



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2010/2099(INI)

29.9.2010

OPINION

of the Committee on Budgets

for the Committee on Economic and Monetary Affairs

on improving the economic governance and stability framework of the Union,
in particular in the euro area
(2010/2099(INI))

Draftsperson: Marta Andreasen

(Initiative - Rule 42 of the Rules of Procedure)

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SUGGESTIONS

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

- A. Whereas the current financial crisis is a result of many factors such as lack of proper economic policy coordination,
- B. Whereas the economic crisis which led to the urgent adoption of the European Stabilisation Financial Mechanism in May 2010 via a Council Regulation on the basis of Article 122(2) of the Treaty on the Functioning of the European Union (TFEU) was not consulted with the EP,
- C. Whereas the Council's position on Draft amending budget No 7/2010 covers the necessary modifications concerning the creation of a new budget item 01 04 01 03 in Heading 1 A for the guarantee, for loans up to EUR 60 billion provided by the European Union in accordance with the provisions of Article 122(2) of the Treaty on the Functioning of the European Union and, correspondingly, a new Article 802 on the revenue side,
- D. Whereas some Member States may have to use the rescue package, while at the same time they will be obliged to take into account its different measures which will be specifically made for each beneficiary country,
 1. Welcomes an agreement reached between the Council and the European Parliament on key elements of a reform of the EU framework for supervision of the financial system. Believes that establishment of new basis for supervision in Europe will eliminate deficiencies that were exposed during the financial crisis; nevertheless calls the Council to monitor the government deficit of the individual countries as the excessive debt would have a negative impact on the budgetary situation of the European Union;
 2. Asks the Commission to inform the European Parliament of the estimated effect on the EU's credit rating: a) by the creation of the financial stabilisation mechanism b) by the utilisation of the full line;
 3. Asks the Council to provide sufficient information on the rules for implementing the financial stabilisation mechanism with regards to the limits of multiannual financial framework; given its possible far-reaching budgetary consequences, give further thought to the European Financial Stabilisation Mechanism ahead of the adoption of the MFF regulation; accept that both arms of the budgetary authority be involved in decisions concerning the impact this mechanism could have on the EU budget; agree that any possible budgetary needs linked to this mechanism should be financed through an ad-hoc revision of the MFF to ensure that sufficient involvement of the budgetary authority is guaranteed on time;
 4. Underlines that National Parliaments and the European Parliament should work together to enhance budgetary coordination between European and Member State level;

5. Calls for transparency and visibility of budgetary coordination between both levels being enhanced by aligning the categories of expenditure at national and EU level.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	29.9.2010
Result of final vote	+: 38 -: 2 0: 0
Members present for the final vote	Damien Abad, Alexander Alvaro, Marta Andreasen, Francesca Balzani, Reimer Böge, Lajos Bokros, Giovanni Collino, Andrea Cozzolino, Jean-Luc Dehaene, James Elles, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Ingeborg Gräßle, Estelle Grelier, Carl Haglund, Lucas Hartong, Jutta Haug, Jiří Havel, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, Barbara Matera, Claudio Morganti, Nadezhda Neynsky, Dominique Riquet, László Surján, Helga Trüpel, Derek Vaughan, Angelika Werthmann
Substitute(s) present for the final vote	François Alfonsi, Jan Olbrycht, Georgios Stavrakakis
Substitute(s) under Rule 187(2) present for the final vote	Olle Ludvigsson