

# Funding of European political parties: revised rules get Council approval

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On 7 March 2018, EU ambassadors endorsed an agreement reached with the European Parliament on a targeted revision of the rules for the funding of European political parties. This paves the way for the final adoption of the new rules by the Council, once the deal has been voted in the Parliament.

The revised rules close certain loopholes which have allowed the objectives of the current regulation to be circumvented. They will strengthen the European dimension of European political parties, ensure a fairer distribution of funds and beef up enforcement.

The Council and the Parliament reached an agreement on the changes on 27 February. The co-legislators are working rapidly to ensure that the new rules are in place before 30 June, when the European political parties can start applying for funding in the financial year 2019.

The positions of the Council and the Parliament were close on this file, which has allowed us to come quickly to an agreement. We want to put an end to abuses, ensure more fairness in funding and increase transparency ahead of next year's EP elections.

*Monika Panayotova, Deputy Minister for the Bulgarian Presidency of the EU Council*

## **Money for genuine parties and activities at European level**

European political parties are political alliances registered under EU law. They can have national and regional parties, as well as individuals, as members and they have to be represented in at least a quarter of the member states. The EU treaty recognises their role in "forming European political awareness and expressing the will of citizens of the Union". The EU funding is intended to help them finance their activities at European level and their campaign in the EP elections.

The revision of the current rules is aimed at ensuring that these objectives

are achieved in practice and that the EU funds are properly used. It is a response to certain abusive practices, such as the creation of European political parties sponsored by a narrow group of parties and individuals with the prime purpose of receiving EU funds.

## **Revised conditions for registration**

One of the main changes is a revision of the **conditions for the registration** of European political parties. The Council and the European Parliament have agreed that in future only parties – and no longer individuals – can sponsor the creation of European political parties. Sponsorship of several European parties is prohibited.

This will put an end to multiparty memberships and the creation of pseudo-parties which are sponsored mainly by individual members. It is intended to make sure that European political parties have a genuine pan-European dimension.

The **funding** of European political parties will also become **more proportional** to their support at the European elections. The amount distributed in proportion to their share of MEPs is increased from 85% to 90%.

This will further discourage the creation of European political parties mainly for the purpose of receiving EU money, as the fixed amount is reduced from 15% to 10%.

## **Easier access and stronger enforcement**

The new rules will also make it easier for parties and foundations to access EU funds by **lowering the co-financing requirement**. It will decrease from 15% to 10% for the European political parties and 5% for the European political foundations, enabling more public funding for their activities.

This change recognises the difficulties the parties and foundations have encountered in meeting the current threshold. It will mitigate the risk that they would use dubious financial practices to reach the required level of own resources.

Other changes are aimed at **better protecting the EU's financial interests** in case of fraud. The EP has not been able to recover funds from some parties and foundations which have gone bankrupt. The new rules allow for recovery from natural persons in certain cases, if they are responsible for the infringement. The European Public Prosecutor's office is called on to investigate alleged abuses in the future.

The conditions for de-registering parties are also set out in more detail, which will simplify and speed up the process.

Finally, the new rules will also **increase transparency** for the citizens. Parties in the EU member states will have to display on their websites the logo and the programme of the European political parties to which they are affiliated for the European parties to be able to receive EU funding.

The links between European political parties and their member parties will thus become more visible for the citizens ahead of the 2019 EP elections.

## **Next steps and transition to the new regime**

The new rules will now have to be voted in the Parliament's constitutional affairs committee and in plenary. The Council is then expected to adopt them in the coming weeks.

Once the amendments have entered into force, current European political parties will have two months to provide evidence that they continue to satisfy the conditions for registration. If they fail to do so, they and their affiliated foundations will be removed from the register.

This will not affect the funding for the budget year 2018. However, in order to receive EU funds in 2019, the parties and foundations will have to comply with the new rules.

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