



**We believe in
experience o
and in the po
to promote m
standing and
therefore supp
operation and
cultural polic**



**the enriching
of diversity,
power of culture
mutual under-
respect. We
port cultural co-
advocate strong
ies for Europe.**





Preface

The European Cultural Foundation (ECF) gives support to the cultural sector in Europe and campaigns on its behalf. We are convinced that, by cooperating culturally, the people of Europe can achieve that difficult but desirable aim: unity in diversity.

Those of us who champion the cause of cultural cooperation – seeing it as an integral part of European integration – do so in challenging times. We speak of the ‘richness of diversity’, yet we must acknowledge that many perceive diversity as a threat, especially in the present volatile global context. European integration is itself resisted by many on the basis that it might threaten the diversity of nation states. How can culture help? **Although culture has repeatedly been misused to divide people, we believe that the positive power of culture – to inspire and connect – is infinitely stronger.** The ECF proposes a ‘sharing of cultures’ as the way forward for Europe in the 21st century.

In 2005, the ECF gave practical *support for cultural cooperation* (see pages 10 - 37) by launching a media programme which focuses on young people’s creativity and on the role of journalism in creating a shared European public space; it also launched an arts project which explores artistically the phenomenon of ‘the Other’ within different social contexts. The Foundation’s grants supported innovative cultural projects and enabled artists and culture professionals to cross literal and metaphorical borders in their work. And the vast online source of cultural information which is at the heart of ‘LabforCulture’ began its test phase.

Direct practical support is only one side of the coin. Cultural cooperation also requires policies and policymaking (at all levels) which create the right conditions for cultural life to flourish. The ECF initiates and supports reflection, research and advocacy in support of *cultural policy development* in Europe (see pages 38 - 49). The political and artistic backing given to the '70 cents for culture' campaign for a larger EU budget for culture was heartening. Our conference 'The Heart of the Matter' argued for the inclusion of culture in the EU's cooperation programmes with neighbouring countries, especially in relation to the Western Balkan countries. The resulting Cultural Incentive Fund for the Balkans has attracted substantial support from our partners.

Fortunately, we are far from being alone in our mission. Despite talk of a 'European crisis', there is cause for optimism in the achievements of the civil society organisations and networks which seek greater artistic and cultural cooperation in Europe. Several partners assisted the Foundation's work in 2005: its own National Committees; such cultural networks as the European Forum for the Arts and Heritage (EFAH); the European Commission and Parliament, and many EU member states; NGOs such as HIVOS, the Dutch-based development organisation; and a number of other foundations.

The achievements of 2005 are remarkable in being the work of such a small (but committed) staff team, guided by the members of the ECF's Board and its Advisory Council. Their work is made possible thanks to the financial lifeline provided by the lotteries in the Netherlands, especially the Bank Giro Lottery and De Lotto, whose generous support we receive through the Prince Bernhard Cultural Foundation. Together with our partners and other supporters, we look forward to the continuing challenge of championing the important cause of further cultural cooperation across Europe.

HRH Princess Margriet of the Netherlands

President of the European Cultural Foundation

00	
02	
04	
06	Preface
08	Contents
10	Support for Cultural Cooperation
12	Programmes
14	Theoneminutesjr
16	Media
18	Arts
20	STEP <i>beyond</i>
22	Mobility
24	Grants
26	Grants: Luna Park
28	Grants: Tirana Biennale
30	Grants list
32	Grants list
34	Grants: Treadmarks
36	Grants: Videoletters
38	Cultural Policy Development
40	cpd: Kaliningrad
42	Cultural Infrastructure
44	70 cents for culture campaign
46	Reflection & Debate
48	Research & Education
50	LabforCulture
52	Director's Report: A look ahead to 2006
54	Publications
56	Network of National Committees
58	Governing Bodies
60	Governing Bodies
62	Staff
64	Staff
66	STEP <i>beyond</i> : 'Sunny Beach'
68	STEP <i>beyond</i> : 'Sunny Beach'
70	STEP <i>beyond</i> : 'Sunny Beach'
72	STEP <i>beyond</i> : 'Sunny Beach'
74	Financial Statements
76	Treasurer's Report
78	Treasurer's Report
80	Balance sheet
82	Statement Income & Expenditure
84	Activities Accounting Principles
86	Notes to Balance sheet
88	Notes to Balance sheet
90	Notes to Statement Income & Expenditure
92	Notes to Statement Income & Expenditure
94	Other information

	01
	03
	05
Preface	07
Contents	09
Support for Cultural Cooperation	11
Programmes	13
Theoneminutesjr	15
Media	17
Arts	19
STEP <i>beyond</i>	21
Mobility	23
Grants	25
Grants: Luna Park	27
Grants: Tirana Biennale	29
Grants list	31
Grants list	33
Grants: Treadmarks	35
Grants: Videoletters	37
Cultural Policy Development	39
cpd: Kaliningrad	41
Cultural Infrastructure	43
70 cents for culture campaign	45
Reflection & Debate	47
Research & Education	49
LabforCulture	51
Further Information	53
Network of National Committees	55
Network of National Committees	57
Governing Bodies	59
External Advisors	61
Staff	63
STEP <i>beyond</i> : 'Sunny Beach'	65
STEP <i>beyond</i> : 'Sunny Beach'	67
STEP <i>beyond</i> : 'Sunny Beach'	69
STEP <i>beyond</i> : 'Sunny Beach'	71
STEP <i>beyond</i> : 'Sunny Beach'	73
Treasurer's Report	75
Treasurer's Report	77
Treasurer's Report	79
Balance sheet	81
Statement Income & Expenditure	83
Activities Accounting Principles	85
Notes to the Balance sheet	87
Notes to the Balance sheet	89
Notes to Statement Income & Expenditure	91
Supplementary Information	93
List of Supporting Organisations	95

Sup

**For greater
understanding and a
sharing of cultures in the
new Europe**

Coop

port for

Cultural

eration

The ECF gives practical support to artists, cultural and media professionals, and others working in the field of European cultural cooperation.

Our **media** programme invests in young people's creativity and encourages a better and broader coverage of European issues, especially by young journalists.

Our **arts** programme explores art in its social context, particularly in response to the various manifestations of 'cultural difference'.

We also support cultural **mobility**, financing the travel of artists and others involved in setting up exciting cross-border cultural initiatives right across Europe.

ECF **grants** offer independent cultural organisations a directly accessible channel of funding which reaches small to medium-sized organisations in all parts of Europe.

Progra

mmes

media programme

arts programme

mobility programme

min

See 'Half Empty' by Declan Hurley at www.theoneminutesjr.org (watch videos->

A Minute of Your Time

"The message I wanted to convey was – even though your friends might seem like they're perfectly happy and they're enjoying life, it's not always the case. That's kind of what happened with me. Suicide is such a complex subject. I just heard about the one-minute workshop the week it all happened, and there were so many things going through my head, because it's huge and so many people are affected by it. Yet nobody really knows, has any answers.

At the time it was something I felt I really wanted to do this film about. A few weeks after, I thought it would be hard, and I came up with a few other ideas, but nothing else seemed as important. Where I was at the time – they all just seemed kind of pointless.

Then when I did decide that I was going to deal with this topic in some way, it was hard to get the balance right, because you could be really forceful and say 'You should look out for your friend, you should be a really good friend! But then how would someone who'd lost a friend to suicide take that? Would they be offended? It's definitely a topic I wouldn't approach if I didn't have experience of it."

Declan Hurley

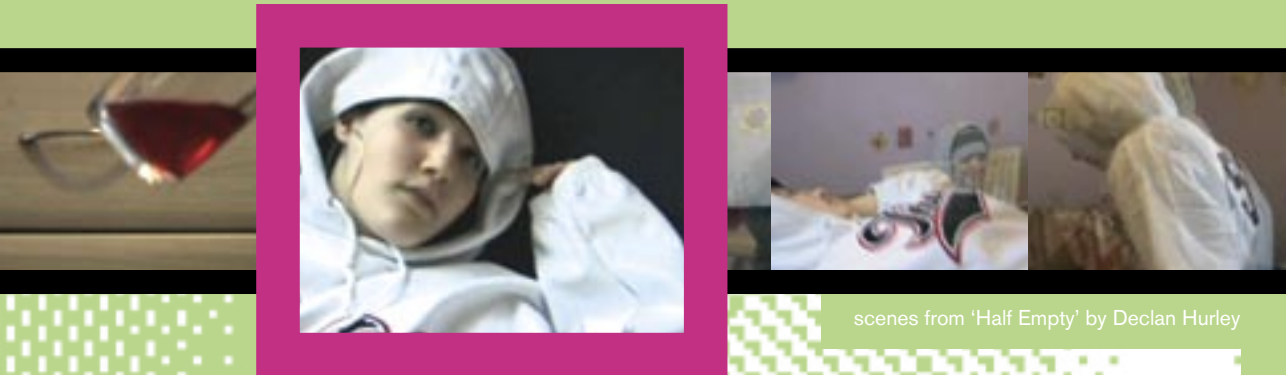
utesjr

Broadcasters involved in theoneminutesjr network

15

BBC (UK), Rai3 (Italy), RTE (Ireland), RTP (Portugal),
SVT (Sweden), TV3 (Catalonia), and YLE (Finland)

sort by country->Ireland).



scenes from 'Half Empty' by Declan Hurley

A oneminutesjr workshop

RTE, Dublin, 4-8 July 2005

The Irish broadcaster RTE hosted a oneminutesjr workshop at its Dublin base. The participants, who mirrored the multiethnic diversity of modern Ireland, were encouraged to come up with their own ideas and had their work professionally edited.

Subject matter included the impact of AIDS on African societies, the human consequences of suicide, the healing power of music, Dublin's constantly changing cityscape, and Islamic wedding customs. Comedy was also very much on display.

After theoneminutesjr workshop, a landmark meeting of broadcasters committed to theoneminutesjr discussed extending their future involvement and the more general issue of young people's participation in broadcasting.

**Two needs that are tackled by
the ECF's media programme**

Nurturing young people's Creating a shared space to tackle the issues of the day...

How much can a young person, equipped only with a digital camcorder, express in a single minute? A great deal. That's the inescapable conclusion reached by anyone who has sampled some of the hundreds of junior one-minute videos collected at www.theoneminutesjr.org.

theoneminutesjr

Young people from across Europe and beyond have risen to **the creative challenge** of theoneminutesjr. Their videos have been broadcast on the Internet, on TV, and at arts festivals and events.

Special oneminutesjr workshops have brought together **youngsters living on the margins of society** and helped them to unlock ideas and stories within themselves and express these with marvellous impact.

In 2005, six workshops were held; 275 videos were entered for the junior categories of the annual One Minutes Festival in the Netherlands; and a group of **major European public television broadcasters** met in Dublin to discuss how to extend the reach of this landmark initiative of the ECF, UNICEF and theoneminutes foundation.

Euro 194,079 budget line Programme Activities

creativity... to debate the European

Democracy depends on an interested and informed public debating the issues that affects it. We need good media reporting on European issues. The ECF's media programme looks at how up-and-coming young journalists tackle Europe in their work. It also supports their explorations of parts of Europe that are often overlooked.

A travel scheme called **Closer Look** promotes investigative journalism in Eastern and Central Europe and (since 2005) in South East Europe. It supports the travel costs of **young European journalists reporting on cultural issues** that affect these regions. The journalists' editors guarantee that the material produced will appear in print or be broadcast. 14 grants of up to EURO 2,500 were awarded in the past year.

In September, a **journalists' workshop** (jointly organised with the Mediamatic Foundation and the Finnish daily, *Helsingin Sanomat*) considered **the coverage of European issues by young journalists** working for quality European newspapers. The journalists who attended came from the following papers: *Dagens Nyheter* (Sweden), *Der Standard* (Austria), *El Pais* (Spain), *Gazeta Wyborcza* (Poland), *Helsingin Sanomat* (Finland), *Le Monde* (France), *NRC Handelsblad* (Netherlands) and *Politiken* (Denmark). This experimental workshop will help mould other ECF events devoted to journalism in years to come.

Zona, a cross-media project co-organised with Krakow's Villa Decius Association, explored one of the most challenging of European issues: **the human impact of borders** – particularly for young people at the eastern periphery of the European Union. The project resulted in a video, photography and text *reportage* and travelling exhibition. This and the material produced at the Moldovan oneminutesjr workshop will be compiled into a magazine and published in early 2006.

Guiding principles of the ECF's new arts project, ALMOSTREAL

The arts – shaping and being Dealing constructively with

The ECF has long been committed to exploring the social dimension of art. In March 2005, it launched a new 3-year project, ALMOSTREAL. This focuses on cultural practice and the various manifestations of 'cultural difference'.

ALMOSTREAL

ALMOSTREAL considers how collaborative artistic strategies affect that set of skills which helps people understand and come to terms with the differences between them. **Meaningful encounter with 'the Other'** is at the heart of this vitally needed set of skills.

Contemporary art provides an ideal platform for such encounter. The project reflects the overall theme of 'Art and the Other', and each stage is marked by a group of innovative artistic activities and at least one main public event. Open and direct discussion involving artists and art professionals precedes and follows each stage. The activities and events, proposed and organised by various arts organisations, will contribute to **a publicly accessible knowledge-base** on art and society.

The first ALMOSTREAL event took place in the Slovenian capital, Ljubljana, between 26 and 29 October 2005. The project's first stage looks at how expanding communication technologies are assisting **creative collaboration in the former Yugoslavia**. The 'first fruits' of ALMOSTREAL included publications, radio and TV programmes, symposia, performances, and exhibitions. This first stage was due to culminate in Croatia in January 2006 with the exhibition 'Continuous Art Class' (on Novi Sad's neo-avant-garde of the 1960s and 70s), transferred from Serbia in the first official opportunity for a re-union of artists across the border.

g shaped by society.... difference....

“Familiarising Zagreb audiences with individual and group cultural production in Novi Sad during the 60s and 70s is needed because these initiatives are part of the common history, but today they do not resonate in the official history of art in Croatia.... Instead of a demonstration of ‘influence’, the point is to show the desire to go on with certain kinds of experimentation, to take the path that others had opened, to take it as the path of the very possibility to see, or to feel, or to move – and then to go elsewhere, by following that ‘same’ path which has become the ground or the clearing of the present.”

Step *beyond*

20



The Leather-Encased House in Sarajevo



The trip was the core element of a project to document a site-specific artistic work made by Bosnian artist and French citizen Maja Bajevic along with local leather traders and craftsmen. The artist's aim was to produce a leather structure to encase a traditional Bosnian-style house in the capital, Sarajevo. We researched the state of textiles and tanning factories that have fallen into disrepair after the war in the 90s and the resulting collapse in infrastructure.

21

The artist worked with local leather traders in Sarajevo, leather craftsmen and former workers of KTK Visoko, a tannery and leather garment factory 20km north west of Sarajevo. This was an element of cultural exchange in the project which was very successful, as people in this area are very receptive to their economic struggles in the aftermath of the war being publicised.

The work, which is now entitled *Etui*, was exhibited in London in June 2005. It has since been shown in Gallerie Michel Rein, Paris, and the Swiss Peter Kilchmann Gallery, promoting the content of the project to new audiences internationally.

The STEP *beyond* grant enabled us to travel to Sarajevo to make the work and have a direct role in its development, rather than working at a distance from the community who were at the core of the problems with which the work was trying to engage.

Kim Dhillon

Independent curator, and co-producer of *Etui* by Maja Bajevic, 2005. The project was co-curated and co-produced by Jessica Wythe.

The travel costs of Kim Dhillon and photographer Thierry Bal were financed by the ECF mobility scheme, STEP *beyond*.

Travelling Artists....

Exploring Europe

STEP *beyond*

Cross-border travel is the life-blood of cultural cooperation. Artists and others in the cultural sector need to meet their international peers, exchange views, influence and learn from each other.

The ECF is one of the funders of cultural mobility in Europe. Since 2003, its main mobility scheme STEP *beyond* has supported **individuals setting up cultural initiatives** that lead to greater understanding in the broader Europe. (The Foundation helps fund artistic mobility in the Mediterranean through its support of the Roberto Cimetta Fund.)

STEP *beyond* has a **Europe-wide scope** (with Eastern and South East Europe given priority) and is open to all art forms and a broad range of target groups. There are no deadlines imposed or restrictions on the length of stay.

Since July 2005, STEP *beyond* has **extended its reach to the countries of the South Caucasus** (Georgia, Armenia and Azerbaijan) thanks to the partnership of the Arts and Culture Network Program of the Open Society Institute, Budapest.

In 2005:

- 114 STEP *beyond* travel grants were awarded
- 49 of these went to artists, 35 to cultural operators, 19 to cultural researchers and 11 to cultural journalists
- 41 were for West > East travel, 40 for East > West, 31 for East > East, 1 for Caucasus > West, and 1 for East > Caucasus
- 40 out of 47 eligible European countries were involved (as places of origin or destination)
- Euro 464 was the average award.

The ECF's support for cultural mobility



Exploring Art

Five Steps *Beyond...*

1 A freelance TV and film director from Serbia and Montenegro visited the UK, France and Italy to experience the Human Rights Watch International Film Festivals. The aim was to gain knowledge that would assist in the setting up of a Human Rights Film Festival in Belgrade. The Belgrade festival was successfully realised in December 2005.

2 A Bosnian-born visual artist and researcher travelled from the UK to Tuzla in Bosnia-Herzegovina to begin a research project on women in patriarchal societies, focusing on women in Tuzla and – in the research's second stage – women in the Tower Hamlets borough of London. Using contemporary dance and video interviews, she engaged the women in an artistic exchange of ideas and experiences.

3 Two audio-visual artists – one French, one Spanish – went to Macedonia to work with the minority Aromanian community there, gathering information for a documentary film on Aromanian music and culture in the region.

4 A Latvian visual artist travelled to Turkey to research the Turkish art scene, learn about new tendencies and developments in contemporary art and share information about the Baltic art scene. This travel also opened up the possibility of inviting Turkish artists to participate in projects organised by the Latvian Centre for Contemporary Arts.

5 A Moldovan journalist's visit to Ireland was used to explore possible connections between the magazines 'Sud-Est Cultural' and Dublin's 'The Stinging Fly'. One outcome of her trip will be a special edition of 'Sud-Est Cultural' magazine devoted to Irish culture. This travel also helped establish relations between Moldovan and Irish cultural publications.

The arts need funding. But arts funding can be hard to find. Especially if you're a small to medium-sized independent organisation. And doing innovative work. And that work has a cross-border dimension. And you are based in a region which falls beyond the remit of most European funders.

This is where the grants scheme of the ECF comes in.

ECF grants offer independent cultural organisations a directly accessible channel of funding. They support new approaches to cultural cooperation, favouring quality projects that show originality and have real impact.

Cross-border collaboration is key: it should be evident at a project's every stage. Supported projects can be small-scale, regional or pan-European; within the EU, beyond the EU, or cross-Mediterranean. As one applicant remarked in a recent questionnaire, the ECF's approach guarantees 'the real involvement of communities that are (and doubtlessly will be) excluded from traditional programmes'.

The projects cast new light on the ECF's areas of interest: promoting intercultural skills, getting more people involved in the arts and the media, highlighting cultural aspects of EU enlargement, improving conditions for the arts, responding creatively to the burning issues of the day, and enabling debate to take place Europe-wide.

In 2005, the ECF supported 79 innovative cultural projects – an average of 1 in 8 of all those proposed. Successful applicants were from EU member states, Eastern and South East Europe, and southern and eastern Mediterranean countries. The projects supported were astonishingly interesting and varied. They included a moving and confrontational video-message exchange between people separated by the war in the former Yugoslavia (p. 36); a new, non-traditional art biennial in the Albanian capital, Tirana (p. 28); commissioned artworks for the 'contemporary ruin' of an abandoned theme park in Spain's Basque region (p. 26); and workshops and performances showing how hip hop expresses issues of displacement in two European cities, Brussels and Tallinn (p. 34).

The evaluation process for ECF grants is thorough and informed: a cultural expert helps with pre-selection, and external advisers (assisted by four emerging cultural managers from the Brussels-based Fondation Marcel Hicter) assess all awards above EURO 10,000. Two members of the ECF Board oversee the process.

The scheme is distinguished by its broad geographical reach. The ECF was able to offer grants to NGOs in South East Europe thanks to its continued partnership with Hivos, the Dutch development organisation. Hivos contributed more than a tenth of the total grants budget of just over EURO 1.2 million.

Mapping The ECF is actively attempting to spread the word about its grants scheme and other funding possibilities. The Grants action-line co-funded a LabforCulture mapping of cross-border organisations in three East European countries – Belarus, Moldova and Ukraine – where there is, as yet, too little awareness of the scheme. Communication between funders in the Mediterranean and the level of support provided need to be improved. In January, the ECF organised a meeting of funders supporting culture in the Mediterranean region. The ECF, the Ford Foundation and SIDA (Sweden) also commissioned a mapping of funds available to the cultural sector there.

Grants, programmes and advocacy are now much more tightly woven within a single fabric. We believe from experience that concerted and consistent action provides the best means of supporting cultural cooperation.

Nineteen artists were invited to propose and realise new works that would 'preserve' the history and visual appearance of the park. The artworks (involving different media, including music, film, photography, and fashion) address the abandoned theme park as a powerful poetic link between creative practices and political, economic and social issues.



The park is the ultimate contemporary ruin, proof and symbol of a process, a phenomenon that we call 'the acceleration of history'. It represents the failure not only of mass tourism here, but of what Disney referred to as 'the comforting architecture' of theme parks.

For security reasons, the site is accessible to a very limited audience only. The main focus therefore is on *transmitting* the park, both in terms of its physical appearance and its conceptual connotations, to a wide audience. This is done by various means – public screenings, documentary exhibitions, TV broadcasts, postcards, lectures, etc.



Art from Puna Park



An abandoned theme park sits on top of Bilbao's Artxanda mountains. Built in the early 1980s and closed less than ten years later, the theme park provides the setting for an experimental and imaginative art project called LUNA PARK.

In common with many other 'peripheries' of Europe, the Basque region has been working since the late 80s on redefining and modernising its economic, social and political life, with culture playing a more central role. Bilbao suddenly jumped into a new century, changing its rough architecture of post-industrial factories and culture of working-class militancy.

LUNA PARK strongly relates to the regional background of its setting. At the same time, it deals with the current situation of art production and presentation. Its aim is to preserve history through art, rather than preserve art in history.

Franck Larcade, Lisette Smits, Alexis Vaillant

LUNA PARK is produced by Consonni

Consonni, an arts organisation based in the Basque Country, was awarded an ECF grant of EURO 18,000 for the art initiative, LUNA PARK.

Albania's art scene had been literally cut off from the rest of the world for 45 years. The Institute for Tirana Biennale concluded that the only way to start being part of an international dialogue was to open up the seal that had kept us isolated for many years and invite the others in. Today, Albania is open to the international cultural scene and believes in the necessity of collaboration and exchange worldwide.

The theme of this third edition was taboos in contemporary society: what they are, how they are formed and transformed, and how they apply within different socio-political contexts, especially in Albania.

28

The Tirana Biennale focuses on human and artistic relationships rather than contemporary art market tendencies. It uses increased participation in the arts as a strategy to break cultural isolation. The Biennale's Board and the community of Albanian artists and cultural institutions are committed to continuing the intercultural process of interaction begun in previous editions. A goal of the Biennale is to develop an interest in culture among the younger generation which can give them hope for the future and an alternative to abandoning their homeland.

An original aspect of this biennale was that it focused as much on the process as on the exhibition itself. This was due to its groundbreaking new structure, which consisted of consecutive openings, with artists working in situ for the whole duration of the event. We were very keen to avoid a dry exhibition format, creating instead a place where art is not simply shown but produced.

The Tirana Biennale is made possible thanks to an enthusiasm and energy that is without equal, in spite of conditions of absolute emergency. Logistical difficulties have permanently to be overcome by a spirit of cooperation between artists and curators, local organisers and international partners.

The Tirana Biennale has proved itself to be one of the most exciting contemporary art events in existence. This was by far the best edition of Tirana Biennale, marking a new phase of its development.

Edi Muka and Gezim Qendro, Directors of Tirana Biennale 3

Curators: Edi Muka and Gezim Qendro, Roberto Pinto, Joa Ljungberg, Zdenka Badovinac, and Hou Hanru.

The Institute of Tirana Biennale was awarded EURO 25,000 for Tirana Biennale 3, Sweet Taboos.

Grants awarded in 2005

- <http://www.alkantara.pt> **Alkantara** Portugal € 22,400
- <http://www.arcimodena.org> **ARCI N.A. Comitato Provinciale di Modena** Italy € 10,000
- <http://www.artcenter-slovenia.org> **Art Centre** Slovenia € 16,000
- <http://www.artfactories.net> **Artfactories** France € 7,000
- <http://www.artphoto.ro> **Artphoto** Romania € 18,000
- <http://www.periferic.org> **Asociatia Vector** Romania € 18,000
- <http://www.cafebabel.com> **Association Babel International** France € 28,800
- <http://www.clubture.org> **Association of NGO's Clubture** Croatia € 25,000
- <http://www.mjافت.org> **Balkan YouthLink** Albania € 7,000
- <http://www.pogranicze.sejny.pl> **The Borderland Foundation** Poland € 20,000
- <http://www.bfot.de> **Buero fuer Off Theater** Germany € 14,780
- <http://www.bunkerproductions.org> **Bunker Productions** Slovenia € 24,000
- Center for Educational Innovation** Moldova € 10,000
- <http://www.cac.ceu.hu> **Central European University Foundation (Center for Arts and Culture)** Hungary € 9,000
- <http://www.cie13.be> **Cie 13** Belgium € 10,000
- <http://www.festival.sk> **City TV Foundation** Slovakia € 18,000
- <http://www.concept.ro> **CONCEPT Foundation** Romania € 10,000
- <http://www.consonni.org/ingles/index.html> **Consonni** Spain € 18,000
- <http://www.catidans.org> **Contemporary Dance Artists Association** Turkey € 11,000
- <http://www.dbmed.org> **DBM – Danse Bassin Méditerranée** Portugal € 25,000
- <http://www.display.cz> **Display** Czech Republic € 14,000
- <http://www.documenta12.de> **Documenta GmbH** Germany € 10,000
- Documentation & Communication Center for Regional Music** Albania € 6,000
- <http://www.drugo-more.hr> **Drugo More** Croatia € 20,000
- <http://www.fvkv.nl> **Dutch Federation of Artists** The Netherlands € 7,500
- <http://www.ecumest.ro> **ECUMEST Association** Romania € 15,000
- <http://www.elshopo.com> **Elshopo** France € 12,000
- <http://www.elteatro.net> **EL TEATRO** Tunisia € 9,000
- <http://www.europist.net/akd> **European Cultural Association** Turkey € 15,000
- <http://www.kulturparlament.com> **European Cultural Parliament** Germany € 7,000
- <http://www.elia-artschools.org> **European League of Institutes of the Arts** The Netherlands € 25,000
- <http://www.eurozine.com> **Eurozine – Verein zur Vernetzung von Kulturmedien** Austria € 25,000
- <http://www.fondazioneadrianoolivetti.it/olivettiingl/novita.htm> **Fondazione Adriano Olivetti** Italy € 8,000
- <http://www.be-wonder.nl> **Foundation Be-wonder** The Netherlands € 25,000
- <http://www.o94.at> **Free Radio Vienna** Austria € 12,000
- <http://www.redhouse-sofia.org> **Gulliver Clearing House Foundation** Bulgaria € 12,000
- <http://www.hetmuzieklod.be> **Het Muziek Lod** Belgium € 10,000
- <http://www.ietm.org> **Informal European Theatre Meeting** Belgium € 21,100

- € 25,500 **The Netherlands** **International Foundation Manifesta** <http://www.manifesta.nl>
- € 10,000 **France** **Jeunesse des Démocrates Marocains à l'Étranger** <http://www.jdme.org>
- € 8,000 **France** **Khiasma Sud** <http://www.khiasma.net>
- € 15,000 **Slovenia** **KUD Pozitiv** <http://www.dic-lj.com/pozitiv>
- € 8,000 **United Kingdom** **Media Diversity Institute** <http://www.media-diversity.org>
- € 21,000 **Ireland** **The National Sculpture Factory** <http://www.nationalsculpturefactory.com>
- € 14,360 **Bulgaria** **Next Page Foundation** <http://www.npage.org/en>
- € 7,000 **France** **NISI MASA European Network of Young Cinema** <http://www.nisimasa.com>
- € 15,000 **Russia** **Objective Reality Foundation** <http://www.photographer.ru/or>
- € 14,000 **Serbia-Montenegro** **Open Cultural Foundation** <http://www.okf-cetinje.org>
- € 25,000 **United Kingdom** **Opera Circus** <http://www.operacircus.co.uk>
- € 10,000 **The Netherlands** **Partner & Verbij Tekstproducties**
- € 15,000 **France** **Pépinières Européennes pour jeunes artistes** <http://www.art4eu.net>
- € 15,000 **Germany** **Public Art Lab** <http://www.mobile-museums.com>
- € 10,000 **France** **roARaTorio** <http://www.art-action.org>
- € 7,000 **Ukraine** **Salus Charitable Foundation** <http://www.salus.org.ua>
- € 12,000 **Italy** **Sconfinando**
- € 18,000 **United Kingdom** **Serious Events Limited** <http://www.serious.org.uk>
- € 8,000 **Serbia-Montenegro** **SKENA UP** <http://www.skenaup.com>
- € 6,450 **Slovenia** **Slovene Festival Association (in collaboration with EFA)**
- € 6,000 **United Kingdom** **Somewhere** <http://www.somewhere.org.uk>
- € 9,000 **The Netherlands** **Stichting Taleb Cherche Midi** <http://www.videokaravaan.org>
- € 18,000 **The Netherlands** **Stichting Videoletters** <http://www.videoletters.net>
- € 25,000 **Egypt** **Studio Emad Eddin Foundation** <http://www.seefoundation.org>
- € 20,000 **Egypt** **Townhouse Gallery of contemporary art** <http://www.thetownhousegallery.com>
- € 15,000 **The Netherlands** **Transnational Institute** <http://www.tni.org>
- € 12,000 **Germany** **UQBAR - Gesellschaft für Repräsentationsforschung e.V.**
- € 9,500 **The Netherlands** **Vereniging van Onderzoeksjournalisten** <http://www.vvojn.nl>
- € 12,000 **Croatia** **What, How and for Whom / WHW**
- € 15,000 **The Netherlands** **Yo! International Youth Opera Festival** http://www.yo-festival.nl/frame/frameyo_1.htm
- € 6,010 **Lebanon** **Zico House** <http://www.zicohouse.com>

**Cultural development projects in South East Europe: Grants awarded in collaboration with HIVOS
– the Dutch Humanist Institute for Cooperation with Developing Countries.**

BAZAART Serbia-Montenegro € 15,000

<http://www.art.md> Center for Contemporary Art Moldova € 11,650

<http://www.djafagma.com> Centre for Contemporary Arts Serbia-Montenegro € 12,000

<http://czkd.org.yu> Center for Cultural Decontamination Serbia-Montenegro € 14,750

<http://www.ogi.org.yu> Committee for Civic Initiative Serbia-Montenegro € 12,000

<http://www.kfro.org.yu> Cultural Front Serbia-Montenegro € 15,000

<http://www.1-60insurgentspace.org> fshatiurban/1-60 Insurgent Space Albania € 18,000

<http://www.tiranabiennale.net> Institute of Tirana Biennale Albania € 25,000

Laborator I Komunikimit Albania € 10,000

<http://www.lokomotiva.org> Lokomotiva Centre for New Initiatives in Arts and Culture Macedonia € 13,609

<http://www.mifoc.free.fr> MIFOC (Mostar Intercultural Festival Organizing Committee) Bosnia & Herzegovina € 7,000

<http://www.kuda.org> New Media Center- kuda.org Serbia-Montenegro € 12,000

Nezavisna Kulturna Asocijacija/iCA Serbia-Montenegro € 18,875

<http://www.owh.md> OWH TV Studio Moldova € 10,000

<http://www.multimedia.org.mkv> Performing Arts Center MULTIMEDIA Macedonia € 20,000

<http://www.rex.b92.net> REX Cultural Centre Serbia-Montenegro € 14,000

<http://www.teatrioda.com> Teatri ODA Kosovo € 12,000

<http://www.corrinamanara.nl> Vide The Netherlands € 15,000

total grants € 1,243,284

Special grants: longstanding support and partnership with the ECF

<http://www.ceeep.org> Central and East European Book Projects The Netherlands € 113,884*

<http://www.iwm.at> Institut für die Wissenschaften vom Menschen/Milena Jesenská Austria € 27,870*

<http://www.prix-europa.de> Prix Europa Germany € 22,992**

<http://www.cimettafund.org> Roberto Cimetta Fund Italy € 50,332*

total special grants € 215,078

* These extra amounts are included in the statement of accounts in the back under 'Grants Allocated'.

** This amount is included in the statement of accounts under 'Cultural Events'.

Treadmarks: The Diaspora Project created a platform for hip hop dance and music as a type of urban sociology and anthropology, a poetics of place, race and ethnicity. Treadmarks focused on two communities – one in Brussels, Belgium, and another in Tallinn, Estonia – as geographical anchor points in Western and Eastern Europe. Hip hop's multicultural origins often reflect the ethnic minorities of a particular region. The hip hop community in Belgium – primarily West African, North African and Arab – contrasts sharply with that in Estonia, where many of the b-boys are Russian aliens whose parents moved to find better factory jobs or other blue collar work. Treadmarks: The Diaspora Project examined how their art form expresses issues of fragmentation and displacement in today's society. What is the voice of marginalised and dispossessed youth in Western and Eastern Europe? What are their differences and what are their common concerns?

Cie 13, a multicultural experimental dance theatre company based in Antwerp, Belgium, was awarded an ECF grant of EURO 10,000 for Treadmarks: The Diaspora Project. Following the support of the ECF, Cie 13 and the Estonian Breakdance Association were able to secure additional sponsors for this project.

'Mad Skillz'



These breakdance champions, almost all from the 'fringe' groups of Europe, have achieved greatness – an Olympic level of skill and artistry – with very little hope for that pot of gold at the end of the rainbow. Many practice and perform on the streets; most hone their skills for the next breakdance 'battle' of the year. They maintain positive attitudes and pride themselves on creativity, virtuosity and mad skillz.

Multiple hip hop events – first in Estonia (Tallinn, Parnu and Tartu), then in Belgium (Antwerp and Brussels) – became the focus of the project.

and geographical profiler of a distinct segment of European society: the ethnic minorities, the migrants, the refugees. These minorities constitute the majority of people in the hip hop communities of Europe and the wider world.

Positive image-building for Europe's minority communities is crucial at this point in history, given the rise of racial and religious intolerance. The Diaspora Project demonstrates that hip hop can serve as a positive role model for European youth, regardless of ethnic background, social status or religion.

in Brussels & Tallinn

Featuring equal parts dance, music and oral history, performances were held in diverse locations. The oral history component addressed issues in each performer's background. It gave these urban artists a chance to merge their skills with their own oral histories. In hip hop terms, these folks were 'droppin' science', or spreading knowledge about their past, their concerns and their views of contemporary society. 'Where are we from and where are we going?'

Hip hop proposes a new kind of universality, not just in Europe, but globally. The project used this populist and popular art form as a cultural

Rosa Mei

Artistic Director / Choreographer
Cie 13

'Videoletters' enabled friends and former enemies separated by war in the former Yugoslavia to exchange messages recorded on camera.

These messages formed the basis of a 20-part TV documentary series. Truth and reconciliation were the project's aims.

The following is an extract from an exchange between two childhood friends from Republika Srpska. Emil is a Bosnian Muslim, Saša a Bosnian Serb.

EMIL: (Voiceover)

[SETTING UP VIDEO CAMERA.]

He didn't tell me much, but I feel that he suffers. I don't feel good about his suffering, but I feel good that he is still a human being.

That's why he suffers.

EMIL (To camera, smoking)

Hi Saša. Here I'm making a videoletter for you.

[CUT TO SAŠA WATCHING IT.]

First I would like to clear some things up. You said in your videoletter that I'm angry with you because you called me a Muslim. My mother misunderstood me. I told her that when you phoned it was the girl who asked me: are you a Muslim? I said 'yes' and she

War an

hung up. I was disappointed, also in you. I heard that you were forced to do certain things. That it was like: your head or their head.

SAŠA: (To interviewer, having just watched Emil's videoletter)

I know that story! I wish I knew a way to convince him. It's very important to me that he knows the truth. But I don't know how to achieve that. There might be a high price to pay if I would try this.

INTERVIEWER:

He says you had to make a choice: your head or....

SAŠA:

That's only a story.

INTERVIEWER:

It didn't go like that?

SAŠA:

Not at all. It wasn't like that at all.

Videoleters was produced by Dutch filmmakers Katarina Rejger and Eric van den Broek. Stichting Videoleters was awarded an ECF grant of EURO 18,000.

Creating the right conditions for cultural life to flourish

The ECF supports the development and reform of cultural policy frameworks in the EU and neighbouring regions, helping also to make organisations and individuals capable of making these improvements possible.

We promote **cultural infrastructure development** by engaging the cultural sector and public policymakers in constructive dialogue, and, through organisational capacity-building, assist cultural organisations to develop in a sustainable way.

Advocacy for an inclusive and democratic cultural strategy for Europe is central to all we do; at times this takes the form of active, high-profile campaigning, as with the '70 cents for culture' campaign for a substantial increase in EU spending on cultural cooperation.

Deve

We also contribute to the design of informed cultural policies by supporting relevant **research and education**.

And we encourage **reflection and debate** which leads to positive action on pressing European cultural matters.

Cultural Policy³⁹ Development

As a window opening onto Russia, the Central and East European region of Kaliningrad is becoming increasingly significant in terms of Russia's relations with the rest of Europe. In 2005, the ECF initiated a project which will not only support the cultural development of Kaliningrad itself, but will test out possible forms of collaboration and exchange between Russia and the rest of Europe, developing intercultural working competences on both sides.

As part of the project, an international conference entitled 'Visions of Cultural Policy for the Kaliningrad Region in the Geopolitical Context' was held in the city of Svetlogorsk between 11 and 13 February, followed by a 3-day seminar & training session which assessed the region's needs and formulated specific action plans. A cultural development task

force was also set up and given training in policy and strategy development.

One strand of thinking in the region wishes to maintain Kaliningrad's rather isolated and provincial status. But the vast majority of NGOs, artists, public institutions and local people seek a future



Photo: Nikolai Ignatiev (Hollandse Hoogte)

Kalini

that is open to the surrounding EU. In cultural terms, Kaliningrad's development is viewed locally as requiring a new attractive identity (accommodating the region's rich heritage) and cultural infrastructures that are much more professional in every respect.

The ECF's partners in the project are Kaliningrad's Transit Agency and National Centre for Contemporary Arts.



nalinao

Cultural infrastructure

Cultural life depends on adequate structures being in place to support it. In Western Europe, this cultural infrastructure is often taken for granted. But in places affected by political, social and economic instability, extra efforts are needed to make individuals and organisations capable of sustaining cultural life in their town or country or region; and more than this, to make them capable of cooperating culturally with others in Europe.

The ECF works in many transitional countries in Europe and neighbouring regions. We help organisations develop skills and also support those who can reform and develop cultural policies locally. Capacity-building for cultural actors and organisations strengthens the sector in target regions, while the development of 'participative' cultural policymaking brings together cultural actors and local administrators in creative partnership.

Policies for Culture

Cultural policy reform and development

The ECF/Ecumest programme, *Policies for Culture*, has for a number of years been engaging South East Europe's cultural sector and public policymakers in mutual dialogue. In 2005, Ecumest continued to be responsible for the programme in South East Europe while the ECF concentrated on extending the programme's reach into other regions.

Policies for Culture Plus

In the Anatolian region of Turkey, two cities – Kars and Kayseri – are benefiting from a *Policies for Culture PLUS* project begun in 2004 and continuing until 2006. The project reviews the cultural policy needs of the cities, and will, through discussion, analysis and training, arrive at a strategy for the cities' future cultural development. Repeated elsewhere, this approach could lead to

many more local cultural development plans for Turkish cities.

The Slovakian region of Žilina is another area of focus. Analysis of the region's needs was continued in 2005 prior to a period of training and the drawing up of a local cultural development plan in 2006-2007. The Žilina project is funded by the MATRA programme of the Dutch Ministry of Foreign Affairs.

Many invaluable insights gained as a result of the *Policies for Culture* approach have been presented to a wider public in the book, *The Arts, Politics and Change* (see 'Publications').

Organisational capacity-building

Strong players who can contribute to cultural cooperation locally and then, by extension, at European level too: that is the desired outcome of the second strand of the ECF's action on cultural infrastructure. This assists local cultural development by helping cultural organisations to plan and realise their own development, ensuring a more stable and sustainable future for themselves.

The ECF is supporting cultural development in the Russian enclave of Kaliningrad as a pilot region for other border areas of Western Russia. An international conference and a training seminar for local cultural operators led to the setting up of a cultural development task force as well as proposals for capitalising on the complex cultural heritage of the region, with its dramatic German and Russian past. Further training seminars were held in 2005. The project (organised by the ECF and Kaliningrad's Tranzit Agency and National Centre for Contemporary Arts) will continue into 2006/7 thanks to the generous financial support of the Nordic Council of Ministers and the EU's Tacis Institution Building Partnership Programme.

Cultural development in the Mediterranean region was served by a 'Training of Trainers' initiative run by the ECF in cooperation with Cairo's Al-Mawred Al Thaqafy (Culture Resource) and supported by the Open Society Institute and the Ford Foundation. The initiative offered training to experienced cultural operators from Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine, Tunisia and Syria, with a series of capacity-building sessions on organisational development and cultural management. The first participants were certified as 'Trainers of Cultural Management' in September 2005.

Arts Management in Turbulent Times, a book outlining possible methods of bringing organisational stability to the cultural sector in Central, Eastern and South East Europe, was published in 2005 (see 'Publications' p. 54).

**70!
Cents!
for!
Culture!**

**70!
Cents!
for!
Culture!**

**70!
Cents!
for!
Culture!**

What Price Culture?

European cultural cooperation is massively underfunded. The European Union is uniquely placed to be able to commit the level of resources required. However, its own culture programme has an annual budget of just 34 million Euro – roughly equivalent to the budget of a moderately-sized opera house! There are historical reasons for this, not least the fact that member states have regarded culture as falling exclusively within a national rather than a European remit. But as European Commission President, José Manuel Barroso, remarked: 'The questions of what Europe can do for culture and what culture can do for Europe have acquired a new sense of urgency! In an extraordinarily diverse union of 450 million people, it is not difficult to see what he means.

An energetic campaign for greater cultural investment was one offspring of the ECF's 2004 conference, 'Sharing Cultures'. We teamed up with the European Forum for the Arts and Heritage (EFAH) to devise a campaign which would win major artistic and political backing. Thus was the '70 cents for culture' campaign born. It championed a carefully costed proposal for an annual EU culture budget of 315 million – a figure which works out at just 70 cents per EU citizen per year. As little as this sounds, it still represents almost a tenfold increase on current spending on culture. In January 2005, a letter co-signed by several members of the Culture Committee of the European Parliament, supporting the 70 cents proposal, was delivered to President Barroso.

Impressive cross-party support for the proposal led the ECF and EFAH to launch the campaign officially at the European Parliament itself. Nor was this impressive support confined to politicians. Numerous cultural operators and institutions, as well as prominent figures from the arts world (including film director Pedro Almodóvar and author Günter Grass), signed up to the 70 cents proposal.

Although the 70 cents figure was not finally endorsed, MEPs did recommend a substantial increase in EU funding for culture. The 70 cents team has continued to lobby on a number of fronts to try to influence negotiations between the European Council and the European Parliament.

Unfortunately, culture is one of the first areas to be squeezed when EU budgets are negotiated. One major factor in this is the weakness of the cultural sector lobby. If nothing else, the 70 cents for culture campaign has shown clearly that a mobilised cultural sector displaying reason and determination can galvanise political support at all levels. But we do still hope for something else: for an adequately financed EU culture programme for 2007-13, one that can begin to address Europe's urgent need for a greater sharing of cultures.

**70!
Cents!
for!
Culture!**

Reflection & Debate

Effective action has its origins in informed reflection and debate. The ECF has developed a 'reflect, recommend, lobby and act' approach to tackling major European cultural issues and influencing policymakers. In recent years, this has seen an expert think-tank convened to consider the cultural aspects of the 2004 enlargement of the European Union. In 2005, a new think-tank was formed to reflect on one of Europe's most significant and complex issues: the EU integration of the Western Balkans.

The Balkan Reflection Group met twice in 2005. The precise purpose of the two meetings – the first in Sarajevo on 9 and 10 July, the second in Belgrade on 17 and 18 October – was to consider the part played by the contemporary arts before and during the crises in the Balkans, and to explore the potential of the arts to bring reconciliation, development and European integration. The findings and recommendations of the Reflection Group were discussed at the conference, 'The Heart of the Matter'.

The Heart of the Matter

The Peace Palace, The Hague, 1 December 2005 This conference brought a much-needed cultural analysis to the debate on the Balkans and the EU. The ECF Reflection Group on the Balkans unveiled a series of measures designed to promote cultural exchange and the region's inclusion in the EU. Members of the International Commission on the Balkans discussed their findings also, in the company of European policymakers, diplomats, ministry officials, artists, and representatives of foundations, cultural organisations and the media.

The proposed measures endorsed at the conference included strengthening the infrastructure of the independent cultural sector in the region; introducing a smart visa policy to assist artists and cultural actors in working together across borders; and providing adequate and accessible financial support schemes for cultural cooperation.

Balkan Incentive Fund for Culture

Joint organisers of the conference, the ECF and the Dutch development organisation, Hivos, launched a Balkan Incentive Fund for Culture which has won substantial support from such partners as the Open Society Institute. The fund should improve cultural capacity and cooperation in the region at least until EU instruments of funding are in place.

“Reflection Group member, Goran Sergej Pristaš recognises five different ways in which artists dealt with the war experience. The only artists who seemed not to be afflicted by what happened were the ideologists of war, who lived what they wanted to see. Many of the critical dissidents of the eighties left the country. Those who started making art at the beginning of the nineties had to create from zero; they organised themselves well in a circuit of small NGOs, becoming agents for new cultural policymaking. Some of the more experienced artists became tired and resigned, but continued to produce good work. Finally, there are a number of mobile, non-identitarian curators, dramaturges and theoreticians, leaving the discourse of victimhood and stagnant politics behind them.”

From the Report on the First Balkan Reflection Group meeting, by Chris Keulemans (moderator)



Research & Education

No one thinks it surprising that a country should have its own cultural policies. And yet the idea that there should be cultural policies for Europe (complementing national policies) has met with bewilderment and even hostility. In recent years, the ECF has campaigned vigorously for just such cultural policies – policies that will help to heal divisions within Europe and bring mutual understanding. Few now fail to see the benefits of this approach. In the words of Nina Obuljen, the winner of the inaugural ECF-supported Cultural Policy Research Award, ‘Even though a majority of member states reject the idea of formulating “common cultural policy” and insist on the principle of subsidiarity, many cultural initiatives require European-level coordination or lead to a common cultural dimension.’ However, the ‘infrastructure’ needed to support cultural policies for Europe is still in its infancy. That’s why we assist the development of cultural policy research and education in this field. And that’s why we commission research which has clear practical uses and which leads to informed cultural policies at EU, national and local levels.

CPR Award

The Cultural Policy Research Award

The CPR Award, which is open to academics, researchers and policymakers aged 35 or under, stimulates academic research in the European cultural policy field. The research assists cultural policymaking by offering possible policy solutions to the cultural issues it analyses. A long-term goal of the award is the development of a network of young scholars competent in comparative cultural policy research.

The award of Euro 10,000 is made for an outstanding research proposal, which is then completed in the following year. During 2005, Nina Obuljen, the previous year’s CPR Award

winner, completed her research into the impact of the EU enlargement on cultural policies within countries in transition. The award-winning project in 2005 deals with the position of culture workers in the creative industries of South East Europe. It will be carried out by Jaka Primorac, Research Fellow at the Institute for International Relations in Zagreb.

The CPR Award was launched by the ECF in partnership with the Bank of Sweden Tercentenary Foundation.

CPEG

The Cultural Policy Education Group

CPEG improves the quality of research and the level of international cooperation among academics dealing with cultural policy issues. Current CPEG activities target universities within Central and Eastern Europe. CPEG also has its own, recently launched mobility scheme which supports travel in the field of cultural policy teaching within its target areas.

As well as supporting mobility, CPEG links six universities (in Belgrade, Krakow, Sofia, Riga, Vilnius, and Tallinn) to create an expert group of academic institutions dealing with cultural policy education; it also carries out studies, hosts expert meetings and runs a digital newsletter. CPEG is closely affiliated with the South East European network of the *Policies for Culture* programme of the ECF and the ECUMEST Association (Bucharest).

Commissioned Research

Culture's intrinsic value is universally recognised. What is appreciated less is culture's proven ability to benefit society in economic and therefore social terms. We believe that culture would have a much higher profile on the European political agenda if politicians and others were made aware of the real extent of the economic and social benefits which it brings. With this aim in mind, the ECF commissioned a research paper, 'The "Creative Sector" - an Engine for Diversity, Growth and Jobs in Europe'. Written by Andreas Wiesand in cooperation with Michael Söndermann, the paper asks how the arts and the culture/media industries might contribute to the 'growth and employment' goal of the renewed EU Community Lisbon Programme. The paper also recommends various types of action to be taken by the EU and national governments.

Another important and practically very useful ECF paper, a survey entitled 'Funding opportunities for international cultural cooperation in and with South East Europe', was produced by the ECUMEST Association in participation with Relais Culture Europe. Both this and the Wiesand/Söndermann research are available at www.eurocult.org.

Lab for **Culture** *.org*

Way back in 2001, the European Parliament called for the setting up of ‘a European cultural observatory to monitor developments’. While some in the cultural sector groaned at the prospect of a doubtlessly wasteful bureaucratic superstructure, the ECF chose to make the proposal more dynamic, and planned a small, network-based, more innovative ‘laboratory’ which would support European cultural cooperation exclusively.

The European Commission’s own feasibility study in a way backed this shift, noting that ‘cultural cooperation has developed in Europe on a “bottom up” basis. This means that the field is relatively fragmented’.

Indeed, cultural cooperation structures are hampered by a lack of coherence, and by the absence of a single comprehensive source of reliable information that could be accessed easily by all.

So the observatory idea metamorphosed into a more active 'laboratory' concept. Care had to be taken to show how this 'LAB' concept could be beneficial to civil society as well as to EU member states, the latter being wary of pan-European approaches to culture. The Foundation wanted as many 'stakeholders' on board as possible, though in a lean decision-making structure. It chose the less-trodden path of public-private partnership as an innovative model of governance for this 'Laboratory of European Cultural Cooperation'. Interest in the project was immediate, and pledges of funding started to come in. A four-year pilot project (2004-2008) was up and running.

Renamed 'LabforCulture', the project is now close to going live. 2005 saw the construction of LabforCulture.org, a vast online source of information on European cultural cooperation. The site features case studies, a 'who's who' of organisations and networks in the field, funding information and advice, research resources, and much more. It is also fully interactive, not least for the good reason that users' contributions will add significantly to the quantity and quality of the site's content. The site itself has gone through a period of rigorous testing, involving LabforCulture partners, potential users and stakeholders. It will be live in 2006.

In addition to the website, LabforCulture will be initiating and co-developing new research projects. Two projects currently being developed focus on mobility – its dynamics, causes and consequences for European arts and culture – and on the cultural components of European foreign policies. LabforCulture will also initiate or co-develop a limited number of projects. One of these is the Public European Space Project, which is being developed by Germany's *Bundeszentrale für Politische Bildung*. The project will present the latest political and cultural articles, debates, news, reviews and commentary in a multilingual daily newsletter called 'eurotopics' (www.eurotopics.net).

LabforCulture aims to be a dynamic and comprehensive source of cultural information. We hope that its launch will mark a new and exciting phase in European cross-border cultural cooperation.

A Look Ahead

'The experience of diversity – The power of culture'

When 'cultural clashes' are feared; when diversity is seen by many as a threat, not a resource; when, in alarmist populism, a collective 'we' is invoked and pitched against a collective 'them'. And when that *when is now...* Then we know that we are living through difficult times, and that we have much work to do.

'Integrating our societies and integrating Europe' is how Gilles Kepel, a leading expert on the modern Middle East, describes the twin challenges facing us. Unquestionably, issues of diversity demand to be addressed. From 2006, the ECF will give this hugely important topic the detailed and long-term attention it deserves.

What will this mean? It will mean **exploring artistic and cultural approaches to people's actual experiences of diversity**. And campaigning for cultural policies and conditions that help to make these experiences positive ones.

In doing so, we will of course use our accumulated expertise in culture and the arts, but we will also draw on the expertise of our many valued partners. In 'Support' (Grants and Programmes), we will attempt to give fresh insight into the role of the arts in dealing innovatively with diversity across Europe. In 'Cultural Policy Development', we will emphasise favourable conditions for artistic processes. Existing ECF tools will be complemented by new projects and events.

We also aim to be in a position to contribute substantially to the 2008 EU Year of Intercultural Dialogue. 2006 will be a preparatory year in which a plan of action will be drawn up and the first new initiatives set in motion. What we achieve over the next three years should inspire and guide our work well beyond 2008.

Independent, critically minded artists and cultural operators help to oppose the 'culturalisation' of differences which often have social or economic origins. They can, without shying away from contradictions and fears, 'research' and express how otherness is experienced by individuals and communities. It is right that we should lend them a helping hand.

Gottfried Wagner Director of the European Cultural Foundation

Further

Publications

ECF Network

Governing Bodies

Information 53

External Advisors

Staff

Publications

The Arts, Politics and Change: Participative cultural policy-making in South East Europe collects papers and case studies commissioned by the ECF/ECUMEST *Policies for Culture* programme. The book documents the activities of the programme since its launch in 2000 and also provides theoretical reflection on cultural policy initiatives. Editors: Hanneloes Weeda, Corina Suteu, and Cas Smithuijsen. Boekmanstudies, Amsterdam. ISBN 90-6650-081-6.

Arts Management in Turbulent Times: Adaptable Quality Management by Milena Dragičević Šešić and Sanjin Dragojevi combines various contemporary approaches to arts management (both Western and Eastern European), offering hands-on solutions for arts managers working internationally and in turbulent contexts. The book's authors are leading figures in arts management theory. Boekmanstudies, Amsterdam. ISBN 10:9066500832.

'The "Creative Sector" - an Engine for Diversity, Growth and Jobs in Europe' is an ECF-commissioned research paper produced by Andreas Wiesand in cooperation with Michael Söndermann. The paper summarises recent research findings and debates concerning the potential contribution of the arts and the culture/media industries to the 'growth and employment' goal of the renewed Lisbon programme. It also draws some conclusions for further related action.

'Funding opportunities for international cultural cooperation in and with South East Europe' is an ECF-commissioned survey by the ECUMEST Association in participation with Relais Culture Europe. The survey attempts to be of the utmost practical help to cultural operators in South East Europe, where insufficient resources are invested in cultural cooperation despite the fact that such cooperation is vitally important to democratisation and reconciliation in the region. Available at www.eurocult.org.

Two issues of the ECF's cultural magazine, **Beyond Borders**, appeared in 2005. The first dealt with issues of art and social engagement, especially those aired at the ECF conference 'Almost Real'. In her article 'Europe: a pleasure garden for engagement', the art critic Anna Tilroe summarised the main drift of the conference discussions as follows: 'Art must shake itself free of its self-absorbed fixation, since this has estranged it from society and has gagged it. It must escape the symbolic sphere and manifest itself in the practice of life.' *Beyond Borders 8*, the year's second issue, showcased the innovative arts projects supported by ECF grants, with theoretical discussions of the themes they tackle.

Network of National Committees and Correspondents

As longstanding partners of the ECF in Amsterdam, the Foundation's National Committees are made up of committed individuals and organisations that share the ECF's broad aims in the field of European cultural cooperation. Each National Committee enjoys a fair degree of autonomy and prepares its own programme. As a network, the National Committees help keep the ECF strongly in touch with Europe's diversity. The Committees were active on many fronts in 2005, and only a small selection of their activities can be mentioned here.

The **UK Committee** started the year with the final presentation in its successful seminar series 'Culture in an Enlarged Europe', held at Chatham House. The Committee also prepared the first phase of a project on foreign language learning in the UK school system, and looked at European media issues that are influencing the UK media sector, with the aim of organising possible debates and seminars in 2006–07.

The **Austrian Committee** continued its series of panel discussions on the general theme of 'Culture & Politics' in 2005. The fifth panel discussion addressed the question of how closely the spheres of culture and politics are intertwined. A large seminar in Helsinki, organised by the **Finnish Committee**, debated the dominant position of the English language in Europe and Finland, while the **Swedish Committee** organised a number of scholarly talks on European themes.

The National Committee network joined forces with the Foundation in supporting its '70 cents for culture' campaign as well as its vast information project, LabforCulture. As regards the latter, the **Polish Committee** – supported as ever by the Villa Decius Association – helped to secure financial support amounting to EURO 50,000 from the Polish Ministry of Culture. The Committee also provided LabforCulture with relevant data on Polish NGOs and cultural institutions. The Villa Decius Association and the ECF jointly organised the cross-media project 'Zona' (see 'Media', pages 16-17).

The 2005 National Committees meeting, held at the Villa Decius in Krakow, reflected on the future format of the Committees' relationship with the ECF. The UK Committee's definition of its own aims can serve to define the objectives of the network as a whole: 'to provide an arena where broader European issues can be better known and understood by cultural practitioners and policymakers, as well as a platform where those from the cultural sector can engage in dialogue with others to strengthen cultural cooperation, human rights and democratic values'.

The Dutch National Committee will be replaced by a body called 'Friends of the ECF'. Outstanding personalities from the fields of culture, media, politics, business and academia will be invited to informal gatherings, the first of which (in June 2006) will present the focus of the ECF and discuss issues related to culture and the economy. An activity hitherto linked to the Dutch National Committee, the annual award of a prize for the best thesis in European Studies at the University of Amsterdam, was organised by the Foundation for the last time in 2005. Ms Jennifer de Wit was selected as this year's winner. Professor P.J.G. Kapteyn held the University's Ynso Scholten Chair of European Studies for five years: the ECF has decided, after careful consideration, to discontinue its support for the Chair. New forms of collaboration between the ECF and the University of Amsterdam are currently being explored.

AUSTRIA Austrian National Committee of the European Cultural Foundation

c/o Institut für die Wissenschaften vom Menschen e-mail: froeschl@iwm.at

Ms Susanne Froeschl

BULGARIA Bulgarian National Committee of the ECF

c/o Kliment Ohridski University c.andreeva@mct.government.bg Ms Tsveta Andreeva

CYPRUS Cypriot National Committee of the European Cultural Foundation

c/o Municipal Arts Centre e-mail: toumazis@spidernet.com.cy Mr Yiannis Toumazis, Secretary General

CZECH REPUBLIC Czech National Committee of the European Cultural Foundation

c/o Multicultural Centre Prague e-mail: katerina.brezinova@mkc.cz Ms Katerina Brezinova

FINLAND Euroopan Kulttuurisäätiö Suomen Osasto

e-mail: ekso@eurocult.fi www.eurocult.fi Ms Sari Aalto, Secretary

GERMANY Deutsche Vereinigung der Europäischen Kulturstiftung (ECF)

e-mail: olaf.schwencke@t-online.de Dr Olaf Schwencke, President

GREECE Greek National Committee of the European Cultural Foundation

email: papalexandris@aueb.gr Mr Nickos Sarakos, Vice President

HUNGARY Hungarian National Committee of the European Cultural Foundation

e-mail: ecf@freemail.hu Ms Judit Rajk

IRELAND Irish National Committee of the European Cultural Foundation

e-mail: info@apocc.irlgov.ie Mr Jim O'Donnell, Director

POLAND Polish National Committee of the European Cultural Foundation

c/o Villa Decius e-mail: dglondys@villa.org.pl Ms Danuta Glondys, Director

PORTUGAL Portuguese Committee of the European Cultural Foundation

c/o Centro Nacional de Cultura e-mail: gom@cnc.pt M. Guilherme d'Oliveira Martins, President

SWEDEN Svenska Nationalkommittén för Kulturellt Samarbete i Europa

e-mail: ulla.raschanderson@bredband.net Ms Ulla Rasch Anderson, Executive Secretary

SWITZERLAND Europäische Kulturstiftung – Schweizer Komitee

e-mail: celine.nerny@pd.admin.ch www.eurocult.ch Ms Celine Nerny, Director

UNITED KINGDOM European Cultural Foundation U.K. Committee

e-mail: ecf@intelculture.org Mr Rod Fisher

Board and Advisory Council

The Board is the Foundation's decision-making body. It consists of a minimum of 5 and a maximum of 12 members, including a Treasurer, Chair and Deputy Chair. The Chair and Deputy Chair act as the Foundation's two Vice Presidents. The President of the Foundation, HRH Princess Margriet of the Netherlands, is an Extraordinary Member of the Board. The Board is responsible for deciding on the finances and the overall strategy of the Foundation and defines its priorities in consultation with the Advisory Council. It also supervises the Foundation's grants policy.

The Advisory Council, a larger body than the Board, is chaired by the ECF's President. It meets at least once a year, in conjunction with one of the meetings of the Board. The Advisory Council is composed of professionals who have excelled in their chosen field – be it cultural, intellectual, economic or political. Their advice and support of the Foundation reflects European diversity.

Advisory Council as at 31 December 2005

Chair

H.R.H. Princess Margriet of the Netherlands (NL) *

Members

<u>Mr Jaak Aaviksoo (EE)</u>	Rector, University of Tartu
<u>Mr Jon Bing (N)</u>	Professor in Computers and Law, University of Oslo
<u>Mr Dan Brändström (SE) **</u>	Director Stiftelsen Riksbanken Jubileumsfond (National Bank Foundation)
<u>Ms Katerina Brezinova (CZ) **</u>	Director of Programmes, Multicultural Center Prague Professor University of Prague
<u>Mr Waldemar Dabrowski (PL) **</u>	Minister of Culture Poland
<u>Ms Andrée van Es (NL)</u>	Freelance political and cultural adviser, Former M.P.
<u>Ms Rayna Gavrilova (BG) **</u>	Former Deputy Minister of Culture, Former Executive Director Open Society Foundation/Sofia, Director of Trust for Civil Society in CEE
<u>Ms Laura Kolbe (FIN)</u>	Professor University of Helsinki, City Counsellor Helsinki
<u>Mr Jean-François Leguil-Bayart (F)</u>	Professor; member, Centre d'Etudes des Relations Internationales, Institut d'Etudes Politiques, Président du Fonds d'Analyse des Sociétés Politique
<u>Mr Jacques Pilet (CH) **</u>	Journalist and Advisor to the Director, Ringier SA, Switzerland
<u>Mr Paul Scheffer (NL)</u>	Writer, journalist

Duke Karl von Schwarzenberg (CH/CZ)

Mr Görgün Taner (TR) **

Director Istanbul Foundation for Culture and Arts

Mr Vassilis Voutsakis (GR) **

Lecturer University of Athens

Former Advisor on Culture to Premier Simitis

Observers to the Advisory Council

H.R.H. Princess Laurentien of the Netherlands (NL) **

Ms Gabriella Battaini Dragoni (I)

Director General DG IV, Council of Europe

Mr Max Sparreboom (NL)

Director, Praemium Erasmianum Foundation

Ms Adriana Esmeijer (NL)

Director, Prince Bernhard Cultural Foundation

Mr Cees G.A.A. Brekelmans (NL)

Prince Bernhard Cultural Foundation

* also an Extraordinary Member of the Board

** new members of the AC as from April 2005

Board as at 31 December 2005

H.R.H. Princess Margriet of the Netherlands (NL)

(President of the Foundation and Extraordinary Member of the Board)

Chair

Ms Kathinka Dittrich van Weringh (D)

(Vice President of the Foundation)

Former Director of Goethe Institutes and former City Counsellor for Culture, Köln

Deputy Chairman

Mr Morris Tabaksblat (NL)

(Vice President of the Foundation)

Chairman, Reed Elsevier; former CEO of Unilever

Treasurer

Mr Gerard Kalf (NL)

Former Senior Executive Vice President, Netherlands Division ABN AMRO Bank

Members

Mr Markus Örn Antonsson (IS)

Director General, Icelandic National Broadcasting Service

Mr Laurent Dréano (F) **

Direction Générale de la Culture, Mairie de Lille

Ms Désirée Edmar (S)

Former Director, Swedish Museum of Natural History
Consultant for the Swedish Ministry of Education

<u>Mr Piero Gastaldo (I)</u>	Secretary General, Compagnia di San Paolo Foundation
<u>Mr Hywel Ceri Jones (GB)</u>	Chairman of the Executive Board of the European Policy Centre, Brussels Former Director General, European Commission Director of NEF (Network of European Foundations)
<u>Ms Sonja Licht (YU)</u>	President, Belgrade Fund for Political Excellence
<u>Mr Luc Tayart de Borms (B)</u>	Managing Director, King Baudouin Foundation
<u>Mr Andras Török (H)</u>	Former Deputy Minister of Culture Director, Summa Artium

Observer

<u>H.R.H. Princess Laurentien of the Netherlands (NL) **</u>	
<u>Mr Cees Brekelmans (NL)</u>	Representing the Prince Bernhard Cultural Foundation

** new member as from April 2005

The following are no longer members of the Board and the Advisory Council. The Foundation would like to thank them for giving so generously of their time during their term of office

<u>Mr Üstün Ergüder (TR)</u>	(Advisory Council) Former Rector, Bogaziçi University, Istanbul
<u>Mr Michael Klett (D)</u>	(Advisory Council) Publisher and CEO of Verlag Klett-Cotta
<u>Mr Christian Lutz (CH)</u>	(Board member) Former Managing Director, Gottlieb Duttweiler Institute for Social and Economic Studies
<u>Mr Enrique Víaña Remis (E)</u>	(Advisory Council) Dean, University of Castilla-la Mancha, Madrid
<u>Ms Lesley Wilson (UK)</u>	(Advisory Council) Secretary General, European University Association, Belgium

External Advisors

The external grant advisors assess the ECF grant applications.

The external advisors to the STEP *beyond* mobility team assess the STEP mobility grant applications.

External Advisors for the ECF Grants programme

Ms Ira Cecic (SLO)

Mr Mik Flood (UK)

Christel Hartmann-Fritsch (D)

Mr Ondrej Hrab (CZ)

Ms Marion Mangeng (A)

Ms Anna Rozenvalde (LV)

Mr Miguel Torres (P)

Ms Marlous Willemsen (NL)

ECF Board Representatives in the Grants Advisory Committee

Ms Kathinka Dittrich van Weringh (D)

Ms Désirée Edmar (S)

External Advisors for the STEP *beyond* mobility scheme

Ms Sabine Bornemann (D)

Ms Elzbieta Grygiel (PL)

Ms Oana Radu (RO)

Staff as at 31 December**Management**

Mr Gottfried Wagner (A), Director gbidenbach@eurocult.org
Ms Odile Chenal (F), Deputy Director ochenal@eurocult.org

Finance, Personnel and Administration

Ms Annemie Degryse (B), Head adegryse@eurocult.org
Mr Jaap de Bruijn (NL) jdebruijn@eurocult.org
Mr Hans Peter Christen (NL) hpchristen@eurocult.org

General Secretariat

Ms Marjan Buijs (NL) mbuijs@eurocult.org
Ms Gisèle Bidenbach (F) gbidenbach@eurocult.org

Reception

Mr Jan Baas (NL) eurocult@eurocult.org
Ms Ursula Schutter (NL) eurocult@eurocult.org

Communications

Ms Armelle Desmarchelier (F) adesmarchelier@eurocult.org
Ms Lise Mathol (NL) lmathol@eurocult.org

Support for Cultural Cooperation: Programmes and Grants

Ms Esther Claassen (NL) eclaassen@eurocult.org
Mr Philipp Dietachmair (A) pdietachmair@eurocult.org
Mr Igor Dobricic (YU) idobricic@eurocult.org
Ms Ana Sofia Dos Santos Félix (P) internship from 09/05/'05 until 31/12/'05
Mr Tommi Liatio (FIN) tliatio@eurocult.org as from 01/01/2005
Ms Sophie Leferink (NL), Manager Programmes until 31/12/2005
Ms Wietske Maas (NL) internship 07/03/'05 until 31/01/'06
Ms Vanessa Reed (UK), Manager Grants until 31/12/2005
Ms Raya Ribbius (NL) rribbius@eurocult.org
Mr Bertan Selim (MK) bselim@eurocult.org
 internship from 01/02/'05 until 09/05/'05
 Programme Officer as from 09/05/'05

Cultural Policy Development (CPD)

<u>Ms Susanne Mors (D)</u>	smors@eurocult.org
<u>Ms Lieke Schuitmaker (NL)</u>	until 15/05/2005
<u>Ms Isabelle Schwarz (D/F), Manager</u>	ischwarz@eurocult.org
<u>Ms Maria Eldering (NL)</u>	internship until 30/01/2005
<u>Ms Mila Bonvini (I)</u>	internship until 28/02/2005

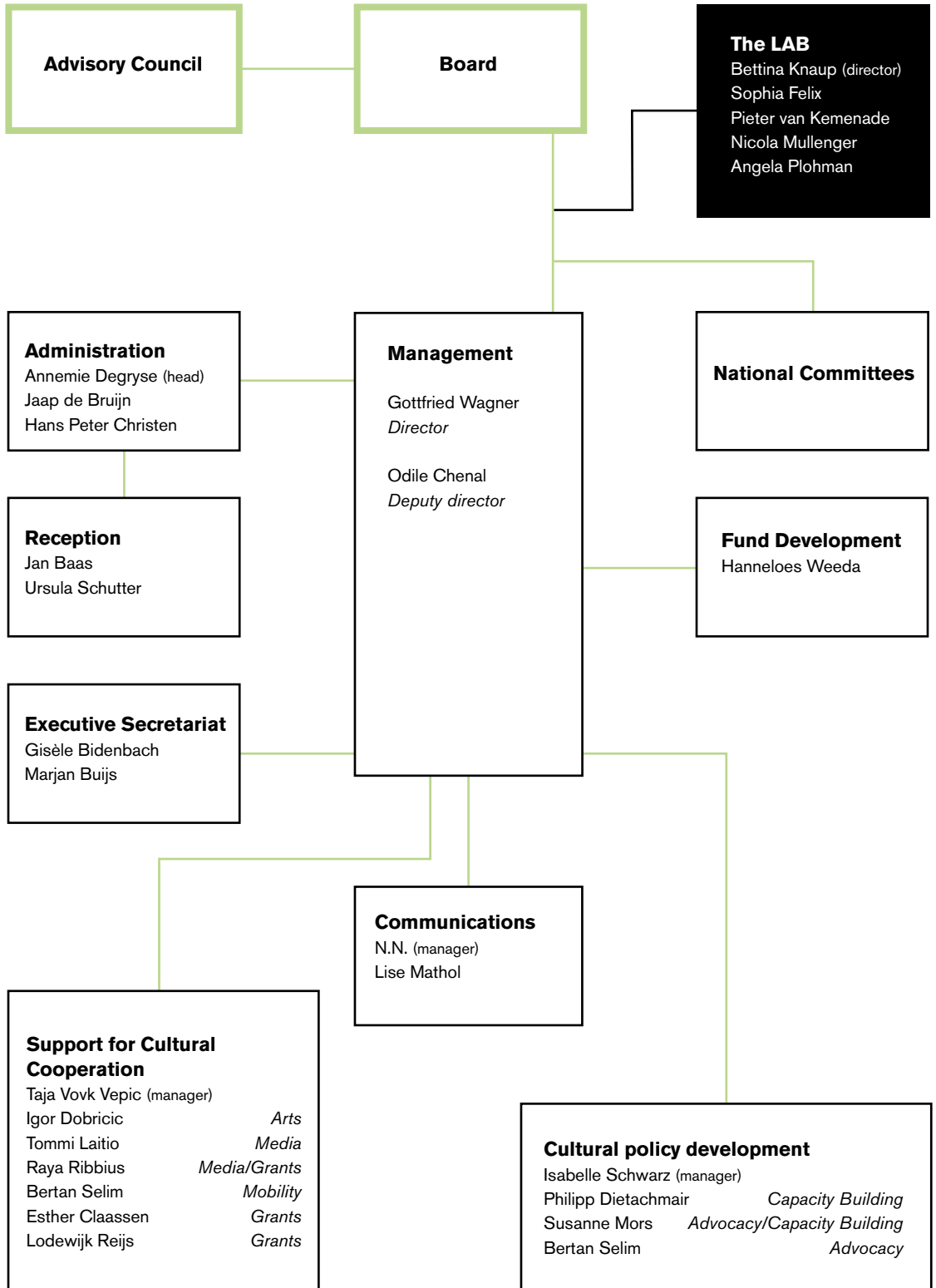
Fund development

<u>Ms Hanneloes Weeda (NL)</u>	hweeda@eurocult.org
--------------------------------	---------------------

Laboratory for European Cultural Cooperation (LabforCulture)

<u>Ms Bettina Knaup (D), Manager</u>	bknaup@eurocult.org
<u>Ms Susanne Mors (D)</u>	until 31/12/2005
<u>Ms Nicola Mullenger (UK)</u>	nmullenger@eurocult.org as from 01/01/2005
<u>Ms Angela Plohman (UK/Canada)</u>	aplohman@eurocult.org as from 15/10/2005
<u>Mr Richard Lalleman (NL)</u>	internship from 01/02/2005 until 05/07/2005

The number of employees for the European Cultural Foundation as at 31 December 2005 was 20 FTE. The number of employees for the LabforCulture as at 31 December 2005 was 3 FTE.



Sunny Beach

On the 15th of February I travelled by train, together with Esther Pilkington and Daniel Ladnar, from Vienna to Sunny Beach on the Black Sea Coast of Bulgaria. Here we spent two weeks documenting our reactions through the use of text, video and photography. We arrived towards the end of winter when the presence of tourism was more explicitly revealed through its absences.

In Sunny Beach we found a place of contrasts: private and public, free and restricted, personal and impersonal, real and abnormal. We collected traces and left traces of our own. We observed and were observed. We looked behind the curtain where the next show was being prepared. We asked ourselves questions.

How is Sunny Beach designed for tourism? How real is Sunny Beach? Is our journey a comment on home? What is our role in Sunny Beach?

We had complete freedom to walk through hotels and across empty swimming pools, but psychologically felt restricted: this was a place where fun and laughter felt out of place. We felt out of place, as if we had turned up too early for the party – or too late.

By necessity, the project began to deal with memory, how much control we have over what and when we choose to remember and how these memories twist and turn over time.

Kaspar Wimberley

The travel costs of Daniel Ladnar and Kaspar Wimberley were financed by the ECF mobility scheme, *STEP beyond*.

Photographs by Daniel Ladnar and Kaspar Wimberley.

















Treasurer's Report

General

The year 2005

Budget 2006

Financial Statements

Balance sheet at 31 December (after appropriation of the result)

Statement of income and expenditure for the year ended 31 December

Activities of the ECF

Accounting principles

Notes to the balance sheet

Notes to the statement of income and expenditure

Supplementary Information

Appropriation of result

Auditors' Report

Financial Statements 2005

General

These financial statements were prepared in accordance with accounting principles generally accepted in the Netherlands (Guideline 640 of the 'Richtlijnen voor de jaarverslaggeving'). Goal-related costs (of programme and grant activities) are processed immediately in the costs as soon as they can be estimated and are legally enforceable by third parties because of contracts or externally communicated commitments.

The year 2005

The books for the fiscal year 2005 were closed with a surplus amounting to Euro 561,652. As in the year 2004, it has been decided not to allocate the surplus entirely to the General Reserve of the European Cultural Foundation. An amount of Euro 179,647 will be earmarked for the activities of LabforCulture (previously known as the 'Laboratory of European Cultural Cooperation') in 2006. The balance of the surplus to the amount of Euro 485,852 will be added to the Foundation's General Reserve, partly in order to guarantee the sustainability of the Foundation. At the Board meeting of 30 November 2005, the Board members approved the use of part of the surplus of the year 2005 to compensate the deficit budgeted for the year 2006 (Euro 226,843).

The surplus for the year 2005 is mainly a result of a substantial increase in income received by the European Cultural Foundation from the Bank Giro Loterij and Lotto by the end of the year 2005. In 2005, the Foundation received Euro 4,380,114, which was Euro 705,114 more than the budgeted figure for 2005 of Euro 3,675,000. Income from investments in 2005 was higher due to revaluations of Euro 139,358, compared with Euro 113,669 in 2004.

The total cash income related to interest from bonds and dividends received by the European Cultural Foundation in 2005 comes close to the total amount which the Foundation spent on 'General administration costs'. Indeed, this income even exceeds the 'General administration costs' if revaluations are included. The aim of the Foundation is to be able to make up for the 'General administration costs' through income generated from investments. In order to achieve this goal, it is self-evident that the 'General reserve' of the Foundation invested in bonds and shares must continue to grow in the coming years.

The actual programme sponsorship income is almost double the amount of the actual programme sponsorship income of the year 2004; however, it is Euro 247,559 lower than the budgeted figure for the year 2005, a difference that is mainly related to income which has not been obtained for the LabforCulture project.

The total expenses are almost within the budget 2005. They grew substantially as a result of the increased amounts allocated to Grants and the greater volume of programme activities related to LabforCulture, which started at the end of the year 2004.

The total actual 'General Administration Costs' are lower than budgeted. As from 2005, part of the 'General Administration Costs' are recharged to LabforCulture.

From 1 January 2005, investments of less than Euro 500 are not capitalised (in previous years, this figure was Euro 2,269): this is in order to gain a clearer insight into the 'Tangible fixed assets'. The change has resulted in fewer costs for the year 2005, as costs related to computer and office equipment tend to be spread over several years. As a percentage of the total income, the general administration costs have decreased from 12% to 9%.

No important events and decisions took place between the reported year and publication date of this report.

Budget 2006

In accordance with accounting principles (Guideline 640 of the 'Richtlijnen voor de jaarverslaggeving'), Budget 2006 is part of the Treasurer's report.

Taking into account the fact that the higher lottery income received by the European Cultural Foundation in the year 2005 will have a continued effect in the year 2006, the Foundation increased the budgeted lottery income to the amount of Euro 4,100,000 for the year 2006, compared with Euro 3,675,000 in the year 2005.

The total Programme sponsorship income budget has been decreased in the year 2006 to the amount of Euro 1,273,657 compared with Euro 1,455,050 budgeted for the year 2005. The Programme sponsorship income budget related to LabforCulture has been decreased in the year 2006 to the amount of Euro 771,900 compared with Euro 1,210,050 budgeted for the year 2005: this is due to initial contributions being outphased, with new agreements pending. The European Cultural Foundation will contribute an amount of Euro 250,000 to LabforCulture in the year 2006.

The Programme sponsorship income budget related to the other programme activities of the Foundation has been increased in the year 2006 compared with the budget for the year 2005.

According to the ECF Strategy 2006-2008, the Foundation will try to streamline and focus its work in the next three years. The main activities will be organised in two action lines: 'Support for Cultural Cooperation', integrating 'Grants' (responsive to the needs of the sector) and 'Programmes'; and 'Cultural Policy Development'. The structure of the budget 2006 has been adapted to accommodate the new ECF Strategy.

The LabforCulture budget 2006 figures are included in the overall Budget 2006 of the European Cultural Foundation. In order to be able to distinguish the LabforCulture budget 2006 from the ECF Budget 2006, a separate overview of the LabforCulture budget has been reported.

Budget 2006, including income and expenses for LabforCulture

(all amounts in Euro)

	Budget 2006	Budget 2005 *
INCOME		
Bank Giro Loterij	2,800,000	2,475,000
Lotto	1,100,000	1,000,000
Nationale Instant-Loterij	200,000	200,000
Programme sponsorship	1,273,657	1,455,050
Interest, dividends and other income	450,000	415,000
Reserve LabforCulture from 2005	120,607	0
Total income	5,944,264	5,545,050
EXPENSES		
Operational expenses		
Support for Cultural Cooperation		
<i>Grants allocated</i>	1,363,000	1,170,000
<i>Grants coordination, evaluation and development</i>	186,500	181,000
<i>Grants not taken up</i>	0	0
<i>Total Grant activities</i>	1,549,500	1,351,000
<i>Total Programme activities</i>	994,000	778,500
Total Support for Cultural Cooperation	2,543,500	2,129,500
Total Cultural policy development	1,116,500	769,000
LabforCulture	1,142,507	1,417,950
Fund development	49,000	4,000
Cultural events	194,500	122,500
Communication and information for the cultural sector	314,000	324,500
Governance and networking in Europe's regions	194,550	164,050
Total operational expenses	5,554,557	4,931,500
General administration	616,550	613,550
Total expenses	6,171,107	5,545,050
Surplus/(deficit)	(226,843)	0

* For comparison reasons the costs in the budget 2005 are reclassified.

Budget 2006, LabforCulture**INCOME**

Contribution of ECF	250,000	250,000
Programme sponsorship	771,900	1,210,050
Reserve LabforCulture from 2005	120,607	0
Total income	1,142,507	1,460,050

EXPENSES

Direct programme costs	824,007	1,183,550
Salary costs	318,500	276,500
Total expenses	1,142,507	1,460,050



Gerard J. Kalff, *Treasurer*
Amsterdam, 21 April 2006

Balance Sheet at 31 December 2005

(after appropriation of the result)

ASSETS	Ref.	2005	2004
(all amounts in Euro)			
Tangible fixed assets	1		
Premises		48,423	40,432
Refurbishment		76,544	4,683
Furniture and equipment		73,780	71,168
		<u>198,747</u>	<u>116,283</u>
Financial fixed assets	2		
Bonds		8,546,158	7,524,463
Shares		1,105,601	1,154,317
		<u>9,651,759</u>	<u>8,678,780</u>
Current assets	3		
Accounts receivable		1,709,078	1,570,133
Deposits, cash	4		
Deposits		91,498	91,498
Cash and bank balances		707,445	358,541
		<u>798,943</u>	<u>450,039</u>
		<u>12,358,527</u>	<u>10,815,235</u>

Financial statements

LIABILITIES	Ref.	2005	2004
(all amounts in Euro)			
General reserve	5		
General Reserve		9,471,381	8,985,529
Reserve for LabforCulture		<u>179,647</u>	<u>103,847</u>
		9,651,028	9,089,376
Current liabilities	6		
Received in advance		93,378	216,035
Grants payable		1,173,525	586,371
Accounts payable		<u>1,440,596</u>	<u>923,453</u>
		2,707,499	1,725,859
		<hr/>	<hr/>
		12,358,527	10,815,235

Statement of income and expenditure for the year ended 31 December

Including LabforCulture

(all amounts in Euro)	Ref.	Actuals 2005
INCOME		
Bank Giro Loterij		2,911,669
Lotto		1,224,339
Nationale Instant-Loterij		244,106
Programme sponsorship	7	1,207,491
Interest and dividends	8	592,054
Other income	9	28,874
Total income		6,208,533
EXPENSES		
Operational expenses		
Grants allocated		1,497,065
Grants coordination, evaluation and development		188,575
Grants not taken up		(8,545)
Programme activities		2,796,952
Programme and fund development		45,038
Cultural events		112,061
Communication and information for the cultural sector		319,263
Governance and networking in Europe's regions		158,099
Total operational expenses		5,108,508
General administration costs		
General administration		538,373
Total general administration costs		538,373
Total expenses		5,646,881
Surplus/(deficit)		561,652
Appropriation of the result		
Withdrawal from Reserve for LabforCulture		(103,847)
Added to the Reserve for LabforCulture		179,647
Added to the Reserve for LabforCulture		75,800
Added to the General Reserve		485,852

Budget 2005		Actuals 2004	
2,475,000		2,592,862	
1,000,000		910,371	
200,000		156,382	
1,455,050		616,576	
400,000		522,373	
15,000		116,276	
<u>5,545,050</u>		<u>4,914,840</u>	

1,305,000		1,175,913	
181,000		131,709	
0		(63,314)	
2,765,450		1,611,334	
39,000		32,001	
152,500		639,700	
324,500		310,005	
164,050		93,764	
<u>4,931,500</u>		<u>3,931,112</u>	

<u>613,550</u>		<u>595,607</u>	
613,550		595,607	

5,545,050		4,526,719	
------------------	--	------------------	--

0		388,121	
----------	--	----------------	--

0	
<u>103,847</u>	
103,847	

284,274

Activities of the ECF

The ECF is an operating and grant-giving foundation. Its core income is received from the Bank Giro Loterij, the Lotto and the Nationale Instant-Loterij. Other income derives from sponsors and subsidies and from its financial assets.

Grants are awarded on the basis of projects submitted by third parties. Programmes are run (whether by the ECF alone or in partnership with others) according to the priorities and the development strategy of the ECF.

Accounting principles

General

These financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands (Guideline 640 of the 'Richtlijnen voor de jaarverslaggeving'). Assets and liabilities are included at their face values unless stated otherwise. Amounts in foreign currencies are converted into Euro at the year-end rates. Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of the transactions. Gains or losses on transactions are included in the statement of income and expenditure.

Comparison with previous years

The principles of valuation and determination of result remain unchanged from the previous year, with the exception of the minimum capitalisation amount of the 'Tangible fixed assets'.

Tangible fixed assets

Premises (75% of the value of the building Jan van Goyenkade 5, Amsterdam: the other 25% of the building is owned by the Praemium Erasmianum Foundation), refurbishment, furniture and equipment are valued at cost less accumulated depreciation. Investments of less than Euro 500 are not capitalised. As from 1 January 2005, the amount is decreased from Euro 2,269 to Euro 500 in order to gain a clearer insight into the 'Tangible fixed assets'. 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

Bonds are stated at par value or lower market value. Shares and investment funds are stated at market value at year-end. Unrealised gains and losses are accounted for in the statement of income and expenditure.

Recognition of income

Income is recognised upon receipt of letters from the Prince Bernhard Cultural Foundation (PBF) stating how much it has received from the Bank Giro Loterij, the Lotto and the Nationale Instant-Loterij. According to an agreement between the ECF and PBF, 25% of all lottery income of the PBF is passed on to the ECF.

Recognition of expenses

In general, expenses are charged to cost centre, 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 externally communicated commitments. The amount of 'Grants allocated' is the amount awarded to third parties in writing during 2005. Support expenses are recognised in the period in which the related activities took place, if they can be estimated at the date of closing the books. Salary costs are allocated to cost centres on the basis of time-writing by the employees.

90% Spending rule

The ECF is committed to spending at least 90% of its total Lottery income on its activities, based on the average Lottery income of the previous 3 years. The ECF has complied with this rule in the year 2005.

Notes to the balance sheet

(all amounts in Euro)

1 TANGIBLE FIXED ASSETS

The book values of the tangible fixed assets can be detailed as follows:

	Premises	Refurbishment	Furniture & equipment	Total
Historical cost				
Balance at 31 December 2004	126,350	204,123	288,017	618,490
Items not in use any more	-	-	(41,746)	(41,746)
Additions 2005	10,719	77,524	33,431	121,674
Balance at 31 December 2005	137,069	281,647	279,702	698,418
Depreciation				
Balance at 31 December 2004	85,918	199,440	216,849	502,207
Items not in use any more	-	-	(41,746)	(41,746)
Depreciation 2005	2,728	5,663	30,819	39,210
Balance at 31 December 2005	88,646	205,103	205,922	499,671
Book value at 31 December 2005	48,423	76,544	73,780	198,747
Book value at 31 December 2004	40,432	4,683	71,168	116,283

Note:

The increase of the refurbishment cost is due to maintenance and decoration costs related to the interior of the building at the Jan van Goyenkade 5.

2 FINANCIAL FIXED ASSETS

	Bonds 2005	Shares 2005
Balance at 1 January 2005	7,524,463	1,154,317
Acquisitions	<u>1,177,358</u>	<u>15,899</u>
	8,701,821	1,170,216
Sales	<u>(177,503)</u>	<u>(191,472)</u>
	8,524,318	978,744
Revaluations	21,840	126,857
Balance at 31 December 2005	8,546,158	1,105,601
Market value at 31 December 2005	8,919,541	1,105,601

The portfolio is low-risk. The income generated is earmarked for covering support expenses.

3 CURRENT ASSETS**Accounts receivable**

The details of the accounts receivable are as follows:

	2005	2004
Bank Giro Loterij/Lotto	1,089,336	709,126
Interest to receive	234,765	208,385
Programme sponsorship income	114,340	36,461
Taxes and social premiums	0	24,789
Others	<u>270,637</u>	<u>591,372</u>
	1,709,078	1,570,133

4 DEPOSITS, CASH

Deposits

These consist of monthly renewable term deposits placed with the ING bank in Brussels, bearing interest at current market rates (1.22-1.73%). The deposits are at the free disposal of the Foundation.

Cash and bank balances

Cash and bank balances are at the free disposal of the Foundation.

5 RESERVES

The movement in the reserves can be explained as follows:

General Reserve	2005	2004
Balance at 1 January	8,985,529	8,701,255
Surplus for the year	485,852	284,274
Balance at 31 December	9,471,381	8,985,529
Reserve for LabforCulture	2005	2004
Balance at 1 January	103,847	0
Withdrawal from Reserve	(103,847)	0
Added to the Reserve	179,647	103,847
Balance at 31 December	179,647	103,847
Income and expenditures for LabforCulture	2005	2004
INCOME		
Contribution ECF	250,000	108,000
Programme sponsorship	932,826	227,221
Total income	1,182,826	335,221
EXPENSES		
Direct programme costs	846,024	125,157
Salary costs	261,002	106,217
Total expenses	1,107,026	231,374
Surplus	75,800	103,847

The surplus of Euro 75,800 will be made available for 2006 and is taken into the balance as an earmarked reserve for LabforCulture.

There are no limitations on the disposability of the General Reserve. The General Reserve is readily available for use by the European Cultural Foundation as required. The Board approved the use in 2006 of Euro 226,843 from the surplus 2005. The General Reserve ensures the continuity of the Foundation, both as a buffer against income fluctuations and – through investment in low-risk financial assets – as a source of investment income.

6 CURRENT LIABILITIES

Grants payable

The Grants payable are partly long-term and partly short-term. They have been awarded for the period 2001-2005.

Accounts payable

The details of the accounts payable are as follows:

	2005	2004
Taxes and social premiums	56,616	51,353
Other personnel costs	143,719	185,382
Contractual obligations recognised as expenditure	1,152,719	540,447
Others	87,542	146,271
	<u>1,440,596</u>	<u>923,453</u>

CONTINGENT LIABILITIES

As at 31 December 2005, the European Cultural Foundation has a rental obligation for the period up to 1 July 2006 (Euro 9,365 for that period) for the office space situated in Amsterdam at the Roemer Visscherstraat 18.

The European Cultural Foundation is a small legal entity, which has adopted a defined benefit pension scheme, dealt with as a defined contribution. Small entities do not have to specify debts and provisions related to the pension costs according to Article 396 of Book 2 parts 3 and 5 of the Netherlands Civil Code. Accordingly the liabilities of the Foundation do not give a complete overview of all liabilities in relation to the applicable reporting guideline 271.

Notes to the statement of income and expenditure

(all amounts in Euro)

INCOME**7 Programme and grants sponsorship**

The details of the programme and grants sponsorship are as follows:

	2005	2004
HGIS (Dutch ministries) subsidy for Almost Real (2004 part)	0	56,988
Riksbankens Jubileumfond contribution to Alter Ego Research	0	12,970
HIVOS subsidy for grants in South East Europe	120,000	100,000
HIVOS, contribution Balkan event	20,000	0
UNICEF subsidy for One Minutes Junior programme	9,632	20,332
Nordic Council of Ministers, Kaliningrad project	20,116	0
Riksbankens Jubileumfond, CPRA 2005	9,757	9,757
Ministerie van OC en W, Sharing Cultures	0	89,198
Gemeente Rotterdam, Sharing Cultures	0	17,787
MATRA (Ministry of Foreign Affairs), Policies for Culture	92,503	42,575
EU contribution, publication Sharing Cultures	(343)	23,248
Amsterdam fonds voor de kunst, 50 years ECF	0	15,000
Open Society Institute, funding mobility programme	3,000	0
Sector bestuursmanagement, 50 years ECF	0	1,500
	<hr/>	<hr/>
	274,665	389,355
Sponsorship income for the LabforCulture project		
Riksbankens Jubileumfond	47,594	48,786
Ministry of Education, Culture and Sciences, The Netherlands	80,000	0
Ministry of Culture, Poland	50,000	0
Ministry of Education and Culture of Cyprus	20,000	0
Federal Cultural Foundation Germany	300,000	0
Foundation Calouste Gulbenkian	20,000	0
Robert Bosch Stiftung	120,000	0
Compagnia di San Paulo	100,000	75,000
Migros	0	32,185
Fritt Ord	0	50,000
Royal Ministry of Culture and Church Affairs of Norway	20,000	20,000
EU contribution, G2CC project	175,232	1,250
	<hr/>	<hr/>
	932,826	227,221
Total Programme sponsorship	1,207,491	616,576

8 Interest and dividends

The details of the interest and dividends are as follows:

	2005		2004
Interest from bank accounts	14,947		4,195
Bank charges related to bonds/shares	<u>(9,991)</u>		<u>(7,823)</u>
		4,956	(3,628)
Interest from bonds	399,846		393,600
Revaluations bonds	12,501		(5,856)
Paid (dis)agio	9,339		(18,517)
Loss on conversion bonds to shares	<u>0</u>		<u>7,950</u>
		421,686	377,177
Dividends	38,555		29,299
Revaluations shares	<u>126,857</u>		<u>119,525</u>
		165,412	148,824
		592,054	522,373

9 Other income

The details of the other income are as follows:

	2005	2004
Royalties	821	39
Release of old project liabilities	0	108,359
Legacy	13,863	0
Balance discontinuation National Comite Nederland	14,190	0
Participants contribution Sharing Cultures Conference	<u>0</u>	<u>7,878</u>
	28,874	116,276

EXPENSES**Salaries, social charges and pension costs**

	2005	2004
Salaries	1,139,109	926,189
Social charges	84,112	82,652
Pension costs	<u>342,613</u>	<u>258,172</u>
	1,565,834	1,267,013

The number of employees at the year ended 31 December 2005 was 25; 20 FTE including 3 FTE working for LabforCulture (2004: 22 employees; 17 FTE). From the total salary costs, Euro 106,318 (2004: Euro 137,617) has been recharged to the European Foundation Centre in Brussels.

For privacy reasons, the remuneration of the 'Executive Committee' or 'Board', consisting solely of the salary of the Director, does not need to be specified in the financial statements according to Article 383 of Book 2 Part 9 of the Netherlands Civil Code.

Appropriation of result according to articles of Association

According to article 5 of the articles of Association, the result for the year is at the disposal of the Board. The surplus for the year 2005 has been added to the General Reserve. This has already been reflected in these financial statements.

Auditors' Report

Introduction

We have audited the financial statements of the European Cultural Foundation, Amsterdam, for the year 2005 as set out on pages 80 to 92. These financial statements are the responsibility of the Board of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the foundations financial statements give a true and fair view of the financial position of the foundation as at 31 December 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Furthermore, we have to the extent of our competence, established that the Treasurer's Report is consistent with the Foundation's financial statements.

Amsterdam, 21 April 2006

PricewaterhouseCoopers Accountants N.V.

**Supplementary
information**

Writing / Editing

David Cameron

Design

de C, Ris van Overeem & René Kuijpers, Amsterdam

Photos Hollandse Hoogte

Nicolo Minerbi / GraziaNeri (cover)

Michael Kooren (p. 2/3)

Nicolo Minerbi / GraziaNeri (p. 4/5)

Printed by

Spinhex & Industrie, Amsterdam

Copyright

ECF 2006

European Cultural Foundation

Jan van Goyenkade 5

1075 HN Amsterdam

The Netherlands

tel +31 20 573 38 68

fax +31 20 675 22 31

e-mail eurocult@eurocult.org

www.eurocult.org

The European Cultural Foundation thanks the following institutions for their longstanding support:



The Foundation would like to thank the following partners in ECF initiatives:

HIVOS the Dutch Humanist Institute for Cooperation with Developing Countries

UNICEF the United Nations Children's Fund

The Nordic Council of Ministers

The Bank of Sweden Tercentenary Foundation (Riksbanken Jubileumfond)

Dutch Ministry of Foreign Affairs MATRA programme

Open Society Institute

**Labfor
Culture
.org**

LabforCulture was initiated by the European Cultural Foundation and developed with the support of the following organisations:

European Union – Directorate General Education and Culture

Compagnia di San Paulo

Cypriot Ministry of Education and Culture

Dutch Ministry of Education, Culture and Sciences

Calouste Gulbenkian Foundation

German Federal Agency for Civic Education

Federal Cultural Foundation Germany (with partner: Deutsches InformationsZentrum Kulturförderung)

Fritt Ord Foundation

Norwegian Ministry of Culture and Church Affairs

Polish Ministry of Culture

Robert Bosch Foundation

The Bank of Sweden Tercentenary Foundation (Riksbanken Jubileumfond)

