European political parties – report 2021

2021/2018(INI) - 26/10/2021 - Committee report tabled for plenary, single reading

The Committee on Constitutional Affairs adopted the own-initiative report by Charles GOERENS (Renew Europe, LU) and Rainer WIELAND (EPP, DE) on the application of Regulation (EU, Euratom) No 1141 /2014 on the statute and funding of European political parties and European political foundations.

Article 38 of the Regulation requires Parliament to adopt a report on the application of the Regulation by the end of 2021 and the Commission to present a report on the same matter six months after that, which must be accompanied by a legislative proposal to amend the Regulation. Overall, Members acknowledged that the Regulation has improved the status of European political parties and foundations in comparison with the previous legal framework. They proposed that a genuine **EU legal status and an EU legal personality** for European political parties and foundations should be established by setting minimum conditions for the structure and functioning of European political parties and foundations, while at the same time rendering them more independent from national law.

The report suggested improvements on the following issues:

Conditions for registration

Given that a number of administrative and political obstacles are still preventing European political parties and foundations from achieving their full potential as active and visible players in European democracy, Members stressed the need to revise the different categories of party membership and the collection of membership fees. They also suggested revising the registration requirements and representational criteria, including a reflection on direct citizens' membership. Moreover, the report stated that the prohibition of cross-party and cross-foundation membership should be clarified and extended.

Members also considered that making European political parties and foundations subject to EU and national rules, which are laid down in different legal instruments, is a source of confusion and legal uncertainty. Members proposed, therefore, to harmonise further and **strengthen the rules** governing European political parties and foundations to ensure a comprehensive **EU legal framework** for European political parties and foundations.

Financial and enforcement rules

The report highlighted that the funding of EU political parties and foundations must be transparent, not open to abuse, and exclusively support political programmes and activities. It stressed that stronger controls, together with clear and proportional sanctions, are indispensable to ensuring their effective enforceability, and therefore proposes a coherent review of the regimen of **financial sanctions**.

Members expressed support for the creation of further categories of revenue in order to cover all sources of income of political parties and political foundations, rather than just contributions and donations, such as creating a new category of '**other own resources**' which includes contributions from joint activities, sales of publications, participation fees for conferences or workshops or other activities directly linked to political action.

They also advocated the **lowering of the required own resources rate for political parties to 5 % instead of 10 %** to align it with the rate applicable to foundations.

The report underlined the need to make the definition of indirect funding from European political parties and foundations to national counterparts and members more precise and simpler in order to avoid hampering their required cooperation in promoting and explaining EU policies, as well as their engagement with EU citizens.

It stressed the **ban on financing referendum campaigns** on EU issues goes against the purpose of European political parties and foundations.

Transparency

While stressing that the funding of European political parties and foundations must be transparent, Members expressed concern that national member parties overwhelmingly fail to properly implement the Regulation's logo display requirement, as only 15 % of them display the logo in a clear and user-friendly manner.

Fundamental values and monitoring

Members believe that the Regulation should be amended to clarify that respect for EU fundamental values should apply to both the European political party itself and its member parties. In this regard, they welcomed the reinforcement of the provisions on monitoring respect by European political parties and foundations for the fundamental values of the Union and for the procedure for dealing with infringements, including sanctions and recovery of funds. They considered that the latest amendment of the Regulation, which introduced sanctions for infringements of data protection rules, was a useful first step but should be further strengthened.

Lastly, the report called for the obligation for European political parties and foundations to submit their annual financial statements on the basis of the International Financial Reporting Standards, in addition to the Generally Accepted Accounting Principles, to be abolished.