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38th REPORT

SELECT COMMITTEE ON
THE EUROPEAN UNION

THE COMMISSION'S ANNUAL WORK
PROGRAMME 2003

WITH EVIDENCE

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THIRTY-EIGHTH REPORT

5 NOVEMBER 2002

By the Select Committee appointed to consider European Union documents and other matters relating to the European Union.

ORDERED TO REPORT

THE COMMISSION'S ANNUAL WORK PROGRAMME 2003

1. In our report on the Commission's Annual Work Programme earlier this year¹ we² agreed to set in train a new system of scrutiny of the Commission's Annual Work Programme. We proposed to do so by taking evidence in public from officials from the European Commission on the basis of their "Stocktaking document", produced as a follow-up to the Annual Policy Strategy 2003³.

2. The purpose of this Report is to present to the House the first such session of evidence held by this Committee. An index of the topics covered in the evidence appears below. The Committee draws particular attention to discussions with the Commission officials on matters of harmonisation and on the proposed Green Paper on "Ensuring the wide availability of high quality services of general interest for all citizens".

3. Our six Sub-Committees will pursue individual policy questions raised during this evidence as part of their ongoing scrutiny over the coming year. In the meantime, we make this Report for the information of the House. The Government's response to our earlier report is printed in Appendix 2.

4. The topics covered in the evidence printed with this Report are as follows:

- Agricultural Diseases: QQ 17, 18
- Asylum & Immigration: QQ 23–28, 30
- Biotechnology: QQ 49, 50
- CFSP: QQ 32, 33
- Commission Priorities: QQ 4, 11, 14, 15, 31
- Council (dialogue with): QQ 2, 4, 13
- Enlargement: QQ 21, 22
 - Border Control: QQ 29, 30
 - CAP: Q 16
 - Commission Personnel: QQ 7, 8
 - Schengen: QQ 19, 20
- EU/US Relations: Q 31
- Green Paper on 'services of general interest': QQ 39–46
- Harmonisation: Economic & Fiscal Policy: QQ 34–38, 47, 48, 51
- Lisbon Strategy: QQ 37, 38
- Regulatory Impact Assessments: QQ 12, 13
- Removing Spent Initiatives: QQ 9–11
- Solidarity Mechanism: QQ 5, 6
- Sustainable Development: QQ 47, 48.

¹ The Scrutiny of European Union Business: The Commission's Annual Work Programme (HL Paper 141, 25th Report, 2 July 2002).

² Our membership is listed in Appendix 1.

³ (COM (2002) 427).

APPENDIX 1

Membership of the Committee

Baroness Billingham

Viscount Bledisloe

Lord Brabazon of Tara (Chairman)

Lord Brennan

Lord Brooke of Alverthorpe

Viscount Brookeborough

Lord Cavendish of Furness

Lord Grenfell

Baroness Harris of Richmond

Lord Jopling

Lord Lamont of Lerwick

Baroness Maddock

Baroness Park of Monmouth

Lord Scott of Foscote

The Earl of Selborne

Baroness Stern

Lord Tomlinson

Lord Williams of Elvel

Lord Williamson of Horton

APPENDIX 2

Government's Response to the twenty –fifth report from the Select Committee

THE SCRUTINY OF EUROPEAN UNION BUSINESS: THE COMMISSION'S ANNUAL WORK PROGRAMME

RESPONSE OF THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS – *THE COMMITTEE'S CONCLUSIONS ARE IN ITALICS*

General

1. The Government is grateful to the Committee for this Report. The Commission's Annual Work Programme (AWP) is intended to provide a strategic overview and a planning and programming cycle for EU policies and legislation. The Government supports the concept, which should help to make the EU more transparent and effective. The Government also believes that the AWP has developed and improved considerably; there is now significant inter-institutional dialogue and more comprehensive consultation by the Commission throughout the process. But more could be done, in particular through involving national parliaments.

2. The Government welcomes the Committee's interest in becoming involved in the development of the AWP. However, the current planning and programming cycle is likely to change. The Seville European Council agreed that discussions on Council reform should continue in the Council, as well as in the Convention. The current Danish Presidency is taking this forward. Moreover, there are wider discussions on the full range of institutional issues in the Convention. In particular, there is a Working Group under the Convention, on the Role of National Parliaments, chaired by Mrs Gisela Stuart MP. All of these discussions may result in decisions which affect the current procedures for developing the Commission's AWP.

We note that the Conclusions of Seville record agreement that a "multiannual strategic programme" is to be drawn up for three years ahead, starting in December 2003, along with an "annual operating programme of Council activities", the first to be drawn up in December 2002. We note that the Seville Conclusions only make a tangential reference to the Commission's Work Programme in connection with this initiative. We recommend that the Council satisfies itself that there is a proper relationship between the two planning processes, and that our Government sets out in detail how they will mesh together. (para 14)

3. The Seville European Council Conclusions state that every December the European Council will agree a three year multiannual strategic programme. This will be drawn up by the Presidencies concerned "...in consultation with the Commission and acting on a recommendation from the GAERC." This represents a significant development in the role of member governments in setting the EU's agenda. The Government believes that the European Council – as the most senior EU body on which the member states are represented – should exercise greater political leadership and in particular play a substantial role in establishing the strategic priorities of the EU. This does not affect the Commission's sole right of legislative initiative. Nor should it encroach upon the Commission's AWP, which will continue to set out in detail the proposed legislative programme. But the Committee is right to emphasise the importance of proper coordination between the two processes. We will take this forward with our partners.

We accordingly recommend that scrutiny by national parliaments of the Work Programme continues on the basis of the documents currently deposited for scrutiny. In addition we recommend that the major focus of scrutiny is of the final draft (the "stock-taking document") prepared in September to November each year. We further recommend that National Parliaments' concerns, whether about subsidiarity or any other matter, arising at that point and if not accepted by the Commission be annexed to the final Programme submitted to the European Parliament and the Council. (para 19)

4. This is a matter for the Committee and the Commission. The Government welcomes the recommendation that the AWP should continue to be scrutinised on the basis of the documents currently deposited in Parliament. The Government supports a greater role for national parliaments in the EU, including on subsidiarity, and looks forward to seeing proposals from the Convention Working Group on the Role of National Parliaments.

We conclude that the most effective way for national parliaments to make a contribution to scrutiny of the Work Programme is to do so direct to the Commission. (para 24)

We accordingly propose to hold an annual examination of the Commission on the stock-taking document for its Annual Work Programme for the following year. (para 25)

This idea would take some time to put into effect. In the meantime we propose to invite our colleagues in the Commons to an annual joint meeting of the UK national parliament's two scrutiny Committees at which the Commission can be invited to give evidence on the Programme at the late draft stage in its preparation. (para 26)

5. The Government notes the Committee's intention to examine the Commission's stock-taking document, and its wish to communicate comments to the Commission. The Government further notes the Committee's proposal to hold an annual joint meeting of the Scrutiny Committees of both Houses to examine the draft AWP. These are matters for the Committee.

6. The Government encourages the Committee to discuss its proposal to send contributions directly to the Commission with scrutiny committees in other member states; a combined approach might carry more weight.

How to scrutinise the Work Programme is just the kind of initiative COSAC should be examining so that national parliaments across the Union, and from the applicant countries, can work together on scrutiny; exchange best practice on holding the Commission and their Governments to account; and learn from each other's experience. We ask the Convention to examine this proposal; and we will ourselves aim to discuss it at the next COSAC, where it has been agreed that reforms to the working of that body will be considered. (para 31)

7. The Convention Working Group on the Role of National Parliaments is developing ideas for greater national parliamentary involvement in EU decisions, and for strengthened national scrutiny procedures. The possible future role and functions of COSAC are also being considered.

8. The Government encourages the Committee to pursue its proposals through COSAC.

We conclude that scrutiny by national parliaments at the time of the September stock-taking document, which the European Parliament will also consider, will provide an appropriate balance of scrutiny. (para 34)

9. The Government notes the continuing discussions within the Convention and encourages the Committee to transmit its recommendations to the Working Group on the Role of National Parliaments. The Government further encourages the Committee to discuss its ideas with other Member State national parliaments.

We accordingly recommend that the Commission formalises a systematic approach for removing spent initiatives from the Programme, and clearly set out the results each year. (para 39)

10. The Government hopes that the Annual Activity Reports will help in identifying those Commission proposals which are unlikely to be adopted. The so-called "bonfire of proposals" in 2001 was a welcome step.

11. The Government also draws the Committee's attention to the Commission's Action Plan on Better Regulation, which provides a strategy for improving the EU's regulatory environment. The Action Plan proposes, with immediate effect, greater use of the Commission's facility to withdraw legislative proposals where they are out of date, or where EP or Council amendments have distorted the original proposal or added too much complexity.

We recommend that the Commission formalises its procedures for regulatory impact assessments on proposals in the Work Programme, and that the Government reports to Parliament on developments. (para 42)

12. The Commission's Action Plan on Better Regulation proposes a system of impact assessment which will integrate economic, social and environmental impacts. Under this system, all legislative proposals will be subject to basic impact assessment. "Significant" proposals will be subject to detailed impact assessment. The Commission's aim is to put this system in place gradually from end-2002, with a view to being fully operational by 2004-5. The EP and Council will be responsible for assessing the impact of their own amendments from 2003 onwards.

13. The Action Plan further proposes the inclusion of a "review clause" or "revision clause" within legislative proposals, where appropriate, to ensure they are regularly updated as necessary. This is to take effect immediately.