

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 26.6.2006
COM(2006) 354 final

2006/0116 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

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

(European Instrument for Democracy and Human Rights)

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. The objective of the proposal for a new financing instrument for the promotion of democracy and human rights is to provide a legal basis for the successor programme to the European Initiative for Democracy and Human Rights (EIDHR), which is based on two regulations that expire end 2006[1].

2. The new instrument, like EIDHR, will have the specific mission to assist in meeting EU policy objectives regarding the promotion of human rights and democracy in external relations, as indicated in Treaty mandates[2] and articulated in Commission communications, European Parliament resolutions and Council conclusions over the years. These objectives are of a global nature, reflected in EU Guidelines on Human Rights issues[3] and echoed in different ways in the Stabilisation and Association process[4], the European Neighbourhood policy[5], and in the European Consensus on Development[6], as well as in new regional initiatives such the EU Strategy for Africa[7] and EU strategic partnership with Latin America[8] and the EU policy towards Asia[9]. The main policy framework for the EIDHR has been set by the 2000 and 2001 Commission communications[10].

3. The new instrument, will, like EIDHR, be designed to complement the various other tools for implementation of EU policies on democracy and human rights, which range from political dialogue and diplomatic demarches to various instruments of financial and technical cooperation, including both geographic and thematic

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1 Council Regulation (EC) No 975/1999, as amended by Regulation (EC) No 1882/2003, Regulation (EC) No 2240/2004, and Regulation (EC) 2110/2005; Council Regulation (EC) No 976/1999, as amended by Regulation (EC) No 907/2003, Regulation (EC) No 2242/2004, and Regulation (EC) 2112/2005

2 Article 11(1) TEU; Articles 177(2), 181a(1) TEC.

3 *Guidelines to EU policy towards third countries on the death penalty*, June 1998; *Guidelines to EU policy towards third countries on torture and other cruel, inhuman or degrading treatment or punishment*, April 2001; *EU Guidelines on children and armed conflict*, December 2003; *EU Guidelines on human rights defenders*, June 2004.

4 Cf. Zagreb summit in November 2000 http://europa.eu.int/comm/enlargement/intro/sap/summit_zagreb.htm

5 Commission Strategy Paper *European Neighbourhood Policy*, COM(2004) 373 final of 12May 2004, Council conclusions of 14July 2004.

6 Joint Statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission "*The European Consensus on Development*", adopted on 22 November 2005.

7 *The EU and Africa: towards a strategic partnership*, adopted by the European Council, 15-16 December 2005

8 Commission Communication *A stronger partnership between the EU and Latin America*, COM(2005)636 final of 8 December 2005

9 Commission Communication *Europe and Asia: A Strategic Framework for Enhanced Partnerships*, COM(2001) 469 final of 4 September 2001; Commission Communication *New Partnership with South East Asia*, COM(2003) 399 final of 9 July 2003; Commission Policy Paper *A maturing partnership – shared interests and challenges in EU-China relations*, COM(2003) 533 final of 10 September 2003; Commission Communication *An EU-India Strategic Partnership*, COM(2004) 430 final of 16 June 2004

10 *EU election assistance and observation*, COM(2000) 191 final of 11 April 2000; *The EU's Role in Promoting Human Rights and Democratisation in Third Countries*, COM(2001) 252 final of 8 May 2001

programmes. It will also complement the more crisis-related interventions of the new Stability instrument.

4. Whilst democracy and human rights objectives are increasingly "mainstreamed" in these various instruments, the new financing instrument will have a specific complementary role by virtue of its global nature and its independence of action. As with EIDHR, this makes possible cooperation with civil society on sensitive human rights and democracy issues, providing the flexibility to respond to changing circumstances or to support innovation, contrasting with the long term programming approach of the geographic programmes. It also provides an EC capacity to articulate and support specific objectives and measures at international level, which are neither geographically linked nor crisis related, which may require a transnational approach or involve operations both within the EU and in a range of partner countries. It provides the necessary framework for operations such as EU election observation requiring policy coherence, a unified management system and common operating standards.

5. Given the planned radical simplification of the regulatory architecture governing external assistance, the original intention of the Commission was to propose that the future framework for its specific activity on democracy and human rights, following on from the EIDHR, take the form of a Thematic Programme, using the four proposed regulations on external assistance as a legal base[11]. A Communication on a thematic programme for the promotion of democracy and human rights worldwide under the future Financial Perspectives (2007-2013) was thus published by the Commission in January[12] which had been prepared following consultations in the later part of 2005[13]. Consultations have continued since with a view to preparing the programming documents.

6. Given the special character of EU action on democracy and human rights, being linked to a specific Treaty mandate, the need for a separate Regulation, as opposed to a Thematic Programme, has been long been argued in particular by the European Parliament, which was at the origin of the EIDHR. Although the Commission has been aware of the concerns of the Parliament, it has wished first to ensure an inter-institutional consensus on the overarching plan for the simplification of the regulatory architecture governing external assistance. Now that this seems secure, the Commission considers it is now appropriate to propose a separate Regulation.

7. The proposal mirrors the main ideas developed in the Communication for a Thematic programme for the promotion of democracy and human rights worldwide under the future Financial Perspectives (2007-2013), and thus takes account of the consultations carried out in that context. No further consultations have been carried out with regard to the proposed regulation, for reasons of urgency, given the need for the Regulation to be adopted in time for operations to take place as from 2007.

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11 Communication from the Commission to the Council and the European Parliament on *External Actions through Thematic Programmes under the Future Financial Perspectives 2007 – 2013*, COM(2005) 324 final of 3 August 2005.

12 COM(2006) 23 final of 25 January 2006

13 see http://europa.eu.int/comm/external_relations/consultations/er.htm

8. The proposed instrument is based both on Article 179 (1) TEC , which covers measures in the field of development cooperation with developing countries, and on Article 181a (2) TEC , which covers measures in the field of economic, financial and technical cooperation with third countries other than developing countries. This legal basis secures a global outreach of the instrument. The Regulation in its entirety is subject to the co-decision procedure under Article 251 TEC.

9. The structure of the Regulation follows closely that of the other newly proposed financing instruments for external assistance which all are to operate within the framework of the Financial Perspectives 2007-2013[14]. The Regulation is divided into three Titles which cover the objectives and scope of the European Instrument for Democracy and Human Rights (Title I – Articles 1 to 3), general rules for the implementation of the instrument (Title II – Articles 4 to 15), and final provisions (Title III – Article 16 to 20).

10. The provision of Article 1 of Title I reflects the strategic objectives for the instrument as developed and presented in the Commission's Communication on a *Thematic Programme for the promotion of democracy and human rights worldwide under the future Financial Perspectives (2007-2013)*[15]. Article 2 refers to the fields for assistance under the instrument in pursuit of the objectives as elaborated under Article 1. The list of specific activities within each field is non-exhaustive and may be complemented in delivering assistance in response to specific needs. Article 2(3) provides for the possibility to implement Community assistance within the European Union provided the supported activity is directly related to situations arising in third countries. This particularly applies to rehabilitation centres for victims of torture based within the European Union and actions which can only be implemented outside the targeted third country.

11. Article 3 of Title I lays down general principles for the implementation of the Regulation, namely that

- assistance under the European Instrument for Democracy and Human Rights shall complement assistance provided for under other financing instruments referred to in the provision,
- assistant is consistent with the relevant EU policies in the field,
- coordination is ensured with respective assistance programmes of Member States,
- exchanges of information are sought with the European Parliament and civil society.

12. Articles 4 to 6 of Title II describe the general procedural framework for delivering external Community assistance. This conforms to the guidelines laid down in the reform of the management of the Community's external assistance[16], and considers the experience and innovations made since then. Article 5 lays down the procedure

14 European Neighbourhood and Partnership Instrument (ENPI), Development Cooperation and Economic Cooperation Instrument (DCECI), Instrument for Stability (IfS)

15 COM(2006) 23 final of 25 January 2006

16 *On the Reform of the Management of External Assistance*, SEC (2000) 814 of 16 May 2000

for programming the assistance under the instrument by way of strategy papers and its revisions. Strategy papers are drawn up in line with the *Common Framework and Procedure for Strategy Papers for the Thematic Programmes 2007-2013*[17]. The strategy papers are adopted by the Commission in the form of a Commission decision after obtaining a favourable opinion by a management committee made up of representatives of the Member States and chaired by a Commission representative (Article 16). To ensure adequate complementarity of Community assistance with Member States' assistance and that of other donors and actors, consultations including with representatives of civil society, shall take place during the programming process.

13. Article 6 provides that financing decisions under the instrument generally are taken by the Commission in the form of Annual Action Programmes. based on the Strategy Papers and their revisions. The Annual Action Programme includes all types of financing in terms of Article 8 and Article 12 of this Regulation, and in particular comprises the Annual Work Programme on the basis of Article 110(1) of the Financial Regulation[18]. Amendments to the Annual Action Programme are adopted by the Commission after a favourable opinion by the management committee. In cases where amendments do not exceed 20% of the global amount allocated to the Annual Action Programme the Commission informs the management committee and the European Parliament. In exceptional cases (Article 7) and for financing Support Measures (Article 8), the Commission may take financing decisions not covered by the Strategy Papers.

14. Article 7 on Special Measures increases the Community's capacity to respond to unforeseen situations and developments and introduces a particular flexibility for the effective implementation of the Community's complementary external assistance in the field of promoting democracy and human rights. Thus, the Commission may decide on assistance measures originally not covered by Strategy Papers. As the Commission decisions are taken outside the scope of Strategy Papers as approved by the management committee, financing decisions on measures exceeding € 5 million have been made subject to a favourable opinion by the management committee. In cases where the specific assistance measure remains below € 5 million the Commission informs the management committee and the European Parliament within one month of the adoption.

15. Article 8 allows the Community to finance with operational and administrative expenditure credits Support Measures necessary for the implementation of the Regulation and for achieving its objectives. Where Support Measures are financed outside the scope of Strategy Papers, Article 8(3) provides for them to be adopted in the same manner as Special Measures.

16. Article 9 lists the entities, bodies and institutions eligible for receiving grants under this Regulation. In line with current practice and the respective provisions in other external assistance instruments, Article 9(1) provides for a broad-based eligibility,

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17 Commission Working Paper approved by the Inter-service Quality Support Group on [date to be inserted]

18 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, OJ L 248, 16.9.2002, p. 1

complemented by the savings clause of Article 9(2), according to which bodies or actors not listed by Article 9(1) are deemed eligible for receiving grants under this Regulation, provided this is necessary to achieve the objectives of the Regulation.

17. Article 10 allows the Commission to manage the measures financed under this Regulation using management methods provided for in the Financial Regulation (centralised management or joint management with international organisations). In accordance with Article 54 of the Financial Regulation, Article 10(2) establishes the criteria for delegating budget implementation tasks to national public-sector bodies or bodies governed by private law with a public-service mission.

18. Article 11 and 12 of Title II list the forms of budget commitments and types of financing on the basis of Commission decisions on Strategy Papers (Article 5), Annual Action Programmes (Article 6), Special Measures (Article 7) and Support Measures (Article 8). On the basis of Article 108(1)(b) of the Financial Regulation, Article 12 (c) identifies the European Inter-University Centre for Human Rights and Democratisation (EIUC) as a potential recipient of grants under this Regulation for securing the continuation of the European Master's Degree Programme in Human Rights and Democratisation and the EU-UN Fellowship Programme. The legal basis for the present financing of the European Inter-University Centre expires by end 2006[19]. Article 12 also opens up the possibility of cofinancing with Member States, other donor countries, international and regional organisations, and other entities.

19. Article 13 of Title II sets out the rules for participation in the award of grants and public contracts financed under this Regulation. Article 13 allows in particular natural and legal persons of third countries which open their own grant procedures and public procurement to EU Member States to take part in grant award and procurement procedures under this Regulation. The provisions comply with the abrogated Regulations on access to Community external assistance[20].

20. Article 15 of Title II binds the Commission to monitor and review, and regularly to evaluate the effectiveness of its programming under this Regulation. Member States and the European Parliament shall receive the respective reports for their information and discussion.

21. Articles 16 to 20 of Title III comprise final provisions pertaining to the establishment of a management committee of Member States' representatives (Article 16) in accordance with the comitology decision of the Council[21], an annual report by the Commission on the implementation of assistance measures under this Regulation (Article 17), the financial reference amount for the implementation of the Regulation (Article 18), and a review of this Regulation after four years of implementation on the basis of a Commission proposal (Article 19).

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19 Decision No 791/2004/EC of the European Parliament and of the Council of 21 April 2004 establishing a Community action Programme to promote bodies active at European level and support specific activities in the field of education and training, OJ L 138, 30.4.2004, p. 31

20 OJ L 344, 27.12.2005, p. 1, OJ L 344, 27.12.2005, p. 23

21 Council Decision 1999/468/EC, OJ L 184, 17.7.1999, p. 23

22. Article 20 of Title III determines that the Regulation shall apply from 1 January 2007 for a period of seven years until 31 December 2013. The entry into force of the Regulation by 1 January 2007 is imperative to ensure continuity of the legal basis for complementary external assistance in the field of promoting democracy and human rights beyond the 31 December 2006. At this date, the present legal bases for the European Initiative for Democracy and Human Rights will expire. The delivery of democracy and human rights external assistance under the 2007 budget therefore needs the entering into force of this Regulation by 1 January 2007.

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 179(1) and 181a(2) thereof,

Having regard to the proposal from the Commission,[1]

Acting in accordance with the procedure referred to in Article 251 of the Treaty,[2]

Whereas:

(1) A new framework for planning and delivering assistance is proposed in order to make the Community's external assistance more effective. Council Regulation (EC) No [...] establishes an Instrument for Pre-Accession (IPA) for Community assistance to candidate and potential candidate countries. Regulation (EC) No […] of the European Parliament and of the Council establishes a European Neighbourhood and Partnership Instrument providing direct support for the EU's European Neighbourhood Policy. Regulation (EC) No [...] of the European Parliament and of the Council establishes a financing instrument for Development Cooperation and Economic Cooperation. Regulation (EC) No […] of the European Parliament and of the Council establishes a financing Instrument for Stability providing assistance in situations of crisis and emerging crisis, and specific global and transregional threats. This Regulation establishes a European Instrument for the Promotion of Democracy and Human Rights (EIDHR) worldwide;

(2) Article 6(1) of the Treaty on European Union stipulates that the Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States. Any European State which respects these principles may according to Article 49 of the Treaty on European Union apply to become a member of the Union;

(3) The promotion of democracy and the rule of law, and human rights and fundamental freedoms constitutes a prime objective of the Community's development policy and

1 OJ C […], […], p. […].
2 OJ C […], […], p. […].

economic, financial and technical cooperation with third countries. . A commitment to respect, promote and protect democratic principles and human rights is an essential element of the Community's contractual relations with third countries[3];

(4) The European Consensus on Development jointly agreed by the Council and the representatives of the governments of the Member States meeting within the Council, the European Commission and the European Parliament[4] underlines that "progress in the protection of human rights, good governance and democratisation is fundamental for poverty reduction and sustainable development"

(5) The financing instrument contributes to achieving the objective of the European Union's Common Foreign and Security Policy regarding the development and consolidation of democracy and the rule of law, and respect for human rights and fundamental freedoms.;

(6) The Community's contribution to the development and consolidation of democracy and the rule of law, and of respect for human rights and fundamental freedoms is rooted in the general principles established by the International Bill of Human Rights[5], and any other Universal Human Rights Instrument adopted within the framework of the United Nations;

(7) Democracy and human rights are inextricably linked. The fundamental freedoms of expression and association are the preconditions for political pluralism and democratic process, 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;

(8) Human rights may be considered in the light of universally accepted international norms, but democracy has to be seen as a process, developing from within, involving all sections of society and a range of institutions that should ensure participation, representation, responsiveness and accountability. The task of building and sustaining a culture of human rights and making democracy work for its 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;

(9) In order to address the above issues in an effective, timely and flexible manner beyond the expiry of Council Regulation (EC) No 975/1999[6] and Council Regulation (EC) No 976/1999[7], which served as the legal base for the European Initiative for Democracy and Human Rights and which expire by 31 December 2006, specific financial

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3 Commission Communication on the *Inclusion of Respect for Democratic Principles and Human Rights in Agreements between the Community and Third Countries*, COM(1995) 216 of 23 May 1995

4 OJ C 46, 24.2.2006, p. 1

5 The International Bill of Human Rights comprises the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Optional Protocol to the International Covenant on Civil and Political Rights, and the Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty

6 OJ L 120, 8.5.1999, p.1, as last amended by Regulation Regulation (EC) No 2110 of the European Parliament and of the Council (OJ L 344, 27.12.2005, p. 1)

7 OJ L 120, 8.5.1999, p. 8, as last amended by Council Regulation (EC) No 2112/2005 (OJ L 344, 27.12.2005, p. 23)

resources and a self-contained financing instrument are required that can continue to work in an independent manner whilst remaining complementary to humanitarian aid and long term development and cooperation financing instruments;

(10) Community assistance under this Regulation is designed to complement the various other tools for implementation of EU policies on democracy and human rights, which range from political dialogue and diplomatic demarches to various instruments of financial and technical cooperation, including both geographic and thematic programmes. It will also complement the more crisis-related interventions of the Instrument for Stability;

(11) In particular, in addition and complementary to the measures agreed with partner countries in the context of the cooperation pursued under the Instrument for Pre-accession, the European Neighbourhood and Partnership Instrument, the Development Cooperation and Economic Cooperation Instrument, the Cotonou Agreement with ACP countries and the Instrument for Stability, the Community provides assistance under this Regulation that addresses global, regional and national human rights and democratisation issues in partnership with civil society;

(12) Furthermore, whilst democracy and human rights objectives are increasingly mainstreamed in all external assistance financing instruments, Community assistance under this Regulation will have a specific complementary role by virtue of its global nature and its independence of action from the consent of third country authorities. This makes possible cooperation with civil society on sensitive human rights and democracy issues, providing the flexibility to respond to changing circumstances or to support innovation. It also provides a Community capacity to articulate and support specific objectives and measures at international level, which are neither geographically linked nor crisis related, which may require a transnational approach or involve operations both within the Community and in a range of third countries. It provides the necessary framework for operations such as independent EU election observation requiring policy coherence, a unified management system and common operating standards;

(13) The 2001 "Guidelines for strengthening operational coordination between the Community, represented by the Commission, and the Member States in the field of external assistance" emphasise the need for enhanced coordination of EU external assistance in the fields of supporting democratisation and promoting respect for human rights and fundamental freedoms worldwide. The Commission and Member States shall ensure that their respective assistance measures are complementary;

(14) The relevance and scope of Community assistance in promoting democracy and human rights calls for the Commission to seek regular and frequent exchanges of information with the European Parliament.

(15) The Commission needs to consult representatives of civil society, as well as other donors and actors, as early as appropriate in the programming process in order to facilitate their respective contributions and to ensure that assistance activities are as complementary to each other as possible;

(16) The Community needs to be able to respond rapidly to unforeseen needs and in exceptional circumstances in order to enhance the credibility and effectiveness of its

commitment to the promotion of democracy and human rights in countries where such situations arise. This requires the possibility for the Commission to decide on Special Measures not covered by Strategy Papers. This assistance management instrument corresponds to those included in the other external assistance financing instruments;

(17) This Regulation establishes a financial framework for the entire duration of the programme which is to be the principal point of reference for the budgetary authority, within the meaning of point 37 of the *Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management*;

(18) Financial support needs to be secured for the European Inter-University Centre for Human Rights and Democratisation, providing a European Masters Degree in Human Rights and Democratisation and an EU-UN Fellowship Programme, beyond the expiry by end 2006 of Decision No 791/2004/EC of the European Parliament and of the Council of 21 April 2004 establishing a Community action programme to promote bodies active at European level and support specific activities in the field of education and training[8], which served as the legal basis for funding;

(19) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission[9].

(20) In accordance with the principle of proportionality, it is necessary and appropriate for the achievement of the basic objectives of this Regulation to lay down rules on a European Instrument for Democracy and Human Rights. This Regulation does not go beyond what is necessary in order to achieve the objective pursued, in accordance with the third paragraph of Article 5 of the Treaty.

HAVE ADOPTED THIS REGULATION:

8 OJ L 138, 30.4.2004, p. 31
9 OJ C184 17.7.1999, p. 23.

TITLE I
OBJECTIVES AND SCOPE

Article 1
Objectives

1. This Regulation establishes a European Instrument for Democracy and Human Rights under which the Community shall provide assistance, within the framework of the Community's policy on development cooperation and economic, financial and technical cooperation with third countries, contributing to the development and consolidation of democracy and the rule of law, and of respect for human rights and fundamental freedoms.

2. Such assistance shall aim in particular at

   a) enhancing respect for human rights and fundamental freedoms where they are most at risk and providing support and solidarity to victims of repression and abuse;

   b) strengthening the role of civil society in promoting human rights and democratic reform, developing political participation and representation, and supporting conflict prevention;

   c) supporting the international framework for the protection of human rights, the rule of law and the promotion of democracy;

   d) building confidence in democratic electoral processes through further development of electoral observation and assistance.

Article 2
Scope

1. Having regard to Articles 1 and 3, Community assistance shall relate to the following fields:

   (a) support for democracy and processes of democratisation, in particular by strengthening the role of civil society in

      i) developing citizen's political participation and representation, encouraging civil society dialogue and cooperation, and helping to empower marginalised sections of the population;

      ii) encouraging participatory decision-making processes at national, regional and local level, and promoting equal participation of men and women in civil society, economic and political life;

      iii) fostering mutual respect and pluralism both at the level of civil society and at the political level by promoting freedom of expression and

assembly, an independent and responsible media, unimpeded access to information, and freedom of association;

iv) strengthening the rule of law and encouraging legal reform, the independence of the judiciary, the fight against impunity and contributing to the establishment of transitional justice and reconciliation mechanisms, including support to the establishment and functioning of *ad hoc* international tribunals and the International Criminal Court;

v) supporting reforms to achieve effective democratic accountability and oversight, including oversight of the security sector, and encouraging measures against corruption;

vi) applying conflict prevention and conflict resolution approaches, so as to avert violent conflict, tackle root causes and develop appropriate democratic processes to channel and manage divergent interests;

(b) the promotion and defence of human rights and fundamental freedoms as proclaimed in the Universal Declaration of Human Rights and other international instruments concerning civil, political, economic, social and cultural rights. This includes support through civil society for:

i) the abolition of the death penalty, prevention of torture and ill-treatment and rehabilitation of victims of torture and human rights abuses;

ii) human rights defenders;

iii) the fight against racism and xenophobia, discrimination on any ground;

iv) minorities, ethnic groups and indigenous peoples;

v) the rights of women

vi) the rights of children;

vii) core labour standards;

viii) education, training and monitoring in the area of human rights and democracy;

(c) the strengthening of the international framework for the protection of human rights, the rule of law and the promotion of democracy, in particular by

i) providing support for specific international and regional instruments concerning human rights, justice and democracy;

ii) fostering cooperation with multilateral and regional organisations;

iii) promoting observance of international humanitarian law;

(d) building confidence in democratic electoral processes, in particular

i) through deployment of European Union Election Observation Missions;

ii) by contributing to developing electoral observation capacity at regional and local level, and supporting initiatives to enhance participation and trust in the electoral process;

2. The promotion of gender equality, children's rights, rights of indigenous peoples, and conflict prevention shall be taken into account r as far as appropriate by all assistance measures referred to in this Regulation.

3. The assistance measures may be implemented on a global or regional basis, or in the territories of third countries. Assistance measures implemented in the territory of a Member State shall be directly related to situations arising in third countries.

Article 3
Complementarity and Coherence of Community Assistance

1. Community assistance under this Regulation shall be complementary to that provided for under the Regulations establishing the Instrument for Pre-accession Assistance, the European Neighbourhood and Partnership Instrument, the Development Cooperation Economic Cooperation Instrument, the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, on the other part[10], and the Instrument for Stability. Community assistance under this Regulation shall be provided if, and to the extent that, adequate assistance cannot alone be provided under these instruments, or if assistance can be provided more effectively under this Regulation.

2. The Commission shall ensure that measures adopted under this Regulation are consistent with the Community's overall strategic policy framework and in particular with the objectives of the above instruments, as well as with other relevant Community measures and measures under the Treaty on European Union.

3. In order to enhance the effectiveness and consistency of Community and Member States assistance measures, the Commission shall promote close co-ordination between its own activities and those of the Member States, both at decision-making level and on the ground. Coordination shall involve regular consultations and frequent exchanges of relevant information during the different phases of the assistance cycle**,** in particular at field level and shall constitute a key step in the programming processes of the Community and Member States.

4. The Commission shall seek regular exchanges of information with the European Parliament.

5. The Commission shall conduct a dialogue with civil society on the implementation of the objectives of this Regulation.

10 OJ L 317, 15.12.2000, p. 3; OJ L 385, 29.12.2004, p. 88

TITLE II
IMPLEMENTATION

Article 4
General framework for implementation

Community assistance under this Regulation shall be implemented through the following measures:

a) Strategy Papers and Revisions thereof as appropriate;

b) Annual Action Programmes;

c) Special Measures;

Article 5
Strategy Papers and Revisions

1. Strategy Papers shall set out the Community's strategy for Community assistance under this Regulation, the Community's priorities, the international situation and the activities of the main partners.

2. Strategy papers shall set out the priority areas selected for financing by the Community, 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, and any revisions or extensions thereof, shall be adopted in accordance with the procedure laid down in Article 16(2). They shall cover no more than the period of validity of this Regulation. Strategy papers shall be reviewed at mid-term, or ad hoc if necessary.

4. The Commission and Member States shall consult each other, as well as other donors and actors including representatives of civil society, at an early stage of the programming process in order to promote complementarity among their cooperation activities.

Article 6
Annual Action Programmes

1. Notwithstanding Article 7, the Commission shall adopt Annual Action Programmes based on the Strategy Papers and Revisions referred to in Article 5.

2. Annual Action Programmes shall specify the objectives pursued, the fields of intervention, the expected results, the management procedures and the total amount of financing planned. They shall contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an indicative

implementation timetable. Objectives shall be measurable and have time bound benchmarks.

3. Annual Action Programmes, and any revisions or extensions thereof, shall be adopted in accordance with the procedure laid down in Article 16(2). In cases where amendments to Annual Action Programmes do not exceed 20% of the global amount allocated to them, such amendments shall be adopted by the Commission. It shall inform the Committee referred to in Article 16(1).

4. In case an Annual Action Programme has not yet been adopted, the Commission may exceptionally, on the basis of the Strategy Papers referred to in Article 5, adopt measures not provided for in an Annual Action Programme under the same rules and procedures as for Annual Action Programmes.

Article 7
Special Measures

1. Notwithstanding Article 5, in the event of unforeseen needs or exceptional circumstances, the Commission may adopt Special Measures not covered in Strategy Papers.

2. Special Measures shall specify the objectives pursued, the areas of activity, the expected results and the total amount of financing planned. They shall contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an indicative implementation timetable.

3. Where the cost of such measures exceeds EUR 5 million, the Commission shall adopt them in accordance with the procedure laid down in Article 16(2).

4. For Special Measures below EUR 5 million, the Commission shall send the measures to the Member States for information within one month of adopting its decision.

Article 8
Support measures

1. Community financing under this Regulation may cover expenditure associated with the preparation, follow-up, monitoring, audit and evaluation activities directly necessary for the implementation of this Regulation and the achievement of its objectives, such as studies, meetings, information, training and publication activities, expenditure associated with computer networks for the exchange of information, and any other administrative or technical assistance necessary for the management of the programme. It may also cover expenditure, where appropriate, for actions for highlighting the Community character of the assistance measures, for activities to explain the objectives and results of assistance measures to the general public in the countries concerned.

2. Community financing shall also cover expenditure at Commission delegations on the administrative support needed to manage operations financed under this Regulation.

3. The Commission shall adopt Support Measures not covered by Strategy Papers as referred to in Article 5 in accordance with Article 7, paragraph 3 and 4.

Article 9
Eligibility

1. Without prejudice to Article 13, the following bodies and actors shall be eligible for funding under this Regulation for the purposes of implementing the assistance measures referred to in Articles 6 and 7:

   a) civil society and community based organisations and networks thereof at national, regional, and international level;

   b) public or private sector non-profit agencies, institutions and organisations and networks at national, regional, and international level;

   c) international and regional inter-governmental organisations;

   d) natural persons when this is necessary to achieve the objectives of this Regulation.

2. Other bodies or actors not listed in paragraph (1) can be financed when this is necessary to achieve the objectives of this Regulation.

Article 10
Management Procedures

1. The assistance measures financed under this Regulation shall be implemented in accordance with Council Regulation (EC, Euratom) No 1605/2002[11] and any revision thereof on a centralised basis or by joint management with international organisations in accordance with Article 53(1) of that Regulation.

2. The Commission may, in accordance with Article 54 of Regulation (EC, Euratom) No 1605/2002, decide to entrust tasks of public authority, and in particular budget implementation tasks, to bodies referred in Article 54(2)(c) of that Regulation.

Article 11
Budget commitments

1. Budget commitments shall be made on the basis of decisions taken by the Commission in accordance with Articles 6, 7 and 8.

2. Community financing may take one of the following legal forms, inter alia:

   a) grant agreements, grant decisions or contribution agreements;

   b) agreements according to Article 54 Regulation (EC, Euratom) No 1605/2002;

11 OJ L 248, 16.9.2002, p. 1

c) procurement contracts;

d) employment contracts.

Article 12
Types of financing

1. Community financing may take the following forms:

a) projects and programmes;

b) grants to finance projects submitted by international and regional inter-governmental organisations listed in Article 9(1) (c) ;

c) grants to support operating costs of the European Inter-University Centre for Human Rights and Democratisation (EIUC), in particular for the European Master's Degree Programme in Human Rights and Democratisation and the EU-UN Fellowship Programme, fully accessible to nationals of third countries, as well as other education, training and research activities promoting human rights and democratisation;

d) contributions to international funds, such as those managed by international or regional organisations;

e) human and material resources for effective implementation of European Union Election Observation Missions;

f) public contracts as defined in Article 88 of Regulation (EC, Euratom) No 1605/2002[12].

2. Measures financed under this Regulation are eligible for cofinancing from the following, in particular from:

a) Member States and their local authorities, and in particular their public and parastatal agencies;

b) other donor countries, and in particular their public and parastatal agencies;

c) international and regional inter-governmental organisations;

d) companies, firms, other private organisations and business, and other non-state actors.

3. In the case of parallel cofinancing, the project or programme is split into a number of clearly identifiable components, which are each financed by different partners providing cofinancing in such a way that the end-use of the financing can always be identified. In the case of joint cofinancing, the total cost of the project or programme is shared between the partners providing the cofinancing and resources arte pooled in

12 OJ L 248, 16.9.2002, p. 1

such a way that it is not possible to identify the source of funding for any given activity undertaken as part of the project or programme.

4. In the case of joint cofinancing, the Commission may receive and manage funds on behalf of the bodies referred to in paragraph 2 (a), (b), and (c), for the purpose of implementing joint measures. Such funds shall be dealt with as assigned revenue in accordance with Article 18 of Regulation (EC, Euratom) No 1605/2002.

5. In the event of co-financing and in other duly justified cases, the Commission may entrust tasks of public authority, and in particular budget implementation tasks, to bodies referred to in Article 54(2)(c) of Regulation (EC) No 1605/2002.

Article 13
Rules of participation and rules of origin

1. Participation in the award of procurement or grant contracts financed under this Regulation shall be open to all natural persons who are nationals of or legal persons who are established in a Member State of the Community, in an official candidate country as recognised by the European Community or in a Member State of the European Economic Area.

   Participation in the award of procurement or grant contracts financed under this Regulation shall also be open to all natural persons who are nationals of or legal persons who are established in a developing country, as specified by the OECD Development Assistance Committee, in addition to natural or legal persons eligible by virtue of this Regulation. The Commission shall publish and update the list of developing countries established by the OECD Development Assistance Committee in accordance with regular reviews of this list.

2. Participation in the award of procurement or grant contracts financed under this Regulation shall also be open to all natural persons who are nationals of or legal persons who are established in any country other than those referred to in paragraph 1, where reciprocal access to their external assistance has been established. Reciprocal access shall be granted whenever a country grants eligibility on equal terms to the Member States and to the recipient country concerned.

   Reciprocal access shall be established by means of a specific decision concerning a given country or a given regional group of countries. Such a decision shall be adopted in accordance with the procedure laid down in Article 16(2) and shall be in force for a minimum period of one year.

3. Participation in the award of grants and public contracts financed under this Regulation shall be open to international organisations.

4. The provisions of paragraph 1, 2 and 3 are without prejudice to the participation of categories of eligible organisations by nature or by localization in regard to the objectives of the action to carry out.

5. Experts may be of any nationality. This is without prejudice to the qualitative and financial requirements set out in the Community's procurement rules.

6. If measures financed under this Regulation are implemented on a centralised basis and indirectly by delegation to specialised Community bodies, international or national public sector bodies, or bodies governed by private law with a public service mission in accordance with Article 54(2) c) Regulation (EC, Euratom) No 1605/2002, participation in the public procurement and grant award procedures of the managing entity shall be open to natural persons who are nationals of the countries having access to Community contracts and grants in accordance with the principles set out in paragraph 1, and of any other country eligible under the rules and procedures of the managing entity, and to legal persons which are established in those countries.

7. Whenever Community assistance covers an operation implemented through an international organisation, participation in the appropriate contractual procedures shall be open to all natural persons and legal persons who are eligible pursuant to this Article as well as to all natural persons and legal persons who are eligible pursuant to the rules of that organisation, care being taken to ensure that equal treatment is afforded to all donors. The same rules shall apply in respect of supplies, materials and experts.

8. Whenever Community funding covers an operation co-financed with a third country, subject to reciprocity, or with a regional organisation, or with a Member State, participation in the appropriate contractual procedures shall be open to all natural persons and legal persons who are eligible pursuant to this Article as well as to all natural persons and legal persons who are eligible under the rules of such third country, regional organisation or Member State. The same rules shall apply in respect of supplies, materials and experts.

9. All supplies and materials purchased under a contract financed under this Regulation must originate from the Community or from an eligible country as defined in paragraph 1 and 2. The term "origin" for the purpose of this Regulation is defined in the relevant Community legislation on rules of origin for customs purposes.

10. The Commission may, in duly substantiated cases, authorise the participation of natural and legal persons either from countries having traditional economic, trade or geographical links with neighbouring countries, or from other third countries, and the purchase and use of supplies and materials of different origin.

11. Derogations may be justified on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realisation of a project, a programme or an action impossible or exceedingly difficult.

12. Tenderers who have been awarded contracts shall respect internationally agreed core labour standards, such as ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour.

Article 14
Protection of the financial interests of the Community

1. Any agreement or contract resulting from the implementation of this Regulation shall contain provisions ensuring the protection of the Community's financial interests, in particular with respect to fraud, corruption and any other irregularities in accordance with Council Regulation (EC, Euratom) No 2988/1995[13], Council Regulation (EC, Euratom) No 2185/1996[14], and Regulation (EC, Euratom) No 1073/1999 of the European Parliament and of the Council[15].

2. Agreements and contracts shall expressly entitle the Commission and the Court of Auditors to have the power of audit, on the basis of documents and on-the-spot, over all contractors and subcontractors who have received Community funds. They shall also expressly authorise the Commission to carry out on-the-spot checks and inspections, as provided for in Regulation (EC, Euratom) No 2185/1996 of 11 November 1996.

Article 15
Evaluation

1. The Commission shall regularly monitor and review its programmes, and evaluate the effectiveness of programming in order to ascertain whether the objectives have been met and to enable it to formulate recommendations with a view to improving future operations.

2. The Commission shall send its evaluation reports to the Committee referred to in Article 16(1) and to the European Parliament for information. Member States may request discussion of specific evaluations in the Committee referred to in Article 16(1). The results shall feed back into programme design and resource allocation.

3. The Commission shall associate all stakeholders as appropriate in the evaluation phase of Community assistance provided under this Regulation. Joint evaluations with Member States, international organisations or other bodies may be undertaken.

13 OJ L 312, 23.12.1995, p. 1
14 OJ L 292, 15.11.1996, p. 2
15 OJ L 136, 31.5.1999. p. 1

TITLE III

FINAL PROVISIONS

Article 16
Committee

1. The Commission shall be assisted by a Democracy and Human Rights Committee, hereinafter referred to as "the Committee".

2. Where reference is made to this paragraph, Articles 4 and 7 of Council Decision 1999/468/EC16 shall apply, having regard to the provisions of Article 8 thereof. The period provided for in Article 4(3) of Council Decision 1999/468/EC shall be 30 days.

3. The Committee shall adopt its rules of procedure.

4. The minutes of the Committee meetings shall be sent to the European Parliament for information.

Article 17
Annual Report

1. The Commission shall examine progress achieved in implementing the assistance measures undertaken pursuant to this Regulation and shall submit to the European Parliament and to the Council an annual report on the implementation and results and, as far as possible, main outcomes and impacts of the assistance. The report shall be an integral part of the Annual Report on European Community development policy implementation and implementation of external assistance and of the EU Annual Report on Human Rights.

2. The annual report shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, the involvement of the relevant partners, and the implementation of budget commitments and payments, broken down according to global, regional, and country measures, and fields of assistance. It will assess the results of assistance in meeting the objectives of this Regulation.

Article 18
Financial reference amount

The financial reference amount for the implementation of this Regulation for the period 2007-2013 shall be EUR 1.103,702 million. Annual appropriations shall be authorised by the budgetary authority within the limits of the Financial Perspective 2007 – 2013.

16 OJ L 184, 17.7.1999, p. 23

Article 19
Review

The Commission shall submit to the European Parliament and to the Council, by 31 December 2010, a report evaluating the implementation of this Regulation in the first three years, if appropriate with a legislative proposal introducing the necessary modifications to the instrument.

Article 20
Entry into force

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

It shall apply from 1 January 2007 until 31 December 2013.

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

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON ESTABLISHING A FINANCING INSTRUMENT FOR THE PROMOTION OF DEMOCRACY AND HUMAN RIGHTS WORLD WIDE (EUROPEAN INSTRUMENT FOR DEMOCRACY AND HUMAN RIGHTS)

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities: Human Rights and Democracy – European Initiative for Democracy and Human Rights (19.04)

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B.A lines)) including headings:

19.01.04.01	Development Cooperation and Economic Cooperation Instrument (DCECI) – Expenditure on administrative management (part)
19.01.04.02	European Neighbourhood and Partnership Instrument (ENPI) – Expenditure on administrative management (part)
19.01.04.03	Instrument for Stability (IfS) – Expenditure on administrative management
19.04.01	European Inter-University Centre
19.04.02.01	Human Rights and Democracy – Activities under horizontal and geographical coverage of the European Neighbourhood Instrument
19.04.02.02	Human Rights and Democracy – Activities under horizontal and geographical coverage of the Development Cooperation and Economic Cooperation Instrument
19.04.02.03	Human Rights and Democracy – Activities under horizontal and geographic coverage of the Pre-accession Instrument
19.04.02.04	Human Rights and Democracy – Activities under the horizontal and geographic coverage of the Stability Instrument
19.04.03.01	EU electoral and observation missions – Activities under the horizontal and geographical coverage of the European Neighbourhood Instrument
19.04.03.02	EU electoral and observation missions – Activities under the horizontal and geographical coverage of the Development Cooperation and

Economic Cooperation Instrument

19.04.04 Preparatory action to establish a conflict-prevention network

19.04.05 Completion of former cooperation

It should be noted that the adoption of the proposal for a Regulation establishing a financing instrument for the promotion of democracy and human rights world wide will necessitate a review of the structure of budget chapter 19.04.

3.2. Duration of the action and of the financial impact:

2007 - 2013

3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
19.04	Non-comp	Diff[1]/ Non-diff[2]	YES	NO	NO	**No 4**

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
Operational expenditure[3]									
Commitment Appropriations (CA)	8.1.	a	130,673	136,963	141,764	145,825	151,873	320,533	1.027,631
Payment Appropriations (PA)		b	64,422	101,890	129,824	142,211	150,358	438,926	1027,631
Administrative expenditure within reference amount[4]									

1 Differentiated appropriations
2 Non-differentiated appropriations hereafter referred to as NDA
3 Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.
4 Expenditure within article xx 01 04 of Title xx.

Technical & administrative assistance (NDA)	8.2.4.	c	9,406	10,248	10,599	10,712	11,240	23,866	76,071

TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	**140,079**	**147,211**	**152,363**	**156,537**	**163,113**	**344,399**	**1.103,702**
Payment Appropriations		b+c	73,828	112,138	140,423	159,923	161,598	462,792	1103,702

4.1.2. Compatibility with Financial Programming

☑ Proposal is compatible with existing financial programming.

☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.

☐ Proposal may require application of the provisions of the Interinstitutional Agreement[5] (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

☑ Proposal has no financial implications on revenue

☐ Proposal has financial impact – the effect on revenue is as follows:

5. CHARACTERISTICS AND OBJECTIVES

5.1. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

The justification for a separate thematic programme for the promotion of democracy and human rights worldwide common to all four new instruments derives from the fact that the promotion of democracy and human rights figures among the proposed objectives and eligible measures of all three geographic instruments (ENPI, DCECI and IPA) as well as the Instrument for Stability. Opportunities for specific interventions will arise in the context of geographic programmes. However, democracy and human rights are *par excellence* issues of global concern and relevance. Hence the need for an EC capacity to articulate and support specific objectives and measures at international level, which are neither geographically linked nor crisis related. Furthermore, global campaigns relating to human rights and democracy require a trans-national approach and may involve operations both within the EU and in a range of partner countries. For operations such as EU election observation, a single thematic programme is required to ensure policy coherence, a unified management system and common operating standards.

5 See points 19 and 24 of the Interinstitutional agreement.

5.2. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The general objective shall be to contribute to the development and consolidation of democracy, conflict prevention and respect for human rights, in accordance with EU policies and guidelines and in close cooperation with civil society.

Key areas of activity will include:

- promotion of human rights and fundamental freedoms where they are most at risk, especially freedoms of expression and association and the protection of human rights defenders, as preconditions for civil society activity and advancement towards democracy; support for victims of repression, in particular for the rehabilitation of victims of torture and ill treatment;

- strengthening the role of civil society in promoting human rights, democratic reform and conflict prevention, including support to enhance political representation and participation and to develop civil society dialogue in divided societies;

- encouraging less well represented groups to gain a voice and participate in civil society and the political system, combating all forms of discrimination on any grounds, and promoting the rights of minorities and indigenous peoples;

- strengthening the rights of women and children as a specific target and also by mainstreaming children rights and gender equality in all activities;

- strengthening the international framework for the protection of human rights, the rule of law and the promotion of democracy, in particular international criminal justice mechanisms and core legal instruments;

- building confidence in democratic electoral processes, through further development of EU electoral observation and support for observation capacity at regional and national level

The programme will:

- be global in scope, supporting activities at international, regional and national level, including within the EU, where it may support activities directly related to third country human rights abuses; promote an integrated approach to democracy building and the protection of human rights and ensure gender and conflict sensitivity;

- work primarily with and through civil society, supporting it in becoming an effective force for dialogue and reform;

- provide financial and technical assistance for operations that cannot be carried out in an appropriate or effective manner through mainstreaming within other EC programmes; these may include as well cooperation with international and regional organizations with a specific expertise in the area of human rights and democracy.

5.3. Method of Implementation (indicative)

Centralised Management

☑ directly by the Commission

☐ indirectly by delegation to:

- ☐ executive Agencies
- ☐ bodies set up by the Communities as referred to in art. 185 of the Financial Regulation
- ☑ national public-sector bodies/bodies with public-service mission

☐ ***Shared or decentralised management***

- ☐ with Member states
- ☐ with Third countries

☑ ***Joint management with international organisations (please specify)***

Article 10(2) of the proposed Regulation

6. MONITORING AND EVALUATION

6.1. Monitoring system

Monitoring and evaluation of the assistance provided under the European Initiative for Democracy and Human Rights (EIDHR) in the past took place at four levels. First, an EC task manager follows each project and if possible visits the project during its implementation and makes a final assessment after completion. Second, EIDHR projects are included in the results based monitoring system (ROM) through which additional monitoring missions are undertaken by external consultants. Third, specific EIDHR evaluations are carried out every year covering projects in the area of a particular EIDHR objective. Finally, EIDHR projects are included in broader evaluations carried out by the RELEX family Evaluation Unit covering either a specific geographic area or a sector. This monitoring and evaluation system will continue under the proposed Regulation for a European Instrument for Democracy and Human Rights.

6.2. Evaluation

In 2005, two EIDHR specific evaluations were completed. A general impact study on a sample of 48 completed EIDHR projects. After combining results from the different evaluation criteria, including relevance and implementation aspects, the study shows that 70% of the individual projects score excellent or good in the assessment. However, the study suggests that many organizations implementing projects have a limited understanding of the EIDHR as a global programme. Furthermore, beneficiaries and target groups should be more involved in needs

assessment and formulation of projects proposals as well as in the follow-up and evaluation. Potential links and synergies with other EC or non-EC funded activities in related areas are not enough explored. A general picture of the EC emerged as not the most flexible donor but once funding is obtained there are major advantages for the beneficiary organizations. The EU is seen as a major player in the field of democracy and human rights promotion in the world and EU funding is often substantial and implies political backing for the organizations.

Another evaluation covered completed projects in the area of fighting racism and xenophobia as well as promotion of rights of minorities and demonstrated that EIDHR funding in this area reached some of the most vulnerable communities in the most challenging environments in the world. Although the study did not explore the projects that were not funded, it is clear that important initiatives are being undertaken ranging from those that were usefully spending European funds on providing services of a fixed duration to mitigate the effects of racism and xenophobia, to those that were outstanding, working in the most difficult circumstances and yet applying cutting edge programming that was potentially sustainable with local ownership. EIDHR funds have given some NGOs strategic freedom to implement innovative major projects that would have been impossible without EU support and which could become models for future practice by central and local government, domestically and internationally, who have the primary long term responsibility for their people. Furthermore NGOs were able to pioneer projects and challenge policies, with their participative methodology and human rights principles adding real value and promoting trust across ethnic divides, where bureaucracies may not be trusted and conversely where governments may be constrained and do not have the confidence to take risks on unpopular minority rights issues. Through the EIDHR the EU has been able to demonstrate in practice the principles of human rights and interethnic cooperation for which it stands, while showing its commitment to civil society and support to a diversity of approaches to protect fundamental rights.

In addition, a specific study "Generating impact indicators for the EIDHR" was delivered. It includes proposed impact indicators at programme and project level as well as a guide for EIDHR partners on how to generate good indicators for their project. The guide is available on the EIDHR website. The result of this study served as a basis for the proposed projects impact indicators that are included in the EIDHR 2005-2006 calls for proposals to select projects under the global campaigns.

Two evaluation reports have been received in 2006 covering the EC training project on civilian aspects of crises management and an Andean Programme on Human Rights. It is foreseen to undertake an additional two EIDHR specific evaluations during the year.

Based on Article 15 of the proposed Regulation, monitoring and evaluation of the assistance provided under the European Instrument for Democracy and Human Rights will continue as in previous years.

6.3. Mid-Term Review

Article 19 of the proposed Regulation provides for a mid-term review of the implementation of the Regulation. The Commission shall submit to the European

Parliament and to the Council by 31 December 2010 a report evaluating the implementation of assistance under the Regulation in the first three years (2007-2009). If appropriate, the Commission may propose necessary modifications to the instrument.

7. ANTI-FRAUD MEASURES

Reference is made to the provision of Article 14 of the proposed Regulation.

8. DETAILS OF RESOURCES

8.1. Impact on human resources

The human resources needed to manage assistance are estimated at 4,8 staff (comprising all categories of staff) per EUR 10 million in commitment appropriations managed yearly. Over the whole period, this would mean a total increase estimated at 775 FTE (full time staff equivalent) for the following four instruments for external assistance – DCECI, ENPI, Instrument for Stability, and European Instrument for Democracy and Human Rights (EIDHR) – on top of existing staff in place as of 1 April 2006. The resources required for the European Instrument for Democracy and Human Rights will cover all actions under the Regulation. The resources needed for 2007 are compatible with the Preliminary Draft Budget 2007.

8.2. Overall financial impact of human resources

The additional human resources needed for the management of the action as compared to the situation by 1 April 2006 will be financed on the appropriations for administrative support expenditure (contract agents and local agents). They shall complement the other human resources involved in the management at headquarters and in delegations (officials, temporary agents and others).

The estimated costs are taken into account in point 4.1.1.

8.3 Other Administrative expenditure included in reference amount (Expenditure on administrative management)

Les besoins en ressources humaines et administratives seront couverts à l'intérieur de la dotation allouée à la DG gestionnaire dans le cadre de la procédure d'allocation annuelle.