

EU INSTITUTIONS | OTHER INSTITUTIONS & BODIES

A Concise Overview

There are EU institutions and bodies that, while they might get less media attention than the European Commission, Council of the EU and European Parliament, are of great importance to the daily working of the European Union.

These are: **the consultative bodies** (like the Committee of the Regions), **the financial bodies** (such as the European Investment Bank), and **the controlling bodies** (including the European Ombudsman).

CONSULTATIVE BODIES



The Committee of the Regions (CoR)



- Was established by the Treaty of Maastricht in 1994 to ensure local and regional participation in the EU legislative process.
 - It has since seen an increase in its authority to evaluate legislative impacts on regions, particularly after amendments in the Amsterdam and Nice Treaties, which also mandated that its members be elected representatives to enhance democratic legitimacy.
- The CoR, comprising 329 members plus alternates from all 27 EU countries, is nominated by Member States and appointed by the Council of the EU for five-year terms, ensuring representation of political and geographical diversity. It is consulted on significant policy areas like employment, environment, and transport, representing regional and local perspectives.
 - Additionally, the CoR can directly approach the European Court of Justice over concerns of subsidiarity, reinforcing its influence within the EU legislative framework.



The European Economic and Social Committee (EESC)

- **The European Economic and Social Committee (EESC)**, established by the Treaty of Rome in 1957, functions as a consultative body to the European Commission, the European Parliament, and the Council of the EU. It advises on various EU policies, especially those impacting economic, social, and employment issues, representing employers, workers, and civil society groups.
- The EESC comprises **329 members** from diverse economic and social interest groups across Europe, appointed by the Council of the EU for renewable five-year terms. Its organizational structure features specialized sections focused on specific policy areas, a Bureau for coordination, and a Presidency managing external relations and daily operations.
- The Committee can issue opinions on legislative proposals at the request of other EU institutions or on its own initiative. These non-binding opinions significantly influence legislative deliberations and decisions in the European Parliament and the Council, boosting the EESC's role in shaping EU policy since gaining the ability to independently adopt reports and opinions in 1972.



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FINANCIAL BODIES



**The European
Central Bank**



- **The European Central Bank (ECB)**, established in 1998, serves as the central bank for the Eurozone, which started with 11 EU Member States adopting the euro in 1999 and has since expanded to 20.
 - Headquartered in Frankfurt, Germany, the ECB independently manages the Eurozone's monetary policy and price stability, primarily by controlling inflation and authorizing the issuance of euro banknotes.
- The ECB's governance includes the Governing Council, the Executive Board, the General Council, and the Supervisory Board, which collectively oversee monetary policy decisions, day-to-day operations, and financial sector regulation.
 - Originally succeeding the European Monetary Institute, the ECB coordinates with national central banks within the European System of Central Banks to handle foreign exchange, payment systems, and Euro area foreign reserves management.



**The European
Investment Bank**



- Established by the Treaty of Rome in 1958 and headquartered in Luxembourg, the EIB supports EU economic growth through long-term loans, funded by issuing bonds. This structure allows it to provide loans at favorable rates.
- Governed by EU finance ministers within its Board of Governors and other key committees, the EIB oversees strategic and operational directives. The European Investment Fund (EIF), as part of the EIB Group, focuses on boosting SME access to finance across Europe through initiatives like InvestEU and the European Tech Champions Initiative (ETCI).
- The EIB aims to bolster underdeveloped regions, enhance EU economic competitiveness, promote energy security, and support employment.



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FINANCIAL BODIES



The European Court of Auditors

- Founded in 1975, the European Court of Auditors (ECA) ensures EU funds are spent legally and efficiently, bolstering financial accountability and public trust. Operational from 1977, the ECA conducts financial, compliance, and performance audits but lacks judicial powers despite its name.
- Recognized as a full EU institution in 1993, the ECA gained the ability to bring actions before the European Court of Justice, with an expanded remit to audit all EU finances, including those involving external entities like the European Investment Bank.
- The ECA is composed of 27 members, one from each EU Member State, appointed for renewable six-year terms. It operates through a collegial structure with a President and about 900 staff across ten directorates, and five chambers that specialize in different policy areas to enhance its auditing effectiveness.



CONTROLLING BODIES



The European Ombudsman

- Investigates complaints about maladministration within EU institutions, ensuring they operate transparently and accountably. Complaints can be about discrimination, abuse of power, or refusal of information.
- Established by the Treaty of Maastricht in 1992, the Ombudsman is elected by the European Parliament for a five-year term after each parliamentary election. The Ombudsman operates independently from other EU bodies and institutions.
- When necessary, the Ombudsman can initiate investigations on their own or based on complaints. If an EU institution fails to adhere to the Ombudsman's recommendations, a special report can be filed with the European Parliament.



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CONTROLLING BODIES



The European Data Protection Supervisor (EDPS)

- Established in 2004, the EDPS is tasked with protecting personal data handled by EU institutions, advising on legislation impacting data protection, and enhancing data protection practices through publications and outreach.
- The EDPS supervises how EU institutions manage personal data, provides consultations on data protection implications of new EU legislation, and collaborates with other European data protection authorities to share best practices.
- The EDPS is uniquely appointed for a five-year term by the European Parliament and the Council of Ministers, based on a selection process that includes a public call for candidates, rather than nominations from Member States.



TO REMEMBER

Regarding **consultative bodies**, when the European Commission introduces new priorities for regional EU funding, two main entities contribute. The Committee of the Regions reviews these proposals through the lens of regional interests, while the European Economic and Social Committee examines their effects on diverse social groups including farmers and entrepreneurs. Some EU bodies, while not directly involved in policy-making, play crucial roles in shaping European financial markets and monetary policies.

The two key **financial institutions** are the European Investment Bank, which funds infrastructure and development projects at favorable interest rates, like the construction of a metro line in Budapest; and the European Central Bank, which oversees the Euro's stability and sets monetary policy, including issuing euro banknotes and determining interest rates. There is also the European Court of Auditors, which intersects financial oversight and control.

EU institutions tasked with **controlling** and oversight, such as the European Ombudsman and the European Data Protection Supervisor, monitor and investigate other EU bodies. While they possess investigative powers, their recommendations are not legally binding.

