



2015/2344(INI)

14/09/2016

OPINION

of the Committee on Constitutional Affairs

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on budgetary capacity for the Eurozone
(2015/2344(INI))

Rapporteur (*): Paulo Rangel

(*) Associated committee – Rule 54 of the Rules of Procedure

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SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that, although still a young currency and despite having experienced a serious crisis in recent years, the euro is solidly established as a global reserve currency;
2. Believes that the crisis enhanced the need for improvement in EU economic governance and that the Economic and Monetary Union (EMU) must be progressively completed, following a clear and predictable comprehensive roadmap;
3. Recalls that 26 Member States are committed to joining the euro area and that in the Treaties the euro is recognised as the currency of the economic and monetary union (Article 3(4) of the Treaty on European Union (TEU));
4. Considers that the establishment of a budgetary capacity within the euro area is a necessary milestone to complete the EMU and that it is recommendable to create a budgetary capacity, albeit limited, under the current Treaty framework;
5. Takes note of the different proposals for a budgetary capacity, with different designs and assigning different functions, aiming to promote the euro area's economic and social convergence and sustainable structural reforms and enhancing the euro area's competitiveness and resilience and/or helping absorb shocks; points out that some options may be possible under the current Treaties, in particular by means of Articles 136, 175 and 352 of the Treaty on the Functioning of the European Union (TFEU);
6. Recalls that such capacity should be part of the EU budget as laid down in Article 310(1) TFEU and be financed through own resources, and should comply with the provisions of Articles 310(4) and 312(1) TFEU, but with the possibility to enter corresponding appropriations over and above the ceilings of the Multiannual Financial Framework (MFF);
7. Points out that, pursuant to Article 311 TFEU, it is possible to raise the own resources ceilings and to establish new categories of own resources (even if they are raised only by a limited number of Member States); notes that making use of the possibility of assigning certain revenues to specific items of expenditure, under Article 21 of the Financial Regulation¹, does not breach the principle of budget universality;
8. Underlines that the EU budget also offers guarantees for specific lending operations and that several instruments, such as the EFSM and the EGF, allow for funds to be mobilised over and above the MFF expenditure ceilings;
9. Points out that if a budgetary capacity were to aim at providing incentives for structural reforms, it could be established on the basis of the current Treaties, if need be, through

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002.

enhanced cooperation; notes that Articles 121(6) and 136 TFEU would provide the appropriate legal basis for such a mechanism; notes, however, that if the objectives of the fiscal capacity were broader and more ambitious, then it would be necessary to make use of Article 352 TFEU;

10. Points out that the inclusion of the substance of the Treaty establishing the European Stability Mechanism (ESM) into the EU legal framework, as called for by Parliament on previous occasions, would make it possible to endow the mechanism with democratic accountability and greater legitimacy, fostering the EMU's institutional consolidation;
11. Reiterates the need for democratic legitimacy, clarity and accountability, which can be ensured by the community method, entailing the use of the ordinary legislative procedure, as set out in Article 289 TFEU, and full involvement of Parliament in the shaping, implementation and oversight of a budgetary capacity; also suggests that the Commission Vice-President responsible for the euro should head the Eurogroup and be given wide-ranging powers over the EMU;
12. Takes the view that, as the process of building a genuine EMU advances, consideration must be given to the creation of a euro area Treasury, namely for the purposes of collective decision-making, supervision and management of the budgetary capacity of the euro area and policies specifically related to the currency area (notably those for strengthening competitiveness, economic integration and convergence);
13. Recalls that the protocols on the application of the principles of subsidiarity and proportionality and on the role of national parliaments offer ample opportunities for national parliaments' involvement in this respect, while also exploiting all the potentiality of the instruments as provided for in Article 13 of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union and in Title II of Protocol (No 1); states that responsibilities must be assigned at the level where decisions are taken or implemented, with national parliaments scrutinising national governments and the European Parliament scrutinising the European executives; believes that this is the only way to ensure the required increased accountability and ownership of decision-making;
14. Stresses that using own resources specifically linked to the euro area would ensure the necessary clarity, transparency and democratic legitimacy concerning control and accountability, as these resources would be generated and controlled at the European level;
15. Calls for the European Parliament and national parliaments to be given a stronger role in the new economic governance framework in order to strengthen democratic accountability;
16. Believes that non-euro area Member States should be involved, if they so desire, although in a differentiated way and depending on the design of the budgetary capacity;
17. Considers it essential to differentiate between discussion concerning policies for the euro area and related decision making; considers that modalities must be found to allow all Member States who are committed to joining the euro area to participate in discussions concerning the euro area, if they so wish, however, only Member States who are members of the euro area and who contribute to rescue funds and the budgetary capacity should be

able to vote on these decisions;

18. Believes that a clearly defined role for the European Court of Justice will be crucial in order to guarantee fairness and efficiency in the implementation of the new framework.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	5.9.2016
Result of final vote	+: 16 -: 6 0: 0
Members present for the final vote	Mercedes Bresso, Fabio Massimo Castaldo, Richard Corbett, Danuta Maria Hübner, Diane James, Ramón Jáuregui Atondo, Constance Le Grip, Jo Leinen, Maite Pagazaurtundúa Ruiz, Paulo Rangel, György Schöpflin, Pedro Silva Pereira, Barbara Spinelli, Josep-Maria Terricabras, Kazimierz Michał Ujazdowski, Rainer Wieland
Substitutes present for the final vote	Max Andersson, Gerolf Annemans, Pervenche Berès, Charles Goerens, Jérôme Lavrilleux, Viviane Reding, Helmut Scholz
Substitutes under Rule 200(2) present for the final vote	Claudiu Ciprian Tănăsescu