

An EU mechanism on democracy, the rule of law and fundamental rights

Article 2 of the Treaty on European Union (TEU) enshrines the Union's founding values. As these shared values are binding on Member States and the European Union (EU) institutions, several mechanisms have been created to promote them and ensure they are respected. EU institutions have made several proposals to strengthen the mechanisms. Parliament is due to vote during the October I plenary session on a legislative-initiative report proposing to integrate and reinforce them through an EU mechanism on democracy, the rule of law and fundamental rights (DRF).

Background

The EU Treaties provide [several mechanisms](#) that protect EU values within the Member States, including the well known preventive and sanctions procedures under [Article 7 TEU](#), infringement procedures (Articles [258-259](#) Treaty on the Functioning of the European Union – TFEU), and preliminary references ([Article 267 TFEU](#)). Aiming to strengthen these mechanisms, EU institutions have created a wide range of other tools to protect EU values in the past decade. In 2007, the [cooperation and verification mechanism](#) was created to assess Bulgaria and Romania's progress in specific areas linked to the rule of law. In 2013, the European Commission launched its [justice scoreboard](#), to monitor the Member States' justice systems, and feed into the [European Semester](#). In 2014, the Commission established its [rule of law framework](#), and the Council decided to engage in [annual dialogues on the rule of law](#). Nevertheless, these efforts did not end discussion of the adequacy of the EU toolbox to address EU value deficiencies. Since 2016, Parliament has [repeatedly proposed](#) establishing an EU pact on DRF. After [evaluating](#) the existing mechanisms, the Commission [proposed](#) to establish an annual rule of law review cycle in July 2019, which led to the publication of a [first annual rule of law report](#) on 30 September 2020. In addition, the Commission [proposed](#) to link EU funds to respect for the rule of law, but the co-legislators have not yet [adopted](#) this proposal.

European Parliament proposal

Against this backdrop, the Civil Liberties, Justice and Home Affairs Committee (LIBE) [adopted](#) a legislative-initiative report accompanied by a European Added Value Assessment (EAVA) produced by EPRS. The LIBE committee report calls on the Commission and the Council to establish, together with the Parliament, an EU mechanism on DRF, underpinned by an interinstitutional agreement (Article 295 TFEU), and consisting of an annual monitoring cycle on Union values. The cycle would cover all EU values enshrined in Article 2 TEU, thereby extending the scope of the Commission monitoring exercise under its annual rule of law report, and would apply equally to all Member States. The cycle would have three stages: a) preparatory, in which the Commission would organise a targeted stakeholder consultation to collect information for the annual report; b) publication of the annual report, with country-specific recommendations; and c) follow-up, in which Parliament and the Council would publicly discuss the content of the annual report and adopt a position. The findings of the annual reports would be used to decide whether to trigger Article 7 TEU or infringement procedures, or to apply the proposed EU budget conditionality tool. A permanent Interinstitutional Working Group on Union Values, with representatives from the three institutions, would be created to coordinate the monitoring cycle. A panel of independent experts and the EU Agency for Fundamental Rights would advise the institutions during the process.

Legislative-initiative report: [2020/2072\(INL\)](#); Committee responsible: LIBE; Rapporteur: Michal Šimečka (Renew, Slovakia).

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