

# Policy position on the statute and funding of European political parties and European political foundations

## Background

European political parties, like all other parties, need money to operate. Since 2004, they have been receiving public funding from the European Union in addition to their private fundraising through donations. The transparency of the funding of European political parties is central to allow oversight of their spending and operations. From the European Commission's Report on the Public Consultation for the European Democracy Action Plan, it appears that 84% of respondents supports more transparency on the financing of European political parties.

Regulation 1141/2014 provides the rules of funding of European political parties and foundations. This legislation has been revised twice, in 2018 and 2019, to close loopholes and allow for greater transparency, however, much more needs to be done. As the European Parliament and Council of the EU are discussing the new Commission's [proposal](#) to reform this Regulation, Transparency International EU (TI EU) calls on the European institutions to seize this opportunity and to make the funding of European parties more transparent and accessible.

## Main recommendations

### Conditions for registration (Article 3 of the Commission's proposal)

TI EU supports the provisions in the Commission's proposal on the respect for EU values, namely respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights. These should be respected by political parties and foundation themselves, as well as by all their members. A written declaration on their, and their members' compliance, with EU values should be submitted yearly.

### Verification of compliance with registration conditions (Article 11) and Committee of independent eminent persons (Article 14)

Continued compliance with European values by European political parties, foundations and all their members, must be a prerequisite for continued registration and funding from the general budget of the European Union. As such, perceived, potential and real breaches must be analysed without delay. At the request of the Authority for European political parties and European political foundations ("Authority"), a Committee of independent eminent persons should give an opinion on the above-mentioned issues. In case of any breach, the party or foundation should be de-registered by the Authority. Due to the potential damage that such situations can have on the trust citizens have in their

democratic institutions, such situations must be tackled without delay and should be actioned within two months.

### **Transparency requirements for political advertising (Article 5)**

Transparency of political advertising is central to allow informed decisions by citizens. Hence:

- We support the Commission's proposal obliging European political parties to transmit, within five working days, information concerning each political advertisement to the Authority for European Political Parties and European Political Foundations.
- The Authority should immediately publish this information, and in any case no later than five working days after receiving it. All information should be published in a form which is easily accessible, clearly visible, user friendly, using plain language, and available in a machine-readable format.
- We support the view that Member States should designate national regulatory authorities to supervise compliance with the requirements on political advertising.

### **Contributions and donations<sup>1</sup> (Article 23) and transparency (Article 36)**

- In order to ensure greater funding transparency, the ceiling of anonymous donations should be lowered from EUR 1,500 to EUR 100 per donor per year.
- Currently it takes months for the public to be able to see contributions and donations received by a European Political party or foundation in the previous year. Such reporting should be done as soon as possible, no later than ten working days after the end of the financial year. It should include a list of all donors with their corresponding donations, indicating both the nature and the value of the individual donations. This should also apply to contributions made by member parties of European political parties and member organisations of European political foundations and to contributions exceeding EUR 100 (and not exceeding EUR 1,500 as proposed in the Commission's text) made by individual members of European political parties and European political foundations.
- Single donations of more than EUR 1,000 must be immediately reported to the Authority in writing, and no later than five working days after the donation is made.
- In agreement with the Council position, participation in and contributions to European political parties and foundations should be restricted to members from European Union Member States.
- The European Parliament should make financial information submitted by all parties and foundations publicly available on a website created for that purpose, in a user-friendly, open, machine-readable format.
- We support the Commission's proposal of having donations received by European political parties and foundations, as well as expenditure funded from those

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<sup>1</sup> "Contributions" are defined as payments made by party members (individual member or national member parties), while "donations" are payments made by non-members, including companies and individuals.

donations, be reported on a weekly basis to the Authority, in the six months prior to elections to the European Parliament

- Likewise, we support the obligation by the Parliament to publish in an open, machine-readable format, all the information described in article 36.

## **CONTACT**

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