



ekip Policy Lab

Financing Europe's most valuable asset: New funding models for creativity and innovation

Scoping Paper

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1 Policy Problem

1.1 Definition

Financing Europe's cultural and creative ecosystem requires approaches that recognise creativity and innovation as strategic assets rather than marginal sectors. The Cultural and Creative Industries (CCI) constitute a foundational component of Europe's knowledge economy, generating economic value, employment, social cohesion, cultural diversity, and cross-sectoral innovation spillovers. As such, they represent a transformative asset capable of driving sustainable competitiveness, digital transition, and societal well-being across the European Union.

New funding models for creativity and innovation refer to financial mechanisms, instruments, and governance arrangements specifically designed to mobilise capital for activities whose value is largely intangible, uncertain, and long-term in nature. These models aim to overcome structural mismatches between traditional finance (typically based on collateral, predictable cash flows, and short investment horizons) and creative innovation activities, which rely on intellectual property, human capital, experimentation, and network effects.

In this context, innovative financing encompasses both the adaptation of existing instruments and the development of novel approaches that better reflect the characteristics of creative production and innovation ecosystems. Such mechanisms include, for example, impact-oriented investment, revenue-linked financing, alternative public-private partnerships, and digitally enabled models such as tokenisation. Their common objective is to unlock additional public and private capital, reduce perceived investment risk, and enable sustainable development, appropriate scaling and longer-term innovation pathways beyond short-term project funding cycles.

A key feature of these funding models is their capacity to address persistent barriers faced by CCI actors, including the predominance of small and medium-sized enterprises, fragmented markets, limited access to traditional credit, and the difficulty of valuing intangible assets. By correcting information asymmetries, de-risking investment, and strengthening financial literacy and institutional capacity, innovative financing mechanisms can help integrate creative sectors more fully into mainstream economic and innovation systems.

Financing creativity is not solely about supporting cultural production; it is about enabling cultural and creative actors to fully participate in open innovation ecosystems. Cultural and creative industries function as catalysts for experimentation, design thinking, user-centred innovation, and new business models across sectors ranging from technology and manufacturing to tourism, urban development, and education. Therefore, investment in innovation in and with CCIs yields multiplier effects that extend well beyond the sector itself, reinforcing Europe's long-term resilience and global competitiveness.

This policy area concerns the development of a coherent, multi-level financing architecture that combines EU, national, regional, and private instruments. Such an architecture should move beyond fragmented, project-based support towards integrated, lifecycle-oriented funding capable of supporting experimentation, scaling, and long-term sustainability.

In summary, new funding models for creativity and innovation can be defined as systemic and mission-oriented financial approaches that enable CCIs to participate more effectively in open innovation ecosystems and contribute to Europe's digital, green, and social transitions. Rather than addressing the entire financing system for culture and creativity, this policy area focuses specifically on funding mechanisms and investment approaches that support experimentation, cross-sector collaboration, innovation capacity, scaling, and long-term sustainability within and through CCIs. These approaches recognise that cultural and creative activities generate economic, technological, social, and cultural value, and therefore require financing models capable of mobilising diverse forms of capital and supporting innovation processes from idea generation to wider societal and market impact.

1.2 Short history

Public support for culture in Europe has deep historical roots, traditionally grounded in the notion of culture as a public good essential to identity, social cohesion, and democratic life. For much of the twentieth century, funding models were dominated by state subsidies, patronage systems, and institutional support for major cultural organisations such as museums, theatres, and orchestras. These approaches prioritised preservation, access, and artistic excellence rather than economic growth or innovation.

From the late twentieth century onwards, a gradual paradigm shift occurred as policymakers increasingly recognised also the economic potential of the CCI. The concept of the "creative industries," emerging in the 1990s and early 2000s, highlighted an additional dimension of the cultural sector as a driver of jobs, entrepreneurship, and regional development. This shift led to the integration of creative sectors into broader innovation and competitiveness agendas at both national and European levels.

At EU level, successive programmes have progressively expanded the scope of support. Early initiatives focused primarily on cultural cooperation and heritage, while later frameworks incorporated digitalisation, market development, and cross-sectoral innovation. The establishment of dedicated instruments marked an important step towards recognising the structural financing needs of creative enterprises. These programmes also promoted transnational collaboration and capacity building, reflecting the cross-border nature of cultural markets.

Despite these advances, traditional funding mechanisms have remained largely project-based, short-term, and dependent on public budgets. The global financial crisis of 2008 and subsequent austerity measures exposed the vulnerability of cultural funding systems and intensified the search for alternative sources of finance. At the same time, digital transformation disrupted traditional value chains, creating both new opportunities and new financing challenges for creative producers ¹.

In response, the past decade has seen growing experimentation with innovative financing models designed to complement public subsidies and attract private investment. These include guarantee schemes to reduce lending risks, (low-interest rate) microloans, impact-oriented investment instruments, revenue-based financing, and hybrid public-private partnerships. Many initiatives also seek to address structural barriers such as information asymmetries, financial and investment-readiness gaps among creative actors, and limited understanding of CCI business models, intangible assets and value creation among financiers and innovation actors.

In recent years, more attention has turned towards systemic approaches that view creativity as a strategic asset for Europe's green, digital, and social transitions. This perspective emphasises the role of CCIs as innovation enablers across sectors and highlights the need for funding mechanisms capable of supporting experimentation, scaling, and long-term sustainability rather than isolated projects. However, despite this growing recognition in policy discourse, current financing systems have only partially adapted to these ambitions, and many funding structures remain fragmented, short-term, and insufficiently aligned with the operational realities of CCIs and innovation ecosystems.

The evolution of funding for creativity and innovation in Europe reflects a transition from cultural patronage to economic investment, and increasingly towards mission-oriented financing aligned with broader societal challenges. Initiatives such as the New European Bauhaus illustrate growing recognition of the role of culture, creativity, and interdisciplinary collaboration in addressing Europe's green and social transitions. At the same time, research and innovation funding programmes such as Horizon Europe have created important opportunities for experimentation and cross-sector collaboration involving CCIs. However, significant gaps remain in translating these ambitions into accessible and adequate financing structures for CCIs, particularly in mobilising large-scale private capital and ensuring that cultural and creative actors can benefit more systematically from public research and innovation funding instruments designed to support intangible, high-risk, and high-impact activities.

¹ <https://op.europa.eu/en/publication-detail/-/publication/4737f41d-45ac-11e7-aea8-01aa75ed71a1>

2 Policy context and vision

2.1 Policy context

According to the Treaty on the Functioning of the European Union (TFEU), the role of the EU in relation to culture is that of support, complementarity, and coordination of the actions of Member States. Article 167 outlines that the EU is to support and supplement the actions of Member States in the areas of cultural knowledge production and dissemination, conservation, non-commercial exchange, and cultural creation. Significant in regard to innovation, is subsection 167(4), which posits that the EU is committed to taking cultural aspects into account in other EU policy areas.

In recognition of the innovation potential of the CCI, since 2021, the Annual Single Market report identifies the sector as one of the key 14 industrial ecosystems. The 2022 Council Conclusions on Building a European Strategy for the Cultural and Creative Industries Ecosystem more specifically identify the fundamental role of CCI in the EU. The CCIs are positioned as playing a fundamental role in democracy strengthening, prosperity and wellbeing of societies and individuals, blossoming cultural diversity and heritage, among other roles, as well as more specifically identifying the role of the CCI as developers of innovation. By formally identifying the sector as an industrial ecosystem, the EU has brought the CCI into the discourse on European competitiveness, at the core of which is research and innovation. In short, CCIs are no longer regarded solely as beneficiaries of support, but now also as active contributors to Europe's productive capacity, innovation potential, and global competitive position.

However, a fundamental paradox persists. Despite this growing recognition as a key industrial ecosystem, the CCI, in contrast to other industrial ecosystems, is still governed by a different policy logic. Whereas other industrial ecosystems EU action includes binding legislation, harmonization of standards, large-scale innovation investment instruments, and regulatory frameworks, for CCIs, EU cooperation continues to rely on soft governance mechanisms, policy coordination, and voluntary alignment. This creates a structural gap between the sector's recognised innovation role and the instruments available to support it.

2.2 Funding for innovation in artistic and cultural practices

As discussed, the EU policy framework increasingly recognises culture not only as a carrier and enhancer of European values and diversity but also as a strategic asset for competitiveness, resilience, and innovation. However, the current Work Plan for Culture 2023-2026 still reflects the earlier positioning of the sectors along four priorities– supporting artists and cultural professionals, enhancing cultural participation, harnessing culture for sustainability, and the role of culture in strengthening EU external relations. This policy orientation is reflected in the design of core funding instruments.

The **Creative Europe** programme remains the EU's primary funding instrument dedicated to the CCIs. It supports cooperation projects, networks, mobility, and includes targeted actions such as funding for innovative cultural content. While Creative Europe enables experimentation and cross-border collaboration, its funding model is primarily grant-based and focused on cultural and creative output, with limited capacity to support long-term innovation development, scaling, or market deployment.

The **Cultural and Creative Sectors Guarantee Facility (CCS GF)** under European Investment Fund benefits micro-enterprises and SMEs in accessing project debt financing. Yet while the instrument improves access to finance for the sector, it is a debt instrument, which is not well suited to the risk capital required by innovation, especially in its early stages.

Horizon Europe is the EU's lead innovation and research programme. Under Pillar 2, Cluster 2 (Culture, Creativity and Inclusive Society) is currently the EU's main source of research and innovation funding for the CCS. It supports green and digital transition of European cultural heritage, as well as innovation in the

arts, cultural, and creative industries. In addition, projects relevant to CCIs are occasionally included under Cluster 4 (Digital, Industry, and Space) on topics such as digital preservation of cultural heritage, and under Cluster 5 (Climate, Energy and Mobility) on topics bridging sustainability and culture.

The structural gap between policy recognition and funding instruments has begun to receive policy attention. Partly in response to this gap, and to strengthen the link between CCIs and research and innovation, the **EIT Culture & Creativity Knowledge and Innovation Community (KIC)** was established in 2023, funded under Horizon Europe. Its purpose is to empower innovation in the creative and cultural industries. It aims to support interdisciplinary and cross-sectorial collaborations between innovation, business, research, culture, and education across all sub-sectors of CCIs. Rather than relying solely on project-based schemes, EIT Culture & Creativity seeks to co-finance long-term partnerships that would contribute to competitiveness of European CCIs also at global level.

The **2025 Culture Compass for Europe** takes the next step in this regard, and promises to guide policy in four key directions, one of which includes drawing on culture and cultural heritage for EU to become more competitive, resilient, and cohesive. In doing so, it explicitly recognises cultural and creative industries as drivers of economic growth, job creation, innovation, and competitiveness, and signals an intention to better harness this potential through targeted initiatives, cooperation frameworks, and funding streams.

This shift in policy orientation – from culture as a primarily social or identity-based domain to culture as a driver of competitiveness and innovation – has significant implications for how the CCIs are positioned within broader EU funding architectures.

2.3 Funding innovation with the CCI

Beyond dedicated instruments that fund innovation in the sector, CCIs are increasingly expected to contribute to innovation with other sectors across the economy. Yet, despite a dedicated KIC, the broader EU innovation funding architecture continues to marginalize the sector, with few dedicated sources of funding available to support cross-sectorial innovation with the CCIs.

The EU initiative **S+T+ARTS (Science + Technology + Arts)** provides structural support for cross-collaborations between artists, scientists, engineers, and researchers to drive innovation addressing social, ecological, and technological challenges. Through residencies, an annual prize, thematic initiatives, and regional networks, it integrates artistic perspectives into technological development. Cultural and creative actors are financed as enablers of innovation with the science and technology sectors, bringing creative methodologies to research and industrial innovation processes.

The **New European Bauhaus (NEB)** emerged as a response to the pressing environmental crisis, connecting sustainability, aesthetics, and inclusion. Through dedicated funding streams under Horizon Europe, NEB supports initiatives on building renovation, circularity in the arts, cultural heritage in urban regeneration, and neighbourhood transformation. Cultural and creative actors are financed as enablers of innovation with the green transition and urban development sectors, bringing creative methodologies to sustainability and climate innovation processes.

The **European Structural and Investment Funds (ESIF)** do not directly fund innovation within the CCS, but they do provide funding opportunities for the sector. The funds support regional development, social inclusion, and employment. The **European Regional Development Fund (ERDF)** supports creative clusters, cultural infrastructure, and heritage preservation, while the **European Social Fund (ESF)** invests in skills development for creative professionals. These instruments bring much-needed innovation support to a highly fragmented sector, enabling the CCIs to access funding for place-based and social innovation, even if the financing flows to regional development outcomes rather than to building the sector's own capacity to innovate.

The **EIC Accelerator** supports SMEs and start-ups to scale up high-impact innovations with the potential to create new markets or disrupt existing ones. Evaluation criteria prioritise technological excellence, patentability, and industrial scalability. While the CCIs are technically eligible, the instrument is designed

for deep tech start-ups, not creative innovation. Cultural and creative actors are occasionally financed through EIC when their innovation aligns with deep tech frameworks, but they must adapt their creative innovation to criteria designed for other sectors.

The **New European Research Area (ERA)** is a framework aimed at creating a unified and integrated research and innovation system by strengthening coordination, mobility, and collaboration across Member States and sectors. It promotes cross-sectoral collaboration between academia, industry, public authorities, and civil society. Cultural and creative actors have had limited visibility in the policy discussions shaping the new ERA. The exclusion of cultural and creative actors from the policy discussions shaping the new European Research Area suggests that, even as dedicated innovation instruments like the EIT KIC emerge, the sector is still not systematically recognised as a core innovation actor in Europe.

Taken together, these dynamics point to a structural discrepancy between the increasingly recognised innovation value of the cultural and creative sectors and the financial instruments available to support innovation with and within the CCIIs. While CCIIs are increasingly positioned as contributors to Europe's competitiveness and innovation capacity, the dominant funding frameworks remain calibrated to technological and industrial models of innovation, limiting the innovation capacity with and in the sector.

2.4 National programmes

National and regional programmes play a crucial role in the European financing ecosystem for CCIIs, particularly in supporting smaller organisations, freelancers, local initiatives, and experimental forms of innovation that may struggle to access larger EU-level instruments. Across Europe, national programmes increasingly complement European frameworks by adapting funding mechanisms to local cultural ecosystems, territorial needs, and sector-specific realities.

Several national programmes already demonstrate emerging approaches to innovative financing for CCIIs. In Belgium, the [ST'ART investment fund](#) provides loans and co-investment mechanisms specifically tailored to creative sectors including audiovisual industries, design, fashion, gaming, heritage, and performing arts. By combining public support with private investment participation, the fund aims to strengthen long-term sustainability and improve access to finance for creative enterprises.

In France, the [Fondation du patrimoine](#) represents an example of blended financing combining donations, sponsorships, public subsidies, and local partnerships to support cultural heritage projects and community-rooted development. Such approaches demonstrate how cultural financing can mobilise both economic and civic participation while strengthening territorial resilience.

Several countries are also increasingly investing in financial literacy and intermediary support structures for CCIIs. For example, [Creative FLIP](#), while EU-supported, has operated through national and regional ecosystems by strengthening financial capacity-building, innovation skills, intellectual property strategies, and cross-sector collaboration opportunities for creative professionals and SMEs.

At regional level, accelerator programmes and local innovation initiatives are also emerging as important financing support mechanisms. The GROWit accelerator programme in Croatia, highlighted in the *ekip* social media listening analysis, combines direct financial support, mentoring, internationalisation guidance, and business development support for startups and creative entrepreneurs.

In Central Europe, the [FL4INN initiative](#) supports regions in co-designing innovative financial instruments for research and innovation activities. The initiative demonstrates growing interest in adapting market-driven financing mechanisms to innovation ecosystems that include CCIIs and interdisciplinary collaboration.

Despite these promising examples, national funding systems often continue to rely heavily on fragmented project-based financing, short-term calls, and rigid administrative procedures that are poorly aligned with

the iterative and experimental nature of innovation in CCI. Smaller actors, independent creators, and community-based initiatives continue to face barriers related to co-financing requirements, institutional capacity, and unequal territorial access to funding opportunities.

Looking forward, the previous Policy Labs indicate that national programmes could play an increasingly strategic role in testing and scaling new financing approaches for CCI. This includes experimentation with blended finance, revenue-based financing, social impact investment, participatory funding models, tokenisation and blockchain-based approaches, as well as stronger integration between cultural policy, innovation policy, regional development, and sustainability agendas.

3 Challenges & opportunities

3.1 Opportunities

This scoping note builds on insights gathered through previous *ekip* Policy Labs covering a broad range of Policy Areas related to open innovation ecosystems and CCI. These include:

- Artificial Intelligence and CCI,
- New European Bauhaus and green transition,
- Immersive media and XR,
- Crafts-led innovation,
- Platformisation of the music industry,
- Inclusivity in the video gaming industry,
- Cross-sectoral innovation with performing arts,
- Cultural heritage institutions within open innovation ecosystems,
- and Digital Product Passports (DPP) and circularity in fashion and textiles.

Taken together, these Policy Labs demonstrate significant opportunities to develop new funding and investment approaches that better enable CCI to participate in open innovation ecosystems and contribute to Europe's digital, green, and social transitions. Across the analysed Policy Areas, there is growing recognition that traditional funding structures are often poorly aligned with the experimental, interdisciplinary, and relational nature of innovation in CCI. This creates opportunities to design more adaptive, ecosystem-oriented, and mission-driven financing models that support innovation processes beyond short-term project cycles.

One key opportunity lies in developing funding mechanisms that support experimentation, prototyping, and cross-sector collaboration. Several Policy Labs highlight the importance of flexible and risk-tolerant financing instruments capable of supporting co-creation between CCI and sectors such as technology, sustainability, education, health, and manufacturing. Innovation-oriented funding models could therefore move beyond narrowly outcome-driven approaches and instead support long-term ecosystem building, knowledge exchange, and collaborative innovation processes.

The Policy Labs also reveal opportunities for developing blended and multi-level financing ecosystems combining EU funding, national and regional support, private investment, intermediary organisations, and community-based approaches. Several Policy Areas point to the need for investment pooling mechanisms, cascade funding, microgrants, innovation vouchers, and intermediary support structures that can improve access to funding for SMEs, freelancers, independent creators, and smaller cultural organisations. Such approaches could help reduce structural inequalities in innovation participation and strengthen the resilience of local and regional innovation ecosystems.

Another important opportunity concerns the development of funding models that recognise broader forms of value creation. Across the Policy Labs, CCI are increasingly understood not only as contributors to economic growth, but also as drivers of social innovation, inclusion, sustainability, behavioural change,

cultural diversity, and democratic participation. This creates opportunities for financing approaches that integrate cultural, social, environmental, and civic value alongside technological and commercial innovation outcomes.

The analysed Policy Areas further highlight opportunities to better connect CCI to European research and innovation funding frameworks. Horizon Europe, the New European Bauhaus, Creative Europe, and emerging transition-oriented funding programmes create opportunities to strengthen the role of CCI within broader innovation ecosystems. Several Policy Labs specifically point to the potential for more dedicated funding streams, innovation partnerships, Living Labs, accelerators, and experimentation environments tailored to the realities of CCI and cross-sector innovation.

Finally, the Policy Labs suggest opportunities to rethink investment logic itself within innovation policy. Rather than focusing only on scalability, rapid growth, or short-term measurable outputs, future funding models could place greater emphasis on long-term ecosystem development, relational collaboration, communities of practice, cultural sustainability, and adaptive innovation capacities. In this context, investment and funding can become strategic tools not only for supporting individual projects, but for enabling more inclusive, resilient, and collaborative European innovation ecosystems.

3.2 Policy challenges

The previous *ekip* Policy Labs reveal that current European funding and financing systems remain insufficiently adapted to the realities of innovation in CCI. Across the analysed Policy Areas (including AI and CCI, immersive media and XR, crafts-led innovation, platformisation of music, inclusivity in video gaming, cross-sectoral innovation with performing arts, cultural heritage institutions, New European Bauhaus and green transition, and Digital Product Passports in fashion and textiles) recurring challenges emerge regarding how innovation involving CCI is financed, valued, and sustained within open innovation ecosystems.

A major challenge concerns the mismatch between existing financing models and the nature of innovation processes in CCI. Current funding mechanisms often prioritise short-term, measurable, technology-driven outputs, whereas innovation involving CCI frequently develops through experimentation, co-creation, iterative learning, and long-term relationship building. Several Policy Labs highlight that existing schemes remain too rigid and risk-averse to support exploratory and interdisciplinary innovation processes whose outcomes cannot be fully predefined.

Another recurring challenge relates to unequal access to funding opportunities. SMEs, freelancers, independent creators, small cultural organisations, and community-based initiatives often face administrative complexity, fragmented funding landscapes, co-financing barriers, and limited institutional capacity to participate in innovation programmes. This particularly affects actors operating at the intersection of culture, technology, sustainability, and social innovation.

The Policy Labs also demonstrate that current investment logics still tend to undervalue cultural, social, and participatory forms of innovation. CCI are frequently positioned as communicators or supporting actors within innovation ecosystems rather than recognised as equal innovation partners capable of contributing to systems thinking, behavioural change, participatory design, and societal transformation. This affects both access to financing and the broader recognition of CCI-driven innovation.

Several Policy Labs further highlight fragmentation between funding programmes, policy domains, and governance structures. Innovation involving CCI often requires collaboration across sectors such as technology, sustainability, education, manufacturing, health, and heritage. However, funding systems frequently remain siloed, making it difficult to support integrated and long-term cross-sector innovation ecosystems.

The digital and green transitions also create increasing financial pressures for CCI. Many actors are expected to adopt AI tools, immersive technologies, accessibility standards, circular production models, and digital infrastructures without adequate financial support, tailored investment instruments, or transition-oriented funding mechanisms. This creates risks of widening inequalities between larger and smaller actors within innovation ecosystems.

Finally, the analysed Policy Areas repeatedly underline the lack of long-term financing structures capable of sustaining and scaling successful innovation initiatives. Many collaborative experiments, Living Labs, and cross-sector innovation networks remain dependent on temporary project funding and struggle to continue once pilot phases end. As a result, valuable innovation capacity, knowledge exchange, and ecosystem-building efforts often remain fragmented and difficult to sustain over time.

Overview of key policy challenges across innovation building blocks

Innovation building block	Key financing-related policy challenges identified across Policy Areas
Investment & Funding	Short-term and rigid funding structures; insufficient support for experimentation, scaling, and long-term ecosystem building; limited access for SMEs, freelancers, and smaller cultural actors; fragmented funding ecosystems; lack of risk-tolerant and blended financing models.
Regulation & Governance	Fragmented policy and funding frameworks across sectors; lack of coordinated governance supporting cross-sector innovation financing; regulatory uncertainty affecting investment decisions in digital and green transitions.
Techniques & Technologies	Research and innovation funding often remains technology-oriented and insufficiently adapted to cultural and social innovation processes; unequal access to innovation infrastructures and experimentation support.
Skills & Competences	Insufficient investment in interdisciplinary, entrepreneurial, digital, sustainability, and innovation skills needed for participation in evolving innovation ecosystems.
Infrastructures & Networks	Uneven access to collaborative, digital, and innovation infrastructures; lack of intermediary organisations and shared experimentation spaces supporting cross-sector innovation financing.
Social Dimension	Limited recognition and financing of social, cultural, participatory, and community-driven innovation outcomes; structural inequalities affecting access to funding and innovation participation.
Sustainable Competitiveness	Difficulty aligning competitiveness, sustainability, cultural diversity, and fair working conditions within existing funding and investment frameworks focused on short-term measurable outputs.

3.3 Stakeholder needs

Insights gathered through previous *ekip* Policy Labs and the *ekip* Policy Corner on “New funding and financing models” demonstrate a strong consensus among stakeholders that current financing systems remain insufficiently adapted to the operational realities, value creation processes, and innovation dynamics of CCIs. Stakeholders across different Policy Areas consistently emphasise the need for more flexible, inclusive, long-term, and ecosystem-oriented funding approaches capable of supporting experimentation, collaboration, and sustainable innovation pathways.

One of the most frequently raised stakeholder needs concerns improving accessibility and navigation within funding systems. Participants stressed that complex administrative requirements, fragmented funding landscapes, and limited institutional capacity systematically disadvantage SMEs, freelancers, independent creators, and smaller cultural organisations. Stakeholders therefore called for simplified administrative procedures, one-stop guidance mechanisms, intermediary support structures, mentoring systems, and stronger financial literacy support for both applicants and funders.

Stakeholders also highlighted the need to move beyond short-term project-based financing towards more sustainable and staged investment approaches. Across the discussions, participants emphasised that innovation in CCIs often develops gradually through experimentation, prototyping, collaboration, and iterative learning. This requires financing models capable of supporting projects from early-stage exploration and proof-of-concept activities through scaling and long-term ecosystem development.

Several stakeholders advocated for blended financing ecosystems combining grants, private investment, public support, local partnerships, and community-based financing mechanisms.

Another recurring stakeholder position concerns the need to better recognise cultural, social, civic, and participatory forms of value creation within funding and accountability systems. Participants repeatedly stressed that current evaluation frameworks remain too narrowly focused on quantitative and short-term economic outputs, while innovation involving CCIs frequently generates broader societal impacts such as inclusion, sustainability, community engagement, behavioural change, and democratic participation. Stakeholders therefore called for more mission-oriented accountability frameworks integrating qualitative impact assessment, peer validation, and community endorsement mechanisms.

Several stakeholders also emphasised the importance of place-based and community-rooted financing ecosystems. Discussions highlighted the role of local partnerships, civic crowdfunding, cultural hubs, intermediary organisations, and territorial innovation ecosystems in supporting sustainable cultural development and locally embedded innovation. Participants stressed that funding models should strengthen local resilience while preventing inequalities, exclusion, and displacement effects associated with uneven development and concentrated investment flows.

The growing role of digital platforms and technologies also emerged as a major stakeholder concern. Participants highlighted tensions between creator ownership and platform-based extraction models, particularly in contexts where CCIs depend increasingly on proprietary digital infrastructures. Stakeholders therefore stressed the need for financing and governance models that support digital sovereignty, fair remuneration, interoperability, creator ownership, and community-based digital infrastructures.

Across the previous Policy Labs, stakeholders additionally emphasised the importance of stronger support for cross-sector collaboration and innovation ecosystems. Participants called for funding mechanisms that actively encourage collaboration between CCIs and sectors such as technology, sustainability, education, health, manufacturing, and heritage. In particular, stakeholders stressed the need for intermediary organisations, Living Labs, accelerators, innovation hubs, and communities of practice capable of facilitating long-term knowledge exchange and collaborative experimentation.

Finally, stakeholders repeatedly underlined that future financing models for CCIs should not only support competitiveness and economic growth, but also strengthen Europe's cultural diversity, democratic resilience, sustainability transitions, and social cohesion. In this context, stakeholders position investment and funding not merely as economic instruments, but as strategic governance tools shaping the inclusiveness, resilience, and long-term sustainability of Europe's innovation ecosystems.

4 Future trends

The *ekip* social media listening analysis reveals a rapidly evolving landscape of financing for creativity and innovation, characterised by experimentation, diversification of funding sources, and a shift toward long-term sustainability and autonomy. Rather than converging around a single dominant model, emerging trends indicate a pluralistic ecosystem combining public funding, market-based instruments, digital monetisation, and community-driven approaches.

From centralised funding to multi-level collaborative ecosystems

One prominent trend is the growing importance of multi-level funding arrangements that combine EU, national, regional, and local resources with private and civil-society contributions. Discussions highlight collaboration not only as a delivery mechanism but as a financing strategy in itself, enabling risk-sharing, co-investment, and decentralised decision-making. There is increasing demand for funding systems that

balance central coordination with regional representation and long-term sustainability, particularly across Western, Central, and Eastern Europe.

This shift suggests a move away from hierarchical grant systems toward networked funding ecosystems capable of supporting complex, cross-sectoral projects and place-based innovation.

Mutual financial and innovation literacy as core infrastructure

A second major trend is the recognition that access to finance depends not only on the availability of resources, but also on the capacity of actors across the innovation ecosystem to understand each other's practices, value creation processes and financing needs. While CCI actors may lack financial capabilities, investment readiness or capacity to navigate complex funding systems, traditional financiers, innovation agencies, programme designers and evaluators may lack sufficient understanding of CCI business models, intangible assets and the broader forms of value generated through innovation in and with CCIs. This can reinforce biases in funding criteria and investment decisions, particularly where innovation is assessed primarily through technological scalability, patentability or predictable financial returns.

Financial and innovation literacy should therefore be understood as shared innovation ecosystem infrastructure, rather than solely as a capability required of creative entrepreneurs. Capacity-building should strengthen both the investment readiness of CCI actors and the ability of funders and innovation-policy actors to recognise, assess and finance CCI-driven and cross-sectoral innovation, with intermediary organisations playing an important role in bridging these knowledge gaps.

Shift toward outcome-based and impact-oriented funding

Another significant development is the growing emphasis on funding tied to measurable results rather than activities alone. Discussions indicate a move from project-based support toward models that prioritise social return, innovation capacity, resilience, and long-term public value. Funding is increasingly justified through defined goals and impact metrics, reflecting broader shifts toward accountability and mission-oriented policy frameworks.

This evolution aligns creative financing with wider trends in public policy and investment, including social impact financing and performance-based funding.

Economic sustainability and precarity as structural drivers

Financial insecurity within the creative workforce remains a dominant concern shaping future funding debates. Many conversations highlight declining or unstable incomes, the need for diversified revenue streams, and the gap between the value generated by creative work and the income received by creators. The rise of artificial intelligence is frequently mentioned as intensifying competition and undermining traditional income models.

As a result, there is growing interest in structural solutions that go beyond temporary project support, including income-stabilisation mechanisms, stronger intellectual property protection, and long-term support frameworks aimed at financial resilience.

Digital monetisation and decentralised finance models

Technological innovation is driving experimentation with new revenue mechanisms, particularly in digital environments. Creators are exploring blockchain, Web3 tools, NFTs, smart contracts, and automated royalties as ways to strengthen ownership, transparency, and recurring income. These approaches are framed less as speculative trends and more as practical responses to shortcomings in existing platform economies, where value creation does not translate into stable earnings.

Digital-first models also enable direct relationships between creators and audiences, reducing dependence on intermediaries and enabling new forms of community-backed financing.

Rise of self-directed finance and individual agency

Beyond institutional funding, a broader cultural shift toward financial self-reliance is emerging. The “self-taught finance” trend highlights growing engagement with peer-to-peer learning, digital tools, and social media communities for financial decision-making. Financial literacy is increasingly framed as autonomy and agency rather than formal expertise, with individuals learning through online content, apps, and collaborative platforms.

This shift supports the rise of solopreneurship, independent creators, and micro-enterprises capable of building income streams without traditional institutional backing.

Toward hybrid and resilient funding models

Taken together, these signals point toward a future characterised by hybrid financing ecosystems combining public support, private investment, digital monetisation, and community participation. The most resilient models are likely to be those that:

- support long-term sustainability rather than short-term projects
- integrate financial literacy and capacity building
- reward measurable social and cultural impact
- enable diversified income streams
- leverage digital technologies while addressing associated risks
- strengthen creator autonomy and ownership

Overall, the trajectory suggests that financing creativity and innovation will increasingly depend on adaptive, multi-actor systems capable of responding to technological disruption, economic uncertainty, and evolving societal expectations.

5 Problem statements

5.1. Mismatch between existing financing systems and the realities of CCI innovation

Despite the growing recognition of CCIs as important contributors to Europe's innovation capacity, sustainability transitions, and social resilience, existing financing systems remain insufficiently adapted to the realities of innovation within and through CCIs. Current funding and investment frameworks continue to privilege short-term, measurable, and technology-oriented outcomes, while many forms of CCI-driven innovation are experimental, interdisciplinary, relational, and based on long-term ecosystem development. As a result, substantial innovation potential remains underutilised across European cultural and creative ecosystems.

5.2. Structural barriers to accessing finance

A major structural problem concerns the mismatch between conventional financing models and the operational realities of CCIs. The sector is dominated by SMEs, freelancers, micro-enterprises, and project-based organisations whose activities are often built around intangible assets, hybrid value creation, and uncertain innovation pathways. Traditional financial actors frequently struggle to assess the economic, social, and cultural value generated by CCIs, limiting access to loans, investment, and long-term financing. Existing funding systems also tend to remain fragmented, administratively complex, and poorly suited to cross-sector collaboration and experimentation.

5.3. Insufficient support for digital and green transitions

Europe's digital and green transitions are creating increasing pressure for CCIs to adopt new technologies, sustainability practices, digital infrastructures, and innovation capabilities. However, many cultural and

creative actors lack adequate financial support, investment readiness, intermediary guidance, and access to innovation ecosystems necessary to participate meaningfully in these transitions. These risks widening inequalities between regions, sectors, and organisational types, particularly affecting smaller and community-rooted actors.

5.4. Overreliance on short-term project-based financing

Another key problem concerns the continued dominance of short-term project-based financing. While project funding enables experimentation and policy-driven innovation, it often fails to provide the structural continuity required for long-term sustainability, organisational resilience, ecosystem building, and scaling of successful initiatives. Many promising innovation projects involving CCIs remain temporary and fragmented because financing systems rarely support long-term adaptive development pathways.

5.5. Gaps in financial literacy and intermediary support

The analysed Policy Labs and stakeholder discussions reveal persistent gaps in financial literacy, investment navigation, and intermediary support structures. Many cultural actors lack the resources and competencies needed to identify suitable funding opportunities, engage with investors, manage financial risk, or combine multiple financing sources. Simultaneously, many public and private financiers lack sufficient understanding of CCI business models, innovation processes, and broader societal value creation.

5.6. Under-recognition of broader forms of value creation

Current funding systems often undervalue social, cultural, civic, and participatory forms of innovation. Innovation involving CCIs frequently contributes to inclusion, cultural diversity, behavioural change, democratic participation, territorial cohesion, and social resilience, yet existing evaluation frameworks remain strongly oriented towards short-term economic performance and quantifiable outputs. This creates difficulties in recognising and financing the full spectrum of value generated by CCIs within open innovation ecosystems.

5.7. Fragmented governance and financing ecosystems

Despite important existing EU and national initiatives, financing ecosystems for CCIs remain highly fragmented across governance levels, policy domains, and funding instruments. Connections between cultural policy, innovation policy, regional development, sustainability agendas, and private investment mechanisms remain underdeveloped. As a result, Europe currently lacks sufficiently coordinated, ecosystem-oriented, and mission-aligned financing models capable of supporting the long-term role of CCIs within innovation ecosystems and broader societal transitions.

6 Research and evidence base

This Scoping Note was developed through a combination of desk research, analysis of existing European and national policy and financing instruments, findings from previous *ekip* Policy Labs, stakeholder input, and *ekip* social media listening. The purpose of this evidence base was not to provide an exhaustive review of financing for the Cultural and Creative Industries, but to identify the principal structural challenges, emerging approaches and policy opportunities relevant to financing innovation in and with CCIs.

The evidence base presented below reflects the research and stakeholder inputs used to frame the policy problem and prepare Policy Lab #12 and it is intended as a targeted scoping exercise rather than a systematic literature review.

6.1 European policy and programme context

The analysis draws on European policy frameworks and funding instruments that shape the position of CCIs within cultural, industrial, research and innovation policy. Key reference points include:

- **Treaty on the Functioning of the European Union (TFEU), Article 167**, particularly the principle that cultural aspects should be taken into account in EU action under other policy areas.
- **EU Industrial Strategy and Annual Single Market Reports**, which recognise the Cultural and Creative Industries as one of Europe's industrial ecosystems.
- **Council Conclusions on Building a European Strategy for the Cultural and Creative Industries Ecosystem (2022)**, recognising the contribution of CCIs to innovation, competitiveness, cultural diversity, democracy and societal well-being.
- **EU Work Plan for Culture 2023–2026**, providing the wider framework for European cooperation in cultural policy.
- **Culture Compass for Europe (2025)**, which further positions culture and cultural heritage as contributors to European competitiveness, resilience and cohesion.
- **Horizon Europe**, particularly Cluster 2 – Culture, Creativity and Inclusive Society – as well as relevant opportunities in other clusters.
- **Creative Europe**, as the principal EU programme dedicated specifically to the cultural and creative sectors.
- **InvestEU and the Cultural and Creative Sectors Guarantee Facility (CCS GF)**, addressing access-to-finance barriers and financial intermediary capacity.
- **EIT Culture & Creativity**, supporting innovation, entrepreneurship and cross-sector collaboration across the CCI ecosystem.
- **New European Bauhaus (NEB)** and **S+T+ARTS**, as examples of programmes integrating cultural and creative capabilities into wider technological, environmental and societal innovation.
- **European Structural and Investment Funds**, particularly regional and skills-oriented instruments relevant to CCI development and innovation.

These sources informed the analysis of the changing position of CCIs within European innovation policy and the continuing mismatch between their recognised innovation role and the financing structures available to support it. The Scoping Note consequently distinguishes between financing **innovation in CCIs** and financing **innovation with CCIs**, including the contribution of creative actors and capabilities to innovation in other sectors.

6.2 Financing instruments, initiatives and emerging models

The research examined existing and emerging financing mechanisms that could respond to the specific characteristics of CCI innovation, including intangible assets, uncertain development pathways, fragmented organisational structures and variable revenue streams.

Examples considered included the **Cultural and Creative Sectors Guarantee Facility**, **Creative FLIP**, **CulturEU** and the **So You Need Money!** platform, alongside national and regional examples of investment, intermediary and capacity-building support. The research also considered mechanisms originating partly outside conventional cultural financing that could potentially be adapted to CCI contexts.

Four broader families of innovative financing approaches were explored:

1. **Impact-oriented financing**, including social and impact investment and outcome-based mechanisms, which combine financial objectives with measurable social, cultural or environmental value.

2. **Revenue- and performance-linked financing**, including revenue-based financing and mechanisms linking finance to future demand or outcomes.
3. **Alternative public-private and place-based financing arrangements**, bringing together public authorities, businesses, civil society and local communities to finance and sustain cultural and creative assets and ecosystems.
4. **Digitally enabled financing and monetisation**, including blockchain- and tokenisation-based approaches that may create new mechanisms for ownership, investment, intellectual property management and revenue generation.

These mechanisms were treated as areas for policy experimentation rather than universally applicable solutions. The research emphasised that the diversity of CCI subsectors, organisational forms and value-creation models means that no single financing mechanism is suitable across the whole ecosystem; potential instruments therefore require testing and adaptation to specific contexts. The underlying research describes the four mechanism families and their possible applications in more detail.

6.3 Evidence from previous *ekip* Policy Labs

The Scoping Note also builds on the cumulative evidence generated through previous *ekip* Policy Labs. The cross-analysis covered Policy Areas addressing:

- Artificial Intelligence and CCIs;
- New European Bauhaus and the green transition;
- immersive media and XR;
- crafts-led innovation;
- platformisation of the music industry;
- inclusivity in the video gaming industry;
- cross-sectoral innovation with performing arts;
- cultural heritage institutions within open innovation ecosystems; and
- Digital Product Passports and circularity in fashion and textiles.

Across these Policy Areas, recurring financing-related issues included short-term and rigid funding structures, difficulties financing experimentation and cross-sector collaboration, unequal access for smaller actors, insufficient recognition of cultural and social forms of innovation, fragmented governance and funding systems, uneven access to innovation infrastructures, and a lack of long-term financing for successful experiments and innovation ecosystems.

The findings were analysed through the *ekip* Building Blocks to identify how Investment & Funding interacts with Regulation & Governance, Skills & Competences, Infrastructures & Networks, Techniques & Technologies, the Social Dimension and Sustainable Competitiveness. This cross-Policy Area perspective helped frame financing not as an isolated policy problem, but as a condition affecting the functioning of the wider CCI innovation ecosystem.

6.4 Stakeholder and social listening input

The evidence base was complemented by stakeholder insights generated through previous *ekip* Policy Labs and the *ekip* Policy Corner on new funding and financing models. Stakeholders highlighted the need for simpler access to financing, stronger intermediary support, greater financial literacy, staged financing pathways, blended public-private approaches, recognition of broader forms of value, place-based financing and stronger support for cross-sector collaboration.

Stakeholder input also highlighted the importance of creator ownership, fair remuneration and digital sovereignty, as well as the role of Living Labs, accelerators, innovation hubs and communities of practice as intermediaries within innovation ecosystems.

Finally, **ekip social media listening** was used to identify emerging signals and discussions around the future of financing creativity and innovation. These included the development of multi-level and collaborative financing ecosystems; mutual financial and innovation literacy; impact- and outcome-oriented funding; concerns about economic precarity; experimentation with digital monetisation and decentralised finance; and the growing role of individual financial agency.

Taken together, these evidence streams informed the definition of the policy problem, the identification of challenges and opportunities, and the problem statements presented in this Scoping Note. They point towards a financing policy agenda that goes beyond introducing individual new financial instruments and instead considers how public funding, private investment, intermediary capacity, enabling infrastructures and alternative financing mechanisms can function together as a more connected and adaptive ecosystem for innovation in and with CCIs.

6.5 Key resources

The following key policy documents, programmes and practical resources informed the development of this Scoping Note and provide further background on financing and innovation in and with Cultural and Creative Industries. The selection reflects the main evidence areas identified in the underlying research input, including EU policy, access to finance, innovation programmes and funding-navigation tools.

- **Treaty on the Functioning of the European Union – Article 167 (Culture).** Establishes the EU's role in supporting and complementing Member State cultural policy and requires cultural aspects to be taken into account in other EU policy areas. [TFEU, Article 167](#)
- **Council Conclusions on Building a European Strategy for the Cultural and Creative Industries Ecosystem (2022).** Positions CCIs within wider European economic, industrial and innovation policy. [Council Conclusions on the CCI ecosystem](#)
- **EU Work Plan for Culture 2023–2026.** Sets the main priorities for European cultural-policy cooperation, including empowering cultural and creative sectors and supporting their green and digital transitions. [EU Work Plan for Culture 2023–2026](#)
- **A Culture Compass for Europe (2025).** Establishes a strategic vision for placing culture more centrally within EU social and economic policy and calls for more systematic mobilisation of public funding, private investment and philanthropy. [Culture Compass for Europe](#)
- **Creative Europe.** The EU's flagship programme supporting the cultural and audiovisual sectors, including cooperation, innovation, mobility and cross-border activity. [Creative Europe programme](#)
- **CulturEU Funding Guide – EU Funding Opportunities for the Cultural and Creative Sectors 2021–2027.** Interactive European Commission resource helping CCI actors identify relevant funding opportunities across EU programmes. [CulturEU Funding Guide](#)
- **Access to Finance for the Cultural and Creative Sectors / Cultural and Creative Sectors Guarantee Facility.** European Commission resource describing the guarantee and capacity-building approach used to improve access to finance for CCI SMEs and strengthen financiers' understanding of the sector. [Access to finance for the cultural and creative sectors](#)
- **Horizon Europe – Cluster 2: Culture, Creativity and Inclusive Society.** The principal Horizon Europe cluster addressing cultural heritage and the social and economic transformations relevant to CCIs. [Horizon Europe Cluster 2](#)
- **EIT Culture & Creativity.** The European Institute of Innovation and Technology Knowledge and Innovation Community dedicated to strengthening innovation and entrepreneurship across Europe's cultural and creative sectors and industries. [EIT Culture & Creativity](#)

- **S+T+ARTS – Science, Technology & the Arts.** European Commission initiative supporting collaboration between artists, scientists, engineers and researchers and demonstrating the role of creative practices in technological and societal innovation. [S+T+ARTS](#)
- **New European Bauhaus.** EU policy and funding initiative connecting sustainability, inclusion and aesthetics and providing an important example of innovation involving cultural and creative capabilities across sectors and territories. [New European Bauhaus](#)
- **Creative FLIP – Finance, Learning, Innovation and Intellectual Property Rights for the Cultural and Creative Sectors and Industries.** EU-supported initiative strengthening the resilience and innovation capacity of cultural and creative ecosystems through work on finance, learning, innovation and intellectual property. [Creative FLIP](#)
- **So You Need Money! / Creatives Unite.** Practical financing-navigation platform for cultural and creative professionals and organisations, providing tailored information on different financing sources according to financing need, organisational type, lifecycle phase, location and sector. [So You Need Money!](#)
- **ekip Knowledge Bank.** Online repository for policymakers, researchers, investors and changemakers, bringing together resources for innovation policy design, implementation and evaluation in and with CCIs, including ekip Policy Areas, policy documents and the Building Blocks framework. [ekip Knowledge Bank](#)

This evidence base provided the starting point for Policy Lab #12, where the identified challenges and opportunities were tested, prioritised and translated into policy recommendations through stakeholder co-creation.