

Executive Summary of

2nd Biannual report of COSAC on EU procedures and practises

The COSAC chairpersons provided at their meeting on 13 September in the Hague the mandate for the *2nd biannual report of COSAC on EU procedures and practises*.

It was decided that the main aim of the report is to present the main developments in EU procedures introduced by the Constitutional Treaty signed by the Heads of State or government on 29 October 2004.

Chapter 1 provides an account of the provisions of the Constitutional Treaty having direct implications for national Parliaments. This includes in particular the new early warning system involving national Parliaments in monitoring the EU-institutions' compliance with the principle of subsidiarity.

Chapter 2 deals with the new provisions on budgetary and financial procedures, which among other things abolish the current division between compulsory and non-compulsory expenditure and introduce one single procedure for adopting the EU budget.

Chapter 3 takes a closer look at national Parliaments' possibilities to obtain information on EU draft legislation in the main EU-databases which are currently available, while chapter 4 describes the practises when it comes to getting supplementary information from EU governments on the legislative proposals.

The report finally gives a short account of the currently foreseen ratification procedures for the Constitutional Treaty in the Member States.

STRENGTHENED ROLE OF NATIONAL PARLIAMENTS

The strengthening of the role of national Parliaments in the Constitutional Treaty is the subject of the first chapter of the biannual report.

Monitoring subsidiarity

The Constitutional Treaty lays down that national Parliaments shall ensure compliance with the subsidiarity principle via a so-called "early warning mechanism". This "*mechanism*" empowers national Parliaments to demand that the Commission "*reviews*" a draft legislative act, if *at least one third* of the Parliaments within six weeks submit a *reasoned opinion* stating that a proposal does not comply with the subsidiarity principle. The requirement to review the proposal allows the Commission to choose whether it wants to *amend, withdraw or maintain* the proposal. National Parliaments have the same right vis-à-vis Member States or other EU-institutions where draft legislative proposals originate with them.

There is a table giving a brief account of the currently foreseen internal models of each national Parliament for organising the early warning system.

Improved access to EU documents

The Constitutional Treaty improves national Parliaments' access to EU documents by requiring the Commission to transmit EU draft legislation and other important EU documents directly to national Parliaments at the same time as they are submitted to the Council and the European Parliament. The Council and the European Parliament are also obliged to transmit certain documents directly to national Parliament.

Inter-parliamentary cooperation and COSAC

Finally the Constitutional Treaty encourages national Parliaments and the European Parliament to reinforce their inter-parliamentary cooperation. COSAC's role is extended in two areas. Firstly, COSAC is identified as an appropriate forum for *promoting the exchange of information and best practice between Member States' Parliaments and the European Parliament*, including their *special committees*. Secondly, COSAC is encouraged to *organise inter-parliamentary conferences on specific topics*, in particular to debate matters of common foreign and security policy and of common security and defence policy.

DEVELOPMENT IN BUDGETARY AND FINANCIAL PROCEDURES

The simplification of the *budgetary and financial procedures* of the EU is a further important novelty in the Constitutional Treaty. The biannual report gives a description of the main innovations in this area.

Simplified annual budgetary procedure

Firstly, the Constitutional Treaty removes the existing distinction between compulsory and non-compulsory expenditure. Instead one single procedure is introduced giving the Parliament and the Council the same rights on all types of expenditure. Secondly, the budgetary procedure is shortened by abolishing the 2nd readings of the Parliament and the Council. The Commission furthermore is given the formal right of initiative, which will allow it to amend the draft budget until the European Parliament has concluded its reading. In case of disagreements between the Parliament and the Council, a meeting of a conciliation committee is immediately convened to reconcile their positions. If no agreement is reached here, a new draft budget shall be submitted by the Commission.

Multi-annual financial framework

The Constitutional Treaty incorporates the *financial perspective* into the structure of the Treaty and makes it legally binding under "*the multi-annual financial framework*". This will be adopted by means of a European law by the Council taking decision with unanimity after having obtained the European Parliament's consent.

EU's own resources

The Constitutional Treaty changes the procedures for the adoption of "own resources of the EU". Actions taken *to implement laws on own resources*, will be determined by an EU law adopted by the Council with a qualified majority after having obtained the consent of the European Parliament. Determining or changing the ceiling of the own resources or introducing or abolishing categories of resources will still require a unanimous decision by the Council with subsequent approval by each national Parliament.

Implementation of EU budget

The Constitutional Treaty does not significantly change the present system for the implementation of the EU budget. It remains the Commission's responsibility to implement the budget and the Parliament's prerogative to grant discharge. The Constitutional Treaty proposes a new wording, which is designed to take better into account that implementation of the budget is a shared responsibility, where Member States need to be more involved. The Constitutional Treaty therefore states: "The Commission shall implement the budget in co-operation with the Member States".

RATIFICATION OF THE CONSTITUTIONAL TREATY

The ratification of the Constitutional Treaty in the Member States will take place over the next two years. The ratification process will involve a greater recourse to citizen opinion by referenda than ever before.

The biannual report provides a table indicating the currently planned ratification procedures in the 25 Member States.

The Lithuanian Parliament already ratified the Constitutional Treaty on 11 November 2004. Currently 9 Member States have announced that they plan to organise referenda about the Constitutional Treaty. However, only Spain and Luxembourg have announced the date of the referendum which will be on 20 February 2005 for Spain and 10 July 2005 for Luxembourg. The remaining referenda will take place in the course of 2005 and 2006.