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Committee on Legal Affairs

2005/2224(INI)

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OPINION

of the Committee on Legal Affairs

for the Committee on Constitutional Affairs

on the Report on the European Political Parties - Experience with the statute
and its perspectives
(2005/2224(INI))

Draftsman: Antonio López-Istúriz White

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SUGGESTIONS

The Committee on Legal Affairs calls on the Committee on Constitutional Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the European political parties, like any other profit-making or non-profit-making organisation, need, in making their long-term plans, to have a minimum degree of financial security, not least because they have to honour their commitments to employees, suppliers and contractors over a lengthy period of time,
- B. whereas under the current regulations the European political parties do not receive any financial guarantees extending over a period longer than one year; whereas the grants made to them are determined every year and are completely dependent on the number of parties that apply for recognition and the number of MEPs they account for; whereas the grants in question can change dramatically from year to year if new political parties appear or a shift takes place in the number of MEPs accounted for by the political parties,
- C. whereas two new parties applied recently for recognition and submitted grant applications to the European Parliament, thus increasing the number of European political parties from 8 to 10,
- D. whereas the European political parties are not allowed to build up reserves by saving grant payments or by saving their own resources; whereas, when the balance-sheet shows that parties end up with a positive financial result (profit), the amount of the surplus is deducted from the final grant,
- E. whereas the present situation makes the parties financially highly dependent on the European Parliament because they can only fund their long-term engagements as long as there is a steady and guaranteed flow of grants from the Parliament,
- F. whereas the present situation does not encourage the European political parties to have any proper financial management, inasmuch as there is no real incentive to apply principles of economic efficiency in the management of expenditure,
- G. whereas the European political parties are requested to submit an annual budget which is divided into five categories; whereas that budget structure is imposed by the European Parliament,
- H. whereas Article I.3.3 of the standard-form Grant Award Agreement between the European Parliament and a European political party¹ provides that transfers between budget headings (categories) may not exceed 20% of the amount of each category,
- I. whereas the limitation applied to the transfer of money between budget categories prevents the European political parties from changing their political priorities in the course of the year,

¹ Annex 2 to the Decision of the Bureau of the European Parliament of 29 March 2004 (OJ C 155, 12.6.2004, p. 1).

- J. whereas the European political parties are now able to possess a legal status, based on their legal personality in the country where they have their seat; whereas some parties have chosen the legal form of a Belgian non-profit association and others have opted for the legal form of an international non-profit association,
- K. whereas, however, the gap between the fiscal treatment of the European political parties and that applied to the European Institutions remains very wide,
- L. whereas the report of the Secretary-General raises serious doubt as to whether Article 191 of the EC Treaty provides an adequate legal basis for settling the matter of the legal personality of European political parties under Community law,
1. Welcomes the options and proposals presented in the report of the Secretary-General as the result of thorough analysis of the present situation, providing an overall positive answer to the questions, preoccupations and remarks of the European political parties;
 2. Considers that a minimum degree of financial stability should be given to the European political parties and welcomes the proposal to provide a multiannual financial framework at the beginning of each parliamentary term with regard to both the basic amount per party (15% of the total budget) and the additional amount per MEP accounted for by the parties (85% of the total budget), thus allowing the existing political parties to undertake the long-term planning needed in respect of their political activities, programmes and personnel and in relation to the means necessary for the implementation thereof;
 3. Is convinced that, since the European political parties operate with public funding and taxpayers' money, they should be encouraged to work in an economically efficient way, and welcomes the idea of amending Article 109(2) of the Financial Regulation (Regulation (EC) No 1605/2002)¹ and Article 7(3) of the Bureau Decision of 29 March 2004 to that effect or of inserting a derogation provision in Regulation (EC) No 2004/2003²;
 4. Emphasises the need to allow the European political parties to build up reserves and to impose a limit on the amount that can be saved up and transferred to the next financial years and welcomes the suggestion of the political parties allowing 25% of any surplus at the end of the year to be retained in reserves;
 5. Finds the limitation on the transfer of money between budget headings unacceptable, since the actions of the European political parties reflect political reality, and political reality can change (e.g. rejection of the Constitution for Europe in France and the Netherlands), necessitating an extra incentive towards communication;
 6. Welcomes the proposal to keep the threshold at 20% in principle, but to allow a transfer in excess of that threshold in justified exceptional cases where the prior approval of the authorising officer has been obtained; is convinced, however, that this new proposal still

¹ OJ L 248, 16.9.2002, p. 1.

² OJ L 297, 15.11.2003, p. 1.

generates too much administrative red tape and does not allow the European political parties to adapt their political action programme in a flexible way;

7. Believes that it is legitimate for the European political parties to request that their status be brought into line with that of the European Institutions and demands that the Bureau of the Parliament investigates the matter further.

PROCEDURE

Title	Report on the European Political Parties - Experience with the statute and its perspectives
Procedure number	2005/2224(INI)
Committee responsible	AFCO
Opinion by Date announced in plenary	JURI 15.12.2005
Enhanced cooperation – date announced in plenary	
Draftsman Date appointed	Antonio López-Istúriz White 12.12.2005
Previous drafts(wo)man	
Discussed in committee	31.1.2006
Date adopted	31.1.2006
Result of final vote	+: 18 -: 1 0: 0
Members present for the final vote	Maria Berger, Bert Doorn, Giuseppe Gargani, Kurt Lechner, Klaus-Heiner Lehne, Katalin Lévai, Marcin Libicki, Hans-Peter Mayer, Aloyzas Sakalas, Francesco Enrico Speroni, Rainer Wieland, Nicola Zingaretti, Jaroslav Zvěřina, Tadeusz Zwiefka
Substitute(s) present for the final vote	Alexander Nuno Alvaro, Nicole Fontaine, Jean-Paul Gauzès, Roland Gewalt, Eva Lichtenberger, Manuel Medina Ortega, Marie Panayotopoulos-Cassiotou, Michel Rocard
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	...