

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

The European Union is founded on values, including democracy, the rule of law and respect for fundamental rights, laid down in Article 2 TEU. Those values are common to all Member States and a precondition for a well-functioning Union based on mutual trust. In recent years, events in some Member States revealed systemic threats to the rule of law. A lack of coherent and effective action to protect those values revealed need for a new and more effective EU mechanism. The Parliament is due to vote during the October II plenary session on a legislative-initiative report to create an interinstitutional 'Pact on democracy, the rule of law and fundamental rights'.

### Current framework

The current EU rule of law mechanism is established in [Article 7](#) of the Treaty on European Union (TEU). It provides for a procedure according to which the Council can suspend certain membership rights of a Member State, which seriously and systematically breaches the values established in [Article 2](#) TEU. In March 2014, the European Commission adopted a [Rule of Law Framework](#), which provides for structured dialogue between the Commission and the Member State concerned to address and resolve situations of systemic threat to the rule of law prior to triggering Article 7. And in December 2014, the Council decided to hold an [annual dialogue](#) on the 'rule of law' in Member States, to promote and safeguard the rule of law within the framework of the Treaties.

The current mechanisms to enforce the Union's values are considered [unusable](#) due to the high thresholds required for the decision in the Council, Member States' reluctance to take action against each other, and for having little or no legal implications. While the Article 7 procedure has never been used, academics and political actors have [proposed](#) various new instruments to address those shortcomings.

#### *European Parliament's role*

In the light of recent cases in different Member States, the Parliament has [called](#) on Member States to comply with EU values, and the Commission to [establish](#) a new mechanism to ensure such compliance. In a [resolution](#) of 10 June 2015 it called on the Commission to present a 'proposal for the establishment of an EU mechanism on democracy, the rule of law and fundamental rights (DRF) as a tool for compliance with and enforcement of the Charter of Fundamental Rights and Treaties as signed by all Member States, relying on common and objective indicators'. The resolution was also the starting point for the current legislative initiative report, prepared by the LIBE Committee. In its September 2015 [resolution](#) on the situation of fundamental rights in the EU the Parliament reiterated its call and presented the elements that the Commission should take into account when establishing the new mechanism.

### EP legislative initiative report

On 3 October 2016, the Civil Liberties, Justice and Home Affairs Committee (LIBE) adopted a [legislative initiative report](#) (rapporteur: Sophie in't Veld, ALDE, the Netherlands) accompanied by a European Added Value Assessment ([EAVA](#)) prepared by EPRS. The report includes recommendations to the Commission on an EU mechanism ('Union pact') on DRF. It proposes an annual European report on the state of DRF in the Member States, drawn up by the Commission in consultation with a panel of experts and including country-specific recommendations. The report based on aspects related to DRF would serve as a basis for an annual inter-parliamentary debate and annual dialogue in the Council. In case of a Member State's non-compliance with one or more of the aspects, the Commission will start dialogue with that Member State and may launch 'systemic infringement' action under [Article 258](#) TFEU. The pact also provides for clear grounds for invoking the Article 7 TEU procedure. The report is due to be voted in plenary at the end of October.

