



Notes on the draft budget and membership fees 2025 & Proposal for adoption

Summary & Proposal for decision

The total balanced budget 2025 (EP budget + carry-over budget) stands at 4.151.488 EUR, based on an expected grant of 3.242.988 EUR (compared to a grant of 4.477.434 EUR in 2022, the last pre-election year, i.e. a loss of 27,57%). The draft membership fees 2025 are overall at nearly the current level (512.039 EUR, approx. 17.000 EUR less than in 2024) with bigger changes for more member parties than in previous years.

The political landscape after the European election is volatile, which leads to uncertainties around the total number of European Political Parties (EUPPs) and affiliated MEPs. Both are part of the grant formula; this and other political developments outside our control can have an impact on the maximum grant amount EGP can potentially receive in the coming years. This makes mid-term planning very difficult and the projection of the development of the Campaign Fund until the next European election campaign (included for information) is necessarily an inspired guess at this point.

Proposal for decision:

The 39th EGP Congress in Dublin, 6-8 December 2024, adopts:

1. the draft total budget 2025 of 4.151.488 EUR (4.020.065 EUR EP budget + 131.422 EUR carry-over budget). This includes an expected grant of 3.242.988 EUR, a carry-over from 2024 of 350.000 EUR and a provision to the Campaign Fund of 123.479 EUR.

2. the draft membership fees for 2025 as per the membership fee table for EU countries only, with a total of 512.039 EUR.

Membership fees will only be raised from EU member parties in line with current legal requirements. The voting rights of the non-EU member parties at Congress remain unaffected.

The budget 2025 process

The total amount of grant funding available to European Political Parties (EUPPs) in 2025 is the same as in 2024: 46 million EUR. The budget-setting process for 2025 was more complex than in previous years because of several factors:

- The overall loss of Green and signed-up MEPs (indirect and direct members of EGP), as this led to a considerable reduction in the grant.
- Uncertainty over the total number of EUPPs, and of the number of MEPs affiliated to all EUPPs, both of which also have an impact on the funding formula for the grant – which ultimately leads to a further reduction in the grant EGP receives.
- Uncertainties over the maximum grant available to EGP persisted while the grant application had to be submitted to the EP by 30 September 2024 (3 deadlines – for the number of registered EUPPs, the number of affiliated MEPs and the grant application itself – fall on the same day).
- Following the financial focus on the 2024 election campaign, as per the adopted budgets 2023 and 2024, the carry-over to 2025 would be very small compared to the years since 2020.
- Provision for changes EGP had made to the way we operate: Increasing the number of Committee members from 9 to 13 (change of Statutes during the Congress in Copenhagen in



December 2022 for the next election in December 2024) will lead to increased costs for per diems and communication allowance costs and very likely also to the cost of Committee meetings (even with restructuring the meetings).

- Infrastructure and admin costs in categories 2 and 3 are reviewed regularly and contracts tendered and there appears to be little potential for substantial further savings in these areas.
- The outgoing Committee had to take decisions especially regarding the inevitable transition to operating within a much lower budget than previously whilst bearing in mind that the incoming Committee should be given flexibility to develop priorities for its 3-year term, leading towards the preparation for the next European election in 2029. The draft budget 2025 provides that scope.

The actual budget-setting process consisted of two stages, as in previous years: In September the Committee decided on the EP budget for the grant application, based on a) what was at the time expected to be the maximum available grant and b) the maximum sustainable staffing level, with an additional provision to manage the transition to a smaller team of permanent staff in 2025. As the grant that is awarded by the EP cannot be higher than the amount applied for and with no reliable numbers of EUPPs and affiliated MEPs known at that point, the draft EGP budget was based on 45 MEPs, to allow for changes based on final sign-ups of MEPs overall. In this case, the EGP grant would be 3.585.839 EUR. FAB was consulted in meetings on 9 July and 12 September. The grant application was submitted by the deadline on 30 September 2024.

In October, the budget-actual for Quarter 3/2024 and year-end projection resulted in an expected carry-over of 350.000 EUR to 2025. At the same time, it became clear that the grant amount in the EP budget had been overestimated because two additional EUPPs with affiliated MEPs had been approved and registered just before the deadline for grant applications. This reduced the expected grant by approx. 343.000 EUR to 3,243 million EUR. Therefore, instead of providing leeway to using the carry-over as additional expenditure in 2025, it is required to cover the shortfall in resources that had appeared in the EP budget, in order for EGP to at least be able to implement the EP budget including covering transition costs and maintaining a lower staffing level in a structured and efficient way and without compromising/undercutting in 2025 the staffing level that is sustainable from 2026 onwards without a projected carry-over. This is reflected in the carry-over budget. And there is a provision to the Campaign Fund of 123.479 EUR. FAB was consulted on the carry-over and total budgets on 23 October.

The number of MEPs affiliated to EGP is 44, down from 58 for the budget 2024. The number of registered EUPPs has increased from 10 to 12. The total number of MEPs affiliated to EUPPs was only published on 5 November. It stands at 637 for the 2025 funding process, up from around 600 in previous years. This finally gives us more certainty over the expected grant amount, reflected in the carry-over budget, while the final grant amount will only be notified by DG FINS at the latest with the grant agreement in January 2025.

Notes on the documents

1. EP budget 2025

The EP budget 2025 is balanced at 4.020.065 EUR.

Expenditure

Category 1: Personnel costs



The total staff cost is 2.090.000 EUR. The transition to lower staffing levels than before the election campaign was started immediately after the European election and is ongoing. Because of the lower than expected grant, an additional reduction of staff in the organigramme will have to be implemented. This process cannot be finalised within the 2024 budget and exit payments for permanent staff required under Belgian law will affect the 2025 budget. This means that in order to reach the projected sustainable staffing level of 2026 in 2025, more money is required for personnel cost than will be in 2026, to cover the reduction transition in 2025.

Online activities are now an integral and successful part of our operations; they cost next to nothing in implementing compared to physical meetings or 20th century communication but require as much staff time to prepare and develop content-wise.

Category 2: Infrastructure and operating costs and

Category 3: Administrative costs

The total expenditure in categories 2 and 3 is 637.907 EUR (381.107 + 256.800 EUR). This is based on reasonable costs for running EGP and there is little leeway to reduce this further considerably. The number of staff has some, but overall a limited impact on the total.

There is an increase in two budget lines compared to previous years because of the larger Committee to be elected in December 2024: in budget lines 2.7.2. Office costs Committee members (the telecommunication allowance, + 4.107 EUR) and 3.5.2. Honorary fees Committee (+ 36.000 EUR). It will be possible to adjust these in future years based on the outcome of the Committee election.

Category 4: Meeting and representation costs

This is still by far the biggest category after personnel with 1.056.358 EUR. The cost for Committee meetings has been increased because of the larger number of members, allowing for some leeway whilst the meetings are being restructured. The budget line for (Autumn) Congress has been increased to 350.000 EUR as both venue and travel costs keep going up.

There is an increase in 4.1.11. Mission travel costs, including Fact-Finding Missions (FFM) to 150.000 EUR because of the recent focus on the election campaign. In addition to the provision of funds in all other budget lines in this category, there is a total of 188.500 EUR in 4.1.5. EGP priority projects, which gives the new Committee space to also set their own priorities.

Category 5: Information and publications

This is set at 200.000 EUR, with nearly half (98.000 EUR) for 5.3.3. Social media general costs

Non-reimbursable (non-eligible) expenditure

This is, as always, an estimate largely beyond our control, set at the level of the 2023 accounts. There is no provision to the Funds in this part of the budget.

Revenues

The EP grant calculation is based on 45 MEPs, allowing for some changes that would become known only after the deadline for the grant application. This would result in a grant of 3.585.839 EUR.

Membership fees are included here at the level which, considering all other income, will be required to cover 10% own resources for co-financing the grant. The remainder of the expected membership fee income is allocated to the carry-over budget. It will be used to cover the 10% own



resources for the carry-over, with the rest being allocated to the Campaign Fund. This will allow us to implement the transition to a lower grant and reduced operations in a smoother and less painful way than would otherwise be the case, considering the substantial loss in grant income.

Other income includes donations, which are membership fees from associate members in EU member states - this is the way we have to account for them. There is no longer a provision for donations from individuals.

Income from participation fees is set at 2024 levels, for one statutory Congress.

And a small provision for financial income (500 EUR) is included again.

2. Draft carry-over and total budgets 2025

The number of EUPPs for the grant distribution is 12. This reduces the part of the grant which is distributed equally to all EUPPs to 383.333 EUR per party. This is just under 77.000 EUR less per party compared to 10 parties in previous years and the basis used for the EP budget.

The number of MEPs signed up to all EUPPs has been published as 637. The grant per MEP would be 64.992 EUR, or approx. 10.000 EUR less than in 2024.

The combined effect of these factors leads to a maximum available grant of 3.242.988 EUR, or 342.851 EUR less than in the EP budget. Adding to this the effect of losing 14 MEPs compared to 2024, the total grant available to EGP in 2025 would be 1,621 Mio EUR less than in 2024 and 1,234 Mio EUR less than in 2022, the last year without election campaign expenditure – a loss of 33,33% and 27,57% respectively (all figures are grant only, excluding carry-over).

Concretely, for the balanced carry-over budget this would mean:

Revenues: a grant reduced by 342.851 EUR and a carry-over to 2025 of 350.000 EUR, as well as the remainder of the membership fees, which were not needed to co-finance the EP budget, of 124.273 EUR. Total net revenues: 131.422 EUR.

Expenditure: 123.479 EUR allocated to the Campaign Fund and an additional 7.943 EUR for priority projects for use by the new Committee.

The total budget is balanced at 4.151.488 EUR.

3. Draft membership fees 2025

The income from membership fees is broadly at current levels, with a total of 512.039 EUR (compared to 529.971 EUR in 2024). There are some significant changes for several individual parties, both increases (Croatia, Latvia, Lithuania, France, Netherlands, Portugal) and decreases (Austria, both Belgian parties, Bulgaria, Germany) either because of election results or the first full year of membership.

4. Projection on the development of the Funds 2026-2028

Whilst it needs to be seen whether the current volatility of the EUPP landscape and MEP affiliations settles into something similar to the stability of the past years, it is important to at least attempt a



projection for the development of the Funds for the years 2026-2028 as a starting point for future decisions by Committee and Congress for the next European election campaign.

The projection has been based on the following assumptions: 12 EUPPs, 637 MEPs affiliated to EUPPs and the total grant available for all EUPPs remains the same as in 2025, as well as 44 MEPs affiliated to EGP, i.e. our grant remains the same as in 2025. And the overall level of own resources including membership fees and participation fees remains the same as in 2025. In this scenario, it would be possible to cover the own resources requirement for co-financing the grant, and in addition approx. 162.000 EUR per year would be available for allocation to the Campaign Fund. This would bring the Campaign Fund to approx. 868.000 EUR at the end of 2028. Without a drastic change in the framework and amount of funding available for the election campaign in 2028/2029 from the European Parliament, this would need to be spent 1:1 on campaign expenditure rather than co-financing.

But, as stated above, unfortunately there are many unknowns that are going to have an impact on EGP finances over the coming years. As my term as treasurer ends at this Congress, I wish the financial outlook for the coming years was better but EGP will be able to build on prudential financial planning that started well before my time and has been a constant factor in EGP decision-making at all levels throughout the years.

I would like to thank all colleagues on the Committee and the staff, in particular in the Admin Unit, as well as FAB for their always professional and constructive cooperation over the years.

Ute Michel, EGP Treasurer
5 November 2024