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PROPOSAL

from:	European Commission
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Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing a financing instrument for the promotion of democracy and human rights worldwide

Delegations will find attached a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU, Director to Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union.

Encl.: COM(2011) 844 final



EUROPEAN COMMISSION

Brussels, 7.12.2011
COM(2011) 844 final

2011/0412 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a financing instrument for the promotion of democracy and human rights
worldwide**

{SEC(2011) 1478 final}

{SEC(2011) 1479 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The European Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights (Article 2 of the Treaty on European Union). Furthermore, as also provided in the Treaty, the Union's action on the international scene “shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.” (Article 21).

Therefore, the promotion of democracy and human rights is an essential aspect of the EU's external action. In promoting human rights and democracy worldwide, the EU is using a wide range of measures, from political dialogue and diplomatic initiatives to financial and technical cooperation and assistance.

The Regulation on establishing a European Instrument for Democracy and Human Rights (EIDHR)¹ constitutes a corner stone of this political strategy and is a unique and visible expression of the EU's strong commitment to democracy and human rights. The instrument has generated genuine results and numerous success stories, providing support to civil society and human rights institutions worldwide as well as election observation. Due to its independence from Government consent and its flexibility, the EIDHR represents a key added value to the EU's policy toolbox.

The general objectives and the scope of the EIDHR which are to contribute to the development and consolidation of human rights and fundamental freedoms, democracy and the rule of law worldwide, must be preserved in the new Regulation.

The Regulation builds on the strong linkage between democracy and human rights. In recent years the EU's agenda on democracy support has constantly evolved and has grown towards a comprehensive approach. In particular the November 2009 Council Conclusions² on democracy support constitute the first strategic, concrete orientation for a broader and more coherent democracy support policy in the EU's external relations. In December 2010, the Commission presented a first report on the follow-up to the Conclusions and new conclusions³ were adopted including the identification of ten pilot countries where the Agenda of Action is to be implemented and immediate action to be taken.

It is therefore deemed essential that the future EIDHR keeps a large scope encompassing the existing wide array of activities of advocacy, core support and field operations, including election observation, supporting all fundamental rights inherent to democracy together will all

¹ Regulation (EC) No 1889/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a financing instrument for the promotion of democracy and human rights worldwide - OJEU L 386/1- Whereas (8).

² Council Conclusions on Democracy Support in the EU's External Relations – Towards Increased Coherence and Effectiveness, 16081/09.

³ Council conclusions on Democracy Support in the EU's External Relations - 2010 Progress Report and list of proposed pilot countries, 3058th FOREIGN AFFAIRS Council meeting Brussels, 13 December 2010.

other human rights and fundamental freedoms. It is a guarantee for policy rationality, comprehensiveness of approach, coherence of operations and economies of scale.

The scope of the EIDHR covers five objectives since 2007:

- Enhancing respect for human rights and fundamental freedoms in countries where they are most at risk;
- Strengthening the role of civil society in promoting human rights and democratic reform, in supporting the peaceful conciliation of group interests and, in consolidating political participation and representation;
- Supporting actions on human rights and democracy issues in areas covered by EU Guidelines, including on human rights dialogues, on human rights defenders, on the death penalty, on torture, on children and armed conflict, on the rights of the child, on violence against women and girls and combating all forms of discrimination against them, on International Humanitarian Law and on possible future guidelines;
- Supporting and strengthening the international and regional framework for the protection and promotion of human rights, justice, the rule of law and the promotion of democracy;
- Building confidence in and enhancing the reliability and transparency of democratic electoral processes, in particular through election observation.

The response strategy⁴ under the EIDHR builds on working predominantly with and through civil society organizations, aimed at defending the fundamental freedoms which form the basis for all democratic processes and helping civil society to become an effective force for political reform and defence of human rights. This specificity of the response strategy will be fully preserved in the new Regulation. In this way, it complements the new generation of geographical programmes, which increasingly mainstream democracy and human rights, though focusing primarily on public institution-building.

Furthermore, the new EIDHR regulation will enhance the EU toolbox to address more efficiently the situation in difficult countries or in emergency situations where human rights and fundamental freedoms are most at risk. Recent developments in the European Neighbourhood, in particular the Arab Spring, have shown that there is a strong home-grown demand for increased freedoms and rights together with democracy that the EU needs to support. In such cases, the European Union will have the possibility to fund directly ad hoc actions through direct grants or low value grants. This will be the case where the procedural modalities could affect negatively the effectiveness of the actions or could subject the beneficiaries to serious intimidation, retaliation or other types of risks. Ad hoc actions would, in principle, be included in the Strategy Papers and Annual Programmes. However, in exceptional circumstances, ad hoc actions could be adopted through special measures outside of the programming cycle.

From a wider perspective, the proposed EIDHR regulation should be viewed in the context of all proposed financial instruments for the 2014-2020 Multi-annual Financial Framework as outlined in the Communication “A Budget For Europe 2020”. Together with the instruments

⁴ Commission Communication of 25 January 2006.

under the Heading 4 (Global Europe) and with the European Development Fund, the new EIDHR will ensure more coherence and effectiveness to the EU's external action.

In accordance with the Council decision establishing the organisation and functioning of the European External Action Service (EEAS)⁵, the High Representative/Vice-President shall ensure overall political coordination of the Union's external action, including through the EIDHR. In particular, the EEAS shall contribute to the programming and management cycle of the EIDHR as outlined in Article 9(3) of the above mentioned Council Decision.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The European Commission held a public consultation on future funding for EU external action between 26 November 2010 and 31 January 2011. This process was based on an online questionnaire accompanied by a background paper 'What funding for EU external action after 2013?' prepared by Commission and EEAS services involved. The 220 contributions received to the public consultation reflected a broad and diverse spectrum representing the variety of structures, views and traditions characterising the external action community.

A majority of the respondents (around 70%) confirmed that EU financial intervention provided **substantial added value** in the main policy areas supported through EU Financial Instruments for external action⁶. The criterion of EU added value was put forward by many respondents as the main driver for the future: they considered that the EU should exploit its comparative advantage linked to its global field presence, its wide-ranging expertise, its supranational nature, its role as facilitator of coordination, and exploit economies of scale.

Nearly all respondents (92%) support a more differentiated approach, tailored to the situation of the beneficiary country, based on sound criteria and efficient data collection, to be used as a way to increase the impact of EU financial instruments. Over two thirds of respondents believe that EU interests are sufficiently taken into account in its external action, and that the latter should be based to a larger extent on EU values and principles, and on development objectives of the partner countries. Inversely, a minority considers that EU external action should concentrate more on EU's own interests in the global economy, particularly towards emerging economies.

Regarding simplification of instruments and the balance between geographic and thematic instruments, opinions are mixed regarding a review of EU thematic programmes and a possible reduction in number. Many fear that this could imply a decrease in the overall amount available for thematic action, and rather call for a simplification of the rules governing access and implementation of thematic funding. Several thematic issues are highlighted as important such as the reinforcement of the European Instrument for Democracy and Human Rights, climate financing or the current DCI thematic programmes. Increased flexibility of the geographic limits of EU instruments is supported by a significant majority of respondents as a way to respond to interregional challenges.

⁵ Council decision 2010/427/EU of 26 July 2010.

⁶ i.e. peace and security, poverty reduction, humanitarian aid, investing in stability and growth in enlargement and neighbourhood countries, tackling global challenges, promoting EU and international standards and values, and supporting growth and competitiveness abroad

A majority of respondents agree that joint programming and co-financing with Member States can increase the impact and the coherence of EU external action, simplify the delivery of aid and reduce overall transaction costs.

Regarding **like-mindedness and conditionality**, there is wide support among respondents for exploring conditionality based on the beneficiary country's respect for human rights, minorities, good governance and diversity of cultural expressions (78%), or on the quality of its policies and of its ability and willingness to implement sound policies (63%). A majority of respondents is critical towards basing external cooperation on the EU's own interests.

Regarding EU external action on **human rights and democracy**, all respondents highlighted the need to further promote and support these objectives worldwide both by mainstreaming them within all EU policies and actions and by upholding them in a dedicated, separate but complementary, financial instrument. The European Instrument for Democracy and Human Rights is highly valued and all stakeholders asked the EU to enhance its potential, safeguard its added value and further develop its speed of delivery, in particular for the most difficult and urgent cases.

Impact assessment

The Commission carried out an Impact Assessment (IA) that considered 3 main policy alternatives (with some sub-options):

- (1) No separate EIDHR Regulation and mainstream human rights and democracy under other instruments;
- (2) No change to the current regulation with only an increase in the budget allocation that will provide for additional activities under the current framework;
- (3) Building a better enabling regulation, while preserving the key features of the existing Regulation.

The first option was not retained as it appeared clearly that the suppression of a self standing instrument for human rights and democracy would send a negative political signal and would lead to the abolition of specific, valuable working principles such as the absence of consent of the host country or the targeting of civil society actors. This in turn would reduce efficiency in delivery and create a strong loss of EU visibility and reputation.

The second option was also discarded as it would not allow seizing the opportunity of facing new challenges adequately, correcting some lessons learned and answering new demands.

The third option was retained as it would allow preserving the political and operational benefits of the instruments, while allowing for a better adaptation of the regulation. Under this option, the new draft should be built as a better enabling regulation. The revised instrument set up would offer a process oriented tool focusing on four different windows:

- thematic campaigns, mixing advocacy and field operations for great causes(e.g. democracy support) and addressing serious violations of rights (e.g. torture, death penalty, discrimination, etc..), as well as providing core support to key actors and related civic education;

- targeted support to the development of thriving civil societies empowering it in its quest for and defence of democracy and human rights and to their specific role as actors for positive change;
- reinforced capacity for the EU to be able to react quickly to human rights urgencies and establishment of a comprehensive EU Human Rights Defender mechanism;
- strengthened and better integrated approach to democratic cycles, through election observation and other types of support to democratic and electoral processes;

3. LEGAL ELEMENTS OF THE PROPOSAL

The instrument proposed is based on Article 209 of the Treaty on the Functioning of the European Union which provides the legal basis for development cooperation within the framework of the principles and objectives of the Union's external action. In addition, Articles 2 and 21 of the Treaty on European Union further underpin the importance for the European Union to support democracy and human rights as part of its external action.

Since the objectives of the proposed Regulation cannot be sufficiently achieved by the Member States alone and can therefore, by reason of the scale and coverage of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. The EU is in a unique position to deliver part of the external assistance on behalf of and with Member States, giving it enhanced credibility in the countries where it operates. Many Member States have not the capacity and/or the willingness to develop global external instruments. Therefore, an intervention at EU level is the only possibility to promote EU values globally and ensure a worldwide EU presence.

The proposed regulation also strengthens the coordination capacity and facilitates joint programming with the Member States, ensuring efficient labour division and effective aid delivery. The Union assistance shall focus where it has more impact, worldwide promotion of democracy, good governance, human rights and the rule law, its long-term and predictable engagement in development assistance and its role in coordinating with its Member States. In accordance with the principle of proportionality, as set out in Article 5 of the Treaty, the proposed Regulation does not go beyond what is necessary to achieve its objectives.

4. BUDGETARY IMPLICATION

The instrument proposed is part of the measures to be implemented under the Heading IV "Global Europe" of the European Union's Multiannual Financial Framework. The financial envelope for the implementation of this Regulation for the period 2014-2020 shall be EUR 1 578 000 000 (current prices). It corresponds to an approximate average annual envelope of EUR 225 000 000.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing a financing instrument for the promotion of democracy and human rights
worldwide

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 209 and 212 thereof,

Having regard to the proposal from the Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee⁷,

Having regard to the opinion of the Committee of the Regions⁸,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) This Regulation constitutes one of the instruments providing direct support for the European Union's external policies. It will replace the Regulation (EC) No 1889/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a financing instrument for the promotion of democracy and human rights worldwide⁹.
- (2) This Regulation establishes a financing instrument for the promotion of democracy and human rights worldwide allowing for assistance independent from the consent of third country governments and other public authorities.
- (3) Article 2 of the Treaty on European Union provides that the Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.
- (4) Article 21 of the Treaty on European Union provides that the external action of the European shall be guided by the same principles which have inspired its own creation: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity and respect for the principles of the United Nations Charter and international law.

⁷ OJ C , , p. .

⁸ OJ C , , p. .

⁹ OJ L 386, 29.12.2006, p. 1–11

- (5) This financing instrument contributes to achieving the objectives of the Union's external action, including those of the European Development Policy.
- (6) The Union's contribution to democracy and the rule of law and to respect for human rights and fundamental freedoms is rooted in the universally accepted general principles established by the International Bill of Human Rights, and any other human rights instrument adopted within the framework of the United Nations, as well as relevant regional human rights instruments.
- (7) Gender equality and women's rights are fundamental human rights and a question of social justice and their promotion is a strong component of this Regulation.
- (8) Democracy and human rights are inextricably linked, as recalled in the Council Conclusions of 18 November 2009, on democracy support in the EU's external relations. The fundamental freedoms of expression and association are the preconditions for political pluralism and democratic processes, whereas democratic control and separation of powers are essential to sustain an independent judiciary and the rule of law which in turn are required for effective protection of human rights.
- (9) The task of building and sustaining a culture of human rights and making democracy work for citizens, though especially urgent and difficult in emerging democracies, is essentially a continuous challenge, belonging first and foremost to the people of the country concerned but without diminishing the commitment of the international community. It also requires a range of institutions, in particular national democratic parliaments that should ensure participation, representation, responsiveness and accountability.
- (10) In order to address these issues in an effective, transparent, timely and flexible manner after Regulation (EC) No1889/2006 expires, there is a continued need for specific financial resources and a specific financing instrument that can continue to work in an independent manner.
- (11) Union assistance under this Regulation is designed to complement the various other tools for implementing of Union policies on democracy and human rights, which range from political dialogue and diplomatic demarches to various instruments for financial and technical cooperation, including both geographic and thematic programmes. It will also complement the more crisis-related actions under the Instrument for Stability.
- (12) Under this Regulation, the Union will provide assistance to address global, regional, national and local human rights and democratisation issues in partnership with civil society understood to span all types of social action by individuals or groups that are independent from the state and active in the field of human rights and democracy support.
- (13) Furthermore, whilst democracy and human rights objectives must be increasingly mainstreamed in all external assistance financing instruments, Union assistance under this Regulation will have a specific complementary and additional role by virtue of its global nature and its independence of action from the consent of third country governments and other public authorities. This will allow for cooperation with civil society on sensitive human rights and democracy issues possible, providing the flexibility to respond to changing circumstances. It should also provide Union capacity to articulate and support specific objectives and measures at international level which are neither geographically linked nor crisis related and which may require a transnational approach or involve operations both within the Union and in a range of third countries. Moreover, it will provide the necessary framework for operations, such as support for independent European Union election

observation missions requiring policy coherence, a unified management system and common operating standards.

- (14) The Union will pay particular attention to countries and urgency situations where human rights and fundamental freedoms are most at risk and where disrespect for these rights and freedoms is particularly pronounced and systematic. In such situations, the political priorities will be to promote respect for the relevant international laws, to provide tangible support and means of action to local civil society and to contribute to its work, carried out in very difficult circumstances. In conflict situations, the Union will promote the compliance of all warring parties with their legal obligations under international humanitarian law, in accordance with the relevant Union guidelines.
- (15) In such most difficult countries or situations and in order to address urgent protection needs of human rights defenders, the Union should be able to respond in a flexible and timely manner by means of ad hoc grants. This will particularly be the case when the choice of procedural modalities could impact directly on the effectiveness of the measures or could subject beneficiaries to serious intimidation, retaliation or other types of risks.
- (16) European Union Election Observation Missions contribute significantly and successfully to democratic processes in third countries. However, the promotion of democracy extends far beyond the electoral process alone. Expenditure for election observation missions should therefore not take up a disproportionate amount of the total funding available under this Regulation.
- (17) The implementing powers relating to the programming and financing of the actions supported under this Regulation should be exercised in accordance with Regulation (EU) N° 182/2011 of the European Parliament and the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure should in principle be used for their adoption, except for technical implementing measures of a small financial scale.
- (18) Common Rules and procedures for the implementation of the Union's instruments for external action are laid down in regulation (EU N° .../...of the European Parliament and of the Council of ...¹⁰, hereinafter referred as "the Common Implementing Regulation".
- (19) The organisation and functioning of the European External Action Service are described in Council Decision 2010/427/EU,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject-matter and objectives

This Regulation establishes a European Instrument for Democracy and Human Rights under which the Union shall provide assistance to the development and consolidation of democracy and the rule of law and of respect for all human rights and fundamental freedoms.

¹⁰ OJ...

Such assistance shall aim in particular at

- (a) enhancing the respect for and observance of human rights and fundamental freedoms, as proclaimed in the Universal Declaration of Human Rights and other international and regional human rights instruments, and strengthening their protection, promotion and monitoring, mainly through support to relevant civil society organisations, human rights defenders and victims of repression and abuse;
- (b) supporting and consolidating democratic reforms in third countries, by enhancing participatory and representative democracy, strengthening the overall democratic cycle, and improving the reliability of electoral processes, in particular by means of election observation missions.

Article 2

Scope

1. Union assistance shall relate to the following fields:
 - (a) support to and enhancement of participatory and representative democracy, including parliamentary democracy, and the processes of democratisation, mainly through civil society organisations, inter alia in:
 - (i) promoting freedom of association and assembly, unhindered movement of persons, freedom of opinion and expression, including artistic and cultural expression, free press and independent pluralistic media, both traditional and ICT based, internet freedom and measures to combat administrative obstacles to the exercise of these freedoms, including the fight against censorship;
 - (ii) strengthening the rule of law, promoting the independence of the judiciary, encouraging and evaluating legal and institutional reforms, and promoting access to justice;
 - (iii) promoting and strengthening the International Criminal Court, ad hoc international criminal tribunals and the processes of transitional justice and truth and reconciliation mechanisms;
 - (iv) supporting reforms to achieve effective and transparent democratic accountability and oversight, including that of the security and justice sectors, and encouraging measures against corruption;
 - (v) promoting political pluralism and democratic political representation, and encouraging political participation by citizens, in particular marginalised groups, in democratic reform processes at local, regional and national level;
 - (vi) promoting the equal participation of men and women in social, economic and political life, and supporting equality of opportunity, and the participation and political representation of women;
 - (vii) supporting measures to facilitate the peaceful conciliation of group interests, including support for confidence-building measures relating to human rights and democratisation.

- (b) promotion and protection of human rights and fundamental freedoms, as proclaimed in the Universal Declaration of Human Rights and other international and regional instruments concerning civil, political, economic, social and cultural rights, mainly through civil society organisations, relating to inter alia:
- (i) the abolition of the death penalty, prevention of torture, ill-treatment and other cruel, inhuman and degrading treatment or punishment and rehabilitation of victims of torture;
 - (ii) support for, protection of, and assistance to human rights defenders, in terms of Article 1 of the UN Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society to Promote and Protect Universally Recognized Human Rights and Fundamental Freedoms;
 - (iii) the fight against racism and xenophobia and discrimination based on any ground, including sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation;
 - (iv) promotion of freedom of thought, conscience and religion or belief, including by measures to eliminate all forms of hatred, intolerance and discrimination based on religion or belief and by fostering tolerance and respect for religious and cultural diversity;
 - (v) the rights of indigenous peoples and the rights of persons belonging to minorities and ethnic groups;
 - (vi) the rights of women as proclaimed in the Convention on the Elimination of All Forms of Discrimination against Women and its Optional Protocols, including measures to combat female genital mutilation, forced marriages, crimes of honour, trafficking, and any other form of violence against women;
 - (vii) the rights of the child, as proclaimed in the Convention on the Rights of the Child and its Optional Protocols, including the fight against child labour, child trafficking and child prostitution, and the recruitment and use of child soldiers;
 - (viii) the rights of persons with disabilities;
 - (ix) economic, social and cultural rights and the promotion of core labour standards and corporate social responsibility;
 - (x) education, training and monitoring in the area of human rights and democracy, and in the area covered by point (vii);
 - (xi) support for local, regional, national or international civil society organisations involved in the protection, promotion or defence of human rights and in measures referred to in point (vii);
- (c) strengthening of the international framework for the protection of human rights, justice, the rule of law and democracy, and for the promotion of international humanitarian law, in particular by:
- (i) providing support for international and regional instruments concerning human rights, justice, the rule of law and democracy;

- (ii) fostering cooperation by civil society with international and regional intergovernmental organisations, and supporting civil society activities aimed at promoting and monitoring the implementation of international and regional instruments concerning human rights, justice, the rule of law and democracy;
 - (iii) training in and dissemination of international humanitarian law and support to its enforcement;
- (d) building confidence in and enhancing the reliability and transparency of democratic electoral processes, while contributing to the efficiency and consistency of the whole electoral cycle, in particular,
- (i) through deployment of Union Election Observation Missions;
 - ii) through other measures of monitoring electoral processes;
 - (iii) by contributing to the development of the electoral observation capacity of civil society organisations at regional and local levels, and supporting their initiatives to enhance participation in, and the follow-up to, the electoral process;
 - (iv) by supporting measures aimed at the consistent integration of electoral processes into the democratic cycle and at implementing recommendations made by Union Election Observation Missions;
2. The promotion and protection of gender equality, the rights of the child, rights of indigenous peoples, rights of persons with disabilities, and principles such as empowerment, participation, non-discrimination of vulnerable groups and accountability shall be taken into account whenever relevant for all assistance measures referred to in this Regulation.
3. The assistance measures shall be implemented in the territory of third countries or shall be directly related to situations arising in third countries, or shall be directly related to global or regional actions.
4. The assistance measures shall take into account the specific features of crisis or urgency situations and countries or situations where there is a serious lack of fundamental freedoms, where human security is most at risk or where human rights organisations and defenders operate under the most difficult conditions.

Article 3

General Framework for programming and implementation

Union assistance under this Regulation shall be implemented through the following measures and in accordance with the Common Implementing Regulation:

- (a) Strategy Papers and revisions thereof as appropriate;
- (b) Annual Action Programmes, individual measures and support measures;
- (c) Special Measures.

Article 4

Strategy papers

1. Strategy papers shall set out the European Union's strategy for its assistance under this Regulation, based on the Union's priorities, the international situation and the activities of the main partners. They shall be consistent with the overall purpose, objectives, scope, and principles of this Regulation.
2. Strategy papers shall set out the priority areas selected for financing by the Union during the period of validity of this Regulation, the specific objectives, the expected results and the performance indicators. They shall also give the indicative financial allocation, both overall and per priority area; this may be given in the form of a range, where appropriate.
3. Strategy papers shall be approved in accordance with the procedure laid down in Article 15 (3) of the Common Implementing Regulation. When significant changes of circumstances and policy so require, strategy papers shall be updated in accordance with the same procedure.

Article 5

Committee

The Commission shall be assisted by a Democracy and Human Rights Committee, hereinafter referred to as "the Committee". That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Article 6

Financial reference amount

The financial envelope for the implementation of this Regulation for the period 2014-2020 shall be EUR 1 578 000 000 (current prices). Annual appropriations shall be authorised by the budgetary authority within the limits of the Financial Framework 2014 – 2020.

Article 7

European External Action Service

The application of this Regulation shall be in accordance with Council Decision 2010/427 EU, establishing the organisation and functioning of the European External Action Service.

Article 8

Entry into force

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. Summary of estimated impact on expenditure
 - 3.2.2. Estimated impact on operational appropriations
 - 3.2.3. Estimated impact on appropriations of an administrative nature
 - 3.2.4. Compatibility with the current multiannual financial framework
 - 3.2.5. Third-party participation in financing
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council establishing a financing instrument for the promotion of democracy and human rights worldwide

1.2. Policy area(s) concerned in the ABM/ABB structure¹¹

Title 19: External relations

Activity 19 04: European Instrument for Democracy and Human Rights (EIDHR)

The title of this budget chapter corresponds to the current structure of the financial instruments 2007-2013. It is proposed to keep the same activity and title 19 04.

1.3. Nature of the proposal/initiative

The proposal/initiative relates to **a new action**

The proposal/initiative relates to **a new action following a pilot project/preparatory action**¹²

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objectives

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

This financing instruments aims to support the following strategic objectives as stated in the Commission's Communication "A budget for Europe 2020 – Part II" of 29 June 2011 (COM/2011/500 – Budget for Europe 220 – part II. Policy Fiche "External Action", p. 43):

This Regulation will have two objectives

1. Enhancing the respect for and observance of human rights and fundamental freedoms, as proclaimed in the Universal Declaration of Human Rights and other international and regional instruments, as well as strengthening their protection, promotion and monitoring, mainly through support to relevant civil society organisations, human rights defenders and victims of repression and abuse

2. Supporting and consolidating democratic reforms in third countries, by enhancing participatory and representative democracy, strengthening the overall democratic cycle, and improving the reliability of electoral processes, in particular through election observation missions

¹¹ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.
¹² As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

The two above mentioned objectives will be implemented, in practice, through various specific objectives.

Specific objective No.1

Deliver **thematic campaigns**, mixing advocacy and field operations for great causes (e.g. international justice) and addressing serious violations of rights (e.g. torture, death penalty, discrimination, etc..), as well as providing core support to key actors and related civic education.

Specific objective No.2

Deliver targeted support to the development of **thriving civil societies** empowering it in its quest for and defence of democracy and human rights and to their specific role as actors for positive change.

Specific objective No.3

Deliver a reinforced capacity for the EU to be able to act in the most difficult environments, react quickly to **human rights urgencies** and in support of Human Rights Defender in need of protection.

Specific objective No.4

Deliver a strengthened and better integrated approach to **democratic cycles**, through election observation and other types of support to democratic and electoral processes.

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

To support tangible results in the promotion and support of democracy and human rights worldwide.

Timely launch of project, including fast reaction mechanism for urgent cases of violation and human rights defenders. Timely follow-up, addendum, payment and closing.

1.4.4. *Indicators of results and impact*

Specify the indicators for monitoring implementation of the proposal/initiative.

The implementation of the two above mentioned objectives, and the four specific objectives will be measured through inter alia, the following indicators of results and impacts:

Number of campaigns launched, including number of advocacies, and in particular how many positives changes obtained in third countries laws and regulations regarding human rights clauses;

Number of international convention ratification, and in particular how many conventions could enter into force in how many countries as a result of our support.

Number of specific field operations, and in particular how many weakened CSOs and/or disenfranchised groups have been supported that would have been left alone otherwise.

Number of citizens, professionals and students trained and exposed to Human Rights and Democracy awareness and education,

Number of key actors supported, in particular international organisation's actions, reports, case law and/or statement directly linked to our support,

Number of civil society projects conducted, at global and at local level, and their impact in terms of promotion, protection and monitoring of Human Rights,

Number of Human Rights Defender cases, in particular the number of individuals being protected politically, legally and/or physically and pulled out of their position of abuses;

Number of projects in most difficult countries and situations, and in particular the number of activities and actors reached in these most difficult contexts;

Number of electoral processes and democratic cycles supported, observed, and followed, in particular the number of EU EOMs recommendations implemented in the field.

1.5. **Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term*

Section 1 of the Explanatory Memorandum outlines the policy requirements that the instrument aims to meet within a context of evolving political guidance. Taking into account the specific nature of promoting and supporting democracy and human rights

worldwide as well as responding to urgent human Rights violations of protection of Human Rights Defenders, requirements will be both short and long term.

1.5.2. *Added value of EU involvement*

On the background of its own accomplishments in conflict solution, peace building and prosperity creation, the EU would seem to be in an excellent position to deliver on external action, on behalf of and with its Member States, generally enjoying high credibility in the countries where it works in. It is well placed to take on the role of a global leader on behalf of its citizens, in particular in its support and promotion of democracy and human rights. Yet, European added value cannot be reduced to a balance sheet: contributing to peace building worldwide, assisting the world's poorest people and supporting democratisation and human rights respect are undisputable demonstrations of how the EU adds value through its work every day. This is precisely where the priorities of the next financial instruments on EU external action will lie.

With 27 Member States acting within the framework of common policies and strategies, the EU has the critical weight to respond to global challenges, such as fostering the universality of human rights for all people.

Due to its large scale the EU can deliver help in the world's most remote areas, where most Member States have little strategic interest, only limited presence and reduced capacity to act. Thanks to EU action in, for example, Fiji, Vanuatu or Timor Leste where recently new funding for stable democracy and sustainable development was provided, aid reaches the people that need it most, but who otherwise would remain without it.

At a time of budgetary restrictions, when several MS are compelled to exit entire sectors and countries, the EU continues to be able to play an active role in promoting peace, democracy, solidarity, stability, prosperity and poverty reduction in our immediate neighbourhood and worldwide. In this context, it makes more sense than ever from a purely economic perspective to invest money at EU level where a real difference can be made. In fact, acting through the EU can actually save money for MS. Certain aid effectiveness reforms, especially in terms of division of labour, could add up to potential savings of between 3 and 6 billion a year, according to a recent independent study (*The Benefits of a European Approach*, by HTSPE).

Working with the EU is also cheaper. Administrative costs – estimated at 5.4% on the basis of 2009 data - are lower than the average administrative costs of the principal donors for bilateral aid. The administrative rules that apply are intended to make sure that EU taxpayers' money is properly spent, using strict criteria which can be monitored.

In addition, the European Commission is one of the most transparent aid bodies in the world. Such transparency is in itself an important tool to ensuring effective value for money. This has been recognised by the organisation "Publish what you Fund" which ranked the European Commission in 4th position (out of 30) in its first Aid transparency Assessment of donors in February this year. We are continuing to make further improvements.

In a recent Green Paper consultation carried out to find out views from stakeholders on our development policy, all those who responded agreed on the positive role that the EU played in supporting good governance (including participation of civil society), security, human rights and gender equality.

1.5.3. Lessons learned from similar experiences in the past

Reviews and evaluations underlined several strengths

The EIDHR offers independence of action, allowing working ***without the need for government consent***, which is a critical feature especially in the sensitive areas of democracy and human rights. Thus, the instrument supports democratic education at graduate level of future young Belarusian leaders abroad or tries to mitigate unfair criminalization of democratic activists imprisoned for being in the opposition. The defenders of the victims, such as lawyers, have in turn to be defended (through the Human Right Defender system) as they risk imprisonment for taking up the cases of pro-democracy activists or rights defenders.

The EIDHR also ***offers more flexibility and capacity to respond*** to changing circumstances, contrasting with the long-term programming approach of the geographical programs. An immediate assistance was made available to the reform committee in Tunisia to design the roadmap transition and help civil society contribute to the process. The EIDHR will also provide democracy training for political party activists, support free press and independent pluralistic media, both traditional and ICT-based, including censorship-free and undisrupted electronic communications technologies, watch dog the democratic transition, and support civic education on democracy. The EIDHR might also be available for strengthening the production capacities of media and training of the journalists. In view of the upcoming elections in Tunisia, it is providing training to thousands of local observers and fields the envisaged EU Election Observation Mission.

The EIDHR also ***works in the most difficult environments*** where basic rights and freedoms are most at risk. In order to protect the physical safety of activists and others whose lives may be seriously endangered, the details of such projects cannot be made public. The European Commission reports on these projects to authorized persons in the Council, the Parliament and the EEAS on a “need to know” basis and may only commend the courage of such dedicated activists.

These difficult cases represent about 20 % of EIDHR activities. Since 2007, the EIDHR supported more than 100 such projects (€ 60 million worth). In particular, supported by its network of Human Rights Defenders (HRD), the EIDHR backed 19 HRD projects (€ 13.5 million worth) in more than 45 countries.

In those contexts, the EIDHR ***acts as a breath of fresh air*** with most projects focusing on helping the survival of weakened or shattered civil society and media, opening the door to dialogue and change. It offers the chance for democratic education of students and vulnerable groups, often based abroad. It helps the advocacy of civil society and diasporas abroad. Sometimes it just simply tries to protect and, if needed, to bring victims of antidemocratic repression out of the country into safety.

Further to the “Jasmine revolution”, it may now be revealed that the EIDHR provided support in Tunisia in 2010, prior to the transition, to activities of the Tunisian League of Human Rights (LTDH), the Association of Democratic Women (AFTD), Trade Unions (UGTT), Judges’ and Lawyers’ Associations and others. Lack of publicity for this support at the time might have been interpreted as abandonment or as a lack of responsiveness, but in fact the EIDHR was active on the ground.

Reviews and evaluations have also highlighted three blocks of questions

First, broadly defined objectives and strategies have caused *some fragmentation of approaches and lack of legibility* of the Instrument, creating risks of duplication, difficulties in measuring the impact of the activities and a certain weakening of the complementarity.

Second, while in the most difficult situations the official project description has often been clouded in more traditional development activities to protect the project from a hostile environment, the additionality of EIDHR resources out of country consent bears also the risk of being used for **non-priority activities** in terms of the scope of the instrument. This has led to establishing qualitative supports.

Third, the necessity to *increase the flexibility* of the instrument is recurrent. It is particularly true for the limited part of the instrument addressing the toughest situations in terms of human rights violations and urgency of cases, for which a system of open calls would seem inadequate

1.5.4. *Coherence and possible synergy with other relevant instruments*

As a consequence of this explicit Treaty mandate, promotion and support of democracy and human rights is to be integrated and mainstreamed in all EU policies.

The EIDHR is part of the architecture of different external action financial instruments proposed jointly by the European Commission and the High Representative for CFSP. It complements long term instruments by focussing on CSO activities in the field of democracy and human rights, addressing the most difficult situations, financing EU Election Observation Missions and supporting local, regional and worldwide campaigns on key human rights issues. It is an essential part of the wider external action toolbox to promote and safeguard human rights respect. It also complements the toolbox of crisis management and prevention alongside with humanitarian aid, CFSP operations and the Instrument for Stability by providing rapid support in cases of urgent human rights violations. It also acts as a link to relief, rehabilitation and development activities by offering the possibility for providing physical and mental rehabilitation and reinsertion to victim of abuses or assist human rights defenders in urgent protection need.

It is essential to ensure on the ground, in a pragmatic manner, the coordination with and a proper division of labour between the EIDHR and other interacting instruments, in particular in the needs assessments phases of cases. Indeed, the EIDHR complements ECHO's operations, as refugees and beneficiaries of humanitarian relief are often victims of human rights violations that need to be documented, registered and treated. Strong synergies and mutual reinforcement exist with the Instrument for Stability (e.g. in case of emergencies), the Non State Actor programme (e.g. support to CSOs), the Investing in People Programme (e.g. gender and disenfranchised groups) and in the future the new Neighbourhood Civil Society Facility.

1.6. Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from 01/01/2014
- Financial impact from 01/01/2014 to 31/12/2020

Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Management mode(s) envisaged¹³

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities¹⁴
- national public-sector bodies/bodies with public-service mission
- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations (*to be specified*)

If more than one management mode is indicated, please provide details in the "Comments" section.

Comments

The specific nature of the instrument to address sensitive and complex cases of Human Rights and Democracy, in particular in the most difficult countries and situations as well urgent protection needs, requires it benefit from a maximum range of management modes.

¹³ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

¹⁴ As referred to in Article 185 of the Financial Regulation.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The European Commission's Monitoring and Evaluation systems are increasingly focussed on results. They involve internal staff as well as external expertise.

Task Managers in Delegations and Headquarters continuously monitor the implementation of projects and programmes in various ways, including wherever possible through field visits. Monitoring provides valuable information on progress; it helps managers to identify actual and potential bottlenecks, and to take corrective action.

External, independent experts are contracted to assess the performance of EU external actions through three different systems. These assessments contribute to accountability, and to the improvement of ongoing interventions; they also draw lessons from past experience to inform future policies and actions. The tools all use the internationally-recognised OECD-DAC evaluation criteria including (potential) impact.

First, at the project level, the Headquarters-managed Results Oriented Monitoring (ROM) system provides a brief, focused snapshot of the quality of a sample of interventions. Using a highly structured, standardised methodology, independent ROM experts attribute grades which highlight the strengths and weaknesses of the project and give recommendations on how to improve effectiveness.

Project-level evaluations, which are managed by the EU Delegation in charge of the project, deliver a more detailed, in depth analysis and help project managers to improve ongoing interventions and prepare future ones. External, independent experts with thematic and geographic expertise are hired to conduct the analysis and gather feedback and evidence from all stakeholders, not least the final beneficiaries.

The Commission also conducts strategic evaluations of its policies, from programming and strategy to the implementation of interventions in a specific sector (such as health, education etc), in a country or region, or of a specific instrument. These evaluations are an important input to the formulation of policies and the design of instruments and projects. These evaluations are all published on the Commission's website and a summary of the findings is included in the Annual Report to the Council and the European Parliament.

2.2. Management and control system

2.2.1. Risk(s) identified

The operational environment of operations to be conducted under this instrument is characterised by the following risks to achieving the objectives of this Instrument:

- The targeted difficult environments in which the instrument operates in particular in most difficult countries/situations, may create physical and political constraints on delivering projects
- Dispersed and small projects world wide may create resource challenges in implementation and monitoring,

- The large variety of beneficiaries with various management and control structures and often poor capacity may create lead to difficulty and delays in the implementation,
- The limited quality and quantity, and often controversial nature, of data on the evolution of democracy and human rights in various third countries may hinder the Commission's capacity to report and be accountable for results,
- A lack of administrative credits may laid to insufficient resources to properly manage the instrument.

2.2.2. *Control method(s) envisaged*

Commission internal control is designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of its operations, the reliability of its financial reporting and the compliance with the relevant legislative, financial and procedural framework.

The Commission applies wide Strategic Policy and Planning Process, internal and external audit and other Commission's Internal Controls Standards. The Commission will continue to use its current accounting system (ABAC) as well as external aid specific tool such as the Common Relex Information System (CRIS). It will pursue the highest standards of accounting and financial reporting to ensure a continued unqualified opinion from its external auditors (Court of Auditors).

In addition, in order to achieve upmost effectiveness and efficiency, the Commission uses a tailor made approach which includes:

- - a devolved management of a sound part of its aid by EU delegation in the field
- - clear lines of financial accountability via sub-delegations of Authorising Authorities in HQ and in the delegations,
- - regular reporting, including annual Statement of Assurance by the Head of Delegation,
- - substantial training programme both at HQ and in Delegation
- - significant support and guidance,
- - regular verifications,
- - a Project Cycle Management methodology, and a quality support to each of its components,
- - Programme and project management, monitoring and reporting tools for effective implementation including regular external monitoring of project on the spot,

2.3. **Measures to prevent fraud and irregularities**

Given the high risk environment in which EuropeAid/FPI operate, their systems need to anticipate a significant occurrence of potential compliance errors (irregularities) in transactions and build in a high level of prevention, detection and correction controls as early as possible in the payment process. This means in practice that EuropeAid/FPI's compliance controls will place most reliance on significant ex-ante checks on a multi-annual basis by both external auditors and Commission staff in the field before final project payments (while still executing some ex-post audits and checks), going well beyond the financial safeguards required by the Financial Regulation.

EuropeAid/FPI's compliance framework is made up *inter alia* of the following significant components:

Preventative measures

- Compulsory core training covering fraud issues for aid management staff and auditors;
- Provision of guidance (including via internet) including the Practical Guide to Contracts, the EuropeAid Companion and the Financial Management Toolkit (for implementing partners);
- Ex-ante assessment to ensure that appropriate anti-fraud measures to prevent and detect fraud in the management of EU funds are in place in the authorities managing the relevant funds under joint and decentralised management);
- Ex-ante screening of the anti-fraud mechanisms available in the partner country as part of the assessment of the eligibility criterion of public finance management for receiving budget support (i.e. active commitment to fight fraud and corruption, adequate inspection authorities, sufficient judicial capacity and efficient response and sanction mechanisms);
- The Commission signed the International Aid Transparency Initiative (IATI) in Accra in 2008, agreeing on a standard for aid transparency which ensures more timely, detailed and regular data on aid flows and documents.
- The Commission implements since 14 October 2011 the first phase of the IATI standard for publishing aid information transparency before the next High Level Forum on aid effectiveness in Busan in November 2011. In addition, the Commission will work in cooperation with the EU Member States on a joint web-based IT application called TR-AID which transforms the EU aid data provided through the IATI and other sources into user-friendly aid information.

Detective and corrective measures

- External audits and verifications (both mandatory and risk based) including the European Court of Auditors;
- Retrospective checks (on a risk basis) and recoveries;
- Suspension of EU funding where there is a serious fraud case, including large scale corruption, until the authorities have taken appropriate action with a view to correcting and preventing such fraud in the future

EuropeAid/FPI will further devise their anti-fraud strategy in line with the Commission's new anti-fraud strategy (CAFS) adopted on 24 June 2011 in order to ensure *inter alia* that:

- EuropeAid/FPI's internal anti-fraud related controls are fully aligned with the CAFS;
- EuropeAid/FPI's fraud risk management approach is geared to identify fraud risk areas and adequate responses;
- The systems used for spending EU funds in third countries enable relevant data to be retrieved with a view to feeding this data into fraud risk management (e.g. double funding);

- Where necessary, networking groups and adequate IT tools dedicated to analysing fraud cases related to the external aid sector could be set up. 2.4. Estimate of the costs and benefits of the controls

For the EuropeAid portfolio as a whole, internal control / management costs total an estimated annual average of € **658 million** in commitments in the 2014-2020 budget planning. This figure includes the management of the EDF which operates in an integrated way within the management structure of EuropeAid. These 'non operational' costs represent approximately **6,4 %** of the estimated annual average of € **10.2 billion** planned for the overall (operational + administrative) commitments by EuropeAid on its expenditure portfolio financed by the General Budget of the EU and the European Development Fund for the period 2014-2020.

These management costs take into account all EuropeAid staff at HQ and in Delegations, infrastructure, travel, training, monitoring, evaluation and audit contracts (including those launched by beneficiaries).

EuropeAid plans to reduce the management / operational activities ratio over time under the improved and simplified arrangements of the new instruments, building on changes likely to come in under the revised Financial Regulation. The key benefits of these management costs are realised in terms of meeting policy objectives, efficient and effective use of resources, and the exercise of robust cost-effective preventative measures and other checks to ensure the legal and regular use of funds.

While improvements in the nature and targeting of management activities and compliance checks in relation to the portfolio will continue to be pursued, these costs are globally necessary to effectively and efficiently achieve the objectives of the instruments at a minimal risk of non compliance (below 2% residual error). They are significantly less than risks involved in removing or scaling back internal controls in this high risk area.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number:	Diff./non-diff (15)	from EFTA ¹⁶ countries	from candidate countries ¹⁷	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
IV	19 04: European Instrument for Democracy and Human Rights	N/A.	NO	NO	NO	NO
	19 04 01 European Instrument for					

¹⁵ Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

¹⁶ EFTA: European Free Trade Association.

¹⁷ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

Democracy and Human Rights (EIDHR)					
19 04 03 Electoral observation					
19 04 05 Completion of former cooperation					
19 04 06 Pilot project- Civil Society Forum EU-Russia					
19 04 07 Pilot Project - Funding for victims of torture					

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number 19 04	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
IV	19 04: European Instrument for Democracy and Human Rights					
	19 04 01 European Instrument for Democracy and Human Rights (EIDHR without EU EOM)	N/A	NO	NO	NO	NO
	19 04 02 EU Election Observation Missions (EU EOMs)					
	19 04 03 Completion of former cooperation					

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multiannual financial framework:		4	"Global Europe"							TOTAL
DG: DEVCO/FPI			2014	2015	2016	2017	2018	2019	2020	
• Operational appropriations	Commitments	(1)								
	Payments	(2)	198,63	202,84	207,04	211,34	213,93	220,24	224,84	1.478,87
Appropriations of an administrative nature financed from the envelope for specific programmes ¹⁸ Number of budget line 19.0104.03			178,43	182,24	186,04	189,94	192,03	197,94	202,14	1.328,77
		(3)								
TOTAL appropriations for DG DEVCO/FPI	Commitments	=1+1a +3	212,20	216,50	220,80	225,20	229,70	234,30	239,00	1.577,70
	Payments	=2 +3	192,00	195,90	199,80	203,80	207,80	212,00	216,30	1.427,60

¹⁸ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

• TOTAL operational appropriations	Commitments	(4)	198,63	202,84	207,04	211,34	213,93	220,24	224,84	1.478,87
	Payments	(5)	178,43	182,24	186,04	189,94	192,03	197,94	202,14	1.328,77
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	13,57	13,66	13,76	13,86	15,77	14,06	14,16	98,83
TOTAL appropriations under HEADING <4> of the multiannual financial framework	Commitments	=4+ 6	212,20	216,50	220,80	225,20	229,70	234,30	239,00	1.577,70
	Payments	=5+ 6	192,00	195,90	199,80	203,80	207,80	212,00	216,30	1.427,60

EUR million (to 3 decimal places)

Heading of multiannual financial framework:	5	" Administrative expenditure "									
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EUR million (to 3 decimal places)

	2014	2015	2016	2017	2018	2019	2020	TOTAL	
DG: DEVCO / FPI									
• Human resources	7,168	7,096	7,024	6,953	6,953	6,953	6,953	6,953	49,100
• Other administrative expenditure	0,595	0,547	0,541	0,540	0,541	0,541	0,541	0,541	3,846
TOTAL DG DEVCO / FPI	7,763	7,643	7,565	7,493	7,494	7,494	7,494	7,494	52,945

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	EUR million (to 3 decimal places)									
		Year N 2014	Year N+1 2015	Year N+2 2016	Year N+3 2017	Year N+4 2018	Year N+5 2019	Year N+6 2020	TOTAL		
	7,763	7,643	7,565	7,493	7,494	7,494	7,494	7,494	7,494	52,945	

EUR million (to 3 decimal places)

TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	EUR million (to 3 decimal places)									
		Year N 2014	Year N+1 2015	Year N+2 2016	Year N+3 2017	Year N+4 2018	Year N+5 2019	Year N+6 2020	TOTAL		
	219,963	224,143	228,365	232,693	237,194	241,794	246,494	246,494	1.630,645		
	199,763	203,543	207,365	211,293	215,294	219,494	223,794	223,794	1.480,545		

3.2.2. Estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ↓			2014	2015	2016	2017	2018	2019	2020	TOTAL		
	OUTPUTS											
	Type of output	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Total cost
SPECIFIC OBJECTIVE No 1 ²⁰ Thematic campaigns (i.e. torture, death penalty etc..)												
Sub-total for specific objective N°1			78-88	43-53	78-88	43-53	78-88	43-53	78-88	43-53	546-616	20-25 %
SPECIFIC OBJECTIVE No 2 Development of thriving civil societies												
Sub-total for specific objective N°2			340-390	76	340-390	76	340-390	76	340-390	76	2380-2730	35-40 %
SPECIFIC OBJECTIVE No 3 Human Rights urgencies and most												

¹⁹ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).
²⁰ As described in Section 1.4.2. "Specific objective(s)..."

difficult situations																						
Sub-total for specific objective N°3	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	52-76	22,2-33,2	294-371	20-25 %
SPECIFIC OBJECTIVE No 4 Support to democratic cycles																						
Sub-total for specific objective N°4	47-86	46,4-76,6	47-86	46,4-76,6	47-86	46,4-76,6	47-86	46,4-76,6	47-86	46,4-76,6	47-86	46,4-76,6	47-86	46,4-76,6	47-86	46,4-76,6	47-86	46,4-76,6	47-86	329-602	25-30 %	
Of which Election Observations Mission (EOMs)	11-14	44-55	11-14	44-55	11-14	44-55	11-14	44-55	11-14	44-55	11-14	44-55	11-14	44-55	11-14	44-55	11-14	44-55	11-14	77-98	20-25 %	
TOTAL COST	506-640	198,63	506-640	202,84	506-640	207,04	506-640	211,34	506-640	213,93	506-640	220,24	506-640	224,84	506-640	224,84	506-640	224,84	506-640	3542-4480	1.478,87	

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- The proposal/initiative does not require the use of administrative appropriations
- The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	Year N ²¹ 2014	Year N+1 2015	Year N+2 2016	Year N+3 2107	Year N+4 2018	Year N+5 2019	Year N+6 2020	TOTAL
HEADING 5 of the multiannual financial framework								
Human resources	7,17	7,10	7,02	6,95	6,95	6,95	6,95	49,10
Other administrative expenditure	0,595	0,547	0,541	0,540	0,541	0,541	0,541	3,846
Subtotal HEADING 5 of the multiannual financial framework	7,763	7,643	7,565	7,493	7,494	7,494	7,494	52,945
Outside HEADING 5²² of the multiannual financial framework								
Human resources	8,81	8,81	8,81	8,81	8,81	8,81	8,81	61,67
Other expenditure of an administrative nature	4,76	4,85	4,95	5,05	6,96	5,25	5,35	37,16
Subtotal outside HEADING 5 of the multiannual financial framework	13,57	13,66	13,76	13,86	15,77	14,06	14,16	98,83

²¹

Year N is the year in which implementation of the proposal/initiative starts.

²²

Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

TOTAL	21,333	21,306	21,324	21,349	23,264	21,551	21,654	151,780
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3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full amounts (or at most to one decimal place)

	2014	2015	2016	2017	2018	2019	2020	
• Establishment plan posts (officials and temporary agents)								
XX 01 01 01 (Headquarters and Commission's Representation Offices)	35,1	34,8	34,4	34,1	34,1	34,1	34,1	
XX 01 01 02 (Delegations)	9,8	9,7	9,6	9,5	9,5	9,5	9,5	
XX 01 05 01 (Indirect research)								
10 01 05 01 (Direct research)								
• External personnel (in Full Time Equivalent unit: FTE)²³								
XX 01 02 01 (CA, INT, SNE from the "global envelope")	5,2	5,2	5,1	5,1	5,1	5,1	5,1	
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)								
XX 01 04 yy²⁴	- at Headquarters ²⁵	34,7	34,1	33,4	32,7	32,1	31,5	30,9
	- in delegations	73,4	73,4	73,4	73,4	73,4	73,4	73,4
XX 01 05 02 (CA, INT, SNE - Indirect research)								
10 01 05 02 (CA, INT, SNE - Direct research)								
Other budget lines (specify)								
TOTAL	158,3	157,1	155,9	154,8	154,1	153,5	152,9	

For 2014, human resources under Heading 5 are split as follows between DEVCO and FPI:

- Establishment plan: 5,5 FTE for FPI and 39,4 FTE for DEVCO (Total = 44,9 FTE)
- External personal: 3,2 FTE for FPI and 2 FTE for DEVCO (Total : 5,2 FTE)

²³ CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

²⁴ Under the ceiling for external personnel from operational appropriations (former "BA" lines).

²⁵ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

As regards human resources under Heading 4 (BA line of the EIDHR programme), the staff that will be financed by the BA line in 2014 amounts to 102,1 CA for Devco (28,7 at Headquarters and 73,4 CA in Delegations) and 6 CA for FPI in Headquarters

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary agents	Financial and Operational decisions and implementation.
External personnel	Technical implementation

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the current multiannual financial framework.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework²⁶.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties
- The proposal/initiative provides for the co-financing estimated below:

3.3. **Estimated impact on revenue**

- Proposal/initiative has no financial impact on revenue.
- Proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

²⁶ See points 19 and 24 of the Interinstitutional Agreement.