



# AUTHORITY FOR EUROPEAN POLITICAL PARTIES AND EUROPEAN POLITICAL FOUNDATIONS

## ***DRAFT BUDGET PLAN 2019***

### *Part I: General Introduction*

This document sets out the resources that the Authority for European political parties and European political foundations (“Authority”) requires to discharge its mandate pursuant to 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 (“Regulation (EU, Euratom) No 1141/2014”).

Pursuant to Article 6(7) of Regulation (EU, Euratom) No 1141/2014, the appropriations for the expenditure of the Authority are provided under a separate Title in the Section for the European Parliament in the general budget of the European Union. According to that provision, those appropriations must be sufficient to ensure the full and independent operation of the Authority. In 2016, the European Parliament introduced a budget item “5 0 0” for “Operational expenditure of the Authority for European Political Parties and European Political Foundations”.

Part II below details (i) the resources that are or can be made available from other institutions to the Authority through agreements or administrative arrangements; and (ii) the resources that the Authority intends to source from third parties to the extent that no equally cost-efficient solution is offered to it from other institutions. Where an agreement or administrative arrangement with another institution is in place or envisaged, the contracting parties establish the level and volume of services made available to the Authority and, if appropriate, the basis for calculating reimbursements for any services exceeding those set in the relevant agreement or administrative arrangement.

The European Parliament is the first institution to provide staff to the Authority in accordance with Article 6(5) of Regulation (EU, Euratom) No 1141/2014. Currently, this support takes the form of two full time equivalents seconded to the Authority on a temporary basis. This setting is not sufficient to enable the Authority to discharge its mandate to the required degree and additional support from all the institutions is therefore of utmost urgency.

For this reason, a substantial appropriation is envisaged in Part II below to provide the Authority with enough financial autonomy to seek external expertise for *ad hoc* tasks (*e.g.*, analysis of financial statements) and to expand in response to peaks, should that become necessary in the performance of its duties. The Authority considers however that this solution remains sub-optimal compared to the provision of additional staff from other institutions and generates a number of practical difficulties (*e.g.*, significant additional costs with limited return, access of third parties to confidential documents).

The Authority has therefore requested the Commission and the Council to provide staff in order to allow it to properly carry out its tasks as of 2019. In response, on 16 October 2018, the Commission



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has presented Amending letter No 1 to the draft general budget 2019<sup>1</sup> which proposes to provide the Authority with additional staff.

As regards administrative support, currently, the European Parliament is the only institution providing such support to the Authority. For this reason, the below sets out ongoing or potential areas of cooperation with the services of the European Parliament. This however does not exclude that similar forms of cooperation could be set up with other institutions in the next future. The areas of cooperation are as follows:

- **Translation services.** Translation services are currently provided by the European Parliament.
- **Interpretation services.** Although the Authority has not to date required any interpretation services, it is likely that those services may represent a necessary cost in the future.
- **Training services.** The Authority intends to invest in improving staff skills and efficiency via tailored trainings. Trainings and related services are currently provided by the European Parliament to the Authority's staff. In addition, a further appropriation is envisaged to provide the Authority with enough financial autonomy to source additional training services from the market (*e.g.*, audit and accounting), should the Authority need specialised trainings outside the catalogue made available by the European Parliament. The Authority remains also open to source any additional specialised trainings from the other institutions, if that option is offered and represents a more cost effective means to meet its needs.
- **Premises.** Pursuant to Article 6(4) of Regulation (EU, Euratom) No 1141/2014, the Authority is located in the European Parliament, which provides the necessary office space and administrative support facilities. To date, the European Parliament provides three offices in the Paul Henri Spaak building. That office space is sufficient to host the Authority's current very limited staff. However, the European Parliament should start considering solutions to respond to a potential expansion of the Authority's staff in the next future.
- **IT services.** The purchase, hire, servicing and maintenance of hardware and software for business-as-usual operations and related services are currently provided by the European Parliament. In addition, a further appropriation is envisaged to provide the Authority with enough financial autonomy to explore alternative IT solutions that are not available in the European Parliament to respond to needs relating to the performance of its duties, *e.g.*, software for investigations and processing of bulky submissions. The Authority remains also open to source any additional hardware or software from the other institutions, if that option is offered and represents a more cost effective means to meet its needs.
- **Technical equipment and installations.** An appropriation is envisaged to provide the Authority with enough financial autonomy to purchase a few pieces of technical equipment that are currently not available. The Authority remains also open to source that equipment from the other institutions, should that be administratively feasible.
- **Postage services.** Postage services, including processing and delivery by national postal services or private delivery firms, are provided by the European Parliament.

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<sup>1</sup> COM(2018) 709 final.



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- **Missions and duty travel.** Services related to the organisation and payment of missions and duty travel are currently provided by the European Parliament.
- **Documentation services.** Documentation services, including subscriptions to newspapers and periodicals and access to the library, is provided by the European Parliament. In addition, a further appropriation is envisaged to provide the Authority with the financial autonomy to purchase specialised documentation that is not available to the European Parliament. The Authority remains however open to source any additional documentation from the other institutions, if that is offered and represents a more cost effective means to meet its needs.

Amounts provided in Part II below are estimations and depend - to a certain extent - on (i) the number of full time equivalents that will be working for the Authority in 2019 and (ii) whether the needs identified under Part II below can actually be met through agreements with the other institutions. The Authority will monitor the evolution of its needs and revisit this budget plan and the amounts contained therein in light of that evolution.



## Part II: Expenditure

Since Regulation (EU, Euratom) No 1141/2014 constitutes the legal basis for essentially all of the operations of the Authority, it will not be repeated under each budget item, unless a specific provision is to be singled out.

### **A - Direct support from the European Parliament**

As noted in Part I, the European Parliament is the first institution to provide staff to the Authority in accordance with Article 6(5) of Regulation (EU, Euratom) No 1141/2014. Currently, this support takes the form of two full time equivalents seconded to the Authority on a temporary basis. Further, Article 6(4) of Regulation (EU, Euratom) No 1141/2014 provides that *“the Authority shall be physically located in the European Parliament, which shall provide the Authority with the necessary offices and administrative support”*.

The appropriations below are provided following the respective chapters of the budget of the European Parliament and are managed by the relevant Authorising Officers of the European Parliament.

The below table is based on the assumption that Amending letter No 1 to the draft general budget 2019 will be adopted and therefore includes the additional staff proposed in that letter.

The relevant expenditure is as follows:

<b>Nature of expenditure</b>	<b>Assessment</b>	<b>Amount (EUR)</b>
Staff (Chap 12 and 14)	Salaries of current and prospective staff	995 500
Language services (Chap 14)	Costs of translation and interpretation services	3 500
Professional trainings (Chap 16)	Costs of potential trainings	3 000
Building, IT and ancillary expenses (Chap 20 and 21)	Expenditure related to premises and day-to-day operations	221 000
Missions (chap 30)	Costs of missions and duty travel	42 000
Documentation services (Chap 32)	Costs of access to documentation	1 000
Other administrative expenditure	Postage services, office supplies, etc.	p.m.
<b>Total</b>		<b>1 266 000</b>

### **B - Support from other institutions**

In accordance with Article 6(6) of Regulation (EU, Euratom) No 1141/2014, other institutions may contribute to the resources necessary for the functioning of the Authority, in particular the Council and the Commission.

The Authority is currently cooperating with those institutions with a view to concluding administrative arrangements. It is therefore expected that those institutions may contribute the following type of resources:

- ▶ provision of personnel;
- ▶ financial transfers to cover the costs of the functioning of the Authority. This type of contribution should be transferred as assigned revenue under budget item 5 0 0 for which the Authority acts as Authorising Officer or directly to a specific service of the European Parliament when this latter provides a service to the Authority.



### **C - Appropriation under item 5 0 0**

Finally, in accordance with Article 6(7) of Regulation (EU, Euratom) No 1141/2014, the Authority is provided with its own budget item 5 0 0 under a separate Title in the Section for the European Parliament in the general budget of the European Union. The Authority acts as Authorising Officer with respect to that budget item.

This appropriation aims to ensure the full and independent operation of the Authority. It covers in particular expenditure specifically related to the mission of the Authority among which: professional trainings, purchase of software and hardware, acquisition of expertise and advice, legal costs and damages, documentation and outreach activities, as well as other administrative costs. This appropriation may also cover costs invoiced by an institution in case the Authority exceeds the thresholds agreed with that institution when sourcing goods or services in the context of the agreements and administrative arrangements concluded under Article 6 of Regulation (EU, Euratom) No 1141/2014.

The amount of appropriations requested for financial year 2019 is estimated at EUR 280 000.

In sum, the resources deemed necessary for the operation of the Authority are as follows:

<b>Resources</b>	<b>Legal Basis</b>	<b>Amount (EUR)</b>
Direct support from EP	Article 6(4)-(6) of Reg. No 1141/2014	1 266 000
Support from other institutions	Article 6(6) of Reg. No 1141/2014	p.m.
Budget item of the Authority 5 0 0	Article 6(7) of Reg. No 1141/2014	280 000

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