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- Implementation of the Agenda for Action on Democracy Support in the EU's
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Delegations will find attached joint document JOIN(2012) 28 final.

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HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
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**JOINT REPORT TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE
OF THE REGIONS**

**Implementation of the Agenda for Action on Democracy Support in the EU's External
Relations**

JOINT REPORT TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Implementation of the Agenda for Action on Democracy Support in the EU's External Relations

1. INTRODUCTION AND CONTEXT

This Joint Report, prepared by the High Representative and the Commission, responds to a 10 December 2010¹ Council request for regular updates on democracy support initiatives in the pilot countries. This report examines:

- implementation of the Agenda for Action in pilot countries and all regions;
- policy responses between December 2010 and early 2012; and
- coherence and effectiveness in the EU's democracy support.

The universal desire people have to govern themselves was evident throughout 2011. Developments in Burma, North Africa and the Middle East (the "Arab Spring"), and the united position of the international community to the stand-off in the Ivory Coast underlined the yearning people have to determine the course of their own lives.

The EU's swift reaction to these events highlighted the principles adopted in the Council conclusions on Democracy Support in the EU's External Relations 2009², namely:

- a consistent and efficient use of all instruments at the EU's disposal;
- a differentiated, country-based approach; and
- the importance of dialogue, partnership, and inclusion of all stakeholders with a view to true country ownership.

As a result, new policy developments were initiated, starting in the Neighbourhood. These policy developments strengthen the EU's comprehensive approach to democracy support; add new elements to the principles laid down in the 2009 Council conclusions, and increase funding.

¹ Council conclusions on Democracy Support in the EU's External Relations – 2010 Progress Report and list of proposed pilot countries, Brussels, 10 December 2010.

² Council conclusions on Democracy Support in the EU's External Relations, Brussels, 17 November 2009.

2. IMPLEMENTATION IN PILOT COUNTRIES

2.1. Background

The pilot exercise explored new and revised working modalities in order to deepen the EU's ability to support democratic developments, and to develop a methodology to implement the Agenda for Action.

The pilot implementation in 9 (out of the initial 12) countries³ provided a panoramic snapshot of the EU's democracy support. The group encompasses countries in transition from autocratic regimes and/or from conflict, Small Island Nations, big land-locked countries, and the biggest archipelago in the world. These countries represent a sample of the extraordinary variety of democratic systems, each unique in its reflection of the historic and cultural heritage of the country.

2.2. Intermediary process results

EU Delegations were asked to identify democracy support activities, stakeholders (government, democratic institutions and civil and political society), donors active in the field of democracy support, and ongoing cooperation and its impact. This mapping exercise was to establish a democracy profile including a gap analysis of areas in need of improvement. A multi-stakeholder dialogue was to be initiated with all relevant players to establish a democracy profile. The gap analysis was to indicate which gaps government and/or civil society were interested in filling as well as which donor would be best suited to provide assistance.

By February 2012, all 9 pilot Delegations had reported back. The pilot implementation proved that both the approach and the Council conclusions on democracy support of 2009 and 2010 add clear value and substance to the EU's efforts in the field of democracy support.

The current state of pilot implementation produced the following results:

- *Increased coherence*: between various financial instruments and other tools, between staff with different mandates inside the Delegations, between each Delegation and the EU Member States;
- *Increased legitimacy* to the coordinating function of each Delegation in a politically sensitive area;
- *Value added* in terms of a comprehensive focus on democracy in the reports;
- *Value added* in terms of *additional information, complementarity and synergies* with the EU's work on the human rights strategies. Important additional information has been compiled on political systems, structures and processes;
- *Value added for dialogues and programming*, including joint programming between the EU and the member states.

³ Benin, Bolivia, Ghana, Lebanon, Indonesia, Kyrgyzstan, Maldives, Mongolia and the Solomon Islands. The Central African Republic, Moldova and Philippines have not participated.

The Lebanon case: open attitude to cooperation with the EU on democracy in a sound policy environment

Lebanon is a democracy with a functioning pluralistic system. However, political divisions along sectarian lines together with a volatile regional situation have created a situation that has difficult consequences in a number of democracy/governance related areas. Lebanon is a country that is receptive to European cooperation offers, in particular in the areas of democracy and governance. EU support for democracy has been a constant theme in both dialogue and development cooperation with Lebanon.

In the course of dialogue, a number of weaknesses have been jointly identified, such as: parliamentary effectiveness; the need for electoral reform (as identified in the EU election observation mission report of 2009), and the need to improve the effectiveness and independence of the judiciary.

Under the European Neighbourhood Policy, Lebanon has engaged with the EU in direct and comprehensive dialogue resulting in an ambitious ENP Action Plan adopted in 2007. The second generation of the Action Plan, to be adopted at the end of 2012, will list specific priorities, benchmarks and indicators to achieve progress in democracy/governance as well as in other sectors. The Action Plan covers the key elements of the Agenda for Action.

2.3. Intermediary substantive results

Although the pilot produced results due to the different ways in which the material is presented, it is difficult to draw overall conclusions. This indicates a need to revise guidelines. For example, some reports use a legalistic approach, while others pay more attention to power relations, political culture or individual institutions such as the party system, the judiciary or civil society.

Traditional, parallel power structures (tribal elders, feudal families or clans, chieftains, chiefs) persist in many democracies together with elected democratic structures and government institutions like the judiciary. As part of the historic and cultural fabric of society, traditional leaders play an important role. But this is often in conflict with elected democratic institutions. Understanding these traditional power structures is a prerequisite to improving the EU's ability to integrate democratic systems and institutions. The same is true for constitutional arrangements and electoral systems and their sociological and historic roots. These can greatly contribute to distortions and imbalances of power between the different institutions of the state. The EU can only contribute to constitutional change in a limited number of countries and therefore relies on the dissemination of best practice to provide helpful examples to other countries.

3. IMPLEMENTATION IN ALL REGIONS

During 2011, the EU placed a stronger emphasis on offering assistance to democracy and human rights. The EU also strengthened political conditionality when offering direct budget support⁴ to partner countries worldwide.

⁴ Communication from the European Commission, The Future Approach to EU Budget Support to Third Countries, 13 October 2011.

The EU takes a holistic approach to democracy support, combining the European Instrument for Democracy and Human Rights (EIDHR), the Instrument for Stability (IfS), thematic programmes including Non-state Actors and Local Authorities in Development (NSA/LA), and, where relevant, the geographic instruments. Results in 2011 include:

- legislative changes (new election laws in Moldova and electoral reform in Afghanistan);
- increased participation of under-represented groups in political life (women in Azerbaijan and Ghana, youth in Kyrgyzstan and indigenous communities in Bolivia);
- safeguarding freedom of expression and a free press (Ivory Coast);
- building confidence in electoral processes (Bangladesh and Ivory Coast); and
- better information, monitoring, and transparency of political activity (the Philippines).

Nigeria:

Nigeria is a good example of the EU's approach to democracy support. The EU decided in 2011 to launch a €20 million (10th EDF) project to support the 2012-2015 Nigerian electoral cycle. The funds target the electoral reform process and some capacity-building areas which will emanate from post-election audits, evaluations and reviews. The key beneficiaries include the Independent National Electoral Commission (INEC), the parliament, the judiciary, political parties, civil society organisations, the media and the security sector.

Belarus:

Despite the deteriorating working conditions for civil society in Belarus, particularly for human rights organisations, EU financial assistance to civil society has quintupled since the 2010 post-electoral crackdown. Activities supported by the EU include promotion of human rights, support to victims of repression, freedom of the media, election monitoring, scholarships at European universities and promotion of social inclusion. This assistance is designed to protect and foster civil society development in the country, with a view to strengthening its role in advancing the pace of democracy in Belarus.

Tunisia:

In Tunisia, the Agenda for Action has begun to be implemented. Political support has been provided through regular visits (President Barroso, HR/VP Ashton, Commissioner Füle, other Commissioners and EP President), EU Council Conclusions and HR/VP declarations.

Overall support under the European Neighbourhood and Partnership Instrument (ENPI) for Tunisia has doubled from €80 million to €160 million in 2011, and will reach €400 million during 2011-2013 (up from the €240 initially projected). Immediate support for democracy transition and to election preparations consisted of the swift deployment of experts under the EIDHR and a subsequent €2 million package under the IfS. This money has supported political reform, the electoral process, independent civil society, including women's organisations, and training programmes for journalists.

A further €3.2 million was provided for an EU Electoral Observation Mission, deployed during the elections (Constitutional Assembly, 23 October 2011).

A March 2011 call for proposals with a total budget of €2 million, funded under EIDHR, supported projects covering election observation by domestic observers; training for political parties; freedom of expression groups/movements; and the promotion of democratic values and human rights. A July 2011 call for proposals, under the Non State Actors and Local Authorities in Development thematic programme (€2.5 million), promoted local development through civil society, focusing on creating jobs and generating income within the country.

Activities to support democratic transition are embedded in a broad Action Plan covering the full spectrum of relations between Tunisia and the EU.

4. RECENT DEVELOPMENTS

4.1. A new European Neighbourhood Policy (ENP)

The Joint Communication, “A new response to a changing Neighbourhood” of 25 May 2011, outlined the new ENP vision. It is based on mutual accountability and a shared commitment to the universal values of human rights, democracy and the rule of law. It involves a much higher level of differentiation, in line with a “more for more” principle, allowing each partner country to develop its relationship with the EU as far as its own aspirations, needs and capacities allow, with increased EU financial assistance to those countries engaged in bold reforms. “More for more” means that more support is offered to those partners that deliver on democratic reforms and sustainable and inclusive economic development.

The new policy framework supports “deep democracy” and partnership with societies, assists their sustainable economic and social development, growth and job creation, strengthens trade ties, promotes further mobility and enhances regional partnerships. In September 2011, a Civil Society Facility was launched to strengthen the capacity of civil society to promote reform and increase public accountability in the Neighbourhood. €26.4 million was allocated in 2011, and similar amounts should be made available in 2012 and 2013. More generally, the EU will develop its engagement with local civil society organisations in the Neighbourhood through a combination of structured dialogue and financial support.

In response to the Arab Spring, the EU reacted rapidly and effectively to the challenges of the evolving situation. The EU provided €160.5 million humanitarian and civil protection assistance to the region, as well as a range of support measures for democratic transition and assistance to impoverished areas. In particular, the EU provided significant support for elections in Tunisia, Morocco, Libya and Egypt.

The EIDHR provided support in Tunisia, Libya and Egypt (alongside two IfS Exceptional Assistance Measures) to aid local election observers, including the media, political parties, and civil society groups.

Other initiatives, notably the European Endowment for Democracy, have been launched and should be operational shortly.

4.2. The Agenda for Change

Building on the Agenda for Action and the ENP review, the new development cooperation policy – the Agenda for Change⁵ -- introduces an EU differentiated approach to partner countries, and seeks to focus future cooperation in two priority areas:

- Human rights, democracy and other key elements of good governance; and
- Inclusive and sustainable growth for human development.

Dialogue between partners and a focus on incentives for result-oriented reforms are the main principles of EU support for democratic governance.

Based on the principle of differentiation, the EU's approach must combine the right mix of instruments and aid modalities at country level. For instance, partner countries demonstrating a clear commitment and progress human rights and democratic reform may benefit from EU general budget support.

4.3. New financial perspective

On 29 June 2011, the Commission presented its proposal for the next Multiannual Financial Framework (MFF) 2014-2020. The budget proposal outlines the Commission's new approach -- the "Agenda for Change"-- which focuses EU aid in fewer sectors: supporting democracy, human rights and good governance and creating inclusive and sustainable growth. Together with the "more for more" approach, this proposal would provide additional funding opportunities for democracy support, through all geographic instruments (ENI, DCI) as well as the EDF.

Through rebalancing and reprioritisation, the new MFF proposal includes a new EIDHR with a proposed budget increase of 42%, bringing it to €1.578 billion and a new IfS with a proposed increase of 37% bringing it to €2.828 billion. The scope of the EIDHR has been reviewed and simplified. Democracy support will be one of the four objectives, with a targeted approach to address political society; pluralism; media freedom; civil society organisations engaged in domestic accountability; and electoral processes. More emphasis will be put on the follow-up of EU electoral observation missions. EU Delegations receiving funding from the 4th Objective – Country Based Support Scheme – will be encouraged to launch more Calls for Proposal.

5. RECENT EVALUATIONS

5.1. Governance Initiative evaluation

The "Governance Initiative" (GI), (€2.3 billion from 10th EDF) launched in 2006 was designed to give a higher political profile to governance in EU cooperation, to provide incentives for partner countries to carry out their own reform agendas, and to improve political dialogue on these matters.

⁵ Communication COM (2011) 637 final from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Increasing the impact of EU Development Policy: an Agenda for Change, 13 October 2011.

In 2011 a support study was conducted jointly by the Africa Governance Institute and ECDPM to assess the “Governance Incentive Tranche” process and to formulate recommendations to improve the Commission approach to supporting governance in ACP countries. It concentrated on Africa to assess the links between this initiative and evolving African instruments on governance, such as the African Peer Review Mechanism.

According to stakeholders, although the GI came “at the right moment” it quickly lost momentum, political traction and leverage capacity in the majority of ACP countries.

Based on this overall assessment, the following conclusions were reached:

- The GI served in many ways as a learning tool;
- A gap existed between GI discourse and practice.

The GI did not achieve expected impact, although in Benin and Rwanda, the GI led to improved dialogue on governance and brought results in governance reforms.

The resulting recommendation is that while the EU should maintain a similar level of engagement on governance, it should review several factors that underlie its support strategies, including:

- Taking context as a starting point;
- Ensuring greater internal coherence at EU level;
- Aligning instruments to ambition; and
- Assessing suitable engagement approaches (based on “best-fit” solutions for a given context).

5.2. Ensuring domestic accountability by strengthening parliaments

A comprehensive review of how the EU supported parliaments in Asia, Latin America and the Neighbourhood over the past decade was completed in 2011. The study showed that since 2000 the EU has spent nearly €150 million to strengthen parliaments worldwide. Successful projects were based on careful groundwork – particularly an understanding of the overall governance environment and of the key political actors’ motives. Such projects tended to take a longer-term approach and occurred where there was a positive environment for democratic development. The study further underlined the need to share best practices and to develop parliamentary support programmes in conjunction with other democracy support activities (e.g., support to civil society, political parties and the media).

This review process resulted in the publication of the EU Reference Document “Engaging and Supporting Parliaments Worldwide: EC strategies and methodologies for action to support parliaments”, which serves as a practical tool for EU staff and other stakeholders.

6. RECOMMENDATIONS

6.1. Continuation of pilot process

The pilot process now needs to be completed by finalising the democracy profile and gap analysis in the 9 pilot countries and agreeing on areas for mutual cooperation with stakeholders. A progress report is planned for the relevant Council formations in early 2013.

6.2. Follow-up Electoral Observation Mission (EOM) recommendations

The EU is now looking at the full electoral cycle, beyond Election Day and possible EU EOM or Election Expert Missions (EEM). Increasingly, democracy support programmes are designed according to the principles of the Council conclusions on democracy support. The key feature of the EOM/EEM final reports is the detailed and constructive recommendations on how to improve the framework and conduct of future elections and strengthen democratic institutions. Since these recommendations cover a broad range of aspects relevant to democracy in a given country, they constitute an excellent basis for discussion and provide both the main parts of a democracy profile and a gap analysis. They also serve to identify possible areas for EU-supported technical advice and assistance.

Unfortunately, there is still no systematic follow-up of the recommendations. The EU is therefore taking steps to ensure that the follow-up to the EU EOMs is coherent, comprehensive and result-oriented at both the political and technical level. The recommendations at the political level are key to encouraging authorities to implement necessary reforms. Reflecting the EOMs' findings in EU statements, ENP action plans or joint programming documents increases their strength and visibility.

The EEAS recently launched an initiative to request EU Heads of Missions in the relevant countries to report on their own follow-up to EOMs and EEMs. Mission Heads are to assess how thoroughly the country authorities implemented the recommendations. Similarly, a few follow-up missions will be deployed to assess progress in the implementation of the recommendations.

6.3. Projection beyond pilots

The pilot exercise shows the need to develop further methodologies to understand better transition and other political processes. This needs to be underpinned by training and more standardised deliverables, preferably incorporated or linked to existing work cycles.

6.4. Short- to medium-term suggestions

For the short- to medium term, the following is recommended:

- *A training package* with guidelines, process manuals and training components.
- *Development of democracy models:* While the basic principles should be the same (and can be found in the human rights conventions) the practical solutions vary greatly between countries. The EU needs to know more about constitutions, electoral systems, parties and what support/hinders their functioning, impact of traditional practices and traditional law, etc.

- *A standard democracy profile* for each partner country, containing certain standard and measurable elements, making it easy to assess the state of democracy uniformly in all countries.
- *More systematic use of local EIDHR calls for proposals* to support local actors and domestically owned processes of democratisation that complement political dialogue and institutional capacity building.
- *Regular communications with EU Delegations, Headquarters and Member States* regarding the performance of democracy support activities between operational and political actors.
- *Comprehensive democracy support Action Plans* for pilot countries with clear benchmarks and timelines. Ensure that one of the three concentration sectors pertains to democratic governance.