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This action is funded by the European Union

**ANNEX 1**

of the Individual Measure in favour of the European Neighbourhood region for the Support to the European Endowment for Democracy for the period 2015 - 2018, to be financed from the general budget of the European Union

**Action Document for the Support to the European Endowment for Democracy for the period 2015 - 2018**

**INFORMATION FOR POTENTIAL GRANT APPLICANTS**

**WORK PROGRAMME FOR GRANTS**

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in section 5.3 concerning grants awarded directly without a call for proposals.

<b>1. Title/basic act/ CRIS number</b>	Support to the European Endowment for Democracy for the period 2015 – 2018. CRIS number: ENI/2015/038-086; ENI/2016/038-384; ENI/2017/038-385 ENI/2015/038-445; ENI/2016/038-446; ENI/2017/038-447 financed under European Neighbourhood Instrument
<b>2. Zone benefiting from the action/location</b>	Neighbourhood countries: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Republic of Moldova, Morocco, Palestine <sup>1</sup> , Syria, Tunisia, Ukraine and the Russian Federation.  Countries and territories neighbouring the Neighbourhood region: Turkey; Central Asia countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan; Gulf Countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates – UAE; countries from the Sahel: Chad, Mali, Mauritania, Niger, Sudan; Iran, Iraq; non-autonomous territory of Western Sahara, in accordance with Article 16.1 of Regulation (EU) 2328/2014 (ENI Regulation). The action shall be carried out at the following location: countries as listed above.
<b>3. Programming document</b>	Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017) - Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)

<sup>1</sup> This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the EU Member States on this issue.

<b>4. Sector of concentration/ thematic area</b>	Regional South: Objective 3: Building a Partnership with the People Regional East: Objective 3: Enhance civil society's role as a vector for reform.			
<b>5. Amounts concerned</b>	<p>Total estimated cost: EUR 12 631 579</p> <p>Total amount of EU budget contribution <b>EUR 12 000 000</b></p> <p>The contribution is for an amount of:</p> <ul style="list-style-type: none"> <li>- EUR 4 million from the general budget of the European Union for financial year 2015;</li> <li>- EUR 4 million from the general budget of the European Union for financial year 2016, subject to the availability of appropriations following the adoption of the relevant budget; and</li> <li>- EUR 4 million from the general budget of the European Union for financial year 2017, subject to the availability of appropriations following the adoption of the draft budget and the budget.</li> </ul> <p>This action is co-financed by potential grant beneficiary for an indicative amount of EUR 631 579.</p>			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality Direct management – grants – direct award			
<b>7. DAC code(s)</b>	15150 - Democratic participation and civil society			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	N/A			

## SUMMARY

The main objective of the action is to contribute to the democratisation and to the social and economic development of partner countries by supporting pro-democracy activists. The Commission aims to enable this support by providing funding for the functioning of the European Endowment for Democracy (EED).

The EED is a private law Foundation under Belgian Law, autonomous from the European Union, whose main purpose is direct grant-making to organisations that work to promote democracy and human rights through specific flexible procedures.

The present contribution amounting to EUR 12 million will be dedicated to cover EED's operating costs over a period running from November 2015 until December 2018. These operating costs correspond to the functioning of the foundation and to the implementation of the other activities that the EED performs as part of its mandate: seminars, studies, conferences, publications, networking events, workshops, training and visibility activities, capacity building for beneficiaries etc. The direct support to target groups through grants will not be funded through the present financial contribution.

The present contribution, jointly funded by ENI South and ENI East, will be implemented under direct management through the award of 4 successive operating grants to the EED and covering the period running from November 2015 until December 2018.

## 1 SECTOR CONTEXT

### 1.1 Context

A thriving civil society empowers citizens to express their concerns, contributes to policy-making and holds authorities to account. It can also help ensure that economic growth becomes more inclusive. Key to making any of this happen is the guarantee of the freedoms of expression, association and assembly. Another challenge is to facilitate the emergence of democratic political movements that represent the broad spectrum of the views and approaches present in society so that they can compete for power and popular support. This challenge of fostering civil society and pluralism is felt throughout the Neighbourhood but is particularly acute for countries engaged in fast political change or where repressive political regimes continue to stifle pluralism and diversity.

In such a context, the European Endowment for Democracy (EED) has the vocation to support those values and objectives, and to complement existing EU cooperation instruments by funding key political players and fostering democratic transition in the Neighbourhood region through rapid and flexible assistance.

The EED was established at the end of 2012 with the support of the European Parliament, the European Commission, the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission and the EU Member States. It is registered as a *Fondation d'utilité publique* under Belgian Law and is governed by its own statutes and governing bodies. EED is fully autonomous from the European Union.

The Chair of the Board of Governors and the Executive Committee were elected for a three year term in November 2012. The Executive Director was also appointed for a three year term following an open recruitment process. Following the approval of

key documents, and the recruitment of staff through an open competition, the EED Secretariat commenced full operations on 1 July 2013. The EED Secretariat became instantly operational, with the application process for grants launched in August 2013, and the first grants awarded in September 2013.

According to the EED statutes, the focus of the EED was initially, although not exclusively, in the Neighbourhood. In a meeting of the Board of Governors on 3 December 2014, the Board of Governors of EED decided that the Endowment would implement and finance a limited number of activities outside of the European Neighbourhood.

For the period until the end of 2015, the Board of Governors agreed that a maximum of 15% of the total of EED grants may be provided for actions outside of the European Neighbourhood, in line with European Commission funding requirements of the current EED action grant funded from the from European Neighbourhood Instrument (ENI).

From 2016 onwards, the Board of Governors furthermore decided that the allocation of funds and key priorities for the EED operations and especially those outside the Neighbourhood area shall be determined in future General Guidelines still to be drafted and to be approved.

Whatever will be the decision of the Board on the possibility for the EED to act globally after 2015, the present support will cover the functioning of the EED linked to its activities targeting the Neighbourhood countries, and, within a limit of up to 15% of the total of EED grants, its activities targeting the countries outside the Neighbourhood which are listed above.

The initial contribution in favour of the EED (EUR 5.9 million) has been provided under the European Neighbourhood and Partnership Instrument (ENPI). It took the form of a "start-up" action grant supporting the EED from its establishment and allowing its deployment and development until reaching a sustainable maturity level, from which moment the EU financial contribution could switch to an operating grant approach. The period of time that had been estimated necessary for reaching this stage was of at least three years i.e. not before December 2015 (the implementation period of the ongoing contract expires on 6 December).

The EED succeeded in completing its development and reaching its objectives over the past 2 years. However, achieving these results leads to a situation where the initial EU financial contribution will be exhausted earlier than initially planned, a situation which is also caused by a high level of labour charges under the Belgian law, which has an important impact on EED salary costs. Consequently EED, despite a cautious financial management and functioning policy, will face a financial gap as from 1 November 2015. This explains that the present EU financial contribution intends to fund the operating costs of EED as from that date.

#### *1.1.1 Public Policy Assessment and EU Policy Framework*

The events of 2011 in the Neighbourhood, in particular in the Southern Mediterranean but also in Eastern Europe, prompted a rapid response from the European Union. The Joint Communications on a *Partnership for Democracy and Shared Prosperity for the Southern Neighbourhood* and on *A New Response to a*

*changing neighbourhood* issued in March and in May 2011<sup>2</sup> reaffirm the crucial importance of striving for deep and sustainable democracy and respect for human rights and the rule of law as fundamental pillars of the renewed European Neighbourhood Policy and of the partnership with Neighbourhood countries. The Joint Communications sent a clear message of solidarity to the peoples of the Neighbourhood, assuring them that their democratic aspirations and their fight for human rights will be heard and supported.

As a consequence, the European Commission and the High Representative jointly proposed to support the establishment of a European Endowment for Democracy, to support political actors striving for democratic change in their countries (especially political movements and non-registered NGOs, social partners, bloggers, etc.). One year later, the Joint Communication on *Delivering on a new European Neighbourhood Policy*<sup>3</sup> reaffirmed the EU's support to democratisation and human rights, including through its "more for more" approach, by which only those partners willing to embark on political reforms and to respect the shared universal values of human rights, democracy and the rule of law would be offered the most rewarding aspects of the EU policy. Democratic aspirations will be supported in those countries and societies that are going through a period of transition or are struggling for their democratic aspirations by advancing towards higher standards of human rights, and placing a strong emphasis on human rights within the political dialogue.

The establishment of the EED also received political support from EU Member States, through a political Declaration endorsed in December 2011 by the Committee of Permanent Representatives (COREPER)<sup>4</sup>. In that Declaration, the objective was set for the EED to foster and encourage deep and sustainable democracy in transition countries, focusing initially, but not exclusively, on the countries covered by the European Neighbourhood Policy. Subsequently a working group was established by EU Member States, representatives of the European Parliament, European Commission and EEAS to draft the EED statutes. The statutes were approved by the Working Group on 20 June 2012, which was subsequently noted by COREPER.

### 1.1.2 Stakeholder analysis

The direct beneficiary of this action is the European Endowment for Democracy. The EED is a private law Foundation under Belgian Law, autonomous from the European Union, governed by its own statutes and governing bodies. The Foundation's main purpose is direct grant-making to pro-democracy activist and/or organisations struggling for democratic transition in the European Neighbourhood and beyond, through specific flexible procedures.

The direct beneficiaries of the Endowment's activities include: pro-democratic movements and other pro-democratic actors in favour of a pluralistic multiparty system on democratic ground; social movements and actors; civil society organisations; emerging leaders, independent media and journalists (including bloggers, social media activists, etc.), non-governmental institutions, including foundations and educational institutions functioning also in exile; provided that all the beneficiaries adhere to core democratic values, respect international human rights standards and subscribe to principles of non-violence.

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<sup>2</sup> COM(2011) 200, 8 March 2011 and COM(2011) 303, 25 May 2011 respectively.

<sup>3</sup> JOIN(2012) 14, 15 May 2012.

<sup>4</sup> <http://register.consilium.europa.eu/pdf/en/11/st18/st18764.en11.pdf>.

EED supports groups and individuals, who seek to employ innovative, as well as traditional, means of communication and public expression to raise public awareness, assist observance of fundamental freedom and human rights and consolidate democracy.

### *1.1.3 Priority areas for support/problem analysis*

A number of Neighbourhood countries continue to have restrictive legal frameworks for the protection of freedom of assembly and association and much remains to be done across the region to ensure that this freedom is fully guaranteed in law and in practice and to secure the necessary space for civil society to play its crucial role. In many countries, freedom of expression, civil society activity and peaceful demonstrations have often been countered by repression and continue to be severely curtailed.

In addition, more efforts are needed to ensure respect of the rule of law, overseen by an efficient, impartial and independent judiciary, with guarantees for equal access to justice and respect for due process and fair trial standards as well as to pursue the reform of the security sector.

There has however been some progress in the respect for other human rights in some countries. There is increased respect for minority rights in Armenia and Morocco. However, torture and degrading and inhuman treatment continue to be perpetrated by security forces in a number of countries and the situation for civil society and free expression and participation in political activities have deteriorated in countries like Azerbaijan, Algeria and Egypt. Similarly, discrimination on grounds of religion or belief, ethnic origin and sexual orientation remains widespread and trafficking in human beings continues to be a serious problem in many countries.

Countries such as Egypt, Algeria and Azerbaijan have imprisoned a significant number of civil society activists and have during the past year adopted restrictive laws for international support to civil society and for the operation of civil society. In such an environment, EED and its flexible approach to support to civil society is crucial to ensure, in complementarity with EU existing mechanisms, that civil society and activists still receive support and can sustain their activities despite the severe repression.

Countries with deteriorating security situations like Libya, Ukraine (Crimea and East Ukraine) and Syria pose increased challenges for donors to support civil society. In Libya for instance, conditions for any advocacy work inside the country have deteriorated and any kind of activism on civil liberties represents a live threat. In the difficult Ukrainian context, judicial reform processes, fight for respect for fundamental freedoms, right to free and fair elections, against arbitrary detention and torture, and fight against discrimination need extra support and attention.

Finding peaceful settlements to protracted conflicts remains a key challenge throughout the Neighbourhood. The main responsibility for this lies with the conflicting parties which must enhance their efforts to find agreements in a genuine spirit of compromise. Without that, continued international mediation efforts in established formats cannot be expected to lead to a breakthrough. In the case of Syria, the EU has strongly condemned the systematic human rights violations by the Syrian regime and suspended all types of cooperation, imposed restrictive measures and kept them under constant review. The EU has only maintained aid that benefits the Syrian population, students, human rights defenders and the opposition.

## RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<ul style="list-style-type: none"> <li>• Risk linked to the fact that the budget for EED's main activity (support to activists) is based on voluntary contributions of EU Member States or other sources, which are not scheduled in a regular manner and might tend to be somewhat ad-hoc. The <b>absence of reliable and recurring financial commitments</b> from its contributors or default in fulfilling those commitments might jeopardise the flexibility of the Endowment and its ability to respond immediately to support requests.</li> </ul>	H	EED, helped by EU Parliament and European Commission, leads constant advocacy actions towards EU Member States and other potential donors in order to secure regular funding. This lobby lead to a new wave of pledges from EU Member States in the end of 2014.
<ul style="list-style-type: none"> <li>• Support given to political actors, leaders of political movements and emerging leaders is a highly sensitive issue. Even if the EED is autonomous entity acting independently of the EU, the latter has to be systematically informed and aware of the possible <b>political consequences</b> that could result from the action of the EED.</li> </ul>	H	Headquarters and Heads of EU Delegations should be kept systematically informed of EED action and training activities in order to ensure coherence and efficiency between their respective actions. Especially Heads of Delegations should be alerted when EED interventions may raise concerns and questions from partner authorities, in order to be able to respond to the latters in a proper way.
<ul style="list-style-type: none"> <li>• The purported added value of the EED is its ability to act swiftly and to offer dedicated and rapid funding in risky environments. However, sound financial management requires a <b>minimum level of procedural and regulatory conditions</b> and transparency, which should also be applied by the EED. Also, any EU funds to the EED should be delivered and managed according to EU</li> </ul>	M	Close cooperation between EED and European Commission allows efficient sharing of information about financial procedures and requirements. EED staff demonstrates to be strictly observing applicable legal and financial rules. Audit, expenditure verification and evaluation are also valuable tools of mitigation

<p>financial rules. The principles of sound financial management may therefore limit the flexibility and swiftness expected.</p>		
<p><b>Assumptions</b></p>		
<ul style="list-style-type: none"> <li>• Assumption is made that enough funding will be provided by EU Member States or other contributors to cover the funding needed of the EED to deliver its core action which is the direct support to activists. Funding should be enough to meet the growing number of grant requests.</li> <li>• Assumption is made that politically the EED will continue to be seen as an autonomous body which is not an EU institution although acting at “arm's-length” distance from the EU.</li> </ul>		

### 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

The EED established itself as a functioning democracy support organisation, and has provided grants in all countries of its mandate (Neighbourhood countries): as of 1 February 2015, EED has funded 131 initiatives, 54 initiatives from the Southern Neighbourhood (particularly Tunisia, Egypt and Syria) totalling EUR 3.81 million and 77 initiatives from the Eastern Neighbourhood (particularly Ukraine and Azerbaijan) totalling EUR 3.49 million.

EED has the vocation to act as a “gap filler” providing value added compared to other donors through emergency funding, broad eligibility criteria (including individuals, unregistered organisations), support to emerging actors, core funding of NGOs, small size of grant, and support in politically sensitive environments. Support has been provided to democracy actors on the ground in politically sensitive environments and during times of crisis and war, and to local democracy actors who do not have the elaborate administrative infrastructure to manage European grants and reporting requirements.

Demand for EED support has been high. Between the launch of the application process in August 2013 and 4 February 2015, 1 498 requests for funding have been received (an average of 80/month): 834 from the Eastern and 563 from the Southern Neighbourhood countries.

Crucial funding in various emergency situations has been provided within short period of time from the moment EED received the request for support / needs were expressed to EED. 18% of all EED grants were approved in this way. Responding to the crisis in Ukraine, most of the proposed grants were approved using the rapid response emergency procedure.

EED contributes also to build capacities of democracy actors by providing coaching and trainings on subjects such as financial management, strategic planning or application to EU grants. To increase the awareness of democracy support issues, EED organises and co-hosts democracy-related discussions, as well as closed-door coordination meetings on sensitive countries, with partner organisations. Such events contribute to the exchange of best practice and latest developments in democracy



support in the EU Neighbourhood, as well as increased cooperation with other democracy support actors.

Effective working relationships have been established with the European Commission services and the EEAS. But stronger cooperation and exchange of information must be assured with EU Delegations who deplore that EED does not contact them sufficiently in an effort to coordinate support and actions towards activists.

While the current financial support will be dedicated to cover the EED operating costs, the direct support to target groups through grants will continue to be covered exclusively by Member States or other stakeholders' voluntary contributions. As of February 2015, 17 Member States have in total pledged EUR 18.72 million in contributions to EED towards grants for the period 2013-15. In addition, Canada has provided a grant of CAD 1 million per year for projects in Ukraine. Meanwhile, the Government of the Netherlands has provided EED a specific grant of EUR 0.5 million to develop a feasibility study related to Russian language media initiatives.

However there is a regional misbalance. While as stipulated in its General Guidelines, EED is to ensure a balanced approach to funding the Eastern Partnership and Southern Neighbourhood, at present the majority of funding comes from Member States whose democracy support priorities are focused on the Eastern Partnership countries. An important challenge for EED remains to secure predictable, reliable and regular voluntary funding from donors. Indeed the Commission financing is predictable and secured but must not be used to provide direct support to final beneficiaries of EED's action. The EED has to permanently look for sufficient other contributions in order to guarantee enough funding to be granted to pro-democratic activists.

An Inception Phase Review<sup>5</sup> commissioned by the EED and carried out in 2014 by an independent expert based on external interviews and online survey of EED beneficiaries, provided an overall assessment of the effectiveness of the inception phase as very positive, highlighted the quality of the EED decision-making process and the high standards with regards to reviewing proposals.

EED needs to continually reflect on the most appropriate approach for each country given rapidly fluctuating political situations. Increasing activism and emergence of new actors in some Neighbourhood countries requires a tailored and coordinated approach to sustain democracy activism in critical situations where there is harsh repression from the authorities.

A recently established Reflection Group aims at ensuring better linkages between EED's Executive Committee and Board of Governors by more involvement of interested Board members in the EED work. The group met two times so far (February and April 2015). The EU values this opportunity to talk directly to EED beneficiaries about their actions and realities on the ground, and to have an exchange of opinions about EED's value-added with the presence of organisations that also work on democracy and human rights.

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<sup>5</sup> Inception Phase Review - European Endowment for Democracy: EED, June 7, 2014.

### **3.2 Complementarity, synergy and donor coordination**

EED uses its network of contacts and extensive links with EU institutions, other donors, embassies and international organisations working in the European Neighbourhood to identify most promising actors and help them strengthen their capacity and enhance their activities and impact on local communities or nation-wide policies.

In this context, the EED is not aiming to replace existing mechanisms supporting democratic transitions but to offer additional support to those to whom the existing instruments are not able to provide assistance due to time, administrative or other constraints. In the delivery of its activities, in line with its statutes, the EED strives to avoid duplication and to ensure coherence, synergy, complementarity and added-value with the activities carried out under EU financial instruments which are already providing very valuable outputs. These include, in particular, the European Instrument for Democracy and Human Rights (EIDHR), the Instrument for Stability (IfS), the European Neighbourhood Instrument (ENI) including the Civil Society Facility (CSF), the Development Cooperation Instrument (DCI) including the Civil Society Organisations and the Local Authorities (CSO-LA) thematic programme.

In order to fully ensure good complementarity with EU actions, information and consultations with EU Delegations on general action, trainings activities and in the framework of selection of final beneficiaries (for instance through joint coordination meetings) must be improved.

The EED Secretariat has prioritised, ensuring added value and avoiding duplication from the very beginning of its operations. All proposals are intensely scrutinised on this point to identify the added value of EED funding and explain why a proposal is not or cannot be funded by other donors. Good relations with other donors have been established as a pre-requisite for implementing this role.

All EU Member States have declared their political and technical support to EED. Nevertheless, there are still some embassies in the region, which are not regularly advised by their capitals about the EED mandate and initiatives they can possibly do together with EED.

### **3.3 Cross-cutting issues**

Given that the primary aim of the Endowment is the fostering of democratisation, respect for human rights and good governance will be part of the objectives to be achieved.

Building sustainable democracy also means ensuring gender equality and increasing the participation of women in political and economic life. In some countries, legislative provisions enacted with the aim of ensuring a more balanced composition of parliaments have encountered resistance in practice and therefore have not had the desired effect. Local and regional authorities have a key role to play in narrowing the gap between the population and institutions, promoting a culture of political participation at local level and ensuring that policy decisions take local needs into account.

In achieving its objectives, the Endowment will also pay specific attention to youth population which is a key actor in the Neighbourhood regions. Support to young activists will be promoted and, where possible, prioritised.

Funding requests covering environmental issues, including sensitive areas such as transparency and inclusiveness in the control and management of natural resources, including extractive industries will receive specific consideration.

Due attention will also be given to activists with disabilities and/or activists striving for the defence of people with disabilities rights. In addition, attention should be focusing as well on responding to the needs and challenges faced by groups living outside the capitals and in remote areas.

As part of the context scrutiny and knowledge, due attention will also be given to conflict sensitivity and economic and social standards.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

The main objective of the action is to contribute to the democratisation and to the social and economic development of partner countries by supporting pro-democratic activists. The Commission aims to enable this support by providing funding for the functioning of the European Endowment for Democracy.

### **4.2 Main activities**

The current financial support to the EED will be dedicated to cover its operating costs over a period running from November 2015 until December 2018. These operating costs correspond to the functioning of the mechanism of financial support (direct grant support to beneficiaries) and to the implementation of the other activities that the EED performs as part of its mandate: seminars, studies, conferences, publications, networking events, workshops, training and visibility activities, capacity building for beneficiaries etc.

The direct support to target groups through grants which is the main purpose of the EED is not funded through the present financial contribution: the funding of this direct support originates from the voluntary contributions received from EU Member States and other stakeholders.

The EED shall deliver its activities in the most flexible and effective manner in order to reflect the situation, the operating environment and the needs of its beneficiaries. All the activities of the Endowment shall be carried out on a not-for-profit basis and they shall be implemented in a spirit of transparency, pluralism and in a non-partisan manner.

### **4.3 Intervention logic**

With a view at reaching the objectives and implementing the activities as described in sections 4.1 and 4.2, the present contribution will be delivered through 4 successive operating grants awarded to the EED and covering the period running from November 2015 until December 2018. Award of each new operating grant will be subject to satisfactory performance of the EED under the previous contract(s) in reaching these objectives and implementing these activities.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from adoption by the Commission of this Action Document. Within this implementation period, 4 successive operating grants will be awarded, covering the following successive implementation durations: 2 months (November to December 2015) and three times one year from January to December (years 2016, 2017 and 2018).

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

### **5.3 Implementation modalities**

The action will be implemented under direct management through the award of 4 successive operating grants to the EED, jointly funded by ENI South and ENI East. Each successive award will be subject to (i) the submission by the grant beneficiary and approval by the Commission of a work programme and a budget; and (ii) the satisfactory implementation and performance, including in its financial aspects, of the predecessor grant(s) (including the current action grant). Satisfactory implementation may be assessed by the Commission through different means, which include: narrative and financial progress and final report(s); evaluation(s) including external evaluation; expenditure verification report(s); financial and/or system audit(s) including external audit(s); financial verification mission(s). Before the award of each successive operating grant, the Commission will recourse to some of these tools, choice of which will depend on previous year(s) assessment results and on specific risk assessments. In case of poor performance, the Commission may reduce the amount of a successor operating grant or not award it.

As explained under section 1.1 above, the current EU financial contribution provided to EED under the ENPI will be exhausted by 31 October 2015 and it is accordingly planned that the first operating grant will fund the operating costs of EED for a period of 2 months, from 1 November until 31 December 2015. Each successor operating grant will then fund the operating costs of EED for a period of one year starting on 1 January and ending on 31 December, i.e. corresponding to the financial year of EED under the Belgian law.

Following Article 130(2) of Regulation (EU, Euratom) N° 966/2012 (Financial Regulation), according to which "the grant agreement shall be signed [...] within six months of the start of the beneficiary's financial year", the first operating grant shall be signed by 30 June 2015, with an implementation period starting on 1 November 2015. This also implies, in order to comply with the principle of non-cumulative award set by Article 129 of the Financial Regulation, that the implementation period of the ongoing action grant must end on 31 October 2015 at the latest and that this modification of the contract is effective before the signature of the first operating

grant. This will be done either through an amendment to the contract or through notification of early termination of the contract by the grant beneficiary.

It could not be anticipated in 2012 when the initial EU financial contribution to EED was approved that the need to switch to an operating grant approach would come early, while it is desirable to ensure a smooth transition from an action grant approach to an operating grant approach. At the same time, considering that the EU financial contribution represents 95% of EED funding, it is important to avoid an interruption in the EU funding of EED. And it is essential to enable EED to ensure a clear cut-off between the EU funds that it will receive for the successive operating grants, which requires that the conclusion of those contracts precede the start of the corresponding eligibility periods.

In view of these elements and considering that the conditions set in the Financial Regulation in relation to operating grants will be observed, the present action provides for funding from the general budget of 2015 the first two successive operating grants, covering the periods November to December 2015 and January to December 2016 respectively. This will also allow that the second operating grant can be concluded and the corresponding pre-financing payment can be processed before the end of 2015 i.e. before the start of EED financial year 2016.

#### **5.4 Operating Grants: direct award to the benefit of the European Endowment for Democracy (direct management)**

##### *5.4.1 Grant: direct award of 4 successive operating grants to the EED, covering the period November 2015 to December 2018*

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

To support the functioning and own activities of the European Endowment for Democracy as an actor to foster and encourage democratisation and deep and sustainable democracy in countries in political transition and in societies struggling for democratisation.

(b) Justification of a direct grant

Article 190(1) (f) of Commission Delegated Regulation (EU) No 1268/2012 authorises that grants be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation, on condition that the actions concerned do not fall within the scope of a call for proposals. On this basis and under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the European Endowment for Democracy.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because EED is one of the rare actors in the landscape of the organisations providing financial support in the Neighbourhood region to activists who cannot benefit from financial support from the donors community through traditional funding channels due to their size, legal status (e.g. non-registered entities or individuals), geopolitical context (e.g. civil war situation) etc. The specificity and sensitivity of this particular type of intervention requires a body with appropriate competence and mandate. In this respect, the EED offers trustful credibility and reliability thanks to their particular institutional set-up, being steered by representatives of the European Parliament, of

the EU Member States, of the European External Action Service and of the civil society of the Neighbourhood countries. This unique position, combined with a good track-record despite their short existence, with efficient award procedures (that are nevertheless compliant with the general principles applicable to the use of public funds) and with a standing good reputation, makes of EED an adequate vehicle for providing financial support to local beneficiaries at a micro- or mini-scale, allowing beneficiaries such as non-registered associations, political movements, individual activists, bloggers etc. to benefit from the donors community funding where this would not be possible through more traditional funding channels. The EED has also the further advantage of being "European-labelled".

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed work programme to the objectives of the action; design, effectiveness, feasibility, sustainability and cost-effectiveness of the work programme.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 95% of eligible costs of the action.

(e) Indicative trimester to conclude the grant agreements

Period	Intended signature date	Eligibility period
November-December 2015	Before end of June 2015	1 Nov. to 31 Dec. 2015
2016	Before end of December 2015	1 Jan. to 31 Dec. 2016
2017	Before end of December 2016	1 Jan. to 31 Dec. 2017
2018	Before end of December 2017	1 Jan. to 31 Dec. 2018

## 5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

In accordance with Article 16(1) of Regulation (EU) No 232/2014 and with regard to the aim of ensuring of coherence and effectiveness of EU financing and fostering regional and trans-regional cooperation, the Commission decides that natural and legal persons from the following countries, territories or regions shall be eligible for participating in procurement and grant award procedures: Bahrain, Chad, Iran, Iraq, Kazakhstan, Kuwait, Kyrgyzstan, Mali, Mauritania, Niger,

Oman, Qatar, Saudi Arabia, Sudan, Tajikistan, Turkey, Turkmenistan, United Arab Emirates – UAE, Uzbekistan, Non-autonomous territory of Western Sahara. The supplies originating there shall also be eligible.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Budget, Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

## 5.6 Indicative budget

Period	EU contribution (95% - in EUR)	Beneficiary contribution (5% - in EUR)	Total amount
November-December 2015	500 000	26 316	<b>526 316</b>
2016	3 500 000	184 211	<b>3 684 211</b>
2017	4 000 000	210 526	<b>4 210 526</b>
2018	4 000 000	210 526	<b>4 210 526</b>
<b>TOTAL</b>	<b>12 000 000</b>	<b>631 579</b>	<b>12 631 579</b>

## 5.7 Organisational set-up and responsibilities

This action will be managed by Commission Services (Directorate-General for Neighbourhood and Enlargement Negotiations) and, where relevant in close collaboration with other relevant EU institutional stakeholders (European Parliament, EEAS, EU Member States).

## 5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this EU financial contribution will be a continuous process and part of the grant beneficiary's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system and elaborate, within the framework of each successive operating grant, regular reporting, including progress (if considered relevant) and final reports. Every report shall provide an accurate account of implementation of the corresponding work programme, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by indicators. The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the implementation of the successive work programmes. The final reports, narrative and financial, will cover the entire financial year of the corresponding work programme.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.9 Evaluation**

Evaluations, including intermediate and final or ex-post evaluations, will be carried out for this action and constitute, as indicated in section 5.3 above, one of the tools used by the Commission for assessing whether it is justified to sign the successive operating grants. Such evaluation may be performed via independent consultants contracted by the Commission and will look into issues such as EED's effectiveness, added value and complementarity to other democracy support instruments and actors. When an evaluation is decided, the Commission shall inform the EED at least 2 weeks in advance of the dates foreseen for the evaluation missions. The EED shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to its premises and activities.

The evaluation reports shall be shared with key stakeholders where relevant. The EED and the Commission shall analyse the conclusions and recommendations of the evaluation(s) and, where appropriate jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the work programme(s).

The financing of the evaluation shall be covered by another measure constituting a financing decision.

## **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several of the successive operating grants. Audits constitute, as indicated in section 5.3 above, one of the tools that can be used by the Commission for assessing whether it is justified to sign the successive operating grants

The financing of the audit shall be covered by another measure constituting a financing decision.

## **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan, to be elaborated at the start of implementation and to be funded as part of the budget indicated in section 5.6. above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission and/or the EED. Appropriate contractual obligations shall be included in the successive grant contracts.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan and the appropriate contractual obligations.

However, considering nature of the operations that EED manages, and in particular the risks for those who benefit from the EED grant support and its other activities towards target groups and individuals, visibility may, where or when relevant, be reduced vis-à-vis media and political decision makers or adapted in the light of specific situations.