



European Cultural  
Foundation

# Annual Report 2018

Democracy needs imagination

President's Message [p.3](#)

Director's Report [p.5](#)

## I. ACTIVITIES REPORT

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### CATALYSE [p.8](#)

Grants [p.9](#)

STEP Travel Grants [p.10](#)

Research & Development  
Grants [p.12](#)

### CONNECT [p.13](#)

European Cultural  
Challenge [p.14](#)

Pilot Programmes [p.16](#)

Tandem Cultural Collaboration  
Programmes [p.18](#)

Cultural Diplomacy  
Platform [p.21](#)

### COMMUNICATE [p.22](#)

ECF Princess Margriet Award  
for Culture [p.23](#)

Policy Influencing [p.25](#)

Strategic Partnerships [p.28](#)

### CONSOLIDATE [p.29](#)

Knowledge Management [p.30](#)

Research & Development [p.32](#)

Publications [p.33](#)

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### GRANTS AND PARTNERSHIPS OVERVIEW [p.35](#)

### ORGANISATION [p.37](#)

Press and Marketing [p.38](#)

Business Model and  
Fund Development [p.40](#)

General Administration [p.41](#)

## II. GOVERNANCE [p.43](#)

Report by the Supervisory Board [p.44](#)

Declaration of Responsibility [p.46](#)

## III. FINANCIAL REPORT [p.55](#)

Acknowledgements [p.80](#)

Image Credits [p.81](#)

Colophon [p.81](#)



**HRH Princess Laurentien of the Netherlands**  
President, European Cultural Foundation

## Creating Space for Missing Conversations

Conversation seems so basically human. Yet in the age of digital technology, real conversation is under threat. At home, at work and across society. Research shows that without conversation, we become less empathetic, less truly connected, less creative, less satisfied. We seem to underestimate the value of investing in free-flowing, open conversations that take unexpected directions, where people have the time to develop and complete their own thoughts, not follow those of others.

Conversations with sustained attention are quite different from the kind of conversations where we drop in and out as we wish to. In fact, we can draw interesting lessons from the difference between the two for the way people discuss pressing societal issues such as climate change, migration, refugees, inequalities in society. These are all issues for which we need empathy, nuance, flexibility, in-depth understanding of the consequences of our ideas and actions... Real and in-depth conversation between different players is a precondition to solve such complex issues of long-term consequence for individuals as well as society at large.

So we need spaces where people feel they can speak freely while also stepping out of their own (information) bubble. Spaces where people can let go of their interest-driven and institutional thinking and listen to insights from those they never thought could advise them. We need spaces where people are surprised, both by others and themselves – by those they meet, what they share and what they can create together within a seemingly random group of people. We need independent spaces for people from different parts of society to meet and create dialogues. Places where everyone is taken seriously yet where no one takes themselves too seriously, connecting through focused conversations as well as meeting through serendipity.

This is the type of space that culture creates. And these are the kinds of connections that are made by the European Cultural Foundation and our

trusted partners, in particular the Prins Bernhard Cultuurfonds. Over time, we hope to create a uniquely diverse community of social changemakers around Europe who find constructive answers for more inclusive, just and sustainable societies in Europe and turn unconventional thinking into future-proof actions.

As we celebrate the European Cultural Foundation's 65th anniversary, let us remember that the organisation was born out of in-depth conversations between its founders – Denis de Rougemont, Robert Schuman and HRH Prince Bernhard of the Netherlands. In their vision, culture was central to the wellbeing and resilience of a Europe that was recently torn apart by war and dictatorship.

Many more conversations followed between Europeans from all corners of our continent, contributing to the process of weaving Europe together, slowly but steadily. We cannot take European connectedness and progress for granted. I remain convinced about the power of culture to help develop inclusive societies – to unite instead of divide.

Every day, we see how our work in the cultural space helps drive European solidarity. Take the exchanges between cultural managers in our *Tandem* programmes; in the coming together of grantees in the Idea Camps and in the *ECF Princess Margriet Award for Culture* laureates. And around the 2018 ceremony, we brought together many networks for the *European Cultural Challenge*. Intensive interactions on the future of Europe brought about many new alliances, plans and conversations.

We need broad, inclusive and open conversations about where Europe needs adjusting, what Europe has brought us all and how such conversations can further our solidarity and empathy. History has shown that we can only face the tremendous challenges we are living through in a sustainable manner by joining forces. At the European Cultural Foundation we are proudly making our contribution to that bigger cause.

**HRH Princess Laurentien of the Netherlands**  
President, European Cultural Foundation



**European Cultural Challenge**  
Amsterdam (NL), 2018





**André Wilkens**  
Director, European Cultural Foundation

challenging times  
a viable future  
courageous citizens  
Democracy Needs Imagination

## The Battle of Europe: What Can Culture Do?

It is 2019 and Europe is under attack. It would not be an exaggeration to describe these attacks as the Battle of Europe. The attacks are coming from inside and out. From the inside, they are coming from those who want to re-nationalise Europe, seal it off and turn it into a copy of its former self – a Europe that was almost destroyed twice by hostility between nations. Those attacking the continent from the outside have long regarded a united, supranational, cooperative Europe as a thorn in their side, because it sets a utopian example to the rest of the world.

This Battle of Europe is being fought not with tanks and missiles, but with ideas, narratives, bots and social media. The majority of Europeans do not yet realise that their continent has become the site of a global battle – and the outcome will have international implications, as history has shown so many times. It's time to defend the European idea of peace, stability and prosperity before it's too late.

Standing up for Europe is not about defending a boring status quo, but about fighting for a viable future. Europe is not perfect. Of course not. Inequality has been growing for more than 30 years, political and economic elites have lost touch with ordinary citizens. 'Brussels' is incapable of explaining how it makes Europe better and for whom. National leaders sabotage common action where it is needed most. Europe urgently needs reforms that put people and the environment first. Europe needs to generate excitement with its vision, utopian ideas and practical measures that improve people's lives. But we must also win the Battle of Europe. Because otherwise there will be nothing left to reform.

What can culture do? Culture can connect and divide. Culture can create communities and divide them. Culture creates public spheres. Culture can

create European experience. And European experience creates European identity. Culture can also provide resistance against neo-nationalist cultural ideologists who put national identity and national culture first. Culture is essential now for the survival of European unity. Culture is much more than a 'nice thing to have' or an accessory.

### ***Courageous Citizens: 2018***

Under the 2018 theme *Courageous Citizens*, the European Cultural Foundation (ECF) continued successful initiatives, nurtured existing partnerships and created new ones and scaled ideas and projects through private and public partnerships:

- *STEP* travel grants created more face-to-face experience by expanding the scope and number of journeys;
- the *Tandem Cultural Collaboration Programmes*, run in partnership with MitOst (Berlin) continued and expanded collaborations in terms of thematic areas and geographic scope;
- the *Displaced in Media* programme developed exciting and often shocking insights into the perceptions of migrants in the media and resulted in concrete policy recommendations, which will be followed up by an essay collection *Lost in Media* published in June 2019.
- Advocacy of ECF and its partners such as *More Europe* led to substantial achievements. This included the leverage of €300 million for international cultural cooperation projects, Creative Europe to be open to the world as of 2021, and the EU's New European Agenda for Culture (May 2018) to recognise and harness the social, economic and external dimension of culture.
- ECF kicked off pilot projects exploring new trends and ways of working (*Culture for Solidarity* and *Cultural and Creative Spaces and Cities*) and engaged in pooled funds (*Civitates* and *FundAction*).
- We hosted the *Global Cultural Leadership Programme* in Amsterdam and brought together around 100 thinkers and practitioners for the *European Cultural Challenge*.
- The *ECF Princess Margriet Award for Culture* celebrated its 10th anniversary in May, with two outstanding laureates: cultural centre Borderland (PL) and multidisciplinary research agency Forensic Architecture (UK).
- To share some of our laureates' thinking and contribution to social change over the past 10 years, we co-published the essay collection *Courageous Citizens* (Valiz, 2018).
- We were also happy to see Utrecht-based BAK – Basis voor actuele kunst staging an exhibition of the work of Forensic Architecture and sharing their important work with a broader audience in the Netherlands.

To find out in more detail about the work of the European Cultural Foundation in 2018, I invite you to browse through the following pages or read our Annual Magazine. [Annual Magazine 2018](#)

### ***No time for business as usual***

These are challenging times. This is not the time for business as usual.

We need to take a hard look at ourselves: What went right and what went wrong? The current challenges create space and urgency for new thinking, readiness for experimentation and risks.

Our vision is ambitious but we have limited human and financial resources. In order to make an impact, we need to focus and we need to mobilise others to share our vision and goals.

We are developing initiatives that contribute to achieving our goals. This includes initiatives developed in-house (operational) and supporting initiatives of others (grantmaking).

We are working with policymakers to develop good ideas into policies and secure sustainable public funding.

We are making a concerted effort to make our language understandable to a wide audience across all our communication channels, both internal and external. We are experimenting with new communication formats, in particular video, animation, podcasts and other social media formats. We are also looking at the role of popular culture as a resource in shaping European narratives.

The books and magazines published by the European Cultural Foundation – often in partnership with other organisations – provide in-depth reflections on the role of culture in building a better Europe.

### ***Democracy Needs Imagination: Outlook 2019***

Our main contribution to the political crisis in Europe in 2019 is a new Call for Action, *Democracy Needs Imagination*, which both frames the challenging environment in Europe and provides financial support for all those who want to join our call for action. This new initiative is extremely open and flexible, allowing a wide range of people and organisations to become active with a minimum of red tape.

As 2019 marks the 65th anniversary of the European Cultural Foundation, we will invest in telling and sharing our history and story in an innovative, creative and engaging way. We will communicate stories from our work across European media channels and highlight some of our key achievements like the *ERASMUS Exchange Programme* and *Plan Europe 2000*. 2019 will also see the launch of our multi-year *Stories of Europe* project – delving into our rich archives and legacy to craft visions for the future.

Between March and October 2019, the Foundation will carry out a strategic process involving European partners, experts, the Supervisory Board and staff with the aim of presenting our new multi-annual strategy in October 2019. This strategic process will take the form of workshops in different cities across Europe.

The focus of our communication in 2019 will happen on 2 October, the award ceremony of the *ECF Princess Margriet Award for Culture*, the celebration of 65 years of European Cultural Foundation and the announcement of our new strategy.

We live in challenging times. Let's use the resulting opportunities to make Europe a better place for our citizens and for people living beyond our borders too.

**André Wilkens**

Director, European Cultural Foundation



Borderland's klezmer band in concert at the ECF Princess Margriet Award for Culture Amsterdam (NL), 2018

## I. ACTIVITIES REPORT

# CATALYSE

Over the next few pages, you can read all about the exciting steps our Grants programme has taken in 2018 to support cultural practitioners and activists throughout Europe. From our *STEP* travel grant scheme to our Research & Development grants programme – our grants are taking significant actions towards catalysing change across Europe and beyond.

Grants [p.9](#)

STEP Travel Grants [p.10](#)

Research & Development Grants [p.12](#)







R&D grantees at the incubator camp  
Liverpool (UK), 2018

open calls  
participatory grantmaking  
across borders  
impact on society

## Grants

The European Cultural Foundation offers grants to individuals and organisations through open calls, as well as through limited calls to partner organisations, by invitation only. The total amount distributed to third parties in 2018 through our grants and other programmes was €2,084,537.

[Grants and Partnerships Overview p.35](#)

We believe in the power of individuals and organisations that want to change society for the better with their creativity and actions. Through our grants we give them the tools to take the first steps in that direction.

[culturalfoundation.eu/grants-exchange](http://culturalfoundation.eu/grants-exchange)

For instance, through our mobility programme *STEP*, we encourage the exchange of cultural practitioners and their host organisations across Europe and beyond. We believe that experiencing different cultures across borders and working together opens up minds and helps to create a society with greater solidarity, equality and a stronger sense of social justice.

The European Cultural Foundation also supports the research and development of inspirational ideas through our Research & Development grants. We believe that passionate and creative individuals can make a huge impact on society, especially if their actions serve or involve their wider community. One inspirational idea can sow many seeds and grow into something extraordinary.

Contributing to other funds is an effective way to leverage our limited financial resources and to align with other grantors to reach our shared objectives.

For a listing of all our grants and partnerships see our [Grants and Partnerships Overview p.35](#).



Lake Studio Residency in Berlin – Free Will project  
Berlin (DE), 2018

mobility funding  
wider Europe  
cross-border collaborations  
355 STEP travel grantees

## STEP Travel Grants

*STEP* stands for ‘Supporting Travel for Engaged Partnerships’. *STEP* travel grants support creative and critical cultural workers travelling across Europe and its neighbouring countries. It remains the only travel grant programme that is open for all European countries and their neighbours, and it is one of the only cultural mobility grant schemes not to operate with deadlines. *STEP* is initiated and managed by the European Cultural Foundation with the support of Compagnia di San Paolo (IT). [STEP travel grants](#)

2018 proved to be an extremely successful year for *STEP* travel grants in terms of outreach. We received 33% more applications than in 2017. As expected, our renewed guidelines with a more open geographical scope resulted in an increase in cross-border collaborations, particularly within the European Union. In keeping with our aims, this year we reached more applicants travelling to/from Mediterranean Europe and Central and Eastern European countries. The number of applications and grantees from the UK has more than doubled, making it the top departure country of 2018.

This year we also strengthened our strategic and financial partnerships for *STEP*. After becoming a member of the On the Move network last year, the European Cultural Foundation participated in the network’s Annual General Assembly in Lisbon on 22-24 May 2018. In December, we represented our *STEP* scheme at the Resources Mobilisation Day in Tunis.

STEP Travel Grants

## Facts and Figures

**668 people**

applied for a *STEP* travel grant (ranging from €250 to €700).

**355 applications**

were granted, making the success rate 53.1% in 2018 – around 7% higher than in 2017.

**635,150 km**

were travelled by *STEP* grantees in total (for 355 realised trips).

**578,106 km by airplane**

**32,111 km by train**

**10,017 km by bus**

**6,846 km by car**

**6,583 km by ferry**

**1,487 km by bike**

‘Slow’ on-land travel opportunities (for example, by train, coach and bike) have been widely encouraged in the *STEP* guidelines, through public communication and by offering higher grants for train travel. Although we have supported slightly more on-land travel than in 2017, the overall percentage has dropped by almost 10% – as only 16.5% of grantees travelled on land (compared to 26.6% in 2017).



STEP travel grant – Lost in Translation: Trading and Souvenirs  
Marseille (FR), 2018



positive change for societies  
funding innovative ideas  
local, regional and European  
peer-to-peer learning

## Research & Development Grants

Our Research & Development (R&D) grants provide seed money that offers the opportunity to explore new and daring concepts, supporting people and their ideas using creativity and cultural methods for positive change at a local, regional and/or European level. We actively support knowledge development through opportunities to network, finding new partners for collaboration, sharing tools for developing ideas and taking part in training and residencies. We have been launching open calls since 2014 to submit innovative ideas that address Europe-wide issues. [culturalfoundation.eu/rd-grants](http://culturalfoundation.eu/rd-grants)

The 26 R&D grantees awarded in 2017, which ran into 2018, focused on issues around *Moving Communities*. Their ideas grew in scale, re-focused and re-produced into other off-shoots in other parts of Europe. With projects active in health, education, societal development and immigration, the target groups were broad. The grantees learned from us, our network and each other. They experienced media interest and started the business of policy campaigning at the local, city-wide and national level.

In 2018, we issued 31 R&D grants, supporting grantees and their communities in their work to make Europe a safer, more democratic place. We continued with a peer-to-peer learning exchange process as part of the grant, moving into incubator workshops – an evolution from the ECF Idea Camps – to smaller scale groups. We worked with ex-grantees to share their skills in idea development in a workshop format.

We had five hosts from our community – from ex-grantees/partners We Make Places based in Liverpool to Les Têtes de l'Art in Marseille – coaching 31 grantees working on *Courageous Citizens* ideas. Their bold and daring projects ranged from raising eco-consciousness in the city, being decolonial detectives, empowering people with physical disabilities to reinventing one's heritage in the context of migration and displacement. [culturalfoundation.eu/library/rd-grantees-2018](http://culturalfoundation.eu/library/rd-grantees-2018)

The aim is to support the development of ideas from marginalised groups, working in difficult environments to make a healthier, safer community, for society – helping to expose injustice and mobilise people to help them fight for their positions. We want to explore how creativity can become an important part of that change process. Two shining examples of our R&D grantees include Cherelle Harding and Numu S. Touray – both of whom are working to empower people whose stories are being lost and de-valued.

Cherelle is working on the *Windrush Strikes Back: Decolonizing Global Warwickshire* project. Known as Shakespeare's country and the cultural heart of England, what many don't know about Warwickshire is that it was also the industrial and ideological heart of the British Empire. Grounded in the conviction that 'We are here, because you were there', the project aims to recruit local descendants of the Windrush Generation to act as 'Decolonial Detectives' – digging deeper into inter-related hidden histories. It is the first step to making a 'glocal' museum, and highlights the deportation and break up of lives happening in the UK, and elsewhere. [windrushstrikesback.com](http://windrushstrikesback.com)

Numu came to Sicily from The Gambia in 2014. Now he has moved to Marseille to work with newcomers from Afghanistan, Syria and locals to explore how they can learn more about music technology. He supports newcomers to make radio stories about their experiences of arriving in Europe, and asks what locals want to change in their city. Numu believes that we will move further away from a democratic Europe if we don't listen to conversations about others and change the negative bias. With his project *Open mic to unheard voices*, Numu wants to help these conversations to be heard to help make Europe more unified.



## I. ACTIVITIES REPORT

# CONNECT

In this section, you can find out how we have been connecting diverse people across Europe through the first *European Cultural Challenge*, our *Tandem* programmes for cultural leaders, our *Cultural Diplomacy Platform* and our *Displaced in Media* project, which helps young refugees to make their voices heard through the media.

European Cultural Challenge [p.14](#)

Pilot Programmes [p.16](#)

Tandem Cultural Collaboration Programmes [p.18](#)

Cultural Diplomacy Platform [p.21](#)



challenges in Europe  
intensive working sessions  
more than 100 participants  
planning Europe's future differently

## European Cultural Challenge

In May 2018, the European Cultural Foundation organised the first *European Cultural Challenge* (ECC). The event brought together about 100 people from our different networks to look at the specific challenges Europe is facing and how to address these from a cultural perspective.

Over two days, the participants gathered around seven different tables focusing on municipalism, the economy, public cultural institutions, citizen participation, inclusive media, diversity at the EU level and fragmentation in Europe. As part of the programme, the participants also attended the *ECF Princess Margriet Award for Culture* ceremony in the Stadsschouwburg Amsterdam, followed by a closing dinner at Stichting Ondertussen and a set of ateliers hosting artists with a refugee and migrant background.

[European Cultural Challenge 2018 Communicate p.22](#)

The objective of the *European Cultural Challenge* was to create a working retreat for our different stakeholders who all share an urgent need to imagine Europe's future differently, and who all see the potential in the role culture can play in solidarity, equality and inclusion in Europe. We also wanted to link the *ECF Princess Margriet Award for Culture* to other elements of our work. Representatives of both laureates participated in the Challenge and got the chance to interact with other stakeholders.

The Challenge was developed as a modern-day version of the Reflection Groups that we have been organising since the late 1960s. Many of these Reflection Groups led to new programmes and grant schemes. The Challenge was also designed with the intention of developing concrete outcomes that could continue after the event. This resulted in our participation in a variety of events including: the Open Eyes Economy Summit in Krakow; the interregional



European Cultural Challenge  
Amsterdam (NL), 2018

meeting of the Carpathian Foundation in Kosice; the Forum for the Future of Culture in Warsaw; and the *Eurozine* conference in Vienna. We also offered the latter a small grant in support of the event.

The Global Hub for the Common Good, Commonpolis and the Commons Network also received small grants in support of their work after the Challenge. The Global Hub for the Common Good, whose director attended the Challenge session Towards an Economy of Value, received a grant for the organisation of the New Economy & Social Innovation Global Forum – NESI Festival, which was held in Málaga on 24-27 April 2019.

Commonpolis received a follow up grant to coordinate the production and distribution of products that advocate for culture in European municipalist and Fearless Cities networks and that resulted from the Challenge session on Municipalism and Culture. Finally, as a follow up to the Challenge session on Democratic Societies and Citizen Participation in Europe, the European Cultural Foundation supported Commons Network with a grant for their EP selections campaign Commons for Europe. [Commons for Europe](#)

Articles were also written by Filip Zieliński (published on the Political Critique website: [website article](#)), Alek Tarkovski (published on Friends of Europe: [website article](#)) and Caroline de Gruyter (published on the Government Europa quarterly: [essay](#)). Last but not least, the participants who gathered at the table about media inclusion successfully applied to the *Erasmus+ Programme* with their proposal *MediaActivism – Courageous young citizens test new ways to reclaim their cities* (receiving the maximum grant of €500,000).

For the next edition of the *European Cultural Challenge* we will take the learnings from our internal and external research and continue to work on topics that are relevant to the European Cultural Foundation and our stakeholders. We intend to do this through a series of meetings across Europe throughout the year, with the ambition of formulating a joint agenda during the *ECF Princess Margriet Award for Culture* in October 2019.



European Cultural Challenge  
Amsterdam (NL), 2018





Displaced in Media – Multiplier Event  
London (UK), 2018

future strategies  
Displaced in Media  
FundAction  
Culture for Solidarity

## Pilot Programmes

Through our *Pilot Programmes*, we are investigating themes, methodologies and communities that are relevant for current and future strategies. These multiannual collaborative projects seek to build a more open, democratic and inclusive Europe by unravelling the dimensions and role of media in society (*Displaced in Media*), by looking at the role of participatory grantmaking for connecting social change movements across Europe (*FundAction*) and by exploring the role of culture in shaping inclusive practices in communities across Europe (*Culture for Solidarity*). [culturalfoundation.eu/pilot-programmes](http://culturalfoundation.eu/pilot-programmes)

All these pilots are supported by external funding or philanthropic collaborations and also build on our own previous experiences and impacts of working in a networked way within *Doc Next Network* and *Connected Action for the Commons*. [Connected Action for the Commons](#)

### ***Displaced in Media***

In 2018, we successfully finished the project *Displaced in Media*.

#### Displaced in Media

Eight organisations working on inclusion of refugee, migrant and minority perspectives in the public sphere worked on this project and their local knowledge was connected at the *Displaced in Media Hackcamp* in Seville. This resulted in the *Displaced in Media Recipe Book*, which features methodologies and strategies to practice more inclusive media education and was later presented at the British Film Institute (BFI) in London. [Recipe Book](#)

As part of the Hackcamp, participants also drafted an advocacy strategy, which resulted in a magazine with case studies of good practices and policy recommendations. [Displaced in Media Magazine](#)

In 2019, we plan to publish the book *Lost in Media: Migrant Perspectives and the Public Sphere* as a reflection and follow up to the project. [Lost in Media](#)  
*Displaced in Media* was co-funded by the *Erasmus+ Programme* of the European Union.



### **FundAction**

The process of *FundAction* has produced relevant knowledge, both as a democratic grantmaker as well as highlighting the causes the activist community in Europe is fighting for. An evaluation of the interaction process of this participatory funding platform showed that activists feel they are learning from each other and supporting each other across Europe. They feel more responsible and accountable for their own activism when they answer to each other, rather than to a foundation.

In 2018, the platform grew to almost 200 members, the first Annual Assembly of *FundAction* took place in France, and two rounds of grants were opened. The activists on the platform decided democratically how to distribute these funds between them. *FundAction* is funded by the Open Society Initiative for Europe (OSIFE; ES), Charles Léopold Mayer Foundation (FPH; CH), Guerrilla Foundation (DE) and the European Cultural Foundation.

[fundaction.eu](http://fundaction.eu)

### **Culture for Solidarity**

*Culture for Solidarity* investigates the roots of fragmentation in Europe through an artistic lens. The project explores, discusses and creates cultural practices that bring unusual groups of people together. In 2018, Participatory Action Research was conducted in cultural practices in five European contexts.

The researchers use ‘art-based anthropology’ to identify social interactions that are oriented towards empathy and mutuality. ‘Art-based anthropology’ encourages research subjects to take part in an unusual activity that accentuates a subtle behaviour, making it distinct enough to be forensically investigated by a researcher. The knowledge produced through this research is the starting point for a debate on the future of Europe, both online in ECF Labs and at an encounter in Seville in the spring of 2019.

*Culture for Solidarity* is co-funded by the *Creative Europe Programme* of the European Union. [cultureforsolidarity.eu](http://cultureforsolidarity.eu)



Culture for Solidarity – Muzeum Migracji  
Poland, 2018



Tandem Fryslân – Final Meeting  
Leeuwarden (NL), 2018

transnational exchange  
across Europe  
neighbouring regions  
social innovation

## Tandem Cultural Collaboration Programmes

The *Tandem Cultural Collaboration Programmes* represent our well-established cluster of cross-border support that engages arts organisations and cultural civil society organisations with critical challenges in Europe and its neighbourhood. Democratisation, citizen involvement, human rights violations, civil conflict, security, poverty, social cohesion, migration, populism, local/urban development, environmental degradation, destruction of cultural heritage, etc. are all subjects that the *Tandem* programme community has been tackling across wider Europe and beyond. [tandemforculture.org](http://tandemforculture.org)

*Tandem* works with cultural actors because they bring energy, creativity and fresh perspectives to societal challenges that are often seen as intractable. In *Tandem*, “art is a route to development for individuals and communities” (F. Matarasso, *Tandem* evaluation 2016).

*Tandem* was jointly created by the European Cultural Foundation and our core partner MitOst (DE). Since 2011, 18 programme editions – with an additional three currently ongoing – have been delivered in partnership with local partners Anadolu Kültür (TR), Al Mawred Al Thaqafi – Culture Resource (LB) and cultural civil society organisations in Ukraine, Moldova, Bulgaria, Greece and Portugal. Altogether, we have offered *Tandem* programmes in six different specific editions – geographically (Eastern EU Neighbourhood, Turkey, Arab Region, Balkans) or thematically focused (Social Innovation; Community & Participation). All programmes build on co-financing support of a broad range of private foundations and public administrations.

In 2018, *Tandem* started new programmes and brought others to an end. From Fryslân to the Gulf, we worked in many different geographical locations. This past year, we have successfully finalised *Tandem Fryslân* – a special *Tandem*



edition developed in collaboration with and implemented in the framework of Leeuwarden-Fryslân European Capital of Culture 2018, with 'iepen mienskip' (Frisian for 'open community') as a central theme.

In addition to the European Cultural Foundation, MitOst and Keunstwurk (Leeuwarden), Rijeka 2020 also joined the partner consortium and kindly hosted one of the meetings and co-funded collaboration project grants. Using our usual *Tandem* methods and learning processes, *Tandem Fryslân* facilitated the exchange of seven collaborations around a wide variety of projects and themes: from shooting a documentary film about two musicians travelling in Ukraine and Fryslân, to organising visits and theatre workshops within the Roma community in Heraklion in Crete.

Together with our new partner the Abu Dhabi Music & Arts Foundation (ADMAF; UAE), our implementing partner MitOst launched *Tandem Al-Emarat* – a new programme that will help to create local connections in the seven emirates.

*Tandem Ukraine* focused on developing the future of the programme in 2018. In July, alumni from *Tandem Ukraine* came together in the Carpathian Mountains to discuss the way forward. This resulted in the first Tandem Ukraine Academy Meeting from 23-25 November in Kharkiv, where 17 less experienced Ukrainian organisations were supported by the *Tandem* team and eight *Tandem Ukraine* alumni were invited to take the next steps towards international collaborations.

*Tandem Turkey* introduced a new approach in its fifth edition: alumni from Turkey and the existing Tandem Network in Europe and beyond were invited to apply along with a colleague from their 'sister organisation', who were emerging cultural practitioners from their local working environment. This approach allowed the alumni to take the initiative, share their experience with peers and introduce new members to the growing Tandem network.

In 2018, *Tandem* built on continued partnerships with: Robert Bosch Stiftung (DE); German Federal Foreign Office (DE); Fonds voor Cultuurparticipatie (NL); Stichting Doen (NL); Mimeta (NO); Fondazione Cariplo (IT); Stavros Niarchos Foundation (GR); Leeuwarden-Fryslân European Capital of Culture 2018 (LF2018; NL); Keunstwurk (NL); and Rijeka European Capital of Culture 2020 (Rijeka 2020; HR). New partnerships have been successfully established with Abu Dhabi Music & Arts Foundation (ADMAF; UAE) and Chrest Foundation (US).



**Tandem Fryslân – Kick-off Meeting**  
Praputnjak (HR), 2018

Tandem Cultural Collaboration Programmes

## Facts and Figures

### 5 Tandem programmes:

- *Tandem Europe – Social Innovation II*: 12 Tandems/24 participants
- *Tandem Shaml (Europe – Arab Region) V*: 9 Tandems/18 participants
- *Tandem Fryslân*: 7 Tandems/14 participants
- *Tandem Al-Emarat*: 5 Tandems/10 participants
- *Tandem Turkey – Europe V*: 5 'Quatro's/20 participants

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38 tandems involving 86 participants

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### 13 Tandem Meetings:

including

3 Partner Forums

4 Kick-off Meetings

2 Interim Meetings

2 Final Meetings

that took place in different locations in wider Europe and beyond.

1 Tandem Ukraine Alumni Development Meeting

1 Tandem Ukraine Academy



Tandem Europe – Final Meeting  
Milan (IT), 2018



global cultural leadership  
strategic role of culture  
policy initiatives  
pilot actions

## Cultural Diplomacy Platform

For almost a decade, we have been working to persuade European policy-makers to assign culture with a more strategic role in the European Union's relationship with the rest of the world. Since 2016, the *EU Cultural Diplomacy Platform* has been running a number of new policy initiatives and pilot actions in this field. The European Cultural Foundation is a founding partner of this international cultural policy platform. In 2018, we contributed again with curriculum design and delivery of the third annual *Global Cultural Leadership Programme* (GCLP). [Cultural Diplomacy Platform](#)

In 2018, we hosted the GCLP learning week in Amsterdam for the first time. The third programme edition involved 30 colleagues from the ten Strategic Partners of the EU (Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, South Korea and the US) and ten colleagues from different EU countries. Like previous editions, the GCLP Amsterdam did not only deliver taught sessions on leadership skills. Our lead facilitators Dr Sue Kay and Prof. Martin Zierold designed and delivered a peer-to-peer group learning programme that took the local experiences of participants as a starting point and rather focused on collective knowledge generation as a meta-skill for developing cultural leadership towards new global challenges. The GCLP 2018 also included an in-depth study visit programme to Leeuwarden, the European Capital of Culture 2018.



Global Cultural Leadership Programme  
Amsterdam (NL), 2018

## I. ACTIVITIES REPORT

# COMMUNICATE

In this section, you can read all about our *ECF Princess Margriet Award for Culture*, which has recognised some of Europe's most courageous cultural workers since 2008. And you can find out about the strides our advocacy work has made over the last 12 months in terms of EU policy and diplomacy.

ECF Princess Margriet Award for Culture [p.23](#)

Policy Influencing [p.25](#)

Strategic Partnerships [p.28](#)



tenth anniversary  
culture as critical space  
pioneering cultural work  
two laureates

## ECF Princess Margriet Award for Culture

The tenth anniversary of the *ECF Princess Margriet Award for Culture* was celebrated on 16 May 2018 at the Stadsschouwburg Amsterdam, under the theme of *Courageous Citizens*. The *ECF Princess Margriet Award for Culture* is awarded to artists and thinkers who inspire change in the way people shape societies – pioneers who are contributing to a more open and democratic Europe through culture. Through this award, we highlight stellar examples and put them in the spotlight as an inspiration for others – underlining the belief that artistic and cultural engagement form an integral part of political and social change. Laureates each receive prize money of €25,000. In addition, artist Jan Rothuizen designed a unique ceramic award for the laureates.

[culturalfoundation.eu/pma](http://culturalfoundation.eu/pma)

The 2018 laureates were: cultural centre Borderland (PL) and research agency Forensic Architecture (UK). [Borderland Foundation](#) [Forensic Architecture](#)

Borderland is both a foundation and a local centre for cultural encounters, creation and reflection. It is based in the Sejny-Suwałki border region of Poland, an area far from the big city museums and tourist destinations. The region has been shaped by cultural diversity yet is also marked by ethnic divisions. Borderland's activities bring living culture into dialogue with the region's rich heritage, bridging different generations, languages, world views, professions and life experiences and contributing to a culture of solidarity for the future.

Forensic Architecture is a multidisciplinary research group based at Goldsmiths University, London. The international group of architects, artists, filmmakers, scientists, political theorists, students and citizens engage in a form of investigative practice that traverses architectural, journalistic, legal and political fields. This practice moves from theoretical examination to practical application in a way that speaks to many publics.



Borderland – ECF Princess Margriet Award for Culture 2018 laureate  
The Mystery of the Bridge project (PL), 2018



To shine a spotlight on the laureates and take the opportunity to enlarge on the theme in a reflection with invited guests, this year we embedded the ceremony in our two-day *European Cultural Challenge*. This brought together laureates, grantees, partners, researchers, foundations, mediamakers and policymakers to work on tangible cases that fuel positive change through culture. [Connect p.13](#)

*“Culture can help build the bridges to cope with these eruptions of aggression, the xenophobic fears. I used to think that culture was freedom but now culture means solidarity to me. Not the artist as the genius, the creator of all, but seeing the genius in everything and everyone. It’s about encouraging creativity in all, approaching them as creators and partners with whom you can build great things – with whom you can build bridges.”*

**Krzysztof Czyżewski, Borderland**  
ECF Princess Margriet Award for Culture laureate, 2018

**Note on the Image**

Case 77sqm\_9:26min: Cropped image of composite of both the physical and virtual reconstructions of the internet cafe where Halit Yozgat was murdered on the 6th April 2006 by a member of the neo-Nazi group known as the National Socialist Underground (NSU). The person pictured is an actor reenacting the movements of security agent Andres Temme, who was present in the internet cafe when the shooting occurred. In this simulation, we proved that the body of Halit Yozgat would clearly lie within Temme’s field of vision before he exited the cafe. Image: Forensic Architecture, 2017



**Forensic Architecture – ECF Princess Margriet Award for Culture 2018 laureate**  
Case 77sqm\_9:26min (DE), 2017

global cultural citizenship  
participatory governance  
policy development  
external cultural relations

## Policy Influencing

The European Cultural Foundation advocates for an open, democratic and inclusive Europe – one that is created, owned and shared by Europe’s citizens and one where culture makes a valued contribution. Advocacy is the basis for everything we do, amplifying and synergising our programmes, annual award and strategic partnerships to influence policy. We create a central position for culture and community participation at a local level and in EU policies. We do this by impacting public opinion and by influencing policy.

We seek to contribute to a stronger European and global cultural citizenship – by enhancing citizens’ engagement in policy development, by connecting and positioning local cultural actors/actions at policy level and by contributing to the EU’s strategy for external cultural relations.

We care about our common future in Europe, which is why our advocacy in 2018 focused on how we could address some of the key societal challenges of today through culture and citizens’ actions. [culturalfoundation.eu/advocacy](https://culturalfoundation.eu/advocacy) By raising awareness of good practice examples at the EU level, by supporting ‘courageous citizens’, we have raised awareness about the ways culture can bring positive change to people and communities.

We joined efforts with international cultural networks (such as Culture Action Europe, Europa Nostra, On the Move) to advocate for a substantial budget increase for culture and cultural heritage in the next EU multiannual budget for culture (2021-2027).

Conscious about the ongoing challenges for European democracies facing societal divide and estranged EU citizens, we also started preparations to influence the 2019 European Parliamentary elections.

### ***Campaign on the next EU Budget and the next Creative Europe programme***

As a supporting member of Culture Action Europe (CAE), we joined their Europe-wide campaign calling for a doubling in funds for culture in the next seven-year EU budget (2021-2027). The campaign demand for 1% of the EU budget to be dedicated to culture across EU programmes was supported by



Cultural and Creative Spaces and Cities  
Dynamo Festival Spielboden Dornbin (AT), 2017

the European Parliament Committee for Culture and Education. Launched in 2018, the CAE Manifesto proclaims our common belief that culture is the foundation of European unity – binding us together and underpinning our sense of belonging to the European community. [CAE manifesto](#)

*“We believe that culture plays a crucial role in upholding common European values, nourishing mutual understanding among the peoples of Europe and fostering diverse and inclusive societies.*

*We aspire to put culture at the heart of public debate and decision-making. Culture and the arts are deeply embedded in society and affect a range of policy fields. [...]*

*Culture, as the foundation of European unity and key to future prosperity, needs a proper financial commitment to ensure the sustainability of the European project. [...]*

*A shared European future is only possible with substantial and sustainable funding for culture both across policy fields and in the framework of a specific cultural programme.”*

CAE manifesto

The social media campaigns #double4culture and #Commit1% shared 20 reasons why culture brings EU added value and deserves additional funding. These demands were supported by evidence on the impact of culture across EU policy areas, collected by the Budapest Observatory in the study *The Value and Values of Culture*. [Read the Study](#)

### **Culture and Brexit**

Brexit presents a big challenge for the future of the EU. For the European cultural sector, it has catalysed greater solidarity with UK partners and friends. We teamed up with the Brussels-based arts centre BOZAR and the British Council (Brussels) in a workshop on 24 September on the possible implications of Brexit for arts, culture and creative sectors in Europe and in the UK. More than 60 leading experts from the cultural and creative sectors from across Europe called on Brexit negotiators to address their urgent concerns related to mobility, funding and partnerships, and legal questions surrounding the future relationship between the UK and EU.

[Moving Beyond Brexit](#)

### **Cultural and Creative Spaces and Cities**

*Cultural and Creative Spaces and Cities* (CCSC) is an exciting new project that aims to test and research new participatory practices in European cities over the next two years. The project is co-financed by the European Commission and led by Trans Europe Halles (SE), and co-developed with the European Cultural Foundation, University of Antwerp, P2P Foundation (NL), City of Lund, Sweden, together with six more partners and a number of additional stakeholders. It is a follow up of our work (2014-2017) on *Connected Action for the Commons* and *Build the City Manifesto and Magazine* (2016).

[Cultural and Creative Spaces and Cities](#) [Build the City Manifesto](#) [Build the City Magazine](#)

### **Culture at the core of EU External Relations**

Adopted in 2016 by the European Commission, the EU Strategy for International Cultural Relations launched a new era in EU foreign relations. We have been among the strongest supporters and contributors of know-how on how to enable viable cultural cooperation across borders on a global scale.



Go Vote! campaign banner  
EU, 2018



Since 2016, the European Cultural Foundation has been one of the partners carrying out three Global Cultural Leadership trainings in the framework of the Cultural Diplomacy Platform (funded by the European Commission and operated by a consortium – led by the Goethe-Institut). The third edition took part in Amsterdam and Leeuwarden – European Capital of Culture (NL) in October 2018. [Connect p.13 Culture in EU External Relations](#)

### ***European Year of Cultural Heritage 2018***

As a member of Europa Nostra and of the European Cultural Heritage Alliance, we contributed to a number of appeals. We partnered in a workshop entitled *World Heritage, Sustainable Development and Civil Society*, organised by the University of Kent (Brussels) – an initiative by our former Cultural Policy Research Award winner, Dr Sophia Labadi. The workshop, in the framework of the European Year of Cultural Heritage’s programme, resulted in an action plan and recommendations to facilitate civil society’s participation in the implementation of UNESCO’s policy on the Integration of a Sustainable Development Perspective into the Processes of the World Heritage Convention. [Action plan](#)

### ***Displaced in Media Magazine***

*Erasmus+* co-financed the project *Displaced in Media*, which looked into EU policies for migration, integration and media, and formulated policy recommendations focusing on media education and literacy – from the perspective of newcomers (refugees). [Connect p.13 Displaced in Media Magazine](#)

### ***Other partnerships and memberships in 2018***

- We pursued a partnership with More Europe – external cultural relations in 2018, reinforcing the role of culture in the EU’s external relations. In particular, More Europe supported and accompanied the process leading to the final adoption of the New Agenda for Culture on 22 May and its strand on international cultural relations. Particular focus was given to the EU southern neighbourhood to inform and support the design and development of future EU programmes for the Middle East and North Africa (MENA) region.
- We partnered for impact in Civitates, a consortium of 16 foundations committed to upholding democratic values in Europe. The philanthropic initiative for democracy and solidarity in Europe aims to strengthen the capacity of civil society to play its indispensable role in shaping vibrant and open European democracies. It is hosted by NEF (Network of European Foundations). [civitates-eu.org](http://civitates-eu.org)

- We are also a member of Culture Action Europe, Europa Nostra, European Policy Center, Friends of Europe, On the Move, FIN and Goede Doelen Nederland.

### ***Other joint advocacy efforts with partners and membership organisations in 2018 include:***

- Joint advocacy actions of More Europe and partners that led to the decision to open a Creative Europe programme to the world as of 2021.
- Advocacy that led to the leverage of €300 million for the cultural and creative sectors of Europe to carry out collaborative projects with partners outside the EU. This came through funding from the EU’s External Action Service, Directorate for Development, Directorate European Neighbourhood and the EU’s 140 or so delegations and offices across the world.
- New European Commission initiatives for mobility of artists and cultural professionals emerged in 2018, influenced by the longstanding advocacy and expertise of the European Cultural Foundation and On the Move network.



Forum on European Culture  
Amsterdam (NL), 2018

support third parties  
enhance visibility  
shared advocacy interests  
respond to urgencies

## Strategic Partnerships

We maintain a flexible and un-committed budget to develop and contribute to Strategic Partnerships that support third parties. Some of our resources, including funding, are committed according to the following areas of interest and within a fixed set of criteria in order to:

- scale the European Cultural Foundation and our beneficiaries' profiles and enhance visibility; and/or
- advance shared advocacy interests; and/or
- respond to urgencies, actualities or unforeseen situations in Europe in which our support makes a crucial difference and cannot be accommodated in our grant streams.

In 2018, we partnered with and supported the following organisations from this flexible budget:

- EDGE Funder Alliance (ES; Annual Conference 2018)
- International Foundation Manifesta (NL; Bintou' were at Palermo, June 2018)
- Stichting European Culture (NL; Forum on European Culture 2018)
- Stichting Holland Festival (NL; Young Academy 2018)
- Vereniging Compendium Cultural Policies and Trends (NL; Publication of eight cultural policy profiles from MENA region)
- Salma Zulfiqar – Creative Communications (UK; Migration Blankets)
- Interakt (NL; Where have I known you before?)
- Goethe-Institut Norwegen (NO; European Songbook)
- Stichting Ons Interbellum (NL; BRX-STB: Europe on Track?)
- Global Studies Institute (CZ; Reinventer L'École et l'Université)
- European Alternatives (DE; hiring editor *Political Critique*)
- Amis du Wellbeing Project (FR; The Wellbeing Project)
- Commons Network (DE; Commons Assembly).

## I. ACTIVITIES REPORT

# CONSOLIDATE

Over the next few pages, you can read about how we measure the impact of our work and learn from our successes – and our mistakes – to help inform our decisions and tailor our initiatives accordingly. We also look at how we have captured our institutional knowledge in 2018 through key publications and digital media, which have helped us to reach out to new audiences.

Knowledge Management [p.30](#)

Research & Development [p.32](#)

Publications [p.33](#)







Cities of Change  
2018

fostering experimentation  
systemic change  
new municipalism  
open source solutions

## Knowledge Management

Knowledge Management runs across programmes and processes in the European Cultural Foundation. It connects different types of knowledge that exist with our staff and our external networks, fostering experimentation and nourishing our programmatic and digital work.

In 2018, we concentrated on the alignment of criteria and guidelines across the organisation, including embedding diversity criteria in everything we do. Knowledge Management also worked on the concept and execution of the first *European Cultural Challenge*, relating to interesting cultural trends in Europe that are gaining ‘democratic momentum’, like *the culture of new municipalism* and the ambition towards a next, *value based economy*. Both topics were part of the *European Cultural Challenge* and were developed in collaboration with and with the support of the Charles Léopold Mayer Foundation (CH). [Connect p.13](#)

The European Cultural Foundation has a tradition of supporting and adopting open source solutions; when digital tools are not available, we make our own – tailor-made for our support and activities. A strong connected on- and offline network with different stakeholders brings better visibility to the work of our partners, grantees and our own foundation work and provides the opportunity to extend our outreach.

### ***Cities of Change Funders Collaborative – Fear and Courage at the EDGE***

We have been working with a number of foundations on the trend of *new municipalism* across Europe, with the objective of fostering experimentation and joint advocacy for systemic change with other philanthropic foundations, and aligning with our mission of an inclusive and democratic Europe.

As an active member of the EDGE Funders Alliance we launched the Cities of Change Funders Collaborative with five other foundations in December 2018. This includes a regular newsletter, webinars and a space for learning, collaboration and discussion. [Cities of Change Funders Collaborative](#)

The initiative resulted from a working session for funders at the annual EDGE conference in New Orleans in April. We invited cultural agents Peter Jenkinson and Shelagh Wright (UK) to facilitate the session, which inspired foundations to collaborate more on the growing democratic alternative of new municipalism, embodying a direct form of local governance with citizens rather than for them. As such, it reveals a new *culture* of politics in towns and cities.

Building trans-local learning and trans-institutional support is vital. The Cities of Change Collaborative offers an ongoing opportunity for funders to assess how philanthropy can play an important role in strengthening a new narrative, a new (feminised) politics of inclusion and listening and showing that a radical change in European towns and cities *is* possible.

We need to make more imaginative progress towards a further shore in the maelstrom of fearful nationalism, xenophobia, injustice and inequality. We all need solidarity and participation so that we can hope and believe.

### **Digital // Digital Strategies**

All of our programmes are supported by the knowledge and tools of our Digital team. 2018 opened with the redesign of our corporate website, [culturalfoundation.eu](#), to reflect the new European Cultural Foundation brand guidelines. This update was also an opportunity to finetune our strategy for communicating and marketing our work on social networks and search engines.

Within the first half of the year the new brand style was implemented on our interactive media and community platforms too: [Mediactivism.eu](#), [STEPtravelgrants.eu](#), [ECFLabs.org](#). These platforms make it easy for participants in our various programmes to share ideas and to create new connections.

New spaces were created for storytelling linked to our activities:

- ‘Travel Stories’ are written every day by *STEP* applicants exploring Europe. [ecflabs.org/lab/on-travel](#)
- the ‘Displaced in Media’ board was also opened as a space for conversations about the link between refugees and the public sphere. [ecflabs.org/lab/displaced-media](#)

Throughout 2018, our Digital team contributed to the definition of new possible business models for the Foundation, introducing tools and methodologies from the technology sector. In particular the Visualisation Tool, originally developed in the context of the *Connected Action for the Commons*, has attracted a lot of interest from third-party organisations. This encouraged us to consider the development of the tool as a concrete digital business opportunity in 2019. [connected-action-impact.culturalfoundation.eu/universe](#)

*“Today the forces of municipalism and culture are interdependent and merged to create a profound and sustainable shift in policy and politics and, most critically, in lived experience for the many and not the few in the journey towards a new democracy. The desire to have greater agency and creativity in our own lives, and the possibility of shaping the realities that surround us – not just accepting predetermined options – are vital impulses of our time.”*

**Igor Stokfiszewski**

Researcher, journalist, artist and participant in the European Cultural Challenge 2018

learning as an organisation  
alternative democratic practices  
participatory governance  
European outreach

## Research & Development

Through our Research & Development (R&D) work, we aim to strengthen the research and evaluation base of our programmes, provide evidence for advocacy and explore new research areas. Through a cultural lens, we look into alternative democratic practices, new forms of civic engagement and urban commons, as well as the position of Europe in the world. The outcomes and findings fuel all our activities.

As a result of our partnerships in 2018, we deepened our knowledge in areas that were considered almost impossible to tackle in the past.

[culturalfoundation.eu/r-d](http://culturalfoundation.eu/r-d)

### **Culture impacts on other sectors**

The European Research Partnership on Cultural and Creative Spillovers (which the European Cultural Foundation has been taking part in since 2014) came to an end in 2018, after publishing a *Second Evidence Review* by Nicole McNeilly. The report sheds light on new rising policy areas (such as knowledge and industry spillovers, as well as creative milieu and place branding).

[ccspillovers.weebly.com](http://ccspillovers.weebly.com)

### **Supporting Cultural Policy Task Forces in MENA region**

Our support for cultural policy research and activism in the Middle East and North Africa (MENA) region continued via our partnership with the Beirut-based Culture Resource Foundation.

In 2018, we joined the newly established Compendium Association, creating a new 'home' for the eight Arab country profiles (hosted by the International Federation of Arts Councils and Culture Agencies (IFACCA) in previous years). [culturalpolicies.net](http://culturalpolicies.net)

The material is available online at [arabcp.org](http://arabcp.org) – the only cultural policy website available in Arabic (as well as in English).

### **Evaluation**

Our first *European Cultural Challenge* (ECC) in May 2018 was a pilot activity contributing to our *Courageous Citizens* theme in a unique way – integrating the annual *ECF Princess Margriet Award for Culture* into its programme.

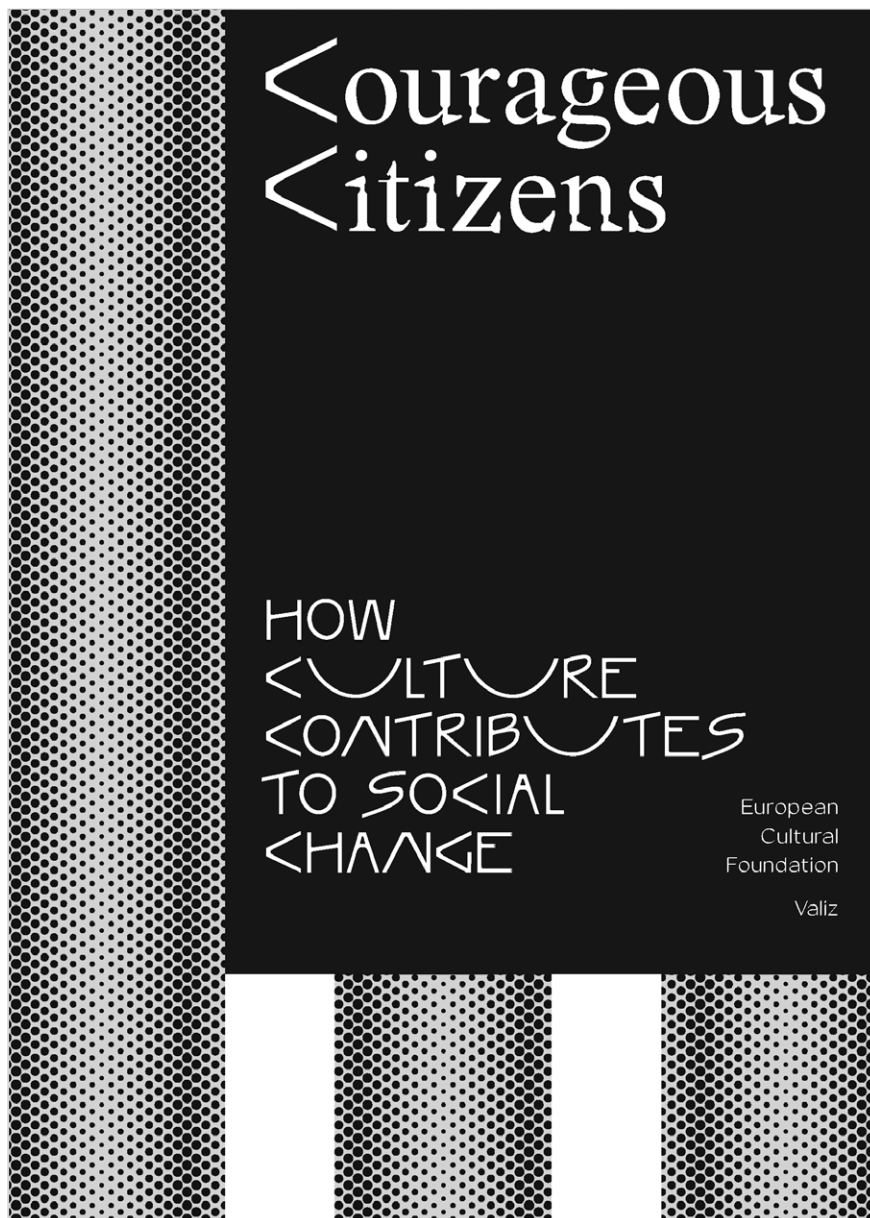
[Connect p.13](#)

The subsequent evaluation showed that the ECC-activated advocacy initiatives among participants to help combat societal fragmentation through culture. It inspired new solidarity actions, mobilised partnerships (existing and new), achieved better awareness of how culture can contribute to democratic processes and thus responded to shrinking civil society spaces. A set of learnings were provided for the next ECC edition.

### **The Force of Art**

We joined forces with two Netherlands-based foundations – Prince Claus Fund for Culture and Development and Hivos – in a new project called *The Force of Art: Research from a Global Perspective* (2018-2020). Part of the Prince Claus Fund's *Next Generation programme*, the project aims to investigate the ways in which art and culture affect people and their social environments around the globe. [Next Generation](#)

In 2018, the first phase of the project was completed with a selection of 15 researchers/research teams from all over the world, who chose their study cases from a database of more than 200 projects (provided by the three foundations). Research work will be carried out in 2019 and the findings will be published in 2020.



**Courageous Citizens: How Culture Contributes to Social Change**  
Valiz and European Cultural Foundation (NL), 2018

in-depth reflections  
essays and case studies  
publishing partnerships  
international distribution

## Publications

The publications published or supported by the European Cultural Foundation – often in partnership with other organisations – provide in-depth reflections on urgent issues at play in Europe.

In 2018, we partnered with Valiz Publishers to produce *Courageous Citizens: How Culture Contributes to Social Change*. It was published to coincide with the tenth anniversary of the *ECF Princess Margriet Award for Culture*.  
[Communicate p.22](#)

This collection of essays, conversations and visual work explores how individual and small groups can contribute to social change through culture and art. Through the publishers' international distribution network, the book is available in all good bookshops across the globe as well as online, and it was showcased at around 20 bookfairs in Europe and the US. [Courageous Citizens](#)

We also published two reports to conclude our findings from the *Erasmus+* co-funded partnership project *Displaced in Media* (2016-2018) [Connect p.13](#):  
• *Displaced in Media: Towards Better Media Representation and Inclusion of Migrants and Refugees in Europe* brings together a collection of case studies, essays and migrants' perspectives to address the prejudiced media coverage on migration and its negative impact on European societies and politics. Drawing on grassroots experiences, as well as existing research and statistics, the magazine advocates for more responsible and diverse media practices in Europe. Recommendations for media organisations and policymakers are guided by a vision for Europe where existing inequalities are reduced and diversity is valued as a strength, both at home and abroad.  
[Displaced in Media Magazine](#)

• The *Displaced in Media Recipe Book*, compiled by Charlie Tims, brings together learning from those people and organisations that are working for greater participation by and representation of those with refugee backgrounds. [Displaced in Media Recipe Book](#)



Continuing our work on media and the representation of migrants in the public sphere, we also worked on a new publication that is due to be published in June 2019: *Lost in Media: Migrant Perspectives and the Public Sphere*, edited by Ismail Einashe and Thomas Roueché and published by Valiz.

It brings together critical responses to the representations of migrants in the media in Europe through nine essays by prominent writers, artists and journalists. [Lost in Media](#)



**Migrants and Media  
in Europe**  
page 6

**Good Practices by  
Displaced in Media Partners**  
page 11

**Women Don't Need  
Empowerment.  
They Need Opportunities**  
page 30

**Displaced in Media Magazine**  
European Cultural Foundation (NL), 2018

# Grants and Partnerships Overview

The European Cultural Foundation offers open calls for grants as well as providing grants to partners through limited calls, or by invitation.

We also keep a modest budget to respond to urgent needs and/or unexpected actions that cannot be met through our grants scheme. The total amount distributed to third parties in 2018 through our grants and other programmes was €2,084,537.

## CATALYSE

Grants	€
R&D grants:	
R&D grantees	300,730
R&D Incubator Workshop hosts	47,500
STEP travel grants	145,450
Network of European Foundations (NEF)	50,000
German Marshall Fund	50,000
<b>Total grants</b>	<b>593,680</b>
<b>Total Catalyse</b>	<b>593,680</b>

## CONNECT

<b>European Cultural Challenge</b>	€
Eurozine	7,000
Global Hub for the Common Good	7,000
Commons Network (50% Challenge, 50% Policy Influencing)	5,000
<b>Subtotal</b>	<b>19,000</b>
<b>Pilot Programmes</b>	
<b>Culture for Solidarity</b>	
ZEMOS98	10,007
<i>(2018 part, total grant award of € 50,000)</i>	
Krytyka Polityczna	39,017
<i>(2018 part, total grant award of € 50,000)</i>	
<b>Displaced in Media</b>	
<i>The following partners received a grant for project activities: ZEMOS98, British Film Institute/BFI, Fanzingo, Mode Istanbul, Kurziv, Let Têtes de l'Art, Stichting Here to Support and Creative Initiatives 'e'</i>	
	58,840
<b>Subtotal</b>	<b>107,864</b>
<b>Tandem</b>	1,082,129
<i>The amount of EUR 1,082,129 represents the total sum of direct ECF grants to Tandem Fryslân participants and all the project funding to ECF's implementing partners MitOst and Anadolu Kültür which includes re-granting to Tandem participants during 2018.</i>	
<b>Total Connect</b>	<b>1,208,993</b>

## COMMUNICATE

<b>ECF Princess Margriet Award for Culture</b>	€
Borderland	25,000
Forensic Architecture	25,000
<b>Subtotal</b>	<b>50,000</b>
<b>Publications</b>	
Valiz	31,864
<b>Subtotal</b>	<b>31,864</b>
<b>Policy Influencing</b>	
<b>Policy Advice and Actions</b>	
Culture Action Europe	25,000
Bozar	3,000
Commons Network <i>(50% Challenge, 50% Policy Influencing)</i>	5,000
<b>Subtotal</b>	<b>33,000</b>
<b>Strategic Partnerships</b>	
Edge Funders Alliance	10,000
International Foundation Manifesta	5,000
Stichting European Culture	13,000
Stichting Holland Festival	10,000
Vereniging Compendium Cultural Policies and Trends	10,000
European Alternatives	15,000
Goethe-Institut Brussel - More Europe	25,000
Goethe-Institut Norwegen	5,000
Amis du Wellbeing Project	8,000
Interakt	10,000
Stichting Ons Interbellum	10,000
Global Studies Institute	2,000
Salma Zulfiqar	8,000
<b>Subtotal</b>	<b>131,000</b>
<b>Total Communicate</b>	<b>245,864</b>

## CONSOLIDATE

<b>Knowledge Management</b>	€
Commonspolis	20,000
<b>Subtotal</b>	<b>20,000</b>
<b>R&amp;D Actions</b>	
University of Kent <i>(total grant award of € 5,000, € 4,000 booked in 2017)</i>	1,000
Prince Claus Fund <i>(total grant award of € 30,000, € 15,000 to be booked in 2020)</i>	15,000
<b>Subtotal</b>	<b>16,000</b>
<b>Total Consolidate</b>	<b>36,000</b>

## Grants and Partnerships Total

Catalyse	593,680
Connect	1,208,993
Communicate	245,864
Consolidate	36,000
<b>Total</b>	<b>2,084,537</b>

## I. ACTIVITIES REPORT

# ORGANISATION

The European Cultural Foundation's operational teams provide a solid, modern and efficient foundation for our programmes and events to be built upon. None of our work would be possible without good governance and administration, which you can read about in the following pages. We will also take a closer look at the successes of our media and social media outreach in 2018.

Press and Marketing [p.38](#)

Business Model and Fund Development [p.40](#)

General Administration [p.41](#)







Visit of ECF to Forensic Architecture exhibition at BAK – basis voor actuele kunst  
Utrecht (NL), 2018

accessibility  
storytelling  
knowledge sharing  
online and offline

## Press and Marketing

Through our communications, we strive to be accessible to a wide audience, reaching diverse groups in society, and including those who would otherwise be excluded from public discourse. Engaging in dialogue is a prerequisite in order to tackle the fragmentation of society. We use a variety of offline and online communication channels with a focus on storytelling, knowledge sharing and maintaining a strong social media presence.

In 2018, we launched our new improved corporate design, telling our story in a contemporary and dynamic way.

### *Press*

The *ECF Princess Margriet Award for Culture* was featured in a very diverse range of international media. [Communicate p.22](#)

The Polish press picked up quickly on the Polish laureate Borderland, featuring them in a national radio show and elsewhere. UK-based Forensic Architecture was already prominently featured in the art and design press at that time. We received mentions in media platforms including the *Guardian*, the *Financial Times* and *Metropolis Art Magazine*. The Award was covered by Dutch press ranging from *De Telegraaf* to the *Volkscrant* and *NRC Handelsblad*.

The *European Cultural Challenge* ([Connect p.13](#)) resulted in some opinion pieces in various European media: Caroline de Gruyter shared her insights in this [article](#); *Eurozine*'s Filip Zieliński published his thoughts for a united Europe in this [report](#); whilst Friends of Europe published Alek Tarkowski's findings. [Friends of Europe](#)

Some of our grantees made headlines in their home communities. Visit the Featured People section of our website for an update on their latest work. [culturalfoundation.eu/featured-people](http://culturalfoundation.eu/featured-people)

### **Social Media**

We believe that social media is an integral part of connecting our networks and audiences. It is more than just a place for sharing content, but a means of engaging and interacting with audiences from all corners of Europe and beyond. For the current strategic period, we have developed a detailed channel strategy to create the greatest outreach and impact by developing tailor-made content via specific channels to different target groups. We have increased our responsiveness towards our online community and strive to create more interaction moments with our audiences.

Our Facebook page is focused on opportunities: promoting our grants, participatory programmes and events, but also sharing opportunities from around our network. Our Facebook page currently has more than 32,700 followers. Partners in our European networks actively approach us to help them share and disseminate content. [facebook.com/EuropeanCulturalFoundation](https://facebook.com/EuropeanCulturalFoundation)

Twitter has become a portal focused on sharing all our latest news, including interesting articles, announcements and job vacancies. It has grown into our tool of choice for public advocacy, appealing to the needs of policymakers and cultural researchers. We currently have more than 8,000 followers on Twitter. [twitter.com/ecf\\_tweets](https://twitter.com/ecf_tweets)

Instagram take-overs by grantees continue to be a popular way of showcasing their work to a wider audience and giving potential grantees and partners more insight into the kind of projects we support. In 2018, we also organised takeovers by our *ECF Princess Margriet Award for Culture* laureates for the first time. Since 2016, the number of followers has more than doubled to nearly 3,000. [instagram.com/europeanculturalfoundation](https://instagram.com/europeanculturalfoundation)

In 2018, we started using LinkedIn more actively, but we are currently still in the phase of developing this channel. For us, it is a potential outreach medium for more policy-related content. [linkedin.com/company/european-cultural-foundation](https://linkedin.com/company/european-cultural-foundation)

We also have a public archive of image, video and audio content on Flickr, YouTube and SoundCloud.

[flickr.com/photos/culturalfoundation/albums](https://flickr.com/photos/culturalfoundation/albums)

[youtube.com/user/TheECFchannel](https://youtube.com/user/TheECFchannel)

[soundcloud.com/ecf\\_sounds](https://soundcloud.com/ecf_sounds)

Our digital newsletter (eZine) has become a focused collection of newsletters targeted at specific groups among more than 16,000 subscribers. In 2018, we sent tailored eZines focused on advocacy and philanthropy topics to specific audiences, which have received a very positive response from our readers.

[culturalfoundation.eu/ezine](https://culturalfoundation.eu/ezine)

**Our followers in numbers (as of 30 November 2018):**

**Ezine subscribers: 16,637**

**Facebook: 32,700**

**Twitter: 8,162**

**LinkedIn: 5,212**

**Instagram: 2,758**

hybrid business model  
service-provider  
government funding  
partnerships

# Business Model and Fund Development

In line with our 2017-2020 Strategic Plan, an internal working group has been investigating the development of a hybrid business model that could combine commercial services with our not-for-profit mission and work. Our Manager Funding and Partnerships has led this working group. [Strategic Plan](#)

The main task of the working group has been to research the possibilities for us to diversify our income sources to meet our mission and complement the annual income from Dutch lotteries. As a result of this research and activity, a viable option would be to provide services and consultancy at a local, national and international scale, relevant to our mission, profile and expertise. In order to become a service-provider, the European Cultural Foundation could set up a business unit alongside our not-for-profit operation and develop a multi-year Business Plan.

Beyond Philanthropy, a consultancy from Berlin, was hired to assess and give recommendations for this business model idea. They delivered a final report at the end of the year.

In 2018, we have undertaken several other actions with the following results:

## **EU – Government Funding**

- After 3 months of intensive preparation, we applied to the EU-policy project *Cultural and Creative Spaces and Cities* within the *Creative Europe Programme*. We are one of the main consortium partners with Trans Europe Halles (leading), P2P Foundation and University of Antwerp. The project started in November 2018 and will end in January 2021. We will receive an amount of €130,480. [Communicate p.22](#)

- In May we applied as leader of a consortium with a new project *MediaActivism\** – *courageous citizens test new ways to reclaim their cities* for a grant of the *Erasmus+ Programme* within the section: *Social Inclusion and Common Values: The Contribution in the Field of Education, Training and Youth*. In September we were informed that the application was successful. The project will start in December 2018 and will end in December 2021. We will receive €500,000.
- In January we started the first conversations for a consortium with: On the Move (BE), Cité Internationale des Arts de Paris (FR) and Arts and Theatre Institute (CZ) to apply to the EU tender 'Mobility-scheme for artist and/or culture professionals'. As a leader of the consortium, we submitted the technical and financial offers for the project *Mobile Cultures* to the European Commission on 31 August. Unfortunately, we were not successful with this tender.

## **Partnerships**

- We started a comprehensive mapping and investigation of potential funders and philanthropic partners for the European Cultural Foundation in order to inform a targeted outreach in 2019 and beyond.
- On 8 February, we organised an evening event for different stakeholders together with Movement on the Ground and Amsterdam & Co and with support from Rabobank Amsterdam. The topic of the evening was: 'How refugees can become Amsterdammers?' During the event we pitched the project *Displaced in Media*. [Connect p.13](#)
- On 20 September, the European Cultural Foundation and the Prins Bernhard Cultuurfonds hosted a meeting for members of the European Foundation Centre Arts & Culture Network in Amsterdam. The theme of the day was: 'What solutions can arts and culture bring to today's societal challenges?'

## **Donations and legacies**

After several months of meetings and conversations with a potential donor, at the end of April, we received the copy of a testament that will benefit the European Cultural Foundation.

new director  
international team  
optimising working processes  
data security

# General Administration

In 2018, our Operations team offered high-quality Human Resources (HR), Facilities, Administration and IT while continuing to focus on cost savings and efficiencies across the organisation. We worked on the General Data Protection Regulation (GDPR) compliance that went into effect on 25 May 2018. Our Finance Department continued to optimise working processes and digital tools. With the arrival of a new Director in November 2018, a start has been made to review the operational structure and look for (more) synergies between the Finance Department and Fund Development. It is expected this outcome will be implemented during 2019.

## ***Human Resources and staff statistics***

In 2018, our Supervisory Board engaged in a recruitment process in anticipation of the retirement of our Director Katherine Watson at the end of the year. In November 2018, we were delighted to welcome André Wilkens as our new Director.

Over the past year, employee health has been high on our agenda. In collaboration with the occupational health services, we have organised several activities aimed at preventing work-related health issues: a workshop on healthy work habits followed up with individual desk checks and periodic medical exams to gain a better understanding of focus areas to work on. We will use the output of the organised activities to keep working on improving our employees' health in 2019.

Our illness percentage for 2018 was 5.04%, which is 18% lower than our illness percentage of 2017 and shows a positive trend that we hope to build on in the coming years.

We continue to seek ways to work more efficiently and switched payroll provider in 2018, which has improved our data security as well as saving costs.

Our turnover increased in 2018 to 9% (compared to 3% the year before), and we have a full-time equivalent staff of 28.79, with an average age of 44. 55% of our international team hold a Dutch ID, and 45% hold a different nationality or dual nationality.

We also looked at the languages spoken within the European Cultural Foundation: staff members speak an average of 3.5 languages, and in total, our team is fluent in 16 different languages: Dutch, English, German, French, Spanish, Russian, Portuguese, Italian, Catalan, Turkish, Polish, Hungarian, Swedish, Finnish, Danish and Bosnian-Serbian-Croatian-Montenegrin.

ECF Team



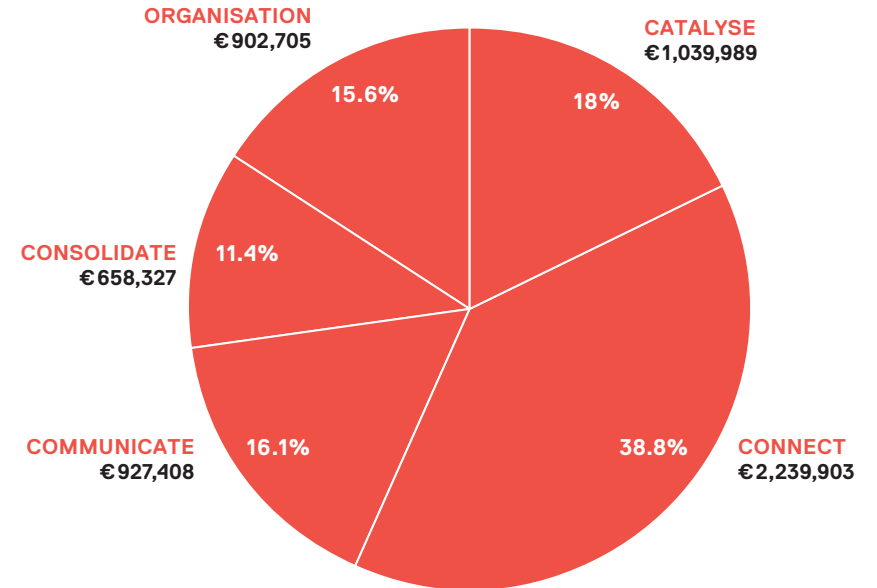
### Allocation of activities 2018

In 2018, we spent 84.4% of our budget on our four objectives, and 15.6% on organisation costs.

<b>CATALYSE</b>		
Grants	1,039,989	18%
	<b>1,039,989</b>	<b>18.0%</b>
<b>CONNECT</b>		
European Cultural Challenge	453,410	7.9%
Pilot Programmes	358,892	6.2%
Tandem	1,381,184	23.9%
Cultural Diplomacy Platform	46,417	0.8%
	<b>2,239,903</b>	<b>38.8%</b>
<b>COMMUNICATE</b>		
ECF Princess Margriet Award for Culture	487,330	8.4%
Policy Influencing	309,079	5.4%
Strategic Partnerships	131,000	2.3%
	<b>927,408</b>	<b>16.1%</b>
<b>CONSOLIDATE</b>		
Knowledge Management	342,213	5.9%
R&D	93,638	1.6%
Publications	222,476	3.9%
	<b>658,327</b>	<b>11.4%</b>
<b>ORGANISATION</b>		
General Administration	134,675	2.3%
Governance	23,593	0.4%
Press and Marketing	331,251	5.7%
Fund Development	160,182	2.8%
Costs contributions Prins Bernhard Cultuurfonds	71,527	1.2%
Business Development	181,477	3.1%
	<b>902,705</b>	<b>15.6%</b>
<b>Total</b>	<b>5,768,332</b>	

Please note that the rounding up or down of all percentages has caused some small rounding differences.

### Expenditure by objective 2018



## II. GOVERNANCE

Report by the Supervisory Board [p.44](#)  
Declaration of Responsibility [p.46](#)



**Christophe de Voogd**  
Chair of Supervisory Board, European Cultural Foundation

## Report by the Supervisory Board

The European Cultural Foundation makes a clear distinction between supervision and management. The Supervisory Board is in charge of the former. Its main responsibilities can be summarised as follows:

- deciding upon and evaluating the Foundation's strategy as drafted by the Director, and prioritising its activities
- evaluating the efficient use of the Foundation's resources (approval of budget and Annual Report)
- appointing the Foundation's Director, members of the Supervisory Board and the President.

In 2018, five Supervisory Board meetings took place – one of which was conducted by phone (22 March, 17 May, 26 June (by phone), 28 September and 30 November). The topics discussed focused on a number of items, including:

- succession of Director Katherine Watson (who retired at the end of 2018)
- values of the European Cultural Foundation
- cooperation with Prins Bernhard Cultuurfonds
- finance and business development
- major events
- staff representatives group ('Personeelsvertegenwoordiging'/'PVT')
- self-evaluation by the Supervisory Board
- changes in the membership of the Supervisory Board.

### ***Succession of Katherine Watson***

Following a thorough recruitment process, the Supervisory Board appointed André Wilkens as the new Director of the European Cultural Foundation as of 15 November 2018.

### ***Values of the European Cultural Foundation***

The Supervisory Board confirms the European Cultural Foundation's values (diversity, democracy, freedom, solidarity) as critical in addressing the current challenges facing Europe.

### **Cooperation with Prins Bernhard Cultuurfonds**

Thanks to a long-standing agreement between the Prins Bernhard Cultuurfonds (PBCF) and the European Cultural Foundation, PBCF provides the Foundation with 25% of its lottery based income. To enhance the good relations and continuously explore avenues for collaboration, PBCF and the Foundation are represented on each other's respective Supervisory Boards by an advisor.

### **Finance**

As well as regular work related to financial reporting, on 28 September 2018 the Supervisory Board approved maintaining a securities portfolio with maximum compliance with Environmental, Social and Governance (ESG) standards. This has been implemented as of January 2019. Diversifying sources of income has been a recurrent theme for discussion and will be a key issue in the Director's agenda over the coming years.

### **Major events**

The Supervisory Board placed a special focus on the exploration of the potential of the annual *ECF Princess Margriet Award for Culture* in 2018. This was coupled with the *European Cultural Challenge*, a two-day working conference with thinkers, entrepreneurs and cultural activists from all over Europe. Currently options for collaboration with other players, such as the major European foundations in the cultural and philanthropic fields and the European institutions, are being discussed.

### **Staff representatives group ('Personeelsvertegenwording'/'PVT')**

Since 2018 the Supervisory Board has met annually with the Foundation's staff representative group within the framework of the Supervisory Board meeting in an informal exchange.

### **Self-evaluation of the Supervisory Board**

The Supervisory Board is committed to an annual self-evaluation.

### **Changes in the membership of the Supervisory Board**

In 2018, a number of changes took place in the membership of the Supervisory Board, listed in chronological order below:

- The term of Joachim Rogall came to an end on 22 March 2018.
- The term of Igno van Waesberghe, Advisor representing PBCF, came to an end on 30 June 2018.

- James Kennedy started as Advisor representing PBCF on 1 July 2018.
- Görgün Taner was Chair of the Supervisory Board until 31 July 2018.
- Christophe de Voogd was Supervisory Board member until 31 July 2018 and succeeded Görgün Taner as Chair of the Board from 1 August 2018.
- The term of Mats Rolén ended on 30 November 2018.
- The Supervisory Board has decided to select two new members in 2019 to replace the departing members.

We thank all departing members for their invaluable contribution and commitment and wish them the best of luck for their future endeavours. We also express great gratitude to the departing Director, Katherine Watson, who has efficiently kept the Foundation on track over the past eight years, consolidated the relations with PBCF and other major partners and left a very sound financial situation for her successor.

2018 also saw the departure of Enrica Flores d'Arcais, Head of Business Development and Communications. The Supervisory Board is most thankful to her for her achievements as she greatly increased the reach out of the Foundation, made the *ECF Princess Margriet Award for Culture* the pivotal event of our action and refocused on the original inspiration of the European Cultural Foundation through its rich archives.

### **Christophe de Voogd**

Chair of the Supervisory Board, European Cultural Foundation  
On behalf of the Supervisory Board



# Declaration of Responsibility

The European Cultural Foundation works for an open, inclusive and better Europe. It was created 65 years ago for the promotion of European unity by encouraging cultural and educational activities of common interest. In 2019 the Foundation's theme is 'Democracy Needs Imagination'. We strongly believe that culture can provide resistance against divisive forces. Culture can tell the story of Europe. Culture can imagine a better future.

## History and background

The European Cultural Foundation was founded in Geneva in 1954. Its founding figures include the Swiss philosopher Denis de Rougemont, the architect of the European Community Robert Schuman, and HRH Prince Bernhard of the Netherlands, under whose presidency the Foundation moved to its current base in Amsterdam. All these influential figures believed passionately in culture as a vital ingredient for Europe's post-war rebuilding and healing process. These efforts have since developed into the current state of economic, political and cultural interdependence in Europe.

As well as the English name and acronym (European Cultural Foundation/ECF) which is most commonly used in our communications, due to our international background, the European Cultural Foundation is also known as:

- Europese Culturele Stichting (ECS)
- Fondation Européenne de la Culture (FEC)

All three names are used in our Articles of Association, which are deposited with the Dutch Chamber of Commerce. However, we generally use European Cultural Foundation.

The European Cultural Foundation has the ANBI 'Algemeen Nut Beogende Instelling' status, meaning that the Foundation's objective is to improve the wellbeing of the general public. This status comes with tax benefits for donors. Since our objectives are fully related to culture, we were granted Cultural ANBI status. This status comes with additional tax benefits for donors. The European Cultural Foundation itself is not tax exempt.

Our RSIN 'Rechtspersonen en Samenwerkingsverbanden Informatienummer'/ Fiscal number is: 002967327. Our Chamber of Commerce number is: 41199699.

Since July 2014, the European Cultural Foundation has also held the CBF 'Centraal Bureau Fondsenwerving/Central Bureau for Fundraising organisations' keurmerk (seal of approval) for fundraising organisations.

## Vision, mission and goals

Throughout 2019 we will be working on a new strategic plan for 2020 and beyond. The below vision, mission and goals reflect the state of affairs of 2018.

### *Our vision*

Culture is an invaluable resource for a positive future in Europe. It is the space where we negotiate ways of living together, understand our multiple identities and create our home. We want to re-think and build Europe as an open, inclusive and democratic space.

### *Our mission*

The European Cultural Foundation nurtures a socially engaged and culturally rooted civil society across Europe. We are committed to making a tangible impact on civil society, citizens' initiatives, public opinion and policy proposals, and to combating the fragmenting forces jeopardising peace and social progress in Europe.

### *Our goals*

We believe in nurturing the growth of new visions of Europe that provide a cultural response to the fragmentation of Europe. We believe it is crucial to:

- strengthen civil society and citizens' initiatives that reinvigorate our democracies, based on the values of diversity, democracy, freedom, solidarity
- support and communicate content that inspires public opinion, challenges prevailing prejudices or offers concrete alternative solutions
- advocate concrete policy proposals recognising culture as a resource and including civil society in policy-making and decision-making processes from the local to European levels
- reflect the diversity of people and communities through everything we do and everyone we work with.

## Articles of Association

The European Cultural Foundation adheres to its Articles of Association and its By-Laws. Both were approved by our Supervisory Board, on 17 December 2015 and 7 December 2011 respectively. On a regular basis we assess with our Supervisory Board whether these documents are still accurate; if necessary they are reviewed and updated. The latest version of our Articles of Association is deposited at the Dutch Chamber of Commerce.

## Income

The European Cultural Foundation has three main sources of income:

### 1. *Income from the lotteries*

Through a long-standing agreement with the Prins Bernhard Cultuurfonds, renewed on 2 February 2012, the Foundation receives 25% of the Prins Bernhard Cultuurfonds' non-earmarked lottery income.

### 2. *Fundraised income*

The European Cultural Foundation receives funding from commercial, non-profit and government institutions. We actively pursue these opportunities. Not all income received from the above-mentioned parties is considered fundraised income, according to the definition of the CBF.

### 3. *Income from ECF's securities portfolio*

The European Cultural Foundation has a reserve in the form of a securities portfolio, which is externally managed by an asset manager. Our ambition is to cover our overhead expenses with the income generated through this securities portfolio. Furthermore, this securities portfolio acts as a buffer, allowing the organisation to continue operating for a limited period of time in case there is a drop in income.

## Codes, rules and guidelines

As a member of Goede Doelen Nederland, the European Cultural Foundation complies with all the necessary codes and guidelines, including the SBF-code for good governance and the 'Erkenningsregeling Goede Doelen'.

[Full overview of the Goede Doelen Nederland codes, rules and guidelines](#)

In line with this, we adhere to the following three principles:

1. A clear separation between the roles of:
  - Management (ECF's Director)
  - Supervision (ECF's Supervisory Board)
  - Execution (ECF's employees)
2. Optimising interaction with stakeholders
3. Optimising effectiveness and efficiency of expenditure

## 1. A clear separation between management, supervision and execution

The European Cultural Foundation makes a clear distinction between management, supervision and execution. While the Director has managerial responsibilities, the Supervisory Board oversees the proper execution of these responsibilities. The carrying out of day-to-day tasks is performed by the Foundation's employees. The Director is appointed and supervised by the Supervisory Board.

### Management

#### *Director's responsibilities*

The European Cultural Foundation's management consists of one Director. The Director is responsible for representing the Foundation, and carries the responsibility for overall management, strategic development, execution of the Foundation's strategy, management of the Foundation's resources (human and monetary) and fund development.

At least twice a year, the Director formally reports to the Supervisory Board in a meeting in which the Director, the Supervisory Board and the Head of Finance are present. More regular and informal contact is maintained outside these meetings with individual members of the Supervisory Board. Every week, the Director meets with the Management Team (MT) to discuss strategic matters as well as to monitor activities and operational matters. The MT consists of the Head of Finance, Head of Programmes, Head of Public Advocacy, Head of Communications and Head of Operations.

### *Current Director*

André Wilkens is the current Director of the European Cultural Foundation. He was appointed on 15 November 2018. Prior to this appointment, André Wilkens held the following positions:

- Managing Director, Die Offene Gesellschaft, Berlin (2016-2018)
- Director, Mercator Centre, Essen/Berlin (2009-2015)
- Head of Strategic Communications, UNHCR, Geneva (2009)
- Director, Open Society Institute, Brussels (2003-2009)
- Director, Ogilvy & Mather communications agency, Brussels (1999-2003)
- Programme Manager, European Training Foundation, Turin (1994-1999)
- Programme Manager, European Cooperation Fund, Brussels (1992-1994)
- Assistant to MEP, European Parliament, Brussels (1991).

**Additional roles:**

- Board Chair, Tactical Tech, Berlin (Member since 2015, Chair since 2017)
- Founder/Board Member, Initiative Offene Gesellschaft (since 2016/ since 2018)
- Founding member, European Council of Foreign Relations (since 2007).

**Previous Director (until 14 November 2018)**

Katherine Watson was Director of the European Cultural Foundation until November 2018. She was appointed in June 2010.

Prior to this appointment, Katherine Watson held the following positions:

- Associate Director, European Cultural Foundation (2009-2010)
- Director, LabforCulture.org (2006-2010)
- Founder and Vice-President, Meta4 Creative Communications Ltd. (2003-2006)
- Executive Producer, www.terminus1525.ca (2001-2005)
- Independent Producer and Cultural Consultant (2000-2001)
- Festival Director, UKaccents, British Council & British High Commission (1998-1999)
- General Manager and Associate Director, Le Groupe Dance Lab (1989-1998)
- Teacher, event programmer, cultural manager (1982-1989).

**Additional roles:**

- Vice-Chair of Management Committee, European Foundation Centre, Belgium (to May 2018)
- Governing Council Member, European Foundation Centre, Belgium (to May 2018)
- Management Committee Member, European Foundation Centre, Belgium
- Board of Directors Member, Alliance Publishing Trust, UK (January 2012-January 2018).

**Supervision**

**Supervisory Board's responsibilities**

The Supervisory Board is the European Cultural Foundation's supervisory body. The roles and responsibilities of the Supervisory Board members are stated in the Foundation's Articles of Association and By-Laws.

The main responsibilities can be summarised as follows:

- deciding upon and evaluating the Foundation's strategy, and prioritising the Foundation's activities
- evaluating the efficient use of the Foundation's resources (approval of budget and Annual Report)
- appointing the Foundation's Director, members of the Supervisory Board and the President.

**Supervisory Board Members**

At the end of this document, we have published a list of additional roles and responsibilities per Supervisory Board member.

- HRH Princess Laurentien of the Netherlands (President)
- Görgün Taner (Chair until 31 July 2018)
- Christophe de Voogd (Member until 31 July 2018; Chair from 1 August 2018)
- Rien van Gendt (Vice-Chair)
- Rob Defares (Treasurer)
- Isabel Alçada
- Mária Hlavajová
- Nike Jonah
- Joachim Rogall (until 22 March 2018)
- Mats Rolén (until 30 November 2018)
- Igno van Waesberghe (Advisor representing Prins Bernhard Cultuurfonds until 30 June 2018)
- James Kennedy (Advisor representing Prins Bernhard Cultuurfonds from 1 July 2018)

**Recruitment**

Appointments for the European Cultural Foundation's Supervisory Board are based on a number of core criteria, including: expertise, international perspective, cultural, regional and demographic diversity, and a European network. Additional functions should be of value and should not lead to conflicting interests. In case of upcoming vacancies, the Foundation's and Supervisory Board's extended network is informed and candidates are put forward.

### **Evaluation**

In 2014 the Supervisory Board started self-evaluating, in line with #8 of Article 11 of the Articles of Association of the European Cultural Foundation. The annual evaluation is performed based on a list of questions that were developed by the Supervisory Board members.

### **Remuneration**

The Supervisory Board members do not receive remuneration for their work. However, expenses incurred for travel etc. are reimbursed on request.

### **The Executive Committee**

The Executive Committee consists of the Chair, Vice-Chair, Treasurer and Director. The Executive Committee meets at least twice a year. The mandate of the Executive Committee is to help prepare Supervisory Board meetings, lay the groundwork for making decisions and offer guidance to the Director.

The Audit Committee consists of the Director, the Vice-Chair, the Treasurer and one more Supervisory Board member yet to be appointed.

### **President**

The President holds an extraordinary membership of the Supervisory Board and plays an active and visible role. Her main responsibilities are:

- Co-approval on decisions as specified in the Articles of Association.
- Presence at Supervisory Board meetings, providing her views on matters or decisions as specified in the Articles of Association.
- Involvement in the organisation's strategic development, the evaluation of results and representation of the organisation.

The current President is HRH Princess Laurentien of the Netherlands.

### **Term**

The term for Supervisory Board members is four years, renewable once (maximum 8 years), and for Executive Committee members renewable twice (maximum 12 years).

### **Conflicts of interest**

Supervisory Board members are required to inform the Chair immediately of any activities, contracts/grants, etc. that could lead to a potential conflict of interest. Potential conflicts of interest are declared at each Supervisory Board meeting. The Chair will decide whether the Supervisory Board member will need to leave the room during particular discussions, or while a decision

is being taken on a specific matter.

In addition, all Supervisory Board members are required to sign a statement to declare their endorsement of the principles stated at the beginning of this document and confirming that there is no conflict of interest between the responsibilities he/she fulfils for the European Cultural Foundation and other relationships/positions he/she holds. This declaration is a requirement of the CBF seal of approval.

### **Execution**

#### **Employees' responsibilities**

The MT, together with their respective teams, is responsible for the implementation of the Foundation's strategy, as well as development and execution of the Foundation's activities, procedures and policies.

## **2. Optimising interaction with stakeholders**

### **Donors**

The European Cultural Foundation's largest donor is the Prins Bernhard Cultuurfonds (PBCF). Through a long-standing agreement between the two organisations, the European Cultural Foundation receives 25% of the PBCF's non-earmarked lottery income. Every quarter there is a meeting between the two organisations' directors and key staff to discuss strategy, operational activities, possibilities for exchange of information/knowledge, and collaboration. On a more informal level, there are regular meetings between project managers and other team leaders of the European Cultural Foundation and PBCF, exchanging ideas and information.

The European Cultural Foundation receives funding from a number of different sources including: Abu Dhabi Arts & Music Foundation, Compagnia di San Paolo, the European Commission, Fondazione Cariplo, Fonds voor Cultuurparticipatie, Goethe-Institut, Municipality of Rijeka, Robert Bosch Stiftung, Stavros Niarchos Foundation and Stichting Kulturele Haadstêd 2018. An overview of all amounts received per source is included in the Foundation's annual accounts.

The European Cultural Foundation maintains good and regular contact with all of these organisations at a director and programme level. The Foundation has had a long-standing relationship with many organisations, such as the Robert Bosch Stiftung and Compagnia di San Paolo, and a number of projects have been funded by these foundations.



### **Grantees**

The recipients of ECF grants represent the future of culture in the regions where the European Cultural Foundation is active. They are the Foundation's eyes and ears in the regions. The European Cultural Foundation maintains contact with a large number of grantees through its network and social media channels. Additionally, some grantees become advisors, partners or participants in other ECF projects or become contributors to one of our publications, or (successfully) apply for another grant.

### **Partner organisations**

In order to make optimum use of each other's resources (staff, expertise, network, etc.), the European Cultural Foundation often undertakes projects with one or multiple NGO project partners. Examples are the *Tandem* programmes where the Foundation works closely together with MitOst e.V. (Berlin), and the *Displaced in Media* project with partners like the British Film Institute (BFI), Föreningen Fanzingo and Stichting Here to Support. For all strategic partnerships, please see the Activities Report and Financial Report.

For all partnerships, a contract is agreed and evaluation mechanisms are in place. An example of such an evaluation mechanism is the narrative and financial reporting done at the end of a project before the receipt of the final instalment of the Foundation's monetary contribution.

The European Cultural Foundation's communication with our project partners is ongoing, with regular updates about new developments and potential for collaboration. This contact is at different levels, with directors meeting more formally, and programme managers having more frequent and informal contact, concerning the contents and progress of a project.

### **Target audience**

Our target audiences include: active citizens, cultural agents, cultural activists, media, policymakers and philanthropists. We use different offline and online communication channels with a focus on storytelling, knowledge sharing and maintaining a strong social media presence. At the same time, we continuously keep the database updated since this is crucial for relationship management and fund development activities.

### **Press**

With our focus on increasing brand awareness among our target groups, the European and Dutch press are very important stakeholders.

### **Employees**

Our most valuable asset is our staff. The European Cultural Foundation had a full-time equivalent staff of 28.79 FTEs in 2018. The team is motivated, dedicated and driven to making a difference. Clear communication with our team is of utmost importance. We are a small team and communication/reporting lines are short. We keep everyone updated on issues relevant to the Foundation through regular team meetings. We have launched an internal newsletter and we use our intranet to share information and all the latest news. Full staff meetings are held on a regular basis.

The European Cultural Foundation uses a confidential advisor to support employees who are dealing with unwanted behaviour in the workplace (sexual intimidation or harassment, discrimination, bullying, aggression or violence). The European Cultural Foundation will not tolerate these kinds of behaviour. As well as a Grievance Procedure, the Foundation has described a Whistleblowing Policy and accompanying procedures in the Staff Manual.

The Foundation has a 'Personeelsvertegenwoordiging' (PVT; employee representation group), consisting of four elected staff members in 2018. The PVT has quarterly meetings with the Director and Head of Operations. Its aim is to ensure discussion and dialogue between management and staff on a regular basis.

The Supervisory Board has agreed to meet with the PVT each year in the context of the Board meeting that approves the Annual Report with the aim of reflecting on the past year.

## **3. Optimising effectiveness and efficiency of expenditure**

The European Cultural Foundation manages a wide range of instruments to monitor the effectiveness and efficiency of our expenditure. The most important instruments we use are mentioned below.

### **Fund Development**

On a monthly basis a financial overview is provided representing the status of all external funds. All committed, pending and potential contributions are listed and compared with the current budget. At the monthly Fund Development meetings, the status of the external funds is discussed by the Funding and Partnerships Manager and the ECF budget holders.

### **Monthly reporting**

A monthly financial report can be generated automatically through a link with our accounting system (Exact). Budget managers have real-time, online access to these reports.

### **Quarterly reporting**

Each quarter, a management report is compiled providing ample information about the Foundation's income, expenditure and balances. It provides analysis against budgets and explanation on project expenditure. Additionally, it gives an estimate of the expected expenditure for the full year. The quarterly reports are shared with the Treasurer, the Supervisory Board, all ECF budget holders and the management of the Prins Bernhard Cultuurfonds.

### **Contractual obligations**

Each quarter an overview is compiled representing all outstanding, contractual obligations at the end of the quarter. These are shared with all budget managers for monitoring and analysis.

### **Ad hoc reporting**

On a regular basis *ad hoc* reports (internal and external) are generated for specific projects or cost codes in order for the managers of these projects/ the Finance team to analyse expenditure.

### **Reporting guidelines**

There are clear reporting guidelines for grantees, which are agreed in the contracts. Only upon receipt of a report that shows the agreed progress and results will ECF transfer the next or final instalment. Grantees and partners are required to comply with the European Cultural Foundation's guidelines on reporting and crediting the Foundation.

If a grantee/partner has not completed the project within the agreed timeframe, the Foundation could decide to cancel the outstanding grant. The total amount of cancelled grants is reflected in the ECF annual accounts.

### **Authorisation of contracts**

The Treasurer signs all contracts over €20,000.

### **External auditor – Annual Accounts**

After performing the annual audit, the European Cultural Foundation's external auditor (Dubois & Co) reports its findings to the Audit Committee. Dubois & Co prepares the auditor's report and a management letter, which reflects their findings. Both documents are shared with the Supervisory Board, which approves the Annual Report. Following ECF's Articles of Association, the Supervisory Board approves the auditor that audits the annual accounts. The European Cultural Foundation follows guideline RJ650 for the reporting of their annual accounts. These are guidelines for fundraising organisations.

### **External auditor – Donor reporting**

Several organisations that fund the European Cultural Foundation's activities require an audit report as part of the final project report. We work with several auditors to comply with these requirements.

The choice of auditor depends on the specific requirements of the funder, location of the project, location of the main partner (generally responsible for administration) and expertise of the auditor. Budget is a consideration, but the quality of the audit exceeds this consideration in importance.

## **Evaluation, potential threats and outlook**

### **How we evaluate**

Impact assessment and evaluation is an important aspect of the European Cultural Foundation's work and is carried out by our Research & Development team. We apply a variety of internal and external evaluation methods and tools to our programmes to take stock of our achievements, to learn from our experience, to share knowledge within and beyond the European Cultural Foundation, and to inform our decisions and strategies going forward. Evaluation results demonstrate to our donors and partners how we achieve our goals.

Before launching any new programme, we conduct feasibility studies, mappings or exploratory reflection groups with stakeholders from the countries and topical areas we plan to address. The aim of these activities is to analyse the contexts and identify the needs and the urgencies on which we would focus the future programme's objectives and activities. Ongoing monitoring and evaluation help us to adjust our multiannual programmes and tools towards stronger outcomes and impact.

### **Potential threats**

The European Cultural Foundation has undertaken a comprehensive risk analysis of all the aspects of the strategy, organisation, operations and governance to define risk areas and put in place mechanisms for mitigating any risk.

- The European Cultural Foundation is highly dependent on a single source of income that can vary annually. Through the Prins Bernhard Cultuurfonds, we are guaranteed to receive income from BankGiro Loterij and Lotto/ Staatsloterij until 2032, when the contract between the lotteries and the Prins Bernhard Cultuurfonds will expire.
- The Ministry of Justice of the Netherlands has decided to permit new online gambling. This may affect the level of lottery funding received by the European Cultural Foundation in future.

- A fast-changing European context urges us to engage proactively with the current political/cultural climate and realities in order to achieve our goals.
- Data protection and data loss are a potential risk for the Foundation. We have put an Information Security Policy in place to guarantee the availability, integrity and confidentiality of critical information systems, and to comply with the new General Data Protection Regulation (GDPR).
- The political environment in which the European Cultural Foundation operates could lead to safety, communications and reputational concerns for individuals related to our work. We have a Travel Safety Policy and a Crisis Management Team.

### **Outlook**

We are currently looking at our programmes, our communications, our organisational structure and our financial base and in that consider 2019 to be a transitional year. During the transition year existing programmes, grants and projects are merged into three programmatic clusters. The 2019 Programme Clusters are Experience Europa, Imagine Europa and Demos Europa. 2019 also marks the 65th anniversary of the European Cultural Foundation and coincides with key political and historic moments for Europe: the election of a new European Parliament and the establishment of a new EU leadership, the conclusion of Brexit and 30th anniversary of the fall of the Berlin Wall.

Our new multi-annual strategy will be presented on 2 October 2019 at the celebration of the 65th anniversary of the European Cultural Foundation and with a clear vision of our future direction.

## **Annex Supervisory Board 2018 roles and responsibilities**

### **President**

#### **HRH Princess Laurentien of the Netherlands**

- UNESCO Special Envoy on Literacy for Development
- Reading and Writing Foundation, The Hague – Founder
- Missing Chapter Foundation, The Hague – Founder and MT member
- Number 5 Foundation, The Hague – Co-founder and Director
- Oceano Azul Foundation, Lisbon – Member of Board of Trustees
- Association of Limitless Reading, The Hague – Patroness
- Dutch Language Society (Genootschap Onze Taal), The Hague – Patroness
- Association of Public Libraries, The Hague – Honorary Chair
- Fauna & Flora International, Cambridge, UK – President
- European Climate Foundation, The Hague – Fellow

### **Chair**

*from 1 August 2018 (Member until 31 July 2018)*

#### **Christophe de Voogd (FR)**

- Institute of Political Studies, Paris – Reader and Researcher
- Fondation pour l'innovation politique, Paris – President of the Scientific Board
- Prix d'Amsterdam, Paris – Jury President

### **Chair**

*until 31 July 2018*

#### **Görgün Taner (TR)**

- Istanbul Foundation for Culture and Arts, Istanbul – General Director
- Istanbul Modern, Istanbul – Board Member
- HEC Montreal, Montreal – International Advisory Board Member
- Allianz, Istanbul – Advisory Board Member
- German Turkish Youth Bridge, Istanbul/Düsseldorf – Advisory Board Member

### **Vice-Chair**

#### **Rien van Gendt (NL)**

- Jewish Humanitarian Fund, The Hague – Board Member
- Bernard van Leer Stiftung, Lucerne – Board Member
- Rockefeller Philanthropy Advisors, New York – Board Member

- IMC Weekend School, Amsterdam – Board Member
- EDLI Foundation – The Hague, Board Member
- Sofam BV, Hilversum, NL – Chairman Board
- Partex BV, Amsterdam – Managing Director
- Calouste Gulbenkian Foundation, Portugal – Senior Advisor, Board
- Netherlands Dance Theatre, The Hague – Advisor

#### Treasurer

##### Rob Defares (NL)

- IMC B.V., Amsterdam – CEO
- Rijksakademie van Beeldende Kunsten, Amsterdam – Supervisory Board Member
- Trust Fund Rijksakademie, Amsterdam – Supervisory Board Chair
- IMC Weekendschool, Amsterdam – Board of Trustees Chair
- Association Proprietary Traders, Gouda, NL – Board Member
- MCA Museum of Contemporary Art Chicago, Chicago – Board of Trustees Member
- Hartwig Medical Foundation, Amsterdam – Supervisory Board Member
- Stichting Hartwig Foundation, The Hague – Supervisory Board Member
- Manifesta, Amsterdam – Supervisory Board Member
- Stedelijk Museum, Amsterdam – Supervisory Board Member
- Manifesta, Amsterdam – Supervisory Board Member
- Amsterdam Art Weekend, Amsterdam – Board Chair

#### Members

##### Isabel Alçada (PT)

- Research Centre for Interactive Technologies, Universidade Nova, Lisbon – Researcher
- Counsellor to the President of the Portuguese Republic
- Foundation Belmiro de Azevedo/EDULOG, Porto – Advisory Board Member

##### Mária Hlavajová (SK)

- BAK, basis voor actuele kunst, Utrecht – Artistic Director
- Bergen Assembly, Bergen – Advisory Board Member
- Piotr Piotrowski Center for Research on East-Central European Art, Poznan, Poland – Advisory Board Member

##### Nike Jonah (UK)

- Counterpoints Arts, London – Creative Producer, Pop Culture and Social Change
- Onda – Office national de diffusion artistique, France – Facilitator
- Institut umění – Divadelní ústav / Arts and Theatre Institute, Czech Republic – Facilitator
- One Dance UK, London

##### Joachim Rogall (DE), until 22 March 2018

- Bundesverband Deutscher Stiftungen (Association of German Foundations), Berlin – Chairman of the Board
- Goethe-Institut e.V., München – Board Member
- Institut für Auslandsbeziehungen e.V. (Institute for Foreign Cultural Relations), Stuttgart – Board Member
- Stiftung Genshagen, Ludwigsfelde – Board Member
- Network of European Foundations NEF, Brussels – Board Member
- Stiftung Karl Dedecius Literaturarchiv, Frankfurt/Oder – Honorary Board Member

##### Mats Rolén (SE), until 30 November 2018

- Mats Rolén AB – Chair
- Mats Rolén AB – Consultant

#### Advisor representing Prins Bernhard Cultuurfonds

##### James Kennedy (NL), from 1 July 2018

- University College Utrecht and Professor of Modern Dutch History, Universiteit Utrecht – Dean
- Board of the Netherlands America Commission for Educational Exchange, Amsterdam – Member
- Museum Catharijneconvent, Utrecht – Member, Board of Trustees
- Amsterdams Universiteitsfonds, University of Amsterdam, Amsterdam – Member
- Prins Bernhard Cultuurfonds, Amsterdam – Board Member
- Academie voor Wetgeving, The Hague – Instructor
- KADOC Documentation and Research Center on religion culture and society, Leuven University, Leuven, BE – Editorial Board
- Stichting voor Christelijke Filosofie / Foundation for Christian Philosophy, Amersfoort, NL – Curatorium Member
- Commissie Paleis op de Dam / Commission Royal Palace Amsterdam, Amsterdam – Member



**Igno van Waesberghe (NL), until 30 June 2018**

- Japanmuseum SieboldHuis, Leiden – Advisory Board Member, until 30 March 2018
- Van den Berch van Heemstede Stichting, The Hague – Treasurer
- Honorary Consul of the Republic of Poland, Amsterdam

### III. FINANCIAL REPORT





ECF Princess Margriet Award for Culture laureates at the ceremony  
Amsterdam (NL), 2018

# Financial Report

The European Cultural Foundation is a hybrid organisation. It has both its own funds and also undertakes fundraising.

We raise funds from governmental institutions, non-profit organisations and commercial organisations. Currently the European Cultural Foundation (ECF) does not actively pursue fundraising with the general public.

One of our financial aims is that our overhead costs should be covered by the income generated through the investment of our own funds. This enables us to dedicate all other funds, as far as possible, to our purposes.

## Result 2018

The total result of 2018 was a deficit of €902,393. The 2018 budget predicted a deficit of €370,540 based on the budgeted total income of €5,714,224. The actual income received in 2018 was €4,865,940. This deficit is mainly the result of the negative return of €381,878K on ECF's securities portfolio during 2018. The total expenditure at year-end 2018 was €5,768,332, which represented 95% of the 2018 budget expenditures.

## Income in 2018

Income in 2018 consisted of Lottery funding through the Prins Bernhard Cultuurfonds (PBCF), fundraising (including income from governments and foundations) and return on securities. ECF's total income in 2018 was €4,865,940 compared to €5,627,630 in 2017. The total income in 2018 was €848,284 below the total budgeted income in 2018. This is mainly due to a significant loss on the returns from ECF's securities portfolio.

ECF's return on securities, generated from investing the reserve and solely intended to cover all overhead costs, therefore does not function as a direct funding of the purpose related expenditure of 2018 of the ECF.

[See also page 47 and page 57.](#)

## Third-party income

The total third-party income for 2018 was €5,083,681 compared to €5,188,926 in 2017. This amount includes income from the Prins Bernhard Cultuurfonds and other organisations. It excludes income from governments and securities. Income from the Prins Bernhard Cultuurfonds for 2018 was €4,603,681 compared to €4,509,330 in 2017. The expected downward trend of Lottery

contributions did not take place in 2018, which resulted in a higher amount (+2%) of income received from the Prins Bernhard Cultuurfonds compared to the 2018 budgeted amount of €4,510,000.

The remaining third-party contributions were received from various foundations. All contributions were related to specific project activities. For 2018, income from third parties was €480,000 compared to €679,596 in 2017. Major donors were the Robert Bosch Foundation (€130,000), Fondazione Cariplo (€100,000) and Stichting Culturele Haadstêd 2018 (€65,000). Partly due to the deferral of various ECF activities, the sum of actual contributions was lower than expected.

### **Government income**

Income from various governments in 2018 was €162,938 compared to €115,942 in 2017. The budgeted amount for 2018 was €177,184.

### **Income from securities and interest**

In 2018, the total loss on securities and interest was €381,878 compared to a gain of €322,737 in 2017. In 2015, the entire ECF portfolio of bonds was sold and converted into cash as agreed during the ECF Supervisory Board Meeting on 1 April 2015. In October 2016 high yield bonds were purchased. At year-end 2018, 44% of ECF's portfolio represented investments in shares and 7% in bonds. The remaining 49% was in liquid funds.

This is in line with ECF's 'Statement of Investment Principles', which is a Supervisory Board-approved investment strategy that allows for a maximum of 52.5% of ECF's reserves to be invested in fixed income investments and 47.5% in equity investments. The investment strategy is reviewed every three years.

Since 2011, the European Cultural Foundation has outsourced its asset management activities to a third-party asset manager. [See page 59 for more details.](#) As of 2017, the reported income from securities and interest is net of fees charged by ECF's asset manager, Wealth Management Partners. These fees represented €71,957 in 2018, compared to €68,726 in 2017.

### **ECF's reserve**

ECF's reserve is used as a buffer in case of financial emergency as well as to ensure financial stability. The goal is to cover all overhead costs with the income generated from investing the reserve. Any surplus as a result of lower expenditure than income is temporarily added to ECF's reserve and is then used for purpose-related activities in the following year(s).

[More information on page 59 and page 64.](#)

### **Overhead expenses**

Expenses are incurred for fundraising, governance, management and administration in order to execute ECF's objectives. ECF aims to cover all overhead expenses from returns on its invested reserve (income from securities). This allows ECF to use all other income for purpose-related activities.

#### **Detailed overview of overhead expenses**

Overhead expenses in 2018 included General Administration expenses, Press and Marketing expenses, Supervisory Board expenses and Fund Development expenses. The activities related to Business Development, representing €181,477, are included here as well. The total overhead expenditure in 2018 was €902,702 compared to €759,341 in 2017. Overhead expenses comprised 15.6% of the total expenditure in 2018.

	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Actual 2017</b>
Overhead expenses	902,702	1,227,586	759,341
Total expenses	5,768,332	6,084,765	5,411,414
Overhead against purpose-related expenses	15.6%	20.2%	14.0%

Overhead expenditure in 2018 increased compared to overhead expenditure in 2017 but was lower than the budgeted expenditure for 2018. Compared to 2017, overhead expenditure as a share of the total costs increased in 2018. This is directly related to Business Development costs, which was reported as a part of *Costs Committed to Purpose* in 2017.

#### **Allocation of overhead expenses to objectives**

In order to allocate overhead expenses to its objectives, ECF uses time writing as an allocation key. Time spent on activities is tracked and allocated using time writing software.



### Fund Development

The net costs for Fund Development in 2018 were €160,182 compared to €176,036 in 2017. As a percentage of the total fundraised income in 2018, this amounts to 24.9% compared to 22.1% in 2017. An amount of €71,527, which represents ECF's contribution to the Prins Bernhard Cultuurfonds Fund Development costs, is *not* included in the overall fundraising costs.

	Actual 2018	Budget 2018	Actual 2017
Costs fundraising ECF	132,227	198,743	151,638
Costs fundraising third parties	27,955	35,000	24,398
<b>Costs fundraising excl. PBCF contribution</b>	<b>160,182</b>	<b>233,743</b>	<b>176,036</b>
Costs fundraising contribution PBCF	71,527	82,000	88,384
<b>Costs fundraising incl. PBCF contribution</b>	<b>231,709</b>	<b>315,743</b>	<b>264,420</b>

Fundraised income *includes* income from other foundations and governments but it *excludes* income from the PBCF and securities. As per a longstanding agreement, ECF contributed €71,527 to PBCF's fundraising costs in 2018, compared to €88,384 in 2017. In 2018 lower costs were billed to ECF by PBCF for Lottery support.

The table below shows fundraised income against fundraising costs.

	Actual 2018	Budget 2018	Actual 2017
Fundraised income	642,938	944,224	795,538
Fundraising costs excl. costs PBCF	160,182	233,743	176,036
% Fundraised income excl. income PBCF	24.91%	24.76%	22.13%

In 2014, ECF received the CBF Quality Mark ('Central Bureau for Fundraising – Centraal Bureau Fondsenwerving') certifying that the organisation's fundraising activities are considered trustworthy. The CBF states that income can only be recognised as fundraised once. This means that, if a funder, who in ECF's case is PBCF, reports its own funds as fundraised and then passes those funds on to another organisation, the latter organisation may not also report those funds as fundraised. As a result, the total amount of fundraised income does not include income from the PBCF. Therefore, according to the CBF's definition, income gained through fundraising in 2018 was €642,938 compared to €795,538 in 2017.

### Business Development

An external study commissioned in 2018 on the potential of generating income through service provision concluded that this would not be a suitable model for ECF. This direction will therefore not be further pursued.

### Securities costs

The costs associated with managing the assets that ECF reported for 2018 were €71,957 compared to €68,726 in 2017. As of 2018 these costs were deducted from ECF's income from securities and interest.

See also pages 57, 59, 66 and 75

### Operations

In 2018, Operations costs were €489,519 compared to €494,921 in 2017. These costs represent 8.5% of the total expenditure in 2018. The percentage in 2017 was 9.1%.

### Liquidity

Current assets, deposits and cash decreased in 2018 compared to 2017. The balance of liquid funds represented €6,552,493 at year-end 2018. At year-end 2017 this balance was €6,660,967.

### Current assets and current liabilities

Current assets and current liabilities were higher in 2018 than in 2017:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Current assets, deposits, cash	9,134,110	9,721,455	9,068,473
Current liabilities	2,755,930	2,809,634	2,021,644
Liquidity ratio	3.31	3.46	4.49

The liquidity ratio has decreased from 3.46 to 3.31, mainly due to the decrease of deferred expenses and to a lower receivable of €271,233 from the PBCF in 2018. The balance of current liabilities in 2018 was slightly lower compared to the balance in 2017. This resulted in a liquidity ratio of 72% at year-end 2018 compared to a liquidity ratio of 69% at year-end 2017.

The composition of liquid assets has developed as follows:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Current assets	2,581,617	3,060,488	2,256,743
Liquid funds	6,552,493	6,660,967	6,811,730
<b>Total current assets</b>	<b>9,134,110</b>	<b>9,721,455</b>	<b>9,068,473</b>
Liquid funds in %	72%	69%	75%

### Reserve

ECF's reserve is available for use, if needed, and is used as a buffer in case of financial emergency as well as to ensure financial stability. The reserve ensures the continuity of ECF, allowing the organisation to continue operating for a limited period of time in the event of an unexpected drop in income and serves as a safeguard against income fluctuations. Through investment in low-risk securities, the reserve also functions as a source of income.

At year-end 2018, ECF's total reserves amounted to €12,529,649 compared to €13,432,041 at 31 December 2017. Based on the reserve level, direct credit risks or liquidity risks are manageable for the ECF.

### Composition of ECF's portfolio

	31 Dec 2018		31 Dec 2017	
Shares	5,284,360	41.87%	5,631,488	42.98%
Bonds	785,328	6.22%	809,909	6.18%
Liquid funds: saving accounts	5,840,389	46.27%	6,423,223	49.02%
Liquid funds: other accounts	712,104	5.64%	237,744	1.81%
<b>Total</b>	<b>12,622,181</b>		<b>13,102,365</b>	

The composition of ECF's portfolio is in line with ECF's 'Statement of Investment Principles', which was updated and subsequently approved by the Supervisory Board on 28 September 2018. ECF assumes an investment mix of 52.5% fixed income investments and 47.5% equity investments. The Treasurer is permitted to maintain a bandwidth of 20% between both investment categories, i.e. fixed income may vary between 50% and 70% of the portfolio whereas equities may vary between 50% and 30% of the portfolio.

The investment policy standards maintained for environment, society and corporate governance (ESG) are compliant with the standards indicated by United Nations Global Compact (UNGC) and Goede Doelen Nederland (GDN), and take into account ESG-analyses provided by Dow Jones, EIRIS, MSCI and RobecoSAM.

At year-end 2018, 41.9% of the portfolio represented investments in equity investments and 58.1% in fixed income investments and liquid funds.

### Management of ECF's securities portfolio

Since 2011, ECF has outsourced the day-to-day management of its securities portfolio to Wealth Management Partners N.V. (WMP). Regular meetings between ECF's Treasurer, ECF's Manager Finance and WMP are held throughout the year. The investment of securities is based on the conservative investment strategy as outlined in the Supervisory Board-approved 'Statement of Investment Principles'.

### Appointment of auditors

The ECF annual accounts have been audited by Dubois & Co since 2013. Prior to 2013 PricewaterhouseCoopers (PwC) was appointed to undertake this role. The auditor is appointed by, and reports to, the ECF Supervisory Board, through the Audit Committee.

**Budget 2019\***

	Budget 2019	Actual 2018
<b>Income</b>		
Income other non-profit organisations**	4,650,000	4,603,681
Fundraised income – profit/non-profit	526,000	480,000
Fundraised income – governments	354,712	162,938
Other income (Securities and interest)	434,000	(380,679)
<b>Total income</b>	<b>5,964,712</b>	<b>4,865,940</b>
<b>Expenses</b>		
<i>Committed to purpose</i>		
Catalyse	934,999	1,039,989
Connect	2,254,910	2,239,903
Communicate	1,054,744	927,408
Consolidate	867,463	658,327
	<b>5,112,117</b>	<b>4,865,628</b>
<i>Costs Fund Development</i>		
ECF Fund Development	234,705	160,182
Cost contributions ECF	72,000	71,527
	<b>306,705</b>	<b>231,709</b>
<i>Operations</i>		
Press and Marketing	343,241	331,251
Governance	30,000	23,593
General Administration	112,934	134,675
	<b>486,175</b>	<b>489,519</b>
<i>Business Development***</i>	59,715	181,447
<b>Total expenses</b>	<b>5,946,712</b>	<b>5,768,332</b>
<b>Surplus / (Deficit)</b>	<b>–</b>	<b>(902,393)</b>
(Withdrawal from) / Addition to reserve	–	(902,393)

\* The budget 2019 presented in this table reflects the budget 2019 as approved by the ECF Supervisory Board on 30 November 2018. During 2019, the ECF budget will be reorganised in order to fit the updated work plan and the new organisational structure.

\*\* This represents the contribution, through the Prins Bernhard Cultuurfonds, from the BankGiro Loterij and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij).

\*\*\* An external study commissioned in 2018 on the potential of generating income through service provision concluded that this is not a suitable model for ECF and therefore this direction will not be further pursued. This will be reflected in the reorganised budget 2019, in which the expenditure on Business Development activities will be nil.

**Balance sheet**

As per 31 December 2018:

	Ref	2018	2017
<b>Assets</b>			
<i>Tangible fixed assets</i>	1		
Premises		38,813	42,950
Refurbishment		13,535	4,999
Furniture and equipment		29,433	30,874
		<b>81,781</b>	<b>78,823</b>
<i>Financial fixed assets</i>	2		
Bonds		785,328	809,909
Shares		5,284,360	5,631,488
		<b>6,069,688</b>	<b>6,441,398</b>
<i>Currents assets</i>	3		
Accounts receivable		2,581,617	3,060,488
<i>Deposits, cash</i>	4		
Cash and bank balances		6,552,493	6,660,967
<b>Total</b>		<b>15,285,579</b>	<b>16,241,675</b>
<b>Liabilities</b>			
<i>Reserves</i>	5		
Appropriated reserve		12,529,649	13,432,041
Revaluation reserve		–	–
		12,529,649	13,432,041
<i>Current liabilities</i>	6		
Received in advance		–	–
Grants payable		524,774	437,792
Other accounts payable		2,231,157	2,371,842
		<b>2,755,930</b>	<b>2,809,634</b>
<b>Total</b>		<b>15,285,579</b>	<b>16,241,675</b>

## Statement of income and expenditure

	Ref	Actual 2018	Budget 2018	Actual 2017
<b>Income</b>				
Income other non-profit organisations*		4,603,681	4,510,000	4,509,330
Fundraised income – profit/non-profit	7	480,000	767,040	679,596
Fundraised income – governments	8	162,938	177,184	115,942
Other income (Securities and interest)	9	(381,878)	260,000	322,737
Other income (Exchange differences)		1,199	–	25
<b>Total income</b>		<b>4,865,940</b>	<b>5,714,224</b>	<b>5,627,630</b>
<b>Expenses</b>				
<i>Committed to purpose</i>	10			
Catalyse		1,039,989	1,018,212	958,489
Connect		2,239,903	2,279,226	2,168,926
Communicate		927,408	935,337	1,153,927
Consolidate		658,327	624,403	370,731
		4,865,628	4,857,179	4,652,073
<i>Costs Fund Development</i>				
ECF Fund Development	11	160,182	233,743	176,036
Costs contributions ECF		71,527	82,000	88,384
		231,709	315,743	264,420
<i>Operations</i>				
Press and Marketing	12	331,251	355,018	360,686
Governance	13	23,593	35,000	43,395
General Administration	14	134,675	116,680	90,841
		489,519	506,697	494,922
Business Development**	15	181,477	405,146	–
<b>Total expenses</b>		<b>5,768,332</b>	<b>6,084,765</b>	<b>5,411,414</b>
<b>Surplus /(deficit)</b>		<b>(902,393)</b>	<b>(370,540)</b>	<b>216,216</b>
Allocation of result				
(Withdrawal from) / Addition to reserve		<b>(902,393)</b>	<b>(370,540)</b>	<b>216,216</b>

\* This represents the contribution, through the Prins Bernhard Cultuurfonds, from the BankGiro Loterij and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij).

\*\* In 2017, €102,294 was included for Business Development under 'Communicate'. In 2018, Business Development costs were reported as a separate item and not as a part of the expenses Committed to Purpose.

## Cash flow overview

	Actual 2018	Actual 2017
<b>Cash flow from operating activities</b>		
Result	(902,393)	216,216
Adjustments for:		
Depreciation tangible fixed assets	29,349	31,171
Movements in accounts receivable	478,871	(803,745)
Movements in short-term liabilities	(53,704)	787,990
Cash flow from operating activities	(447,877)	231,631
<b>Cash flow from investment activities</b>		
Additions to tangible fixed assets	(32,307)	(14,450)
Movements in financial fixed assets	371,710	(367,944)
Cash flow from investment activities	339,403	(382,394)
<b>Movements in liquid assets</b>	<b>(108,474)</b>	<b>(150,763)</b>
Opening balance liquid assets	6,660,967	6,811,730
Closing balance liquid assets	6,552,493	6,660,967
<b>Movements in liquid assets</b>	<b>(108,474)</b>	<b>(150,763)</b>



## Accounting Principles European Cultural Foundation

### **General**

The European Cultural Foundation (ECF) is an operating and grant-giving foundation. Its core income is received from the Prins Bernhard Cultuurfonds (PBCF). Other income is derived from grants, subsidies, donations and ECF's securities portfolio.

Grants are awarded to third parties on the basis of projects submitted through grant applications, either through open calls or by invitation. Programmes are run by ECF alone or in partnership with other organisations in line with ECF's four-year strategic plan (2017-2020) and the annual work plan.

### **Reporting period**

The financial statements contained in this report are based on the reporting period of one year, where the financial year equals the calendar year.

### **Foundations for valuation and determining the result**

Unless specified, both the assets and liabilities are valued nominally. Income and expenses are attributed to the year to which they are related.

### **Tangible fixed assets**

Tangible fixed assets are valued at cost price less the accumulated depreciation, except for the premises, which are revaluated at current economic value. Depreciations commence from the moment the investment is put into use. Investments of less than €500 are fully expensed in the year of purchase.

Depreciation is calculated on a cost basis against the following rates per annum:

- Premises: 2%-7%
- Refurbishment: 10%-20%
- Furniture: 10%-20%
- Equipment: 20%-33%

### **Financial fixed assets**

Shares and bonds are stated at market value at year-end. Realised and unrealised gains and losses are accounted for in the statement of income and expenditure. Amounts in foreign currencies are converted into euro at year-end rates. Transactions in foreign currencies are recorded using the exchange rates on the transaction date. Gains and losses on transactions are included in the statement of income and expenditure.

### **Recognition of income**

ECF's main source of income is from the Prins Bernhard Cultuurfonds. This is recognised in a statement from the Prins Bernhard Cultuurfonds, which indicates the amount of funds the European Cultural Foundation has received from the BankGiro Loterij and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij). According to a longstanding agreement between the two foundations, 25% of the non-designated income received from the Lotteries is passed on to ECF by the Prins Bernhard Cultuurfonds.

### **Recognition of expenses**

In general, expenses are charged to cost centres based on actual expenses per project. Operational expenses are recognised as soon as they can be estimated and are legally enforceable by third parties because of contracts or communicated commitments. A large proportion of staff and administration costs are allocated to ECF's activities using time writing as the allocation key.

Fundraising costs consist of salary costs and consultancy costs and include, as agreed between the Prins Bernhard Cultuurfonds and ECF, the allocation of 25% of the fundraising costs incurred by the Prins Bernhard Cultuurfonds.

### **90% spending rule**

ECF is committed to spending (expenses minus fundraising income) at least 90% of its total Lottery income on its purposes. Based on the average Lottery income of the previous three years, ECF complied with this in 2018.

### **Reporting guidelines**

The financial statements are prepared in accordance with Guideline 650 ('Richtlijnen Voor De Jaarverslaggeving' – 'Guidelines for Annual Reporting'), which provides accounting principles widely accepted in the Netherlands for fundraising institutions. In this method of reporting, expenses are allocated to objectives, to costs for Fund Development and to costs for Operations.

**Notes to the Balance Sheet** (Refs 1-6)**Tangible fixed assets** (Ref 1)

	Premises	Refurbishment	Furniture and equipment	Total
<b>Historical cost</b>				
Balance at 31 Dec 2017	179,069	329,978	628,165	1,137,212
Additions in 2018	–	12,724	19,582	32,307
Balance at 31 Dec 2018	179,069	342,702	647,748	1,169,519
<b>Depreciation</b>				
Balance at 31 Dec 2017	136,118	324,979	597,292	1,058,390
Depreciation in 2018	4,137	4,188	21,023	29,349
Balance at 31 Dec 2018	140,255	329,168	618,315	1,087,738
<b>Book value at 31 Dec 2017</b>	<b>42,950</b>	<b>4,999</b>	<b>30,874</b>	<b>78,822</b>
<b>Book value at 31 Dec 2018</b>	<b>38,813</b>	<b>13,535</b>	<b>29,433</b>	<b>81,781</b>

Note: A silent reserve of €2,050,000 is categorized under 'Premises'. This represents an assessed market value of ECF's building at Jan van Goyenkade 5, Amsterdam, as at 29 November 2017. This is due to the fact the ECF records its premises at the initial purchase price and not at the current (higher) market value. Further, it must be taken into account that the premises are part of a dual proprietorship between the ECF (75%) and Stichting Praemium Erasmianum (25%). The valuation of the building was undertaken by Arcuris Makelaars, Almere.

**Financial fixed assets** (Ref 2)

	Bonds	Shares	Total
Balance at 31 Dec 2017	<b>809,909</b>	<b>5,631,488</b>	<b>6,441,397</b>
Acquisitions	–	1,874,858	1,874,858
Sales	–	(1,869,728)	(1,869,728)
Revaluations realised	(24,581)	20,751	(3,830)
Revaluations unrealised	–	(373,010)	(373,010)
Balance at 31 Dec 2018	<b>785,328</b>	<b>5,284,360</b>	<b>6,069,688</b>

Note: The total balance of €6,069,688 of the Financial Fixed Assets is included in ECF's portfolio overview below. The total balance of liquid funds of €6,552,493, reported separately as 'cash and bank balances' on the balance sheet (see page 60), has also been included. This resulted in a total portfolio sum of €12,622,182.

	As per 31 Dec 2018		As per 31 Dec 2017	
Bonds	6.22%	785,328	6.18%	809,909
Shares	41.87%	5,284,360	42.98%	5,631,488
Real estate	–	–	–	–
Liquid funds saving accounts of sold bonds	0%	–	49.02%	6,423,223
Liquid funds other	51.91%	6,552,493	1.82%	237,744
	<b>100.0%</b>	<b>12,622,181</b>	<b>100.0%</b>	<b>13,102,365</b>

Note: The change in the value of shares and bonds, which are classified as held-for-trading securities, are booked directly in the profit and loss account as per the Dutch Regulations for Financial Accounting. The overall result of ECF's securities portfolio, including interest income, throughout 2018 was a loss of €381,878.

	Assets	Result	Result %
ECF 2018 securities	6,069,688	(383,445)	(6.32%)
ECF 2018 interest (saving accounts)	5,840,389	1,567	0.03%
<b>ECF 2018 portfolio total</b>	<b>11,910,077</b>	<b>(381,878)</b>	<b>(3.21%)</b>
ECF 2017 securities	6,441,398	314,861	4.89%
ECF 2017 interest (saving accounts)	6,423,223	7,876	0.12%
<b>ECF 2017 portfolio total</b>	<b>12,864,621</b>	<b>322,737</b>	<b>2.51%</b>

**Current assets** (Ref 3)

	31 Dec 18	31 Dec 17
Prins Bernard Cultuurfonds	699,320	970,523
Commitments by funders*	791,231	657,028
Deferred expenses*	645,897	987,131
Prepaid expenses	51,876	62,114
Prepaid expenses pension	19,532	–
Other accounts receivable	9,367	62,146
Others**	364,394	321,546
	<b>2,581,617</b>	<b>3,060,488</b>

Commitments by funders 31 Dec 2017	657,028
New commitments 2018	806,406
Released 2018	(672,203)
Commitments by funders balance 31 Dec 2018	<b>791,231</b>

Note: The current assets have duration of less than one year.

\* See Annex A for a specification of 'Commitments by funders' and for 'Deferred expenses'.

\*\* This mainly represents the outstanding balances between ECF and the ECF Voorzieningsfondsen as at 31 December 2018.

**Deposits and cash** (Ref 4)

Cash and bank balances are at the disposal of ECF.

**Reserves** (Ref 5)

	General reserve	Revaluation reserve	Total
Balance as per 31 Dec 2017	<b>13,432,041</b>	–	<b>13,432,041</b>
Additions	–	–	–
Withdrawals	(902,393)	–	(902,393)
<b>Balance as per 31 Dec 2018</b>	<b>12,529,649</b>	–	<b>12,529,649</b>

**Current liabilities** (Ref 6)**Grants payable**

According to ECF's procedures, projects supported by an ECF grant should be finalised within two years of the grant award date. In specific cases, this term may be extended with the approval of ECF's Director.

The grants payable as per the balance sheet consist of:

	31 Dec 18	31 Dec 17
Grants awarded in 2014	–	2,982
Grants awarded in 2015	5,000	9,000
Grants awarded in 2016	5,000	76,348
Grants awarded in 2017	70,200	349,462
Grants awarded in 2018	444,574	–
	<b>524,774</b>	<b>437,792</b>

**Other current liabilities:**

	31 Dec 18	31 Dec 17
Taxes and social premiums	126,322	135,853
Other personnel costs	84,826	94,360
Contractual obligations*	695,053	961,199
Contributions to spend*	941,116	880,601
Accounts payable	345,222	238,997
Others	38,617	60,831
	<b>2,231,157</b>	<b>2,371,841</b>

Contractual obligations balance 31/12/2017	<b>961,199</b>
New contracts 2018	649,756
Released 2018	(915,902)
Contractual obligations balance 31/12/2018	<b>695,053</b>

\* See Annex A for specifications of Contractual Obligations and Contributions to spend.

Note: The ground lease term ('erfpachttermijn') of the ECF premises, located at the Jan van Goyenkade 5, Amsterdam, expires on 31 of August 2042. The annual obligation of the ECF represents €8,644.52, which is categorised as an off balance sheet obligation.

**Notes to the Statement of Income and Expenditure** (Refs 7-15)

ECF has a longstanding partnership with the Prins Bernhard Cultuurfonds through which it receives a quarterly financial contribution from the BankGiro Loterij and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij). In 2018, the contribution from the Prins Bernhard Cultuurfonds was €4,603,681, representing 87.7%\* of ECF's income. Compared to the actual income received from Prins Bernhard Cultuurfonds in 2017 (€4,509,330), there was an increase of €94,351 (or 2%) in 2018.

\* The percentage of 87.7% of ECF's income represents the percentage of ECF income 2018 excluding the result on securities.

**Fundraised income – Profit/non-profit** (Ref 7)

	Actual 2018	Budget 2018	Actual 2017
Compagnia di San Paolo (Grants/Step)	50,000	50,000	50,000
Contribution Tandem Turkey 5	–	150,000	–
Stichting Kulturele Haadstêd 2018 (Tandem Fryslân)	65,000	127,040	50,000
British Council (Tandem Neighbours 2)	–	–	11,896
Fondazione Cariplo (Tandem Europe)	100,000	100,000	150,000
Fonds voor Cultuurparticipatie (Tandem Europe)	50,000	–	50,000
Stiftung Mercator (Tandem Turkey)	–	–	50,000
Robert Bosch Stiftung (Tandem Development/Tandem EU)	130,000	130,000	205,000
Stichting Euregio Maas (Policy Influencing)	–	–	8,000
Stavros Niarchos Foundation (Tandem Europe)	50,000	50,000	100,000
Rabobank (Peace through Culture)	–	–	2,500
Fonds 1818 (Peace through Culture)	–	–	2,200
Contribution European Challenge 2018	–	10,000	–
Contribution STEP grants	–	100,000	–
Contribution Tandem 6	–	50,000	–
Abu Dhabi Arts & Music Foundation (Tandem Shaml)	35,000	–	–
<b>Total fundraising income</b>	<b>480,000</b>	<b>767,040</b>	<b>679,596</b>



**Fundraised income – Governments** (Ref 8)

	Actual 2018	Budget 2018	Actual 2017
Erasmus+ Key Action 2 (Displaced in Media)	68,762	68,661	64,795
European Commission NL (Peace through Culture)	–	–	2,700
Municipality The Hague (Peace through Culture)	–	–	2,500
Goethe-Institut (Cultural Diplomacy Platform)	29,953	44,300	37,786
Municipality of Rijeka (Tandem Fryslân)	3,500	3,500	–
European Commission (Culture for Solidarity)	60,723	60,723	8,161
<b>Total government income</b>	<b>162,938</b>	<b>177,184</b>	<b>115,942</b>

**Income from securities and interest** (Ref 9)

	Actual 2018	Actual 2017
Interest from bank accounts	1,567	7,876
Unrealised revaluations bonds*	(24,581)	17,178
	<b>(23,015)</b>	<b>25,054</b>
Dividends	65,352	74,948
Realised revaluations shares	20,751	37,507
Unrealised revaluations shares*	(373,010)	253,955
	<b>(286,907)</b>	<b>366,409</b>
<b>Subtotal</b>	<b>(309,921)</b>	<b>391,463</b>
Management fees securities	(71,957)	(68,726)
<b>Total income securities and interest</b>	<b>(381,878)</b>	<b>322,737</b>

\* The total unrealised results (loss) on the revaluation of bonds (€24,581) and of shares (€373,010) are recorded as reported by Wealth Management Partners N.V., ECF's fund manager.

**Expenses committed to purpose** (Ref 10)

	Actual 2018	Budget 2018	Actual 2017
Grants	897,504	801,467	851,926
Mobility programme (STEP)	142,485	216,475	106,563
<b>Total costs Catalyse</b>	<b>1,039,989</b>	<b>1,018,212</b>	<b>958,489</b>
European Cultural Challenge 2018	453,410	547,281	672,888
Pilots	358,892	305,989	171,144
Tandem	1,381,184	1,381,457	1,280,382
Cultural Diplomacy Platform	46,417	44,500	44,512
<b>Total costs Connect</b>	<b>2,239,903</b>	<b>2,279,226</b>	<b>2,168,926</b>
Princess Margriet Award for Culture	487,330	518,926	590,262
Policy Influencing	309,079	310,099	343,938
Strategic Partnerships	131,000	106,312	117,033
Business Development*	–	–	102,694
<b>Total costs Communicate</b>	<b>927,408</b>	<b>935,337</b>	<b>1,153,927</b>
Knowledge Management	342,213	370,902	177,340
Research & Development	93,638	83,692	83,662
Publications	222,476	169,809	109,730
<b>Total costs Consolidate</b>	<b>658,327</b>	<b>624,403</b>	<b>370,731</b>
	<b>4,865,628</b>	<b>4,857,179</b>	<b>4,652,073</b>

\* In 2017 an amount of €102,294 was included for Business Development under 'Communicate'. In 2018, Business Development costs were reported as a separate item and not as part of the expenses Committed to Purpose.

**Fundraising costs** (Ref 11)

Fundraising costs include staff costs and consultancy costs as well as costs allocated to ECF by Prins Bernhard Cultuurfonds (PBCF). In the table below the contribution by PBCF to ECF has been included in the total income, which shows that the ratio for 2018 has increased. This is mainly due to a decrease in fundraising income in 2018 compared to 2017.

	Actual 2018	Budget 2018	Actual 2017
Total income <i>incl. PBCF</i>	4,865,940	5,714,224	5,627,630
Fundraising costs <i>incl. costs PBCF</i>	231,709	315,743	264,420
<b>% Fundraising income costs</b>	<b>4.8%</b>	<b>5.5%</b>	<b>4.7%</b>

If income received from the PBCF is excluded from ECF's total fundraising income, it results in the table below.

	Actual 2018	Budget 2018	Actual 2017
Total fundraising income	642,938	944,224	795,538
Fundraising costs <i>incl. costs PBCF</i>	231,709	315,743	264,420
Fundraising costs <i>excl. costs PBCF</i>	160,182	233,743	176,036
<b>% Fundraising income <i>excl. PBCF</i></b>	<b>24.9%</b>	<b>24.8%</b>	<b>22.1%</b>

Costs allocated to ECF from PBCF are included in the €231,709 of *fundraising costs incl. costs PBCF*. These costs represented €71,527 in 2018, 25% of which is PBCF's costs related to charges incurred by the Lotteries. This leaves €160,182 in fundraising costs and a fundraising ratio of 24.9%. The CBF advises that fundraising costs do not exceed 25% of an organisation's total fundraising income.

**Press and Marketing** (Ref 12)

	Actual 2018	Budget 2018	Actual 2017
General information	93,772	85,969	76,618
PR and promotion	10,595	7,850	6,067
Administration costs	20,363	24,558	29,615
Salary costs	206,522	236,641	248,385
	<b>331,251</b>	<b>355,018</b>	<b>360,686</b>

**Governance** (Ref 13)\*

	Actual 2018	Budget 2018	Actual 2017
Supervisory Board meetings	23,593	35,000	43,395
	<b>23,593</b>	<b>35,000</b>	<b>43,395</b>

\* As of 2017, indirect costs, such as staff costs, are no longer allocated to Governance activities.

**General Administration** (Ref 14)

	Actual 2018	Budget 2018	Actual 2017
Computerisation	60,536	62,000	65,268
Financial and personnel administration	43,273	56,708	42,899
Depreciation	29,349	40,000	31,171
Premises, utilities, other expenses	116,116	115,000	112,165
Representation	18,879	20,000	14,678
Quality Management*	–	–	27,696
Salary costs	117,732	74,906	73,676
Recharged costs	(251,208)	(251,934)	(276,711)
	<b>134,675</b>	<b>116,680</b>	<b>90,841</b>

\* Quality Management is represented in General Administration costs and covers non-staff expenditure related to maintaining the 'health' of an organisation. Risk management, change management, organisation enquiries, and data protection processes are also included.

**Business Development** (Ref 15)

An external study commissioned in 2018 on the potential of generating income through service provision concluded that this is not a suitable model for ECF and therefore this direction will not be further pursued. Total expenditure on business development in 2018, including staff costs, represented €181,477.

**Staff costs\***

	Actual 2018	Budget 2018	Actual 2017
Salaries	1,690,270	1,802,589	1,546,951
Social charges	284,510	243,000	246,581
Pension costs	298,309	299,122	283,725
Travel allowance	26,625	16,969	28,826
Overtime	–	10,000	–
Other staff costs (including training)	143,017	172,626	69,318
	<b>2,442,731</b>	<b>2,544,307</b>	<b>2,175,401</b>
Interim staff	6,534	15,000	46,679
<b>Total</b>	<b>2,449,265</b>	<b>2,559,307</b>	<b>2,222,080</b>

\* Overall staff costs were 4.5% lower in 2018 than budgeted. This is mainly due to the delay in the start date of the new ECF Director. The Director commenced employment in November 2018. Salary costs had been budgeted for the full year.

**Employees**

Taking into account the percentage of part-time employees at 31 December 2018 (54%), Full Time Equivalents (FTEs) for 2018 was 28.8. In 2017 the amount of FTEs was 28.2.

**Compensation for Director**

ECF is managed by one Director. In 2018, the compensation for this role was €124,769. ECF's Director did not receive a thirteenth month of salary or bonus.

Goede Doelen Nederland (GDN), the umbrella organisation for fundraising charities in the Netherlands, has laid out guidelines for determining the remuneration of charity directors ('Regeling beloning directeuren van Goede Doelen' / 'Compensation Guidelines for Directors of Not-For-Profits'). ECF has decided to adopt these guiding principles in its own organisation. The guidelines were adapted by GDN on 1 January 2015, with a four-year transitional arrangement.

It is the intention of ECF to comply with the guidelines within this period.

On 15 November 2018, André Wilkens commenced employment as the new Director of the ECF. Although Mr. Wilkens was employed for only 45 days in 2018, the GDN guidelines for determining the remuneration of charity directors were applied to his compensation, details of which have been included in a separate table below the former ECF Director's. The former Director, Katherine Watson, left ECF on 31 December 2018.

In 2018, ECF's Director's relevant annual income was €124,769 (one FTE/12 months), which is within the maximum amount of €153,080 specified by the GDN guidelines.

**Name:** Katherine E. Watson

**Position:** Director

**Contract:** Indefinite; Full time/37.5 hours

**Period:** 01 Jan-31 Dec 2018

**Compensation**

Annual Income	2018	2017	2016
Gross salary	115,527	115,527	115,527
Holiday allowance	9,242	9,242	9,242
Year-end bonus	–	–	–
Variable components	–	–	–
<b>Total</b>	<b>124,769</b>	<b>124,769</b>	<b>124,769</b>
Social charges	8,856	9,779	39,474
Other taxable compensation	3,666	3,402	3,415
Pension	22,480	22,023	30,462
Other regular compensation	–	–	–
Severance pay	–	–	–
<b>Total remuneration 2018</b>	<b>159,771</b>	<b>159,973</b>	<b>198,121</b>
Remuneration excluding Social charges	150,915	150,194	158,647

In 2018, ECF's new Director's relevant annual income was €14,424 (one FTE/1.5 months).

**Name:** André Wilkens

**Position:** Director

**Contract:** Indefinite; Full time/37.5 hours

**Period:** 15 Nov-31 Dec 2018

### Compensation

<b>Annual Income</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Gross salary	13,432	-	-
Holiday allowance	992	-	-
Year-end bonus	-	-	-
Variable components	-	-	-
<b>Total</b>	<b>14,424</b>	-	-
Social charges	1,366	-	-
Other taxable compensation	2,681	-	-
Pension	1,972	-	-
Other regular compensation	-	-	-
Severance pay	-	-	-
<b>Total remuneration 2018</b>	<b>20,444</b>	-	-
Remuneration excluding Social charges	19,078	-	-



## Allocation of income

	Income source PBCF	Fundraising from profit/non profit	Fundraising from governments	Interest/securities	Other income	Totals
Grants	989,989	50,000	–	–	–	1,039,989
Pilot projects	229,407	–	129,485	–	–	358,892
Tandem	947,684	430,000	3,500	–	–	1,381,184
Policy Influencing	309,079	–	–	–	–	309,079
Cultural Diplomacy Platform	16,464	–	29,953	–	–	46,417
Publications	222,476	–	–	–	–	222,476
Knowledge Management	342,213	–	–	–	–	342,213
European Cultural Challenge	453,410	–	–	–	–	453,410
Press and Marketing	331,251	–	–	–	–	331,251
Fund Development	231,709	–	–	–	–	231,709
Business Development	181,477	–	–	–	–	181,477
Princess Margriet Award	487,330	–	–	–	–	487,330
R&D	93,638	–	–	–	–	93,638
Governance	23,593	–	–	–	–	23,593
Strategic Partnerships	131,000	–	–	–	–	131,000
Operations (incl SPE)	133,476	–	–	–	1,199	134,675
Deficit 2018	(520,515)	–	–	(381,878)	–	(902,393)
<b>Total income</b>	<b>4,603,681</b>	<b>480,000</b>	<b>162,938</b>	<b>(381,878)</b>	<b>1,199</b>	<b>4,865,940</b>
<b>Total expenditure</b>						<b>5,768,332</b>

## Cost Allocation

	Catalyse	Connect	Communicate	Consolidate	Cost Fundraising	Business Development	Press and Marketing	Governance	General Administration	Total costs 2018
<b>Direct costs</b>										
Grants 2018	648,568	418,930	146,000	51,864	–	–	–	–	–	1,265,362
Grants not taken up	(21,657)	–	–	–	–	–	–	–	–	(21,657)
Partnerships and outsourced activities	30,798	1,031,732	329,730	179,454	–	–	–	–	–	1,571,715
<b>Support costs</b>										
Personnel costs	335,711	714,800	405,048	388,685	120,360	135,485	206,522	–	117,732	2,424,343
Communication costs	13,468	7,219	6,692	–	99,382	–	104,366	–	–	231,127
Governance	–	–	–	–	–	–	–	23,593	–	23,593
Other general costs	33,101	67,222	39,937	38,324	11,967	45,992	20,363	–	16,943	273,849
<b>Total</b>	<b>1,039,989</b>	<b>2,239,903</b>	<b>927,408</b>	<b>658,327</b>	<b>231,709</b>	<b>181,477</b>	<b>331,251</b>	<b>23,593</b>	<b>134,675</b>	<b>5,768,332</b>

In 2018, a total amount of €21,657 that had been reserved for grants payable was released and was deducted from the direct costs as 'Grants not taken up'. This amount consists of outstanding instalments related to multiple projects that were not completed in the required timeframe.

Staff costs and General administration costs are allocated to ECF's different activities based on time writing by employees.

## Specifications for 650 Ruling

<b>Expenditures percentage</b>	<b>Actuals 2018</b>	<b>Spending ratio</b>	<b>Budget 2018</b>	<b>Spending ratio</b>	<b>Actuals 2017</b>	<b>Spending ratio</b>
Total expenditures ECF	5,768,332		6,084,765		5,411,414	
Total income ECF	4,965,490		5,714,224		5,627,630	
<b>Surplus (deficit)</b>	<b>(902,393)</b>	<b>118.6%</b>	<b>(370,540)</b>	<b>106.5%</b>	<b>216,216</b>	<b>96.1%</b>

<b>Fundraised income and expenditures</b>	<b>Actuals 2018</b>		<b>Budget 2018</b>		<b>Actuals 2017</b>	
Fundraised income	642,938		944,224		795,538	
Fundraising costs incl. charge PBCF	231,709		315,743		264,420	
Fundraising costs excl. charge PBCF	160,182	24.9%	233,743	24.8%	176,036	22.1%

<b>Specification Fundraising costs</b>	<b>Actuals 2018</b>		<b>Budget 2018</b>		<b>Actuals 2017</b>	
Costs fundraising ECF	132,227		198,743		151,638	
Costs fundraising third parties	27,955		35,000		24,398	
Costs fundraising PBCF	71,527		82,000		88,384	
<b>Total</b>	<b>231,709</b>		<b>315,743</b>		<b>264,420</b>	

## Consolidated Financial Statements in 2018

### Accounting Principles

The consolidated Financial Statements consist of the financial data of:

- European Cultural Foundation (ECF).
- Stichting Voorzieningsfonds Pensioengerechtigden Binnenland van de Fondation Européenne de la Culture.
- Stichting Voorzieningsfonds Pensioengerechtigden Buitenland van de Fondation Européenne de la Culture.

### Voorzieningsfonds

The objective of the Stichtingen Voorzieningsfondsen (pension provision fund) is to compensate for the decreasing value of pensions for a defined group of ex-employees if the official inflation rate is higher than 3%. Detailed objectives are described in the statutes of the ECF Stichtingen Voorzieningsfondsen.

In 2014, the ECF was alerted that the ECF Voorzieningsfondsen, which are attached to ECF for the purposes of financing the indexation of pensions already in force, are required to comply with the 2007 Pensions Act.

After extensive investigations by ECF's pension advisor, it was confirmed that the ECF Voorzieningsfondsen could not continue to exist in its present form. In March 2017, the Board formally decided that these funds would be liquidated. The ECF consulted with De Nederlandsche Bank in order to properly execute the liquidation process. Together with legal firm Loyens & Loeff, ECF has designed a roadmap to finalise the liquidation.

Unfortunately, this process has taken more time than was initially estimated. It is now planned to execute the liquidation during the first half of 2019. Therefore, the Annual Reports 2018 of the ECF Voorzieningsfondsen were based on the accounting policies of liquidation. This did not affect the valuation of the general reserve or the result of 2018 for the consolidated financial statements.

Please note that the rounding up or down of all figures to full euro amounts has caused some small rounding differences.

## Consolidated balance sheet

As per 31 December 2018

	Ref	31 Dec 2018	31 Dec 2017
<b>Assets</b>			
<i>Tangible fixed assets</i>			
Premises		38,813	42,950
Refurbishment		13,535	4,999
Furniture and equipment		29,433	30,874
		<b>81,781</b>	<b>78,823</b>
<b>Financial fixed assets</b>			
	16		
Bonds		785,328	809,909
Shares		5,284,360	5,631,488
		<b>6,069,688</b>	<b>6,441,398</b>
<b>Currents assets</b>			
Accounts receivable		2,230,812	2,740,232
<b>Deposits, Cash</b>			
Cash and bank balances		10,134,408	10,250,386
<b>Total</b>		<b>18,525,689</b>	<b>19,510,838</b>
<b>Liabilities</b>			
<b>Reserves</b>			
	17		
Appropriated reserve		15,763,479	16,701,004
Revaluation reserve		–	–
		15,763,479	16,701,004
<b>Current liabilities</b>			
Received in advance		–	–
Grants payable		524,774	437,792
Accounts payable		2,237,437	2,372,042
		2,762,210	2,809,834
<b>Total</b>		<b>18,525,689</b>	<b>19,510,838</b>

**Notes to the consolidated balance sheet** (Refs 16-17)

As per 31 December 2018

**Financial fixed assets** (Ref 16)

	<b>Bonds</b>	<b>Shares</b>	<b>Total</b>
Balance at 31 Dec 2017	809,909	5,631,488	6,441,397
Acquisitions	–	1,874,858	1,874,858
Sales	–	(1,869,728)	(1,869,728)
Revaluations realised	(24,851)	20,751	(3,830)
Revaluations unrealised	–	(373,010)	(373,010)
<b>Balance at 31 Dec 2018</b>	<b>785,328</b>	<b>5,284,360</b>	<b>6,069,688</b>

**Reserves** (Ref 17)

	<b>General reserve</b>	<b>Revaluation reserve</b>	<b>Total</b>
Balance as per 31 December 2017	16,701,004	–	16,701,004
Additions	–	–	–
Withdrawals	(937,525)	–	(937,525)
<b>Balance as per 31 December 2018</b>	<b>15,763,479</b>	<b>–</b>	<b>15,763,479</b>

**Consolidated statement of income and expenditure**

	<b>Actual 2018</b>	<b>Actual 2017</b>
<b>Income</b>		
Income other non-profit organisations*	4,603,681	4,509,330
Fundraising income – profit/non-profit	480,000	679,596
Fundraising income – governments	162,938	115,942
Other income (Securities and interest)	(380,391)	326,430
Other income (Exchange differences)	1,199	25
<b>Total Income</b>	<b>4,867,427</b>	<b>5,631,323</b>
<b>Expenses</b>		
<i>Committed to purpose</i>		
Catalyse	1,039,989	958,489
Connect	2,239,903	2,168,926
Communicate	927,408	1,153,927
Consolidate	658,327	370,731
<b>Subtotal committed to purpose</b>	<b>4,865,628</b>	<b>4,652,073</b>
<i>Costs Fund Development</i>		
Fundraising costs	160,182	176,036
Cost contributions PBCF	71,527	88,384
	<b>231,709</b>	<b>264,420</b>
<i>Operations</i>		
Press and Marketing	331,251	360,686
Governance	23,593	43,395
General Administration	171,295	131,791
	<b>526,139</b>	<b>535,872</b>
Business Development	181,477	102,694
<b>Total expenses</b>	<b>5,804,952</b>	<b>5,555,058</b>
<b>Surplus / (Deficit)</b>	<b>(937,525)</b>	<b>76,264</b>
<b>Appropriation of the result</b>	<b>(937,525)</b>	<b>76,264</b>
(Withdrawal from) / Addition to reserve		

\* This represents the contribution, through Prins Bernhard Cultuurfonds, from the BankGiro Loterij and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij).



## Notes to the consolidated statement of income and expenditure

Compared to the ECF's statement of income and expenses the main differences can be specified as follows:

	Actual 2018 ECF	Actual 2018 Vzf Binl*	Actual 2018 Vzf Buitl**	Actual 2018 Total
Interest from bank accounts	1,567	1,211	277	3,054
Revaluation reserve bonds	-	-	-	-
Interest from bonds	-	-	-	-
Realised revaluations bonds	-	-	-	-
Unrealised revaluations bonds	(24,581)	-	-	(24,581)
	<b>(23,015)</b>	<b>1,211</b>	<b>277</b>	<b>(21,527)</b>
Dividends	65,352	-	-	65,352
Realised revaluations shares	20,751	-	-	20,751
Unrealised revaluations shares	(373,010)	-	-	(373,010)
Other income	1,199	-	-	1,199
	<b>(285,707)</b>	<b>-</b>	<b>-</b>	<b>(285,707)</b>
	<b>(308,722)</b>	<b>1,211</b>	<b>277</b>	<b>(307,234)</b>
	Actual 2018 ECF	Actual 2018 Vzf Binl*	Actual 2018 Vzf Buitl**	Actual 2018 Total
<i>Costs of securities</i>				
Fees asset management/ bank charges	71,957	414	414	72,786
<i>Other costs</i>				
Other costs (advisory costs, Chamber of Commerce, audit fees)	-	32,703	3,088	35,791
	<b>71,957</b>	<b>33,117</b>	<b>3,503</b>	<b>108,577</b>

\* Vzf Binl = Stichting Voorzieningsfonds Binnenland ECF

\*\* Vzf Buitl = Stichting Voorzieningsfonds Buitenland ECF

## Supplementary Information

### Appropriation of the result

The result for the year is at the disposal of the Supervisory Board.

### Events after the balance sheet date

No events have occurred since the balance sheet date and the approval of these financial statements that would require adjustments to these financial statements.

## Annex A

Allocation ECF Commitments by Funders /  
Contractual Obligations 2018**Liabilities**

<b>Third party</b>	<b>Contributions to spend</b>	<b>Contractual obligations</b>
European Commission (Culture for Solidarity)	131,116	
European Commission (MediaActivism)	500,000	
Compagnia di SanPaolo	50,000	
Fondazione Cariplo	25,000	
Stichting Kulturele Haadstêd 2018	20,000	
Robert Bosch Stiftung	115,000	
Stavros Niarchos Foundation	100,000	
MitOst		573,290
Other Strategic Partnerships		5,700
Partners Displaced in Media (Erasmus+)		25,084
Partners Culture for Solidarity		47,749
Various Publications		1,990
Various R&D		17,500
Various Business Development		23,741
	<b>941,116</b>	<b>695,053</b>

**Assets**

<b>Third Party</b>	<b>Commitments by Funders</b>	<b>Deferred expenses</b>
European Commission	400,000	
Fondazione Cariplo	125,000	
Stichting Kulturele Haadstêd 2018	7,250	
Fonds voor Cultuurparticipatie	5,000	
Robert Bosch Stiftung	45,000	
Compagnia di San Paolo	75,000	
Stavros Niarchos Foundation	50,000	
EU Funds through Goethe-Institut	45,710	
Erasmus +	38,271	
Prins Bernhard Cultuurfonds	699,320	
Partners Culture for Solidarity		47,749
MitOst		580,648
Various R&D		17,500
	<b>1,490,551</b>	<b>645,897</b>

**Annex B**

The ECF is committed to spend at least 90% of its total Lottery income on its activities, based on the average Lottery income of the previous three years.

Lottery income previous 3 years	4,406,733
Minimum to spend (90% limit of Lottery income)	3,966,060
Net expenditure	5,125,394
<b>Spending ABOVE limit</b>	<b>1,159,335</b>

The ECF complied with the 90% rule in 2018.

**Calculations**

Lottery income 2017	4,509,330
Lottery income 2016	4,466,271
Lottery income 2015	4,244,598
Lottery income average	4,406,733
90% limit	3,966,060
<b>Total expenditures 2018</b>	<b>5,768,332</b>
Minus 3rd party income	(480,000)
Minus government income	(162,938)
<b>Net expenditure 2018</b>	<b>5,125,394</b>
Minimum to spend excl third party income	3,966,060

## INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of European Cultural Foundation based in Amsterdam.

### A. Report on the audit of the financial statements 2018 included in the annual report.

#### Our opinion

We have audited the financial statements 2018 of European Cultural Foundation based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of European Cultural Foundation as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the statement of income and expenditure for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of European Cultural Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (VIO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### B. Report on the other information included in the annual report.

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Director's Report;
- Report by the Supervisory Board;
- Declaration of Responsibility;
- Annex A, B and Acknowledgements.

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website [www.dubois.nl](http://www.dubois.nl), bevatten een aansprakelijkheidsbeperking.

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Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. The Director is responsible for the preparation of the other information, including the Director's Report, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

### C. Description of responsibilities regarding the financial statements

#### Responsibilities of the Director/Supervisory Board for the financial statements

The Director is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board is responsible for such internal control as the Director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Director is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, Director should prepare the financial statements using the going concern basis of accounting unless Director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Director should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

#### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

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Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director;
- concluding on the appropriateness of Director's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 28 May 2019

Dubois & Co. Registeraccountants

Signed on original by:  
J.J.H.G. Stengs RA





# Acknowledgements

The European Cultural Foundation is grateful for the longstanding partnership with the Prins Bernhard Cultuurfonds. We acknowledge the annual financial contribution – through the Cultuurfonds – from BankGiro Loterij and Nederlandse Loterij.



The European Cultural Foundation would also like to thank all our partners who have supported us so generously in 2018:

- Abu Dhabi Arts & Music Foundation
- Compagnia di San Paolo
- Fondazione Cariplo
- Fonds voor Cultuurparticipatie
- Robert Bosch Stiftung
- Stavros Niarchos Foundation
- Stichting Kulturele Haadstêd 2018
- Goethe-Institut
- Municipality of Rijeka
- European Commission

Please visit [culturalfoundation.eu/our-partners](http://culturalfoundation.eu/our-partners) for a full list of our partners.

We are a member of the Vereniging Fondsen in Nederland (FIN), of Goede Doelen Nederland (previously 'Vereniging Fondsenwervende Instellingen' (VFI)) and the European Foundation Centre (EFC). Since July 2014 we have held the CBF 'Centraal Bureau Fondsenwerving/Central Bureau for Fundraising organisations keurmerk' (seal of approval).



**GOED DOEL**

As a member of Goede Doelen Nederland, the European Cultural Foundation complies with all the necessary codes and guidelines, including the *SBF-code for Good Governance Governance* and the *Erkenningsregeling Goede Doelen*. [SBF-code for Good Governance Governance](#)  
[Goede Doelen Nederland codes, rules and guidelines](#)

We also endorse the European Foundation Centre's *Principles of Good Practice*. [Principles of Good Practice](#)

We have the ANBI ('Algemeen Nut Beogende Instelling') status, which means that the Foundation's objectives have been deemed to improve the well-being of the general public.

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## DTP Financial Report

Haiko Oosterbaan

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## European Cultural Foundation

The European Cultural Foundation works for an open,  
inclusive and better Europe.

It was created 65 years ago for the promotion of European unity  
by encouraging cultural and educational activities of common interest.

In 2019 the Foundation's theme is 'Democracy Needs Imagination'.  
Because culture can provide resistance against divisive forces.

Culture can tell the story of Europe.  
Culture can imagine a better future.

[culturalfoundation.eu](http://culturalfoundation.eu)