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Conclusions of the European Council meeting (8-9 December 2011) on a draft international agreement on a Fiscal Stability Union

European Parliament resolution of 18 January 2012 on the European Council of 8-9 December 2011 (2011/2546(RSP))

The European Parliament,

- having regard to having regard to the conclusions of the European Council of 9 and 10 December 2011,
 - having regard to the statement of the Euro Area Heads of State and Government of 9 December 2011,
 - having regard to the 'Six-Pack' and the two Commission proposals on further strengthening fiscal discipline¹,
 - having regard to the state of play of the negotiations on the draft international agreement on a reinforced economic union,
 - having regard to the submission made on behalf of Parliament by its representatives in the ad hoc working group,
 - having regard to Rule 110(2) of its Rules of Procedure,
1. Expresses its doubts on the necessity of such intergovernmental agreement, most chief objectives of which can be better and more effectively achieved through EU law, further in giving a firm urgent and sustainable response to the current financial and economic crises and the social crisis in many Member States of the EU; nevertheless remains ready to work towards a constructive solution;
 2. Affirms its support for the submission made to the ad hoc working group by the Members nominated by the Conference of Presidents to represent Parliament; regrets that so far the draft agreement of 10 January 2012 does not reflect the proposals of the European Parliament, notes the support of many Member States for some of its proposals made at the meeting of 12 January 2012; will consider its position having received the final draft expected on 18 January 2012;
 3. Is deeply convinced that only through the Community method can the Monetary Union evolve into a true economic and fiscal union; recalls that the EU is a political project, based on common values and on strong common institutions and respect for common rules;
 4. Insists also, in particular, that:

¹ Regulation on the strengthening of the economic and budgetary surveillance of Member States, (COM(2011)0819), and Regulation on common provisions for monitoring and assessing draft budgetary plans, (COM(2011)0821).

- the new agreement shall without ambiguity accept explicitly the primacy of EU law over its provisions;
 - all measures to implement the agreement shall be taken in accordance with the relevant procedures provided for in the EU Treaties;
 - the agreement must be in conformity with EU law, in particular as regards the figures in the Stability and Growth Pact, and where Contracting Parties wish to commit to targets at variance with EU law, this must be done through the applicable EU legal procedures and must not lead to the establishment of double standards;
 - all the contracting parties to the agreement, present and future members of the euro, should have the same right to participate in the Eurosummit meetings;
 - democratic accountability must be respected through a strengthening of Parliamentary participation in all aspects of European economic coordination and governance;
 - cooperation between national parliaments and the European Parliament must operate within the EU Treaties, in accordance with Article 9 of Protocol 1 to the Treaty;
 - the new agreement must enshrine, in legally binding form, a commitment by the Contracting Parties to take all necessary steps to ensure that the agreement will in substance be integrated at the latest within five years into the Treaty;
5. Reiterates its calls for a Union both of stability and of sustainable growth; believes that fiscal discipline, although being the basis for sustainable growth, will not on its own bring about recovery and that the agreement must send a clear message that Europe's leaders will take equally vigorous action on both fronts and insists therefore that the agreement must include a commitment of the Contracting Parties to measures promoting stronger convergence and competitiveness as well as proposals for a redemption fund, project bonds, a Financial Transaction Tax within EU law and, while ensuring fiscal discipline, a roadmap for stability bonds;
 6. Underlines that the same institutional, legal and political aspects are concerned in relation to other multilateral agreements dealing with the financial crisis, for instance the European Stability Mechanism, therefore requests that Parliament participates in the same way in these negotiations;
 7. Reserves the right to use all political and legal instruments at its disposal to defend EU law and the role of the EU institutions, especially if elements of the final agreement are incompatible with EU law;
 8. Reminds the Commission that it has a duty to exercise its full institutional role as guardian of the Treaties;
 9. Instructs its President to forward this resolution to the Heads of State and Government, the President of the European Council, the President of the Eurogroup, the Commission and the European Central Bank.