



dti

**WORKING WITH THE
EUROPEAN UNION**

A practical guide
to the EU

'Europe matters to IoD members, both as a market in which to do business and as the source of law on employment, the environment and much more. So understanding how the EU works is a key part of understanding the environment in which we do business. This guide will play a useful part in strengthening that understanding.'

Miles Templeman

Director General, Institute of Directors

'The EU is a key component in the UK's economic success. CBI will continue to play a role in ensuring that the EU is dynamic and competitive, supports enterprise and innovation and gives British business a regulatory framework that inspires us to succeed in a globally competitive world.'

John Sunderland

President, CBI

'With over half the laws impacting on business originating in Brussels, it is vital that UK firms, particularly SMEs, understand how the EU works in order to grasp the opportunities and meet the challenges it offers. This guide is clear and informative and we warmly welcome its publication.'

David Frost

Director General, British Chambers of Commerce

Foreword

Europe is vital for UK business. Half our trade and millions of jobs are linked to the European Union. The single market offers tariff-free access to over 450 million consumers.



Without question, the EU is facing some huge challenges as we enter the 21st century – globalisation, low growth, unemployment, migration, and uncertain energy supplies to name but a few.

Because of this, it is increasingly important that UK businesses understand and engage with Europe if they want it to work for them.

This booklet is a guide to the European Union – its institutions and processes, the opportunities and support it can offer. As well as explaining the basic history and structure of the EU, it gives practical tips on having your say in the lawmaking process. It also gives pointers to other sources of information on accessing funding and doing business in the EU.

Making the most of what the EU has to offer could be vital for your business. I hope this booklet will help you do just that.

A handwritten signature in black ink, which appears to read 'Alistair Darling'.

The Rt Hon Alistair Darling MP
Secretary of State
Department of Trade and Industry

How to use this guide

The European Union has decision-making powers in a number of policy areas that affect businesses, employees and consumers.

This booklet aims to help you to understand who the main decision-makers are in the EU, how they take decisions and how you can have your say in those decisions. It is not, however, intended to explain the EU in its entirety. Additional sources of information are signposted throughout.

The Foreign and Commonwealth Office's *Guide to the EU* (which can be accessed from www.europe.gov.uk) provides a broader account of EU policies and institutions, and DTI's Europe and Trade web pages (www.dti.gov.uk/europeandtrade/index.html) give information about policies that apply to business, consumers and employees.

This booklet is intended to be a ready reference; you can dip into sections as and when you need.

Pages in green outline *EU Support and Opportunities*.

Pages in blue outline *how the EU works for Business, Consumers and Employees*.

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European Union fundamentals

The European Union is a group of countries that have agreed to act collectively on a number of policies, where co-operation offers enhanced benefits to all members. It is the result of wide-ranging and sustained collaboration between European governments.

The Origins of the EU

The first steps towards the creation of the European Union were taken when six countries – France, Germany, the Netherlands, Italy, Belgium and Luxembourg – established the European Coal and Steel Community in 1951. This paved the way for the Treaty of Rome, which came into force in 1958, establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom). The Treaty of Rome created a common market for a wide range of goods and services between the six countries. Since then, a further 19 countries have signed up for membership and the range of policies on which the Member States have agreed to cooperate has widened considerably.

The members of the EU in 2006 are:

Austria	Latvia
Belgium	Lithuania
Czech Republic	Luxembourg
Cyprus	Malta
Denmark	Netherlands
Estonia	Poland
Finland	Portugal
France	Slovakia
Germany	Slovenia
Greece	Spain
Hungary	Sweden
Ireland	UK
Italy	

To find out more, including country profiles of EU Member States, go to: www.europe.gov.uk



Enlargement

The European Union has grown steadily since it was founded in 1958. The biggest enlargement to date took place in 2004, when ten new members joined, including eight countries in Central and Eastern Europe plus Malta and Cyprus.

Two more countries – Romania and Bulgaria – are expected to join in 2007, provided they fulfil their remaining EU obligations; and the EU is in accession negotiations with a further two – Turkey and Croatia. The former Yugoslav Republic of Macedonia has been recognised as a candidate for EU membership. Beyond these, it is likely that other Balkan and East European countries will apply to join in due course, provided they make the political and economic reforms needed to bring them closer to EU standards.

Find out more about EU enlargement:
www.europa.eu.int/pol/enlarg/index_en.htm

The Single Market

The Single Market is the result of the EU's policies on trade, industry, labour mobility and consumers. It is based on the principle of four fundamental freedoms – the free movement of goods, services, capital and persons throughout the European Community. These freedoms were enshrined in the EC Treaty and reinforced by the Single European Act.

The EU is the world's largest international single market. Following the expansion of the EU on 1st May 2004, the Single Market includes the 25 EU Member States and also the three European Economic Area (EEA) countries – Norway, Iceland, and Liechtenstein. Its population numbers around 460 million people – a bigger trading area than the US and Japan combined.

The legislative framework for the Single Market was largely complete by the end of 1992. As a result, during the 1990s it became much easier for goods and people to move around in Europe, as customs checks were abolished at most of the EU's internal borders. The removal of trade barriers brought down business costs, increased competition and led to greater efficiency. Deregulation of markets in areas such as telephony or air travel led to lower prices and greater choice for consumers.

'As the director of a small business I, along with other members of the British Chambers of Commerce in Belgium, already appreciate the clear business opportunities created by a strong presence in Europe. As with all things in business, a clear understanding of the market and the environment surrounding the market place is crucial for success.'

Graham Austin

*Director, GBAT Beckenham and Chairman of the EU Committee
British Chambers of Commerce, Belgium*

Other changes have been less noticeable, but have made a difference to people's everyday lives. Standards have been brought into line for hundreds of products, ensuring that consumers enjoy high levels of quality and safety. Common standards also provide a level playing field for manufacturers across the EU, regardless of where they are based. And "mutual recognition" means that if a product is good enough to be sold in one country, it is good enough to be sold in all the others.

However, there is an ongoing process of improvement, which involves proper enforcement of the rules and making sure regulations are both justified and easy to understand and apply. In addition, there is work under way to extend and improve the Single Market in certain areas, for example, services, energy liberalisation and patents.

Find out more about the
Single Market:
www.dti.gov.uk/europeandtrade/europe

The Lisbon Strategy

In 2000, EU leaders agreed that they would need to carry out wide-ranging economic reforms if Europe was to keep pace with its competitors. The European Commission therefore launched a broad programme of economic reform, known as the "Lisbon Strategy", that aimed to boost EU competitiveness over a ten-year period, while ensuring a high degree of social cohesion and environmental protection.

Following a review early in 2005, the Lisbon Strategy was re-launched as a new partnership for growth and jobs and new mechanisms were put in place to drive forward delivery.

Find out more about the Lisbon Strategy:
[www.europa.eu.int/growthandjobs/
index_en.htm](http://www.europa.eu.int/growthandjobs/index_en.htm)

Having your say in the EU

This Section provides advice about a number of ways you can make your views count in the EU.

The main points include:

- Making use of representative organisations – how to get the most out of trade associations and others who can represent you;
- Getting in touch with the Government – how officials can help put your views across;
- Contacting the Commission – how to get the most out of the Brussels machinery;
- Taking part in consultation exercises – how to make your point of view count when the impact of new rules is being assessed;
- Engaging with the European Parliament – how to get your MEP on your side;
- Making common cause – how to find others who share your views in the rest of Europe.

Europe – learning to listen to its citizens

There is no doubt that the culture of law-making in Europe is changing. Today the focus has shifted from merely producing new EU laws, to a growing acceptance that if Europe's businesses are to remain competitive in the face of globalisation, they mustn't be tied down with unnecessary red tape.

During the second half of 2005, in large part thanks to strong pressure from the business community, the Commission started a programme to simplify the existing body of EU law. Dozens of proposals deemed no longer necessary were scrapped and the Commission pledged to ensure that there would be a full assessment of the impact on business competitiveness of any new measures in the future.

While the work on better regulation was being taken forward, the Council was also negotiating the new chemicals regulation (REACH). Again, in response to effective lobbying from both the Government and industry, the estimated costs to business of the proposals were cut drastically. Similar lobbying on plans for the seventh Framework Programme to fund research has meant that the new scheme will be much more business-friendly than its predecessor.

So strong, well-co-ordinated lobbying can make a real difference.

Strategies for influencing EU policy

Around half the legislation that affects UK business originates in Brussels. So businesses need to be aware of EU developments and include EU influencing and analysis in their business strategy.

At the most basic level, it is important to keep your ear to the ground and try to gain a sense of what the European Union is planning (several sources of information are suggested below). Not surprisingly, you can

have most impact if you engage early in the process. The ideal time to begin lobbying is when the Commission is at the stage of developing a proposal and is looking at the pros and cons of various courses of action. So as a first principle, try to get in early.

The second basic principle is to try to be as clear and specific as you can be in your representations. Taking the time to make a detailed analysis of a problem and being able to back up your argument with concrete statistics and real evidence will help you to make your case much more persuasively.

Below are tips for developing an influencing strategy in Europe, including making use of representative organisations, how Whitehall can help, engaging with the Commission and the European Parliament, how to make the most of consultation exercises and how to develop influencing networks across the EU.

More information about the institutions and processes mentioned in this section can be found in the *Glossary of EU terms* (page 33).

'In 2005, I was involved in a Working Group for the Europe and International Panel, evaluating proposed new Structural Fund Regulations. We enlisted the help of one of our Region's MEPs, who considered several amendments we made to the Regulations. These included tackling economic, environmental and social problems in rural areas. Given that these would have significant benefit to our Region and its business community, the MEP tabled the amendments. As a result, many were approved in the European Parliament's final draft of the Regulations.

This clearly demonstrated the value of getting involved in proposed regulation at an early stage, getting our Members to feed in their views to us, to voice on their behalf, and the effectiveness that a close working relationship with MEPs can have.'

Michael Large
Chairman, East England Region
Institute of Directors (IoD)

Tip One: Make use of representative organisations

Keep in touch with your trade association and/or other organisations representing businesses or employees. Do they have an officer who deals with European matters or a page about the EU on their website? Many Trade Associations and many Unions keep in contact with the Commission and alert their members as soon as new legislation affecting their sector is in the offing. Make sure you let them know where you stand, so your views are reflected in their lobbying.

Organisations that could help are listed on page 17.

Alternatively, your bank, legal advisers or accountants may be able to provide you with advice and information about developments in the EU.

'The purpose of our Brussels office is twofold – to assist the CBI's lobbying effort on behalf of British business and act as an early warning post, alerting our members to EU developments as they unfold.

'We aim to keep the lines of communication open through regular meetings with Commissioners, Commission officials and Members of the European Parliament. In addition, we work closely with the CBI's sister associations across Europe and try to develop a pan-European business view through UNICE, of which the CBI is a leading member. We also run a "Brussels Club" to facilitate business networking among companies with operations in Brussels.'

Andrew Moore

Head, CBI

Brussels Office

Tip Two: Get in touch with Government

The Government has a duty to ensure that the views of the British people are reflected when it decides on policy. Find out which official deals with your sector within Government. Keep their e-mail address to hand and don't hesitate to ask for information or advice, and above all, let your views be known directly or via your representative organisation.

If you wish to contact DTI officials, check out the DTI website:
www.dti.gov.uk or call 020 7215 5000

Alternatively, write to your MP or the Minister who deals with the issues that concern you. Try to be specific. Precise data about the expected impact of a proposal on your business is particularly useful.

Further information about the DTI's European work can be found in *The role of UK government and other national bodies* (page 25).

Government Offices and Regional Development Agencies

Another option for businesses is to seek advice from Government Offices or Regional Development Agencies (RDAs), particularly on matters of European policy and funding. There are nine Government Offices throughout England and nine RDAs, and their job is to provide advice and information that is tailored to the needs of their region. The RDAs promote sustainable economic development and also provide business support in the regions.

For more information about Government Offices, see:
www.gos.gov.uk/national/

Find out more about RDAs:
www.englandsrdas.com/home.aspx

For additional information about business support, see the Business Link website:
www.businesslink.gov.uk



Scotland, Wales and Northern Ireland

The Devolved Administrations deal with European business as it relates to Scotland, Wales and Northern Ireland. The Devolved Administrations all have offices in Brussels that represent their region's interests in Europe. They can be contacted via the following web addresses:

Scottish Executive – Europe section

www.scotland.gov.uk/Topics/Government/International-Relations/Europe/Page27

Scottish Executive – Brussels office

www.scotland.gov.uk/Topics/Government/International-Relations/15181/1246

Welsh Assembly Government – Europe section

www.wales.gov.uk/subieurope/index.htm

Welsh Assembly Government – Brussels office

www.wales.gov.uk/subieurope/content/brussels-e.htm

Office of the Northern Ireland Executive in Brussels

www.ofmdfmni.gov.uk/index/promoting-ni/onieb/about-the-onieb.htm

Citizens' Advice Bureaux

Citizens' Advice Bureaux can also advise about various aspects of the EU.

Further information can be found on:
www.citizensadvice.org.uk

The Euroconsumer Centre, which is operated by the Citizens' Advice Bureaux, can help consumers with cross-border problems in the EU:

www.euroconsumer.org.uk

Tip Three: Keep in contact with the Commission

Each Commissioner deals with specific areas of policy and is responsible for legislation in that area. It is therefore worth trying to find out which Commissioner handles the policy or legislation that concerns you. You can write to any of the Commissioners at the following address:

European Commission
200, Rue de la Loi
B-1049 Brussels, Belgium

Information for Business and Citizens website: www.europa.eu.int/youreurope/index_en.html

Tel: 00 322 299 1111

'Since the arrival of a new team of Commissioners under President Barroso, we have a real commitment to better regulation in the EU – and a determination to do away with the red tape that has constrained business competitiveness in the past.

An open and straightforward dialogue with all those interested in and affected by European regulation is an essential part of the process. A priority for us is to develop direct contacts with people in business and the wider community who can tell us how existing laws – or proposed new ones – affect them in practice.'

Philip Lowe

*Director General, DG Competition
European Commission*

You can find out more about the Commission's activities from its website: europa.eu.int/comm/index_en.htm

The best person in the Commission to talk to about something that concerns you is the individual who is drafting the proposed legislation or document. The Commission provides a database of its staff to help inquirers identify the right contact, together with information about how to get in touch with them:

www.europa.eu.int/comm/contact/members_en.htm

Alternatively, you can get in touch directly with Commission officials via the web pages of the Directorates General, at: www.europa.eu.int/comm/dgs_en.htm

The Commission's representative in the UK is called Reijo Kemppinen. He and other Commission staff can be contacted at the following address:

The European Commission
Storey's Gate
London SW1P 3AT

Tel: 020 7973 1992
Fax: 020 7973 1900

www.cec.org.uk

Euro Info Centres

Euro Info Centres (EICs) are another source of advice and assistance. Established by the Commission in 1987, the EICs are a one-stop shop, primarily for business. They provide up-to-date information on European directives and regulations, public sector contract opportunities, business opportunities, funding, research and development initiatives and much more. They provide direct access to the latest information, documents and databases, with advisers on hand to deal with your queries. There are around 250 EICs throughout the EU, with nineteen located in the UK.

Find out more about Euro Info Centres, including the UK branches:

www.euro-info.org.uk/about/

Europe Direct Centres

From spring 2006, 25 Europe Direct Information Centres are to open across the UK. These Centres will provide information about how to exercise your Single Market rights in Europe about study, work, holidays, healthcare or retirement and generally advise about how the EU works. Publications and other literature in these Centres are available free of charge. Europe Direct Centres will also provide a channel for giving feedback to the EU institutions.

For more details see:

www.europa.eu.int/comm/relays/ed_en.htm



Tip Four: Make the most of consultations and impact assessments

Try to take part in consultation exercises. Among the moves to create a more business-friendly regulatory environment across the EU, the Commission has promised to make proper assessments of the impact of all proposals for new laws on businesses. It is well worth keeping an eye out for any consultations that relate to issues affecting your business and making sure you have your say. Again, give evidence to support what you say, for example 'this part of the proposed new law would turn a £40 000 annual profit into an £85 000 annual loss and put about 50 people out of work'.

A full list of current EU consultations can be found at this address:

www.europa.eu.int/yourvoice/index_en.htm

The DTI also consults on a range of issues. These can be found at the following address:

www.dti.gov.uk/consultations/

Or you can refer to the Cabinet Office's government-wide list of on-going consultations:

www.brc.gov.uk/consultations/

The European Business Test Panel

If you have sufficient time, you could also consider signing up for the European Business Test Panel (EBTP). The EBTP is a group of around three thousand businesses covering a wide variety of sectors and located throughout the EU. Members sign up for three years and undertake to give feedback on any major policy initiatives put forward by the Commission. The panel can also be consulted on existing regulations. The EBTP is entirely internet-based and is part of the Commission's moves to establish an effective dialogue with Europe's entrepreneurs.

Find out more about the European Business Test Panel:

www.eu.int/yourvoice/ebtp/index_en.htm

Tip Five: Engage with the European Parliament

'We need to adopt a pragmatic and practical approach to delivering in Europe, in a language that people understand and in a way that people can see what Europe can do for our life prospects and the prosperity of our economy. If we achieve this, then business, citizens and consumers stand to gain immensely from our membership of the European Union.'

Arlene McCarthy

Member of the European Parliament

The European Parliament has a major say in the final wording of most proposed legislation and a veto in some other areas of legislation. It is therefore well worth keeping the e-mail addresses of the MEPs representing your region in your address book too.

A list of the current members – and their contact details – can be found at the following addresses:

www.europarl.eu.int/members/expert.do?language=EN

www.europarl.eu.int/members/archive.do?language=en&redirection

Political Groups

MEPs usually join a political group within the European Parliament (EP), although some remain independent. These groups roughly coincide with the main UK political parties, but in general there is a far wider range of views within each European political group and a weaker whipping system.

More information on EP political groups can be found on the European Parliament web pages:

www.europarl.eu.int/groups/default_en.htm

At the same time, MEPs remain members of the domestic political party they belong to. Voting in the Parliament tends to be more fluid than in national parliaments, since it is influenced by the group membership, domestic party membership and the national interests of MEPs. In general however, MEPs have much more freedom to vote according to their own beliefs.

Apart from lobbying your own constituency MEPs, it may well be worth finding out who might have wider influence over and interest in any proposals you are concerned about. For example, leaders or co-ordinators of political groups, experts in committees and any other MEPs that have shown an interest in similar issues in the past.

EP Committees

In common with the UK parliament, much of the work of the European Parliament is carried out in committees. There are currently twenty EP committees, dealing with a wide range of policies.

When Commission proposals go before the Parliament under the co-decision procedure, a committee will be appointed to draw up a report on the proposals, often in consultation with one or more other committees who may also wish to put forward their views. This report will typically include a number of amendments which, once agreed, are put to a plenary vote. One member of the committee will be chosen to draft the report and he or she is known as the “rapporteur.” The rapporteur has considerable influence over the final wording of a proposal, so it is well worth finding out who will report on an issue that concerns you and contacting them directly – UK Government officials dealing with the proposal can tell you who the rapporteur is. A shadow rapporteur from a different party will also be appointed to act as “opposition spokesperson” and coordinate opposition amendments and he or she may therefore also have a lot of influence over the proposal. The political group coordinators in each committee can also have significant influence over the final report the committee agrees.

Other committees may put forward their own opinions on a legislative proposal. These can influence the lead committee or the Parliament’s final vote on the

proposal in plenary, so if members of the lead committee are not sympathetic, your concerns may be heard by other committees.

Details about the committees and their responsibilities can be found at the following address:

www.europarl.eu.int/parliament/public/StaticDisplay.do?id=45&pageRank=5&language=EN

You should also be able to find agendas for committee meetings here, which will give an indication of the issues currently being discussed and the names of rapporteurs.

As well as attending committees, MEPs also sit in plenary sessions, roughly once a month. A timetable for European Parliamentary sittings can be found at the following web address:

www.europarl.eu.int/pdf/general/cal2006.pdf

EU citizens have a right to petition to European Parliament as a whole through the Committee of Petitions.

You can contact it at the following address:

www.europarl.eu.int/parliament/public/StaticDisplay.do?language=EN&id=49

Alternatively, write to

The European Parliament
Petitions L-2929, Luxembourg

You can track progress of proposals going through the European Parliament by using the EP’s legislative observatory on its website:
www.europarl.eu.int/oeil

Tip Six: Make common cause

Try to find others in your sector who share your concerns and find ways to work together to put your views across. It is particularly helpful if you have contacts in other Member States who can write to members of their own parliaments and their own contacts in the Commission and European Parliament.

Below is a list of some of the pan-European organisations that represent the interests of businesses and other stakeholders. These should be able to help you get in touch with others in the EU who may share your concerns about aspects of EU policy.

UNICE – the European Employers' federation. UNICE represents employers' organisations from most Member States. The CBI is a member:
www.unice.org

UEAPME – represents small and medium-sized employers in the crafts and trades sectors. The Forum of Private Business is a member:
www.ueapme.com

The Association of European Chambers of Commerce and Industry – known as **Eurochambres** – represents 44 national associations of Chambers of Commerce:
www.eurochambres.be

EuroCommerce represents retail, wholesale and international trade sectors in Europe. Its membership includes more than 100 trade federations in 28 European countries:
www.eurocommerce.be

The Council of British Chambers of Commerce in Continental Europe – known as **COBCOE**. COBCOE represents businesses in Europe that want to do business in the UK:
www.cobcoe.org.uk

The European Trade Union Confederation (ETUC) represents employees at a European level:
www.etuc.org

Consumers are represented at a European level by the **Bureau Européen des Unions de Consommateurs (BEUC)**:
www.beuc.org

Or else you can find consumer information from **European Research into Consumer Affairs (ERICA)**. Their website can be found at the following address:
www.net-consumers.org/erica



'An important part of ACCA's work involves contributing to EU policy development by responding to draft EU directives, regulations, and other EU initiatives. We carry out research and give expert opinions at EU Parliamentary hearings and to relevant EC officials. And we are also actively involved with a number of influential EU bodies, such as chairing FIN-USE, the EC forum of financial service experts advising on EU legislation vis-à-vis citizens and SMEs. Increasingly, through targeted and timely lobbying, ACCA strives to influence the EU agenda in private company financial reporting, SME affairs, financing of health services, corporate governance, tax, sustainability reporting, financial services initiatives, and EU accounting and auditing legislation.'

Dr David P. Doyle

*Head of EU Parliamentary Affairs,
Association of Chartered Certified
Accountants (ACCA)*

EU funding opportunities

There are a number of EU funding streams that are open to businesses to enable them to develop in new directions or improve their performance in particular areas.

EU funding can be accessed directly from the European Institutions. The European Commission manages most of the funding programmes itself. However, the EU also allocates funding to Member States so that they can manage and deliver programmes at the national, regional and local level. UKRep's Commercial Section helps British firms take advantage of commercial opportunities under EU funded Programmes.

For more information, see:
www.ukrep.be/commerc.html

This section sets out the main funding streams that could help your business or organisation. It also tells you how you can apply for public procurement contracts put out to tender by Member State governments.

Funding programmes aim to help achieve particular objectives across a range of EU policy areas, including; research and technological development, the environment, consumer protection, enterprise, innovation, training and information provision. Programmes tend to encourage applications from SMEs (especially at the 'start-up' phase), groups which may be less

well represented in business such as women, ethnic minorities and older people and organisations in relatively poor areas.

Funding usually comes in the form of grants. The Commission often 'match-funds', i.e. meets up to 50% of the cost of a project. There are also 'financing facilities' in the shape of loans, micro-credit (relatively small value loans), risk capital (high-risk investment or a buffer for unexpected financial problems), investment guarantees and equity or quasi-equity investment (buying shares).

Websites for each programme contain details of criteria, eligibility, the application process, timing, funding amounts, and who to contact in the Commission or at national level. A number of programmes require applicants to submit joint bids with partners, often in other Member States. In these cases, databases of potential partners are usually available online too.

You can find details of the Commission's funding programmes at the following web address:
www.europa.eu.int/grants/index_en.htm

Most programmes are multiannual, so 'calls for proposals' are published once a year. They are published in the "C" series of the Official Journal of the European Union (OJEU).

For more information see:
www.europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en

Other specialist websites such as www.eubusiness.com and www.welcomeeurope.com also have extensive databases of funding streams and potential partner organisations. It is worth keeping an eye on programmes you have an interest in, because programme objectives can evolve.

Socially-oriented programmes for training and education can be found on ETUI-REHS Education – the education and training agency of the European Trade Union Confederation (ETUC):
www.education.etui-rehs.org/en/eu_information/library/default.cfm

As this booklet was printed, details of programmes funded under the EU budget's new 2007-13 cycle were still being worked out. It is therefore best to consult the websites' annual work programmes, or look out for Commission announcements of new policy objectives that could lead to new programmes. Government and regional organisations' websites contain updates of nationally-based EU programmes.

Listed below are some of the main investment instruments and funding streams:

EU Financial Institutions

Some of the EU's financial institutions make funds available to encourage entrepreneurship or stimulate activity in specific sectors. These include:

The European Investment Fund

An EU agency providing support to SMEs in the form of venture capital and investment guarantees. Funding is channelled via national intermediaries such as banks, leading companies or financial institutions, which are listed on their website.

For more information, see:
www.eif.eu.int

The European Investment Bank

As the EU's financing institution, the European Investment Bank is responsible for implementing the **Innovation 2010 Initiative**, based on the Lisbon Agenda. It provides funds for activities such as R&D, ICT networks, education and training. Financing facilities include **Global Loans** for SMEs via intermediaries (up to 12.5 million euros and up to 50% of the cost per project) and **Direct Loans** for individuals and national intermediaries.

For further information, see:
www.eib.org

Additional information from the Commission on private and public financing can be found at the following address:
www.cordis.lu/finance/home.html

Public Sector Procurement

The public sector market in the EU is worth around £1,000 billion per year. With some exemptions, EU legislation requires that any public sector contract worth at least £100,000 for work to be carried out anywhere in the EU must be awarded via an open competition. The Euro Info Centres (EIC) can help, as they offer a service providing information about tenders that is tailored to the needs of individual companies.

For details of your local EIC, see:
www.euro-info.org.uk

'Calls to tender' are published in the "S" series of the OJEU on the **Tenders Electronic Daily (TED) database**.

For more information, see:
www.ted.publications.eu.int/official

For information on general procurement policy development, see the DTI website:
www.dti.gov.uk/about/procurement/index.html

EU Funding delivered and managed in the UK

Structural Funds

Structural funds are the largest national-level EU fund. They were established with the aim of reducing regional disparities and encouraging economic and social cohesion. The 2007–13 budget will be aligned to the EU's Lisbon strategy for growth and jobs. At around €308 billion, it has increased by

some 30% from the previous budget. This will enable new Member States' priorities to be addressed, while still maintaining funding for the poorest regions within the richer Member States.

In keeping with the Commission's original proposals for the funds from 2007–2013, there will be a focus on three new objectives: a 'Convergence Objective' for regions with a GDP below 75% of the EU average; a 'Competitiveness Objective' for other regions; and a 'Co-operation Objective' for cross border and transnational projects.

It is estimated that the UK will receive a total of approximately €9.4 billion (in 2004 prices) for 2007–2013. Amounts to be received by individual UK regions will depend on final calculations carried out by the European Commission once the 2007–2013 EU budget has been finalised.

DTI co-ordinates overall UK Government policy on structural funds.

For more information, see:
www.dti.gov.uk/regional/european-structural-funds/index.html

The Department for Work and Pensions (DWP) is responsible within the UK for the **European Social Fund**, which provides grants for training, human resources and equal opportunities schemes.

For more information, see:
www.esf.gov.uk

The Office of the Deputy Prime Minister (ODPM) is responsible for the **European Regional Development Fund**, which aims to improve economic prosperity and social inclusion.

For details, see: www.ERDF.odpm.gov.uk

The funds are currently administered in England through the Government Offices in the regions. The Scottish Executive, the National Assembly for Wales and Northern Ireland's Department for Finance and Personnel handle programmes in their own regions.

Further information can be found at the following addresses:

- England
www.gos.gov.uk/national
- Scotland
www.scotland.gov.uk
- Wales
www.wefo.wales.gov.uk
- Northern Ireland
www.europe-dfpni.gov.uk

Alternatively you can find further information at the UK European Social Fund website:
www.esf.gov.uk

and the Regional Development Agencies' websites:
www.emda.org.uk/european/default.asp
or www.EnglandsRDAs.com/home.aspx

EU Funding managed by the European Commission Framework Programme for R&D

The Framework Programme for R&D supports collaborative transnational R&D projects, undertaken by universities, research institutes, SMEs and large companies. Projects usually need to involve several partners from different countries. 'Calls for proposals' are published on the CORDIS website.

For more information, see:
www.cordis.lu/en/home.html

The current programme – Framework Programme Six (FP6), is worth £19 billion, and ends its cycle at the end of 2006.

For more information, see DTI's website:
www.dti.gov.uk/science/uk-intl-engagement/euro-programmes/page8439.html

The next framework programme (FP7) is likely to start in 2007 and will probably have a larger budget than its predecessors. It is expected to focus on health, food, agriculture and biotechnology, nanosciences, nanotechnologies, materials and new production technologies, energy, environment and climate change, transport and aeronautics, socio-economic sciences and the humanities, space and civil security research.



Funding for work on fusion energy research, nuclear fission and radiation protection is available via the Euratom Framework Programme.

For details of the current programme, see: www.cordis.lu/fp6-euratom/home.html

In addition to the above industrially-oriented user-driven themes, European leaders have agreed to establish a European Research Council to improve the excellence of basic research in Europe. It is likely that there will also be programmes to support researchers, to increase mobility between universities and industry, to support regional research-driven clusters, to provide dedicated support for SMEs, to foster a closer relationship between science and society, and to increase international cooperation with countries outside the EU.

The Commission has several Education and Training Programmes for work placements and exchanges, for example, the Leonardo da Vinci programme.

For further information, see: www.europa.eu.int/comm/education/index_en.html

Competitiveness and Innovation Framework Programme (CIP)

The Competitiveness and Innovation Programme is a new framework programme, intended to be implemented in 2007 and run until 2013.

It will focus on stimulating entrepreneurship and innovation including eco-innovation, ICT and energy. It should also help to bridge the gap between research and the market place for new innovations. Principal beneficiaries will be SMEs, but some larger businesses will also be eligible for support. Key actions will include:

- initiatives to support access to equity financing and business angel support;
- information on business and innovation opportunities across the EU;
- cross border partnerships;
- funding to test market readiness and EU-wide applicability of both new innovations (non-technological as well as technological) and the new innovative applications of existing technologies, that have passed the 'just proven' research and demonstration phase.

For more information see: www.europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm



The Multi-annual Programme for Enterprise and Entrepreneurship (MAP)

MAP is currently the principal Community support programme for promoting entrepreneurship and providing financial and information support for businesses, in particular SMEs. MAP concludes at the end of 2006, when it will be replaced by the Competitiveness and Innovation Framework Programme (see above).

To find out more about MAP, see:

www.europa.eu.int/comm/enterprise/enterprise_policy/mult_entr_programme/programme_2001_2005.htm

Or see the Commission's grants webpage:

www.europa.eu/int/grants/index_en.htm#enter

The Commission also runs a number of programmes that encourage the development of particular policies or regions. These include:

Financial Instrument for the Environment (LIFE)

The Financial Instrument for the Environment is intended to complement the EU's environmental policy. It has three components:

- LIFE Nature – covers national habitats, fauna and flora;

- LIFE-Environment – for demonstrating and developing new methods to protect and enhance the environment;
- LIFE Third Countries – technical assistance for promoting sustainable development in third countries i.e. not EU Member States.

For more information, see:

www.europa.eu.int/comm/environment/life/home.htm

Development-oriented Programmes

These include the **European Development Fund**, which is focused on Africa, the Caribbean and the Pacific, and **Phare** and **Tacis**, which are focused on Central and Eastern Europe.

A full list of programmes can be found on the EuropeAid web pages. See:

www.europe.eu.int/comm/europeaid/index_en.htm

The UK contact point for these programmes is the Department for International Development. Further information can be found at:

www.dfid.gov.uk

The role of UK government and other national bodies

The European Union would be unable to function without the support and co-operation of national governments.

'I chaired a number of Council meetings during the UK's Presidency of the EU in 2005, including the ones where I and my fellow ministers discussed plans for the new 7th Framework Programme for EU research. In these meetings we had to tackle a number of difficult issues, such as the setting-up of a European Research Council. There were many different views held by the Member States as to how this should be done, but a genuine spirit of cooperation meant that we were able to reach agreement on this exciting and valuable new initiative.'

Lord Sainsbury

*Minister for Science & Innovation,
Department of Trade and Industry*

Decisions on the vast majority of laws that come from "Brussels" are made by representatives of national governments in the Council of Ministers and by the directly elected members of the European Parliament.

National governments have a responsibility to participate in the decision-making process by sending their representatives to the Council of Ministers and voting on proposals for EU legislation. In many cases, they also have a responsibility to implement and enforce EU laws in their own countries.

The Department of Trade and Industry's European work

DTI ministers attend many of the Councils that take decisions on policies directly affecting businesses, consumers and employees – for example, the Competitiveness, Employment, Energy and Telecommunications Councils.

DTI is also responsible for transposing most legislation in areas such as technical standards, research, consumer protection, company law and corporate governance, corporate social responsibility, enterprise and industry policy, intellectual property, some aspects of employment law, many measures relating to energy and sustainable development, market liberalisation, trade policy, governance of the structural funds and a number of measures affecting telecoms.

DTI officials therefore work closely with members of the Commission, the European Parliament and officials in other Member States to develop policy in these key areas.

Find out more about the DTI's work in Europe:

www.dti.gov.uk/europeandtrade/index.html

SOLVIT: Troubleshooting in the Internal Market

As part of its European work, the DTI acts as the UK's contact point for SOLVIT, an informal mechanism for resolving Internal Market disputes in the EU. SOLVIT aims to find quick and often informal solutions to cases where EU rules have been misapplied. Thanks to SOLVIT, most cases can be resolved without the need for formal proceedings.

Examples of some of the problems SOLVIT can deal with include market access for goods, car registration, border control, recognition of professional qualifications, public procurement, VAT issues and establishment of a company.

Find out more about the UK's SOLVIT Co-ordination Centre:
www.dti.gov.uk/europeandtrade/europe/promoting-economic-reform/single-market/action_single_market/page9922.html

Alternatively, if your company is experiencing difficulties trading with any of the countries in the Internal Market, you can contact us directly:

**UK SOLVIT Centre/Action Single Market
Bay 4123**

**1 Victoria Street
London SW1H 0ET**

Tel: 020 7215 2800/2833

Fax: 020 7215 2234

E-mail: asm@dti.gsi.gov.uk

SOLVIT – practical problem-solving in the EU:

Having tried for over three years to recover a VAT refund from Spain, a UK distribution company asked the UK SOLVIT Centre (UKSC) for help. The UKSC submitted the problem to the Spanish SOLVIT Centre and the company recovered their VAT – with interest – within three months of the matter being raised.

UK Trade & Investment

UK Trade & Investment (UKTI) is a Government organisation that supports companies in the UK trading internationally and overseas companies seeking to locate in the UK.

UK Trade & Investment assists British companies who are venturing into selling overseas for the first time, and more experienced exporters trying to break into new markets. It has a network of Trade Development Staff, based in offices in EU markets, and around the world, and specialists throughout the UK who are available to help British companies cross national boundaries.

UK Trade & Investment enables British companies to enter EU markets by helping them to gain the necessary skills, identify the best opportunities, make the right introductions and turn opportunities into real business.

You can contact UK Trade & Trade Investment via their website:
www.uktradeinvest.gov.uk

Or telephone:
020 7215 8000

For advice about dealing with the euro as a foreign currency, see:

www.euro.gov.uk

UKREP

The UK's Permanent Representation to the EU – UKREP for short – is based in Brussels and carries out much of the daily business that goes on between the UK government and the European institutions and other Member States. The UK's Permanent Representative and Deputy Permanent Representative to the EU attend the weekly meetings of the Committee of Permanent Representatives, known as COREPER, where final preparatory work for the Council of Ministers is carried out.

Find out more about UKREP:

www.ukrep.be

Other government departments that deal with Europe

Most, if not all, other government departments handle areas of European work. Those that are most closely involved with business, employees and consumers include:

The Foreign and Commonwealth Office:

www.europe.gov.uk

The Cabinet Office:

www.cabinetoffice.gov.uk

The Treasury:

www.hm-treasury.gov.uk

DEFRA:

www.defra.gov.uk

Department for Work and Pensions:

www.dwp.gov.uk

Home Office:

www.homeoffice.gov.uk

Other national bodies

There are many other non-governmental bodies and organisations that can help you.

The following bodies are all active at a European level. For further information, see their websites:

CBI (Confederation of British Industry):

www.cbi.org.uk

CBI Brussels Office:

www.cbi.org.uk/ndbs/regions.nsf

Institute of Directors:

www.iod.com

British Chambers of Commerce (BCC):

www.chamberonline.co.uk

BCC in Brussels:

www.britcham.be

Federation of Small Businesses:

www.fsb.org.uk

Small Business Europe:

www.smallbusinesseurope.org

Trade Association Forum:

www.taforum.org

Regional Development Agencies:

www.englandsrdas.com/home.aspx

Trades Union Congress:

www.tuc.org.uk

The National Consumer Council:

www.ncc.org.uk

Consumer Direct:

www.consumerdirect.gov.uk

Which?:

www.which.net

EU laws and how they are made

Making law in the EU

Decision-making in the European Union is divided between a number of institutions and each has a different but essential role to play in the development of EU policy and legislation. For further information about the different institutions of the EU and how they work together, see the *Glossary* on page 33.

Although the process of making law in the EU is a complex one, this has the advantage of ensuring that all the competing interests involved – national, regional, political or personal – can be held in balance, without any taking precedence over the others. For anyone who wishes to engage actively with Europe however, it is important to have some understanding of the law-making process and the opportunities that exist to influence it. This Section aims to explain the most commonly used processes for passing laws in the EU.

Legal basis for the EU

The Treaty establishing the European Community (the EC Treaty) provides the basis for all subsequent EC law. It can only be changed by the unanimous agreement of all Member States. Since coming into force in 1958, the Treaty has been amended on a number of occasions.

Treaty on an EU Constitution

A draft Treaty on an EU Constitution was agreed at an Intergovernmental Conference in 2004. This aims to simplify the EC Treaty and bring about a number of structural changes to the EU institutions. However, following rejection of the EU Constitutional Treaty by French and Dutch voters in referendums in 2005, the British Government decided to put on hold its plans for UK ratification.

The three pillars

In 1991, EU Member States agreed to extend the range of policies on which they co-operate to cover issues such as defence and foreign policy, immigration and the fight against organised crime. However, because of their highly political nature, it was decided that policies in these areas should be subject to different decision-making processes.

EU competence was therefore separated into three independent “pillars”. The first pillar covers the European Community as founded by the Treaty of Rome, the Single Market and economic and monetary union. Decision-making on legislation under this pillar is usually subject to qualified majority voting and decisions are reached jointly by the Council of Ministers and the European Parliament.



The second pillar covers the Common Foreign and Security Policy (CFSP). Decisions can only be reached if there is unanimity in the Council of Ministers.

The third pillar covers Justice and Home Affairs and unanimity is generally needed in the Council of Ministers before action can be taken.

Types of EU legislation

Under the first pillar, the European Community can pass three different types of law that are binding on the Member States. These are:

Regulations

Regulations are EC laws that are binding in their entirety across the EC and are directly applicable in all Member States. If a Member State has laws which conflict with a Regulation, the Regulation takes precedence.

Decisions

Decisions are EC laws that are directed towards and binding only on the individual Member States, companies or individuals named in the Decision.

Directives

Directives are EC laws that provide for specific outcomes across the EC, but leave the means of achieving those outcomes up to each Member State. Directives therefore need to be transposed into domestic law – in other words given legal effect – by each Member State.

Find out more about the EC's legal instruments:

www.europa.eu.int/scadplus/glossary/community_legal_instruments_en.htm

Co-decision

The vast majority of EC laws are passed under the “co-decision” procedure. The aim of co-decision is to give equal weight to the Council of Ministers and the European Parliament in the law-making process. There are up to seven steps under co-decision, however agreement is often reached after step four or five.

Step One: A Commission Proposal

The Commission has a virtually exclusive right to propose new EU laws. The process of lawmaking therefore starts with the Directorates General researching and developing ideas for new legislation.



Often, these ideas will come from outside bodies, for example stakeholders, the European Parliament, the Council or several Member States telling the Commission that there is a problem the EU needs to tackle. The Commission will often float these ideas in a Green Paper, as a means of initiating consultation on a proposal. If a Green Paper gets general approval from the Council and European Parliament, it will be worked up into a White Paper outlining concrete measures in a particular area. The White Paper may then form the basis for specific proposals for new legislation.

Proposals for EU laws are drafted by the Directorate General that deals with the relevant policy area. However, before any proposal can be formally adopted by the Commission, it needs to be agreed by the Commissioners as a team, following an internal consultation process in the Commission known as 'inter services consultation'. Once adopted, proposals are given a number and published in the Official Journal.

A list of Commission proposals for legislation during 2006 can be found at the following website:

www.dti.gov.uk/bbf/better-regulation/better-eu-reg/roadmap/page24626.html

Step Two: First reading in the European Parliament

Once a proposal for legislation has been published, it will be tabled for a first reading in the European Parliament. At this stage, the Parliament can either accept, amend or reject the proposals. The Section *Having your say in the EU* (page 7) has more information on this part of the process and how to have your say.

Step Three: The Council reaches a Common Position

After the EP has read the proposals for the first time, they go before the Council of Ministers. Like the Parliament, the Council can either adopt the proposals as they stand, or amend or reject them. Most detailed discussions of proposals take place in working groups attended by officials from all the Member States.

In most policy areas, a so-called "qualified majority" is needed for the Council to reach a decision, although there are a small number of exceptions.

Qualified Majority Voting

The aim of qualified majority voting is to make it easier to reach decisions and prevent a small minority of Member States from holding the rest to ransom. Each Member State is allocated a number of votes, based on the size of its population.

A qualified majority is reached when 72% of the votes, representing at least 62% of the EU's population, are cast in favour of a proposal.

Once there is a qualified majority in the Council, a Common Position can be reached and the proposals then return to the European Parliament for a second reading. If the Council agrees with the Parliament's amendments, or the Parliament has made no amendments, and the Council agrees with the Commission's proposal, the law can be adopted.

Step Four: Second Reading in the European Parliament

At this stage, Members of the European Parliament can either accept the Council's Common Position, or reject the proposals outright, or make further amendments. If the Parliament accepts the text submitted by the Council, then the legislation is adopted. It is then published in the Official Journal and takes legal effect by the date specified in the text.

If the proposals are completely rejected by the Parliament, then no further action can be taken on them and they fail.

However, the Parliament usually tables further amendments; often these will have been discussed with the Presidency as the Council's representative.

Step Five: The Council considers the revised proposal

If the European Parliament has suggested additional changes to the text of a proposal but not rejected it outright, it will then return to the Council. The Council can either accept the proposal with the Parliament's amendments, or if there is no agreement on them, it can reject the changes.

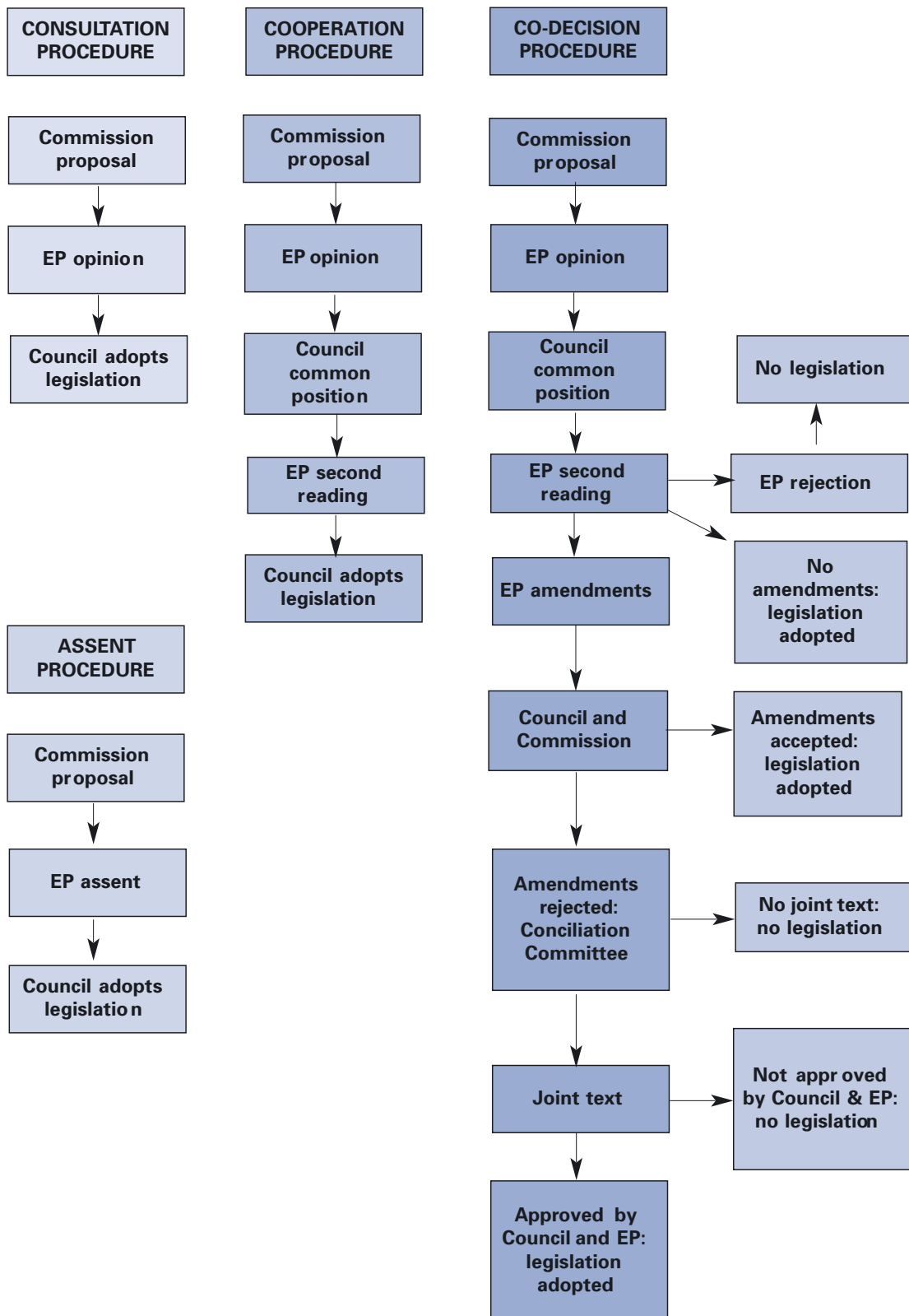
Step Six: A Conciliation Committee

If the Council rejects the EP's amendments, a Conciliation Committee is convened. This consists of representatives or members of the Council and an equal number of MEPs. The Committee attempts to iron out any disagreements on the proposals, so that a text that has been agreed by both the Council and the Parliament can go forward. If no agreement can be reached, the proposals fail.

Step Seven: Agreement on the joint text

Once a Conciliation Committee has come forward with a joint text, it returns to both the Council and the Parliament for their final approval or rejection. If it is rejected by either body, the proposals fail. If it is approved, the legislation is adopted.

The decision-making process



Source: *EU Information Handbook 2005*, American Chamber of Commerce to the European Union (AmCham EU) www.amcham.be

Glossary of EU terms

Some of the more common EU terms are explained in this Section. For ease of reference, they are separated into four categories: Institutions, Processes, Documents and Concepts.

You can find out more in the Commission's glossary of EU terms, which can be found at the following address:
europa.eu.int/scadplus/glossary/index_en.htm

Institutions

The European Commission

The European Commission is the EU's executive body. Politically independent, the Commission proposes most new EU legislation and has its own powers under the Treaty in areas such as competition and state aid policy. It drafts new laws for consideration by the Council and European Parliament and helps them work together to consider the proposals.

In addition, the Commission is responsible for planning and implementing the EU's common policies, delivering the budget and managing Community programmes. As the "guardian of the Treaties", it also ensures that European law is applied consistently and fairly throughout the EU.

Find out more about the Commission and its work:
www.europa.eu.int/comm/index_en.htm

The Commissioners

There are 25 Commissioners, one from each Member State. They act as a leadership team for the Commission as an institution. They are appointed for a five-year term by the Council acting in agreement with the Member States. This team as a whole has to be approved by the European Parliament, to which it is answerable.

Below is a list of the 25 current Commissioners and their areas of responsibility:

José Manuel Barroso (Portugal)
Commission President

Joaquín Almunia (Spain)
Economic and Monetary Affairs

Jacques Barrot (France)
Transport

Joe Borg (Malta)
Fisheries & Maritime Affairs

Stavros Dimas (Greece)
Environment

Benita Ferrero Waldner (Austria)
External Relations

Ján Figel' (Slovakia)
Education, Training & Culture

Mariann Fischer Boel (Denmark)
Agriculture & Rural Development

Franco Frattini (Italy)
Justice, Freedom & Security

Dalia Grybauskaitė (Lithuania)
EU Budget

Danuta Hübner (Poland)
Regional Policy

Siim Kallas (Estonia)
Administrative Affairs

László Kovács (Hungary)
Taxation & Customs

Neelie Kroes (Netherlands)
Competition

Markos Kyprianou (Cyprus)
Health & Consumer protection

Charlie McCreevy (Ireland)
Internal Market

Peter Mandelson (UK)
Trade

Louis Michel (Belgium)
Development & Humanitarian Aid

Andris Piebalgs (Latvia)
Energy

Janez Potočnik (Slovenia)
Research

Viviane Reding (Luxembourg)
Information Society & Media

Olli Rehn (Finland)
Enlargement

Vladimir Špidla (Czech Republic)
Employment & Social Affairs

Günter Verheugen (Germany)
Enterprise & Industry

Margot Wallström (Sweden)
Institutional Relations & Communication Strategy

Find out more about the Commissioners:
www.europa.eu.int/comm/commission_barroso/index_en.htm

Directorates General

The team of Commissioners is assisted by Commission officials working in Directorates-General – specialised departments that handle specific areas of policy. Each is headed by a Director General, who is a permanent official. The Directorates General are where the day-to-day work of the Commission takes place. They are generally known by acronyms as follows:

DG AGRI – Agriculture & Rural Development

DG AUDIT – Financial Control

DG BUDG – Budget

DG COMP – Competitiveness

DG DEV – Development and Humanitarian Aid

DG EAC – Education and Culture

DG ECFIN – Economic and Financial Affairs

DG ELARG – Enlargement

DG EMPL – Employment, Social Affairs and Equal Opportunities

DG ENTR – Enterprise and Industry

DG ENV – Environment

DG FISH – Fisheries and Maritime Affairs

DG INFO – Information Society and Media

DG JLS – Justice, Freedom and Security

DG JRC – Joint Research Centre

DG MARKT – Internal Market and Services

DG RELEX – External Relations

DG REGIO – Regional Policy

DG SANCO – Health and Consumer Protection

DG SG – General Secretariat

DG TAXUD – Taxation and Customs

DG TRADE – Trade

DG TREN – Transport and Energy

Find out more about the Directorates General:
www.europa.eu.int/comm/dgs_en.htm

The Council of Ministers

The Council of Ministers, sometimes known as “the Council of the European Union”, or simply “the Council”, is made up of one minister from each Member State, authorised to make commitments on behalf of their country’s government. The Council, in parallel with the European Parliament, discusses proposals for EU legislation and reaches decisions on whether to reject, amend or adopt them. It also takes the lead in deciding the EU’s Common Foreign and Security Policy (CFSP), and in matters relating to Justice and Home Affairs (JHA).

The Council meets in different “formations”, each focusing on a different area of policy. Ministers responsible for a particular policy within their domestic administrations tend to represent their country in the Council formation that focuses on that issue. For example, Employment ministers will attend the Employment council, Environment ministers will attend the Environment council and so on.

Find out more about the Council of Ministers:
www.europa.eu.int/showPage.ASP?lang=en

The Presidency of the European Union

All EU Member States take it in turn to hold the Presidency of the Council of the European Union. Each Presidency lasts for six months. Countries holding the Presidency are responsible for chairing and setting the agendas for meetings of the Council of Ministers, including working group meetings. The holder of the Presidency can also represent the EU in international discussions and represents the Council in discussions with the European Parliament. However holders of the Presidency are expected to act impartially and should not try to use the Presidency to promote their own interests.

The UK last held the Presidency in the second half of 2005. Austria holds the EU Presidency for the first six months of 2006, followed by Finland in the second half of the year, Germany from January 2007 and Portugal from July 2007.

The European Council

The European Council is the term used to describe the regular meetings of the Heads of State or Government of the European Union Member States. The President of the European Commission also attends as a full member. Its purpose is to provide the Union with high-level political direction. It should not, however, be confused with the Council of Ministers and it does not handle legislation.

The European Parliament

The European Parliament represents the individual citizens of the European Union and its 732 members are directly elected

by them every five years. The European Parliament has three main functions.

- It shares with the Council of Ministers the right to accept, amend or reject proposals for most new EU laws, in particular through the co-decision procedure (see below).
- The European Parliament also acts jointly with the Council of Ministers as the EU's budgetary authority.
- The European Parliament can hold other EU institutions to account. For example it has the power to dismiss the Commissioners as a team and it can also scrutinise the activities of both the Commission and Council.

Find out more about the European Parliament:

www.europarl.eu.int/parliament/public.do?language=EN

Conciliation Committees

Conciliation Committees are convened to try to resolve disagreements between the Council of Ministers and the European Parliament that have arisen as a result of the co-decision process. They are made up of members of the Council or their representatives and an equal number of representatives of Parliament. The aim is to reach agreement on a text acceptable to both sides. The Commission also assists the Conciliation Committee, encouraging the European Parliament and the Council to reach a joint text.

Find out more about Conciliation Committees: www.europa.eu.int/scadplus/glossary/conciliation_committee_en.htm

The European Court of Justice (ECJ)

The European Court of Justice is composed of twenty-five judges, corresponding to the number of Member States. The main job of the ECJ is to interpret European law and ensure that the EC Treaty is upheld. It has three principal functions:

- to check whether laws passed by the European institutions and governments are compatible with the Treaties;
- to rule on the interpretation or the validity of provisions contained in Community law (the Treaties and European Union laws that flow from them).
- To give opinions on whether international agreements to which the Community is to be a party are compatible with the provisions of the Treaty.

Find out more about the European Court of Justice:

www.curia.eu.int/en/instit/presentationfr/index_cje.htm

Find out more about ECJ jurisdiction:

www.curia.eu.int/en/instit/presentationfr/index_cje.htm

Committee of the Regions

The Committee of the Regions (CoR) is an advisory body enabling regional and local authorities to express their views during the European decision-making process. The Council, Parliament and Commission can consult the CoR on issues affecting local and regional interests, such as education, youth, culture, health and social and economic cohesion.

The CoR may also issue opinions on its own initiative on issues such as the environment,

the Social Fund, vocational training, cross-border cooperation and transport.

Find out more about the Committee of the Regions:

www.cor.eu.int/en/index.htm

European Economic and Social Committee

The Economic and Social Committee (ESC) is an advisory body. Its membership includes a wide range of economic and social organisations representing a broad range of stakeholders. The ESC gives them a forum in which to express their views about EU policy. The Commission consults the Committee on many of its proposals for new legislation.

Find out more about the Economic and Social Committee:

www.europa.eu.int/documents/eesc/index_en.htm

Social partners

The Commission is required to consult various social partners when it wishes to submit proposals in the field of social policy. This social dialogue occurs via the three main cross-industry organisations representing the social partners at European level:

- the European Trade Union Confederation (ETUC)
- the Union of Industrial and Employers' Confederations of Europe (UNICE)
- the European Centre of Enterprises with Public Participation (CEEP)

Before submitting proposals in the field of social policy, the Commission consults the social partners on the possible direction of EU action.

The European Central Bank

The European Central Bank (ECB) is responsible for defining and implementing monetary policy across the eurozone by setting appropriate interest rates. It is also responsible for issuing banknotes across the eurozone.

The eurozone comprises the 12 European Union countries that have introduced the euro since 1999. These are: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

Find out more about the ECB:
www.ecb.int/ecb/orga/tasks/html/index.en.html

Processes

Adoption

The date of adoption appears in the full title of each piece of EC legislation. The moment at which legislation is adopted varies depending on which legislative procedure is being followed, but in general terms it is the date on which the Institutions agreed to the text of a piece of proposed legislation. It is usually a different date from the date on which the legislation comes into force (which will also be set out in the legislation, often by reference to the date on which the legislation is published).

Co-Decision

The process by which the Council and the European Parliament jointly come to a decision on the text of a piece of legislation.

Common Position

Under the First Pillar, a Common Position is the agreed outcome of the first reading by

the Council of a proposal for legislation. The Common Position can then be transferred to the European Parliament for it to debate in its second reading. Alternatively, a Common Position can be used to ask the Commission to rethink a proposal.

Infraction Proceedings

This is the name given to legal action, taken by the Commission against Member States that are not complying fully with EU law as agreed under the EC Treaty. Infraction proceedings start with the Commission sending an informal letter to a Member State outlining how it is in breach of the Treaty. The letter will usually give the Member State an opportunity to rebut the allegation, or else take steps to remedy the situation, within a specified time frame. If the situation remains unresolved, the Commission may bring an action at the European Court of Justice. If the ECJ rules that the Member State is indeed in breach of the Treaty and that State continues to refuse to bring its domestic law into line with the rest of the EU, then the Commission can take steps to impose fines on it.

Intergovernmental Conference (IGC)

An Intergovernmental Conference (IGC) is usually convened at the initiative of a Member State or the Commission. The main purpose of an IGC is to make changes to the EC Treaties.

Political Agreement

Political agreement is reached when all the Ministers at a meeting of the Council come to an agreement on the way forward for a proposed piece of legislation.

Transposition

Many EU laws cannot be enforced across the European Union until they have been transposed into the law of all the Member States. In other words, each national parliament has to pass its own measures to implement EU law that is not directly binding. This allows Member States to find their own solutions to particular problems, as long as the fundamental objectives of the directive are met. Transposition is therefore the process of giving EC laws legal effect within each Member State.

Documents

Communication

A Communication is a means by which the Commission floats ideas or provides an official Commission opinion on an area of policy. Although usually produced by the Commission, other institutions may also produce a Communication on a particular subject. A Communication is not legally binding.

Council Conclusions

The Council will often publish Conclusions on a piece of proposed legislation it has been discussing or on a particular issue such as the EU's relations with a particular third country or the position it wishes to take in an international body. These enable the Council to summarise its thinking and outline its political priorities for a particular proposal. Council Conclusions are not legally binding.

Decisions

Decisions are EC laws that are directed towards and binding only on the individual Member States, companies or individuals named in the Decision.

Directives

Directives are EC laws that provide for specific outcomes across the EC, but leave the means of achieving those outcomes up to each Member State. Directives therefore need to be given legal effect by each Member State.

The EC Treaty

The Treaty establishing the European Community, sometimes referred to as the Treaty of Rome (1957). The EC Treaty has been amended a number of times since 1957, for example the Single European Act (1986), the Maastricht Treaty (1992), the Treaty of Amsterdam (1997) and the Treaty of Nice (2001). The EC Treaty provides the basis for secondary legislation enacted by the European Institutions.

The EU Treaty

The Treaty on European Union signed at Maastricht in 1992. The EU Treaty established the European Union, consisting of the three Pillars of the EU (see below).

Framework Agreement

The aim of a Framework Agreement is to provide a strategic basis for the development of a particular area of policy – for example the Framework Programme for Research. Specific measures can then be proposed under the agreement that will take the strategy forward.

Green paper/White paper

Commission Green Papers are documents intended to stimulate debate and launch a process of consultation at European level on a particular topic (such as social policy, telecommunications etc). These consultations may then lead to the publication of a White

Paper, translating the conclusions of the debate into practical proposals for Community action. When a White Paper has been favourably received by the Council, it can become the action programme for the Union in the area concerned.

The Official Journal of the European Union

The Official Journal of the European Union (OJEU) is the official record of the activities of the EU. All the EU's legal documents are published in the OJEU.

Find out more about the OJEU:
www.publications.eu.int/general/oj_en.html

There is a searchable database of all existing European law, which is available at the following address:
www.publications.eu.int/general/eulaw_en.html

This includes Commission proposals for new legislation.

Proposals

The Commission alone has the right to initiate legislation in almost all areas (there are a few instances where this responsibility is shared with the Member States or the European Central Bank). It does this by publishing proposals for new laws. However the Council and the European Parliament can each invite the Commission to propose legislation in a particular area.

Regulations

Regulations are EC laws that are binding in their entirety across the EC and are directly applicable in all Member States. It is not necessary for Member States to enact their own legislation to put Regulations into

effect, although domestic legislation may sometimes be necessary to remove inconsistent domestic law or to provide some domestic sanction for individuals who breach the terms of the Regulation. If a Member State has laws which conflict with a Regulation, the Regulation takes precedence.

Recommendations and Opinions

These are non-binding declarations and can be published by the Council, the Commission or the European Parliament. They can be used for a variety of purposes, including to enable a particular institution to express its views on a proposal or to assist in the interpretation of other legal acts, but they do not themselves have any legally binding force.

Resolutions

The Council or the European Parliament occasionally adopt resolutions. They are not legally binding, but are often used to indicate concerns about particular issues, and can lead to proposals for new laws to tackle the perceived problems.

Strategy Paper/Strategic Guidelines

If the Commission wishes to provide a broad statement of its objectives for a particular area of policy, it might publish a strategy paper or strategic guidelines. These are intended to prompt further discussion and feedback from the Council and Parliament, possibly leading to a proposal for new legislation.

Concepts

Community Acquis

Also referred to as the "Acquis Communautaire", this is a French term meaning, essentially, "the body of

Community law as it is at any one time” – in other words, the rights and obligations that EU countries have agreed to share under the EC Treaty. The Acquis is often understood in a broader sense to include all the EU’s treaties and laws, declarations and resolutions, international agreements and the judgments given by the Court of Justice, as well as action that EU governments take together in the area of Justice and Home Affairs and on the Common Foreign and Security Policy. Countries that want to join the EU have to accept the Acquis and, where necessary, make it part of their own national legislation.

Legal/Treaty base

The legal base (or Treaty base) of a piece of EU legislation is the Article or Articles in the EC Treaty that give the EU the power to act in the way proposed. The relevant Article sets out the legislative procedure (e.g. co-decision) and the voting requirements (e.g. qualified majority) which must be used in order for the proposed legislation to become law. EU legislation must clearly state the legal base on which it is acting.

Pillars of the EU

Under the EU Treaty, the EU is founded on three “pillars”.

The first pillar is effectively the EC as established by the EC Treaty, which covers policies in the social and economic spheres, including the Single Market, the environment, health and consumer protection and regional policy. Under the first pillar, decision-making usually involves the Commission, European Parliament and Council working together. Many of these decisions are taken on the basis of a qualified majority vote in the Council.

The second pillar is the Common Foreign and Security Policy (CFSP). Decisions under this pillar can only be taken by the Council and unanimity is the general rule.

The third pillar covers Justice and Home Affairs. Decisions can only be taken by the Council, and again many decisions require the Council to act unanimously.

Qualified Majority Voting (QMV)

Decisions in the Council on most areas of EC policy under the first pillar are made on the basis of “qualified majority voting”. Its purpose is to make it easier for the EC to take action, since no single Member State is able to block (or veto) the adoption of proposed legislation. Each Member State is allocated a number of votes, based on the size of its population. The most populous countries – France, Germany, Italy and the UK – each have 29 votes. The smallest member, Malta has three votes. A qualified majority in a EU of 25 is achieved where a majority of Member States, representing a minimum of 232 votes, out of a total of 321 are in favour of a proposal. A Member State may also ask to check that the votes in favour of a decision represent at least 62% of the EU’s population.

Subsidiarity

Subsidiarity is the term used to describe the principle under which decisions are made at a level closest to those affected. What this means is that the Union should not take action, unless it is more effective than action taken at a local, regional or national level. Subsidiarity does not arise in areas which are the exclusive competence of the European Community, such as the customs union or common commercial policy.

Pan-european business-to-business (B2B) directories

Regardless of your organisation's size, Business to Business (B2B) directories can be used to identify trading partners, obtain contacts and access networks to exchange best practice, or help develop your ideas or products.

They can also be used to carry out all or part of your business operations and conversely, you can submit your organisation's details for companies to seek you out to purchase your products or services. Information is often contained in databases that are searchable using criteria such as industry sector or country. For further information about some of the pan-European B2B directories see below. All of these databases are available in English.

Gate2Growth

This is a business platform endorsed by the European Commission to support European entrepreneurs and their investors. Below are the different tools and their target audiences:

- Business Matching – for entrepreneurs seeking financing
- Service Centre – for innovative companies seeking expert service providers
- InvestorNet – for investors

- Incubator Forum – for Technology Incubator managers
- ProTon Europe – for Knowledge Transfer offices
- Academic Network – for academics interested in entrepreneurship, innovation and finance

Telephone: +32 (0)3 231 6500

Website: www.gate2growth.com

E-mail: info@gate2growth.com

Business Incubators Database

Business incubators assist newly created companies to get off to a successful start by helping them to develop ideas into commercially and technically viable products or services. Created by the European Commission, the database contains over 700 business incubators in 31 countries.

Website: www.cordis.lu/incubators

E-mail: incubators@cordis.lu

European Business Register (EBR)

A network of business registers kept by the registration authorities in most of the European countries.

Telephone: +32 (0)2 514 13 00

Website: www.ebr.org

Europages

A database of some 600,000 European companies in 35 countries

Telephone: + 33 (0) 1 41 16 49 00

Website: www.europages.com

Kompass

A purchasing and marketing directory

Website: www.kompass.com

WLW (Wer liefert was?)

A database of manufacturers, suppliers and service providers

Website: www.wlw.com

Innovation Relay Centres

Set up by the European Commission as part of its b2Europe initiative, the Centres are an information source and support service for companies developing innovative technologies or new technology solutions. They provide advice on innovation, technology transfer and exploitation, identification of technology need or potential. They can also help you find European partners and assist with contract negotiation.

Website: www.irc.cordis.lu

Find your local contact point:

www.irc.cordis.lu/whoswho

EU contacts

The European Commission

200, Rue de la Loi
B-1049 Brussels
Belgium
Tel: 00 322 299 1111

European Commission London Office

8 Storey's Gate, London SW1P 3AT
Tel: 020 7973 1992
Fax: 020 7973 1900/1910

The European Parliament

Petitions, L-2929, Luxembourg
Fax: (352) 43 00 27 072

The European Parliament London Office

2 Queen Anne's Gate, London SW1H 9AA
Tel: 020 7227 4300
E-mail: eplondon@europarl.eu.int

Department of Trade and Industry

1 Victoria Street, London SW1H 0ET
Tel: 020 7215 5000
E-mail: dti.enquiries@dti.gsi.gov.uk

UK SOLVIT Centre/Action Single Market

Bay 4123, 1 Victoria Street,
London SW1H 0ET
Tel: 020 7215 2800/2833
Fax: 020 7215 2234
E-mail: asm@dti.gsi.gov.uk

UK Trade & Investment

Kingsgate House, 66-74 Victoria Street
London SW1E 6SW
Tel: +44 (0)20 7215 8000
Fax: +44 (0)20 7828 1281
E-mail: enquiries@uktradeinvest.gov.uk

Government Offices

Regional Co-ordination Unit, Riverwalk House,
157-161 Millbank, London SW1P 4RR
Tel: 020 7217 3595
Fax: 020 7217 3590
E-mail:
corporate.communications@rcu.gsi.gov.uk

The Scottish Executive

Area 2H, Victoria Quay, Edinburgh EH6 6QQ
Tel: 0131 244 0706
E-mail: europa@scotland.gov.uk

Office of the First Minister & Deputy First Minister, Northern Ireland

Central Management Unit,
Room E4.13, Castle Buildings,
Stormont, Belfast BT4 3SR
Tel: 028 9052 8433
Fax: 028 952 293

The National Assembly for Wales

Cardiff Bay, CF99 1NA
Tel: 029 2082 5111
E-mail: assembly.info@wales.gsi.gov.uk

Euro Info Centres (London)

London Chamber of Commerce and Industry
33 Queen Street, London EC4R 1AP
Tel: 020 7489 1992
Fax: 020 7203 1812
E-mail: europa@londonchamber.co.uk

My EU contacts

UK Contacts:

My MP:

Name:

Tel:

E-mail:

Advisory body contact:

Name:

Tel:

E-mail:

Contact in government:

Name:

Tel:

E-mail:

Government Office contact:

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Trade Association contact:

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Trade Union contact:

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Contacts in the Commission:

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Contacts in the European Parliament:

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Other EU contacts:

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