

## EN

### ANNEX

#### **Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe**

##### **Exceptional Assistance Measure regarding Peru**

### **1. IDENTIFICATION**

- Action: Support to Peru’s electoral process as a crisis and conflict prevention measure
- Action Reference: NDICI CR 2022 / 25
- Cost: EUR 1 000 000 (European Union (EU) contribution).
- Budget Line: 14 02 03 10
- Duration: Maximum 18 months. The authorising officer responsible may decide to extend this period twice by a further period of up to six months, up to a total maximum duration of 30 months, under the conditions laid down in Article 23(6) of Regulation (EU) 2021/947.
- Lead service: FPI

### **2. ACTION SUMMARY**

The long-standing political crisis in the country, coupled with a difficult economic and social context, are pushing Peru to a breaking point with, notably, an erosion of democracy and of the population’s trust in government institutions. The regional electoral process in Peru presents an opportunity to offset some of the most pressing risk factors that could contribute to a further degradation of the political and social situation. The proposed 18-month action therefore seeks to strengthen institutional mechanisms and the capacities of political and civil society organisations to prevent and manage political and electoral conflicts. It will address the reduction of citizens’ confidence in their electoral institutions, the occurrence of potential acts of violence towards candidates and electoral officials, and the excessive use of extreme discourses to address political conflicts between the different branches of government and between the population and authorities.

### **3. BACKGROUND AND RATIONALE**

#### **3.1 BACKGROUND**

Peru has been going through a long-standing political crisis since 2016. Over the past six years, the country has experienced the resignation of a president, a closure of congress, a call for early elections, multiple impeachment attempts, and the preventive imprisonment of the country's main political leaders. Corruption scandals and continued disputes between the executive and legislative branches of government have led to a high turnover in presidents – five since 2016. While the 2021 general elections were overall credible and conducted with integrity, they were not able to offset this worsening political context. Peru's current President has already survived two impeachment attempts and is currently included in an investigation into alleged corruption. According to some observers, State institutions and democracy in Peru are being pushed to a breaking point.

While the country was able to bounce back economically in 2021 after the steep decline in its GDP in 2020 due to the COVID-19 pandemic, economic growth is expected to slow in 2022. Russia's invasion of Ukraine is likely to lead to higher inflation with increases in commodity prices, especially for fuel and food. Persistent mining conflicts are also likely to negatively impact the economy. Novel variants of COVID-19 may further weaken Peru, keeping in mind that it was, by some measures, the country hardest hit in 2020 by the pandemic, with the highest cumulative death rate per 100,000 inhabitants. The pandemic highlighted the inequalities in the country, with 3 million Peruvians slipping back into poverty and further fuelling a socioeconomic divide along territorial lines that remains by and large unaddressed.

Political instability and a difficult economic context are likely to lead to further social unrest which has already been rife in different parts of the country. In April 2022, the authorities declared a one-month state of emergency following nation-wide protests over rising fuel and food prices. In May 2022, citizens once again took to the streets following the announcement that the President would be included in an investigation over allegations of corruption.

The social, political and economic situation has led to a deepening mistrust of the population with regards to its democratic institutions and elected officials. Recent polls by IPSOS and the Institute of Peruvian Studies (IPS) suggest that between half and three-quarters of Peruvians want fresh elections, and indeed, most observers expect that the general elections will be held ahead of schedule.

The EU has accompanied all the recent electoral processes in Peru. A EU EOM was deployed for the anticipated legislative elections of 2020 and a EU EEM was deployed for the General Elections of 2021. Both missions issued public reports on the elections which contained a comprehensive assessment of the electoral process and a list of recommendations to improve future elections. The EU EOM and EEM contribution has been pivotal to design the political and cooperation priorities of the EU for Peru in terms of democracy strengthening.

The upcoming regional electoral process foreseen between October 2022 and January 2023 will thus take place in an already tense political and social context. According to the 2021 EU Election Expert Mission report, despite the overall credibility and integrity of the 2021 general elections, the country experienced the most radicalised election campaign in years. Underlying social divisions and the political and ideological polarisation impacted on the elections until the very end. A number of electoral institutions were subject of a smear campaign, widely amplified in the social media outlets and which intensified during the post-

election period. Gender-based harassment and violence against candidates and elected officials were also rife and contributed to the lack of motivation for many women to participate in politics.

**3.2 RATIONALE FOR CRISIS RESPONSE ACTIONS UNDER THE RAPID RESPONSE PILLAR OF THE NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT**

The risk of instability, the continued political crisis and the current social and economic challenges in Peru constitute an exceptional and unforeseen situation in the sense of Article 4(4) (a) of the NDICI Regulation. An adequate response cannot be provided under any other European Union Instrument due to the urgency with which the funds are required and due to available resources already being firmly committed.

Annex IV, paragraph 1, second paragraph, points (d), (n) and (q) of Regulation (EU) 2021/947 specifically provides for the use of the NDICI rapid response pillar to (d) support for the development of democratic, pluralistic state institutions, including measures to enhance the role of women in such institutions, effective civilian administration and civilian oversight over the security system, as well as measures to strengthen the capacity of law-enforcement and judicial authorities involved in the fight against terrorism, organised crime and all forms of illicit trafficking; (n) support for measures to promote and defend respect for human rights and fundamental freedoms, democracy and the rule of law, and the related international instruments, and (q) support for measures to promote the development and organisation of civil society and its participation in the political process, including measures to enhance the role of women in such processes and measures to promote independent, pluralist and professional media.

**3.3 RISKS AND ASSUMPTIONS**

<b>RISKS</b>	<b>LIKELIHOOD</b> (High/Medium/ Low)	<b>MITIGATION STRATEGY</b>
<b>Political risks</b>		
Increased political instability and risk of impeachment of the President by Congress.	M	Most of the project activities will focus on electoral organisations and other constitutionally autonomous bodies as well as civil society organisations.
General elections held ahead of schedule, putting additional pressure and workload on electoral organisations.	H	Adaptation measures will be built into the project to incorporate this scenario and allow for rapid support to relevant organisations which may be overburdened.
<b>Operational risks</b>		
New wave of the COVID-19 pandemic resulting in renewed and stricter health measures.	M	Activities will be planned in a flexible and adaptable manner and necessary protection measures will be taken as needed.
Increased security risks and	M	When possible and connectivity conditions

<b>RISKS</b>	<b>LIKELIHOOD</b> (High/Medium/ Low)	<b>MITIGATION STRATEGY</b>
access problems due to natural disasters affecting disaster-prone regions of the country.		allowing, activities will be carried out virtually in regions where access is no longer possible.
Newly elected officials (regional governors and mayors) of selected regions are unwilling to participate in the action.	L	Early engagement will be sought and relationships established with candidates running for governor and mayor positions.

**4. OBJECTIVES**

**4.1 OVERALL OBJECTIVE**

The overall objective of the action is to reduce the risk of violence and conflict through the promotion of transparent, trustworthy and peaceful electoral processes and democratic solutions to electoral and political conflicts in Peru.

**4.2 SPECIFIC OBJECTIVES**

To strengthen electoral institutions and subnational authorities and the capacities of political and civil society organisations to prevent and manage political and electoral conflicts.

**5. ACTION COMPONENTS AND EXPECTED RESULTS**

**The main expected results/outcomes include:**

**Expected Result (1):** Electoral bodies, including decentralised offices, are supported in the design and implementation of an Early Warning System for electoral conflicts and in conflict prevention.

Activities (indicative):

- 5.1.1 Review current framework and procedures on electoral complaints and conflicts and identify main bottlenecks and shortcomings;
- 5.1.2 Provide technical assistance to relevant electoral bodies, including for the establishment of an Early Warning System for electoral conflicts;
- 5.1.3 Gather information and monitor risks to stability during the electoral processes, draft alert reports and develop mitigation strategies;
- 5.1.4 Support subnational governments for the improvement of their processes to prevent and manage electoral conflicts;
- 5.1.5 Strengthen inter-institutional coordination mechanisms.

**Expected Result (2):** The transparency, veracity and timeliness of information, with emphasis on prevention of electoral violence and political harassment of electoral staff, is strengthened.

Activities (indicative):

- 5.2.1 Support the design and implementation of communication strategies of electoral management bodies;
- 5.2.2 Organise training programmes in strategic and effective communication, crisis management and conflict prevention for electoral personnel at central and decentralised levels;
- 5.2.3 Strengthen online monitoring systems, including social media, of electoral bodies.

**Expected Result (3):** The trust, knowledge and understanding of citizens, with a youth, gender and diversity perspective, in democracy and electoral processes is enhanced.

Activities (indicative):

- 5.3.1 Develop a digital and in-person electoral civic education strategy for a better informed electorate;
- 5.3.2 Organise decentralised spaces of dialogue among civil society and political actors aimed at restituting trust in democracy and to constructively channel political and electoral conflicts.
- 5.3.3 Support civil society initiatives of active oversighting and supervision of electoral processes

## 6. IMPLEMENTATION

### 6.1 IMPLEMENTATION MODALITIES

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>1</sup>.

#### 6.1.1 Indirect management with a pillar assessed entity

This action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: proven technical expertise, long-standing presence in the country, well established relationships with relevant authorities and key stakeholders, and the capacity to rapidly implement the activities. The implementation by this entity entails the implementation of activities described in sections 4 and 5 above.

### 6.2 INDICATIVE BUDGET

The total European Union contribution under this Financing Decision **will not exceed EUR 1 000 000**. A breakdown among components is provided hereunder, and is indicative.

#### Indicative budget breakdown

Components	EU contribution (amount in	Indicative third party contribution, in currency
------------	-------------------------------	--

<sup>1</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, it is the OJ version that prevails.

	<b>EUR)</b>	<b>identified</b>
Component 1: “Support to Peru’s electoral process as a crisis and conflict prevention measure” composed of 6.1.1 – Indirect management with a pillar assessed organisation	1 000 000	N.A.
<b>Total</b>	1 000 000	N.A.

### **6.3 ORGANISATIONAL SET-UP AND RESPONSIBILITIES**

The action shall be implemented under indirect management. It will be devolved and sub-delegated to the **European Union Delegation in Peru**, with the support of the Commission for the conclusion of the contracts implementing the action.

### **6.4 PERFORMANCE AND RESULTS MONITORING AND REPORTING**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final report. Each report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

### **6.5 EVALUATION**

Having regard to the importance of the action, an evaluation will not be carried out for this action or its components.

The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

### **6.6 AUDIT**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

## **6.7 COMMUNICATION AND VISIBILITY**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

## **7. COMPLEMENTARITY, COORDINATION AND FOLLOW-UP**

The action complements the EU's priority to strengthen governance and the rule of law in Peru, as defined in the Multi-annual Indicative Programme 2021-2027 for the country. It will be implemented in close coordination with current and complementary plans to promote the reform of electoral legislation, improve internal procedures for the organisation of elections and ensure a rigorous supervision of party finances as well as longer-term activities aiming to, inter alia, promote increased participation of vulnerable population in politics specially women, LGTBIQ, indigenous populations and afro-Peruvian citizens.