Danube Transnational Programme
CultPlatForm_21

Small Project Fund for Culture in the Danube Region

Concept for a Funding Instrument

Annemarie Türk, Márton Méhes, Paul F. Langer, Daniel Schmitt

Content

Abstract

The following study outlines the different dimensions of a potential Small Project Fund for Culture in the Danube Region (DRC-SPF). The notion of a Danube Region wide funding scheme for small culture projects has been discussed for many years in the framework of events of the EU Strategy of the Danube Region.

The INTERREG Danube Programme, which was established in 2017 funded the project CultPlatForm_21, which among others seized the suggested notion of such fund. This conceptual work is the result of one pilot project that was carried out in the Framework of the CultPlatForm_21 project (Méhes and Langer 2019).

The study aims at investigating the need, best practice cases and the various factors that determine the establishment of a Small Project Fund for Culture in the Danube Region. A key aspect of the study is the analysis of data from a key informant survey that was carried out in 2018 to determine in the requirements and expectations of a Small Project Funds. For that artists as well as experts and decision makers of cultural institutions from all around the Danube Region provided their expertise through an online based questionnaire. The findings helped to gain a better picture of the need for funding of cultural actors, which is a key input for the further developing of a small project fund to ensure a target-oriented funding offer.

Moreover, a long list of relevant other funding schemes and opportunities for artists and cultural institution is compiled to provide an overview of the funding landscape in the Danube Region. Considering the difficulty of internal funding of such fund, the conceptual study also delivers a detailed case study of the organisation TRADUKI, a renowned funding organisation for literature translation, which succeeded in attracting private and public funds among other from ministries of culture in the Danube Region. The case study offers valuable insights that are basis for the development of a fund of culture in the Danube Region.

Finally, the study derives feasible options that depend on the targeted scope and financial endowment of the potential funding scheme. The three options were also developed to present potential decision makers in the public and private sector closable options. Moreover, the study also outlines a draft course of action for the set-up of a funding scheme including respective timeframes and milestones.

1 Introduction

The present study is one of the outcomes of the INTERREG DTP project *Danube Culture Platform – Creative Spaces of the 21st Century* (*CultPlatForm_21*). This transnational project is dedicated to the hidden, forgotten, invisible cultural heritage in the Danube region. Under the project lead (LP) of the Federal Chancellery of Austria, Arts and Culture Division, nine project partners (PP) and ten associated strategic partners (ASP) from eight countries within the Danube area, have developed a cooperation on culture and tourism with the aim of supporting and expanding European cultural routes. The project partners from the tourism and culture sectors play different roles at various levels within their countries: public authorities, cultural institutions, expert organisations and NGOs.

Among different other tasks in the framework of the project, the Ministry of Science, Research and Arts Baden-Württemberg oversaw the *Small Project Fund* feasibility study. The study was carried out in cooperation with the European Danube Academy Ulm as the main cultural expert partner of the Ministry.

The main objective of the *CultPlatForm_21* project was the development of an innovative multilevel strategic framework for cultural routes in the Danube region. This was followed by further topics and activities, among them by the creation of the *Policy Learning Platform:* A network and think tank of stakeholders from EUSDR countries. In the frame of the *CultPlatForm_21* project structure, the development of the present feasibility study was embedded into this *Policy Learning Platform*. This project partner network was the right framework to exchange knowledge (working meetings, transnational conferences) and – finally – to develop some measures for the future.

One of these measurements is the strategic conception and preparation of a *Small Project Fund* for the Danube region. The future implementation of this funding tool would fulfil the long-time requirement of artists and cultural actors to raise little amounts of money to start projects. An evergreen topic that had already been articulated several times at the *Danube Conferences on Culture* from 2013 to 2016 – the predecessor forum of the *CultPlatForm_21 Transnational Project Conferences*.

In 2014, a first prefeasibility study has been presented in the framework of the preparations for the INTERREG application, provided by the Technical Assistance Facility programme of the EUSDR. Since then, the needs for this new funding

opportunity have become even stronger. Over the last years, we have been faced with the unpleasant development of private foundations and public institutions reducing their funds available for cultural cooperation in the Danube region. The limitation of accessible funds is another important reason for the present work.

This *Small Project Fund* study accumulates all previous questions, research and knowledge on this topic. However, the results of the present investigation go far beyond theory and are intended for practical use drawing a clear roadmap for the immediate implementation of this unique financial tool. The future Small Project Fund shall be able to contribute to social cohesion, solidarity and cultural exchange in a fragmented region of Europe full of history, stories and hidden hotspots.

2 Cultural Policy and Promotion in the Countries of the Danube Region

2.1 Challenges of Funding for Culture in the Danube Region

In 1918, the historical ties in the Danube basin underwent a sweeping change; some of them were deliberately broken off, others dwindled away without any underlying political motivation. The Second World War reinforced this process, and the subsequent political reorganization between East and West made cooperation between institutions of art and culture and individual artists impossible altogether. If any cooperation did occur despite all this, it was masterminded by the state and subject to censorship. In 1989, free exchanges in the field of art and culture suddenly became possible again with what was then still Czechoslovakia, Hungary, Romania and Bulgaria, and these new co-operation efforts also enjoyed a certain measure of private and state support. Since 1991, the disintegration of the former Yugoslavia has opened new rifts and created new challenges for the cultural sector.

After 1990, the new democracies found it difficult to take over the existing cultural infrastructure, not least because it was politically discredited. In many cases there was – and still is – a lack of money. In the 1990s and even in the early 2000s private and public grants were available in Western Europe for the establishment of new institutions, the exchange of creative artists, scholarships and new joint projects, but this source is now slowly drying up. An art market is developing in some of these countries today, providing grounds for an optimistic forecast, while others continue to lack opportunities for the development of such a free market for the time being. In individual countries there is still no budget (and often no political will) for funding new cooperation projects in the region; scholarships are

more likely to offer stays somewhere in the western hemisphere than in the immediate neighbourhood.

Conversely, there is a great need on the part of cultural practitioners to be able to cooperate with colleagues across borders. Despite difficult economic conditions, a very vibrant art scene has emerged in all these countries, blessed with great talents that justify every support. It is above all European programmes that can stimulate this exchange along the Danube. Even though some institutions and foundations have reduced their support programmes for this region in recent years, there are still important contacts in existence for creative artists to realise cultural co-operation projects.

2.2 Existing Funding Programmes

The following list does not claim to be exhaustive and is intended as a starting point for further research. Some of the knowledge of this section is based on the findings of Méhes, 2019, presenting selected international and regional funding options for projects fostering transnational cooperation among Danube linked art & culture initiatives (Méhes 2019).

When finalising this study, the current EU financing period (2014-2020) will come to an end very soon. Most of the cooperation programmes have been closed already so that only a very limited number of calls are still open. But even these deadlines are very close in time. The next financing period is under negotiation and there is yet little information about the concrete contents, conditions and financial frameworks and even less about the first dates for calls.

If you plan a project for the benefit of the Danube region and fulfilling the aims of the European Union's Strategy for the Danube Region (EUSDR) it might be useful to contact the national EUSDR coordinator in your country for further information on partnership, cooperation and funding opportunities.

Apart from EU-funding, there are only restricted possibilities for project applications. National or regional funding organisations or institutions have their national or regional interests and conditions (e.g. Baden-Württemberg Stiftung). They focus on the expected benefit for their own country or region from the supported projects. Independent or private foundations are very restricted or specialized in their thematic scope, own initiatives, and tend to finance already existing projects or series of events. From several public institutions or funds projects can only expect additional funding (e.g. national cultural institutes). Nevertheless, it is more than useful to establish contacts and cooperation with smaller contributors as well, since they can help in marketing, communication and with contacts to more substantial financing opportunities.

European and EU funds – regional or Europe-wide cooperation in culture, heritage and innovation

Creative Europe (2014-2020) – Cooperation Projects

Cross-border cooperation projects between cultural and creative organisations within the EU and beyond. Projects can cover one or more cultural and creative sectors and can be interdisciplinary. The next available call will be for Smaller Scale Cooperation Projects to support the capacity of the European cultural and creative sectors to operate transnationally and internationally and to promote the circulation of cultural and creative works and the mobility of cultural and creative players, in particular of artists, transnationally. It also aims to improve access to European cultural and creative works and extend their reach to new and larger audiences. In addition, it contributes to innovation and creativity in the field of culture.

https://eacea.ec.europa.eu/creative-europe/actions/culture/cooperation-projects_en

INTERREG Danube Transnational Programme

A financing instrument of the European Territorial Cooperation (ETC), better known as INTERREG. The Danube Transnational Programme (DTP) promotes economic, social and territorial cohesion in the Danube Region through policy integration in selected fields. The Danube Transnational Programme finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments. Strong complementarities with the broader EU Strategy for the Danube Region (EUSDR) are sought.

http://www.interreg-danube.eu/

INTERREG Central Europe Programme

The programme improves capacities for regional development in innovation, carbon dioxide reduction, the protection of natural and cultural resources as well as transport and mobility. The aim is to support transnational cooperation like yeast supports baking.

https://www.interreg-central.eu

Europe for Citizens

The aim of this programme is to:

- Contribute to citizens' understanding of the EU, its history and diversity.
- Foster European citizenship and improve conditions for civic and democratic participation at EU level.
- The financed projects will:
- Raise awareness of remembrance, the common history and values of the EU and the EU's aim.
- Encourage the democratic and civic participation of citizens at EU level.

https://eacea.ec.europa.eu/europe-for-citizens_en

Horizon 2020

Horizon 2020 is the biggest EU Research and Innovation programme ever. Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness. By coupling research and innovation, Horizon 2020 is helping to achieve this with its emphasis on excellent science, industrial leadership and tackling societal challenges. Horizon 2020 is open to everyone, with a simple structure that reduces red tape and time so participants can focus on what is important. This approach makes sure new projects get off the ground quickly – and achieve results faster.

http://ec.europa.eu/programmes/horizon2020/

European Cultural Foundation

Advocacy is the groundwork for everything the ECP does – creating a central position for culture and community participation at a local level and in EU policies. ECP supports cultural change makers and their projects through grants, exchanges, online platforms and incubator programmes. They highlight stellar examples of culture as a force of positive change through the ECF Princess Margriet Award for Culture. The foundation connects the local to the European, the grassroots to the policy, and facilitate collaboration. Current thematic focus (2017-2020): Democracy Needs Imagination.

https://www.culturalfoundation.eu/

Further tip:

European Capitals of Culture

Consider if the project idea is compatible with one of the upcoming European Capitals of Culture in the Danube region (2019: Plovdiv, BG; 2020: Rijeka, HR; 2021: Novi Sad, RS, Timisoara, RO; 2023: Veszprém, HU) or one of the upcoming candidate cities (2024: a city in AT; 2025: a city in DE and SI; 2026: a city in SK).

EU-funds – urban, environmental and rural development

Urban Innovative Actions

An initiative of the EU that provides urban areas throughout Europe with resources to test new and unproven solutions to address urban challenges. Topics of the currently open call 4: Digital transition; Sustainable use of land; Urban poverty and Urban security.

https://www.uia-initiative.eu/en

URBACT III

It is a European Territorial Cooperation programme aiming to foster sustainable integrated urban development in cities across Europe. It is an instrument of the Cohesion Policy, co-financed by the European Regional Development Fund, the 28 Member States, Norway & Switzerland. URBACT's mission is to enable cities to work together and develop integrated solutions to common urban challenges, by networking, learning from one another's experiences, drawing lessons and identifying good practices to improve urban policies. URBACT III (2014-2020) has been developed to continue to promote sustainable integrated urban development and contribute to the delivery of the Europe 2020 strategy.

http://urbact.eu/

LIFE

The EU's funding instrument for the environment and climate action. LIFE contributes to the implementation, updating and development of EU environmental and climate policy and laws by co-financing projects with European added value.

https://ec.europa.eu/easme/en/life

Further tips:

Cross-Border Cooperation

The Cross-Border Cooperation supports sustainable development along the EU's external borders, helps reducing differences in living standards and addressing common challenges across these borders. Currently running programmes relevant for the Danube region: HU-SK-RO-UA, RO-UA, RO-MD.

European Cross-Border cooperation

European Cross-Border cooperation, known as **INTERREG A:** Supports cooperation between NUTS III regions from at least two different Member States lying directly on the borders or adjacent to them. It aims to tackle common challenges identified jointly in the border regions and to exploit the untapped growth potential in border areas. Programmes relevant for the Danube region: AT-HU, AT-BY, HU-HR, RO-BG, RO-HU, SK-AT, SK-HU, SI-AT, SI-HR, SI-HU.

The EU's rural development policy

There are 118 different rural development programmes (RDP). Search for available translations of the preceding in the 28 Member States for this period, with 20 single national programmes and 8 Member States opting to have two or more (regional) programmes.

Regional, national and private funds

Visegrad Fund

The foundation's vision is that grants, scholarships and residencies will become the catalyst for the advancement of innovative ideas in Central and Eastern Europe. The Fund is an international donor organisation, established by the governments of the Visegrad Group countries to promote regional cooperation in the Visegrad region (V4) as well as between the V4 region and other countries, especially in the Western Balkans and Eastern Partnership regions.

https://www.visegradfund.org/

Baden-Württemberg Stiftung (Foundation), DE

The main goal is to raise the sustainability and future viability of the Land BW. Beside existing projects, the foundation initiates and supports programmes in the

areas research, education and society & culture. Projects have to be related to the Land Baden-Württemberg. Specific calls within the activity areas are defined by the foundation itself. Currently 8 calls are open, e.g. Culture Academy for Children, Learning Sustainability etc. Projects in culture are not limited to calls.

https://www.bwstiftung.de

Robert-Bosch-Stiftung (Foundation), DE

The Robert Bosch Stiftung is one of the major foundations in Europe that is associated with a private company. Areas of support: Education, Society, Health, International Relations and Science & Research. Focus areas: Migration, Integration and Inclusion; Social Cohesion in Germany and Europe; Sustainable Living Spaces.

https://www.bosch-stiftung.de/en

National Institutes of Culture

Cultural Institutes of different EUSDR countries are open for concrete project or programme (event) cooperation and have some financial resources for co-financing: Austrian Cultural Forums, Bulgarian Cultural Institutes, Czech Centres, Goethe-Institutes, Balassi Institutes – Hungarian Cultural Institutes, Romanian Cultural Institutes, Slovak Institutes and Slovenian Culture and Information Centres). In almost every capital European National Institutes arrange their own EUNIC Cluster. For a project with more than three EUNIC members the local EUNIC Cluster might be an additional partner.

https://www.eunicglobal.eu/

Further tips:

Foundations of private companies

There are various private foundations in several countries for special calls or opportunities (e.g. ERSTE Stiftung, AT, Allianz Kulturstiftung, DE, Schwarzkopf Stiftung, DE, Roberto Cimetta Foundation, FR, Felix Meritis Foundation, NL etc.)

National ministries/National cultural funds of EUSDR countries

There are calls of these institutions and contacts for funding or co-financing cultural projects (AT, BG, CZ, HR, HU, RO, RS, SK and SI), e.g.: Austrian Federal Chancellery – Division for Culture and the Art (BKA), Hungarian Cultural Fund

(NKA), Romanian Cultural Institute (ICR), Slovenian Public Fund for Cultural Activities (JSKD), National Culture Fund of Bulgaria.

3 Survey on the Funding Situation of Projects of Culture in the Danube Region

Apart from the information provided in the previous section, there is little knowledge on the funding environment and the actual funding need of artists and cultural institutions in the Danube Region. Therefore, it was key to acquire a better understanding of the actual funding situation as well as the specific needs through a respective online survey.

3.1 Survey Design

The exploratory study has been designed to use the expertise of professionals involved in cultural activities in the Danube Region. The study uses experts' survey as a means to identify and prioritize tasks, challenges and conditions for respective funding.

The collected data was acquired by means of two online questionnaires sent to key informants in the Danube Region. The survey instrument was an online web-based questionnaire, with a web link to the survey at www.danubeculture.eu. The emails sent to the identified target respondents also included a document with instructions on how to fill in the questionnaire.

The first questionnaire targeted artists, such as bands, musicians, writer or actors. The second questionnaire focused on cultural institutions such as museums or academies. The survey for the artists had a total of 35 questions, the survey for the institutions had a total of 38 questions. The first set of questions were related to collecting basic data such as location, field of activity and legal status. Next, the questions asked for an indication of cost elements in percentage such as Personnel or Travels and Accommodations. Furthermore, the participants were asked for the relations of their funding sources, like EU funds or Revenue from ticket sales.

The following set of questions asked for the frequency and intensity of cooperation's with other cultural partners in the Danube Region. A general set of questions asked the participants for ranking the need for funding in different categories as well as for the difficulties of accessing different funding schemes. At last the participants were asked with open questions for their comments on a Danube wide funding scheme. Some of the respondents also used these questions

to provide remarks/feedback. Appendix I (8.1) and II (8.2) show the online questionnaire.

3.2 Sample Description

The survey design was done hands on and does not consider representativeness, however, provides valuable insights on cultural activities, the need for funding and the actual use of different funding sources. The idea behind using a convenience sampling is to get an indicative response from the selected experts. Even though, it is not sufficient to identify differences of subgroups, it is in light of the poorly researched field the most useful sampling type for pilot testing.

The link for the online survey was sent via e-mail to selected artists and cultural institutions. The mail also contained an invitation to forward it to interested partners and colleagues. Furthermore, the link was posted in social media groups like Facebook.

59 cultural institutions and 21 artists participated in this survey. Not all questions were answered by the participants as they might have difficulties to find appropriate answers. Among the participating institutions are for example museums, book publishers, cultural foundations and theatres. They are located in Bulgaria, Romania, Serbia, Hungary, Slovakia, Switzerland, Germany and Austria. The artists are mostly individuals and therefore cannot be named for privacy reasons. They are located in Hungary, Croatia, Serbia, Germany and Austria. The following figure indicates the location base of the participants in summary.

Participant´s location

Location	Count
Austria	8
Serbia	6
Hungary	4
Germany	3
Slovakia	2
Romania	2
Bulgaria	2
Switzerland	1
Croatia	1
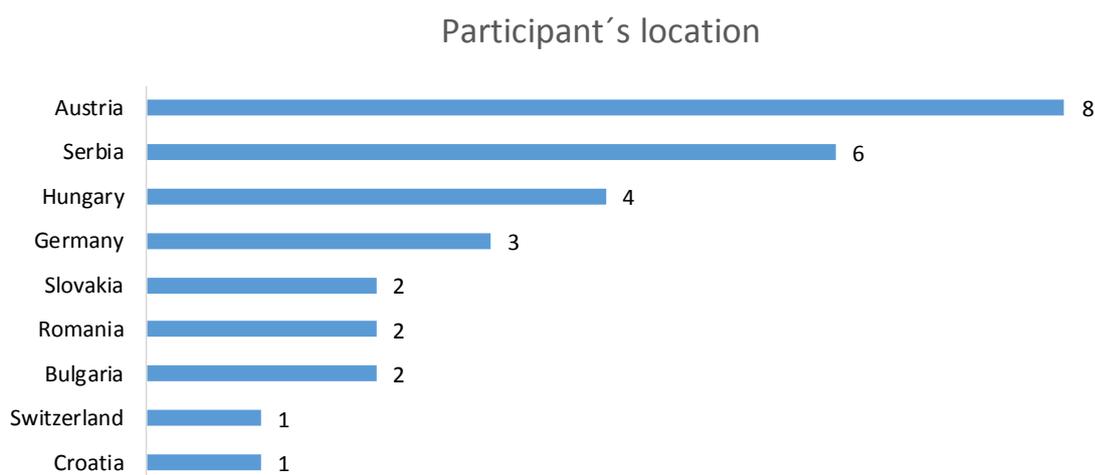
The categories for the participating artists are mostly indicated for Visual Arts, Literature, Music and Theatre. In contrast are the categories for the participating institutions mainly Cultural Heritage, Literature and Visual Arts. Most of the institutions is indicated for non-profit organizations.

3.3 Survey Findings

The findings from questionnaires were collected and analysed with descriptive statistics. Due to the voluntary participation of this survey different bias can be interfered. As the study is focuses on scrutinizing the funding of cultural projects respective the identification of improvements for their better access to financial support, the presentation of the results starts with the actual funding sources. The following figure illustrates the funding sources for the cultural institutions.

Cultural Institutions (funding sources)

Project based funding	17
Local authorities	15
Institutional funding	14
National funds	14
Funds from private foundations	13
State/Regional funds	13
EU funds	11
Funding from tickets/cultural outcomes	9
Revenue from ticket sales	9
Revenue from membership fees	8
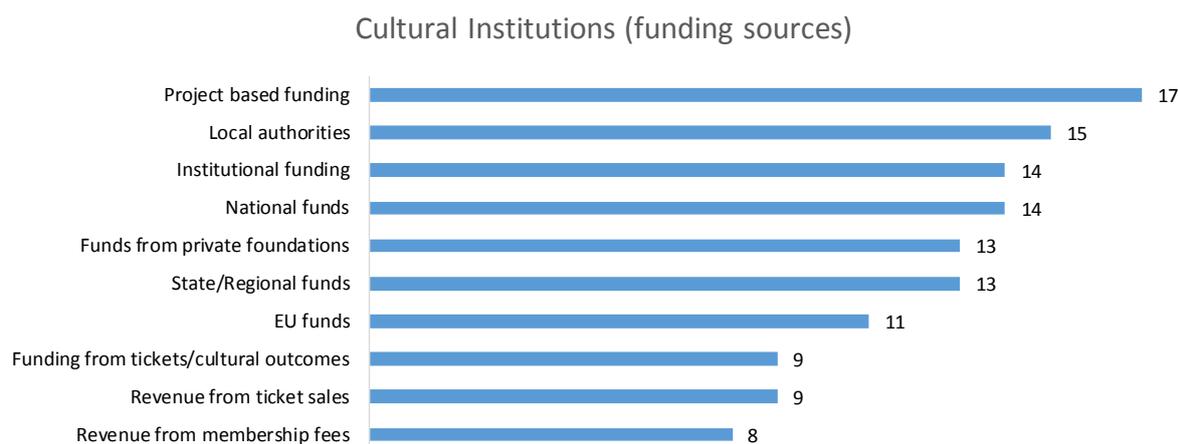
Most of the cultural institutions based their funding primarily on a Project based or Institutional funding as well as on grants from Local authorities, National, State/Regional or private funds. There is also some funding from EU funds. In comparison, there is little income from ticket sales or membership fees.

The funding for the artists is mainly based on Sales, State/Regional and National funds. There is also some funding from private foundations, but least funding from Local authorities and EU funds. The following figure illustrates the funding sources for the artists.

Artists (funding sources)

Revenue from other sources (sales)	5
State/Regional funds	5
National funds	5
Funds from private foundations	4
Local authorities	3
EU funds	3
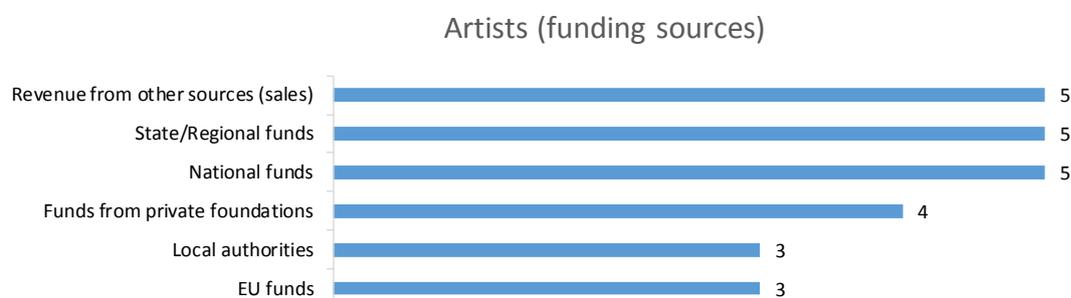
Both, cultural institutions and artists, were asked for the most difficult funding aspects in their context. Most commonly, they named the Bureaucracy/Administration as the greatest barrier as well as the Pre-Financing and Identifying of suitable funding schemes. As a medium barrier is named

Identifying co-financing partners and Own Contributions. As weak but still existing barriers, they name the Reimbursement of financing, the Application process, Spending restrictions, Language issues and organizing the Cashflow. The following figure lists the most difficult funding aspects for artists and institutions.

Most difficult funding aspects for artists and institutions
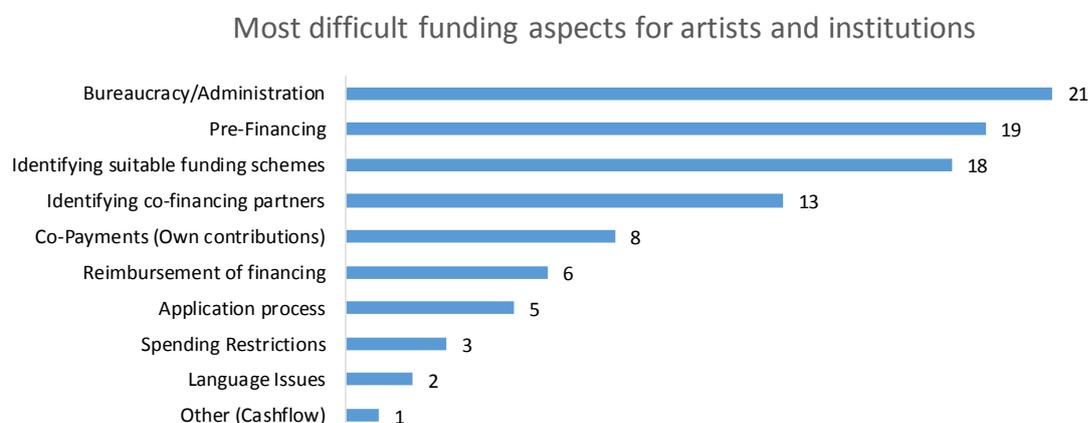
Furthermore, the participants were asked to indicate their difficulties for different aspects of funding. The indication was performed on a Likert scale from 1 (no difficulties) to 5 (very hard difficulties). Overall, the difficulties are above the median of the Likert Scale, so the stated issues can be assumed to be relevant. Moreover, the results show that the artists had more difficulties with the given issues than the cultural institutions. The following table shows the arithmetic mean of the answers, sorted by artists and cultural institutions.

Please describe how difficult…	Artists	Cultural institutions
…it is to receive suitable funding for your work.	3,9	3,6
…the application process of the existing funding schemes is.	4,1	3,4
…the regulatory and accounting procedures of existing funding schemes are.	4,0	3,7

(1) No difficulties; (6) Very hard difficulties

Lastly, the participants had the opportunity to comment on the idea of a Danube Region wide funding scheme for cultural projects to foster cooperation and mobility in the Danube Region among artists and cultural institutions. As the question was open, the responds were qualitative. Overall, they would like to see a reduction in the barriers already mentioned. However, the wish was expressed very clearly to set up a cultural promotion platform that would not only fosters regional marketing but also knowledge transfer and cooperation among the artists and cultural institutions. The following presents a selection of respective answers to the open questions.

Please comment on the idea of a Danube Region wide funding scheme to foster cooperation and mobility in the Danube Region. How would you set it up?

1. *Equal possibilities, encouraging exchange between the countries, working like a corridor down and up the river*
2. *Personally, would prefer low level funding with easy access (not always big projects and specific topics): for example, residencies without very specific goals – more of them, but not necessarily big funding or very long periods...*
3. *Very important for bringing artist around, connecting with clubs & promoters to offer them possibilities of funding, Tour-funding for musicians & DJs musical artist*
4. *From my experience as a writer which main funding and cooperation strategies are linked to the format of residencies, it is important that residency providers approach the scheme of the residency more serious. I have experienced that some of the residency providers in Danube region didn't even confirm the receiving of my application. Idea of the region is to communicate, exchange information, knowledge, ideas. I find that lack of motivation for concrete collaboration on all the sides is the biggest problem.*
5. *Networking, cooperation, getting informed about political situation in the country and about financial conditions in the field of arts and culture, involving independent art scene and generally young artists and cultural workers in the process of planning*
6. *EU funding should be easier - for the time being, it is not possible for small institutions*
7. *Simple application ... no difference between profit and non-profit applicants, only quality of project should be relevant ... less administration ... keep out organisations how are doing only "NGO business" to keep their organisation/officials alive ... transparent and public reporting ...independent evaluation*
8. *…. It would be good to have the regional funds for cooperation and mobility which reflects how the mobility projects work, with an easy and logical application process and clear administration without the extra bureaucracy around.*
9. *... the fact is, the cooperation with institutions from this region would be less difficult and more successfully if there would be more money without high bureaucratic application conditions.*

What should be the most important role of it?

1. *The financial support would be the most important thing and the marketing too. Artists don't know how it works at lot of time, and it would be helpful to everyone, I think.*
2. *Real collaborations that can be accepted locally*
3. *Building connections and regular exchange, easy access, maybe even the possibility to participate without actively submitting on your own all the time – would love to recommend and would know numerous (underrated) artists for example...*
4. *Connecting with venues & promoters & tour managers, managing tours on a funding basis, Offering travel & accommodation funding in cooperation with venues within the EU*
5. *Approaching it from the literary point of view it would be necessary to create better network of possible collaboration between publishers, translator and*

writers. It exists, but there is no concrete developing idea to make it more vivid.

6. *Encouraging independent art scene*

3.4 Conclusions from the Survey

The funding environment and the forming of a proper access to funding is an increasingly important issue for promoting artists and cultural institutions in the Danube Region. The results indicate high barriers for funding, which require changes in the existing funding system for cultural institutions and artists.

Beginning with the actual funding situation most of the participants cannot endorse a suitable funding for their work. This applies not only to selected Eastern European countries, but also to German-speaking countries, so that a Danube-wide problem must be assumed. This circumstance is central to the assessment of any state subsidy system.

Cultural institutions base their funding mostly on Local, National or private funding sources, which seem - considering the not suitable overall funding – insufficient. The same situation applies to artists who additionally finance themselves from ticket sales, which also seem an insufficient funding source. From the point of view of the EU and the promotion of the cultural landscape within the Danube region, there is a need for action.

The artists and cultural institutions surveyed clearly see the greatest difficulties in an escalating bureaucracy, the identification of a suitable funding framework as well as in pre-financing their projects. In addition, the interviewees consider the rules and regulations and the application process of the given funding schemes to be too complex. This situation is particularly acute in the case of artists who do not have their own administration, like most cultural institutions.

In view of the complex application process, the bureaucracy, the lack of knowledge about suitable funding programmes and the current financing from private or regional funds, access to EU funds seems to be too demanding. The EU's current support system covers a large area and is geared towards cooperation with the EU countries. The relationship to small to medium-sized cultural projects at local or regional level does not seem to be very pronounced.

This calls for an intermediary that reduces bureaucracy, makes resources more readily available and is more responsive to local needs. This intermediary should target small to medium-sized projects, as access is particularly difficult for them. And in view of the comments, the integration of a cultural promotion platform should be implemented.

Results and targets derived from the survey in short

There are concrete features that shall be incorporated in the SPF to meet the expectations identified in the survey:

1. ***Easy access and application***
   One of crucial aspect of the identified demands is to provide a simple application procedure, which allows respective artists and institutions to access the funding instrument with the lowest possible barriers.

2. ***Exchange orientation***
   Respondents repeatedly stressed the importance of a network orientation that allows to fund the exchange horizontal exchange between artists as well as the vertical exchange across sectors.

3. ***Transparent and efficient reporting***
   Respondents demanded simple, transparent and efficient accounting and clearing procedures that are in line with the creative arts and cultural work. Bureaucracy has to be limited to the lowest level possible.

4 Conceptual Background for the Danube Culture Fund

4.1 Blueprint TRADUKI – A Transnational Network Model for the SPF

Established more than 10 years ago, the TRADUKI project may be a good example of the fact that what starts out as an informal network of partners from different countries can not only grow over the years and expand its areas of activity but can ultimately become a robust factor in the cultural policy of an entire region.

The initiative originated from the private S. Fischer Foundation in Berlin. In 2007/2008, it brought together various institutions and experts for several rounds of intensive discussions in order to promote the idea of enhancing the exchange of literature between the German-speaking world and South-East Europe as well as fostering multilateral cooperation.

More than just a project, the idea was to create a cultural-political initiative both in and with the South-East European region – a region which, after the political changes in 1989 and the disintegration of Yugoslavia in the 90ies, had to rediscover and redefine itself. The initiative was designed to lead to better mutual understanding and to a revival of relations, which had been suspended or even obliterated.

In 2008, the public-private founding members from Austria, Germany and Switzerland sought to promote the exchange of literature and books between the

region and the German-speaking area. The focus was on translating German-language literature into the various languages of South-East Europe and, vice versa, literature from these countries into German. In addition, the project set out to promote translations between languages of the region, such as from Slovenian into Romanian, from Bulgarian into Albanian, etc., which had come to an almost complete stop after the collapse of Yugoslavia in 1989.

An office was set up in Berlin on the premises of the S. Fischer Foundation, and KulturKontakt Austria took on certain tasks in Vienna. The original plan to establish an office in Sarajevo ultimately failed due to legal problems and political uncertainties.

The network is based on "loose" affiliation, without being regulated within a defined legal framework such as that of an association.

Upon officially joining the network, the members undertake to work together in line with the pre-negotiated conditions, pay an annual contribution, and participate actively in the programme and steering committee meetings held twice a year. The contracts and the commitment to the work of TRADUKI are renewed every two years.

The meetings of the two decision-making bodies take place at different venues and are hosted by the respective member state. The steering committee discusses the basic strategies and work plans, whereas the programme committee rules on the funding of applications submitted. The decisions of both the steering committee and the programme committee are taken jointly and after extensive discussion. The meeting content is prepared at the office in Berlin.

Today, TRADUKI'S field of activity includes a translation programme for fiction, topical non-fiction and books for children and young people of the 20th and 21st centuries. Special attention is paid to the translators, the important cultural mediators from whose work the project derives its name. In the first ten years, TRADUKI lent support to translations in all three directions mentioned above, resulting in the publication of more than 900 books. In this way, the network has set new standards.

Over the years, new projects have been added – the promotion of literature festivals and events in South-East Europe, but also literary events in the German-speaking countries designed to publicise literature from South-East Europe.

Thanks to the support of TRADUKI, numerous residency programmes for writers and translators have been established – Belgrade (2012), Bucharest (2019), Cetinje (2017), Novo Mesto (2015), Pristina (2013), Sarajevo (2011), Skopje (2013), Sofia (2017), Split (2010), Tirana (2013). Today, ten residency

programmes trace a new literary map of South-East Europe, and the exchange of literature and writers is more vibrant than ever. As of 2018, the grants for these residency programmes entitled "Reading Balkans" had been additionally funded within the framework of the European Union's Creative Europe Programme.

Over the years, TRADUKI has grown into a European network and today boasts 17 members. These members are public bodies such as ministries, subordinate institutions and public and private foundations. They are based in Albania, Austria, Bulgaria, Croatia, Germany, Liechtenstein, Montenegro, North Macedonia, Romania, Serbia, Slovenia and Switzerland. In addition, the network has been cooperating also with translators, publishing houses and cultural NGO-organisations in Bosnia and Herzegovina and in Kosovo.

This success story would be inconceivable without the enormous commitment of individual participants – especially in the early years, the organisational and financial contribution of the S. Fischer Foundation was essential for this network to prosper and without it, TRADUKI would not be what it is today.

Accordingly, new considerations for undertakings in this direction need a motor, a centre at its core to launch an idea, a project and make it work.

What seems less important is a formal basis such as the establishment of an association, a legal entity – what is needed, however, are condensed, uniform rules that are absolutely binding for all participating institutions as well as the shared commitment and line of thrust of such a platform.

Binding guidelines must be drawn up for the submission of applications and the details of cooperation, and they need to be communicated and fostered very clearly from the outset. Notwithstanding all efforts to achieve easy access and simple application procedures, a certain amount of control is necessary not only regarding accountancy, but also with regard to quality issues.

http://english.traduki.eu/

4.2 Internal Funding of the SPF

The internal funding or endowment of the SPF is one of the most crucial success factors for a sustainable functioning of an instrument to fund culture project in the Danube Region. Such internal funding can be based on two pillars: private sector donations and public sector contributions (see for the following also Gerlach-March 2010, 47ff.).

Public Funding

National, Regional or Municipal Responsibility

Due to the substantial coverage of the Danube Region over an area of 10 nations, none of the countries can be held responsible for the region as a whole. This, however, does not necessarily mean that nations, regions or municipal levels are by no means responsible for the funding of culture on a larger regional level. Culture does not function outside its larger societal context. Moreover, culture has always been a dimension of human interaction, which is why cultural cooperation, also across borders, has been a foundation of cultural development. In order to foster culture in the own region it is important to create opportunities that also allows respective artists and culture organization to act outside its regional or national boundaries. In this respect, a common funding instrument of culture projects in the Danube Region can be considered an important complementary instrument in the funding landscape of artists and culture institutions in the Danube Region.

Against this background, it is crucial that national governments as well as regional or municipal bodies are confronted with its responsibility to contribute to a culture fund of the region they belong to. In order to archive respective contributions from national, regional or municipal budgets, it is important to respectively communicate this message. Therefore, the following strategies shall be followed:

- **Developing of a respective communiqué**
  Such publication shall entail key aspects of the funds including the benefits for the own region as well as its efficient and transparent functioning. This study can be used as basis for this communique.
- **Communication tour through the Danube Region**
  It will be critical to meet and discuss the idea with officials and decision makers in public institutions in the Danube Region
- **Promotion and campaigning**
  It is necessary to create awareness for the importance of a SPF in the Danube Region. Therefore, it might be helpful to come up with a respective means to make the concept known in the Danube Region. Such campaigning might be built upon presences on fairs (e.g. book fairs), festivals (e.g. Donaufest Ulm), conferences (e.g. EU annual forum), online (e.g. own website or social media), etc.

EU Responsibility

In contrast to the national, regional or municipal bodies the EU as supranational body is set on a level that goes beyond the area of the Danube Region as it incorporates many other geographical areas and does not cover the entire Danube Region. However, the EU is the body that established the Danube Region as one official macro region. Basis for the EU policy towards the Danube Region is its strategy to boost the development of the Danube Region (EUSDR), which was proposed by the European Commission on 8 December 2010 and got endorsed by the Member States at the General Affairs Council on 13 April 2011. Main objective is the fostering of cooperation between the countries or territories by mobilising local and regional actors to align policies and funding and to identify common issues, solutions and actions. This rather general objective alone is reason enough to support the SPF approach. But the strategy holds even more detailed targets that address the culture in the Danube Region: Culture and Tourism has been identified as one of the 11 priority areas (PA) of the EU Strategy for the Danube Region. Priority Area 3 aims at the promotion of culture, tourism and people to people contacts. PA 3 has seven targets of addressing respective aspects that are also being addressed by a SPF for culture:

- Target 1 "Develop a Danube brand for the entire Danube Region based on already existing work by 2015"
- Target 2 "Support the implementation of a harmonized monitoring system, dedicated to tourism, able to provide complete and comparable statistical data in all the 14 states part of the EUSDR".
- Target 3 "Develop new and support existing Cultural Routes relevant in the Danube Region"
- Target 4 "Develop green tourist products along the Danube Region."
- Target 5 "Create a 'Blue Book' on Danube cultural identity."
- Target 6 "Ensure the sustainable preservation of cultural heritage and natural values by developing relevant clusters and networks of museums, interpretation and visitors centres within the Danube Region."
- Target 7 "Promoting exchange and networking in the field of contemporary arts in the Danube Region."

Target 7 is predominantly aligned with the objective of a SPF, even though other targets are at least affected. If is therefore sensible to also hold the EU and its institutions responsible to contribute to the internal funding of the SPF. At time of the developing of this concept study, no official EU-funding program seemed suitable for the internal funding of a continuous SPF for culture in the Danube Region. However, the official policy of the EU in terms of funding the EUSDR is to align its funding programs respectively. It is therefore a matter of awareness

raising and politicization among EU decision makers, which might help to find EU funds that can contribute to the SPF. Therefore, the following approach shall to be followed:

- **Awareness raising and creation of high-level SPF supporters**
Since the establishment of the SPF can be depicted as political goal, it is important to find supporters among EU personal that act as project ambassadors. In order to find those individuals, it is important to meet respective political decision makers and convince them of the importance of this funding instrument. Position targeted are high level EU positions: commissioners, MEPs, etc.

Summary Public Internal Funding

National, Regional or Municipal Responsibility

- 1. Developing of a respective communiqué
- 2. Communication tour through the Danube Region
- 3. Promotion and campaigning

EU Responsibility

- Identifying respective decision makers
- Awareness raising and creation of community of high-level SPF supporters

Private Funding

Enterprises

As outlined in the best practice case TRADUKI, it is possible to gain support from the private sector. The private sector, however, is much more complex and heterogeneous, concerning the transparency of contributions. While public bodies in democracies are held responsible for their action before the people, private firms and individuals do not have anyone that has the right to determine their actions apart from the respective stakeholders.

Another difference is the incentive behind financial contributions. While public institutions decide on their institutional purpose and respective competence, private actors have multiple incentives that determine their funding activities. Those incentives are intrinsic or moral compass, promotion or marketing purposes, tax reasons, etc.

Moreover, while public bodies as potential contributors to the SPF are limited in number, there are an enormously large number of potential individual or corporate contributors to the SPF. Even smaller firms or rich individuals are potential donors. Obviously, this large number of potential contributors might also come with smaller average financial contributions. There are larger enterprises that can donate substantial amounts on a regular basis to the SPF. Those companies are less frequent. In order to attract their attention, one must identify and convince respective decision makers.

There are also many small and medium size enterprises and individuals that are a potential source of funding for the SPF. The collection of smaller amounts will bind capacity but holds the opportunity to become an independent and well accepted funding scheme as it is built upon many and relatively small donations.

The advantage of private internal funding is also the rather loose requirements of distributing respective funds to artists and culture projects. The disadvantage is the continuous work that needs to be done in convincing donors

Therefore, the following strategies shall be followed:

- **Communication tour through the Danube Region**
  It will be critical to meet and discuss the SPF idea with private sector representatives in the Danube Region
- **Promotion and campaigning**
  It is necessary to create awareness of the importance of a SPF in the Danube Region. Therefore, it might be helpful to come up with a respective means to make the concept known in the Danube Region.
- **Presenting the SPF as a platform to demonstrate the company responsibility**
  It will be crucial to promote the SPF publicly on fairs, festivals, conferences, online, etc. and present the donors – this is the promotional gain of private donors.

Foundations

Another source of potential internal SPF funding are foundations that share the same objective with the SPF. Since foundations are usually having own direct funding instruments, the main challenge is to convince respective decision makers to forward their funds to the SPF. The number of potential foundations that share the goal of supporting small culture projects in the Danube Regions is limited. Finding and addressing respective foundations is a worthy approach to get internal funds to start the operations of the SPF. The following steps shall be undertaken in order to gain access to foundations' funds:

- **Identification of potential foundations**
- **Addressing and meeting respective decision makers.**

Summary Private Internal Funding

Enterprisesh
• 1. Presenting the SPF as a platform to demonstrate the company responsibility (Coporate Social Responsability - CSR) • 2. Communication tour through the Danube Region • 3. Promotion and campaigning

Foundations
• 1. Identification of potential foundations • 2. Addressing and meeting respective decision makers.

4.3 Funding Design and Legal Aspects

According to the definition of the EU-commission, the Danube Region consists of nine EU-member countries (Germany, Austria, Hungary, Czech Republic, Slovak Republic, Slovenia, Bulgaria, Romania and Croatia) and five non-EU countries (Serbia, Bosnia and Herzegovina, Montenegro, Ukraine and Moldova) (EU Commission 2011). Such diverse area brings about different languages, currencies and most importantly different jurisdiction, which makes an area-wide funding scheme a complex mission. The following section outlines some of the key challenges and proposes potential solutions.

Jurisdiction

The limited scope of this concept study does not allow a detailed description and comparison of the different legal landscapes in the Danube Region. Each country (also among European Union member states) follows its own legal set-up, which each track back respective national historical developments and specific political changes. More so in the countries outside the European Union - Serbia, Bosnia and Herzegovina, Montenegro, Ukraine and Moldova – each have their specific rules for the funding of cultural projects. Considering the fact, that many subsidies and financing options are closely related to the municipal level, it is even further difficult to depict a simple status of cultural funding in the Danube region.

In order to set up a Danube Region wide funding scheme it is important to differentiate between the legal framework of the funding institution and the legal framework of the receiving institution or artist.

Legal Framework of the Receiving Partner

The legal framework of the one receiving the funding is relevant to be considered concerning mostly because of three potential reasons:

1. **Funds must be declared according to the respective tax law**
   Grants or cultural funding payments are non-commercial incomes that are often subject to respective laws for non-profit or not-for-profit organisations in the cultural sector. Those grants are usually subject to specifics of the national public procurement and subsidy law. Therefore, there each country might consider the grants differently. Concerning Value Added Tax, the European Union has several exemptions in place, that are relevant for recipients of grants (EU Commission 2019). Cultural services and closely linked goods as well as services of non-profit-making organisations are considered VAT exempt for Public bodies or other recognised cultural bodies (Article 132(1) (n) VAT Directive) (Council Directive 2006 11/28/2006).

2. **Representation Tax and Foreign Agency**
   Funds could be considered political support from a foreign agency. In recent years, there have been various governments that criticised foreign funding schemes for civil society activities. The most prominent case is the Hungarian with its strong public criticism of the Open Society Foundation and the private Central European University in Budapest. According to Hungarian law, civil society organisations that receive more than 24,000 € per year from overseas must label all their activity as foreign-supported activity (European Centre for Non-Profit Law 2017; International Renaissance Foundation 2019; BBC 2017).

3. **Funds shall not distort existing cultural markets or create unfair competitive advantages**
   besides political and legal challenges, there is also the risk of economic distortions that must be considered to ensure a level playing field for cultural actors. Especially providers of cultural activities with entertaining value that run a business model based on ticket sales must be considered as actors in an existing market environment that are competing with other actors. If such providers receive funding and thus reduce prices, it might affect the business of other cultural actors in a negative way and therefore effects the cultural sector in a negative way. This, for instance, can be the case if several music events compete for the same audience and one uses public cultural funding to lower its prices to outstrip its competitor (Khakee 1988).

The points above are important to be considered for the design of a respective funding scheme, which aims at being fair and attractive for cultural institutions

and artists. However, it is not necessarily a risk for the funding organisation as recipients are responsible for the declaration of the received funding and the potential legal outcome of their reception and action.

Legal Framework of the Funding Institution

The jurisdiction of the funding institution is a key factor for the success of a cultural funding scheme as it determines the legal framework for all operations. There are several challenges concerning the legal set-up of the SPF's entity and operation. Those challenges are related to the scattered legal landscape of the Danube region but also to the goal of making the SPF an attractive institution to be funded for public and private organisations.

EU Procurement Framework

Legal bases for EU activities are contained in the Treaty on European Union (TEU) and the European Unification Treaty (ECT). Following full ratification of the Treaty of Lisbon, the latter was replaced on 1 December 2009 by the "Treaty on the Functioning of the European Union" (TFEU) (Gerlach-March 2010).

In principle, the subsidiarity principle (Art. 5 TEU) applies at the European level: the EU may only act as a supplement to support the activities of the member states. The principle of proportionality stipulates that measures must be "suitable", "necessary" and "appropriate".

The legal regulations legitimising Community subsidiary cultural support by the EU are contained in:

- Art. 6 TFEU allows the EU to take "supporting, coordinating and complementary measures" with a European objective in the fields of culture, tourism, education, youth and sport in a third competence category alongside the areas of "exclusive" competence (e.g. monetary policy) and "shared" competence (e.g. social policy).
- Art. 107 TFEU allows aid to promote culture and heritage conservation.
- Art. 167 TFEU in Title XIII - Culture refers in para. 2 to the promotion of "cooperation between the Member States" and the "supplementary" support "if necessary" in the following areas
  - o to improve the knowledge and dissemination of the culture and history of the European peoples,
  - o conservation and protection of cultural heritage of European importance, non-commercial cultural exchanges, and
  - o artistic and literary creation, including in the audio-visual field.

o The "cultural impact clause" in paragraph 4 obliges the EU to take culture into account in all its activities, i.e. the impact of all regulations on the cultural sector.

Culture is a horizontal task in Europe. In 1999, the Directorate-General for Education and Culture was created as an administrative unit of the European Commission to communicate Europe as a cultural area. Culture is also reinforced by the Charter of Fundamental Rights of the EU, which is made legally binding by Article 6 TEU. It stipulates in Art. 22 that the EU must respect the "diversity of cultures, religions and languages". Art. 13 guarantees the freedom of art.

The procurement procedures are governed by various laws, ordinances and agreements, the following regulations are in line with German law to illustrate the complexity of procurement. Most countries have a similar set up of procurement principles for public bodies. For the sake of completeness, the following principles are relevant in the German context:

- EU Procurement Directives
- The Budgetary Principles Act (Haushaltsgrundsätzegesetz - HGrG)
- The Financial Regulations of the Federal Government, the Länder and the Municipalities (Haushaltsordnungen des Bundes-, der Länder und Gemeinden - BHO, LHO)
- The Act against Restraints of Competition (Gesetz gegen Wettbewerbsbeschränkungen - ARC)
- The Public Procurement Ordinance (Vergabeverordnung - VgV)
- The Award and Contract Regulations for Services Part A (Vergabe- und Vertragsordnung für Leistungen Teil A - VOL/A)
- The Construction Contract Award and Contract Regulations (Vergabe- und Vertragsordnung für Bauleistungen - VOB)
- The Award Rules for Freelance Services (Vergabeordnung für freiberufliche Leistungen - VOF)

A small project funding scheme for culture in the Danube Region will be hold accountable to follow the respective legal context. Providing grants that are sourced from public budgets are particularly critically. This is why a separate analysis of the legal basis for funding needs to be carried out on basis of the exact set-up of the targeted funding scheme (see section 5 Options and Implementation of the Small Project Fund Set-Up)

Language Challenges

One of the most insistent operational challenge of all EU funded projects and particularly its funding is the language difficulty. In fact, it is mostly not the project

team communication or the communication between people and project, it is rather the documents and the receipts of expenditures spent in different countries that are difficult or resource intensive to be translated. This makes the accounting and auditing procedure difficult.

Some EU funds, such as the INTERREG Program is based on a two-step auditing process with a first level of control in the own country and a second level control on the EU level. This however is also a relatively cost intensive auditing process, which most probably does not fit the SPF in its beginning. The most appropriate solution to the language issues is most probably to forward the responsibility of translation to the culture project that is given the grants.

5 Options and Implementation of the Small Project Fund Set-Up

Key challenges of the Small Project Fund for Culture in the Danube Region

The previous chapters provided insights to various challenges of a potential funding scheme. The following points summarize these challenges.

Funding:	How to get sustainable internal funding sources?
Legal:	Procurement laws, accounting and reporting regulation
Language:	Accessible funding schemes require multilanguage-approaches (auditing)
Political:	Fear of losing competences, foreign agencies
Bureaucracy:	Low burden on recipients and funding institution
Operational:	Who does the work?
Transparency:	What are criteria of selection and funding?

5.1 Potential models for the SPF

Against the background of the above stated challenges, this section outlines a draft course of action for the establishment of a hands-on independent funding instrument for culture projects in the Danube Region. The following options and plans are a suggested approach that is based on the research and experience of the authors of this study. There are different forms of implementation that each incorporate different actions and funding possibilities. In order to keep the concept compact three options are presented.

Option 1. Foundation Set-Up

The Foundation Set-Up describes the establishment of a Danube Culture Foundation, with own institutional set-up including a substantial endowment, which funds small projects in the Danube region according to the own statutes. The solution follows to some degree best practices such as the European Cultural Foundation or the Open Society Foundation.

Option 2. Constant Pooling and Distribution

This solution aims at pooling available funds from the private and public sector to distribute them to small projects in the Danube Region. Such solution is based on the understanding that one core activity is the constant search for funds to forward

them to small projects. It is based on the idea to set up an association like the best practice case of TRADUKI.

Option 3. Project Based Relay Set-Up

The project-based relay set-up is the most flexible and adjustable solution, which is a project format that might be repeated every time sufficient funding is available. It might be connected to existing conferences such as the Conferences on Danube Culture of the EU-Annual forum and might rotate within the Danube Region. Such solution might also work without the set-up of an own association as the format could be taken over by different intuitions depending on funding and capacity.

The following section elaborates on each option.

5.2 Option 1. Foundation Set-Up

The principle of a foundation is simple: it is an organisation that commits itself to a charitable purpose in the long term. Anyone setting up a foundation will forever part with transferred assets. The foundation invests the assets transferred to it securely and profitably. The surpluses generated in this way are used for charitable purposes. The donated assets themselves must remain as capital stock of the foundation and can also have a social effect. A foundation is meant for eternity and cannot hardly be dissolved. The purpose of a foundation is determined by the founders. This purpose is henceforth stipulated and may not be substantially changed.

Advantages

- Sustainable funding solution
- Independence from donors and politics
- Focus on projects and operational challenges instead of internal fund raising
- Reputation as independent foundation

Disadvantages

- Unclear / unlikely funding of sufficient endowment
- Dependence on financial market returns.

Prospect and course of action

Concerning the SPF, the foundation set-up is the most auspicious option as it constitutes a sustainable solution and an independent operation. At the same time, it is the option, which depends on a substantial money injection from outside sources, which are yet to be defined. The foundation option shall therefore be

perceived as the medium to long term goal, which might be a result of a successful implementation of the below described option 2 or 3.

5.3 Option 2. Constant Pooling and Distribution

Against the background of the previously described challenges with the foundation option 2 describes a set-up in which an organisation constantly receives and forwards funds to respective culture projects. For such arrangement, the SPF needs a standing organisation as a legal entity that has an operational set up that allows to continuously work on the internal funding as well as the distribution of funds.

Advantage

- Once incorporated, instant start possible
- Simple and adjustable set-up
- Open to all sorts of internal funding
- Continuous call for application
- Potentially a lighthouse programme in the Danube Region

Disadvantage

- Challenge with competences and location
- Constant searching for funding
- Relatively stranded to political developments

Prospect and course of action

Option 2 is a promising form of operation that might be incorporated within one year, given a respective budget for the set-up of the legal entity and a suitable operational basis. Such an organisation should be based on a political declaration of governments of the Danube Region to legitimize its actions. This option therefore requires a political consensus among various (not necessarily all) Danube region governments on the importance of such funding instrument.

5.4 Option 3. Project Based Relay Set-Up

Against the background of the aforementioned challenges of setting up a formal institution together with a political backing of such, which is necessary for both option 1 and 2, there is also a strategy that is based on a simple and hands-on SPF without much political or formal constrains. Such approach is based on the idea to start the SPF itself as a pilot project. For this pilot project the SPF is organised by an existing organisation in the Danube Region that runs one call for

applications for culture project in the Danube region. The granted funds will be attained by private and/or public contributions.

Advantages

- No constraints pilot approach
- Small budget approach
- Based on existing structures
- Flexible and adjustable according to funding partner

Disadvantage

- Potential flash in the pan
- Lack of sustainable strategy

Summary of the Three SPF Set-Up Options

Option 1. Foundation Set-Up	• **Advantages:** Sustainable funding solution, Independence from donors and politics, Focus on projects and operational challenges instead of internal fund raising, Reputation as independent foundation • **Disadvantages:** Unclear / unlikely funding of sufficient endowment, Dependence on financial market returns.
Option 2. Constant Pooling and Distribution	• **Advantage:** Once incorporated, instant start possible, Simple and adjustable set-up, Open to all sorts of internal funding, Continuous call for application, Potentially a lighthouse programme in the Danube Region • **Disadvantage:** Challenge with competences and location, Constant searching for funding, Relatively stranded to political developments
Option 3. Project Based Relay Set-Up	• **Advantages:** No constraints pilot approach, Small budget approach, Based on existing structures, Flexible and adjustable according to funding partner • **Disadvantage:** Potential flash in the pan, Lack of sustainability

6 Conclusion and Outlook

The concept study at hand outlines the different dimensions of a potential Small Project Fund for Culture in the Danube Region (DRC-SPF). Since the notion of a Danube Region wide funding scheme for small culture projects has been discussed for many years in the framework of events of the EU Strategy of the Danube Region, the concept now provides a solid and rigorous approach to taking concrete actions.

Against the background of the given funding landscape for cultural activities in the Danube Region, described in section 2, the study identified a gap for funding of small culture projects that have significance to the region. The results from the survey of artists and cultural institutions in the region, show that this gap of funding is also challenging respective actors in the field. Based on this information, the goal and scope of such funding scheme is determined. For these reasons, Chapter 4 presents the best practice case of TRADUKI that holds insights to a hands-on funding programme, that is flexible to absorb various internal funding sources. Subsequently, different potential internal funding options are outlined, assessed and initial strategies to gain access to the respective sources are provided.

All this information is the foundation of chapter 5 that derives three feasible options that depend on the targeted scope and financial endowment of the potential funding scheme.

- Option 1 Foundation Set-Up
- Option 2 Constant Pooling and Distribution
- Option 3 Project Based Relay Set-Up

Option 3 is the most modest approach for starting a SPF. Considering the lack of immediate funding, option 3 might be a starting point that helps to gain knowledge and at the same time facilitates the set-up of a more sustainable set-up such as option 1 or 2.

In order to gain further impetus, we promote a pilot round of option 3. Such pilot round can be implemented with limited internal funding in a consortium of different institutions related to the region and the cultural sector. The pilot round would help to collect information and gain experience that helps to further the notion of a sustainable funding scheme. The following section lists the most important information of the pilot round.

Brief Proposal for Pilot Round of the Project Based Relay Set-Up

- The financial support by SPF is intended as a start-up funding and not as an on-going subsidy.
- It will be given only to bilateral or multilateral projects in the Danube region (including participants from at least 2 or 3 countries), emphasizing the cultural collaboration between the countries in this area.
- The SPF is open to all kind of arts – literature, music, theatre, visual arts, photography and new media or cross sectoral. All formats are welcome, single projects in the countryside as well as new festivals and/or exhibition projects.
- The funds are limited to small scale projects – artists are invited to apply for max. € 5.000,00, NGOs up to max. € 15.000,00. This means that the fund is open to individuals as well as organisations. The maximum available amount of support may vary from year to year (depending on the financial situation of the fund) or depending on special thematic calls. Even smaller amounts could be available for artists' mobility (e.g. EUR 500 for a conference or network meeting with active contribution or to participate in an art fair, exhibition etc.).
- Special thematic calls will be possible. In this sense, the fund could refer to the theme of the CultPlatForm_21 project "Making the hidden heritage of the Danube region visible" as a follow-up action.
- A very clear description of the programme and the offer – what can be supported and what not – is a need to implement a SPF. Possible questions as „who can apply", "what are the eligible costs" and others have to be answered both in a descriptive way but also with the help of a list of FAQ-s.
- Jury meetings should be organised two or three times a year. The jury should consist of not more than 7 people, representatives of member countries as well as culture experts. Jury members will have a mandate period and will be changed regularly (e.g. after 1 or 2 years). The results will be announced with short statements/ feedbacks of the jury on the website.
- The application procedure should be simple and manageable, for experts as well as for beginners (see application and budget form proposals in Annex 7.1, 7.2 and 7.3 – based on the application and budget form for the recent call "Democracy Needs Imagination" of the European Cultural Foundation). The application should be sent at least 3 months before the meeting and 6 months before the project will take place.
- The controlling should not only focus on the correct financial settlement, but more on the quality of the artistic projects and if a sustainable cross-border cooperation could set up.

Course of Action

As describes in the previous section, there are various options each with pros and cons. The following lists provides a starting-up approach, which is based on the idea to start with Option 3 to grow from there.

1. Step: Preparation

- Formation of consortium. Development of concept for pilot funding round
- Project budget, Expression of potential funding from respective public institutions.

2. Step: Confirmation and Pilot-Project-Funding

- Funding institutions determine the context for the pilot round.
- Inquiry from consortium and respective contracts, Reception of Funding.

3. Step: Pilot Round Implementation

- Starting operations / determining team and roles, Finding respective Jury members, Publication of Website / Call for application
- Selection of respective project according to given budget.

4. Step: Funded Project execution / auditing & reporting

- Control of projects, Auditing and accounting
- Reporting

5. Step: Perpetuation

- Deriving lessons learned, Presenting results to future funding partners,
- Embedding and perpetuate the SPF

7 Annexes

7.1 Proposal for the Online-Application Form of the Danube Small Project Fund

PERSONAL AND ORGANISATIONAL DETAILS

1. Personal details

What is your name? *

First:

Last:

In which country are you based? *

2. Organisational details (if any)

Are you representing an organisation or other entity? *

YES:

NO, I am applying as an individual

3. Professional field of operation

What is your profession? *

Maximum Allowed: 10 words.   Currently Used: 0 words.

4. Contact details

Email *

Confirm Email *

Phone Number (with country code) *

Do you have/use any of the following?

Website

Blog

Instagram

Facebook

Twitter

Other

YOUR GRANT PROPOSAL (INCLUDING BUDGET)

**1. What does apply to your project? *

A) I'm applying for mobility support.

B) My project is a cooperation initiative.

C) My project is related to the special thematic call XXXXXXXX.

2. What is the title of your project? *

Maximum Allowed: 10 words.   Currently Used: 0 words.

3. Describe your project and do not forget to highlight its cultural dimension as well as specifying how it relates to the Danube region (max 300 words) *

Maximum Allowed: 300 words.   Currently Used: 0 words.

4. Who are the partners of your project and what is their role? (Applies only for cooperation and thematic call projects) *

5. What is the total budget of your project? (in Euro) *

6. For which grant amount are you applying? *

Mobility grant > 1.000 Euro

Grant for individuals > 5.000 Euro

Grant for cooperation > 15.000 Euro (only open to organisations)

Grant for special thematic call XXXXXXXX

Please fill in the exact amount you are applying for. *

7. What do you want to achieve with your actions? (max 150 words) *

Maximum Allowed: 150 words.   Currently Used: 0 words.

8. How will you carry out your project in order to achieve your goals? (max 150 words) *

Maximum Allowed: 150 words.   Currently Used: 0 words.

9. Who is your target group and how do you want to involve them? (max 150 words) *

Maximum Allowed: 150 words.   Currently Used: 0 words.

10. What is your communication strategy? (max 150 words) *

Maximum Allowed: 150 words.   Currently Used: 0 words.

11. How will you evaluate your project's success? (max 150 words) *

Maximum Allowed: 150 words.   Currently Used: 0 words.

12. Which concrete activities/action does your project involve? What is the timeline of your project? (max 150 words) *

Maximum Allowed: 150 words.   Currently Used: 0 words.

13. What is the project start and end date?

Maximum Allowed: 10 words.   Currently Used: 0 words.

SOME LAST QUESTIONS

What is your nationality? (optional)

Maximum Allowed: 10 words.   Currently Used: 0 words.

If you have more than 1 nationality, what second/third nationality/ies do you have? (optional)

Maximum Allowed: 10 words.   Currently Used: 0 words.

What is your age (range)? (optional)

What is your gender? (optional)

Main professional field/sector you or your organisation/entity is working in *

Which tag(s) would you give your project? (3 words maximum) *

Maximum Allowed: 3 words.   Currently Used: 0 words.

Have you ever come across/applied to/worked with the Danube Small Project Fund (DSPF)?

YES, I came across the DSPF in the past

YES, I applied to the DSPF in the past

YES, I partnered/collaborated with the DSPF in the past

NO, I never heard of the DSPF

Where did you hear about this call? *

I have searched for calls actively on the internet

I spotted in on a website

I received a mailing list/newsletter

Somebody told me about it

Other

ATTACHMENTS

1. Please download our budget template here, which we require you to complete and upload under A):

Budget template

A) Please upload your filled-in budget proposal. *

2. Please upload your CV of a maximum of two pages. If your CV will be longer than two pages, we are unable to assess your application. *

If you are notified of errors on submitting your application, it might well be these are not caused by your file uploads. Please, scroll up and check all the fields marked in red.

7.2 Proposal for a Budget Template for the SPF

Instructions – how to fill in this budget template:

1) Fill in first the detailed information on the second tab of this template (see below). This information will be automatically transferred to the 'Summary - Expenses' on this first sheet.

2) Then go back to this page and continue with the 'Basic Information' and 'Sources of Funding - Income'. This last table should include the financial contributions from you, potential partners, other funding bodies you have applied to and potential in-kind contributions. Please be as specific as possible, giving the exact names of your funding sources. The contribution requested from DSPF is automatically taken from the data entered under TOTAL DSPF- FUNDING, so you do not need to enter data in this particular cell. Please note that the total amounts in the Expenses and Income tables (both marked yellow) should be equal.

3) Save the budget with a file name as follows: [name applicant] budget.xls and upload it to your online application form.

Budget Grant Application DSPF - GRANT BUDGET OVERVIEW	
BASIC INFORMATION	
Project Title	
Name of Applicant (individual/ organisation)	
Names of Partner Organisations	
Names of other funding sources (if any)	
Project Period (from/to)	

SUMMARY - EXPENSES	DSPF-FUNDING	OTHER FUNDING	TOTAL EXPENSES
A. Personnel	0	0	0
B. Travel, Per Diem & Accommodation Costs	0	0	0
C. Production	0	0	0
D. Communication & Evaluation	0	0	0
E. Other	0	0	0
TOTAL EURO :	**€ 0,00**	**€ 0,00**	**€ 0,00**

SOURCES OF FUNDING - INCOME				EXPECTED DECISION DATE OF REQUESTED FUNDING (d/mm/yyyy)
SOURCE	REQUESTED	SECURED	IN-KIND	
	€ 0,00	€ 0,00	€ 0,00	

7.3 Template for Detailed Project Budget of the DSPF Application

Proceedings

- If you fill in the columns with the cost details (dark blue headings), the total sum of your costs will be automatically calculated and transferred to the 'Other Funding' field.

- You should manually enter which part of the budget you are asking DSPF for by filling in the 'DSPF Funding' field. The amount filled in under 'DSPF Funding' is automatically deducted from the 'Other Funding' section.

- In case of lump sums (light blue headings): please fill in totals in the 'Total (lump sum)' field without entering data in the previous columns (dark blue headings).

- The items highlighted green in column A are examples. You can work with those or adapt them to your project needs.

- The automated calculations only work when you begin with the green column (if a green field is empty, the calculation doesn't work)

A. Personnel - Salary and Fees							
TOTAL Personnel :						€ 0,00	
TOTAL Personnel DSPF | OTHER:						€ 0,00	€ 0,00
SAMPLES!!!	Monthly Salary Rate	Months	Number of people	Total (lump sum)		DSPF Funding (EURO)	Other Funding (EURO)
Project Administration & Accounting							€ 0,00
Project Communication (press relations)					€ 0,00		€ 0,00
Artistic concept of the event					€ 0,00		€ 0,00
Moderation					€ 0,00		€ 0,00
Social media campaign strategy & programming					€ 0,00		€ 0,00

B. Travel, Per Diem & Accommodation costs

	Unit Costs	Number of People/Days	Total (lump sum)		DSPF Funding (EURO)	Other Funding (EURO)
TOTAL Travel, Per Diem, Accommodation					€ 0,00	
TOTAL Travel, Per Diem, Accommodation DSPF | OTHER:					€ 0,00	€ 0,00
Travel from [fill in name] to [fill in name]				€ 0,00		€ 0,00
Travel from [fill in name] to [fill in name]				€ 0,00		€ 0,00
Per Diem				€ 0,00		€ 0,00
Accommodation in [fill in name]				€ 0,00		€ 0,00
Accommodation in [fill in name]				€ 0,00		€ 0,00
Other [please specify]				€ 0,00		€ 0,00

C. Production

SAMPLES!!!	Unit Costs	Number of People/Days	Total (lump sum)		DSPF Funding (EURO)	Other Funding (EURO)
TOTAL Production					€ 0,00	
TOTAL Production DSPF | OTHER					€ 0,00	€ 0,00
Rental equipment (stage, tents, control barriers)			€ 0,00			€ 0,00
Catering			€ 0,00			€ 0,00
Event management (technical staff for stage & venue, incl. logistics)			€ 0,00			€ 0,00

D.Communications & Evaluation

TOTAL Communications & Evaluation					€ 0,00	
TOTAL Communication & Evaluation DSPF | OTHER:					€ 0,00	€ 0,00
SAMPLES!!!	Unit Costs	Number of copies	Total (lump sum)		DSPF Funding (EURO)	Other Funding (EURO)
Stage banner				€ 0,00		€ 0,00
Different printing products and copies (also during preparation)				€ 0,00		€ 0,00

E. Other

TOTAL Other					€ 0,00	
TOTAL Other Costs DSPF | OTHER:					€ 0,00	€ 0,00
Itemise	Unit Costs	Number	Total (lump sum)		DSPF Funding (EURO)	Other Funding (EURO)
Contingency (e.g.)				€ 0,00		€ 0,00

7.4 Institution Survey on the Need of Funding for Culture in the Danube Region

1. I´m an official representative of the following cultural festival/organization (please insert the name of the organization)
2. Please indicate your organisation's home country
3. Please indicate which category describes best your field of activity
4. Please indicate the legal status of your organisation

Please indicate the yearly expenditures of your organisation in the following categories in percentage:

5. Personnel
6. Travels and Accommodation
7. Expenditures on Facilities
8. Expenditures on Material
9. Expenditures on Others

10. Has your organisation ever received funds from the following sources?
11. If you used EU Funds for your organisation, please specify

Please indicate/estimate the composition of your organisation's yearly budget in percentage:

12. EU funds
13. National funds
14. State/Regional funds
15. Local authorities
16. Funds from private foundations
17. Revenue from membership fees
18. Revenue from ticket sales
19. Project based funding
20. Institutional funding
21. Funding from tickets/cultural outcomes

22. Please indicate your existing levels of institutional or project cooperation

23. How many partners from the Danube region are working together with your organization (number)

24. How often do you cooperate with partners from the Danube Region (times in last 5 years)?

25. How intensive would you rate this level of cooperation 1: very low; 5: very high

Please rank the need for funding for the following categories

26. [Sequence 1]
27. [Sequence 2]
28. [Sequence 3]
29. [Sequence 4]
30. [Sequence 5]

31. If others, please specify

32. Which category would you see to be easiest funded by existing funding schemes

Funding Situation: Please describe how difficult

33. it is for your organization to receive suitable funding.
34. the application process of existing funding schemes is.
35. the accounting procedures of existing funding schemes are.

36. Which governmental level provides the most suitable funding for your organization?

37. What funding aspect is the most difficult regarding your projects (Select max 3)

38. Please comment on the idea of a Danube Region wide funding scheme to foster cooperation and mobility in the Danube Region. How would you set it up? (Please add at least three key words)

7.5 Artists Survey on the Need of Funding for Culture in the Danube Region

1. Please specify your current residence (area/city and country)
2. Please indicate which category describes your field of activity the best

Please indicate the yearly expenditures of your organisation in the following categories in percentage:

3. Travel Expenses
4. Expenditures on Facilities
5. Expenditures on Material
6. Expenditures on Services (Accountants, Publisher, Musicians, Translation etc.
7. Expenditures on Others

8. Have you ever received funds from the following sources
9. If you used EU Funds, please specify

Please indicate/estimate the composition of your yearly budget in percentage:

10. EU funds
11. National funds
12. State/Regional funds
13. Local authorities
14. Funds from private foundations
15. Revenue from other sources (sales)

16. Please indicate your existing levels of project cooperation
17. With how many partners from the Danube region are you working together?
18. How often do you cooperate with partners from Danube
19. How intensive would you rate this level of cooperation

Please rank the need for funding for the following categories

20. [Sequence 1]
21. [Sequence 2]
22. [Sequence 3]
23. [Sequence 4]

24. [Sequence 5]

25. If others, please specify
26. Which category would you see to be easiest funded by existing funding schemes?
27. Which category do you consider as to be easiest funded by existing funding schemes?
28. if others, please specify

Please describe how difficult

29. it is to receive suitable funding for your work.
30. the application process of the existing funding schemes is?
31. the regulatory and accounting procedures of existing funding schemes are?

32. What governmental level do you consider most suitable for providing funding for your work?
33. What funding aspect is the most difficult regarding your projects (Select max 3)?
34. Please comment on the idea of a Danube Region wide funding scheme to foster cooperation and mobility in the Danube Region. How would you set it up? (Please add at least three key words)
35. What should be the most important role of it? (Please add at least three key words)

8 Authors

Annemarie Türk studied History and Political Science at the Universities of Salzburg and Vienna, Cultural Management at the Academy of Music and Performing Arts in Vienna and Gender Studies (Feministisches Grundstudium). She was employed in various theatres and festivals in Austria as production manager. Between 1992 and 2013, she was head of the department for culture and sponsoring at KulturKontakt Austria, where she developed private art and culture sponsorships in Austria and numerous international projects with a focus on South, Central Eastern and Southeastern Europe. In this position, she was also responsible for the development of artists-in-residence-programmers for visual artists, writers and literary translators, dancers and choreographers. Since 2004 she has been lecturer at the University for Music and Performing Arts/Cultural Management Department. As freelance art consulter and curator she has been curating and realizing several projects in Southeastern Europe, Germany and Austria.

Márton Méhes, PhD is cultural manager. From 2001 on he worked in cultural diplomacy or management in Berlin, Pécs and Budapest. Since 2010 Márton lives in Vienna where he used to be the director of the Hungarian Cultural Institute until 2015. Since then, he works as international cultural manager. His main fields are cultural diplomacy in practice, European Capitals of Culture (ECoC) and cooperation in the Danube area. From 2015-18 he supported the development of ECoC Novi Sad 2021; in 2017-18 he coordinated the ECoC 2023 candidacy of Debrecen; currently he advises the Slovenian candidate city Piran 2025. In 2012 he initiated the programme 'Donau Lounge' at Vienna International Book Fair. In 2018-19 he was an expert of the DSP Fund project 'The Bridge – Fostering cooperation among Danube linked art and culture initiatives'. He gives lessons at Andrássy University Budapest and works for the INTERREG DTP project 'Danube Culture Platform – Creative Spaces of the 21st Century'.

Paul F. Langer is researcher at the German University of Administrative Sciences in Speyer, Germany. He holds economics degrees from the University of Freiburg (B.Sc.) and the University of St Andrews, UK (M.Sc.). He had stints with Siemens, the German International Cooperation agency (GIZ) and the European Energy Exchange (EEX). Apart from his research, he also works on own ventures in Europe and Africa. For the last 15 years he is involved in multiple Danube Region related projects. With the European Danube Academy, he initiated the Danube School Series as well as the Open Danube Award, which funds small cultural projects that contribute to the integration of Roma Communities in the Danube Region.

Daniel Schmitt is PhD Candidate at the German University of Administrative Sciences in Speyer, Germany. He studied Taxation and Public Administration. He worked for the Inland Revenue Service and for the State Ministry of Finance in Rhineland-Palatinate (Germany) assigned to the unit for economic promotion. Apart from his research, he was volunteer at the German Red Cross and organized cultural events for improvisation theatre. Within the European Danube Academy, he is the project coordinator for the 2nd Roma Inclusion Conference in Budapest (Open Danube Project) as well as the Open Danube Award 2019.

Publication bibliography

BBC (2017): Hungary approves strict regulations on foreign-funded NGOs. Edited by British Broadcasting Corporation. Available online at https://www.bbc.com/news/world-europe-40258922, updated on 11.4.19.

Council Directive 2006 (11/28/2006): On the common system of value added tax, 2006/112/EC - CNS 2004/0079, revised EN. Source: EUR-Lex. In: Treaty establishing the European Community. Available online at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32006L0112, checked on 12.4.19.

EU Commission (2011): EU Strategy for the Danube Region. Macro-Regional-Strategies. Edited by European Commission. Brussels. Available online at https://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/danube/#1, checked on 13.4.19.

EU Commission (2019): Taxation and Customs Union. VAT - Exemptions without the right to deduct - Exemption for activities in the public interest. European Commission. Brussels. Available online at https://ec.europa.eu/taxation_customs/business/vat/eu-vat-rules-topic/exemptions/exemptions-without-right-deduct_en, checked on 25.4.19.

European Centre for Non-Profit Law (2017): Hungarian Law on the Transparency of Organisations Supported from Abroad. What is at stake? European Center for Not-for-Profit Law (ECNL). Available online at http://ecnl.org/hungarian-law-on-the-transparency-of-organisations-supported-from-abroad-what-is-at-stake/, checked on 12.3.19.

Gerlach-March, Rita (2010): Kulturfinanzierung. Wiesbaden: VS Verlag für Sozialwissenschaften / GWV Fachverlage GmbH Wiesbaden. Available online at http://dx.doi.org/10.1007/978-3-531-92457-1.

International Renaissance Foundation (2019): About Us. Edited by Open Society Foundation. Available online at http://www.irf.ua/en/about/irf/, checked on 12.4.19.

Khakee, Abdul (1988): The rationale for urban government action for arts funding. In *Journal of Cultural Economics* 12 (2), pp. 1–18.

Méhes, Márton (2019): Study for the DSP Fund project. The Bridge - Fostering cooperation among Danube linked art and culture initiatives for a stronger Danube identity.

Méhes, Márton; Langer, Paul F. (2019): CultPlatForm_21. In Gerhard Mayer, Paul F. Langer, Tanja Salzmann-Reißer (Eds.): Impulse für den Donauraum. Impulses for the Danube Region. 10 Jahre Europäische Donau-Akademie. 5 Years Danube School. 1. Auflage. Ulm: Verlag Klemm+Oelschläger (Edition Donau, 10), pp. 57–63.