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REPORT FROM THE COMMISSION

ANNUAL REPORT 2011 ON RELATIONS BETWEEN THE EUROPEAN COMMISSION AND NATIONAL PARLIAMENTS

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1. INTRODUCTION

This seventh annual report on relations between the Commission and national Parliaments focuses on the political dialogue with national Parliaments in a broad sense. It encompasses all relevant interactions and exchanges of information and opinion between the Commission and national Parliaments. Specific aspects relating to the subsidiarity control mechanism (through which national Parliaments scrutinise whether draft legislative acts comply with the principle of subsidiarity) are dealt with in the Annual Report on Subsidiarity and Proportionality, which is published in parallel[1] and should thus be seen as complementary to this report.

The political dialogue between the Commission and national Parliaments is a continuous debate on the Commission Work Programme (CWP) and the EU's political priorities; a written exchange of views on specific Commission documents (legislative or otherwise); and discussions on a wide range of policy issues in the COSAC, in joint parliamentary meetings, inter-parliamentary committee meetings and joint committee meetings. It also covers a growing number of bilateral contacts, at administrative or political level, including numerous visits by Commissioners to national Parliaments. The fact that, as of 2011, almost all national Parliaments have sent permanent representatives to Brussels has been instrumental in stepping up this particular aspect of the political dialogue.

In 2010, the Commission's relations with national Parliaments were still predominantly framed by the entry into force of the Treaty of Lisbon. The focus was on the implementation of the new Treaty provisions, in particular of the new subsidiarity control mechanism. National Parliaments adapted their scrutiny processes and political focus.

In 2011, there was an environment of growing economic, social and political instability. As the global economic crisis hit the Euro zone, national political debates increasingly focused on the substance of European policies. The overall message emerging from the political dialogue with national Parliaments in 2011 has been that a lot is expected of the Commission.

The political dialogue in its broader sense naturally covers a wide range of topics and policy domains. However, in 2011 two major issues of common interest emerged. Apart from opinions and exchanges on a vast array of legislative measures proposed in response to the economic and financial crisis (for instance, in relation to financial regulation, the single market and economic governance), national Parliaments were also involved in the debate concerning the Multiannual Financial Framework (MFF) for 2014 – 2020 in general, and the sectoral proposals in particular.

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[1] COM(2012) 373.

2. BUILDING A COMMON UNDERSTANDING OF THE CHALLENGES

In 2011, it became increasingly clear that, over and above the regular parliamentary scrutiny of European affairs in 40 national Chambers, there is a case for creating a structured exchange of views, between and with national Parliaments, with a view to shaping a shared perspective on major European issues and challenges.

Over and above the various inter-parliamentary configurations, steered by the European Parliament and the Parliament of the Member State holding the EU Council Presidency, the method used so far within COSAC was to concentrate on subsidiarity vetting, based on a coordinated examination of the CWP. However, in 2010 the focus started to shift. In May 2010, the Madrid COSAC suggested that the Commission President should present the CWP for the current year at the first six-monthly COSAC meeting, while at the second such meeting, he should be invited to present an overview of how the CWP was being implemented.

Building on these reflections, President Barroso addressed the Brussels COSAC in October 2010 and reiterated the Commission's conviction that individual opinions of national Parliaments or collective contributions via the COSAC should be submitted to feed into the preparation of the CWP, complementing the Commission's formal structured dialogue with the European Parliament. National Parliaments could thus help to build a real consensus on where the EU should focus its policy and resources for the coming years.

During the first half of 2011, the Hungarian COSAC Presidency shared this perspective and focused discussions accordingly. The Budapest COSAC in May 2011 concluded that the Commission should, in the second half of each year, present its work programme for the following year and in principle agreed with the idea of a general policy debate feeding into the strategic planning process — even though several Parliaments still had doubts about the feasibility of such an *ex ante* discussion within the COSAC, in the absence of a document which might serve as a basis for discussion.

Already on that occasion, Vice-President Šefčovič reiterated the Commission's belief that, as a first step in this direction, national Parliaments could focus on the major issue of economic governance. Through collective involvement in the European Semester, national Parliaments and the European Parliament could be encouraged to debate jointly the main lines of EU policy, as formulated in the Europe 2020 strategy and reflected in the National Reform Programmes and the country-specific recommendations, or the Annual Growth Survey for the given year.

The Vice-President also identified the budget as another clear case where a collective assessment could help to paint a broader picture. In this way, the added value of inter-parliamentary cooperation, i.e. getting an overview of what happens in other Member States, exchanging best practices, and increasing the peer pressure needed to deliver, could be best harnessed.

During the second half of 2011, the Polish COSAC Presidency focused national Parliaments' attention on the Commission's MFF 2014 – 2020 proposal. As a follow-up, in October 2011, a first High-level Conference dedicated to the post-2013 MFF was organised jointly by the Polish Presidency of the Council, the European Parliament and the Commission. It specifically targeted national Parliaments, which took an active part. One of the most debated issues was the question of own resources.

The efforts made by national Parliaments, the European Parliament and the Commission over the past two years to coordinate priorities at European level are expected to continue. Economic governance and the next MFF are likely to remain two of the main common policy challenges (see chapter 5).

3. OPINIONS FROM NATIONAL PARLIAMENTS (POLITICAL DIALOGUE)

Participation

Launched by President Barroso in 2006, the written exchange of opinions and replies between national Parliaments and the Commission has been steadily intensifying over the past six years. The total number of opinions received from national Parliaments in 2011, including reasoned opinions under the subsidiarity control mechanism, reached 622. This represents an increase of some 60% compared to 2010 (387), which had already seen a 55% increase over 2009 (250). This upward trend has continued into 2012, with more than 400 opinions received by June 2012.

The great majority of the 622 opinions received in 2011 contained substantive comments and questions on the content of Commission proposals and initiatives. As in previous years, only a comparatively small number (64) of opinions were reasoned opinions within the meaning of Protocol No 2, notifying a breach of the principle of subsidiarity.

There was a particularly notable increase in the number of opinions received from the Portuguese Parliament, from both Romanian chambers, the Swedish Parliament, the Czech Senate and the Bulgarian Parliament[2]. Only four chambers took no part at all in the political dialogue in 2011 (compared to ten in 2010).

Since its inception, the political dialogue has helped to make European decision-making more transparent and to bring European policies closer to the public debate in Member States, thus raising public awareness on some of the key European policy issues. The Commission continues to encourage those Parliaments which, for different reasons, have so far chosen not to participate actively in a direct exchange with the Commission on the substance of its proposals and strategic initiatives, to engage in this political dialogue.

This includes exchanges during the pre-legislative phase, e.g. in the context of public consultations, and in terms of targeted contacts and discussions at both political and expert levels. These are a particularly effective way for national Parliaments to contribute constructively to the shaping of future EU initiatives and legislation, as several concrete examples have shown. The Commission has indicated its openness to examine the possibility of systematically alerting national Parliaments to all public consultations as and when they are launched, and of highlighting more specifically national Parliaments' contributions. Following up on its Communication on "Smart Regulation in the European Union" {COM(2010)543}, the Commission is now carrying out a review of its consultation policy. Among other things, the review will look at the need and ways to increase the reach of its consultations and strengthen the quality and transparency of the information on the results of consultations.

Scope

[2] See table in Annex 1.

The focus of national Parliaments' opinions remains diverse. The 622 opinions received in 2011 addressed a large number of Commission documents, predominantly legislative ones, with the majority of proposals and initiatives eliciting only between one and three opinions. However, the number of Commission documents receiving comments from more than four chambers (67) has increased significantly compared to 2010 (25).

The proposals which attracted most comments in 2011[3] were also those which elicited the highest number of reasoned opinions under the subsidiarity control mechanism, such as the Common Consolidated Corporate Tax Base[4] (17 opinions, including nine reasoned opinions); temporary reintroduction of border controls at internal borders in exceptional circumstances[5] (11 opinions in 2011, of which six were reasoned opinions); jurisdiction, applicable law and the recognition and enforcement of decisions regarding the property consequences of registered partnerships[6] (eight opinions, four of them reasoned opinions); and Common European Sales Law[7] (seven opinions in 2011, including five reasoned opinions).

In 2011, five policy fields accounted for more than half of the opinions received in the context of the political dialogue - Internal Market and Services, Justice, Agriculture, Home Affairs and Taxation.

Despite the fact that the Commission has encouraged national Parliaments to see the CWP as a strategic tool in helping to build a consensus on where the EU should focus its policy for the coming year(s), very few national Parliaments expressed their views on the CWP 2011 in the context of the political dialogue.

The political dialogue on key topics

Apart from the numerous economic governance and MFF-related files, the following initiatives and proposals are among those which attracted particular attention from national Parliaments' in 2011:

- Energy efficiency directive[8]

In the ten opinions submitted in 2011 (four more in early 2012), parliamentary chambers expressed somewhat similar positions. On the one hand, they were concerned about the financial and administrative burden; on the other they called for a more specific country-based approach with more discretion for national and local authorities. Their fear was that EU action at administrative level would not leave room for solutions adapted to national and regional conditions. Two national Parliaments issued a reasoned opinion in this respect, claiming a breach of the subsidiarity principle. However, national Parliaments agreed that achieving the 20% primary energy saving target was a key objective under the Europe 2020 Strategy.

- Taxation of energy products and electricity[9]

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3 See Annex 2.
4 COM(2011) 121.
5 COM(2011) 560.
6 COM(2011) 127.
7 COM(2011) 635.
8 COM(2011) 370.
9 COM(2011) 169.

Of ten opinions received in 2011, half argued that the impact assessment accompanying the proposal was not thorough enough and did not provide enough qualitative and quantitative indicators to back the proposal's compliance with the principle of subsidiarity. Several opinions underlined that the provisions of the proposal could jeopardise the competitiveness of the EU economy. Potential administrative, financial and fiscal burdens and the potentially negative social impact were also matters of concern.

- Communication on procedures for the scrutiny of Europol's activities by the European Parliament, together with national Parliaments[10]

The Commission received nine opinions, welcoming the Commission's communication. A large majority of the Chambers were in favour of using the existing inter-parliamentary committee meetings to ensure a proper scrutiny of Europol rather than setting up new forums or conferences. They advocated more efficiency and flexibility and proposed using the same structures for the parliamentary scrutiny of Eurojust. National Parliaments also called for a balanced approach when defining the size of parliamentary delegations to the new supervisory body, though the understanding of such a balance varies.

4. CONTACTS AND VISITS

As in previous years, a wide range of personal contacts and meetings, at both political and administrative level, have complemented the exchange of written opinions and replies between national Parliaments and the Commission.

The Vice-President for inter-institutional relations, Mr Šefčovič, continued to make regular visits to national Parliaments in line with his objective of meeting all of them at least once during his term of office. During 2011, members of the Commission visited 24 out of 27 national Parliaments.

The Commission was represented at political level at all major inter-parliamentary meetings held during 2011, including the meetings of the COSAC and the joint parliamentary meetings. The High Representative for Foreign Affairs and Security Policy/ Vice-President of the Commission, Baroness Ashton, attended or was represented at the meetings of the COFACC and the CODACC[11].

The conference on the Common Fisheries Policy reform, organised by the Commission in October 2011, and the first High-level Conference on the Multiannual Financial Framework for 2014 -2020, organised jointly by the Council Presidency, the European Parliament and the European Commission on 20-21 October 2011, were specifically targeted at national Parliaments, whose members took an active part.

Commission officials also continued to give evidence before national Parliaments' committees, when requested, and to have regular meetings with the permanent representatives of national Parliaments based in Brussels to discuss a variety of upcoming initiatives or ongoing files.

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10 COM(2010) 776.

11 Conference of Chairpersons of Foreign Affairs Committee and Conference of Chairpersons of Defence Affairs Committees.

In 2011, permanent representatives of national Parliaments met twice with Vice-President Šefčovič, and once each with Vice-President Kallas and with Commissioner Georgieva. 2011 also saw an intensification of contacts between the Commission and national Parliaments as part of the preparations for a new regulation on the democratic scrutiny of Europol. A meeting of stakeholders, including representatives of national Parliaments, provided an occasion for a first exchange of views on the topic in January 2011.

5. OUTLOOK: COMMON POLICY CHALLENGES

Tackling the consequences of the economic crisis, promoting growth and job creation, especially for young people, and further strengthening European economic governance will remain at the top of Europe's political agenda in 2012. The inter-parliamentary committee meeting on economic governance in Brussels in February 2012 confirmed that there is a strong interest on the part of both national Parliaments and the Commission in an intensified exchange of views, not least because the European Semester is still a relatively new and evolving mechanism.

The financial, economic, and sovereign debt crises have shown why closer coordination among Member States is needed. These efforts must however recognise that many aspects of economic policy remain a national competence. National stakeholders, and in particular national Parliaments, need to have a full understanding of the EU-level and euro area context if they are to make fully informed economic policy decisions.

The introduction of the European Semester in 2011 was an important step forward in this regard. The Commission's Annual Growth Survey, which launches the Semester each year, sets out cross-cutting policy guidance with an EU-level and euro-area dimension that Member States are required to take into account when formulating national policies. The success of the European Semester is measured by how far the country-specific recommendations are reflected in national policy-making during the second half of the year - the national semester - which sees budgets and reform programmes proposed by governments and adopted by Parliaments.

The role of national Parliaments in explaining often difficult policy choices having an impact beyond national borders is vitally important, while strong national ownership is necessary to create the political conditions under which reforms can succeed. Against this background, and as it stressed throughout 2011, the Commission is fully committed to stepping up its political dialogue with national Parliaments, particularly in terms of economic governance.

More concretely, and as it said at the Copenhagen COSAC meeting in April 2012, the Commission sees two particular moments during the European Semester when an intensified dialogue with national Parliaments could provide real added value: first, following the publication of the Commission's Annual Growth Survey, which sets out broad priorities for the EU as a whole for the coming year; and second, once the Commission has presented and the European Council has endorsed country-specific guidance on the basis of the Member States' National Reform Programmes and Stability and Convergence Programmes. At these key stages, the Commission is ready and willing to discuss with national Parliaments both cross-cutting and country-specific questions related to economic governance and to provide further clarification.

On 30 May 2012, under the 2012 European Semester, the Commission transmitted country-specific recommendations to the Council, taking account of the situation of each Member State. The Commission has also issued recommendations for the euro area as a whole, and set out its vision for the EU-level policy action needed to complement the national measures to deliver an ambitious, two-tiered EU growth initiative[12].

In addition to the issue of economic governance, discussions and negotiations on the MFF 2014 – 2020 will reach an advanced stage in 2012. The second MFF Conference in March 2012 confirmed the need for close and effective communication between the Commission and national Parliaments on the shape of the next multiannual financial framework and thus on the future scope and impact of EU policies.

And finally, preparations for the upcoming legislative proposal on the democratic scrutiny of Europol based on Article 88 of the TFEU will intensify throughout 2012. Following national Parliaments' reactions to the Commission's communication of November 2010 (see chapter 3), there was a constructive high-level meeting between the Commission, national Parliaments and the European Parliament in April 2012, and the Commission will continue to involve both closely in ongoing reflections and pre-legislative discussions.

As decision-making at European level becomes more and more complex, and as public support is needed for the profound and often difficult reforms ahead, the Commission remains committed to encouraging any initiatives which will help to boost the democratic scrutiny of EU policy processes and enhance national ownership of our common policy choices.

[12] Communication on Action for Stability, Growth and Jobs {COM(2012)299}

Annex 1

Overall number of opinions received per country/chamber (political dialogue and subsidiarity control mechanism)

National Parliament	Chamber	Total number of opinions (political dialogue)	Reasoned opinions (Protocol 2)
Portugal	Assembleia da República	184	1
Italy	Senato della Repubblica	76	3
Czech Republic	Senát	43	0
Sweden	Riksdag	42	11
Romania	Camera Deputaților	40	2
Romania	Senatul	33	2
Germany	Bundesrat	33	1
Italy	Camera dei Deputati	28	2
Bulgaria	Narodno Sabranie	19	2
United Kingdom	House of Lords	16	1
Denmark	Folketing	14	1
Luxembourg	Chambre des Députés	14	7
United Kingdom	House of Commons	8	3
Austria	Nationalrat	7	0
Germany	Bundestag	6	1
The Netherlands	Eerste Kamer	6	0
Poland	Sejm	5	5
Czech Republic	Poslanecká sněmovna	5	0
Poland	Senat	4	4
Lithuania	Seimas	4	0

National Parliament	Chamber	Total number of opinions (political dialogue)	Reasoned opinions (Protocol 2)
Belgium	Chambre des Représentants	4	1
France	Sénat	4	1
Greece	Vouli ton Ellnion	4	0
Austria	Bundesrat	3	1
Netherlands	Both Chambers	3	2
Spain	Both Chambers	2	2
Finland	Eduskunta	2	1
Belgium	Sénat	2	1
France	Assemblée nationale	2	1
Malta	Kamra tad-Deputati	2	2
Slovakia	Národná Rada	2	2
Ireland	Dail Eireann	1	1
Romania	Both Chambers	1	/
Netherlands	Tweede Kamer	1	1
Cyprus	Vouli ton Antiprosopon	1	1
Latvia	Saeima	1	0
Estonia	Riikikogu	0	0
Slovenia	Državni svet	0	0
Slovenia	Državni zbor	0	0
Hungary	Országgyülés	0	0
	Total	**622**	**64**

Annex 2

Commission proposals and initiatives generating the highest number of opinions in the context of the political dialogue (2011)

Commission document	Title	Total number of opinions (political dialogue)	Reasoned opinions (Protocol 2)
COM(2011) 121	Common Consolidated Corporate Tax Base (CCCTB)	17	9
COM(2011) 560	Temporary reintroduction of border control at internal borders in exceptional circumstances	11[13]	6
COM(2011) 370	Energy efficiency	10[14]	2
COM(2011) 169	Community framework for the taxation of energy products and electricity	10	2
COM(2011) 32	Passenger Name Records	9[15]	/
COM(2010) 776	Scrutiny of Europol's activities by the European Parliament, together with national Parliaments	9	/
COM(2011) 127	Jurisdiction, applicable law and the recognition and enforcement of decisions regarding the property consequences of registered partnerships	8	4
COM(2010) 608	Towards a Single Market Act for a highly competitive social market economy	8	/
COM(2011) 608	Globalisation Adjustment Fund	7[16]	3
COM(2011) 635	Common European Sales Law	7[17]	5
COM(2011) 594	Financial Transaction Tax	7[18]	3

[13] By mid-May 2012, the Commission had received a total of 12 opinions on this proposal.
[14] By mid-May 2012, the Commission had received a total of 12 opinions on this proposal.
[15] By mid-May 2012, the Commission had received a total of 10 opinions on this proposal.
[16] By mid-May 2012, the Commission had received a total of 9 opinions on this proposal.
[17] By mid-May 2012, the Commission had received a total of 11 opinions on this proposal.
[18] By mid-May 2012, the Commission had received a total of 11 opinions on this proposal.