



Council of the
European Union

Brussels, 26 November 2021
(OR. en)

Interinstitutional File:
2021/0375(COD)

14386/21
ADD 1

AG 111
INST 422
PE 114
FIN 931
DATAPROTECT 272
CODEC 1554
DISINFO 39
FREMP 280

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	25 November 2021
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. prev. doc.:	ST 14388/21
No. Cion doc.:	COM(2021) 734 final
Subject:	ANNEXES to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the statute and funding of European political parties and European political foundations (recast)

Delegations will find attached document COM(2021) 734 final ANNEXES 1 to 4.

Encl.: COM(2021) 734 final ANNEXES 1 to 4



EUROPEAN
COMMISSION

Brussels, 25.11.2021
COM(2021) 734 final

ANNEXES 1 to 4

ANNEXES

to the

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the statute and funding of European political parties and European political
foundations (recast)**

{SEC(2021) 577 final} - {SWD(2021) 359 final} - {SWD(2021) 360 final}

↓ 1141/2014 (adapted)
⇒ new

ANNEX I

STANDARD DECLARATION TO BE FILLED IN BY EACH APPLICANT

The undersigned, who is fully mandated by [name of the European political party or European political foundation], hereby certifies that:

[name of the European political party or European political foundation] ⇒ and its members having their seat inside the European Union are ⇐ is committed to comply with the conditions for registration laid down in ~~point (c) of Article 3(1), points (d) and (e), or point (c) of Article 3(2), points (c) and (d), of Regulation (EU, Euratom)~~ ☒ [this Regulation] ☒ ~~No 1141/2014~~, i.e. to observe, in particular in its programme and in its activities, the values on which the Union is founded, as expressed in Article 2 of the Treaty on European Union, namely respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

⇓ new

[Name of the European political party or European political foundation] is also committed to ensure that the same applies to its member parties or member organisations having their seat in the Union and that its member parties or member organisations having their seat outside the Union observe equivalent values.

↓ 1141/2014

Authorised signatory:

Title (Ms, Mr, ...), surname and forename:	
Function in the organisation applying for registration as a European political party/European political foundation:	
Place/date:	
Signature:	

[ANNEX II]

(1) Information on political advertising to be made available in the repository for disclosures by European political parties

- links to the advertisement as published or where necessary, examples of other audio or visual advertising campaign materials;
- provisional statement of the amounts spent or allocated by the European political party for the preparation, placement, publication and dissemination of the political advertisement as well as the actual amounts once known;
- the source of the funds being used for the specific advertisement campaign including for the preparation, placement, publication and dissemination of a political advertisement.
- in case targeting techniques are used, meaningful information on the techniques used, including the points provided under Annex II to Regulation 2022/xx [on the transparency and targeting of political advertising].

(2) Information to be made available by European political parties in their website

- annually aggregated information on its use of targeted political advertising;
- a list of the specific campaigns with which political advertising was used;
- the amounts yearly spent on political advertising during the last 5 years;
- the distribution channels used;
- a link to the information made available in the repository for disclosure by European political parties.]





ANNEX III

Repealed Regulation with list of the successive amendments thereto

Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council (OJ L 317, 4.11.2014, p. 1)

Regulation (EU, Euratom) 2018/673 of the European Parliament and of the Council (OJ L 114I, 4.5.2018, p. 1)

Regulation (EU, Euratom) 2019/493 of the European Parliament and of the Council (OJ L 085I, 27.3.2019, p. 7)

ANNEX IV

CORRELATION TABLE

Regulation (EU, Euratom) No 1141/2014	This Regulation
Article 1	Article 1
Article 2, introductory wording	Article 2, introductory wording
Article 2, points 1 to 8	Article 2, points 1 to 8
Article 2, point 8a	Article 2, point 9
Article 2, point 9	Article 2, point 10
[...]	[...]
Annex	Annex I
-	Annex II
-	Annex III
-	Annex IV

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on operational appropriations*
 - 3.2.3. *Estimated impact on appropriations of an administrative nature*
 - 3.2.4. *Compatibility with the current multiannual financial framework*
 - 3.2.5. *Third-party contributions*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and European political foundations

1.2. Policy area(s) concerned

Fundamental rights, democracy, political participation, internal market

1.3. The proposal relates to

☐ a new action

☐ a new action following a pilot project/preparatory action¹

☒ the extension of an existing action

☐ a merger of one or more actions towards another/a new action

1.4. Objective(s)

1.4.1. General objective(s)

The President von der Leyen Political Guidelines and the European Democracy Action plan announced measures to ensure greater transparency on paid political advertising and clearer rules on the funding of European political parties and foundations under Regulation (EU, Euratom) No 1141/2014.

The evaluation of Regulation (EU, Euratom) No 1141/2014 found that the Regulation created a useful legal framework for the functioning of European political parties and foundations, but identified a number of loopholes in it. The revision of Regulation (EU, Euratom) No 1141/2014 aims at closing these loopholes to better enable European political parties and foundations fulfilling their role as set out in Article 10(4) TEU.

The Commission's report on the 2019 European elections noted the importance of increased transparency of political advertising to ensure resilience and integrity of electoral processes in the EU. It also noted the limited implementation of the 2018 Electoral package recommendation in this respect and the need for further measures.

1.4.2. Specific objective(s)

European political parties, in particular the smaller ones, face difficulties matching the 10% co-financing rate currently set out in Regulation (EU, Euratom) No 1141/2014. For this reason, their co-financing rate will be lowered and aligned with that of European political foundations, which is of 5%.

For the year of the elections to the European Parliament, the co-financing rate for European political parties will be 0%, with the view to enabling them to effectively contribute to creating a truly European democratic space and a pan-European political debate.

In order to ensure that the elections to the European Parliament take place under strong

¹ As referred to in Article 58(2)(a) or (b) of Regulation (EU, Euratom) 2018/1046.

democracy rules, the Commission is proposing specific amendments to Regulation (EU, Euratom) No 1141/2014 in order to guaranteed high transparency standards, targeting and amplification. It aims to allow financial sanctions on European political parties and foundations that do not adhere to high transparency standards, targeting and amplification.

A repository for the disclosures by European political parties should be established and managed by the Authority on European Political Parties and Foundations (“the Authority”) established by Article 6 of Regulation (EU, Euratom) No 1141/2014. European political parties must ensure that, for each published political advertisement, meaningful and easily accessible information is available in the repository for citizens, including on the amount spent on the advertising and the origin of the funding used.

It is necessary to ensure that the Authority has sufficient resources to fully complete its tasks, both those provided for by the existing Regulation (EU, Euratom) No 1141/2014 and the new ones envisaged by the present recast proposal. This requires stable staffing and strengthening of the human resources currently provided to the Authority.

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The proposal aims at closing existing loopholes in Regulation (EU, Euratom) No 1141/2014 to help European political parties and foundations fulfil their role under Article 10(4) TEU and Regulation 1141/2014, namely to contribute to forming European political awareness.

The proposal aims at ensuring the transparent management and disclosure of political advertising of European political parties, including obligations to publish information with the political advertisements, as well as to retain and disclose further information to provide accountability around the electoral period.

1.4.4. *Indicators of performance*

Specify the indicators for monitoring progress and achievements.

Indicator 1

The amount of European political parties and foundations that received less EU funds than earmarked due to the inability to match the co-financing rate / year

Indicator 2

Number of cross-EU campaigns that European political parties ran in the run-up to the elections to the European Parliament

Indicator 3

Compliance with EU standards based on feedback to the Authority for political parties

Indicator 4

Self-reporting of compliance with the applicable rules by the European political parties

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The regime outlined above should be in place well before the elections to the European Parliament of May 2024 in order to (i) enable the European political parties to effectively campaign and (ii) deter the improper actions described. To make this operational, and to ensure the Authority is fully equipped to effectively manage all its task, additional human resources should be provided as soon as practicable, and in the first instance through the redeployment of resources carrying out these tasks prior to the creation of the Authority.

1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

This proposal concerns the system for European political parties and European political foundations established at European level. Pursuant to Regulation (EU, Euratom) No 1141/2014, these are bodies with European legal personality. The Authority is also a body with legal personality under European Union law. It is therefore only via action at EU level that the objectives described above can be pursued.

1.5.3. Lessons learned from similar experiences in the past

The co-financing rate for European political parties has been gradually decreased from 25% (legal requirement in 2003/2004) to 10% (2018 amendment to Regulation (EU, Euratom) No 1141/2014). European political parties, however, still face difficulties raising the necessary own resources to match the co-financing rate.

Regulation (EU, Euratom) No 1141/2014 includes transparency obligations in relation to financing and expenditure for electoral campaigns, published in annual financial statements. The Authority also provides some non-binding recommendations, however without follow-up monitoring of compliance. Further, the Recommendation accompanying the Commission's 2018 Elections package recommended that European political parties take steps to provide a range of information about their advertising, including about targeting. As a consequence, in the 2019 elections to the European Parliament, European political parties did not deliver the level of transparency recommended in the 2018 Elections package.

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

The present proposal would not imply any change to the ceiling of administrative spending for the EU institutions provided for in the multiannual financial framework.

1.5.5. Assessment of the different available financing options, including scope for redeployment

The proposed increase in staffing for the Authority will be met by redeployment of existing resources.

1.6. Duration and financial impact

☐ Proposal/initiative of **limited duration**

☐ Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY

☐ Financial impact from YYYY to YYYY

X unlimited duration

Implementation with a start-up period from YYYY to YYYY,
followed by full-scale operation.

1.7. Management mode(s) planned²

X Direct management by the European Parliament through the Authority

☐ executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

☐ international organisations and their agencies (to be specified);

☐ the EIB and the European Investment Fund;

☐ bodies referred to in Articles 70 and 71;

☐ public law bodies;

☐ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

Comments

The Authority is financed from a specific budget title (Title 5) of the European Parliament. The number and composition of the staff shall be indicated in the budgetary remarks of the specific title. The duties of the Authorising Officer of the European Parliament are delegated to the Director of the Authority according to point 7 of Article 6 of Regulation (EU, Euratom) No 1141/2014.

² Details of management modes and references to Regulation (EU, Euratom) 2018/1046 may be found on the BudgWeb site: <https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The Authority will continue to issue an annual activity report under Article 6 of Regulation (EU, Euratom) No 1141/2014. The European Parliament will report on the financial operations involved as part of the Union's annual accounting cycle.

2.2. Management and control system(s)

2.2.1. *Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

Given the specific set-up of the Authority (an independent body, but whose budget is part of the budget of the European Parliament) the steps proposed are the only logical ones in the light of the requirements set out above.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The financial risks are the same as for any other part of the administrative expenditure of the EU institutions and, in this case, would be covered by the existing internal control system of the European Parliament.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

No new internal control system is proposed and the additional burden of these changes to the European Parliament's internal control system are not significant.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

The European Parliament's existing provisions for its administrative expenditure would apply to that set out here.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. ³	from EFTA countries ⁴	from candidate countries ⁵	from third countries	within the meaning of Article 21(2)(b) of Regulation (EU, Euratom) 2018/1046
7	Section I – European Parliament	Diff./Non-diff.	NO	NO	NO	NO

³ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

⁴ EFTA: European Free Trade Association.

⁵ Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

Heading of multiannual financial framework	7	'European Publi Administration'
---	----------	---------------------------------

EUR million (to three decimal places)

		Year N	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	Year N+7	TOTAL
European Parliament										
○ Human Resources		0.152	0.152	0.152	0.152	0.152	0.152	0.152	0.152	1.216
○ Other administrative expenditure										
TOTAL European Parliament	Appropriations	0.152	0.152	0.152	0.152	0.152	0.152	0.152	0.152	1.216

EUR million (to three decimal places)

		Year N ⁶	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	Year N+7	TOTAL
TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments	0.152	0.152	0.152	0.152	0.152	0.152	0.152	0.152	1.216
	Payments	0.152	0.152	0.152	0.152	0.152	0.152	0.152	0.152	1.216

⁶ Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

3.2.2. Estimated impact on [body]'s appropriations

☒ The proposal/initiative does not require the use of operational appropriations

☐ The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year N		Year N+1		Year N+2		Year N+3		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL	
	OUTPUTS																	
	Type ⁷	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 ⁸ ...																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTAL COST																		

⁷ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

⁸ As described in point 1.4.2. 'Specific objective(s)...'

3.2.3. Estimated impact on the Authority's human resources

The resources set out below are the same ones as set out in section 3.2.1 above; they are repeated here for the sake of clarity that all the resources concerned are for the Authority.

3.2.3.1. Summary

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year N ⁹	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	Year N+7	TOTAL
--	------------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------

Officials/Temporary Agents (AD Grades)	0.152	0.152	0.152	0.152	0.152	0.152	0.152	0.152	1.216
Officials/Temporary agents (AST grades)	0	0	0	0	0	0	0	0	0
Contract staff									
Seconded National Experts									

TOTAL	0.152	0.152	0.152	0.152	0.152	0.152	0.152	0.152	1.216
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

The administrative appropriations required will be met by the appropriations which are already assigned to management of the action and/or have been redeployed within the Institution, together if necessary with any additional allocation which may be granted to the managing Institution under the annual budget procedure and in the light of budgetary constraints.

Staff requirements (FTE):

	Year N ¹⁰	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	Year N+7	TOTAL
Officials/Temporary Agents (AD Grades)	1	1	1	1	1	1	1	1	1
Officials/Temporary agents (AST grades)	0	0	0	0	0	0	0	0	0
Contract staff									
Seconded National Experts									

⁹ Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

¹⁰ Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

TOTAL	1	1	1	1	1	1	1	1	1
-------	---	---	---	---	---	---	---	---	---

The human resources required will be met by staff from the Institutions who are already assigned to management of the action and/or have been redeployed within the Institution, together if necessary with any additional allocation which may be granted to the managing Institution under the annual budget procedure and in the light of budgetary constraints.

3.2.4. Compatibility with the current multiannual financial framework

☒ The proposal/initiative is compatible the current multiannual financial framework.

☐ The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

[...]

☐ The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework¹¹.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

[...]

3.2.5. Third-party contributions

The proposal/initiative does not provide for co-financing by third parties.

¹¹ See Articles 11 and 17 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020.

3.3. Estimated impact on revenue

☒ The proposal/initiative has no financial impact on revenue.

☐ The proposal/initiative has the following financial impact:

☐ on own resources

☐ on other revenue

☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ¹²						
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article								

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

[...]

¹²

As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.