



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a
COUNCIL REGULATION (EC)

**ON THE DEVELOPMENT AND CONSOLIDATION OF DEMOCRACY AND THE
RULE OF LAW AND RESPECT FOR HUMAN RIGHTS AND FUNDAMENTAL
FREEDOMS**

(presented by the Commission)

EXPLANATORY MEMORANDUM

I. The Community's commitment to the development and consolidation of democracy and the rule of law and respect for human rights and fundamental freedoms is relatively recent. The Treaties establishing the Community make no mention of human rights, which first appear thirty years later in the Preamble to the Single European Act. The Treaty on European Union represents a major breakthrough: for the very first time the need for the European Union to respect human rights is written not only into the Preamble but into the provisions of the Treaty. This is one of the most innovative features of the Maastricht Treaty, under which:

- * Respect for human rights is an essential element of membership of the European Union and a fundamental principle for its activities. Article F.2 provides that "the Union shall respect fundamental rights, as guaranteed by the European Convention for the Protection of Human-Rights and Fundamental Freedoms signed in Rome on 4 November 1950 and as they result from the constitutional traditions common to the Member States, as general principles of European law."
- * Article 130u(2) of the EC Treaty provides that Community policy in the sphere of development cooperation "shall contribute to the general objectives of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms".

One of the most noteworthy measures to give substance to this commitment has been the European Parliament's 1994 initiative to bring a series of budget headings specifically dealing with the promotion of human rights together in a chapter of their own (B7-70) entitled "European Initiative for Democracy and the Protection of Human Rights".

II. With so new an approach, the initial emphasis was on pilot projects aimed at developing a broad strategy, an operating framework, operational objectives and suitable instruments.

A number of reports document the experience gained. The 1992, 1993 and 1994 reports on the implementation of the resolution adopted on 28 November 1991 by the Council and the Member States meeting within the Council on human rights, democracy and development deal only with funds earmarked for developing countries under Chapter B7-70 and other headings. The 1992-1993, 1994, 1995 and forthcoming 1996 reports on the implementation of measures intended to promote observance of human rights and democratization cover the use of all B7-70 resources. They show:

- * considerable growth in human rights funding, which doubled from a total of ECU 45.1 million to over ECU 90 million in the period 1993-96;
- * an increase in the thematic and geographical scope of operations;
- * the further development of instruments for dialogue on, and promotion of, human rights;

- * difficulties with the consistency, transparency and visibility of the Community's human rights activities.

The need for a broad review of the experience acquired led the Commission, on 22 November 1995, to adopt a communication to the Council and Parliament entitled "The European Union and the external dimension of human rights policy: From Rome to Maastricht and beyond".¹ After taking stock of the first few years' achievements, the report outlines future priorities, setting out new issues and strategies aimed at enhancing the consistency and effectiveness of the approach.

A key aspect of these strategies is making the most of financial resources, particularly from the standpoint of their compatibility with the objectives pursued in terms of flexibility, complementarity and administrative transparency.

- III. Such is the background to the debate on the need to provide the human rights headings with a legal basis, an issue which, as long ago as July 1994, was the subject of a special communication to the budgetary authority in which the Commission undertook to propose legal bases for a certain number of budget headings.²

The European Parliament stiffened this requirement by prefacing Part B with a note to the effect that any significant Community action must have a suitable legal basis.

The Council has adopted a paper on the question of legal bases with a view to an agreement between the three institutions. The paper establishes the general principle that a legal base must be adopted before budget appropriations are used for any Community operation.

Several Member States have advocated the adoption of a legal basis for human rights activities under Chapter B7-70.

- IV. The adoption of such a legal basis would be conducive to sound management, transparent administration and the coordination of activities.

This legal basis is aimed at defining the scope of Community action to promote human rights, democracy and the rule of law and the general principles governing procedures for the implementation of such action, and establishing arrangements for the coordination of activities and conditions for cooperation between the Community, international and regional organizations and non-governmental organizations. Particular importance should be attached to the transparency and rapidity of procedures and to the clarity of the criteria for cooperation with international, regional and non-governmental organizations and, where relevant, national authorities.

¹ COM (95) 567 final.

² SEC(94) 1106 final.

The proposal for a Regulation is rooted in the positions of the Council and the European Parliament and in Commission papers, especially the abovementioned communication of November 1995³ taking stock of achievements in the field and establishing guidelines for future action. It takes account of concerns expressed by the institutions and the Member States, particularly regarding the overall consistency of action.

A key feature is the provision for immediate funding in response to emergencies. Keeping in mind the principles of budget transparency, the aim has been to find a suitable formula for rapidly funding such measures as the dispatch of observers in various situations ("political" trials, serious human rights violations, conflict prevention etc.). Such measures are crucial to the credibility of Community action.

Chapter I lays down the operational objectives and the general criteria for Community funding of measures under this Regulation.

Subject to the rules governing the implementation of the budget, Chapter II lays down procedures for the implementation of Community support, in particular providing for emergency operations under certain circumstances. This chapter also covers relations with operational partners and cooperation with regional and international intergovernmental organizations working to promote human rights and democratic principles.

Chapter III of the proposal for a Regulation lays down the decision-making procedures for Community-financed projects and programmes to promote human rights, democracy and the rule of law. It is proposed that the Commission be given responsibility for taking decisions relating to operations under this Regulation and managing their implementation. For certain decisions, however, it would be assisted by an advisory committee. This chapter also provides for regular evaluation of activities in the field of human rights and democratic principles and for the Commission to present an annual report to the Council and Parliament on all the operations funded.

This proposal for a Regulation should help guarantee the consistency of Community measures to promote human rights and democratic principles. It should guarantee clarity and transparency, while offering the flexibility needed for a prompt response to emergencies. It should establish the conditions for effective and visible action, ensuring that action is better attuned to the needs of partners and better coordinated with Member States' initiatives.

³ COM(95) 567 final

PROPOSAL FOR A COUNCIL REGULATION (EC) No

of

**ON THE DEVELOPMENT AND CONSOLIDATION OF DEMOCRACY AND THE
RULE OF LAW AND RESPECT FOR HUMAN RIGHTS AND
FUNDAMENTAL FREEDOMS**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130w thereof,

Having regard to the proposal from the Commission,

Acting in accordance with the procedure laid down in Article 189c of the Treaty,

Whereas Article F.2 of the Treaty on European Union stipulates that the Union respects fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms signed in Rome on 4 November 1950 and as they result from the constitutional traditions common to the Member States, as general principles of European law;

Whereas Article 130u(2) of the EC Treaty requires Community action in the sphere of development cooperation to contribute to the general objectives of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms;

Whereas Community action to promote human rights and democratic principles is guided by belief in the universality and indivisibility of human rights, principles that underpin the international system for the protection of human rights;

Whereas Community action to promote human rights and democratic principles is rooted in the general principles established by the Universal Declaration of Human Rights;

Whereas human rights within the meaning of this Regulation should be considered to encompass respect for international humanitarian law, also taking into account the 1949 Geneva Conventions and the 1977 Additional Protocol thereto, the 1951 Geneva Convention relating to the Status of Refugees, the 1948 Convention on the Prevention and Punishment of the Crime of Genocide and other acts of international treaty or customary law;

Whereas the resolution on human rights, democracy and development adopted by the Council and the Member States meeting within the framework of the Council on 28 November 1991 sets out guidelines, procedures and practical measures aimed at promoting civil and political freedoms alongside economic and social rights, by means of a representative political system based on respect for human rights;

Whereas Community action to promote human rights and democratic principles is the product of a positive and constructive approach in which human rights and democratic principles are seen as a matter of common interest for the Community and its partners, and as a subject for dialogue that can produce measures to promote respect for these rights and principles;

Whereas this positive approach should be reflected by the implementation of measures in support of democratization, the strengthening of the rule of law and the development of a pluralist and democratic civil society and by confidence-building measures aimed at preventing conflicts, supporting peace initiatives and addressing the issue of impunity;

Whereas the financial instruments used to support positive action in individual countries should be used in a manner consistent with geographical programmes and integrated with other development instruments to maximize their impact and effectiveness;

Whereas these operations should in particular target groups such as children, women, migrants, minorities, displaced persons, indigenous peoples, prisoners and victims of torture;

Whereas Community support for democratization and observance of the principles of the rule of law within a political system respecting the individual's fundamental freedoms helps fulfil the objectives laid down in the agreements concluded by the Community with its partners, in which respect for human rights and democratic principles is an essential element of relations between the parties;

Whereas governments, which bear the main responsibility for building democracy and protecting human rights, are the prime partners for Community action;

Whereas Community action on human rights, democracy and the rule of law requires a stronger identity;

Whereas the quality, impact, visibility and continuity of operations should in particular be safeguarded by providing for multiannual programmes to promote human rights and democratic principles in partnership with the authorities of the country concerned, taking account of its cultural sensibilities and specific needs;

Whereas efficient, consistent and visible action requires the specific characteristics of action on human rights and democratic principles to be reflected in the establishment of flexible, transparent and rapid decision-making procedures for the financing of operations and projects in this field;

Whereas the Community needs to be able to respond rapidly to emergencies or situations of particular importance in order to enhance the credibility and effectiveness of its commitment to the promotion of human rights and democratic principles in countries where such situations arise;

Whereas the procedures for the award of assistance and the evaluation of projects in particular should, with due regard for the Financial Regulation and budget transparency, take account of the special nature of the recipients of Community support in this field, namely the non-profit nature of their activities, the risks run by members who are in

many cases volunteers, the sometimes hostile environment in which they operate and the limited room for manoeuvre afforded by their own resources;

Whereas decisions to fund projects to promote human rights and democratic principles must be taken impartially, without racial, religious, cultural, social or ethnic discrimination between bodies receiving Community support and persons or groups targeted by the projects supported, and must not be guided by political considerations;

Whereas procedures should be established for the implementation and administration of aid for the promotion of human rights and democratic principles financed from the Community's general budget,

HAS ADOPTED THIS REGULATION:

CHAPTER I

Objectives and general principles of action to promote human rights and democratic principles

Article 1

The Community shall contribute to the implementation of operations to develop and consolidate democracy and the rule of law, including good governance, and promote human rights and fundamental freedoms in accordance with the general conditions laid down in this Regulation.

Article 2

The Community shall in particular support operations aimed at:

- a) promoting economic, social and cultural rights, including trade union rights, together with the civil and political rights proclaimed in the Universal Declaration of Human Rights;
- b) supporting the processes of democratic change, including the holding of free and regular elections; training human rights and election observers;
- c) promoting or strengthening the rule of law, notably through measures to uphold the independence of the judiciary and strengthen it (the administration of justice, treatment of offenders, crime prevention) and for the activities of parliaments and other democratically elected institutions; supporting institutional and legislative reform;
- d) supporting local, national, regional or international institutions involved in the protection or promotion of human rights, including support for ombudsmen, human rights prosecutors and international criminal tribunals; supporting efforts to establish a permanent international criminal court;
- e) promoting pluralist civil society by strengthening the institutions needed to maintain that pluralism, including non-governmental organizations (NGOs); educating and training civil society in democratic principles;

- f) promoting independent, pluralist and responsible media; supporting freedom of expression and a free press;
- g) supporting human rights education, training and awareness campaigns;
- h) promoting equal opportunities and non-discriminatory practices;
- i) promoting administrative accountability and good governance; supporting measures to fight corruption;
- j) supporting confidence-building measures to restore civil peace and conflict-prevention schemes; promoting the observance of international humanitarian law by all parties to a conflict;
- k) supporting national efforts to separate civilian and military functions; training members of the armed, security and police forces and the staff of judicial and penal institutions and raising their awareness of human rights; supporting efforts to reintegrate demobilized troops into civilian life;
- l) protecting and promoting the human rights of target groups, in particular children; women, migrants, displaced persons, prisoners and victims of torture, violence or armed conflict; supporting action against different forms of exploitation or trafficking in human beings, and in particular women and children;
- m) protecting members of ethnic, religious or linguistic minorities, and in particular their rights and cultural identities;
- n) protecting indigenous peoples, their rights and cultures.

Article 3

The Community may also finance:

- public awareness and information campaigns, meetings of experts, seminars, conferences and congresses aimed at increasing understanding of human rights issues and Community action in the field,
- the technical assistance necessary for the implementation of projects receiving Community support, including the exchange of technical know-how and experience between European organizations and bodies in third countries,
- preparatory feasibility studies and monitoring, auditing and evaluation of Community operations,
- costs arising from the evaluation of tenders and the preparation of projects;
- general studies concerning the Community's action within the scope of this Regulation;
- the cost of purchasing and/or delivering any product or equipment and employing any expatriate or local staff strictly necessary for the implementation of operations;
- any other expenditure related to the implementation of operations, including the visibility of the aid granted.

CHAPTER II

Procedures for the implementation of aid to promote human rights and democratic principles

Article 4

1. The partners eligible for financing under this Regulation are regional and international organizations, non-governmental organizations, national, regional and local authorities and official agencies, community-based organizations and public- or private-sector institutes and operators.
2. Operations financed by the Community under this Regulation shall be implemented by the Commission either at the request of a partner referred to in paragraph 1 or on its own initiative.

Article 5

To be eligible for Community aid, the partners referred to in Article 4(1) must have their main headquarters in a Member State of the Community or in a third country eligible for Community aid under this Regulation. Such headquarters must be the effective decision-making centre for all operations financed under this Regulation. Exceptionally, the headquarters may be in another third country.

Article 6

Without prejudice to the institutional and political environment in which the partners referred to in Article 4(1) operate, the following factors shall in particular be considered when determining a body's suitability for Community funding:

- a) its experience in the field of promoting human rights and democratic principles;
- b) its administrative and financial management capacities;
- c) its technical and logistical capacity in relation to the planned operation;
- d) the results, where relevant, of any previous operations carried out, in particular those financed by the Community;
- e) its capacity to build up a working relationship with other elements of civil society in the third country concerned;
- f) its commitment to defending, respecting and promoting human rights and democratic principles in a non-discriminatory manner.

Article 7

1. Aid shall not be allocated to the partners referred to in Article 4(1) unless they undertake to comply with the allocation and implementation conditions laid down by the Commission, to which they shall be contractually bound.

2. Activities aided by the Community shall be implemented in accordance with the objectives laid down in the Commission financing decision.
3. Community financing under this Regulation shall take the form of grants.
4. Where operations financed under this Regulation are the subject of financing agreements between the Community and the recipient countries, such agreements shall stipulate that taxes, charges and customs duties are not to be borne by the Community.

Article 8

1. Participation in invitations to tender and the award of contracts shall be open on equal terms to natural or legal persons of the Member States and the host country. It may be extended to other countries in exceptional and duly justified cases.
2. Supplies shall originate in the Member States or the host country. They may originate in other countries in exceptional and duly justified cases.

Article 9

1. In the interests of consistency and complementarity and in order to maximize the overall effectiveness of operations, the Commission may take any coordination measures necessary, and in particular:
 - a) introduce a system for the exchange and systematic analysis of information on operations financed or considered for financing by the Community and the Member States;
 - b) coordinate the implementation of operations on the spot by means of regular meetings for the exchange of information between the representatives of the Commission and the Member States in the recipient country.
2. The Commission may take any steps necessary to ensure that the operations referred to in Article 1 are coordinated and consistent with those of international and regional organizations and bodies.

CHAPTER III

Procedures for the implementation of operations to promote human rights and democratic principles

Article 10

The Commission shall appraise, decide upon and administer, monitor and evaluate operations under this Regulation in accordance with the budgetary and other procedures in force, and in particular those laid down in the Financial Regulation applicable to the general budget of the European Communities. It shall lay down the conditions for allocating, mobilizing and implementing aid under this Regulation.

Article 11

1. The following shall be adopted according to the procedure laid down in Article 12:
 - decisions on operations for which financing under this Regulation exceeds ECU 2 million and any modification to such operations leading to an increase of more than 20% in the sum initially agreed;
 - programmes intended to provide a coherent framework for action in a given country or region or in a specific field where the scale and complexity of the needs identified are such that they seem likely to continue.
2. The Commission shall notify the Committee referred to in Article 12 of financing decisions that it intends to take concerning projects and programmes costing less than ECU 2 million. Notice shall be given at least a week before the decision is taken.

Article 12

1. The Commission shall be assisted by an advisory committee, hereinafter referred to as "the Committee", composed of representatives of the Member States and chaired by the representative of the Commission.
2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter, if necessary by taking a vote. The opinion shall be recorded in the minutes; in addition each Member State shall have the right to ask to have its position recorded in the minutes. The Commission shall take the utmost account of the opinion delivered by the Committee. It shall inform the Committee of the manner in which its opinion has been taken into account.

Article 13

1. The Commission may adopt emergency measures to respond effectively to urgent and unforeseeable needs where these arise from:
 - the sudden suspension of the democratic process or the emergence of a state of crisis or exceptional and imminent danger affecting all or part of the population of a country and posing a grave threat to the fundamental rights and freedoms of the individual;
 - specific situations that are sensitive in terms of the observance of democratic rules, the principles of the rule of law and fundamental freedoms.
2. Where operations fulfil these conditions:
 - the Commission shall adopt its decision,
 - it shall inform the Member States in writing forthwith.

Article 14

Once a year the Committee referred to in Article 12 shall discuss general guidelines presented by a representative of the Commission for operations under this Regulation to be undertaken in the year ahead and examine any general or specific issues concerning Community aid in the field.

Article 15

The Commission shall regularly evaluate operations financed by the Community under this Regulation in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent operations. The Commission shall submit to the Committee a summary of the evaluation exercises carried out that it might, if necessary, examine. The evaluation reports shall be available to the Member States on request.

Article 16

All contracts or financing agreements concluded under this Regulation shall provide in particular that the Commission and the Court of Auditors may conduct checks on the spot and at the headquarters of the partners referred to in Article 4(1) according to the usual procedures established by the Commission under the rules in force, and in particular those of the Financial Regulation applicable to the general budget of the European Communities.

Article 17

1. At the close of each financial year, the Commission shall submit an annual report to the European Parliament and to the Council with a summary of the operations financed in the course of that year.

The summary shall contain information concerning the agencies with which the operations referred to in Article 1 have been implemented.

The report shall also include a review of any external evaluation exercises which may have been conducted on specific operations.

2. Within a month of its decision, the Commission shall notify the Member States of operations and projects approved, indicating the sums, the nature of the operation, the recipient country and the partners involved.

Article 18

Three years after the entry into force of this Regulation the Commission shall report to the European Parliament and to the Council, giving an overall evaluation of the operations financed by the Community under the Regulation, together with suggestions as to its future and proposals for any necessary amendments.

Article 19

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

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

Done at Brussels,

For the Council

The President

FINANCIAL STATEMENT

1. TITLE OF OPERATION

The development and consolidation of democracy and the rule of law and respect for human rights and fundamental freedoms.

2. BUDGET HEADING INVOLVED

The budget headings concerned in 1997 are:

Heading	Title	Budget	
		Commitments	Payments
B7-70	European Initiative for Democracy and the Protection of Human Rights		
B7-7000	Support for democracy in the countries of central and eastern Europe and in the Balkans	10 000 000	8 000 000
B7-7001	Community measures to help democracy and support the peace process for the Republics formerly part of Yugoslavia	5 000 000	5 000 000
B7-701	Support for democracy in the New Independent States and Mongolia	10 000 000	8 000 000
B7-702	Human rights and democracy in the developing countries	17 000 000	12 700 000
B7-703	Democratization process in Latin America	12 625 000	10 625 000
B7-704	Other measures to promote human rights	7 000 000	6 800 000
B7-705	MEDA programme for democracy	8 000 000	5 000 000
B7-707	Support for rehabilitation centres for torture victims and for organizations offering concrete help to victims of human rights abuses	6 000 000	5 800 000
B7-708	Support for the activities of international criminal tribunals and for the setting up of a Standing International Criminal Tribunal	3 000 000	3 000 000
B7-709	Support for, and supervision of, electoral processes	p.m.	p.m.
	TOTAL	78 625 000	64 925 000

A-3041 Support for international non-governmental organizations working for the establishment of an international criminal court (ECU 300 000)

These budget headings pursue the following objectives:

B7-7000

This programme is intended to support the development of democracy and of the rule of law and the development of civil society in the countries of central and eastern Europe.

The heading is intended to cover support - involving NGOs of a regional nature as extensively as possible, and targeting women's associations in particular - for measures taken by associations actively campaigning for the restoration of democracy in civil life in the countries of central and eastern Europe.

B7-7001

This programme is intended to cover the financing of measures to support the peace process, calm tensions and develop democracy, by among other measures, the promotion of free and independent media, in the republics formerly part of Yugoslavia (Slovenia, Croatia, Montenegro, FYROM and Bosnia-Herzegovina).

B7-701

This heading is intended to cover the implementation of a programme to support democracy and the rule of law, and the transposition of internationally recognized human rights, rights for the protection of minorities and indigenous peoples and to develop civil society in the independent states of the former Soviet Union and Mongolia in the framework of the European Parliament resolution of 15 July 1993.

B7-702

This heading is intended to cover support for operations promoting human rights and democracy, notably those relating to the exercise of public authority, the development of civil society and conflict prevention, in strict association with the development policies of the European Union in favour of the developing countries.

B7-703

This heading is intended to cover the financing of special activities to contribute to the process of democratization in Latin America, including Haiti and Cuba, particularly in assisting the reintegration into civilian life of those who have fought in civil wars in Central America.

B7-704

This heading is intended to cover financing of the activities of organizations pursuing humanitarian aims and promoting human rights in third countries. This aid is allocated for projects to be undertaken in third countries and in the European Union in the form of grants to:

- promote Community and international initiatives aimed at abolishing the death penalty in all countries by the year 2000,
- train people who are called upon to teach others about human rights (judges, lawyers, civil servants, those responsible for the training of police and security forces, teachers, etc.),

- reinforce respect for the rights of the child,
- promote and protect women's rights,
- reinforce respect for ethnic minorities such as gypsies,
- strengthen respect for the human rights of indigenous peoples worldwide,
- promote training with organizations specializing in the defence of human rights,
- support for organizations which specialize in caring for refugees,
- promote the protection of human rights in countries where there is soon to be a change of sovereignty.

B7-705

This programme is designed to support the development of democracy, of the constitutional state and of civil society in the countries covered by the MEDA programme.

B7-707

This appropriation is intended to support rehabilitation centres for torture victims and other organizations offering concrete help to victims of human right abuses.

B7-708

This appropriation is intended to help improve the functioning of the UN international War Crimes Tribunal for the former Yugoslavia and the International Criminal Tribunal for Rwanda by funding operating expenditure incurred in gathering evidence (missions, investigations, travel by witnesses, exhumations, etc.) and preparations for the setting-up of a Standing International Criminal Tribunal.

A-3041

This appropriation provides special support for international non-governmental organizations working for the establishment of a permanent, international criminal court

3. LEGAL BASIS

The proposed Council Regulation is based on Article 130w of the Treaty.

4. DESCRIPTION OF OPERATION

4.1 General objective

To contribute to the implementation of operations to develop and consolidate democracy and the rule of law, including good governance, and respect for human rights and fundamental freedoms.

4.2 Period covered and arrangements for renewal or extension

The operation is of indefinite duration.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Non-compulsory expenditure

5.2 Differentiated appropriations

5.3 Type of revenue involved

Not applicable

6. TYPE OF EXPENDITURE OR REVENUE

- Up to 100 % subsidy
- Subsidy for joint financing with other sources in the public and/or private sector

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation in 1998 (relationship between unit costs and total cost)

The cost of Chapter B7-70 - *European Initiative for democracy and the protection of human rights* in 1998 is the sum of the individual budget headings listed below.

Heading	Title	1998 PDB (ECU)
	Support for democracy in central and eastern Europe and the Balkans, including the Republics formerly part of Yugoslavia	15 000 000
B7-701	Support for democracy in the New Independent States and Mongolia	10 000 000
B7-702	Human rights and democracy in the developing countries	17 000 000
B7-703	Democratization process in Latin America	12 625 000
B7-7040	Other measures to protect and promote human rights	16 000 000
B7-705	MEDA programme for democracy	8 000 000
B7-709	Support for, and supervision of, electoral processes	p.m.
	TOTAL	78 625 000

7.2 Itemised breakdown of cost

See 7.1

7.3 Operational expenditure on studies, meetings of experts etc. included in Part B

7.4 Schedule for multinational operations

Not applicable.

8. FRAUD PREVENTION MEASURES; RESULTS OF MEASURES TAKEN

Recipients of financial assistance under Chapter B7-70 must sign a cofinancing agreement with the Commission. Though each Directorate-General has its own model, all these agreements contain standard anti-fraud provisions. By way of example, the draft contract for headings managed by DG IA/A2 contains the following clauses:

“Article 11. AUDIT AND MONITORING:

1. The Organisation agrees to allow duly authorised agents of the Commission and the Court of Auditors of the European Communities to conduct any audits or inspections they deem necessary to check the financial running of the project and its accounts. In particular, the Organisation shall grant unrestricted access to the project site, its premises, the accounts book and supporting documents. All documents relating to the performance of this agreement shall be available.
2. The Organisation furthermore agrees to allow duly authorised agents of the Commission to carry out on-site visits to monitor the implementation of the project according to the terms set out in the application (Annex A)
3. The Organisation shall ensure that the accounts book and all originals of the supporting documents are kept for a period of five years following the completion of the project.”

The Commission's authorized agents visit organizations while operations are under way to check that everything is going smoothly and that funding is being used properly. The reports of such missions provide the budget heading's administrators with a detailed knowledge of the recipient organization's capacities and the management of the project's finances.

DG XX and/or the Court of Auditors may also carry out inspections at the site of the project and the headquarters of recipient organizations.

Administrators of Chapter B7-70 headings are responsible for examining the intermediate and final financial reports that all recipient organizations have to present before receiving the next tranche of funding. In principle, this method enables misuse of funds to be avoided and offers guarantees as to the proper execution of the project's activities.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

– Specific objectives: links with general objective

The Commission's inter-departmental Human Rights Coordination Group, which includes the administrators of the B7-70 budget headings, highlighted the following priorities directly related to the general objective described under point 4 above:

Priorities

Democracy

(a) helping prepare elections; (b) monitoring elections.

Rule of law

(a) parliamentary business; (b) judicial procedures; (c) legal protection of civil and political liberties; (d) government human rights institutions; (e) institutional reform; (f) training armed and security forces; (g) administrative accountability.

Pluralist and democratic civil society

(a) independent, pluralist and responsible media; (b) education in human rights and fundamental freedoms; (c) equal opportunities and non-discriminatory practices (non-sexist approach, combating racism, xenophobia and religious intolerance); (d) creation of local groups and associations; (e) psycho-social rehabilitation.

Confidence-building measures

(a) conflict prevention and negotiation; (b) international institutions/international criminal courts; (c) civilian-military relations; (d) support for peace efforts.

Target groups

- Women
- Children
- Minorities
- Indigenous peoples
- Migrants, refugees and returnees
- Torture victims
- Prisoners

9.2 Grounds for the operation

– Need for Community financial aid

The Community's international legal personality endows it, in international relations, with the capacity to exercise rights and assume obligations across the entire spectrum of objectives laid down in the Treaty. Action is taken in accordance with the United Nations Charter and the Universal Declaration of Human Rights supplemented by the two international pacts on civil and political rights and economic, social and cultural rights. It is also based on the requirements of the main international and regional instruments for the protection of human rights. The priorities espoused by the international community in the final declaration and the action programme of the World Conference on Human Rights (Vienna, June 1993) created a framework for action that is one of the European Union's main points of reference.

Building on this foundation, the Treaty on European Union has strengthened Community action in the field of human rights and democratic principles. Article 130u(2) of the Treaty expressly provides that Community policy in the sphere of development cooperation "shall contribute to the general objectives of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms." The Community's human-centred development aid policy is closely tied to the enjoyment of fundamental rights and freedoms, the recognition and application of democratic principles, the consolidation of the rule of law and good governance. This approach - set out in the resolution on human rights, democracy and development adopted on 28 November 1991 by the Council and the Member States meeting within the Council - is founded on open and constructive dialogue with the governments of the countries concerned and the implementation of positive measures to raise awareness of and promote human rights and democracy. It is aimed at strengthening the link between development aid, human rights and democratic principles, the rule of law and good governance.

– Choice of ways and means

- advantages over possible alternatives (comparative advantages)

Chapter B7-70 is one of the few instances of direct cooperation between the Commission and civil society inside and outside the Community. The gathering of these headings into a single chapter in 1994 helped ensure that spending outside the Community on human rights and democratization was managed with the requisite consistency and transparency. The inter-departmental Human Rights Coordination Group has helped establish guidelines, identify terms of reference and common criteria for selecting projects and harmonize procedures.

This approach enables greater account to be taken of the realities of the countries and regions concerned and the priorities of governmental and non-governmental partners and ensures that proposed operations are relevant to the situation on the ground. Its main advantages are a flexibility enabling it to adapt to the needs of the target group, the interweaving of the thematic and geographical approaches, and the innovative nature of schemes which receive small-scale funding under Chapter B7-70 but may, if successful, be developed on a larger scale using technical assistance or development aid resources.

This system also helps ensure the continuity of action while offering scope for the development of a medium- to long-term strategic approach.

- explanatory reference to similar Community or national operations

The trend towards the harmonization of selection and financing procedures within Chapter B7-70 both simplifies the selection of schemes and facilitates relations between the Commission and recipient organizations. This makes it easier to gauge the impact of measures financed under this chapter and keep operations in line with the priorities laid down by the inter-departmental group.

Community action is distinguished from similar initiatives at national level by the fact that it projects a European identity rooted in the Member States' shared commitment. In operational terms, the Commission's worldwide network of delegations and offices constitutes a particularly effective tool for the assessment, monitoring and evaluation of projects. It also helps focus the Commission's international efforts and maximize the impact. Other donors consider Commission funding a solid guarantee of the quality of a project and the trustworthiness of the recipient organization.

- Main factors of uncertainty which could affect the specific results of the operation

Uncertainty and risk are intrinsic to the schemes backed. Some take place against a background of extreme tension or conflict. The subjects covered are sensitive and activities may be seriously impeded or interrupted by opposition from the authorities or social factions.

9.3 Monitoring and evaluation of the operation

- Performance indicators selected

- output indicators (measuring activities used)
- impact indicators (measuring performance against objectives)

All projects are evaluated in terms of the technical, logistical, administrative and financial capacity of the organizations presenting them. Evaluation can be broken down as follows:

1. conformity with the general objectives of the Union and the budget , chapter and heading concerned,
2. achievement of the project's objectives,
3. cost-effectiveness,
4. quality of the organization,
5. relevance to the situation on the ground,
6. impact and spin-offs of the project,
7. visibility of the Union's contribution.

At the end of the contract, all recipients must present a report on a project's activities and spending before the file can be closed. These reports are examined in the light of the original work plan, objectives and budget. Criteria include cost-effectiveness, spin-offs and the visibility of Community support. Any irregularity for which the organization is unable to provide an explanation may lead to the dispatch of an on-the-spot inspection mission by the unit or, where appropriate, Financial Control and/or the Court of Auditors.

Various annual reports take stock of the use of these financial resources. The issues are covered horizontally by the reports on the implementation of measures intended to promote observance of human rights and democratization (1992-1993, 1994, 1995) and the reports on the implementation of operations to promote human rights and democratization and the reports on the implementation of the resolution adopted on 28 November 1991 by the Council and the Member States meeting within the Council on human rights, democracy and development (1992, 1993 and 1994). The general report on the activities of the European Communities provides general information on the execution of the various budget headings. These are supplemented by the reports on the use of the individual headings of Chapter B7-70.

10.1 Impact on the number of posts.

NB: The posts will be with Directorates-General IA, IB and VIII.

Type of post		Staff to be assigned to managing the operation		Source		Duration
		Permanent posts	Temporary posts	Existing resources in the DG or department concerned	Additional resources	
Officials or temporary staff	A	8		8	None	
	B	5		5		
	C	3	3	6		
Other resources						
Total		16	3	19		

10.2 Overall financial impact of additional human resources

ECU

	Amounts	Method of calculation
Officials Temporary staff Other resources		
TOTAL		

10.3 Impact on other administrative expenditures as a result of the operation

ECU

Budget heading	Amounts	Method of calculation
A-2510		
TOTAL	84 000	

The operating costs of the proposed new committee will be covered by Item A-2510. The committee will comprise no more than two representatives per Member State and meet no more than twice a year.

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