



House of Commons

European Scrutiny Committee

Twenty-second Report of Session 2007–08

Documents considered by the Committee on 30 April 2008



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Report, together with formal minutes

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Notes

Numbering of documents

Three separate numbering systems are used in this Report for European Union documents:

Numbers in brackets are the Committee's own reference numbers.

Numbers in the form "5467/05" are Council of Ministers reference numbers. This system is also used by UK Government Departments, by the House of Commons Vote Office and for proceedings in the House.

Numbers preceded by the letters COM or SEC are Commission reference numbers.

Where only a Committee number is given, this usually indicates that no official text is available and the Government has submitted an "unnumbered Explanatory Memorandum" discussing what is likely to be included in the document or covering an unofficial text.

Abbreviations used in the headnotes and footnotes

EC	(in " <i>Legal base</i> ") Treaty establishing the European Community
EM	Explanatory Memorandum (submitted by the Government to the Committee)
EP	European Parliament
EU	(in " <i>Legal base</i> ") Treaty on European Union
GAERC	General Affairs and External Relations Council
JHA	Justice and Home Affairs
OJ	Official Journal of the European Communities
QMV	Qualified majority voting
RIA	Regulatory Impact Assessment
SEM	Supplementary Explanatory Memorandum

Euros

Where figures in euros have been converted to pounds sterling, this is normally at the market rate for the last working day of the previous month.

Further information

Documents recommended by the Committee for debate, together with the times of forthcoming debates (where known), are listed in the European Union Documents list, which is in the House of Commons Vote Bundle on Mondays and is also available on the parliamentary website. Documents awaiting consideration by the Committee are listed in "Remaining Business": www.parliament.uk/escom. The website also contains the Committee's Reports.

Letters sent by Ministers to the Committee about documents are available for the public to inspect; anyone wishing to do so should contact the staff of the Committee ("Contacts" below).

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1 Poverty and social exclusion

(29276) 16600/07 COM(07) 797	Draft Decision on the European Year for combating poverty and social exclusion (2010)
+ ADD 1	Commission staff working document: <i>impact assessment of the proposal</i>
+ ADD 2	Commission staff working document: <i>summary of the impact assessment</i>

<i>Legal base</i>	Article 137(2) EC; co-decision; QMV
<i>Department</i>	Work and Pensions
<i>Basis of consideration</i>	Minister's letter of 14 March 2008
<i>Previous Committee Report</i>	HC 16–ix (2007–08), chapter 3 (23 January 2008)
<i>To be discussed in Council</i>	No date set
<i>Committee's assessment</i>	Politically important
<i>Committee's decision</i>	Not cleared; further information awaited

Previous scrutiny

1.1 When we considered the draft of this Decision in January,¹ we noted that, in March 2000, when approving the Lisbon Strategy, the European Council agreed that:

“Steps must be taken to make a decisive impact on the eradication of poverty.”²

Member States have been working with each other towards that aim through the Open Method of Coordination on Social Protection and Social Inclusion (OMC).³

1.2 The draft Decision gives effect to the Commission's stated intention, in its proposals for the Community's Social Agenda for 2005–10, to bring forward a measure to make 2010 the European Year for combating poverty and social exclusion. Article 2 of the draft Decision we considered in January sets out four objectives for the Year:

“**Recognition** — Recognising the right of people in a situation of poverty and social exclusion to live in dignity and to play a full part in society ...

“**Ownership** — Increasing public ownership of social inclusion policies and actions, emphasising everyone's responsibility for tackling poverty and marginalisation ...

1 See headnote.

2 Lisbon European Council, 23–24 March 2000, Presidency Conclusions, paragraph 32.

3 In March 2000, the European Council defined the open method of coordination. Its purpose is to help Member States develop their own policies by agreeing European guidelines and timetables for short, medium and long-term goals; defining quantitative and qualitative indicators; and setting benchmarks. Each Member State then translates the guidelines into national and regional policies. There is periodic monitoring, evaluation and peer review of the outcomes.

“Cohesion — Promoting a more cohesive society by raising public awareness of the benefits for all of a society where poverty is eradicated and no-one is condemned to live in the margins. The European Year shall foster a society that sustains and develops quality of life, social well-being and equal opportunities for all regardless of their background, ensuring sustainable development and solidarity between and within generations and policy coherence with EU action worldwide.

“Commitment — Reiterating the strong political commitment of the EU to fight against poverty and social exclusion and promoting the commitment at all levels of governance. ... The European Year shall strengthen the political commitment to the prevention and fight against poverty and social exclusion and give impetus to further development of the European Union’s action in this field.”

1.3 Article 3 provides that the action to achieve the objectives of the Year may include meetings and events; information, promotional and educational campaigns; and surveys and studies. The Annex to the draft Decision gives details of the activities which would fall within the terms of Article 3.

1.4 Section II (2) of the Annex provides that the Commission will produce a Strategic Framework Document establishing “the key priorities for the implementation of the European Year activities, including minimum standards in terms of participation in national bodies and actions”.

1.5 Article 6(1) requires each Member State to appoint a National Implementing Body (NIB) to:

- organise the country’s participation in the Year;
- define the National Programme of Action; and
- select the actions for which the NIB will apply to the Commission for a grant of up to half the cost.

1.6 Article 6(3) requires each NIB to work closely with its National Advisory Group (NAG), which must include, among others, “national parliament representatives”.

1.7 Article 12 provides that the Year’s budget for the period 1 January 2009 to 31 December 2010 should be €17 million. Up to 80% of the cost of activities run at EU-level would be met from the budget for the Year; the budget would also meet up to half the cost of activities run at national, regional or local level.

1.8 The Parliamentary Under-Secretary of State at the Department for Work and Pensions (Mr James Plaskitt) told us that the Commission’s proposals for the Year have a realistic prospect of raising awareness of poverty issues and providing a focus for renewed action across Europe to tackle the causes of poverty and social exclusion.

1.9 In our report on the draft Decision, we said that we recognised the importance of the commitment to make a decisive impact on the eradication of poverty by 2010.⁴ We also

4 See HC 16–ix (2007–08), chapter 3 (23 January 2008).

accepted that European Years can make a useful contribution to increasing public awareness of issues, stimulating action and encouraging the exchange of good practice. So we saw no objection in principle to this proposal.

1.10 We noted, however, the very wide scope of the objectives set out in Article 2 of the draft Decision. They appeared to us to extend well beyond the causes and effects of poverty. For example, the Cohesion objective in Article 2 included:

“fostering a society that sustains the quality of life, social well-being and equal opportunities for all regardless of their background, ensuring sustainable development and solidarity between and within the generations and policy coherence with EU action worldwide.”

1.11 The EC designated 2007 as the European Year of Equal Opportunities for all. So we questioned the need to refer to equal opportunities in the objectives for the European Year on Poverty. We also questioned the inclusion in the objectives of “solidarity between and within the generations”; the connection between poverty and intergenerational solidarity was not readily apparent; nor was the connection with sustainable development.

1.12 Moreover, the draft Decision and the Commission’s supporting papers appeared sometimes to treat poverty and social exclusion as synonyms and sometimes as distinct. We noted that social exclusion can cause poverty and vice versa. But some materially poor people — such as men and women who have taken a religious vow of poverty — are well integrated in society and not all people who are socially excluded are poor.

1.13 We questioned, therefore, whether the draft Decision was sufficiently focussed on the aim set by the European Council in March 2000 — to make a decisive impact on poverty.

1.14 We noted that the Commission proposed that:

- each Member State should establish a National Implementation Body;
- each Member State should also establish a National Advisory Group and must appoint to it representatives of its national parliament; and
- each Member State should produce a National Programme of activities for the Year.

We questioned why such an elaborate mechanism is necessary and why EC legislation should prescribe Member States’ arrangements for taking part in the Year. In particular, we found it wholly inappropriate for EC legislation to require the appointment of representatives of national parliaments to the National Advisory Groups. That proposal was, in our view, clearly inconsistent both with the principle of subsidiarity and the right of parliaments (in particular the Westminster Parliament) to regulate their own affairs.

1.15 We asked the Minister to consider these points, discuss them with the Commission and his colleagues in the Council and tell us the outcome. Meanwhile, we kept the draft Decision under scrutiny.

The Minister's letter of 14 March

1.16 On 14 March the Minister signed a letter replying to our report. But his Department did not send it to us until 22 April.

1.17 The Minister tells us that our points have been included in the Government's discussions with the Commission and other Member States. In his view, the outcome of those discussions addresses many of our concerns. He says that:

“Article 2 has been amended to make it clear that it sets out general principles in addition to objectives for the European Year: in this way it is clearer, for instance, that paragraph (c) relating to cohesion sets out generally desirable outcomes to which the Year should contribute rather than specific objectives for the Year.”

1.18 The Minister also tells us that:

“Article 6 has been amended to make the description of the National Implementing Body (NIB) less prescriptive: in particular paragraph 3 no longer requires the formation of a National Advisory Group (including members of Parliament) but rather requires the NIB to consult and cooperate closely with a broad range of stakeholders.”

1.19 The Minister adds that the Government understands the distinction between poverty and social exclusion but that:

“a strategy that it designed to tackle poverty also needs to tackle the effects of poverty which include social exclusion, poor health and educational disadvantage. The UK shares with the Commission and other member states the view that the challenge is multi-dimensional and that it requires a multi-dimensional response.”

Conclusion

1.20 It appears from the Minister's letter that some welcome amendments to the draft Decision have already been negotiated. But a revised text is not yet available and the negotiations at official level are still in progress. We shall, therefore, keep the document under scrutiny until a revised draft is deposited for scrutiny, with a covering Explanatory Memorandum by the Minister.

2 European agencies — The Way Forward

(29585) 7972/08 COM(08) 135	Commission Communication: <i>European Agencies — The Way Forward</i>
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<i>Legal base</i>	—
<i>Document originated</i>	11 March 2008
<i>Deposited in Parliament</i>	3 April 2008
<i>Department</i>	Foreign and Commonwealth Office
<i>Basis of consideration</i>	EM of 24 April 2008
<i>Previous Committee Report</i>	None
<i>To be discussed in Council</i>	Not applicable
<i>Committee's assessment</i>	Legally and politically important
<i>Committee's decision</i>	Not cleared; further information requested

Background

2.1 European agencies are advisory bodies that help the Commission to focus on core tasks across a range of policy areas. They have been set up in successive waves to meet specific needs on a case-by-case basis and have proved particularly relevant in the field of shared competencies. They are divided into two types — “Executive” and “Regulatory” which are very different in their independence and governance.

2.2 The role of executive agencies within the EU institutional framework is now quite clearly defined. Originally set up under a Council Regulation in 2002,⁵ they have a single legal base and are governed by working arrangements agreed upon at the European Parliament Committee on Budgets in 2007. Each executive agency is created and controlled by the Commission. Their tasks must relate to the management of Community programmes and they are set up for a limited period. They are located close to Commission headquarters and their annual activity reports are annexed to the report from their parent Directorate-General. A standard financial regulation adopted by the Commission, governing the establishment and implementation of the budget, applies to all executive agencies.

The document

2.3 This Communication concentrates on *regulatory agencies*. These are independent bodies whose functions range from tasks of a technical and/or scientific nature often related to the internal market to roles under the Common Foreign and Security Policy. Three agencies deal with issues under Title VI of the EU Treaty on police and judicial cooperation in criminal matters, and other agencies provide technical expertise to third countries wishing to become more familiar with the EC *acquis* and best practices.

5 Council Regulation (EC) No. 58/2003 of 19 December 2002. OJ No. L 11, 16.01.03, p.1.

