



European Cultural
Foundation

Annual Report 2017



Democracy needs imagination

President’s Message [p.3](#)
 Director’s Report [p.4](#)
 About the European Cultural Foundation [p.7](#)

I. ACTIVITIES REPORT

CATALYSE [p.10](#)

Grants [p.11](#)
 Research & Development Grants (Idea Grants) [p.12](#)
 STEP Travel Grants [p.13](#)
 FundAction (Participatory Fund for Activists) [p.17](#)
 Balkans Arts and Culture Fund [p.17](#)

CONNECT [p.18](#)

Connected Action for the Commons (Participatory Platform) [p.19](#)
 Displaced in Media [p.24](#)
 Tandem Cultural Collaboration Programmes [p.26](#)
 Global Cultural Leadership Programme [p.31](#)

COMMUNICATE AND ADVOCATE [p.32](#)

ECF Princess Margriet Award for Culture [p.33](#)
 Peace Through Culture [p.37](#)
 Advocacy and Policy Influencing [p.38](#)
 Strategic Partnerships [p.40](#)

CONSOLIDATE [p.41](#)

Evaluation and Impact Assessment [p.42](#)
 Knowledge Management [p.44](#)
 R&D Actions and Partner Development [p.46](#)
 Publications [p.48](#)

OPERATIONS [p.51](#)

Business Model and Fund Development [p.52](#)
 Press and Marketing [p.53](#)
 General Administration [p.54](#)
 Risk Inventory and Analysis [p.55](#)

GRANTS AND PARTNERSHIPS OVERVIEW [p.49](#)

II. GOVERNANCE [p.57](#)

Report by the Supervisory Board [p.58](#)
 Declaration of Responsibility [p.60](#)

III. FINANCIAL REPORT [p.67](#)

Acknowledgements [p.91](#)
 Colophon [p.92](#)



HRH Princess Laurentien of the Netherlands
President, European Cultural Foundation

Imagining Another Europe

The European Cultural Foundation's work is based on the values of democracy, diversity, trust, freedom and solidarity. These values are the cornerstones of our societies and of the interdependence between countries in Europe. Underneath all of this lies the power of imagination. Imagination helps us change our perspectives. It changes our mindset from what's impossible and opens us up to new possibilities. Culture feeds and challenges our imagination. I am proud to be the President of a foundation that acknowledges culture as a resource for encouraging exactly that: imagining another Europe, another future.

Our work over the past year has shown that culture can challenge prevailing prejudices and build bridges, against all the odds. If we look, for example, at the work of visual artist Marina Naprushkina – one of the 2017 *ECF Princess Margriet Award for Culture* laureates – enabling 'old and new Berliners' to practice collaborative ways of living together, we cannot fail to be touched by this act of solidarity and humanity. Or take musician and fellow laureate Luc Mishalle, whose participatory music projects have brought together and enriched the lives of so many people – from Brussels banlieues to communities in North and West Africa. We feel humbled to see such commitment.

There are many more changemakers out there whose courage and perseverance show us that, as an individual, you can make a difference. At the European Cultural Foundation, we actively seek, support and connect those individuals, so that they can inspire even more people to step out of their comfort zone too and to take part in society, sharing their own voice and their own story.

HRH Princess Laurentien of the Netherlands
President, European Cultural Foundation



Katherine Watson
Director, European Cultural Foundation

everyday democracy
supporting changemaking ideas
fostering connections
empowering communities

Connected Action for Europe: Culture for Change

In 2017, the European Cultural Foundation launched its new four-year Strategic Plan (2017-2020) shaped by the theme *Connected Action for Europe: Culture for Change*. [Read the Strategic Plan](#)

Diversity and equality are the key drivers for our new plan in all aspects of our work, combined with our conviction that culture provides the space within which we can address fragmentation and divisions in our communities. Across Europe and our neighbouring countries, we are working together with a growing network of partners in connected and concerted actions to bring about transformational change for people and our planet.

The red thread running through the previous strategic period 2013-2016 (*Connecting Culture, Communities and Democracy*) and the current plan is: democracy needs imagination. This refers to 'everyday democracy' that is outside of politics and policymaking but has a critical influence on the way our society works. We have focused our grantmaking resources on supporting changemaking ideas early in their development, on seeding and nurturing these ideas and fostering connections between them by bringing together grantees, awarding travel grants and expanding our *Tandem Cultural Collaboration Programmes*. [Connect p.26](#)

Transformational and systemic change starts with a compelling idea that can transform a community by engaging and empowering community members. Change also requires the active participation of institutions and policymakers. The European Cultural Foundation is committed to convening people and ideas and fostering inter-local connections that can (and do!) drive systemic change. And we firmly believe our society is in urgent need of transformation. With the creativity of inViable in Madrid, we have visualised our network – an inspirational community of practice – and the powerful multiplying effect of connections. culturalfoundation.eu/connected-action

Strengthening civil society

Through our focus on culture, the European Cultural Foundation catalyses connected action across civil society. Cultural practices and processes bring people together through cultural activism – influencing urgently needed societal change. Citizen-led initiatives are the spark that is bringing about change and galvanising people around this change. *Communities of Practice Towards Social Change* (released in early 2018), for instance, highlighted case studies resulting from our *Idea Camps 2014-2017* that connected grassroots cultural experiences with aspects of policy influencing. [Connect p.20](#)

[Communities of Practice Towards Social Change](#)

The Art of Civil Action, published with Valiz publishers, investigates the experience and impact of several partners from different artistic platforms, activist groups and new forms of citizens' initiatives. [Consolidate p.48](#)

[The Art of Civil Action](#) Social scientists, cultural theorists, activists and artists explore how arts and culture can offer the building blocks for a locally rooted civil society in a globally connected context.

Supporting courageous citizens

Change demands courage and, since 2008, the European Cultural Foundation has been honouring and celebrating courageous cultural acts through our annual *ECF Princess Margriet Award for Culture*. [Communicate and Advocate p.33](#)

The theme we have chosen for the Award and all our programmes in 2018 is *Courageous Citizens*. A citizen is every person who lives in any place – village, town or city – and who is committed to contributing to that place – to its livability and its resilience. A citizen may have just arrived, they may be passing through, or they may have taken their first breath in a place. However long they may have lived there, it is the relationships with others around them and the understanding that we are interdependent beings that are both vital.

Building international networks

In June 2017, the European Cultural Foundation supported a gathering of municipalists in Barcelona called *Fearless Cities*. This is a global movement of citizen-led communities that are seeking to ensure that development keeps the needs of each and every citizen at its heart and that communities are supported in their efforts towards catalysing positive and inclusive change. [Consolidate p.44](#)

Our Foundation is an active member of both the European Foundation Centre and the EDGE Funders Alliance – Engaged Donors for Global Equity. Through EDGE we have worked in partnership with other foundations to develop and implement a participatory grantmaking fund for activists called

FundAction. The first grants for this were awarded in 2017. [Catalyse p.17](#)

In these international networks and partnerships, the European Cultural Foundation seeks to amplify the voice and engagement of civil society and to ensure that change is cross-sectoral as well as being seen through a cultural lens. By aligning and partnering with others in efforts to reach shared objectives, our resources – both human and financial – become a lever towards achieving things that are much greater than ourselves.

Moving communities

The world's citizens are inhabiting and tracing pathways across a globe that is in accelerated motion – ideas, things, people are all in endless movement. Sometimes they are willing adventurers and explorers but all too often people and families are displaced by turmoil, aggression and environmental disasters. Our society's response to the movement of people has often been lacking in compassion. Hope for a better future has sometimes been replaced by despair. Open doors have sometimes been harshly closed. Conflicts rage on and tear apart communities long after these cruelties have faded from wider media and public attention. To try and address this imbalance, *Displaced in Media* is a multi-year project supported by the *Erasmus+* programme of the European Commission with eight partners that supports mediamakers and citizen journalists in their development. The aim is to make sure their voices are heard, no matter how many hundreds of miles they may have been forced to flee from their homes. It supports new home building and new mediamakers. [Connect p.24](#)

With its focus on *Moving Communities*, the 2017 *Idea Camp* brought together 50 Idea Makers from 24 countries across Europe and its neighbouring regions, exploring and developing daring ideas to build societies with greater equality, sustainability and solidarity. [Connect p.20](#)

Prioritising safety and sustainability

Motion and travel are affecting our work too – political turmoil and unexpected and unpredictable acts of violence have compelled the European Cultural Foundation to review our own travel safety and security; new European data protection legislation will have a considerable impact on our work. Nevertheless, the safety of our team, our partners and our network is our top priority and we have implemented safety and security measures for travel and data protection. [Operations p.54](#)

The environmental sustainability of all of our travel and our desire to physically make connections that bring people together also raises thorny problems. We are continuing to investigate, encourage and support land travel, whenever possible. Technology has helped us to enable digital exchange and to encourage the greater use of virtual connections. As diversity and equality

are the key drivers of our work, we have set diversity and equality targets in all our programmatic and operational areas. While this is an on-going and long-term commitment, it all starts with clearly setting objectives, both micro and macro – and regularly assessing progress.

Looking ahead

This is the last Annual Report that I will sign as Director of the European Cultural Foundation. In 2018, I will be retiring. I have been fortunate to work with a wonderful team and an inspiring Supervisory Board, under the chairmanship of Görgün Taner, who will also complete his term as Chair in 2018. The past few years have brought valuable learning and rich experiences, some challenges and many achievements. The European Cultural Foundation has been honoured to have partnered and collaborated with many individuals, collectives, institutions and philanthropic organisations – true to the belief that it is better to 'Do it with others' than to 'Do it yourself!'.

Looking to the future, the European Cultural Foundation's legacy, work and, more importantly, the network we have built over the past 60 years and more, is needed now more than ever before in the face of the mounting challenges across Europe. In our daily news feeds we are reminded of continued conflicts in Ukraine, the war in Syria, the ever increasing movement of people, the stresses on civil society in Hungary, Poland and Turkey and challenges to freedom of expression and persistent polarisation in every European country. In the face of all this, we are inspired by the people and the networks we work with. These courageous citizens hold firm to our shared values of equality, inclusion, democracy, freedom and openness. And their courage – against all odds – is the hope to which we hold fast for the future.

Katherine Watson

Director, European Cultural Foundation



ECF Princess Margriet Award for Culture
Luc Mishalle, Fanfakids, Marockin' Brass and Remork, Amsterdam (NL), 2017



Tandem Cultural Collaboration Programmes – Final Network Meeting
Odessa (UA), 2017

independent
incubator
civil society initiatives
inclusive Europe
from grassroots to policy

About the European Cultural Foundation

The European Cultural Foundation is an independent, impact-driven organisation. We catalyse, connect and communicate civil society initiatives in arts and culture to work together for an open, democratic and inclusive Europe. We support cultural changemakers through grants, exchanges and incubator programmes. Our annual *ECF Princess Margriet Award for Culture* highlights culture as a force for positive change. We connect people to people, the local to the European and the grassroots-level to policymakers.

The Foundation was established in Geneva in 1954 by Swiss philosopher Denis de Rougemont, the architect of the European Community Robert Schuman and HRH Prince Bernhard of the Netherlands, among others.

Our vision

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

Our mission

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

Our goals

We believe in nurturing the growth of new visions of Europe that are the result of bottom-up action and creativity, and that provide a cultural response to

the fragmentation of Europe. We believe it is crucial to:

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

Governance and organisational structure

We work with a broad range of partners in the Netherlands and across Europe and the world. Our core partner, the Prins Bernhard Cultuurfonds – one of the largest cultural foundations in the Netherlands – supports thousands of cultural and educational initiatives annually. Our ongoing collaboration was initiated in the 1960s by HRH Prince Bernhard of the Netherlands, enhancing the commitment that both foundations share in the crucial role that culture plays in community well-being, resilience and cohesion. Thanks to this partnership, the European Cultural Foundation receives an annual financial contribution from the BankGiro Loterij and the Lotto/Staatsloterij.

The European Cultural Foundation has ANBI ('Algemeen Nut Beogende Instelling') status, meaning that the Foundation is recognised by its objective to improve the well-being of the general public. Since July 2014 we have also held the CBF 'Centraal Bureau Fondsenwerving/Central Bureau for Fundraising organisations' keurmerk (seal of approval).

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

We make a clear distinction between management, supervision and execution of activities. While the Director has managerial responsibilities, the Supervisory Board oversees the proper execution of these responsibilities. The carrying out of day-to-day tasks is performed by our employees. The Director is appointed and supervised by the Supervisory Board. Two senior staff members (Head, Business Development and Outreach and Head, Advocacy and Research & Development), along with the Director, form the Strategic Team – which is responsible for guiding and overseeing the Strategic Plan. Programme Managers oversee specific programme areas,

functions and teams. Each Programme Manager reports to one member of the Strategic Team. The work of the teams is coordinated and connected through the Management Team. [Read the Declaration of Responsibility p.60](#)

Communication with stakeholders and relationship management

We have a wide and diverse group of stakeholders and civil society partners. In order to realise our goals, our communication needs to be accessible to a wide audience, reaching diverse groups in society, and including those who would otherwise be excluded from discourse. We must engage in dialogue in order to fight fragmentation. Our target audiences include: active citizens, cultural agents, cultural activists, media, policymakers and philanthropists. We use different offline and online communication channels with a focus on storytelling, knowledge sharing and maintaining a strong social media presence. On the other side, we continuously invest in relationship management and fund development activities. [Operations p.54](#)

The Foundation is working hard to achieve full compliance with the General Data Protection Regulation of the European Union, which came into force as of 25 May 2018.

How we evaluate

Impact assessment and evaluation is an important aspect of the European Cultural Foundation's work and is carried out by our Research & Development team. We apply different internal and external evaluation methods and tools to our programmes to take stock of our achievements, to learn from our experience, to share knowledge within and beyond the European Cultural Foundation, and to inform our decisions and strategies going forward. Evaluation results demonstrate to our donors and partners how we achieve our goals. Before launching any new programme, we conduct feasibility studies, mappings or exploratory reflection groups with stakeholders from the countries and topical areas we plan to address. The aim of these activities is to analyse the contexts and identify the needs and the urgencies on which we would focus the future programme's objectives and activities. Ongoing monitoring and evaluation helps us to adjust our multiannual programmes and tools towards stronger outcomes and impact. [Consolidate p.42](#)

Financial policy

We are a hybrid organisation: we have our own funds and we undertake fundraising. One of our financial aims is to cover our overhead costs with the income generated through the investment of our own funds.

[Financial Report p.67](#)

We have outlined our investment policy in the ‘Statement of Investment Principles’, which is a Supervisory Board approved investment strategy that is reviewed every three years. In that strategy, a defensive character and a careful assessment of risk and yield are paramount. We have a reserve in the form of a securities portfolio, which is externally managed by Wealth Management Partners. It is used as a buffer in case of financial emergency as well as to ensure financial stability. The goal is to cover all overhead costs with income generated from investing the reserve. Any surplus as a result of lower expenditure than income is temporarily added to our reserve and is then used for purpose-related activities in the following year(s). In pursuing our ambition and commitment to be a foundation fit for the 21st century, we are working on a new business model to achieve mixed income streams, ready to grow over the coming years. [Operations p. 52](#)

Our organisation and our way of working will change and evolve accordingly, addressing other sources of income that complement and augment our existing and expected Lottery income, fundraising and return on investment. Our model will include more long-term philanthropic partnerships; business tools for service provision; private and/or public partnerships; and experimental or alternate tools like crowd- and match-funding. This mixed model of diverse sources of income reflects our hybrid identity as an impact driven foundation that combines grantmaking with programme and advocacy work.

Potential threats

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

[Operations p. 55](#)

- The European Cultural Foundation is highly dependent on a single source of income that can vary annually. Through the Prins Bernhard Cultuurfonds, we are guaranteed to receive income from BankGiro Loterij and Lotto/ Staatsloterij until 2032, when the contract between the lotteries and the Prins Bernhard Cultuurfonds will expire. [Financial Report p. 67](#)
- The Ministry of Justice of the Netherlands has decided to permit new online gambling. This may affect the level of Lottery funding received by the European Cultural Foundation in future.
- A fast-changing European context urges us to engage proactively with the current political/cultural climate and realities in order to achieve our goals.
- Data protection and data loss are a potential risk for the Foundation. We have put an Information Security Policy in place to guarantee the availability, integrity and confidentiality of critical information systems.

We need this to maintain a credible and reliable working environment.

- The political environment in which the European Cultural Foundation operates could lead to safety, communications and reputational concerns for individuals related to our work. We have introduced a Travel Safety Policy and formed a Crisis Management Team.

Outlook

In our Strategic Plan (2017-2020), we explicitly recognise and actively promote diversity. It is implicit in our purpose and vision, and is discernible as a core priority, a key value and a tangible goal. By making diversity and equality so central to our work, we are taking more determined measures to genuinely live up to our vision of an inclusive and open Europe. For the coming strategic period, we will invest in diversity in all aspects of our work through:

- our language and communication (discourse): as primarily expressed through the accessibility of our criteria and guidelines;
- our networks: by proactively reaching out to new, under-represented groups or other constituencies that are unfamiliar with or not currently included in our work;
- our representation: in terms of staff, Supervisory Board and advisors;
- our attitude: towards values and beliefs that are shaping Europe as inclusive, open, democratic and in solidarity.

In line with our four-year Strategic Plan *Connected Action for Europe: Culture for Change*, our 2018 theme – *Courageous Citizens* – will focus on individuals, collectives and organisations whose energy and courage help to cultivate our home in Europe. [Read the Strategic Plan](#)

I. ACTIVITIES REPORT

CATALYSE

The European Cultural Foundation catalyses: seeding and supporting local change through open grant schemes. We are committed to working with philanthropic partners to design and implement alternative and participatory grantmaking processes – enabling cultural practitioners to express themselves on contemporary challenges in Europe.

Over the next few pages, you can read about the exciting steps our Grants programme has taken over the last 12 months to support artists and cultural activists throughout Europe. From our relaunched *STEP* travel grant scheme to *FundAction* – a new participatory platform for progressive activism in Europe – our grants are taking significant steps towards catalysing change across Europe and beyond.

Grants [p.11](#)

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

STEP Travel Grants [p.13](#)

FundAction [p.17](#)

Balkans Arts and Culture Fund [p.17](#)





R&D grantees at the Idea Camp 2017
Madrid (ES), 2017

open calls
participatory grantmaking
across borders
impact on society

Grants

The European Cultural Foundation offers open calls for grants as well as providing grants to partners through limited calls, or by invitation. The total amount distributed to third parties in 2017 through our grants and other programmes was €1,940,254. [Grants and Partnerships Overview p.49](#) We believe that passionate and creative individuals can make a huge impact on society, especially if their actions serve or involve their wider community. One inspirational idea can sow many seeds and grow into something extraordinary. Exchanging ideas – working and learning together and getting to know each other better across borders – is essential for these seeds to flourish. With this in mind, we have designed a Grants programme that focuses on individuals who care about their communities and the world around them – people who want to change society for the better. culturalfoundation.eu/grants-exchange

In 2017, our Grants programme included a broad spectrum of opportunities:

- the Research & Development grant scheme, which supported 25 ideas that were part of the *Idea Camp* and creatively contributed to the topic of *Moving Communities*; [Connect p.20](#)
- the *STEP* travel grant scheme, which changed its guidelines to allow intra-EU travel and to encourage environmentally friendly transport;
- our two regional partnership funds – the Balkans Arts and Culture Fund (BAC) and German Marshall Fund for Belarus – which continued their support for projects in the Western Balkans and Belarus respectively;
- together with the Open Society Initiative for Europe (OSIFE), Guerilla Foundation and the Charles Léopold Mayer Foundation, we engaged in a whole new programme: *FundAction* (Participatory Fund for Activists). Contributing to other funds is an effective way to lever our limited financial resources and to align with other grantors in reaching shared objectives. In 2017, the European Cultural Foundation also committed to the Funds for Democracy and Solidarity, through the Network of European Foundations (NEF) and the Arab Cultural Policy Action Fund (Al Mawred Al Thaqafy).

positive change
funding innovative ideas
local, regional and European
training and residencies

Research & Development Grants

Our Research & Development grants provide seed money that offers the opportunity to explore new and daring concepts, supporting people and their ideas using creativity and cultural methods for positive change at a local, regional and/or European level. We actively support knowledge development through opportunities to network, finding new partners for collaboration, sharing tools for developing their ideas and taking part in training and residencies. Since 2014, we have launched open calls to submit innovative ideas that address Europe-wide issues related to the thematic thread of our *Idea Camps*. culturalfoundation.eu/rd-grants

In 2017, the R&D grants centred on *Moving Communities* and supported the research and development of ideas that give Europe solidarity and openness, shaped and nurtured by people. ‘Moving’ referred to both people in movement from community to community, but also a call to action for communities to ‘move’ – or mobilise. We awarded 25 R&D grants in 18 countries throughout wider Europe.

These ideas included working with social housing residents in Lisbon to improve their living environment; skilling up a group of women studying technology in Albania; starting up a biscuit shop café run by a group of young women with special needs in Cairo; and running a volunteer programme hosting international guests in a refugee camp in Palestine to exchange knowledge and build awareness of refugee rights and challenges. What these ideas have in common is that, through working with people, they can make a positive change in our societies. culturalfoundation.eu/library/rd-grantees-2017

Often the delivery of the idea changes through the research and development process, which can make the outcomes more impactful. Most of our grantees learn skills such as tackling media representation and promotion,

starting on mid-term business plan research and thinking about sustainability, as well as learning where to advocate on behalf of their idea. Some create jobs and new commissions, all with the overarching aim of catalysing cultural change.

In 2017, we collaborated with *ECF Princess Margriet Award for Culture* laureate Medialab Prado and *Connected Action for the Commons* partner Subtopia to extend the residency programme. Grantees were given the opportunity to apply for further business development support at Subtopia and collaborative community learning at Medialab Prado.

We continued our partnership with Pakhuis de Zwijger in Amsterdam (NL) following on from the New Democracy series in 2016, co-designing debate nights with participation from our grantees. The audience attending these events was diverse and always interested in the international stories and experiences of our grantees. This experience helped our grantees to build their international network and profile.

During 2017, other outcomes have percolated up from work that took place in previous years but gained in scale after that initial funding. For example, the idea that we supported in 2014-2015 in the city of Solin (HR), which brought together architectural students and urban planners with the community to think about the revitalisation of a disused quarry to become a public space for recreation and culture has recently received an EU grant of €3.3 million. What started as an idea became a fully-fledged project after participating in the *Idea Camp* of 2014 and has since been realised in the context of a significant EU partnership. The projects we have funded often have a broad impact in their communities, sometimes reaching thousands of people.

Throughout the year, we highlighted the stories and outcomes of the grantees through our ECF Instagram take-overs and in interviews published on our website. [instagram.com/europeanculturalfoundation](https://www.instagram.com/europeanculturalfoundation)



Creative Climate Leadership Network
Koper (SI), 2017

mobility funding
wider Europe
changing socio-political realities
sustainable travel
210 STEP travel grantees

STEP Travel Grants

2017 marked an exciting first year of the European Cultural Foundation's renewed mobility funding scheme. In February, the *STEP* travel grants programme was relaunched with new guidelines. More desire for grantee diversity, collaboration between neighbouring countries (especially in Southern and Eastern Europe), environmental awareness and better responsiveness to changing socio-political realities in the wider European area were the driving factors behind this overhaul. We also aligned the programme better internally to reflect our new four-year strategic focus. ecflabs.org/step-travel-grants

The biggest concrete changes were accepting intra-EU travel; allowing older and more established artists to apply for funding; increasing grants for train and bus travel; and making the depth of collaboration and community engagement a stronger selection criterion. The programme's name was also changed from *STEP Beyond* to simply '*STEP*', which now stands for 'Supporting Travel for Engaged Partnerships'.

This year we also broadened our strategic and financial partnerships for *STEP*. We joined the *On the Move* network and the *Creative Climate Leadership* alumni network initiated by Julie's Bicycle. Last but not least, the European Cultural Foundation entered into a three-year partnership with Compagnia di San Paolo (IT) consisting of an annual contribution of €50,000 over the course of three years to continue and extend our mobility scheme.

STEP Travel Grants

Facts and Figures

449 people

applied for a *STEP* travel grant (ranging in sums from €250 to €600).

210 applications

were granted, making the success rate 46.8% in 2017.

768,423 km

travelled by *STEP* grantees in total (for 204 realised trips).

702,079 km by airplane

51,660 km by train

11,800 km by car(sharing)

2,884 km by coach

In 2017 we started using the Industry Green (IG) Tools developed by Julie's Bicycle for the cultural field and creative industries. Based on that, the calculated carbon footprint of the *STEP* grantees in total is 19,527 tonnes CO².

We intend to bring our footprint down in the coming year and will therefore actively work on supporting travel over land. Even though the vast majority of *STEP* travel still happens by air, an increasing number of *STEP* grantees choose to travel more slowly, even over long distances.

To reach an even wider and more diverse audience, in 2017 *STEP* ran an online promotion campaign with digital postcards translated into dozens of languages spoken in our geographical area. We also handed out paper postcards at events to attract new and different audiences. [STEP digital postcards](#)



Travelling to Thessaloniki (GR)
STEP travel grants, Bo Choy, 2017

STEP Travel Grants – Destination Countries

Where are the grantees travelling to?



Total amount of travels
210

STEP Travel Grants – Project Examples



Rachael Champion travelled from London (UK) to the Turraun Wetlands of Lough Boora (IE)

Carbon Flux is a site-specific installation that responds to the shifting nature of the regenerated peat bogs in the Irish Midlands. On the threshold between industry and conservation, *Carbon Flux* takes inspiration from the history of industrialised peat extraction and the current role of climate science in these remarkable landscapes.



Christoforos Botsis travelled from Athens (GR) to Yerevan (AM)

“My stay in Armenia has been essential in the development of my practice. During my stay I have made useful connections and established friendships that will enable me to return to Armenia in the near future. I feel the benefit has definitely been reciprocal, as these connections are an investment for the improvement of Armenian and Greek cultural relations.”



Paola Galassi travelled from Milan (IT) to Amsterdam (NL)

“The most important thing I experienced during this workshop was that I felt less isolated as a social-artist operator. I found an organisation that reflects my educational model in the way they put kindness and compassion at the heart of their mission – not only towards refugees, but in every relationship with every living creature.”



Abdullah Alkafri travelled from Beirut (LB) to Saint-Nazaire (FR)

“Train him up for me is a dance project that examines the construction of the Arabic male body – a body that is under pressure from religious constraints and the weight of tradition. I was impressed by the professional welcome and well equipped dance studio where we were working. Being able to work in a such creative place was a great opportunity for me and the whole team of this project.”



inclusive forms of grantmaking
participatory approach
progressive activism
four foundations

FundAction

As a progressive foundation, we acknowledge the need to adopt the same standards of participation as we are asking of other institutions. Therefore we began to investigate and experiment with more inclusive forms of grantmaking in 2017. Participatory grantmaking seeks to involve those who are directly affected by the issues – the people supported by the funds – in decisionmaking about funding distributed.

FundAction was born out of conversations between activists and funders on several occasions. At the EDGE Funders Alliance European Retreat in 2016, four foundations (Open Society Initiative for Europe, European Cultural Foundation, Charles Léopold Mayer Foundation and Guerrilla Foundation) decided to pool funding. They convened more than 30 activists from their networks at a gathering in Seville at the end of 2016. As a result, the establishment of a participatory platform for progressive activism in Europe was proposed. fundaction.eu

The first Facilitation Group was established in May 2017, mandated by the larger group of funders and activists. The group currently consists of seven activists with diverse backgrounds and two funders' representatives, including the European Cultural Foundation.

independent cultural scene
Western Balkans
culture and arts
13 grantees

Balkans Arts and Culture Fund

Launched in 2013, the Balkans Arts and Culture Fund (BAC) promotes the independent cultural scene in the Western Balkans by providing support to socially relevant projects in the field of culture and arts, and by encouraging the participation and capacity building of cultural workers.

In 2017, BAC entered its final year, monitoring the final 13 grantees supported under this scheme. Since January 2017, BAC has fallen under the supervision of the European Cultural Foundation and, with the help of a dedicated team in the region, we were able to assess and assist our BAC grantees with finalising their contracts, some of which have been granted an extension until 2018.

I. ACTIVITIES REPORT

CONNECT

The European Cultural Foundation connects and convenes changemakers, facilitating collective action for Europe. We co-develop and exchange expertise and engage local communities through the work we do. We support cultural changemakers and their projects through our exchange programmes. Together, we are bringing new inspiring ideas to diverse audiences across Europe and neighbouring countries.

In this section, you can find out how we have been connecting diverse people across Europe through our *Connected Action for the Commons* programme and through other initiatives including our *Tandem* programmes for cultural leaders, our *Global Cultural Leadership Programme* and our *Displaced in Media* project, which helps young refugees to make their voices heard through the media.

Connected Action for the Commons [p.19](#)

Displaced in Media [p.24](#)

Tandem Cultural Collaboration Programmes [p.26](#)

Global Cultural Leadership Programme [p.31](#)



Idea development session at the Idea Camp
Madrid (ES), 2017

communities of practice
fora for knowledge exchange
civil society movement
Idea Camp Madrid

Connected Action for the Commons

2017 marked the last year of the *Connected Action for the Commons*, a four-year network and action-research programme through which the European Cultural Foundation has supported and worked with six hubs from across Europe: Culture 2 Commons (HR), Krytyka Polityczna (PL), Les Têtes de l'Art (FR), Oberliht (MD), Platoniq (ES), Subtopia (SE).

politicalcritique.org/connected-action

After intense cooperation under the previous four-year theme *Connecting Culture, Communities and Democracy*, we saw many new initiatives developed, advocacy actions undertaken and an impressive amount of knowledge exchanged. One of the key elements of this programme was the *Idea Camp*, a three-day incubator workshop for some of the most creative and adventurous ideas from across Europe and neighbouring countries.

culturalfoundation.eu/idea-camp

All of the elements of the *Connected Action for the Commons* programme, including the *Idea Camp* and the *Innovative City Development Meeting*, contributed to the creation of a connected, engaged and well-informed civil society movement. Evidence of this is to be found in the pilot visualisation tool that we developed together with the Spanish organisation inViable, the evaluation of the *Idea Camp* and the follow-up actions among both hubs and Research & Development grantees. These success factors have influenced the European Cultural Foundation's decision to continue working in our next strategic period on convening civil society in dedicated fora for knowledge exchange. culturalfoundation.eu/connected-action

Idea Camp 2017 – Moving Communities

The 2017 *Idea Camp* followed an open call for ideas to build societies with greater equality, sustainability and solidarity, and a stronger sense of social justice. The call focused on communities on the move, communities in flux and also on the power of people to ‘move’ their communities through progressive and creative ideas. This call was launched in Summer 2016 and attracted 632 applicants from 54 countries, especially from the Middle East and North Africa (MENA) region. After the selection process, 50 Idea Makers from 24 countries were invited to take part in the 2017 *Idea Camp*. culturalfoundation.eu/idea-camp-2017

The *Idea Camp – Moving Communities* took place in Madrid from 3-5 March 2017, and was co-produced by the European Cultural Foundation with Platonic and the City of Madrid. The programme was developed in close collaboration with the six *Connected Action for the Commons* hubs, and aimed to:

- develop a series of activities that would be interlinked and complementary;
- develop a methodology tackling and challenging the key tenets of the ideas;
- create a meaningful experience connecting Madrid’s local fabric and initiatives with projects from across Europe.

Over the course of the three-day programme, the 50 Idea Makers were given a methodology in six steps, which allowed them to refine their ideas.

Moving Communities methodology

While the core of the scenario largely drew on the *Ideas on Wheels* methodology implemented in the two previous editions of the *Idea Camp*, the *Moving Communities* methodology had an additional digital component: the Roadbook. The Roadbook was an online tool that allowed participants to share their profile and ideas, and document the development of their ideas during and after the *Idea Camp*. The methodology sessions were facilitated by a group of international experts from a variety of fields such as (digital) culture, media, architecture and design, and in collaboration with representatives from the hubs. roadbook.ideacamp2017.eu

In addition to the methodology sessions, participants took part in topical group discussions, workshops, and a peer-to-peer meeting with a number of local grassroots organisations. They also had the opportunity to meet with the participants of the *Innovative City Development Meeting*.

“This unique three-day event was an immersive experience about communities on the move, communities in flux, identities and stories moving borders. It was also about belonging and citizenship – and the ways in which people build communities through progressive and creative action.

In a time of global panic with economic and political crisis everywhere, I was inspired by how these projects are attempting to explore creative, communal and inclusive ways we can live together and it was a delight for me to help them on their projects. Wherever these fantastic people came from, all of them are engaged in using culture as means to resist, change and inform.”

Ismail Einashe

Journalist and facilitator at the Idea Camp 2017

Participants discuss Step 5 (Bold visions) of the *Moving Communities* methodology during the *Idea Camp*.

culturalfoundation.eu/idea-camp-2017



Idea Camp
Madrid (ES), 2017

The Innovative City Development Meeting

More and more people are collaborating and working together across different sectors and on different projects to help make their cities a better place for local residents to live. Increasingly, institutions such as governments, schools, healthcare services, cultural spaces and environmental agencies are involving local people in decisionmaking when it comes to issues affecting their neighbourhoods and cities. In conjunction with the *Idea Camp* in Madrid, the European Cultural Foundation and the hubs of the *Connected Action for the Commons* programme organised the *Innovative City Development Meeting*: a two-day meeting bringing together a group of city makers to explore the concerns and challenges they face when working with local people in their cities – participants came from Coruña, Barcelona and Madrid (ES), Stockholm (SE), Chişinău (MD), Naples (IT), Warsaw (PL) and Rijeka (HR). The insights and learning gathered during the meeting were compiled in a report *Co-making the City: Ideas from the Innovative City Development Meeting* published in July 2017. [Read the ECF Report](#)

The city makers also connected with the Idea Makers and helped cross-pollination of knowledge and experience between both groups. Some of the city makers have re-connected in Utrecht at the *XVI Biennial IASC Conference* (10-14 July 2017), where they presented cases of changing city policies and practices in different wider European contexts.

What happens next?

Following the *Idea Camp* in Madrid, 25 Idea Makers were awarded a Research & Development grant to develop their ideas further. [Catalyse p.12 R&D grantees](#)

In order to reflect on the three editions of the *Idea Camp* organised between 2014-2017, the European Cultural Foundation and one of its programme hubs, Krytyka Polityczna, also published *Communities of Practice Towards Social Change: A journey through the Idea Camp (2014-2017)*. This publication offers insights into both the *Idea Camp* as a concept and the communities it brought together. It also delves into trends, themes, issues and strategies evident through the different ideas discussed and developed over the three editions of the *Idea Camps*. [ECF Books](#)

The 2017 edition was the last *Idea Camp* organised within the framework of the *Connected Action for the Commons* programme. Four years of close collaboration with the hubs have led to a number of concrete initiatives that will be built upon over the coming years:

- Subtopia, Oberliht and Krytyka Polityczna have launched *RESIDE – Action for Neglected Neighbourhoods*: a project supported by the Swedish Institute that aims to map challenges for urban geographies with a social and cultural deficit.

- The European Cultural Foundation, Charles Léopold Mayer Foundation, Open Society Initiative for Europe and Guerilla Foundation have supported the development of *FundAction*, a participatory funding platform by and for activists in Europe, developed with activists in Europe, including the *Connected Action for the Commons* hubs. [fundaction.eu](#)
- Krytyka Polityczna, ZEMOS98 and the European Cultural Foundation successfully applied for a Creative Europe grant with *Culture for Solidarity*: an artistic investigation into the root causes of fragmentation in Europe.
- The European Cultural Foundation and Les Têtes de l'Art were among the organisations that set up the strategic partnership *Displaced in Media*. [Connect p.24](#)

Online convening

In our programmes we support online convening across our networks of grantees and other stakeholders. In order to align different platforms, the European Cultural Foundation's digital strategy has been evolving around connecting different media and online networks. For more information on our digital strategy, see the Knowledge Management section of this report.

[Consolidate p.45](#)

Idea Camp

Facts and Figures

632 applications from 54 countries

40% of these applications

came from the Middle East and North Africa (MENA) region.

50 Idea Makers from 24 countries were selected:

Albania, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Egypt, Finland, France, Germany, Greece, Hungary, Ireland, Lebanon, The Netherlands, Palestinian Territories, Portugal, Russia, Slovenia, Spain, Sweden, Tunisia, Turkey, United Kingdom.

25 Idea Makers

were awarded a Research & Development grant by the European Cultural Foundation.

Over 15 local organisations

were involved in the programme of the *Idea Camp* in Madrid (ES).

More than 95% of the Idea Makers

mentioned that they would use what they learned at the *Idea Camp* to improve their organisations and work back home.

97% of the Idea Makers

expressed their satisfaction with their experience at the *Idea Camp* as 'good'.

The *Idea Camp* was reviewed in national newspapers such as *El Pais* and *The Guardian*, and was featured on national Spanish TV, as part of the programme *La2Noticias*. [Idea Camp Media Coverage](#)



Idea Maker and R&D grantee Natasha A. Kelly at the Idea Camp
Madrid (ES), 2017

refugee participation
collaborative infrastructure
knowledge sharing
inclusive media

Displaced in Media

If refugees and migrants are to become citizens of Europe, we believe they need to be participants in – rather than being subjects of – public debate. *Displaced in Media* is a two-year project that contributes to an innovative and collaborative infrastructure in Europe that supports refugee participation through the media. culturalfoundation.eu/pilot-programmes

A *Displaced in Media* training session took place between 27 March and 2 April 2017 in Amsterdam at Ondertussen Foundation involving 38 people. The group consisted of the project partners and invited participants from their networks, including refugees from a wide variety of backgrounds, journalists, filmmakers, media educators, social workers and refugee caseworkers. The aim was to initiate the development of a community of practice, in which strategies and methodologies that foster more inclusive media are exchanged.

Participants experienced transformation in their attitudes towards journalists' work, and gained a new awareness of different approaches and perceptions to their knowledge and practice. The motivation to use the learnings in the next project steps (and generally in the future) is a predominant trend among all participants, along with their willingness to stay connected as a group, and to share tools, knowledge, skills, audiences and so on. Most of the participants have also developed specific collaborative pathways for the coming months to realise their activities and projects.

Displaced in Media has contributed to more inclusive media by launching a two-year partnership between nine organisations working on media education with migrants, organising international training with more than 30 participants and developing a 'cookbook' with recipes for more inclusive media. These recipes and the media works that are in production will lead to increased public awareness about the perspectives of young refugees and migrants. A publication for media (education) professionals and policymakers is in development.



Audiovisual Source Code by Moha Gerehou at the Displaced in Media event
Seville (ES), 2017

Displaced in Media

Facts and Figures

Over 70 young people

with refugee backgrounds have been involved in local activities.

Over 30 people

have been engaged in conversations on the ECF Labs and other online platforms.

38 people

have taken part in training in Amsterdam (NL).

90%

of these participants agreed that the training contributed to their personal and professional development.

“Knowing more about the context of inclusive media was very important to know how to deal with the media landscape in the Netherlands and in Europe.”

“We are already processing what we learned to produce something useful for the local context without losing the broader scale.”

Displaced in Media training participants, 2017



Displaced in Media training
Amsterdam (NL), 2017



Tandem Europe – Final Meeting
Athens (GR), 2017

transnational exchange
across Europe
neighbouring regions
social innovation
six Tandem programmes

Tandem Cultural Collaboration Programmes

The *Tandem Cultural Collaboration Programmes* work with a transnational exchange, networking, learning and professional development method that – since 2011 – has been connecting cultural initiatives across Europe and its neighbouring regions with the aim of strengthening civil society.

tandemforculture.org

The *Tandem* approach connects, professionalises and inspires cultural managers by supporting knowledge-sharing and gaining hands-on experience in working across geographical and cultural borders. *Tandem* is jointly developed and implemented by the European Cultural Foundation and our core partner MitOst (DE), as well as by local partners Anadolu Kültür (TR), Al Mawred Al Thaqafi – Cultural Resource (LB), COMM'ON (GR), Ideas Factory (BG) and 4iS (PT).

Following the successful first round of the *Tandem Europe* programme, and with the continuous commitment and support of co-funding partners, the second round introduced several new elements. This included opening the programme up to the participation of public institutions and administration as well as civil society actors that are not primarily working in the field of arts and culture and extending eligibility beyond the 28 EU Member States to organisations based in Albania, Bosnia-Herzegovina, Iceland, Kosovo, Macedonia, Montenegro, Norway, Serbia and Switzerland.

The European Cultural Foundation and MitOst also decided to share and distribute programme implementation with three organisations that were part of the first *Tandem Europe* edition and represented different geographies, sectors and interests: 4iS, COMM'ON and Ideas Factory. Through this collaboration, we aim to improve our social innovation curriculum, intensify

our participant-led approach, extend our network and test a potential growth model for the *Tandem* methodology.

2017 also saw the start of a new addition to the *Tandem* programmes – a special *Tandem* edition, developed in collaboration with and implemented in the framework of Leeuwarden-Fryslân European Capital of Culture 2018 (LF2018): *Tandem Fryslân*. With ‘iepen mienskip’ (Frisian for ‘open community’) as a central theme, LF2018 focuses on cultural interventions that can encourage new approaches to the challenges faced by this rural region of the Netherlands. *Tandem Fryslân* will facilitate the exchange of similar experiences across wider Europe. The programme stimulates the search for innovative solutions, by building long-term collaborations between cultural actors working in Fryslân and other regions across wider Europe. We are delighted that Rijeka European Capital of Culture 2020 (Rijeka 2020) also joined the partner consortium of *Tandem Fryslân* in 2017, facilitating exchange and capacity building for initiatives from Rijeka and the surrounding region.

In 2017, *Tandem* built on continued partnerships from: Stiftung Mercator (DE); Robert Bosch Stiftung (DE); German Federal Foreign Office (DE); British Council (UK); Fonds voor Cultuurparticipatie (NL); Stichting Doen (NL); Mimeta (NO); Fondazione Cariplo (IT) and the Stavros Niarchos Foundation (GR). New partnerships were created with Leeuwarden-Fryslân European Capital of Culture 2018 and Rijeka Capital of Culture 2018.

Project Example: The Honorary Hotel

The Honorary Hotel – a mobile toolkit for newcomers is a project resulting from the Tandem collaboration of Inga Gerner Nielsen (Performance and Film Production in Vendyssel –Tversted, DK) and Ariane Jedlitschka (Helden wider Willen e.V. in Leipzig, DE), during *Tandem Europe – Social Innovation I*. tandemforculture.org/stories/build-your-community

The Honorary Hotel is a house located in Leipzig where local artists open their doors to facilitate encounters between the local cultural community, residents of the region and newcomers. Inspired by *Tandem* methods and tools, Inge and Ariane created a new way to help build communities and foster meetings and relationships between the many different people who live close to the Honorary Hotel: Circle of Trust. Watch the video on the right.



The Honorary Hotel: Circle of Trust
Tandem Europe – Final Meeting, Athens (GR), 2017

During the Partner Forum, the selected participants are introduced to each other and to the *Tandem* methodology.

tandemforculture.org



Tandem Fryslân – Partner Forum
Terschelling (NL), 2017

Tandem Cultural Collaboration Programmes

Facts and Figures

6 Tandem programmes:

- *Tandem Europe – Social Innovation I (2015-2017)*: 15 Tandems/30 participants
- *Tandem Europe – Social Innovation II (2017-2019)*: 12 Tandems/24 participants
- *Tandem Shaml IV*: 9 Tandems/18 participants
- *Tandem Ukraine III*: 11 Tandems/23 participants
- *Tandem Community & Participation III*: 5 Tandems/10 participants
- *Tandem Turkey IV*: 9 Tandems/18 participants
- *Tandem Fryslân*: 7 Tandems/14 participants

68 tandems involving 138 participants

Among them, 15 tandems of the first edition of *Tandem Europe – Social Innovation (2015-2017)*, a tailor-made strand for people who work on creative solutions that make social innovation possible across Europe.

9 Tandem Meetings including 2 Partner Forums

took place in different locations in wider Europe.

1 Tandem Network Meeting

Participants from 3 *Tandem* programmes – *Tandem Turkey*, *Tandem Ukraine* and *Tandem Shaml* –, alumni and the team came together for the Network Meeting from 23-27 September 2017 in Odessa (UA).



Tandem Cultural Collaboration Programmes – Final Network Meeting
Odessa (UA), 2017

Tandem Cultural Collaboration Programmes 2017

Tandem Europe – Social Innovation I
(2015-2017)
15 Tandems/30 participants

Tandem Europe – Social Innovation II
(2017-2019)
12 Tandems/24 participants

Tandem Shaml IV
9 Tandems/18 participants

Tandem Ukraine III
11 Tandems/23 participants

Tandem Community & Participation III
5 Tandems/10 participants

Tandem Turkey IV
9 Tandems/19 participants

Tandem Fryslân
7 Tandems/14 participants

68 Tandems/138 participants





Philipp Dietachmair (ECF), speaking at the Global Cultural Leadership Programme
Athens (GR), 2017

long-term agenda
strategic role of culture
pilot actions
Cultural Diplomacy Platform

Global Cultural Leadership Programme

One of the European Cultural Foundation's long-term agendas for influencing European policymaking has been to advocate for the strategic role of cultural collaboration in the European Union's relations with the rest of the world. Since 2016, the newly established *EU Cultural Diplomacy Platform* has been running a number of new policy initiatives and pilot actions in this field.

The European Cultural Foundation is a founding partner of this international cultural policy platform and contributes with curriculum design and delivery of the annual *Global Cultural Leadership Programme* (GCLP).

[Communicate p.39 Global Cultural Leadership Programme](#)

In 2017, another 30 colleagues from the ten Strategic Partners of the EU (Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, South Korea and the United States of America) and 10 colleagues from different EU countries took part in this intensive six-day learning and networking programme for developing leadership in international cultural relations. After concluding the very well received GCLP 2017 programme in Athens, the *EU Cultural Diplomacy Platform* has renewed its partnership with the European Cultural Foundation for two more editions of our first global partnership programme in 2018 and 2019.

I. ACTIVITIES REPORT

COMMUNICATE AND ADVOCATE

The European Cultural Foundation communicates: keeping culture at the heart of European public debate and decisionmaking through awards, celebration and advocacy actions.

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

ECF Princess Margriet Award for Culture [p.33](#)

Peace Through Culture [p.37](#)

Advocacy and Policy Influencing [p.38](#)

Strategic Partnerships [p.40](#)





ECF Princess Margriet Award for Culture

HRH Princess Margriet and HRH Princess Laurentien of the Netherlands, Amsterdam (NL), 2017

culture as critical space
grassroots initiatives
cultural changemakers
four laureates

ECF Princess Margriet Award for Culture

Through the annual *ECF Princess Margriet Award for Culture*, the European Cultural Foundation celebrates grassroots cultural initiatives that unlock change through culture and in doing so, offer a vision of culture as a critical space to share and contribute to our collective future.

culturalfoundation.eu/pma

The *ECF Princess Margriet Award for Culture* is awarded to artists and thinkers who inspire change in the way people shape societies – pioneers who are contributing to a more open and democratic Europe through culture. Through this award, we seek to highlight these stellar examples and put them in the spotlight as an inspiration – underlining the belief that artistic and cultural engagement form an integral part of political and social change.

The 2017 award was presented exceptionally to four laureates during the festive ceremony on 9 May (Europe Day) at the Paradiso, Amsterdam. The European Cultural Foundation decided to make a bold statement to support the power of culture, by awarding these four laureates (compared to two laureates in previous years) a prize of €20,000 each.

Writer Aslı Erdoğan (TR), writer and scholar Navid Kermani (DE), musician Luc Mishalle (BE) and visual artist Marina Naprushkina (DE) received their award before an international audience of 560 guests. Writer and editor Timour Muhidine received the award on behalf of Aslı Erdoğan, who was unable to leave Turkey at the time of the award ceremony.

The *ECF Princess Margriet Award for Culture* honours inspiring examples of people and organisations who, with courage and creative power, imagine new paths for Europe.

culturalfoundation.eu/pma



ECF Princess Margriet Award for Culture
Amsterdam (NL), 2017

The Award's impact

A follow up survey of attendees at the 2017 award ceremony in Amsterdam found that the majority of participants were truly positive about the contents and the issues raised by the laureates – their films and presentations.

This year we also carried out an evaluation amongst laureates of the past nine years. They valued the unconditional award money and the international recognition and European platform that the European Cultural Foundation offered. The collaboration with us and our networks were also much appreciated. Laureates expressed a desire for the European Cultural Foundation to develop cooperation with them over the longer term and to expand side events alongside the award ceremony to take place in different locations.

“I’ve always seen democracy as a myth, but a beautiful myth. Myth in the past meant truth, mythology told us the truth. In the 20th century, myth acquired the meaning it has today, that it is something unreachable. We have lost contact with the word.

So, democracy is something that must be built every day. It is not a black and white border line.”

Aslı Erdoğan

ECF Princess Margriet Award for Culture laureate, 2017



Aslı Erdoğan (TR)



Navid Kermani (DE)



Luc Mishalle (BE)



Marina Naprushkina (DE)

ECF Princess Margriet Award for Culture laureates 2017
Amsterdam (NL), 2017

At the roundtable event *Peace through Culture – A Citizens’ Dialogue*, the participants worked on ways of bringing communities together and of fostering more inclusive and just societies.

[Read the ECF Report](#)



Peace through Culture – A Citizens’ Dialogue with moderators HRH Princess Laurentien and Umar Mirza
The Hague (NL), 2017

citizens' dialogue
diverse cities
building cohesive communities
200 participants

Peace through Culture – A Citizens' Dialogue

The day after the *ECF Princess Margriet Award for Culture* ceremony an interactive dialogue called *Peace through Culture – A Citizens' Dialogue* was organised as a side event to the award ceremony. The aim of the citizens' dialogue was to provide a platform for co-working in order to gain new insights into how to build more cohesive communities. Held in the Peace Palace in The Hague, the interactive event brought together some 200 different stakeholders – including local, national and European policymakers, local change-makers and artists, collectives and NGOs, business representatives and a large group of students and young people from diverse backgrounds. The participants worked together to create solutions and actions to find ways of bringing communities together and fostering more inclusive and just societies.

[Read the ECF Report](#)

Working together in a hands-on, action-oriented manner created a shared sense of urgency and connected individual stories to broader contexts and dynamics. The citizens' dialogue was organised with a diverse group of collaborators including the Carnegie Foundation (Peace Palace), the European Commission Representation in the Netherlands, the Municipality of The Hague, Rabobank Regio Den Haag, The Hague University of Applied Sciences (HHS) and MigrationLab.

Preparatory and follow up events

We decided to develop a whole trajectory of preparatory and follow up events specifically designed for the young participants to meet, exchange and inspire each other. The workshop hosted by HHS was developed and facilitated by Laura Pana, from MigrationLab (R&D grantee 2015) based on her *Welcome to the living room* methodology – which combines culture, storytelling, social design.

Diverse City

As a follow up to the main event, the European Cultural Foundation – together with HHS and MigrationLab – hosted the *Diverse City* workshop in The Hague's Laaktheater in October. Over the course of the day, some 40 students, academics and changemakers – most of whom participated in both earlier events – worked together to pick up the discussions where they were left earlier in May and to identify concrete proposals and action plans to make our workplaces better reflect diversity.

“Change is not only a responsibility of citizens and communities; the challenge is huge and institutions need to assume responsibilities ... but a new responsibility.

It is not a matter of traditional politics and policies. So we need more scaling out than scaling up. We have 4, not 3, levels of organisation, action and policymaking: local, municipal, national government and European institutions. The local, mostly informal and community-based, is the start and end of this process, so citizen empowerment is the key. Institutions have to act more as infrastructures and enablers of citizen-based processes.”

Juan Freire

Member of the jury, ECF Princess Margriet Award for Culture



Celia Mayer (City Council of Madrid), Katherine Watson (ECF), Susana Noguero (Platoniq)
Press conference Idea Camp, Madrid (ES), 2017

global cultural citizenship
participatory governance
policy development
external cultural relations

Advocacy and Policy Influencing

The European Cultural Foundation advocates for an open, inclusive and democratic European society – one that is created, owned and shared by Europe’s citizens. Advocacy to the wider public and to policymaking is the basis for everything we do.

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

We influence public opinion and policy regarding the value of culture in addressing societal challenges and fragmentation by amplifying and synergising our programmes and awards in terms of advocacy potential and partnerships. We strengthen our advocacy position at EU and national level (in the Netherlands) by ensuring policy monitoring and advice and by mobilising our strategic partnerships and memberships.

We connect and spark the interaction between cultural practice and policymakers at local, national and European level. Our policy influencing interest draws on the experience of our cultural communities and on the reflection and analytical base provided by our Research & Development activities, to identify key areas and issues where we can address societal challenges and fragmentation. culturalfoundation.eu/advocacy

Strategy for culture in EU external relations

We believe that culture – one of Europe’s strongest assets – should be pivotal in how the EU conducts its relationships with other countries and regions to tackle global challenges. Since 2005, the European Cultural Foundation has been researching the cultural dimension of the EU’s external relations.

The end goal for a legal framework has been achieved – an EU Strategy for Cultural Relations was adopted on 8 June 2016 by the European Commission.

[Culture in EU External Relations](#)

In May 2017, the Council of the EU adopted the Conclusions on the strategic approach to international cultural relations, underlining that ‘such an approach should be bottom-up and should respect the independence of the cultural sector’. To help the EU implement this strategy and create synergies among all EU stakeholders, a *Cultural Diplomacy Platform* was set up in 2016. Funded by the European Commission and operated by a consortium – led by the Goethe-Institut with the European Cultural Foundation as one of the partners – the Platform delivers policy advice, facilitates networking, carries out activities with cultural stakeholders and develops training programmes for cultural leadership. cultureinexternalrelations.eu

The European Cultural Foundation collaborated in the development and organisation of the second edition of the *Global Cultural Leadership Programme*, which offered cultural leaders from countries all over the world and Europe a comprehensive programme of learning and networking in Athens in June. [Connect p.31 Global Cultural Leadership Programme](#)

European Culture Forum

On the eve of the *New European Agenda for Culture* (to be announced in 2018), our Director Katherine Watson spoke at the European Commission’s largest bi-annual event for culture – the *European Culture Forum* (7-8 December 2017 in Milan (IT)). She addressed the Challenges (for Culture) in Europe: in 2007, 2017 and 2027. [European Culture Forum](#)

Campaign on the next EU Budget

In 2017, the European Cultural Foundation became a supporting member of Culture Action Europe, with a focus on the next EU budget for culture. We prepared a joint campaign launched in February 2018 demanding to double the funding for culture in the next seven-year EU budget.

[Strategic decisions on the Europe of the future](#)

In this context, the Budapest Observatory, supported by Culture Action Europe and the European Cultural Foundation, collected evidence on the impact of culture across EU policy areas in the study *The Value and Values of Culture*. [Read the study](#)

Other partnerships in 2017

- The European Cultural Foundation’s partnership with More Europe in 2017, which continued its active advocacy for more culture in the EU’s external relations, in particular with EU Southern Neighbours and Turkey. More Europe published papers on EU cultural relations with its Southern Neighbours and on the role of culture in preventing and reducing violent extremism, as well as organising thematic events.
- We developed collaborative actions with cities (e.g. European Capital of Culture Leeuwarden 2018) on participative governance and communities (mienskip) and engaged in the *Fearless Cities* initiative. [Consolidate p.44](#)
- In 2017, we also became a member of *On the Move Cultural Mobility Information Network*, which opened avenues for new collaborations. on-the-move.org
- As a member and founder of the European Foundation Centre (EFC), we play an active role in the thematic networks on Arts & Culture and EU Democracy. The European Cultural Foundation was the initiator of EFC and has served in the Governing Council for many years. Our Director Katherine Watson has been member of the Management Committee since 2012. In 2017, we contributed to the EFC conference *Courage to re-embrace solidarity in Europe – Can philanthropy take the lead?* in Warsaw (PL) (31 May-2 June 2017).
- We are an active member of the EDGE Funders Alliance network. Our Knowledge Manager Vivian Paulissen, who has been part of the EDGE Europe Steering Group since 2016, became a new member of EDGE’s Board. edgefunders.org
- The European Cultural Foundation is also member of Friends of Europe, Europa Nostra, European Policy Center, FIN and Goede Doelen Nederland.

support third parties
enhance visibility
shared advocacy interests
respond to urgencies

Strategic Partnerships

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

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

In 2017 we partnered with and supported the following organisations from this budget: Holland Festival 2017 (NL), Goethe-Institut Brussels for the More Europe consortium (BE), EDGE Funders Conference (ES), *Fearless Cities Summit* (ES), Al Mawred Al Thaqafy (LB), European Commons Assembly (ES) and Stichting Ondertussen (NL).



Simple as ABC #2: Keep Calm & Validate performed by Thomas Bellinck
Holland Festival, Amsterdam (NL), 2017

I. ACTIVITIES REPORT

CONSOLIDATE

The European Cultural Foundation consolidates: evaluating, learning from our experiences, developing and building on our achievements.

Over the next few pages, you can read about how we measure the impact of our work and learn from our successes – and our mistakes – to help inform our decisions and tailor our initiatives accordingly. We also look at how we have captured our institutional knowledge in 2017 through key publications and digital media that have helped us to reach out to new audiences.

Evaluation and Impact Assessment [p.42](#)

Knowledge Management [p.44](#)

R&D Actions and Partner Development [p.46](#)

Publications [p.48](#)



connectivity
evaluation methodology
evaluation tools
800 new connections

Evaluation and Impact Assessment

Impact assessment and evaluation is an important aspect of our work. We apply different evaluation methods and tools to our programmes to take stock of our achievements, to learn from our experiences, to share knowledge internally and externally, and to inform our decisions and strategies going forward. Evaluation results are used to demonstrate to our donors and partners how we achieve our goals. For some of the programmes we carry out internal evaluations, while for others we recruit external evaluators.

In 2017, our third *Idea Camp* was evaluated and the report was made public. [Read the Evaluation-Report](#) We worked to take stock of the four-year trajectory of *Connected Action for the Commons* (CAftC), looking at results and follow up projects and actions.

Together with the Spanish organisation inViable we launched a pilot data visualisation tool. The interactive webtool sketches the dynamics of our interconnected European network of individuals and organisations that have been engaged in the CAftC programme since 2014. The tool maps out the connections and collaborations created among stakeholders during the programme, gives an overview of the themes and areas of knowledge exchange, covering the entire community of Idea Makers, CAftC hubs and immediate circle of collaborators.

We found out that the the *Six-Steps* methodology as applied at the Idea Camp increased the capacities of the Idea Makers to develop their ideas in co-creative ways. [Connect p.20](#)

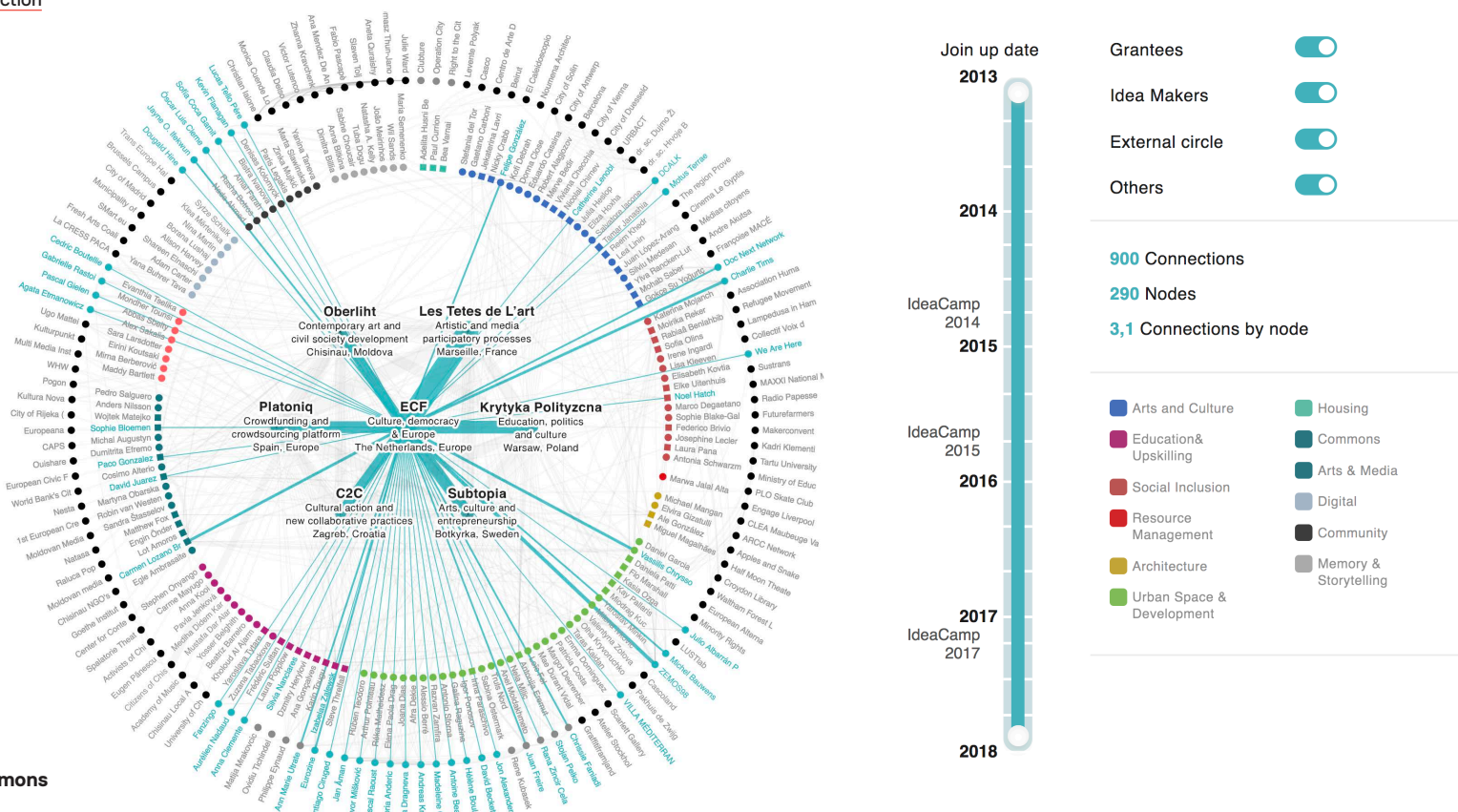
We still need to ensure a reliable knowledge capture and storage system that would benefit Idea Makers, as well as a broader community of users.



Interview with Marcos Garcia, ECF Princess Margriet Award for Culture laureate 2016
Madrid (ES), 2017

The CAftC network, enhanced by the *Idea Camp* participants, reached out to more than 800 new connections, marking a peak of study visits and new collaborative actions among the programme participants.

culturalfoundation.eu/connected-action



**Connected Action for the Commons
Visualisation Tool**

The inner circle represents all the participants of the *Idea Camps*. The outer circle includes connected actors (individuals and organisations) with whom intense collaborations have emerged.



Fearless Cities Summit with Mayor of Barcelona Ada Calau (right on stage)
Barcelona (ES), 2017

transversal strategy
strategic development
diversity and equality policy
progressive philanthropy
connecting online platforms

Knowledge Management

Knowledge Management is a transversal strategy at the European Cultural Foundation and runs across all our programmes and processes. It is an integral part of our work: it is about understanding, connecting and using 'knowledge' that exists with our staff and our external networks. Our knowledge management is concentrated on strategic development and alignment between the organisation's different programmes, its digital strategy and its position within philanthropy.

One of the objectives is fostering experimentation and nourishing the Foundation's programmatic work and strategy. In close connection with our Research & Development and advocacy work, this is done through learning from and working with existing grantees and partners, as well as with external stakeholders and networks of cultural operators and changemakers beyond the cultural sector who relate to the European Cultural Foundation's broader strategic objective of strengthening civil society in Europe.

Stakeholders include key agents of different environmental, economic and social movements, researchers, journalists, policymakers and the progressive philanthropic sector. Internally, our different programmes and grants schemes have specific criteria and guidelines, which are aligned through knowledge management. The Foundation's internal diversity and equality policy is fostered through reflection and debate and embedded throughout the organisation as a key driver of all our development, networks and actions.

Fearless Cities

From the perspective of fostering experiment and learning through joint collaboration and advocacy with other philanthropic foundations, the European Cultural Foundation contributed to the *Fearless Cities Summit* in Barcelona in June 2017. Around the world, towns and cities are standing up to defend human rights, democracy and the common good. The *Fearless Cities Summit*

allowed representatives from different local municipalist movements to build global networks of solidarity and hope in the face of hate, walls and borders.

This summit was a very successful, inspiring gathering of 200 people from different parts of the world, including policymakers, activists, mayors, researchers and foundations. What they had in common was an active involvement and support for a more participatory democracy in towns and cities that include citizens in different innovative ways in the governance structures of these places: a new municipalism is arising. The event in Barcelona inspired many other follow up networks and actions.

In 2018 there will be different *Fearless Cities* spin-off events taking place in Poland, Chile and the US. During the first *European Cultural Challenge* in May 2018, the European Cultural Foundation is organising an event in collaboration with *Fearless Cities* networks in Amsterdam, around the role of culture in municipalism, in collaboration with various European funders that supported *Fearless Cities*. [European Cultural Challenge](#)

Democratic renewal through direct citizen participation in local politics and practical tools for cultural policy development are taking centre stage in municipalist movements that are transforming society from the bottom up. As such, it aligns with our mission of an inclusive and democratic Europe and our strategic objective to strengthen civil society across borders through culture. Finally, the European Cultural Foundation contributed to the translation and documentation of the *Fearless Cities Summit* by CommonsPolis, as part of a joint initiative of the EDGE Funders Alliance with the Charles Léopold Mayer Foundation (CH/FR), OSIFE (ES), Guerrilla Foundation (DE), Ford Foundation (US), Chorus Foundation (US), Grassroots International (US) and Karibu Foundation (NO).

Digital strategy

In our programmes we support online convening throughout our networks of grantees and other stakeholders. In order to align existing different platforms, the European Cultural Foundation's digital strategy has been evolving around connecting different media and online networks. The media collection of the *Displaced in Media* project and *Doc Next Network* have been linked to the European Cultural Foundation's open digital platform ECF Labs in 2017 to maximise our digital assets, align them better and to connect knowledge and networks across programmes more effectively. ecflabs.org

With the same access credentials, *STEP* applicants can join a discussion board on the ECF Labs and the *Displaced in Media* collection of documentaries.

This increases our ability to create and stimulate connections, and to strengthen our network. As a cultural foundation, being digital means the ability to exercise and communicate critical thinking. Being digital helps us understand the world we live in, and try to shape it for new generations.

The European Cultural Foundation has a tradition of supporting and adopting open source solutions; and when tools are not available, we make our own. This is the case of the *STEP* grants management system: it greatly simplifies the workflow for our team, while offering a straightforward and engaging experience for our applicants.

A stronger network brings better visibility for our work, and the opportunity to extend our outreach. Being online in 2017 means engaging with instant feedback. It means recognising the central role of the communities we want to reach – not as a passive audience but as active players at the heart of the conversations.

learning as an organisation
philanthropic community
participatory governance
European outreach

R&D Actions and Partner Development

Through our Research & Development (R&D) work, we grow our knowledge and capabilities by sharing learning across the organisation and engaging with the wider philanthropic community. As a result of our partnerships with knowledge organisations, the European Cultural Foundation strengthened its knowledge base and increased its European outreach. culturalfoundation.eu/r-d

In 2017, the Foundation followed up promoting R&D actions on participatory governance in culture, connecting practices and research trans-locally. We partnered with Kultura Nova Foundation in their UNESCO-supported *Participatory Governance of Culture Conference* (Rijeka (HR), 22-24 November 2017). The conference brought together more than 100 researchers and practitioners from around the globe who made keynote speeches, shared experiences, research papers, debated in interactive panels under the 'Do-It-Together' motto. conference.participatory-governance-in-culture.net

In addition, we continued our collaboration with two Beirut-based foundations, Culture Resource (Al Mawred Al Thaqafi) and Ettijahat – Independent Culture, on supporting cultural policy researchers and activists in the Middle East and North Africa. We featured some of these courageous citizens on our website in 2017. culturalfoundation.eu/featured-people

“The needs of cultural actors in the MENA region are different from the needs of their international counterparts, considering the political and economic circumstances in the region, including wars, social unrest and extremism in the Arab region.

These factors have imposed many restrictions on freedoms and limited the opportunities for cultural work on the ground, which is now either an arena of war or closed spaces where cultural work is banned. In light of this, the most pressing need for cultural actors is having an acceptable level of freedom to move and act.”

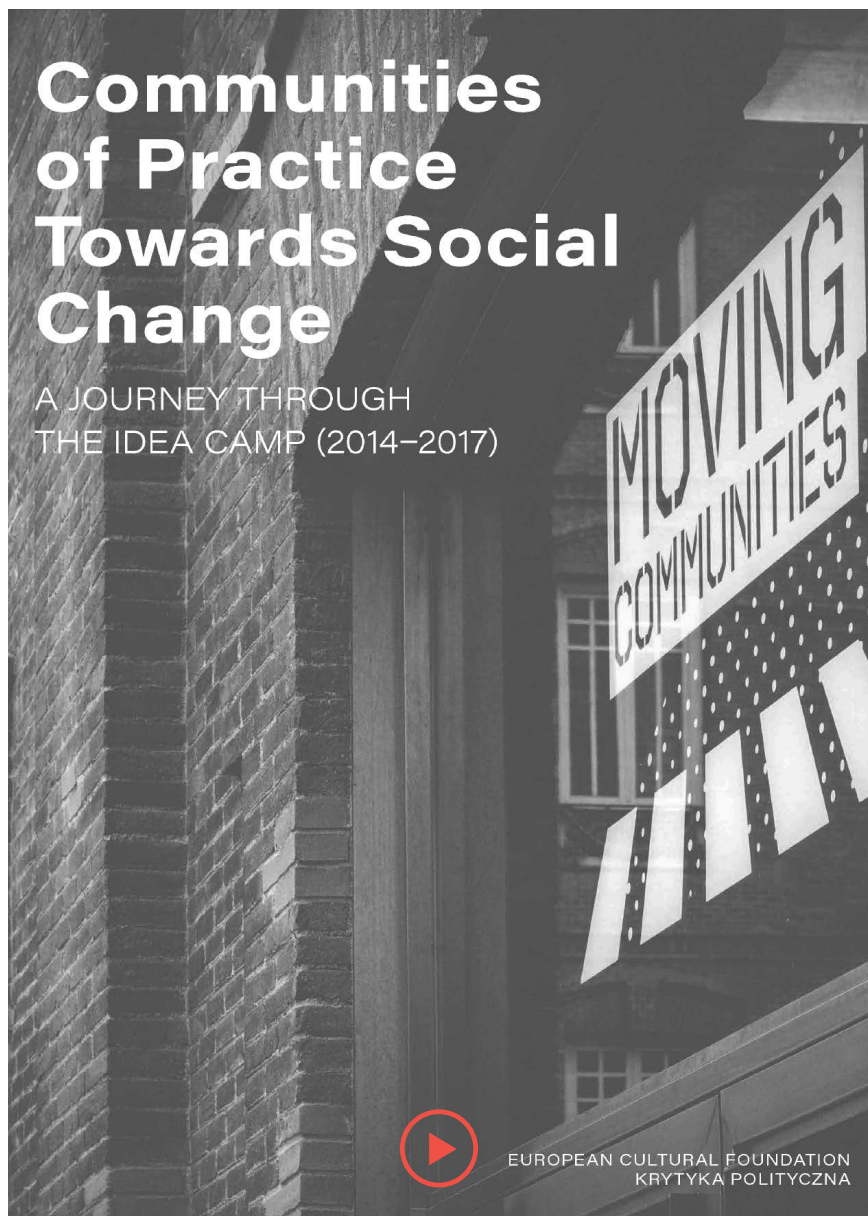
Habiba Laloui
Member of Culture Resource's General assembly

The European Cultural Foundation contributed to the *Participatory Governance of Culture Conference* where researchers and practitioners shared experiences and research papers under the 'Do-It-Together' motto.

conference.participatory-governance-in-culture.net



Menno Weijs (ECF) speaks at the Participatory Governance of Culture Conference
Rijeka (HR), 2017



Communities of Practice Towards Social Change
Read the book online

in-depth reflections
essays and case studies
locally rooted civil society
publishing partnerships

Publications

The publications published or supported by the European Cultural Foundation – often in partnership with other organisations – provide in-depth reflections on and key support to critical thinking on the role of culture for Europe.

In 2017, we partnered with Valiz publishers to produce *The Art of Civil Action: Political Space and Cultural Dissent* (edited by Philipp Dietachmair and Pascal Gielen). This collection of essays and case studies investigates how cultural and art initiatives can question and strengthen the civil domain and how their approaches put the ‘art’ of civil action into practice.

[The Art of Civil Action](#)

The publication *Communities of Practice Towards Social Change: A journey through the Idea Camp (2014-2017)*, published in partnership with Krytyka Polityczna, offers an insight into the concept of the Idea Camp and the communities it has brought together. [Communities of Practice Towards Social Change](#)

Reports

The report *Co-making the City: Ideas from the Innovative City Development Meeting* – written by Nicola Mullenger – presents ideas on how to shape life in our cities together based on the collaborative thinking of city makers who attended the *Innovative City Development Meeting* in Madrid in March 2017. [Co-making the City](#)

The *Evaluation Report: Idea Camp 2017* by Tsveta Andreeva focuses on the Idea Camp 2017 key objectives and assesses the key assumptions of the organisers. [Evaluation Report: Idea Camp 2017](#)

Since 2014, the European Cultural Foundation was one of the partners in the European research partnership on cultural and creative spillovers. The project improved understanding and measurement of spillover effects of the arts, culture and the creative industries in Europe on other sectors. Research results were published in 2017 online and as hardcopy. [Research case study](#)

[ECF Books](#) [ECF Reports](#)

Grants and Partnerships Overview

The European Cultural Foundation offers open calls for grants as well as providing grants to partners through limited calls, or by invitation. We also keep a modest budget to respond to urgent needs and/or unexpected actions that cannot be met through our grants scheme. The total amount distributed to third parties in 2017 through our grants and other programmes was €1,940,254.

CATALYSE

Grants	€
R&D grants	242,641
STEP travel grants	93,600
Travel grants for Idea Camp participants	5,642
Residencies	4,051
Subtotal	345,934
Contributions to Partnership Funds	
EDGE Funders Alliance – FundAction 2017	25,000
EDGE Funders Alliance – FundAction 2018	40,000
Culture Resource (Al Mawred Al Thaqafy) – Arab Cultural Policy Action Fund 2018	25,000
Network of European Foundations NEF (Fund for Democracy and Solidarity in Europe) 2018	50,000
German Marshall Fund	50,000
Subtotal	190,000
Total Catalyse	535,934

CONNECT

Hubs and Idea Camp 2017	€
6 Connected Action hubs <i>(agreement 2016-2017 – 2017 installment)</i>	28,672
Platoniq for the Idea Camp 2017	19,681
Subtotal	48,353
Pilot Projects	
Culture for Solidarity	
ZEMOS98 <i>(total grant award of €50,000, €48,247 to be booked in 2018)</i>	1,753
Krytyka Polityczna <i>(total grant award of €50,000, €48,526 to be booked in 2018)</i>	1,474
Displaced in Media	
The following partners received a grant for project activities: ZEMOS98, British Film Institute/BFI, Fanzingo, Mode Istanbul, Kurziv, Let Têtes de l'Art,	
Stichting Here to Support and Creative Initiatives 'e'	35,342
Subtotal	38,569
Tandem	
MitOst <i>(funds are predominantly re-granted to Tandem participants)</i>	1,080,498
Total Connect	1,167,420

COMMUNICATE AND ADVOCATE

ECF Princess Margriet Award for Culture	€
Aslı Erdogan	20,000
Navid Kermani	20,000
Luc Mishalle	20,000
Marina Naprushkina	20,000
Subtotal	80,000
Communications	
Eurozine	700
<i>(final instalment of grant award of €7,000, €6,300 booked in 2016)</i>	
Policy Influencing	
Policy Advice and Actions	
Station Service for Contemporary Dance	5,000
Culture Action Europe	4,000
Subtotal	9,000
Strategic Partnerships	
Holland Festival	25,000
Goethe-Institut/More Europe support 2017	30,000
Goethe-Institut/More Europe support 2018	25,000
Edge Funders Alliance	5,000
Empodera Consultores	4,000
Culture Resource (Al Mawred Al Thaqafy)	20,000
Stichting Ondertussen	4,000
ZEMOS98	3,000
Visual Culture Research Centre	7,500
Subtotal	123,500
Total Communicate and Advocate	213,200

CONSOLIDATE

Knowledge Management	€
Political Critique (Krytyka Polityczna)	700
<i>(final instalment of grant award of €7,000, €6,300 booked in 2016)</i>	
R&D Actions	
ENCATC	1,000
Kultura Nova Foundation	8,000
University of Kent	4,000
Castrum Peregrini	10,000
Subtotal	23,000
Total Consolidate	23,700
Grants and Partnerships Total	
Catalyse	535,934
Connect	1,167,420
Communicate and Advocate	213,200
Consolidate	23,700
Total	1,940,254

I. ACTIVITIES REPORT

OPERATIONS

The European Cultural Foundation's Operations provide a solid, modern and efficient foundation for our programmes and events to be built upon.

None of our work would be possible without good governance and administration, which you can read about in the following pages. And we'll also take a closer look at the successes of our media and social media outreach in 2017.

Business Model and Fund Development [p.52](#)

Press and Marketing [p.53](#)

General Administration [p.54](#)

Risk Inventory and Analysis [p.55](#)



Business Model and Fund Development

The European Cultural Foundation aims to grow a new and sustainable business model by 2020. In order to achieve this, an internal working group was launched with the project 'Business Model Development' in the second half of 2017. This group is investigating and developing a proposal for a new business model that will include: more (long-term) strategic private and/or public partnerships; business tools for service provision; and experimental tools like crowd- and match-funding.

This new business model will reflect our hybrid identity of being an organisation that combines grantmaking with our incubating programme and advocacy work. By the end of 2017, we had secured 20% (or €1,118,300) of our income from other sources than the Prins Bernhard Cultuurfonds. This percentage is lower than our target percentage of 25% for 2017, since a higher than anticipated Lottery income was received during the year. However, the actual amount raised was €795,538, in comparison to the targeted amount of €1,113,887. A major part of our fundraised income is represented in multi-year partnerships, particularly in relation to:

- our *Tandem Cultural Collaboration Programmes* [Connect p.26](#) and *STEP* travel grants; [Catalyse p.13](#)
- activities related to partnerships and sponsorships, such as the *Peace through Culture* event; [Communicate and Advocate p.37](#)
- and the two projects granted by the European Commission – *Displaced in Media* and *Culture for Solidarity*.
culturalfoundation.eu/pilot-programmes



Instagram takeover
Sarah Younan, 2017

Press and Marketing

Through our communications outreach, we strive to be accessible to a wide audience, reaching diverse groups in society, and including those who would otherwise be excluded from public discourse. Engaging in dialogue is a must in order to tackle the fragmentation of society. Our press and marketing work is focused on brand awareness and reaching a wider audience.

We use different offline and online communication channels with a focus on storytelling, knowledge sharing and maintaining a strong social media presence. In 2017 we started working on an improved corporate design that has been launched in May 2018.

Press

In 2017, we continued our collaboration with renowned online magazine *Eurozine*, which publishes in-depth articles from its network of more than 80 European cultural journals. The focal point coincided with the start of the Foundation's new four-year strategic period.

[Fragmentation and solidarity in Europe](#)

With an unprecedented four laureates in 2017, the *ECF Princess Margriet Award for Culture* (*Communicate and Advocate* p.33) was very prominently featured in the national and international press. The Award received around 50 media mentions in the Netherlands as well as in the home countries of the laureates (DE, TR and BE). The Award was featured in high-quality publications and news programmes such as *NRC Handelsblad* (NL), *La Libre* (BE), *Cumhuriyet* (TR), NPO Radio 1 (NL) and Deutsche Welle Kulturradio (DE).

[ECF Princess Margriet Award for Culture Media Coverage](#)

The *Idea Camp* – co-organised with Platoniq and the City of Madrid – took place in March in Madrid (ES). [Connect](#) p.20 A report on our website touches on the *Idea Camp* ([Evaluation Report](#)), while the *Idea Camp* itself was featured in *el Pais* (ES), *el Diario* (ES) and many local European news outlets. The hubs responsible for the *Idea Camp* – working together in the *Connected Action for the Commons* network – finalised their cooperation and shared some insights on the process of cooperation in the dedicated section of the international edition of *Krytyka Polityczna – Political Critique*. See this Swedish contribution: [A glimpse of another movement](#)

Social media

Social media is an increasingly important tool for sharing the mission and vision of our organisation, as well as reaching out to wide audiences and thus creating a greater impact for our activities. We believe that social media is an integral part of connecting our networks and audiences. It is more than just a place for sharing content, but a means to engage and interact with audiences from all corners of Europe and beyond.

For the current strategic period, we have developed a detailed channel strategy to create the greatest outreach and impact by developing tailor-made content via specific channels to different target groups. We have increased our responsiveness towards the online community and create more interaction moments with our audiences.

The Foundation's Facebook page is focused on opportunities: promoting our grants, participatory programmes and events, but also sharing opportunities from around our network. Since this new approach was implemented, we have seen a big increase in followers and engagements (likes, shares, comments etc.). Our Facebook page currently has more than 30,000 followers. Partners in our European networks actively approach us to help them share and disseminate content. facebook.com/EuropeanCulturalFoundation

Twitter has become a portal focused on sharing all our latest news, including interesting articles, announcements and job vacancies.

twitter.com/ecf_tweets

Instagram take-overs by grantees continue to be a popular way of showcasing their work to a wider audience and giving potential grantees and partners more insight into the kind of projects we support.

instagram.com/europeanculturalfoundation

We have also recently started actively posting news catered towards an audience of business professionals as well as promoting job vacancies via LinkedIn. linkedin.com/company/european-cultural-foundation

The European Cultural Foundation has a public archive of image, video and audio content on Flickr, YouTube and SoundCloud.

flickr.com/photos/culturalfoundation/albums

youtube.com/user/TheECFchannel

SoundCloud.com/soundcloud.com/ecf_sounds

Our digital newsletter (eZine) is currently in development to become a focused collection of different, more target-group specific newsletters. In 2017, we sent specific eZines focused on advocacy topics to specific audiences, which have received very positive response from our readers.

culturalfoundation.eu/ezine

Our followers in numbers (as of 31 May 2018):

Ezine subscribers: 16,461

Facebook: 31,077

Twitter: 7,899

LinkedIn: 4,619

Instagram: 2,145

Events

Our social media approach resulted in us being accepted as workshop leaders at the annual EuroPCom in Brussels – the *European Public Communication Conference* – in November 2017. More than 1,000 communication professionals from local, regional, national and EU institutions, as well as private agencies, NGOs and academia attended the biggest event on public communication in Europe. The European Cultural Foundation presented a workshop called *Storytelling: a tool for reaching other filter bubbles*.

[Aftermovie EuroPCom 2017](#)

Protect the EU campaign

Inspired by Wolfgang Tillmans' anti-Brexit campaign, Dutch designers Jop van Bennekom and Geert Jonkers adapted their posters for the 2017 national elections in the Netherlands, France and Germany. The campaign's focus was the protection of the EU against the current wildfire of political negativity.

The European Cultural Foundation joined this campaign, which aimed to tackle the misconceptions spread by critics of the EU. The campaign was a call to work together, to adapt the posters, to share them and to talk with people of opposite beliefs. [Protect the EU Campaign](#)

General Administration

In 2017, our Operations offered high-quality Human Resources (HR), Facilities, Administration and IT while continuing to focus on cost savings and efficiencies across the organisation. The Finance Department continued to optimise working processes and digital tools.

In 2017, the Centraal Bureau Fondsenwerving confirmed that the European Cultural Foundation complies with the 'erkenningregeling voor Goede Doelen organisaties'. [Declaration of Responsibility p.60](#)

Human Resources

In 2017, we adjusted our recruitment process to reflect our new strategic plan, which places diversity and equality at the very heart of our operations. We found ways to eliminate unconscious bias from our recruitment practiceour recruitment process to find ways of eliminating unconscious bias from our practice, and reassessed the requirements of our job profiles, for example, by removing the requirement for a university degree unless absolutely necessary. We ran further workshops on good diversity practice with our staff.

In terms of health, we are still struggling to turn our statistics around. Illness frequency was 2.45 illness reports a year – up 0.06 on 2016. Our illness percentage, however, was 2.2% higher than in 2016, and at 6.2% also over the Dutch national average of 4.0% for 2017. Through talking to affected staff and studying outcomes of staff surveys, we have identified a number of underlying individual and organisational causes. We have implemented measures to address these proactively, and will continue to make employee health a focus in 2018, reporting on it regularly.

We successfully introduced a new pension system for our staff. In 2017, we joined the pension fund of PFZW 'Pensioenfonds voor Zorg en Welzijn'.

As our current Director Katherine Watson is due to retire at the end of 2018, we began the process of looking for a new director towards the end of 2017. We look forward to making an appointment in 2018.

HR/staff statistics

Our turnover was very low in 2017, at 3%, and our FTE were 28.2, with an average age of 44.32. Looking at nationality is not a straightforward task. Passport nationality only tells one side of a story of the cultural backgrounds of our team. Looking at place of birth, we see that 15 of our staff members were born in the Netherlands, and of the remainder, 11 were born in Western Europe, five in Eastern Europe and two outside of Europe. We also looked at the languages spoken within the European Cultural Foundation: staff members speak an average of 3.5 languages, and in total, our team is fluent in 15 different languages: Dutch, English, German, French, Spanish, Portuguese, Italian, Catalan, Turkish, Polish, Hungarian, Swedish, Finnish, Danish and Bosnian-Serbian-Croatian. [ECF Team](#)

Facilities

Over the past year, our facilities team completed the IT strategy we had developed in 2015 by making the switch to VOIP (Voice Over IP) telephones. This will save costs in the long term and offers better flexibility and accessibility in the use of our landlines.

We also developed an information security policy, which is part of our preparation for compliance with the EU-wide General Data Protection Regulation that was due to come into effect in May 2018.

Risk Inventory and Analysis

During the course of 2017, the European Cultural Foundation undertook a comprehensive risk inventory and analysis, with the support of an external advisor. The analysis covered all aspects of the organisation, operations and governance of the Foundation.

Input was received from staff members, including those responsible for programme areas and from representatives of the Supervisory Board. In addition to the overall risk inventory, a specific and detailed Travel and Safety Policy was developed and a Data Protection and Privacy Policy was initiated. Through performing a risk analysis, it became evident that some risks are inherent to the hybrid nature of the organisation – being both grantmaking and programmatic, fund-seeking and a funder and in consideration of the political context within which the European Cultural Foundation works. While many initiatives are already in place, in 2018 the Foundation will ensure that mechanisms or procedures are adopted to address or mitigate risks, or perceived risks, in all the areas identified in the analysis.

Allocation of activities 2017

In 2017, we spent 86.0% of our budget on our four objectives, and 14.0% on organisation costs.

CATALYSE

Grants	958,489	17.7%
	958,489	17.7%

CONNECT

Participatory Platform	672,888	12.4%
Displaced in Media	171,144	3.2%
Tandem	1,280,382	23.7%
Cultural Diplomacy Platform	44,512	0.8%
	2,168,926	40.1%

COMMUNICATE AND ADVOCATE

ECF Princess Margriet Award for Culture	590,262	10.9%
Advocacy	343,938	6.4%
Strategic Partnerships	117,033	2.2%
Business Development	102,694	1.9%
	1,153,927	21.3%

CONSOLIDATE

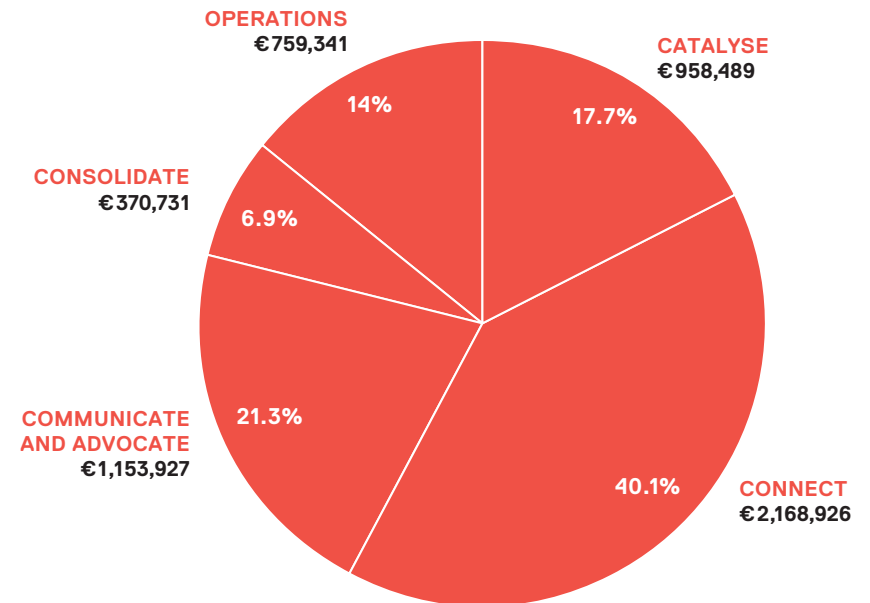
Knowledge Management	177,340	3.3%
Consolidating (R&D)	83,662	1.5%
Publications	109,730	2.0%
	370,731	6.9%

OPERATIONS

General Administration	90,841	1.7%
Governance	43,395	0.8%
Press and Marketing	360,686	6.7%
Fund Development	264,420	4.9%
	759,341	14.0%

Total	5,411,414	
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Expenditure by objective 2017



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

II. GOVERNANCE

Report by the Supervisory Board [p.58](#)
Declaration of Responsibility [p.60](#)



Görgün Taner
Chair of Supervisory Board, European Cultural Foundation

Report by the Supervisory Board

In 2017, the European Cultural Foundation embarked on the first year of a new Strategic Plan for 2017-2020. [Read the Strategic Plan](#)

The flow from one strategic plan to another is implicit in the title of the Plan: *Connected Action for Europe: Culture for Change*, which on the one hand describes the need to work together and on the other hand, encapsulates the power of culture in nurturing open, inclusive and democratic societies.

The Supervisory Board (SB) supports the hybrid nature of the European Cultural Foundation and the range of ways that the Foundation is meeting its European objectives: through grants, programmes and wider advocacy work. The key resources for realising the organisation's ambitious plans are the committed and experienced international staff and the organisation's deeply-rooted network. The Foundation has a unique role at the nexus of cultural practice and policymaking. The Strategic Plan, which was presented in December 2016, was refined with the input of two SB members and was endorsed by the SB in April 2017.

The SB stands firmly behind the European Cultural Foundation's values of the organisation: diversity, democracy, trust, freedom, interdependence and solidarity. It is important to be explicit in these values, given they are increasingly under pressure across Europe – particularly freedom which, as we have witnessed in the past year, can no longer be taken for granted.

The SB met three times in 2017: 10 May, 20 June and 1 December. Additionally an in camera meeting was convened on 21 September to plan for the succession of the Director who will retire in 2018.

In late 2016 and continuing into 2017, the European Cultural Foundation and its long-term partner, the Prins Bernhard Cultuurfonds, embarked on a process of getting to know one another better in order to find ways to increase synergies between the two organisations. Joint staff workshops were held in addition to interviews by an external facilitator, Hendrik-Jan Laseur.

The culmination of this project was a joint Supervisory Board meeting and dinner hosted by ECF President HRH Princess Laurentien of the Netherlands in The Hague on 8 May 2017. SB members look forward to developing a closer working relationship in future, increasing effectiveness and efficiency and finding shared initiatives for both organisations to undertake.

On 10 May 2017, the European Cultural Foundation, in partnership with others, hosted a roundtable event on Europe Day called *Peace Through Culture*, connected to the celebration of the *ECF Princess Margriet Award for Culture*. [Communicate and Advocate p.37](#) In 2018, the convening event on 15 May preceding the Princess Margriet Award for Culture ceremony is the European Cultural Challenge. culturalfoundation.eu/european-cultural-challenge-2018

The *ECF Princess Margriet Award for Culture* is a unique international award with its focus on culture for change. As outlined in the Strategic Plan (2017-2020), the Foundation plans to grow the Award and scale it to a truly European level over the coming years.

The SB recognises the risks inherent in the fact that the Dutch lotteries are the single largest source of funding for the Foundation, given the uncertainty of the future of lotteries and the unpredictability in the results, year on year. For this reason, the European Cultural Foundation is seeking to diversify and grow its income and the SB has an active role to play in this. In order to facilitate budgetary planning, it was decided to use the actual amount received in any given year as the fixed budgeted amount for the following year. This procedure took effect for the 2018 budget.

In the second half of 2017 the SB began succession planning for a new Director in 2018. An external advisor was contracted to interview several SB and staff members in order to shape the profile for a new Director. The SB interviewed and selected an international search firm to undertake the process and nominated a selection committee. The SB regularly updated staff on the process and developments and the 'Personeelsvertegenwoordiging' (PVT, or employee representation group) has given their input into the appointment. The search process was ongoing into 2018. Given this transition to a new Director, the SB has decided to increase the number of meetings to four per year. In December 2017, the SB completed its annual self-evaluation.

In 2018, the SB's Chair Görgün Taner will have completed his term, coinciding with the appointment of a new Director. Christophe de Voogd was nominated and approved by the SB to become the new chair. Two other SB members will also complete their terms in 2018: Mats Rolén and Joachim Rogall. The SB is extremely grateful for the invaluable input of these members. The decision has been made not to replace these members immediately but to wait until the new Director is in place to fully evaluate what skills, perspectives and networks are needed. An important factor will be to make sure that diversity is reflected in the governance of the Foundation to reflect the fact that diversity and equality are both at the heart of the new Strategic Plan.

In 2017 ECF Management with the assistance of an external advisor undertook a comprehensive risk inventory and analysis of all aspects of the European Cultural Foundation's work, including the governance – in order for the organisation to be aware of potential risks and put in place mechanisms to mitigate any risk.

The SB has also agreed to meet annually with the employee representation group, at a meeting coinciding with the approval of the Annual Report, in order to have a fixed moment to raise issues concerning ECF employees. The SB looks forward to helping to steer the European Cultural Foundation through this period of change and to continuing to make sure that culture is at the very heart of European decisionmaking.

Görgün Taner

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

Declaration of Responsibility

The European Cultural Foundation (ECF) is an independent cultural foundation based in the Netherlands, which has been operating across Europe and in neighbouring countries since 1954. We believe that culture engages and inspires people to transcend boundaries and that the connecting power of culture is essential for creating open, inclusive and democratic societies.

History and background

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

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

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

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

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

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

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

Vision, mission and values

Our vision

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

Our mission

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

Our values

- Democracy
- Diversity
- Trust
- Solidarity
- Interdependency
- Freedom

Articles of Association

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

Income

The European Cultural Foundation has three main sources of income:

1. Income from the lotteries

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

2. Fundraised income

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

3. Income from ECF's securities portfolio

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

Codes, rules and guidelines

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

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

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

1. a clear separation between the roles of:

- Management (Director)
- Supervision (Supervisory Board)
- Execution (employees)

2. optimising interaction with stakeholders

3. optimising effectiveness and efficiency of expenditure

1. A clear separation between management, supervision and execution

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

The Director is appointed and supervised by the Supervisory Board.

Management

Director's responsibilities

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

At least twice a year, the Director formally reports to the Supervisory Board in a meeting in which the Director, the Supervisory Board, the Strategic Team (ST) and the ECF Finance Manager are present. More regular and informal contact is maintained outside these meetings with individual members of the Supervisory Board.

Every second week, the Director meets with the ST to discuss strategic matters. The ST consists of the Head of Advocacy, Research & Development and the Head of Business Development and Outreach. The ST and their respective teams are responsible for the execution of ECF's strategy, as well as development and execution of ECF's procedures and policies. Every second week (alternating with the ST meetings) the Director and the ST meet with the team leaders at the Management Team (MT) Meeting. In this meeting day-to-day business and monitoring of activities and finance are discussed.

Current Director

Katherine Watson is the current Director of the European Cultural Foundation. She was appointed in June 2010. Prior to this appointment, Katherine Watson held the following positions:

- Associate Director of ECF (2009-2010)
- Director, LabforCulture.org (2006-2010)
- Founder and Vice-President, Meta4 Creative Communications Ltd. (2003-2006)
- Executive Producer, terminus1525.ca (2001-2005)
- Independent Producer and Cultural Consultant (2000-2001)

- Festival Director, UKaccents, British Council and British High Commission (1998-1999)
- General Manager and Associate Director, Le Groupe Dance Lab (1989-1998)
- Teacher, event programmer, cultural manager (1982-1989).

Additional roles:

- Vice-Chair of Management Committee, European Foundation Centre, Belgium
- Governing Council Member, European Foundation Centre, Belgium
- Management Committee Member, European Foundation Centre, Belgium
- Board of Directors Member, Alliance Publishing Trust, UK
- Advisory Board Member, Eurotopics, BpB, Germany.

Supervision

Supervisory Board's responsibilities

The Supervisory Board is the Foundation's supervisory body. The roles and responsibilities of the Supervisory Board Members are stated in the Foundation's Articles of Association and By-Laws. The main responsibilities can be summarised as follows:

- decide upon and evaluate the Foundation's strategy, and prioritise its activities;
- evaluate the efficient use of the Foundation's resources (approval of budget and Annual Report);
- appoint the Foundation's Director, members of the Supervisory Board and the President.

Current Supervisory Board Members

At the end of this document a list of additional roles and responsibilities per Supervisory Board Member is published.

- HRH Princess Laurentien of the Netherlands (President)
- Görgün Taner (Chair)
- Rien van Gendt (Vice-Chair)
- Rob Defares (Treasurer)
- Isabel Alçada
- Christophe de Voogd
- Mária Hlavajová
- Nike Jonah
- Joachim Rogall
- Mats Rolén
- Igno van Waesberghe (Advisor representing Prins Bernhard Cultuurfonds)

Recruitment

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

Evaluation

In 2014 the Supervisory Board started self-evaluating. The evaluation is performed based on a list of questions which were developed by the Supervisory Board Members. In 2017 the self-evaluation was completed in December.

Remuneration

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

The Executive Committee

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

The Audit Committee consists of the Director, the Vice-Chair, the Treasurer and the Advisor from the Prins Bernhard Cultuurfonds.

President

The President holds an extraordinary membership of the Supervisory Board. Her main responsibilities are:

1. co-approval on decisions as specified in the Articles of Association;
2. presence at Supervisory Board meetings, providing her views on matters or decisions as specified in the Articles of Association;
3. involvement in the organisation's strategy development, the evaluation of results and representation of the organisation.

The President does not chair the Supervisory Board but plays an active and visible role.

The current President is HRH Princess Laurentien of the Netherlands.

Term

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

Conflict of interest

Supervisory Board Members are required to inform the Chair immediately of any activities, contracts/grants etc. that could lead to a potential conflict of interest. Potential conflicts of interest are declared at each Supervisory Board meeting. The Chair will decide whether the Supervisory Board Member will need to leave the room during discussion of, or while a decision is being taken on, a specific matter.

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

Execution

Employees' responsibilities

The Strategic Team (ST), together with their respective teams, is responsible for the implementation of the Foundation's strategy, as well as development and execution of the Foundation's procedures and policies. Every other week, the ST meets with all other team leaders to discuss current, operational matters (MT). In the weeks where no MT takes place the ST meets with the Director on strategic matters.

2. Optimising interaction with stakeholders

Donors

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

The European Cultural Foundation receives funding from a number of different sources including: the Robert Bosch Stiftung; Stiftung Mercator; Compagnia di San Paolo; Fondazione Cariplo; Stavros Niarchos Foundation; Fonds voor Cultuurparticipatie; British Council; Stichting Kulturele Haadstêd 2018; Stichting Euregio Maas-Rijn; the European Commission; Goethe-Institut; Rabobank and Fonds 1818. An overview of all amounts received per source is included in the Foundation's annual accounts.

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

Grantees

The recipients of ECF grants, whether a *STEP* travel grant, or an R&D grant, represent the future of culture in the regions where the European Cultural Foundation is active. They are the Foundation's eyes and ears in the regions.

The European Cultural Foundation maintains contact with a large number of grantees through its network and social media channels. Additionally, some grantees become advisors, partners or participants in another ECF project, a contributor to one of our publications, or (successfully) apply for another grant.

Partner organisations

In order to make optimum use of each other's resources (staff, expertise, network etc.), the European Cultural Foundation often undertakes projects with one or multiple NGO project partners. Examples are the *Tandem* projects where the Foundation works closely together with MitOst, Anadolu Kültür and Culture Resource (Al Mawred Al Thaqafy); the *Connected Action for the Commons* programme where the Foundation works together with Culture 2 Commons, Les Têtes de l'Art, Krytyka Polityczna, Oberliht, Platoniq and Subtopia; at the *Displaced in Media* project with partners like British Film Institute, Föreningen Fanzingo and Stichting Here to Support. In 2017, the European Cultural Foundation had strategic partnerships with Goethe-Institut Brussels, Stichting Ondertussen, Empodera Consultores, Culture Resource and EDGE Funders Alliance.

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

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

Target audience

The European Cultural Foundation's target audience varies from cultural workers in the countries in which we are active to (cultural) policymakers and politicians involved in culture all over Europe and its neighbouring countries. Over the last few years, we have increased our focus on developing an audience in the Netherlands, working with Dutch partners and organising events in the Netherlands.

Communication with our target audience is evolving. The Foundation produces both an online and offline Annual Report. We employ all social media vehicles in our outreach, such as Twitter, Facebook and LinkedIn. We have also developed the ECF Labs, an interactive platform, an engine for communities which allows for sharing, discussion, creation and more.

Press

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

Employees

Our most valuable asset is our staff. The European Cultural Foundation's team consists of 33 employees (28.2 FTE's in 2017). The team is motivated, dedicated and driven to making a difference.

Clear communication with our team is of utmost importance. We are a small team and communication/reporting lines are short. We keep everyone updated on everything that is relevant to the Foundation through regular team meetings. We have launched an internal newsletter and we use our intranet to share information and latest news. Full staff meetings are held every six weeks.

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

The Foundation has a 'Personeelsvertegenwoordiging' (PVT; employee representation group), consisting of four elected staff members. The PVT has quarterly meetings with the Director and HR Manager. Its aim is to ensure discussion and dialogue between management and staff on a regular basis. The Supervisory Board has agreed to meet with the PVT each year to reflect on the Annual Report of the previous year.

3. Optimising effectiveness and efficiency of expenditure

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

Fund Development

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

Monthly reporting

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

Quarterly reporting

Each quarter, a management report is compiled providing ample information about the Foundation's income, expenditure and balances. It provides analysis against budgets and explanation on project expenditure.

Additionally it gives an estimate of the expected expenditure for the full year. The quarterly reports are shared with the Treasurer, the Supervisory Board, all ECF budget holders and the management of the Prins Bernhard Cultuurfonds.

Contractual obligations

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

Ad hoc reporting

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

Reporting guidelines

There are clear reporting guidelines for grantees, which are agreed in the contract. Only upon receipt of a report that shows the agreed progress and results will the next or final installment be transferred. Grantees and partners are required to comply with the Foundation's guidelines considering reporting and crediting the Foundation. If a grantee/partner has not completed the project within the agreed timeframe, the Foundation could decide to cancel the outstanding grant. The total amount of cancelled grants is reflected in the ECF annual accounts.

Authorisation of contracts

The Treasurer signs all contracts over €20,000.

External auditor – Annual Accounts

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

External auditor – Donor reporting

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

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

Annex Supervisory Board Members 2017

President

HRH Princess Laurentien of the Netherlands

UNESCO Special Envoy on Literacy for Development
Reading and Writing Foundation, The Hague – Founder and Honorary Chair
Missing Chapter Foundation, The Hague – Founder and MT member
Number 5 Foundation, The Hague – Founder and Director
Oceano Azul Foundation, Lisbon – Member of Board of Trustees
NLBB Association of people with reading disabilities, The Hague – Patron
Dutch Language Society (Genootschap Onze Taal), The Hague – Patron
Association of Public Libraries, The Hague – Honorary Chair
Fauna & Flora International, Cambridge, UK – President
European Climate Foundation, The Hague – Fellow
Major Alliance, The Hague – Executive Fellow

Chair

Görgün Taner (TR)

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

Vice-Chair

Rien van Gendt (NL)

Jewish Humanitarian Fund, The Hague – Board Member
Bernard van Leer Stiftung, Lucerne – Board Member
Rockefeller Philanthropy Advisors, New York – Board Member
IMC Weekend School, Amsterdam – Board Member
EDLI Foundation – The Hague, Board Member
Sofam BV, Hilversum, NL – Chairman Board
Partex BV, Amsterdam – Managing Director

Treasurer

Rob Defares (NL)

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

Members

Isabel Alçada (PT)

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

Christophe de Voogd (FR)

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

Mária Hlavajová (SK)

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

Nike Jonah (UK)

Creative Scotland, Edinburgh – Consultant
Queen's Anniversary prize, London – Reader
Powerlist 100, London – Selection Panel

Arts Council Ireland, Dublin – Consultant
British Council, London – Consultant
Creative Baggage, London – Consultant
Royal Central School of Speech and Drama, London – Visiting Research Fellow
Royal Academy of Music, London – Guest lecturer
Camden Council, London – Consultant
The Cultural Capital Exchange, London – Speaker
Liverpool City Council, Liverpool – Advisor
Mayo County Council, Mayo, Ireland – Consultant
South Dublin County Council, Dublin, Ireland – Consultant
Donegal County Council, Donegal, Ireland – Consultant
Duckie, London – Consultant
Vrystaat Arts Festival, South Africa – Consultant
Birmingham Contemporary Music Group, Birmingham, UK – Board Trustee
The Bush Theatre, London – Board Trustee

Joachim Rogall (DE)

Bundesverband Deutscher Stiftungen (Association of German Foundations), Berlin – Deputy Chair
Goethe-Institut e.V., München – Board Member
Stiftung Deutsch-Russischer Jugendaustausch, Hamburg – Board Member
Stiftung Genshagen, Ludwigsfelde – Board Member
Deutsch-Türkische Jugendbrücke (German-Turkish Youth Bridge), Düsseldorf – Board Member
Network of European Foundations NEF, Brussels – Board Member
Stiftung Karl Dedecius Literaturarchiv, Frankfurt/Oder – Honorary Board Member

Mats Rolén (SE)

Mats Rolén AB – Chair
Mats Rolén AB – Consultant

Advisor representing Prins Bernhard Cultuurfonds

Igno van Waesberghe (NL)

Prins Bernhard Cultuurfonds, Amsterdam – Vice-Chair of the Supervisory Board
Japanmuseum SieboldHuis, Leiden – Advisory Board Member
Van den Berch van Heemstede Stichting, The Hague – Treasurer
Honorary Consul of the Republic of Poland, Amsterdam

III. FINANCIAL REPORT





Arctic Circle
STEP travel grants, Sarah Schalk, 2017

Financial Report

The European Cultural Foundation is a hybrid organisation. It has both its own funds and also undertakes fundraising. We raise funds from governmental institutions, non-profit organisations and commercial organisations. Currently the European Cultural Foundation (ECF) does not actively pursue fundraising with the general public.

One of our financial aims is to cover our overhead costs with the income generated through the investment of our own funds. This enables us to dedicate all other funds, as far as possible, to our purposes, which follow ECF's four overarching principles:

- Catalyse
- Connect
- Communicate and Advocate
- Consolidate

2017 Result

The total result of 2017 was a surplus of €216,216. The 2017 budget predicted a deficit of €195,889 based on the budgeted total income of €5,599,887. The actual income received in 2017 was €5,627,630.

The total expenditure at year-end 2017 was €5,411,414, which represented 93% of the 2017 budget expenditures.

Income in 2017

Income in 2017 consisted of Lottery funding through the Prins Bernhard Cultuurfonds (PBCF), fundraising (including income from governments and foundations) and return on securities. ECF's total income in 2017 was €5,627,630 compared to €5,774,170 in 2016. The total income in 2017 was close to the total budgeted income in 2017.

Third-party income

The total third-party income for 2017 was €5,188,926 compared to €5,402,342 in 2016. This amount includes income from the Prins Bernhard Cultuurfonds and other organisations. It excludes income from governments and securities.

Income from the Prins Bernhard Cultuurfonds for 2017 was €4,509,330 compared to €4,466,271 in 2016. The expected downward trend of Lottery contributions did not occur during 2017, which resulted in a higher amount (+6%) of income received from the Prins Bernhard Cultuurfonds compared to the 2017 budgeted amount of €4,250,000.

The remaining third-party contributions were received from various foundations. All contributions were related to specific project activities. For 2017, income from third parties was €679,596 compared to €936,071 in 2016. Major donors were the Robert Bosch Foundation (€205,000), Stavros Niarchos Foundation (€100,000) and the Fondazione Cariplo (€150,000). Partly due to the deferral of certain ECF activities, the sum of actual contributions was lower than expected.

Government income

Income from various governments in 2017 was €115,942 compared to €56,800 in 2016. The budgeted amount for 2017 was €108,994.

Income from securities and interest

In 2017, the total income from securities and interest was €322,737 compared to €305,209 in 2016. In 2015, the entire ECF portfolio of bonds was sold and converted into cash as agreed during the ECF Supervisory Board Meeting on 1 April 2015. In October 2016 high yield bonds were purchased. At year-end 2017, 43% of ECF's portfolio represented investments in shares and 6.2% in bonds. The remaining 50.8% was in liquid funds.

This is in line with ECF's 'Statement of Investment Principles', which is a Supervisory Board-approved investment strategy that allows for a maximum of 50% of ECF's reserves to be invested in shares. The remaining investment must be in cash. The investment strategy is reviewed every three years.

Since 2011, ECF has outsourced its asset management activities to a third party asset manager, Wealth Management Partners. [More details p. 71](#)

As of 2017, the reported income from securities and interest is net of fees charged by ECF's asset manager. These fees represented €68,726 in 2017. In the 2016 Financial Report the income from securities and interest did not include such management fees. For reasons of transparency, the 2016 figures have been adjusted accordingly in this annual report.

How ECF's income is used

In 2017 ECF dedicated 86% of its income to its four overarching purposes:

- Catalyse
- Connect
- Communicate and Advocate
- Consolidate

ECF's reserve

ECF's reserve is used as a buffer in case of financial emergency as well as to ensure financial stability. The goal is to cover all overhead costs with income generated from investing the reserve. Any surplus as a result of lower expenditure than income is temporarily added to ECF's reserve and is then used for purpose-related activities in the following year(s). [More details p. 71, 76](#)

Overhead expenses

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

Detailed overview of overhead expenses

Overhead expenses in 2017 included General Administration expenses, Press and Marketing expenses, Supervisory Board expenses and Fund Development expenses. The total overhead expenditure in 2017 was €759,341 compared to €809,429 in 2016. Overhead expenses comprised 14% of the total expenditure in 2017.

	Actual 2017	Budget 2017	Actual 2016
Overhead expenses	759,341	1,020,804	809,429
Total expenses	5,411,414	5,795,777	5,547,668
Overhead against purpose-related expenses	14.0%	17.6%	14.6%

Overhead expenditure in 2017 decreased compared to overhead expenditure in 2016 and was under the budgeted expenditure for 2017.

Compared to 2016, overhead expenditure as a share of the total expenditure decreased in 2017. This is directly related to the fact that, from 2017, indirect costs, such as staff costs, are no longer allocated to Governance activities.

Allocation of overhead expenses to objectives

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

Fund Development

The net costs for Fund Development in 2017 were €176,036 compared to €191,434 in 2016. As a percentage of the total fundraised income in 2017, this amounts to 22.1% compared to 19.3% in 2016. An amount of €88,384, which represents ECF's contribution to the Prins Bernhard Cultuurfonds Fund Development costs, is not included in the overall fundraising costs.

	Actual 2017	Budget 2017	Actual 2016
Costs fundraising ECF	151,638	234,575	181,011
Costs fundraising third parties	24,398	43,494	10,423
Costs fundraising excl. PBCF contribution	176,036	278,069	191,434
Costs fundraising contribution PBCF	88,384	130,000	105,660
Costs fundraising incl. PBCF contribution	264,420	408,069	297,094

Fundraised income includes income from other foundations and governments but it excludes income from the PBCF and securities. As per a longstanding agreement, ECF contributed €88,384 to PBCF's fundraising costs in 2017, compared to €105,660 in 2016. In 2016 lower costs were billed to ECF by PBCF for Lottery support.

The table below shows fundraised income against fundraising costs.

	Actual 2017	Budget 2017	Actual 2016
Fundraised income	795,358	1,113,887	992,871
Fundraising costs excl. costs PBCF	176,036	278,069	191,434
% Fundraised income excl. income PBCF	22.13%	24.96%	19.28%

In 2014, ECF received the CBF Quality Mark (Central Bureau for Fundraising – 'Centraal Bureau Fondsenwerving') certifying that the organisation's fundraising activities are considered trustworthy. The CBF states that income can only be recognised as fundraised once. This means that, if a donor, who

in ECF's case is PBCF, reports its own funds as fundraised and then passes those funds on to another organisation, the latter organisation may not also report those funds as fundraised. As a result, the total amount of fundraised income does not include income from the PBCF. Therefore, according to the CBF's definition, income gained through fundraising in 2017 was €795,538 compared to €992,871 in 2016.

Securities costs

The costs associated with managing the assets that ECF reported for 2017 were €68,726 compared to €64,236 in 2016. As of 2017 these costs were deducted from ECF's income from securities and interest.

See also p. 69, 71, 73, 79

Operations

In 2017, Operations costs were €494,921 compared to €512,334 in 2016. These costs represent 9.1% of the total expenditure in 2017. The percentage in 2016 was 9.2%.

Liquidity

Current assets, deposits and cash decreased in 2017 compared to 2016. The balance of liquid funds represented €6,660,967 at year-end 2017. At year-end 2016 this balance was €6,811,730.

Current assets and current liabilities

Current assets and current liabilities were higher in 2017 than in 2016:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Current assets, deposits, cash	9,721,455	9,068,473	12,255,089
Current liabilities	2,809,634	2,021,644	4,965,177
Liquidity ratio	3.46	4.49	2.47

Though the liquidity ratio has decreased from 4.49 to 3.46, the nominal increases of both current assets and current liabilities were in line with each other.

This decrease is due to a 38% increase in current liabilities, while liquid funds decreased by 2.2%. This resulted in a liquidity ratio of 69% at year-end 2017 compared to a liquidity ratio of 75% at year-end 2016.

The composition of liquid assets has developed as follows:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Current assets	3,060,488	2,256,743	4,994,968
Liquid funds	6,660,967	6,811,730	7,260,121
Total current assets, liquid funds	9,721,455	9,068,473	12,255,089
Liquid funds in %	69%	75%	59%

Reserve

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

At year-end 2017, ECF's total reserves amounted to €13,432,041 compared to €13,215,825 at 31 December 2016. Based on the reserve level, direct credit risks or liquidity risks are manageable for the ECF.

Composition of ECF's portfolio

	31 Dec 2017		31 Dec 2016	
Shares	5,631,488	42.98%	5,186,414	40.25%
Bonds	809,909	6.18%	887,040	6.88%
Liquid funds: saving accounts	6,423,223	49.02%	6,409,945	49.75%
Liquid funds: other accounts	237,744	1.81%	401,786	3.12%
Total	13,102,365		12,885,184	

The composition of ECF's portfolio is in line with ECF's *Statement of Investment Principles*, which was approved by the Supervisory Board on 1 February 2011 and updated on 9 December 2013. The principles allow for a maximum of 50% of ECF's reserves to be invested in shares. The remaining investments are to be made in bonds. At the ECF Supervisory Board Meeting on 1 April 2015 it was agreed that, during the second quarter of 2015, the ECF bond portfolio would be sold and deposited as cash. In October 2016, high yield bonds were purchased. At year-end 2017, 43% of the portfolio represents investments in shares and 6.2% in bonds.

Management of ECF's securities portfolio

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

Appointment of auditors

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

Budget 2018

	Budget 2018	Actual 2017
Income		
Income other non-profit organisations*	4,510,000	4,509,330
Fundraised income – profit/non-profit	767,040	679,596
Fundraised income – governments	177,185	115,942
Other income (Securities and interest)	260,000	322,737
Other income (Exchange differences)	–	25
Total income	5,714,225	5,627,630
Expenses		
<i>Committed to purpose**</i>		
Catalyse	1,018,212	958,489
Connect	2,279,226	2,168,926
Communicate and Advocate***	935,337	1,153,927
Consolidate	624,403	370,731
	4,857,179	4,652,073
<i>Costs Fund Development</i>		
Fundraising costs	315,743	264,420
	315,743	264,420
<i>Operations</i>		
Press and Marketing	355,018	360,686
Governance	35,000	43,395
General Administration	116,680	90,841
	506,697	494,921
<i>Business Development***</i>	405,146	–
Total expenses	6,084,765	5,411,414
Surplus / (Deficit)	(370,540)	216,216
(Withdrawal from) / Addition to reserve	(370,540)	216,216

* This represents the contribution, through the Prins Bernhard Cultuurfonds, from the BankGiro Loterij and the Lotto/Staatsloterij.

** The purposes listed in this table are recorded in line with the purposes defined in the ECF budget 2018. In order to facilitate comparison between 2018 and 2017, the format of the breakdown of 2017 expenditures differs slightly from the format in the following pages.

*** In 2017 €20,000 was budgeted for Business Development under 'Communicate'. The actual costs represented €102,694. In 2018 Business Development costs are included in the budget as a separate item. In line with the Strategic Plan 2017-2020 and the need to diversify income sources, ECF will investigate and develop a hybrid business model to facilitate new sources of income.

Balance sheet

As per 31 December 2017

	Ref	2017	2016
Assets			
<i>Tangible fixed assets</i>	1		
Premises		42,950	47,088
Refurbishment		4,999	9,746
Furniture and equipment		30,874	38,709
		78,823	95,543
<i>Financial fixed assets</i>	2		
Bonds		809,909	887,040
Shares		5,631,488	5,186,414
		6,441,398	6,073,454
<i>Currents assets</i>	3		
Accounts receivable		3,060,488	2,256,743
<i>Deposits, cash</i>	4		
Cash and bank balances		6,660,967	6,811,730
Total		16,241,675	15,237,469
Liabilities			
<i>Reserves</i>	5		
Appropriated reserve		13,432,041	13,215,825
Revaluation reserve		–	–
		13,432,041	13,215,825
<i>Current liabilities</i>	6		
Received in advance		–	–
Grants payable		437,792	266,152
Other accounts payable		2,371,842	1,755,492
		2,809,634	2,021,644
Total		16,241,675	15,237,469

Statement of income and expenditure

	Ref	Actual 2017	Budget 2017	Actual 2016
Income				
Income other non-profit organisations*		4,509,330	4,250,000	4,466,271
Fundraised income – profit/non-profit	7	679,596	1,004,893	936,071
Fundraised income – governments	8	115,942	108,994	56,800
Other income (Securities and interest)	9	322,737	236,000	305,209
Other income (Exchange differences)		25	–	9,820
Total income		5,627,630	5,599,887	5,774,170
Expenses				
<i>Committed to purpose</i>	10			
Catalyse		958,489	974,332	571,812
Connect		2,168,926	2,342,012	2,538,941
Communicate and Advocate		1,153,927	1,128,240	1,270,857
Consolidate		370,731	330,388	356,629
		4,652,073	4,774,972	4,738,240
<i>Costs Fund Development</i>				
Fundraising costs	11	264,420	408,069	297,094
Costs securities	12	–	–	–
		264,420	408,069	297,094
<i>Operations</i>				
Press and Marketing	13	360,686	344,220	291,263
Governance	14	43,395	171,397	140,786
General Administration	15	90,841	97,119	80,285
		494,922	612,735	512,335
Total expenses	16	5,411,414	5,775,776	5,547,668
Surplus /(deficit)		216,216	(195,889)	226,502
Allocation of result				
(Withdrawal from) / Addition to reserve		216,216	(195,889)	226,502

* This represents the contribution, through the Prins Bernhard Cultuurfonds, from the BankGiro Loterij and the Lotto/Staatsloterij.

Cash flow overview

	Actual 2017	Actual 2016
Cash flow from operating activities		
Result	216,216	226,502
Adjustments for:		
Depreciation tangible fixed assets	31,171	34,004
Movements in accounts receivable	-803,745	2,738,225
Movements in short-term liabilities	787,990	-2,943,532
Cash flow from operating activities	231,631	55,199
Cash flow from investment activities		
Additions to tangible fixed assets	-14,450	-16,991
Movements in financial fixed assets	-367,944	-486,599
Cash flow from investment activities	-382,394	-503,590
Movements in liquid assets	-150,763	-448,391
Opening balance liquid assets	6,811,730	7,260,121
Closing balance liquid assets	6,660,967	6,811,730
Movements in liquid assets	-150,763	-448,391

Accounting Principles European Cultural Foundation

General

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

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

Reporting period

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

Foundations for valuation and determining the result

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

Tangible fixed assets

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

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

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

Financial fixed assets

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

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

Recognition of income

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

Recognition of expenses

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

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

90% spending rule

ECF is committed to spending (expenses minus fundraising income) at least 90% of its total Lottery income on its purposes. Based on the average Lottery income of the previous three years, ECF complied with this in 2017.

Reporting guidelines

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

Notes to the balance sheet (Refs 1-6)

Tangible fixed assets (Ref 1)

	Premises	Refurbishment	Furniture and Equipment	Total
Historical cost				
Balance at 31 Dec 2016	179,069	329,978	613,715	1,122,762
Additions in 2017	–	–	14,450	14,450
Balance at 31 Dec 2017	179,069	329,978	628,165	1,137,212
Depreciation				
Balance at 31 Dec 2016	131,981	320,232	575,006	1,027,219
Depreciation in 2017	4,137	4,747	22,286	31,171
Balance at 31 Dec 2017	136,118	324,979	597,292	1,058,390
Book value at 31 Dec 2016	47,088	9,746	38,709	95,543
Book value at 31 Dec 2017	42,950	4,999	30,874	78,822

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

Financial fixed assets (Ref 2)

	Bonds	Shares	Total
Balance at 31 Dec 2016	887,040	5,186,414	6,073,454
Acquisitions	546,126	2,867,746	3,413,872
Sales	-640,435	-2,714,132	-3,354,567
Revaluations realised	–	37,507	37,507
Revaluations unrealised	17,178	253,955	271,133
Balance at 31 Dec 2017	809,909	5,631,488	6,441,397

Note: The total balance of €6,441,398 of the financial fixed assets is included in ECF's portfolio overview below. The total balance of liquid funds of €6,660,967, reported separately as 'cash and bank balances' on the balance sheet (p.72), has also been included. This resulted in a total portfolio sum of €13,102,365.

	As per 31 Dec 2017		As per 31 Dec 2016	
Bonds	6.18%	809,909	6.88%	887,040
Shares	42.98%	5,631,488	40.25%	5,186,414
Real estate	–	–	–	–
Liquid funds saving accounts				
of sold bonds	49.02%	6,423,223	49.75%	6,409,945
Liquid funds other	1.82%	237,744	3.12%	401,786
	100.0%	13,102,365	100.0%	12,885,184

Note: The change in the value of shares and bonds, which are classified as held-for-trading securities, are booked directly in the profit and loss account as per the Dutch Regulations for Financial Accounting.

The overall result of ECF's securities portfolio, including interest income, throughout 2017 is €322,737.

	Assets	Result	Result %
ECF 2017 securities	6,441,398	314,861	4.89%
ECF 2017 interest (saving accounts)	6,423,223	7,876	0.12%
ECF 2017 portfolio total	12,864,621	322,737	2.51%
ECF 2016 securities	6,073,454	279,541	4.60%
ECF 2016 interest (saving accounts)	6,409,945	25,668	0.40%
ECF 2016 portfolio total	12,483,398	305,209	2.44%

Current assets (Ref 3)

	31 Dec 17	31 Dec 16
Prins Bernhard Cultuurfonds	970,523	666,335
Commitments by funders*	657,028	320,017
Deferred expenses*	987,131	953,515
Prepaid expenses	62,114	44,299
Other accounts receivable	62,146	94,653
Others**	321,546	177,923
	3,060,488	2,256,743

Commitments by funders 31 Dec 2016	320,017
New commitments 2017	5,051,340
Released 2017	-4,714,329
Commitments by funders balance 31 Dec 2017	657,028

The current assets have duration of less than one year.

* See Annex A (p.87), for a specification of 'Commitments by funders' and for 'Deferred expenses'.

** This mainly represents the outstanding balances between ECF and the ECF Voorzieningsfondsen at 31 December 2017.

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 2016	13,215,825	–	13,215,825
Additions	216,216	–	216,216
Withdrawals	–	–	–
Balance as per 31 Dec 2017	13,432,041	–	13,432,041

Current liabilities (Ref 6)

Grants payable

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

The Supervisory Board approved all previous Collaboration grants. Since the programme ended in 2016, the Supervisory Board now approves only the cancellation of any outstanding grants awarded under the programme. The amount released upon the cancellation of grants is shown in Reference 10.

The grants payable as per the balance sheet consist of:

	31 Dec 17	31 Dec 16
Grants awarded in 2013	–	2,865
Grants awarded in 2014	2,982	8,882
Grants awarded in 2015	9,000	43,820
Grants awarded in 2016	76,348	210,585
Grants awarded in 2017	349,462	–
	437,792	266,152

Other current liabilities:

	31 Dec 17	31 Dec 16
Taxes and social premiums	135,853	115,671
Other personnel costs	94,360	105,171
Contractual obligations *	961,199	842,720
Contributions to spend*	880,601	472,653
Accounts payable	238,997	161,114
Others	60,831	58,164
	2,371,841	1,755,492

Contractual obligations balance 31/12/2016	842,720
New contracts 2017	1,508,189
Released 2017	-1,389,710
Contractual obligations balance 31/12/2017	961,199

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

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

ECF has a longstanding partnership with the Prins Bernhard Cultuurfonds through which it receives a quarterly financial contribution from the BankGiro Loterij and the Lotto/Staatsloterij. In 2017, the contribution from the Prins Bernhard Cultuurfonds was €4,509,330, representing 80.1% of ECF's income. Compared to the actual income received from Prins Bernhard Cultuurfonds in 2016 (€4,466,271), there was an increase of €43,059 (or 1%) in 2017.

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

	Actual 2017	Budget 2017	Actual 2016
Compagnia di San Paolo (Grants/STEP) (budgeted as TBI)	50,000	150,000	–
National Endowment for Democracy (Tandem)	–	50,000	–
Stichting Kulturele Haadstêd 2018 (Tandem Fryslân)	50,000	–	–
British Council (Tandem Community and Participation)	11,896	11,893	11,896
British Council Egypt (Tandem Shaml III)	–	–	9,269
Fondazione Cariplo (Tandem Europe)	150,000	125,000	100,000
Fonds voor Cultuurparticipatie (Tandem Community and Participation)	50,000	50,000	50,000
Mercator Foundation (Tandem Turkey)	50,000	50,000	149,001
Robert Bosch Stiftung (Tandem Development/Tandem Europe)	205,000	310,000	250,000
Stichting Euregio Maas (Advocacy)	8,000	8,000	–
Stavros Niarchos Foundation (Tandem Europe)	100,000	100,000	125,000
Rabobank (Peace through Culture)	2,500	–	–
Fonds 1818 (Peace through Culture)	2,200	–	–
Idea Camp (Budgeted, not received)	–	80,000	–
Online Convening (Budgeted, not received)	–	25,000	–
ECF Princess Margriet Award for Culture (Budgeted, not received)	–	25,000	–
R&D (Budgeted, not received)	–	20,000	–
EFC 2016 sponsorship (Events)	–	–	240,905
Total fundraising income	679,596	1,004,893	936,071

Fundraised income – Governments (Ref 8)

	Actual 2017	Budget 2017	Actual 2016
Erasmus+ Key Action 2 (Displaced in Media)	64,795	64,794	12,000
European Commission NL (Peace through Culture)	2,700	–	–
Municipality The Hague (Peace through Culture)	2,500	–	–
Goethe-Institut (Cultural Diplomacy Platform)	37,786	44,200	44,800
European Commission (Culture for Solidarity)	8,161	–	–
Total government income	115,942	108,994	56,800

Income from securities and interest (Ref 9)

	Actual 2017	Actual 2016
Interest from bank accounts	7,876	25,668
Unrealised revaluations bonds*	17,178	-5,511
	25,054	20,157
Dividends	74,948	21,631
Realised revaluations shares	37,507	5,802
Unrealised revaluations shares*	253,955	321,854
	366,409	349,287
Subtotal	391,463	369,444
Management fees securities	(68,726)	(64,236)
Total income securities and interest	322,737	305,209

* The total unrealised results (gains) on the revaluation of bonds (€17,178) and of shares (€253,955) are recorded as reported by Wealth Management Partners N.V., ECF's Fund Manager.

Expenses committed to purpose (Ref 10)

	Actual 2017	Budget 2017	Actual 2016
Grants	851,926	749,332	486,194
Mobility programme	106,563	225,000	85,618
Total costs Catalyse	958,489	974,332	571,812
Participatory Platform	672,888	872,941	1,128,052
Displaced in Media	171,144	142,632	146,430
Tandem	1,280,382	1,282,239	1,264,459
Cultural Diplomacy Platform	44,512	44,200	–
Total costs Connect	2,168,926	2,342,012	2,538,941
ECF Princess Margriet Award for Culture / Events	590,262	683,967	776,865
Advocacy (previously Advocacy R&D)	343,938	349,273	453,823
Strategic Partnerships	117,033	75,000	40,169
Business Development	102,694	20,000	–
Total costs Communicate and Advocate	1,153,927	1,128,240	1,270,857
Knowledge Management (incl. ECF Labs)	177,340	123,023	131,909
Consolidating (R&D)	83,662	93,555	91,815
Publications	109,730	113,810	132,905
Total costs Consolidate	370,731	330,388	356,629
	4,652,073	4,774,972	4,738,240

Fundraising costs (Ref 11)

Fundraising costs include staff costs and consultancy costs as well as costs allocated to ECF by Prins Bernhard Cultuurfonds (PBCF). In the table below the contribution by PBCF to ECF has been included in the total income, which shows that the ratio for 2017 has decreased. This is mainly due to a decrease in fundraising costs in 2017 compared to 2016.

	Actual 2017	Budget 2017	Actual 2016
Total income <i>incl. PBCF</i>	5,627,630	5,599,887	5,774,170
Fundraising costs <i>incl. costs PBCF</i>	264,420	408,069	297,094
% Fundraising income costs	4.7%	7.3%	5.1%

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

	Actual 2017	Budget 2017	Actual 2016
Total fundraising income	795,538	1,113,887	992,871
Fundraising costs <i>incl. costs PBCF</i>	264,420	408,069	297,094
Fundraising costs <i>excl. costs PBCF</i>	176,036	278,069	191,434
% Fundraising income excl. PBCF	22.1%	25.0%	19.3%

Included in the €264,420 of Fundraising costs (incl. costs PBCF) are costs allocated to ECF from PBCF. These costs represent €88,384 in 2017 of which is 25% of PBCF's costs related to charges incurred by the Lotteries. This leaves €176,036 in fundraising costs and a fundraising ratio of 22.1%. The CBF requires that fundraising costs do not exceed 25% of an organisation's total fundraising income.

Costs securities (Ref 12)

	Actual 2017	Budget 2017	Actual 2016
Fees securities income*	68,726	64,000	64,236
	68,726	64,000	64,236

* Management fees on securities are represented in 'Income from securities and interest'.
See also p.78 (Ref 9).

Press and Marketing (Ref 13)

	Actual 2017	Budget 2017	Actual 2016
General information	76,618	79,466	89,921
PR and promotion	6,067	9,660	1,828
Administration costs	29,615	21,979	19,667
Salary costs	248,385	233,115	179,848
	360,686	344,220	291,263

Governance (Ref 14)*

	Actual 2017	Budget 2017	Actual 2016
Supervisory Board meetings	43,395	40,000	26,259
Administration costs	–	11,041	11,293
Salary costs	–	120,356	103,234
	43,395	171,397	140,786

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

General Administration (Ref 15)

	Actual 2017	Budget 2017	Actual 2016
Computerisation	65,268	62,000	74,568
Financial and personnel administration	42,899	37,000	32,404
Depreciation	31,171	35,000	34,004
Premises, utilities, other expenses	112,165	119,000	116,781
Representation	14,678	20,000	17,751
Quality Management*	27,696	–	–
Salary costs	73,676	76,683	72,451
Recharged costs	-276,711	-252,564	-267,672
	90,841	97,119	80,287

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

Staff costs*

	Actual 2017	Budget 2017	Actual 2016
Salaries	1,546,951	1,589,442	1,521,230
Social charges	246,581	242,040	243,265
Pension costs	283,725	346,191	272,226
Travel allowance	28,826	10,976	27,798
Overtime	–	10,000	–
Other staff costs (including training)	69,318	141,350	149,161
	2,175,401	2,340,000	2,213,680
Interim staff	46,679	15,000	–
Total	2,222,080	2,355,000	2,213,680

*Overall staff costs were 5.6% lower in 2017 than budgeted, which is mainly due to lower pension costs, a reimbursement related to long-term sickness insurance, and the use of external consultants instead of budgeted FTEs

Employees

Taking into account the percentage of part-time employees at 31 December 2017 (53%), Full Time Equivalent (FTEs) for 2017 was 28.2. In 2016 the amount of FTEs was 28.4.

Compensation for Director

ECF is managed by one Director. In 2017, the compensation for this role was €124,769. ECF's Director did not receive a thirteenth month of salary or bonus.

Goede Doelen Nederland (GDN), the umbrella organisation for fundraising charities in the Netherlands, has laid out guidelines for determining the remuneration of charity directors ('*Regeling beloning directeuren van Goede Doelen*' or *Compensation Guidelines for Directors of Not-For-Profits*).

ECF has decided to adopt these guiding principles in its own organisation. The guidelines were adapted by GDN on 1 January 2015, with a four-year transitional arrangement. It is the intention of ECF to comply with the guidelines within this period.

In 2017, ECF's Director's relevant annual income was €124,769 (one FTE/ 12 months), which is within the maximum of €144,000 specified by GDN.

Name: Katherine E. Watson

Position: Director

Contract: Indefinite; full time / 37.5 hours

Period: 1 January - 31 December 2017

Compensation

Annual Income	2017	2016	2015
Gross salary	115,527	115,527	117,135
Holiday allowance	9,242	9,242	9,371
Year-end bonus	–	–	–
Variable components	–	–	–
Total	124,769	124,769	126,506
Social charges	9,779	39,474	47,214
Other taxable compensation	3,402	3,415	475
Pension	22,023	30,462	27,668
Other regular compensation	–	–	–
Severance pay	–	–	–
Total remuneration 2017	159,973	198,121	201,863
Remuneration excluding Social charges	150,194	158,647	154,649

Allocation of income

	Prins Bernhard Cultuurfonds	Profit/non profit	Governments	Interest/securities	Other income	Total expenditure	
Grants	908,489	50,000	-	-	-	958,489	
Displaced in Media	102,638	-	68,506	-	-	171,144	
Tandem	663,486	616,896	-	-	-	1,280,382	
Advocacy	335,938	8,000	-	-	-	343,938	
Cultural Diplomacy Platform	6,726	-	37,786	-	-	44,512	
Publications	109,730	-	-	-	-	109,730	
Knowledge Management	177,340	-	-	-	-	177,340	
Participatory Platform	668,438	-	4,450	-	-	672,888	
Press and Marketing	274,853	-	-	85,833	-	360,686	
Fund Development	161,726	-	-	102,694	-	264,420	
ECF Princess Margriet Award for Culture	580,362	4,700	5,200	-	-	590,262	
Consolidating (R&D)	83,662	-	-	-	-	83,662	
Governance	-	-	-	43,395	-	43,395	
Strategic Partnerships	117,033	-	-	-	-	117,033	
Business Development	102,694	-	-	-	-	102,694	
Operations (incl SPE)	-	-	-	90,816	25	90,841	
(Overspending)/Underspending	216,216	-	-	-	-	216,216	Surplus
Subtotals	4,509,330	679,596	115,942	322,737	25		
Total income	4,509,330	679,596	115,942	322,737	25	5,627,630	
Total expenditure						5,411,414	

Cost allocation

	Catalyse	Connect	Communicate and Advocate	Consolidate	Cost fundraising	Press	Governance and Marketing	General administration	Total costs 2017
Direct costs									
Grants 2017	624,086	150,000	53,000	–	–	–	–	–	827,086
Grants not taken up	-4,527	–	–	–	–	–	–	–	-4,527
Partnerships and outsourced activities	54,302	1,241,870	456,110	91,936	–	–	–	–	1,844,218
Support costs									
Personnel costs	249,328	655,817	578,525	249,115	135,495	248,385	–	73,676	2,190,342
Communication costs	5,596	43,105	11,126	–	112,782	82,685	–	–	255,294
Governance	–	–	–	–	–	–	43,395	–	43,395
Other general costs	29,705	78,133	55,166	29,679	16,143	29,615	–	17,165	255,606
Total	958,489	2,168,926	1,153,927	370,731	264,420	360,686	43,395	90,841	5,411,414

In 2017, a total amount of €4,527 that had been reserved for grants payable was released and was deducted from the direct costs as 'Grants not taken up'. This amount consists of outstanding instalments related to multiple projects that were not completed in the required timeframe.

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

Specifications for 650 ruling

Expenditures percentage	Actuals 2017	Spending ratio	Budget 2017	Spending ratio	Actuals 2016	Spending ratio
Total expenditures ECF	5,411,414		5,795,776		5,547,668	
Total income ECF	5,627,630		5,599,887		5,774,170	
Surplus (deficit)	216,216	96.2%	-195,889	103.5%	226,502	96.1%

Fundraised income and expenditures	Actuals 2017		Budget 2017		Actuals 2016	
Fundraised income	795,538		1,113,887		992,871	
Fundraising costs <i>incl. charge PBCF</i>	264,420		408,069		297,094	
Fundraising costs <i>excl. charge PBCF</i>	176,036	22.1%	278,069	25.0%	191,434	19.3%

Specification Fundraising costs	Actuals 2017		Budget 2017		Actuals 2016	
Costs fundraising ECF	151,638		234,575		181,011	
Costs fundraising third parties	24,398		43,494		10,423	
Costs fundraising PBCF	88,384		130,000		105,660	
	264,420		408,069		297,094	

Consolidated Financial Statements in 2017

Accounting Principles

The consolidated Financial Statements consist of the financial data of:

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

Voorzieningsfonds

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

Detailed objectives are described in the statutes of the ECF Stichtingen Voorzieningsfondsen.

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

After extensive investigations by ECF's pension advisor, it was confirmed that the ECF Voorzieningsfondsen could not continue to exist in its present form. In March 2017, the Voorzieningsfondsen Board formally decided that these funds would be liquidated. The ECF is in consultation with De Nederlandsche Bank in order to execute the liquidation process. Together with legal firm Loyens & Loeff, a roadmap was designed, with the finalisation of the liquidation initially expected to take place on 1 January 2018.

Therefore the annual reports 2017 of ECF Voorzieningsfondsen were based on the accounting policies of liquidation. This did not affect the valuation of the general reserve or the result of 2017 for the consolidated financial statements.

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

Consolidated balance sheet

As per 31 December 2017

	Ref	31 Dec 2017	31 Dec 2016
Assets			
Tangible fixed assets			
Premises		42,950	47,087
Refurbishment		4,999	9,746
Furniture and equipment		30,874	38,709
		78,823	95,543
Financial fixed assets			
	17		
Bonds		809,909	887,040
Shares		5,631,488	5,186,414
		6,441,398	6,073,454
Currents assets			
Accounts receivable		2,740,032	2,084,278
Deposits, Cash			
Cash and bank balances		10,250,386	10,393,109
Total		19,510,838	18,646,383
Liabilities			
Reserves			
	18		
Appropriated reserve		16,701,004	16,624,739
Revaluation reserve		–	–
		16,701,004	16,624,739
Current liabilities			
Received in advance		–	–
Grants payable		437,792	266,152
Accounts payable		2,372,042	1,755,492
		2,809,834	2,021,644
Total		19,510,838	18,646,383

Notes to the consolidated balance sheet (Ref 17-18)

As per 31 December 2017

Financial fixed assets (Ref 17)

	Bonds	Shares	Total
Balance at 31 Dec 2016	887,040	5,186,414	6,073,452
Acquisitions	546,126	2,867,746	3,413,872
Sales	-640,435	-2,714,132	-3,354,567
Revaluations realised	–	37,507	37,507
Revaluations unrealised	17,178	253,955	271,133
Balance at 31 Dec 2017	809,909	5,631,488	6,441,397

Reserves (Ref 18)

	General reserve	Revaluation reserve	Total
Balance as per 31 Dec 2016	16,624,739	–	16,624,739
Additions	216,216	–	216,216
Withdrawals	-139,951	–	-139,951
Balance at 31 Dec 2017	16,701,004	–	16,701,004

Consolidated statement of income and expenditure

	Actual 2017	Actual 2016
Income		
Income other non-profit organisations*	4,509,330	4,466,271
Fundraising income – profit/non-profit	679,596	936,071
Fundraising income – governments	115,942	56,800
Other income (Securities and interest)	326,430	313,953
Other income (Exchange differences)	25	9,820
Total Income	5,631,323	5,782,914
Expenses		
Committed to purpose		
Catalyse	958,489	571,812
Connect	2,168,926	2,538,941
Communicate and Advocate	1,153,927	1,270,857
Consolidate	370,731	356,629
Subtotal committed to purpose	4,652,073	4,738,240
Costs Fund Development		
Fundraising costs	264,420	297,094
Securities costs /bank charges	–	–
	264,420	297,094
Operations		
Press and Marketing	360,686	291,263
Governance	43,395	140,786
General Administration	234,485	143,707
	638,565	575,756
Total expenses	5,555,058	5,611,090
Surplus / (Deficit)	76,264	171,824
Appropriation of the result	76,264	171,824
(Withdrawal from) / Addition to reserve		

* This represents the contribution, through Prins Bernhard Cultuurfonds, from the BankGiro Loterij and the Lotto/Staatsloterij.

Notes to the consolidated statement of income and expenditure

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

	Actual 2017 ECF	Actual 2017 Vzf Binl*	Actual 2017 VzF Buitl**	Actual 2017 Total
Interest from bank accounts	7,876	3,011	682	11,569
Revaluation reserve bonds	-	-	-	-
Interest from bonds	-	-	-	-
Realised revaluations bonds	-	-	-	-
Unrealised revaluations bonds	17,178	-	-	17,178
	25,054	3,011	682	28,747
Dividends	74,948	-	-	74,948
Realised revaluations shares	37,507	-	-	37,507
Unrealised revaluations shares	253,955	-	-	253,955
Other income	25	-	-	25
	366,434	-	-	366,434
	391,492	3,011	682	395,182

	Actual 2017 ECF	Actual 2017 Vzf Binl*	Actual 2017 Vzf Buitl**	Actual 2017 Total
Costs of securities				
Fees asset management/ bank charges	68,726	166	155	69,047
Other costs				
Other costs (advisory costs, Chamber of Commerce, audit fees)	-	140,205	3,119	143,324
	68,726	140,371	3,274	212,371

* Vzf Binl = Stichting Voorzieningsfonds Binnenland ECF

** Vzf Buitl = Stichting Voorzieningsfonds Buitenland ECF

Supplementary information

Appropriation of the result

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

Events after the balance sheet date

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

Annex A

Allocation commitments by funders –
contractual obligations 2017

Liabilities

<u>Third party</u>	<u>Contributions to spend</u>	<u>Contractual obligations</u>
European Commission	191,839	
Compagnia di San Paolo	100,000	
Fondazione Cariplo	125,000	
Erasmus+ (re Displaced in Media)	68,762	
Stichting Kulturele Haadstêd 2018	50,000	
Robert Bosch Stiftung	245,000	
Stavros Niarchos Foundation	100,000	
Anadolu Kültür A.S.		4,886
MitOst		766,109
Other Strategic Partnerships		6,400
Partners Displaced in Media (Erasmus+)		69,314
Partners Culture for Solidarity		100,000
Various Publications		1,990
Various Knowledge Management		1,300
Various Grants		600
Various Consolidated R&D		1,800
Various Participatory Platform		6,300
Various Press and Marketing		700
Various Advocacy		1,800
	880,601	961,199

Assets

<u>Third Party</u>	<u>Commitments by Funders</u>	<u>Deferred expenses</u>
European Commission	100,000	
Fondazione Cariplo	150,000	
Stichting Kulturele Haadstêd 2018	33,000	
Robert Bosch Stiftung	95,000	
Compagnia di San Paolo	125,000	
Stavros Niarchos Foundation	100,000	
Goethe-Institut	15,757	
Erasmus+	38,271	
Prins Bernhard Cultuurfonds	970,523	
Anadolu Kültür A.S.		4,886
Displaced in Media Hubs		58,840
Partners Culture for Solidarity		96,773
MitOst		763,494
Balkans Arts and Culture Fund grantees		62,138
Various Consolidated R&D		1,000
	1,627,551	987,131

Annex B

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

Average Lottery income 2014-2016	4,432,555
Minimum to spend (90% limit of average Lottery income)	3,989,300
Net expenditure 2017	4,615,876
Spending above limit	626,576

The ECF complies with the 90% rule in 2017.

Calculations

Lottery income 2016	4,466,271
Lottery income 2015	4,244,598
Lottery income 2014	4,586,798
Lottery income average	4,432,555
90% limit	3,989,300
Total expenditures 2017	5,411,414
minus 3rd party income	-679,596
minus government income	-115,942
Net expenditure 2017	4,615,876

INDEPENDENT AUDITOR'S REPORT

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

A. Report on the audit of the financial statements 2017 included in the annual report.

Our opinion

We have audited the financial statements 2017 of European Cultural Foundation based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of European Cultural Foundation as at 31 December 2017 and of its result for 2017 in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the statement of income and expenditure for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

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

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

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

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten niet aansprakelijkheidsopsparking.

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

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

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

C. Description of responsibilities regarding the financial statements

Responsibilities of the Director/Supervisory Board for the financial statements

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

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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Our audit included e.g.:

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

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

Amsterdam, 26 June 2018

Dubois & Co. Registeraccountants

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



Acknowledgements

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



The European Cultural Foundation would also like to thank all our partners who have supported us so generously in 2017:

- British Council
- Compagnia di San Paolo
- European Commission
- Fondazione Cariplo
- Fonds voor Cultuurparticipatie
- Fonds 1818
- Gemeente Den Haag
- Goethe-Institut
- Mercator Foundation
- Nederlands Jeugdinstituut
- Rabobank
- Robert Bosch Stiftung
- Stavros Niarchos Foundation
- Stichting Kulturele Hoofdstad 2018
- Stichting Euregio Maas-Rijn

Please visit culturalfoundation.eu/our-partners for a full list of our partners.

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



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

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

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

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European Cultural Foundation

The European Cultural Foundation is an independent, impact-driven organisation with more than 60 years of experience.

We catalyse, connect and communicate civil society initiatives in arts and culture to work together for an open, democratic and inclusive Europe.

We support cultural changemakers through grants, exchanges and incubator programmes.

Our annual ECF Princess Margriet Award for Culture highlights culture as a force for positive change.

We connect people to people, the local to the European and grassroots to policy.

culturalfoundation.eu