Basic information

2021/2018(INI) INI - Own-initiative procedure	Procedure completed
European political parties – report 2021 **Subject** 8.40.01.02 President, members, mandates, political groups	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AFCO Constitutional Affairs	WIELAND Rainer (EPP) GOERENS Charles (Renew)	27/01/2021 27/01/2021
	Shadow rapporteur BISCHOFF Gabriele (S&D) ALFONSI François (Greens/EFA) SARYUSZ-WOLSKI Jacek (ECR) ANNEMANS Gerolf (ID)	

Committee for opinion	Rapporteur for opinion	Appointed
CONT Budgetary Control	GARCÍA MUÑOZ Isabel (S&D)	13/04/2021

European Commission

Commission DG	Commissioner
Secretariat-General	VON DER LEYEN Ursula

Key events

Date	Event	Reference	Summary
11/03/2021	Committee referral announced in Parliament		
19/10/2021	Vote in committee		
26/10/2021	Committee report tabled for plenary	A9-0294/2021	Summary
11/11/2021	Decision by Parliament	T9-0454/2021	Summary

11/11/2021	Debate in Parliament		

Technical information	
Procedure reference	2021/2018(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	AFCO/9/05510

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE692.733	21/06/2021	
Committee opinion	CONT	PE691.375	14/07/2021	
Amendments tabled in committee		PE695.035	01/09/2021	
Committee report tabled for plenary, single reading		A9-0294/2021	26/10/2021	Summary
Text adopted by Parliament, single reading		T9-0454/2021	11/11/2021	Summary

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
GOERENS Charles	Rapporteur	AFCO	03/02/2022	EU democracy consulting
ALFONSI François	Shadow rapporteur	AFCO	09/06/2021	Wouter Wolfs - Expert
GOERENS Charles	Rapporteur	AFCO	11/05/2021	EU democracy consulting

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.

European political parties – report 2021

2021/2018(INI) - 11/11/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 428 votes to 92, with 49 abstentions, a resolution on the application of Regulation (EU, Euratom) No 1141/2014 on the statute and financing of European political parties and foundations.

Evaluation of the application of Regulation (EU, Euratom) No 1141/2014

Members acknowledged that the regulation has **improved the status of European political parties** and foundations compared to the previous legal framework, in particular by recognising that these entities have Union legal personality and by setting up the independent Authority.

However, the resolution noted that a number of administrative and political obstacles still prevent European political parties and foundations from fully exploiting their potential as active and visible actors in European democracy, both at European level and in the EU Member States.

Parliament therefore proposed to **further harmonise and strengthen the rules** governing European political parties and European political foundations in order to ensure a comprehensive European legal framework for them, addressing in particular the requirements for registration, structure and operations, visibility and transparency, and sanctions.

The funding of European political parties and European political foundations should be transparent and should not be abused or support political programmes and activities incompatible with the founding principles of the Union. In this respect, the Regulation should be amended to clarify that **respect for the fundamental values of the Union** should apply both to the European political party itself and to its member parties.

Proposals for improvement

Parliament proposed to establish a genuine legal status and legal personality for European political parties and European political foundations at EU level by laying down minimum conditions for the structure and functioning of European political parties and European political foundations, while making them more independent from national law.

In particular, the resolution suggested the following improvements:

- review the Regulation with a view to updating the rules on **registration**, financing, political and electoral campaigning and membership in order to make European political parties the mouthpiece for citizens in EU politics and policymaking and to bring EU citizens closer to EU decision-making;

- provide clear requirements and detailed guidelines on the visibility of the affiliated European political party to ensure the application of the Regulation on displaying **European political party logos** alongside the logos of national or regional parties;

- draft explicit provisions on activities with larger international organisations and partners outside the EU, as well as detailed rules on personnel and meeting costs, including ceilings and tendering procedures;

- lift the ban on financing **referendum campaigns** to allow European political parties to finance referendum campaigns related to the implementation of the EU Treaty or the TFEU;

- create other categories of revenue to cover other sources of income than just contributions and donations, including the creation of a new category on '**other own resources**', which would include contributions from joint activities, sales of publications, fees for participation in conferences or workshops, or other economic activities directly linked to political action;

- lower the own resources requirement for political parties to **5% instead of 10%** in order to align it with the rate applicable to foundations;

- subject the expenditure of European political parties not only to a system of internal auditing and to the judgement of their members, but also to an **external auditor**, public authorities and public oversight;

- **strengthen the transparency of funding** by creating an obligation for the European Parliament to publish in an easily accessible way the annual financial statements it receives;

- strengthen the Authority's control over all declared donations over EUR 3 000;

- make the rules on the funding of European political parties and their foundations compatible with a pan-European constituency campaign in the European elections.