


Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2001/0011(COD) Procedure lapsed or withdrawn
Statute and financing of European political parties	
Subject 8.40.01.02 President, members, mandates, political groups	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AFCO Constitutional Affairs		24/01/2001
		PPE-DE SCHLEICHER Ursula	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		22/03/2001
	PPE-DE COSTA NEVES Carlos		
	CONT Budgetary Control	The committee decided not to give an opinion.	
	LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	The committee decided not to give an opinion.	
	JURI Legal Affairs and Internal Market		21/03/2001
		PSE MARINHO Luís	
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	2379	29/10/2001
European Commission	Commission DG	Commissioner	
	Secretariat-General		

Key events			
13/02/2001	Legislative proposal published	COM(2000)0898	Summary
28/02/2001	Committee referral announced in Parliament, 1st reading		
03/05/2001	Vote in committee, 1st reading		Summary
03/05/2001	Committee report tabled for plenary, 1st reading	A5-0167/2001	
16/05/2001	Debate in Parliament		
	Decision by Parliament, 1st reading		Summary

17/05/2001		T5-0271/2001	
21/06/2001	Modified legislative proposal published	COM(2001)0343	Summary
29/10/2001	Debate in Council	2379	Summary

Technical information

Procedure reference	2001/0011(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure lapsed or withdrawn

Documentation gateway

Legislative proposal	COM(2000)0898 OJ C 154 29.05.2001, p. 0283 E	13/02/2001	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	A5-0167/2001	03/05/2001	EP	
Text adopted by Parliament, 1st reading/single reading	T5-0271/2001 OJ C 034 07.02.2002, p. 0253-0341 E	17/05/2001	EP	Summary
Modified legislative proposal	COM(2001)0343 OJ C 270 25.09.2001, p. 0103 E	21/06/2001	EC	Summary

Additional information

European Commission	EUR-Lex
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Statute and financing of European political parties

PURPOSE: to present a proposal for a Council Regulation on the statute and financing of European political parties. **CONTENT:** Article 191 of the EC Treaty contains no clause recognising the operational and personnel expenditure of political parties. The amendments in the Nice Treaty underline the role and importance of European political parties as factors for integration within the Union. They also underline that financing from the budget of the Community cannot be used to finance, directly or indirectly, national political parties. However, the European Parliament's political groups give subsidies to the corresponding parties and provide staff charged to their budget, ultimately therefore to the European Parliament's budget. The Court of Auditors considers this to be illegal, in the absence of a legal basis. Since Article 191 does not supply an adequate operational legal base, a specific legal base must be added so that the relevant expenditure can be charged to the general budget of the European Communities. Against this background, the most appropriate legal basis for this expenditure would without doubt be Article 308, in conjunction with Article 191. The measure must fully respect the subsidiarity principle; it must not impinge on national systems for financing parties. In particular, it must not have the effect of financing national parties, which would be incompatible with Article 191, or their national or European election campaigns. Subject to fulfilling certain criteria, political parties could be eligible for financing from the Union budget in compliance with Article 191 and at the same time the subsidiarity principle. This financing is not to replace the autonomous financing of European parties which must represent at least 25% of the budget of each party. The distribution between parties eligible for financing is based on objective factors. Within the 75% threshold, each party would receive a flat-rate basic grant plus a second component based on the number of elected representatives in the European Parliament. The two components would account for 15% and 85% of the appropriations respectively. ?

Statute and financing of European political parties

The committee adopted the report by Ursula SCHLEICHER (EPP/ED, D) broadly approving the proposal under the consultation procedure, subject to a number of amendments designed primarily to improve scrutiny over, and the transparency of, the finances of European political parties. It specified that any union of European political parties must be a "long-term" union, to prevent alliances being created solely for the purpose of attracting Community funds. It also amended the conditions relating to the seats won by European political parties enabling them to qualify for Community funding. Whereas the proposal said that such parties would be eligible for funding if they won seats in the European Parliament or in national or regional parliaments in at least five Member States or if they won at least 5% of votes in five different Member

States, the committee proposed, with a view to enlargement, that they should be eligible for funding if they won such seats, or if they won at least 5% of votes, in one third of Member States. The committee also stipulated that European parties should be required to make public any donations they received (anonymous donations being banned) and allow their accounts to be audited externally. Parties which received funds not allowed under the rules would have to reimburse them and Parliament's Bureau would even be able to impose financial penalties. The Court of Justice should be able to suspend funding for any party which did not respect democracy and fundamental rights. Other amendments sought to ensure that European parties also observed the EU Charter of Fundamental Rights, and sought to recognise the legal personality of European parties. A further amendment concerned the role of the European Parliament in verifying the conditions for the constitution of a European party, the Commission having proposed that an "independent committee of eminent persons" be appointed to decide on any disputes. The report said it should be Parliament's Bureau that decided on such disputes.?

Statute and financing of European political parties

By adopting the report by Mrs Ursula SCHLEICHER (EPP/ED, D), by 349 votes for, 80 votes against and 17 abstentions, the European Parliament accepts the Commission proposal for a statute on the funding of European political parties. (Please refer to the previous document). ?

Statute and financing of European political parties

The European Parliament proposed 25 amendments, of which the Commission accepts 16 wholly and 4 in part. A number of these increase transparency of financing from external resources, but without entering into the issue of forbidding financing from certain sources, or more clearly prohibiting financing of national parties. It is accepted that donors and the amounts donated must be declared and that anonymous donations cannot be accepted under any circumstances. Other amendments accepted by the Commission tighten up or clarify control procedures and so improve the text. This includes provisions for legal personality of European political parties. Another series of amendments accepted by the Commission seeks to make clearer the purposes for which financing granted under the Regulation may be used. This indicates expenditure incurred in connection with European political work as defined in Article 191 of the Treaty, directly linked to the objectives set out in the statute. The Commission accepts amendments introducing a reference to the Charter of Fundamental Rights. It had been proposed that an Eminent Persons Committee should deal with disputes relating to respect for the basic democratic conditions set out in Article 1 of the Regulation. Parliament preferred that such disputes be dealt with by the Bureau of the Parliament itself. The Commission can accept this expression of the Parliament's political will.?

Statute and financing of European political parties

The Council examined the proposal for a Regulation on the establishment of temporary arrangements · lasting two years · for the statute and financing of European political parties. Discussions focused on three aspects which have not yet been settled, namely respect for democratic principles and a proposed verification system, the threshold for financing in terms of the number of Member States in which a European party must be established and the prohibition/limitation of certain types of donation. Following the discussion, the Chairman noted that differences of opinion remained and stated that he would enter into bilateral discussions with a view to finding possible solutions.?