



# COS Brief #3



## Financing EU international cultural relations

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Culture is usually the first sector to suffer budget cuts when political authorities decide to make savings in times of economic constraints, as seen for instance in Flanders in 2019<sup>1</sup>. This is why it is important to clarify the level of amounts dedicated to EU international cultural relations. Future research could then compare them with other spending sectors and priorities.

This Brief is divided into four parts. The first section details the methodology we followed and the various sources of information on the budgetary dimensions of EU international cultural relations. The second part provides a comparative analysis of EU and Member States' international cultural relations budgets. The third section is an attempt to analyse the evolution of financing in EU international cultural relations. The fourth and last section draws some preliminary conclusions of this estimating exercise.

### Methodology & sources of information

It is difficult to calculate exact amounts dedicated to specific EU policies, given the multitude of funding lines, and this is even more the case with regard to culture in EU external relations.

Furthermore, since EU international cultural relations is a relatively new policy field encompassing various policies (Cultural policy, education cooperation, Foreign policy, development cooperation, public diplomacy, security and defence, research & development, youth & sport, audiovisual & media policy) and various geographic areas

and continents (Neighbourhood South and East, etc.), there is no centralised information on funding for culture in EU external action

This Brief has several objectives:

- to identify the various sources of information on funding for culture in EU external action;
- to make a first estimation of past and present budgets for EU international cultural relations<sup>2</sup>;
- to map the variety of EU funding sources for culture in external action;
- to provide a first (evolving) list of all new initiatives with a significant financial weight (beyond € 500 000) that have been launched since 2016;
- to identify priorities for future research on budgets and funding for culture in EU external action.

Large national cultural organisations in Europe could develop more joined up Europeanised international action

1. VRT NWS, "Cultural sector concerned about proposed funding cuts", 10 November 2019, <https://www.vrt.be/vrtnws/en/2019/11/10/cultural-sector-concerned-about-proposed-funding-cuts/>

2. Estimates are based on available figures from OECD-DAC, EU Aid Explorer, and European Commission's documents and website.

## Methodology

This Brief focuses mainly on EU institutions' common budgets for culture in external action<sup>3</sup>. Although some comparisons are made below between EU budgets and Member States national budgets, this Brief does not deal with the national level specifically, which would require extensive access to detailed information.

Figures clearly show the potential added-value of EU funding for the 18 smallest European Cultural Institutes

Data collection was done on the basis of existing literature and publicly available data sets (EU and OECD). The online EU Aid Explorer<sup>4</sup> provides some data about culture: culture features in the purpose code "16061" for "Culture and Recreation". However one may assume that other projects that involve cultural and creative actors are filed under different codes (e.g. civil society, democracy, tourism, etc). This means that the analysis done on the basis of the code 16061 will not necessarily be exhaustive.

Calculations and estimates have also been done on the basis of scattered information and data gathered during interviews or meetings.

## Sources of information on budgets for culture in EU external action

Information on large envelopes of funds can be found in the EU budget<sup>5</sup> and the various policy funding instruments, but this is not detailed enough.

Each EU institution has budget departments that are supposed to manage and analyse budgetary and economic data but to our knowledge and as a result of our consultations with the EEAS, it seems that no encompassing budget calculations have been yet produced by EU institutions on the emerging topic of 'EU international cultural relations'. Other Units and departments not directly spe-

cialised in culture also have and manage budget data: DG EAC; DG Research, the EEAS, DG DEVCO, DG NEAR, the EEAS and other EU agencies dealing with culture are supposed to have access to available data.

EU staff can consult internal EU databases to extract relevant information on budgets. Some databases (such as <https://euaidexplorer.ec.europa.eu>) are also accessible to external users.

## Comparing EU budgets for culture in external action with Member States' national budgets

### Member States' external cultural action

National external cultural action that is run outside cultural institutes includes audiovisual broadcasting and digital platforms run with their own budgets<sup>6</sup>, bilateral or multilateral programmes of cultural ministries, public autonomous cultural institutions (museums, dance and music centres, operas, companies and theatres, festivals etc.) and other national cultural institutes (officially in charge of national external cultural action but not necessarily those that have the largest budgets - see Focus below). The market of European private cultural operators working internationally is also to be taken into account when comparing budgets.

The external dimension of national cultural policies is therefore significant and extremely fragmented and it would be useful to conduct more detailed research on it.

The 2013-2014 EU Preparatory Action on culture in external relations commissioned reports on each Member State's external cultural

3. Public Policy.ie, "The European Union Budget: Member State Contributions and Expenditures", 22 May 2019.

<http://publicpolicy.ie/papers/the-european-union-budget-member-state-contributions-and-expenditures/>

For general information on the EU budget, see European Commission, "Fast check on the EU budget", [https://ec.europa.eu/info/strategy/eu-budget/how-it-works/fast-check\\_en](https://ec.europa.eu/info/strategy/eu-budget/how-it-works/fast-check_en)

4. EU Aid Explorer, Website, <https://euaidexplorer.ec.europa.eu/>

5. European Commission, "EU budget", [https://ec.europa.eu/info/strategy/eu-budget\\_en](https://ec.europa.eu/info/strategy/eu-budget_en)

6. For instance Deutsche Welle's annual budget in 2018 was € 326 million, funded by the German state tax revenues, see Deutsche Welle, "Who finances DW?", 26 February 2019. <https://www.dw.com/en/who-finances-dw/a-36767785>

The German-French 2018 budget of Arte TV (broadcasting in 6 European languages but not explicitly dedicated to external cultural relations) was € 135 million, see Arte, "Financement", <https://www.arte.tv/sites/corporate/financement/>

## FOCUS

## Comparing international cultural relations budgets in Europe

Largest Member States' 2020 budget for EUNIC Global: British Council, Goethe Institute, French Ministry of Foreign Affairs and Italian Institute contribute €46 000 each. (see chapter on EUNIC) Edinburgh International Festival received around £ 2 million in 2019 and generated £ 3,8 million of ticket sales<sup>7</sup>.

The Cannes Festival's budget amounted to € 20 million in 2018, half of which came from public subsidies. The Berlin film festival (Berlinale) had a budget of € 25 million, with 31% of public funds<sup>8</sup>.

The French Louvre Museum annual income in 2018 was € 247 million, of which 100 million came from state funds.

The Dutch Rijksmuseum's income was around € 63 million in 2018, of which 26% came from subsidies<sup>9</sup>.

In comparison, the Dutch triennial plan for international cultural policy 2017-2020 foresaw an overall budget of around € 18 million (on average 6 million per year). The 2021-2024 plan (€ 22 million) slightly increased this yearly average<sup>10</sup>.

Deutsche Welle has a budget of € 350 million annually and it is expected to grow further<sup>11</sup>.

BBC World Service - (Radio, digital and 2 TV channels in Arab & Persian) (€ 431 million in 2019)

BBC World News is separated from BBC World News and has a different budget

The French external audio visual company France Média Monde had a budget of € 267 million in 2019 (+TV5 Monde = € 332 million in 2019)<sup>12</sup>.

action system to better understand the situation in each European country. These reports have not been officially published but they comprised some data on budget that would be useful to share for the sake of comparison and to establish a baseline for further research.

In comparison with recent (since 2016) EU budgets (around € 250 million for several years) for international cultural relations presented later in this chapter, main national cultural organi-

sations endowed with international strategies, exposure and connections have far larger budgets than EU international programmes. In that respect it is worth working on the European dimension of their work. Further research and dialogue with large national cultural organisations in Europe on their contribution to EU international cultural relations will open interesting avenues for joined up initiatives and various forms of Europeanised action.

7. Edinburgh News, "Edinburgh Festival funding slashed by city council", 13 June 2019. <https://www.edinburghnews.scotsman.com/whats-on/arts-and-entertainment/edinburgh-festival-funding-slashed-city-council-545549>

8. RFI, "Festival de Cannes, un budget en or", 15 May 2018.

<http://www.rfi.fr/fr/culture/20180515-infographie-festival-cannes-budget-or>

9. Rijksmuseum, "Jaarverslagen van het Rijksmuseum 2018", <https://www.rijksmuseum.nl/nl/organisatie/jaarverslagen>

10. Dutch Culture, "International Cultural Policy Framework 2017-2020", 19 pages. <https://dutchculture.nl/sites/default/files/atoms/files/International%20Cultural%20Policy%20Framework%202017-2020%20-%20eng.pdf>.

"International Cultural Policy 2021-2024", 18 pages. <https://www.government.nl/documents/parliamentary-documents/2020/02/20/international-cultural-policy-2021-2024>

11. Sénat.fr, "Commission de la culture, de l'éducation et de la communication", Video, 31 January 2019.

[http://videos.senat.fr/video.1009375\\_5c50e2e604895.audiovisuel-exterieur-en-europe---audition-de-mme-marie-christine-sara-gosse-et-m-peter-limbourg?timecode=2840000](http://videos.senat.fr/video.1009375_5c50e2e604895.audiovisuel-exterieur-en-europe---audition-de-mme-marie-christine-sara-gosse-et-m-peter-limbourg?timecode=2840000)

12. La Lettre.Pro, "Le CA de Médias Monde Approuve un Budget 2019 à l'équilibre", 14 February 2019, [https://www.lalettre.pro/Le-CA-de-France-Medias-Monde-approuve-un-budget-2019-a-l-equilibre\\_a18694.html](https://www.lalettre.pro/Le-CA-de-France-Medias-Monde-approuve-un-budget-2019-a-l-equilibre_a18694.html)

The case of external audiovisual national broadcasters is a bit different. In comparison to domestic national or regional TV and audiovisual budgets, their size is actually quite small.

### Member States' Official Development Assistance (ODA) focusing on culture

A part of national development cooperation budgets of Member States may be used for culture-related cooperation activities in complement of other sources (Ministries of Culture, Foreign Affairs, etc.) of national financing. Spending in culture varies greatly depending on Member States governments' priorities.

Spanish development cooperation agency AECID has played a leading role in the promotion of the value of culture in development for several decades via its Directorate General for Cultural and Scientific Relations. However, it is not sure AECID has been the largest European donor in this area. Germany has also been among the largest donors in the cultural field, according to EU-OECD data.

German KfW apparently has no clear work strand on culture but it has been funding culture-created programmes - The KfW Foundation has a curator's residency programme with Ifa and DAAD. Culture is not part of the main pillars presented on GIZ website in 2019. Goethe Institut seems to remain the go-to German organisation for culture, together with Ifa and DAAD.

French AFD has a new mandate in 2017 in which culture and creative industries feature more pro-

minently than in the past. Expertise France is now managing cultural programmes as well.

An exploration of EU-OECD data between 2007 and 2019 shows that only three EU Member States (France, Germany and Spain) have spent more ODA on culture individually than the European Commission, yet the scope of this funding would require more detailed analysis (see Focus below)<sup>13</sup>.

### Member States' cultural institutes

The 2016 KEA study on European cultural institutes estimates their global turnover at more than 2.3 billion per year (with 1.2 billion for British Council only)<sup>14</sup>. Language courses are the lion's share of cultural institutes' activities (particularly in the case of the British Council, Goethe Institut, Instituto Cervantes, Institut Français & Alliances françaises). If we assume that language-related activities amount to around 70 to 80% of their activities and

budget (an assumption that should of course be refined and evidenced by future research) and if we exclude British Council (as future non-member of the EU), then other aspects of national external cultural action through Member States' cultural institutes could be estimated at between € 220 and € 330 million a year<sup>15</sup>.

Among cultural institutes, according to the 2016 KEA study<sup>16</sup>,

- 10 operate with a budget of less than € 5 million a year for their actions in the entire world<sup>17</sup>.

**Recent EU initiatives  
in the field of culture  
since 2016 amount to  
approximately € 250  
million until 2021**

13. In some cases, the lion's share of budget figures goes to staff and infrastructures' functioning costs. Whether this should be included in the calculation is a matter for methodological debate.

14. This does not include Bulgaria, Czech Republic, Greece and Slovakia.

15. The 2016 KEA study also shows that although most cultural institutes are funded by the state, at least half of them have hybrid business models that include income generation and sponsorship.

16. See also the comparative study by Fundacion Alternativas - Observatory on culture and communication on national external cultural policies of EU Member States, 2015. [www.fundacionalalternativas.org/public/storage/cultura\\_documentos\\_archivos/d4eb3a4b3ddbb0de98de5d36b5bb4d42.pdf](http://www.fundacionalalternativas.org/public/storage/cultura_documentos_archivos/d4eb3a4b3ddbb0de98de5d36b5bb4d42.pdf)

17. Balassi Institute, Danish Cultural Institute, Dutch Culture, Culture Ireland, Eesti Institute, Latvian Institute, Lithuanian Culture Institute, Österreich Institut and Swedish Institute.

- 8 have a budget between 10 and 40 million a year<sup>18</sup>.

- 7 operate with budgets beyond 110 million<sup>19</sup> (with the “big three” British Council, Goethe Institute, Alliance Française, operating with far larger number of staff - and budget - Goethe Institute's budget in 2019 is close to 400 million<sup>20</sup>)

This variety in budgetary capacity gives an idea of the size of budgets national cultural agencies

handle in their external cultural action. It is useful to compare with existing EU budgets.

These figures also clearly show the potential added-value of EU funding for the 18 smallest Cultural Institutes handling limited budgets (one group under 5 million and the other under 40 million respectively) in their efforts to develop an external European approach together with, among others, their national cultural professionals. 2021-2027 funding instruments

## Evolution of budgets for EU international cultural relations

### FOCUS

#### The example of EU aid explorer

While there is currently not a one-stop shop to obtain cumulated data on EU funding for international cultural relations, data on international development aid give some indication of the trends in this policy field.

We used EU-OECD data from the EU Aid Explorer about “culture and recreation” as a statistical “sector”. These tests brought results that should be taken with care.

According to this data, overall EU (EU institutions and EU Member States) spending for culture has dropped from € 562 million in 2007 to around € 24 million in 2019. This results at first glance seems non-logical and very difficult to explain<sup>21</sup>.

In that same period however, according to the same database, the EU institutions maintained their spending on culture in developing countries. It reached around € 34 million in 2014 and stayed in the range of € 26-34 million for seven years in a row. The lower amounts of payments in 2013 are explained by the end of a financial cycle and the opening of a new one, from 2014 to 2020<sup>22</sup>.

18. Adam Mickiewicz Institute, Polish Institute, Finnish Cultural and Academic Institutes, ifa, Institutul Cultural Român, Istituto Italiano di Cultura, KulturKontakt, Österreichische Kulturforen, and Società Dante Alighieri.

19. Alliance française, British Council, Goethe-Institut, Institut français (Paris office and its network worldwide), Instituto Camões and Instituto Cervantes.

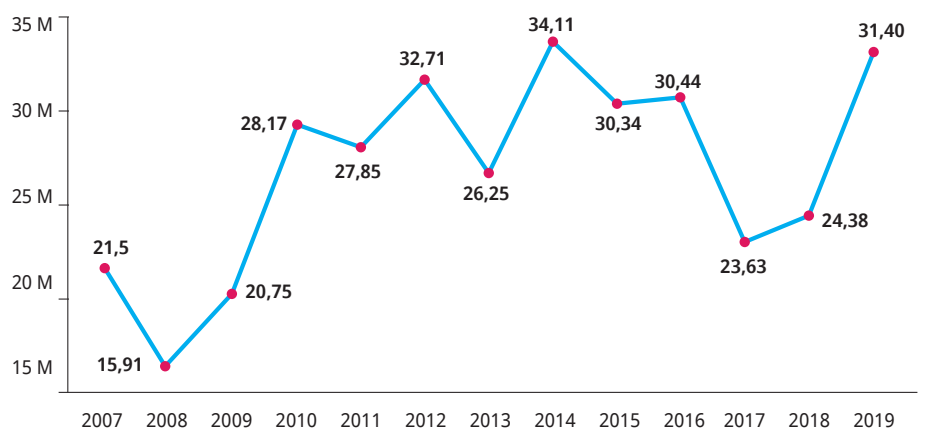
20. Deutsche Welle, “Goethe-Institut: looking back on a turbulent year, while planning for 2018”, 13 December 2017. <https://www.dw.com/en/goethe-institut-looking-back-on-a-turbulent-year-while-planning-for-2018/a-41775465>

21. The decrease is so dramatic that these figures should be taken with great caution. One assumption shared by an EU official is that data coding in the first years was different in scope than in recent years, or carried out with some degree of error (yet quite unlikely given the size of the amounts in question). Another important point is that available data does not include 2018 and 2019 data during which great efforts were made to increase culture-related budgets. Email exchanges with EU staff, January 2020.

22. The even lower amounts seen as of 2017 are likely due to two factors. First, data for 2018 and 2019 is still incomplete as payments are ongoing. Second, 2017 saw the end of the main EC-funded initiative for culture in developing countries, the ACP-Culture+ Programme.



### Evolution of EU Official Development Assistance in the "culture and recreation" sector 2007-2019



(M = € million). The completeness of information depends on the OECD publications (usually last 2 years incomplete)

### 2014-2020 funding instruments (from which funds are still flowing)

#### Cultural funds:

- Creative Europe
- Erasmus Mundus / Erasmus + / Jean Monnet actions
- Capacity Building in Higher Education (CBHE) / International Credit Mobility

#### Geographic funds:

- Development Cooperation Instrument (DCI)
- European Development Fund (EDF)
- Global Allocation of the Development Cooperation Instrument (DCI), and global allocation of other external funding instruments (ENI etc.)
- European Neighbourhood Instrument (ENI) including Cross-Border Cooperation (CBC) programmes
- Instrument for Pre-Accession (IPA II)
- Partnership Instrument (PI) - 2017 Action Fiche for Public and Cultural Diplomacy
- Budget of the Press and Information Office (EU Delegations)
- (Horizon 2020 Research projects)

#### Thematic funds:

- Human Development and Global Public Goods and Challenges (GPGC) that also includes a culture programme (€ 30 million for 2014-2020)
- Civil society and Local authorities (CSO-LA)
- European Instrument for Human Rights and Democracy (EIDHR)
- Instrument contributing to stability and peace (ISCP)

## 2021-2027 funding instruments

It was expected (before the Covid-19 crisis) that, based on the 2018 European Commission proposal, external action in the financial period 2021-2027 budget will be funded from one single instrument called NDICI (Neighbourhood Development and International Cooperation Instrument). The financial weight of NDICI, according to the European Parliament, could reach €93 billion for the next 7 years.

Culture is mentioned in the 2018 Commission's proposal: "Funding from this Regulation should also be used to finance actions related to learning mobility to, from or between third countries under the Erasmus programme, as well as cooperation and policy dialogue with those countries, in education and in culture in a way that is consistent with the Erasmus Regulation and the Creative Europe Regulation."

Culture is also mentioned in the thematic component that "focuses on global challenges, notably through dedicated thematic programmes on Human Rights and Democracy, Civil Society Organisations, Stability and Peace, and Global Challenges, covering matters such as health, education and training, women and children, decent work and social protection, culture, migration, environment and climate change, sustainable energy, sustainable and inclusive growth, private sector and local authorities."

These short references to culture, if maintained in the final version of the Regulation, will become the legal basis to fund culture in EU bilateral and multilateral relations.

The Annex I of the Regulation references culture as a sector for cooperation:

- Poverty eradication, fight against inequalities and human development
  - > (2.q) Promoting intercultural dialogue and cultural diversity in all its forms, and preserve

and promote cultural heritage, and unlocking the potential of creative industries for sustainable, social and economic development;

- Inclusive and sustainable economic growth and decent employment
  - > (5.p) Promoting intercultural dialogue and cultural diversity in all its forms, and preserve and promote cultural heritage;
- Partnership
  - > (7.b) Deepening political, economic, social, environmental and cultural dialogue between the Union and third countries and regional organisations, and supporting implementation of bilateral and international commitments;
  - > (7.f) Engaging more effectively with citizens in third countries, including by making full use of economic, cultural and public diplomacy;
- Areas of intervention for human rights and democracy (thematic programmes)
  - > The scope of the programme includes civil, political, economic, social and cultural rights.
- Areas of intervention for global challenges
  - > (6). Culture
    - (a) Promoting initiatives for cultural diversity and intercultural dialogue for peaceful inter-community relations;
    - (b) Supporting culture as an engine for sustainable social and economic development and reinforcing cooperation on cultural heritage.
- Areas of intervention for rapid response actions
  - > (3). Actions addressing foreign policy needs and priorities
    - promotion of widespread understanding and visibility of the Union and of its role on the world scene, by means of strategic communication, public diplomacy, people-to people contacts, cultural diplomacy, cooperation in educational and academic matters, and outreach activities to promote the Union's values and interests

As in the previous financial period (2014-2020), culture will be funded either from geographic envelopes or from global thematic ones (article 4 of the Regulation proposal).

There is an  
evident need for  
regular financial  
monitoring of  
EU international  
cultural relations  
budgets

### A few examples of (new) initiatives for culture in EU's external action since 2016\*

- ACP-EU Culture Programme (€40 million)
- Intercultural and interfaith dialogue (five programmes in Africa and the Middle East, €10 million)
- Procultura (Lusophone countries, €18 million)
- Transcultura (Cuba and Caribbean, €15 million)
- EU Identity Building and Sharing Business Initiative (Africa and central Asia)
- EU Alumni Engagement Initiative
- Creatifi (innovative financing, €20 million)
- Innovative financing initiative for Culture (East and West Africa, €1.5 million)
- Anna Lindh Foundation (Mediterranean)
- iportunus (experimental mobility, €1 million)

\*Amounts are commitments

A first assessment of recent initiatives in the field of culture between 2016 and 2021 estimates their amount to approximately 250 million euros<sup>23</sup>. Information is however hard to collect as there is not a single hub on EU international cultural relations on the EU institutions' website.

## Conclusions

There are ongoing debates on the scope of EU international cultural relations and therefore budgetary figures will vary depending on what is deemed part or not of this policy field.

Some data indicate a general decrease of overall EU institutions and Member States' spending for culture in development cooperation but figures should be double checked by alternative modes of calculation and filtering.

There is an evident need for regular financial monitoring of EU international cultural relations budgets, together with other monitoring and evaluation methods, so as to have a clearer idea of their impact and efficiency.

- There is a need to increase transparency about new EU initiatives for culture in third countries. A starting point could be a single landing page on EU international cultural relations on the EU institutions' website, collecting all information now scattered on different websites.

- More disaggregated data about funding for cultural initiatives in EU external action should be provided by the EU institutions.

- In the medium term, a database of initiatives, by the EU institutions and the EU Member States, on international cultural relations (including support to culture in developing countries) should be made available.

- Last but not least, the Covid-19 crisis that is striking while this report is being edited, is likely to have a serious financial impact on international relations and it is to be expected that budgets for cultural affairs will probably be the first ones to be decreased.

23. This comprises around 40 new cultural programmes and projects launched since 2016 under all available funding instruments as well as an estimate, by culture Solutions, of average amounts - € 20 000 - spent by EU Delegations' Press and Information offices. These figures will need to be checked by further research.





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We contribute independently to the excellence of EU international cultural relations with the opening of creative trust-building spaces, the production of commons and the brokerage of know-how.

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