



Der Generalsekretär

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## **NOTE TO THE MEMBERS OF THE BUREAU**

**Subject:** Funding of political parties and political foundations at European level  
Grant award decision for the financial year 2016

### **SUMMARY**

16 applications as parties and 16 applications as foundations were registered for a grant from the European Parliament's budget for the financial year 2016. This note outlines the outcome of the evaluation of these grant applications. It concludes that 15 out of 16 applicant parties and 15 out of 16 applicant foundations fulfil the conditions for receiving a grant.

The Bureau is invited to

- a. approve the award of a grant for 2016 to 15 parties and 15 foundations as detailed in part V of this note;
- b. confirm that AFE party's application is judged null and void for the reasons detailed in part IV subsection b of the note and that hence the application of their affiliated ECF foundation is rejected;
- c. prolong the pre-financing payment deadline to 15 January 2016, taking into account the availability of the appropriations from the 2016 budget only from the beginning of the financial year;
- d. authorise the Secretary General to inform applicants of the decision taken by the Bureau on their applications and instruct the competent authorising officer to make the corresponding payment.

## I. INTRODUCTION AND LEGAL FRAMEWORK

1. The legal acts governing funding to political parties and political foundations at European level are Regulation (EC) 2004/2003 on Party funding<sup>1</sup> and the Bureau decision of 29.3.2004<sup>2</sup> implementing this regulation, as well as the Financial Regulation<sup>3</sup> and its Rules of Application<sup>4</sup>.
2. The Bureau decision of 29.3.2004 was last modified on 7.10.2015.
3. A summary of the main aspects of the rules is annexed to this note.
4. In accordance with Art. 4 of the Regulation (EC) 2004/2003 the European Parliament shall adopt a decision on the applications for funding **within three months** (i.e. before 31/12/2015) and authorise and manage the corresponding appropriations.

## II. PROCEDURE

5. In accordance with the provisions of the Financial Regulation concerning the grants, and, in particular, the requirements of transparency and equal treatment of potential beneficiaries, the European Parliament published a call for proposals for 2016 funding for parties and another one for foundations in the Official Journal of the EU<sup>5</sup>.
6. An evaluation committee was set up by the competent authorising officer by delegation, in accordance with the provisions of Article 133 of the Financial Regulation and Article 204 of its Rules of application. This evaluation committee assists in the preparation of the decision of the Bureau on the grant award. The minutes of the proceedings of the evaluation committee are available at the Bureau secretariat.

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<sup>1</sup> Regulation (EC) No 2004/2003 of the European Parliament and of the Council of 4.11.2003 on the regulations governing political parties at European level and the rules regarding their funding, hereinafter "Regulation 2004/2003"; OJ L 297, 15.11.2003, p.1, as last amended on 18.12.2007.

<sup>2</sup> Decision of the Bureau of the European Parliament of 29.3.2004 laying down the procedures for implementing Regulation (EC) No 2004/2003 of the European Parliament and of the Council on the regulations governing political parties at European level and the rules regarding their funding, hereinafter "Bureau decision of 29.3.2004"; OJ C 155, 12.6.2004, p 1, as last amended by the Bureau on 7.10.2015.

<sup>3</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25.10.2012 on the financial rules applicable to the general budget of the Union. OJ L 298, 26.10.2012, p.1.

<sup>4</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29.10.2012 on the rules of application of the Financial Regulation. OJ L 362, 31.12.2012, p.1.

<sup>5</sup> Calls for proposals for 2016 grants: OJ C 200 dated 17.6.2015

Call for proposals IX-2016/01 — 'Grants to political parties at European level' - [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.2015.200.01.0002.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2015.200.01.0002.01.ENG)

- Call for proposals IX-2016/02 — 'Grants to political foundations at European - [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.2015.200.01.0007.01](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2015.200.01.0007.01)

### III. APPLICANTS

7. The following 16 applications for funding of political parties and 16 applications for funding of political foundations were submitted by the closing date of 30.09.2015:

Applicant party <sup>7</sup>	Applicant foundation
European People's Party (EPP)	Martens Centre (MC, Wilfried Martens Centre for European Studies, WMCES)
Party of European Socialists (PES)	Foundation for European Progressive Studies (FEPS)
Alliance of European Conservatives and Reformists (AECR)	New Direction - Foundation for European Reform (ND)
Alliance of Liberals and Democrats for Europe Party (ALDE)	European Liberal Forum (ELF)
European Green Party (EGP)	Green European Foundation (GEF)
Party of the European Left (EL)	Transform Europe (TE)
Mouvement pour une Europe des Nations et des Libertés (MENL)	Fondation pour une Europe des Nations et des Libertés (FENL)
Alliance for Direct Democracy in Europe (ADDE)	Institute for Direct Democracy in Europe (IDDE)
European Free Alliance (EFA)	Centre Maurits Coppieters (CMC)
European Democratic Party (EDP/PDE)	Institute of European Democrats (IED)
European Christian Political Movement (ECPM)	Christian Political Foundation for Europe (CPFE)
Europeans United for Democracy (EUD)	Organisation for European Interstate Cooperation (OEIC)
Alliance for Peace and Freedom (APF) <sup>8</sup> (new)	Europa Terra Nostra (ETN) (new)
European Alliance for Freedom (EAF)	European Foundation for Freedom (EFF)
Alliance Européenne des Mouvements Nationaux (AEMN)	Identités & Traditions Européennes (ITE)
Alternative for Europe (AFE) (new)	European Centre for Freedom (ECF) (new)

8. Of the total of 16 applications for 2016 funding submitted by parties and 16 applications submitted by foundations, 14 parties and 14 foundations had already received funding in 2015, whilst there were 2 new applications from parties and 2 new applications from foundations.

<sup>7</sup> In descending order of provisional grant amount

<sup>8</sup> This applicant applied for 2015 grant and was rejected for the reason of not fulfilling formal requirements. APF application for 2016 grant rectifies the formal problems of the past.

#### IV. EVALUATION OF APPLICATIONS - MAIN ISSUES

##### a. Respect of the principles on which the European Union is founded

9. Pursuant to Article 3 paragraph 1 subparagraph c) of Regulation (EC) 2004/2003 a political party "*must observe, in particular in its programme and in its activities, the principles on which the European Union is founded, namely the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law*".
10. The evaluation committee analysed the political programme submitted in the grant applications of the applicants. Moreover, a limited analysis of their activities in the framework of the above-mentioned criterion has been undertaken and such non-respect of the principles by the applicants could not have been identified. It is **outside the scope of this evaluation if members** of the European organisations (national parties or natural persons: Members of European Parliament, Members of Parliaments, etc.) **respect the above-mentioned principles**. To conclude, the **evaluation committee could not identify non-respect** of the principles on which the European Union is founded **by the European applicant organisations**.
11. Nevertheless, the evaluation committee and the authorising officer would like to draw attention of the Bureau to the political programmes of the applicants. These are extracted from the applications and made available at the secretariat of the Bureau.
12. Article 4 of the Bureau Decision of 29 March 2004 states the following:

*On a proposal from the Secretary-General, the Bureau shall assess funding applications on the basis of the criteria laid down in Articles 3 and 4 of Regulation (EC) No 2004/2003 with a view to determining which applications are eligible for funding. The Bureau and, when the Bureau decision is being prepared, the Secretary-General may ask an applicant to submit further supporting documents or to clarify the supporting documents attached to the application, by a deadline which they shall lay down.*
13. In any case, pursuant to Article 5 paragraph 2 of Regulation (EC) 2004/2003 and Article 225 of the Rules of Procedure of the European Parliament, **a procedure may at any time be launched in order to verify whether a party continues to observe the principles** upon which the European Union is founded.

## **b. Eligibility criteria**

14. All applicants were asked to provide up to date evidence on their membership situation. The European Parliament services verified, in accordance with Article 5 paragraph 1 of Regulation (EC) 2004/2003, **whether the conditions set out in Article 3(a) and (b)<sup>9</sup> are met or continue to be met** by political parties at European level. It was concluded that 15 out of 16 applicant parties and 15 out of 16 applicant foundations fulfil the necessary conditions.

### ***AFE party's grant application null and void and the withdrawal***

15. The AFE party's grant application was signed on 25 September 2015 by MEP Angel Dzhambazki in an alleged capacity as President. Nevertheless, the Statutes attached to the application and the minutes recording the choice of the first Board indicate MEP Morten Messerschmidt as the President of the Party (Président du Conseil d'administration et administrateur délégué). The European Parliament administration received the resignation of MEP Messerschmidt in his capacity as President of AFE party with effect from the 1st of October. Hence the 2016 grant **application for the AFE party was submitted by an unauthorised person.**
16. Furthermore, the European Parliament services received a communication on 27 October 2015 from MEP Messerschmidt claiming that himself and MEP Vistisen, being respectively **AFE's President and Treasurer** at the time when the 2016 grant application of AFE was submitted to the Parliament, were **included in AFE's Statutes** due to a **clerical error** and that they resigned from their responsibilities in AFE. In this situation it is concluded that **AFE did not demonstrate sufficient operational capacity to carry out the proposed work programme**, which is a requirement of the Financial Regulation<sup>10</sup>.
17. In addition, MEP Dzhambazki communicated on 10 November 2015 via his assistant to the EP services that he is only now taking the position of AFE's president, whereas he signed the 2016 grant application in this capacity. As justification his assistant mentions that *"Mr Dzhambazki is the sole MEP in this party, which automatically makes him its President"*, which is not in line with the statutes of the party. This raises **doubts about the credibility of the documentation submitted** as the 2016 grant application.

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<sup>9</sup> Article 3 "Conditions"

*A political party at European level shall satisfy the following conditions:*

*(a) it must have legal personality in the Member State in which its seat is located;*

*(b) it must be represented, in at least one quarter of Member States, by Members of the European Parliament or in the national Parliaments or regional Parliaments or in the regional assemblies, or it must have received, in at least one quarter of the Member States, at least three per cent of the votes cast in each of those Member States at the most recent European Parliament elections;*

<sup>10</sup> Article 131(3) of the Financial Regulation:

*The application shall state the legal status of the applicant and demonstrate his or her financial and operational capacity to carry out the proposed action or work programme.*



18. Finally, on 19 November 2015, Parliament received an e-mail from the assistant of MEP Dzhambazki including a scanned letter of MEP Dzhambazki informing Parliament that he resigned “as from today 19 November 2015 as a member of the European political party “AFE”.
19. On the same day, the coordinator of AFE, Mr Michaël Verbeke, informed Parliament by e-mail of the resignation of MEP Dzhambazki and added “I understand that AFE does not fulfil anymore the criteria to become a European Political Party and this resignation corresponds, de facto, to a withdrawal of the grant application 2016”.
20. As result of all these elements the **2016 grant application of AFE is judged null and void. Hence, the Bureau is invited to confirm the conclusion that the grant application of AFE party must be considered null and void.**
21. Following the exclusion of the AFE applicant party from funding and pursuant to Article 3 paragraph 2 a) of the Regulation 2004/2003, **the 2016 grant application of ECF applicant foundation** affiliated to AFE applicant party is also **proposed to be rejected.**

#### *APF's new application*

22. In 2015 grant award procedure it was concluded that for APF party it was unclear whether the party possessed legal personality in a Member State (conformity with Article 3.1 (a) of the Regulation (EC) 2004/2003). Secondly, the conformity with Article 3.1 (b) of the Regulation (EC) 2004/2003 (representation in 7 Members States) was checked. To this end APF party supplied signed declarations of formal support of MEPs, MPs and MRPs<sup>11</sup> from which it could not be concluded that the undersigned were members of the APF party. Both questions with regard to these conditions were the subject of an opinion of the Legal Service (SJ-0917/14), which concluded that the APF party has not proven that it fulfils the conditions set out in Article 3.1 (a) and (b) of the Regulation (EC) 2004/2003. Hence it was proposed to reject the grant application of the APF party.
23. The 2016 grant application of the APF party makes up for the formal deficiencies of the previous application. Notably, the applicant party changed its legal seat to Belgium and established itself as a Belgian non-profit organisation (association sans but lucratif). The membership declarations from 8 Member States are conclusive in this application, too. Hence, it is proposed to accept the grant application of the APF party.

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<sup>11</sup> MEPs = Members of European Parliament, MPs = Members of (national) Parliaments, MRPs = Members of Regional Parliaments

### c. MEPs to be considered for the calculation of the grant amount

24. In accordance with Article 10 of the Regulation (EC) 2004/2003, 85 % of the appropriations adopted in the EU budget for grants to European parties and foundations "shall be distributed among those which have elected members in the European Parliament, in proportion to the number of elected members". The Bureau decision of 29.3.2004 stipulates **that the MEP count is done "on the final date for submission of applications"<sup>12</sup>**.
25. All applications were verified **with regard to cross membership**. Cross membership is defined as a situation when a national party is a member of a European party, whereas individual members (MEPs, MPs, MRPs<sup>13</sup>, etc.) belonging to such a national party are members of another European party. The call for proposals in the current grant procedure excluded such a situation as regards MEPs only by specifying that

*... the European Parliament applies the provisions in Article 3(1)(b) such that a Member of the European Parliament may only be a member of the political party at European level of which his or her national political party is a member<sup>14</sup>.*

26. Two MEPs, Mr Morten Messerschmidt and Mr Anders Vistisen, changed their membership between applicant organisations between July and September 2015. Normally, the most recent declaration would have been taken into account. In this case Mr Messerschmidt declared by email on 27 October 2015 that neither Mr Vistisen nor himself will join AECR for the financial year 2016 and that the Danish delegation will not join any European party in 2016. Hence they are not going to be counted for the calculation of the grant.

### d. Contributions in kind

27. Generally, the contributions in kind included at the grant application stage are based solely on the applicants' own declarations and are usually not supported by contracts. The European Parliament services demanded that the grant applicants describe the projects for these contributions in detail in order to be able to evaluate provisionally their eligibility and method of valuation. Even though not always precise, the information was obtained.
28. However, as decided by the Bureau on 12.09.2011 the analysis at this stage of the procedure aims only at provisional acceptance of these amounts and the co-financing by contributions in kind in the final report may not exceed those accepted in the provisional budget. Furthermore, for each organisation these contributions cannot exceed 7.5% of the revenue covering eligible expenditure. The latter condition is fulfilled in the provisional budgets of all applicants.
29. At the stage of the final report these contributions will be thoroughly examined by the EP services and will, moreover, be certified by the external auditor.

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<sup>12</sup> For 2016 grant procedure it is 30.09.2015

<sup>13</sup> MEPs = Members of European Parliament, MPs = Members of (national) Parliaments, MRPs = Members of Regional Parliaments

<sup>14</sup> point 4.1 of the *Call for proposals IX-2016/01 — 'Grants to political parties at European level'*

30. As in previous years, it is **proposed to provisionally accept the contributions** and remind the beneficiaries of the conditions under which these can be accepted in the letters accompanying the individual grant award decisions.

**e. Follow-up from previous grant award procedure**

31. It was noted in the 2015 grant award procedure that the AEMN party **showed difficulties with regard to its management capacities**. While the call for proposals for grants to parties and foundations contains as selection criteria the “technical capability and management skills needed to carry out successfully the work programme” of the applicant, the management visit to the AEMN party and the ITE foundation have shown serious weaknesses in the administrative and financial management which needed to be addressed. In October and November 2015 the relevant EP services conducted follow-up management visits to closely monitor the operation of these applicants. Without prejudice to finalising the conclusions of the visits, both the party and the foundation improved their operational capacity.
32. Linked to this deficient operational capacity were also cases of potential conflicts of interest, which should be avoided by the party during the new grant period, in particular the overlapping of the function of President and Treasurer and the fact that the Secretary General is employed as the parliamentary assistant of the party’s President. While the functions of President and Treasurer of the AEMN party have been separated, the **Secretary General of the AEMN party is still employed as the parliamentary assistant** of the party’s President. Nevertheless, **no salary** is charged.

**f. Conclusion of the evaluation**

33. In total 30 applicants fulfil the necessary conditions to be awarded a grant for 2016, hence, it is proposed to the Bureau to award the grant to these applicants.

**V. PROPOSED GRANT AMOUNTS AND PAYMENT DEADLINE**

34. The maximum level of the grant to be awarded has been set at 85% of eligible expenditure, as declared in the provisional budgets of the European political parties and European foundations, within the limit of the appropriations available for the year 2016.
35. Pursuant to Article 10 of the Regulation (EC) 2004/2003, "available appropriations shall be distributed annually as follows among the political parties at European level which have obtained a positive decision on their application for funding [...]: [...] 15% shall be distributed in equal shares [and] 85% shall be distributed among those which have elected members in the European Parliament, in proportion to the number of elected members". Appropriations are distributed the same way among foundations.
36. Article 6 of the Bureau decision of 29.3.2004 states that

*Unless the Bureau decides otherwise, grants shall be paid to beneficiaries in the form of pre-financing in one instalment of 80 % of the maximum amount of the grant **within 15 days** following the date of the grant award decision. (...)*



37. The Bureau is invited to **prolong the pre-financing payment deadline to 15 January 2016**, taking into account the availability of the appropriations from the 2016 budget only from the beginning of the financial year, whereas the Bureau decision will be taken in December 2015.
38. On the basis of the calculation method described above, the following tables set out the proposed grant amounts:

15 parties - limits for the maximum grant					
Applicant party		Per distribution key (Art. 10 of the Regulation 2004/2003)	85% of eligible expenditure	Grant requested	Grant to be awarded <sup>[1]</sup>
European People's Party	EPP	8.717.848	8.701.510	8.683.552	8.683.552
Party of European Socialists	PES	7.550.647	7.154.167	7.154.167	7.154.167
Alliance of European Conservatives and Reformists	AECR	2.531.682	2.762.500	2.750.000	2.531.682
Alliance of Liberals and Democrats for Europe Party	ALDE	2.337.149	2.447.618	2.355.227	2.337.149
European Green Party	EGP	1.870.268	1.798.090	1.800.000	1.798.090
Party of the European Left	EL	1.597.921	1.594.189	1.594.189	1.594.189
Mouvement pour une Europe des Nations et des Libertés	MENL	1.597.921	1.546.439	1.546.439	1.546.439
Alliance for Direct Democracy in Europe	ADDE	1.403.388	1.497.450	1.500.000	1.403.388
European Free Alliance	EFA	780.880	777.490	785.694	777.490
European Democratic Party	PDE	780.880	588.200	588.200	588.200
European Christian Political Movement	ECPM	547.440	582.250	575.000	547.440
Europeans United for Democracy	EUD	430.720	440.215	440.250	430.720
Alliance for Peace and Freedom	APF	469.627	400.000	400.000	400.000
European Alliance of National Movements	EANM	391.813	401.965	400.000	391.813
European Alliance for Freedom	EAF	391.813	390.742	390.696	390.696
<b>TOTAL</b>		<b>31.400.000</b>	<b>31.082.823</b>	<b>30.963.414</b>	<b>30.575.015</b>
<sup>[1]</sup> Smallest amount of the 3 preceding columns.					

		15 foundations - limits for the maximum grant			
Applicant foundation		Per distribution key (Art. 10 of the Regulation 2004/2003)	85% of eligible expenditure	Grant requested	Grant to be awarded <sup>[1]</sup>
Martens Centre	MC/WMCES	5.191.840	5.394.754	5.392.769	5.191.840
Foundation for European Progressive Studies	FEPS	4.496.723	4.430.254	4.430.253	4.430.253
New Direction - Foundation for European Reform	ND	1.507.722	1.678.750	1.650.000	1.507.722
European Liberal Forum	ELF	1.391.869	1.413.252	1.413.252	1.391.869
Green European Foundation	GEF	1.113.822	1.090.125	1.090.124	1.090.124
Transform Europe	TE	951.628	1.059.684	1.058.587	951.628
Fondation pour une Europe des Nations et des Libertés	FENL	951.628	943.905	943.905	943.905
Initiative for Direct Democracy in Europe	IDDE	835.776	900.000	900.000	835.776
Institute of European Democrats	IED	465.047	485.175	485.175	465.047
Christian Political Foundation for Europe	CPFE	326.023	350.745	351.000	326.023
Centrum Maurits Coppieters	CMC	465.047	324.930	324.930	324.930
Organisation for European Interstate Cooperation	OEIC	256.512	254.395	260.000	254.395
Identités & Traditions Européennes	ITE	233.341	245.650	245.000	233.341
European Foundation for Freedom	EFF	233.341	232.711	232.678	232.678
Europa Tera Nostra	ETN	279.682	197.625	200.000	197.625
<b>TOTAL</b>		<b>18.700.000</b>	<b>19.001.954</b>	<b>18.977.673</b>	<b>18.377.154</b>
<sup>[1]</sup> Smallest amount of the 3 preceding columns.					



## VI. CONCLUSION

39. The Bureau is invited to:

- a. approve the award of a grant for 2016 to 15 parties and 15 foundations as detailed in part V of this note;
- b. confirm that AFE party's application is judged null and void for the reasons detailed in part IV subsection b of the note and that hence the application of their affiliated ECF foundation is rejected;
- c. prolong the pre-financing payment deadline to 15 January 2016, taking into account the availability of the appropriations from the 2016 budget only from the beginning of the financial year;
- d. authorise the Secretary General to inform applicants of the decision taken by the Bureau on their applications and instruct the competent authorising officer to make the corresponding payment.

Klaus WELLE

Annexes:

1. List of Presidents and Secretaries General of Political Parties at European level
2. List of Members per European Political Parties and per Nationality
3. A summary of the main aspects of the rules