

Political parties at European level: statute and financing

2003/0039(COD) - 29/03/2004 - Implementing legislative act

PURPOSE: The establishment of procedures governing political parties at European level and the rules regarding their funding. The implementation of Regulation 2004/2003.

LEGISLATIVE ACT: Decision of the Bureau of the European Parliament laying down the procedures for implementing Regulation No 2004/2003 of the European Parliament and of the Council on the Regulations governing political parties at European level and the rules regarding their funding.

CONTENT: The rules laid out in this Decision create the procedures governing the political parties at European level and the rules regarding their funding. The rules are as follows:

- The European Parliament will publish annual calls for proposals with a view to awarding grants to fund political parties at European level
- Any political party wishing to receive a grant from the general budget of the EU must submit a written application prior to the 15 November.
- The Bureau will be responsible for assessing funding applications. Before the 15 February, the Bureau must draw up a list of beneficiaries and the amounts of the grants awarded. The President shall inform applicants of the action taken on their applications.
- A grant awarded to a political party must be the subject of a written agreement between the European Parliament and the beneficiary.
- Grants will be paid in the form of pre-financing in two instalments. The first must not be more than 50% of the maximum amount of the grant, to be paid within 15 days following the signing of the agreement. The second brings the total pre-financing to no more than 80% of the maximum amount of the grants and is to be paid to the beneficiary upon request. The balance should be paid once the period of eligibility for Community funding has come to an end and will be based on the expenditure actually incurred by the beneficiary. If the total amount exceeds the figure of the final grant, then the European Parliament will recover the sums unduly paid.
- At least six months before the end of the financial year, the beneficiary must submit a final report, a financial statement, a comprehensive summary of revenue and expenditure and a report on an external audit of the accounts carried out by an independent body or expert. If not satisfied, the Bureau may reject both the final report and the financial statement and call for a fresh report.
- In terms of determining the final grant, the Bureau will determine the amount of the final grant to be awarded based on the documentation received and outlined above.
- Under no circumstances may the total amount paid by Parliament exceed the maximum amount of the grants laid down in the grant award agreement or 75% of the eligible expenditure actually incurred. The grant shall be limited to the amount needed to balance revenue and eligible expenditure in the operating budget of the beneficiary.

- On a proposal from the Secretary General, the Bureau can suspend payments and reduce the grant and under certain conditions it may decide to terminate the grant award agreement.
- In cases where amounts have been unduly paid to the beneficiary then there are procedures allowing the money to be recovered.
- Checks and audit provisions have been put in place. These provisions include, inter alia, that all relevant documentation is kept for a period of five years.
- The Bureau has the authority, on a proposal from the Secretary General, to grant political parties technical assistance.
- Details of all the grants awarded by Parliament during a given financial year will be published on the internet. Details include the name and address of the beneficiary, the purpose for which the grant was awarded, the amount awarded and the proportion of the beneficiary's total operating budget covered by the funding.
- Provisions for a right of appeal have been put in place as well as transitional rules for the financial year 2004.
- Lastly, a report on the implementation of the rules must be submitted by the Secretary General before the 30 September 2005. The report should, if necessary, include any proposed changes that may need to be made.

ENTRY INTO FORCE: 13 June 2004.