



ANNUAL ACTIVITY REPORT

2019

Authority for European Political Parties
and European Political Foundations

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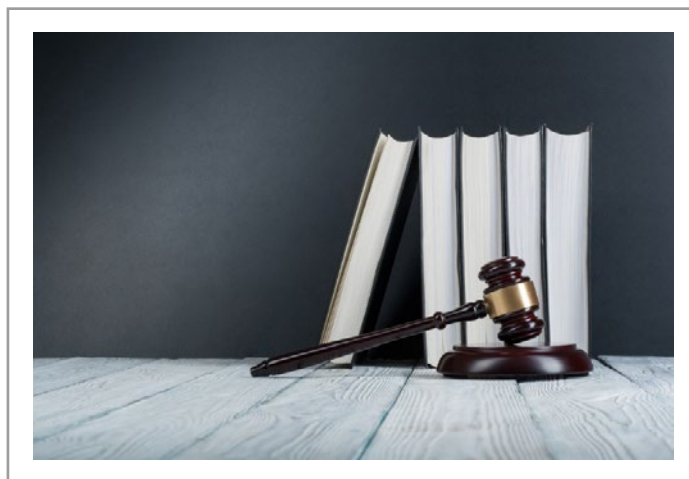
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ABBREVIATIONS

Amending Letter No 1 to the 2019 Draft General Budget	Amending Letter No 1 to the Draft General Budget 2019 of 16 October 2018
Amending Regulation (EU, Euratom) 2018/673	Regulation (EU, Euratom) 2018/673 of the European Parliament and of the Council of 3 May 2018 amending Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and European political foundations
Amending Regulation (EU, Euratom) 2019/493	Regulation (EU, Euratom) 2019/493 of the European Parliament and of the Council of 25 March 2019 amending Regulation (EU, Euratom) No 1141/2014 as regards a verification procedure related to infringements of rules on the protection of personal data in the context of elections to the European Parliament
Authority	Authority for European Political Parties and European Political Foundations
Delegated Regulation (EU, Euratom) 2015/2401	Commission Delegated Regulation (EU, Euratom) 2015/2401 of 2 October 2015 on the content and functioning of the Register of European political parties and foundations
EU foundation(s)	European political foundation(s)
EU party(ies)	European political party(ies)
General Data Protection Regulation	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC
Implementing Regulation (EU) 2015/2246	Commission Implementing Regulation (EU) 2015/2246 of 3 December 2015 on detailed provisions for the registration number system applicable to the register of European political parties and European political foundations and information provided by standard extracts from the register
Regulation (EC) No 2004/2003	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
Regulation (EU) 2018/1725	Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC
Regulation (EU, Euratom) No 1141/2014	Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations
Union	European Union
Union funding	Public funding from the general budget of the European Union

1. FOREWORD

It is with bittersweet feelings that I present the *2019 Annual Activity Report* of the Authority for European Political Parties and European Political Foundations.

While I am proud of the work the Authority carried out in 2019, this report is written in extraordinary times. Europe and the world are being shaken by an unprecedented pandemic caused by the COVID-19 coronavirus. Our thoughts go to all those who have suffered from the pandemic or lost a relative or a friend.

The crisis has brought new challenges for citizens and Union institutions alike. This holds true for the Authority as well. The sanitary restrictions adopted to tackle the crisis have demanded unprecedented commitment and flexibility from the Authority's staff. I would like to thank all of my personnel for the resilience shown in face of that adversity.

This report guides the reader through the Authority's main activities during 2019, from registration of EU parties and foundations to entirely new work streams such as financial supervision. It also provides a larger perspective on the role of EU parties in the wider European political arena, with a natural focus on the European elections which took place in May 2019. I hope readers will find it informative and insightful.

Finally, I would like to thank all those colleagues from Union institutions and bodies, as well as the Member States, who continue to help the Authority on a daily basis. Their continued assistance makes the Authority's operations possible, and we look forward to refining and improving that fruitful cooperation.



Michael ADAM

2. INTRODUCTION

This report aims to describe and explain the tasks discharged and challenges encountered by the Authority throughout 2019.

The following sections try to dissect the different work streams handled by the Authority, setting out the main features of each of them. Given the complexity of the issues involved, it is appropriate to start from an overview of Regulation (EU, Euratom) No 1141/2014. This will provide readers, particularly those who are not familiar with the details of the regime applicable to EU parties and foundations, with the necessary background to understand the sections devoted to the

Authority's activities. Following that, the report will describe operations, focusing – for the sake of simplicity – on three main areas: (i) registration and verification; (ii) financial supervision; and (iii) European elections. A fourth section will set out the other operations that do not fall in the first three categories. A further section will discuss the Authority's administrative set-up, before concluding the report.

With that plan in mind, the Authority hopes that readers will find this report insightful and useful for obtaining a deeper understanding of an evolving system of rules that is closely connected to the functioning of European democracy.

3. REGULATION (EU, EURATOM) NO 1141/2014

Through Regulation (EU, Euratom) No 1141/2014, the European legislator set up a new legal framework aimed at allowing EU parties and foundations to provide a strong link between European civil society and the Union institutions. That legal framework is an expression of the principle contained in Article 10(4) of the Treaty on European Union and Article 12(2) of the Charter of Fundamental Rights of the European Union, i.e. political parties at Union level contribute to forming European political awareness and to expressing the political will of citizens of the Union.

Regulation (EU, Euratom) No 1141/2014 builds on the past experience of the European Parliament and other stakeholders and introduces a new series of rights and obligations for EU parties and foundations. Following a comprehensive registration process, they can apply for Union funding and obtain a fully fledged European legal personality. At the same time, they must respect a number of rules and norms of conduct, including the treatment of donations and contributions, and observe the values upon which the Union is founded.

3.1. THE AUTHORITY

Regulation (EU, Euratom) No 1141/2014 established the Authority as an independent body. The Authority assesses applications for registration and makes decisions as to the registration of new EU parties and foundations or the deregistration of existing ones. The Authority is also tasked with monitoring financial transfers originating from members and donors, enforcing restrictions regarding the use of funding and imposing sanctions where an EU party or foundation fails to respect its obligations.

The Authority was formally established on 1 September 2016 and began fully operating on 1 January 2017. The Authority is represented by its Director, who makes all decisions on its behalf. Mr Michael ADAM was appointed as the first Director of the Authority by Decision (EU, Euratom) 2016/1432 of the European Parliament, the Council and the Commission of 19 August 2016. Mr Adam took up his duties on 1 September 2016 and holds a 5-year mandate.

3.2. REFORM PROCESS TO DATE

Despite its young age, Regulation (EU, Euratom) No 1141/2014 saw a number of targeted reforms throughout 2018 and 2019. It is useful to briefly outline the main features of these reforms, before discussing their actual and potential consequences in more detail in the following sections.



In May 2018, the European Parliament and the Council adopted Amending Regulation (EU, Euratom) 2018/673. This amendment, among other things, tightened the conditions for registration as an EU party and led the Authority to deregister two EU parties and one EU foundation. The amendment also refined the regulatory powers conferred on the Authority and modified the notion of National Contact Point, i.e. the entities designated at national level to exchange information in the context of the application of Regulation (EU, Euratom) No 1141/2014 (see Appendix).

In March 2019, the European Parliament and the Council adopted Amending Regulation (EU, Euratom) 2019/493. This second amendment introduced a verification procedure aiming to impose sanctions on EU parties or foundations that deliberately influence, or attempt to influence, the outcome of European elections by taking advantage of data protection breaches. It also granted the Authority additional resources and enhanced its independence.

Pursuant to Article 38 of Regulation (EU, Euratom) No 1141/2014, an evaluation of the current legislative text is also scheduled to take place in 2021. In particular, the European Parliament is called on to publish by 31 December 2021, and after consulting the Authority, a report on the application of Regulation (EU, Euratom) No 1141/2014 and the activities funded through that instrument. No more than 6 months after the publication of that report, the Commission will present a follow-up report, which may be accompanied by a legislative proposal to amend Regulation (EU, Euratom) No 1141/2014.

The Authority is ready to contribute to the legislative process by providing advice on technical points, participating in meetings with the Union institutions and proposing improvements to ensure consistency with other provisions of Regulation (EU, Euratom) No 1141/2014.



4. REGISTRATION AND VERIFICATION

Registration as an EU party or foundation is the process whereby the Authority acts as a gatekeeper and decides whether applicants fulfil the conditions and requirements to become an EU party or foundation. Registration grants two main benefits. First, EU parties and foundations are entitled to apply to obtain Union funding from the European Parliament. Second, EU parties and foundations acquire a fully fledged European legal personality through which they enjoy legal recognition and capacity in all Member States. Those benefits are, however, counterbalanced by the obligations laid down in Regulation (EU, Euratom) No 1141/2014. For example, EU parties and foundations are subject to extensive transparency requirements, cannot accept certain types of payments, particularly from outside the Union, and must respect the values upon which the Union is founded.

4.1. ADMINISTRATIVE PROCESS

In assessing applications, the Authority applies the substantive and formal conditions laid down in Regulation (EU, Euratom) No 1141/2014 and Delegated Regulation (EU, Euratom) 2015/2401. Among other applicable criteria, the Authority must examine whether an applicant fulfils the minimum representation requirements laid down in point (b) of Article 3(1) of Regulation (EU, Euratom) No 1141/2014. Simply put, the Authority must check whether the application is supported by national or regional political parties that are represented by Members of the European Parliament, or of national or regional parliaments, in at least seven Member States. Alternatively, an applicant may also prove that its member parties received at least 3 % of the votes cast at the most recent elections to the European Parliament in seven Member States.

Following the adoption of a registration decision, the Authority notifies the applicant and then publishes the registration decision on its website. The documents submitted as part of the application file are also published on the Authority's website, as required by Regulation (EU, Euratom) No 1141/2014. Registration decisions are then translated into all official Union languages and published in the *Official Journal of the European Union*.

Regulation (EU, Euratom) No 1141/2014 also mandates that the Authority, in addition to its website, establish and manage a register containing a set of information about all registered EU parties and foundations. After registration, the Authority regularly interacts with EU parties and foundations to keep their application files up to date on its website and in the register. Regulation (EU, Euratom) No 1141/2014 requires that EU parties and foundations notify the Authority of any amendments to the documents submitted as part of their applications for registration. Additionally, EU parties must file an updated list of member parties at least once a year. This process ensures that the Authority is able to verify that EU parties and foundations continue to comply with the registration conditions and provide citizens with up-to-date information.

4.2. TIGHTENING OF REGISTRATION

The original text of Regulation (EU, Euratom) No 1141/2014 allowed single parliamentarians to support an application for registration, even in the absence of a political party at national or regional level. In other words, seven parliamentarians from seven Member States – acting on an individual basis – were deemed sufficient to satisfy the minimum representation requirements. In May 2018, the European legislator adopted Amending Regulation (EU, Euratom) 2018/673. This amendment tightened the minimum representation requirements, rendering registration contingent upon an applicant being supported by seven political parties in seven Member States. Therefore, unlike in the past, single parliamentarians could no longer support an application for registration on an individual basis.

The reform not only applied to new applicants but also extended to pre-existing EU parties. As a result of this, in 2018 the Authority deregistered two EU parties, Alliance of European National Movements and Alliance for Peace and Freedom, because they did not provide proof that they satisfied the tightened minimum representation requirements. As a consequence, Europa Terra Nostra, i.e. the EU foundation affiliated with Alliance for Peace and Freedom, was also deregistered. Removal from the register terminates the European legal personality of EU parties and foundations and renders them ineligible for Union funding.

4.3. REGULAR VERIFICATION

The implementation of Amending Regulation (EU, Euratom) 2018/673 has led to the following status quo in 2019: 10 EU parties and 10 EU foundations. Registered EU parties are listed in the appendix in the order of registration, along with their respective EU foundations. The Authority received no new applications for registration in 2019. However, it carried out a verification exercise to assess whether EU parties still

fulfilled the minimum representation requirements following the changes brought about by the 2019 European elections. The results of this work stream are also shown in the appendix and demonstrate that all 10 EU parties were supported by member parties represented in the European Parliament, or in national or regional parliaments, in at least seven Member States.



5. REVIEW OF ACCOUNTS

Regulation (EU, Euratom) No 1141/2014 prescribes that EU parties and foundations submit annually a set of documents detailing their finances. That documentation must be submitted to three actors: (i) the Authority; (ii) the European Parliament; and (iii) the National Contact Point of the Member State of their seat. Pursuant to Article 23 of Regulation (EU, Euratom) No 1141/2014, EU parties and foundations have until June of each year to produce the documentation regarding the previous financial year. This means that the review starts in the second part of the year following the year under scrutiny. In practice, the Authority started reviewing the documentation relating to financial year 2018 in summer 2019.

It was the first time the Authority engaged in that work stream because Regulation (EC) No 2004/2003, i.e. the predecessor of Regulation (EU, Euratom) No 1141/2014, applied to financial year 2017, and therefore the review of that financial year was still carried out by the European Parliament. It is worth noting, however, that still today the European Parliament remains a very important actor in the review from a different angle. Regulation (EU, Euratom)

No 1141/2014 provides for a strict division of labour between the European Parliament and the Authority. On the one hand, the European Parliament ensures compliance with the obligations relating to Union funding in accordance with the Financial Regulation. On the other hand, the Authority is tasked with assessing compliance by EU parties and foundations with obligations regarding the origin and use of their funding (private and public).

5.1. FINANCIAL OBLIGATIONS

To fully grasp the review process, and the challenges encountered by the Authority in 2019, it is useful to first set out the types of obligations that Regulation (EU, Euratom) No 1141/2014 imposes on EU parties and foundations. Those obligations concern both income and expenditure and refer to three main financial areas: (i) contributions; (ii) donations; and (iii) use of funding. An explanation of the scope and content of the obligations in each area is given below.

Table 1: Summary of obligations

	Origin	Ceiling	Thresholds	Reporting	Publication
Contributions	Members	40 % of annual budget	NO for legal persons EUR 18 000 per year per natural person, unless parliamentarian	ALL contributions by 30 June of year N + 1	Contributions from member parties OR member organisations NO for natural persons
Donations	Third parties (non-members)	NO	EUR 18 000 per year per donor	ALL donations by 30 June of year N + 1 Immediately for donations above EUR 12 000 On a weekly basis 6 months prior to European elections	ALL donations, subject to safeguards for natural persons' personal data ('minor donations')

Pursuant to Regulation (EU, Euratom) No 1141/2014, the notion of contribution refers in essence to any payment, in whatever form, originating from members. The notion of contribution is broadly worded and includes not only classic membership fees but also the provision of goods or services below market value and any other transaction bringing an economic advantage. Regulation (EU, Euratom) No 1141/2014 prescribes an overall ceiling applicable to the total amount of contributions received by EU parties and foundations on a yearly basis. That total amount cannot exceed 40 % of the annual budget of the EU party or foundation concerned. In addition, single contributions from Union citizens cannot exceed EUR 18 000 per year per natural person, unless those Union citizens are parliamentarians. Quite to the contrary, contributions from legal persons, i.e. member parties for EU parties and member organisations for EU foundations, are not subject to any specific threshold. EU parties and foundations must submit data regarding contributions every year to the Authority. Following verification, contributions from member parties and member organisations are published on the Authority's website.

The notion of donation is also broadly worded and captures any payment, in whatever form, originating from third parties, i.e. non-members. Once again, the notion includes the provision of goods or services below market value and any other transaction bringing an economic advantage. The framework applicable to donations is more detailed and somewhat reversed when compared to contributions. This is because there is no overall ceiling applicable to the total amount of donations in a given financial year. There is instead a small body of donation-specific rules, which can be summarised as follows.

- ◆ EU parties and foundations can accept donations from natural or legal persons up to a value of EUR 18 000 per year per donor.
- ◆ EU parties and foundations must immediately report donations exceeding EUR 12 000 throughout the financial year.
- ◆ EU parties and foundations must report, on a weekly basis, all donations received within 6 months prior to European elections.

- ◆ EU parties and foundations cannot accept certain types of donations such as anonymous donations, donations from outside the Union and donations from public authorities.

Donations are published on the Authority's website in disaggregated manner, save for certain safeguards applicable to minor donations to protect donors' personal data.

With regard to the expenditure side, the single most important provision is contained in Article 22 of Regulation (EU, Euratom) No 1141/2014, i.e. the prohibition of funding. According to that provision, EU parties cannot fund, directly or indirectly, other political parties, and in particular national parties or candidates. Similarly, EU foundations cannot fund, directly or indirectly, elections, political parties or candidates or other foundations. In addition, EU parties and foundations cannot finance referenda campaigns. The prohibition applies to any source of funding, be it funding received from the Union budget or resources raised by EU parties or foundations from other actors (e.g. donations from Union citizens).

5.2. 2019 EXERCISE

In 2019, the Authority reviewed, for the first time, the accounts of EU parties and foundations. Throughout the exercise, the Authority received and reviewed a large number of submissions from the 20 registered entities. The review also entailed often lengthy discussions between the Authority and EU parties and foundations to identify stumbling blocks and overcome certain difficulties. The main challenges and remarks resulting from the 2019 exercise are summarised below.

The first and most significant obstacle encountered by the Authority was of an administrative nature and concerned its staffing (see **Section 8** below). To address this situation, the European legislator decided to grant additional resources to the Authority via Amending Regulation (EU, Euratom) 2019/493 and Amending Letter No 1 to the 2019 Draft General Budget. Those measures allowed the Authority to hire additional personnel to face its growing set of tasks. The Authority prioritised

the recruitment of personnel with an accounting or financial background in view of the review. As Amending Regulation (EU, Euratom) 2019/493 was only adopted in March 2019, the new staff could take up duties only as of June 2019, despite the Authority's efforts to recruit them as quickly as possible. This meant that the Authority had to train its new personnel in parallel with reviewing EU parties and foundations' accounts, which inevitably caused some delay.

The second difficulty concerned the concrete analysis of the documentation provided by EU parties and foundations. More specifically, the process raised two types of issues.

EU parties and foundations provided different levels of granularity and different formats in their submissions. Some provided detailed submissions *ab initio*. Others provided less extensive information at first and were therefore asked to complement that information to allow the Authority to perform its review in a timely manner. Based on the experience gathered during this first exercise, and in order to facilitate and speed up the review of accounts in the future, the Authority has provided a set of templates that help EU parties and foundations submit information in a comprehensive and yet practical manner. This is aimed at ensuring a comparable level of granularity of information across all accounts.

Another problem, again related to the provision of documentation, concerned the issue of personal data. In the context of its exchanges with EU parties and foundations, the Authority routinely comes across different categories of personal data regarding, for example, employees, members, donors and suppliers of EU parties and foundations. Some EU parties and foundations were reluctant to disclose information to the Authority, claiming that the information contained personal data, and therefore providing it to the Authority would be problematic under the General Data Protection Regulation. The Authority discussed with EU parties and foundations the interaction between Regulation (EU, Euratom) No 1141/2014, the General Data Protection Regulation and Regulation (EU) 2018/1725. In parallel, the Authority launched a formal consultation with the European Data Protection Supervisor (EDPS) that

resulted in the letter of 26 February 2020 (Ref: WW/ [...] D(2020) 0422 C 2020-0141), in which the EDPS supported the Authority's understanding of the legal framework and further clarified its powers in relation to data protection obligations.

Through the review of the accounts, the Authority might identify conducts potentially incompatible with Regulation (EU, Euratom) No 1141/2014, which require a formal follow-on procedure. That procedure would aim to ascertain whether the conduct concerned amounts to an infringement of the applicable rules, while also guaranteeing the exercise of the right to be heard. Where the Authority establishes that an EU party or foundation fails to respect the rules laid down in Regulation (EU, Euratom) No 1141/2014, it is mandated to impose a financial sanction on them. In such a case, according to the transparency obligations laid down in Regulation (EU, Euratom) No 1141/2014, the Authority must set out the details of, and reasons for, its decision and publish it. In 2019, the Authority did not impose a sanction on an EU party or foundation.

6. 2019 EUROPEAN ELECTIONS

The European elections took place between 23 and 26 May 2019. Union citizens voted for a new European Parliament in an election that was preceded by heated debates and concerns about foreign attempts to hijack European democracy. Against that background, the Authority devoted a large part of its resources to handling a number of work streams that had already been launched in 2018 and would continue into 2020. The experience gathered by the Authority, and EU parties, in the context of this election should serve as a beacon to increase preparedness for the next European elections in 2024. For this reason, what follows below discusses, along with the Authority's operations, certain more general hurdles that affected the conduct of campaigns by EU parties in 2019.

6.1. CAMPAIGNING

Pursuant to Regulation (EU, Euratom) No 1141/2014, EU parties are entitled to conduct campaigns in the context of European elections. This right to campaign must, however, be read in conjunction with the prohibition of funding (see **Section 5** above), which states that EU parties cannot fund, directly or indirectly, other political parties, and in particular national parties or candidates. Already in 2018, several representatives of EU parties stressed that the interaction of the two provisions leads to a certain degree of uncertainty, which could risk hindering their campaigns. They therefore sought guidance from the Authority because, under Regulation (EU, Euratom) No 1141/2014, the Authority is the Union body tasked with administering the prohibition of funding. Nevertheless, the Directorate-General for Finance of the European Parliament cooperated actively and was closely involved in the discussions with EU parties because campaigns also carried a reimbursability aspect under the Financial Regulation.

The fundamental question behind the right to campaign is: what is the role of EU parties in European elections, as opposed to the role of national parties? At the current stage of European integration, citizens of the Union can cast their vote in European elections by choosing a national party on the ballot paper. It is therefore undeniable that national parties play a major role in European elections. At the same time, as solemnly declared in Article 10(4) of the Treaty on European Union

and Article 12(2) of the Charter of Fundamental Rights of the European Union, political parties at European level contribute to forming European political awareness and to expressing the political will of citizens of the Union. It is therefore clear that EU parties also have an important role to play in European elections. This is reflected in Regulation (EU, Euratom) No 1141/2014, which provides that EU parties are entitled to conduct campaigns in the context of European elections.

The natural follow-on question is therefore: what elements should a campaign conducted by an EU party feature, and which ones should it avoid? To address this question, the Authority and the Directorate-General for Finance of the European Parliament identified a set of principles intended to render the right to campaign operational, while also setting out its limits. Those principles delve into the notion of European campaign or, to put it differently, focus on the question of whether a campaign is truly European. The Authority, in cooperation with the Directorate-General for Finance of the European Parliament, set out five principles the respect of which would, in its view, mean that a campaign can be considered as a European one.

Scope. Campaigns by EU parties must be carried out in several Member States to be regarded as having a European dimension. This is a reflection of Regulation (EU, Euratom) No 1141/2014, which requires EU parties to achieve representation in at least seven Member States.

Content. Truly European campaigns must also predominantly focus on European topics, i.e. topics that affect citizens across the Union. In other words, EU parties must avoid including purely national, regional or local topics in their campaigns.

Ownership. EU parties must always be able to demonstrate that campaigns were carried out in the context of the European elections, and in their interest as contestants in those elections. EU parties must be the owners of the campaigns and take responsibility for them.

Authorship. Campaigns by EU parties must be clearly and unambiguously attributable to them through, for example, logos and banners. Put differently, Union citizens must be able to associate those campaigns with the EU parties running and financing them.

Law. Campaigns by EU parties must be compatible with the applicable national law. This is because, in accordance with the Act concerning the election of the Members of the European Parliament by direct universal suffrage, the funding, limitation and participation in European elections is governed in each Member State by national provisions.

EU parties welcomed the clarifications, even if they emphasised the complexity of the overall legislative framework. The Authority considers that such complexity was in part carried forward from Regulation (EC) No 2004/2003 into Regulation (EU, Euratom) No 1141/2014. A renewed discussion on the interaction between European and national legislation and EU parties' right to campaign may be a worthwhile step to pave the way to the 2024 European elections.

6.2. OBSTACLES AND THREATS OF INTERFERENCE

Nowadays, it is difficult to discuss elections without emphasising the role played by technology. Through social media platforms, candidates are able to talk to thousands of voters and amplify – or multiply – the reach of their political message. It is undeniable that social media platforms wield enormous weight in the electoral process and will continue to do so in the foreseeable future. In this context, the importance of personal data, and in particular political sensitivities and inclinations, reached a whole new dimension. Mapping preferences, targeting audiences and identifying swing voters are made dramatically more accurate through the use of data. Therefore, acquisition and access to personal data for political gain has also become a major concern over the last few years. Union institutions have also acknowledged the risk of interference and manipulation deriving from our interconnected world. It is therefore worth discussing, albeit briefly, certain implications of this issue for EU parties and their campaigns.

In 2019, several EU parties contacted the Authority describing difficulties encountered when setting up political campaigns on social media platforms. These parties explained that the restrictions imposed on them made it excessively difficult, if not impossible, to run truly EU-wide campaigns. Such restrictions resulted from policies adopted by social media platforms to combat disinformation and to protect European elections. These policies included, inter alia, certification processes and

payment restrictions designed on a national scale, which disregarded EU parties' wish – and right – to campaign across Europe and reach multiple Member States. The Authority conveyed these concerns to social media platforms. Nevertheless, the Authority lacks formal power over private operators, to enable EU parties to exercise their right to campaign on social media platforms.

While those policies were later revised, this experience represents a cautionary tale for the 2024 European elections. The Authority considers that at least some of the difficulties experienced by EU parties could have been avoided, had all key players been consulted at an early stage. For this reason, it is crucial to set up formal and informal working channels to allow stakeholders – on both sides of the table – to express their views and concerns regarding policies regulating political advertising and to coordinate efforts directed at ensuring free, fair and secure elections.

In the same spirit, the Commission unveiled in September 2018 a proposal for a second revision of Regulation (EU, Euratom) No 1141/2014. The revision was part of the 2018 package of measures proposed by the Commission to ensure free, fair and secure European elections. As noted in **Section 3** above, Amending Regulation (EU, Euratom) 2019/493 was adopted by the European Parliament and the Council in March 2019. This second revision introduced a verification procedure aiming to impose sanctions on EU parties or foundations that deliberately influence, or attempt to influence, the outcome of European elections by taking advantage of data protection breaches. The Authority contributed to the legislative process by providing technical advice.

The practical functioning of the new verification procedure is premised on the timely transmission of information from national instances to the Authority. This is because the verification procedure can only be triggered as a result of an infringement decision adopted by a national data protection authority and transmitted to the Authority. Throughout 2019, the Authority invested significant efforts in reaching out to the Member States and establishing a network of national data protection authorities to render the new verification procedure fully operational. Most Member States have now provided the relevant information to the Authority. In 2019, no national data protection authority transmitted to the Authority information regarding the imposition of an infringement decision that could trigger the verification procedure in question.

7. OTHER OPERATIONS

In 2019, the Authority carried out a range of other operations that do not properly fall into one of the categories described in the previous sections. It is useful to provide a brief description of those operations that, far from being minor or ancillary, constitute resource-intensive work streams, which add significant strain to the Authority's limited resources (see **Section 8** below).

7.1. AWARD OF UNION FUNDING

The Authority regularly cooperates with the European Parliament to ensure the award of Union funding to EU parties and foundations. In 2019, the Authority assisted the European Parliament in the award of Union funding for financial year 2020. In particular, the Authority and the European Parliament discussed, in early 2019, the content of the call for contributions envisaged by Regulation (EU, Euratom) No 1141/2014 and later published in the *Official Journal of the European Union* of 25 July 2019. Between September and November 2019, the Authority then liaised with EU parties regarding the number of Members of the European Parliament per party, which is the central criterion that allows the European Parliament to calculate the amount of Union funding granted to each EU party and foundation. To carry out that task, the Authority reviewed the relevant sections of the applications for funding received by the European Parliament and asked EU parties to provide clarifications. It then reviewed the supplemental submissions and communicated the number of Members of the European Parliament to the European Parliament, which then finalised the award in accordance with the applicable rules.

7.2. THE AUTHORITY'S WEBSITE

Regulation (EU, Euratom) No 1141/2014 introduced extensive transparency requirements for EU parties and foundations. The Authority divulges information to Union citizens through its website (<http://www.appf.europa.eu>). More specifically, Union citizens are able to access a wide array of information regarding, among other things, the composition of EU parties and foundations, their statutes and governing structures. The categories of information available through the website can be summarised as follows:

- ◆ decisions to register or not to register applicants, including documentation submitted as part of the applications and amendments;
- ◆ lists of Members of the European Parliament who are members of an EU party;
- ◆ data regarding donors and corresponding donations, subject to certain safeguards to protect natural persons' personal data (essentially, aggregation under the label 'minor donations');
- ◆ data regarding contributions received by EU parties and foundations (excluding contributions from natural persons); and
- ◆ the details of and reasons for final decisions taken by the Authority regarding sanctions, including deregistration decisions.

In addition, the Authority publishes its decisions to register, not to register and to deregister EU parties and foundations in the *Official Journal of the European Union*.

7.3. COMPLIANCE WITH UNION VALUES

Regulation (EU, Euratom) No 1141/2014 introduced a procedure for assessing whether EU parties and foundations comply with the values upon which the Union is founded. That procedure is complex and may involve the European Parliament, the Council and the Commission, as well as an additional committee established by Regulation (EU, Euratom) No 1141/2014 in an advisory role, i.e. the Committee of Independent Eminent Persons. For example, the European Parliament – acting on its own initiative or following a reasoned request from a group of citizens – may request the Authority to verify compliance by a specific EU party with Union values. The Authority would in turn consult with the Committee of Independent Eminent Persons about the case and then decide whether to deregister the EU party concerned. Ultimately, a decision to deregister an EU party could still be blocked by the European Parliament and the Council, which are entitled to raise objections in accordance with their respective decision-making rules. In 2019, the Union institutions did not trigger this procedure.

7.4. LITIGATION BEFORE THE UNION COURTS

The Authority is currently participating as an intervener in support of the European Parliament in Case T-107/19 *Alliance of Conservatives and Reformists in Europe (ACRE) v European Parliament*. The Authority decided to intervene in June 2019 because certain aspects of the

litigation have significant implications for the conduct of its administrative procedures. The litigation is ongoing, and the General Court of the European Union has not yet handed down its judgment.



8. ADMINISTRATIVE SET-UP

This section provides a brief overview of the administrative set-up of the Authority. For a number of administrative aspects, the Authority is embedded within the European Parliament's administration. Its budget is also part of the budget of the European Parliament. Personnel are, however, selected and appointed by the Authority and subject to the direction of the Director of the Authority. The paragraphs below describe this set-up in more detail and offer some background to understand its evolution over time.

8.1. INFRASTRUCTURE AND BUDGET

Pursuant to Regulation (EU, Euratom) No 1141/2014, the Authority is physically located in the European Parliament, which provides it with the necessary offices and administrative support. Working arrangements with several departments of the European Parliament are in place or being discussed in light of the specific setting of the Authority, which raises certain challenges. On the one hand, the Authority needs the cooperation of the European Parliament for a number of administrative and practical matters. On the other hand, the Authority is set up as an independent body, with its own budget and staff, to implement and enforce Regulation (EU, Euratom) No 1141/2014. Finding the correct equilibrium, including budgetary mechanisms, among all the interests at stake has proven time-consuming. That said, the Authority would not have been able to operate without the assistance and efforts of the European Parliament.

The Authority's budget is a separate title in the section on the European Parliament in the general budget of the European Union. In 2018, the Authority published its draft budget for the year 2019 in accordance with Article 6(7) of Regulation (EU, Euratom) No 1141/2014. The draft budget was presented to the Coordinators of the Budget Committee. Based on that practice, in 2019 the Authority drafted and published a new draft budget for the year 2020. Nevertheless, due to the late arrival of personnel with financial expertise in 2019, and the need to train staff and to acquire the necessary infrastructure to incur expenditure in compliance with the Financial Regulation, the Authority was not able to use its budget in 2019.

8.2. HUMAN RESOURCES

Human resources, and notably personnel, has been the Authority's major hurdle since its inception. The original text of Regulation (EU, Euratom) No 1141/2014 set out that one or more Union institutions would provide the Authority with staff, while clarifying that such staff acted under the sole authority of the Director. The European Parliament made the necessary arrangements to make available personnel to the Authority as of 2016. By the end of 2017, the Authority's staff comprised two full-time employees, plus the Director. That staffing level was not sufficient to allow the Authority to fully discharge its mandate and, concurrently, to complete its internal set-up. The setting was also problematic in terms of independence and business continuity.

In 2018, the Union institutions took decisions with both a short- and a long-term impact to address the issue. On 12 September 2018, the Commission put forward a proposal for Amending Regulation (EU, Euratom) 2019/493, which was followed by Amending Letter No 1 to the 2019 Draft General Budget. In essence, those measures proposed to provide the Authority with additional staff and conferred on the Director appointing authority's powers under the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the Union, laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 of 29 February 1968. As noted in **Section 5** above, in 2019 the Authority focused on recruiting personnel with accounting or financial background in view of the forthcoming review of accounts.

Following the legislative changes described above, in 2019 the number of full-time employees reached a total of eight, plus the Director. The most recent experience suggests that this staffing level is sufficient to handle ordinary day-to-day operations. However, it comes under significant strain when faced with multiple overlapping tasks or with extraordinary or non-recurrent work streams such as litigation before the Union Courts or formal proceedings pursuant to Regulation (EU, Euratom) No 1141/2014.

9. CONCLUSION

2019 was a hectic year for the Authority. It was marked by two extraordinary events: the European elections of May 2019 and the first review of the accounts of EU parties and foundations, in addition to regular activities.

In the context of the 2019 European elections, the Authority has, together with the Directorate-General for Finance of the European Parliament, developed a set of principles to render operational the right of EU parties to campaign in European elections, while at the same time setting out its limits. This has addressed some of the concerns voiced by the parties and allowed them to design their campaigns accordingly. The first review of the accounts of EU parties and foundations has required very intensive on-the-job learning from the newly recruited staff. This experience has brought to light areas for improvements, particularly regarding the level of granularity and comparability of the information provided by EU parties and foundations. The introduction of templates by the Authority is intended to facilitate this process in 2020.

In addition to these work streams, the Authority has also conducted its day-to-day activities. These include the regular verification of registration conditions by

EU parties, continuous updating of the information on the website and cooperation with the European Parliament over the award of funding to EU parties and foundations. The Authority has also intervened in proceedings before the General Court of the European Union and liaised with Member States to set up a network of National Contact Points and data protection authorities. On balance, the current administrative set-up of the Authority, and in particular its staffing, allows it to carry out its ordinary day-to-day operations. It comes, however, under significant strain when faced with multiple overlapping tasks or with extraordinary or non-recurrent work streams such as litigation before the Union courts or formal proceedings pursuant to Regulation (EU, Euratom) No 1141/2014.

In conclusion, the Authority continued to explore new facets of its mandate in 2019. In doing so, it has acquired further experience, knowledge and confidence in delivering its mission and looks forward to the forthcoming evaluation of the current legislative framework scheduled for 2021.

10. APPENDIX

10.1. SECTION 1: EU PARTIES AND FOUNDATIONS

The series of tables below sets out the currently registered EU parties, along with their affiliated EU foundations. The tables also display the national or regional political parties that were retained for the purpose of representation following the verification that was carried out after the 2019 elections to the European Parliament. The tables follow the order of registration with the Authority.

EU Party 1

Alliance of Liberals and Democrats for Europe Party (ALDE)

Seat: Belgium



Representation following European elections



Mouvement Réformateur
Reformist Movement



Venstre, Danmarks Liberale Parti
Left, Liberal Party of Denmark

VENSTRE



Freie Demokratische Partei
Free Democratic Party



Demokratosch Partei
Democratic Party



Democraten 66
Democrats 66



NEOS – Das Neue Österreich und Liberales Forum
NEOS – The New Austria and Liberal Forum



Centerpartiet
Centre Party



Affiliated EU foundation

European Liberal Forum (ELF)

Seat: Belgium



EU Party 2

European People's Party

Seat: Belgium



Representation following European elections



Christen-Democratisch en Vlaams
Christian Democratic and Flemish



Граждани за европейско развитие на България
Citizens for European Development of Bulgaria



**Křesťanská a demokratická unie
Československá strana lidová**
Christian and Democratic Union
Czechoslovak People's Party



Fine Gael



Δημοκρατικός Συναγερμός
Democratic Rally



Christen-Democratisch Appèl
Christian Democratic Appeal



Partido Social Democrata
Social Democratic Party



Affiliated EU foundation

Wilfried Martens Centre for European Studies

Seat: Belgium



EU Party 3

Party of European Socialists

Seat: Belgium



Representation following European elections



Parti Socialiste
Socialist Party



Българска социалистическа партия
Bulgarian Socialist Party



Irish Labour Party



Partito Democratico
Democratic Party



Magyar Szocialista Párt
Hungarian Socialist Party



Sozialdemokratische Partei Österreichs
Social Democratic Party of Austria



Partido Socialista
Socialist Party



Affiliated EU foundation

Foundation for European Progressive Studies

Seat: Belgium



EU Party 4

European Democratic Party

Seat: Belgium



Representation following European elections



Freie Wähler
Free Voters



Euzko Alderdi Jeltzalea – Partido Nacionalista Vasco
Basque Nationalist Party



Mouvement Démocrate
Democratic Movement



Narodna stranka – Reformisti
People's Party – Reformists



Συμμαχία Πολιτών
Citizens' Alliance



Új Kezdet
New Start



Demokratska stranka upokojencev Slovenije
Democratic Party of Pensioners of Slovenia



Affiliated EU foundation

Institute of European Democrats

Seat: Belgium



EU Party 5

European Free Alliance
Seat: Belgium



Representation following European elections



Nieuw-Vlaamse Alliantie
New Flemish Alliance



Südschleswigsche Wählerverband
South Schleswig Voters' Association



Esquerra Republicana de Catalunya
Republican Left of Catalonia



Partitu di a Nazione Corsa
Party of the Corsican Nation



Fryske Nasjonale Partij
Frisian National Party



Ålands Framtid
Future of Åland



Plaid Cymru
Party of Wales



Affiliated EU foundation

Coppieters Foundation
(formerly Centre Maurits Coppieters)
Seat: Belgium



EU Party 6

European Green Party

Seat: Belgium



Representation following European elections



Europe écologie – Les Verts
Europe ecology – the Greens



Déi Gréng
The Greens



Lehet Más a Politika
Hungary's Green Party



Die-Grünen
The Greens



Vihreät – De Gröna
Green Party

Vihreät De Gröna



Miljöpartiet de Gröna
Green Party



The Green Party of England and Wales



Affiliated EU foundation

Green European Foundation

Seat: Luxembourg



GREEN EUROPEAN FOUNDATION

EU Party 7

Party of the European Left

Seat: Belgium



Representation following European elections



Die Linke
The Left

DIE LINKE.



Syriza
Coalition of the Radical Left

ΣΥΡΙΖΑ



Izquierda Unida
United Left

TU IZQUIERDA



Parti Communiste français
French Communist Party



Bloco de Esquerda
Left Bloc

Bloco de Esquerda



Levica
The Left

LEVICA



Vasemmistoliitto
Left Alliance

vasemmisto

Affiliated EU foundation

Transform Europe

Seat: Belgium



EU Party 8

European Conservatives and Reformists Party

(formerly Alliance of Conservatives and Reformists in Europe)

Seat: Belgium



Representation following European elections



ВМРО – Българско национално движение
IMRO – Bulgarian National Movement



Občanská demokratická strana
Civic Democratic Party



Hrvatska konzervativna stranka
Croatian Conservative Party



Nacionālā apvienība "Visu Latvijai!"
National Alliance 'All For Latvia!'



Lietuvos lenkų rinkimų akcija
Krikščioniškų šeimų sąjunga
Electoral Action of Poles in Lithuania
Christian Families Alliance



Sloboda a Solidarita
Freedom and Solidarity



The Conservative and Unionist Party



Affiliated EU foundation

New Direction – The Foundation for European Reform

Seat: Belgium



European Christian Political Movement
Seat: Netherlands



Representation following European elections



Familien-Partei Deutschlands
Family Party of Germany



Human Dignity Alliance



Parti chrétien-démocrate
Christian Democratic Party



Hrast – Pokret za uspješnu Hrvatsku
Hrast – Movement for Successful Croatia



ChristenUnie
Christian Union



Prawica Rzeczypospolitej
Right Wing of the Republic



Partido Popular Monárquico
People's Monarchist Party



**Uniunea Democratică a Slovacilor
și Cehilor din România**
Democratic Union of Slovaks
and Czechs of Romania



Affiliated EU foundation

Sallux
Seat: Netherlands



EU Party 10

Identity and Democracy Party

(formerly Mouvement for a Europe of Nations and Freedom)

Seat: France



Representation following European elections



Vlaams Belang
Flemish Interest



Воля (Volya)
Will



Svoboda a přímá demokracie
Freedom and Direct Democracy



Eesti Konservatiivne Rahvaerakond
Conservative People's Party of Estonia



Rassemblement national
National Rally



Lega Nord
Northern League



Freiheitliche Partei Österreichs
Freedom Party of Austria



Sme Rodina – Boris Kollár
We Are Family – Boris Kollár



Affiliated EU foundation

Association pour l'Identité et Démocratie Fondation

(formerly Fondation pour une Europe des Nations et des Libertés)

Seat: France



10.2. SECTION 2: NATIONAL CONTACT POINTS

The Member States that provided their designated National Contact Point to the Authority in accordance with Regulation (EU, Euratom) No 1141/2014 are listed below.

Figure 1: Available National Contact Points

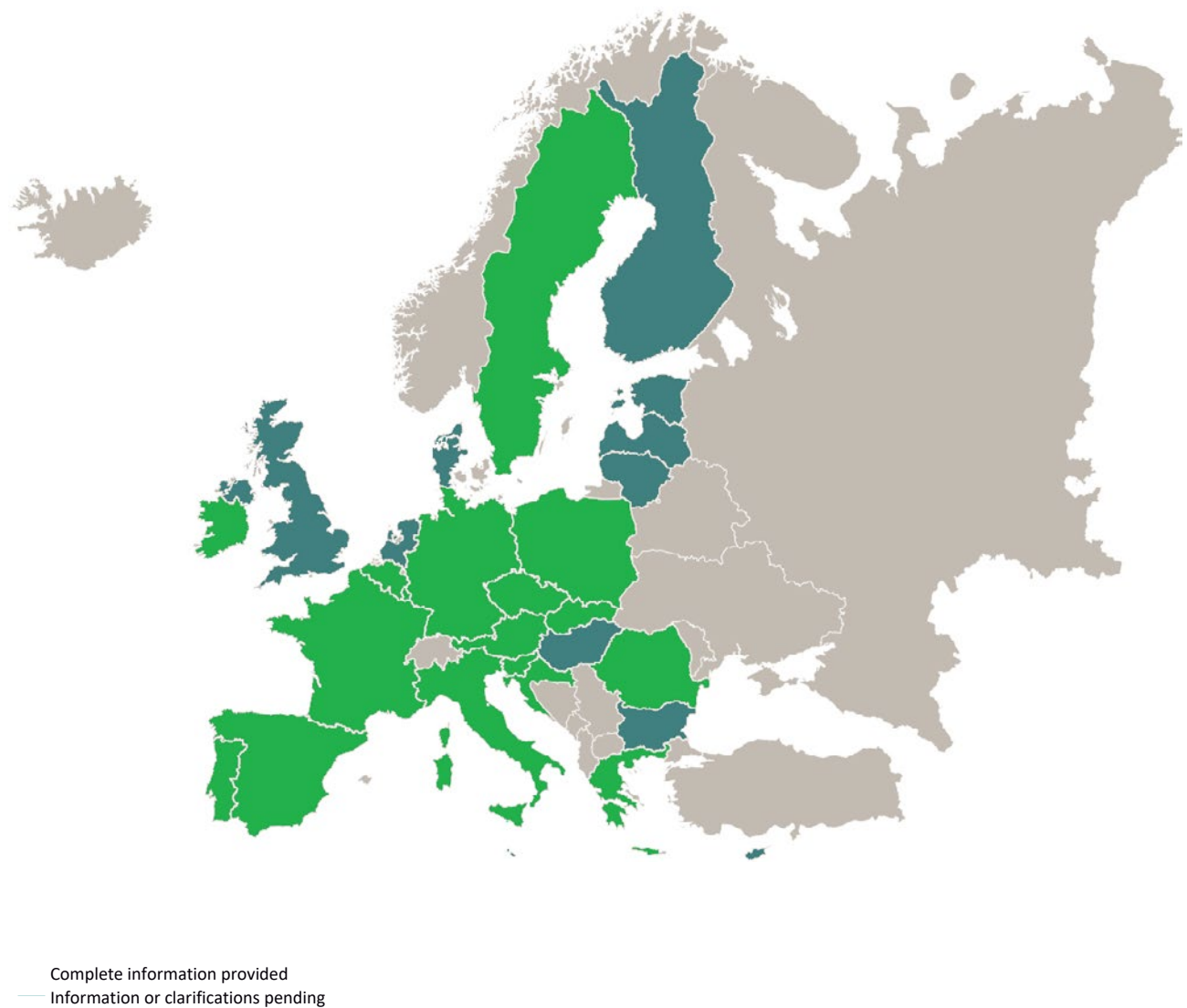


Table 2: List of National Contact Points

Member State	National Contact Point
Belgium	SPF Affaires étrangères/FOD Buitenlandse Zaken
Czechia	Ministry of Finance
Germany	Federal Ministry of the Interior, Building and Community
Ireland	Department of Housing, Planning and Local Government
Greece	Ministry of Interior
Spain	Agencia Española de Protección De Datos (Spanish Data Protection Agency)
France	Commission Nationale des Comptes de Campagne et des Financements Politiques
Croatia	Ministry of Public Administration
Italy	Commissione di garanzia degli statuti e per la trasparenza e il controllo dei rendiconti dei partiti politici
Luxembourg	Ministère d'État
Austria	Bundeskanzleramt (Federal Chancellery)
Poland	National Election Committee
Portugal	Entidade das Contas e Financiamentos Políticos – Tribunal Constitucional (Entity for Political Financing and Accounts – Portuguese Constitutional Court)
Romania	Permanent Electoral Authority
Slovenia	Agencija Republike Slovenije za javnopravne evidence in storitve (Agency of the Republic of Slovenia for Public Legal Records and Related Services)
Slovakia	Ministry of Interior
Sweden	Kammarkollegiet (The Legal, Financial and Administrative Services Agency)

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