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European Commission - Press release



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The European Commission and the European Investment Fund (EIF) today launched a ?121 million guarantee initiative to support SMEs in the cultural and creative sectors via financial institutions. This scheme is expected to create more than ?600 million worth of bank loans over the next six years.

Today's initiative allows the EIF to provide guarantees and counter-guarantees, free of charge, to selected financial intermediaries in order to enable them to provide more debt finance to entrepreneurs in the cultural and creative arena. Guarantee institutions, commercial and promotional banks as well as other financial intermediaries benefiting from the ?121 million guarantee will support more than ten thousand SMEs in a wide range of sectors such as audiovisual (including film, television, animation, video games and multimedia), festivals, music, literature, architecture, archives, libraries and museums, artistic crafts, cultural heritage, design, performing arts, publishing, radio and visual arts.

The financial instrument, set-up under Creative Europe? the main EU programme dedicated to the cultural and creative sectors, will be managed by the EIF on behalf of the European Commission. European SMEs should benefit from it as early as of the end of this year.
Commissioner for the Digital Economy and Society Günther H. Oettinger welcomed the initiative launched today: "Creative minds and companies need to experiment and take risks to thrive, for our society and for our economy. We are helping them to get the bank loans they would normally not get."

EIF Deputy Chief Executive, Roger Havenith, said: "Helping business to scale up and access market-based financing solutions is high on the European Commission's agenda. Providing credit risk protection and capacity building for finance providers are two essential ingredients in the recipe for support for SMEs in the cultural and creative sectors. The Cultural and Creative Sectors Guarantee Facility which we are signing today will help SMEs from the film to festival and music to museum arena across Europe to start up and develop."
The creative and cultural sectors represent more than 7 million jobs in the EU and account for 4.2% of the EU's GDP (source). Access to finance can be difficult for these sectors, primarily due to the intangible nature of their assets and collateral, the limited size of the market, demand uncertainty, and lack of financial intermediary expertise in addressing sector specificities.
The new Cultural and Creative Sectors Guarantee Facility includes capacity building activities for financial intermediaries, giving them specific expertise on key elements of these sectors (e.g. specific business models and credit risk assessment in the sectors). Capacity building would be provided by (a) capacity building provider(s) selected by the EIF (e.g. a consultancy company

specialised in the way the cultural and creative sectors work) following an open call for tenders. Such training will be free of charge for financial intermediaries.

In the coming days, the EIF will publish a call for expression of interest to which eligible financial institutions (banks, guarantee institutions, leasing companies, etc.) will be able to apply. After a thorough selection process, the EIF will select financial intermediaries which can then make the new finance available to SMEs in the targeted sectors. Financial intermediaries will report thoroughly on the financial products they will propose to SMEs and their take-up.

Today's initiative is part of the Commission's efforts to support investment and make smarter use of new and existing financial resources, which is the aim of the Investment Plan for Europe. It also complements the work done under the Digital Single Market strategy to create the right environment for the cultural and creative sectors, and in particular smaller businesses, to thrive in the digital era.

About the EIF

The European Investment Fund's (EIF) central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

About the Cultural and Creative Sectors Guarantee Facility and Creative Europe

Set-up under the cross-sectoral strand of the Creative Europe programme, this new financial instrument is the first which such a wide scope in the culture and creative sectors. It pursues the same objective as the SME window of the European Fund for Strategic Investments (EFSI), which drives the Investment Plan for Europe: increasing lending to SMEs in order to scale up their activities.

Creative Europe is a 7-year programme (2014-2020) designed to support actors of the creative and cultural fields. It has a budget of ?1.46 billion for the whole duration of the period. It is composed of the MEDIA programme helping the development and the distribution of European audiovisual works, the Culture programme, which supports culture sector initiatives promoting for example cross-border cooperation and literary translation, and the cross-sectoral strand. The objective of Creative Europe is to promote cultural diversity, encourage the circulation of European culture and creativity and strengthen the competitiveness of the cultural and creative sectors.

More information, Q&A