

Seminar: European Politics
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Other Institutions and Bodies in the EU

1. The court of Auditors (located in Luxembourg)

- supposed to be completely independent of national governments
- ⇒ not a judicial court, and not exactly the same status like the European Council, Commission or Parliament
- ⇒ Working since the budget treaty of 1975

- ⇒ responsibility: examining the EU's financial affairs (revenues and expenditures)
 - Complete administrative and budgetary autonomy

- necessary because of the problem of inadequate control over Community resources
But: paradoxically, because EU management is highly decentralized, member states themselves are responsible for most EU expenditure. That is why most fraud takes place at the national or subnational – not the European - level
- Court publishes an annual report on each year's budget in November of the following year, and also special reports and opinions adopted by majority vote
- The court works directly with its national counterparts when carrying out investigations in member states
 - special liaison officers ensure that the Court and the national audit bodies work together as closely as possible
- Structure: Nice treaty: Principle of one member of the Court per member state in the EU
 - therefore: 27 members
 - members are appointed for six-year renewable terms
 - each member state nominates a member, the Council then appoints the members unanimously
 - The Court elects one of its members as president to serve a renewable three-year term

2. Advisory Bodies:

The European Economic and Social Committee (EESC) and The Committee of the Regions (COR)

- the two bodies advise the EU in the legislative process
- they have uneasy relationship with each other: the EESC established when the EEC was founded, regards the COR as an upstart

a) EESC

- ⇒ purpose: to advise Commission, Council, Parliament in social and economic issues
- ⇒ to increase democratic accountability, make EU decision-making more transparent
- ⇒ EESC produces relevant reports, either in response to a commission or on its own initiative
- ⇒ structure: the Amsterdam Treaty disappointed the EESC by not granting it the status of an EU institution
- members represent a wide variety of social and economic interests:

- consists of 317 representatives of workers, employers and professional and consumer organizations, appointed for 4 years by the Council
- meets in plenary session about 10 times a year, more frequently in smaller sections
- Committee members are unpaid but are reimbursed for expenses
- EESC elects a president every two years
- 6 sections:
- agriculture, environment
- economic and monetary union
- employment, social affairs, citizenship
- external relations
- single market, production, consumption
- transport, energy, infrastructure, information society

b) COR

- in 1985, individual regions came together on their own initiative and formed the Assembly of European regions: But the Assembly itself was too large!
 - Accordingly, in October 1991 the Committee of Regions was established
- purpose: advising the Council and Commission on notably cohesion policy and relevant policy issues
- COR has the authority to issue topics on its own initiative
- Structure and role: Like the EESC, the COR elects a president for a 2-year-term
- But unlike its sister committee it has a “first” vice president and twenty-seven other vice presidents (one from each MS)
- 5 plenary sessions a year
- According to the Maastricht and the Amsterdam Treaty, the committee’s members are distributed among *specialized commissions*:
 - Territorial cohesion policy
 - Economic & Social Policy
 - Sustainable development
 - culture and education
 - constitutional affairs and European governance
 - external relations
- “No member of the Committee may also be a Member of the European Parliament” (Article 263 TEC)

3. The European Investment Bank (EIB) located in Luxembourg

- an autonomous public financial body within the EU
- established in 1958 under the terms of the Rome Treaty
- EIB is not a normal bank: it waits for projects to be brought to it and expects them to be largely financed commercially first (can contribute up to 50% but typically lends only about 25%)
- ⇒ Purpose: offering loans to public and private sectors, guaranteeing loans from other financial institutions and putting financial packages together
- According to the Maastricht treaty: Regional development remains the EIB’s top priority: notably projects in the EU’ less well-off rural regions and declining industrial areas
- ⇒ to strengthen the position of EU’s industry and whole economy
- there is also a few lending activity outside Europe (e.g. Southeast Europe, Mediterranean countries...)
- Bank’s capital base: about € 200 billion

- EU member states are the EIB'S shareholders, with the size of their subscription depending on their economic weight
- administrative structure:
 - Board of governors: - 27 government ministers (usually finance minister)
 - approves balance sheet and annual report
 - Board of directors: -28 members (27 nominated by board of governors and one by the Commission): 5 year-terms:
 - decides on loans and guarantees and lending rates
 - Management committee: - 9 members: 6 year terms
 - controls current operations
 - Audit committee: - 3 members: 6 year terms
 - verifies that the bank has carried out its operations

4. National Parliaments

- National Parliaments are not EU institutions or bodies, but they are an increasingly important part of the EU system
- Before direct elections to European Parliament (first in 1979), national parliaments delegated their members to sit in the European Parliament
- ⇒ Now, close contact between the National and European Parliamentarians is needed
- before the increase of qualified majority voting, few national parliaments paid much attention to EU decision-making: => Democratic deficit!!
 - different solutions to this Democratic deficit did not work
 - finally, MS attached a protocol to the Amsterdam Treaty outlining practical ways in which national parliaments would receive information on developments in the EU
 - today: good collaboration between European and National Parties such as Socialists and European People's party

Agencies

- Agencies are set up by acts of secondary legislation in order to accomplish specific technical, scientific or managerial tasks: e.g. public health information provider (the European Monitoring Center for Drugs and Drug addiction)
- EU agencies have (variously called agencies, authorities, centers, foundations and offices) their own legal personalities, organizational arrangements and governance structure
- The location of agencies and other bodies is a controversial and politically discussed issues