

Brussels, 2 October 2020

To: Commissioner Breton, Internal Market, European Commission and Commissioner Gentiloni, Economy

Dear Commissioner Breton,
Dear Commissioner Gentiloni,

We are writing regarding **InvestEU 2021-2027**.

As organisations from the cultural and creative sector, **we are very concerned that the proposed severe cuts to the EU's flagship investment programme could have a dramatic impact** on the ability of Europe's cultural and creative businesses to access much needed affordable debt and equity financing.

With this letter, **we urge the EU to ensure that the cultural and creative sector will benefit from an appropriate level of support via InvestEU**.

The European Parliament recently called for 2% of the Recovery and Resilience Facility to be earmarked for the cultural and creative sector¹. In the same vein, **a set percentage of the future InvestEU fund should be earmarked for the sector**. At the very least, **the budget allocated for the sector should match the budget of the existing Cultural and Creative Sector Guarantee Facility (CCS GF)**.

The CCS GF, which was launched in 2016 and is managed by the European Investment Fund, is a **very successful instrument**. It is in **high demand** from the sector and has a demonstrated **leverage effect** of public resources. Its initial **budget has already been more than doubled** (to €250m today).

As the CCS GF is being moved out of Creative Europe, **InvestEU is meant to continue facilitating access to finance for cultural and creative businesses**, especially via its SME policy window. As part of the EU's response to the Covid crisis, InvestEU is also supposed to **"provide crucial support to companies in the recovery phase (...)"**².

Cultural and creative businesses have important investment needs. It is now well established that **culture and creativity are among Europe's strongest assets**, accounting for **4,4% of EU GDP and 12 million jobs**. But these sectors remain **structurally underfinanced**. The **financing gap** for creative SMEs across Europe is estimated at between **€8bn and €13bn** by the European Commission³.

Access to affordable debt and equity financing was already needed before the pandemic, and it is **even more essential today** as the cultural and creative sector is one of the **hardest hit by the Covid crisis**.

For these reasons, **we call on the EU to preserve this innovative way of generating investment** for cultural and creative businesses by **ensuring that a suitable budget is earmarked for our industry in the InvestEU fund**.

Yours sincerely,

¹ European Parliament Resolution on the cultural recovery of Europe, adopted on 17 September 2020 : https://www.europarl.europa.eu/doceo/document/TA-9-2020-0239_EN.pdf

² European Commission Communication « The EU Budget powering the recovery plan of Europe », May 2020 : <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0442>

³ European Commission Impact assessment accompanying the Proposal for a Regulation establishing the InvestEU Programme, May 2018 : https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-investeu-impact-assessment_en.pdf

The signatories:

1. AER – Association of European Radios
2. Animation Europe
3. Culture Action Europe
4. CEDC – European Coalitions for Cultural Diversity
5. CEPI – European Audiovisual Production
6. CEPIC – Centre of the Picture Industry
7. EFA – European Festivals Association
8. EGDF - European Games Developer Federation
9. EIBF – European and International Booksellers Federation
10. EMC – European Music Council
11. EMEE – European Music Exporters Exchange
12. Eurocinema
13. FEP – Federation of European Publishers
14. FIAD – The International Federation of Film Distributors' Associations
15. FIAPF – International Federation of Film Producers' Associations
16. GESAC – European Grouping of Societies of Authors and Composers
17. ICMP – The Global Voice of Music Publishing
18. IFTA – Independent Film and Television Alliance
19. IVF – International Video Federation
20. IMPALA – The Independent Music Companies Association
21. IMPF – The Independent Music Publishers International Forum
22. LiveDMA – European network for live music venues & festivals
23. Liveurope – The live music platform for new European talent
24. Pearle* – Live Performance Europe
25. UNIC – International Union of Cinemas

