

How the European Union works

A citizen's guide to the EU institutions



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Introducing the European Union

In just half a century of existence, the European Union (EU) has achieved remarkable things. It has delivered peace between its members and prosperity for its citizens. It has created a single European currency (the euro) and a frontier-free 'single market' where goods, people, services and capital move around freely. The EU has grown from six to fifteen countries and it is preparing to embrace a dozen more. It has become a major trading power, and a world leader in fields such as environmental protection and development aid.

The EU's success owes a lot to its unique nature and the way it works. For the EU is not a federation like the United States. Nor is it simply an organisation for co-operation between governments, like the United Nations. The countries that make up the EU (its 'member states') remain independent sovereign nations but they pool their sovereignty in order to gain a strength and world influence none of them could have on its own.

Pooling sovereignty means, in practice, that the member states delegate some of their decision-making powers to European institutions they have created, so that decisions on specific matters of joint interest can be made democratically at European level.

The three main decision-making institutions are:

- *the European Parliament, which represents the EU's citizens and is directly elected by them;*
- *the Council of the European Union, which represents the individual member states;*
- *the European Commission, which seeks to uphold the interests of the Union as a whole.*

This 'institutional triangle' produces the policies and laws (directives, regulations and decisions) that apply throughout the EU.

The rules and procedures that the institutions must follow are laid down in the treaties, which are agreed by the member states' presidents and prime ministers and ratified by their parliaments.

In principle, it is the Commission that proposes new EU laws but it is the Parliament and Council that adopt them.

The Court of Justice upholds the rule of European law, and the Court of Auditors checks the financing of the Union's activities.

Five other bodies complete the system:

- *the European Economic and Social Committee represents civil society and the two sides of industry;*
- *the Committee of the Regions represents regional and local authorities;*
- *the European Central Bank is responsible for European monetary policy;*
- *the European Investment Bank finances EU investment projects;*
- *the European Ombudsman guards EU citizens and organisations against mal-administration.*

In addition, specialised agencies have been set up to handle certain technical, scientific or management tasks.

This booklet offers a comprehensive overview of what each institution or agency does, and how it works. Its aim is to provide a helpful guide to the EU's present decision-making system.

Treaties and decision-making

The EU is founded on four treaties:

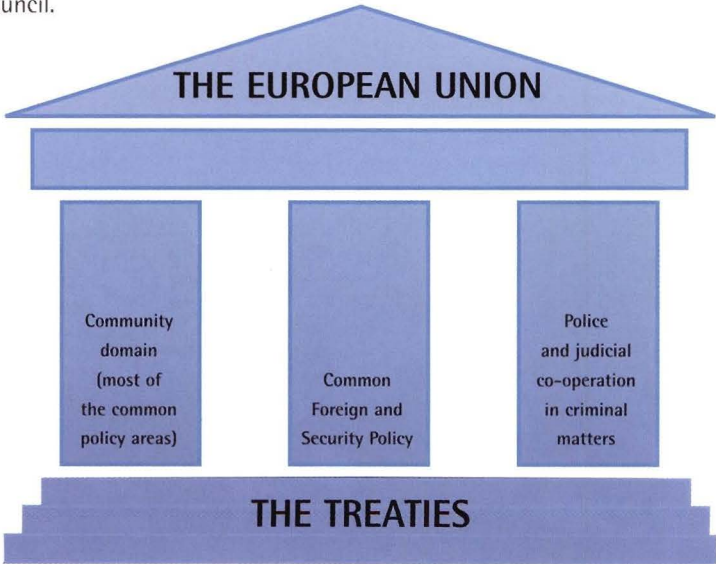
- The **Treaty establishing the European Coal and Steel Community (ECSC)**, which was signed on 18 April 1951 in Paris, came into force on 23 July 1952 and expired on 23 July 2002;
- The **Treaty establishing the European Economic Community (EEC)**, which was signed on 25 March 1957 in Rome and came into force on 1 January 1958;
- The **Treaty establishing the European Atomic Energy Community (Euratom)**, which was signed in Rome along with the EEC Treaty. These two treaties are often referred to as the 'Treaties of Rome'. When the term 'Treaty of Rome' is used, only the EEC Treaty is meant;
- The **Treaty on European Union (EU)**, which was signed in Maastricht on 7 February 1992, and came into force on 1 November 1993.

The first three of these treaties created the three 'European Communities', i.e. the system of joint decision-making on coal, steel, nuclear power and other major sectors of the member states' economies. The Community institutions – set up to manage this system – were merged in 1967, resulting in a single Commission and a single Council.

home affairs'. By adding this intergovernmental co-operation to the existing 'Community' system, the Maastricht Treaty created a new structure with three 'pillars' which is political as well as economic. This is the European Union (EU).

The EEC, in addition to its economic role, gradually took on a wide range of responsibilities including social, environmental and regional policies. Since it was no longer a purely economic community, the fourth Treaty (Maastricht) renamed it simply 'the European Community' (EC).

The Maastricht Treaty also introduced new forms of co-operation between the member state governments for example on defence and in the area of 'justice and



The European Union is founded on its treaties. Its three 'pillars' represent different policy areas with different decision-making systems

The treaties are the foundation for everything the European Union does. Whenever the treaties have to be reviewed and amended, this is done by a special conference of the EU's national governments (an 'inter-governmental conference' or IGC).

The treaties have been amended each time new member states have joined. Moreover, every decade or so, the treaties have been amended to reform the EU institutions and give them new areas of responsibility.

- The Single European Act (SEA) was signed in February 1986 and came into force on 1 July 1987. It amended the EEC Treaty and paved the way for completing the single market.
- The Treaty of Amsterdam was signed on 2 October 1997 and came into force on 1 May 1999. It amended the EU and EC treaties, giving numbers (instead of letters) to the EU Treaty articles.

- The Treaty of Nice, signed on 26 February 2001, entered into force on 1 February 2003. It further amends the other treaties, streamlining the EU's institutional system so it can continue to work effectively after a new wave of member states joins in 2004.

Decision-making at European Union level involves various European institutions, in particular:

- the European Commission,
- the European Parliament,
- the Council of the European Union.



The ideas that led to the European Union were first put forward on 9 May 1950 in a speech by Robert Schuman (French Foreign Minister). So 9 May is celebrated each year as Europe Day.

Three 'councils' : which is which?

It's easy to become confused about which European body is which – especially when very different bodies have very similar names, such as these three 'councils'.

The European Council

This means the heads of state and government (i.e. presidents and/or prime ministers) of all the EU countries, plus the President of the European Commission. The European Council meets, in principle, four times a year to agree overall EU policy and to review progress. It is the highest-level policymaking body in the European Union, which is why its meetings are often called 'summits'.

The Council of the European Union

Formerly known as the **Council of Ministers**, this institution consists of government ministers from all the EU countries. The Council meets regularly to take detailed decisions and to pass European laws. A fuller description of its work is given later in this booklet.

The Council of Europe

This is not an EU institution at all. It is an intergovernmental organisation which aims (amongst other things) to protect human rights, to promote Europe's cultural diversity and to combat social problems such as racial prejudice and intolerance. It was set up in 1949 and one of its early achievements was to draw up the European Convention on Human Rights. To enable citizens to exercise their rights under that Convention it set up the European Court of Human Rights. The Council of Europe now has 44 member states, including the 15 European Union countries, and its headquarters are the Palais de l'Europe in Strasbourg (France).

The European Commission proposes new legislation, but it is the Council and Parliament that pass the laws. Other institutions also have roles to play in specific areas, as will be explained in greater detail later in this booklet.

The rules and procedures for EU decision-making are laid down in the treaties. Every European law is based on a specific treaty article, referred to as the 'legal basis' of the legislation.

There are three main procedures for enacting new EU laws:

- consultation;
- assent;
- co-decision.

The main difference between them is the way Parliament interacts with the Council. Under the **consultation procedure**, Parliament merely gives its opinion; under

the **co-decision procedure**, Parliament genuinely shares power with the Council. The European Commission, when proposing a new law, must choose which procedure to follow. The choice will, in principle, depend on the 'legal basis' of the proposal – in other words which Treaty article it is based on.

In greater detail, the three procedures are as follows:

1. Consultation

Under the consultation procedure, the Commission sends its proposal to both the Council and Parliament but it is the Council that officially consults Parliament and other bodies such as the European Economic and Social Committee and the Committee of the Regions, whose opinions are an integral part of the EU's decision-making process.

In some cases, consultation is compulsory because the legal basis requires it and the proposal cannot become law unless Parliament has given its opinion. In other cases consultation is optional and the Commission will simply suggest that the Council consult Parliament.

In all cases, Parliament can:

- approve the Commission proposal,
- reject it,
- or ask for amendments.

If Parliament asks for amendments, the Commission will consider all the changes Parliament suggests. If it accepts any of these suggestions it will send the Council an amended proposal.

The Council examines the amended proposal and either adopts it as it is or amends it further. In this procedure, as in all others, if the Council amends a Commission proposal it must do so **unanimously**.

The areas covered by the consultation procedure are:

- police and judicial co-operation in criminal matters;
- revision of the treaties;
- discrimination on grounds of sex, race or ethnic origin, religion or political conviction, disability, age or sexual orientation;
- EU citizenship;
- agriculture;
- visas, asylum, immigration and other policies associated with the free movement of persons;
- transport (where it is likely to have a significant impact on certain regions);
- competition rules;
- tax arrangements;
- economic policy;
- 'enhanced co-operation' – i.e. the arrangement allowing a group of member states to work together in a particular field even if the others do not wish to join in yet.

In some areas, such as taxation, the Council's decision has to be unanimous.

2. Assent

The assent procedure means that the Council has to obtain the European Parliament's assent before certain very important decisions are taken.

The procedure is the same as in the case of consultation, except that Parliament cannot amend a proposal: it must either accept or reject it. Acceptance ('assent') requires an **absolute majority** of the vote cast.

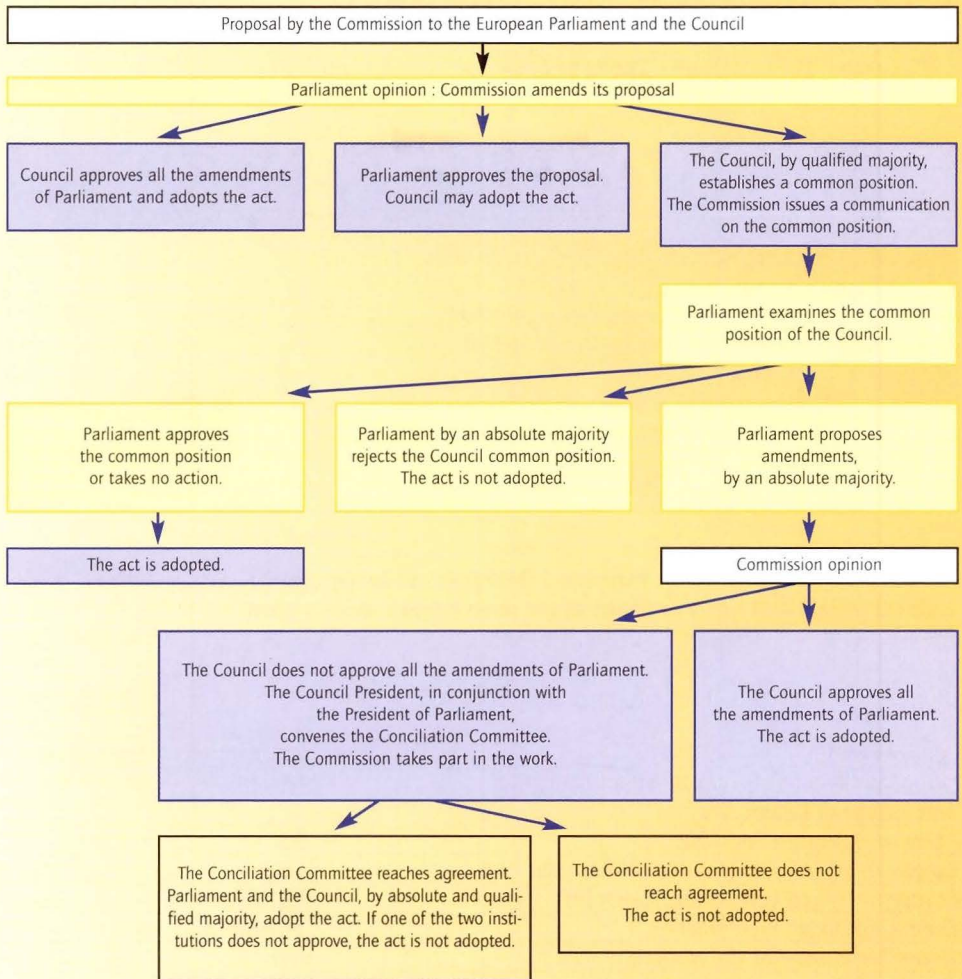
The areas covered by the assent procedure are:

- specific tasks of the European Central Bank;
- amending the statutes of the European System of Central Banks/ European Central Bank;
- the Structural Funds and Cohesion Funds;
- the uniform electoral procedure for the European Parliament;
- certain international agreements;
- the accession of new member states.

3. Co-decision

In the co-decision procedure, Parliament and the Council share legislative power. The Commission sends its proposal to both institutions. They each read and discuss it twice in succession. If they cannot agree on it, it is put before a '**conciliation committee**', composed of equal numbers of Council and Parliament representatives. Commission representatives also attend the committee meetings and contribute to the discussion. Once the committee has reached an agreement, the agreed text is then sent to Parliament and the Council for a third reading, so that they can finally adopt it as law.

In greater detail, the procedure is as shown in the diagram:



The areas covered by the co-decision procedure are:

- non-discrimination on the basis of nationality;
- the right to move and reside;
- the free movement of workers;
- social security for migrant workers;
- the right of establishment;
- transport;
- the internal market;
- employment;
- customs co-operation;
- the fight against social exclusion;
- equal opportunities and equal treatment;
- implementing decisions regarding the European Social Fund;

- education;
- vocational training;
- culture;
- health;
- consumer protection;
- trans-European networks;
- implementing decisions regarding the European Regional Development Fund;
- research;
- the environment;
- transparency;
- preventing and combating fraud;
- statistics;
- setting up a data protection advisory body.

The European Parliament: voice of the people

Key facts

Role: Directly elected legislative arm of the EU
Next election: June 2004
Meetings: Monthly plenary sessions in Strasbourg, committee meetings and additional sessions in Brussels
Address: Plateau du Kirchberg, B.P. 1601
 L-2929 Luxembourg
Tel.: (352) 4300-1
Internet: www.europarl.eu.int



The members of the European Parliament (MEPs) sit not in national blocks but in Europe-wide political groups that bring together all the main political parties operating in the EU member states.

Number of seats per political group, as at 1 April 2003

Political group	Abbreviation	No of seats
European People's Party (Christian Democrats) and European Democrats	EPP-ED	232
Party of European Socialists	PES	175
European Liberal, Democrat and Reformist Party	ELDR	52
European United Left/Nordic Green Left	EUL/NGL	49
Greens/European Free Alliance	Greens/EFA	44
Union for Europe of the Nations	UEN	23
Europe of Democracies and Diversities	EDD	18
Non-attached	NA	31
Total		624

The Parliament's origins go back to the 1950s and the founding treaties. Since 1979, MEPs have been directly elected by the citizens they represent.

Parliamentary elections are held every five years, and every EU citizen who is registered as a voter is entitled to vote. So Parliament expresses the democratic will of the Union's 374 million citizens, and it represents their interests in discussions with the other EU institutions.



In 2002, Pat Cox was elected President of the European Parliament.

Number of seats per country

(in alphabetical order according to the country's name in its own language)

	1999	2004	2007
	-04	-07	-09
Belgium	25	24	24
Bulgaria	-	-	18
Cyprus	-	6	6
Czech Republic	-	24	24
Denmark	16	14	14
Germany	99	99	99
Greece	25	24	24
Spain	64	54	54
Estonia	-	6	6
France	87	78	78
Hungary	-	24	24
Ireland	15	13	13
Italy	87	78	78
Latvia	-	9	9
Lithuania	-	13	13
Luxembourg	6	6	6
Malta	-	5	5
Netherlands	31	27	27
Austria	21	18	18
Poland	-	54	54
Portugal	25	24	24
Romania	-	-	36
Slovakia	-	14	14
Slovenia	-	7	7
Finland	16	14	14
Sweden	22	19	19
United Kingdom	87	78	78
Total (max.)	626	732	786

Where is Parliament based?

The European Parliament works in France, Belgium and Luxembourg.

The monthly plenary sessions, which all MEPs attend, are held in Strasbourg (France) – the Parliament's 'seat'. Parliamentary committee meetings and any additional plenary sessions are held in Brussels (Belgium), whilst Luxembourg is home to the administrative offices (the 'General Secretariat').

What does Parliament do?

Parliament has three main roles:

1. It shares with the Council the **power to legislate**. The fact that it is a directly elected body helps guarantee the democratic legitimacy of European law.
2. It exercises **democratic supervision** over all EU institutions, and in particular the Commission. It has the power to approve or reject the nomination of Commissioners, and it has the right to censure the Commission as a whole.
3. It shares with the Council **authority over the EU budget** and can therefore influence EU spending. At the end of the procedure, it adopts or rejects the budget in its entirety.

These three roles are described in greater detail below.

1. The power to legislate

The most common procedure for adopting (i.e. passing) EU legislation is 'co-decision' (see above: 'Treaties and decision-making'). This places the European Parliament and the Council on an equal footing and the laws passed using this procedure are joint acts of the Council and Parliament. It applies to legislation in a wide range of fields.

On a range of other proposals Parliament must be consulted, and its approval is required for certain important political or institutional decisions.

Parliament also provides impetus for new legislation by examining the Commission's annual work programme, considering what new laws would be appropriate and asking the Commission to put forward proposals.

2. Democratic supervision

Parliament exercises democratic supervision over the other European institutions. It does so in several ways.

First, when a new Commission is to be appointed, Parliament interviews all the prospective new members and President of the Commission (nominated by the member states). They cannot be appointed without Parliament's approval.

Second, the Commission is politically answerable to Parliament, which can pass a 'motion of censure' calling for its mass resignation.

More generally, Parliament exercises control by regularly examining reports sent to it by the Commission (general report, reports on the implementation of the budget, the application of Community law, etc.). Moreover, MEPs regularly ask the Commission written and oral questions.

The members of the Commission attend plenary sessions of Parliament and meetings of the parliamentary committees, maintaining a continual dialogue between the two institutions.

Parliament also monitors the work of the Council: MEPs regularly ask the Council written and oral questions, and the President of the Council attends the plenary sessions and takes part in important debates.

Parliament works closely with the Council in certain areas, such as common foreign and security policy and judicial co-operation, as well as on some issues of common interest such as asylum and immigration policy and measures to combat drug abuse, fraud and international crime. The Council Presidency keeps Parliament informed on all these subjects.

Parliament can also exercise democratic control by examining petitions from citizens and setting up temporary committees of inquiry.

Finally, Parliament provides input to every EU summit (the European Council meetings). At the opening of each summit, the President of Parliament is invited to express Parliament's views and concerns about topical issues and the items on the European Council's agenda.

3. The power of the purse

The EU's annual budget is decided jointly by Parliament and the Council of the European Union (see below). Parliament debates it in two successive readings, and it does not come into force until it has been signed by the President of Parliament.

Parliament's Committee on Budgetary Control (COCOBU) monitors how the budget is spent, and each year Parliament decides whether to approve the Commission's handling of the budget for the previous financial year. This approval process is technically known as 'granting a discharge'.

How is the Parliament's work organised?

Parliament's work is divided into two main stages:

- **Preparing for the plenary session.** This is done by the MEPs in the various parliamentary committees that specialise in particular areas of EU activity. The issues for debate are also discussed by the political groups.
- **The plenary session itself.** Plenary sessions, attended by all MEPs, are normally held in Strasbourg (one week per month) and sometimes in Brussels (two days). At these sessions, Parliament examines proposed legislation and votes on amendments before coming to a decision on the text as a whole.

Other items on the agenda may include Council or Commission 'communications' or questions about what is going on in the European Union or the wider world.



The directly elected representatives of the EU's citizens meet in Strasbourg to debate and vote on Europe-wide legislation that affects everyone.



The Council of the European Union: voice of the member states

Key facts

Role:	<i>Legislative arm of the EU, representing the member states</i>
Members:	<i>One minister from each EU country</i>
Presidency:	<i>Rotates every six months</i>
Meetings:	<i>In Brussels (Belgium), except in April, June and October when meetings are in Luxembourg</i>
Address:	<i>Rue de la Loi/Wetstraat, 175, B-1048 Brussels</i>
Tel.:	<i>(32-2) 285 61 11</i>
Internet:	<i>ue.eu.int</i>



The Council is the EU's main decision-making body. Like the European Parliament, the Council was set up by the founding treaties in the 1950s. It represents the member states, and its meetings are attended by one minister from each of the EU's national governments.

Which ministers attend which meeting depends on what subjects are on the agenda. If, for example, the Council is to discuss environmental issues, the meeting will be attended by the Environment Minister from each EU country and it will be known as the 'Environment Council'.

The EU's relations with the rest of the world are dealt with by the 'General Affairs and External Relations Council'. But this Council configuration also has wider responsibility for general policy issues, so its meetings are attended by whichever minister or State secretary each government chooses.

Altogether there are nine different Council configurations:

- General Affairs and External Relations
- Economic and Financial Affairs ('Ecofin')
- Justice and Home Affairs

- Employment, Social Policy, Health and Consumer Affairs
- Competitiveness (Internal Market, Industry and Research)
- Transport, Telecommunications and Energy
- Agriculture and Fisheries
- Environment
- Education, Youth and Culture

Nevertheless, the Council remains one single institution.

Each minister in the Council is empowered to commit his or her government. In other words, the minister's signature is the signature of the whole government. Moreover, each minister in the Council is answerable to his or her national parliament and to the citizens that parliament represents. This ensures the democratic legitimacy of the Council's decisions.

What does the Council do?

The Council has six key responsibilities:

1. To pass European laws. In many fields it legislates jointly with the European Parliament.

2. To co-ordinate the broad economic policies of the member states.
3. To conclude international agreements between the EU and one or more States or international organisations.
4. To approve the EU's budget, jointly with the European Parliament.
5. To develop the EU's common foreign and security policy (CFSP: for further details see below), based on guidelines set by the European Council.
6. To co-ordinate co-operation between the national courts and police forces in criminal matters (see the 'Justice and Home Affairs' section below).

Most of these responsibilities relate to the 'Community' domain – i.e. areas of action where the member states have decided to pool their sovereignty and delegate decision-making powers to the EU institutions. This domain is the 'first pillar' of the European Union.

However, the last two responsibilities relate largely to areas in which the member states have not delegated their powers but are simply working together. This is called 'intergovernmental co-operation' and it covers the second and third 'pillars' of the European Union (CFSP, and police and judicial cooperation in criminal matters).

The Council's work is described in greater detail below.

1. Legislation

Much EU legislation is adopted jointly by the Council and Parliament (see above: 'Treaties and decision-making').

As a rule, the Council only acts on a proposal from the Commission, and the Commission normally has responsibility for ensuring that EU legislation, once adopted, is correctly applied.

2. Co-ordinating the economic policies of member states

The EU countries have decided that they want an overall economic policy based on close co-ordination between their national economic policies. This co-ordination is carried out by the economics and finance ministers, who collectively form the Economic and Financial Affairs ('Ecofin') Council.

3. Concluding international agreements

Each year the Council 'concludes' (i.e. officially signs) a number of agreements between the European Union and non-EU countries, as well as with international organisations. These agreements may cover

Ministers from every EU country meet in the Council to take joint decisions on EU policies and legislation.



broad areas such as trade, co-operation and development or they may deal with specific subjects such as textiles, fisheries, science and technology, transport, etc.

In addition, the Council may conclude conventions between the EU member states in fields such as taxation, company law or consular protection. Conventions can also deal with co-operation in the field of Justice and Home Affairs (see below).

4. Approving the EU budget

The EU's annual budget is decided jointly by the Council and the European Parliament. If the two institutions do not agree, the rules allow the Council to take the final decision on 'compulsory expenditure' (mainly agricultural expenditure, and expenses arising from international agreements with non-EU countries), while Parliament has the last word on 'non-compulsory' expenditure and the final approval of the budget as a whole.

5. Common Foreign and Security Policy

The member states are working to develop a Common Foreign and Security Policy (CFSP). But foreign policy, security and defence are matters over which the individual EU member states retain independent control. They have not pooled their national sovereignty in these areas, so Parliament and the European Commission play only a limited role here. However, the EU countries have much to gain by working together on these issues, and the Council is the main forum in which this 'inter-governmental co-operation' takes place.

To enable the EU to respond more effectively to international crises, the European Council (at the Helsinki summit meeting in December 1999) decided that the EU would create a 'Rapid Reaction Force' of up to 60 000 military personnel that could be deployed within 60 days and kept in operation for at least a year.



In January 2003, the European Union Police Mission began operations in Bosnia and Herzegovina, taking over the civilian aspects of crisis management from UN peacekeepers. Action of this kind is decided and coordinated by the Council of the European Union.

This will not be a 'European army'. The personnel will remain members of their national armed forces and under national command, and their role will be limited to carrying out humanitarian, rescue, peace-keeping and other crisis management tasks.

To provide political control and strategic direction in a crisis, the European Council (Nice, December 2000) decided to establish new permanent political and military structures within the Council of the European Union. These new structures are:

- the Political and Security Committee (PSC);
- the European Union Military Committee (EUMC); and
- the European Union Military Staff (EUMS), composed of military experts seconded to the Council Secretariat by the member states.

The EUMS is under the military direction of the EUMC, which it assists.

In 2002, two agencies were set up to carry out specific technical and scientific tasks for the Common Foreign and Security Policy. They are:

- the European Institute for Security Studies (www.iss-eu.org), based in Paris, France;
- the European Union Satellite Centre (www.eusc.org), based in Torrejón de Ardoz, Spain.

6. Justice and Home Affairs (JHA)

Drugs, terrorism, international fraud, trafficking in human beings and the sexual exploitation of children are all problems of great concern to European citizens. They are cross-border criminal activities, and only cross-border co-operation can tackle them effectively. If Europe is to do so, and to give all its citizens equal access to civil justice throughout the EU, then the national courts, police forces, customs officers and immigration services of all EU countries have to work together.

They have to ensure, for example:

- that a court judgment delivered in one EU country in a divorce or child custody case is recognised in all other EU countries;
- that the EU's external borders are effectively policed;
- that customs officers and police exchange information on the movements of suspected drugs traffickers or people smugglers;
- that asylum seekers are assessed and treated in the same way throughout the EU, so as to prevent 'asylum shopping'.

Issues such as these, collectively known as 'Justice and Home Affairs' (JHA), are dealt with by the Ministers for Justice and of the Interior, acting collectively as the Justice and Home Affairs Council.

How is the Council's work organised?

Coreper

In Brussels, each EU member state has a permanent team ('representation') that represents it and defends its national interest at EU level. The head of each representation is, in effect, his or her country's ambassador to the EU.

These ambassadors (known as 'permanent representatives') meet weekly within the Permanent Representatives Committee (Coreper). The role of this committee is to prepare the work of the Council, with the exception of agricultural issues, which are handled by the Special Committee on Agriculture. Coreper is assisted by a number of working groups, made up of officials from the national administrations.

The Council Presidency

The Presidency of the Council rotates every six months. In other words, each EU country in turn takes charge of the Council agenda and chairs all the meetings for a six-month period, promoting legislative and political decisions and brokering compromises between the member states.

The rota for 2003-06 is as follows:

2003	First half of the year:	Greece
	Second half of the year:	Italy
2004	First half of the year:	Ireland
	Second half of the year:	Netherlands
2005	First half of the year:	Luxembourg
	Second half of the year:	United Kingdom
2006	First half of the year:	Austria
	Second half of the year:	Finland

If, for example, the Environment Council is scheduled to meet during the second half of 2006 it will be chaired by the Finnish Minister for the Environment, since Finland is holding the Council Presidency at that time.

The General Secretariat

The Presidency is assisted by the General Secretariat, which prepares and ensures the smooth functioning of the Council's work at all levels.

In 1999, Javier Solana was appointed Secretary-General of the Council. He is also High Representative for the Common Foreign and Security Policy (CFSP), and in this capacity he helps the Council to draft and implement political decisions. He also engages in political dialogue, on the Council's behalf, with non-EU countries.

The Secretary-General is assisted by a Deputy Secretary-General in charge of managing the General Secretariat.



Javier Solana, as the EU's foreign policy chief, acts for Europe on the world stage.

How many votes per country?

Decisions in the Council are taken by vote. The bigger the country's population, the more votes it has. But the number is not strictly proportional: it is adjusted in favour of the less populous countries.

Until 1 May 2004, the number of votes each country can cast is as follows:

Germany, France, Italy and the United Kingdom	10
Spain	8
Belgium, Greece, the Netherlands and Portugal	5
Austria and Sweden	4
Denmark, Ireland and Finland	3
Luxembourg	2
Total	87

From 1 May 2004 (when new member states join the EU) until 31 October that year, there are transitional arrangements for changing the weighting of votes.

From 1 November 2004, the number of votes each country can cast (including the new member states) is as follows:

Germany, France, Italy and the United Kingdom	29
Spain and Poland	27
Netherlands	13
Belgium, Czech Republic, Greece, Hungary and Portugal	12
Austria and Sweden	10
Denmark, Ireland, Lithuania, Slovakia and Finland	7
Cyprus, Estonia, Latvia, Luxembourg and Slovenia	4
Malta	3
Total	321

'Qualified majority voting'

The most common voting procedure in the Council is 'qualified majority voting' (QMV). This means that, for a proposal to be adopted, it needs the support of a specified minimum number of votes. (The details are given below.)

However, in some particularly sensitive areas such as CFSP, taxation, asylum and immigration policy, Council decisions have to be unanimous. In other words, each member state has the power of veto in these areas.

Unanimous agreement is already hard to achieve between 15 countries: in an enlarged Union of 27 or more it will be virtually impossible. If it kept trying to operate under its present rules, the EU would be paralysed – unable to act in many important fields. So the Treaty of Nice has changed the rules, allowing the Council to take decisions by qualified majority voting in quite a number of areas that used to require unanimity.

Until 1 May 2004, the minimum number of votes required to reach a qualified majority is 62 out of the total of 87 (i.e. 71.3 %). For a six-month period from 1 May 2004, when new member states join the EU, transitional arrangements apply.

From 1 November 2004, a qualified majority will be reached:

- if a majority of member states (in some cases a two thirds majority) approve, AND
- if a minimum of 232 votes is cast in favour – which is 72,3 % of the total (roughly the same share as under the previous system).

In addition, a member state may ask for confirmation that the votes in favour represent at least 62 % of the total population of the Union. If this is found not to be the case, the decision will not be adopted.

The European Commission: promoting the common interest

Key facts

Role:	<i>Executive arm of the EU and initiator of legislative proposals</i>
Members:	<i>20: two each from France, Germany, Italy, Spain and the United Kingdom; one from each of the other member states</i>
Term of office:	<i>Five years (1999-2004, 2004-09)</i>
Address:	<i>Rue de la Loi/Wetstraat, 200 B-1049 Brussels</i>
Tel.:	<i>(32-2) 299 11 11</i>
Internet:	<i>europa.eu.int/comm</i>



The Commission is the politically independent institution that represents and upholds the interests of the EU as a whole. It is the driving force within the EU's institutional system: it proposes legislation, policies and programmes of action and it is responsible for implementing the decisions of Parliament and the Council.

Like the Parliament and Council, the European Commission was set up in the 1950s under the EU's founding treaties.

Who are the Commission?

The term 'Commission' is used in two senses. First, it refers to the 'Members of the Commission' – i.e. the team of 20 men and women appointed by the member states and Parliament to run the institution and take its decisions. Second, the term 'Commission' refers to the institution itself and to its staff.

Informally, the Members of the Commission are known as 'Commissioners'. They have all held political positions in their countries of origin, and many have been government ministers, but as Members of the Commission they are committed to acting in the interests

of the Union as a whole and not taking instructions from national governments.

A new Commission is appointed every five years, within six months of the elections to the European Parliament. The procedure is as follows:

- The member state governments agree together on who to designate as the new Commission President.
- The Commission President-designate, in discussion with the member state governments, chooses the other 19 Members of the Commission.
- The new Parliament then interviews all 20 members and gives its opinion on the entire 'college'. If approved, the new Commission can officially start work the following January.

The present Commission's term of office runs until 31 October 2004. Its President is Romano Prodi.

The Commission remains politically answerable to Parliament, which has the power to dismiss it by adopting a motion of censure. The Commission attends all the sessions of



As President of the Commission, Romano Prodi is keen on dialogue – explaining what his institution is doing and hearing the views of EU citizens. Two-way communication is essential in bringing Europe and Europeans closer together.

Parliament, where it must clarify and justify its policies. It also replies regularly to written and oral questions posed by MEPs.

The day-to-day work of the Commission is done by its administrative officials, experts, translators, interpreters and secretarial staff. There are approximately 24 000 of these European civil servants. That may sound a lot, but in fact it is fewer than the number of staff employed by most medium-sized city councils in Europe.

Far from being faceless bureaucrats, these people are ordinary citizens from every EU country, selected through competitive examinations and working together to build a strong and successful European Union. Commission officials – like the staff of other EU bodies – are recruited via the European Personnel Selection Office (EPSO): europa.eu.int/epsso.

Where is the Commission based?

The 'seat' of the Commission is in Brussels (Belgium), but it also has offices in Luxembourg, representations in all EU countries and delegations in many capital cities around the world.

What does the Commission do?

The European Commission has four main roles:

1. to propose legislation to Parliament and the Council;
2. to manage and implement EU policies and the budget;
3. to enforce European law (jointly with the Court of Justice);
4. to represent the European Union on the international stage, for example by negotiating agreements between the EU and other countries.

1. Proposing new legislation

Under the Treaty, the Commission has the 'right of initiative'. In other words, the Commission alone is responsible for drawing up proposals for new European legislation, which it presents to **Parliament** and the **Council**. These proposals must aim to defend the interests of the Union and its citizens, not those of specific countries or industries.

Before making any proposals, the Commission must be aware of new situations and problems developing in Europe and it must consider whether EU legislation is the best way to deal with them. That is why the Commission is in constant touch with a wide range of interest groups and with two advisory bodies – the **European Economic and Social Committee** (made up of employers' and trade unions' representatives) and the **Committee of the Regions** (made up of representatives of local and regional authorities). It also seeks the opinions of national parliaments and governments.

The Commission will propose action at EU level only if it considers that a problem cannot be solved more efficiently by national, regional or local action. This principle of dealing with things at the lowest possible level is called the 'subsidiarity principle'.

If, however, the Commission concludes that EU legislation is needed, then it drafts a proposal that it believes will deal with the problem effectively and satisfy the widest possible range of interests. To get the technical details right, the Commission consults the experts who make up its various committees and working groups.

2. Implementing EU policies and the budget

As the European Union's executive body, the Commission is responsible for managing and implementing the EU budget and the policies and programmes adopted by Parliament and the Council. Most of the actual work and spending is done by national and local authorities, but the Commission is responsible for supervising it.

One example of a **policy** actively managed by the Commission is competition policy: the Commission monitors cartels and mergers, and makes sure that EU countries do not subsidise their industries in such a way as to distort competition.

Examples of EU **programmes** managed by the Commission range from the 'Interreg' and URBAN programmes (creating cross-border partnerships between regions and helping regenerate declining urban areas) to the Erasmus programme of Europe-wide student exchanges.

The Commission handles the **budget** under the watchful eye of the **Court of Auditors**. Both institutions aim to ensure good financial management. Only if it is satisfied with the Court of Auditors' annual report does the **European Parliament** grant the Commission discharge for implementing the budget.

3. Enforcing European law

The Commission acts as 'guardian of the Treaties'. This means that the Commission, together with the Court of Justice, is responsible for making sure EU law is properly applied in all the member states.

If it finds that an EU country is not applying an EU law, and therefore not meeting its legal obligations, the Commission takes steps to put the situation right.

First it launches a legal process called the 'infringement procedure'. This involves sending the government an official letter, saying why the Commission considers this country is infringing EU law and setting it a deadline for sending the Commission a detailed reply.

If this procedure fails to put things right, the Commission must then refer the matter to the **Court of Justice**, which has the power to impose penalties. The Court's judgments are binding on the member states and the EU institutions.

4. *Representing the EU on the international stage*

The European Commission is an important mouthpiece for the European Union on the international stage. It enables the 15 member states to speak 'with one voice' in international forums such as the World Trade Organisation.

The Commission also has the responsibility of negotiating international agreements on behalf of the EU. One example is the Cotonou Agreement, which sets out the terms of an important aid and trade partnership between the EU and developing countries in Africa, the Caribbean and the Pacific.

How is the Commission's work organised?

It is up to the Commission President to decide which Commissioner will be responsible for which policy area, and to reshuffle these responsibilities (if necessary) during the Commission's term of office. The President, with the Commission's approval, is also entitled to demand a Commissioner's resignation.

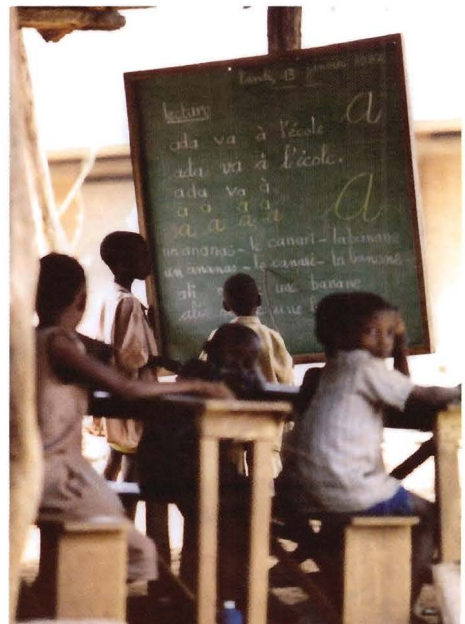
The team of 20 Commissioners (also known as 'the College') meets once a week, usually on Wednesdays in Brussels. Each item on the agenda is presented by the Commissioner responsible for that policy area, and the College takes a collective decision on it.

The Commission's staff is organised into 36 departments, known as 'Directorates-General' (DGs) and 'services' (such as the Legal Service and Translation Service).

Each DG is responsible for a particular policy area and is headed by a Director-General who is answerable to one of the Commissioners.

It is the DGs that actually devise and draft the Commission's legislative proposals, but these proposals become official only when 'adopted' by the College at its weekly meeting. The procedure is roughly as follows.

Suppose, for example, that the Commission sees a need for EU legislation to prevent pollution of Europe's rivers. The Directorate-General for the Environment will draw up a proposal, based on extensive consultations



The European Union is the world's leading donor of development aid, including aid for education and for building schools.

with European industry and farmers, with environment ministries in the member states and with environmental organisations.

The proposed legislation will then be discussed with all relevant Commission departments and amended if necessary. It will then be checked by the Legal Service and by the Commissioners' 'cabinets' (personal political staff).

Once the proposal is fully ready, the Secretary-General will put it on the agenda for a forthcoming Commission meeting. At this meeting, the Environment Commissioner will explain to his or her colleagues why this legislation is being proposed, and they will then discuss it. If there is agreement, the College will 'adopt' the proposal and the document will be sent to Council and the European Parliament for their consideration.

If there is disagreement among the Commissioners, the President will ask them to vote on it. If 11 or more of the 20 members are in favour, the proposal will be adopted. Thereafter it will have the unconditional support of all the Commission members.

Future size of the Commission

There have always been two Commissioners from each of the most heavily populated member states and one Commissioner from each of the other EU countries. However, if this system were maintained after EU enlargement, the Commission would become too large to be workable. There will already be 10 new Commissioners (bringing the total to 30) on 1 May 2004, when 10 new member states join the EU.

So, from the date when the 2004–09 Commission takes office (1 November 2004), there will be only one Commissioner per country. Once the Union has 27 member states, the Council – by a unanimous decision – will fix the maximum number of Commissioners. There must be fewer than 27 of them, and their nationality will be determined by a system of rotation that is absolutely fair to all countries.



The Members of the European Commission come from all EU countries but are independent of national governments. They meet once a week to discuss EU policies and to propose new European legislation.

The Court of Justice: upholding the law

Key facts

Role:	<i>To give legal judgments on cases brought before it</i>
Court of Justice:	<i>One judge from each EU country; eight advocates-general</i>
Court of First Instance:	<i>One judge from each EU country</i>
Term of office:	<i>Members of both courts are appointed for renewable terms of six years</i>
Address:	<i>Plateau du Kirchberg, L-2925 Luxembourg</i>
Tel.:	<i>(352) 4303-1</i>
Internet:	<i>curia.eu.int</i>



The Court of Justice of the European Communities (often referred to simply as 'the Court') was set up under the ECSC Treaty in 1952. Its job is to ensure that EU legislation (technically known as 'Community law') is interpreted and applied in the same way in each member state. In other words, that it is always identical for all parties and in all circumstances. The Court has the power to settle legal disputes between member states, EU institutions, businesses and individuals.

The Court is composed of one judge per member state, so that all the EU's national legal systems are represented. Even after enlargement there will still be one judge per member state, but for the sake of efficiency the Court will be able to sit as a 'Grand Chamber' of just 13 judges instead of always having to meet in a plenary session attended by all the judges.

The Court is assisted by eight 'advocates-general'. Their role is to present reasoned opinions on the cases brought before the Court. They must do so publicly and impartially.

The judges and advocates-general are either former members of the highest national courts or highly competent lawyers who can be relied on to show impartiality. They are appointed by joint agreement of the governments of the member states. Each is appointed for a term of six years, after which they may be reappointed for one or two further periods of three years.

To help the Court of Justice cope with the thousands of cases brought before it, and to offer citizens better legal protection, a 'Court of First Instance' was created in 1989. This Court (which is attached to the Court of Justice) is responsible for giving rulings on certain kinds of case, particularly actions brought by private individuals and cases relating to unfair competition between businesses.

The Court of Justice and the Court of First Instance each have a President, chosen by their fellow judges to serve for a term of three years.



The Court of Justice ensures that everyone is treated equally under EU law. There is one judge from each EU country.

What does the Court do?

The Court gives rulings on cases brought before it. The four most common types of case are:

1. requests for a preliminary ruling;
2. proceedings for failure to fulfil an obligation;
3. proceedings for annulment;
4. proceedings for failure to act.

They are each described in greater detail below.

1. The preliminary ruling

The courts in each EU country are responsible for ensuring that EU law is properly applied in that country. But there is a risk that courts in different countries might interpret EU law in different ways.

To prevent this happening, there is a 'preliminary ruling procedure'. This means that if a national court is in any doubt about the interpretation or validity of an EU law it may, and sometimes must, ask the Court of Justice for advice. This advice is given in the form of a 'preliminary ruling'.

2. Proceedings for failure to fulfil an obligation

The Commission can initiate these proceedings if it has reason to believe that a member state is failing to fulfil its obligations under EU law. These proceedings may also be initiated by another member state.

In either case, the Court investigates the allegations and gives its judgment. The accused member state, if it is indeed found to be at fault, must set things right at once.

3. *Proceedings for annulment*

If any of the member states, the Council, Commission or (under certain conditions) Parliament believes that a particular EU law is illegal they may ask the Court to annul it.

These 'proceedings for annulment' can also be used by private individuals who want the Court to cancel a particular law because it directly and adversely affects them as individuals.

If the Court finds that the law in question was not correctly adopted or is not correctly based on the treaties, it may declare the law null and void.

4. *Proceedings for failure to act*

The Treaty requires the European Parliament, the Council and the Commission to make certain decisions under certain circumstances. If they fail to do so, the member states, the other Community institutions and (under certain conditions) individuals or companies can lodge a complaint with the Court so as to have this violation officially recorded.

How is the Court's work organised?

Cases are submitted to the registry and a specific judge and advocate-general are assigned to each case.

The procedure that follows is in two stages: first a written and then an oral phase.

At the **first stage**, all the parties involved submit **written statements** and the judge assigned to the case draws up a **report** summarising these statements and the legal background to the case. From this report, the advocate-general assigned to the case draws his or her **conclusions**. In the light of these conclusions, the judge draws up a **draft ruling** which is submitted to the other members of the Court for examination.

Then comes the **second stage – the public hearing**. In principle, this takes place before the whole Court (in 'plenary session'), but hearings can also take place before chambers of three or five judges, depending on the importance or complexity of the case. At the hearing, the parties' lawyers put their case before the judges and the advocate-general, who can question them. The advocate-general then gives his or her conclusions, after which the judges deliberate and deliver their judgment.

Judgments of the Court are decided by a majority and pronounced at a public hearing. Dissenting opinions are not expressed.

The European Court of Auditors: getting value for your money

Key facts

Role:	<i>To check that EU funds are used properly</i>
Members:	<i>One from each EU country</i>
Term of office:	<i>Members are appointed for a renewable term of six years</i>
Address:	<i>12 rue Alcide de Gasperi, L-1615 Luxembourg</i>
Tel.:	<i>(352) 4398-1</i>
Internet:	<i>www.eca.eu.int</i>



The Court of Auditors checks that all the Union's revenue has been received and all its expenditure incurred in a lawful and regular manner and that the EU budget has been managed soundly. The Court was established in 1977.

The Court has one member from each EU country, appointed by the Council for a renewable term of six years. Even after enlargement there will still be one member per EU country but, for the sake of efficiency, the Court can set up 'chambers' (with only a few members each) to adopt certain types of report or opinion.

In their countries of origin, the members of the Court have all worked for an auditing institution or are specifically qualified for that work. They are chosen for their competence and independence, and they work full-time for the Court.

The members elect one of their number as President for a term of three years.

What does the Court do?

The Court's main role is to check that the EU budget is correctly implemented – in other words, that EU income and expenditure is legal and above board and to ensure sound financial management. So its work helps guarantee that the EU system operates efficiently and openly.

To carry out its tasks, the Court investigates the paperwork of any organisation handling EU income or expenditure. If need be, it carries out on-the-spot checks. Its findings are written up in reports which draw the attention of the Commission and the member states to any problems.

To do its job effectively, the Court of Auditors must remain independent of the other institutions but at the same time stay in constant touch with them.

One of its key functions is to help the budgetary authority (the European Parliament and the Council) by presenting them every year with a report on the previous financial year. The comments it makes in this **annual report** play a very important role in Parliament's decision whether or not to approve the Commission's handling of the budget. If satisfied, the Court of Auditors

also sends the Council and Parliament a **statement of assurance** that European taxpayers' money has been properly used.

Finally, the Court of Auditors gives an opinion before the EU's financial regulations are adopted. It can comment at any time on specific issues, or it can give an opinion at the request of one of the EU institutions.

How is the Court's work organised?

The Court of Auditors works independently, and is free to decide how to schedule its auditing activities, how and when to present its observations, and what publicity to give to its reports and opinions.

It has approximately 550 qualified staff, of whom about 250 are auditors. The auditors are divided into 'audit groups'. They prepare draft reports on which the Court takes decisions.

The auditors frequently go on tours of inspection to the other EU institutions, the member states and any country that receives aid from the EU. Indeed, although the Court's work largely concerns money for which the Commission is responsible, in practice 90 % of this income and expenditure is managed by the national authorities.

The Court of Auditors has no legal powers of its own. If auditors discover fraud or irregularities they pass the information as quickly as possible to the EU bodies responsible, so they can take the appropriate action.



One important item on the EU's budget is support for environment-friendly farming that treats animals well and produces healthy food. Auditors check that this money, like the rest of the budget, is used properly.

The European Central Bank: managing the euro

Key facts

Role:	<i>To manage the euro and EU monetary policy</i>
Members:	<i>Governing Council 18, General Council 17, Executive Board 6</i>
Address:	<i>Kaiserstrasse 29, D-60311 Frankfurt am Main</i>
Tel.:	<i>(49) 691 34 40</i>
Internet:	<i>www.ecb.int</i>



Twelve of the EU's 15 member states now share a single currency, the euro. Euro bank notes and coins came into circulation on 1 January 2002.

The European Central Bank (ECB) was set up in 1998, under the Treaty on European Union, to introduce and manage this new currency – conducting foreign exchange operations and ensuring the smooth operation of payment systems. The ECB is also responsible for framing and implementing the EU's economic and monetary policy.

To carry out its role, the ECB works with the 'European System of Central Banks' (ESCB), which covers all 15 EU countries. However, only 12 of these countries have so far adopted the euro. The 12 collectively make up the 'euro area' and their central banks, together with the European Central Bank, make up what is called the 'Eurosystem'.

The ECB works in complete independence. Neither the ECB, the national central banks of the Eurosystem, nor any member of their decision-making bodies can ask for or accept instructions from any other body. The EU

institutions and member state governments must respect this principle and must not seek to influence the ECB or the national central banks.

The ECB, working closely with the national central banks, prepares and implements the decisions taken by the Eurosystem's decision-making bodies – the Governing Council, the Executive Board and the General Council.

What does the Bank do?

One of the ECB's main tasks is to maintain **price stability in the euro area**, preserving the euro's purchasing power.

That means keeping inflation under strict control: the ECB aims to ensure that the year-on-year increase in consumer prices is less than 2 %. The ECB goes about this in two ways:

- First, by **controlling the money supply**. If the money supply is excessive compared to the supply of goods and services, inflation will result.

- Second, by **monitoring price trends** and assessing the risk they pose to price stability in the euro area.

Controlling the money supply involves, amongst other things, **setting interest rates throughout the euro area**. This is perhaps the Bank's best-known activity.

How is the Bank's work organised?

The European Central Bank's work is organised via the following decision-making bodies.

The Executive Board

This comprises the President of the ECB, the Vice-President and four other members, all appointed by common agreement of the presidents or prime ministers of the euro area countries. The Executive Board members are appointed for a non-renewable term of eight years.

The Executive Board is responsible for implementing monetary policy, as defined by the Governing Council (see below), and for giving instructions to the national central banks. It also prepares the Governing Council meetings and is responsible for the day-to-day management of the ECB.

The Governing Council

The Governing Council is the European Central Bank's highest decision-making body. It comprises the six members of the Executive Board and the governors of the 12 central banks of the euro zone. It is chaired by the President of the ECB. Its primary mission is to define the monetary policy of the euro zone, and, in particular, to fix the interest rates at which the commercial banks can obtain money from the Central Bank.

The General Council

The General Council is the ECB's third decision-making body. It comprises the ECB's President and the Vice-President and the governors of the national central banks of all 15 EU member states. The General Council contributes to the ECB's advisory and co-ordination work and helps prepare for the future enlargement of the euro zone.



Wim Duisenberg was appointed ECB President in 1998. The Bank's main job is keeping inflation under control.

The European Economic and Social Committee: voice of civil society

Key facts

Role:	<i>Represents organised civil society</i>
Members:	<i>Currently 222, maximum 350</i>
Term of office:	<i>Four years</i>
Meetings:	<i>Brussels, monthly</i>
Address:	<i>2 rue Ravenstein, B-1000 Brussels</i>
Tel.:	<i>(32-2) 546 90 11</i>
Internet:	<i>www.esc.eu.int</i>



Founded in 1957 under the Treaty of Rome, the European Economic and Social Committee (EESC) is an advisory body representing employers, trade unions, farmers, consumers and the other interest groups that collectively make up 'organised civil society'. It presents their views and defends their interests in policy discussions with the Commission, the Council and the European Parliament.

So the EESC is a bridge between the Union and its citizens, promoting a more participatory, more inclusive and therefore more democratic society in Europe.

The Committee is an integral part of the EU's decision-making process: it must be consulted before decisions are taken on economic and social policy. On its own initiative it may



Employment in Europe is greatly affected by EU policies. Through the EESC, employers and trade unions both have a say in shaping those policies.

also give opinions on other matters it considers important.

Until new member states join, the EESC has 222 members – the number from each EU country roughly reflecting the size of its population. The numbers per country are as follows:

Germany, France, Italy and the United Kingdom	24
Spain	21
Belgium, Greece, the Netherlands, Austria, Portugal and Sweden	12
Denmark, Ireland and Finland	9
Luxembourg	6
Total	222

These numbers will not change after enlargement, but representatives from the new member states will join the Committee. The numbers from each new member state will be as follows:

Poland	21
Romania	15
Bulgaria, Czech Republic and Hungary	12
Lithuania and Slovakia	9
Estonia, Latvia and Slovenia	7
Cyprus	6
Malta	5

On this basis, the Committee will have a total of 344 members.

The members are nominated by the EU governments but they work in complete political independence. They are appointed for four years, and may be reappointed.

The Committee meets in Plenary Assembly, and its discussions are prepared by six sub-committees known as 'sections', each dealing with particular policy areas. It elects its President and two Vice-Presidents for a two-year term.

What does the EESC do?

The European Economic and Social Committee has three main roles:

- to advise the Council, Commission and European Parliament, either at their request or on the Committee's own initiative;
- to encourage civil society to become more involved in EU policymaking;
- to bolster the role of civil society in non-EU countries and to help set up advisory structures.

Who are the EESC's members?

Working mostly in their countries of origin, the members of the Committee form three groups that represent employers, workers and various economic and social interests.

The Employers' Group has members from private and public sectors of industry, small and medium-sized businesses, chambers of commerce, wholesale and retail trade, banking and insurance, transport and agriculture.

The Workers' Group represents all categories of employees, from manual to executive. Its members come from national trade union organisations.

The third group represents a wide range of interests: NGOs, farmers' organisations, small businesses, crafts and professions, co-operatives and non-profit associations, consumer and environmental organisations, the scientific and academic communities and associations that represent the family, women, persons with disabilities, etc.

The Committee of the Regions: voice of local government

Key facts

Role:	<i>Represents regional and local authorities</i>
Members:	<i>Currently 222, maximum 350</i>
Term of office:	<i>Four years</i>
Meetings:	<i>Brussels, five plenaries per year</i>
Address:	<i>79 rue Belliard, B-1040 Brussels</i>
Tel.:	<i>(32-2) 282 22 11</i>
Internet:	<i>www.cor.eu.int</i>



Set up in 1994 under the Treaty on European Union (Maastricht), the Committee of the Regions (COR) is an advisory body composed of representatives of Europe's regional and local authorities. It ensures that these authorities have a say in European Union policymaking and that regional and local identities and prerogatives are respected.

The Committee has to be consulted on matters that concern local and regional government, such as regional policy, the environment, education and transport.

Until new member states join, the Committee has 222 members. The number from each member state approximately reflects its population size, as follows:

Germany, France, Italy and the United Kingdom	24
Spain	21
Belgium, Greece, the Netherlands, Austria, Portugal and Sweden	12
Denmark, Ireland and Finland	9
Luxembourg	6
Total	222

These numbers will not change after enlargement, but representatives from the new member states will join the Committee. The numbers from each new member state will be as follows:

Poland	21
Romania	15
Bulgaria, Czech Republic and Hungary	12
Lithuania and Slovakia	9
Estonia, Latvia and Slovenia	7
Cyprus	6
Malta	5

On this basis, the Committee will have a total of 344 members.

The members of the Committee are elected municipal or regional politicians, representing the entire range of local and regional government activities in the European Union. They may be regional presidents, regional parliamentarians, town councillors, mayors of large cities, etc.

They are nominated by the EU governments but they work in complete political independence. The Council of the European Union appoints them for four years, and they may be reappointed. Under the Treaty of Nice,

they must also have a mandate from the authorities they represent, or must be politically accountable to them.

The Committee of the Regions appoints a President from among its members, for a term of two years.

What does the Committee do?

The role of the Committee of the Regions is to put forward the local and regional points of view on EU legislation. It does so by issuing opinions on Commission proposals.

The Commission and the Council must consult the Committee of the Regions on topics of direct relevance to local and regional authorities, but they can also consult the Committee whenever they wish. For its part, the Committee can adopt opinions on its own initiative and present them to the Commission, Council and Parliament.

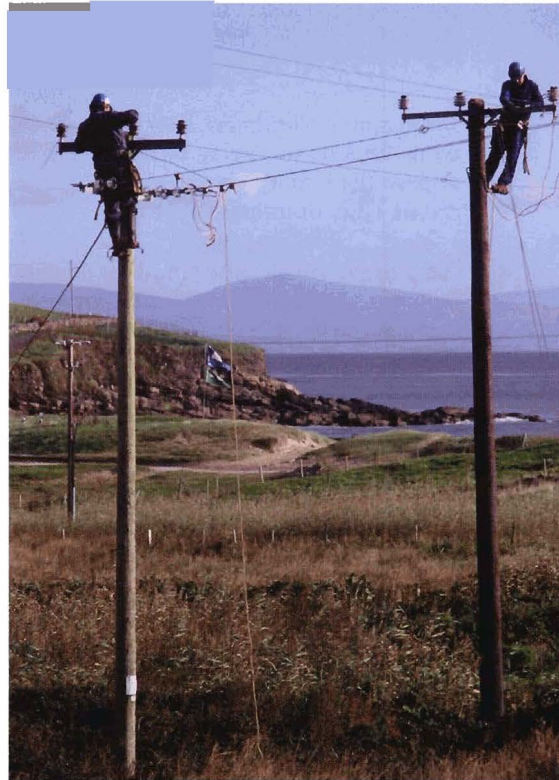
How is the Committee's work organised?

Each year the Committee of the Regions holds five plenary sessions, during which its general policy is defined and opinions are adopted.

The members of the Committee are assigned to specialist 'commissions' whose job is to prepare the plenary sessions. There are six commissions:

- Commission for Territorial Cohesion Policy (COTER);
- Commission for Economic and Social Policy (ECOS);
- Commission for Sustainable Development (DEVE);

- Commission for Culture and Education (EDUC);
- Commission for Constitutional Affairs and European Governance (CONST);
- Commission for External Relations (RELEX).



Through the Committee of the Regions, mayors and town councillors from all over Europe have their say in EU action that affects the regions – such as projects to improve transport, communications and energy networks.

The European Investment Bank: financing EU projects

Key facts

Role:	<i>Finances EU projects</i>
Members:	<i>The member states Board of Directors 25 Management Committee 8</i>
Address:	<i>100 Boulevard Konrad Adenauer L-2950 Luxembourg</i>
Tel.:	<i>(352) 4379-1</i>
Internet:	<i>www.eib.eu.int</i>



The European Investment Bank (EIB) was set up in 1958 by the Treaty of Rome. It helps achieve the Union's objectives by financing certain types of investment project.

The projects selected are ones that promote European integration, balanced development, economic and social cohesion and an innovative knowledge-based economy.

What does the Bank do?

The EIB's mission is to invest in projects that promote the objectives of the European Union. It is non-profit-making and gets no money from savings or current accounts. Nor does it use any funds from the EU budget. Instead, the EIB is financed through borrowing on the financial markets and by the Bank's shareholders – the member states of the European Union. They subscribe jointly to its capital, each country's contribution reflecting its economic weight within the Union.

This backing by the member states gives the EIB the highest possible credit rating (AAA) on the money markets, where it can therefore raise very large amounts of capital on very

competitive terms. This in turn enables the Bank to invest in projects of public interest that would otherwise not get the money – or would have to borrow it more expensively.

The projects the Bank invests in are carefully selected according to the following criteria:

- they must help achieve EU objectives such as making European industries and small businesses more competitive; creating trans-European networks (transport, telecommunications and energy); boosting the information technology sector; protecting the natural and urban environments; improving health and education services;
- they must chiefly benefit the most disadvantaged regions;
- they must help attract other sources of funding.

These criteria apply to activities both within and outside the European Union. Nearly 90% of the EIB's activities take place within the European Union, but a significant proportion of the funding goes to the future member states.

The EIB also supports sustainable development in the Mediterranean countries, Africa, the Caribbean and the Pacific, as well as projects in Latin America and Asia.

Finally, the EIB is the majority shareholder in the European Investment Fund. This fund was set up in 1994 to finance investment in small and medium-sized enterprises (SMEs).

How is the Bank's work organised?

The Bank deals directly with the promoters of large-scale projects (at least 25 million euro), while for smaller projects (SMEs or local authorities) it works with some 180 banks and specialist financial intermediaries in Europe.

The EIB is an autonomous institution. It makes its own borrowing and lending decisions purely on the merits of each project and the opportunities offered by the financial markets. Each year, it presents a report on all its activities.

The Bank co-operates with the EU institutions. For example, its representatives may take part in committees of the European Parliament, and the President of the EIB may attend Council meetings.

The Bank's decisions are taken by the following bodies.

- The **Board of Governors** consists of ministers (normally the Finance Ministers) from all the member states. It defines the Bank's general lending policy, approves the balance sheet and annual report, authorises the Bank to fund projects outside the EU and decides on capital increases.
- The **Board of Directors**, chaired by the President of the Bank, comprises 24 members appointed by the member states and one by the European Commission. It approves lending and borrowing operations and it makes sure that the EIB is properly managed.
- The **Management Committee** is the Bank's full-time executive. It handles the EIB's day-to-day business.



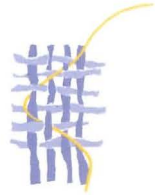
Eurekaslide

The EIB finances a wide range of projects, including new road and rail links to improve Europe's transport networks.

The European Ombudsman: investigating your complaints

Key facts

Role:	To uncover maladministration
Term of office:	Five years, renewable
Address:	1 avenue du Président Robert Schuman B.P. 403 F-67001 Strasbourg
Tel.:	(33) 388 17 23 13
Internet:	www.euro-ombudsman.eu.int



The position of European Ombudsman was created by the Treaty on European Union (Maastricht, 1992). The Ombudsman acts as an intermediary between the citizen and the EU authorities. He is entitled to receive and investigate complaints from EU citizens, businesses and institutions, and from anyone residing or having their legal domicile in an EU country.

The Ombudsman is elected by the European Parliament for a renewable term of five years, which corresponds to Parliament's legislative term.

What does the Ombudsman do?

He helps to uncover 'maladministration' in the European institutions and other EU bodies. 'Maladministration' means poor or failed administration – in other words, an EU institution fails to do something it should have done, or does it the wrong way, or does something that ought not to be done. Examples of maladministration are:

- unfairness,
- discrimination,
- abuse of power,
- lack or refusal of information,
- unnecessary delay,
- incorrect procedures.

*Mr Nikiforos
Diamandouros took up
the post of Ombudsman
in April 2003.*



The Ombudsman can make recommendations to the EU institutions and may refer a matter to the European Parliament so that it can take whatever political action is necessary.

The Ombudsman operates completely independently and impartially. He does not request or accept instructions from any government or organisation. Moreover, during his term of office, he may not exercise any other professional activity, either paid or unpaid.

How do I complain to the Ombudsman?

If you live in the European Union (or you are an institution or business based in the EU), and if you think you have been the victim of maladministration by an EU institution or body, the first thing to do is contact that institution or body through the usual administrative channels and try to get them to put the situation right.

If that approach fails, you can complain to the European Ombudsman.

You must make your complaint to the Ombudsman **within two years** of the date on which you became aware of the act of maladministration. You must clearly state who you are and what you are complaining about, though you may ask for the complaint to remain confidential. If necessary, the Ombudsman can advise you to approach another authority.

The Ombudsman will not investigate your complaint if the alleged facts are, or have been, the subject of a court case.

For practical guidance on making your complaint, go to the Ombudsman's Internet website.

How is the Ombudsman's work organised?

The Ombudsman carries out investigations on his own initiative or following a complaint.

The EU institutions and bodies are obliged to provide the Ombudsman with any information he requests and to give him access to the relevant files. They can refuse to do so only on justified grounds of confidentiality.

If the Ombudsman discovers a case of maladministration, he informs the institution concerned and makes draft recommendations. The institution concerned has three months to give its detailed opinion on the matter.

The Ombudsman then submits a report to the European Parliament and to the institution concerned. He also lets the complainant know the outcome of the investigations.

Every year, the Ombudsman gives the European Parliament a report on all his investigations.

Agencies

An agency is not an EU institution: it is a body set up by the EU to carry out a very specific technical, scientific or managerial task.

The EU institutions (Parliament, Council, Commission, etc.) were created on the basis of the European Treaties. Agencies, on the other hand, are not provided for in the Treaties. Each one is set up by an individual piece of legislation that specifies the task of that particular agency. Not all of them have the word 'agency' in their official title: they may, instead, be called a centre, institute, foundation, office or authority.

There are currently 19 agencies. Two of them – the European Institute for Security Studies and the European Union Satellite Centre – were set up under the Common Foreign and Security Policy (see the chapter on the Council of the European Union, above). Two others – Europol and Eurojust – play an important role in co-operation between EU countries in the field of Justice and Home Affairs. They are described below.

The other 15 carry out tasks under the 'first pillar' of the EU – the so-called 'Community domain'. Read on for a brief description of each of them.

European Centre for the Development of Vocational Training

Established in 1975, the European Centre for the Development of Vocational Training (Cedefop) is located in Thessaloniki, Greece.

Its job is to analyse and provide information on vocational education and training systems, policies, research and practice. This helps specialists throughout the EU to develop and improve vocational education and training in Europe.

Cedefop also runs an interactive website called 'European Training Village', accessible at www.trainingvillage.gr.

Further information at www.cedefop.eu.int

European Foundation for the Improvement of Living and Working Conditions

Established in 1975, the European Foundation for the Improvement of Living and Working Conditions (Eurofound) is located in Dublin, Ireland.

Its job is to:

- advise social and labour policymakers;
- assess and analyse living and working conditions;
- report on developments and trends;
- contribute to improving the quality of life.

Further information at www.eurofound.eu.int

European Environment Agency

The European Environment Agency (EEA) was established in 1990. It is located in Copenhagen, Denmark.

Its job is to collect and disseminate information on the state and trends of the environment in Europe. It is open to non-EU countries: Iceland, Liechtenstein and Norway have been members from the start. The Agency co-operates actively with environmental bodies and international organisations.

Further information at www.eea.eu.int

European Training Foundation

Established in 1990, the European Training Foundation (ETF) is located in Turin, Italy.

The ETF helps improve vocational training in over 40 non-EU countries. They include the candidate countries and countries in neighbouring regions such as North Africa, the Middle East, the Balkans and the former Soviet Union.

The Foundation offers these countries insight, know-how and experience in training people for new jobs and in developing lifelong learning programmes.

Further information at www.etf.eu.int

European Monitoring Centre for Drugs and Drug Addiction

Established in 1993, the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) is located in Lisbon, Portugal.

The Centre's task is to collect and disseminate objective, reliable and comparable information on drugs and drug addiction in Europe. It works in partnership with non-EU countries as well as with international bodies such as the United Nations International Drug Control Programme (UNDCP), the World Health Organisation (WHO), the Council of Europe's Pompidou Group, the World Customs Organisation (WCO), the International Criminal Police Organisation (Interpol) and the European Police Office (Europol).

Further information at www.emcdda.org

European Agency for the Evaluation of Medicinal Products

Established in 1993, the European Agency for the Evaluation of Medicinal Products (EMA) is located in London, United Kingdom. The Agency helps protect and promote health in Europe by evaluating medicines for both human and veterinary use. It brings together scientific expertise from all EU countries.

Some types of medicinal product derived from biotechnology can be sold in the European Union only after careful examination by the EMA. If the Agency finds that the product is safe and of good quality, the European Commission can authorise it for sale in all EU countries. People wishing to market other innovative medicines may also apply for this kind of authorisation.

Most conventional medicines are authorised by each individual EU country. The EMEA helps run a system of mutual recognition for these national authorisations.

Further information at www.emea.eu.int

Office for Harmonisation in the Internal Market (Trade Marks and Designs)

Established in 1994, the Office for Harmonisation in the Internal Market (OHIM) is located in Alicante, Spain.

Its task is to carry out registration procedures for Community trade marks and designs.

The 'Community trade mark' system simplifies life and cuts costs for European businesses. A manufacturer wishing to protect his trade mark in Europe no longer has to register identical trade marks in each EU country. Through OHIM he can now apply for a single 'Community' trade mark, which gives him the right to prohibit other firms from using identical or similar signs throughout the EU.

Further information at oami.eu.int

European Agency for Safety and Health at Work

Established in 1994, the European Agency for Safety and Health at Work (EU-OSHA) is located in Bilbao, Spain.

No one country can tackle the wide range of occupational safety and health (OSH) issues facing Europe today. So EU-OSHA was set up to pool Europe's vast fund of knowledge and information on these issues, particularly on preventive measures.

As well as developing a comprehensive network of safety and health websites, the Agency runs an active publications programme producing everything from specialist information reports to campaign material.

EU-OSHA is run by an Administrative Board on which trade unions, employers' organisations, national governments and the European Commission are all represented.

Further information at europe.osha.eu.int

Community Plant Variety Office

The Community Plant Variety Office (CPVO) is located in Angers, France. It was established in 1994.

Its task is to administer a system of plant variety rights – a form of industrial property rights relating to plants.

The CPVO works rather like the Office for Harmonisation in the Internal Market: it grants industrial property protection rights for new plant varieties. These rights are valid for a period of either 25 or 30 years.

Further information at www.cpvo.eu.int

Translation Centre

Established in 1994, the Translation Centre (CdT) is located in Luxembourg.

The Centre, which is self-financing, was set up to meet the translation needs of the other decentralised EU agencies. Under voluntary co-operation agreements it also provides services to the EU institutions and other bodies that have their own translation services.

Further information at www.cdt.eu.int

European Agency for Reconstruction

The European Agency for Reconstruction (EAR) was set up in 1999. Its headquarters are in Thessaloniki, Greece, and it has operational centres in Belgrade, Pristina, Podgorica and Skopje.

Its task is to manage the main EU programmes for providing reconstruction assistance to countries throughout the Balkan region affected by recent wars.

The EAR is accountable to the European Council and the European Parliament, and its Governing Board is composed of the European Commission and representatives from EU member states. It manages an assistance programme worth some 1.6 billion euro annually.

Further information at www.ear.eu.int

European Monitoring Centre on Racism and Xenophobia

The European Monitoring Centre on Racism and Xenophobia (EUMC) is located in Vienna, Austria. It was established in 1997.

The Centre's primary task is to provide the EU and its member states with objective, reliable and comparable data on racism, xenophobia and anti-semitism in Europe, and to work out EU-wide strategies for tackling these problems.

The EUMC studies the extent and development of racism and xenophobia and analyses their causes, consequences and effects. It also highlights and disseminates examples of good practice in integrating migrants and ethnic and religious minorities.

The core of the EUMC's work is the European Information Network on Racism and Xenophobia (RAXEN). It consists of 15 'national focal points' (one in each member state) that collect, collate and disseminate information about racism and xenophobia in their own country.

Further information at www.eumc.eu.int

European Food Safety Authority

The European Food Safety Authority (EFSA) began operating in 2002. It is provisionally located in Brussels, Belgium.

Its primary responsibility is to provide independent scientific advice on all matters concerning food safety. The Authority assesses risks to the food chain and carries out scientific assessment on any matter that may affect the safety of food in Europe.

The Authority's work covers the whole food production process 'from farm to fork' – in other words from primary production (including the safety of animal feed) to the supply of food to consumers. The EFSA gathers information from around the world, keeping an eye on new developments in science. It shares its findings not only with experts and decision-makers but also with the general public.

Further information at www.efsa.eu.int

European Maritime Safety Agency

The European Maritime Safety Agency (EMSA) was set up in 2002. Its purpose is to help improve the EU's maritime safety system, reducing the risk of maritime accidents, marine pollution from ships and the loss of human lives at sea.

The Agency provides technical and scientific advice to help improve EU legislation on maritime safety and ship pollution. It helps the Commission monitor what is being done by the EU and candidate countries, and it advises their governments.

Among its various tasks, EMSA will develop a common EU methodology for investigating accidents at sea and establish an EU-wide system of information on shipping traffic.

Further information at europa.eu.int/agencies/emsa

European Aviation Safety Agency

The European Aviation Safety Agency (EASA) was set up in 2002.

Its job is to help the EU develop laws and rules on air safety and to help the Commission check whether EU rules are being properly followed. The Agency will also provide technical assistance to international organisations responsible for civil aviation safety and environmental protection. In addition, it will assist aeronautical authorities in non-EU countries.

The EASA has the right to carry out certain executive tasks, such as issuing type certificates for aeronautical products, where collective action is more effective than individual action by member states.

Further information at europa.eu.int/agencies/easa

Europol

Europol, the European Police Office, was set up in 1992 to handle Europe-wide criminal intelligence. It is based in The Hague, the Netherlands, and its staff includes representatives of the national law enforcement agencies (police, customs, immigration services, etc.).

Europol's aim is to help the EU member states co-operate more closely and effectively in preventing and combating organised international crime, in particular:

- drug trafficking;
- immigration networks;
- vehicle trafficking;
- trafficking in human beings including child pornography;
- forgery of money and other means of payment;
- trafficking in radioactive and nuclear substances;
- terrorism.

Europol supports member states by:

- making it easier for national law enforcement agencies to exchange information;
- providing operational analysis;
- producing reports and crime analysis;
- providing expertise and technical support for investigations and operations.

One of Europol's duties is to establish and maintain a computerised system to allow the input, access and analysis of data. A joint supervisory body, comprising two data protection experts from each member state, monitors the content and use of all personal data held by Europol.

Europol is accountable to the Justice and Home Affairs Council, i.e. the justice and home affairs ministers of all the EU countries. The Europol Management Board comprises one representative from each member state.

Further information at www.europol.eu.int

Eurojust

Eurojust was set up in 2002 to help the EU countries' **prosecuting authorities** to work together in the fight against serious cross-border crime, including computer crime, fraud and corruption cases, money laundering and environmental crime. It helps by, for example, making it easier for the national authorities to exchange information, to provide mutual legal assistance and to extradite individuals wanted for questioning. Its provisional 'seat' is in The Hague, the Netherlands.

Eurojust is composed of one prosecutor, judge or police officer seconded from each member state. They form the 'College' (i.e. managing board) of the organisation, and they elect one of their number as President for a three-year term. The College is assisted by a secretariat and by a staff of EU officials and seconded national experts.

Since its work involves keeping files on suspected criminals, Eurojust has a data protection officer whose job is to ensure that personal data in its files are properly protected and are handled in accordance with the law. You are entitled to know what information, if any, Eurojust holds about you and to ask Eurojust to correct or delete it if it is incorrect or incomplete.

Further information at www.eurojust.eu.int

Looking to the future

The EU's decision-making system has evolved over half a century. But it was originally designed for a community of just six nations. As the EU prepares to increase its membership from 15 to perhaps 27, its decision-making system needs modernising in order to avoid paralysis. The Treaty of Nice already goes some way towards achieving that.

But wider questions about the EU's future also need to be addressed. For example:

- what are the aims and objectives of the enlarged Union? (In other words, what do the member states want to achieve together in future?)
- what common policies will be needed to achieve those objectives?
- what should be decided at EU level and what should be left to the national or regional authorities?
- what role should national parliaments play in EU decision-making?

In short, who should be responsible for doing what and how should democratic decisions be made in a Union of 27 or more countries with half a billion citizens?

To debate these and other issues, a Convention was set up in 2002, bringing together representatives of all the member states and candidate countries as well as the EU institutions.

If you would like more information about the Convention on the Future of Europe, go to european-convention.eu.int.

To join in an online discussion about the future of Europe, go to europa.eu.int/futurum/forum.

As the EU faces the future, it must decide where it is going and how to get there. Its people, – in particular its young people, need to be more closely involved in those decisions.

The Convention will lead to an Inter-Governmental Conference, scheduled for 2004. At the close of this conference, the EU's presidents and prime ministers intend to sign a new and simplified Treaty for the EU. The aim is to spell out much more clearly what the European Union is and where it is going. The Treaty will also set out the new rules for more streamlined decision-making.

The European institutions are already carrying out major internal reforms to make themselves more efficient, more open and more accountable. They are well aware that the EU exists to serve its citizens and can succeed only if its citizens understand and are fully involved in its decision-making system. The enlarged EU will certainly need reformed institutions that can act swiftly and efficiently to meet the great challenges of the 21st century.



European Commission

How the European Union works
A citizen's guide to the EU institutions

'European documentation' series

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In just half a century, the European Union (EU) has achieved remarkable things. It has delivered peace between its member states and prosperity for its citizens. It has created a single European currency (the euro) and a frontier-free 'single market' where goods, people, services and capital move around freely. The EU has grown from six to fifteen countries and it is preparing to embrace a dozen more. It has become a major trading power and a world leader in fields such as environmental protection and development aid.

The EU's success owes a lot to the way it works — its unique method of interaction between institutions such as the European Parliament, the Council and the European Commission, supported by a number of agencies.

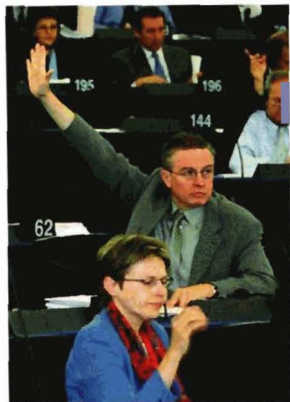
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European Union



Situation: spring 2003

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