

European Commissioner proposes guarantee fund for cultural and creative industries

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Androulla Vassiliou wants to work with the European Investment Bank to provide guarantees to banks for loans to cultural and creative industries

EU Commissioner Androulla Vassiliou, responsible for education, culture, multilingualism and youth, is proposing to set up a guarantee fund to support Europe's cultural and creative industries.

Speaking to the European Parliament's Committee for Education and Culture at a sitting in Brussels on Wednesday (June 15), Vassiliou said that she wanted to work with the European Investment Bank to provide guarantees to banks for loans to cultural and creative industries.

"These guarantees would partially cover loans which are used by the end beneficiary as working capital or investment," she said.

"These industries face structural problems that demand European solutions," Vassiliou observed. "They operate in a fragmented market and suffer from under-investment. A number of obstacles make it hard to access finance: the intangible nature of their assets, the uncertain commercial success of individual products, and the banks' lack of expertise in the evaluation of cultural projects."

At the same time, she stressed in the exchange of views with members of the Culture and Education Committee that such a financial instrument would "not be to detriment of either Culture or MEDIA [Programmes]".

She explained that the European Commission would be unveiling its proposals for its Multi-Annual Financial Framework for the period after 2012. "It is then that we shall finalise the architecture of our programmes [such as a future MEDIA Programme] which we intend to do probably in October or November," Vassiliou declared. "Only then can our proposals for the programmes be adopted."

Vassiliou reiterated her intention that there will be one single framework programme – or umbrella – for culture "but with individual strands for Culture, for MEDIA and, if we have extra funds, for the scheme for cultural and creative industries. Once more: the Culture Programme and the MEDIA Programme will have autonomy and their own budget."

"I am confident that I will secure increased funding for our programmes and this is my priority," Vassiliou declared.

However, the Commissioner's plan to combine the Culture and MEDIA Programmes under an umbrella called Creative Europe is still drawing criticism from certain quarters.

Only last month, the European Film Agency Directors (EFAD) said it was "deeply concerned" that this plan "puts at risk the inextricable link between cultural and industrial targets which has characterised the MEDIA Programme and which has led to its success. Hence, the Programme could not only lose its specific but also the dedicated financial resources, crucial for the ongoing adaptation to technological and market developments."

The grouping of European film funders concluded that "the MEDIA 'brand', the specific programme structure, and its dedicated budget should be kept."

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