

# Funding of European political parties: Council ready to launch talks with Parliament

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On 21 February 2018, EU ambassadors agreed the Council's position on revised rules for the funding of European political parties and foundations. This enables the Bulgarian presidency to begin negotiations with the European Parliament.

The changes target certain abusive practices, such as the creation of artificial entities to receive funds from the EU budget. The amended rules will ensure a fairer allocation of resources and allow for stronger enforcement in case of fraud.

"This is a timely proposal, which will help make sure that EU taxpayers' money is used for its intended purpose," said Monika Payanotova, Deputy Minister for the Bulgarian Presidency of the EU Council. "The Council wants to move quickly so that the new rules can be in place before the 2019 EP elections," she added.

## Main changes proposed

The Council supports revising the conditions for forming European political parties so that only national parties and no longer individuals can sponsor their creation. The aim is to make sure that such parties have a genuine European dimension, with true representation in at least a quarter of the member states.

The distribution key for the allocation of funds would also change. In its mandate the Council supports sharing 10% of the total budget equally between all European political parties, rather than 15% as is currently the case. This means that a larger share of the funds would be distributed to European political parties in proportion to the number of MEPs they have, reflecting the support they have received in the EP elections. The incentives for creating "mini-clubs" would decrease, while small parties would remain protected.

The Council's mandate also backs lowering the co-financing requirement for European political parties and foundations (from 15% to 10% and 5%,

respectively), recognising their difficulties in meeting the current threshold. The conditions for de-registration are set out in more detail, and natural persons involved in fraud would become liable to pay back misspent funds.

## **Next steps**

The negotiations with the European Parliament on the new rules are expected to begin shortly. The Council and the Parliament aim to have them in force before the end of June, when the call for applications for funding in 2019 is due to be published.

## **Background**

European political parties are foreseen in the Treaty on the European Union, which recognises their role in “forming European political awareness and expressing the will of citizens of the Union”.

The rules for their registration and funding are laid down in Regulation No 1141/2014, which covers also European political foundations affiliated with a European political party. The regulation established an Authority for European Political Parties and European Political Foundations, which decides on their registration and checks how they use their funding.

In 2018, 12 European political parties and 10 European political foundations receive funding from the EU budget.

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