The Law of the European Union: A New Constitutional Order

Materials and Cases

Update
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The 1996 IGC, successful in many respects, failed nevertheless to provide solutions or alternatives to many pressing issues raised by the prospect of enlargement of the EU by the year 2005. The June 1999 Cologne European Council which followed the entering into force of the Amsterdam Treaty (May 1, 1999), called for a new Intergovernmental Conference (or IGC) to be held in the year 2000. The next European Council held in Helsinki in December 1999 decided that the IGC would start in early February (it started on the 14th) and should complete its assignment by December 2000 for consideration of its final report by the European Council scheduled to meet in Nice (France) under the Presidency of France.

The negotiations focused on several major issues, many prompted by the contemplated enlargement of the EU. Among the important issues raised, were: (a) the size and composition of the Commission (one commissioner per country? or keep the number of commissioners at 20 and rotate among the Member States? create the position of ‘vice-commissioner’?...); (b) the extension of the qualified majority voting in the Council to cut down on the 50 domains of EU/EC policies still governed by the unanimity rule so as to bring down that number 25, at least; (c) the mode of determining the calculation of the weighting of the votes in the Council in light of the upcoming enlargement of the membership in the EU to include middle size and small countries; (d) the planning for ‘closer cooperation’ (or ‘flexibility’) between those Member States determined to ‘cooperate’ together so as to move and progress further as well as faster in some domains and policies than some or most of the other ‘non-cooperating’ Member States; (e) the objective of writing the texts of the Treaties in such a way as to make them easier to read and, thus, more understandable;...

The same Cologne European Council of June 1999 also contemplated the elaboration of a charter of fundamental rights that would become the European Charter of Fundamental Rights. It would include all the rights of man, particularly social rights, that would be attached to the EU citizenship. A Convention of some 62 members worked on a draft with the goal of submitting its proposal of a charter to the Nice European Council for, hopefully, its adoption at the same time as the Nice Treaty scheduled to be signed at the December 2000 meeting of the European Council.

After long and arduous negotiations and, at times, hotly debated ‘political issues’, the Nice Treaty was agreed upon on December 11, 2000, marking the conclusion of the IGC which had officially started on February 14, 2000. However, several additional meetings were necessary to reach a final agreement on the text of the Nice Treaty, which occurred with the signature of the Treaty at a formal meeting on February 26, 2001. Then started the process of ratification of the

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1 Bull. EU 1-2/2001 at p. 7.
Treaty by the Member States. “Following the positive vote in the referendum held on 19 October (2002), the Parliament of Ireland approved the Treaty of Nice .... Under the terms of Article 12, the Treaty of Nice will enter into force on the first day of the second month following that in which the instrument of ratification is deposited by the last Member State to fulfil that formality. The Treaty of Nice will therefore enter into force on 1 February 2003.”\(^2\)

Although it brought about changes, under the form of amendments, to the Amsterdam Treaty, particularly with respect to the structure of the Institutions, the Treaty of Nice is only a ‘stage’ in the path of the future enlargement of the EU. As stated in Declaration 23\(^3\):

“2 [The Conference of the Representatives of the Governments of the Member States] agrees that ... the European Union will have completed the institutional changes necessary for the accession of new Member States.

3 Having thus opened the way to enlargement, the Conference calls for a deeper and wider debate about the future of the European Union ....

5 The process should address, inter alia, the following questions:

— how to establish and monitor a more precise delimitation of powers between the European Union and the Member States, reflecting the principle of subsidiarity;
— the status of the Charter of Fundamental Rights of the European Union, proclaimed in Nice, in accordance with the conclusions of the European Council in Cologne;
— a simplification of the Treaties with a view to making them clearer and better understood without changing their meaning;
— the role of national parliaments in the European architecture.

6...the Conference recognises the need to improve and to monitor the democratic legitimacy and transparency of the Union and its institutions, in order to bring them closer to the citizens of the Member States.

7...the Conference agrees that a new Conference of the Representatives of the Governments of the Member States will be convened in 2004, to address the abovementioned items with a view to making corresponding changes to the Treaties.”

Following the entry into force of the Nice Treaty, the ‘representatives of the citizens and States of the European Union’ meeting in Athens ‘on this symbolic site, under the Acropolis, to

\(^2\) Bull .EU 12-2002 at p. 17.

\(^3\) O.J. 10.3.2001, C 80/1, Treaty of Nice Amending the Treaty on European Union, the Treaties establishing the European Communities and Certain Related Acts.
celebrate an historic event’ issued a Declaration on April 16th, 2003, on the ‘signing of the Accession Treaty for Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia.’ Some interesting and uplifting pronouncements were made in that Declaration; consider the following:

“...This Union represents our common determination to put an end to centuries of conflict and to transcend former divisions on our continent. This Union represents our will to embark on a new future based on cooperation, respect for diversity and mutual understanding .... We are proud to be part of a Union founded on the principles of freedom, democracy and the rule of law. A Union committed to furthering respect for human dignity, liberty and human rights. A Union devoted to the practice of tolerance, justice and solidarity .... We will continue to uphold and defend fundamental human rights, both inside and outside the European Union, including the fight against all types of discrimination on the basis of gender, race, ethnic origin, religion or convictions, disability, age or sexual orientation .... [W]e reaffirm the commitment we made in Copenhagen to “One Europe”.... Accession is a new contract between our citizens and not merely a treaty between states .... We pledge our commitment to defending the fundamental freedoms upon which democracy depends .... Our Europe is for all.”

A summary of the amendments brought about by the Treaty of Nice to the Amsterdam Treaty are given here. This Treaty of Nice should be replaced, by the end of 2004, by another treaty or treaties, first, upon completion of its work by the Convention on the Future of the European Union by the end of 2003 and, second, following additional negotiations that will take place in a next Intergovernmental Conference (or IGC) scheduled for 2004.

1. 'Summary of the treaty of Nice' 

The purpose of this memorandum is to provide a brief summary of the Treaty of Nice, which enters into force on 1st February 2003. A list of provisions which change over to qualified-majority voting is attached.


I. The Institutions

A) Changes within the institutions during the enlargement process

The Treaty restricts itself to setting out the principles and methods for changing the institutional system as the Union grows. The number of seats in the European Parliament for the new Member States, the number of votes allocated to them within the Council, and particularly the qualified majority threshold applicable in the future, will be legally determined in the accession treaties.

The changes brought by the Treaty of Nice to the composition of the Commission and the weighting of votes will be applicable from 1 November 2004 onwards and the new composition of the European Parliament will apply as from the elections in 2004. For the applicant countries joining before these dates, the accession treaties must therefore also establish the number of MEPs, commissioners, votes within the Council which will be allocated to them, and the qualified majority threshold, up until the entry into force of the new rules. These temporary provisions will be based on the principles which have applied up until now in the accession negotiations, i.e. the extension of the current system, ensuring equal treatment with the Member States of equivalent size.

B) European Parliament

Composition

The IGC has introduced a new distribution of seats in the European Parliament looking ahead to a Union of 27 Member States, which will be applicable as from the next European elections in 2004. The maximum number of European Members of Parliament (currently set at 700) will rise to 732.

The number of seats allocated to the current Member States has been brought down by 91 (from the current 626 to 535). Only Germany and Luxembourg retain the same number of MEPs. However, this reduction will be applicable in full only for the assembly elected in 2009.

As the Union will undoubtedly not yet have 27 Member States in 2004, it has been decided for the 2004 European elections to increase on a pro rata basis the number of MEPs to be elected (in the current Member States and in the new Member States with which accession treaties will have been signed by 1 January 2004) to reach the total of 732 (although the number of MEPs to be elected in each Member State cannot be higher than the current number).

On the basis of Nice, the following table has been agreed for 25 Member States for inclusion in the accession Treaty.
<table>
<thead>
<tr>
<th>MEMBER STATES</th>
<th>SEATS</th>
</tr>
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<tbody>
<tr>
<td>Germany</td>
<td>99</td>
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<tr>
<td>United Kingdom</td>
<td>78</td>
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<tr>
<td>France</td>
<td>78</td>
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<td>Italy</td>
<td>78</td>
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<tr>
<td>Spain</td>
<td>54</td>
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<td>Poland</td>
<td>54</td>
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<tr>
<td>Netherlands</td>
<td>27</td>
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<td>Greece</td>
<td>24</td>
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<td>Czech Republic</td>
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<td>Belgium</td>
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<td>Hungary</td>
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<td>Portugal</td>
<td>24</td>
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<td>Sweden</td>
<td>19</td>
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<td>Austria</td>
<td>18</td>
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<tr>
<td>Slovakia</td>
<td>14</td>
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<td>Denmark</td>
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<tr>
<td>Finland</td>
<td>14</td>
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<td>Ireland</td>
<td>13</td>
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<tr>
<td>Lithuania</td>
<td>13</td>
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<tr>
<td>Latvia</td>
<td>9</td>
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<tr>
<td>Slovenia</td>
<td>7</td>
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<tr>
<td>Estonia</td>
<td>6</td>
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<tr>
<td>Cyprus</td>
<td>6</td>
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<tr>
<td>Luxembourg</td>
<td>6</td>
</tr>
<tr>
<td>Malta</td>
<td>5</td>
</tr>
<tr>
<td><strong>TOTAL EU</strong></td>
<td><strong>732</strong></td>
</tr>
</tbody>
</table>

As the likelihood is that new Member States will enter the Union during the 2004-2009 term of office — and that as a result additional MEPs will be elected in these countries — it is anticipated that the maximum number of 732 seats in the European Parliament may be temporarily exceeded in order to accommodate MEPs from the countries which will have signed accession treaties after the 2004 European elections.
Other changes

Article 191 of the EC Treaty has been supplemented by a legal base which allows the adoption via the codecision procedure of a statute of European level political parties and particularly of rules concerning their funding.

The regulations and general conditions governing the performance of the duties of members of the European Parliament will be approved by the Council by qualified majority, with the exception of the provisions relating to taxation (Article 190 of the EC Treaty).

The European Parliament will henceforth be able, in the same way as the Council, the Commission and the Member States, to institute proceedings to have acts of the institutions to be declared void without having to demonstrate specific concern (Article 230 of the EC Treaty) and to seek a prior opinion from the Court of Justice on the compatibility of an international agreement with the Treaty (Article 300 (6) of the EC Treaty).

As will be described in greater detail hereafter, the responsibilities of the European Parliament have been extended by expanding the scope of the codecision (cf. infra point II.A) and by the assent required to establish enhanced cooperation in an area covered by the codecision process (cf. infra point II.B). The European Parliament will also be called upon to state its opinion when the Council intends to declare that a clear danger exists of a serious breach of fundamental rights occurring (cf. infra point III.A).

C) The Council

Definition of qualified majority

The decision-making system by qualified majority will be changed as from 1 November 2004. In future, a qualified majority will be obtained if:

- the decision receives at least a specified number of votes (the qualified majority threshold) and
- the decision is approved by a majority of Member States.

The number of votes allocated to each Member State has been changed. While the number of votes has been increased for all Member States, the increase is higher for the most populated Member States. The five biggest Member States’ population-wise will in the 15-strong European Union have 60% of votes compared with 55% at present.

The qualified majority threshold was at the centre of debates during the closing stages of the IGC. The final compromise is complex. This notwithstanding, the qualified majority threshold will be fixed in the successive accession treaties on the basis of principles determined by the Treaty of Nice, particularly by the declaration on the qualified majority threshold.
On this basis and for the accession Treaty in view of enlargement with ten new countries, the following table has been agreed. This system would enter into force in November 2004. A qualified majority vote requires a minimum of 232 votes.\(^1\)

<table>
<thead>
<tr>
<th>MEMBER STATES</th>
<th>VOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>29</td>
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<tr>
<td>United Kingdom</td>
<td>29</td>
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<tr>
<td>France</td>
<td>29</td>
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<tr>
<td>Italy</td>
<td>29</td>
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<tr>
<td>Spain</td>
<td>27</td>
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<tr>
<td>Poland</td>
<td>27</td>
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<td>Netherlands</td>
<td>13</td>
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<td>Greece</td>
<td>12</td>
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<tr>
<td>Czech Republic</td>
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<td>Belgium</td>
<td>12</td>
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<td>Hungary</td>
<td>12</td>
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<td>Portugal</td>
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<td>Sweden</td>
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<td>Austria</td>
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<td>Slovakia</td>
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<td>Denmark</td>
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<td>Finland</td>
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<td>Ireland</td>
<td>7</td>
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<tr>
<td>Lithuania</td>
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<tr>
<td>Latvia</td>
<td>4</td>
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<tr>
<td>Slovenia</td>
<td>4</td>
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<tr>
<td>Estonia</td>
<td>4</td>
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<tr>
<td>Cyprus</td>
<td>4</td>
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<tr>
<td>Luxembourg</td>
<td>4</td>
</tr>
<tr>
<td>Malta</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL EU</strong></td>
<td><strong>321</strong></td>
</tr>
</tbody>
</table>
The Treaty also provides for the possibility for a member of the Council to request verification that the qualified majority represents at least 62% of the total population of the European Union. If this condition is not met, the decision will not be adopted. However, this condition applies only if verification is requested.

D) Commission

Composition

The IGC has decided to defer imposing a ceiling on the number of members of the Commission.

With effect from 1 November 2004, the Commission will comprise one national per Member State. The biggest Member States thus lose at that time the opportunity of proposing a second member of the Commission, irrespective of how many Member States the European Union has at that date.

As from the first Commission which will be appointed once the Union reaches 27 Member States, there will be fewer Commissioners than there are Member States. The Commissioners will be selected by a system of rotation that will be fair to all countries.

In concrete terms, once the accession treaty for the twenty-seventh Member State has been signed, the Council will have to take a unanimous decision:

- on the exact number of Commissioners;
- on the arrangements for a fair system of rotation, bearing in mind that all Member States will be treated on an equal footing and that each Commission must satisfactorily reflect the different demographic and geographic characteristics of the Member States.

Appointment

The IGC has decided to change the procedure for nominating the Commission (Art. 214 of the EC Treaty).

Henceforth, the nomination of the President is a matter for the European Council acting by qualified majority. This appointment must be approved by the European Parliament.

Thereafter, the Council, acting by qualified majority and in agreement with the appointed president, will adopt the list of the other persons it intends to appoint as members of the Commission, drawn up in accordance with the proposals made by each Member State. The purpose of this is solely to ensure that the Council cannot designate as a member of the Commission a person not proposed by the government of the Member State of which he/she is a national. It has no effect on the procedure whereby the president appointed, before he gives his/her agreement to this list,
undertakes political contacts with each government to ensure that the new Commission is composed in a harmonious and balanced manner.

Lastly, the president and the members of the Commission will be appointed by the Council acting by qualified majority after approval of the body of Commissioners by the European Parliament.

**Increased powers for the president**

The new wording of Article 217 of the EC Treaty increases the president’s powers, who will decide as to the internal organisation of the Commission; will allocate portfolios to the Commissioners and if necessary reassign responsibilities during his term of office; will appoint, after the collective approval of the body, the vice-presidents, whose number is no longer established in the Treaty; may demand a commissioner’s resignation, subject to the Commission’s approval.

**E) The Union’s legal system**

The IGC has made major reforms to the Union’s legal system. These reforms are meant to tackle the case overload that confronts the Court of Justice currently. As a result, there are long delays in obtaining judgments, which is detrimental to the working of the EU and unsatisfactory for the parties concerned.

The main provisions concerning the Court of First Instance, and particularly its responsibilities, are henceforth to be found in the Treaty. In addition, the Treaty provides for the possibility to set up internal chambers to deal at first instance with certain proceedings.

The Treaty has introduced greater flexibility in order to prepare the legal system for the future, settling certain issues in the Court’s statute, which can henceforth be amended by the Council acting unanimously at the request of the Court or of the Commission. The approval of the rules of procedure of the Court of Justice and of the Court of First Instance will henceforth be by qualified majority.

**Composition**

While the **Court of Justice** will, as before, be composed of **one judge from each Member State**, steps have been taken to maintain the effectiveness of the jurisdiction and coherence of its jurisprudence. The “grand chamber”, comprising eleven judges (including the president of the Court and the presidents of the five-judge chambers), will generally deal with cases today handled by plenary session. The presidents of the five-judge chambers will be elected for a three-year term of office which will be renewable once.

The Court of First Instance will have at least one judge from each Member State (the number is determined in the statute, which currently makes provision for fifteen judges). As before, the number of judges in the Court of First Instance (stipulated up to now in the Decision establishing
the CFI) can be changed.

**Distribution of responsibilities between the Court of Justice and the Court of First Instance**

The Treaty sets out the distribution of responsibilities between the Court of Justice and the Court of First Instance but it will be possible to make adjustments through the statute.

The Court of First Instance becomes the common law judge for all direct actions (particularly proceedings against a decision (Article 230 of the EC Treaty), action for failure to act (Article 232 of the EC Treaty), action for damages (Article 235 of the EC Treaty), with the exception of those which will be attributed to a specialised chamber and those the statute reserves for the Court itself.

The Court of Justice retains responsibility for other proceedings (particularly action for failure to fulfil obligations, Art. 226 of the EC Treaty), but the statute can entrust to the Court of First Instance categories of proceedings other than those listed in Art. 225 of the EC Treaty.

The idea is to maintain within the Court, as the jurisdictional supreme body of the European Union, disputes concerning essential issues. The IGC has accordingly asked the Court and the Commission to review the distribution of responsibilities as soon as possible so that appropriate proposals can be examined as soon as the Treaty of Nice comes into force.

The Court of Justice, which is responsible for ensuring uniform application of EU law within the European Union, in principle retains competence for investigating questions referred for a preliminary ruling; however, pursuant to Art. 225 of the EC Treaty, the statute may entrust to the Court of First Instance the responsibility for preliminary rulings in certain specific matters.

**Specialised chambers**

The Council can set up specialised chambers to examine at first instance certain categories of actions in specific matters (e.g. in the area of intellectual property). The IGC through a declaration asks that a draft decision be prepared to set up such chambers in order to settle disputes between the EU and its civil servants (Article 236 of the EC Treaty).

An appeal in cassation can be made before the Court of First Instance against a decision by the specialised chambers.

**European patent**

Lastly, the new Article 229a of the EC Treaty will allow the Council, acting unanimously, to attribute to the Court of Justice the responsibility for settling disputes related to intellectual property rights. This provision is aimed essentially at disputes between private parties in which the future European patent is involved. This Council decision will enter into force only after it has been adopted by the Member States (i.e. after ratification).
F) Court of Auditors

The Treaty henceforth stipulates explicitly that the Court of Auditors will consist of one national from each Member State. The Court of Auditors may establish internal chambers to adopt certain categories of reports or opinions.

G) European Central Bank and European Investment Bank

The Treaty of Nice does not change the composition of the Governing Council of the European Central Bank (comprising the members of the executive board and the governors of the national central banks) but allows for changes to the rules on decision-making (at present, decisions are generally adopted by simple majority of the members, each having one vote — Article 10 of the statute of the European Central Bank). This change requires a unanimous European Council decision which must then be ratified by the Member States. The IGC has stated that it expects the Governing Council to submit as quickly as possible a recommendation for amending the voting rules.

As far as the EIB is concerned, the Treaty of Nice allows for the possibility of altering the composition of the board of directors and the rules on decision-making by a unanimous Council decision.

H) Economic and Social Committee and Committee of the Regions

The IGC has not altered the number and distribution per Member State of the seats of the ESC and the COR. The Treaty henceforth stipulates that the number of members of these committees cannot exceed 350 (Art. 258 and 263 of the EC Treaty), but this ceiling is not reached with the seats envisaged for the new Member States.

The description of the members of the ESC has been changed and the Treaty states that the Committee is to consist of “representatives of the various economic and social components of organised civil society” (Article 257 of the EC Treaty). For the COR, the Treaty of Nice henceforth explicitly stipulates that the members must hold a regional or local electoral mandate or be politically accountable to an elected assembly.

II. The decision-making process

A) Extension of the qualified majority vote

The Treaty of Nice to some extent widens the scope of decision-making by qualified majority. A list of the 27 provisions which change over completely or partly from unanimity to qualified-majority voting is attached.
The most important provisions which do so as soon as the Treaty of Nice enters into force are:

- measures to facilitate freedom of movement for the citizens of the Union (Article 18 of the EC Treaty);
- judicial cooperation in civil matters (Article 65 of the EC Treaty);
- the conclusion of international agreements in the area of trade in services and the commercial aspects of intellectual property (Article 133 of the EC Treaty), with exceptions (see below);
- industrial policy (Article 157 of the EC Treaty);
- economic, financial and technical cooperation with third countries (Article 181a of the EC Treaty, new provision to adopt measures hitherto based on Article 388 of the EC Treaty);
- approval of the regulations and general conditions governing the performance of the duties of members of the European Parliament (Article 190 of the EC Treaty), with the exception of matters relating to the fiscal regime;
- the statute of the political parties at European level (Article 191 of the EC Treaty, new provision);
- the approval of the rules of procedure of the Court of Justice and the Court of First Instance (Articles 223 and 224 of the EC Treaty).

It should be noted that the appointment of members of certain institutions or bodies will henceforth be done by qualified majority (President and members of the Commission, of the Court of Auditors, of the Economic and Social Committee and of the Committee of the Regions; the High Representative/Secretary General and the Deputy Secretary General of the Council; the CFSP special envoys).

The changeover to qualified majority voting has been deferred until 2007 for the Structural Funds and the Cohesion Funds (Article 161 of the EC Treaty), and for the adoption of the financial regulations (Article 279 of the EC Treaty).

Lastly, for the provisions of Title IV of the EC Treaty (visas, asylum, immigration and other policies linked to the free movement of persons), the IGC has agreed on a partial and deferred switch to qualified majority voting by means of different instruments (amendment of Article 67 of the EC Treaty, protocol or political declaration) and subject to different conditions (either from 1 May 2004, or after the adoption of EU legislation setting out the common rules and essential principles).
The picture is somewhat mixed for the five areas the Commission had identified as key areas:

- **taxation** (Articles 93, 94 and 175 of the EC Treaty): maintenance of unanimity for all measures;

- **social policy** (Articles 42 and 137 of the EC Treaty): maintenance of the status quo. However, the Council, acting in unanimity, can make the codecision procedure applicable to those areas of social policy which are currently still subject to the rule of unanimity. This “bridge” cannot, however, be used for social security;

- **cohesion policy** (Article 161 of the EC Treaty): it has been decided to switch to qualified majority voting but this will not apply until after the adoption of the multiannual financial perspectives applicable as from 1 January 2007;

- **policy on asylum and immigration** (Articles 62 and 63 of the EC Treaty): application of the qualified majority rule has been postponed (2004) and will not concern the central elements of these policies, e.g. the “sharing of the burden” (Article 63(2)(b)) or the conditions for entry and residence of nationals from third countries (Article 63(3)a);

- **common commercial policy** (Article 133 of the EC Treaty): this henceforth includes the negotiation and conclusion of international agreements in the area of trade in services and the commercial aspects of intellectual property. These agreements are concluded by qualified majority, except when the agreement includes provisions for which unanimity is required for the adoption of internal rules or when the agreement concerns an area on which the EU has not yet exercised its responsibilities. In addition, the agreements concerning the harmonisation of cultural and audiovisual services, education services, social services and health services continue to be the subject of responsibility shared with the Member States.

The Treaty of Nice has extended the scope of codecision. This procedure will be applicable for seven provisions which change over from unanimity to qualified majority voting (Articles 13, 62, 63, 65, 157, 159 and 191 of the EC Treaty; this concerns respectively incentive measures to combat discrimination; a number of issues related to Justice and Home Affairs such as border controls and measures concerning asylum, refugees and immigration policy; issues related to industrial policy; regulations governing political parties at European level; for Article 161 of the EC Treaty which concerns cohesion policy, the Treaty stipulates assent by the EP). Accordingly, most of the legislative measures which, after the Treaty of Nice, require a decision from the Council acting by qualified majority will be decided via the codecision procedure. The IGC has not, however, extended the codecision procedure to legislative measures which already come under the qualified majority rule (e.g. in agricultural policy or trade policy).
B) Enhanced cooperation

The IGC has comprehensively overhauled the provisions on enhanced cooperation, particularly by listing in a single provision the ten conditions necessary to establish enhanced cooperation. While the essential characteristics of this instrument are largely unchanged (such as the principles whereby enhanced cooperation can be undertaken only as a last resort and must be open to all Member States), substantial changes have nevertheless been agreed.

The minimum number of Member States required to establish enhanced cooperation is now set at eight, whereas the Treaty currently stipulates that the majority of Member States is needed. Thus the minimum number of States needed to establish enhanced cooperation will fall, with the successive enlargements, to under one-third of the members of the Union (as had been proposed by the Commission).

In the Treaty establishing the European Community (first pillar) the possibility of opposing enhanced cooperation (the “veto”) has been removed. It has been replaced by the possibility for a Member State to take the matter up with the European Council. In such an event, the Council may nevertheless act by qualified majority on any proposal for enhanced cooperation. Furthermore, when enhanced cooperation concerns an area which comes under the codecision process, the assent of the European Parliament is required.

The Treaty of Nice has introduced the possibility of establishing enhanced cooperation in the area of common foreign and security policy (second pillar), for the implementation of joint action or a common position. Enhanced cooperation of this kind cannot be used for issues which have military implications or which affect defence matters. The authorisation for enhanced cooperation is given by the Council after receiving the opinion of the Commission, particularly on the consistency of this enhanced cooperation with the Union’s policies. The Council will decide by qualified majority but each Member State may ask that the matter be referred to the European Council for the purposes of a unanimous decision (“emergency brake”).

For police and judicial cooperation in criminal matters (third pillar), the possibility of the “veto” has been removed in line with what is envisaged for enhanced cooperation for the first pillar.

III. Other changes

The Treaty of Nice brings other changes to the treaties. The most significant are:

A) Fundamental rights

Pursuant to Article 7 of the Treaty on European Union, the European Council can declare the existence of a serious and persistent breach of fundamental rights. If this occurs, the Council may suspend certain of the rights of the country concerned. The Treaty of Nice has supplemented this procedure with a preventive instrument. Upon a proposal of one-third of the Member States, the
Parliament or the Commission, acting by a four-fifths majority of its members and with the assent of the European Parliament, can declare that a clear danger exists of a Member State committing a serious breach of fundamental rights and address to that Member State appropriate recommendations. The Court of Justice will be competent (Article 46 of the Treaty on European Union) only for disputes concerning procedural provisions under Article 7, and not for the appreciation of the justification or the appropriateness of the decisions taken pursuant to this provision.

B) Security and defence

The Nice European Council adopted the Presidency’s report on the European security and defence policy which *inter alia* provides for the development of the Union’s military capacity, the creation of permanent political and military structures and the incorporation into the Union of the crisis management functions of the WEU.

While this is not a precondition for making the security and defence policy quickly operational on the basis of the current provisions of the Treaty, the Nice Treaty amends Article 17 of the Treaty on European Union by removing the provisions defining the relations between the Union and the WEU.

In addition, the political and security committee (“PSC”, a new designation of the political committee in the Treaty) may be authorised by the Council, in order to manage a crisis and for the duration of that crisis, to itself take the appropriate decisions under the second pillar in order to ensure the political control and strategic leadership of the crisis management operation.

C) Judicial cooperation in criminal matters

The IGC has not added, as the Commission proposed, a provision which would have made it possible to create a European prosecutor to protect the financial interests of the EU. However, the Nice Treaty does supplement Article 31 of the Treaty on European Union with reference to and the description of the tasks of “Eurojust”, a unit of seconded magistrates whose task it will be, within the framework of judicial cooperation in criminal matters, to contribute to proper coordination of the national authorities responsible for criminal proceedings.

D) Interinstitutional agreements

The IGC adopted a declaration attached to the Treaty of Nice on interinstitutional agreements. This declaration states that relations between the European institutions are governed by the duty to cooperate sincerely and that when necessary to facilitate the application of the provisions of the Treaty, the Parliament, the Council and the Commission can conclude interinstitutional agreements. These agreements can neither change nor supplement the provisions of the Treaty and can be concluded only with the agreement of these three institutions.
E) **Social Protection Committee**

Through a new Article 144 of the EC Treaty, the Treaty of Nice incorporates within the Treaty the Social Protection Committee which had been established by the Council pursuant to the conclusions of the Lisbon European Council.

F) **Name of the Official Journal**

The name of the Official Journal of the European Communities will be changed to “Official Journal of the European Union” (Article 254 of the EC Treaty).

G) **Venue for European Council meetings**

The IGC adopted a declaration annexed to the Treaty of Nice stipulating that “as from 2002, one European Council meeting per presidency will be held in Brussels. When the Union comprises 18 members, all European Council meetings will be held in Brussels”. It should be noted that this declaration relates only to the formal European Council meetings, and the presidencies are free to organise the informal European Council meetings wherever they like (or even not to organise any), in line with the informal Council meetings which can be organised in places other than those stipulated in the protocol on the seat of the institutions.

H) **Financial consequences of the expiry of the ECSC Treaty**

The European Coal and Steel Community Treaty expired on 23 July 2002. At the request of the Council, the Commission in September 2000 put forward a draft decision on the transfer of ECSC funds to the European Community to be used for research in sectors related to the coal and steel industry. For reasons of legal certainty, it has been deemed preferable to settle this matter through a protocol annexed to the Treaty of Nice.

IV. **Declaration on the future of the Union**

In December 2000, the Intergovernmental Conference adopted a declaration concerning the future of the Union whereby it calls for a deeper and wider debate about the future of the European Union. This has eventually led to the Laeken declaration, adopted at the Laeken European Council in December 2001. Herein, the European Council has established a Convention on the Future of the Union, which is likely to finish its work in June 2003. A new IGC will be convened afterwards with a view to adopting a Constitution for the European Union. In the view of the Commission, the Treaty of Nice will be useful to manage the first stage of an enlarged Union; it has, however, not given a fully adequate answer to make a Union of 25 and more Member States work effectively and democratically.
Annex

List of provisions to which the qualified majority rule will apply

Qualified majority as from the entry into force of the Treaty of Nice

1. Article 23, paragraph 1, of the EC Treaty: appointment of special representatives

2. Article 24, paragraphs 2 and 3, of the EC Treaty: international agreement implementing joint action or a common position (but with a clause providing for appeal to the European Council)

3. Article 13 of the EC Treaty: countering discrimination (applies only to incentive measures) (codecision)

4. Article 18 of the EC Treaty: facilitating freedom of movement for the citizens of the EU (but limitation of the field of application) (already the subject of codecision since the Amsterdam Treaty)

5. Article 65 of the EC Treaty: judicial cooperation in civil proceedings (with the exception of aspects relating to family law) (codecision)

6. Article 100 of the EC Treaty: financial assistance in the event of serious difficulties

7. Article 111, paragraph 4, of the EC Treaty: representation of the European Community at international level as regards issues of particular relevance to EMU

8. Article 123, paragraph 4, of the EC Treaty: measures necessary for the introduction of the Euro

9. Article 133 of the EC Treaty: for the negotiation and conclusion of international agreements on services and the commercial aspects of intellectual property (with exceptions)

10. Article 157, paragraph 3, of the EC Treaty: specific support measures in the industrial field (codecision)

11. Article 159, indent 3, of the EC Treaty: specific actions outside the Structural Funds (codecision)

12. Article 181a (new) of the EC Treaty: economic, financial and technical cooperation with third countries (consultation)

13. Article 190 of the EC Treaty: regulations and general conditions governing the performance of the duties of members of the European Parliament (with the exception of aspects relating to taxation) (approval of the decision of the Parliament)
14. Article 191 of the EC Treaty: statute and financial regulations governing political parties at European level (codecision)

15. Article 207 of the EC Treaty: appointment of the HR/SG and Deputy-SG of the Council

16. Article 214 of the EC Treaty: appointment of the President and the members of the Commission

17. Article 223 of the EC Treaty: approval of the rules of procedure of the Court of Justice

18. Article 224 of the EC Treaty: approval of the rules of procedure of the Court of First Instance

19. Article 247 of the EC Treaty: appointment of the members of the Court of Auditors

20. Article 248 of the EC Treaty: approval of the internal rules of the Court of Auditors

21. Article 259 of the EC Treaty: appointment of the members of the Economic and Social Committee

22. Article 263 of the EC Treaty: appointment of the members of the Committee of the Regions.

**Deferred quality majority:**

23. Article 62, paragraph 2(a), of the EC Treaty: (checks at external borders): after agreement on the field of application of these measures (Conference declaration) (codecision)


25. Article 63, paragraph 1, of the EC Treaty: (policy on asylum): after adoption of a Community framework (codecision)

26. Article 63, paragraph 2(a), of the EC Treaty: (persons under temporary protection): after adoption of a Community framework (codecision)

27. Article 63, paragraph 3(b), of the EC Treaty: (clandestine immigration): in 2004 (Conference declaration) (codecision)

28. Article 66 of the EC Treaty: (administrative cooperation in areas under Title IV): in 2004 (protocol) (consultation)

29. Article 161 of the EC Treaty: (cohesion): as from 2007 (assent)

30. Article 279, paragraph 1, of the EC Treaty: (financial regulations and rules on the responsibility
of financial controllers, authorising officers and accounting officers): as from 2007 (consultation).

(1) In between 1 May 2004 (date of enlargement) and 1 November 2004, a transitory system will apply based on the current one.

(2) From 1 May 2004 onwards, a national for each new Member State will join the current Commission.

2. The Convention on the Future of the European Union

The European Council meeting in Laeken, Belgium, in December 2001, issued the ‘Laeken Declaration’ on the future of Europe and convened a ‘Convention on the future of the European Union’.

“The task of the Convention is to pave the way for the next Intergovernmental Conference as broadly and openly as possible. It will consider the key issues arising for the Union’s future development, for example: what do European citizens expect from the Union? How is the division of competence between the Union and the Member States to be organised? And within the Union, how is the division of competence between the institutions to be organised? How can the efficiency and coherence of the Union’s external action be ensured? How can the Union’s democratic legitimacy be ensured?”

The Convention’s composition and structure were planned by the European Council as follows: Chairman of the Convention, Mr. Valéry Giscard d’Estaing (former President of the French Republic), two Vice-Chairmen: Mr. Giuliano Amato (former Italian prime minister) and Mr. Jean-Luc Dehaene (former Belgian prime minister). Fifteen (15) representatives of the Heads of State or Government of the Member States; thirteen (13) representatives of the accession candidate countries (one representative per candidate country); thirty (30) representatives of the national parliaments of the Member States (two from each Member State Parliament); twenty six (26) representatives of the national parliaments of the accession candidate countries (two per national parliament); sixteen (16) members of the European Parliament; two (2) representatives of the European Commission. Some ‘Observers’ were added with no right to vote, such as the European Ombudsman, three representatives from the Economic and Social Committee.

The Convention working process was divided into three stages: the Convention was to begin with a period of inquiries and listening to determine what the people of the Member States wanted the European Union to look like; in a second stage the Convention was to analyze all the data

7 Council meeting of 14 and 15 December 2001. Laeken is a suburb of Brussels.


9 A Praesidium and a Secretariat of the Convention were also created.
gathered and weigh the pros and cons of the suggestions made for the future structure and mission of the EU; in the third stage, the Convention was to draw a series of proposals and recommendations for the next Intergovernmental Conference to consider. On May 30, 2003, the Praesidium of the Convention published a ‘Draft Constitution’ for the whole Convention to debate and, by the end of the year, to come up with draft treaties for consideration by the 2004 IGC.

The ‘Draft Constitution’ is made up of Four Parts:

“Members of the Convention will find attached the draft text of Part One of the Treaty establishing the Constitution together with that of the Protocols on the application of the principles of subsidiarity and proportionality and the role of the national Parliaments, as revised by the Praesidium in the light of the comments and amendments received and the discussions in plenary. ....

1. Members of the Convention will find attached the draft version of Parts Two, Three and Four drawn up by the Praesidium; this draft:

— includes the Charter of Fundamental Rights as Part Two;

— incorporates into the basic text on policies (Part Three in this document) which was drawn up by the experts nominated by the Legal Services, the groups of articles dealing with external action and the area of freedom, security and justice revised in the light of amendments received and the debates in plenary;

— also inserts into Part Three:

* new draft articles on the budgetary procedure and economic governance, the wording of which reflects the recommendations of the working groups and discussion circles and the ensuing discussions and is designed to ensure consistency with Part One, and

* new legal bases resulting from the approach adopted in Part One (Title X) on competences;

— includes, as Part Four, draft general and final provisions revised in the light of the amendments received and the debates in plenary.

.... **10

10 The whole text of the ‘Draft Constitution’ can be found under ‘The European Convention, the Secretariat, Conv 724/03 and Conv 725/03’; http://european-convention.eu.int/bienvenue.asp?lang=EN&Content=
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         Decision 1999/468/EC the provisions relating to committees which assist the
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In general see:


disputes, OHL 26/41, 31.1.2003

Council Regulation (EC) No. 343/2003 of 18 February 2003 establishing the criteria and mechanisms for determining the Member State responsible for examining an asylum application lodged in one of the Member States by a third-country national, OJ L 50/1, 25.2.2003

See case Re Gözütok and Brügge, Joined Cases C-187/01 and C-385/01, 11 February 2003, [2003] ECR I-____.