

Subject: First meeting of the Expert Group from Member States (OMC) 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 cultural and creative industries on the wider economy" (Brussels, 12 April 2011).

SUMMARY

This was the first meeting of the Expert Group set up to implement Priority B ("Cultural and Creative Industries") of the Council Work Plan 2011-2014. **Designated experts from 24 Member States attended the meeting**, as well as representatives from the Commission (COM) (DGs EAC and REGIO) and external experts.

Xavier TROUSSARD (DG EAC) explained the main principles of the Open Method of Coordination (OMC), the context in which the Expert Group was established, as well as the mandate of the Group, the timeframe and the expected outcomes.

In a nutshell, two target outcomes are expected **by December 2011**: a **policy handbook** and a **reflection on "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"**.

To carry out its tasks in such a short timeframe, the Group can build on the report produced by the first Expert Group on cultural and creative industries (Council Work Plan 2008-2010), the on-going work of the Civil Society Platform on cultural and creative industries, as well as the study on the contribution of culture to regional and local development published by the Commission in the fall 2010.

During a preliminary round-table, the experts introduced themselves and **elected Ragnar SIIL, from Estonia, as their Chairman**.

Professor Pier Luigi SACCO (Chairman of Ravello LAB Scientific Committee, Professor of Cultural Policies in IULM Milan and Member of the European Expert Network on Culture) gave a keynote speech on the current challenges of the CCIs in connection with regional development, stressing the concrete operational objectives to be pursued.

Luisa SANCHES (DG REGIO) explained the concept of "**Smart Specialisation Strategy**" and debriefed the Group about the way this strategy will be implemented by the COM while Mike COYNE (Centre for Strategy and Evaluation Services) presented the main outcomes of the abovementioned Study on the contribution of culture to regional and local development.

The Chairman summarised the proposals and suggested an initial framework, for the forthcoming production of the policy handbook and the awareness raising initiative. The key message was to make the full use of already existing materials, analyse good practices collected for last OMC group as well as for the EC studies and to concentrate

on the question HOW to support CCIs (process focus), instead of WHAT kind of projects have been implemented.

The next steps envisaged for the group are: submitting good CCI support models by the Member States (1-3 per MS) by 1 June, distributing all national investigation made on using EU Funds to support CCIs.

The next meeting of the group is foreseen for **7 June**.

DETAIL

1. The working group

24 Member States attended this first meeting of the Expert Group (CY, IT and MT were not represented). Most of the experts nominated by the Member States are civil servants/representatives of national authorities (list is in attachment).

The Agenda of the meeting was approved and is annexed.

2. Introduction of the OMC Concept and of the Work Plan 2011-2014

Xavier TROUSSARD (COM, DG EAC) opened the meeting and welcomed all participants. He explained that this was the second round of the open method of coordination in the field of culture, underlining that this method entails a voluntary participation by Member States and that its success is greatly dependent on the active involvement of all stakeholders.

He recalled that the mandate of the Expert Group was clearly defined under Priority B of the Council Work Plan 2011-2014¹. In compliance with this document, the task of the Group is to tackle in 2011 the first of the three topics identified for Priority B, namely the identification, comparison and modelling of good practices in the strategic use of EU support programmes, including the structural funds, with the view to fostering the potential of culture for local and regional development and the spill-over effects of cultural and creative industries (CCIs) on the wider economy.

To finalise this work, the group will have three plenary meetings in Brussels in 2011. The Commission will deliver facilities (meeting room and translation, secretariat of the group) and pay travel expenses (one expert per participating country) for these three meetings. Additional (sub-groups) meetings can be organised on the initiative and under the auspices of participating countries.

Two target outcomes are expected by **December 2011**: a **policy handbook** and a **reflection on "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"**.

To carry out its task in such a short timeframe, the Group can build on the report produced by the first Expert Group on cultural and creative industries (Council Work Plan 2008-2010)²,

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:325:0001:0009:EN:PDF>.

² Full report: http://ec.europa.eu/culture/our-policy-development/doc1571_en.htm. On 16 May, COM sent by e-mail all case studies identified by this Group to all members of the new Group.

the on-going work of the Civil Society Platform on cultural and creative industries³, as well as the study⁴ on the contribution of culture to regional and local development published by the Commission in the fall 2010 [the outcomes of this Study was presented to the Group by Mike Coyne, see under point 5].

COM also explained that the work of the Expert Group was to be seen in the wider context of the increasing recognition of the potential of CCIs at EU level, the low level of consumption⁵ of the current budgetary envelope of the Structural Funds and the on-going reflection on the EU budget for the period 2014-2020. A key element in this regard was the need to better link culture and CCIs with the overall objectives of smart, cohesive and inclusive growth of the Europe 2020 Strategy⁶.

Against this background, it is interesting to note that CCIs – in the wake of the Commission's Green Paper published in April 2010 – figure prominently in the main flagships of the EU 2020 Strategy, in some initiatives of DG ENTR⁷ as well as in the Commission's Communication on Smart Growth [see also under presentation of Luisa Sanches in point 5].

Finally, X. Troussard insisted that the Group's work be conducted in liaison with DG REGIO as this is the department in charge of regional development within the Commission.

3. First round table and designation of the chairperson

During a first round-table, the experts introduced themselves and welcomed the mandate assigned to the Group as a very ambitious and timely challenge.

Three members expressed their interest in the position of Chairman: Gilles HUBENS (BE), Ragnar SIIL (EE) and Fernando FREIRE DE SOUSA (PT).

Experts were invited to vote on the basis of one bulletin per country, and **elected Ragnar SIIL as Chairman of the Group**. As a consequence, Ragnar SIIL chaired the remainder of the meeting.

4. Key note presentation

Professor Pier Luigi SACCO (Chairman of Ravello LAB Scientific Committee, Professor of Cultural Policies in IULM Milan and Member of the European Expert Network on Culture⁸) delivered a key note speech on the present challenges of the CCIs in connection with regional development (power point presentation is attached).

According to P. L. Sacco, if we want to fully assess the socio-economic impacts of CCIs, it is necessary to consider not only the steady growth of the turnover and employment generated

³ The Platform is currently working on how best use Structural Funds' money for projects in the field of culture and CCIs. See at: http://ec.europa.eu/culture/our-policy-development/doc1583_en.htm

⁴ Full report and case studies identified: http://ec.europa.eu/culture/key-documents/doc2942_en.htm.

⁵ It is estimated that only one third of the Structural Funds' money available for the period 2007-2013 has been committed so far.

⁶ To know more about this Strategy: http://ec.europa.eu/europe2020/index_en.htm.

⁷ Such as the European Creative Industries Alliance: http://ec.europa.eu/culture/news/news3207_en.htm.

⁸ To know more about this Network: http://ec.europa.eu/culture/news/news3188_en.htm

by these sectors, but also their impact on other social and economic fields of value production, such as innovation, welfare and well-being, social cohesion, new models of entrepreneurship, knowledge society, soft power, local identity, and environmental sustainability.

In each of these areas, it is possible to show that the access of individuals and communities to various forms of cultural experience and practices brings about significant and measurable effects. To do that, it is necessary to develop suitable measurement tools, and at the same time to reframe properly our understanding of the role of cultural and creative production in advanced post-industrial economies. Culture and creativity have now become one of the main engines of production of value and have infiltrated all sectors of social and economic life, thereby calling for a fundamental rethinking of cultural policies in terms of competitiveness, cohesion and sustainability targets.

Then Pier Luigi Sacco outlined the conclusions to be drawn from the keynote and the concrete operational objectives to be pursued (see slides 28 and 29 of power point presentation).

5. Other presentations

Luisa SANCHES (COM, DG REGIO), explained the concept of "Smart Specialisation Strategy" (power point presentation is attached).

She said that smart specialisation has recently gained political and analytical importance in Europe as a potential tool to help the EU achieving smart growth in line with the Europe 2020 Strategy. The establishment of a "Smart Specialisation Platform"⁹ (S³P) was announced in the Commission Communication "Regional Policy contributing to smart growth in Europe 2020"¹⁰, 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. The process of establishing and implementing smart specialisation strategies is expected to lead to a more strategic and efficient use of national, regional and EU 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.

In a nutshell, **smart specialisation is about placing greater emphasis on innovation and having an innovation-driven development strategy in place that focuses on each region's strength and competitive advantage.** It is about specialising in a smart way, i.e. based on evidence and strategic intelligence about a region's assets and the capability to learn what specialisations can be developed in relation to those of other regions.

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

⁹ Mike Coyne will take part in this platform.

¹⁰ COM (2010) 553 final, 6.10.2010. Available at:

http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/smart_growth/comm2010_553_en.pdf.

The Commission staff working document (SEC(2010) 1183) accompanying the communication added more details on the form, structure and components of the S³P. Available at: http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/smart_growth/annex_comm2010_553.pdf.

entrepreneurial discovery process involving key stakeholders from government, business, academia and other knowledge-creating institutions.

Cultural and creative industries are ideal to put into motion key success factors: cultural diversity, innovation, market and competitiveness and are pointed out in the Communication as crucial component of smart specialisation.

Mike COYNE (Centre for Strategy and Evaluation Services) presented the outcomes of the study "Culture in Local and Regional Development: Evidence from the Structural Funds" carried out on behalf of the European Commission and published in the autumn 2010 (power point presentation is attached). The aim of the study was to develop the evidence base for the contribution of CCIs to economic and social development. Although not a formal evaluation, it took the approach of examining how well culture-based projects were responding to the Structural Fund objectives. In the current period, at the most general level, these are:

- Making Europe and its regions more attractive places in which to invest and work;
- Encouraging innovation, entrepreneurship and the growth of the knowledge economy;
- Creating more and better jobs.

The evidence was drawn from an examination of initially over 100 projects, with particular consideration given to 10 cases. In a number of these cases, there had been formal evaluations. Over 40 additional (less detailed) cases illustrated an even wider range of contributions.

Policy is being led at the city and regional level, with Europe's most dynamic cities and regions having large creative sectors (heading towards 10% of employment). The study identifies various elements in a model for a CCI-based strategy for authorities at this level. There are, however, continuing difficulties that need to be addressed: the communication between the world of culture and creative activities and that of economic development; more generally the role of business support for creative organisations and businesses and the particular need for help for these organisations to find their way through the formalities of the Structural Fund procedures. It is necessary to participate in discussions at national and regional levels about the aims, objectives and general shape and provisions of the Operational Programmes for the next programming period to ensure that culture-based projects will be eligible and encouraged.

Sylvain PASQUA (COM, DG EAC) recalled that the Green Paper "Unlocking the potential of cultural and creative industries" had been adopted just one year ago, and that the former OMC Group on CCIs significantly contributed to it. This document launched a public consultation that was open from end of April to end of July 2010.

COM received 350 answers in this context from public authorities, the general public and civil society bodies – including companies – active in the cultural field across Europe. The analysis of these contributions,¹¹ published in March 2011, can be summarised as follows.

The respondents largely supported the broad approach of the Green Paper. Any successful support for CCIs calls for a cross-departmental cooperation at all levels of policy governance. They however emphasised the relevance and importance of the local and regional levels (the challenge here being in particular how to make a better use of Structural Funds' money for CCIs and culture). Respondents also called for a better integration of CCIs in the Europe 2020 Strategy and underlined the vital importance of copyright as a fair rewarding for creativity.

¹¹ Full document: http://ec.europa.eu/culture/our-policy-development/doc/analysis_green_paper.pdf

More specific comments can be summarised as follows:

- The need to make access to funding easier for those industries;
- The support for a broad concept of innovation, encompassing culture-based creativity and the related need to encourage CCIs to undertake experimentation, and the vital role of technology and ICT in this respect;
- The need for local and regional development strategies to increase their support to culture and surrounding industries;
- A wish for more opportunities for multi-disciplinary and cross-border creative partnerships between cultural and creative institutions, businesses of all kinds, universities and research institutions;
- The need to promote digital and media literacy;
- The need to further promote international cooperation and exchange.

The follow up to the Green Paper will mainly happen through measures to be implemented in the context of the new EU programmes post 2013. The work of this OMC Expert Group is crucial in this context.

Due to a last minute impediment, it was not possible for *Yvette MASSON* to present the ongoing work of the Civil Society Platform on CCIs.

6. Main points of the debate on the goals and mandate of the Group

During a discussion on the substance, the experts briefly stated their opinion concerning:

- (1) What should be included in a policy handbook?
- (2) What a joint EU-wide awareness raising initiative by the Commission and Member States should consist of?
- (3) Which methodology should be adopted for achieving the desired outputs?

Following a discussion between the experts, Ragnar SIIL said it would be useful to distinguish between the content (the "What") and the process (the "How"). Suggesting a thematic approach, he asked experts whether they were ready to organise sub-group / thematic meetings which would deal with the use of financial instruments or programmes of the cohesion policy (ERDF, ESF...), the framework research programme or the use and analysis of good practices.

The Chairperson summarised the proposals made by the experts, and suggested an initial framework as follows.

In view of the forthcoming production of the policy handbook, it would be useful to:

- Carry out a structured analysis of the existing case studies (the 104 already listed by the former Expert Group and the ones identified in the Coyne study);
- Create a database of case studies with common criteria;
- Identify the key factors of success and failure in the use of the structural funds;
- Use the results of the existing studies;
- Developing studies and evaluation;
- Identify elements of recommendations to the regional and national authorities;
- Reflect on how to use the Structural Funds in a more strategic way;
- Articulate hard and soft investment more effectively.

As regards the awareness raising initiative, it would be necessary to:

- Reflect on how to convince European, regional and national authorities to use Structural Funds' money to support cultural and creative industries as part of their development strategies;
- Identify successful strategies and promote them among the regions across the EU;
- Better make the case for cultural and creative industries.

As there are already many analyses and databases of case studies about the different kinds of projects funded by the European Funds, the Chairperson concluded that the group should not collect more information about implemented ("WHAT has been done?"), but rather focus on the question "HOW?" ("How was it done?", "What kind of systems (measures, programmes, partnerships) were (and are) put in place in the Member States/regions to support culture and creative industries?" etc.)

The importance to achieve concrete results within the limited timeframe and focus on what can be done concretely to better use the Structural Funds for CCIs and convince national and regional authorities, as well as the cultural community and the managing authorities of the SF, about the relevance of using SF for CCIs was stressed as the guiding principle for future work.

7. Way forward

The group will hold two more meetings in 2011. The next meeting will take place on 7 June.

Austria expressed its intention to organise a sub-group meeting in Vienna in connection with the production of a quantitative analysis study on the use of Structural Funds, while Romania expressed its interest in examining case studies.

Estonia also has put forward a proposal to organise an unofficial OMC group meeting during the International Conference on Creative Economy (www.creativeestonia.eu) in Tallinn from 19-21 October 2011. Countries are expected to indicate whether they would be able to participate.

The next steps envisaged for the group are:

- Each Member State expert will complete 2-3 good models on CCI support programmes, measures and initiatives funded by European Funds (structural funds, cross-border cooperation funds) according to the template by 1st of June
- All the materials and cases will be uploaded and made accessible through the webpage <http://www.creativeindustries.ee/omc>
- Chair will make an analysis of the received models and propose a vision for policy handbook and division of work in subgroups by June 7th.
- Each Member State expert was asked to involve their colleagues from the Ministries of Economy and Regional Affairs into the information sharing.
- Experts were invited to share all the relevant national or regional investigation made on investing into culture from the EU funds.

ANNEX



EUROPEAN COMMISSION

Directorate-General for Education and Culture

Culture and Media

Cultural policy, diversity and intercultural dialogue

COUNCIL WORK PLAN ON CULTURE 2011-2014

Priority B: 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

Working group of Member States experts (OMC)

1ST MEETING, 12 APRIL 2011

Brussels, Building Albert Borschette, rue Froissart 36, Meeting room 3A

Agenda

09.00 Arrival and Registration

09.30 Introduction of the OMC concept and of the Work Plan 2011-2014; the contribution of culture to the implementation of the Europe 2020 Strategy: *Xavier TROUSSARD, Head of Unit, DG Education and Culture*

10.00 Tour de table: presentation of participants, expectations for the work of the group

11.30 Discussion on methodology, deliverables and calendar; designation of Chairperson

12.00 - 12.30: Key note speech – *Prof Pier Luigi SACCO*

12.30 - 13.00 Reactions and first discussion on specific priorities for the group

13.00 Lunch break

14.30 An overview of recent activities in the field at the European level:

- Presentation *Luisa SANCHES*, DG REGIO: Smart Specialisation Strategy: 15 minutes

- Presentation *Mike COYNE*: Study on the contribution of culture to regional and local development: 15 minutes

- Intervention *Sylvain PASQUA*: Follow-up of Green Paper: 15 minutes

- Input from civil society platform: *Yvette MASSON*, EFAP: 15 minutes

16.00 Second discussion on specific priorities for the group

16.45 Wrapping-up by the Chairperson

17.00 End of meeting