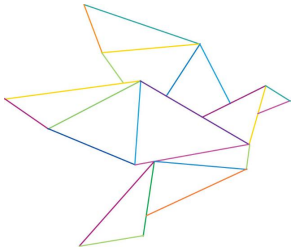


# State of the Union 2017 – Democracy Package: Reform of Citizens’ Initiative and Political Party funding



On 13 September, in his annual State of the Union address, President Jean-Claude **Juncker** stated: *“Our Union needs a democratic leap forward. Too often Europe-wide elections have been reduced to nothing more than the sum of national campaigns. European democracy deserves better. We should be giving European parties the means to better organise themselves.”*

Increasing democratic legitimacy in the EU through stronger citizen participation is among the [Ten Priorities of the Juncker Commission](#) (Priority 10 – Democratic Change). To continue delivering on this commitment, the European Commission adopted two legislative proposals to revise the European Citizens’ Initiative Regulation and the Regulation on European Political Parties and Foundations.

First Vice-President Frans **Timmermans** said: *“With these proposals, we are empowering Europeans to participate in the democratic process. We want to make the European Citizens’ Initiative more accessible for all Europeans, and by lowering the age limit from 18 to 16, we have invited 10 million more young Europeans to step forward and help shape the EU’s policy agenda. At the same time, our political party reform will ensure that Europeans are better informed about the link between national and European parties, and will ensure that their funding better reflects the democratic choices made by citizens in the European elections.”*

## **Making the European Citizens’ Initiative more user-friendly**

Since the Lisbon Treaty, European Citizens’ Initiatives empower one million citizens to ask the European Commission to propose new EU legislation. While more than eight million citizens have already supported Initiatives and shaped the EU policy agenda in the past five years, the tool still has more potential. Our proposal to reform the existing Regulation will make it easier for citizens to set up and support initiatives by a more extensive use of digital possibilities and by lifting burdensome requirements. It will also give the possibility to younger Europeans – as from 16 years of age – to support an Initiative.

Since taking office in November 2014, the Juncker Commission has taken practical steps to make this tool work better. A new approach means decisions

are taken at political level by the College of Commissioners, and partial registrations of Initiatives have been authorised in some cases. As a result, only one Initiative has been refused under the Juncker Commission, a request to 'Stop Brexit' which clearly falls outside the scope of the Regulation. At the same time, the Commission has revised its earlier decision not to register the 'Stop TTIP' Initiative after it was annulled by the Court of Justice of the EU. Today's legislative proposal tackles other obstacles in the current Regulation which limit its potential.

To make it **easier to organise** a Citizens' Initiative, the Commission will work more closely with organisers to ensure the eligibility of their registration requests. We will also offer a free online data collection service for organisers, the possibility to use eID to support an Initiative, and translation of all Initiatives into all EU languages. To make it **easier to support** an initiative, the Commission will reduce the amount of data required; organisers will only need to work with two types of support form, compared to the 13 different models which currently exist because of different national rules. The Commission's proposal will also lower the age for supporting an initiative from 18 to 16, instantly opening the door to 10 million new potential supporters. To **increase the impact of successful initiatives**, the follow-up process will be improved to promote a meaningful debate before the Commission gives its response. Citizens will also be informed about the follow-up given to Initiatives they have signed, if they so choose.

## **Funding of European Political Parties**

The proposed amendments aim to increase **transparency**, so people know who they are voting for, improve **democratic legitimacy** so funding will better reflect the European electorate, and strengthen **enforcement** so abuse can be tackled and funds reclaimed. These proposals should be adopted and in force before the European elections in 2019.

European political parties play a critical role in creating a direct link between the citizens and the European political system, enhancing the legitimacy of the European Union. We need European parties with a genuine European dimension and with the means to make a difference.

The proposed reform of the European Political Parties and Foundations addresses repeated demands from the European Parliament to close the loopholes that lead to abuse of European taxpayers' money. In some cases individual members of the same national party are sponsoring the creation of different European parties. Moreover, the existing distribution method for EU funding for European political parties is not sufficiently proportionate to the size of representation achieved in European elections. Finally, parties find it difficult to meet the co-financing requirement to get such funding.

The Commission's proposals will make a **closer link between true representation and funding**, by increasing the percentage of funding which is allocated based on the real vote share from 85% to 95%. Under the current system, 15% of funding is shared between all parties, regardless of the number of voters they represent.

The proposals will also provide **greater transparency** for European citizens on the links between European and national parties, by requiring national parties to display clearly on their websites the logo and political programme of the European party to which they are affiliated. The gender balance of the parties' MEPs will also be displayed.

Finally, to ensure taxpayers' money is better managed, the proposed reform will **close loopholes that allow parties to abuse** the system by setting up multiple European entities, each eligible for extra funding.

**Next Steps:** The two legislative proposals presented today by the Commission must now be adopted by the European Parliament and Council through the ordinary legislative process, in order to enter into force. The Commission counts on a swift and constructive debate so that these important changes in the democratic life of our Union can enter into force as soon as possible.

## Background

**European Citizens' Initiatives** were introduced with the Lisbon Treaty and launched as an agenda-setting tool in the hands of citizens in April 2012, upon the entry into force of the European Citizens' Initiative Regulation which implements the Treaty provisions.

Once formally registered, a European Citizens' Initiative allows one million citizens from at least one quarter of EU Member States to invite the European Commission to propose a legal act in areas where the Commission has the power to do so. If an Initiative reaches the required level of support, the Commission has to explain in a communication whether or not it intends to follow up and why.

**European Political Parties** are foreseen in the Treaty on European Union, which states that "*political parties at European level contribute to forming European political awareness and to expressing the will of citizens of the Union*". The Regulation on the statute and funding of European political parties and European political foundations introduced in 2014 increases the visibility, recognition, effectiveness, transparency and accountability of European political parties and their affiliated political foundations.

Political parties and foundations satisfying a number of conditions are offered the opportunity to become European legal entities by registering at European level, and thereby enhancing access to European financial support. These conditions include representation in a sufficiently large number of EU Member States and respect, both in their programme and activities, of the values on which the EU is founded.

**For more information:**

[2017 State of the Union speech](#)

[2017 State of the Union Brochure](#)

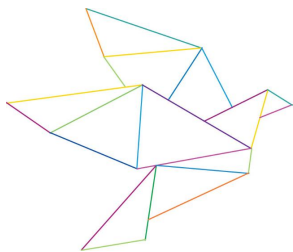
[Proposal for a regulation: European Citizens' Initiative Regulation Revision](#)

[Proposal for a regulation: Amendment on statute and funding of European political parties and European political foundations](#)

[Questions & Answers on the European Citizens' Initiative and Political Parties Funding](#)

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## [State of the Union – Democracy Package: Questions & Answers on the European Citizens' Initiative and Political Parties Funding](#)



**What is the European Citizens' Initiative?**

The European Citizens' Initiative is a tool for participation and agenda-setting at EU level, offering one million EU citizens the possibility to invite the Commission to submit a legislative proposal. The current rules governing the Citizens' Initiative are based on the provisions of the Lisbon Treaty and implemented through the [European Citizens' Initiative Regulation](#), which is in application since 1 April 2012.

An Initiative needs to be launched by a committee composed of at least seven EU citizens from at least seven different Member States. The organisers must submit their proposed Initiative to the Commission to be registered. The Commission must assess the legal admissibility of the proposal before registering it. The Commission does not analyse the substance at this stage.

Once an Initiative is registered, organisers have one year to collect statements of support. If the threshold of one million statements of support from at least seven Member States is met, the organisers can submit their successful initiative to the Commission. The organisers are invited to meet the Commission and to participate in a public hearing at the European Parliament. Within three months the Commission must decide either to follow the request or not, and in both instances is required to explain why in a Commission Communication.

**What has been achieved during the first five years of the European Citizens' Initiative?**

Since April 2012, 47 initiatives have been registered, and an estimated eight million statements of support have been collected by organisers. Three Initiatives have reached the one million signature threshold. A fourth Initiative has also reached this threshold and the signatures are currently being verified before it is submitted. Two of the three successful Initiatives are being acted upon by the Commission – '[Right2Water](#)' and '[Stop Vivisection](#)'.

### **How has the Commission supported Citizens' Initiatives?**

The Commission has taken a number of practical steps, within the constraints of the current Regulation, to support organisers of Initiatives. The Commission offers hosting of online collection systems on its own servers and assists organisers to get their systems certified by the relevant national authority.

The Commission has also progressively improved the support provided to organisers in framing their Initiatives, improved its online collection software including through collection on mobile devices, and allowed partial registration of Initiatives to reduce the rate of refusals.

While a number of Initiatives have successfully been completed, showing that the Regulation technically works, the instrument has not yet achieved its full potential. A revision of the Regulation is needed to eliminate further obstacles.

### **How will the new Regulation help organisers to successfully register their Initiatives and collect support?**

Organisers will be able to ask their questions directly to the Commission before registration as well as consulting other organisers on a collaborative platform that the Commission will make available. They will also be able to seek advice locally in their Member States where points of contact will be set up. There will also be the possibility of partial registration.

The proposal also clarifies that partial registration is possible where only part(s) of the Initiative are manifestly outside of the Commission's competences and where these parts do not include the main objectives.

The collection period remains 12 months. However, as a novelty, organisers will be able to choose its start date, within a 3-month period following the registration.

The organisers will be able to use a central online collection system managed by the Commission. The system will be made available free of charge to organisers and include the possibility to support initiatives using eID, to upload the paper-based statements of support in scanned version and to transfer statements of support digitally to the competent authorities in the Member States for verification. The processing of personal data via this system will be the responsibility of the Commission, limiting the liability of organisers. The organisers could still set up their own system and have it certified, if they so wish.

The organisers and the Commission can also collect the email addresses of the signatories of a citizens' initiative, subject to their consent, to keep them informed of the progress of the initiative and/or on any follow up actions.

### **How will the new Regulation make it easier for Citizens to support Initiatives?**

The new rules foresee that the Commission will translate all initiatives into all EU official languages, to improve inclusiveness and communication.

The Commission is also proposing to harmonise the minimum age for supporting an Initiative at 16 years of age, lowering it from 18. This change will immediately impact approximately 10 million young Europeans, and also enable all EU citizens to support an initiative regardless of their country of residence.

The proposal will also reduce the amount of personal data citizens have to provide. Depending on the Member State, citizens would need to provide either: their first names, family names, date of birth and address, or their first names, family names and last four digits of their personal ID number.

Finally, by basing participation in the new system on nationality (and not a mix of nationality and residence as was the case in the past) the new rules aim to ensure that all EU citizens living outside their country of nationality can make use of their right to support citizens' initiatives.

### **How will the new Regulation improve debate on successful Initiatives?**

The examination phase will be extended from three to five months to allow more time for debate. The Commission will meet the organisers within one month from the submission of the initiative, and the public hearing at the European Parliament will be organised within three months and will allow for a balanced representation of all stakeholders and of other EU institutions and advisory bodies. Within five months, instead of the current three months, the Commission will adopt a Communication in response to the Initiative.

### **What is the role of European Political parties?**

Democracy is one of the fundamental values on which the European Union is founded. To ensure the functioning of a representative democracy on the European level, the Treaties determine that the citizens of the European Union are directly represented in the European Parliament, a point reinforced in the Charter of Fundamental Rights of the European Union. As such, European political parties and foundations receive funding from the EU budget.

A European political party can be formed subject to meeting several criteria, in particular that that it observes the values on which the Union is founded, as expressed in Article 2 of the Treaty on European Union.

### **Why are you proposing changes to the current Regulation on European Political Parties?**

In practice, despite some progress, the criteria to fulfil the requirement of

representation in at least one quarter of Member States allowed the creation of parties with an artificial European dimension, composed mainly of individual politicians and dominated by one or two national political parties, failing to be transparent with voters and gaining a disproportionate share of EU funding when compared to their democratic representation. The Commission is therefore proposing the following legislative changes:

- To ensure a genuine European dimension of European political parties and to prevent the same national party or individuals from artificially sponsoring several European political parties, only political parties and no longer individuals should be taken into account when calculating the representation requirements for forming a party.
- The funding of European political parties should better reflect the true share of each party's vote in the European elections. At present, 15% of the total budget is distributed evenly across all parties, however large or small their vote share. The Commission has therefore proposed to improve the democratic legitimacy of EU funding for political parties by linking it more clearly to their representation in the European Parliament, allocating 95% of the total budget on the basis of vote share in European elections.
- Citizens have a right to know who and what they are voting for in European elections. To provide for greater transparency, and to strengthen the democratic accountability of European political parties, the Commission also proposes that European political parties ensure that their member parties should publish its programme and logo on their websites, while also indicating the current gender balance of their Members of the European Parliament.

### **What other changes are you proposing to the funding of political parties and foundations?**

Our proposals will enable European political parties and foundations to absorb a larger part of the existing dedicated funding allocated to them in the European Union budget.

To deal with European political parties and foundations having difficulties in meeting the current co-financing threshold of 15%, it should be lowered, enabling more of the existing public funding set aside for European parties and foundations to be directed appropriately, for example in the 2019 European election campaign. The Commission proposes to lower the co-financing requirement to 10% for European political parties and to 5% for European political foundations.

### **How will these new rules be enforced to better manage taxpayers' money?**

For reasons of legal certainty and transparency it will be explicitly provided that where a European political party or political foundation, due

to a change in circumstances, no longer fulfils the conditions for registration, or where the party or foundation has provided false or incomplete information, it should be removed from the Register.

The protection of the EU financial interests will be strengthened by providing for more effective recovery of funding in case of breach of the rules. Unduly paid funds will be recovered, including from natural persons responsible for the infringement in question.

**For more information:**

[2017 State of the Union speech](#)

[2017 State of the Union Brochure](#)

[Proposal for a regulation: European Citizens' Initiative Regulation Revision](#)

[Proposal for a regulation: Amendment on statute and funding of European political parties and European political foundations](#)

[Press release: Reform of Citizens' Initiative and Political Party funding](#)

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## **Juncker: 'I don't intend to force countries to join the euro if they are not willing or not able to do so'**

Jean-Claude Juncker, the President of the European Commission, defended his proposal to expand the eurozone. All EU Member States should have the possibility – as required by the EU Treaties – to introduce the euro, but no one would be forced to do so, Juncker said on Thursday in a YouTube interview. The strict euro-accession criteria would continue to apply, he explained.

President Juncker's statement in the State of the Union Address was "*in fact the resumption of a discussion that we Europeans have been having for many years. The European Treaties state that all Member States – except for Denmark and the UK, which did not wish to join the euro – should have the possibility to join the eurozone. Yesterday I didn't insist or request that everyone, by 11 o'clock in the morning, should now adopt the euro – I am amazed by much of what is written in the press, and that includes the German press. What I said was that those countries that have not yet adopted it, but that want to, must be given that possibility. And we should provide the technical – and in some cases financial – assistance to enable them to do so*", said President Juncker.



*“I have no intention of forcing countries to join the euro if they are not willing or not able to do so. So, many of the headlines in the national German press are somewhat exaggerated”,* President Juncker continued.

EU Member States can introduce the euro only if they meet the accession criteria. *“The criteria impose a certain European discipline. And it is clear that some countries cannot yet take the heat in the euro kitchen.”*

On Wednesday, in his State of the Union Address, President Juncker had said: *“If we want the euro to unite rather than divide our continent, then it should be more than the currency of a select group of countries. The euro is meant to be the single currency of the European Union as a whole.”*

*“All but two of our Member States are required and entitled to join the euro once they fulfil all conditions. Member States that want to join the euro must be able to do so. This is why I am proposing to create a Euro-accession Instrument, offering technical and even financial assistance.”*

**For more information:**

Factsheet [“Convergence criteria for joining the euro. State of play for non-euro area Member States”](#)

Factsheet [“The Treaty of the European Union. Articles about joining the euro”](#)

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## **[European Union bringing communities in Kosovo together in support of cultural heritage protection](#)**

The European Commission adopted this week a programme – under the Instrument contributing to Stability and Peace (IcSP) – worth €2 million to support cultural heritage protection in Kosovo. The programme will support the continued rehabilitation of important cultural and religious sites, the development of cultural and rural tourism, as well as engaging communities to work together on cultural heritage protection. In doing so, this programme will contribute to greater understanding and reconciliation between ethnic communities.

This programme will build on the results of an earlier EU-funded project that focused on renovation and rehabilitation of cultural heritage sites. This new programme will expand these activities, widen its geographical scope and increase engagement of the local civil society. The development of cultural and rural tourism is also envisaged, to render the protection of cultural

heritage economically viable and attractive to communities. Local restoration workshops will be established to bring together artisans and specialists in cultural heritage restoration to share experiences and pass skills on to younger generations. This programme will not only focus on tangible cultural heritage sites but will also bring the communities together to work on intangible cultural heritage (such as traditions, performing arts, cuisine, crafts). Particular focus will be placed on engaging youth and women.

The European Union has played a leading role in the international efforts to build a new future for Kosovo since 1999. Kosovo has a clear European Union perspective as part of the wider Western Balkans region, and the European Union plays a prominent role in its reconstruction and development. The EU is by far the single largest donor providing assistance to Kosovo and the Western Balkans region, and is at the forefront of the reconstruction effort.

**More information:**

[Further information on the Instrument contributing to Stability and Peace](#)

[European Union Office in Kosovo](#)

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## **EU must maintain duties on sugar**

**When beet sugar production quotas end in October this year the European sugar industry will find itself in a completely new situation. Whether this new challenge will turn into a success story with the sugar industry profiting from unlimited sugar production for export and food use is largely dependent on how the EU supports Europe's beet sugar processors and sugar beet farmers.**

Just ahead of the abolition of quotas in sugar beet production on 1 October 2017, the European Economic and Social Committee (EESC) has adopted an own-initiative opinion on [Industrial change in the EU beet sugar industry](#).

### **The opportunity of unlimited sugar exports**

The end of beet sugar production quotas will provide the EU's sugar industry with the possibility of unlimited sugar exports. *"This is an enormous chance for Europe's sugar producers, but in order to fully profit from this liberalisation, they need the European Commission's full support"*, says **José Manuel Roche Ramo**, rapporteur for the EESC opinion.

"Therefore it is necessary for the Commission to be more active in supporting Europe's sugar industry", says Mr Roche Ramo. "When negotiating free trade agreements (FTAs), the Commission needs to focus on opening the sugar markets of net sugar importers and eliminating duties on exports of EU high sugar-containing products. At the same time it should back strong rules of origin for such products to ensure that EU sugar producers benefit from increased

exports”.

## **Sugar beets – a job creator with a positive impact on the environment and the soil**

*“The EU beet sugar industry contributes decisively to job creation and economic activity, particularly in rural areas where jobs are rare. We therefore propose to include market tools in the Common Agriculture Policy (CAP) that support continued sugar production in the EU Member States”,* says co-rapporteur **Estelle Brentnall**. Coupled support may be necessary to reduce the risk of a decline or abandoning of beet sugar production, while direct support for farmers should be supplemented by better access to risk management. Aid for private storage must be better defined and alternative outlets for sugar beet should be promoted.

Furthermore, beet sugar production is environmentally sustainable: sugar beet is always grown in rotation with other field crops. Crop rotation helps conserve soil fertility and reduce levels of soil-borne pathogens and pests and thus reduces the requirement for plant-protection products. Sugar beet growers are usually located in close proximity to the factories that process it in order to reduce transport costs, which is also beneficial for the CO<sub>2</sub> balance.

## **EESC calls for caution regarding trade liberalisation in FTAs**

Already, EU market availability for cane sugar for refining from the EU’s FTA partners – namely Central America, Colombia, Peru, Ecuador and South Africa – stands at 420 000 tonnes. Raw and white sugar from the African, Caribbean and Pacific countries and from the least-developed countries may be imported duty-free and quota-free. Moreover, the annual availability of raw sugar for refining under the reduced-duty CXL quota totals over 700 000 tonnes, set to rise to 800 000 tonnes in 2017/18.

In the EESC’s view the EU would be well advised to be more cautious regarding trade liberalisation in negotiations for new free trade agreements (FTAs). *“The Commission must treat sugar as sensitive in its free trade negotiations by maintaining the EU’s duties on sugar.”*

The EESC particularly calls on the Commission to challenge the arbitrary imposition of trade-defence instruments by third-country importers and to be more assertive in the fight against the trade-distorting support policies of the world’s major sugar producers.

## **Background**

With an annual output totalling around 17.2 million tonnes, the EU is the world’s leading producer of beet sugar. Sugar-producing companies purchase around 107 million tonnes of sugar beets every year from some 137 000 European growers. Beet sugar factories are usually located in rural areas with low levels of industrial activity. The EU sugar industry provides 28 000 direct jobs and 150 000 indirect jobs and is therefore an important pillar of regional employment.

Over the last decade, Europe's sugar industry has experienced a painful phase of consolidation. Nearly half of its sugar factories have closed, leading to the loss of 4.5 million tonnes of production capacity, over 24 000 jobs and 165 000 farm suppliers.

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[VIDEO: How has the EESC made a difference](#)