

# Regulations governing political parties at European level and rules regarding their funding

2007/0130(COD) - 29/11/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report drafted by Jo **LEINEN** (PES, DE) on the proposal for a regulation amending Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding. The resolution was adopted by 538 votes in favour, 74 against and 10 abstentions. MEPs specified that political parties at European level act in the context of European Parliament elections in particular in order to highlight the European character of those elections. In accordance with Article 8 of the Act concerning the election of the members of the European Parliament by direct universal suffrage, the funding of and limitation of election expenses at European Parliament elections is governed in each Member State by national provision. National law also applies for election expenses at national elections and referenda,

Parliament made the following amendments:

**Foundations:** the activities of political foundations at European level underpin and complement the objectives of the political party at European level by performing, in particular, the following tasks: observing, analysing and contributing to the debate on European public policy issues and on the process of European integration; developing activities linked to European public policy issues, such as organising and supporting seminars, training, conferences and studies on such issues between relevant stakeholders, including youth organisations and other representatives of civil society; developing cooperation with entities of the same kind in order to promote democracy; serving as a framework for national political foundations, academics, and other relevant actors to work together at European level.

In addition to the criteria set out by the Commission, Parliament added that political foundations at European level:

- must have legal personality in the Member State in which its seat is located. This legal personality shall be separate from that of the political party at European level with which it is affiliated;
- shall not promote profit goals;
- have a governing body with a geographically balanced composition.

A political foundation at European level may only apply for funding from the general budget of the EU only through the political party at European level with which it is affiliated. On no account may it be used to finance elections or referenda campaigns.

**Obligations linked to funding:** a political party at European level as well as a political foundation at European level shall declare its sources of funding by providing a list specifying the donors and the donations received from each donor, with the exception of donations not exceeding EUR 500 per year and per donor. It shall not accept donations from any public authority from a third country, including from any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it. The funding of political parties or political foundations at European level from the general budget of the EU or from any other source may not be used for the direct or indirect funding of other political parties, and in particular national parties or candidates.

**Contributions:** contributions to a political party at European level from national political parties which are members of a political party at European level or from a natural person who is a member of a political party at European level shall be admissible. Contributions to a political party at European level from national political parties or from a natural person shall not exceed 40 % of that party's annual budget. Contributions to a political foundation at European level from national political foundations, which are members of a political foundation at European level, as well as from political parties at European level, shall be admissible. They shall not exceed 40% of that foundation's annual budget and may not derive from funds received by a political party at European level pursuant to this Regulation from the general budget of the EU. The burden of proof shall rest with the political party at European level concerned.

**Nature of expenditure:** the expenditure of political parties at European level may also include financing campaigns conducted by the political parties at European level in the context of the elections to the European Parliament, in which they participate. These appropriations shall not finance directly or indirectly national political parties or candidates. Such expenditure shall not be used to finance referenda campaigns. In accordance, however, with the Act concerning the election of the members of the European Parliament by direct universal suffrage, the funding of and limitation of election expenses for all parties and candidates at European Parliament elections is governed in each Member State by national provision.

**Transparency:** the European Parliament shall publish jointly in a section of its website created for the purpose the following documents: an annual report with a table of the amounts paid to each political party and each political foundation at European level, for each financial year for which grants have been paid; the report of the European Parliament on the application of this Regulation and the activities funded; the provisions for the implementation of the Regulation.

**Transitional provisions:** the provisions laid down by the Regulation shall apply to grants awarded to political parties at European level as from the financial year 2008. For the financial year 2008, any applications for funding of political foundations at European level pursuant to Regulation (EC) No 2004/2003 shall relate exclusively to eligible costs incurred after 1 September 2008. Political parties at European level that have duly submitted their applications for grants for 2008 may, within three months of entry into force of the Regulation, submit a supplementary application for funding based on the modifications introduced by the Regulation and, where appropriate, an application for a grant for the foundation affiliated to that political party. The European Parliament shall adopt appropriate implementation measures.