



European Endowment for Democracy: hopes and expectations

SUMMARY *Following the Arab Spring, the European Union and its Member States have established - on a Polish initiative - the European Endowment for Democracy (EED). The aim is to foster and encourage deep and sustainable democracy in transition countries, and in societies struggling for democratisation. It is hoped that the EED will complement other instruments for promoting democracy both within and outside the EU.*

The aims of the EED are to be achieved through providing funds to specific civil society actors, initially in the European Neighbourhood.

To complement other instruments in democracy promotion, EED will introduce an element of flexibility in its initiatives to support democratisation.

The EED is to be funded by voluntary contributions, in particular from Member States. So far it has secured about €14 million.

Reaction to the establishment of EED has varied. In the potential target countries, reactions have ranged from welcoming amongst civil society representatives to worries about meddling in the internal affairs of the countries, by their governments.

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Background

It is argued that the Arab Spring highlighted the EU's lack of means to react swiftly and decisively to events occurring in its neighbourhood.¹ To tackle this, a proposal from Poland to set up a [European Endowment for Democracy](#) (EED) was [endorsed](#) by the European Council in December 2011. The EED was then established in June 2012, along with a global EU strategy on human rights and democracy.

The EED was proposed as an initiative aimed at facilitating rapid and flexible funding to political actors in countries on their way towards democratisation, which may not otherwise be able to access EU funding. EED is named after and inspired by the US [National Endowment for Democracy](#) (NED).

Existing instruments for promotion of democracy

United Nations

The United Nations Democracy Fund ([UNDEF](#)) was established in 2005. It is funded by voluntary donations and currently depends on 39 donor countries.

UNDEF provides assistance to governmental, non-governmental, national, regional, and international organisations,



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including relevant UN departments, offices, funds, programmes and agencies.

United States of America

The [National Endowment for Democracy](#) (NED) is a private, non-profit foundation dedicated to the growth and strengthening of democratic institutions around the world. The NED is funded by the US Congress. It operates as an independent agency all over the world and funds a broad range of actors in authoritarian states, from political parties and trade unions to NGOs, watchdogs and the media. One of NED's earliest successes was the support it provided to the Solidarity movement in Poland (*Solidarnosc*) before the fall of communism. Annually the NED supports more than 1 000 projects run by non-governmental groups, in more than 90 countries. According to NED's figures, in the 2006 financial year, its core appropriations climbed to nearly US\$75 million and reached the \$100 million level in 2008.

European Union

The EU has long promoted democracy and human rights under its foreign, development and neighbourhood policies. Particular roles are played by the [European Instrument for Democracy and Human Rights](#) (EIDHR) and the [EU Civil Society Facility](#), and the European Partnership for Democracy (EPD).

Closest in scope to the EED, the EIDHR is criticised for not giving enough support to non-registered beneficiaries. Under EIDHR about 90% of resources are allocated to small projects, in order to support the work of NGOs and individuals. Although it focuses on human rights and to only a limited extent on democratisation, [duplication of functions with EED is possible](#).

The [European Neighbourhood Policy](#) (ENP) is a broad political strategy with the ambitious objective of strengthening the prosperity, stability and security of the EU's neighbourhood, in order to avoid any dividing lines between the enlarged EU and its direct neighbours. The European

Neighbourhood Partnership Instrument ([ENPI](#)) is the financial instrument supporting ENP through concrete assistance actions.

The EU Civil Society Facility also assists NGOs in the European Neighbourhood. However, it is aimed at a very wide spectrum of society and does not explicitly support democratisation.

The [EPD](#) is a network of European civil society and political organisations working on democracy assistance in partnership with organisations in third countries. The EPD promotes democracy support as part of the EU's agenda, and facilitates the exchange of knowledge and good practice in democratic transformation around the world.

EED needs to be distinctive in order to properly complement other existing initiatives. Polish Foreign Minister, [Radoslaw Sikorski](#) has stressed that EED will be flexible, and able to respond quickly to both existing and emerging challenges.

United Kingdom

Great Britain's [Westminster Foundation for Democracy](#) has as its aim to strengthen the institutions of democracy, principally political parties (through the work of UK political parties), parliaments and the institutions making up civil society.

EED: scope, objectives and funding

Scope and objectives

According to its [statute](#), the EED is to support democratisation particularly when cooperation with governments is difficult. It should try to avoid duplication and ensure coherence, synergy, complementarity and added value with activities carried out under EU financing instruments and other existing EU instruments for democracy promotion. Therefore, the main targets would be authoritarian states or states in complex situations of radical change.

It will be able to support political parties, non-registered NGOs, trade unions and

other social groups, in particular in the countries of the Eastern Partnership.

The first priority of EED is to support small, new, unregistered groups, or even individuals (independent journalists, bloggers or youth activists). One of the conditions for receiving funds from existing EU initiatives is that the money should be allocated to registered groups, which in some countries means that they have to have been approved by the regime. Moreover, many European foundations are project based. And EU instruments cannot provide an organisation's core funding.²

The main added value that EED can provide will be flexibility and a readiness to fund controversial non-state actors, unlike existing EU funding instruments³.

Structure

The [EED takes the form of a private law foundation](#) established in Belgium, which is autonomous from the EU, and governed by its own statute and governing bodies. Initially, an international convention was proposed but was rejected as that would have delayed the process. As a result, the EED is not an EU structure but has been designed to complement existing EU cooperation instruments. In particular, it is hoped that it will ensure coherence, synergies and value added with the activities carried out by the European Instrument for Democracy and Human Rights, the Instrument for Stability and the Civil Society Facility.

Jerzy Pomianowski, Poland's Under-secretary of State for Foreign Affairs [was appointed the EED's executive director](#) in January 2013. He heads a small secretariat administering the EED's work.

The EED should operate under the strategic guidance and oversight of its board of governors. This board is to consist of one representative for each member state (plus Croatia). In addition, the European Parliament will have nine seats on the board. Three further seats are allocated to

representatives of civil society, who will provide expertise and also bring neutrality.

Each member will have one vote, and votes are not weighted by the amount of the financial contribution. A more streamlined decision-making process will be seen in the seven-member executive committee, which reports to the board.

Funding of EED

Although all EU member states are represented on the board of governors, so far not many countries have undertaken to support the EED financially. To ensure the swift launch of the EED, in 2012, the [Commission](#) allocated €6.2 million to it. With €5 million from Poland and contributions from other EU Member States – including Sweden, the Netherlands, Belgium, Estonia and Slovakia – as well as Switzerland, the [current budget](#) of the EED is about €14 million. Germany is said to be considering whether and how to support the Endowment.⁴

Funds originating from the Commission will be allocated under EU regulations, which limits flexibility. Contributions from individual EU Member States will be managed under separate rules, in line with the contributing state's rules on accountability and transparency.

Most of the funding coming from Member States should be more flexible in allocation, and it will be possible to mix it with other funding making it subject to "common rules" established by the EED. These regulations should be fast, flexible and non-bureaucratic, with no requirement of co-funding from the beneficiaries.

It is hoped that peer pressure will convince Member States to provide funding, especially those with a reputation in the field.

Potentially problematic issues

Funding

So far it remains unclear whether Member States are ready to fully support the EED politically; therefore it is not clear if the EED will enjoy secure, regular and long-term funding.⁵ In addition to uncertain allocation of resources, there is also a danger of contributors wanting to tie allocations to specific countries and regions, for example, by earmarking resources for the EU's closest neighbours to the east rather than the Mediterranean region, and so endangering the EED's autonomy.⁶

Balancing flexibility and decision-making with numerous actors involved

Inclusion of all Member States in the board of governors may increase the danger of delays in decision-making and possible conflicts in preferences. This could be avoided by granting considerable independence to the executive committee.

Possible fragmentation of resources

The EED statute provides that EED is to maintain coherent action. Concerns [have been raised](#) by the Commission's DG Development and Cooperation (DEVCO), and by the European Parliament, about the danger of the EED diverting funds from existing European instruments, such as the EIDHR. A possible duplication of functions with other existing instruments also needs to be avoided.

Identifying the actors

Identifying the actors that conscientiously and resolutely call for the relaxation of authoritarian rule and advocate democratisation is difficult and time consuming. The EED will rely on the knowledge of EU delegations, but they specialise in working with governments and have only limited ability to assess groupings behind the official political scenes. An alternative would be to rely on experienced implementing organisations such as political parties and NGOs.

Risks for the political actors supported

Groups that are supported could be discredited in the eyes of the public in the country concerned or punished.⁷ Also support could potentially lead to an escalation of violence, and then the goal to support only peaceful actors might be hindered.

Reactions of stakeholders

European Parliament

Parliament, in its March 2012 [Recommendation to the Council](#), urged the Council to define a precise methodology so as to avoid any overlap between financial instruments, the complex web of EU and parliamentary structures (OPPD, ECG, etc) responsible for human rights, and the EED.

Council

According to the [Council conclusions](#) the objective of the Endowment is to foster and encourage "deep and sustainable democracy" in transition countries and in societies struggling for democratisation, with an initial, although not exclusive focus, on the European Neighbourhood.

European Commission

After the first meeting of the board of governors in January 2013, Catherine Ashton, High Representative for Foreign Affairs and Security Policy, and Vice-President of the Commission [stated](#) that, "The Endowment comes at a very timely moment, as 2013 will be a crucial year for democratic transitions, in particular in the EU's neighbourhood. The European Endowment for Democracy can play a very important role. By working directly with those in the field, who are striving for democracy; and by offering flexible, non-bureaucratic and dedicated procedures that are tailored to the needs and demands on the ground."

Poland

As the initiator of the EED, Poland sees its establishment and the appointment of its director [as a success](#).

In proposing this initiative, Poland wanted to serve as an example of a new form of EU democracy promotion, since its own post-communist democratisation was promoted by the NED.⁸

Sweden

So far, Sweden is one of the few countries that has pledged to provide some funding to the EED. Concerns have been raised about whether EED will be sufficiently accountable or controllable in its actions.⁹

Ukraine

Given the close links between Poland and Ukraine, it is expected that Ukraine will be one of the EED target countries. NGOs in Ukraine [have voiced concern](#) over plans to introduce legislation banning foreign grants for civil society organisations.

Belarus

Nasta Palazhanka, one of the leaders of the Belarus Youth Front, has stated that EU support [would be critical](#) to a movement whose leadership is under constant surveillance or in jail.

Russia

The EED initiative is sometimes seen as [meddling](#) in the internal affairs of countries that are in Russia's sphere of interests. At the

end of 2012, Russia [introduced amendments](#) to its NGO regulations and penal rules. This led to some NGOs moving their staff abroad and raised concerns as to [loss of sponsorship](#) for other foreign-funded NGOs.

Main references

[The EU's Democratisation Agenda in Times of a Eurozone Crisis](#) / Brudzinska, K. in PISM Polish Institute of International Affairs, 1 August 2012.

[The European Endowment for Democracy Between Wishful Thinking and Reality: Flexible and Unbureaucratic?](#) / Leininger, J. and Richter, S. in DIE Deutsches Institut Für Entwicklungspolitik, November 2012.

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<http://www.library.ep.ec>
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Endnotes

¹ [Moving the EU from a Laggard to a Leader in Democracy Assistance: The Potential Role of the European Endowment for Democracy](#) / Kostanyan H., Nasieniak M., CEPS policy brief, June 2012.

² [Does Europe Need an Endowment for Democracy?](#) / Dempsey J., Carnegie, 14 January 2013.

³ [The European Endowment for Democracy: Will It Fly?](#) / Youngs R. and Brudzińska K. PISM Policy Paper, Special Issue; PISM Polish Institute of International Affairs, 22 May 2012.

⁴ [Dealing with Change: EU and AU Responses to the Uprisings in Tunisia, Egypt and Libya](#) / Eriksson M. and Zetterlund K., Report for Swedish Ministry of Defence, FOI, January 2013.

⁵ [Europe's Endowment for Democracy: entering uncharted territory](#) / Allen M., Democracy Digest, 14 February 2013.

⁶ [Dealing with Change: EU and AU Responses to the Uprisings in Tunisia, Egypt and Libya](#) / Eriksson M. and Zetterlund K., Report for Swedish Ministry of Defence, FOI, January 2013.

⁷ [Flexible and Unbureaucratic Democracy Promotion by the EU? The European Endowment for Democracy Between Wishful Thinking and Reality](#) / Leininger J. and Richter S. in SWP Comments - Stiftung Wissenschaft und Politik, August 2012.

⁸ [Flexible and Unbureaucratic Democracy Promotion by the EU? The European Endowment for Democracy Between Wishful Thinking and Reality](#) / Leininger J. and Richter S. in SWP Comments - Stiftung Wissenschaft und Politik, August 2012.

⁹ [Dealing with Change: EU and AU Responses to the Uprisings in Tunisia, Egypt and Libya](#) / Eriksson M. and Zetterlund K., Report for Swedish Ministry of Defence, FOI, January 2013.