



HOUSE OF LORDS

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THE EU AND RUSSIA

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Questions 123 - 133

TUESDAY 28 OCTOBER 2014

10.50 am

Witnesses: Mr Alexander Graf Lambsdorff, Dr Alastair Rabagliati and Mr Peter Sondergaard

Members present

Lord Tugendhat (Chairman)
 Baroness Billingham
 Lord Lamont of Lerwick
 Lord MacLennan of Rogart
 Lord Trimble

Examination of Witnesses

Mr Alexander Graf Lambsdorff, MEP, Chairman of Executive Committee, European Endowment for Democracy, **Dr Alastair Rabagliati**, Director of Operations, European Endowment for Democracy, and **Mr Peter Sondergaard**, Director of Programmes, European Endowment for Democracy

Q123 The Chairman: First, thank you for agreeing to speak to us. You have brought your two supporters. If they wish to intervene, or you wish them to intervene, by all means do so.

As we are not familiar with the European Endowment for Democracy, it would be a help if you could just say a brief word before we get on to the main business.

Mr Alexander Graf Lambsdorff: I will happily do this, and please let me introduce my colleagues: Peter Sondergaard is the director of programmes at the European Endowment for Democracy and Alastair Rabagliati is the director of operations. They are two senior members of staff. The executive director is currently in Kiev. That shows you where we are. As to the EED, it is essentially a joint initiative by EU member states and EU institutions, the Parliament and the Commission. It is an initiative based on what we knew about the National Endowment for Democracy in the United States, although the structures are quite different. At the outset, it was very much a Polish initiative, but I am happy to say that 14 EU member states are contributing to the funds of the EED and are actively involved. Some are involved more through intellectual contributions than financial ones, but that is to be expected.

There is a three-tier structure. There is a board of governors, which has 43 members, comprised of representatives of all the EU member states and all the institutions, as well as nine Members of the European Parliament and three civil society representatives. Switzerland and the EAS are also there. Then there is the executive committee, which is where you can see how innovative this organisation is. While member states have been instrumental in setting it up, the expertise and the funding decisions are heavily influenced by civil society knowledge and expertise. On the executive committee, which meets about every two months to take the specific funding decisions, you have one MEP, which will be me, two representatives of member states, three civil society representatives and the executive director. It takes five votes for a decision to be taken, which means that anything we do will have to be checked between member states, the institutions and civil society—nobody can take a decision just like that. Then there is the third tier, the secretariat, which has 13 staff, led by the former Polish Deputy Foreign Minister, Jerzy Pomianowski. They do the operations on a daily basis in Brussels.

Q124 Lord Trimble: You are working in Kiev. Can you give us a picture of what you are doing in Kiev? I understand that you are not active in Russia. Can you explain why that happened?

Mr Alexander Graf Lambsdorff: The idea behind the EED at the outset was to create a complementary instrument to what we have in terms of the financial instruments of the European Union, particularly the European instrument for democracy and human rights. It was supposed to be more flexible and faster, but given its innovative character, there was a certain reluctance to staff and finance it on a large scale from the outset. Therefore in COREPER and the European Parliament there was a conviction that it was more reasonable to go for what I have called organic growth, meaning that we should prove ourselves and the worth of the EED in a limited number of countries under one heading, in this case the European neighbourhood, before moving beyond this initial mandate. That is essentially what has happened. We have been active in six countries of the eastern neighbourhood and nine countries of the southern neighbourhood. We are now currently discussing starting activities outside the neighbourhood after the initial reviews have come in and assessed the EED rather positively.

Lord Trimble: What actually are you doing? You are active in Ukraine. Can you give us a flavour of what you are doing there?

Mr Alexander Graf Lambsdorff: Yes. To give you a particular example, in Ukraine when there were the demonstrations on the Maidan there were media outlets that needed support quickly in order to be able to operate because of financial restrictions. They could apply very quickly and get a decision within less than a week. There were also civil society groups, blogs, newsletters and radio broadcasting that we supported. There was also support for initiatives that sprang out of the Euromaidan movement. There was also something quite unusual for the EED: rapid emergency relief for people who were injured in the demonstrations. This shows how flexible the instrument really is. When I use the word “instrument” I have to be careful: we are not an instrument under the financial regulation of the European Union, but we are a very rapid reaction funding mechanism, as in those cases. We have also worked with other groups in Ukraine. We worked on the reforms there with political groups or groups that were about to form political parties—things that the European institutions, or member states, for that matter, would be very hesitant to engage with.

Q125 Lord Lamont of Lerwick: Would you describe your work in Ukraine as campaigning or participating in politics in Ukraine?

Mr Alexander Graf Lambsdorff: The answer to that is a very clear no. That is one fundamental misunderstanding that exists in some circles, so I am glad you asked that question. Democracy support is not about picking winners in elections; it is not even about supporting campaigns or parties that run in an election. It is pluralistic, so we support people who are a civil society movement now who may later turn into a political party, but we do not support campaigns.

Lord Lamont of Lerwick: But you used the phrase “the Euromaidan movement”. Did I hear you correctly?

Mr Alexander Graf Lambsdorff: Yes.

Lord Lamont of Lerwick: What was that, exactly?

Mr Alexander Graf Lambsdorff: That was the reaction to the refusal by the then President Mr Yanukovich to sign the association agreement under Russian pressure. He refused to sign that agreement. I think it was on 29 November at Vilnius where the summit took place. Everybody expected that he was going to sign to anchor Ukraine in its path—its orientation—towards the West. The reaction to that non-signature—it was quite remarkable, if I may say that as an EU policy-maker—under an EU association agreement were the demonstrations that swept Mr Yanukovich away and led to the political upheaval that brought Mr Poroshenko to power and really changed Ukraine.

Q126 Baroness Billingham: As one of your predecessors in the European Parliament, and respecting the fact that the power of the European Parliament is now so much greater than it was during the time I was there, I would be very interested to know what the debates there are like on the European Endowment for Democracy, because that will give us an indication of whether there is a consensus or whether we are running into some problems here.

Mr Alexander Graf Lambsdorff: At the outset, there was no consensus on the European Endowment for Democracy. Looking at the different political groups in the Parliament, I think it is fair to say that by and large the European People’s Party was very supportive, as

was the Liberal Group. There was some scepticism, particularly in the Socialist Group and the Greens. Working through the report on the EED—the plurality of the European Parliament was going to be represented on the board of governors—it has been possible to achieve a consensus on the process. Now we have Conservatives—in your context I should phrase that differently—Christian Democrats, Social Democrats, Liberals and Greens. I think that we will now actually get a Conservative vote from the ECR on the board of governors who follow the work of the EED. It is fair to say that at this point there is a consensus in the Parliament that the EED is a worthy initiative.

Q127 The Chairman: You have been very clear that it is not your role to support or to promote political parties, but are you in the business of promoting EU membership? When operating in Ukraine, would you be identified with a strand of opinion that wants Ukraine to join the EU or would you be more concerned about ensuring that Ukraine is in a position to make rational judgments, if I can put it that way?

Mr Alexander Graf Lambsdorff: There are two levels to that question. One is this: is it part of our mission to advocate for EU membership? Clearly, the answer is no. It is not in our statutes. Might we be identified by third parties as being supportive of Ukrainian membership down the road? Possibly, but I cannot speak for them because it is for the third parties to decide. But the level and the nature of the support that we give, particularly in the neighbourhood, is in line with quite a number of countries where membership is not even a category. Libya, Tunisia, Syria and Lebanon are countries that, even if they chose to apply, would not be eligible. Therefore this is not a criterion in our work.

Q128 Lord Lamont of Lerwick: Forgive me because I do not mean to sound hostile, but I am trying to understand this. Given that you are funded by a number of EU Governments and you have the support, as I understand it, of all the EU Governments, and you back something called the Euromaidan movement, would that not be seen as a highly politicised intervention on a subject on which the Ukrainian President had the freedom to make his own decision?

Mr Alexander Graf Lambsdorff: If it were to be seen in that way, it might generate some controversy. I agree with you on that. However, the Euromaidan was not seen to be a political party competing in an election. It was widely perceived—at least in this town and, I would dare to say, beyond Brussels—as a genuine civil movement that brought together very heterogeneous actors. As you know, there are some who have now translated their activities into a political party, such as Mr Vitali Klitschko, who is now the mayor of Kiev. He has formed the UDAR party. There were people who already had political structures, such as Mr Arseniy Yatsenyuk. There were people from the extreme right wing who provided the Russian propaganda machine with an easy way to attack them. But I would even dare to say that the majority of the people in the Euromaidan had never been active in a political party and are not active now. I would think that that would be the majority of them. So, yes, you can discuss whether this was politically sensitive. You can discuss whether this was about taking sides, but it would not be fair to discuss it under the heading of support for a political party or a campaign.

Lord Lamont of Lerwick: Not a political party, but it is rather like the Scottish referendum. If you had backed the Scottish nationalists, I think that we would have regarded that as an odd thing to do.

Mr Alexander Graf Lambsdorff: I do not think that the European Endowment for Democracy has considered becoming active in the United Kingdom so far.

Baroness Billingham: That may be just as well.

Mr Alexander Graf Lambsdorff: I do not expect the position to change any time soon.

Lord Trimble: While you are not promoting accession to the European Union, you are none the less trying to promote some of what might be regarded as the values of the Union.

Mr Alexander Graf Lambsdorff: Indeed we do, yes. There is absolutely no contradiction in that. It is exactly what we do: pluralistic democracy, multi-party democracy, minority rights, opposition rights and media pluralism. All these things are part of the DNA, if you like, of the European Endowment for Democracy. Initiatives that are actively based on these values are eligible for our support.

Lord Trimble: I think it is fair to say that Mr Putin regards those values in a hostile manner.

Mr Alexander Graf Lambsdorff: I think that it is fair to say that.

Q129 Lord Lamont of Lerwick: Can you tell us about the relationship with the UK? Why do the UK Government not provide any money?

Mr Alexander Graf Lambsdorff: The United Kingdom has been actively involved in the EED from the outset. It is a member of the board of governors and has made a number of constructive comments and suggestions, particularly regarding monitoring and evaluation. I am not aware that a formal decision would have been taken within the UK Government not to fund the EED, so I assume that either we have not been informed of such a decision, if it exists, or the discussions are still ongoing. The relationship with the UK is one where we would say that it would be desirable for the UK to become perhaps a little more engaged, particularly in financial terms, bearing in mind that relatively small sums can go a long way in this sort of work. For instance, the Canadian Government has provided us with 5 million.

Dr Alastair Rabagliati: Canadian dollars.

Mr Alexander Graf Lambsdorff: I am sorry—C\$5 million for us to be active in Ukraine because they see the EED as a non-partisan, pluralistic, pro-democracy organisation, and C\$5 million over three years is a small sum. However, it can mean a lot to activists who are faced with very simple challenges, such as whether they can buy the paper for producing a newspaper or the electrical equipment needed for a small radio station. They might need computers or to pay the rent for three months, something like that. These are sums that start at €2,000, while I think that our largest grant was €200,000. The vast majority of payments are in the five-digit range. If you are asking me as the chairman of the executive committee about the relationship, intellectually the engagement is there and it is constructive, but financially I would like to see some more action.

Q130 The Chairman: In view of your work in Ukraine, can you imagine circumstances in which that country could attain the standards that would justify it joining the European Union? When we look at the more recent members of the European Union, there is obviously a big difference between, let us say, the Czech Republic at one end of the

spectrum and Bulgaria, perhaps, at another end. When one looks at Ukraine—I hope that I am not being unfair—it would seem to me to be some way behind Bulgaria.

Mr Alexander Graf Lambsdorff: I hesitate to answer that question in my capacity as the chairman of the executive committee of the EED. That is because the EED does not have a role in assessing the readiness of candidate countries or possible candidate countries as far as EU enlargement is concerned. If you ask me as an MEP, as someone who is politically active, I would agree that Ukraine certainly has a very long way to go. It is a country that has not realised its great potential. For nearly 25 years now the country has been independent. It has a highly educated population and a geographical position that is not bad at all. It is close to the largest market in the world, the EU single market, and it has Black Sea ports. It is a country that could achieve a lot, but due to endemic corruption and a dysfunctional political system, it has an economy that has not really developed any powers of innovation—unlike Poland and the Baltic states, for example. The population is very disaffected with politics in general. The parliamentary elections this weekend saw a turnout of around 50%, which I think gives you a sense of how disaffected many people there are. So, to answer your question not in my capacity as chairman of the executive committee, Ukraine has a very long way to go. I personally am not convinced that the country can become a member of the European Union as we understand it today. If the European Union changes and becomes a system of concentric circles or develops a variable geometry in the discussions that we have, there may be ways to bring Ukraine significantly closer to the EU, but could there be full membership as it is understood it today? I have a hard time seeing that.

The Chairman: You mention concentric circles, which I remember being talked about in a different context back in the 1980s. It seems to me that it would be helpful if there were clearer ideas about the nature of the eastern frontier of the European Union. It was put to us by a former British diplomat in this way: is it a cliff—the EU here, everybody else there—or is it like a beach, with a series of agreements with the neighbouring countries which do not necessarily lead to membership? At the moment, all the precedents are that association agreements lead to membership. I can see that that would cause concern in Moscow. If it was understood that association agreements did not necessarily lead to membership, that might be more helpful.

Mr Alexander Graf Lambsdorff: Indeed, I could not agree more. I think that the image of a cliff is a very unproductive one, particularly in international politics. It describes a very hard delineation, something that is antagonistic to the other side of the cliff. I like to think of it as a much more flexible arrangement. You can use many images. Someone once used the word “mangroves”—you do not know exactly where the land ends and the sea begins—but I think “beach” describes it quite well.

Q131 Lord MacLennan of Rogart: Could you indicate how, if at all, you could create a more enabling Russian environment for civil organisations?

Mr Alexander Graf Lambsdorff: We will have a meeting in December of the board of governors at which we will consider lifting the current geographic limitation for the EED in order to be able to become active in Russia and other countries; Turkey comes to mind, where democracy is also a very difficult issue. What can we do in Russia specifically? There is demand from civil society organisations for flexible support. Civil society organisations there are under significant pressure, particularly once they are prepared to accept money from outside Russia, because that means they will have to register themselves as so-called foreign

agents, which many refuse to do—GOLOS, for example. But I believe that particularly a flexible organisation such as ours would find ways to lend support to activities, whether it is in-kind contributions or Russian language activities—not necessarily in Russia but from outside Russia. The Dutch Government are now considering—they have not taken the decision yet—using the EED to work with Russian language media active in the Eastern Partnership. So there are a number of ways. Then there is the protection of minorities. There are smaller groups that would profit and benefit from our support—LGBT groups, environmental groups. There may also be groups of mothers of soldiers. If they came to us, we would be prepared to look at their applications. We would decide on a case-by-case basis whether to support them. What we cannot do as the EED, clearly, is change Russian legislation. It would not be our intention. It would be way beyond what we could achieve, and we would not even want to achieve it. That is not our role. Our role is to strengthen civil society to facilitate processes in the respective countries that may lead to a change of legislation if the countries sees fit, but it is not our role to do that and we could not do it in any case.

The Chairman: The Germans have been pioneering—the Konrad-Adenauer-Stiftung and the Friedrich-Ebert-Stiftung have been very successful operations. I am not quite clear how to differentiate the EED from those organisations.

Mr Alexander Graf Lambsdorff: Well, I happen to be on the board of one of those, the Friedrich Naumann Foundation.

The Chairman: Which is the FDP one, I suppose.

Mr Alexander Graf Lambsdorff: Exactly, the Liberal foundation. Again, we come to the issues of complementarity, speed and flexibility. The German foundations are bound by German regulations on financial contributions—financial aid. Their projects have to fulfil certain criteria that are established by the German Court of Auditors. For example, that excludes institutional support. You cannot support a small NGO that has problems with, say, the rent. That is not possible. You can support only projects. In many cases, the German political foundations in the countries that I have mentioned in the south and east have come to the EED and said, “Listen, we have a very good activist here. He has a particular challenge that he is faced with where we cannot help because of the Court of Auditors. Can you help?” So we have done that. Then, in a complementary manner, we have ensured that certain NGOs, certain activists, could continue their work. Particularly with Ebert in Azerbaijan we had a specific case, and in Tunisia—there are several cases with the foundations, which were sceptical about the EED at the outset. You asked the question: was there a consensus? The German political foundations were very sceptical. They saw the EED as a potential competitor. They have now come to understand that that is not the case because complementarity is taken seriously and now they are looking to the EED to do things that they cannot do. That is exactly what the EED was set up to do and therefore I welcome it very much.

Q132 Baroness Billingham: You raised something that I would like to follow through. The question is really: what criteria does the EED deploy in determining which Ukrainian civil society organisations are worthy of support and which are not? That is a pretty important decision.

Mr Alexander Graf Lambsdorff: Yes, and perhaps Peter and Alastair can come in on the criteria. This is really about the way in which the applications are evaluated. There is a set of criteria that the secretariat uses internally before it suggests projects to the executive committee, so I will perhaps invite them to speak on this particular topic. Just to give you an impression of selectivity, we have received about 1,300 applications and about 125 have been funded so far, so there is a strict application of qualitative criteria. Do either of you want to come in here?

Mr Peter Sondergaard: Yes, this is what we do in the programme: we assess the proposals that come in. In some ways, we have a very simple job, which is to provide added value complementary to other donors and especially EU donors. That means that every time we have an application come in, we look at the group that is applying to us and we ask whether they could get this money from another donor. We ask whether another donor would have the capacity to provide it. If the answer is yes, then it is very simple: we do not provide funding to them. So when we have groups that are already well funded by the EU instruments, we do not need to fund them. If for some reason they cannot get that support, it could be because they are an unregistered group that would not be eligible for donor funding, they might be too critically sensitive for other donors to provide support, or they might need the money very fast, meaning that they need a fast reaction. Other donors cannot do that, and this is clearly the added value of the EED. Or it could be that they need institutional support—support for salaries, etc—where other donors would not step in. Such donors would say, “We can only provide support to you if it is for project activities”. If this is the case, then we can say, “Okay, we can engage with this group”.

Then we look at who the group is and we ask whether it is a relevant group to support—whether it is a group that we think has the capacity and the perspective to justify support. In this assessment of the group, we use local consultants based on the ground. We communicate with the German Stiftungen, with UK embassies on the ground and with the rest of the diplomatic community, who have the information on the ground to get feedback on these groups. Then, if the feedback is positive, we also look at the activities that they propose and at whether those activities fit in the country context. Here we also apply a model of coaching, which means that there is a negotiation going back and forth about whether the activities that they propose to us should be changed. That is the process.

I should also just highlight the question of supporting movements and so on. We facilitate people’s activism; we do not induce that activism. That means that we do not pay people to stay out or to do protests and so on. However, if there is social activism and we see that groups would like to do something, then we provide support so that they can actively do that and can contribute to the political, democratic process.

Q133 Lord Lamont of Lerwick: What would that support consist of?

Mr Peter Sondergaard: To be very specific, as part of Euromaidan there were several groups. For instance, a student group in the Euromaidan was distributing leaflets and information. They came to us and asked for support so that they could gather students from all over the country, especially students from the eastern part of the country, so that they could have a national discussion with other students. This was support that they needed very fast, so we provided them with support to conduct that meeting.

Lord Lamont of Lerwick: What sort of support?

Mr Peter Sondergaard: This was support so that they could pay people to come to one place to have the meeting. It was to pay for bus trips, train tickets, overnight lodging and so on. That was one example.

Lord Lamont of Lerwick: And what about literature? Would you pay for them to get their literature printed?

Mr Peter Sondergaard: Yes, we would, but in the case of Euromaidan we tried to strike a balance between facilitating and giving direct support to promote certain ideas. It depends on the specific context. We supported the infrastructure around Euromaidan but not the actual protests as such. That might include information going out from Euromaidan which was not actual protest—a newsletter, for instance, in Ukrainian, English and Russian on what was going on in Euromaidan, but not support for making the leaflets, et cetera. This we did not engage in. It is very context-related. When we do give support, it depends very much on the specific situation. We also support some groups when their leaflets are informing—

Lord Lamont of Lerwick: Would you give them information that could be included in the leaflets?

Mr Peter Sondergaard: No, we would not. That is the whole point. We facilitate their activism; we do not tell them how to be activists.

Lord Lamont of Lerwick: It would be financial.

Mr Alexander Graf Lambsdorff: Let me just conclude with one remark. What you have heard from our director of programmes shows you that, within a little over a year of the EED being in existence, more than 1,200 applications have come in. With the level of scrutiny that is taking place, it is extremely labour-intensive. We are doing this with 13 people in the secretariat, which is a very small number. Member states have suggested that they would second diplomats or other people from their government structures to the EED, but that has not happened so far.

You asked me about the relationship between the UK and the EED. I have said that intellectually it is there but, financially, more could be possible. However, the work that is being done could also be supported through the secondment of staff. As you have just heard, an enormous amount of scrutiny, evaluation and coaching goes into these projects. Therefore, this is something that you will have to look at.

Lord Lamont of Lerwick: How many people did you have in Ukraine?

Mr Alexander Graf Lambsdorff: Formally speaking, at the time we had zero hired staff. There was one during the local protests but we do not have permanent staff outside the secretariat. There are no country officers in Kiev. We have local consultants. In media terms, you would call them “stringers”. They provide information but they are not permanent employees of the EED.

Dr Alastair Rabagliati: Can I just highlight that our slogan is “Support the unsupported”? That is also very much the modus operandi when we try to reach out to activists who have not received support from other institutions. We have a much more simplified procedure in terms of application forms and reporting compared with, for example, European Commission grants. Many people who have one month’s or six months’ experience would never be able to successfully get a European Union grant. We try to complement the

European Union by providing this sort of start-up support to the unsupported as an extra way of providing complementarity.

The Chairman: Thank you very much. I am sorry that we need to end. We are going to see the Russian ambassador and we should not be late for that.

Mr Alexander Graf Lambsdorff: We have brought for you, for the record, the statistics as of October 2014 on regional distribution, thematic distribution and financial allocations, if you are interested.

The Chairman: Thank you very much.