (inclusive approach):**

- Develop partnerships between national and regional authorities in charge of different public policies such as economic development, employment, higher education and culture. Successful CCI strategies most often depend on excellent internal and external networks and communication channels involving different levels of administration and representatives from several CCI sectors.

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<sup>30</sup> European Cluster Observatory, [www.clusterobservatory.eu](http://www.clusterobservatory.eu)

<sup>31</sup> Enterprise Europe Network, [www.enterprise-europe-network.ec.europa.eu](http://www.enterprise-europe-network.ec.europa.eu)

- Set up platforms, networks as well as clusters in order to support building of partnerships with representatives from the private sector and allow the creation of valuable synergies for the regional economic development.
- Promote transnational cooperation to exchange experience on the level of both CCI SMEs and the authorities in charge of developing local creative strategies as a way to facilitate knowledge and capacity transfer and accelerate the learning path.

### **C. Strategic and inclusive approach to investments and the use of financial resources:**

- Streamline regional, national and EU funding support to cover the different needs of the cultural and creative sectors. Synergies need to be developed in the use of the Structural Funds, the Creative Europe framework Programme (2014-2020)<sup>32</sup>, the Programme for the Competitiveness of enterprise and SME (COSME) Programme (2014-2020)<sup>33</sup>, Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)<sup>34</sup>, the European Creative Industries Alliance<sup>35</sup>, national and/or regional programmes for the CCIs and other possible sources of funding.
- Develop innovative financial instruments such as equity funds or guarantee funds to co-finance investments in the cultural and creative sectors, in conjunction with the facility that is proposed under the Creative Europe framework programme<sup>36</sup> as a way to leverage private investment in this field.
- Further exploit links between the CCIs and other important policy areas for cohesion and/or rural development policies in particular urban and rural regeneration, territorial cooperation, cultural heritage and tourism.
- Promote investments in the protection, promotion and development of cultural heritage<sup>37</sup>. Other investments could include: the development and use of new information technologies (for example to promote the digitisation of cultural heritage), strengthening of entrepreneurship in CCIs, the support to urban regeneration in which the cultural component (notably cultural infrastructure) traditionally plays a key role, the development of ICT-based cultural products, applications and services, the support to new business models for CCI SMEs, etc. Balance between hard (structures/infrastructures: creative hubs and clusters, networks, incubators and connected infrastructures) and soft (human capital addressing skills and training issues) investment should equally be encouraged.

These approaches should be explained in detail to both the managing authorities and to the cultural sector operators on the occasion of a possible EU-wide CCIs awareness-raising initiative.

#### **STUDY > Study on using the EU funds for CCIs in Austria<sup>38</sup>**

In Austria, the Federal Ministry for Education, Arts and Culture commissioned the study „The Creative Motor for Regional Development: Arts and Culture Projects and the EU Structural Funding in Austria”. Its main findings are remarkable: 534 projects with Austrian participation were approved in the EU-supported regional programmes between 2007 and 2010. Their total project budgets run to a total of €139m; of this €78.8m – that is, more than 56% – come from the EU funds ERDF, ESF and EAFRD. At €78.8m the share of arts, culture and creative industries projects amounts to 5.71% of the total €1.38bn funds approved in all EU regional programmes in Austria from 2007 to 2010. Of these funds, a certain portion is allocated to projects with a

<sup>32</sup> <http://ec.europa.eu/culture/creative-europe>

<sup>33</sup> <http://ec.europa.eu/cip/cosme/>

<sup>34</sup> [http://ec.europa.eu/research/horizon2020/index\\_en.cfm?pg=home](http://ec.europa.eu/research/horizon2020/index_en.cfm?pg=home)

<sup>35</sup> [http://ec.europa.eu/enterprise/magazine/articles/innovation/article\\_10043\\_en.htm](http://ec.europa.eu/enterprise/magazine/articles/innovation/article_10043_en.htm)

<sup>36</sup> Innovative financial instruments for CCIs are also tested under the *European Creative Industries Alliance*.

<sup>37</sup> Included as part of the thematic objective for protecting the environment under the Cohesion Policy. In Rural development policy, a specific action targeting cultural heritage is foreseen.

<sup>38</sup> <http://www.kulturdokumentation.org/eversion/indexframe.html>

peripheral relevance to culture and the creative industries; for projects with a central relevance to culture and the creative industries, the share amounts to 3.15% at € 43.5m.

These shares surpass the expectations in the run-up to this study, because in comparison, the funds from specific EU culture and media programmes spent in Austria were significantly lower: up until 2010, 230 projects were funded from the *Culture* and the *Media* programme with €21.8m. Thus, in the regional programmes, many cultural projects have already been implemented – however, they have often not been recognised as such, which is why the cultural field is still practically “invisible” in the context of regional development and – despite a certain basis – its potential has not yet been utilised to its full extent.

There are 25 regional development programmes in Austria; as for arts, culture and the creative industries, ERDF-funded cross-border projects (215) and EAFRD-funded Leader-projects (149) represent the largest portions, while the ESF is only used to a limited extent. On closer analysis, the study shows that 83% of the projects come under the field of arts and culture and only 17% under the creative industries: thus, the creative industries sectors are currently profiting still comparatively little from the regional development programmes in Austria. Among the arts and culture projects, the cultural heritage is, unsurprisingly, the largest subject area; but projects on the transverse areas – i.e. projects by/for cultural initiatives and centres, in the field of education and training, international cultural exchange and major events or festivals – are almost as common, which is a promising fact as it provides a basis for greater support for contemporary arts and culture in the future.

One of the study’s main conclusions is that regional policy can only achieve its objectives if it takes account of and promotes every societal sub-section – including arts, culture and the creative industries as well as their spill-over effects on other sectors. In order to create better preconditions for this, arts, culture and the creative industries must in future be far better integrated into the European guidelines and objectives and into the regional Operational Programmes.

### **STUDY > Study on using the EU funds for CCI in Finland**

Several EU structural policy programmes are underway in Finland. Five regional ERDF programmes will be implemented in Finland during the Structural Fund period 2007–2013. Southern Finland, Eastern Finland, Western Finland, Northern Finland and the Åland Islands each realise their own programmes. The programme under the European Social Fund which will be implemented in mainland Finland consists of a national section and regional sections. Approximately half of the ESF financing will be directed to national thematic projects. These will be implemented in different areas, as will projects to be financed from the regional sections. Southern, Western, Eastern, and Northern Finland will each have their own regional sections, which are based on the employment, industrial, and knowledge strategies of the areas. Eastern Finland has a special position in terms of financing. It has its own financial framework, and it will receive financing separately from the national section.

The activities of the EU’s Structural Funds and the European Agricultural Fund for Rural Development will have a large impact on the Finnish culture sector in the programme period 2007–2013, seeing as the Funds had allocated over €180 million in public and private funding by the end of 2010. Near 800 projects have been implemented since 2007. This figure does not include projects that received a financing decision in 2011. The funding of the EU’s Structural Funds and the European Agricultural Fund for Rural Development can be compared to the State and municipal funding annually allocated to culture, which for the State totals around €400 million and for municipalities around €500 million.

A total of 292 culturally oriented ESF and ERDF projects were identified during the period of 2007-2010. Their total funding allocated by the public sector (EU, State, municipalities, other public sectors) and by the private sector totalled €148.8 million at the end of 2010.

The number of projects identified as cultural in nature totalled 292, and around one-third of them (114) involved the creative economy and cultural entrepreneurship. Cultural tourism projects accounted for the second largest group (83) and general cultural projects for the third largest group (53). Cultural well-being projects amounted to 32 in all. The creative economy and cultural entrepreneurship is also the largest thematic group in terms of the funding allocated to it (€61.9 million). While there are more cultural tourism projects than general culture projects, the funding allocated to the latter (€35.8 million) exceeds that allocated to cultural tourism (€30.4 million).

The European Agricultural Fund for Rural Development is one channel used to fund the development of cultural activities in rural areas. A total of 498 culturally oriented rural projects were identified in the project material. The cultural project funding from the rural development programme for Mainland Finland has been about 33 million € during 2007-2010 and creative industries projects have been about 20% of the total funding of the projects.

## 4. Suggestions for measures with relevant examples

Suggestions for measures are divided into three subcategories:

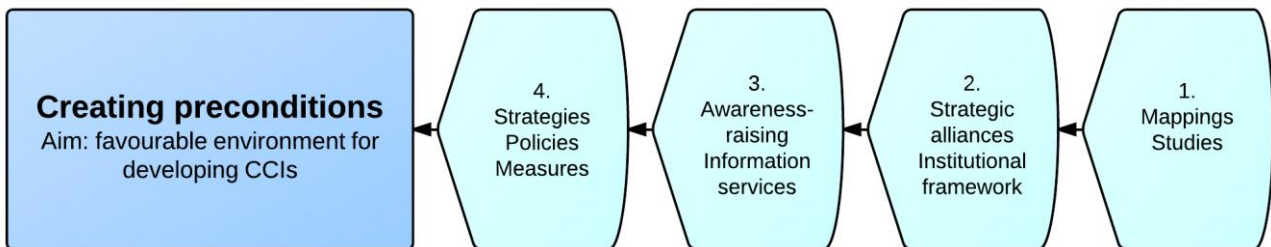
1. Measures to create preconditions for favourable operating environment for CCIs
2. Measures to strengthen the cultural and creative industries
3. Measures to nurture the spill-over effects of CCIs on the rest of the economy and society

Suggestions are chosen as examples for authorities on how to plan and implement local, regional and national development programmes and the projects funded by EU Structural Funds. The Working Group collected number of examples that have not been described in detail in the Handbook. These can be found in the Annex 1.

### 4.1. Creating preconditions

#### Introduction

The discussion regarding the role and potential of cultural and creative industries in Europe is not new, however it is only recently that the Member States together with the European Commission have taken strategic steps to integrate CCIs in their wider policy frameworks concerning entrepreneurship, innovation, culture and regional development. The differences between the Member States are wide and between different regions the overall picture is even more fragmented. Therefore it is essential to create preconditions on local, regional and national level for developing CCIs.



A majority of the successful cases all over Europe have gone through similar process model, starting with bringing together different stakeholders from cultural and economic areas, collecting information on available resources, conducting a mapping study on the potential of CCIs in the area, developing strong political support for the process, raising awareness among policymakers, cultural operators, creative entrepreneurs, education sector and businesses from other industries and launching a strategy with earmarked resources (mostly from different EU programmes, including those of the Structural Funds).

#### Mapping and studying the potential of CCIs

Successful policies and strategies for developing CCIs have been based on a clear understanding of the specific characteristics of the CCIs in the region: their strengths, weaknesses, key enablers and overall development trends. National statistics rarely give a comprehensive overview of the sector with all its subsectors. Therefore the first step towards developing an appropriate strategy supporting CCIs has been in many countries and regions all over the world a mapping exercise. The aim of a CCI mapping is to acquire an overview of the sector, both in terms of volumes and location. In some countries mappings have been followed by academic research to identify areas with the greatest potential for development, which in turns leads to political strategies.



## **RESOURCE > Mapping the Creative Industries: A Toolkit** (British Council, 2010)

The toolkit is intended to be a practical guide to mapping – one that explores how to do it, which approach would be best in any given context, and how to maximise the policy impact of the work. It aims to help researchers, policymakers and creative practitioners to understand the creative industries better by setting out ways in which evidence can be gathered. It draws on both the UK's experience and a number of mapping projects from around the world.

Download the toolkit from:

[http://www.britishcouncil.org/mapping\\_the\\_creative\\_industries\\_a\\_toolkit\\_2-2.pdf](http://www.britishcouncil.org/mapping_the_creative_industries_a_toolkit_2-2.pdf)

Mapping exercises provide an overview of the situation and valuable data for creating strategies. However the mapping of CCI has proven to have more effects than purely statistical outcomes. These effects, among others, include:

- Mapping is a tool for awareness-raising, both for the cultural and creative sectors taking part in the exercise, public institutions as recipients of the result and general public;
- It helps to create networks of cultural and creative institutions, organisations and companies being involved in the mapping studies;
- The process is a basis for policy formulation;
- Mapping study consolidates the use of definitions and terminology, creating common space for public discussion;
- It improves the quality of statistics;
- If the mapping involves visual mapping (maps of cultural and creative entities), it is a source for clustering initiatives, as well as a potential tool for urban planning and city branding (e.g. design maps).

## **Strategic alliances and institutional framework**

CCIs are by nature inter-disciplinary, they combine culture on one hand, economy on the other and many other connected areas as education, innovation etc. Therefore it is crucial to get all different stakeholders from the government, business community and non-governmental sector together to create an integrated strategy for the CCIs.

There are a number of good models all around Europe on creating cross-sector and cross-departmental working groups that have become the driving force behind developing CCI policies on local, regional, national and international level. CCIs policy should not be owned by the cultural nor economic department; it should be developed in close cooperation between the two. Moreover, the sector itself should be involved in this process. Countries across borders are cooperating to share good practices and develop appropriate policy measures. Also, cross-border cooperation projects between the cities and regions provide good policy platforms to enable cooperation between the regions in long-term basis. Different EU support programs provide funding possibilities, including ERDF.

Strategic alliances can take many different forms:

- ad hoc working groups consisting of partners for economic, cultural, regional and other departments or ministries;
- a specific unit within government responsible for CCIs;
- permanent networks for different stakeholders;
- government arms-length organisations (public or semi-public bodies);
- non-governmental organisations carrying out the public tasks;
- cross-border networks for cities, regions or national governments.

Developing CCIs require tailor-made programmes as the generic business support mechanisms have proven to be too robust to fulfil the very specific needs of CCIs. In addition to specialized measures, many countries and regions have set up specialised organisations to support creative entrepreneurship by merging cultural and economic dimensions. These specialised organisations combine both cultural and economic knowhow to provide integrated services. In many cases the financing originates from both the economic and cultural departments.

**EXAMPLE > Centre for Culture and Experience Economy<sup>39</sup>, Denmark**

The Centre for Culture and Experience Economy is an independent government-funded agency established in 2008 by the Ministry of Economics and Business Affairs and the Ministry of Culture. CKO was founded: first, to spread the word about how the business community can increase growth and innovation through experience based business development, and second to strengthen the creative sector's business understanding through strategic collaboration with the business world. Among other activities, CCEE supports entrepreneurial projects that strengthen collaboration and skill exchange between the creative sector and the business community at large, promotes the culture and experience economy and strengthens collaboration between institutions and businesses, collects knowledge in Denmark and internationally, including knowledge from the 'experience zones', and disseminates it to the public sector, the cultural sector and to businesses, provides guidance and advice to businesses that want to work with experiences and creative skills, as well as to those in the cultural sector that want to enter into collaboration with the business community.

This kind of organisational structure can emerge also on regional level. **Generator Swedish Creative Industries<sup>40</sup>** is a non-profit association devoted to developing and promoting the cultural and creative industries in Sweden. By gathering Swedish regions in a network Generator collects and shares experiences of regional projects, working models, policies, examples of successful entrepreneurs and artists, raise issues about the future development of these industries and their impact on innovation and growth. Generator's work is divided into three areas: knowledge sharing, competence development and networking.

These CCIs development structures can take many different forms. In large they can operate on national, regional or local level, as well as covering all or only parts of the CCIs. As an example, Polish region of Silesia has set up **Design Silesia<sup>41</sup>** - a regional design awareness and implementation initiative. The main goal of Design Silesia is to implement and encourage innovation through design. Design requires specialist knowledge and support system for its implementation. It is therefore important to create a network and exchange of information between the Silesian entrepreneurs, designers, representatives of local governments and academia. Design Silesia is funded partly by ESF.

**EXAMPLE > CREA:RE – Creative Regions<sup>42</sup>**

The CREA.RE project was motivated to better involve the creative sectors in the development of European regions and cities. Most of the European capital cities dispose of support programmes for their cultural and creative industries. But rural regions and regional urban centres are still not making full use of their creative potential, whereas the EU regional policy offers financial tools for the creative development of the European regions and cities. CREA.RE combines regions having faced problems when starting to integrate the creative sector into the EU regional programmes with several very advanced partners who agree to share their experience. The partnership comprises 12 local and regional public authorities from 10 different EU countries. Duration of the project is 01/2010 to 03/2013. Funded by ERDF (Interreg IVc).

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<sup>39</sup> [www.cko.dk/en/about-ccee](http://www.cko.dk/en/about-ccee)

<sup>40</sup> [www.generatorsverige.se/in-english](http://www.generatorsverige.se/in-english)

<sup>41</sup> [www.design-silesia.pl](http://www.design-silesia.pl)

<sup>42</sup> [www.crea-re.eu](http://www.crea-re.eu)

There are a number of other projects taking place between regions and cities, mostly funded by the ERDF (Interreg). In 2009-2011 there was a cooperation project between larger-scale cities (Creative Metropoles<sup>43</sup>), from 2010 (and until 2013) there is a cooperation project of smaller-scale cities (Urban Creative Poles<sup>44</sup>). In addition to projects consisting of local or regional partners, there is an increasingly stronger coordination between the Member States. Just to name a few examples: in the Northern Dimension there is a Partnership for Culture dedicated to developing CCIs<sup>45</sup> while the Nordic countries set up their own network, KreaNord<sup>46</sup>. Since 2006 there is also a regular consultation on CCIs policy between Estonia, Latvia and Lithuania<sup>47</sup>. Such projects are very useful to accelerate the learning process across European countries, regions and cities.

## Awareness-raising

Awareness-raising about the potential of CCIs in boosting socio-economic development is a continuous process that is essential both in the start-up phase of policy and strategy development and also in fostering partnerships within the CCIs and to the other sectors. The target group for these activities is wide – starting from the policymakers, cultural operators, creative entrepreneurs, other industries as well as the general public. Awareness-raising initiatives serve many different aims, including encouraging cultural people to start their businesses, enhancing cooperation between creative entrepreneurs, educating both the entrepreneurs and the consumers, bridging CCIs with traditional industries etc. To increase awareness, there are many activities that local or regional authority could do with the support of European Funds, including:

- organising study visits;
- disseminating results of mappings and studies;
- organising conferences, seminars and workshops;
- collecting and disseminating good practices;
- creating web pages and issuing newsletters;
- developing communication channels and providing public relations support;
- developing web-based services for CCIs etc.

The best results can be achieved when all the abovementioned activities are coordinated and branded in a distinctive way. In many countries, there is a central dedicated organisation (public or private institution) that acts as an umbrella for all the activities.

### **EXAMPLE > Creative Industries Styria, Austria<sup>48</sup>**

Creative Industries Styria (CIS, founded in 2007) is a networking association working on the strategic set-up and expansion of the creative industry in Styria. The focus in the networking process is on coordination and cooperation; Creative Industries Styria promotes the services of the creative sector and thus implements the creative industry as a potential field of the Styrian economy.

Creative Industries Styria functions as a communication interface, interlinking enterprises of the creative economy and companies interested in cooperating with the creative branches. The aim is to put both Graz and Styria on the map as up-to-date, leading creative economy locations by establishing an innovative milieu. Creative economy has been defined as a field of excellence by

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<sup>43</sup> The project presented shared vision of 11 European metropolitan cities Amsterdam, Barcelona, Berlin, Birmingham, Helsinki, Oslo, Riga, Stockholm, Tallinn, Vilnius and Warsaw. [www.creativemetropoles.eu](http://www.creativemetropoles.eu)

<sup>44</sup> Partners from Germany, Poland, Sweden, Estonia and Lithuania. [www.creativepoles.eu](http://www.creativepoles.eu)

<sup>45</sup> [www.ndpculture.org](http://www.ndpculture.org)

<sup>46</sup> [www.kreanord.org/?pg=aboutKreanord](http://www.kreanord.org/?pg=aboutKreanord)

<sup>47</sup> [www.creativeindustries.ee/balticreview](http://www.creativeindustries.ee/balticreview)

<sup>48</sup> [www.cis.at/de](http://www.cis.at/de)

the provincial government and has been established as one of the central themes of the economic agenda.

Regional development is based on the awareness of the added value originating from the broad range of activities in the various creative sectors, making the region more interesting, innovative and competitive. Creating public awareness for the significance of the creative economy in the regional economic context is the main task of Creative Industries Styria. It offers new services and launches initiatives to create added value and innovation for enterprises in every business sector in Styria.

Task of Creative Industries Styria:

- Driving force behind structural changes in the region to create a knowledge and production based society
- Driving force coordinating and interlinking initiatives of the economic location
- Initiation, development and coordination of key projects
- Awareness on a regional, national and international level
- Contact and communication partner for entrepreneurs of the creative economy

Similar national, regional and local programmes, initiatives and organisations can be found in many countries. There are those that deal primarily with awareness-raising, but also those that provide trainings and consultancy services. For example **Creative Estonia**<sup>49</sup>, which is a national umbrella programme for all the CCIs related awareness-raising activities, e.g. web portal, newsletters, seminars, conferences, publications, studies, networking, matchmaking activities and PR-support for creative industries etc. Creative Estonia is funded by the ESF. Also look at **Creative Wallonia**<sup>50</sup> (Belgium), **Creative Finland**<sup>51</sup>, **Creative England**<sup>52</sup>, **Creative Scotland**<sup>53</sup> and **Creative Industries Forum**<sup>54</sup> (Slovakia).

### Policy and strategy

After establishing preconditions and setting the organisational framework for a strategic development of CCIs, the next critical step is to develop the adequate political tools for the sector. On different level these tools might take different forms, including regional strategies, local development plans and national policy papers. Also, with regard to the European Structural Funds, the integration of CCIs in national reform programs and Structural Funds strategies are of vital importance.

The starting point for CCIs are policies in the areas of culture and enterprise, but CCIs also have links with a number of local, regional and national policy-areas, including:

Innovation	Research and development	Export and internationalisation	Regional development
Social cohesion and wellbeing	Cluster development	Economic diversification	Education and lifelong learning
Tourism development	Branding strategy	Sustainable development	Integration and cultural diversity

All in all there are two main options that are often used in complementary terms. Firstly, establishing a separate CCIs policy or strategy, and secondly, integrating CCIs into many other key policies and strategies. A separate CCIs strategy whether at national, regional or local level can serve many

<sup>49</sup> [www.looveesti.ee](http://www.looveesti.ee)

<sup>50</sup> [www.creativewallonia.be](http://www.creativewallonia.be)

<sup>51</sup> [www.luovasuomi.fi](http://www.luovasuomi.fi)

<sup>52</sup> [www.creativeengland.co.uk](http://www.creativeengland.co.uk)

<sup>53</sup> [www.creativescotland.com](http://www.creativescotland.com)

<sup>54</sup> [www.ciforum.sk](http://www.ciforum.sk)

purposes, including providing a holistic approach to the entire sector development, being a tool for raising awareness and taking into consideration the special characteristics of the sector.

On the other hand there are instances when a stand-alone strategy has failed to produce positive results, because it has not been fully integrated into connected policy areas. This is especially relevant for the European Structural Funds. There are only few examples of Member States having successfully launched CCIs-specific support programmes from the European Structural Funds (e.g. Finland, Estonia). In many other cases, the support mechanisms used by CCIs have been generic in nature (e.g. export, business support, trainings, R&D programs etc).

#### **EXAMPLE > Development strategies for creative industries, Finland<sup>55</sup>**

The strategic development of Creative Industries in Finland started at the end of 1990's. In 1999 the working group led by the Ministry of Education<sup>56</sup> including Ministry of Trade and Industry<sup>57</sup>, Ministry of Finance, Ministry of Employment, The Arts Council of Finland, Tekes – the Finnish Funding Agency for Technology<sup>58</sup>, universities and companies made a report of cultural industries development containing action recommendations. Several programmes for the development of the content industry got started (e.g. Digidemo funding programme in 2002).

In 2005 the Ministry of Education appointed the Working Group for the assessment of the economic impact of culture and the first Culture Satellite Account was published in 2008. It measured and assessed the economic effect of culture and served as the first mapping document in Finland.

During 2004-2006 was published several reports about creative industries by different ministries. The regional and local creative industries development started. For example Creative Tampere (Luova Tampere) was established to accelerate the growth by promoting interaction among representatives of different sectors in order to develop new creative concepts. The actions continue under the Open Tampere programme.<sup>59</sup>

In 2007 the Development Strategy for Entrepreneurship in the Creative Industries Sector for 2015 and Cultural Exports Promotion Programme 2007-2011 were published by the ministries. The national ESF Development programme for business growth and internationalisation in the creative industries 2007-2013 started implementing the strategies in the end of 2007. The national development programme is coordinated by the Ministry of Education and Culture in close cooperation with the Ministry of Employment and the Economy. The concrete aim of the development programme is to promote the business skills of self-employed persons, start-up businesses, current entrepreneurs and SMEs. The objective of the development programme is to promote product development and innovation, business and business know-how, and production and managerial competencies, to analyse questions relating to anticipation changes in the operational environment and to enhance the knowledge base in the field. Size of the program is 14 million Euros and it is partly funded by the ESF.

Creative Industries Finland project (CIF) was launched in 2008 as a coordinator for the national development programme projects. It provides information and services for creative industries developers, policy-makers and key interest groups. It publishes news, facts and figures that support the understanding and development of the creative economy as well as provide bases for foresight. Annual events and workshops provide platforms for networking

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<sup>55</sup> [www.creativeindustries.fi](http://www.creativeindustries.fi)

<sup>56</sup> at the moment Ministry of Education and Culture

<sup>57</sup> at the moment Ministry of Employment and the Economy

<sup>58</sup> at the moment Tekes- the Finnish Funding Agency for Technology and Innovation

<sup>59</sup> [www.luovatampere.fi/eng/](http://www.luovatampere.fi/eng/)

and coordination of development activities nationally and internationally. CIF is coordinated by the Aalto University School of Economics, Small Business Centre in co-operation with the city of Tampere/Creative Tampere and Cupore, Finnish Foundation for Cultural Policy Research. The partners are also Sibelius Academy, Jyväskylä Regional Development Company Jykes Ltd and city of Seinäjoki. CIF is partly funded by the ESF.<sup>60</sup>

The Cultural Export Promotion Programme was drafted in 2005-2007 and implemented between 2007 and 2011 by the Ministry of Education and Culture, the Ministry of Employment and the Economy, and the Ministry for Foreign Affairs together with representatives from the creative industry sectors. The main objectives have been:

- development of business activities;
- strengthening of clusters and networks;
- international marketing and promotion;
- operating environment for cultural exportation;
- cultural cooperation and exchange;
- development of cultural exportation structures.

The Ministry of Employment and the Economy launched in 2008 The Development Strategy for the Creative Economy 2008–2011 - project. The objectives were to improve the standing of creative professionals in the labour market, to promote entrepreneurship and growth as well as support product development in areas of business that utilise creative know-how. The project also provided research and forecasts.

In addition to national development, Ministry of Employment and the Economy launched also the Network of Regional Creative Industries Developers in 2010. The Network of Creative Industries provides support for improving regional networking and connects regional work to a national level. Implementation of creative industries development is through sparring, negotiation and professional experience. One of the most popular events has been LUOTU - cross sectorial matchmaking and networking event for companies.

Creative industries are included in Europe 2020 strategy, The Finland's National Programme and they are one of the priorities of the government programme. According the government programme the Finnish economic structure will be diversified and strengthened by developing the traditional strengths, but in addition new sectors of growth like service and creative sectors. In 2012 the strategic coordination and cooperation between ministries, regional and local level and projects will be strengthened.

#### **EXAMPLE > Spanish Action Plan to Promote the Cultural and Creative Industries<sup>61</sup>**

The purpose of the Action Plan to Promote the Cultural and Creative Industries, driven by the Spanish Ministry of Culture, is to give specific treatment to the cultural and creative industries. Moreover, the Action Plan is intended to alleviate the effects of the international financial crisis on the creation of wealth and the generation of employment in the cultural industries, by leading to an increase of the credit available to cultural enterprises, which are suffering from the current restrictions in the liquidity of the financial system.

The Ministry of Culture reinforces the support to the new cultural sectors closely linked to innovation and creativity, such as design, fashion, architecture, advertising, new media, video games and interactive arts. In addition more traditional sectors are included: performing arts, visual arts, cultural heritage, film, television, radio, music, books and newspapers.

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<sup>60</sup> [www.creativeindustries.fi](http://www.creativeindustries.fi)

<sup>61</sup> <http://www.calameo.com/read/0000753350b1ce9d39fb9>

In the year 2011, this plan has benefited more than 450 organizations and 150 professionals. The Action Plan in the year 2011 involved a budget of € 35,622,000 and its main objectives were:

- To promote the digitization of cultural content.
- To redeploy systems of grants and subsidies of the Ministry of Culture through the inclusion of new sectors and new financing instruments.
- To encourage the training of cultural entrepreneurs.
- To encourage public/private funding as projects must have a 30% self-financing.
- To spread the uniqueness and diversity of Spanish cultural heritage, to boost tourism in each community and promote Spanish languages.

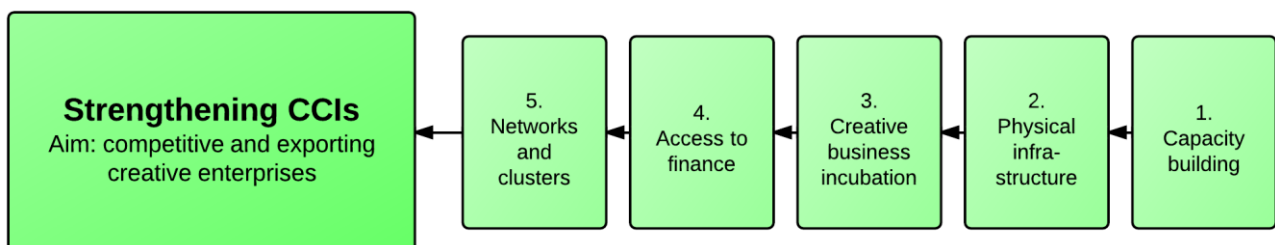
The Action Plan is based on three main lines of action:

1. Improve the training and promotion of creativity - through training grants and awards for creativity in schools.
2. Support the digitization of content and development, consolidation and internationalization of cultural and creative industries - through grants, guarantees for enterprises, loans (in collaboration with the official credit institute) and training of cultural entrepreneurs (in collaboration with the Chamber of commerce).
3. Support non-profit entities - grants for cultural activities and promotion of cultural tourism.

## 4.2. Strengthening CCIs

### Introduction

The following chapter focuses on the key elements in strengthening cultural and creative enterprises.

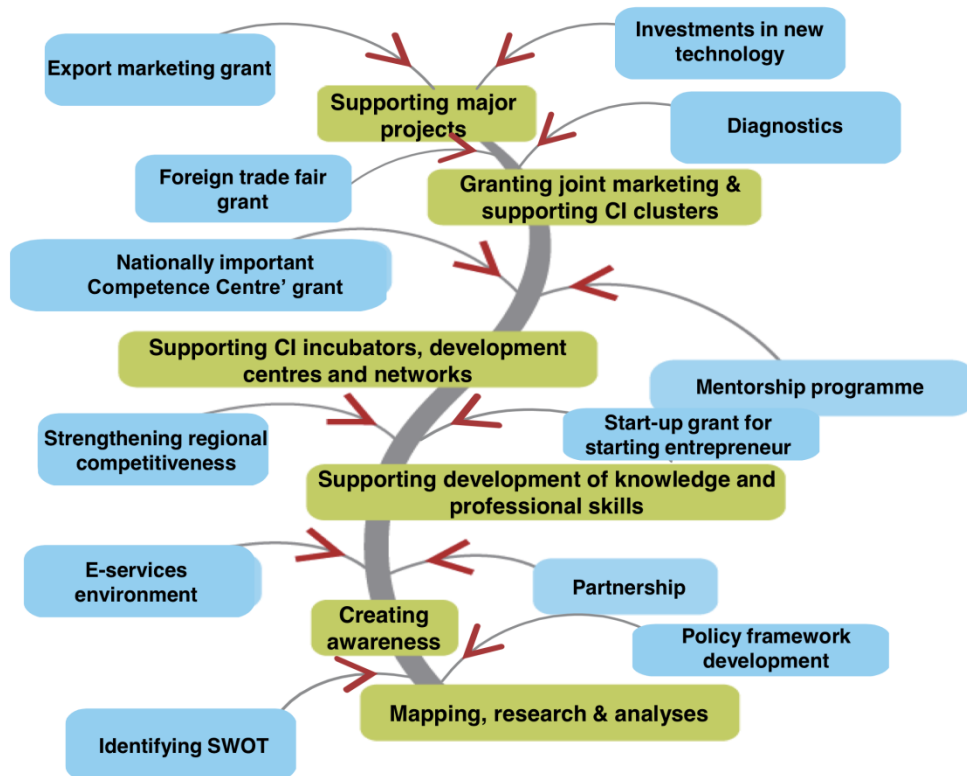


In order to develop CCIs, the latter should have access to a wide range of services and support mechanisms. The key task is to determine when general business support mechanisms can address the specific needs of CCIs and when new sector-specific measures should be introduced. The Tallinn Creative Economy Manifesto from 2011 (see annex 5) invites to “attend to the specific elements that make creative businesses and entrepreneurs ‘exceptional’, and integrate approaches where such exceptionalism doesn’t exist. For example, introduce investment readiness activities for creative businesses but only introduce targeted investment where there is real evidence of market failure in mainstream investment sources (such as retail banks, equity funds etc.). For example, introduce export insurance incentives for businesses trading in creative goods and services only where there is evidence of weaker exports for such businesses because of inaccessibly high insurance costs.”

The priority should be given to changing and adapting general business support measures so as to also include CCIs. Using already existing mechanisms means that more funds are available to support the development of CCIs. It does however require awareness-raising and possibly modifying certain criteria in the existing programmes to accommodate the specific needs of CCIs. As the main elements

of CCIs support could be covered by general measures, those elements that will not be covered with existing measures require a CCIs-specific approach.

For example, in its CCIs development programme, Estonia uses a “value-chain” model to apply integrated support programme for the sector. The model is based on a pyramid approach, where at the bottom there are **activities for all** (mapping, awareness-raising), while in the middle there are **measures for some** (skills development, incubation, trade fairs etc) and at the top there are **measures for few** (grants, investments, export support etc). In the Estonian model there is only one CCIs-specific measure (Creative Industries support structures), all other measures are general and target all the enterprises while some necessary adjustments are made to include CCIs.



Source: Enterprise Estonia<sup>62</sup>, CCIs support value-chain

## Capacity building

Capacity building of the CCIs is vital because the operational environment in the sector is undergoing rapid and strong structural change. The change is due to brisk technological development, notably digitisation, as well as to the global development in the market. Digitisation has caused changes in the distribution channels, which in turn requires new competencies in business, particularly as concerns the supply and marketing of works, products and services.

Cultural and creative entrepreneurs are often lacking business skills like marketing, project management, and digital skills. There is a need for strong professional education in all levels of education system. The aim of the activities is to provide supplementary training, advisory, financing and development services to cultural and creative operators and entrepreneurs. The CCIs should be offered consulting and coaching for entrepreneurship, business skills and product and service development. There is also a need for "middle-men" like managers, agents and curators that could

<sup>62</sup> www.eas.ee



help micro enterprises and self employed to get financing for their projects and market their services and products for the customers or business to business.

### **EXAMPLE > Creative England, UK<sup>63</sup>**

Creative England is a new organisation dedicated to supporting the sustainable growth of independent creative businesses, and the talent that feeds them, in every part of England outside London. Launched in October 2011, its mission is to develop the film, television, games, digital and creative sectors in the English regions. Its work includes investing in talent, growing businesses, boosting audience access, production support, improving market intelligence and encouraging innovation.

With staff based in Birmingham, Bristol, Nottingham, Manchester and Leeds, Creative England builds on the work of the regional screen agencies outside London (including South West Screen) that for the past ten years, assisted the development of the film, TV, interactive, games and digital media industries in the English regions. Creative England receives Grant-in-Aid funds from the British Film Institute (BFI), and a BFI delegated body for the distribution of Lottery funds for film in the English regions outside London. It has also secured investment from the Government's Regional Growth Fund for a new £5 million investment scheme to support digital and creative companies, expected to launch in Spring 2012, alongside a new research and events project aimed strengthening the economic profile of creative companies amongst business clusters.

Finland is using its existing network of existing centres to bring the necessary services closer to the clients from the CCIs. The Refinery model offers creative entrepreneurs subsidised Refinery consultancy services ranging from one to five days per company. The Refinery experts meet company representatives, discuss the requirements for the company's development, and help them find the right consultant. The Refinery Registry contains a list of special experts on creative industries to meet the needs of both business and product development. The Refinery operations have created a nationwide network of consultants and the system is integrated in the 15 Centres for Economic Development, Transport and the Environment. The Refinery model was developed during programme period 2000-2006 and funded by ESF<sup>64</sup>.

### **Physical infrastructure and regeneration of places**

In order to increase the capacity of CCIs to experiment, innovate and grow, there is a need to promote the development of an appropriate infrastructure at local, regional and national levels, contributing to the emergence of creative communities:

- CCIs need networking and collaborative spaces – whether physical or virtual, temporary or permanent – that may act as professional hubs offering a pooling of knowledge and resources that is particularly relevant in sectors characterised by an increasing number of freelancers and nano-enterprises.
- CCI businesses need multi-disciplinary environments where they can easily cluster with academia and other economic sectors in a dynamic way (see also dedicated section on networking and clustering).
- Cities' old industrial infrastructures could ideally be converted into such innovation and creativity clusters, thus providing leverage for local economic development, urban regeneration, territorial and regional attractiveness and rural development.

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<sup>63</sup> [www.creativeengland.co.uk](http://www.creativeengland.co.uk)

<sup>64</sup> [http://www.tem.fi/index.phtml?99142\\_m=99172&s=3924](http://www.tem.fi/index.phtml?99142_m=99172&s=3924)

- More fundamentally, CCI professionals also need basic infrastructures in which they can develop their activities, implement their creative and artistic ideas or engage with the audience. In this context, the crucial role played by cultural heritage sites and cultural institutions is to be stressed.

#### **EXAMPLE > Temple Bar<sup>65</sup>, Dublin, Ireland**

Temple Bar is Dublin's cultural quarter. It occupies 28 acres and dates back to the 10<sup>th</sup> century. The 17<sup>th</sup> and 18<sup>th</sup> centuries saw an explosion in building developments, commercial activity and cottage industry. Between 1991-2001 Temple Bar was transformed into a modern, bustling quarter with investment coming from a mixture of European and national public funding together with substantial private investment.

Today there are over 450 business located in the area, the vast majority of which are small businesses, often owner-managed. The business turnover of the area is in the region of €700million, with an additional contribution of €3million in VAT coming from businesses in Temple Bar. The area has retained its essential character, with 80 cultural organisations and creative industries making their home here producing thousands of creative works each year. Temple Bar attracts 50,000 visitors per day, and is home to a residential population of 3,000 people.

The regeneration project was financed through a combination of public funding from the European Union Structural Funds and the Exchequer, debt capital and significant private sector investment. Alongside funding for physical redevelopment of the area, some of the public funding supported key projects, such as the Independent Cultural Entrepreneurs initiative which equipped young, emerging talent with the business skills required to achieve their potential and develop their creative businesses in a sustainable fashion.

The total investment of public funds in the area was € 54M (£42.5M), which came from two principal sources, the European Regional Development Fund (ERDF) and the National Exchequer through the Department of the Environment and Local Government. A further € 63M (£49.7M) was borrowed from the European Investment Bank and financial institutions. Additionally, it is estimated that in excess of € 127M (£100M) of private sector finance was invested in the area for the development of hotels, restaurants, public houses, housing, retail shops and other businesses.

Research shows that the comprehensive and holistic approach towards cultural development has had a very positive impact on the cultural organisations themselves and played a pivotal role in the development of the area as a whole. Quantitative research illustrates the positive impact and economic significance of the cultural programme: the number of employees working in the cultural sector has increased from 29 in 1993 to over 500 in 2001; visitor numbers have dramatically increased by over 752%, with 81% of all visitors coming to Temple Bar to enjoy the ambience of the area and the variety of cultural amenities on offer. The cultural aspect has also made Temple Bar a key destination for visitors, with foreign visitors now comprising 50% of all visitors to Temple Bar, as compared to only 14% in 1993.

#### **EXAMPLE > Art Factories<sup>66</sup>, Barcelona, Spain**

The main purpose of this initiative is to increase the city's public venues for cultural creation in the different artistic fields: visual arts, music, dance, circus and other performing arts. It expects to transform some of the Barcelona's outstanding industrial buildings into spaces that generate culture – artistic creation factories - and hand them over to groups and associations.

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<sup>65</sup> [www.templebar.ie](http://www.templebar.ie)

<sup>66</sup> [www.bcn.cat/fabriquesdecreacio/](http://www.bcn.cat/fabriquesdecreacio/)

The long-term expected result is to stimulate the city's creativity. As an initiative of revitalization and boosting of specific areas of the city, the art factories network is spread over five districts (Barcelona has ten districts). At present, there are seven factories working, totally or partially: Fabra i Coats, el Graner de la Philips, La Seca, la Central del Circ, la Nau Ivanow, l'Ateneu Popular 9 Barris and Hangar.

On the one hand, the Art Factories network provides professionals and, consequently, citizens in general, with the spaces needed for creativity development in its most artistic sense; on the other hand, it becomes a tool for the redistribution of this creativity throughout different neighbourhoods in order to revitalize the areas where the factories are located. Furthermore, it is worth highlighting that the Art Factories Programme is implemented in close coordination with the support given to the dense fabric of private and freelance initiatives and spaces in the city, that have for many years been carrying out the fundamental task of promoting the work of the most emerging creators.

The City Council of Barcelona has an ongoing commitment to the development of this project: through the municipal Institute of Culture, it leads the initiative and provides the conceptual energy and the core funding. Up to new 30,000 square metres are being promoted in the art factories, and they already host many cultural and artistic projects, always in close cooperation with the local cultural sector. The management of some of the buildings has been already transferred to the associations and groups which use them: the Catalan Association of Circus manages "la Central del Circ", for example. The project of Art Factories has meant a new way to provide energy to the cultural system of Barcelona in the areas of training, creation, production and research.

### **Creative business incubation**

Many countries, regions and cities across Europe have invested into physical locations as hubs for CCIs, but it appears that fewer have been able to create incubators. The main difference between the two is the incubators' focus on quality and growth of their tenant companies, even if this can mean leaving some spaces empty. The incubator services typically included in the package and the (potential) empty square meters mean that the cost of an incubator is higher than the cost of a regular space. Therefore they are often owned and managed by cities, but also by universities and in public-private partnerships. Many have been successfully using ERDF and ESF funding to set up, develop and network those incubators.

There is no unique definition or criteria for cultural or creative incubators. They vary in size, location, working principles and selection of tenant companies. Some incubators concentrate more on cultural operators (working mainly as residencies), others purely focus on creative entrepreneurs or target a certain cluster of companies, such as games companies. More and more regular business incubators are looking into accepting creative businesses into their incubation programmes, but there is still an apparent need to develop specialised incubators for CCIs, for three main reasons:

- CCIs are generally looking for an inspiring, lively environment to operate in;
- CCIs need specialised consultancy services that take into account their specific operating models;
- CCIs often operate on prototype- or project base and profit from like-minded co-tenants from other CCIs that create synergy and new business opportunities.

#### **EXAMPLE > Creative Incubators in Estonia**

The Estonian national strategy for the use of Structural Funds 2007-2013 identified creative incubation as one of the key elements in fostering entrepreneurship in the cultural sector and creating favourable conditions for start-up companies. Creative incubators are created and

operated by the local municipalities or educational institutions. The EU funding covers investment into infrastructure, equipment and part of running costs.

Tallinn Creative Incubator<sup>67</sup> was opened in 2009 and is one of three incubators operated by Tallinn's Business Support and Credit Management Foundation. The mission is to provide incubation services to the start-ups of creative industries. The main objective of the Incubator is to increase the business competitiveness of such SMEs through creating soft infrastructure: cooperation and participation mechanisms, development and export support. The incubator is located in the historical fashion retail industry building, currently incorporating more than 30 start-ups with all creative areas represented: jewellery design, glass arts, graphic design, photography, handicrafts, performing arts etc. The vast majority constitute fashion design, interior architecture and 3D/4D animation. Tallinn Creative Incubator was awarded the second Best Science Based Incubator 2010 for Combining Entrepreneurship with Creativity and Culture (9th Annual Conference on Science Based Incubation of The Technopolicy Network)<sup>68</sup>.

Tartu Centre for Creative Industries<sup>69</sup> was founded in 2009 by the Tartu City Council. The Centre operates as the coordinator of creative industries in Tartu and South Estonia by providing creative industries related information and training, legal and economic consulting for creative entrepreneurs, as well as business incubation (and pre-incubation) services. After completing all renovation works, Tartu Centre for Creative Industries, will provide space for up to 40 companies offering employment for up to 100 workers.

During the planning period the idea for incorporating creative business incubators into national incubation program was rejected, as there was not enough evidence and knowhow in dealing with the new type of incubators. Therefore it was decided to invest into creative business incubators from the creative industries program. After the successful launch of three different creative incubators and results of the period 2009-2011, it was decided to incorporate creative incubators into general incubation program from 2012.

### **EXAMPLE > Creative Factory in Rotterdam, The Netherlands**

An old grain silo in a deprived area was transformed into a creative business incubator for € 6 million by the City of Rotterdam. The Creative Factory was one of the first co-working spaces in Europe and opened in May 2008. It brings over 70 creative and business companies together in one building and services them to grow faster by partnerships with businesses, educational institutions and governmental bodies. Partners include Rabobank (Commercial bank), KPMG (accountancy & consultancy), ARA (advertising agency), HOPE Erasmus University & Technical University of Delft, Hogeschool Rotterdam & Albeda College (higher & lower professional education), Vestia (housing corporation), Pact op Zuid (area development) & Rotterdam Philharmonic Orchestra (access to new networks).

The Creative Factory services 74 companies in October 2011, some in private offices, but the majority in open spaces with 3 to 12 companies. Companies rent desks instead of square meters at a very low cost. From as low as € 111 per person per month with all costs included: heating, electricity, glass fibre internet, security system, reception, meeting rooms, coaching and matchmaking. This low price is made possible with the financial contributions of the Creative Factory partners. No subsidies are involved, the managing company is privately owned and rents the building from the City of Rotterdam.

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<sup>67</sup> [www.esa.ee](http://www.esa.ee)

<sup>68</sup> [www.artsmanagement.net/index.php?module=News&func=display&sid=1404](http://www.artsmanagement.net/index.php?module=News&func=display&sid=1404)

<sup>69</sup> [www.lmk.ee/eng](http://www.lmk.ee/eng)

## Access to finance

CCIs, in particular SMEs, encounter difficulties in accessing the funds they need to finance their activities, both in terms of credit and equity. While this is a common challenge for SMEs in general, the situation is significantly worse for those working in the cultural and creative sectors for the following reasons:

- CCI businesses heavily rely on intangible assets (in particular IPR), which are usually not reflected in accounts;
- Unlike other industrial products, CCI products are generally not mass-produced; every film, book, opera, videogame can be seen as a unique prototype;
- In most cases the financial requirements of CCI companies are not substantial enough for banks to find them commercially interesting enough to undertake the analyses of projects, develop their expertise in a field that is still perceived as risky and build up specialised CCI departments able to understand the special business models of CCIs;
- CCIs also face specific challenges in achieving investment readiness, in particular at a time when they have to find innovative business models for the new digital environment.

Against this background, there is a crucial role to be played by public authorities – particularly regional authorities – in stimulating private investment and promoting public private partnerships for the benefit of their CCI SMEs, notably through guarantee mechanisms or venture capital funds.

The JEREMIE and JASMINE initiatives already make it possible for Member States and regions to use the Structural Funds to set up financial engineering schemes. The Advantage Creative Fund<sup>70</sup> in Birmingham and the VC Fonds Kreativwirtschaft<sup>71</sup> in Berlin are two examples of such schemes targeting specifically CCIs. The next generation of Structural Funds should emphasize the role of innovative financial instruments and extend their scope by rendering their implementation frameworks more flexible and effective.<sup>72</sup>

### **EXAMPLE > departure - The Creative Agency of the City of Vienna, Austria<sup>73</sup>**

departure is the City of Vienna's agency for the creative industries and supports Viennese companies and company founders in the following fields of the creative industries: the art market, architecture, audio-vision, design, fashion, music, multimedia, and publishing.

The four funding programs are tailor-made to the various requirements of the applicants both as regards contents and from an economic point of view. Funding is subject to non refundable grants. The funding is amounting from 20,000€ to 200,000€ per project over a duration of one to three years. With its funding program departure is concentrating on the economically oriented, entrepreneurial activities in the field of the creative industries.

departure focuses on development and promoting measures of new creative and innovative products, processes and services in the run-up to serial production, consulting services for projects allowing increased growth and the gain of knowledge, and company set-ups. Measures are taken to improve the structures for creative businesses to successfully distribute

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<sup>70</sup> The Fund's investments have covered the length and breadth of the creative industries; from film production to animation studios, orchestras to software companies and from television to new media businesses. The Advantage Creative Fund has made 81 investments into 55 creative companies in the West Midlands, investing £5.4 million. [www.advantagecreativefund.co.uk](http://www.advantagecreativefund.co.uk)

<sup>71</sup> This Fund is a joint initiative of Investitionsbank Berlin (IBB) and the State of Berlin. It has a volume of 30 m EUR and is partially backed by the European Union's European Regional Development Fund (ERDF). [http://www.ibb-bet.de/vc\\_fonds\\_kreativ.0.html?&L=1](http://www.ibb-bet.de/vc_fonds_kreativ.0.html?&L=1)

<sup>72</sup> See also chapter on "Financial engineering instruments" in the guide to Regional Innovation Strategies for Smart Specialisation. For weblink, see footnote 23

<sup>73</sup> [www.departure.at/en](http://www.departure.at/en)

and exploit their products or services. departure encourages cooperation between creative businesses and traditional industries to strengthen competitive advantages on both sides.

**EXAMPLE > CultuurInvest, Belgium<sup>74</sup>**

An independent investment fund managed by PMV nv (investment holding of the Flemish Government). The fund was launched at the end of 2006 and provides risk capital to entrepreneurs in the cultural and creative industries in Flanders. Through subordinated loans or minority participations in companies the fund helps creative entrepreneurs to realize their ambitious growth plans. CultuurInvest emphasizes on those entrepreneurs who focus on commercial development and growth in terms of additional and diversified income resources and extra cash flows. Also it emphasizes on growth and cash flows to pay back loans and interest. CultuurInvest has succeeded in attracting additional co-financing of other private investors and banks. CultuurInvest can invest in new media and computer games, audiovisual sector and digital design, music industry and concerts, design and designer fashion, printed media and graphic design, publishers and bookshops, musicals and performing arts, distribution within the visual arts, communication and advertisement, architecture and heritage.

**EXAMPLE > Cultuur-Ondernemen, The Netherlands<sup>75</sup>**

The foundation supports and guides artists, creatives and cultural organisations in putting their creative capital to optimum commercial use. Cultuur-Ondernemen collects and shares knowledge of the cultural sector and brings together artists, creatives, cultural institutions, companies and social organisations. The foundation also gives loans to artists and creative at very low interest rates. It provides coaching and mentoring, training and education, learning on-the-job, market development and networking, financial support, consulting, search for advisors and chairmen, research and information services.

**EXAMPLE > Institute for Film Financing and Cultural Industries (IFCIC), France<sup>76</sup>**

IFCIC, a specialised lending institution, was charged by both the Ministry of Culture and Communication and the Ministry of Finance with contributing to the development of the culture industry in France by making it easier for sector companies to obtain bank financing. IFCIC, a neutral and independent institution, is a private-sector limited company entrusted with a service of general interest. Its capital is owned by French banks, large public financial institutions (Caisse des Dépôts and OSEO), and French State.

IFCIC's familiarity with the industry and relations with expert committees as well as professional networks enable it to conduct in-depth analyses of the risk incurred by companies that seek financing. The loans guaranteed by IFCIC cover most of the needs of companies, at all stages of their development.

The banks that work with IFCIC are given not only financial guarantees in the event that companies should fail, but also risk analyses that are specific to the cultural industries, in particular where short-term loans for film and audiovisual projects are concerned. IFCIC helps entrepreneurial companies get financial backing for projects from their banks. It also offers its

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<sup>74</sup> [www.pmv.eu/en/services/cultuurinvest](http://www.pmv.eu/en/services/cultuurinvest)

<sup>75</sup> [www.cultuur-ondernemen.nl/web/co-en/index](http://www.cultuur-ondernemen.nl/web/co-en/index)

<sup>76</sup> [www.ifcic.fr](http://www.ifcic.fr). Similarly to IFCIC, in 2000, the Parliament of Catalonia created the Institut Català de les Industries Culturals to help developing the audiovisual industries in the territory. Since then, it's been a key factor to articulate all necessary measures to strengthen the industry through dialogue, new financing formulas, support to exportation of cultural produce and to guarantee its presence in the own market. [www.cine-regio.org/members/institut\\_catala\\_de\\_les\\_industries\\_culturals](http://www.cine-regio.org/members/institut_catala_de_les_industries_culturals)

own financial expertise. IFCIC typically guarantees 50% of the loans obtained. This means that when a company fails, the bank's losses are cut by half.

#### **EXAMPLE > St'Art Investment Fund for Cultural and Creative Industries, Belgium<sup>77</sup>**

St'art investment fund is a unique financial instrument in Brussels and Wallonia. With an allocation of €16 million, it is the product of the joint efforts of the Wallonia Region and Wallonia-Brussels Federation to support the development of the creative economy.

St'art is aimed at small and medium companies, including non-for-profit organisations. The fund contributes to the creation of companies and the development of existing structures in order, for example, to undertake new projects, create new products and win new markets. The fund provides financing in the form of loans and investments.

The objective is also to influence banks and private investors. St'art works closely with public bodies and regional investment funds. Therefore St'art complements and not replaces other existing financial mechanisms and possible public subsidies.

There are various types of intervention in accordance with the requirements of the company and the nature of its investments. St'art is involved in financing creative companies, firstly through loans. The length of the loan is determined on a case-by-case basis. The minimum loan amount is set at €50,000. St'art intervenes, secondly, via equity participation. It is possible to combine these two forms of intervention. St'art intervenes in the framework of de minimis. St'art is not involved in financing one-off cultural or creative projects.

### **Networking and clustering**

Clustering and network activities build bridges between various stakeholders: related industries, CCIs, academia, public bodies, companies and investors. Clusters could be defined as the co-location of producers, services providers, educational and research institutions, financial institutions and other private and government institutions related through linkages of different types. There is a need for CCIs clusters because the enterprises in the sector are usually micro-enterprises, which cooperate in the form of alliances on projects. Each brings in its specific expertise and the alliance might be for one project or grow into a long term partnership or merger.

Stronger clusters between enterprises increase the opportunities for companies to do business. Physical spaces, such as incubators create a single-location cluster, but a cluster or network can also be created within a region or a country. The key success factor is to have enough diversity in the network, so that interaction leads to exchange of knowledge and business. Functioning networks operate long term, but in the same time they are dynamic and flexible, strengthening local connections as well as providing a platform for exports. The networks usually include local and regional partners and they should be linked to innovation policy. This way they also support the aims of regional growth and employment policy goals.

#### **EXAMPLE > Addict: Creative Industries Portugal<sup>78</sup>**

ADDICT is the Agency for the Development of the Creative Industries and represents the Cluster for the Creative Industries of the Northern Region of Portugal. It is an Association as well, which represents currently more than 100 companies, institutions and individual professionals within the Creative Industries. ADDICT is a platform that, through the

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<sup>77</sup> [www.start-invest.be/Introduction?lang=en](http://www.start-invest.be/Introduction?lang=en)

<sup>78</sup> <http://www.addict.pt/>

dissemination of knowledge, information, promotion and coordination of the Creative Industries, contributes to the development of entrepreneurship and the creative economy.

Following the Development of Creative Industries Cluster in the Northern Region – Macroeconomic Survey, ADDICT presented a Strategy and Action Program, both approved by the Competitiveness Factors Operational Program Management Authority (Autoridade de Gestão do Programa Operacional Factores de Competitividade – POFC) of the Collective Efficiency Strategies (Estratégias de Eficiência Colectiva – EEC) on the Recognition of Competitiveness and Technology Hubs and Other Clusters.

It is proposed that the adoption of these axes - Entrepreneurship, Business and Creative Places – allows for the grouping and immediate meaning to ADDICT’s competences and activities. These axes are cross-sectional to the activities, mainly acting as aggregators and organizers, in what regards the action target.

For 2012-2013 ADDICT has repositioned its strategy. ADDICT’s new strategy clarifies its strategic axes and redefines the key programmes which structure its action. The three strategic axes are: People, Economy and Places, corresponding each to three pillars that lie on a sustainable, creative and added value cluster. The three main aims are:

- To contribute to a valorization of the creative sources (Individual Creativity);
- To contribute to an economy based on talent and creativity (Entrepreneurial Creativity);
- To contribute for a better and bigger critical urban mass and attractiveness of the territory (Urban Creativity);

#### **EXAMPLE > European Creative Businesses Network<sup>79</sup>**

The European Creative Business Network (ECB Network) is a foundation, established by 11 European organizations that work for and in Europe’s creative industries. The mission of the ECB Network is to create one effective, accessible and rewarding single market for cultural and creative entrepreneurs. ECB Network delivers most of its services to small companies in sectors, such as media & design.

The main goals of the ECB Network are: to connect cultural and creative entrepreneurs with other sectors to do (more) business, to create access to (cross-border) investors, to deliver up-to-date sector-specific local market information & potential (business) partners and to promote the value of cultural and creative entrepreneurs to EU Member States and EU institutions.

The ECB Network has four main activities:

- Touchdown: Local contact points provide up-to-date local market information and network for entrepreneurs.
- Exchange: Creative quarters, residencies and incubators offer work and/or living space to each other’s companies and organizations
- Online community: To boost international connections, exchange & international business and to inform the community way in advance of events, awards and pitches
- Creative Trade Missions: Companies and organizations join forces to visit a new market or invite companies to their market.

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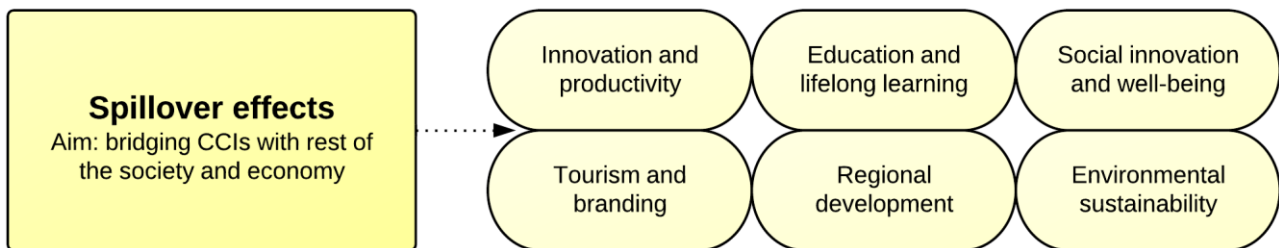
<sup>79</sup> [www.ecbnetwork.eu](http://www.ecbnetwork.eu)



### 4.3. Spill-over effects of CCIs

#### Introduction

CCIs produce many different types of positive spill-overs on the economy and society as a whole: from inspiring and nurturing creative and innovative entrepreneurship to designing new public service transportation or new interactions between patients and health service staff, from promoting innovation in other sectors of the economy to promoting behavioural shifts or fuelling digital devices and networks, from promoting a more quality-oriented tourism in regions and cities to helping social regeneration of deprived areas and innovative forms of teaching, from design thinking in all types of settings to the use of culture and creativity as a management tool for improving working relationships in companies etc.



The following section offers a few examples of regions having found ways to promote such spill-over effects. It is far from offering a complete overview of all possible opportunities as it appears that not so many regions have been using the EU Structural Funds to promote innovative linkages between CCIs and other sectors. It is more to be seen as an invitation to local, regional and national authorities to invent their own creative way to boost innovation through the creativity generated by CCIs.

#### CCIs and innovation, productivity and supporting rest of the economy

There are several EU funded projects going on with the view to developing linkages between CCIs and other businesses. For example the Kaleidoscope project in Finland is creating a cooperation and innovation network between CCIs and the maritime and metal industries. The Cinergy project (lead partner Västernorrland, SE) is creating growth and jobs through cross over collaboration projects. The Kainuu region in Finland is concentrating on piloting new business models between CCIs, food processing and tourism.

**RESOURCE: A Guide to Creative Credits<sup>80</sup>, UK (NESTA, 2011)**

Creative Credits is a voucher scheme that enables small and medium sized businesses to benefit from the expertise and innovative potential of the UK’s creative businesses. Creative Credits was piloted in the Manchester City Region in North West England between September 2009 and September 2010. A Guide to Creative Credits describes a new model for supporting innovation and growth within SMEs through knowledge transfer from creative businesses. The Guide describes the Creative Credits model and how it works in practice, shows how the model supports SMEs and stimulates innovation in a cost-effective way and outlines in basic terms how to set up and run your own Creative Credits scheme.

In addition it is recommended to follow the development of innovation vouchers as part of the European Creative Industries Alliance (funded under the EU Competitiveness and Innovation Programme) with four projects just starting in 2012.

<sup>80</sup> [www.nesta.org.uk/about\\_us/assets/features/guide\\_to\\_creative\\_credits](http://www.nesta.org.uk/about_us/assets/features/guide_to_creative_credits)

**EXAMPLE > Creative Industries Innovation Fund<sup>81</sup>, Arts Council of Northern Ireland, UK**

Stimulating innovation, R&D and creativity is a top priority in rebuilding and rebalancing the Northern Ireland economy. This includes promoting a wider innovation agenda incorporating collaborative initiatives between businesses, and between businesses, academia and the public sector. The Department of Culture, Arts & Leisure (DCAL) is the government lead on the creative industries. The Department secured funding for a pilot Creative Industries Innovation Fund (CIIF) for the period 2008-2011. The fund was administered by the Arts Council and supported 133 business and 23 sector development projects. Priorities for Action under three broad themes were: innovation in business; innovation through people; and innovation through sector infrastructure and knowledge. DCAL is investing a further £4m over 2011-15 to continue to grow and develop the creative industries. This will include a refocused Creative Industries Innovation Fund (CIIF 2) which will provide support for innovative development of commercially viable content, products, services and experiences capable of competing in global markets. CIIF 2 is administered by the Arts Council of Northern Ireland - the lead development agency for the arts in Northern Ireland. The CIIF 2 program is supported by Northern Ireland Screen as the government-backed lead agency in Northern Ireland for the film, television and digital content industry; and by Digital Circle - an association of digital content companies in Northern Ireland which works to develop skills and investment to ensure long term prosperity.

Cultural and creative professionals as well as the creative enterprises can be very useful for companies in traditional industries to overcome different type of challenges they are facing, including issues concerning product development, innovation, communication, human resource development, intercultural dialogue etc. In addition to TILLT in Sweden, there are number of similar activities all over Europe including: ArtGoesWork<sup>82</sup> (based on earlier project Life@Work<sup>83</sup>), TAIKA<sup>84</sup> (both Finland, funded by ESF), also Arts & Business<sup>85</sup> (UK), that offers similar service for the companies.

**EXAMPLE > TILLT, Sweden<sup>86</sup>**

TILLT is an internationally recognised example of successfully building creative alliances in the work place. TILLT, a Swedish organization based in Gothenburg, runs a variety of programmes which place artists in people's workspace. The programmes, long-, medium- or short-term, all have one thing in common; they harness a way of thinking specific to a given artist and unleash that in a workplace, providing a catalyst for change. The needs of the different stake holders; artist, employer and employees, are all matched assiduously, leading to an experience which is as unique as the people involved in it.

Throughout the entire duration of each project, TILLT acts as a process leader. The process leader pays regular visits to the work place, conducts in-depth interviews, and holds seminars. The aim of this is to continuously monitor the progress in order to provide the project with the adequate support. The presence of the process leader creates a buffer between the artist and the organisation allowing the artist to be provocative without the fear of provoking too much – we constantly monitor what is going on making sure that limits are expanded within the organisation at their own terms and in a such a way that artistic integrity is protected.

And change comes about. Change in mutual recognition, communication and approach to the unknown. Change is also found in levels of productivity – research carried out by the Institute

<sup>81</sup> [www.artscouncil-ni.org/award/innovation.html](http://www.artscouncil-ni.org/award/innovation.html)

<sup>82</sup> <http://www.novia.fi/artgoeswork/what-we-do/>

<sup>83</sup> <http://web.novia.fi/lifeatwork/>

<sup>84</sup> <http://www.taikahanke.fi/etusivu/>

<sup>85</sup> <http://artsandbusiness.org.uk/>

<sup>86</sup> [www.tillt.se/in-english/, ec.europa.eu/regional\\_policy/sources/docgener/panorama/pdf/mag29/mag29\\_en.pdf](http://www.tillt.se/in-english/, ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag29/mag29_en.pdf) (pp. 14-17)

of Management Innovation and Technology (IMIT) in Gothenburg shows it goes up, while levels of sick leave go down.

The last ten years TILLT has carried out over 80 yearlong processes and about 500 shorter. Artist from all art forms have been engaged in the programmes. Throughout all projects we see effects on artistic development, raise of creativity and innovation in organisation and a greater access to culture in new arenas. Since 2008 TILLT is active at European level sharing its experience trough giving speeches throughout Europe and part-taking in several European projects. Between 2001 and 2011 TILLT has multiplied its turnover by twelve and has gone from 0 % self financing (depending on public subsidies) to 50 % self financing.

Many cities and regions in Europe have set up measures to attract film crews from abroad to make films in their area. This is particularly useful for several reasons. Firstly it brings many spill-over effects to the local economy (accommodation, logistics and other services). Secondly it can be used in tourism development and local branding. Thirdly it creates new possibilities for local film professionals to work within international film settings. One of the latest regional film fund was set up in Riga, Latvia, with considerable success within two years of activities.

#### **EXAMPLE > Riga Film Fund<sup>87</sup>, Latvia**

Riga Film Fund is a municipal fund of the Riga City Council for co-financing film projects shot in Riga. The co-financing programme of Riga Film Fund is open to Latvian and foreign productions planning to shoot in Riga, and its objective is to encourage foreign investments in Riga, create new jobs, develop the Latvian film industry and promote Riga internationally. Up to 15% of film related expenditure in Riga can be obtained as cash rebate when filming is completed. The eligible costs of the programme include transport, rental of premises and technical equipment, accommodation, public facilities, construction facilities, artistic and administrative work, thereby encouraging foreign film crews to live and work in Riga. Riga Film Fund organizes calls up to four times a year. Projects that want to be supported must fit the following criteria: full length fiction, TV films and documentary films with the minimum budget of 500 000 Lats (approx. 700 000 EUR) that have confirmed financing of at least 50% of the total budget.

Riga Film Fund has fuelled a boom in foreign productions in Latvia since its establishment in 2010 with nine foreign productions shooting in 2011. Before the establishment of Riga Film Fund, Latvia had one or two productions a year. Riga Film Fund supported 12 foreign projects in 2010 and 2011. The total was about 2.4m EUR in support as a tax rebate. On average the productions got 10 - 13 % of their budget from the tax rebate. There is no set budget for Riga Film Fund; the funding is approved after the results of the tender when the required amount of the funding is determined by evaluating the applications of the tender winners.

### **Tourism, branding and attractiveness of regions**

The CCIs play a significant role in reinforcing tourism at regional and local levels; they offer in this way an opportunity for economic diversification and smart specialization, as well as raising the attractiveness of the regions. Cultural and creative industries are also directly contributing to the jobs and growth of the tourism sector. The 2006 KEA study "Economy of Culture in Europe" considered that cultural jobs represented 15% of the total jobs in the tourism sector.<sup>88</sup>

According to the study on the Contribution of Culture to Local and Regional Development, "*the power of culture-based investment to transform formerly derelict areas and to inject new life into tired or*

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<sup>87</sup> [www.filmriga.lv](http://www.filmriga.lv)

<sup>88</sup> [http://ec.europa.eu/culture/pdf/doc887\\_en.pdf](http://ec.europa.eu/culture/pdf/doc887_en.pdf)

*conventional urban districts has been well established. The Guggenheim in Bilbao and the Imperial War Museum in Manchester provide well recognized examples. Through the symbolic power of iconic buildings and the redefinition of urban spaces through the sheer physical presence of new cultural facilities, attitudes are changed, new confidence and ambition are injected and talent and further investment are attracted. By creating more attractive places in this way, cultural institutions have economic effects and improve the general quality of life, including helping to establish a better work-life balance."*<sup>89</sup>

### **EXAMPLE > European Capitals of Culture**

The European Capitals of Culture<sup>90</sup>, which is designated six years in advance, requires a strategic vision and long term planning. Evaluations have also shown that the European Capital of Culture (ECoC) has the potential to be reinforced by and add value to investments made by the European Structural Funds. In Pécs 2010 for example, more than 100 Million € have been invested by the ERDF in projects linked to the ECoC title such as the construction of the new library or concert and conference venue, the regeneration of the Zsolnay quarter or the highway between Pécs<sup>91</sup> and Budapest. In "Essen für die Ruhr 2010", 50 million € have been invested by the ERDF in particular for the transformation of the Zeche Zollverein in a creative quarter which is now considered as a model of good practice for the contribution of culture to local and regional development. Liverpool 2008<sup>92</sup> has also benefited from important ERDF investments and was invited as one of the key contributors to the European Commission 2009 Regions for economic change conference in order to transfer its experience.

### **EXAMPLE > Fira Tàrrega (Creative Land), Tàrrega , Spain**

Fira Tàrrega is an international performing arts festival and professional fair in the region of Catalonia (Spain). It takes place annually in Tàrrega, a rural town of little more than 15.000 inhabitants. During 4 days each year, the festival draws around 80.000 spectators and 800 professionals, transforming the town into an impressive popular celebration, and a very effective showcase for the contemporary performing arts. Since its foundation in 1981, Fira Tàrrega has evolved to positioning itself as an international reference for street theatre and performing arts for non-conventional venues. The festival takes place in all available indoor spaces (local theatre, schools, markets) and outdoor spaces (public squares, streets, parks, etc). The festival is partly funded by the EU Culture Programme 2007-2013.

Research on the aggregated economic impact of professional fairs in the performing arts sector in Spain, commissioned by COFAE (Coordinator of Spanish Fairs) and conducted by Deusto University in 2010<sup>93</sup> estimates that each euro of public funding to professional performing arts fairs, generates business of 7€ to the professional companies.

For more evidences of the economic impact of cultural festivals and their link with tourism and local businesses, please see the Arts Council England publication Festivals and the Creative Region: The economic and social benefits of cultural festivals in the East Midlands.<sup>94</sup>

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<sup>89</sup> [http://ec.europa.eu/culture/documents/final\\_report\\_sf\\_en.pdf](http://ec.europa.eu/culture/documents/final_report_sf_en.pdf)

<sup>90</sup> [http://ec.europa.eu/culture/our-programmes-and-actions/capitals/european-capitals-of-culture\\_en.htm](http://ec.europa.eu/culture/our-programmes-and-actions/capitals/european-capitals-of-culture_en.htm)

<sup>91</sup> [http://ec.europa.eu/culture/documents/pdf/ecoc/ecoc\\_2010\\_final\\_report.pdf](http://ec.europa.eu/culture/documents/pdf/ecoc/ecoc_2010_final_report.pdf)

<sup>92</sup> [www.liv.ac.uk/impacts08/Papers/Creating\\_an\\_Impact\\_-\\_web.pdf](http://www.liv.ac.uk/impacts08/Papers/Creating_an_Impact_-_web.pdf)

<sup>93</sup> Instituto de Estudios de Ocio Deusto (2010) Estudio del impacto inducido por las Ferias de Artes Escénicas del Estado en la industria escénica. [www.cofae.net/deusto2010.pdf](http://www.cofae.net/deusto2010.pdf)

<sup>94</sup> Arts Council England (2003) Festivals and the Creative Region: The economic and social benefits of cultural festivals in the East Midlands: key findings from a study by De Montfort University, Leicester. ACE. [www.artscouncil.org.uk/publication\\_archive/festivals-and-the-creative-region](http://www.artscouncil.org.uk/publication_archive/festivals-and-the-creative-region)

## CCIs and social policy, social innovation and lifelong learning

The recent Euro barometer Aggregate Report 2011 on Well Being ranks Culture as number 8 out of 9 factors that contribute to well-being alongside the economy, civic life and our environment. In Finland, successive Governments have consistently understood that together with science and education, culture, heritage and the arts create the intellectual foundation of a society. To some observers, investing in intangible goods must become a part of a new economic policy as a way to include arts, culture, museums in the building of a renewed prosperity. Cultural experiences may indeed be much more than a nice way to spend one's leisure time. They may also be important platforms for the development of individual capabilities that may substantially expand the potential of self-determination, the strategies for the pursuit of life satisfaction, the articulation and adoption of lifestyle choices etc. The existing evidence seems to confirm the relevance of cultural experiences in terms of health and well-being indicators.

### **EXAMPLE > Open Window<sup>95</sup>, Ireland**

Each day, millions of very sick, aged or disabled people are forced to spend a very large part of their lives in care, with a vastly restricted degree of contact with the outside world. This is a major cause of hospital anxiety and depression. 5 years ago, Vivartes were approached by the National Bone Marrow Transplant team in St. James Hospital, Dublin, for a solution to this problem. Anxious patients cost 3 - 5 times more to treat. The solution to the problem resulted in an historic meeting of the arts, medicine and technology. Vivartes developed Open Window.

Open Window is an interactive, over the web platform, designed for care environments. It enables patients to remain connected with the outside world, through a combination of clinically evaluated art and relevant patient focused personal content. Open Window appears as a "virtual window" on the wall of the patients room showing video art, art works and photography, produced by national and international artists. Family members can submit images of significant places or family events by mobile phone. Video feeds of nature complete the experience.

There are number of practices initiated during the times of financial crisis with the aim of relieving the economic and social consequences by providing socially innovative solutions to the crisis. One example comes from Riga, Latvia, where a project was implemented to encourage social entrepreneurship with the help of cultural and creative professionals.

### **EXAMPLE > Brigade<sup>96</sup>, Riga, Latvia**

The programme "Brigāde" supported creative initiatives or teams (in Latvian called "brigādes") being able to improve Riga's urban environment, develop the local communities, resolve social problems and create financially independent solutions, using art/culture activities, thus encouraging economic growth.

Project applicants were eligible for funding, up to 7000€ per project. At the project preparation stage (August and September 2010), applicants had an opportunity to attend the inter-branch workshops, familiarise themselves with practices in different countries, hear expert opinions regarding development solutions, receive financial consultations as well as help in premises seeking. The programme is funded by the Soros Foundation-Latvia from the Emergency Fund established by George Soros and aiming to reduce the consequences of crisis in 20 countries of Eastern Europe and Central Asia.

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<sup>95</sup> [www.misa.ie/creative-life/open-window](http://www.misa.ie/creative-life/open-window)

<sup>96</sup> <http://www.brigade.lv/brigade/about-project>

Within the framework of the programme various “instruments” or measures helping in development and/or improvement of solutions were offered to the teams. Teams having the best solutions were supported financially for their implementation and the best solutions were popularized in order to inspire others to start their own creative business.

### CCIs and environmental sustainability

The CCIs promote a sustainable use of the territory and the environment, incorporating new parameters of environmental assessment and updating existing ones, contributing to the preservation and development of inherent environmental values of the territory. The preservation and valorization of the territory and the new look on it that project CCIs help set populations, the development of cultural and natural tourism and the economic development of communities and regions.

Environment or territory should be considered in the light of the new conceptualizations of landscapes and cultural landscapes. According to them any territory, including the degraded ones, holds environmental, cultural or any other values that are worthy of preservation and valuation. The specific intervention of CCIs on the environment can contribute decisively to its future preservation. The CCIs also contribute to the recovery of degraded landscapes, territories or environments, both natural and urban, and their conversion into key elements of the local and regional development. Today critical thinking about culture, society or economy must necessarily incorporate the reflections on the environment.

#### **EXAMPLES > Beulas Foundation<sup>97</sup>, Huesca, and César Manrique Foundation<sup>98</sup>, Lanzarote, Las Palmas, Spain**

The Beulas Foundation’s Centro de Arte y Naturaleza, in Huesca, opened its doors with the goal of becoming a leading international centre in all subject areas that relate art and nature to contemporary culture. The CDAN is located in a building designed by Rafael Moneo, which serves as a management and information centre, but it is the landscape of Huesca which plays a vital role. Some carefully selected artists have designed and constructed works conceived especially for specific sites in the landscape of Huesca. They were free to choose the sites for their works, subject only to the constraints imposed by the landscape itself and the budget available for each work.

The installation aims to form an opened collection, to speak of the relationship between art and nature, and, more generally, between art and environment, and to draw attention to the diversity of landscapes found in Huesca. In addition, the CDAN promotes an extensive debate on the intellectual plane with a special emphasis on research, exploring connections between thought, art, territory, landscapes, history, architecture, and heritage. It promotes sustainable use of the environment, social awareness and development of small industries linked, for example, to tourism and gastronomy. Beulas Foundation is a private entity constituted with public and private capital, which is financed by the exploitation of their own resources, sponsorship and contributions from local and regional governments.

The César Manrique Foundation, created in 1992, is a private and non-profit institution with international scope. It currently receives over 300,000 visitors per year. It is established as a cultural platform focusing on three lines of development: visual arts, environment and cultural critical thinking. The environment has been consolidated as a key area of the Foundation and programs and different initiatives develop transversally. These are its fundamental lines of work:

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<sup>97</sup> [www.cdan.es](http://www.cdan.es)

<sup>98</sup> [www.fcmanrique.org](http://www.fcmanrique.org)

- Preserve, study and disseminate the work and the artistic legacy of César Manrique.
- Promote exhibitions, studies and initiatives that address the relationship between art and nature.
- Develop activities to promote the conservation of the natural environment and traditional architecture, its sustainable transformation and the management of the territory.
- Promote creativeness and intellectual and critical thinking.

The Foundation has created a space for proposals and debate in which speakers from multidisciplinary approaches provide new models and concepts of progress. Progress based on sustainability criteria and an environmentally friendly urbanism, where the preservation of the environment, landscape, cultural heritage and vernacular architecture are the main points and opposed to the prevailing models of accelerated development. The foundation has achieved a broad awareness-raising and social involvement on their proposals. Its proposals and initiatives have a great impact on the public policies around the island and are fostering innovative projects in different fields: architecture, urbanism, design, tourism and gastronomy.

The FCM is a private and self-financing institution. Its budget comes from ticket selling and its shops. Eventually the Foundation receives funds from the Government of the Canary Islands for the development of specific projects or activities.

## 5. Conclusions

Various studies commissioned in recent years by the European Commission, the local, regional and national authorities of the Member States and NGOs clearly show the vast potential of the CCIs. There are numerous examples where the regions and national governments have successfully implemented strategies and projects in the cultural and creative sectors. In many cases the EU Structural Funds were used to finance the initiatives. However, there are still many places in Europe where this is not the case. Due to a lack of awareness, little political recognition, weak strategic alliances and absence of effective strategies there are number of regions and countries that have yet to recognise the importance of CCIs and added value that they can provide for rest of the society and economy.

The Handbook highlights a number of examples which prove that different public authorities have found effective ways to set up working mechanisms to support the CCIs, and in most cases they have been successful in using the EU Structural Funds for that purpose. The Handbook will hopefully serve as an inspiration for those regions and countries that have not yet succeeded in implementing cultural and creative strategies. As the EU budget for 2014-2020 is being discussed at the very moment, the experts also hope that specific measures presented in the Handbook can be directly inserted into the national development plans and local or regional development strategies.

As envisaged by the Workplan for culture 2011-2014, the work on CCIs will continue with two new Expert Groups within the Open Method of Coordination, on two specific themes: (1) internalisation and export strategies of the CCIs (2012-2013) and (2) facilitating access to finance for CCIs (2013-2014).

The future reflection of the Expert Groups can feed into the existing Handbook. The Handbook is meant to be a "living" document. Therefore, we encourage everybody to submit good examples, initiatives and practices on the webpage [www.creativeindustries.ee/omc](http://www.creativeindustries.ee/omc).

Finally, the Handbook will hopefully be useful in view of a "joint EU-wide awareness-raising initiative by the Commission and Member States to promote the integration of culture in regional and local development policies and to support smart specialisation strategies", also foreseen in the Workplan.



## 6. Annexes

- ANNEX 1**      **Case Studies from Member States**  
[www.creativeindustries.ee/omc/annex-1-case-studies](http://www.creativeindustries.ee/omc/annex-1-case-studies)
- ANNEX 2**      **Culture 3.0: A new perspective for the EU 2014-2020 Structural Funds programming**  
By Prof Pier Luigi SACCO  
[www.creativeindustries.ee/omc/annex-2-culture-3-0](http://www.creativeindustries.ee/omc/annex-2-culture-3-0)
- ANNEX 3**      **Seven reasons for strengthening the cultural and creative industries in local, regional and national development policies**  
By Külliki TAFEL-VIIA  
[www.creativeindustries.ee/omc/annex-3-seven-reasons-for-ccis](http://www.creativeindustries.ee/omc/annex-3-seven-reasons-for-ccis)
- ANNEX 4**      **Summary of the study “Creative Metropolises: Situation Analysis of 11 cities”**  
By Külliki TAFEL-VIIA  
[www.creativeindustries.ee/omc/annex-4-summary-of-creative-metropolises](http://www.creativeindustries.ee/omc/annex-4-summary-of-creative-metropolises)
- ANNEX 5**      **The Tallinn Manifesto: Creative Entrepreneurship for a Creative Economy**  
[www.creativeindustries.ee/omc/annex-5-the-tallinn-manifesto](http://www.creativeindustries.ee/omc/annex-5-the-tallinn-manifesto)
- ANNEX 6**      **Planned timing (Cohesion Policy 2014-2020)<sup>99</sup>**
- The preparatory work on the country specific negotiation mandates and on the Common Strategic Framework will proceed in parallel with the ongoing negotiations in the EU Council and the European Parliament on the Structural Funds regulations.
  - The Staff Working Document “Elements for a Common Strategic Framework” adopted in March 2012 by the European Commission sets out investment priorities in more detail. It is the basis for further discussions with the EU Council, the European Parliament and stakeholders and will lead to the final adoption of the Common Strategic Framework after the adoption of the Regulations, foreseen for the first quarter 2013.
  - The preparation of country specific negotiation mandates should be finalised by July 2012. The next step will be informal discussions with the Member States in autumn.
  - The Structural Funds regulations and the Common Strategic Framework should be adopted during 1st quarter 2013.
  - Once the Structural Funds regulations are adopted, negotiation mandates will be adopted officially as Staff Working Documents and formal negotiations with the Member States will start on the basis of draft Partnership contracts and Operational Programmes submitted by the Member States.

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<sup>99</sup> Dates are subject to changes according to the development of negotiations currently underway.

- Second quarter 2013: Submission of draft Operational Programmes and Partnership contracts within 3 months following the adoption of the Common Strategic Framework.
- Fourth quarter 2013: adoption of Partnership contracts.
- First quarter 2014: adoption of Operational Programmes.

## ANNEX 7

**Online tool for submitting good practices**[www.creativeindustries.ee/omc](http://www.creativeindustries.ee/omc)**Inform us of your good practice**

Please add good practices and examples from your countries, regions and municipalities. Provide us with the short information and any additional materials through this webpage. We will update our list shortly.

**Your name and institution:\*****Contact e-mail address:\*****Choose the type of practice/example/study/project (can be more than one):\***

- 1.1. Preconditions: Mappings and studies
- 1.2. Preconditions: Forming strategic alliances and institutional framework
- 1.3. Preconditions: Raising awareness and providing information services
- 1.4. Preconditions: Policies, strategies and measures
- 2.1. Strengthening CCI: Capacity building
- 2.2. Strengthening CCI: Physical infrastructure
- 2.3. Strengthening CCI: Creative business incubation
- 2.4. Strengthening CCI: Access to finance
- 2.5. Strengthening CCI: Networks and clusters
- 3.1. Spillover effects: Innovation and productivity
- 3.2. Spillover effects: Education and life-long learning
- 3.3. Spillover effects: Tourism and branding
- 3.4. Spillover effects: Regional development
- 3.5. Spillover effects: Social innovation and well-being
- 3.6. Spillover effects: Environmental sustainability

**Name of the good practice/example/study/project:\*****Web link:\*****Comments (optional):****Add additional documentation (optional):** no file selected