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Opinion on the proposal of the European Commission "Regulation establishing the Rights and Values programme"

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On 30 May 2018 the European Commission published a draft proposal for a Regulation on the "Rights and Values Programme" as part of the Multiannual Financial Framework (MFF) for 2021-2027.

The draft correctly outlines an **urgent need to defend and promote European values** as defined in Article 2 of the EU Treaty:

"At a time where European societies are confronted with extremism, radicalism and divisions, it is more important than ever to promote, strengthen and defend justice, rights and EU values: human rights, respect for human dignity, freedom, democracy, equality, the rule of law".

However, without major changes the instrument will fall short of reaching this goal. Dramatic challenges to European values require a new approach to value-promotion.

The Union urgently needs an adequately funded and easily accessible instrument for supporting citizens engaged in promoting the most endangered European values, such as democracy, human rights and rule of law. This need was articulated in a January 2018 <u>Appeal</u> of 80 NGOs and CSO networks from 22 EU countries and by the European Parliament in its <u>Resolution</u> on a "European Values Instrument" (EVI) of 14 April 2018.

Unfortunately, the proposal on the "Rights and Values Programme" shows that the European Commission has not yet adapted its approach to changed realities.

1

In essence, the proposal is a repackaged version of existing instruments (Europe for Citizens; Rights, Equality and Citizenship Programme) which were designed at a time where challenges to key European values were not as acute as today.

The following three aspects of the proposal might limit its effectiveness in reaching the intended goal of promoting European values.

Budget

First, the proposed seven-year budget of \notin 642 million (divided into \notin 409 million for the "Equality and Rights" and \notin 233 million for the "Citizens engagement and participation" strand) is utterly insufficient given the mounting challenges to European values. A slight increase in comparison to the budgetary period of 2014-2020 where two programmes merged into the new instrument had a joint budget of \notin 624 million (Rights, Equality and Citizenship Programme: \notin 439 million; Europe for Citizens: \notin 185 million) is not enough to guarantee sufficient impact.

Civil Society Organizations in their call for the establishment of an "Instrument to support European values in the European Union" proposed an overall budget of at least that of the European Instrument for Democracy and Human Rights under the previous MFF (\leq 1.4 billion), while the Stefan Batory Foundation suggested in a policy paper on the "European Values Instrument" to at least equalize spending on value-promotion in third countries (approximately \leq 2 billion in the previous MFF) with spending inside the EU.

Even more importantly, the proposal foresees to spend these limited funds among a vast set of beneficiaries including entities in third countries (accession candidates and European Neighbourhood Policy participants), international organizations, member state governments and "any legal entity under Union law", which includes also for-profit companies (Articles 7 and 12).

The portion dedicated specifically to Civil Society Organizations comprises just €46,6 million (20% fraction of the "Citizens and engagement and participation" strand). Thus, the critically important support for value-promoting Civil Society Organizations will be severely limited.

Thematic focus

Secondly, the thematic focus proposed by the Commission is too restrictive to allow the urgently needed promotion of European values at the local and national level.

The "Citizens engagement" strand will focus on promoting "exchange and cooperation between citizens of <u>different countries</u>" and "citizens' civic and democratic participation (...) in all areas of <u>Union action</u>" (Article 4). This suggests that the substantive scope of the programme will only support activities covering EU law and policy or certain activities at EU and transnational level. Such provisions limit funding for Civil Society Organizations working on local projects (instead of transnational activities) and for those in the area of European values formulated in Article 2 of the EU Treaty but not falling under Union action.

Providing EU financial support to initiatives at local, national and transnational level is crucial. Limiting support to transnational cooperation disregards the fact that many challenges to European values have local origins and must be addressed both at local and European levels.

Rules of access

Thirdly, the proposal does not signal intentions to simplify the access to funds for Civil Society Organizations. This is a critical point, because present EU rules on minimum turnover rates, prefinancing and mandatory monetary co-funding make it hard or even impossible for a large set of Civil Society Organizations to access EU funds. This applies particularly to grassroots organizations with limited administrative capacities which are highly important for promoting European values at the local and national level.

We call on participants of ongoing negotiations on the Multiannual Financial Framework for 2021-2027 to take into account three recommendations regarding the "Rights and Values programme":

- To have an impact on safeguarding European values adequate to the degree in which these values are challenged, the budget of the "Citizens engagement and participation" strand should be increased to at least €1 billion, which would imply an overall budget of the "Rights and Values programme" of €1,4 billion, as recommended in the Appeal of Civil Society Organizations from January 2018. Moreover, a substantial part of this sum should be devoted for supporting Civil Society Organizations.
- 2. The instrument should not prioritize only transnational projects corresponding to EU policy action, but support grassroots projects promoting European values as defined in Article 2 of the EU Treaty particularly democratic standards, rule of law and human rights thus contributing to building an open and inclusive society. Specifically, this goal could be included into the Regulation by:
 - a. Adding the following sentence to Article 2(2) (Programme objectives): "(b) to promote citizens engagement and participation in the democratic life of the Union (Citizens' engagement and participation strand) **at local, regional, national and transnational levels**"
 - b. Adding to Article 2 the following objective: "(d) to foster and support the creation of a healthy and sustainable CSO sector at national and local level with the capacity to fulfil its role in safeguarding these values"
- 3. It is critically important to **simplify rules of access** to the instrument, e.g. by limiting reporting obligations and eligibility criteria such as minimum turnover rates, pre-financing and monetary co-funding requirements. One step in this direction is to maintain under the new programme the application and reporting structure of the

Europe for Citizens programme, which requires less administrative burden and is more accessible to beneficiaries.

The administrative burden on grantees could be reduced further if funds were distributed through independent fund operators, similarly as in NGO programmes of EEA/Norway Grants. A reference to such operators could be included in Article 8 (Implementation and forms of EU funding).

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