WHEN MINISTERS MEET

The EU's most powerful body, the Council, is composed not of people whose principle job orientation is 'European', but of Member States' ministers, flying in from the national capitals. When the Council meets in its environment formation, 27 environment ministers sit around the table. With sometimes 100 people in the room, Council meetings often resemble an assembly: a simple *tour de table* can take hours. The most important formation is the Foreign Ministers' meeting - known appealingly as the General Affairs and External Relations Council, which also co-ordinates the work of the other eight Council formations.

At a lower level, there are some 250 sub-committees, working groups and other structures. The most important preparatory body is the Committee of Permanent Representatives, generally known as Coreper. This is made up of the Member States' ambassadors to the EU and their deputies, who prepare Council negotiations in close contact with their national capitals. Practical preparation and follow-up is done by the Council Secretariat, whose Secretary-General, *Javier Solana*, is also the Council's High Representative for the EU's Common Foreign and Security Policy (CFSP).

The Council is also known as the 'EU Council', the 'Council of the European Union' and the 'Council of Ministers'. It should not be confused with the European Council. This is the now-established three-monthly summit of the heads of states or government, together with the Commission President. Occasionally, the ECB President is invited too. The last Summit, in June 2007, came to an agreement on the outline the EU's new Reform Treaty. The summit before that, in March 2007, agreed on cuts in EU greenhouse gas emissions. Both summits were chaired by Germany, because it held the EU Presidency that rotates every six months. Currently, Council formations are presided over by Portugal, to be followed in 2008 by Slovenia and then France.

Despite its national composition, however, the Council is a single 'European institution'. Indeed, the Treaty gives it the most powerful role of any institution. It is the leading voice in most EU decisions. It is also the most important wheel in the Union's legislative process, because it adopts EU law (usually as proposed by the Commission), either alone (e.g. for agriculture matters) or, more usually, together with the Parliament, in a procedure known as 'co-decision'.

The most relevant Council formation, as far as the ECB is concerned, is the monthly Ecofin: when the Member States' finance ministers meet. Ecofin has a leading role in the co-ordination of Member States' economic policies and discusses issues such as public finances, legal, practical and international aspects of the euro and *the financial markets*. The ECB President and the Commissioner for Economic and Monetary Affairs, *Joaquín Almunia*, are also invited to attend, and twice a year, NCB governors are invited to an informal session. Ecofin also has several sub-structures that the ECB participates in, including the Economic and Finance Committee (EFC), the Economic Policy Committee (EPC), the Sub-Committee on the IMF (SCIMF) and various committees on financial services and statistics. Immediately before the Ecofin meetings, there is usually a separate

meeting for the euro area's finance ministers, together with the ECB and the Commission: the Eurogroup. Though an entirely informal body, the Eurogroup is slowly, but steadily, solidifying and deepening, e.g. through the creation of its own sub-formation, the Eurogroup Working Group. The Eurogroup's functioning and visibility was helped by the election of a more permanent Eurogroup President, *Jean-Claude Juncker*, who usually attends the ECB's Governing Council meetings as an observer. The Eurogroup encourages consideration of economic challenges through a euro area rather than a national lens. Its informality allows for a more frank and confidential exchange of views, breeding a certain esprit de corps. Currently, no other Council formations meet in a euro area composition.

When ministers' vote in the Council, they usually need 'unanimity' or a 'qualified majority' (QMV) for a decision to be taken. If all decisions were voted on, more than two-thirds would be decided by QMV, which is when each Member State has a specific number of votes. Their number varies from 29 (Germany, Italy, France, UK) to 3 (Malta). The Reform Treaty would change these weights. In practice though, only about 20% of decisions are actually put to a vote. However, the understanding that a vote may ultimately take place, that some Member State(s) may lose it but are still bound by its outcome, is an important dynamic for seeking a consensus – the so called 'shadow of the vote'. This is seen in the Council's preparatory bodies, where national delegations dig out their calculators to see whether their position would have enough support to build a winning majority or a blocking minority.

The only time most EU citizens notice this important body is when their Prime Minister or President attends the European Council. There, the summitteers, the EU's highest political authority, are supposed to take stock of the EU's activities and give broad direction to policy – such as the Lisbon Agenda of 2000. Often, however, they end up dealing with difficult political issues that the Council was unable to resolve. The Reform Treaty makes the European Council a formal institution and gives it a new, fixed, president, which is designed to increase its efficiency and improve continuity between meetings.

They may be less well-known. They may have less cohesiveness than the Parliament and the Commission. However, taken together, the European Council and the Council have more power in the EU than any other body. Because it is so large, disparate and intimately composed of Member States, it reflects national interests more than any other EU body. That looks set to continue, as will the Council's role at the front and centre of EU policymaking.

By Wim van Aken
and Baron Frankal, DG-I