

PRESS RELEASE 1/2025
(NOTE: UNOFFICIAL DOCUMENT FOR MEDIA USE)

The Authority for European Political Parties and European Political Foundations adopted a sanction decision concerning the Foundation for European Progressive Studies ('FEPS'). The sanction relates to the funding by FEPS of the activity "FEPS-Fabian New Year Conference 2023 - Pathway to Power" in London and the subsequent book publication "Leading the Way – Lessons for Labour from Europe".

The Authority finds that the financial support to this activity by FEPS exceeded the tasks entrusted to European political foundations according to the applicable Regulation (EU, Euratom) No 1141/2014 and provided indirect funding to a party at national level.

A fine of 100% of the quantifiable infringement is imposed on FEPS. It amounts to EUR 35 960.09.

The Director of the Authority explains: "The legislator mandated the Authority to control and, where necessary, to sanction European political parties and European political foundations, and thus to contribute to a resilient democracy at European level. In this case, the Authority applied a key provision of EU legislation which bars European political foundations from using their funding for any other purpose than for financing their tasks according to Regulation (EU, Euratom) No 1141/2014. This includes a prohibition of indirectly funding parties at national level or other foundations. This prohibition is also an opportunity for European political foundations to be more visible and to make a difference for citizens of the EU, with European content of their own - complementary to, but going beyond, local politics interests of their national partners and members."

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Summary of applicable law, facts and procedure, and reasons of the decision:

Article 22(2) of Regulation (EU, Euratom) No 1141/2014 provides that "The funding of European political foundations from the general budget of the European Union or from any other source shall not be used for any other purpose than for financing their tasks as listed in point (4) of Article 2 and to meet expenditure directly linked to the objectives set out in their statutes in accordance with Article 5. It shall in particular not be used for the direct or indirect funding of elections, political parties, or candidates or other foundations".

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Following submission of the annual financial statements of FEPS for the financial year 2023 in June 2024 and the replies to further questions of the Authority thereon, the Authority became aware that FEPS in January 2023 had entered into a framework agreement with the Fabian Society, a political think tank with its seat in London, United Kingdom, concerning content and financing of a conference and book with the following objective: "This year's conference will focus on the UK Labour party's program for power. It will bring a Europe-wide perspective by examining across the day what UK policymakers can learn from recent developments in other countries. The conference will be followed by a book, drawing on the themes discussed, which will present around 10 recent policy initiatives from across Europe that we will recommend should be adopted by UK Labour in the run up to the next election.

The objective of the day will be to create an opportunity for the UK Labour party to present its emerging policy program and for speakers and delegates to propose and debate additional policy ideas for possible adoption”.

The conference took place in London on 21 January 2023 under the title “FEPS-Fabian New Year Conference 2023 - pathway to power” and featured discussions on topics of relevance for the UK Labour Party, involving numerous Labour MPs and councillors, as informed also by international perspectives. The book was later published under the title “Leading the Way – Lessons for Labour from Europe” and is introduced as follows: “*With the 2024 election slowly creeping into view, a revitalised Labour party [...] looks set to register its first victory in nearly two decades. But having spent such a long time out of power – at least in Westminster – how can Labour ensure that it brings about change as effectively and efficiently as possible? [...]*”.

FEPS provided funding of a total of EUR 35 960.09 for conference and book.

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On 5 November 2024, the Authority informed FEPS that it opened an investigation into this activity and provided a summary of available facts as well as an interim assessment whereby the funding of this activity by FEPS constituted an infringement of Article 22(2) of Regulation (EU, Euratom) No 1141/2014, both because of indirect funding of the UK Labour Party and because of exceeding the task limitations set for European political foundations by point 4 of Article 2 of the same Regulation. FEPS was given the opportunity to comment and to adopt corrective measures.

In its reply of 3 December 2024, FEPS provided additional documentary references and contested the Authority’s factual account as well as its interim assessment. As to the factual account, FEPS alleged in particular that (i) the activity comprised numerous speakers from the EU, (ii) the activity covered as an integral part a publication that was very successful in terms of downloads, (iii) the conference took place long before an election in the UK, (iv) the activity concerned “Labour” as a wider political movement and not “UK Labour Party”, (v) the Fabian Society was not overrepresented at the conference and (vi) that the Fabian Society was the partner in the activity, as opposed to the UK Labour Party.

On 9 December 2024, the Authority, taking into account the additional comments and documentary references from FEPS, provided a complementary account of facts and assessment, and on that basis again came to the preliminary conclusion that a breach of Article 22(2) of Regulation (EU, Euratom) No 1141/2014 had occurred, and that corrective measures had not been adopted by FEPS. In accordance with applicable procedural rights, the Authority gave FEPS the opportunity to comment.

On 10 January 2025, FEPS provided additional comments, contesting in particular the interpretation of Article 22 of Regulation (EU, Euratom) No 1141/2014 by the Authority, arguing especially that and also requesting a meeting with the purpose of better understanding the Authority’s intent. More specifically, FEPS argued that the activity was covered by the possibility for European political foundations to promote democracy in third countries, as provided in point 4 of Article 2 of Regulation (EU, Euratom) No 1141/2014, informed the Authority that it had cancelled its financial participation in the 2025 New Year event.

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The Authority, having considered the legal framework and the facts in light of FEPS's submissions, finds that the funding by FEPS of the activity (i) exceeded the limitations of its tasks as a European political foundation and (ii) constitutes indirect funding to a national party.

In particular, the Authority points out that the funding by FEPS of the activity concerned the provision of practical advice and support for a national party in a domestic political competition, which is covered by none of the tasks of a European political foundation: Such advice and support, firstly, is not European public policy issue or a matter of European integration. Nor is it a matter of promoting democracy as such in a third country. Secondly, formulating such concrete advice and support to impact party politics is not educational, academic or reflective in nature. Thirdly, in light of the multiple references to the UK Labour Party and party politics in the UK across the components of the activity, FEPS's allegation that the activity related to "Labour" as a political movement generally, as opposed to the UK Labour Party specifically, is not supported by facts.

Furthermore, the Authority notes that FEPS granted an advantage specifically to the UK Labour Party which benefited - both through its MPs and other delegates attending the conference, and by means of the book later made publicly available - from cost-free advice and support for its "pathway to power" across a range of policy areas that were relevant in UK politics at the time.

The sanction by the Authority is without prejudice to measures of the Authorising Officer of the European Parliament and of competent national authorities, within their respective remits.

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Background:

The Authority has been established by Regulation (EU, Euratom) No 1141/2014 as an independent body of the European Union with a mandate consisting of three main aspects:

- It registers European political parties and European political foundations if they fulfil the conditions and requirements provided in the Regulation, which is a pre-condition to obtain funding from the European Parliament. The Authority also conducts regular **verifications** to ensure that all European political parties and European political foundations still fulfil the criteria on the basis of which they were registered. Currently, 10 European political parties and 10 European political foundations are registered by the Authority.
- Furthermore, the Authority **controls compliance** by European political parties and European political foundations with their obligations under Regulation (EU, Euratom) No 1141/2014 in cooperation with the Authorising Officer of the European Parliament and the competent Member States' authorities. In line with its mandate, the Authority controls compliance of the donations and contributions accepted by European political parties and European political foundations as well as certain rules on the use of funding.
In exercising its compliance controls, the Authority identifies potential infringements of Regulation (EU, Euratom) No 1141/2014 by a European political party or foundation and, subject to the opportunity to adopt corrective measures and the right to be heard, imposes a sanction on them, where the Regulation so provides.
- Taking into account its findings in the verification and compliance control processes, the Authority also provides **transparency services** to the citizens of the Union by publishing key sets of information on European political parties and European political foundations, in particular on structure of, as well as contributions and donations accepted by, European political parties and European political foundations.

Disclaimer: Please note that this press release is an unofficial document prepared for media use, which is not binding for the Authority for European Political Parties and European Political Foundations. The details of and reasons for the decision are published [here](#). Questions of the press can be addressed in writing to contact@appf.europa.eu.