

# Module 05 – European Union Law MQF Level 5, 4 ECTS

## Lecture 1 – Background, Development of European Integration and the Institutions

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Date: Tuesday 7<sup>th</sup> January 2025



Diploma in Law (Malta)



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# From World War II to the European Union

- European Coal and Steel Community, founded in 1951
- 1957, the Treaty of Rome establishes the European Economic Community (EEC)
- 5 May 1949 – The Council of Europe is established to promote democracy and protect human rights and the rule of law.
- The European Convention on Human Rights comes into force on 3 September 1953.
- 9 May 1950 – A plan for new political cooperation in Europe. French Foreign Minister Robert Schuman presents a plan for deeper cooperation. He proposes integrating the coal and steel industries of Western Europe. Later, 9 May is celebrated by the European Union as 'Europe Day'.



# From World War II to the European Union

## Cont.

- 18 April 1951 – European Coal and Steel Community.
- The six founding members are Germany, France, Italy, the Netherlands, Belgium and Luxembourg.
- The European Coal and Steel Community comes into being in 1952.
- 25 March 1957 – Treaties of Rome. They formalise this by signing two treaties, creating the European Economic Community (EEC), and the European Atomic Energy Community (Euratom). These bodies come into being on 1 January 1958.
- 19 March 1958 – Birth of the European Parliament



# 1960s – A Period of Economic Growth

- 3 May 1960 – European Free Trade Association created
- August 1961 – The Berlin Wall is built
- 30 July 1962 – The first Common Agricultural Policy
- 20 July 1963 – The EEC signs its first big international agreement
- 8 April 1965 – Signing of the ‘Merger Treaty’
- May 1968 – Students riot in Paris
- 1 July 1968 – beginning of the Customs Union
- August 1968 – The Prague Spring is crushed



# 1970s – First Members & Environmental Protection

- 1 January 1973 – From 6 to 9 member countries
- 10 December 1974 – Reducing disparities between the regions
- 1974-75 – New democracies in Portugal, Greece and Spain
- June 1979 – First direct elections to the European Parliament



# 1980 – Collapse of Communism

- August 1980 – Solidarnosc in Poland
- 1 January 1981 – Greece becomes the 10th country to join
- 1 January 1986 – Spain and Portugal
- February 1986 – Towards a single market
- 13 June 1987 – Launch of the Erasmus Programme
- 9 November 1989 – Fall of the Berlin Wall



# 1990s – Single Market

- 1991 – Break-up of Yugoslavia
- 7 February 1992 – Maastricht Treaty. The 'European Union' is officially created by the treaty, which enters into force on 1 November 1993.
- 1 January 1993 – Launch of the single market
- 1 January 1994 – European Economic Area is created
- 1 January 1995 – The EU gains 3 new members: Austria, Finland and Sweden
- 26 March 1995 – Border-free travel begins in 7 countries
- 2 October 1997 – Treaty of Amsterdam
- 1 January 1999 – The euro is born



## 2000s – The ever-growing EU

- 26 February 2001 – Treaty of Nice - It aims to reform the institutions so the EU can function efficiently after reaching 25 member countries and prepare for the next major group of new members joining.
- 11 September 2001 – Terrorist attacks in the United States
- 31 March 2003 – Peacekeeping operations in the Balkans
- 1 May 2004 – 10 new countries
- 29 May-1 June 2005 – EU constitution
- 1 January 2007 – The EU welcomes Bulgaria and Romania
- 13 December 2007 – Lisbon Treaty
- September 2008 – Global economic crisis





# 2010s – A Challenging Decade

- 2010 – Europe tackles the financial crisis
- 10 December 2012 – EU awarded Nobel Peace Prize
- 1 July 2013 – Croatia becomes the 28th EU member
- November 2015 onwards – Terrorists strike in Europe
- 12 December 2015 – Paris Agreement on climate change
- December 2015 – Over a million people seek asylum in Europe
- 23 June 2016 – United Kingdom votes to leave the EU
- December 2019 – Towards a climate-neutral Europe



# 2020 – 2023: The Crisis Continues

- January 2020 – Common EU response to COVID-19
- 31 January 2020 – United Kingdom leaves the EU
- April 2021 – Launch of the Conference on the Future of Europe
- February 2022 – Russia invades Ukraine
- 2023 & 2024 – Rather Quiet





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# Theories of European Integration



# Theories of European Integration

- The ECC has changed since its inception....Now EU
- The ECC Treaty has been amended and the competence of the EU has expanded.
- What is Integration?
- Integration is the working of how different Member States come together, cooperate together and work together.



# (A) Neofunctionalism

- This is the early ideology of Community Integration
- What is Neofunctionalism? A theory in which political actors are persuaded to shift their expectations and political activities towards a new centre, whose institutions demand jurisdiction over pre-existing national states.
- The central focal point was the concept of spillover.
- Here we are speaking about a level playing field.
- Neofunctionalism was to be the vehicle through which community integration was to be realised.
- Neofunctionalism was challenged empirically & theoretically.



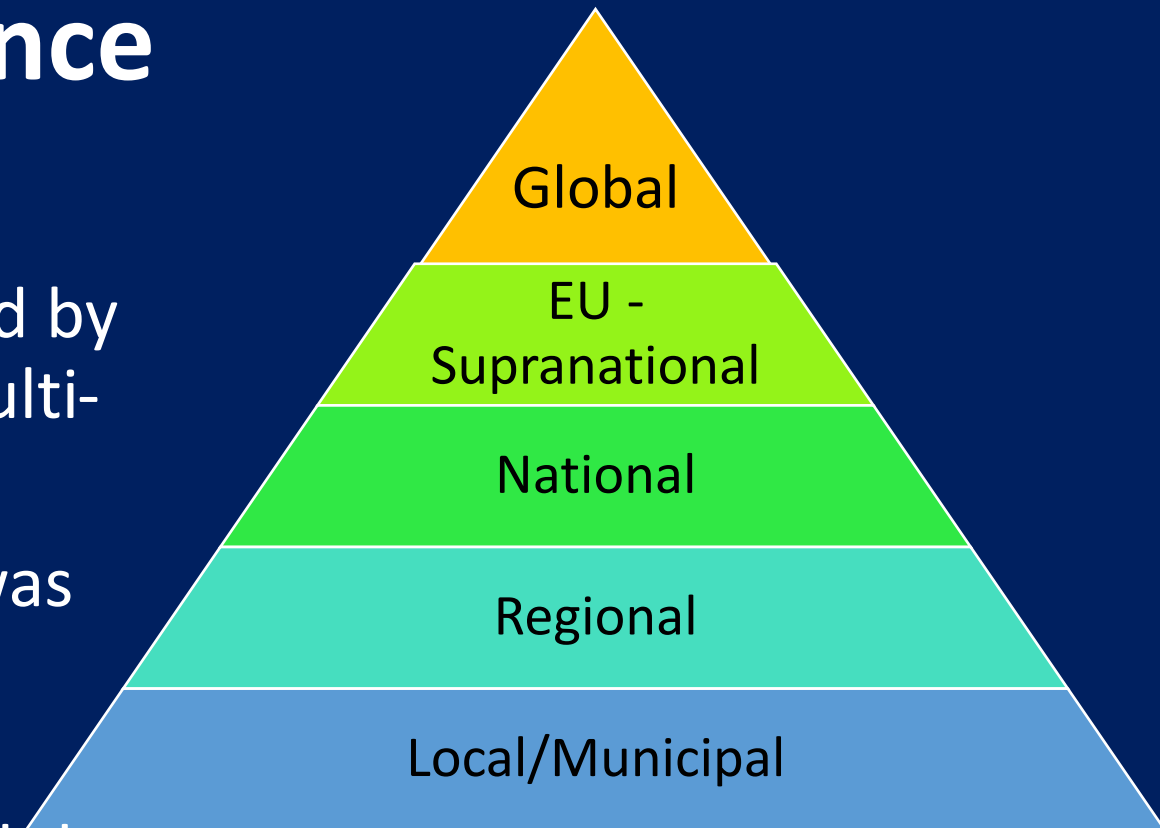
## (B) Liberal Intergovernmentalism

- Spearheaded by Moravcsik
- The central thesis is that states are the driving forces behind integration, that supranational actors are there largely at their behest and that these actors have little independent impact on the pace of integration.
- Integration is pursued through a supranational institution because it is felt to be more efficient.
- Hence, MS Carry out a sort of, cost-benefit analysis to see how much sovereignty they are willing to give up, in order to achieve coherence and more efficient collective making decisions across the board.



## (C) Multi-Level Governance

- The state-centric view of liberal intergovernmentalism was challenged by those who saw the EU in terms of Multi-Level Governance.
- Here it was argued that integration was shared across multiple levels of government.
- The ability of the principals to control the agents is limited by a range of factors and by the unintended consequence of institutional change.





# (D) Rational Choice Institutionalism

- Derivative of the rational choice theory.
- What is the Rational Choice theory? Individuals have preferences & choose the course of action that is the optimal method of securing them.
- Proponents of this theory acknowledge that institutions were important, they created the rule of the game, they were the principal/agent.



## (E) Constructivism

- They agree that institutions matter.
- This theory contends that the relevant environment in which preferences are formed is inescapably social. This impacts on a person's understanding of their own interests.





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# The Different Treaties of the EU



# The different Treaties of the EU

- EU based on the Rule of Law
- Hence, founded on treaties all approved by Members of the EU.
- A Treaty is binding between the EU Member States.
- Treaties are amended and updated. Constantly improving.
- The EU is founded on a series of legal treaties between its member states. The first treaty, which established the European Economic Community (EEC), was signed in Rome in 1957. There have been five subsequent treaties – the Single European Act (1986), the Treaty of Maastricht (1992), the Treaty of Amsterdam (1997), the Treaty of Nice (2001) and the Treaty of Lisbon (2007).
- In 2003, the EU produced a draft Constitutional Treaty designed to replace all the existing treaties as the sole legal document governing the operation of the EU. However, following votes against it in referendums in France and the Netherlands in 2005, the Lisbon Treaty was drafted as a replacement. The new treaty was controversial because of its similarity to the failed EU constitution, and as such it was rejected at a referendum in Ireland in 2008. However, it was subsequently ratified following a second, successful referendum in Ireland, and the Lisbon Treaty came into force in December 2009.



# Treaty of Rome (1957)

- The Treaty of Rome was the founding treaty of the European Economic Community (EEC), which later became known as the EU.
- The Treaty established four institutions – a Commission, a Council of Ministers, a European Parliament and a European Court of Justice.
- The Treaty focused mainly on economic co-operation.
- It's political vision was for 'an ever closer union' to 'eliminate the barriers which divide Europe'.



# The Single European Act (1986)

- The Single European Act (SEA) was the first attempt made by member states to amend the arrangements made under the Treaty of Rome.
- The SEA's main effect was to set a deadline for the creation of a full single market by 1992.
- The SEA swept away restrictive practices in a range of areas of private enterprise, as well as in the public sector.
- It also pursued deeper integration by making it easier to pass laws, strengthening the EU Parliament and laying the basis for a European foreign policy.



# The Treaty of Maastricht (1992)

- The Maastricht Treaty pushed forward two broad processes:
  - i. the widening of the European Community's responsibilities and
  - ii. the deepening of integration.
- The Treaty amended the provisions of the Treaty of Rome while hugely advancing the agenda set out under the Single European Act for deepening 'European Political Union' (EPU), most notably in the areas of social policy and Economic and Monetary Union (EMU).
- It also introduced a new model for the Community based around three 'pillars' which, broadly speaking, covered economic relations, foreign policy, and justice and home affairs.
- It gave the EU Parliament greater influence in decision making through the co-decision procedure, developed the concept of European citizenship, and established the principle of subsidiarity.
- **MOST IMPORTANTLY:** It also changed the organisation's name to the 'European Union' (EU).





# The Treaty of Amsterdam (1997)

- The Treaty of Amsterdam was largely an exercise in tying up the loose ends left over from the Maastricht Treaty.
- The most symbolically important gesture of the Treaty of Amsterdam was the framework laid down for the future accession of ten new member states, mainly from formerly communist Eastern Europe.
- It absorbed the Schengen Convention into EU law, creating open borders between 12 of the member states, and expanded the role of the Common Foreign and Security Policy (CFSP) by creating a High Representative to take overall responsibility for EU foreign affairs.
- Most significantly, however, it changed decision making in the EU by expanding the number of decisions covered by Qualified Majority Voting (QMV).



# The Treaty of Nice (2001)

- The Treaty of Nice represented a further attempt to find a workable means of moving forward the process of European integration.
- Much of the text of the Treaty was concerned with reforming the decision-making of the EU.
- What did this treaty do?
  1. It extended QMV in the Council of the EU;
  2. Changed the way in which the Commission President was to be elected;
  3. Gave the President the power to sack individual Commissioners and set limits on the future numbers of Commissioners and MEPs.
  4. Finally, it declared that another Inter-governmental Conference should be set up to draft an EU constitution.



# The Treaty of Lisbon (2007)

- The Lisbon Treaty was drafted to replace the rejected EU Constitution.
- The Treaty clarified the role of European bodies and institutions, made explicit the aims of the EU and strengthened measures to achieve these goals.
- As such, it changed the way EU decisions are made and abolished the pillar structure set out in the Maastricht Treaty.
- It expanded the areas in which the Commission can propose legislation;
- Made QMV the default voting method in the Council, and created two high profile posts: a High Representative of the Union for Foreign Affairs and Security Policy and a permanent EU President, whilst giving the EU greater legal independence to make new agreements.
- It brought the Charter of Fundamental Rights (CFR) into European law, which fixed human rights standards for all EU nations (Poland, the UK and the Czech Republic opted-out from the implications of the CFR).
- Ireland and the UK also secured the right to opt in or out of any policies in the entire field of justice and home affairs.
- Following Ireland's rejection of the Lisbon Treaty in 2008, protocols were added to provide guarantees on Ireland's military neutrality and ethical issues.
- Lastly, the Treaty outlined a procedure for states to end their membership of the EU for the first time.



# Which are the Treaties currently in force?

- Treaty on European Union – TEU (*Consolidated version 2016*)
- Treaty on the Functioning of the European Union – TFEU (*Consolidated version 2016*)
- Treaty establishing the European Atomic Energy Community (*Consolidated version 2016*)
- Charter of Fundamental Rights of the European Union (*2016*)





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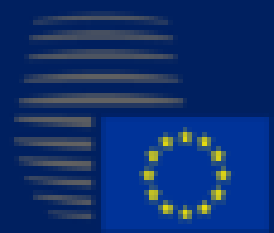
# The Institutions



# The Institutions



European Parliament



European Council  
Council of the European Union





# European Commission

The European Commission represents the common interests of the EU and is the EU's main executive body.

They monitor and analyse public opinion in their host country, provide information about EU policies and the way the EU works, and facilitate the Commission's cooperation with the host member country.



# European Commission - Overview

- Role: Promotes the general interest of the EU by proposing and enforcing legislation as well as by implementing policies and the EU budget
- Members: A team or 'College' of Commissioners, 1 from each EU country
- President: Ursula von der Leyen
- Year established: 1958
- Location: Brussels (Belgium)
- The European Commission is the EU's politically independent executive arm. It is alone responsible for drawing up proposals for new European legislation, and it implements the decisions of the European Parliament and the Council of the EU.



# What does the Commission do?

## 1. Proposes new laws

- The Commission is the sole EU institution tabling laws for adoption by the Parliament and the Council that:
  - protect the interests of the EU and its citizens on issues that can't be dealt with effectively at national level
  - get technical details right by consulting experts and the public

## 2. Manages EU policies & allocates EU funding

- sets EU spending priorities, together with the Council and Parliament
- draws up annual budgets for approval by the Parliament and Council
- supervises how the money is spent, under scrutiny by the Court of Auditors

## 3. Enforces EU law

- together with the Court of Justice, ensures that EU law is properly applied in all the member countries

## 4. Represents the EU internationally

- speaks on behalf of all EU countries in international bodies, in particular in areas of trade policy and humanitarian aid
- negotiates international agreements for the EU



# European Commission - Composition

- Political leadership is provided by a team of 27 Commissioners (*one from each EU country*) – led by the Commission President, who decides who is responsible for which policy area.
- The College of Commissioners is composed of:
  1. the President of the Commission,
  2. eight Vice-Presidents, including three Executive Vice-Presidents,
  3. the High Representative of the Union for Foreign Affairs and Security Policy, and
  4. 18 Commissioners, each responsible for a portfolio.
- The day-to-day running of Commission business is performed by its staff, organised into departments known as Directorates-General (DGs), each responsible for a specific policy area.



# Appointing the President of the Commission

The candidate is put forward by national leaders in the European Council, taking account of the results of the European Parliament elections. He or she needs the support of a majority of members of the European Parliament in order to be elected.



# Selecting the Team

- The Presidential candidate selects potential Vice-Presidents and Commissioners based on suggestions from the EU countries. The list of nominees has to be approved by national leaders in the European Council.
- Each nominee appears before the European Parliament to explain their vision and answer questions. Parliament then votes on whether to accept the nominees as a team. Finally, they are appointed by the European Council, by a qualified majority.



# How does the Commission work?

- **Strategic planning:** The President defines the policy direction for the Commission, which enables the Commissioners together to decide strategic objectives, and produce the annual work programme.
- **Collective decision making:** Decisions are taken based on collective responsibility. All Commissioners are equal in the decision-making process and equally accountable for these decisions. They do not have any individual decision-making powers, except when authorized in certain situations.
- The Vice-Presidents act on behalf of the President and coordinate work in their area of responsibility, together with several Commissioners. Priority projects are defined to help ensure that the College works together in a close and flexible manner.
- Commissioners support Vice-Presidents in submitting proposals to the College. In general, decisions are made by consensus, but votes can also take place. In this case, decisions are taken by simple majority, where every Commissioner has one vote.
- The relevant Directorate-General (headed by a Director-General, answerable to the relevant Commissioner) then takes up the subject. This is usually done in the form of draft legislative proposals.
- These are then resubmitted to the Commissioners for adoption at their weekly meeting, after which they become official, and are sent to the Council and the Parliament for the next stage in the EU legislative process.



# The European Council

The heads of state or government of the EU countries meet, as the European Council, to define the general political direction and priorities of the European Union. The European Council is chaired by a president who is elected for a 2.5-year term, renewable once. It does not adopt laws except for possible EU Treaty amendments.





# The EC - Overview

- Role: Defines the general political direction and priorities of the European Union
- Members: Heads of state or government of EU countries, European Council President, European Commission President
- President: Charles Michel
- Established in: 1974 (informal forum), 1992 (formal status), 2009 (official EU institution)
- Location: Brussels (Belgium)
- The European Council brings together EU leaders to set the EU's political agenda. It represents the highest level of political cooperation between EU countries.
- One of the EU's 7 official institutions, the European Council takes the form of (usually quarterly) summit meetings between EU leaders, chaired by a permanent president.



# What does the European Council do?

- decides on the EU's overall direction and political priorities – but does not pass laws
- deals with complex or sensitive issues that cannot be resolved at lower levels of intergovernmental cooperation
- sets the EU's common foreign & security policy, taking into account EU strategic interests and defence implications
- nominates and appoints candidates to certain high profile EU level roles, such as the ECB and the Commission
- On each issue, the European Council can:
  - ask the European Commission to make a proposal to address it
  - pass it on to the Council of the EU to deal with



# The EC - Composition

- The European Council is made up of the heads of state or government of all EU countries, the European Council President, and the European Commission President.
- It is convened and chaired by its President, who is elected by the European Council itself for a once-renewable two-and-a-half-year term. Among other things, the President represents the EU to the outside world.



# How does the European Council work?

- It usually meets 4 times a year – but the President can convene additional meetings to address urgent issues.
- It generally decides issues by consensus – but by unanimity or qualified majority in some cases. Only the heads of state/government can vote.



# Council of European Union

Represents the governments of EU countries. The Council of the EU is where national ministers from each government meet to adopt laws and coordinate policies. Ministers meet in different configurations depending on the topic to be discussed. The Council of the EU takes decisions on European laws jointly with the European Parliament.



# Council of European Union - Overview

- Role: Voice of EU member governments, adopting EU laws and coordinating EU policies
- Members: Government ministers from each EU country, according to the policy area to be discussed
- President: Each EU country holds the presidency on a 6-month rotating basis
- Established in 1958 (as Council of the European Economic Community)
- Location: Brussels (Belgium)
- In the Council of the EU, informally also known as the Council, government ministers from each EU country meet to discuss, amend and adopt laws, and coordinate policies. The ministers have the authority to commit their governments to the actions agreed on in the meetings. Council meetings take place in Brussels, except for three months (April, June and October) when they are held in Luxembourg.
- Together with the European Parliament, the Council is the main decision-making body of the EU.
- Not to be confused with:
  - European Council - quarterly summits, where EU leaders meet to set the broad direction of EU policy making
  - Council of Europe - not an EU body at all



# What does the Council do?

- negotiates and adopts EU laws, together with the European Parliament, based on proposals from the European Commission
- coordinates EU countries' policies
- develops the EU's foreign & security policy, based on European Council guidelines
- concludes agreements between the EU and other countries or international organisations
- adopts the annual EU budget - jointly with the European Parliament



# The Council - Composition

- There are no fixed members of the EU Council. Instead, the Council meets in 10 different configurations, each corresponding to the policy area being discussed. Depending on the configuration, each country sends their minister responsible for that policy area.
- For example, when the Council meeting on economic and financial affairs (the "Ecofin Council") is held, it is attended by each country's finance minister.





# Who chairs the meetings?

- The Foreign Affairs Council has a permanent chairperson - the EU High Representative for Foreign Affairs and Security Policy. All other Council meetings are chaired by the relevant minister of the country holding the rotating EU presidency.
- For example, any Environment Council meeting in the period when Estonia holds the presidency will be chaired by the Estonian environment minister.
- Overall consistency is ensured by the General Affairs Council - which is supported by the Permanent Representatives Committee. This is composed of EU countries' Permanent Representatives to the EU, who are, in effect, national ambassadors to the EU.



# How does the Council work?

- EU ministers meet in public when they discuss or vote on draft legislative acts to be passed, decisions usually require a qualified majority:
  - 55% of countries (with 27 current members, this means 15 countries)
  - representing at least 65 % of total EU population
- You can watch the Council's public sessions live in all EU languages. When a Council meeting is public, so are its minutes and votes.
- To block a decision, at least 4 countries are needed (representing at least 35% of total EU population)
  - exception - sensitive topics like foreign policy and taxation require a unanimous vote (all countries in favour).
  - Simple majority is required for procedural & administrative issues



# The European Parliament

The European Parliament represents the citizens of EU countries and is directly elected by them. It takes decisions on European laws jointly with the Council of the European Union. It also approves the EU budget. It runs a network of liaison offices in EU capitals, London, Edinburgh and Washington D.C.



# EP – Overview

- Role: Directly-elected EU body with legislative, supervisory, and budgetary responsibilities
- Members: 705 MEPs (Members of the European Parliament)
- President: Roberta Metsola
- Established in: 1952 as Common Assembly of the European Coal and Steel Community, 1962 as European Parliament, first direct elections in 1979
- Location: Strasbourg (France), Brussels (Belgium), Luxembourg
- Website: European Parliament
- The European Parliament is the EU's law-making body. It is directly elected by EU voters every 5 years.



# What does the European Parliament do?

## 1. Legislative:

- Passing EU laws, together with the Council of the EU, based on European Commission proposals
- Deciding on international agreements
- Deciding on enlargements
- Reviewing the Commission's work programme and asking it to propose legislation



# What does the European Parliament do?

## 2. Supervisory

- Democratic scrutiny of all EU institutions
- Electing the Commission President and approving the Commission as a body. Possibility of voting a motion of censure, obliging the Commission to resign
- Granting discharge, i.e. approving the way EU budgets have been spent
- Examining citizens' petitions and setting up inquiries
- Discussing monetary policy with the European Central Bank
- Questioning Commission and Council
- Election observations



# What does the European Parliament do?

## 2. Budgetary

- Establishing the EU budget, together with the Council
- Approving the EU's long-term budget, the "Multiannual Financial Framework"



# EP - Composition

- The number of MEPs for each country is roughly proportionate to its population, but this is by degressive proportionality: no country can have fewer than 6 or more than 96 MEPs and the total number cannot exceed 705 (704 plus the President). MEPs are grouped by political affiliation, not by nationality.
- The President represents Parliament to other EU institutions and the outside world and gives the final go-ahead to the EU budget.





# How does the Parliament work?

- Parliament's work comprises two main stages:
- **Committees** - to prepare legislation.
  - The Parliament numbers 20 committees and three subcommittees, each handling a particular policy area. The committees examine proposals for legislation, and MEPs and political groups can put forward amendments or propose to reject a bill. These issues are also debated within the political groups.
- **Plenary sessions** – to pass legislation.
  - This is when all the MEPs gather in the chamber to give a final vote on the proposed legislation and the proposed amendments. Normally held in Strasbourg for four days a month, but sometimes there are additional sessions in Brussels.



# Courts of Justice of the European Union

The Court ensures that EU law is followed, and that the Treaties are correctly interpreted and applied: it reviews the legality of the acts of the EU institutions, ensures that EU countries comply with their obligations under the Treaties, and interprets EU law at the request of national courts



# CJEU - Overview

- Role: Ensuring EU law is interpreted and applied the same in every EU country; ensuring countries and EU institutions abide by EU law.
- Members:
  - Court of Justice: 1 judge from each EU country, plus 11 advocates general
  - General Court: 2 judges from each EU country
- Established in 1952
- Location: Luxembourg
- The Court of Justice of the European Union (CJEU) interprets EU law to make sure it is applied in the same way in all EU countries, and settles legal disputes between national governments and EU institutions.
- It can also, in certain circumstances, be used by individuals, companies or organisations to take action against an EU institution, if they feel it has somehow infringed their rights.



# What does the CJEU Do?

- The CJEU gives rulings on cases brought before it. The most common types of case are:
  - **1. interpreting the law (preliminary rulings)** – national courts of EU countries are required to ensure EU law is properly applied, but courts in different countries might interpret it differently. If a national court is in doubt about the interpretation or validity of an EU law, it can ask the Court for clarification. The same mechanism can be used to determine whether a national law or practice is compatible with EU law.
  - **2. enforcing the law (infringement proceedings)** – this type of case is taken against a national government for failing to comply with EU law. Can be started by the European Commission or another EU country. If the country is found to be at fault, it must put things right at once, or risk a second case being brought, which may result in a fine.



# What does the CJEU Do? Cont.

- **3. annulling EU legal acts (actions for annulment)** – if an EU act is believed to violate EU treaties or fundamental rights, the Court can be asked to annul it – by an EU government, the Council of the EU, the European Commission or (in some cases) the European Parliament. Private individuals can also ask the Court to annul an EU act that directly concerns them.
- **4. ensuring the EU takes action (actions for failure to act)** – the Parliament, Council and Commission must make certain decisions under certain circumstances. If they don't, EU governments, other EU institutions or (under certain conditions) individuals or companies can complain to the Court.
- **5. sanctioning EU institutions (actions for damages)** – any person or company who has had their interests harmed as a result of the action or inaction of the EU or its staff can take action against them through the Court.



# CJEU - Composition

- The CJEU is divided into 2 courts:
- **1. Court of Justice** – deals with requests for preliminary rulings from national courts, certain actions for annulment and appeals.
- **2. General Court** – rules on actions for annulment brought by individuals, companies and, in some cases, EU governments. In practice, this means that this court deals mainly with competition law, State aid, trade, agriculture, trade marks.
- Each judge and advocate general is appointed for a renewable 6-year term, jointly by national governments. In each Court, the judges select a President who serves a renewable term of 3 years.



# How does the CJEU work?

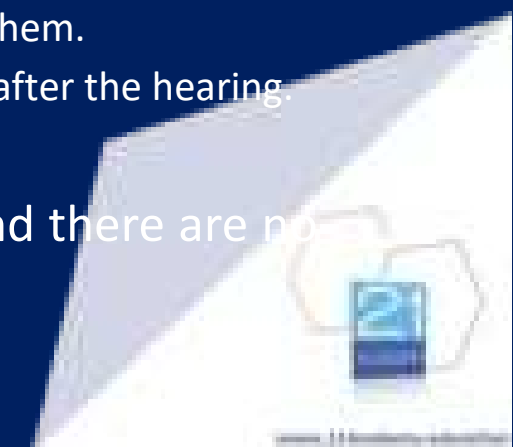
- In the Court of Justice, each case is assigned 1 judge (the "judge-rapporteur") and 1 advocate general. Cases are processed in 2 stages:

## 1. Written stage

- The parties give written statements to the Court - and observations can also be submitted by national authorities, EU institutions and sometimes private individuals.
- All of this is summarised by the judge-rapporteur and then discussed at the Court's general meeting, which decides:
- How many judges will deal with the case: 3, 5 or 15 judges (the whole Court), depending on the importance and complexity of the case. Most cases are dealt with by 5 judges, and it is very rare for the whole Court to hear the case.
- Whether a hearing (oral stage) needs to be held and whether an official opinion from the advocate general is necessary.

## 2. Oral stage – a public hearing

- Lawyers from both sides can put their case to the judges and advocate general, who can question them.
  - If the Court has decided an Opinion of the advocate general is necessary, this is given some weeks after the hearing.
  - The judges then deliberate and give their verdict.
- General Court procedure is similar, except that most cases are heard by 3 judges and there are no advocates general.



# European Central Bank

The ECB and the European System of Central Banks are responsible for keeping prices stable in the euro area. They are also responsible for the monetary and exchange rate policy in the Eurozone and support EU economic policies.





# ECB - Overview

- Role: To manage the euro, keep prices stable and conduct EU economic & monetary policy
- President: Christine Lagarde
- Members: ECB President and Vice-President and governors of national central banks from all EU countries
- Established in 1998
- Location: Frankfurt (Germany)
- The European Central Bank (ECB) manages the euro and frames and implements EU economic & monetary policy. Its main aim is to keep prices stable, thereby supporting economic growth and job creation.



# What does the ECB do?

- sets the interest rates at which it lends to commercial banks in the eurozone (also known as the euro area), thus controlling money supply and inflation
- manages the eurozone's foreign currency reserves and the buying or selling of currencies to balance exchange rates
- ensures that financial markets & institutions are well supervised by national authorities, and that payment systems work well
- ensures the safety and soundness of the European banking system
- authorises production of euro banknotes by eurozone countries
- monitors price trends and assesses risks to price stability.



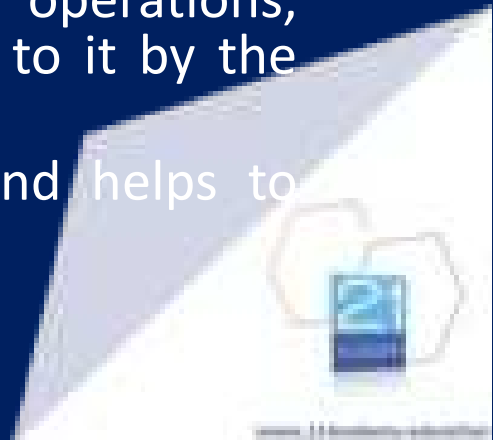
# ECB - Composition

- The ECB President represents the Bank at high-level EU and international meetings. The ECB has the 3 following decision-making bodies:
  - 1. Governing Council** – the main decision-making body. Consists of the Executive Board (see below) plus the governors of the national central banks from eurozone countries.
  - 2. Executive Board** – handles the day-to-day running of the ECB. Consists of the ECB President and Vice-President and 4 other members appointed for 8-year terms by the leaders of the eurozone countries.
  - 3. General Council** – has more of an advisory & coordination role. Consists of the ECB President and Vice-President and the governors of the central banks from all EU countries.



# How does the ECB work?

- The ECB works with the national central banks of all EU countries. Together they form the European System of Central Banks.
- It leads cooperation between central banks in the eurozone. This is referred to as the Eurosystem.
- The work of the governing bodies
  - Governing Council – assesses economic and monetary developments, defines eurozone monetary policy and fixes the interest rates at which commercial banks can borrow from the ECB.
  - Executive Board – implements monetary policy, manages day-to-day operations, prepares Governing Council meetings and exercises powers delegated to it by the Governing Council.
  - General Council – contributes to advisory and coordination work and helps to prepare for new countries joining the euro.



# European Court of Auditors

The ECA contributes to improving EU financial management, and promoting accountability and transparency, and acts as the independent guardian of the financial interests of EU citizens. It checks that EU funds are correctly accounted for, that they are raised and spent in accordance with the relevant rules and regulations, and that they deliver value for money.



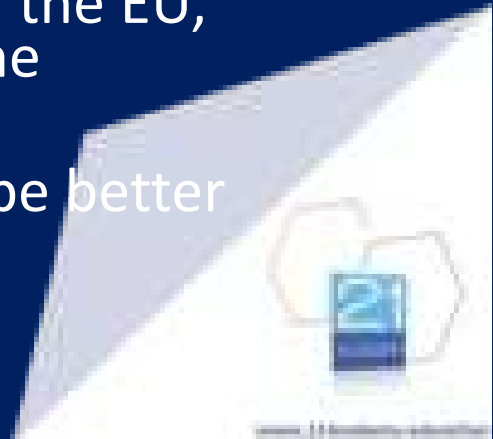
# ECA - Overview

- Role: To check EU funds are collected and used correctly, and help improve EU financial management.
- President: Tony Murphy
- Members: 1 from each EU country
- Established in 1977
- Location: Luxembourg
- As the EU's independent external auditor, the European Court of Auditors (ECA) looks after the interests of EU taxpayers. It does not have legal powers, but works to improve the European Commission's management of the EU budget and reports on EU finances.



# What does the ECA do?

- audits EU revenue & expenditure, to check EU funds are correctly raised, spent, achieve value for money and accounted for
- checks any person or organisation handling EU funds – including spot checks in EU institutions (especially the Commission), EU countries and countries receiving EU aid
- writes up findings and recommendations in audit reports, for the European Commission and national governments
- reports suspected fraud, corruption or other illegal activity to the European Anti-Fraud Office (OLAF)
- produces an annual report for the European Parliament and Council of the EU, which the Parliament examines before deciding whether to approve the Commission's handling of the EU budget
- gives its expert opinion to EU policymakers on how EU finances could be better managed and made more accountable to citizens



# What does the ECA do?

- Also publishes opinions on preparatory legislation that will impact EU financial management, as well as position papers, reviews and ad hoc publications on EU public finance issues.
- To be effective, the Court must be independent of the institutions and bodies it audits. To this end, it is free to decide on:
  - what it will audit
  - how to do this
  - how & when to present its findings
- The Court's audit work focuses mainly on the European Commission – the main body responsible for implementing the EU budget. But it also works closely with national authorities, because the Commission manages most EU funds (around 80%) jointly with them.





# ECA - Composition

- Court members are appointed by the Council, after consulting the Parliament, for renewable 6-year terms. They choose one of their number as President for a 3-year term (also renewable).



# How does the ECA Work?

- It carries out 3 types of audit:
  1. Financial audits – checking that accounts accurately present the financial position, results and cash flow for the year.
  2. Compliance audits – checking that financial transactions follow the rules.
  3. Performance audits – checking that the EU funds achieve its goals with the fewest possible resources and in the most economical manner.
- The Court is divided into audit groups called 'chambers'. They prepare reports & opinions for the Court members to adopt, thus making them official.





**Diploma in Law (Malta)**



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