

**OMC - Expert Working Group
on maximising the potential of
cultural and creative industries,
in particular that of SMEs**

Brussels, 3rd June 2010



10 plenary meetings (22 to 25 member states)

- 17th April 08 (Brussels)
- 02nd July 08 (Brussels)
- 12th September 08 (Brussels)
- 01st October 08 (Paris)
- 13th March 09 (Brussels)
- 30th June 09 (Brussels)
- 12th November 09 (Brussels)
- 08th February 10 (Brussels)
- 13th April 2010 (Brussels)
- 03rd June 2010 (Brussels)

1. Expert Presentations
2. Questionnaire of good/bad practices at national/pan-national levels
3. 103 Case Studies submitted (wide variety of topics)
4. 4 Themes/Sub-Groups (context, use and re-use, method, content)
5. Preliminary Report
6. External Experts Comments
7. Draft Report (April)
8. Final Report (June) (26 policy recommendations)



GREEN PAPER



EUROPEAN AGENDA FOR CULTURE




"EU 2020" STRATEGY

EUROPEAN CREATIVE INDUSTRIES ALLIANCE

Recommendations: Basic Framework for Policy

A. Strategic Agenda:



Recommendations: Main Priorities at EU level

B. Operational Agenda:

- 4. b) Access to finance: development of financial mechanisms and venture capital funds (22,7%)
- 2. a) Raise general awareness about the importance and economic value of the CCIs (13,6%)
- 1. c) Better European funding for CCIs (7,6%)
- 5. c) Digitalisation of cultural heritage and copyright issues and policy (7,6%)
- 2. b) Talent recognition, educational programmes and competences (7,6%)
- 3. b) Foster incubation (6,1%)
- 5. b) Foster the technological and legal basis that enables new business models, promote the use of Creative Commons licenses for intellectual property (4,5%)
- 5. d) Develop networks and clustering: towards a creative cluster strategy (4,5%)

**Policy Recommendations:
8 broad lines, 26 action areas**

1. POLITICAL AWARENESS AND SENSIBILITY

Mapping and Creative Programmes

**Foster interaction between Countries, Ministries and
EU-DG's**

Better European funding for CCI's

**Policy Recommendations:
8 broad lines, 26 action areas**

2. PRECONDITIONS: CULTURE, EDUCATION AND COMMUNICATION

**Use best practices and statistics to demonstrate the
importance and economic value of the CCIs**

**Talent recognition, educational programs and
competences**

**Policy Recommendations:
8 broad lines, 26 action areas**

3. ENVIRONMENTAL CONDITIONS

Promote entrepreneurship

Foster incubation

**Encourage public and private partnership (PPP)
initiatives, including with other business lines**

**Promote digital infrastructure: free wireless,
broadband, open standards**

**Policy Recommendations:
8 broad lines, 26 action areas**

4. BUSINESS SKILLS, FINANCING AND INFRASTRUCTURES

**Training, management skills acquirement and ongoing
business monitoring and mentoring**

**Access to finance: development of financial
mechanisms and venture capital funds**

**Better infrastructure (physical and virtual) for the
production, distribution and consumption of creativity**

**Policy Recommendations:
8 broad lines, 26 action areas**

5. NEW BUSINESS MODELS, NETWORKS AND CLUSTERS

Value intangible assets and enable new business models

**Foster the technological and legal basis that enables
new business models, promote the use of Creative
Commons licenses for intellectual property**

**Digitalisation of cultural heritage and copyright issues
and policy**

**Develop networks and clustering: towards a creative
cluster strategy**

**Policy Recommendations:
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6. CREATIVITY AND INNOVATION

**Organize knowledge transfer networks - CCI as new
“network industries”?**

**Support connections between creativity and technology:
from awareness to facilitation**

**Non technological-driven innovation, service innovation
and user-driven innovation**

**Incite business to employ creative people and artists
(vouchers issue)**

**Policy Recommendations:
8 broad lines, 26 action areas**

7. LINKAGES TO OTHER SECTORS AND SOCIAL GOODS

Regeneration of places (e.g. industrial towns)

Cultural tourism

Education and lifelong learning

Local and regional development projects

**Policy Recommendations:
8 broad lines, 26 action areas**

8. EUROPEAN AND INTERNATIONAL DIMENSIONS

**Protect and promote cultural diversity and
intercultural dialogue**

**Support exports and internationalisation, thus
including CCIs as a significant component of EU
competitiveness profile**

Policy Recommendations: 8 main priorities at EU level and case studies

- 4. b) Access to finance: development of financial mechanisms and venture capital funds (22,7%)

BOX 5.A - CULTUURINVEST (BELGIUM)



Cultuurinvest is essentially an investment fund; not a subsidising institution; it operates under the auspices of ParticipatieMaatschappij Vlaanderen NV (PMV) so that the market would distinguish clearly between an instrument that presupposes a payback and financial return and the existing subsidies in Flanders.

Cultuurinvest aims at assisting dynamic entrepreneurs producing high-quality and culture-related products or services (in the fields of the new media and computer games, the audiovisual industry and digital design, the music and concert industry, design and designer fashion, printed media and graphic design, publishing and book retailing, musical and performing arts, distribution within the plastic arts, etc.) and presenting a market potential they wish to bring to test on the basis of a well-balanced business model.

The investment fund amounted to 21,5 million € in 2007, expecting to grow towards 30 million € in few years. Half of this capital was provided by PMV and half was raised (10-year bond loan with bullet repayment) by eight strategic private partners (Deixa, Ethias, Fortis, ING, KBC, Landbouwkrediet, Sabam and Triodos). During the initial operational period (November 2006 to March 2009), Cultuurinvest received 216 investment applications and its Investment Committee took 20 investment decisions (20 of which had already been implemented by March 2009).

Cultuurinvest takes stakes in creative enterprises but it can also provide short term or long term subordinated loans. The envisaged market impact after ten years amounts to 100 million €.

BOX 5.B - IFCIC (FRANCE)



Institute for the Financing of Cinema and Cultural Industries (IFCIC) is a specialised private credit institution, whose capital is owned by the largest French banks, some public institutions (Caisse des Dépôts et Consignations, Oseo) and the French State.

IFCIC has been entrusted by the Ministries of Culture and Finance with the general interest service of sustaining the development of cultural industries by helping them to gain access to bank financing.

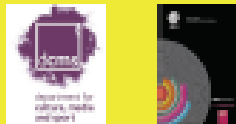
The activity of IFCIC is, mainly, the offer of guarantees to the banks (typically covering 50% - up 70% in exceptional cases - of the amount of the loan) and the use of its expertise to act as a counselling intermediary on the evaluation of the specific risks of cultural industries. Complementarily, IFCIC also runs, since 2006, direct loans through a Fund for Musical Industry (75 reimbursable advances representing a global amount of 9,75 M€ in favour of labels, publishers, distributors, etc. and contributing to finance 20,4 M€ of investments).

Some recent results that demonstrate the increasing significance of IFCIC are the growth of 10% of business on its guarantee activity (2009) and the 6,7 M€ of direct loans granted in 2009 (vs. 3,4 M€ on the period 2006-2008).

Policy Recommendations: 8 main priorities at EU level and case studies

- 2. a) Raise general awareness about the importance and economic value of the CCIs (13,6%)

BOX 2.A - CREATIVE BRITAIN

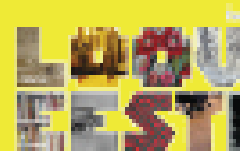


Following the launching of the "Creative Industries Task Force" (1997), the UK government and DCMS (Department for Culture Media and Sport) have been developing remarkable initiatives in favour of creative industries - from the "Creative Industries Mapping Document" (1998) to "Creative Britain: New Talents for a New Economy" (2008).

This updated strategic document for the Creative Industries - led by DCMS in partnership with the Department for Business, Enterprise and Regulatory Reform (BERR) and the Department for Innovation, Universities and Skills (DIUS) - aims to move the creative industries from the margins to the mainstream of the UK economy: "In the coming years, the creative industries will be important not only for our national prosperity but for Britain's ability to put culture and creativity at the centre of our national life." (Gordon Brown, Prime Minister).

The key drivers of success in the creative industries are included in the strategy - main chapters are: Giving All Children a Creative Education, Turning Talent into Jobs, Supporting Research and Innovation, Helping Creative Businesses Grow and Access Finance, Fostering and Protecting Intellectual Property, Supporting Creative Clusters, Promoting Britain as the World's Creative Hub -, which also focuses on local, regional and international elements to ensure that Creative Britain will help the UK's creative industries grow domestically and globally. Over £70 million of support and 36 commitments outline how the Government is taking action in a very serious manner.

BOX 2.B - CREATIVE ESTONIA

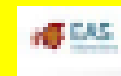


Creative Estonia initiative was launched in early 2009 to bring all awareness raising activities under one umbrella. The program's activities include comprehensive web-portal (www.looveesti.ee), collection and publication of good practices and lessons learned, publication of mapping exercises and studies, newsletters and newspapers, innovative student seminars in the form of theatre plays, business plan competitions, online business plan trainings, active use of social media to promote creative industries and its possibilities (e.g. Facebook, Twitter), 8 regional conferences all over Estonia on marketing of Creative Industries, media support for other initiatives in the sector, development for online portfolios for creative entrepreneurs, facilitating cooperation network between Creative Industries centres and incubators, etc.

Policy Recommendations: 8 main priorities at EU level and case studies

- 1. c) Better European funding for CCIs (7,6%)

BOX 1 - DESIGNING FINANCIAL SUPPORT MECHANISMS FOR CREATIVE INDUSTRIES FROM THE EU STRUCTURAL FUNDS (ESTONIA)



Cultural and Creative Industries were included in the priorities for Estonian National Development Plan for EU Structural Funds for 2007-2013. Apart of investments for regional competitiveness (cultural heritage, museums) and tourism, creative industries were separately indicated within the Operational Programme for Development of Economic Environment.

There are special support programs for Creative Industries: awareness raising and research; building export capacity; supporting infrastructure and cooperation - incubators, development centres, export agencies, cluster program; training program (Creative Industries included in wider program); product development (Creative Industries included in wider program); international fairs (Creative Industries included in wider program). Special working group consisting of representatives of Ministry of Culture, Ministry of Economic Affairs and Communication and "Enterprise Estonia" agency facilitates the planning of those measures.

Policy Recommendations:

8 main priorities at EU level and case studies

- 5. c) Digitalisation of cultural heritage and copyright issues and policy (7,6%)

BOX 7 - ITALIAN MINISTRY FOR CULTURAL HERITAGE AND ACTIVITIES (ITALY)



The Italian "Ministero per i Beni e le Attività Culturali" is employing a considerable amount of resources in various main actions for systematic gathering of information and digitisation of a critical mass of cultural content in Italy.

The project for the Italian culture portal ("CulturalItalia") was launched with the mission of communicating the various aspects of Italian culture (arts, archaeology, landscape, cinema, music, literature, architecture, etc.) and creating a unique and integrated point of access to Italian cultural heritage. From a close cooperation with MICHAEL Italy Service - forming a thick network of reference points belonging to all sectors of cultural heritage throughout the national territory and whose resulting comprehensive map of digitisation activities in Italy is a useful tool for decision makers and public administrations at all levels (national, regional and local) to monitor the results of their funding and to enter partnerships for further digitisation activities - it drew international standards/good practices and guaranteed that the main Italian public and private digital cultural content providers are covered.

Additionally: "Biblioteca Digitale Italiana" is a program including a platform of initiatives connected to the digitization of Italian bibliographic resources, "Internet Culturale" is a portal of the catalogues and digital collections of thousands of Italian libraries, SIAN (National System of Archives) manages all the information on cultural goods concerning the Italian state archives and its regional administration offices, ICCD (Central Institute for Cataloguing and Documentation) is a body defining the standards and tools for cataloguing and documentation in agreement with the Regions (national archaeological, architectural and art history and ethno-anthropological heritage) and managing SIOEP (General Information System for Cataloguing), OTEBAC, (Observatory for Digitization in Cultural Heritage) aims to guide both private and public cultural institutions (museums, archives, libraries, etc.) in applying quality criteria in all digitization activities and different partnerships between cultural public institutions and the private sector allow for new ways of funding digitization of cultural material.

Policy Recommendations: 8 main priorities at EU level and case studies

- 2. b) Talent recognition, educational programmes and competences (7,6%)

BOX 3.A - HUNGARIAN GENIUS INTEGRATED AND TALENT SUPPORT PROGRAMME



The Hungarian Talent Support Council (HTSC) was founded in 2006 as a joint effort of NGOs, aiming to maintain the heritage of state-of-the-art talent support programmes rooting deep in Hungarian educational culture. To date, there are 27 member organizations of HTSC, a non-profit association itself, whose mission is to promote various forms of talent support, ranging from identification of gifted children, through a variety of professional talent support programmes, and to the acknowledgement of high achievers as well as their mentors. A three-year European Union funded project, the Hungarian Genius Integrated Talent Support Programme started operation in 2009. It aims at developing a nationwide network of talent support organisations, which will help create or strengthen bonds between the educational and talent support processes covered in schools and such opportunities provided by NGOs or even private persons.

BOX 3.B - INOV-ART PROGRAMME (PORTUGAL)



The Inov-Art Programme is a Ministry of Culture initiative approved within the scope of INOV - Youth Frameworks and coordinated by the General-Directorate for the Arts. It aims to provide professional integration opportunities for more than 200 qualified or specifically apt young people (18-35 years old) related to the domain of Arts and Culture in recognized international organizations connected with the sector. In 2010 (2nd edition), Inov-Art attracted 3169 applications (2019 in the previous year) and 705 entities of 45 countries worldwide registering to accept interns (248 last year).

BOX 3.C - AALTO UNIVERSITY (FINLAND)



Aalto University in Helsinki represents a good case of cooperation between Ministry of Education and Culture, Ministry of Employment and the Economy and private business sector in merging three state universities (Helsinki School of Economics, Helsinki University of Technology and University of Art and Design). Aalto University has created an autonomous foundation university on joining the competences of business school, technical university and design academy, so contributing to enhance understandings and to break segregations between creative companies and education organizations. The foundation that oversees this new institution was started with 100 million € equity (40 million € coming from the business sector) and aims to attain 700 million € in 3 years (200 million € being private).

Policy Recommendations: 8 main priorities at EU level and case studies

- 3. b) Foster incubation (6,1%)

BOX 4 - THE DIGITAL HUB (IRELAND)



The "Digital Hub Project" is an Irish Government initiative, managed by the "Digital Hub Development Agency" (July 2003), to create an international centre of excellence for knowledge, innovation and creativity focused on digital content and technology enterprises. It is defined as "a community of people - artists, researchers, educators, technologists, entrepreneurs and consumers, all working together to create innovative and successful digital media products and services which support their future."

The core development of 9 acres is located a ten minute walk from the city centre within the historic Liberties area of Dublin. Over the next decade, this initiative will create a mixed-use development, consisting of enterprise, residential, retail, learning and civic space.

Policy Recommendations:

8 main priorities at EU level and case studies

- 5. b) Foster the technological and legal basis that enables new business models, promote the use of Creative Commons licenses for intellectual property (4,5%)

BOX 6 - CREATIVE COMMONS (THE NETHERLANDS)



A system of licenses - supported through a website - that allows for innovations and a larger public domain within the boundaries of the existing IPR laws. Subsidized by the Dutch Ministry for Education, Culture and Science, "Creative Commons Netherlands" (CC-NL) has been working on promoting and supporting the use of Creative Commons Licenses in the Netherlands since 2004 through activities including workshops, presentations, on and offline support as well as academic research into legal questions raised by the use of the Creative Commons Licenses.

CC-NL is operated by a consortium of university researchers (Institute for Information Law - IIR), a think tank (KnowledgeLand) and a cultural institution in the new media (Maag Society), in cooperation with Creative Commons International, a not-for-profit organization, founded in 2001, that promotes the creative re-use of intellectual and artistic works.

Policy Recommendations: 8 main priorities at EU level and case studies

- 5. d) Develop networks and clustering: towards a creative cluster strategy (4,5%)

BOX 8.A - REGIONAL HUBS (SWEDEN)



The "experience industry" is a concept used in Sweden as a collective label for individuals and companies with a creative approach, marketing experiences in one form or another; apart from traditional creative industries, sectors like tourism and gastronomy are also included.

Established to help institutions of higher education to strengthen Sweden's international competitiveness and ability to create value by stimulating research environments, long-term working on strategic profiles and increasing cooperation between academia, industry, institutes and society, "The Knowledge Foundation" selected eight places as "regional hubs" (i.e., being already or wanting to be part of "the experience industry"): the cities of Karlshamn, Hultsfred, Trollhättan, Piteå and Hällefors (2003) and Stockholm, Gothenburg and Malmö (2005).

The inspiration to the "regional hubs" came from, among others, the Swedish Governmental Agency for Innovation Systems (Vinnova) and the Swedish Agency for Economic and Regional Growth (Nutek). Working with a triple helix model, those institutions enhance the possibility for different sectors of the society to meet, connect and cross boundaries. Each regional hub focuses on one major business area and at least one minor one (design and advertising, movies, moving media, fashion and design, design and gastronomy, tourism, computer games, music); their major focus areas constitute "national nodes of competence" (platforms for increasing knowledge and competence in the sector, a possible way of developing a future cluster strategy?) and are co-financed by local and regional investors.

In 2007, Upplävelseindustrin ("Swedish Creative Industries") - a non-profit association devoted to developing the "experience industry" and to provide a networking forum within the CCIs -, introduced the FUNK model - an acronym for the Swedish words Forskning (research), Utbildning (education), Närings (business) and Kultur (culture) - as a national action plan. The plan, now used at all eight regional hubs, challenges the current industrial and cultural policies, and is listing concrete measures within research, education, industrial and cultural policies.

BOX 8.B - CAP DIGITAL (FRANCE)



Capital Digital (CD) is a Paris Regional business cluster for Digital Content, Service and Knowledge Industry, created in 2005 in the context of a French Government policy initiative ("Pôles de compétitivité").

With the main goal of fostering the development of the French digital content and services industry (150000 jobs and 70 to 80% of the French digital market, counting for 125€) while bringing together laboratories and companies (170 labs, 30 universities and schools, 15000 researchers and PhD titulaires, 500 SMEs and 25 large enterprises), CD uses fund raising through governmental call for projects as its main tool (248 R&D projects funded over 770 proposed and 515 M€ of private and public funding in 4 years).

The Cluster's scope and strategy is defined by 9 "Domain Communities": Image, Sound&Interactivity, Games, Knowledge Engineering, Digital Heritage, Digital Design, e-Education&e-Training, Digital Lifestyle&Services, Robotics&Smart Environments, Cooperation&Free Software. The role of CD is to contribute to the renewal of governance forms by providing members with essential information, networks, and resources (including ongoing competitive intelligence, training, partnerships, funding solutions, and project reviews).