

## European Parliament Resolution on the Treaty on European Union (17 May 1995)

**Caption:** On 17 May 1995, the European Parliament adopts a resolution on the Treaty on European Union (TEU) with a view to improving the operation of the Community system in the run-up to the 1996 Intergovernmental Conference (IGC).

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## European Parliament Resolution on the functioning of the Treaty on European Union with a view to the 1996 Intergovernmental Conference - Implementation and development of the Union (17 May 1995)

The European Parliament,

- having regard to the Corfu European Council's request to each of the EU institutions to produce a report on the functioning of the Treaty on European Union (TEU),

- having regard to the establishment of a Reflection Group which will help to prepare the 1996 Intergovernmental Conference (IGC) expressly provided for in Article N of the Treaty on European Union, and which is to begin its work in June 1995,

- whereas, in accordance with the procedure referred to in Article N, the Union is to 'maintain in full the *acquis communautaire* and build on it', in accordance with Article B of the Treaty on European Union,

- whereas the Council and the European Parliament agreed in the context of the interinstitutional agreements that certain provisions of the Treaties (budgetary procedures, commitology) would be reconsidered at the 1996 IGC,

- having regard to Rule 148 of its Rules of Procedure,

- having regard to the report of the Committee on Institutional Affairs and the opinions of the Committee on Foreign Affairs, Security and Defence Policy, the Committee on Agriculture and Rural Development, the Committee on Budgets, the Committee on Economic and Monetary Affairs and Industrial Policy, the Committee on Research, Technological Development and Energy, the Committee on External Economic Relations, the Committee on Legal Affairs and Citizens' Rights, the Committee on Social Affairs and Employment, the Committee on Regional Policy, the Committee on Transport and Tourism, the Committee on the Environment, Public Health and Consumer Protection, the Committee on Culture, Youth, Education and the Media, the Committee on Development and Cooperation, the Committee on Civil Liberties and Internal Affairs, the Committee on Fisheries, the Committee on the Rules of Procedure, the Verification of Credentials and Immunities, the Committee on Women's Rights, the Committee on Petitions and the Temporary Committee on Employment (A4-0102/95),

A. whereas European integration which, since its very beginnings, has been synonymous with peace, political stability and harmonious economic and social development for the benefit of all citizens, now faces new challenges, which have emerged at the end of the Cold War, as a result of the globalization of the economy, damage to the environment, the IT revolution and its repercussions on employment and the growing relevance of equality between women and men; whereas these challenges call for initiatives by the European Union enabling it

(a) fully to assume its responsibilities in promoting peace, respect for human rights and the democratic stability of the European continent and neighbouring regions, especially with respect to everything relating to the countries of Central and Eastern Europe and the Mediterranean Basin,

(b) to become a hub of economically sustainable, socially balanced and job-creating economic development, in the context of a world economy founded upon the same principles,

(c) to define the fight against unemployment and marginalization as a priority objective of the policies of the European Union, and, especially, of Economic and Monetary Union,

(d) to ensure that its citizens can exercise their rights and freedoms, and to contribute to maintaining the security of the individual, while safeguarding national and regional cultural identities,

whereas the Union therefore needs to forge itself an international identity based upon a coherent external

policy and the instruments necessary for its internal policies,

B. whereas at the 1996 Intergovernmental Conference the European Union will have to face up to a three-fold institutional challenge:

- the need to tackle a democratic deficit that a growing number of European Union citizens find unacceptable,
- the need to redefine the current decision-making processes, which have become excessively complex and cumbersome and often inefficient,
- the need to prepare the European Union for future enlargement without slowing down the integration process or watering down the progress already achieved,

C. whereas the major deficiencies under the Treaty on European Union are:

- the lack of openness and full democratic accountability of the Council, notably when deciding in legislative matters,
- the lack of and failure to implement cohesive and effective common foreign and security and justice and home affairs policies, shortcomings that are so much the more evident since it is clear that many new Community provisions under the first pillar have worked well,
- institutional mechanisms designed for a Europe of 6 members which have not been properly adapted since, and which could not simply be transposed to a European Union with more than 20 members without a risk of paralysis and dilution of the European Union,

D. whereas the European Union should thus endeavour to achieve general improvement in its executive, legislative, budgetary and control functions within a single institutional framework, in order for it to become more efficient, more responsive to its citizens, and better able to develop the necessary policies for the future,

E. whereas it would not be wise to enlarge the Union without making a number of fundamental changes to the Union and to the European Treaties,

F. whereas the reform of the Treaties requires institutionalization of the principle of the 'necessary means',

Adopts the following guidelines:

## **I. OBJECTIVES AND POLICIES OF THE UNION**

1. The European Union will have to reinforce its existing framework of policies if it is to respond to economic and political change and to enhance its credibility in the eyes of its citizens. To do this it will have to develop new policies for the future and to strengthen its existing policies. Consolidation of this kind is conceivable only in the perspective of a merger of the three pillars and within a single institutional framework.

### **A treaty for the citizens of the Union**

2. Unification of the Treaty would make its structure much clearer and more logical. In addition, however, the Treaty should be further simplified and made more inspiring for its citizens:

(i) The existing preamble of the Treaty should be rewritten in more inspiring language, and the provisions concerning citizens' rights should be placed at the beginning of the Treaty.

(ii) The Treaty should provide for a separation between the provisions covering the Institutions and those covering the content of policies.

(iii) Out-of-date Treaty articles should be deleted.

### **The Union must fully implement its new responsibilities**

#### **A. Organizing a Common Foreign and Security Policy (CFSP) which works**

3. There should be a more effective EU foreign policy within the framework of the Community pillar, integrating the common commercial policy, development cooperation policy, humanitarian aid and CFSP matters, and achieving better defined security and defence policies at EU level, with a permanent common strategy within the international organizations which have responsibilities in this field. In this context, common defence policy should guarantee that the borders of the Union and its Member States are safeguarded and enable the Union to carry its responsibilities for maintaining and restoring the rule of law internationally, ensuring that the Union absorbs the WEU's power.

(i) It should be possible for a qualified majority of Member States to undertake humanitarian, diplomatic or military action which would qualify as a 'joint action', with guarantees that no Member State should be forced to take part if it does not wish to do so, nor should it be able to prevent the majority from taking such action.

(ii) The Commission should be fully integrated in the definition and elaboration of the CFSP, with a right of initiative. It should be given implementing power. In order to rectify difficulties that have emerged in the field of policy design and formulation, a joint Commission-Council planning and analysis unit should be established.

(iii) Democratic accountability for matters which do not form part of the first pillar must be shared between both the European Parliament and the national parliaments. Consultation of the European Parliament should be obligatory if the Council adopts a common position or decision on 'joint action'. The Council should be obliged to provide information on such matters and arrangements should be made for such subjects to be treated confidentially.

(iv) Article 223 of the Treaty, which prevents any control of sales of arms to third countries and the establishment of a genuine common arms policy for the Member States, should be deleted.

(v) A first step towards a contribution to conflict prevention could be the establishment of a European Civil Peace Corps (including conscientious objectors) with training of monitors, mediators and specialists in conflict resolution.

#### **B. Effective action in the field of justice and home affairs**

4. Decisive progress should now be made in the field of justice and home affairs, which should no longer be artificially distinguished from closely-related policies within the full Community domain. Decisions on asylum policy, the crossing of the Member States' external frontiers and checks on such crossing, immigration policy and policy on non-Community nationals, and action against drug abuse must be progressively brought within the Community domain. In order to facilitate the fight against serious cross-border crime, EUROPOL should be given the operational power it needs. A more broadly based, flexible approach should be brought to bear as soon as possible as regards applying the 'passerelle' procedure provided for in Article K.9 of the Treaty, extending it, in particular, to cover all the areas listed in Article K.1 and providing for the Council to act by a qualified majority. Existing restrictions on the Commission's right of initiative and implementation should be removed. The roles of the Court of Justice, Court of Auditors and European Parliament should be strengthened, and the legislator should be able to adopt

directives without unanimity being required. In view of the gradual integration of the third pillar, the Schengen Agreements should be progressively integrated into Union policy.

#### C. A more balanced EMU

5. As regards Economic and Monetary Union, the timetable should be maintained and the convergence criteria should not be modified but the monetary policy provisions should have their counterweight in reinforced economic policy coordination (i.e. in the field of multilateral surveillance and in establishing broad economic policy guidelines at EU level) and a clear link to Article 2 of the Treaty which implies that all the Union's institutions must work to promote'... a high level of employment and of social protection, the raising of the standard of living and the quality of life, and economic and social cohesion and solidarity among Member States'. Democratic accountability on EMU matters should be greatly strengthened, with a more extensive role for the European Parliament (notably where the Treaty provides for the adoption of recommendations or economic guidelines by the Council). In the case of Member States which, while not fulfilling the convergence criteria, have nevertheless pursued economic policies in line with those criteria and have shown genuine willingness to move towards the third stage of EMU, the Union shall give its political backing to their efforts and provide all the necessary aid to enable them to achieve those objectives;

6. Working towards full employment should be an explicit goal of the Member States and the Union, and an Employment Committee, endowed with the same powers as the Monetary Committee, should be set up.

#### D. More rights for EU citizens and improved protection of the fundamental rights of all EU residents

7. Greater substance should be provided for the concept of EU citizenship through development of the special rights linked to EU citizenship, notably by means of:

- accession of the Union to the Council of Europe's Convention on Human Rights and Fundamental Freedoms;
- a new right of all EU citizens to information on EU matters;
- inclusion of an explicit reference in the Treaty to the principle of equal treatment irrespective of race, sex, age, handicap or religion (including mentioning the fundamental social rights of workers set out in the Charter, enlarging upon them and extending them to all citizens of the Union); also incorporation of an article specifically referring to a ban on capital punishment;
- bringing together within a single article the economic rights that are scattered throughout the Treaty (such as the right to free movement and establishment of labour and of the professions), and reinforcing these rights;
- the development of political citizenship, *inter alia* through measures that facilitate participation in political life in a Member State of Union citizens residing in that State;
- the strengthening of provisions needed to achieve fully the free movement of persons;
- the preservation of Europe's diversity through special safeguards for traditional national minorities in terms of human rights, democracy and the rule of law;
- the application of the provisions in the Treaty on equal rights not only to economic rights but to all aspects of equality for women.

In addition, the Treaty should contain a clear rejection of racism, xenophobia, sexism, discrimination on grounds of a person's sexual orientation, anti-semitism, revisionism and all forms of discrimination and

guarantee adequate legal protection against discrimination for all individuals resident within the EU.

8. In order to develop the means of expression for citizens at European level, Article 138a of the Treaty on European political parties must be applied and developed.

E. An area for cooperation among European peoples

9. In addition to being a key factor in economic, social, and cultural development, cross-border and interregional cooperation helps to forge bonds and foster pacific cooperation among the different European countries. The Union should therefore establish a Community-wide legal framework to promote cross-border and interregional cooperation based on a Community regional planning discipline, since this will stimulate European integration and ensure that Community policies are implemented more effectively. Cross-border agreements with third countries, and in particular the Nordic free movement agreement, should not be jeopardized.

### **The Union must strengthen its existing policies**

10. There should be more effective policy-making in a number of other key fields:

(i) The principle of economic and social cohesion should be reinforced in the Treaty.

(ii) Social policy should be a core area of EU competence (with incorporation of the Social Charter, and an ending of the United Kingdom opt-out) and should be better integrated with economic policy as a whole.

(iii) Equal opportunities policy should be improved through a redrafting of Article 119 of the Treaty broadening its scope to cover all aspects of employment and social security.

(iv) The energy policy aspects of the ECSC and EURATOM Treaties and other energy policy considerations should be integrated within a common energy policy framework, helping to ensure overall cooperation with regard to security of supply and environmental protection.

(v) Agricultural policy, as a decisive area of Union policy, should have as its objectives ecologically and socially compatible farming together with sustainable regional development.

Agricultural policy should be better integrated with food policy, rural development and environmental considerations and be better incorporated within the normal budgetary process.

The Union's powers in the agricultural sector largely evade the direct scrutiny of national parliaments and must be subject to greater democratic control by the European Parliament; in fact, responsibility for agricultural markets and prices policy, and thus for farm incomes policy, has long been outside the control of national parliaments.

The objectives of the CAP set out in Article 39 of the Treaty should be adjusted to include in particular the concept of 'rural development'.

(vi) Powers in the field of fisheries need to be dealt with independently of those in the field of agriculture. The common fisheries policy should be re-examined in accordance with the founding principles underlying the institution of the common policy, i.e. conservation and relative stability.

(vii) The existing Treaty articles on environmental policy should be strengthened and simplified, so that environmental protection and concern for animal welfare and conservation become fundamental principles of the European Union and are effectively and fully integrated with other EU policies; environmental protection should be included in Article 3 of the Treaty as a Union objective.

(viii) Consumer rights and interests must also be protected to a greater extent by laying the foundations for a genuine consumer policy.

(ix) In the transport sector the Treaty should provide for an integrated common transport policy including powers in air traffic control.

(x) Tourism, in its European aspects, should form a separate and distinctive common policy with a separate legal basis and chapter in the revised Treaty.

(xi) The place of the public service within European Union policy measures should be affirmed by introducing new articles defining the concept and scope of the 'universal service', guaranteeing each citizen the right to equal access to services of general interest, and ad hoc provisions taking account of the specific nature of public service undertakings.

(xii) The chapter on education, vocational training and youth should be strengthened in order to focus attention on the rights and interests of children and young people and to provide for account to be taken of the consequences that current policies can have on children and young people and their families.

(xiii) External economic policy should be the exclusive competence of the Union.

11. Europe's cultural identity and diversity should be preserved and the value of national and regional cultural and linguistic diversity within the European Union should be explicitly recognized.

There should be no restrictions on the number of official or working languages of the European Union.

In view of the multicultural nature of European society, explicit reference should be made to the need to promote intercultural dialogue aimed at improving mutual understanding and tolerance.

### **Clarifying competencies**

12. (i) The principles of subsidiarity and proportionality, as currently laid down in Article 3b of the Treaty, should be maintained and correctly applied.

(ii) Establishment of a fixed list of EU and Member State competencies would be too rigid and too hard to achieve. Article 235 should be retained, but only used as a last resort and after assent of the EP.

## **II. THE INSTITUTIONS OF THE UNION**

### **Ensuring the unity of the institutional system**

13. It is of central importance that the single institutional framework be maintained and reinforced.

#### **A. Ending dismemberment of the institutional system**

14. (i) The existing Treaties should be unified by means of:

- relevant features of the ECSC and EURATOM Treaties being directly incorporated within the unified Treaty;

- foreign and security policy (including defence) and justice and home affairs being brought within the Community system, but with specific features of the former 'pillars' being retained for certain items for a predetermined transitional period; this will mean grouping all the articles of the Treaty concerning foreign policy under a single title.

(ii) The European Union should be given legal personality in its own right.

#### B. Flexibility within unity

15. In view of the increasing diversity of the EU, further flexible arrangements may well be required in the future, but these:

- should not undermine the single institutional framework, the '*acquis communautaire*' or the principles of solidarity and economic and social cohesion throughout the European Union;
- should not undermine the principle of equality of all States and citizens of the Union before the Treaty;
- should not lead to a 'Europe à la carte'.

16. The European Parliament as a whole will be responsible for exercising control over those Union policies which are pursued by a limited number of Member States on a temporary basis.

17. If at the 1996 Conference, despite broad agreement among a majority of Member States and peoples of the European Union, it proves impossible to reach a positive conclusion owing to failure to reach a unanimous decision, consideration will need to be given to proceeding without the minority and, possibly, providing for instruments to enable a Member State to leave the EU, subject to meeting certain criteria.

#### **Stronger and more democratic Union Institutions**

18. The 1996 Conference should primarily concentrate not on transferring new powers to the EU Institutions, but on clarifying their respective roles, and on achieving an appropriate balance between them.

19. The composition of the EU Institutions will have to be reviewed at the 1996 Conference if the EU is to be further enlarged, and if the EU institutions are to function properly. For each institution, however, the criterion of efficiency will have to be balanced against the need to take account of the interests of both large and small Member States. The concept of equal status for each state guaranteeing that all the Member States can participate and be involved in the Union's decision-making process on an equal footing must be applied.

20. The representation and participation of women at all levels in the Union institutions should be gradually increased;

#### A. The Commission

21. (i) The Commission's role and independence should be reasserted, in particular by maintaining its right of initiative, accompanied by the changes already provided for in the Treaty.

(ii) There should continue to be at least one Commissioner per Member State; however, the Commission's structure and composition must be adapted to its new tasks and to the needs of enlargement if its collegiate responsibility and effectiveness are to be maintained. This could be done by:

- a greater presidentialization of working methods;
- an internal restructuring of the Commission.

(iii) The President of the Commission should be directly elected by the European Parliament from among a list of names put forward by the European Council. The rest of the Commission should then be put together by agreement between the President and the national governments before coming to Parliament for a final vote of investiture as a college.



(iv) The European Parliament (like the Council) should be able to request compulsory retirement of individual Commissioners, pursuant to Articles 157 and 160 of the Treaty.

## B. Council

22. (i) The principle of openness should be explicitly stated in the Treaty, and detailed implementing mechanisms should be established (where the Council is acting in its legislative capacity, its proceedings should be public and its agenda binding). Public access to EU documents should be greatly improved.

Drafts and proposals should be accessible to the public as soon as they are adopted or handed over to other bodies, interest organizations or individuals, or published wholly or partly by others.

All meetings on proposed legal acts are to be held in public unless a specific and duly justified exception is decided by a two-thirds majority. Such exceptions shall be notified together with the reasons for them to the European Parliament.

All documents should be accessible to the public unless exceptions are decided by a two-thirds majority in the responsible body.

(ii) The present system of six-month Presidencies of the Council and the European Council should be maintained, but there should be greater flexibility in their operation.

(iii) Further extension of qualified majority voting is required if the European Union is to function effectively. For certain areas of particular sensitivity, unanimity will remain necessary, i.e. Treaty amendment, 'constitutional decisions' (enlargement, own resources, uniform electoral system) and Article 235.

The system of voting within the Council may need to be adjusted. However, this should not be done on the basis of a 'double majority' of States and population, as it is in the Parliament that population is represented. Council represents States. A weighted vote reflecting the general size of the States should not be strictly proportioned to population.

In any case, the threshold for obtaining a qualified majority should be lowered from the very high level of 71% that it is at present.

## C. The European Parliament

23. (i) The number of Members of the European Parliament cannot be indefinitely increased and should not exceed 700; a common Statute for European MPs should be established.

(ii) The European Parliament should give its assent to all nominations to the European Court of Justice, to the Court of First Instance, to the European Court of Auditors and to the Members of the Executive Board of the European System of Central Banks.

(iii) The European Parliament should have equal status with the Council in all fields of EU legislative and budgetary competence.

(iv) The European Parliament's role should be reinforced in those areas where there is currently inadequate scrutiny at European level, and notably in matters relating to the common foreign and security policy and to justice and home affairs, as well as in the field of EMU.

(v) The current anomalies in the EP's standing before the Court of Justice should be corrected by giving the

EP, like the other institutions, the right to request the opinion of the Court on the compatibility with the Treaty of international agreements, the right to bring cases (not only in order to preserve its own prerogatives) and the right to be informed of requests for preliminary rulings that have been referred to the Court and to submit observations on them.

(vi) The European Parliament must participate in the decision regarding its own seat.

(vii) The Commission should be required to respond to Parliament initiatives made pursuant to Article 138b, second paragraph.

24. Democratic control of EU matters would be best achieved by partnership between the European Parliament and the national parliaments. The role of national parliaments should be reinforced in a number of ways, such as through strengthened cooperation between equivalent parliamentary committees of national parliaments and the European Parliament, and providing opportunities for specialist organs of national parliaments to discuss major European proposals with their ministers prior to Council meetings.

#### D. European Court of Justice

25. (i) The European Court of Justice should have the full means to ensure respect for EU laws and of the EU institutional balance; its competence should also be extended to areas relating to the common foreign and security policy, justice and internal affairs and those covered by the Schengen Agreement.

(ii) More flexible internal operating arrangements should be introduced to permit the Court of Justice and the Court of First Instance to face up to the increase in their workload and the prospect of enlargement. In this context use should be made of the opportunities offered by the increase in the number of judges as a result of the accession of new countries in order to create a larger number of specialized courtrooms.

(iii) Judges and Advocates-General at the ECJ, and Judges at the Court of First Instance, should serve only one, non-renewable term of office of 9 years.

(iv) Finally, the conditions for referring matters to the ECJ should be enlarged so that each institution of the Union should have the possibility (in addition to the means of redress in Article 173) of bringing an action in the Court where it considers that its rights have been infringed by the failure on the part of another institution or a Member State to fulfil a Treaty obligation.

#### E. Others

26. No further increase should be permitted in the existing number of Members at the European Court of Auditors, who should serve only one, non-renewable term of office of 9 years. The Court should also play its proper role in all areas of European Union activity.

27. The members of the Committee of the Regions to whom Article 198a of the Treaty refers must be the elected members of a local or regional assembly. Parliament should be able to consult the Committee (as well as the Economic and Social Committee) on the same footing as can the Council and Commission.

28. In order to improve the economic and social cohesion of the European Union and to respect the principle of subsidiarity, the role of the Committee of the Regions in drawing up policies within its remit should be strengthened.

### III. THE DECISION-MAKING MECHANISMS OF THE UNION

#### The legislative function (legislative acts, international agreements)

29. (i) There should only be three decision-making procedures, the codecision, assent, and consultation procedures. The existing cooperation procedure should be abolished.
- (ii) The assent procedure should be restricted to Treaty revision, international agreements, enlargement and adjustments to own resource.
- (iii) The consultation procedure should be restricted to decisions in the field of common foreign policy and security.
- (iv) In all other areas, the codecision procedure should apply.
30. The codecision procedure should also be simplified. The following changes could be envisaged:
- (i) End the procedure when there is agreement between Council and Parliament at first reading stage.
- (ii) Drop the phase of intention to reject.
- (iii) Introduce at the end of the first reading a simplified conciliation procedure.
- (iv) Give the Commission the power to propose and put to the vote in the two conciliation committee delegations a compromise between the conflicting positions.
- (v) Harmonize the majorities required for rejecting the final text (regardless of the results of conciliation).
- (vi) Eliminate the possibility for the Council to act unilaterally (by reconfirming its common position) in the event of conciliation failing to reach agreement.
31. Serious consideration should be given to the idea of introducing the principle of equivalent deadlines for Parliament and Council in their first readings on draft legislation.
32. (i) The volume of draft legislation submitted to the European Parliament and the Council should be limited by introducing a certain hierarchy of acts. This could be achieved by introducing a new category of implementing acts, responsibility for which would lie with the Commission where so empowered by the legislative authority. Under no circumstances would this new category of acts limit the legislative and political control functions exercised by the European Parliament.
- (ii) Existing 'commitology' procedures should be simplified. General responsibility for implementing measures should be devolved to the Commission (which may use an Advisory Committee to help in the formulation of the measure, but not type 2 and type 3 Committees, which would be abolished). The Council and Parliament should be informed of the measures proposed and should each have the opportunity to reject the Commission's decision and to call either for new implementing measures or for full legislative procedures.
33. The articles of the Treaty dealing with international agreements should be consolidated, and the respective roles of the Commission and Council should be clarified (notably as regards the arrangements for participation by the Union in international economic organizations), and the democratic role of the European Parliament before, during and after the negotiating process should be reinforced, with the assent of Parliament being required for all international agreements entered into by the Union (without prejudice to the powers of national parliaments).

### **The budgetary function**

34. The budgetary function should be changed so as to respect the following principles:
- (i) Budgetary legislation should be rationalized so as to distinguish between own resources decisions on the

one hand and the Financial Regulation and budgetary discipline on the other. The Union's budget should be the sole budgetary instrument for the realization of the Union's objectives and should allow a prompt response to exceptional or unforeseen circumstances.

- (ii) The unity of the budget should be established: the European Union's budget should incorporate the European Development Fund, Community borrowing and lending, and expenditure under the second and third pillars.
- (iii) Multiannual financial programming should be incorporated in the Treaty while maintaining the annual nature of the budget.
- (iv) The budgetary authority should be given responsibility for revenue; the European Parliament should be associated with the revenue side of the budget by giving it the right of assent.
- (v) The income of the ECB (seniorage income) shall be deemed an own resource of the Community;
- (vi) The system of revenue, belonging exclusively to the Union, should make it possible for citizens to identify clearly what resources are allocated to the Union; it should reflect the financial capacity of the Member States, and it should permit the fixing of an overall financial ceiling.
- (vii) The procedural distinction between compulsory and non-compulsory expenditure should be abolished; i.e. the European Parliament should be able to act as an equal partner for all expenditure.
- (viii) The budgetary procedure should be simplified, made more transparent and effective; the Commission's preliminary draft budget proposals should be the basis for the European Parliament's first reading; the democratic principle of the final adoption of the budget by the European Parliament must be maintained.

### **The function of control**

35. Political control within the Union should be reinforced by means of the measures proposed in the above paragraphs.

36. The Treaty should be revised to permit tougher measures to be taken to combat fraud and other infringements of EU law, to permit wider-ranging investigations within the Member States (by means, for example, of a reinforced Article 138c) and to enable dissuasive penal and administrative sanctions to be imposed at EU level (with an article to permit harmonization directives in the area of relevant penal law, and specifically obliging Member States to apply effective, proportionate, harmonized and deterrent penalties for breach of Community law).

37. Where independent agencies and other organizations are entrusted with EU tasks they should carry out these tasks, within a framework which ensures proper coordination and control at EU level.

38. There should be increased accountability of the European Investment Bank (judicial review by the Court of Justice, monitoring by the Court of Auditors, reporting requirement to Parliament and Council).

## **IV. THE PROSPECTS FOR ENLARGEMENT**

39. Parliament reserves the right to put forward any proposals which may prove necessary in order to take better account of the implications of the enlargement including the financial prospects of enlargement and not to undermine the principles of competition, cooperation and solidarity which have always been fundamental to European integration.

40. Parliament awaits with great interest the Commission report on the impact of common policies in the applicant countries, a report which should give rise to practical proposals concerning the adjustments required or even the practical scope for applying the policies concerned to those countries.

## V. FOLLOW-UP MEASURES

41. There should be as open a debate as possible during the Reflection Group phase, including regular public report-back from the Group and the holding of a large hearing on the issues at stake in 1996.

42. The negotiating phase of the 1996 Conference should involve more open debate than at previous IGCs, and the role of both national parliaments and of the European Parliament should be reinforced:

(i) A consultative conference of parliaments could meet at the beginning and at the end of the revision conference.

(ii) In order to ensure that the process of revision in 1996 is more transparent and democratic, the representatives of Parliament in the Reflection Group should stress the need of a decisive change in the method of the Treaty revision and of a full involvement of Parliament both in the negotiating phase as well as in the ratification process; the role of the national parliaments should be also reinforced.

(iii) The interinstitutional conference should lay down the guidelines for European Parliament participation in the negotiations.

43. Parliament should have to give its assent to the outcome of the negotiations.

44. Consideration should be given to holding a Union-wide referendum to ratify any Treaty provisions, on the grounds that a collective decision affecting the whole of Europe is at stake. As an alternative, Member States could agree to hold any national referenda (or their respective parliamentary votes) at the same time or within a few days of each other.

45. The current Article N of the Treaty should be reformed to ensure that the European Parliament is put on the same footing as the Commission in being able to submit proposals for the amendment of the Treaty. The Treaty should be amended to provide for future revisions to be approved jointly by Parliament and the Council before being submitted to national parliaments for ratification. In addition to forwarding all proposed Treaty changes to the parliaments of the Member States and the European Parliament for final ratification, the Council must communicate a single, consolidated text of the founding treaties at the same time.

Instructs its President to forward this resolution to the Council, the Commission, the members of the Reflection Group and to the governments and parliaments of the Member States.