**EESC gives its backing to the proposed new tool that would protect EU budget from rule of law deficiencies**

**The EESC calls upon the Commission to amend its plans to make the use of EU funding by Member States dependent upon their respect for the rule of law, democratic standards and fundamental rights.**

The European Economic and Social Committee (EESC) is in favour of the European Commission's proposed new mechanism that would allow the EU to impose corrective economic measures on Member States that fail to uphold the rule of law, according to an opinion adopted by the EESC in October.

The Committee asked the Commission to further amend the proposal to expand the notion of the rule of law to include the protection of fundamental rights and standards guaranteeing pluralist democracy.

The EESC also recommended that it be named among the relevant sources of information for establishing serious rule of law deficiencies, thus ensuring that the voice of organised civil society is heard when determining such breaches.

Concerned with the continuous drop in support for civil society organisations in some countries, as well as with the rise of populism and the erosion of human rights, earlier this year the EESC set up a working group on fundamental rights and the rule of law, focusing on the protection of the values and rights laid down in Article 2 of the EU Treaty.

The main goal of the new Commission proposal should therefore be to protect EU values by protecting the financial interests of the Union, and the proposed mechanism should be triggered automatically by any such serious breach.

"The current EC proposal fills a very important gap in that it provides a new instrument which will take action on any violation of the rule of law," said **Jukka Ahtela**, rapporteur for the [opinion on the Union's budget and the rule of law.](https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/unions-budget-and-rule-law) "Once countries have joined the EU, there are no robust tools for properly monitoring and intervening when the rule of law and EU values are not upheld."

"However, the rule of law is not a standalone concept: it is one side of the triangle, together with democracy and fundamental rights. The Commission's proposal should therefore be extended to cover the whole triangle to prevent the abuse of state power," said **Mr Ahtela**.

The proposal to use reverse qualified majority voting in the Council to decide on appropriate measures to be taken against a Member State that suffers from a generalised deficiency has met with approval from the EESC, which believes that this will minimise the potential danger of inaction or political selectivity should voting in the Council be mandatory.

Generalised deficiencies include: compromising the independence of the judiciary, failing to prevent, sanction or correct the public authorities for arbitrary or unlawful behaviour, and limiting the availability and effectiveness of legal remedies. The proposal would allow the Commission to suspend or correct payments, interrupt payment deadlines or ban new legal commitments and it would apply to all EU funds.

The EESC fully agrees with the Commission that the consequences of triggering the mechanism should not fall on individual beneficiaries of EU funding, such as Erasmus students, researchers or civil society organisations. They should instead be borne by those responsible for the breaches. In this respect, the Commission should look for alternative ways to ensure that the funds reach the intended beneficiaries.

In the Committee's view, drawing up more detailed criteria as to what constitutes a breach of the rule of law or fundamental rights would also strengthen the objectivity and legitimacy of the Commission's decision.

In a separate opinion adopted at the October plenary session, the EESC welcomed the Commission proposal for a Justice, Rights and Values Fund which would complement this proposal by building grassroots support for these values among Europeans.

The Fund, which includes two separate programmes – the "Justice programme" and the "Rights and Values programme" - will financially support civil society organisations that promote rights and EU values by actively involving Europeans in a democratic and inclusive society.

However, the EESC noted that it was not entirely satisfied with the amount of financing to be allocated to the Fund and called for its overall budget to be raised to EUR 1.4 billion from the proposed EUR 947 million. From that sum, EUR 500 million should be allocated to the strand on citizen engagement and participation, almost EUR 100 million more than originally proposed by the Commission.

"We don't think that the funding is commensurate with the ambitions invested in these programmes," said **Jean-Marc Roirant**, rapporteur for the [opinion on the Justice, Rights and Values Fund.](https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/new-justice-rights-and-values-fund) "Civil society organisations have a huge role to play, but they are often the first to suffer. We need to develop civil society capacity to promote and defend EU values."

The EESC called for specific earmarking of funding for civil society organisations, for at least 50% of the different strands . It also voiced its support for a European Parliament proposal to set up an EU fund offering financial support for litigation cases targeting civil society organisations flagging up breaches of democracy, the rule of law and fundamental rights.