

Statutes: European Endowment for democracy

Article 1

Legal personality and seat

1. The Foundation shall bear the name “European Endowment for Democracy/ Fonds Européen pour la Démocratie”, hereafter referred to as the Endowment.
2. The Endowment shall have its seat in Brussels and its address at....
3. The Endowment is autonomous from the European Union and it shall be governed solely by these Statutes, by the decisions taken by its statutory organs and by the Belgian law of 27 June 1921 as amended by the law of May 2nd, 2002 (“*Loi sur les associations sans but lucratif, les associations internationales sans but lucratif et les fondations*”).

Article 2

Objectives, scope and beneficiaries of the Endowment

1. The objective of the Endowment will be to foster and encourage democratization and deep and sustainable democracy in countries in political transition and in societies struggling for democratisation, with initial, although not exclusive focus, on the European Neighbourhood. The Endowment may implement and finance activities outside the European Neighbourhood upon a decision of the Board of Governors. Locally driven processes and initiatives should be supported, as long as such initiatives are supported in line with the rights-perspective, i.e. are compatible with international human rights standards.
2. The direct beneficiaries of the Endowment’s activities may 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.

3. All the activities of the Endowment shall be carried out on a non-for-profit basis and they shall be implemented in a spirit of transparency, pluralism and in a non-partisan manner.
4. In order to meet the Endowment's objectives and to achieve tangible results of its work, all Member States, in a spirit of solidarity and commitment, will consider providing sufficient funding to the Endowment's budget, and/or in kind support and/or any other general support subject to each Member State individual decision.

Article 3

Type of activities

1. The Endowment activities may include:

a) financial support to the activities of civil society organisations and institutions, such as political foundations and networks of foundations, whose objective are in line with Article 2 and which can qualify as implementing partners;

b) direct financial support to beneficiaries, including: project activities, material support, operating costs, visiting fellowships (including through a European invitation programme for young people who have shown interest and commitment in democratisation);

c) a limited number of own activities such as the organisation of seminars, studies, conferences, publications, networking events, training, facilitating of networking between local and/or regional beneficiaries or other; for the implementation of which, the Endowment's analytical capability will take into account the existing body of knowledge from think tanks, academic institutions, international organisations, experts and any other relevant stakeholder.

2. The Endowment shall deliver its activities in the most flexible and effective manner reflecting the situation, the operating environment and the needs of its beneficiaries.

3. For the delivery of its activities, the Endowment shall take all efforts to avoid duplication and ensure coherence, synergy, complementarity and added-value with the activities carried out under EU financing instruments, in particular the European Instrument for Democracy and Human Rights, the Instrument for Stability, the European Neighbourhood Partnership Instrument, the Development Cooperation Instrument including the Non-State Actors and Local Authorities thematic programme, as well as with Member States bilateral instruments. Cooperation with relevant international civil society and inter-governmental organisations and network will be explored.
4. Evaluation of the Endowment and its activities by an independent third party shall be ensured on an annual basis.
5. The Endowment shall engage into regular consultations with relevant EU institutions and other actors, i.a. civil society organisations, political foundations, potential beneficiaries, international organizations, as appropriate in order to ensure coherence, synergy, complementarity and added-value of its activities at all times
6. The Endowment shall also take into account the activities carried out by other international organizations, such as the Council of Europe, the OSCE, International IDEA and the United Nations.

CHAPTER II STRUCTURE AND FUNCTIONING

Article 4 Organisation of the Endowment

1. The Endowment shall have a Board of Governors and an Executive Committee.
2. The organs of the Endowment will be organised in the most cost-effective manner so as to ensure a low level of administrative expense for the Endowment.

Article 5 The Board of Governors (“Conseil d’Administration”)

1. The Board of Governors shall be composed of:

- 1) a representative from each Ministry of Foreign Affairs of the Member States of the European Union
 - 2) a member designated by the European Commission
 - 3) a representative of the High Representative for the Union for Foreign Affairs and Security Policy
 - 4) up to 9 representatives of the European Parliament
 - 5) up to 3 persons selected from among persons with major experience in the field of democracy support and/or democratic transition, in particular reflecting the geographical focus of the Endowment's work.
2. The Chairperson of the Board shall be elected from amongst its members on a rotating basis for a mandate of three years with a possibility for renewal once.
 3. The Board shall meet at least twice a year and whenever needed and shall be convened by its chairperson or upon a motion by at least one third of its members. The first meeting of the Board upon the establishment of the Endowment shall be convened by the representative of the High Representative until the Chair of the Board is elected.
 4. The Board of Governors shall take decisions by two thirds majority vote of its members. Each member of the Board of Governors has one vote. For the change of statutes, decisions will be taken by unanimity. The Board shall keep a record of decisions. Absent members of the Board will be informed of all decisions taken. However, any member of the Board unable to attend or to vote may delegate, in writing, another member of the Board to represent him at a meeting of the Board of Governors and vote on his behalf. One member of the Board may receive delegations from only up to two absent members of the Board.
 5. The designation, appointment and removal of the members of the Board of Directors will be governed by the following rules:
 - a) The representatives of the Ministries of Foreign Affairs, of the High Representative and of the European Parliament will be members of the Board on the basis of their public tenure. They shall remain in their position unless they are removed by the authority that designated them. The Ministries of Foreign Affairs, the High Representative and the

European Parliament will inform the Chair of the Board of Governors in writing about any change in the designation of their representatives.

- b) the member of the Board appointed by the European Commission will be appointed in his/her personal capacity and will remain as member as long as he/she is not replaced or removed by the European Commission.
 - c) the designation of the members of the Board described in paragraph 1 point 5 shall be based on a proposal by one or several members, referred to in paragraphs a) and b), from among persons having major experience in the field of democracy support and/or democratic transition, in particular reflecting the geographical focus of the Endowment's work. Competence and merit, together with gender and geographical balance shall be taken into account. Each of these Board members shall be appointed for a three year's renewable mandate by a 2/3rd majority decision by the Board members referred to in paragraphs a) and b) . The functions of these Board members will come to an end in the event of death, resignation, civil incapacity, being placed under provisional administration or dismissal. The dismissal will require a decision of the Board adopted by a majority of two thirds of its members; the member concerned not taking part in the vote.
6. The functioning of the Board will aim at a paperless environment where possible. Use of videoconferencing for meetings will be possible at any time. In case of need, urgency or for expediency reasons, the Board may decide that decisions are taken by written procedure. In this case all members of the Board must agree to this procedure. Written communications by means of telecommunications are possible.
7. No remuneration or financial compensation shall be paid by the Endowment to the members of the Board of Governors.

Article 6

Functions of the Board of Governors

1. The Board of Governors has the over-all responsibility for the Endowment's operations, finances and shall exercise oversight of the Executive Committee. In particular, the Board shall have the following duties:

- a) Appointing and dismissing the Executive Director and designating the members of the Executive Committee and establishing general rules on the functioning of the Executive Committee;
 - b) Approving *and amending* the procedural rules for the Endowment's funds and the rules for the monitoring and auditing of the Endowment's activities and finances as proposed by the Executive Committee;
 - c) Establishing general guidelines for the Endowment's work and its operational priorities, including the thematic and geographic priorities for the allocation of Endowment funds;
 - d) Approving workplans, Result-Based Management Systems and financing plans on the basis of draft proposals from the Executive Committee;
 - e) Approving the annual budget and the financial statements submitted by the Executive Committee
2. In the exercise of its supervisory powers, the Board shall take all efforts so that the activities of the Endowment avoid duplication and ensure coherence, synergy, complementarity and added value regarding to the financing instruments of the European Union and its Member States.

Article 7

The Executive Committee

1. The Executive Committee shall exercise the executive powers related to the functioning of the European Endowment for Democracy including the power to take decisions to commit the Endowment funds. The powers of the Executive Committee shall be exercised in conformity with the general guidelines, orientations and procedures established by the Board of Governors. The Executive Committee shall inform the Board of Governors on its activity on a regular basis, and in particular prior to any meeting of the Board of Governors.
2. The Executive Committee shall be composed of the following 7 persons:
 - 1) One Board member designated by the European Parliament;
 - 2) Two Board members designated by all the Member States;

- 3) the three Board members selected among persons with major experience in the field of democracy support and/or democratic transition;
- 4) The Executive Director.
3. The Board of Governors will establish the procedure for the selection of the Chair who shall be a Board member.
4. Executive Committee members shall have a three years' mandate with the possibility of renewal by the Board of Governors with the exception of the Executive Director whose mandate will expire according to his employment contract.
5. The regular meetings of the Executive Committee shall be convened by the Executive Committee's Chair or by Executive Director, in agreement with the Committee's Chair, at least once every two months. The Committee's Chair or the Executive Director, in agreement with the Chair, shall also have the authority to convene Executive Committee meetings on short notice, when required, and to use all technical means to ensure swift decisions, such as video conferences, conference calls or written telecommunications.
6. The Executive Committee shall prepare all relevant reports, workplans, financing plans, budget as required by the Board of Governors. The Executive Committee shall submit an annual report on its activity to the Board of Governors.
7. At least once a year, the Executive Committee shall conduct a consultation process with EU institutions, civil society, political foundations and others as appropriate, following the guidelines adopted by the Board of Governors.
8. With the exception of the Executive Director who shall have an employment contract, the members of the Executive Committee shall only be paid reimbursement of costs related to the participation in the Committee meetings as well as "*indemnité*"¹ approved by the Board of Governors.

¹ Terme à utiliser en français

Article 8
The Executive Director

1. The Executive Director is a member of the Executive Committee. He/she will be recruited by the Board of Governors.
2. The Executive Director shall manage the Secretariat of the Endowment He/she shall ensure the preparation of all relevant decisions, reports or other to be adopted by the Executive Committee.
3. The Executive Director may assume any powers and functions delegated to him/her by the Board of Governors and the Executive Committee in order to ensure the most efficient and expedient functioning of the Endowment.
4. The Executive Director will present the annual report to the Committee of Foreign Affairs in the European Parliament and to the Political and Security Committee of the Council and other Council bodies as appropriate.

Article 9
The Secretariat

1. The Secretariat of the Endowment shall assist the Executive Director in the day-to-day operation of the Endowment.
2. The Secretariat shall be composed of the staff of the Endowment recruited by the Executive Director, on the broadest possible geographical basis following a transparent and open selection process. The Secretariat will be organised in the most cost-effective manner so as to ensure the lowest possible level of administrative expense for the Endowment. To this end, the Board of Governors will establish a maximum percentage of the Endowment's funds for administrative costs or a maximum ratio of staff in relation to the funds managed by the Endowment.

CHAPTER III
BUDGET AND FINANCIAL PROVISIONS

Article 10
Budget and budget procedures

1. The budget of the Endowment shall be funded by:
 - (a) The Endowment's own funds originating from voluntary contributions from the Member States of the European Union;
 - (b) The Endowment's resources, if any, originating from its activities without prejudice to its non-profit status;
 - (c) Donations from third parties, public or private, provided these have been approved by the Board of Governors based on a proposal by the Executive Committee;
 - (d) grants or other financial support received.

2. All funds that are deposited in the Endowment bank accounts shall be disbursed from the accounts by the Executive Director or his designee in accordance with procedures approved by the Board of Governors. The Endowment's funds shall be managed in conformity with the principles of sound financial management, including effective segregation of the duties of authorising officer and accounting officer or the equivalent functions.

3. The Endowment may apply for EU funds. Any funds received from the EU will be delivered in full conformity with the EU financial rules, including EU communication guidelines to ensure visibility of EU support without prejudice to confidentiality for security reasons, and administered by staff trained in application of the Financial Regulation relevant to the EU budget and will be scrutinized and monitored by the budgetary authority.

4. The financial year for the Endowment shall be the calendar year.

Article 11
Audit of the Endowment's activity

The legality and regularity of the Endowment's income and expenditure shall be audited by an independent auditor without prejudice to the competence of the European Court of Auditors related to EU funds. The audit report shall be attached to the Endowment's annual report.

CHAPTER IV **FINAL PROVISIONS**

Article 12 **Conflict of interests**

1. If a member of the Board has, directly or indirectly, a personal conflict of interests in a subject matter submitted for decision to the Board, he/she will inform the Board before the deliberation and the vote and he/she shall not participate in the vote.

2. Rules of procedure for the functioning of the Executive Committee and the Secretariat will include provisions to prevent conflict of interests by its members and staff.

Article 13 **Legal Representation of the Foundation**

1. The Chairperson of the Board of Governors will represent the Endowment for any legal action or representation corresponding to the competences of the Board without prejudice to any delegation of powers approved by the Board.

2. The chairperson of the Executive Committee will represent the Endowment for any legal action or representation that is the competence of the Executive Committee without prejudice to any delegation of powers approved by the Committee.

Article 14 **Dissolution of the Foundation**

In case of dissolution or termination of the Foundation, the Board of Governors will take a decision to allocate the remaining funds, if any, after all liabilities incurred by the Endowment have been satisfied, to a Foundation with a similar purpose.

Article 15

Inclusion of new members in the Board of Governors

Representatives from EFTA or other countries may be specifically invited to participate in the Endowment, providing they are willing to agree to the principles governing the establishment of the Endowment and to contribute financially to the Endowment. The decision to invite new members to the Endowment will be taken by unanimity.