Modalities for the possible establishment of a European Endowment for Democracy (EDD). European Parliament recommendation to the Council

2011/2245(INI) - 29/03/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution containing a recommendation to the Council on the modalities for the possible establishment of a European Endowment for Democracy (EED).

Parliament recalls that in its Agenda for Action on Democracy Support in EU External Relations, the Council stated that it wished to improve the coherence and effectiveness of its support. It recalls that it welcomed the initiative of establishing the **European Endowment for Democracy** in its resolution of 7 July 2011 on EU external policies in favour of democratisation. The establishment of the EED was supported in the letter addressed to EP President Jerzy Buzek and HR/VP Catherine Ashton by several high-profile human rights defenders.

The events of the '**Arab Spring'** and the Eastern Neighbourhood have demonstrated the need for an urgent strategic engagement of the EU with authoritarian countries and those striving for democratic reforms, based on a new and different approach in order to restore credibility and offer timely assistance to the process of transition to democracy. Setting up the European Endowment for Democracy could be one of the most tangible responses by the EU to the challenges of democratisation, in our neighbourhood and beyond.

In this context, Parliament addresses the following recommendation to the Council, urging it to:

- ensure that the EED will generate a more strategic and political approach on the EU's part to democracy support, by providing context-specific, flexible, timely and bottom-up assistance with rapid reprogramming where this is needed to help facilitate democratic transition in partner countries;
- show that, in order to achieve the objectives spelt out above, the creation of a new Fund is more appropriate and more effective than a revision of the existing instruments and in particular of the EIDHR;
- clarify the mission and values of the EED in order to ensure clear criteria for the selection of beneficiaries, in particular regarding the methodology of the selection process;
- emphasise the coherence and effectiveness of EU democracy support and mandate and organise the EED in this spirit.

EED principles: Parliament requests that the EED guarantee the principle of national ownership of democratic processes. More specifically, it calls on the EED to:

- ensure that the EED, while encouraging 'deep and sustainable democracy' in pretransition, transition and post-transition countries, with a primary though not exclusive focus on the **European Neighbourhood**, receives a focused mandate;
- guarantee that the EED plays a synergetic and complementary role relative to the work undertaken by the EU institutions, including the European Parliament, and the Member States, their agencies, and the foundations they fund, such as the Anna Lindh Foundation, particularly in order to promote democracy in the Mediterranean;
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- ensure that the EED provides added value by complementing and **not overlapping with or curtailing the activities of the existing funding instruments**, particularly the EIDHR and the IfS; it is noted that the EED could launch projects which could later be continued by the EIDHR or the geographic instruments, creating a programming interface so as to ensure coherence and sustainability in the longer term; the EED should not include Election Observation Missions amongst its activities to promote democracy;
- ensure sound and transparent financial management and low administrative and transaction costs.

Parliament consider that the EED should act in **three stages**: pre-transition, transition and post-transition, and to kick-start projects and innovative solutions and ideas at ground level which could not hitherto be supported by the EU for reasons of procedural constraints or risk mitigation.

- On a methodological level, Parliament invites the Commission to examine as soon as possible how EU instruments could in the future provide more rapid response mechanisms and how and when an EU trust fund could be set up if the appropriate legal basis is established in the new Financial Regulation and to ensure that if the EU budget contributes towards **financing the EED**, this will **not be at the expense of the already limited resources of the EIDHR**. It calls on the EED to support a wide group of potential beneficiaries, including key pro-democracy political players (e.g. emerging political actors, grassroots movements and non-registered NGOs, and trade unions), whistleblowers, individual political activists, cultural actors, new media actors (bloggers and others), minority rights organisations and think-tanks. The resolution calls on the EED to pay special attention to the **participation of women** in the democratic reform process, by supporting women's organisations and projects in gender sensitive areas such as combating violence, generating employment, and political participation.

- As regards grants, Parliament calls for the EED to be granted the power to **award grants directly to the intended beneficiaries**, in a non-discriminatory manner and in consultation with the EU delegations on the ground, and, possibly, through political foundations and NGOs with a proven track record of successful work in the field of democracy support. At the beginning, it should be ensured that re-granting operates as an effective mechanism to enable the EED to work with partners on the ground who have the requisite knowledge and local infrastructure.

- **As regards the transparency of the EED**, Parliament insists that the **EU may exercise political influence in accordance with its budgetary contribution**. It calls for a light, transparent and politically representative governance structure to be established, providing a balanced and cost-effective mix between representatives of the Member States and EU institutions, including Parliament, and independent experts and practitioners.

- On a structural level, there is a need to strike a clear balance between the autonomy and independence of the EED and its accountability to its funders, and ensure the highest possible degree of financial probity in its accounts, taking special care to ensure that funds are not lost to corruption and that no funds are paid out to any person or entity with any links whatsoever to criminal or terrorist organisations.

- **On an organisational level**: Parliament recommends the Council to build into the EED appropriate channels for structured cooperation and coordination with the Brussels- and field-based actors and provide for close coordination and consultation between the future Executive Committee and the EED staff and the European External Action Service (EEAS), the Commission and Parliament on the strategies, objectives and initiatives of the respective EU instruments, as well as a structured dialogue with the EU delegations and Member State embassies on the ground. It proposes that the EED should be structured as an administratively light, flexible and efficient **Brussels-based structure**, with straightforward grant award mechanisms. It should be ensured that the EED has robust links and consults regularly with beneficiary groups, but **without having regional offices**, relying instead on the EU delegations and on local organisations or independent experts.

- As regards democratic scrutiny of the EED: Parliament considers that priority should be given to establishing the **EED as an external financing instrument of the EU within the Union's institutional framework**, so as to ensure that Parliament can duly exercise its legislative and budgetary powers in relation to the EU's contribution and programming activities. It should be guaranteed that the EU's contribution to the EED budget is delivered in full conformity with the principles of good financial practice and is administered by staff trained in the application of the Financial Regulation in relation to the EU budget, and that Parliament can exercise full budgetary and legislative control, including the possible monitoring and scrutinising by the budgetary authority of how this funding is used. Parliament must be able to exercise broad political oversight over the EED's activities and programming. Parliament should be involved and consulted throughout the process of activation and implementation of the EED, through, inter alia, a politically balanced selection of MEPs on its Board of Governors and Executive Committee. Lastly, Parliament recommends that the EED's impact, performance, and added value vis-à-vis the EU instruments and the sustainability of funded actions should be kept under review and that the results of such assessments be forwarded to Parliament.