



2017/0335(CNS)

18.10.2018

AMENDMENTS

8 - 88

Draft report
Danuta Maria Hübner
(PE627.822v01-00)

Strengthening fiscal responsibility and the medium-term budgetary orientation
in the Member States

Proposal for a directive
(COM(2017)0824 – C8-0020/2018 – 2017/0335(CNS))

Amendment 8

Hugues Bayet, Pervenche Berès, Roberto Gualtieri, Pedro Silva Pereira, Simona Bonafè, Luigi Morgano, Costas Mavrides, Jonás Fernández, Andrea Cozzolino

Proposal for a directive

—

Proposal for rejection

The European Parliament rejects the Commission proposal.

Or. en

Amendment 9

Marisa Matias

Proposal for a directive

—

Proposal for rejection

The European Parliament rejects the Commission proposal.

Or. en

Amendment 10

Philippe Lamberts

Proposal for a directive

—

Proposal for rejection

The European Parliament rejects the Commission proposal.

Or. en

Amendment 11

Miguel Viegas

Proposal for a directive

–

Proposal for rejection

The European Parliament rejects the Commission proposal.

Or. pt

Justification

The Commission's budgetary supervision and control is nothing but a tool for blackmailing and oppressing, imposing neoliberal economic and social policies and impeding the sovereign pursuit of progressive policies. The Treaty on the Functioning of the EU, the Stability and Growth Pact and the intergovernmental Treaty on Stability, Coordination and Governance – the legal basis for this proposal for a Directive – need to be repealed.

Amendment 12

Marco Valli, Laura Agea, Fabio Massimo Castaldo

Proposal for a directive

–

Proposal for rejection

The European Parliament rejects the Commission proposal.

Or. en

Justification

Evidence has shown that austerity-driven fiscal policies have significant pro-cyclical effects on the economy and undermine the ability of governments to respond to crises, leading furthermore to increasing inequalities between and within EU Member States. Despite that, this proposal introduces mechanisms of automaticity for enforcing permanent austerity in EU countries, which also potentially conflicts with political choices undertaken by democratically elected bodies. In addition, this attempt to incorporate the substance of the Fiscal Compact in the EU law is not based on a proper and independent evaluation of its implications from the economic, social and democratic point of view, despite Article 16 TSCG requires Member States to conduct an assessment of the experience with the implementation of the Fiscal Compact prior its integration. Moreover, the proposal completely ignores EU citizens demands' for ending austerity and for making European economic policies more sustainable, balanced and democratic, thus exacerbating citizens' disaffection towards the EU and failing to recognize the urgent need for a comprehensive reform of the current fiscal framework.

Amendment 13

Philippe Lamberts

PE629.506v01-00

4/46

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on behalf of the Verts/ALE Group

Proposal for a directive

Citation 1

Text proposed by the Commission

Having regard to the Treaty on the Functioning of the European Union, and in particular *the second* subparagraph of Article 126(14) thereof,

Amendment

Having regard to the Treaty on the Functioning of the European Union, and in particular **Article 121(6) and the third** subparagraph of Article 126(14) thereof,

Or. en

Amendment 14

Nils Torvalds, Caroline Nagtegaal

Proposal for a directive

Recital 1

Text proposed by the Commission

(1) The Treaty on the Functioning of the European Union (TFEU) requires that Member States regard their economic policies as a matter of common concern, that their budgetary policies are guided by the need for sound public finances and that their economic policies do not risk jeopardising the proper functioning of economic and monetary union.

Amendment

(1) The Treaty on the Functioning of the European Union (TFEU) requires that Member States regard their economic policies as a matter of common concern, that their budgetary policies are guided by the need for sound public finances and that their economic policies do not risk jeopardising the proper functioning of economic and monetary union. ***This requires Member States to have a budgetary position in balance or in surplus over the medium term .***

Or. en

Amendment 15

Nils Torvalds, Caroline Nagtegaal

Proposal for a directive

Recital 3

Text proposed by the Commission

(3) ***In order to encourage*** Member

Amendment

(3) ***With the aim to ensure*** Member

States' compliance with obligations under the TFEU in the area of budgetary policy, detailed rules concerning the characteristics of the budgetary frameworks of the Member States were laid down in the Council Directive 2011/85/EU.¹⁶

¹⁶ Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States (OJ L 306, 23.11.2011, p. 41).

States' **full** compliance with obligations under the TFEU in the area of budgetary policy, detailed rules concerning the characteristics of the budgetary frameworks of the Member States were laid down in the Council Directive 2011/85/EU.¹⁶

¹⁶ Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States (OJ L 306, 23.11.2011, p. 41).

Or. en

Amendment 16 **Roberts Zile**

Proposal for a directive **Recital 4**

Text proposed by the Commission

(4) **Since** there is greater interdependence among the Member States whose currency is the euro and hence susceptibility to spill-over effects from each other's budgetary policies, in order to further enhance economic integration, convergence and coordination among them, a number of improvements to budgetary coordination and surveillance were introduced through Regulation (EU) No 472/2013 of the European Parliament and of the Council¹⁷ and Regulation (EU) No 473/2013 of the European Parliament and of the Council.¹⁸

¹⁷ Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial

Amendment

(4) There is greater interdependence among the Member States whose currency is the euro and hence **increased** susceptibility to spill-over effects from each other's budgetary policies. In order to further enhance economic integration, convergence and coordination among them, a number of improvements to budgetary coordination and surveillance were introduced through Regulation (EU) No 472/2013 of the European Parliament and of the Council¹⁷ and Regulation (EU) No 473/2013 of the European Parliament and of the Council.¹⁸

¹⁷ Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial

stability (OJ L 140, 27.5.2013, p. 1).

¹⁸ Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 140, 27.5.2013, p. 11).

stability (OJ L 140, 27.5.2013, p. 1).

¹⁸ Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 140, 27.5.2013, p. 11).

Or. en

Amendment 17

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 5

Text proposed by the Commission

(5) With the aim of strengthening the foundations which ensure budgetary discipline throughout the economic cycle, on 2 March 2012 25 Member States signed and ratified the inter-governmental Treaty on Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union. Title III of the TSCG, the "Fiscal Compact", is binding on the Member States whose currency is the euro and, on a voluntary basis, on Bulgaria, Denmark and Romania (hereinafter the 'Contracting Parties'), and sets an obligation to enshrine in the national legal order of those Contracting Parties a balanced-budget rule in structural terms ***equipped with a correction mechanism automatically triggered in case of significant deviation and monitored by independent institutions***. The Contracting Parties expressed their will to use that inter-governmental instrument as a temporary device. That will is reflected in Article 16 of the TSCG which stipulates that, within five years at most following its entry into force, the necessary steps are to be taken with the aim of incorporating its substance

Amendment

(5) With the aim of strengthening the foundations which ensure budgetary discipline throughout the economic cycle, on 2 March 2012 25 Member States signed and ratified the inter-governmental Treaty on Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union. Title III of the TSCG, the "Fiscal Compact", is binding on the Member States whose currency is the euro and, on a voluntary basis, on Bulgaria, Denmark and Romania (hereinafter the 'Contracting Parties'), and sets an obligation to enshrine in the national legal order of those Contracting Parties a balanced-budget rule in structural terms. The Contracting Parties expressed their will to use that inter-governmental instrument as a temporary device. That will is reflected in Article 16 of the TSCG which stipulates that, within five years at most following its entry into force, the necessary steps are to be taken with the aim of incorporating its substance into the Union legal framework. Therefore, provisions that allow the substance of the TSCG to take effect should be introduced

into the Union legal framework. Therefore, provisions that allow the substance of the TSCG to take effect should be introduced in the Union's legal framework

in the Union's legal framework

Or. en

Amendment 18
Nils Torvalds, Caroline Nagtegaal

Proposal for a directive
Recital 6

Text proposed by the Commission

(6) In order to maintain sound and sustainable public finances and to avoid excessive government deficits as required by the TFEU, while at the same time improving the resilience of the euro area as a whole, there should be specific provisions in the national law of the Member States whose currency is the euro to strengthen their fiscal responsibility and their medium-term budgetary orientation beyond the provisions of Directive 2011/85/EU.

Amendment

(6) In order to maintain sound and sustainable public finances and to avoid excessive government deficits as required by the TFEU, while at the same time improving the resilience of the euro area as a whole, there should be specific provisions in the national law of the Member States whose currency is the euro to strengthen their fiscal responsibility and their medium-term budgetary orientation beyond the provisions of Directive 2011/85/EU **and to ensure their full compliance with EU fiscal rules.**

Or. en

Amendment 19
Roberts Zīle

Proposal for a directive
Recital 6

Text proposed by the Commission

(6) In order to maintain sound and sustainable public finances and to avoid excessive government deficits as required by the TFEU, while at the same time improving the resilience of the euro area as a whole, there should be specific

Amendment

(6) In order to maintain sound and sustainable public finances and to avoid excessive government deficits **and debt levels** as required by the TFEU, while at the same time improving the resilience of the euro area as a whole, there should be

provisions in the national law of the Member States whose currency is the euro to strengthen their fiscal responsibility and their medium-term budgetary orientation beyond the provisions of Directive 2011/85/EU.

specific provisions in the national law of the Member States whose currency is the euro to strengthen their fiscal responsibility and their medium-term budgetary orientation beyond the provisions of Directive 2011/85/EU.

Or. en

Amendment 20 **Roberts Zile**

Proposal for a directive **Recital 7**

Text proposed by the Commission

(7) *Since* the economic and financial crisis has left a number of Member States with a legacy of high public debt, a framework of numerical fiscal rules specific to each Member State *and* which aim at strengthening its responsible conduct of fiscal policy while effectively promoting compliance with the budgetary obligations deriving from the TFEU is instrumental in ensuring convergence of public debt to prudent levels. Such a framework should operate in particular by setting a medium-term objective in terms of structural balance that is binding on the national budgetary authorities and their annual decisions. Medium-term objectives for the budgetary position allow the different public-debt-to-GDP ratios and sustainability risks of Member States to be taken into account, anchoring debt developments towards the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure annexed to the Treaty on European Union and to the TFEU.

Amendment

(7) The economic and financial crisis has left a number of Member States with a legacy of high *and often steady levels of* public debt. *Thus* a framework of numerical fiscal rules specific to each Member State which aim at strengthening its responsible conduct of fiscal policy while effectively promoting compliance with the budgetary obligations deriving from the TFEU is instrumental in ensuring convergence of public debt to prudent *and sustainable* levels. Such a framework should operate in particular by setting a medium-term objective in terms of structural balance that is binding on the national budgetary authorities and their annual decisions. Medium-term objectives for the budgetary position allow the different public-debt-to-GDP ratios and sustainability risks of Member States to be taken into account, anchoring debt developments towards the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure annexed to the Treaty on European Union and to the TFEU.

Or. en

Amendment 21
Nils Torvalds, Caroline Nagtegaal

Proposal for a directive
Recital 7

Text proposed by the Commission

(7) Since the economic and financial crisis has left a number of Member States with a legacy of high public debt, a framework of numerical fiscal rules specific to each Member State and which aim at strengthening its responsible conduct of fiscal policy while effectively **promoting** compliance with the budgetary obligations deriving from the TFEU is instrumental in ensuring convergence of public debt to prudent levels. Such a framework should operate in particular by setting a medium-term objective in terms of structural balance that is binding on the national budgetary authorities and their annual decisions. Medium-term objectives for the budgetary position allow the different public-debt-to-GDP ratios and sustainability risks of Member States to be taken into account, anchoring debt developments towards the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure annexed to the Treaty on European Union and to the TFEU.

Amendment

(7) Since the economic and financial crisis has left a number of Member States with a legacy of high, **unsustainable** public debt, a framework of numerical fiscal rules specific to each Member State and which aim at strengthening its responsible conduct of fiscal policy while effectively **ensuring** compliance with **EU fiscal rules including** the budgetary obligations deriving from the TFEU is instrumental in ensuring convergence of public debt to prudent levels. Such a framework should operate in particular by setting a medium-term objective in terms of structural balance that is binding on the national budgetary authorities and their annual decisions. Medium-term objectives for the budgetary position allow the different public-debt-to-GDP ratios and sustainability risks of Member States to be taken into account, anchoring debt developments towards the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure annexed to the Treaty on European Union and to the TFEU.

Or. en

Amendment 22
Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) In the meantime, the Member

States and the EU welcomed the Paris climate agreement (COP21) and agreed to increase efforts to fight against climate change. This will require massive investment, notably by public authorities. The latest IPCC assessment report of October 2018 estimates that a total investment of 2,400 billion US\$2010 will have to be mobilised globally by 2035 to limit the temperature increase to 1.5°C by the end of this century.

Or. en

Amendment 23

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 7 b (new)

Text proposed by the Commission

Amendment

(7b) On 17 November 2017, the European Pillar of Social Rights was jointly signed by the European Parliament, the Council and the Commission at the Social Summit for Fair Jobs and Growth in Gothenburg, Sweden. In the preamble, the signatories reckon that 'A stronger focus on employment and social performance is particularly important to increase resilience and deepen the Economic and Monetary Union. For this reason, the European Pillar of Social Rights is notably conceived for the euro area but it is addressed to all Member States.'

Or. en

Amendment 24

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) In order to achieve and maintain the medium-term objective in structural terms, it is necessary for Member States to set out a consistent adjustment path, based on variables under the control of the budgetary authorities. National fiscal planning underpinned by a government expenditure path adjusted for the impact of discretionary revenue measures favours effectiveness, transparency and accountability when monitoring fiscal developments. In order to tightly connect plans with the overall fiscal outcomes in the medium-term and to ensure an enhanced sense of national ownership of fiscal policy, a medium-term growth path of government expenditure net of discretionary revenue measures should be set for the whole term of the legislature as established by the constitutional legal order of each Member State. That path should be set as soon as a new government takes office and annual budgets should adhere to it so as to bring about resolute convergence towards the medium-term objective.

Amendment

(8) In order to achieve and maintain the medium-term objective in structural terms ***while duly taking into account the abovementioned social and climate goals*** , it is necessary for Member States to set out a consistent adjustment path, based on variables under the control of the budgetary authorities. National fiscal planning underpinned by a government expenditure path adjusted for the impact of discretionary revenue measures favours effectiveness, transparency and accountability when monitoring fiscal developments. In order to tightly connect plans with the overall fiscal outcomes in the medium-term and to ensure an enhanced sense of national ownership of fiscal policy, a medium-term growth path of government expenditure net of discretionary revenue measures should be set for the whole term of the legislature as established by the constitutional legal order of each Member State. That path should be set as soon as a new government takes office and annual budgets should adhere to it so as to bring about resolute convergence towards the medium-term ***budgetary objective and other relevant social and climate commitments*** .

Or. en

Amendment 25
Roberts Zile

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) In order to achieve and maintain the medium-term objective in structural terms,

Amendment

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it is necessary for Member States to set out a consistent adjustment path, based on variables under the control of the budgetary authorities. National fiscal planning underpinned by a government expenditure path adjusted for the impact of discretionary revenue measures favours effectiveness, transparency and accountability when monitoring fiscal developments. In order to tightly connect plans with the overall fiscal outcomes in the medium-term and to ensure an enhanced sense of national ownership of fiscal policy, a medium-term growth path of government expenditure net of discretionary revenue measures should be set for the whole term of the legislature as established by the constitutional legal order of each Member State. That path should be set *without undue delay* as a new government takes office and annual budgets should adhere to it so as to bring about resolute convergence towards the medium-term objective.

Or. en

Amendment 26

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 9

Text proposed by the Commission

(9) Due to their future positive effects, the implementation of major structural reforms fostering *long-run sustainability* could justify changes in the adjustment path towards the medium-term objective, provided that they have a verifiable positive budgetary impact which is confirmed by the assessment conducted according to the procedural requirements of the SGP. In order to facilitate economic stabilisation, exceptional circumstances –

Amendment

(9) Due to their future positive effects *with respect to the current and future societal challenges (climate change, inequality, ageing, modernisation of the economy)*, the implementation of major structural reforms fostering *medium- to long-run resilience* could justify changes in the adjustment path towards the medium-term objective, provided that they have a verifiable positive budgetary impact which is confirmed by the assessment

in the form of severe economic downturns for the euro area or the Union as a whole or unusual events outside the control of the Member State concerned which have a major budgetary impact – should allow for a temporary deviation from the medium-term objective or the adjustment path towards it, where such a deviation does not endanger fiscal sustainability in the medium-term.

conducted according to the procedural requirements of the SGP. ***Furthermore, major national efforts in terms of effective implementation of structural reforms, as well as stronger European coordination, are needed to achieve a more robust economic and sustainable Europe with widely shared prosperity.*** In order to facilitate economic stabilisation, exceptional circumstances – in the form of severe economic downturns for the euro area or the Union as a whole or unusual events outside the control of the Member State concerned which have a major budgetary impact – should allow for a temporary deviation from the medium-term objective or the adjustment path towards it, where such a deviation does not endanger fiscal sustainability in the medium-term.

Or. en

Amendment 27
Nils Torvalds, Caroline Nagtegaal

Proposal for a directive
Recital 9

Text proposed by the Commission

(9) Due to their future positive effects, the implementation of major structural reforms fostering long-run sustainability could justify changes in the adjustment path towards the medium-term objective, provided that they have a verifiable positive budgetary impact which is confirmed by the assessment conducted according to the procedural requirements of the SGP. In order to facilitate economic stabilisation, exceptional circumstances – in the form of severe economic downturns for the euro area or the Union as a whole or unusual events outside the control of the Member State concerned which have a major budgetary impact – should allow for a temporary deviation from the medium-

Amendment

(9) Due to their future positive effects, the implementation of major structural reforms fostering long-run sustainability could justify changes in the adjustment path towards the medium-term objective, provided that they have a verifiable positive budgetary impact which is confirmed by the assessment conducted according to the procedural requirements of the SGP. In order to facilitate economic stabilisation, exceptional circumstances – in the form of severe economic downturns for the euro area or the Union as a whole or unusual events outside the control of the Member State concerned which have a major budgetary impact – should allow for a temporary deviation from the medium-

term objective or the adjustment path towards it, where such a deviation does not **endanger** fiscal sustainability in the medium-term.

term objective or the adjustment path towards it, where such a deviation does not **risk endangering** fiscal sustainability in the medium-term.

Or. en

Amendment 28

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 10

Text proposed by the Commission

Amendment

(10) If they are not adequately addressed, significant deviations from the medium-term objective or the adjustment path towards it hamper the credibility of the budgetary plans and risk derailing government debt developments. To enhance the credibility of the Member States' commitment to the medium-term objective, a correction mechanism should be automatically activated in the event of a significant observed deviation. A credible correction mechanism should set out the measures which need to be implemented to correct the deviation over a defined period of time, taking account of the nature and size of the deviation. In particular, the correction mechanism should compensate for deviations from the medium-term growth path of government expenditure net of discretionary revenue measures.

deleted

Or. en

Amendment 29

Roberts Zile

Proposal for a directive

Recital 10

Text proposed by the Commission

(10) If they are not adequately addressed, significant deviations from the medium-term objective or the adjustment path towards it hamper the credibility of the budgetary plans and risk derailing government debt developments. To enhance the credibility of the Member States' commitment to the medium-term objective, a correction mechanism should be automatically activated in the event of a significant observed deviation. A credible correction mechanism should set out the measures which need to be implemented to correct the deviation over a defined period of time, taking account of the nature and size of the deviation. In particular, the correction mechanism should compensate for deviations from the medium-term growth path of government expenditure net of discretionary revenue measures.

Amendment

(10) If they are not adequately addressed, significant deviations from the medium-term objective or the adjustment path towards it hamper the credibility of the budgetary plans and risk derailing government debt developments **and sustainability of public finances**. To enhance the credibility of the Member States' commitment to the medium-term objective, a correction mechanism should be automatically activated in the event of a significant observed deviation. A credible correction mechanism should set out the measures which need to be implemented to correct the deviation over a defined period of time, taking account of the nature and size of the deviation. In particular, the correction mechanism should compensate for deviations from the medium-term growth path of government expenditure net of discretionary revenue measures.

Or. en

Amendment 30

Roberts Zile

Proposal for a directive

Recital 11

Text proposed by the Commission

(11) Independent bodies charged with monitoring public finances in the Member States are an essential building block of effective fiscal frameworks. In order to foster fiscal discipline and strengthen the credibility of fiscal policy, such bodies should carry out independent assessments of the framework of numerical fiscal rules, including notably the medium-term budgetary orientation, and should monitor compliance with that framework and the activation and operation of the associated

Amendment

(11) Independent bodies charged with monitoring public finances in the Member States are an essential building block of effective fiscal frameworks. In order to foster fiscal discipline and strengthen the credibility of fiscal policy, such bodies should carry out independent **and non-partisan** assessments of the framework of numerical fiscal rules, including notably the medium-term budgetary orientation, and should monitor compliance with that framework and the activation and operation

correction mechanisms.

of the associated correction mechanisms.
There should be full transparency in the work and operations of such bodies. The independent bodies should be precluded from any normative policy-making responsibilities and refrain from passing judgement regarding issues outside the scope of their mandate.

Or. en

Amendment 31

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 11

Text proposed by the Commission

(11) Independent bodies charged with monitoring public finances in the Member States are an essential building block of effective fiscal frameworks. In order to foster fiscal discipline and strengthen the credibility of fiscal policy, such bodies should carry out independent assessments of the framework of numerical fiscal rules, including notably the medium-term budgetary orientation, and should monitor compliance with that framework ***and the activation and operation of the associated correction mechanisms.***

Amendment

(11) Independent bodies charged with monitoring public finances in the Member States are an essential building block of effective fiscal frameworks. In order to foster fiscal discipline and strengthen the credibility of fiscal policy, such bodies should carry out independent assessments of the framework of numerical fiscal rules, including notably the medium-term budgetary orientation, and should monitor compliance with that framework.

Or. en

Amendment 32

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) In accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union, the national Parliaments will have to debate and approve the corrective measures in due time.

Or. en

Amendment 33

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 12

Text proposed by the Commission

(12) Strengthened national fiscal responsibility and a binding multi-annual orientation of fiscal policy requires fiscal institutions to be independent and have their own resources for actively monitoring fiscal developments and providing recommendations throughout the medium-term ***budgetary*** cycle, including in particular where a significant deviation from the medium-term objective or the adjustment path towards is observed. ***In order to boost the credibility and enforceability of the medium-term objective, its underlying government expenditure path and the related correction mechanism in case of significant deviations, the budgetary authorities of the Member States should comply with the recommendations put forward in the assessments of the independent bodies or publicly justify the decision not to comply with them.***

Anchoring that principle in the national legal order can play a crucial role in that respect.

Amendment

(12) Strengthened national fiscal responsibility and a binding multi-annual orientation of fiscal policy requires fiscal institutions to be independent and have their own resources for actively monitoring fiscal developments and providing recommendations throughout the medium-term ***budgetary*** cycle, including in particular where a significant deviation from the medium-term objective or the adjustment path towards is observed. Anchoring that principle in the national legal order can play a crucial role in that respect.

Or. en

Amendment 34
Roberts Zile

Proposal for a directive
Recital 12

Text proposed by the Commission

(12) Strengthened national fiscal responsibility and a binding multi-annual orientation of fiscal policy requires fiscal institutions to be independent and have their own resources for actively monitoring fiscal developments and providing recommendations throughout the medium-term *budgetary* cycle, including in particular where a significant deviation from the medium-term objective or the adjustment path towards is observed. In order to boost the credibility and enforceability of the medium-term objective, its underlying government expenditure path and the related correction mechanism in case of significant deviations, the budgetary authorities of the Member States should comply with the recommendations put forward in the assessments of the independent bodies or publicly justify the decision not to comply with them. Anchoring that principle in the national legal order can play a crucial role in that respect.

Amendment

(12) Strengthened national fiscal responsibility and a binding multi-annual orientation of fiscal policy requires fiscal institutions to be independent, ***their mandates clearly defined*** and have their own resources for actively monitoring fiscal developments and providing recommendations throughout the medium-term *budgetary* cycle, including in particular where a significant deviation from the medium-term objective or the adjustment path towards is observed. In order to boost the credibility and enforceability of the medium-term objective, its underlying government expenditure path and the related correction mechanism in case of significant deviations, the budgetary authorities of the Member States should comply with the recommendations put forward in the assessments of the independent bodies or publicly justify the decision not to comply with them. Anchoring that principle in the national legal order can play a crucial role in that respect.

Or. en

Amendment 35
Nils Torvalds, Caroline Nagtegaal

Proposal for a directive
Recital 12

Text proposed by the Commission

(12) Strengthened national fiscal responsibility and a binding multi-annual orientation of fiscal policy requires fiscal

Amendment

(12) Strengthened national fiscal responsibility and a binding multi-annual orientation of fiscal policy requires fiscal

institutions to be independent and have their own resources for actively monitoring fiscal developments and providing recommendations throughout the medium-term *budgetary* cycle, including in particular where a *significant* deviation from the medium-term objective or the adjustment path towards is observed. In order to boost the credibility and enforceability of the medium-term objective, its underlying government expenditure path and the related correction mechanism in case of significant deviations, the budgetary authorities of the Member States should comply with the recommendations put forward in the assessments of the independent bodies or publicly justify the decision not to comply with them. Anchoring that principle in the national legal order *can play a crucial role* in that respect.

institutions to be independent and have their own *and sufficient* resources for actively monitoring fiscal developments and providing recommendations throughout the medium-term *budgetary* cycle, including in particular where a deviation from the medium-term objective or the adjustment path towards is observed. In order to boost the credibility and enforceability of the medium-term objective, its underlying government expenditure path and the related correction mechanism in case of significant deviations, the budgetary authorities of the Member States should comply with the recommendations put forward in the assessments of the independent bodies or publicly justify the decision not to *fully* comply with them. Anchoring that principle in the national legal order *is* crucial in that respect.

Or. en

Amendment 36
Caroline Nagtegaal, Nils Torvalds

Proposal for a directive
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) To enhance fiscal surveillance, to strengthen the credibility of fiscal policy and to foster economic convergence, the Commission should assess the possibility to strengthen the role and the independence of the European Fiscal Board. An independent European Fiscal Board could be tasked with preparing independent economic and fiscal forecasts and the preparation of country reports.

Or. en

Amendment 37

Philippe Lamberts

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 13

Text proposed by the Commission

(13) For greater efficacy of the shared goal of the national budgetary rules and mechanisms and the Union's fiscal framework, namely the convergence of public debt to prudent levels, Member States should give effect to the rules provided for in this Directive through provisions of binding force and permanent character, of constitutional nature or otherwise guaranteed to be fully respected and adhered to throughout the national budgetary processes.

Amendment

deleted

Or. en

Amendment 38

Nils Torvalds, Caroline Nagtegaal

Proposal for a directive

Recital 14

Text proposed by the Commission

(14) The European Council on 19 October 2012 concluded that the process towards deeper economic and monetary union should build on the Union institutional and legal framework and be characterised by openness and transparency towards Member States whose currency is not the euro. National measures to strengthen fiscal responsibility in those Member States would facilitate their adoption of the euro and therefore ***the mechanisms established by this Directive should be open to*** all Member States ***wishing to participate***. Therefore, provision should be made for this Directive

Amendment

(14) The European Council on 19 October 2012 concluded that the process towards deeper economic and monetary union should build on the Union institutional and legal framework and be characterised by openness and transparency towards Member States ***with a permanent exception or those*** whose currency is not ***yet*** the euro. National measures to strengthen fiscal responsibility in those Member States would facilitate their adoption of the euro, ***making their economies more resilient and improve their long term growth potential*** and therefore all Member States ***should be***

to be applicable to Member States whose currency is not the euro where those Member States so decide.

encouraged to comply with this Directive. Therefore, provision should be made for this Directive to be applicable to Member States *with a permanent exception or those* whose currency is not *yet* the euro where those Member States so decide.

Or. en

Amendment 39
Roberts Zile

Proposal for a directive
Article 1 – paragraph 1

Text proposed by the Commission

1. This Directive lays down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States to ensure compliance with obligations relating to the avoidance of excessive government deficits.

Amendment

1. This Directive lays down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States to ensure compliance with obligations relating to the avoidance of excessive government deficits *and public debt.*

Or. en

Amendment 40
Nils Torvalds, Caroline Nagtegaal

Proposal for a directive
Article 1 – paragraph 1

Text proposed by the Commission

1. This Directive lays down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States to ensure compliance with obligations relating to the avoidance of excessive government deficits.

Amendment

1. This Directive lays down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States to ensure *full* compliance with obligations relating to the avoidance of excessive government deficits.

Or. en

Amendment 41
Markus Ferber

Proposal for a directive
Article 2 – paragraph 2 – point b

Text proposed by the Commission

(b) 'independent bodies' means **bodies that are structurally independent or bodies endowed with functional autonomy vis-à-vis the budgetary authorities of the Member State, and which are underpinned by national legal provisions ensuring a high degree of functional autonomy and accountability.**

Amendment

(b) 'independent bodies' means independent bodies **as defined in Regulation (EU) No 473/2013.**

Or. en

(cf. ECB Opinion CON/2018/251)

Justification

There is already an existing definition of independent bodies under Regulation (EU) No 473/2013. Making reference to that definition avoids duplicating definitions.

Amendment 42
Philippe Lamberts

Proposal for a directive
Article 2 – paragraph 2 – point b

Text proposed by the Commission

(b) 'independent bodies' means bodies that are structurally independent **or bodies endowed with functional autonomy vis-à-vis the budgetary authorities of the Member State, and which** are underpinned by national legal provisions **ensuring** a high degree of functional autonomy and accountability.

Amendment

(b) 'independent bodies' means **public** bodies that are structurally **and financially** independent, **that enjoy** functional autonomy vis-à-vis **all other public** authorities of the Member State **as well as any private sector actors, and that** are underpinned by national legal provisions **and funding commitments that ensure** a high degree of functional autonomy and accountability

Or. en

Justification

The present proposal grants considerable power to the independent body, but to be truly independent, an institution or agency needs to be independent not just from government agencies, but also from any and all private sector interests. Otherwise we run the risk of having more scandals like Mario Draghi's membership in the 'Group of 30', which has been rightly criticised by the European Ombudsman. Financial independence is a necessary condition of organisational independence. Therefore, the independent body must ultimately be publicly funded because only government funding can ensure independence, provided it is coupled with legal provisions that guarantee an arm's-length relationship between it and the government.

Amendment 43 **Roberts Zile**

Proposal for a directive **Article 2 – paragraph 2 – point b**

Text proposed by the Commission

(b) 'independent bodies' means bodies that are structurally independent or bodies endowed with functional autonomy vis-à-vis the budgetary authorities of the Member State, and which are underpinned by national legal provisions ensuring a high degree of functional autonomy and accountability.

Amendment

(b) 'independent bodies' means bodies ***with a clearly defined mandate*** that are structurally independent or bodies endowed with functional autonomy vis-à-vis the budgetary authorities of the Member State, and which are underpinned by national legal provisions ensuring a high degree of ***transparency in their work***, functional autonomy and accountability.

Or. en

Amendment 44 **Markus Ferber**

Proposal for a directive **Article 2 – paragraph 2 – point c a (new)**

Text proposed by the Commission

Amendment

(ca) ***“significant observed deviation” means a deviation from the medium-term objective or the adjustment path towards it that is evaluated in accordance with paragraph 3 of Article 6 of Council***

(cf. ECB Opinion CON/2018/25)

Justification

The term ‘significant observed deviation’ should be defined in order to bring legal certainty to the applicability of the automatic correction mechanism as set out in Article 3(2)(b) of the proposed directive.

Amendment 45
Philippe Lamberts

Proposal for a directive
Article 2 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) ‘structural reforms’ means wide-ranging governmental actions aimed at strengthening the medium- to long-term resilience of European economies in the face of societal challenges and upward convergence;

Amendment 46
Philippe Lamberts

Proposal for a directive
Article 2 – paragraph 2 – point c b (new)

Text proposed by the Commission

Amendment

(cb) ‘conflict of interest’ means any situation where an individual has an interest that may compromise or be reasonably perceived to compromise the individual’s capacity to act independently and in the public interest when providing advice.

Amendment 47
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 1 – introductory part

Text proposed by the Commission

1. Each Member State shall set up a framework of binding and permanent numerical fiscal rules which are specific to it, strengthen its responsible conduct of fiscal policy and effectively promote compliance with its obligations deriving from the TFEU in the area of budgetary policy over a multiannual horizon for the general government as a whole. That framework shall include in particular the following rules:

Amendment

1. Each Member State shall set up a framework of binding and permanent numerical fiscal rules which are specific to it, strengthen its responsible conduct of fiscal policy and effectively promote compliance with its obligations deriving from the TFEU in the area of budgetary policy, ***the European Pillar of Social Rights, the Union's Jobs and Growth Strategy and the international environmental and energy commitments*** over a multiannual horizon for the general government as a whole. That framework shall include in particular the following rules:

Or. en

Amendment 48
Markus Ferber

Proposal for a directive
Article 3 – paragraph 1 – introductory part

Text proposed by the Commission

1. Each Member State shall ***set up*** a framework of binding and permanent numerical fiscal rules which are specific to it, strengthen its responsible conduct of fiscal policy and effectively promote compliance with its obligations deriving from the TFEU in the area of budgetary policy over a multiannual horizon for the general government as a whole. That framework shall include in particular the

Amendment

1. Each Member State shall ***have in place*** a framework of binding and permanent numerical fiscal rules which are specific to it, strengthen its responsible conduct of fiscal policy and effectively promote compliance with its obligations deriving from the TFEU in the area of budgetary policy over a multiannual horizon for the general government as a whole. That framework shall include in

following rules:

particular the following rules:

Or. en

(cf. ECB Opinion CON/2018/25)

Amendment 49
Markus Ferber

Proposal for a directive
Article 3 – paragraph 1 – point a

Text proposed by the Commission

(a) a medium-term objective in terms of structural balance shall be set in order to ensure that the ratio of government debt to gross domestic product at market prices does not exceed the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure or approaches it at a satisfactory pace.

Amendment

(a) a medium-term objective in terms of structural balance shall be set in order to ensure that the ratio of government debt to gross domestic product at market prices does not exceed the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure or approaches it at a satisfactory pace. ***This medium-term objective shall be consistent with the requirements imposed by Article 2a of Council Regulation (EC) No 1466/97, in particular with the requirement that the budgetary position of the general government shall be close to balance or in surplus. This indicates that the medium-term objective shall not exceed the upper limit of the structural deficit of 0.5% of gross domestic product, which can become 1.0% of gross domestic product where the debt level is significantly below 60% of gross domestic product***

Or. en

(cf. ECB Opinion CON/2018/25)

Justification

This amendments aims at creating alignment with the detailed provisions laid down in the fiscal compact.

Amendment 50

Philippe Lamberts

Proposal for a directive

Article 3 – paragraph 1 – point a

Text proposed by the Commission

(a) a medium-term objective in terms of structural balance shall be set in order to ensure that the ratio of government debt to gross domestic product at market prices does not exceed the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure or approaches it at a satisfactory pace.

Amendment

(a) a medium-term objective in terms of structural balance shall be set in order to ensure that the ratio of government debt to gross domestic product at market prices does not *needlessly* exceed the reference value set out in Article 1 of Protocol No 12 on the excessive deficit procedure or approaches it at a satisfactory pace.

Or. en

Justification

In the spirit of a better balance between fiscal targets and other political targets, it is vital to avoid one-sided and overly rigid application of budgetary criteria.

Amendment 51

Philippe Lamberts

Proposal for a directive

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) fiscal planning shall include *a medium-term growth path of government expenditure net of discretionary revenue measures and consistent with the medium-term objective or the time-frame for convergence towards it. That path shall be set as soon as a new government takes office in the Member State, for the term of the legislature as established by the constitutional legal order of that Member State, and shall be respected by the annual budgets throughout that period.*

Amendment

(b) fiscal planning shall include:

Or. en

Justification

This is a reformatting amendment to accommodate Greens/EFA additions to subparagraph b.

Amendment 52

Markus Ferber

Proposal for a directive

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) fiscal planning shall include a medium-term growth path of government expenditure net of discretionary revenue measures and consistent with the medium-term objective or the time-frame for convergence towards it. ***That*** path shall be set as soon as a new government takes office in the Member State, for the term of the legislature as established by the constitutional legal order of that Member State, and shall be respected by the annual budgets throughout that period.

Amendment

(b) fiscal planning shall include a medium-term growth path of government expenditure net of discretionary revenue measures and consistent with the medium-term objective or the time-frame for ***a rapid*** convergence towards it. ***The progress towards the medium-term objective shall be in line with the SGP. The corresponding expenditure*** path shall be set as soon as a new government takes office in the Member State, for the term of the legislature as established by the constitutional legal order of that Member State, and shall be respected by the annual budgets throughout that period. ***The expenditure growth targets may need to be adjusted in the light of updated macroeconomic developments and if deviations from the government expenditure path referred to in this paragraph need to be compensated for in accordance with point (b) of paragraph 2.***

Or. en

(cf. ECB Opinion CON/2018/25)

Amendment 53

Roberts Zile

Proposal for a directive

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) fiscal planning shall include a medium-term growth path of government expenditure net of discretionary revenue measures and consistent with the medium-term objective or the time-frame for convergence towards it. That path shall be set *as soon* as a new government takes office in the Member State, for the term of the legislature as established by the constitutional legal order of that Member State, and shall be respected by the annual budgets throughout that period.

Amendment

(b) fiscal planning shall include a medium-term growth path of government expenditure net of discretionary revenue measures and consistent with the medium-term objective or the time-frame for convergence towards it. That path shall be set *without undue delay* as a new government takes office in the Member State, for the term of the legislature as established by the constitutional legal order of that Member State, and shall be respected by the annual budgets throughout that period.

Or. en

Amendment 54
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 1 – point b – point i (new)

Text proposed by the Commission

Amendment

(i) a medium-term growth path of government expenditure net of discretionary revenue measures that is consistent with the medium-term objective or the time-frame for convergence towards it and with the Member State's obligations under the European Pillar of Social Rights, the Union's Jobs and Growth Strategy and the environmental and energy commitments in relation with the COP21 and other relevant international agreements. That path shall be set as soon as a new government takes office in the Member State, for the term of the legislature as established by the constitutional legal order of that Member State, and shall be respected by the annual budgets throughout that period;

Or. en

Amendment 55
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 1 – point b – point ii (new)

Text proposed by the Commission

Amendment

(ii) an impact assessment of the medium-term growth path the expenditure and revenue measures with respect to the national goals defined in the context of the Jobs and Growth Strategy and with respect to the environmental and energy commitments in relation with the COP21 and other relevant international agreements. It shall also include an impact assessment of the distributive effects and on energy poverty in accordance with Directive of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency (Article 1.1.4).

Or. en

Amendment 56
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 2

Text proposed by the Commission

Amendment

2. The framework referred to in paragraph 1 shall include the following specifications:

deleted

(a) annual budgets shall ensure compliance with the medium-term objective referred to in point (a) of paragraph 1 or convergence towards it, specifically by ensuring adherence to the government expenditure path referred to in point (b) of that paragraph. When defining the adjustment path towards the

medium-term objective and acting in line with the procedural requirements of the Union framework, Member States may take into account the implementation of major structural reforms which have direct long-term positive budgetary effects, including by increasing potential sustainable growth, and therefore a verifiable impact on the long-term sustainability of public finances.

(b) a correction mechanism shall be automatically activated in the event of a significant observed deviation from the medium-term objective or the adjustment path towards it. That mechanism shall include the obligation to implement measures to correct the deviation over a defined period of time and taking account of the nature and size of the deviation, in particular by compensating for deviations from the government expenditure path referred to in point (b) of paragraph 1.

Or. en

Amendment 57
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Annual budgets shall ensure compliance with the medium-term objective referred to in point (a) of paragraph 1 or convergence towards it, specifically by ensuring adherence to the government expenditure path referred to in point (b) of that paragraph. When defining the adjustment path towards the medium-term objective and acting in line with the procedural requirements of the Union framework, Member States may take into account the implementation of major structural reforms which have direct long-term positive budgetary effects

and therefore a verifiable impact on the long-term sustainability of public finances.

Or. en

Amendment 58
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that a temporary deviation from the medium-term objective or the adjustment path towards it, with the corresponding adjustment of the government expenditure path referred to in point (b) of paragraph 1, is allowed only in case of exceptional circumstances and provided that any such deviation does not endanger fiscal sustainability in the medium-term. A temporary deviation resulting from exceptional circumstances shall not be deemed significant for the purposes of point (b) of paragraph 2 **and shall not have the effect of activating the correction mechanism referred to in point (b) of that paragraph.**

Amendment

3. Member States shall ensure that a temporary deviation from the medium-term objective or the adjustment path towards it, with the corresponding adjustment of the government expenditure path referred to in point (b) of paragraph 1, is allowed only in case of exceptional circumstances and provided that any such deviation does not endanger fiscal sustainability in the medium-term. A temporary deviation resulting from exceptional circumstances shall not be deemed significant for the purposes of point (b) of paragraph 2.

Or. en

Amendment 59
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 3 – point a (new)

Text proposed by the Commission

(a) No provision of this Directive shall prevent a Member State's new government from updating its medium-term budgetary framework to reflect its

new policy priorities. In this case, the new government shall explain the differences from the previous medium-term budgetary framework.

Or. en

Justification

Governments can change during a legislature due to shifting coalitions, by-elections etc. It would be undemocratic if the incoming government were bound by the budgetary policies of the former. Also cf. Art.11 of Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States.

Amendment 60
Markus Ferber

Proposal for a directive
Article 3 – paragraph 4 – introductory part

Text proposed by the Commission

4. ***Member States shall designate*** independent bodies for monitoring compliance with the provisions ***in*** paragraphs 1 and 2. The independent bodies shall provide public assessments to ascertain:

Amendment

4. ***The*** independent bodies ***designated by Member States pursuant to Article 5 of Regulation (EU) No 473/2013 shall be responsible*** for monitoring compliance with the provisions ***of*** paragraphs 1 and 2. The independent bodies shall provide public assessments to ascertain:

Or. en

(cf. ECB Opinion CON/2018/25)

Amendment 61
Roberts Zile

Proposal for a directive
Article 3 – paragraph 4 – introductory part

Text proposed by the Commission

4. Member States shall designate independent bodies for monitoring compliance with the provisions in paragraphs 1 and 2. The independent bodies shall provide public assessments to

Amendment

4. Member States shall designate independent bodies for monitoring compliance with the provisions in paragraphs 1 and 2. The independent bodies shall provide ***objective and non-***

ascertain:

partisan public assessments to ascertain:

Or. en

Amendment 62
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 4 – point a

Text proposed by the Commission

(a) adequacy of the medium-term objective under point (a) of paragraph 1 and of the government expenditure path referred to in point (b) of paragraph 1. That assessment shall take into account in particular the plausibility of the underlying macroeconomic forecast, the degree of specification of the planned government expenditure and revenue and the potential direct long-term positive budgetary effects of major structural reforms;

Amendment

(a) adequacy of the medium-term objective under point (a) of paragraph 1 and of the government expenditure path referred to in point (b) of paragraph 1. That assessment shall take into account in particular the plausibility of the underlying macroeconomic forecast, the degree of specification of the planned government expenditure and revenue, ***the country's investment and expenditure needs for achieving social, environmental and economic goals***, and the potential direct long-term positive budgetary effects of major structural reforms;

Or. en

Justification

A balanced and independent assessment of budgetary policy must assess the adequacy between the needs for investment and expenditure on the one hand, and the financial means on the other.

Amendment 63
Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a directive
Article 3 – paragraph 4 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the existence of a significant observed deviation from the medium-term

objective or the adjustment path to it;

Or. en

Amendment 64
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 5 – introductory part

Text proposed by the Commission

5. Member States shall ensure that, in the event *of* a significant observed deviation as referred to in point (b) of paragraph 2, ***the independent bodies shall call upon the budgetary authorities to activate the correction mechanism.*** After *the* correction ***mechanism is activated,*** the independent bodies shall provide public assessments to ascertain:

Amendment

5. Member States shall ensure that, in the event ***that the independent bodies ascertains*** a significant observed deviation as referred to in point (b) of paragraph 2, ***corrective measures will be taken under a defined and reasonable time-frame*** after ***public debate and vote in the national Parliament and considering the social and environmental commitments of the Member States.*** ***Once*** correction ***measures have been taken,*** the independent bodies shall provide public assessments to ascertain:

Or. en

Justification

Article 3(2) of the TSCG stipulates that any correction mechanism ‘shall fully respect the prerogatives of national Parliaments’

Amendment 65
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 5 – point a

Text proposed by the Commission

(a) consistency of the planned measures with the established correction mechanism, having regard in particular to whether deviations from the government expenditure path set in

Amendment

deleted

*accordance with point (b) of paragraph 1
are adequately compensated for;*

Or. en

Amendment 66
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 5 – point c a (new)

Text proposed by the Commission

Amendment

*(ca) the social effects, which includes
distributive effects on different income
groups and genders, and the
environmental effects of the corrective
measures.*

Or. en

Amendment 67
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 6

Text proposed by the Commission

Amendment

*6. Member States shall ensure that
the budgetary authorities of the Member
State concerned comply with the
recommendations of the independent
bodies made in the assessments required
under paragraphs 4 and 5 or publicly
justify the decision not to comply with
those recommendations.*

deleted

Or. en

Amendment 68
Markus Ferber

Proposal for a directive
Article 3 – paragraph 7 – point a

Text proposed by the Commission

Amendment

(a) are established by a statutory regime grounded in national laws, regulations or binding administrative provisions;

deleted

Or. en

(cf. ECB Opinion CON/2018/25)

Justification

The definition of ‘independent bodies’ in Regulation (EU) No 473/2013 already contains similar language to that set out in Article 3(7) of the proposed directive, with the exception of the last requirement on access to information. In order to avoid duplication of legal provisions, it is proposed to delete all requirements but point (f).

Amendment 69
Roberts Zile

Proposal for a directive
Article 3 – paragraph 7 – point a

Text proposed by the Commission

Amendment

(a) are established by a statutory regime grounded in national laws, regulations or binding administrative provisions;

(a) are *independent and non-partisan*, established by a statutory regime grounded in national laws, regulations or binding administrative provisions *and are precluded from any normative policy-making responsibilities*

Or. en

Amendment 70
Markus Ferber

Proposal for a directive
Article 3 – paragraph 7 – point b

Text proposed by the Commission

Amendment

(b) do not take instructions from the budgetary authorities of the Member State concerned or from any other public or private body; **deleted**

Or. en

(cf. ECB Opinion CON/2018/25)

Justification

The definition of ‘independent bodies’ in Regulation (EU) No 473/2013 already contains similar language to that set out in Article 3(7) of the proposed directive, with the exception of the last requirement on access to information. In order to avoid duplication of legal provisions, it is proposed to delete all requirements but point (f).

Amendment 71
Roberts Zile

Proposal for a directive
Article 3 – paragraph 7 – point b

Text proposed by the Commission

Amendment

(b) do not take instructions from the budgetary authorities of the Member State concerned or from any other public or private body;

(b) do not take instructions from the budgetary authorities **or the incumbent government** of the Member State concerned or from any other public or private body;

Or. en

Amendment 72
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point b a (new)

Text proposed by the Commission

Amendment

(ba) conduct themselves in a way that ensures complete independence from any private sector or other special interest and make sure that their individual members also abide by this rule, especially through

measures to avoid conflicts of interest;

Or. en

Justification

As the experience with Mario Draghi's controversial membership in the Group of 30 has shown, nominally independent bodies must be required to maintain their distance not just from governments, but also private sector interests and actors.

Amendment 73

Markus Ferber

Proposal for a directive

Article 3 – paragraph 7 – point c

Text proposed by the Commission

Amendment

(c) have the capacity to communicate publicly in a timely manner; **deleted**

Or. en

(cf. ECB Opinion CON/2018/25)

Justification

The definition of 'independent bodies' in Regulation (EU) No 473/2013 already contains similar language to that set out in Article 3(7) of the proposed directive, with the exception of the last requirement on access to information. In order to avoid duplication of legal provisions, it is proposed to delete all requirements but point (f).

Amendment 74

Roberts Zile

Proposal for a directive

Article 3 – paragraph 7 – point c

Text proposed by the Commission

Amendment

(c) have the capacity to communicate publicly in a timely manner;

(c) have the capacity to communicate publicly in a timely manner *to all relevant stakeholders*;

Or. en

Amendment 75
Markus Ferber

Proposal for a directive
Article 3 – paragraph 7 – point d

Text proposed by the Commission

Amendment

(d) are made up of members who are nominated and appointed on the basis of their experience and competence in public finances, macroeconomics and budgetary management, and by means of transparent procedures; **deleted**

Or. en

(cf. ECB Opinion CON/2018/25)

Justification

The definition of ‘independent bodies’ in Regulation (EU) No 473/2013 already contains similar language to that set out in Article 3(7) of the proposed directive, with the exception of the last requirement on access to information. In order to avoid duplication of legal provisions, it is proposed to delete all requirements but point (f).

Amendment 76
Roberts Zile

Proposal for a directive
Article 3 – paragraph 7 – point d

Text proposed by the Commission

Amendment

(d) are made up of members who are nominated and appointed on the basis of their experience and competence in public finances, macroeconomics and budgetary management, and by means of transparent procedures;

(d) are made up of members who are nominated and appointed ***without reference to political affiliation***, on the basis of ***merit and*** their experience and competence in public finances, macroeconomics and budgetary management, and by means of transparent procedures;

Or. en

Amendment 77
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point d

Text proposed by the Commission

(d) are ***made up*** of members who are nominated and appointed on the basis of their experience and competence in ***public finances, macroeconomics and budgetary management, and by means of transparent procedures;***

Amendment

(d) are ***composed in roughly equal measure*** of members who are nominated and appointed on the basis of their experience and competence in ***one of the following areas:***

Or. en

Justification

A private business cannot leave important decisions solely to the accountant, and neither can a body tasked with policy oversight be composed only of budgetary experts. The suggested amendments reflect the necessary rebalancing.

Amendment 78
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point d – point i (new)

Text proposed by the Commission

Amendment

(i) ***public finances and budgetary management;***

Or. en

Amendment 79
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point d – point ii (new)

Text proposed by the Commission

Amendment

(ii) ***social policy;***

Amendment 80
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point d – point iii (new)

Text proposed by the Commission

Amendment

**(iii) economic policy and
macroeconomics;**

Amendment 81
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point d – point iv (new)

Text proposed by the Commission

Amendment

(iv) environmental policy;

Amendment 82
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point d – point v (new)

Text proposed by the Commission

Amendment

(v) gender equality;

Amendment 83
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point d a (new)

Text proposed by the Commission

Amendment

(da) appoint their members by means of transparent and non-discriminatory procedures;

Or. en

Amendment 84
Markus Ferber

Proposal for a directive
Article 3 – paragraph 7 – point e

Text proposed by the Commission

Amendment

(e) have adequate and stable own resources to carry out their mandate in an effective manner; **deleted**

Or. en

(cf. ECB Opinion CON/2018/25)

Justification

The definition of ‘independent bodies’ in Regulation (EU) No 473/2013 already contains similar language to that set out in Article 3(7) of the proposed directive, with the exception of the last requirement on access to information. In order to avoid duplication of legal provisions, it is proposed to delete all requirements but point (f).

Amendment 85
Philippe Lamberts

Proposal for a directive
Article 3 – paragraph 7 – point f a (new)

Text proposed by the Commission

Amendment

(fa) present their assessments to their national parliaments so they can be debated in due time before the submission of the National Reform Programmes and

Amendment 86
Philippe Lamberts

Proposal for a directive
Article 5 – paragraph 1

Text proposed by the Commission

By 30 June **2024**, and every five years thereafter, the Commission shall present a report to the European Parliament and to the Council on the implementation of this Directive, which shall be prepared on the basis of relevant information from the Member States.

Amendment

By 30 June **2025**, and every five years thereafter, the Commission shall present a report to the European Parliament and to the Council on the implementation of this Directive, which shall be prepared on the basis of relevant information from the Member States.

Justification

Reflects Green amendment to Article 6(1).

Amendment 87
Caroline Nagtegaal, Nils Torvalds

Proposal for a directive
Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The Commission shall assess the possibility to strengthen the role and the independence of the European Fiscal Board in a report presented to the European Parliament and the Council by 30 June 2020, and, if appropriate, accompany this report with a legislative proposal.

Amendment 88
Philippe Lamberts

Proposal for a directive
Article 6 – paragraph 1

Text proposed by the Commission

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 30 June **2019**. They shall immediately inform the Commission thereof.

Amendment

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 30 June **2020**. They shall immediately inform the Commission thereof.

Or. en

Justification

Setting 30 June 2019 as a target will not allow sufficient time to pass into law and operationalise on an administrative level the rules envisaged in this Directive.