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39. Urges the Commission not to pursue investment, competition rules and government procurement within the EPA negotiations before achieving an explicit consensus with the ACP regions;
40. Calls for greater transparency with regard to the progress and the substance of the negotiations as well as the delivery of EPA development assistance, and for greater involvement of ACP civil society players, the private sector, national-level parliaments, local governments, the European Parliament and the ACP-EU Joint Parliamentary Assembly in the negotiations;
41. Welcomes the review of the EPA negotiations due to take place in 2006, as provided for in Article 37 (4) of the Cotonou Agreement, and trusts that it will be perceived as an opportunity to engage in a comprehensive and genuine assessment of the extent to which the EPAs will promote the appropriate conditions for poverty eradication and for long-term social and economic development to flourish;
42. Recalls and supports the Cape Town Declaration, unanimously adopted by the ACP-EU Joint Parliamentary Assembly, which called for the establishment of development benchmarks against which to assess the conduct and outcome of the ACP-EU trade negotiations; and calls for the use of such benchmarks in all reviews of the progress made;
43. Urges the Commission to proceed along these lines, implementing a new monitoring mechanism, with full involvement of parliamentarians and civil society, to ensure political scrutiny and accountability against development objectives or established benchmarks throughout the negotiating process;
44. Instructs its President to forward this resolution to the Council, the Commission, the governments of the EU Member States and of the ACP countries, the ACP-EU Council and the ACP-EU Joint Parliamentary Assembly.
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**P6\_TA(2006)0114****European political parties****European Parliament resolution on European political parties (2005/2224(INI))***The European Parliament,*

- having regard to Article 191 of the Treaty establishing the European Community, Article 12(2) of the Charter of Fundamental Rights of the European Union and Article 6(4) of the Treaty on European Union,
- having regard to Article I-46(4) of the Treaty establishing a Constitution for Europe,
- having regard to Regulation (EC) No 2004/2003 of the European Parliament and of the Council of 4 November 2003 on the regulations governing political parties at European level and the rules regarding their funding <sup>(1)</sup> (the Regulation), particularly Article 12 thereof,
- having regard to the Secretary-General's report of 21 September 2005 to the Bureau on party funding at European level pursuant to Article 15 of the Bureau decision of 29 March 2004 on implementing provisions for the Regulation <sup>(2)</sup>,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Constitutional Affairs and the opinion of the Committee on Legal Affairs (A6-0042/2006),

<sup>(1)</sup> OJ L 297, 15.11.2003, p. 1.

<sup>(2)</sup> PE 362.124/BUR/Ann. 2.

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- A. whereas the further development of a democratic EU that is close to its citizens is a precondition for public support for the next steps towards European integration, and therefore a high priority must be given to making European democracy a reality,
- B. whereas political parties, including European political parties, are vital elements in building a European political area, benefiting democracy at European level,
- C. whereas political parties play an important role in promoting democratic values such as freedom, tolerance, solidarity and gender equality,
- D. whereas deeper reflection on the future of Europe requires a comprehensive dialogue with its citizens, and political parties at European level must play a key role in this dialogue,
- E. whereas in many EU Member States political parties are supported from public funds in their work of political information and opinion-forming,
- F. whereas the political families have banded together as European political parties, and their work is supported from Community funds,
- G. whereas Article 191 of the Treaty provides a basis for public funding of European parties at EU level,
- H. 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,
- I. whereas the Regulation was the first step towards a legal framework for the European political parties,
- J. whereas the political parties have expressed a number of wishes in relation to the future shape of party funding at European level<sup>(1)</sup>,
- K. whereas Parliament's Secretary-General has submitted a report on the application of the Regulation,
- L. whereas the provision of public funding for parties under the Regulation is not intended to make it more difficult, or indeed impossible, for the European political parties to build up reserves from their own resources (donations, membership subscriptions, fees), as they are merely prohibited from using the political funding to achieve a surplus at the end of the financial year;
- M. whereas a European political party, like any other organisation, whether profit-making or non-profit-making, needs, in making its long-term plans, to have a minimum degree of financial security, not least because it has to honour its commitments to employees, suppliers and contractors over a lengthy period of time,
- N. whereas under the current rules 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 Members of the European Parliament that the party concerned accounts 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 from the political party concerned,
- O. 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 eight to ten,
- P. whereas at present the parties are highly financially 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 Parliament,

<sup>(1)</sup> Joint letter of 1 June 2005 to the President of Parliament from the following Members: Hoyer, Rasmussen, Martens, Francescato, Maes, Bertinotti, Kaminski, Bayrou and Ruttelli.

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- Q. 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,
- R. whereas the European political parties are required to submit an annual budget which is divided into five categories; whereas that budget structure is imposed by the European Parliament,
- S. whereas, pursuant to Article I.3.3 of the standard-form Grant Award Agreement between the European Parliament and a European political party<sup>(1)</sup>, transfers between budget categories may not exceed 20 % of the amount of each category,
- T. 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,
- U. whereas the European political parties can now have legal status, through having legal personality in the country in which they have their seat; whereas some parties have opted for the legal form of a Belgian non-profit association and others for the legal form of an international non-profit association,
- V. whereas, however, the fiscal treatment of the European political parties and that of the European institutions remains very different,
- W. whereas the Regulation requires the European Parliament to publish a report on application of the Regulation, indicating any proposed changes,

### ***The political background***

1. Notes that there is a gulf between many members of the public and the European institutions, and one of the reasons for this is that to date there has been inadequate political communication or information about European policy;
2. Is convinced that political parties at European level must take on a further role than solely that of umbrella organisations and become active proponents of European policy options, firmly rooted in all levels of society and working for genuine citizen involvement not only through European elections, but also in all other aspects of European political life;
3. Takes the view that political parties at European level are a key element in the process of forming and voicing European public opinion, without which further development of the EU cannot succeed;
4. Stresses the need for a genuine European party statute which goes further than the Regulation on the funding of political parties at European level, establishing their rights and obligations and enabling them to attain a legal personality based on Community law and effective in the Member States; calls for its Committee on Constitutional Affairs to consider the question of a European statute for European political parties from a legal and fiscal point of view and to draw up specific proposals to that end;
5. Urges that the statute should include provisions on individual membership of parties at European level, on their management, on the nomination of candidates and elections and on arrangements and support for party congresses and assemblies;

### ***Experiences and proposals for improvement***

6. Asks the Commission to examine the possibility of introducing, on the occasion of a revision of Regulation (EC) No 2004/2003, rules on the financing of political parties at European level from the Community budget, which are not based on the concept of grants within the meaning of Title VI of Part I of the Financial Regulation, bearing in mind that this concept does not accommodate the specific features of political parties;

<sup>(1)</sup> Annex 2 to the Decision of the Bureau of the European Parliament of 29 March 2004 laying down the procedures for implementing Regulation (EC) No 2004/2003 (OJ C 155, 12.6.2004, p. 1).

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7. Notes that three actions were brought seeking annulment of the Regulation, which the Court of First Instance rejected as inadmissible on 11 July 2005, and that an appeal has been lodged against one of the judgments;
8. Welcomes the fact that since the beginning of this parliamentary term, following the European Parliament elections in June 2004, eight alliances of political parties from the Member States have formed political parties at European level and have been able to receive funding under the provisions of the Regulation;
9. Notes that the allocation of EUR 4 648 000 in funding for the budget year 2004 began on 18 June 2004 with a call for submission of proposals and was concluded with the Bureau's final decision on funding of 6 July 2005, in accordance with the Regulation;
10. Notes with satisfaction that, in terms of appointing staff, the political parties at European level have taken account of the principle of equal opportunities for women and men to a large extent, and encourages them to ensure a better representation of women and men on lists and among elected members;
11. Points out that the EU budget for 2005 included EUR 8 400 000 for party funding, which the Bureau has distributed to the eight parties which submitted applications, in accordance with the provisions set out in the Regulation;
12. Notes that, in 2004, political parties at European level were charged a total of EUR 20 071 for technical support, i.e. rooms, technicians and particularly interpretation, which under the Regulation is provided by Parliament against payment;
13. On the basis of practical experience to date, and in view of the budget guidelines, considers that the following changes should be made to the system of funding:
  - (a) the Regulation lays down only the basic outline of the application procedure; to avoid an unnecessary burden on the applicants, it should be a two-stage procedure, firstly to decide whether a party in principle satisfies the conditions for support and secondly to determine the amount of funding;
  - (b) the timing of the payment of funds is not in tune with the way its recipients work; it should be changed so that 80 % of the funding is paid out on signature of the financial agreement and the remainder at the end of the budget year on the basis of an account submitted by the recipient;
  - (c) to give recipients a greater degree of certainty in financial planning in the context of the binding budgetary principles laid down in the Financial Regulation, the Bureau and the Committee on Budgets, which draw up the annual budget proposals, should agree at the beginning of a legislature on a funding plan over several years, both with regard to the basic amount per party (15 % of the total budget) and as to the additional amount per MEP from the party (85 % of the total budget), and thus with sufficient flexibility to allow for any new parties;
  - (d) the European political parties must be placed in a position to make longer-term financial plans; they must, therefore, be able to use any of their own funds, particularly those derived from donations and membership subscriptions, in excess of the prescribed 25 % of their expenditure to be financed from their own funds, to build up reserves;
  - (e) the current budget review procedure, or an amendment to the Regulation, should seek to introduce a limited exception which would allow 25 % of funds granted for a budget year to be used in the first quarter of the following year;
  - (f) the strict division of funds between the five categories and the limited transfer of funds between them do not meet the needs of European parties; the financial agreement should therefore be changed so that a higher proportion of the funds can be transferred between the categories, on the understanding that the administrative burden in this procedure remains minimal;

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- (g) in addition there should be a possibility of sufficient flexibility in the annual work programme submitted by the parties for them to be able to react appropriately to unforeseen events in their political work;
- (h) in the interest of efficient management of funding, the deadline for the parties to submit their final accounts should be brought forward to 15 May of the following year;
- (i) to achieve the aim of reinforcing European political parties as factors in European democracy, and against the background of increasing demands on their political work as a result of enlargements (costs of translation, travel, etc.), an appropriate increase in the financial support for political parties seems desirable;
14. Considers that during the present phase of reflection on the future of the European Union, the following questions should also be discussed:
- (a) in what way can European political foundations be supported in order to assist in European political parties' work of political information and education? Parliament calls on the Commission to submit proposals on this matter;
- (b) in what way can European lists of European parties be established for the European elections, to further the formation of a European political public sphere?
- (c) what role can the European political parties play in referendums on European topics, in European Parliament elections and in the election of the Commission President?
- (d) in what way can the role of European political youth organisations and movements, which are a vital means of nurturing European awareness and shaping a European identity among the younger generations, be promoted and enhanced? Parliament recommends the establishment of an internal working group, with representatives of the committees concerned, European political parties and the party-political youth organisations, which would present a report to the Bureau within a year on the role of party-political youth organisations and the best way of supporting them now and in the future statute.

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15. Instructs its President to forward this resolution to the Council and Commission.

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**P6\_TA(2006)0115**

## **Demographic challenges and solidarity between the generations**

### **European Parliament resolution on demographic challenges and solidarity between the generations (2005/2147(INI))**

*The European Parliament,*

- having regard to its resolution of 14 March 1997 on the Commission report to the Council and European Parliament on the demographic situation in the European Union (1995) <sup>(1)</sup>,
- having regard to its resolution of 12 March 1998 on the Commission demographic report 1997 <sup>(2)</sup>,
- having regard to its resolution of 15 December 2000 on the Commission communication 'Towards a Europe for all ages — promoting prosperity and intergenerational solidarity' <sup>(3)</sup>,

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<sup>(1)</sup> OJ C 115, 14.4.1997, p. 238.

<sup>(2)</sup> OJ C 104, 6.4.1998, p. 222.

<sup>(3)</sup> OJ C 232, 17.8.2001, p. 381.