

European Cultural Foundation: An introduction

Towards a new Europe: an invitation from ECF's President



The future of Europe is not fixed. We have to imagine where we want to go and what we want to work towards. Both citizens and leaders need to think creatively about the road ahead. We need creativity to innovate, to help overcome challenges and recognize and seize opportunities.

HRH Princess Laurentien of the Netherlands

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The European Cultural Foundation (ECF) is an independent foundation based in the Netherlands that has been operating across Europe for almost 60 years. We believe that culture engages and inspires people to transcend boundaries and that the connecting power of culture is an essential ingredient for building open, inclusive and democratic societies.

Our activities are diverse but show a high level of interconnectivity – from our programmes for young people and work in the European neighbourhood to our grant-giving, our advocacy, our publications and our digital presence. ECF's highly skilled international staff reflects this diversity.

There are three main objectives underlying everything we do:

[Empowering and engaging people through art and culture](#)

ECF supports arts and culture communities throughout Europe and especially encourages the exchange and empowerment of new generations to realise a shared future in Europe.

[Linking cultural policy and practice](#)

ECF is committed to projects that contribute to cultural policy development locally, nationally, regionally and on a European level.

[Connecting sources of knowledge for the future](#)

ECF shares and connects knowledge across the cultural sector and links culture to other spheres of knowledge. ECF's ability to realise our objectives and scale up our efforts are a reflection of the strength of our partners. Our partnerships are manifold and include funding partners and partners in whom we invest for our activities.

Re-imagining Europe's future: a note from ECF's Director and ECF's Chair of the Board

It is our pleasure to welcome you to ECF's first fully digital Annual Report. This new way of presenting our vision and projects, figures and forecasts fits seamlessly into the platform approach we have adopted for our digital presence. By publishing our Annual Report online instead of on paper, we aim to make this information more accessible and relevant (and to save some trees at the same time). The report is structured according to our three guiding principles, and preceded by an organisational overview. (See horizontal navigation bar.) [>>](#)

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Towards a new Europe: an invitation from ECF's President



HRH Princess Laurentien of the Netherlands
President, European Cultural Foundation

The future of Europe is not fixed. We have to imagine where we want to go and what we want to work towards. Both citizens and leaders need to think creatively about the road ahead. We need creativity to innovate, to help overcome challenges and recognize and seize opportunities.

Artistic expressions and culture stimulate creativity and stretch our minds to include new ideas and different ways of thinking. Unleashing this power enables us to think in terms of possibilities instead of limitations; in terms of progress instead of deadlock, and in terms of cooperation instead of competition. But to tap into this, we have to use words that have real meaning and that touch our emotions.

Imagination helps us to open our minds and be curious about the unknown, to be interested in others and to celebrate their success. Without such openness, we cannot connect with one another. Without such openness, we cannot build bridges together or break through real or perceived boundaries. Isn't this what Europe needs, now more than ever? With our activities, the ECF aims to create the space necessary for new perspectives on the pressing issues we face.

We feel a particular responsibility to reach out to young people and help them discover and express their creativity and imagination. This serves as a much-needed counterweight to the public debates that tend to be dominated by doom and gloom. Such doom and gloom can stifle aspirations, hamper freedom and limit the ability to dream. And if we stop dreaming, how are we ever to find the road ahead for Europe?

What's more, young people like artists hold up a mirror and help us visualise the future. Their honesty lays bare the moral dilemmas we often gloss over, not in the least part because we're using complicated language.

ECF and our partners believe in a Europe that looks boldly outward and seeks its place in the world. We invite you to join us on our journey of discovery and share with us your passion, your fears and ideas – in brief, your creativity. It is precisely by combining a rich diversity of views that we stimulate creative thinking and thus solutions for the road ahead.

Europe needs your engagement more than ever before. If we don't do it for ourselves, let us be motivated by our responsibility for generations coming after us.

HRH Princess Laurentien of the Netherlands
President, European Cultural Foundation

Re-imagining Europe's future: a note from ECF's Director and ECF's Chair of the Board

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In 2012, we took our inspiration from Indian author Amitav Ghosh, who gave a keynote speech during *Imagining Europe*: "Europe is in a position to lead, not as it has in the past, by dominance and coercion, but by example." Bearing this firmly in mind as we face new challenges in the years to come, ECF will continue to initiate and support cultural change and creative expression across wider Europe and the contribution that culture makes to Europe.

With the crisis now in its fifth year, harsh rhetoric against Europe and radical budget cuts in the cultural sector meant that 2012 was particularly challenging for many of our partners and grantees. However, this changing environment has also helped us to sharpen our focus and to become even more keenly aware of our core values. Given the fact that we are both grant-making and operational, we have the tools and the flexibility to have a lasting impact on the European cultural landscape and to support those who make a difference in their own local environment.

In this context, we hosted an inspiring event on the future of Europe, aptly named [Imagining Europe](#). Contributors to a new perspective on the continent included the Belarus Free Theatre and Indian best-selling author Amitav Ghosh. ECF Labs was expanded to provide a renewed and increasingly popular platform for cultural Europe to "meet" and exchange views and ideas. Work from our Doc Next Network was shown at IDFA and live cinema performance [European Souvenirs](#) is set to tour Europe. Last but certainly not least, we were proud to make a small contribution to the communities involved in the Arab Spring by setting up Tandem cultural exchanges between among others Egypt, Syria and Tunisia, and Europe. You can read more about these and many of our other activities further on in this report.



Katherine Watson
Director, European Cultural Foundation



Wolfgang Petritsch
Chair, European Cultural Foundation

Organisational overview

In 2012, rhetoric against Europe became stronger, even from historically pro-European countries like the Netherlands. Many populist politicians openly discussed leaving the European Union. In addition, the financial crisis became an increasingly harsh reality for many people across the continent. Governments slashed budgets in an attempt to cut public spending and lower national debt. The cultural sector was hit especially hard, often without warning or the opportunity to restructure. The radical budget cuts in the cultural sector in the Netherlands that forced many organisations to merge or even close down made headlines across the Atlantic in [The New York Times](#).

“A coherent, coordinated EU strategy on culture in the EU’s external actions does not currently exist and needs to be developed. It is not a luxury but a necessity to sustain and foster Europe’s attractiveness in a globally connected and competitive environment.”

Marietje Schaake, Member of the European Parliament, Committee on Foreign Affairs and Committee on Culture and Education

ECF is proud to be in a position to counterbalance this by offering access to international networks and information, providing some funding for the European non-profit cultural sector, and advocating for the valuable contribution culture has to make to Europe. Also, we are glad to see that cultural funding and engagement of others continued as well, for example through the EU’s Creative Europe programme. As we look to the future, it is clear that the cultural sector needs to team up with other sectors and investigate new models of financing, if it is to be sustainable.

Fortunately, ECF receives 75% of its income from the Prins Bernhard Cultuurfonds (PBCF). ECF has a longstanding agreement with the PBCF and receives 25% of the PBCF’s lottery income. However, there was a decrease in our income from the Prins Bernhard Cultuurfonds in 2012, as a result of declining lottery income due to the economic climate. So far we have been able to weather this and the reduction has been mitigated by increases in other areas, such as investment income. Nevertheless, it is a trend that will continue in 2013. This makes us even more determined to spend our income responsibly, seek synergies and partnerships wherever possible, and go out and fundraise.

In order to be less reliant on one sole source of income, ECF has set the target of realising at least 35% of our income from sources other than the PBCF by 2016.

A new way of working in the networked approach – being more of a catalyst than running all the programmes ourselves – will help us to achieve much more with our financial means. However, the hybrid nature of our work – being both grant-making and operational – requires employment of a number of highly skilled international staff, which resulted in staff costs of 37% of total expenditure in 2012. At the same time, staff benefits have been reviewed and substantial savings have been agreed to reflect market conditions in our sector. We continue to pay close attention to staff costs to ensure a healthy ratio of staff costs against total costs.

Strategy 2012

During our four-year plan from 2009-2012, ECF’s objectives were (and continue to be) to engage and empower people through art and culture; to link cultural policy and practice; and to connect diverse sources of knowledge. In the last year, we focused on increasing our visibility, especially in our host country the Netherlands. We did this for three reasons:

- Increasing awareness of ECF
- Emphasising that Europe matters
- Underlining the contribution that culture makes to Europe.

Achievements

ECF’s two major events in 2012 fitted perfectly into this year’s focus. Our [Imagining Europe](#) event, which was held in Amsterdam, was attended by 1,000 visitors and by some 15,000 through online channels. The theme of Europe’s future sparked inspiration, creativity and debates, and generated significant publicity, especially in [Dutch media](#). The event was preceded by the 4th [ECF Princess Margriet Award](#), which was held in Brussels. Laureates John Akomfrah and Charles Esche were keynote speakers at Imagining Europe, thus connecting the two events.

Other events throughout the year also contributed to increasing awareness of ECF and raising our profile in the Netherlands including:

- A sold-out [policy debate](#) organised by ECF and the *More Europe* consortium at cultural venue Bimhuis in Amsterdam, September 2012
- Our presence at the Amsterdam-based International Documentary Film Festival Amsterdam [IDFA](#), November 2012
- Our [Remappings book](#) launch at cultural centre De Balie, December 2012.

The Tandem concept first launched in 2011, which fosters exchange and mutual learning between people from EU countries and European neighbouring countries continued to grow with a renewed partnership with the [Mercator Stiftung](#) and the [Robert Bosch Foundation](#).

Lessons learned

Strengths: ECF has a good track record and a solid reputation in the cultural sector, as well as with policy-makers. We enjoy strong partnerships, have an extensive network and employ highly skilled international staff. Our financial basis has remained solid despite rigorous cuts in the cultural sector, financial challenges in the philanthropic sector, and the continued economic downturn.

Weaknesses: As ECF actions are based on several pillars, it is difficult to capture our essence in just one key phrase. We divide our time and efforts between many different activities, stretching our resources and making communications challenging. Further, we have not yet

been able to fully incorporate impact assessment into our activities to the extent we aimed for by the end of 2012. Realising this is a key objective for 2013.

Opportunities: ECF operates as a catalyst and multiplies the impact of activities. By connecting with other sectors beyond the cultural sector, we can help good ideas to spread even further.

Threats: ECF is largely dependent on one source of income (90% from Prins Bernhard Cultuurfonds in 2011 and 75% in 2012). As the crisis deepens, anti-European and anti-cultural sentiments are growing and the tone of debates and speeches is becoming harsher.

Outlook 2013

Although it was a difficult year in more ways than one, 2012 has provided us with valuable insights for 2013. Now more than ever we are keenly aware of our key values and how important it is to continue to promote them, especially in a climate that is critical towards both Europe and culture. The theme we have chosen for the coming four years is *"Culture, creative communities and democracy"*.

We will continue to seek partnerships and alliances beyond the cultural sector and expand on and develop the networked way of working that we have begun to adopt. In addition, we will merge our Advocacy and R&D departments to create more synergy in these activity areas.

In 2013 the Board will undertake to look at ECF's DNA. This in response to the weaknesses mentioned in this report regarding the division of time over many different activities and the difficulties in capturing our essence in just one key phrase.

In 2013 we will start preparations for our 60th anniversary celebrations, which will take place in 2014. All actions will be branded within a future-looking concept and we will scale-up and seek additional profile for ECF's flagship activities, such as the ECF Princess Margriet Award.

Governance

ECF's governance structure includes a President, a Board and an Executive Committee. Guidance is provided by an Advisory Council and by small teams of experts who give advice on specific activities. For more detailed information about our governance structure, board members and advisors, please see [here](#).

Expenses

	Cost	Percentage	
Fundraising costs		145,253	2%
Communications		408,745	7%
Securities costs		71,660	1%
Governance		148,417	2%
Operations		308,543	5%
Organisation		1,082,617	18%

Operations

"[...] in the end it is about culture, because it is the European spirit at its best."
Pierre Vimont, Executive Secretary General of the European External Action Service (EEAS)

Finance

Over the past year, ECF's finance team focused on developing tools to improve the way we manage our expenditure. This included developing and rolling out an automated monthly expenditure report and made improvements to our existing quarterly reports by integrating data from other sources such as our new human resources system so that we can calculate and allocate costs more accurately.

A number of staff changes in the finance team have given us the chance to cast a critical eye over all of our processes, which has resulted in new procedures and more efficient use of our existing financial tools.

During the year, we also worked on a number of donor reports and audits related to external funding, which were all approved by our respective partners and funders.

Human Resources

In 2012, our main focus in HR was on the analysis of ECF's existing employment conditions for our staff with a view to introducing new working conditions. The HR team and a staff representation group looked carefully at existing conditions and made a proposal for changing to a package of working conditions (including cuts for example in the pension scheme) that better reflects the market conditions in our sector. This proposal was accepted by the ECF Management, Board and staff and the new employment conditions came into effect on 1 January 2013.

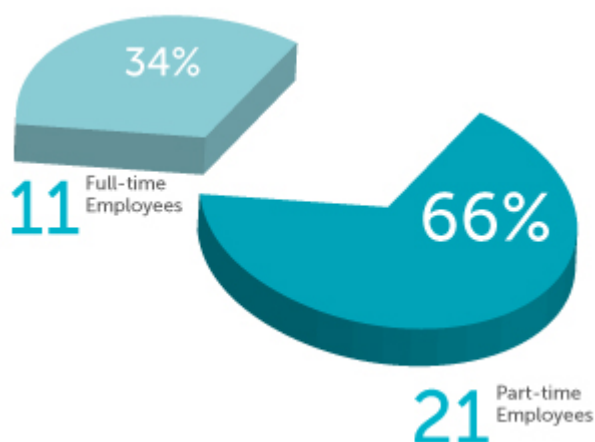
We have also updated our staff manual to reflect all of ECF's current processes and procedures.

"ECF is a small foundation with special attention for the professional and personal development of its staff. Over the past 5 years I have had tremendous opportunities to follow training courses and coaching. These were in line with a professional development plan that was set out with my manager on a six monthly basis. ECF also offers plenty of indirect 'training opportunities', such as travel all over Europe and work with inspiring colleagues. In this way, working for ECF not only has stimulated my career progression but has also broadened my understanding of Europe as a whole."

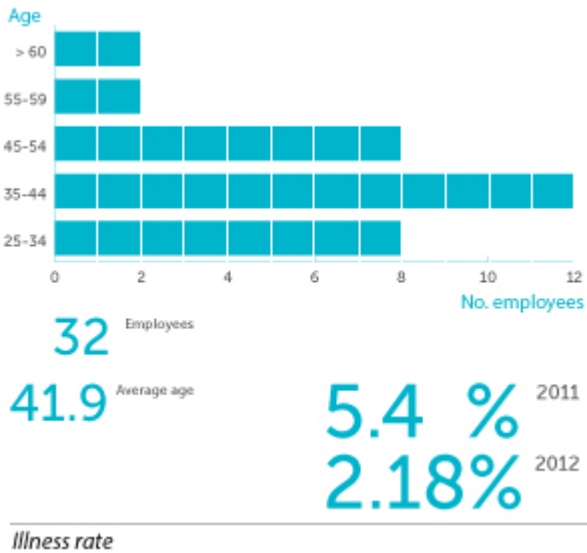
Dilia Ham, EU Neighbourhood Project Officer

Organisation composition

2012 has been a very stable year for ECF as far as employees and the composition of the organisation are concerned. Total turnover of staff was 9.4% (three individuals left the organisation in 2012). This stability is welcome at a time of change, and it makes a big difference to the human resources budget when recruitment costs are low. A tendency to stability is also very much a reflection of the economic climate and lack of vacancies on the labour market.



The average age of our employees has increased by almost one year to 41.9 years. This is a direct result of the very low turnover. Just over half of our employees have been in service for between one and five years.



Nationality

Many of our staff have a multinational/multilingual/multicultural background. In total, 11 languages are spoken at ECF (English, Dutch, French, German, Spanish, Italian, Hungarian, Bulgarian, Polish, Russian and Swedish).

Process Coordination

Our ongoing efforts to standardise contracts and copyright clauses has resulted in the development of new contracts (including new copyright clauses), which were also implemented in January 2013.

Throughout the year, we analysed the use of our IT hardware with a view to making optimum use of our IT systems across the organisation. We started separating and labelling media files so that these can be centrally stored and more easily accessed and used for communications purposes. The digital communications team has also been very involved in the relaunch of our new-look Intranet.

In 2012, we began looking at the feasibility of ECF applying for the CBF keurmerk (a quality mark for fundraising organisations), and we started putting the required processes and procedures in place. In 2013, we intend to apply for the quality mark.

Reception & Facility Management

In 2012, our reception and facility management team played an important role in supporting ECF in the organisation of various high-profile events (including the ECF Princess Margriet Award and *Imagining Europe*), as well as other communications initiatives. Additionally, this department was involved in analysing the relationships ECF has with various providers of services such as stationery and telecommunications. This last activity has led to a reduction in costs.

Outlook 2013

Finance

In 2013, the finance team will continue to focus on integrating support for funding applications and donor reports into our existing portfolio. We are developing the skills to deal with the rigorous demands of funding applications and donor reporting, which involve the preparation of extensive financial information and documentation.

The scheduled implementation of a government-required system referred to as the 'werkkosten regeling' - a new system for allocating staff-related costs - will lead to a further professionalisation of our processes.

Human Resources

Given the implementation of a new four-year Strategic Plan, 2013 will be a year of transition for ECF and the HR team will focus on supporting this transition. We will turn our attention to organisational and staff development: revising job profiles; lending support in changing the organisational structure; and, most importantly, ensuring that staff whose roles are changing have the appropriate opportunities to build the skills needed for their new roles.

With this in mind, we will continue to ensure that ECF has the appropriate HR tools in place, and to monitor the quality and 'fit' of the external services we engage for our work.

Process coordination

In 2013, ECF intends to apply for the CBF quality mark for fundraising organisations (see above).

We will also continue to initiate and support processes that enhance the digitalisation of the organisation. A few examples of this include: increase the use of social media in ECF and transfer all media files to a dedicated media server.

Communications and Fund Development

During 2012, ECF was able to raise our profile on a local and European scale. We enjoyed increased press coverage - especially in the Netherlands, where we have been relatively unknown. A media analysis of our *Imagining Europe* event allowed us to see not only the volume of coverage but also the impact of our messages. We were also able to engage with a growing number of followers via social media such as Twitter and Facebook. Consistent online and offline branding has helped to create a more coherent and distinctive identity for ECF and our activities.

All team members bring individual expertise that complements the skills of other team members. Grants, Programmes and Advocacy have a dedicated contact within the Comms/Digital team. Depending on the target group, any combined programme team can involve other areas of expertise to increase the effectiveness of communications. The communications budget is divided over all ECF activities.

Events

During 2012, we organised a number of high-profile events. Events are a key public advocacy tool that support our goals, meet our communications objectives and also create networking opportunities with existing and potential partners. Some events are recurring (for example, the [ECF Princess Margriet Awards](#) and [IDFA](#) activities). Others were organised last year to commemorate milestones in our programmes (such as [Imagining Europe](#)). In both instances, ECF has been striving to broaden the appeal of events to reach a wide audience and to create synergy with other ECF activities, and so to increase the impact of our work.

In 2013, preparations will start for ECF's 60th anniversary celebrations (2014) and a major European event, the [European Foundation Centre's](#) Annual General Assembly (2015).

Press/PR/Campaigns/Marketing

In order to make sure that ECF's message reaches the right target groups, we have built an extensive network of press and PR contacts throughout Europe. Major events like the [ECF Princess Margriet Award](#) and *Imagining Europe* provided excellent opportunities for expanding and enhancing our media contacts in 2012.

ECF works together with partners within the cultural sector and beyond, supporting campaigns such as [we are more](#) and [More Europe](#), which highlight the connecting role of arts and culture in society. Our involvement with these networks also increases the visibility of ECF and our activities across international platforms.

In the run up to the Princess Margriet Award, the *More Europe* debate and *Imagining Europe* we used both Facebook and Twitter to broaden and connect with our audiences - either online or at the event. At the *More Europe* debate and *Imagining Europe* event we took advantage of our strong social media channels, highlighting key ECF messages and content. We saw user engagement increase beyond "average" levels, and there was a huge increase in local online audiences.

As well as sending out the monthly ECF e-zine with news, events and updates, we sent out 10 special e-zine editions dedicated to a special subject. With around 10,000 recipients and an average open rate of 30%, the e-zines are received well. ([E-zine overview 2012](#))

We will continue to focus on building and strengthening our networks in 2013, with particular emphasis on developing multilingual press materials and increasing use of social media.

Digital

The digital team helps ECF to reach and engage with target groups using online platforms. It provides the tools and strategy for supporting digital communities and actively shares digital culture within the organisation, through training sessions and through the Intranet.

During the past year, much work has gone into reinforcing ECF's online branding. For instance, we changed our web address to www.culturalfoundation.eu, which is much more relevant than the previous address. We also focused on creating new ways to access ECF's online platforms, using mobile devices like smartphones and tablets.

The digital team will continue these activities in 2013, as well as working with colleagues in the Communications team to focus on recruiting and broadening ECF's online audience.

Social media and online presence

ECF carried out a social media review in 2012. We looked at our existing social media platforms and reviewed which tools were working well for us, and how we would like to work with these tools going forward.

We improved our content on these platforms as a result - creating a strong reputation for excellent content and a broadening our online audience. We can measure this by continued engagement, as well as repeat visits, to all our online platforms.

We decided to invest our energies on the most successful and useful platforms for our work: Facebook (focusing on dedicated users), Twitter (retweeting valuable content), Vimeo (sharing do-it-yourself documentaries) and in particular Youtube: We used YouTube to host our growing collection of videos and films. In 2012, we commissioned a new wave of interview-style film clips and programme-related videos, which attracted increased viewers. In total, we had more than 12,500 views of our videos over the past year.

We also created social media guidelines for ECF staff in order to maximise our potential in this area. We hope this will significantly increase our messaging reach among cultural thought leaders in 2013.

Publications

ECF has always been a publisher – stand-alone as well as in partnerships – as it is a means of reaching out and sharing content. Lately, we have increasingly combined offline and online publishing, to support our programme-based content and our corporate activities and events. Read more about our publications activities [here](#).

Fund development

ECF's income derives from three main sources:

- Funding from the [Lotto](#) and [BankGiroLoterij](#) through a long-term partnership agreement with the [Prins Bernhard Cultuurfonds](#) which stipulates that 25% of PBCF's lottery income is earmarked for ECF
- Support from foundations, companies and governments for specific activities
- Return on investment.

ECF's long-term objective for fundraising is to diversify its income so that we are less vulnerable to possible fluctuations in a particular funding source (like, for example, in relation to our return on investments, which is unpredictable despite the low risk profile of our investment portfolio.)

ECF has continued to cooperate with a number of known foundations and new contacts have been established with both foundations and companies, following our focus on building stronger relations with partners in the Netherlands, especially around the *Imagining Europe* event.

ECF has received a two-year grant from the European Commission 'Culture' Programme for a project of the Youth & Media Programme, and, after a successful tender, is taking part in a consortium, led by the Goethe Institut, for carrying out the Preparatory Action "Culture in External Relations" for the European Commission.

As a result of all our efforts, we achieved our fundraising target of €773,000 third party and government income in 2012. In 2013, we will continue to build on this successful base.

Outlook for 2013

In 2013 ECF Communications will build on the learning of last year, and further expand our visibility in the Netherlands and abroad as well as online.

The communications strategy and all our communications-related activities will continuously focus on:

- Introducing ECF to a range of audiences across Europe and in the Netherlands
- Improving ECF's brand recognition
- Building long-lasting relationships to promote understanding of our work
- Communicating our mission and vision and in particular our new way of working – the networked approach.

Empowering and engaging people through arts and culture

ECF does not support art and culture simply because it is 'European' or happens in Europe, but for its contribution to Europe. Through art and culture people are engaged and empowered to make change and to contribute to the future. We do this in a number of ways:

"In a time when European representative democracy has been facing the turbulence caused by a global financial power, it is important that cultural agents from all European countries start to actively contribute to investigate and renovate the notion of democracy." Sara Giannini, from the organisation Vision Forum, Sweden (recipient of a Collaboration Grant in 2012)

Youth & Media

Our Youth & Media Programme (Doc Next Network) empowers young European media-makers who are likely to be excluded from the mainstream public discourse.

Grants

With our Grants programme, we fund organisations and support projects that stimulate transnational cultural collaboration and the mobility of artists and other cultural players. In many cases, ECF grants provide the leverage to guarantee other funders.

ECF Princess Margriet Award

The ECF Princess Margriet Award, initiated by ECF in 2008, is an annual prize given to European artists, intellectuals or activists who envisage a truly intercultural landscape and strive for societal change.

Imagining Europe

In 2012, to celebrate our four-year plan (2009-2012), ECF organised a public event: *Imagining Europe* (October 2012, Amsterdam). It brought together leading artists and thinkers from diverse disciplines and backgrounds to explore some of the most pressing questions concerning contemporary Europe through music, performance, film, exhibitions and debate.

Expenses

	Cost	Percentage	
Grants	1,129,681	19%	
Youth and Media	822,810	14%	
ECF Princess Margriet Award	312,586	5%	
Imagining Europe	664,246	12%	
Total Empowering and Engaging	2,929,323	48%	

Youth & Media

The Youth & Media Programme's driving force is a network of hubs called **Doc Next Network**, which brings together the following independent cultural organisations working with young people and the media:

- [British Film Institute – Future Film Programme](#) (UK)
- [ZEMOS98](#) (Spain)
- [Mode Istanbul](#) (Turkey)
- [Association of Creative Initiatives “e”](#) (Poland)
- [Metropolis](#) (the Netherlands)
- [IDFA](#) (the Netherlands).



European Souvenirs, a live cinema performance at Imagining Europe in Amsterdam, 6 October 2012. Photo: Jan Boeve

ECF launched the Doc Next Network to encourage new voices in the public debate, and continues to nurture the network to develop sustainable ties in communities, as well as at international policy-making levels.

The aim of Doc Next Network is to scale up local potential to realise shared projects and achieve new strategies to address common concerns. What started out as the local activities of four different organisations has now transformed into a single European methodology and practice.

The network sets up media and documentary workshops to support the development of young emerging media professionals and creates and connects to platforms that acknowledge the importance of media use by young people. The programme's work creates new perspectives on contemporary Europe – a strong and ongoing contribution to ECF's interest in Narratives for Europe.

The network's motto is: *"We want social justice. We strive for inclusive public opinion and free culture. We bring expanded education that embodies new ways of working with, engaging in and thinking about media and democracy."*

For more detail of the network's activities, please click [here](#).

Achievements

A major achievement in 2012 was the development of one methodology and practice across borders through the creation of four media labs. Rather than organising local media workshops for young people on an *ad hoc* basis, the Doc Next hubs developed one shared media lab practice in which young media-makers are part of a safe environment where they can share, learn and create among peers.

The premiere of the vibrant live cinema performance [European Souvenirs](#) at De Balie in Amsterdam during ECF's *Imagining Europe* event was a highlight of 2012 and it launched the network's first joint project, [Remapping Europe – A Remix Project](#). Universal concepts such as family, travel, borders and memory were the starting point for a journey that took the audience on a voyage of discovery. The performance was a great success, evoking debate about the role of archives, artistic freedom in contrast to documentation, sound in contrast to image and 'Europeanness'. It was a collaborative multimedia project by artists Farah Rahman (The Netherlands), Karol Rakowski (Poland), Barış Gürsel (Turkey), Malaventura (Spain) and Noriko Okaku (Japan/UK).

For the third year, Doc Next@IDFA took place in November and brought fresh short documentaries by young European DIY media-makers to the big screen.

The Doc Next Network also:

- Produced 57 films, photographic projects and scouted 33 documentaries, political video remixes for the Doc Next Media Collection
- Organised 14 media-making workshops with 90 participants
- Organised 13 Doc Next programmes with more than 25 film screenings for more than 200,000 viewers
- Gave four documentary bursaries
- Published four calls for work

- Held three pitching sessions for new works
- Organised six trainings and seminars with more than 50 participants
- Organised four knowledge sharing meetings
- Partnered with over 30 festivals, universities, cultural and social organisations and companies
- Engaged thousands of young media-makers, researchers, educators and arts, cultural programmers and policy-makers in their social media platforms
- Developed one expanded education methodology
- Launched four local sustainable Doc Next media labs
- Developed a methodology for working across sectors, with local immigrant organisations
- Kicked off the joint two-year project *Remapping Europe - a Remix Project* with the live cinema performance *European Souvenirs* in Vienna, Amsterdam and Bilbao, with funding from the European Commission's Culture programme.

Communications

Communications around our Youth & Media Programme focused on sharing the contents and objectives of the Doc Next Network media collection - making it more widely known through publicity and events.

We also communicated about the process and methodology of the Doc Next Network.

The Doc Next Network had good press and media coverage including in Dutch weekly *De Groene Amsterdammer* in September and an article in Dutch *Vogue* on Doc Next@IDFA in November - as well as 45 online articles on network's activities. ECF Programme Manager Vivian Paulissen was also interviewed about *European Souvenirs* in April on Radio Kanal Barcelona.

We succeeded in getting the message out to new audiences through our social media networks, with a growth of 72% on Facebook, and 120,000 views on www.docnextnetwork.org.

The Doc Next Network partners also developed a dedicated website for the *European Souvenirs* project with ongoing documentation of artistic process and development.

We produced a new Doc Next Network trailer that was shared on the Doc Next Network's Vimeo channel. During IDFA, a catalogue and DVD of Doc Next@IDFA 2012 was made available to festival-goers, which played host to more than 2,000 professionals including broadcasters, producers and festival directors from all over the world. Promotional postcards and stickers and gadgets (European Souvenirs) were handed out at events throughout the year.

Lessons learned

Innovative, inspiring and successful cross-cultural collaborations require considerable time investment and patience, beyond - of course - a keen commitment from organisations to work together towards a common cause.

Experimenting with and trying out different models of operation, as well as finding a shared lexicon in cross-cultural collaboration, is key. This will help to overcome inevitable local or specific financial and operational challenges that the respective organisations have to deal with in their daily work.

One of the major challenges facing an ambitious networked collaboration like Doc Next Network is the number of projects that are developed by a number of international organisations within a limited timeframe. One consideration needs to be the network's organisational structure and responsibilities and whether these are able to support a successful joint communication and representation strategy.

Outlook for 2013

Remapping Europe - A Remix Project, highlighting the migrant perspective (2012-2014), will be at the heart of Doc Next's practice in 2013. In the media labs, remix workshops will be organised with 48 participants from migrant backgrounds. Their works will be showcased internationally. Alongside the tour of *European Souvenirs*, the network will prepare a new live cinema performance this year, as well as working towards a publication and seminar, both due in April 2014 and a key moment in ECF's 60th Anniversary year.

The network will also focus on achieving sustainability by:

- Working across sectors with non-cultural organisations
- Reaching out to different communities, including (im)migrant local communities
- Attracting new partners to use the media collection
- Diversifying funding sources
- Engaging in an advocacy agenda related to "expanded education, media and society in Europe".

Grants

Grant-giving is, and always has been, a vital part of ECF's work. Our grants programme stimulates transnational cultural collaboration, artistic expression and the mobility of artists and other cultural players. In many cases, ECF's support legitimises and enables the grantees to find additional funding.

"The ECF is an important European cultural actor and the Balkan Incentive Fund for Culture has contributed significantly to cultural integrations and multiculturalism in the Balkans."

Haris Pašović, Director East West Center/ East West Theatre Company

We have three open grant schemes, each with its own focus:

- [Collaboration Grants](#), which support independent cultural organisations working together across borders and disciplines.
- [The Balkan Incentive Fund for Culture \(BIFC\)](#), which aims to strengthen (long-term) partnerships and knowledge exchange across the Western Balkans and with the rest of Europe.
- [STEP Beyond Travel Grants](#), which help emerging artists and cultural workers to meet face-to-face, exchange views and skills, and inspire one another.

Our grants programme is a two-way exchange. The grants provide financial support to the arts and cultural sector in Europe and beyond. And through awarding grants, ECF benefits from being up-to-date with developments at a grassroots level, which helps us to shape our policy direction more effectively.

Achievements

"We really appreciated ECF's careful look into our grants application and giving us the insight that we first needed to further invest in the research and development of the project – thanks for seeing something we didn't see ourselves at the time. Now that the project is coming to fruition we are confirming the importance of the researching part of the project, so we appreciate your questions and at the same time your advice and flexibility at this early stage."

Juan de Nieves, Hard Facts Team, Spain

In 2012, we received:

- 281 eligible applications under the Collaboration Grants scheme of which 14 have been awarded (total budget spent: €299,830)
- 64 eligible applications under the BIFC grant scheme, of which 12 have been awarded (total budget spent: €244,838)
- 659 eligible applications for STEP Beyond Travel Grants, of which 239 applicants from 42 countries have been awarded (total budget spent: €105,050).

For more detailed information of the supported projects and individuals in 2012, please see [the grants booklet](#).

Many of the applications we received under these grants schemes confirmed the emergence of new creative movements that are looking at artistic or cultural ways to re-invigorate European democracy. This has directly influenced ECF's overall strategic developments, including new Collaboration Grants guidelines for 2013.

In 2012, ECF and our funding partner Open Society Foundations (OSF) started the process of moving the BIFC to the Balkan region. Both organisations believe the time is right for the Western Balkans to take full ownership of this fund. A call for organisations to take over the fund was launched in summer 2012, followed by a selection process that was concluded in the autumn. We are happy to announce Balkan-based [ArtAngle](#) as the new BIFC managing organisation.

In September 2012, [the STEP Beyond Lab](#) was launched as the first externally facing ECF Lab. This new digital tool allows users to become part of an online community where they can apply for a STEP Beyond Travel Grant and track its progress, share information about their projects and get in touch with their peers from all over Europe. The Lab also allows ECF's internal administration to process STEP Beyond applications and to monitor these more efficiently.

Communications

To broaden the range of applications we receive, we have focused on increasing the target audience for our grants through online mailing/follow-up and communicating on social media platforms. In addition, we have continued to highlight the granted projects through textual/video interviews, articles and visuals on our corporate website, opening up the grants to a wider public.

In 2012, various special activities brought our grants to a wider audience: a special photographic exhibition on STEP Beyond grantees was shown at the ECF Princess Margriet Award and *Imagining Europe* event; a competition was organised to enable five young Europeans to attend the *Imagining Europe* event; and we organised grant-writing training events in Kosovo and Albania, which as a result doubled the number of applications received from that region.

Lessons learned

Developing the capacity of our applicants and grantees is key to the success of our grants programme. This is not only because it increases the quantity and quality of applications, but also because it is a form of support that goes beyond financial contributions. Our regional training and digital developments have contributed greatly to the grants programme's success in 2012. More attention could have been given to inviting all our grantees to the *Imagining Europe* event, allowing them an opportunity to meet each other and connecting to all of ECF's work areas.

Outlook 2013

One of our objectives is to create more cohesion and synergy between grant-making and programme development. With this in mind, we started a process to create one overall concept (with the working title "Networked Project - Culture, Communities and Democracy"). Within this umbrella concept, grants will continue to be a vital instrument in detecting new European realities, and in validating and visualising ECF's mission.

ECF Princess Margriet Award

The ECF Princess Margriet Award is an annual award for cultural change-makers in Europe. The Award reflects ECF's belief in the power of art as a catalyst of cultural understanding and social change. Its aim is to support the work of creative minds who 'play' across traditional cultural categories and engage with difference so as to turn it into a creative force.



Charles Esche and John Akomfrah received the ECF Princess Margriet Award 2012

Through their artistic sensibility and intellectual openness, past laureates have shown the value of cultural expression in challenging stereotypes, inviting a broader European public to think critically about our present and our future.

The Award is presented by ECF's former President, HRH Princess Margriet of the Netherlands, in whose honour the prize was established in 2008 by the ECF, with the support of the Dutch Ministries for Foreign Affairs and Education, Culture and Science. The annual prize money is €50,000.

Selection of laureates



John Akomfrah at *Imagining Europe*. Photo: Jan Boeve

ECF invites nominations from a distinguished network of experts across Europe. These nominators are professionals from different regions, disciplines and areas of cultural practice, extending beyond ECF's own sphere of influence.

In 2012, laureate *John Akomfrah* was chosen by the independent international jury for his ground-breaking film oeuvre woven from perspectives that are often hidden from the mainstream narratives of European history; the other laureate *Charles Esche*, Director of the Van Abbemuseum in Eindhoven, was chosen for his exceptional leadership in rethinking centres and museums of art as public spaces so that they show us the power and value of art in engaging with the contemporary world. Together these two laureates present the complementarity of practice and reflection.

Achievements

The high-profile award ceremony was held on 19 March 2012 in the Brussels cultural venue, The Egg, and was attended by some 350 guests from the cultural, business and political sectors from The Netherlands, Belgium and abroad. It was hosted by ECF's Director Katherine Watson and was attended by HRH Princess Margriet, ECF's President HRH Princess Laurentien of the Netherlands and HRH Princess Astrid of Belgium.

This fourth edition of the Award aimed to:

- Create opportunities for the laureates' work and ideas to be part of the award ceremony and in a public programme later in the year
- Bring to the fore the message that there is an urgently needed balance between the domains of culture, economics and politics, and that all three pillars have a key responsibility in constructing a new horizon of democracy - a responsibility that resounds in all aspects of ECF's work. This message was key to the *Imagining Europe* event held in October, as well as for all of ECF's advocacy work, which emphasises the value of culture as a key contributor to the European project
- Attract a wider audience from the EU, Belgium and the Netherlands, combining the political and cultural sectors. Research was undertaken into expanding the ECF audience, which resulted in more people than ever attending the Princess Margriet Award ceremony, which is now a keenly anticipated event in the Brussels calendar

In 2012 we were able to integrate the two laureates into our activities and programmes throughout the year, with far-reaching impact. Charles Esche spoke in the Dutch parliament when the cultural budget for the EU was discussed. He also attended the *Beyond Markets: culture and creative industries in EU's external relations* debate organised by ECF in September and he gave the keynote speech during *Imagining Europe's* debate on reclaiming public space - exploring alternative models for democratic practice. Laureate John Akomfrah also entered into debate on Europe's future at *Imagining Europe* with writer and publicist Abdelkader Benali. This gave him the opportunity to show his work and to discuss how moving image culture has been essential for him in addressing issues such as identity and belonging - a key theme for us during the year. ECF also commissioned Akomfrah to create an art work 'Peripeteia', which premiered during the Award ceremony in March.

Communications

In total 67 articles and interviews appeared in the press in either Dutch or English about the Prince Margriet Award, with 55 online articles and 12 in print. Highlights included an interview with Charles Esche in Dutch major daily newspaper *De Volkskrant*; an interview with John Akomfrah in weekly *Vrij Nederland* (by Abdelkader Benali); an online article on John Akomfrah at BBC News; and an online video report on Award Ceremony by NOS. See the [press clippings here](#).

Lessons learned

It proved to be very fruitful to integrate the ECF Princess Margriet Award laureates and their work into other areas of ECF's public work, such as *Imagining Europe*. With each new laureate, we need to find new ways of connecting them to the work of the foundation. We have also concluded that one calendar year is not long enough to carry out the nomination process, research, jury procedure and organisation for new laureates. As a result we have brought the nomination procedure forward by a few months, in order to convene the jury before the summer break.

Outlook 2013

Going forward, we are looking to link the Princess Margriet Award to ECF activities, incorporating it deeper in all ECF's work. The aim is for the Award to achieve higher visibility as a flagship event for ECF and as an important event in Brussels. We will also strive to achieve a stronger presence, both on ECF's website and via social media such as Twitter and Facebook. And in 2013, we will implement a diversified funding plan for the ECF Princess Margriet Award.

Jury members for the 5th edition were:

- Jan Dibbets, Artist, Amsterdam
- Christian Esch, Director, NRW Kultursekretariat, Wuppertal
- Maria Lind, Director, Tensta Konsthall, Stockholm
- Els van der Plas, General Director, Muziektheater, Amsterdam
- Rana Zincir Celal, General Secretary, Board of Directors: Home for Cooperation, Nicosia.

Imagining Europe

“For a week, de Balie became a miniature Tower of Babel. Artists, thinkers and debaters were squeezed so tightly into this cultural shoebox that there was no other direction to go but towards each other. Thinking power and virtuosity were unified. And the calm, almost serene, way intellectuals can turn complex connections into words became almost erotic in its tangibility. ‘Yes!’ thought my inner on-demand nostalgist. ‘This is what Paris in the fifties must have been like – but without cigarettes!’”

Abdelkader Benali, author, The Netherlands

(For full article, [go here.](#))

Rounding off our four-year plan (2009-2012) with the theme *Narratives for Europe*, ECF set out to organise a public event presenting artistic work that commissioned from our partners and clearly communicated the theme.

Our objectives were to:

- Stimulate a content-driven debate on Europe and inspire new visions on contemporary challenges
- Engage with new audiences and develop an increased profile in the Netherlands
- Create new partnerships with a view to future working methodology.

The *Imagining Europe* event, which took place in October 2012 in Amsterdam at the De Balie cultural space, brought together leading artists and thinkers from diverse disciplines and backgrounds to explore some of the pressing questions concerning contemporary Europe through music, performance, film, exhibitions and debate.

You can see some of the highlights at www.imagining-europe.eu.

Achievements

We succeeded in organising an event that was a perfect illustration of our work:

- *Inspire* – through surprising and spot-on programming
- *Engage* – involving the audience through on- and offline actions and debate
- *Empower* – through strong artistic work and messages, empower people to think and act differently.

“I imagine Europe as a huge jigsaw puzzle comprised of separate but interconnected and interlocking pieces. This deceptively simple definition has some interesting consequences. A puzzle is a fun. But, like beauty, fun is in the eye of the beholder. What may seem a delightful puzzle to one person may be an everyday problem for another. To solve this puzzle you must change how you interpret the picture. Unlike the games where the goal is to beat an opponent, [a] jigsaw puzzle requires collaboration and shared strategies to find a common solution based on a common vision.”

Hayk Sekoyan from Armenia, one of the five winners of our *Imagining Europe* competition

Proving that there is no such thing as ‘the’ European debate, discussions at the event touched on a range of issues: Europe’s role in climate change and how it relates to arts, culture and society; the humanitarian catastrophe in Syria; new forms of democracy initiated from the bottom up; the political situation in Belarus; the collective and personal imagery of immigration.

More than 1,000 visitors attended the *Imagining Europe* event in person and around 15,000 visitors were reached through online activities and social media. We received extensive press coverage, which succeeded in raising our profile in the Netherlands (see below). And we struck up new partnerships with a number of cultural venues and organisations, such as De Balie, Stadsschouwburg Theatre Amsterdam, Musician’s center MuziQ, the Conservatorium, and Amsterdam Fund for the Arts.

Expected or realised spin-offs:

- For *Imagining Europe*, we brought together Syrian clarinetist Kinan Azmeh and Dutch trumpeter Eric Vloeimans; this proved to be a successful collaboration that will expand far beyond the life of the event and continue to touch large audiences.
- Belarus Free Theatre’s *Trash Cuisine* premiered at a sold-out Stadsschouwburg Theatre Amsterdam, which led to other theatres expressing interest in presenting the work. Significant press coverage of the company and the situation in Belarus sparked debate and increased public information and awareness.
- The vibrant live cinema performance *European Souvenirs* that was created for *Imagining Europe* by ECF’s Doc Next Network partners will be touring across Europe and a new version is planned for spring 2014.

Communications

In the run up to *Imagining Europe*, we used both Facebook and Twitter to connect to our audiences – online and at the event. At the event itself, ECF tweets followed and highlighted key ECF messages and content, which were then re-tweeted by others. We saw user engagement increase with a focus on local online audiences – particularly Amsterdam-based users. There was a peak of 10,000 online hits during *Imagining Europe*.

The event received unprecedented press coverage for ECF, with a total of 58 articles/interviews appearing in the press and media (2 television, 10 print, 10 radio, 36 online) in Dutch, English, Spanish, Swedish and Russian.

Highlights included articles on Belarus Free Theatre in *Vrij Nederland* and *De Volkskrant* and an item on NOS Radio 1 Journaal; an interview with ECF Director Katherine Watson in *NRC Handelsblad*; a live television interview with keynote speaker Amitav Ghosh at Buitenhof (a Dutch political interview programme broadcast on Nederland 1 on Sunday mornings); and a radio interview with performers Kinan Azmeh

and Eric Vloeimans on Radio 6.

For the full press coverage or media analysis of the *Imagining Europe* event, please download the [press clippings](#) (pdf) or [media analysis](#) (pdf).

Following the event, we sent out both online and offline mailings to all attendees and invitees with visual summaries, audio clips and video coverage, with a view to nurturing a strong audience base for future activities and events.

Lessons learned

Organising an event on such a large scale while all the regular work continued put a strain on all ECF staff since we are not primarily a producing organisation; in the future, resources need to be carefully mapped out beforehand. Given the fact that we focused mainly on Dutch press, consequently the European coverage was below its possible potential. This would suggest that in the future we should tap more into a European press network as well.

Outlook 2013

Using an event format to engage with our audience base and to raise our profile proved to be highly successful and has led us to think further along these lines for our future communications strategy. We will investigate the best way to join forces with partners to achieve optimal visibility in future, combined with a wise use of our human and financial resources. In the light of our 60th anniversary that falls in 2014, we are exploring festive and inspiring public appearances as a public advocacy tool that communicate and engage audiences in ECF's mission.

Linking cultural policy and practice

“Europe must stand strong economically and socially, in order to be able to cope with the challenges of the fast-changing world economy, and to protect her citizens from the vagaries of international capital markets.”

Alexander Rinnooy Kan, Professor of Economics and Business, University of Amsterdam – former President of the Social and Economic Council of the Netherlands

ECF is committed to projects that contribute to cultural policy development locally, nationally, regionally and on a European level with the knowledge that robust policy is enhanced by strong links to practice.

[European Neighbourhood](#)

The European Neighbourhood programme has stimulated civil society working in culture to influence policy reform and societal development in the Balkans, Kaliningrad, Moldova, Turkey, the Ukraine and countries of the Arab Mediterranean region over the past ten years.

[Advocacy](#)

ECF fosters cultural policy development and the cultural sector’s role in advancing the development of our societies and communities. We campaign and run advocacy activities to influence policy development from the local to the European level. We strategically support two campaigns and initiatives: [we are more](#) and [More Europe](#).

Expenses

	Cost	Percentage
European Neighbourhood	955,698	16%
Advocacy and Cultural Policy	351,067	6%
Total Linking policy and practice	1,306,765	22%

European Neighbourhood Programme

Europe is more than the European Union. Innovative practices of cultural communities across the EU and its neighbouring countries inspire joint policy visions for a common future in the wider European space. The European Neighbourhood Programme is designed to catalyse an informal network of cultural ‘change-makers’ based in Ukraine, Belarus, Moldova, Turkey and North Africa.

The programme activities – which include capacity development, training and networking – aim to create a network of civil society actors. This involves cultural innovators *both* from the EU member states and the EU Neighbourhood regions on an equal footing.

In 2012, our multi-annual capacity building activities in the *Eastern Partnership* countries continued (Ukraine and Moldova). Almost 100 cultural managers from the EU and the EU Neighbourhood took part in our new trans-national [Tandem](#) exchange and collaboration scheme.

Achievements

Eastern Partnership

- Capacity building and community development workshops in the framework of the project [Ukraine Culture Network](#) delivered independent analytical mappings of cultural resources in seven Ukrainian cities.
- Eight rural communities from across Moldova formed strategic cooperation *Trios*, which engaged a local NGO, a publicly-funded cultural institution and local authorities in the shared implementation of a cultural development project in their own municipality.
- In a number of policy expert meetings at ministerial level, the European Commission introduced policy proposals of an ECF-initiated civil society advocacy group for cultural policy reform in the EU’s Eastern neighbouring countries (so-called Subgroup Culture of Working Group 4 of the Eastern Partnership Civil Society Forum).

Tandem Cultural Managers’ Exchange

- 49 cultural managers from Ukraine, Moldova and 13 EU countries (France, Germany, Hungary, Latvia, Lithuania, The Netherlands, Poland, Latvia, Lithuania, Slovakia, Slovenia, Sweden and the UK) concluded the first round of 24 collaboration Tandems between EU and non-EU countries by curating an *ad hoc* closing festival featuring 24 pop-up exhibits in an abandoned museum in the Moldovan capital, Chisinau.
- 32 cultural managers from 11 cities in Turkey and eight EU member states (France, Italy, Germany, Latvia, Slovenia, The Netherlands, Poland and the UK) concluded their one-year Tandem collaboration and work placement process with an exhibition of their 16 co-productions in Istanbul and Berlin.
- 12 cultural managers from Egypt, Germany, Latvia, The Netherlands, Spain, Syria, Tunisia and Turkey formed six new Tandems to foster trans-national cultural community collaboration between Europe and the Arab world.
- Participants of all three Tandem schemes created a Tandem Alumni Community group.

Communications

In 2012, the programme’s communication objective was to promote the people behind the European Neighbourhood Programme – who are these change-makers and why is ECF working to support them? We created a series of video interviews with participants in their setting (posting one a month online) and made two short films about the Tandem programme profiling the collaboration of four Tandems. We distributed these through social media sites and reached out to new audiences as well as to key ECF stakeholders. One film has had more than 1,000 views. To access our youtube channel click [here](#).

We also increased the use of images online to highlight the work of the programme. ECF led on the communications outreach for the Tandem project, drawing in new audiences to apply for the programme, supporting partners in successfully launching regional Tandem festivals/events, including publicity and online promotions, and developing the Tandem brand.

Highlighted video documentaries

- [Animation Tandem Turkey – EU connections](#)
- [Project documentary Tandem EU – Ukraine/Moldova](#)
- [Project documentary Tandem EU – Turkey](#)

Highlighted publications

A number of publications were created as a result of the programme:

- Alternative Art Guides were published for the cities of Lviv, Ivano Frankivsk, Kiev, Odessa, Kherson, Kharkiv, Donetsk (conceived and produced in the framework of Ukraine Culture Network)
- 2012 Yearbook Cultural Policy & Management Turkey (KPY-Cultural Policy and Management Research Center Istanbul)
- [World CP International Database of Cultural Policies](#) – online publication of Cultural Policy Profile Morocco (update), Cultural Policy Profile Algeria (update)
- Strategic Management in the Arts (Lidia Varbanova) – extended English version of ECF capacity building training handbook published by Routledge
- Tandem Turkey project [publication](#).

Lessons learned

The introduction of the new [Tandem](#) Cultural Manager Exchange Schemes rapidly gained momentum. ECF took a different approach to setting up these schemes, working with external implementation and funding partners as well as several internal teams (Communications, Finance).

We learned that working along new structures requires additional time in order to manage transitional roles.

In early 2012 a project manager left unexpectedly. At the same time, developing ECF's new strategy 2013-2016 led to additional work. As a result, there was a considerable work overload during the first months of the year.

Finally, the security situation in Syria posed a serious challenge to the successful realisation of work placements and projects for the Damascus-Oberhausen collaboration (Tandem: Shaml Europe - Arab World).

Outlook for 2013

During 2013, we will see the conclusion of the Ukraine Culture Network and Trio Moldova capacity building projects. We will launch a new round of Tandem Turkey-EU Cultural Managers' Exchange with renewed funding from Mercator Stiftung at the same time as finishing work on the Tandem *Shaml* Europe-Arab World in Berlin, pilot in partnership with the [Robert Bosch Foundation](#). We will focus our efforts on developing new Tandem Cultural Managers' exchange schemes, including one involving organisations in the Netherlands with their near neighbours, as well as building up communications across the scheme. Last but not least, our *Subgroup Culture* civil society advocacy group will participate in the EU-Eastern Partnership Ministers Conference in Georgia.

Advocacy

ECF advocates for an inclusive, democratic, open and creative Europe. We do this through all of our work that has a public advocacy component, such as events and other activities and, on a political advocacy level, by consistently linking policy and practice. Our aim is to influence policy-making processes from the European to the local levels by creating spaces for public debate - both online and offline - and by involving a range of stakeholders around a common cause. We ensure that our activities have tangible outcomes that encourage policy reflection and advance European policy agendas and strategies. We pay special attention to an upcoming generation of cultural policy researchers by supporting research that matters to European policy development in a global context.

ECF's advocacy work has the following objectives:

- Promoting intercultural dialogue within relevant EU policies
- Promoting culture as an integral part of EU external relations
- Obtaining a new EU programme for culture (2014-2020) that is innovative, inclusive and effective, as well as being a better resourced tool for the arts and cultural sector in Europe.

Achievements

1) *Promoting intercultural dialogue*

Our strategic partner, the [Platform for Intercultural Europe](#), contributed actively to European policy-making by participating in the Structured Dialogue and as a civil society stakeholder at the Open Method of Co-ordination (OMC) for advancing a shared goal: cultural diversity and intercultural dialogue on the EU policy agenda. The Platform's work through involvement in the European Integration Forum secured 'mainstreaming' of culture into other policy areas.

2) *Culture in EU external relations*

ECF partnered with national cultural institutes and independent foundations in the '[More Europe](#) external cultural relations' initiative in 2012. ECF, in partnership with SICA (Dutch Centre for International Cultural Activities), organised a high-level public debate entitled [Beyond markets: culture and creative industries in the EU's external relations](#) in Amsterdam on 19 September. The event involved a dozen high-level speakers and more than 220 participants from the worlds of culture, creative industries, academia, politics and business. The debate, which was among the six *More Europe* debates staged across Europe, had the effect of involving a broader range of stakeholders, with the goal of embedding culture in EU's external relations. ECF documented the debate by publishing a [report](#), as well as capturing [audio](#) and [video](#) footage.

ECF joined a consortium of partners, led by the Goethe Institute in Brussels, which was successfully selected in December to carry out a [Preparatory action on Culture in EU external relations](#). This action is intended to inform European policy-making.

3) *EU budget and EU programme for culture 2014-2020*

In 2012, ECF took the lead in building a strong chapter in the Netherlands of the *we are more* campaign, an initiative related to the future EU *Creative Europe* programme (the new seven year round of cultural funding 2014-2010) and carried out in strategic partnership with [Culture Action Europe](#). New advocacy partnerships were set up in the Netherlands (e.g. Kunsten 92 and Media Desk Netherlands) to involve more than 50 organisations in *we are more*. We also managed to secure two highly esteemed campaign ambassadors in the Netherlands (Princess Margriet Award laureate Charles Esche and artistic director of Holland Festival, Pierre Audi).

The unique results of this nationally-focused action include:

- the first plenary debate on EU and culture at the Dutch Parliament ("Tweede Kamer") held on 25 April 2012
- political parties handed in motions on this issue for the first time
- several amendments proposed by the ECF were taken up by Members of Parliament.

On a European level, ECF renewed its financial and communication support to the [we are more](#) campaign, and initiated two complementary contributions to the *Creative Europe* programme proposal: one [by the foundation](#), and one by the [Tandem community](#) (civil society actors from Moldova and Ukraine) - for reinforcing cultural cooperation with the European Neighbourhood. Both statements nurtured the debate in the [Eastern Partnership Civil Society Forum](#), where ECF coordinates a culture sub-group. ECF participated actively in public consultations, debates and hearings on *Creative Europe* at the EU level (read also [Eastern Partnership](#)).

4) *Cultural Policy Research Award (CPRA)*

The [2012 Cultural Policy Research Award](#), a joint initiative of ECF, Riksbankens Jubileumsfond and European Network of Cultural Administration Training Centers (ENCATC), was awarded to Christiaan De Beukelaer (Belgium) in 2012 for his research proposal: "*Developing Culture and Culturing Development: A critical analysis of the link between cultural industries and sustainable human development in the Global South*". The international jury selected the winner from 23 young researchers from 12 countries. The 9th Young Researchers Forum brought together 40 participants from Europe and beyond at Goldsmiths University of London in September. Also, in view of the CPRA's 10th anniversary in 2013, an independent evaluation has been commissioned (report to be presented in February 2013).

Jury CPRA

- Lluís Bonet (President) University of Barcelona, Spain
- Jacques Bonniel, Université Lyon 2, France
- Mikhail Gnedovsky, Cultural Policy Institute (Russia)
- Therese Kaufmann, eipcp (Austria)
- Eleonora Belfiore, University of Warwick (United Kingdom)
- Sanjin Dragojević, University of Zagreb (Croatia)
- Timo Cantell, Urban Facts, Helsinki (Finland)

Communications

ECF communicated intensively on the [we are more](#) campaign, both online and offline. By the end of 2012, the campaign message in the Netherlands was endorsed by 50 Dutch cultural organisations, which act as multipliers through their own large networks.

Two letters were sent to the State Secretary of Culture and the Dutch spokespersons on culture in parliament. *we are more* was promoted at more than 10 public events across 2012 to mobilise the cultural and creative sectors in the Netherlands and was featured in a publication by Castrum Perigrini and the magazine *De Groene Amsterdammer*: 'Vrijheid' (Freedom), reaching over 30,000 people.

A dedicated article on *Creative Europe* was published in the Dutch daily newspaper, *De Volkskrant*, in January 2012, while ECF's statement on the programme was circulated via direct mailing to about 2000 recipients.

The ECF-organised *More Europe* debate in Amsterdam *Beyond markets: culture and creative industries in the EU's external relations* also had a wide media outreach. Besides expanding ECF's networks with over 300 new contacts, it had dedicated press coverage in two main Dutch dailies: *Financiële Dagblad* (FD) and *NRC Handelsblad* (where an in-depth interview with ECF's Director on ECF's overall mission and goals was published). The content of the debate has been shared with the entire ECF constituency via a dedicated e-zine, ECF [website feature](#), as well as via Facebook and Twitter.

Full debate audio recordings are available at: [Panel 1](#) and [Panel 2](#). A [video compilation](#) of the debate, a [clip](#) featuring quotes from the speakers and a [photo gallery](#) are also available.

Lessons learned

Strategic partnerships are essential to our advocacy work and we should regularly review them to make sure they align with our goals, that they are mutually satisfactory and contribute to our common objectives. We should be open for new partnership opportunities. ECF is a recognised European policy player, able to push new ideas into the institutional agenda. Thanks to our independence, long track record in knowledge-building and access to civil society networks, we are well placed to positively influence European strategies and policies.

The CPRA has been assessed as a valuable contribution to applied and comparative cultural policy research of European relevance. The network and connectivity among young researchers needs to be reinforced through online platforms.

Outlook for 2013

ECF will reinforce its advocacy activities by merging with our Research & Development unit. We will continue our strategic partnership with the *we are more* campaign at European and national level (in the Netherlands). Our new Networked Project will offer a new challenging opportunity for ECF's advocacy work involving new players and different advocacy targets and channels.

ECF is partnering with the Goethe Institute, Institut français, the British Council, the Danish Cultural Institute, Institut für Auslandsbeziehungen (IFA), Bozar (Centre for Fine Arts, Brussels) and KEA European Affairs in a consortium that has been mandated by the European Commission to conduct a [Preparatory Action on Culture in External Relations](#). The action will support and nurture on-going policy reflection and progress in strengthening the role that culture plays in external relations.

To celebrate the CPRA's tenth anniversary, we will organise a special event and Young Researchers Forum in November in Brussels. The Online Forum activities will be re-launched in a new digital platform, under ECF Labs.

Publications

[Governing Urban Diversity? An exploration of policy tools for cultural diversity in five European capital cities](#) by Dr Davide Ponzini, CPRA winner in 2009.

Connecting sources of knowledge for the future

ECF shares and connects knowledge across the cultural sector and links culture to other knowledge spheres because it is by working across and between disciplines and sectors that we will be most able to address our European and global challenges.

[Research and Development](#)

Through our Research and Development activities we share with others in the cultural sector the knowledge, experience and expertise that we gather through our work. Knowledge that we also put to good use in our own organisation and in the development of our activities.

[ECF Labs](#)

ECF Labs, our online presence, is an easy-to-access platform on which the cultural sector can interact and freely share information. This architecture also connects all sources of knowledge related to ECF activities.

[Publications](#)

ECF publications are a means of sharing knowledge related to our own and our partners' activities, advocacy actions, narrative initiatives and cultural development in Europe.

Expenses

	Cost	Percentage
Research & Development	395,931	7%
ECF digital, incl. LabforCulture	307,301	5%
Publications	49,391	1%
Total Sources of Knowledge	752,623	12%

Research and Development

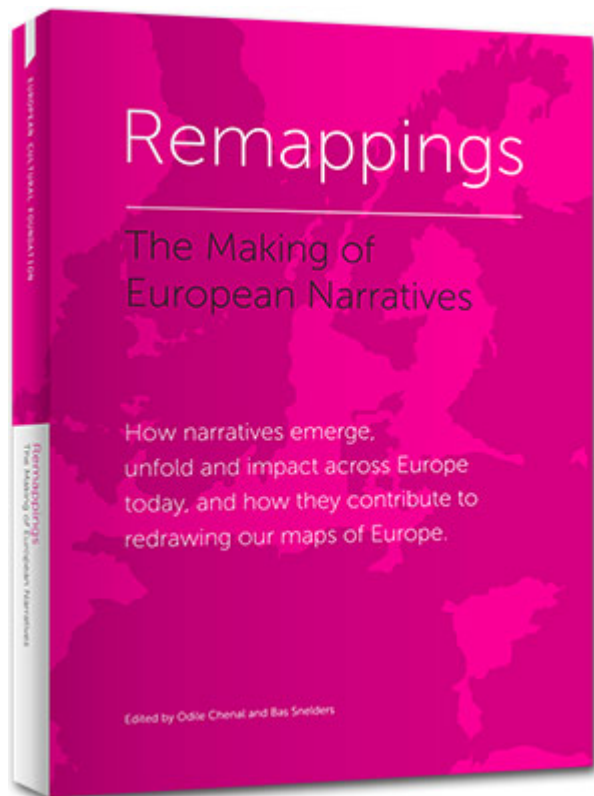
Created in 2009, ECF's Research and Development (R&D) work has three objectives:

- To evaluate and extract knowledge from current activities
- To investigate new trends and fields related to current and future activities
- To share knowledge both internally and externally and build a comprehensive ECF resource collection.

Achievements

Narratives for Europe

2012 marked the end of the first phase of our investigation on *Narratives for Europe*, which has been a key theme for ECF over the past four years. We published our findings through both online and offline platforms, as well as contributing key topics to ECF's *Imagining Europe* event in October. ECF is one of the few cultural organisations that is investing in a long-term reflection on these narratives, which articulate an urgent need for new European visions that are shared by citizens and policy-makers across Europe.



Remappings - The Making of European Narratives, December 2012

Highlights of 2012 include:

- The publication [Remappings – The Making of European Narratives](#) brings together the views of key intellectuals and comic artists who have been involved in ECF reflection groups over the last three years, exploring the ways new narratives emerge in a changing European context. This publication launched in Amsterdam on 6 December and is the first of a new ECF collection of publications.
 - In our online [ECF lab](#), [Narratives for Europe](#) offers inspiring insights on these new European stories: young journalists, activists and artists from Europe and beyond discuss the current processes that shape the European landscape of today and tomorrow. The Reading Room section offers reflections and essays on the making of new Narratives .

Developing an evaluation methodology for ECF

ECF has begun to gather information and to identify tools for evaluating long-term cultural projects and their social impact.

Alongside research on communities of practice in the cultural sector (*Bigger than self* by S.Wright and C. Tims - MMM, UK), ECF has commissioned the Erasmus Centre for Strategic Philanthropy to carry out a study on how to evaluate the effects and impact of our core Networked Project, which begins in 2013.

Communications

Narratives for Europe

We have built up a network of more than 40 renowned journalists, activists, writers and academics, as well as artists and comic artists, who have contributed to the *Narratives for Europe* online space.

Press

Prior to the ECF's *Imagining Europe* event, ECF and *De Groene Amsterdammer* (Dutch weekly magazine) published a supplement called [Een ander Europa/Imagining Europe](#), which was distributed to 22,000 people. The content was delivered by contributors to ECF's online [Narratives for Europe](#) space and by *De Groene Amsterdammer* journalists.

Social media

An important objective of the *Narratives for Europe* website is to build up an international high-level expert community that makes an important contribution to the topic. In 2012, we opened both a dedicated [Facebook page](#) (with a potential outreach of more than 200,000 contacts) and a [Twitter feed](#) (as well with a potentially large outreach - for example, one of our followers alone has 350,000 followers). Through these channels, we are seeing a steady growth of dedicated key personalities from the fields of media, culture and politics. The target for 2013 is to keep this growing momentum and to maximise the use of these communications channels and broaden ECF's network and outreach.

The [dedicated e-zine](#) on ECF's publication [Remappings - the Making of European Narratives](#) generated a good deal of interest, with more than 500 copies of the book sent out, generating more than 300 new contacts for the ECF database.

Lessons learned

Assessing the impact of long-term cultural programmes is virtually *terra incognita*. ECF should partner with other cross-border cultural organisations and research agencies to enhance experiences and capacities for impact assessment in the cultural sector.

The establishment of an R&D policy offers real added value for ECF, providing it is strongly embedded in all ECF's activities. However, we realised we do need to engage in collaboration with universities and research agencies in view of raising our research profile.

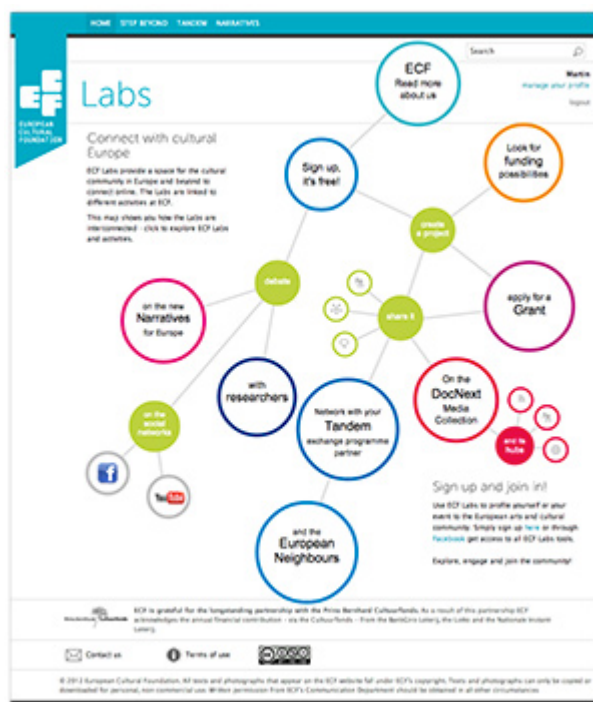
Outlook for 2013

ECF will reinforce its R&D activities by merging with our Advocacy team in 2013. Following some paths mapped out by our reflection on narratives, ECF is investigating the thematic of Europe seen from outside (in close collaboration with our Advocacy work - see *More Europe*). Also we have started to investigate an intergenerational approach regarding the experience of, and engagement in, Europe (pilot project: *Generation*). Further to this pilot, ECF and two partner organisations have started to explore ways of turning intergenerational questions within organisations into advantages at both staff and governance level.

Upcoming highlights include:

- Conference in May 2013: [The Dwarfing of Europe: the old continent, new perspectives on an old world](#) in cooperation with Tilburg University and De Balie in Amsterdam.
- Developing the online community of *Narratives for Europe* and the collection of contributions to ECF's work; expanding also to contributors from the so-called BRIC countries (Brazil, Russia, India and China); engage in a content partnership with Writers Unlimited, Winternachten Festival.
- Initiating several debates on culture, creative communities and democracy.
- Application for EU funding in process on intergenerational learning in cultural working environments and beyond (in cooperation with the British Council).

ECF Labs



ecflabs.org

In 2011, the LabforCulture.org website was already six years old - a long time in Internet years. Entirely user-driven websites were quickly rising in popularity, and LabforCulture.org was running on an outdated and unsustainable model, where its community was not at the centre of the picture. In order to respond to this demand for user-driven content, the **ECF Labs project** was launched in 2011, offering a new participatory online space for the *LabforCulture* community.

In 2012 we established ecflabs.org as the online meeting place where ECF can be part of a dialogue with its target audience - engaging with the European artistic and cultural community.

Achievements

An ECF Lab is an online space bringing together like-minded people. A Lab provides online tools aimed at simplifying communication, promotion, creation and engagement within a particular topic. Labs are multifunctional, and can be used as a portfolio, a micro blogging platform or an online discussion space.

In April 2012, the ECF Digital and Grants teams began to collaborate more closely to find new ways of looking at the [STEP Beyond Travel grants](#) scheme. Four months later, we published a new online application form that encourages young artists and cultural workers to join the ECF Labs community.

The new site allows each applicant to monitor submitted projects, to follow the grant process and to share information among a network of peers. Behind the scenes, a tailor-made monitoring system also allows ECF's Grants team to manage the workflow process for each application.

Modelled on the ECF's own Intranet, the [STEP Beyond Lab](#) was the first externally-facing and entirely user-generated space on ecflabs.org. Very soon we were able to look at exciting new possibilities. We designed a framework that is flexible enough to be applied to unlimited purposes.

We identified ECF staff as a natural testing group to measure the involvement of individuals using our new online tool. In October, we relaunched the ECF Intranet following the new ECF Labs model. It quickly became a very vibrant space, buzzing with comments, media shares and uploads.

Communications

In the future, ECF Labs aim to host a growing number of Labs that are run and moderated by their community members. We believe that an Internet-based social network involving creative people will result in more rewarding networking possibilities and a targeted audience that is both receptive and accessible.

ecflabs.org encourages direct feedback from the community and connects diverse perspectives on European issues. The united voices of its members will be instrumental in creating this specialised social media network that shares a commonality - a desire to propel European

art and culture towards the future.

Lessons learned

The launch of ECF Labs represents a major shift towards becoming a more synergetic online community. However, LabforCulture.org has not been forgotten. In November, ECF hosted a LabforCulture Steering Committee meeting, demonstrating how the LabforCulture project has evolved into the ECF Labs collaborative online community.

Although it is no longer updated with edited content, LabforCulture.org represents an important step in ECF's Digital history. After careful review, we decided to run LabforCulture.org as a read-only archive from 2013, onwards. Current LabforCulture community members will be informed about the launch of ECF Labs and will be invited to register on the new online platform.

This planning phase took more time than we anticipated, reminding us just how much effort and dedication is required to simply maintain an online community space.

Outlook for 2013

In 2013 ECF Labs will evolve into a highly collaborative online community focused on special interests. The objective is to encourage discussion across wide-ranging subject areas, where the content is entirely generated by users.

In 2013, we will first open a project roadmap blog, to introduce the online audience to the team behind ECF Labs and gradually unfold a long-term strategy. We are planning to release the final version of the ECF Labs online framework in April. The next Lab in 2013 will welcome the Young Cultural Policy Researchers forum, currently hosted on LabforCulture.org.

In the second half of the year, we will focus on promotion and communication of the new community space, together with the development of a mobile interface to ensure a user-friendly experience.

Follow all the latest developments by joining [ECF Labs](#).

Publications

"I'd like to express my gratitude to ECF for sending me the Remappings book! It is extremely interesting and truly original. I was really delighted to discover it. I have recommended it to several colleagues and to post-graduate students studying the issue of European identity."

Anne-Marie Thiesse, EHESS, Paris

ECF has always been a publisher - stand-alone as well as in partnerships - as it is a means of reaching out and sharing content. ECF publications are a means of sharing knowledge related to our own and our partners' activities, advocacy actions, narrative initiatives and cultural development in Europe.

Achievements

In 2012, we produced a wide range of publications, both online and offline, to support our programme-based activities and our corporate activities and events. In December 2012, we launched [Remappings - The Making of European Narratives](#), a collection of commissioned essays inspired by our Narratives theme. This is the first in a series of new publications that encourage reflection, debate and knowledge sharing. We also engaged in our partners' publishing work, especially within our [European Neighbourhood Programme](#).

[Check out our publications here.](#)

Lessons learned

The new house style as developed in 2011 proved to provide a valuable grid for a variety of ECF publications, for corporate communication tools and programme-driven books and booklets alike.

However, consistency of publications published in partnerships is still an issue, as is distribution: we do need to develop effective ways of "selling" what we do and we also continuously need to invest in media partnerships for wider outreach.

Outlook for 2013

One of our main goals for 2013 is to set up a framework to manage the frequency, variety and consistency of our publications and to ensure that we get our message across to all relevant target audiences.

We will develop a publications strategy that supports and enhances ECF's work and that is in line with the new strategic plan for 2013-2016. This strategy needs to consider quality, accessibility and distribution.

ECF's Financial Report

ECF is a fundraising organisation with its own funds – a so-called 'hybrid organisation'. Our aim is to cover our overhead costs through the income generated by investing our own funds. This allows us to dedicate all other funds to our objectives.

Income in 2012

Our income in 2012 consisted of lottery funding (through the Prins Bernhard Cultuurfonds), fundraising (including income from governments and foundations) and securities. Our total income in 2012 was €6,840,667 compared to €5,898,994 in 2011.

Here is a more detailed breakdown of our income.

Third-party income

Our total third-party income for 2012 was €5,662,844, compared to €5,613,187 in 2011. This amount includes income from the Prins Bernhard Cultuurfonds and other organizations. It excludes income from governments and securities.

Income from the Prins Bernhard Cultuurfonds for 2012 was €5,109,838 compared to €5,330,196 in 2011. This decrease in funding from the Prins Bernhard Cultuurfonds is a result of declining income from the lotteries due to changing market conditions.

The remaining third-party income came from various foundations, and all donations were related to specific activities. For 2012, this remaining third-party income was €553,006 compared to €300,844 in 2011 (this takes into account the correction made on income from the German Marshall Fund of the United States). The main increase came from the Robert Bosch Foundation for ECF's Neighborhood programme and various sections of the Open Society Foundation supporting our Grants activities.

Government income

Income from various governments in 2012 was €263,060, compared to €254,523 in 2011 (this takes into account the correction made on income from the German Marshall Fund of the United States).

Income from securities

In 2012, the total income from securities was €914,763, compared to €13,431 in 2011. The investment mix throughout the year has been consistent with ECF's 'statement of investment principles' consisting of a maximum of 30% of the portfolio invested in shares and the remaining 70% in bonds.

ECF has outsourced its asset management activities to a third party asset manager.

How ECF's income is used

ECF dedicates all its income to its three overarching objectives, which are:

- Empowering and engaging people through arts and culture
- Linking cultural policy and practice
- Connecting sources of knowledge for the future

The ambition is to cover all overhead costs with income from securities.

ECF's reserve is used as a buffer in case of an emergency.

A potential surplus as a result of lower expenditure than income will be temporarily added to ECF's reserve and will be used for objective-related activities in the following year(s).

Overhead costs

We incur costs for fundraising, executing our objectives and management. For a more detailed breakdown of these costs:

Overview overhead costs

The total expenditure on overheads in 2012 was €1,082,617 compared to €736,055 in 2011. Overhead costs were 22% compared to purpose-related expenditure.

	Actual 2012	Budget 2012	Actual 2011
Overhead expenditure	1,082,617	797,297	736,055
Purpose-related expenditure	4,988,711	5,401,623	5,478,490
Overhead against purpose-related expenditure	22%	15%	13%

Explanation:

The difference between 2012 actual expenditure and budget and 2012 actual expenditure and 2011 actual expenditure is attributed to changed allocation keys that reduced salary costs to the objectives. Additionally, the allocation key distributing the salary of our director and her team was adjusted to reflect better the time spent on governance-related activities, hence a larger share of their salary is now allocated to governance.

Allocation of overhead expenses to our purpose

In order to allocate overhead costs to objectives, a combination of allocation keys is used:

- communication costs are allocated to the objectives based on time-writing to specific projects.
- administration costs are allocated to the objectives based on the project budgets.
- costs for facilities and technology (computers/telephones and other equipment) are allocated based on the number of full-time equivalent staff (FTEs).

Fundraising costs

The costs for fundraising in 2012 were €145,253 compared to €139,357 in 2011. As a percentage of the total fundraised income in 2012, this adds up to 17.8%, compared to 25.1% in 2011.

Fundraised income includes income from other foundations and governments; it excludes income from the Prins Bernhard Cultuurfonds (PBCF) and securities. In this table we show the ratio of fundraised income against fundraising costs. Since ECF contributes to PBCF's fundraising costs we have reflected this in the table.

	Actual 2012	Budget 2012	Actual 2011
Fundraising costs incl. costs PBCF	145,253	217,407	139,357
% fundraised income	17.8%	28.1%	25.1%

Fundraising costs excl. costs PBCF	87,720		
% fundraised income excl. income PBCF	11%		

In 2013 ECF will apply for the CBF quality mark (Central Bureau on Fundraising – Centraal Bureau Fondsenwerving). The CBF handles a definition on fundraised income which excludes part of our income as fundraised. In short: Income may only be recognized once as fundraised. Hence, in case our donor reports their funds as fundraised, and then passes them on to ECF, the latter may not (also) report these funds as fundraised. In 2012, income gained through fundraising, according to the definition of the CBF, was €816.066 compared to €555,367 in 2011.

Securities costs

Costs for managing ECF's assets reported for 2012 were €71,660 compared to €76,758 in 2011.

Costs have decreased slightly compared to 2011, since in 2011 the costs still included transition costs from our previous asset manager to our current asset manager. In 2012, we were charged according to the agreement.

Management and administration costs

In 2012, management and administration costs were €865,704 compared to €519,940 in 2011. These costs represent 14% of the total expenditure in 2012.

The increase is due to adjusted allocation keys reducing the allocation of salary costs to the objectives. Costs for governance have reduced due to reporting expenses related to the annual advisory council meeting under Research and Development.

We aim to cover all our overhead costs by income from returns on our invested reserve (securities income). This allows us to use all other income for our objective-related activities.

Reserve

The reserve is readily available for use, if needed. The reserve ensures the continuity of ECF, both as a buffer against income fluctuations and – through investment in low-risk securities – a source of income.

As of 31 December 2012, the total ECF reserves added up to €11,497,872 compared to €10,735,373 on 31 December 2011. Based on the level of reserves, ECF is not exposed to direct credit risks or liquidity risks.

Composition of ECF's portfolio:

	31 Dec 2012		31 Dec 2011	
Shares	2,590,319	22,7%	2,163,062	20,1%
Bonds	8,793,951	77,2%	8,575,752	79,9%
Liquid funds	113,602	0,01%	3,441	0,0%

The composition is tied to our Statement of Investment Principles (approved by the Board), which allows for a maximum of 30% of our reserves to be invested in shares. The remaining investment needs to be in risk-averse bonds.

Another important subject in our Statement of Investment Principles is social responsibility, ensuring that we invest in companies that do not willingly cause harm to people or the planet.

Management of ECF's securities portfolio

Since 2011, ECF has outsourced the day-to-day management of its securities portfolio to Wealth Management Partners N.V. (WMP). There are regular meetings between ECF's Treasurer and WMP and ECF's Head of Operations and WMP.

The investment of the securities is based on the conservative investment strategy as approved by the ECF Board.

Appointment of auditors

The ECF annual accounts are audited by PricewaterhouseCoopers (PwC). The accountant is appointed by the Board and reports to the Board.

Arent A. Foch, Treasurer
Amsterdam, July 19, 2013

Budget 2013

	Budget 2013	Actual 2012
Income		
Prins Bernhard Cultuurfonds*	4,570,000	5,109,838
Fundraised income - Profit/non-profit	856,104	553,006
Fundraised income - Governments	100,000	263,060
Securities income	300,000	914,763
Total Income	5,826,104	6,840,667
Expenses		
Committed to purpose		
Engaging through culture	2,484,552	2,929,323
Linking policy and practice	1,782,491	1,306,765
Connecting knowledge	1,152,085	752,623
	<hr/> 5,419,128	<hr/> 4,988,711
Costs fund development		
Fundraising costs	143,838	145,253
Costs securities	65,000	71,660
	<hr/> 208,838	<hr/> 216,913
Management and Administration		
Communications	197,209	408,745
Governance	114,899	148,417
General administration	135,743	308,542
	<hr/> 447,851	<hr/> 865,704
Total expenses	6,075,817	6,071,328
Surplus / (Deficit)	<u>(249,713)</u>	<u>769,338</u>
Allocation of result		
(Withdrawal from) / Addition to reserve	<u>(249,713)</u>	<u>769,338</u>

* Contribution, through Prins Bernhard Cultuurfonds, from the BankGiro Loterij, the Lotto and the Nationale Instant-Loterij

Financial Statements in 2012 - European Cultural Foundation

- These financial statements represent the financial data for ECF.
- The consolidated financial statements for the financial data for ECF and the Stichting Voorzieningsfonds Pensioengerechtigden Binnenland of the Fondation Européene de la Culture and the Stichting Voorzieningsfonds Pensioengerechtigden Buitenland of the Fondation Européene de la Culture can also be found on the following pages.
- All amounts are in Euros.
- Rounding all figures in full Euros has caused some rounding differences.

Balance sheet

As per 31 December 2012

After appropriation of the result

	Ref	2012	2011
Assets			
Tangible fixed assets	1		
Premises		63,637	67,774
Refurbishment		8,684	14,477
Furniture and equipment		124,554	166,863
		<hr/>	<hr/>
		196,875	249,114
Financial fixed assets	2		
Bonds		8,793,950	8,575,752
Shares		2,590,319	2,163,062
		<hr/>	<hr/>
		11,384,269	10,738,814
Currents assets	3		
Accounts receivable		1,191,599	1,646,344
Deposits, cash	4		
Cash and bank balances		521,974	690,625
Total		<u>13,294,717</u>	<u>13,324,897</u>
Liabilities			
Reserves	5		
General reserve		11,403,355	10,634,017
Revaluation reserve		94,517	101,356
		<hr/>	<hr/>
		11,497,872	10,735,373
Current liabilities	6		
Received in advance		190,000	105,000
Grants payable		510,127	819,774
Accounts payable		1,096,718	1,664,750
		<hr/>	<hr/>
		1,796,845	2,589,524
Total		<u>13,294,717</u>	<u>13,324,897</u>

Statement of income and expenditure

	Ref	Actual 2012	Budget 2012	Actual 2011
Income				
Prins Bernhard Cultuurfonds*		5,109,838	5,126,665	5,330,196
Fundraised income – profit/non-profit	7	553,006	636,000	300,844
Fundraised income – governments	8	263,060	136,648	254,523
Securities income	9	914,763	300,000	13,431
Total income		6,840,667	6,199,313	5,898,994
Expenses				
Committed to purpose	10			
Engaging through culture		2,929,323	3,040,269	2,813,017
Linking policy and practice		1,306,765	1,418,709	1,869,560
Connecting knowledge		752,623	942,645	795,913
		<u>4,988,711</u>	<u>5,401,623</u>	<u>5,478,490</u>
Costs fund development				
Fundraising costs	11	145,253	217,407	139,357
Costs securities	12	71,660	70,000	76,758
		<u>216,913</u>	<u>287,407</u>	<u>216,115</u>
Management and administration				
Communications	13	408,745	302,622	222,163
Governance	14	148,417	77,384	159,305
General administration	15	308,542	129,884	138,472
		<u>865,704</u>	<u>509,890</u>	<u>519,940</u>
Total expenses		6,071,328	6,198,919	6,214,545
Surplus/(deficit)		<u>769,338</u>	<u>394</u>	<u>(315,551)</u>
Allocation of result				
(Withdrawal from)/Addition to reserve		<u>769,338</u>	<u>394</u>	<u>(315,551)</u>

* Contribution, through Prins Bernhard Cultuurfonds, from the BankGiro Loterij, the Lotto and the Nationale Instant-Loterij

Cash flow overview

	Actual 2012	Actual 2011
Cash flow from operating activities		
Result	769,338	(315,551)
Adjustments for:		
Depreciation tangible fixed assets	57,374	54,367
Movements in accounts receivable	454,745	(494,977)
Movements in short-term liabilities	(792,679)	(720,602)
Cash flow from operating activities	<u>488,778</u>	<u>(1,476,763)</u>
Cash flow from investment activities		
Additions to tangible fixed assets	(5,134)	(28,516)
Movements in financial fixed assets	(651,695)	238,929
Cash flow from investment activities	<u>(656,829)</u>	<u>210,413</u>
Mutation valuation reserve	(600)	-
Movements in liquid assets	<u>(168,651)</u>	<u>(1,266,350)</u>
Opening balance liquid assets	690,625	1,956,975
Closing balance liquid assets	521,974	690,625
Movements in liquid assets	<u>(168,651)</u>	<u>(1,266,350)</u>

Accounting Principles - European Cultural Foundation

General

ECF is an operating and grant-giving foundation. Our core income is received from the Prins Bernhard Cultuurfonds. Other income derives from donors, subsidies and our securities portfolio.

Grants are awarded on the basis of projects submitted by third parties through grant applications. Programmes are run (whether by ECF alone or in partnership with other organisations) according to the four-year strategic plan and the annual work plan.

Reporting period

These financial statements are based on the reporting period of one year, where the financial year equals the calendar year.

Foundations for valuation and determining the result

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

Tangible fixed assets

The tangible fixed assets are valued at cost price, less the accumulated depreciation. Depreciations commence from the moment the investment is taken into use. Investments of less than €500 are fully depreciated in the year of its purchase.

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

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

Financial fixed assets

Shares and bonds are stated at market value at year end. Realised and unrealised gains and losses are accounted for in the statement of income and expenditure.

Amounts in foreign currencies are converted into Euro at year-end rates. Transactions in foreign currencies are recorded using the exchange rates of the transaction date. Gains and losses on transactions are included in the statement of income and expenditure.

Recognition of income

Our main stream of income, that of the Prins Bernhard Cultuurfonds, is recognized on the receipt of a statement from their side indicating the amounts they have received from the BankGiro Loterij, the Lotto and the Nationale Instant Loterij. According to a longstanding agreement between the two foundations, 25% of all lottery income from the Prins Bernhard Cultuurfonds is passed on to ECF.

Recognition of expenses

In general expenses are charged to cost centers, based on actual expenses per project. Operational expenses are recognized as soon as they can be estimated and are legally enforceable by third parties because of contracts or communicated commitments.

The amount of grants allocated equals the amount awarded to grantees in 2012, this is confirmed to grantees in writing and approved by ECF's Board.

A large proportion of 'Management and Administration' costs are allocated to the activities of the Foundation on the basis of allocation keys:

- For general administration the allocation key used is: project budgets and FTE's.
- For communication costs the allocation key used is: time writing.
- For staff costs the allocation key used is: time writing.

Fundraising costs consist of salary and advisory costs and include the allocation of a share of the fundraising costs incurred by the Prins Bernhard Cultuurfonds, in line with our agreement with them.

Contingent liabilities

The European Cultural Foundation is a non-listed legal entity, which has adopted a defined benefit pension scheme. Non-listed entities do not have to specify debts and provisions related to pension premiums according to article 396 of book 2 parts 3 and 5 of the Netherlands Civil Code. Accordingly, the liabilities of the ECF do not give a complete overview of all liabilities in relation to the applicable reporting guideline 271.

90% spending rule

ECF is committed to spending (expenses minus fundraising income) at least 90% of its total lottery income on its purpose. Based on the average lottery income of the previous three years ECF complied with this rule in 2012.

Reporting guidelines

The financial statements are prepared in accordance with Guideline 650 (richtlijnen voor de jaarverslaggeving), which provides accounting principles generally accepted in the Netherlands for fundraising institutions. In this way of reporting, expenses are allocated to objectives, costs for fund development and costs for management and administration.

Notes to the Balance Sheet (Refs 1-6)
Tangible Fixed Assets (Ref 1)

	Premises	Refurbishment	Furniture & equipment	Total
Historical cost				
Balance at 31 Dec 2011	179,069	306,240	549,010	1,034,319
Items no longer in use	-	-	-	-
Additions in 2012	-	-	5,134	5,134
Balance at 31 Dec 2012	179,069	306,240	554,144	1,039,453
Depreciation				
Balance at 31 Dec 2011	111,295	291,762	382,147	785,204
Items no longer in use	-	-	-	-
Depreciation in 2012	4,137	5,794	47,443	57,374
Balance at 31 Dec 2012	115,432	297,556	429,590	842,578
Book value at 31 Dec 2011	<u>67,774</u>	<u>14,477</u>	<u>166,863</u>	<u>249,115</u>
Book value at 31 Dec 2012	<u>63,637</u>	<u>8,684</u>	<u>124,554</u>	<u>196,875</u>

Financial Fixed Assets (Ref 2)

	Bonds	Shares	Total
Balance at 31 Dec 2011	8,575,752	2,163,062	10,738,814
Acquisitions	3,371,679	824,727	4,196,406
Sales	(3,697,687)	(661,355)	(4,359,042)
Revaluations realised	32,545	60,743	93,288
Revaluations unrealised	511,661	203,142	714,803
Balance at 31 Dec 2012	<u>8,793,950</u>	<u>2,590,319</u>	<u>11,384,269</u>

		As per 31 Dec 2012		As per 31 Dec 2011
Bonds	73.8%	8,793,951	75.0%	8,575,752
Shares	21.8%	2,590,319	19.0%	2,163,062
Real estate	0.0%	-	0.0%	-
Liquid funds	4.4%	521,974	6.0%	690,625
	100.0%	<u>11,906,244</u>	100.0%	<u>11,429,439</u>

The overall result of our securities portfolio throughout 2012 is €914,763.

	Assets	Result	Result %
ECF	11,384,269	914,763	8.03%

Current Assets (Ref 3)

Accounts receivable

	31 Dec 12	31 Dec 11
Prins Bernard Cultuurfonds	1,036,651	1,220,709
Interest to receive	4,751	34,353
Programme sponsorship income	-	229,767
Others	150,197	161,515
	<u>1,191,599</u>	<u>1,646,344</u>

The current assets have a duration of less than one year.

Deposits and cash (Ref 4)

Cash and bank balances are at the disposal of ECF.

Reserves (Ref 5)

	General reserve	Revaluation reserve	Total
Balance as per 31 Dec 2011	10,634,017	101,356	10,735,373
Additions	769,338	-	769,338
Withdrawals	-	(6,839)	(6,839)
Balance as per 31 Dec 2012	<u>11,403,355</u>	<u>94,517</u>	<u>11,497,872</u>

Current liabilities (Ref 6)

Grants payable

According to our procedures, the projects supported with an ECF grant should be finalised within two years after the grant date. In specific cases, this term may be extended on the approval of ECF management.

The Board approves all grants and cancellations of grants. The amount that is released upon the cancellation grants is presented in reference 10.

The grants payable as per the balance sheet consist of:

	31 Dec 12	31 Dec 11
Grants awarded in: 2008	3,001	9,486
Grants awarded in: 2009	21,535	77,635
Grants awarded in: 2010	78,151	221,870
Grants awarded in: 2011	168,085	510,783
Grants awarded in: 2012	239,355	n.a.
	<u>510,127</u>	<u>819,774</u>

The accounts payable as per the balance sheet consist of:

	31 Dec 12	31 Dec 11
Taxes and social premiums	99,937	86,705
Other personnel costs	212,271	98,195
Contractual obligations	575,818	1,143,706
Others	208,692	336,144
	<u>1,096,718</u>	<u>1,664,750</u>

Liquidity/Current ratios

	31 Dec 12	31 Dec 11	31 Dec 10
Current assets, deposits, cash	1,713,573	2,336,969	3,108,342
Current liabilities	1,796,845	2,589,524	3,310,127
Liquidity	0.95	0.90	0.94

The composition of the liquid assets has developed as follows:

	31 Dec 12	31 Dec 11	31 Dec 10
Current assets	1,191,599	1,646,344	1,151,367
Liquid funds	521,974	690,625	1,956,975
Total current assets	<u>1,713,573</u>	<u>2,336,969</u>	<u>3,108,342</u>
Liquid funds in %	29%	30%	63%

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

ECF has a longstanding partnership with the Prins Bernhard Cultuurfonds through which ECF receives a quarterly financial contribution from the BankGiro Loterij, the Lotto and the Nationale Instant Loterij. In 2012, the contribution from the Prins Bernhard Cultuurfonds was €5,109,838 which represented 75% of ECF's income.

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

	Actual 2012	Budget 2012	Actual 2011
OSF various (BIFC)	93,890	67,000	50,000
OSF National Foundation (BIFC)	-	-	10,000
OSF Zug (Trio Moldova)	24,960	50,000	-
OSI Assistance Foundation (STEP beyond mobility fund)	34,000	34,000	7,991
Mercator Foundation (Tandem)	250,000	250,000	200,000
Rabobank Foundation	-	10,000	-
Stiftelsen Riksbankens Jubileumsfond (CPRA)	15,000	15,000	15,000
Amsterdam Fonds voor de Kunsten (<i>Imagining Europe</i>)	50,000	-	-
Fritt Ord Foundation (Research & Development)	10,000	-	-
Robert Bosch Stiftung (ENP)	74,000	-	-
*German Marshall Fund of the United States (Belarus)	-	17,500	17,853
Various sponsors (Youth & Media)	-	15,000	-
Stichting Democratie & Media (Youth & Media)	-	7,500	-
Funding for <i>Imagining Europe</i>	-	150,000	-
Funding for Princess Margriet Award (PMA)	-	20,000	-
Boekman Stichting	1,156	-	-
Total fundraising income	553,006	636,000	300,844

Fundraised income – Governments (Ref 8)

	Actual 2012	Budget 2012	Actual 2011
Ministry of Foreign Affairs, Netherlands – Matra, Turkey	97,160	-	-
Ministry of Foreign Affairs, Netherlands – Matra, Moldova	10,900	-	51,474
Ministry of Education, Culture and Science, Netherlands	50,000	25,000	50,000
Ministry of Culture and National Heritage, Poland	-	-	17,877
Ministry of Culture, Spain	5,000	-	-
European Commission (Youth & Media – Remapping)	100,000	100,000	-
European Commission (Neighbourhood placement scheme)	-	11,648	135,172
Total government income	<u>263,060</u>	<u>136,648</u>	<u>254,523</u>

* In the 2011 annual report, the income from the German Marshall Fund of the United States was erroneously reported under fundraised income from governments. In this report, the error has been corrected.

Income from securities (Ref 9)

	Actual 2012	Actual 2011
Interest from bank accounts	8,810	31,726
Revaluation reserve bonds	6,838	-
Interest from bonds	37,212	92,740
Realised revaluations bonds	32,545	70,391
Unrealised revaluations bonds	511,661	(35,042)
	581,418	128,089
Dividends	53,812	45,076
Realised revaluations shares	60,743	(51,170)
Unrealised revaluations shares	203,142	(140,290)
Other income (exchange rate diff.)	-	-
	317,697	(146,384)
	<u>914,763</u>	<u>13,431</u>

Expenses Committed to Purpose (Ref 10)

	Actual 2012	Budget 2012	Actual 2011
Grants*	1,040,856	1,341,669	1,238,418
Mobility programme	88,825	-	112,350
Youth and Media programme	822,810	920,545	809,261
Princess Margriet Award/Imagining Europe	976,832	778,055	652,988
Engaging through culture	2,929,323	3,040,269	2,813,017
European Neighbourhood Programme	955,698	1,046,833	1,523,582
Advocacy and networking	351,067	371,876	345,978
Linking policy and practice	1,306,765	1,418,709	1,869,560
Research & development	395,931	413,375	295,109
ECF digital, including LabforCulture	307,301	471,800	472,901
Publications	49,391	57,470	27,903
Connecting knowledge	752,623	942,645	795,913
	<u>4,988,711</u>	<u>5,401,623</u>	<u>5,478,490</u>

* Includes: released for grants not taken up €47,499

Fundraising costs (Ref 11)

	Actual 2012	Budget 2012	Actual 2011
Total fundraising income	816,066	772,648	555,367
Fundraising costs incl. costs PBCF	145,253	217,407	139,357
% Fundraising income costs	17.8%	28.1%	25.1%

Fundraising costs include staff and advisory costs

The ratio has decreased for 2012. ECF's fundraising costs, which remained stable compared to 2011, include fundraising costs allocated to ECF from the Prins Bernhard Cultuurfonds (PBCF). However, we did not include the income from the Prins Bernhard Cultuurfonds, as these are not considered fundraised income according to the CBF (Central Bureau on Fundraising – Centraal Bureau Fondsenwerving) definition. Fundraising costs from the Prins Bernhard Cultuurfonds are €57,533. This includes 25% of PBCF's costs for maintaining the 'CBF Keurmerk' (CBF seal of approval, meaning the organisation's fundraising activities have been reviewed and are considered trustworthy).

Costs securities (Ref 12)

	Actual 2012	Budget 2012	Actual 2011
Bank charges related to bonds and shares	6,554	-	11,634
Fees Securities income	65,106	70,000	65,124
	<u>71,660</u>	<u>70,000</u>	<u>76,758</u>

Communications (Ref 13)

	Actual 2012	Budget 2012	Actual 2011
General information	77,365	-	28,978
PR & promotion	3,158	-	91,260
General administration costs	27,849	-	22,872
Salary costs	300,373	-	79,053
	<u>408,745</u>	<u>302,622</u>	<u>222,163</u>

Governance (Ref 14)

	Actual 2012	Budget 2012	Actual 2011
Board meetings	20,482	55,000	92,054
General administration costs	7,652	-	7,375
Salary costs	120,283	22,384	59,876
	<u>148,417</u>	<u>77,384</u>	<u>159,305</u>

The difference between Actual 2012 and Budget 2012 can be explained by:

- reduced costs for the two Board meetings held in Amsterdam
- allocating costs for administration related to governance, which was not budgeted
- increasing the allocation percentages allocating the salaries of the director and secretariat.

General administration (Ref 15)

	Actual 2012	Budget 2012	Actual 2011
Computerisation	42,153	54,448	14,556
Financial and personnel administration	-	-	12,401
Depreciation	57,376	59,769	10,591
Premises, utilities, other expenses	26,484	121,047	6,705
Salary costs	182,529	(105,380)	94,219
	<u>308,542</u>	<u>129,884</u>	<u>138,472</u>

Staff costs

	Actual 2012	Budget 2012	Actual 2011
Salaries	1,456,583	1,439,729	1,245,088
Social charges	214,519	179,966	170,889
Pension costs	385,048	384,226	278,409
Termination employment contract	-	27,500	-
Travel allowance	15,982	19,382	17,906
Home leave	8,018	7,500	-
Overtime	-	10,000	1,196
Other staff costs (including training)	137,411	131,176	119,671
	<u>2,217,561</u>	<u>2,199,479</u>	<u>1,833,159</u>
Interim staff	25,467	-	225,060
Total	<u>2,243,028</u>	<u>2,199,479</u>	<u>2,058,219</u>

Annual salary increases were limited and dependent on appraisals. Salary expenses are higher due to the increase of working hours of some employees due to increased activities. Social charges follow the Dutch legislation and are linked to the salaries.

The difference between the budgeted and actual other staff costs are mainly in hiring external expertise to support the process of reviewing ECF's benefits package (including pensions). The change in pension schemes, effective per 2013, will have a considerable effect on the expenses.

Employees

Throughout 2012 the average number of employees was 32, which is equal to 2011. All vacancies were filled throughout the year. Taking into account the high percentage of part-time employees (66%), the Full Time Equivalent for 2012 was 29.

Compensation for Director

ECF is managed by one director. In 2012, the compensation for this role was €121,000. ECF's director did not receive a thirteenth month of salary or bonus.

The other taxable compensation includes: home leave and a birthday gratification.

Name:	Katherine E. Watson
Position:	Director
Contract:	Indefinite
	Full time/37.5 hours
Period:	01 Jan–31 Dec 2012

Compensation:	2012	2011
Annual Income		
Gross salary	112,037	112,037
Holiday allowance	8,963	8,963
Total	121,000	121,000
Social charges	44,242	41,611
Other taxable compensation	2,261	7,481
Pension	38,112	24,232
	205,615	194,324

Cost Allocation	Engaging through	Linking policy and	Connecting	Fundraising	Securities	Communications	Governance	General	Total costs
	culture	practice	knowledge					administration	2012
Direct costs									
Grants 2012	680,522	-	-	-	-	-	-	-	680,522
Grants not taken up	(47,499)	-	-	-	-	-	-	-	(47,499)
Partnerships and outsourced activities	389,527	734,762	262,549	-	-	-	-	-	1,386,838
Support costs									
Personnel costs	774,383	421,301	377,246	66,913		300,373	120,283	182,529	2,243,028
Communication costs	1,044,447	76,054	74,629	70,518		80,522	20,482		1,346,170
Governance	-	-							20,482
Other general costs	87,943	74,648	38,199	7,822	71,660	27,850	7,652	126,013	441,787
Total	2,929,323	1,306,765	752,623	145,253	71,660	408,745	148,417	308,542	6,071,328

In 2012, a total amount of €47,499 reserved for grants payable was released and has been deducted from the direct costs as 'Grants not taken up'. This amount consists of outstanding installments related to multiple projects that were not completed (in the required timeframe).

Personnel costs are allocated to the different activities based on time-writing by employees.

General administration costs are allocated to the activities based on two allocation keys:

- Facilities/premises/computerisation: FTE (Full Time Equivalent)
- Other general administration costs: project budget.

Consolidated balance sheet as per 31 Dec 2012
After appropriation of the result

	Ref	31 Dec 2012	31 Dec 2011
Assets			
Tangible fixed assets			
Premises		63,637	67,774
Refurbishment		8,683	14,477
Furniture and equipment		124,555	166,863
		196,875	249,115
Financial fixed assets			
	16		
Bonds		11,953,933	11,523,987
Shares		2,590,319	2,163,062
		14,544,252	13,687,049
Currents assets			
Accounts receivable		1,240,869	1,664,614
Deposits, Cash			
Cash and bank balances		620,018	835,603
Total		<u>16,602,014</u>	<u>16,436,381</u>
Liabilities			
Reserves			
	17		
General reserve		14,742,836	13,760,020
Revaluation reserve		166,104	198,768
		14,908,940	13,958,788
Current liabilities			
Received in advance		190,000	105,000
Grants payable		510,127	819,774
Accounts payable		992,947	1,552,819
		1,693,074	2,477,593
Total		<u>16,602,014</u>	<u>16,436,381</u>

Consolidated statement of income and expenditure

	Actual 2012	Actual 2011
Income		
Prins Bernhard Cultuurfonds*	5,109,839	5,330,196
Fundraising income – profit/non-profit	553,006	300,844
Fundraising income – governments	263,060	254,523
Securities income	1,129,582	84,018
Other income	26,701	23,562
Total Income	7,082,188	5,993,143
EXPENSES		
Committed to purpose		
Engaging through culture	2,929,323	2,813,017
Linking policy and practice	1,306,765	1,869,560
Connecting knowledge	752,623	795,913
Subtotal committed to purpose	4,988,711	5,478,490
Costs fund development		
Fundraising costs	145,253	139,357
Securities costs	100,936	97,101
	246,189	236,458
Management and Administration		
Communications	408,745	222,163
Governance	148,417	159,305
General administration	308,542	138,554
	865,704	520,022
Total expenses	6,100,603	6,235,019
Surplus / (Deficit)	<u>981,584</u>	<u>(241,876)</u>
Appropriation of the result		
(Withdrawal from) / Addition to reserve	<u>981,584</u>	<u>(241,876)</u>

* Contribution, through Prins Bernhard Cultuurfonds, from the BankGiro Loterij, the Lotto and the Nationale Instant-Loterij

Consolidated Financial Statements in 2012

Accounting Principles

The consolidated Financial Statements consist of the financial data of:

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

The objective of the Stichtingen Voorzieningsfondsen is to compensate for the decreasing value of pensions of ex-employees in case the official inflation rate is higher than 3%. Detailed objectives are described in the Foundations' statutes.

The consolidated financial statements have been drawn up according to the same recognition and measurement principles as used in the Foundation's Financial Statement.

Please note that rounding all figures in full Euros has caused some rounding differences.

Notes to the consolidated balance sheet as per 31 Dec 2012
Financial Fixed Assets (Ref 16)

	Bonds	Shares	Total
Balance at 31 Dec 2011	11,523,987	2,163,062	13,687,049
Acquisitions	3,484,785	824,727	4,309,512
Sales	(3,697,687)	(661,355)	(4,359,042)
Revaluations realised	131,187	60,743	191,930
Revaluations unrealised	511,661	203,142	714,803
Balance at 31 Dec 2012	<u>11,953,933</u>	<u>2,590,319</u>	<u>14,544,252</u>

Reserves (Ref 17)

	General reserve	Revaluation reserve	Total
Balance as per December 31, 2011	13,760,020	198,768	13,958,788
Additions	982,816		982,816
Withdrawals		(32,664)	(32,664)
Balance as per December 31, 2012	<u>14,742,836</u>	<u>166,104</u>	<u>14,908,940</u>

Notes to the consolidated statement of income and expenditure

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

	Actual 2012 ECF	Actual 2012 Vzf Binl	Actual 2012 VzF Builtl	Actual 2012 Total
Interest from bank accounts	8,810	-	-	8,810
Revaluation reserve bonds	6,838	-	-	6,838
Interest from bonds	37,212	40,027	7,138	84,377
Realised revaluations bonds	32,545	14,412	7,862	54,819
Unrealised revaluations bonds	511,661	99,141	24,125	634,927
Paid (dis)agio	-	-	-	-
	581,418	153,580	39,125	774,123
Dividends	53,812	19,121	2,994	75,927
Realised revaluations shares	60,743	-	-	60,743
Unrealised revaluations shares	203,142	-	-	203,142
Other income		24,065	2,636	26,701
	317,697	43,186	5,630	366,513
	<u>914,763</u>	<u>196,766</u>	<u>44,755</u>	<u>1,156,284</u>
Costs of securities	Actual 2012 ECF	Actual 2012 Vzf Binl	Actual 2012 VzF Builtl	Actual 2012 Total
Bank charges related to bonds and shares	6,554	1,444	388	8,386
Fees securities income	65,106	18,337	4,012	87,455
Other costs (Chamber of commerce, interest)	-	2,547	2,548	5,095
	71,660	22,328	6,948	100,936

Supplementary Information

Appropriation of result

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

Events after the balance sheet date

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

Arent A. Foch, Treasurer
Amsterdam, July 19, 2013