

Committee on Constitutional Affairs
The Co-rapporteurs

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Mr Jean-Claude JUNCKER
President of the Eurogroup
Council of the European Union
Rue de la Loi, 175
1040 Brussels

Dear Mr Juncker,

As you are aware, the European Parliament has not yet delivered its opinion "on the draft European Council decision amending Article 136 TFEU with regard to a stability mechanism for Member States whose currency is the euro".

With a large majority, the Constitutional Affairs Committee (AFCO) has adopted, on 7 March, the report on the above mentioned subject for which we are co-rapporteurs. Despite expressing concerns and reservations on the procedure and the intergovernmental nature of the European Stability Mechanism (ESM), the AFCO Committee pragmatically accepts the proposed treaty change asking, however, either for:

- a redrafting of Article 136 TFEU so as to involve the European Commission and the European Parliament in the setting up of the ESM and ensuring the European Commission involvement in the granting of financial assistance. Consequently the principles and rules for conditionality of the financial assistance should be laid down in a regulation adopted in accordance with the ordinary legislative procedure;

or

- a clear commitment by the European Council ensuring that the Commission will play a central role in setting up the ESM, determining and ensuring full respect of the conditionality measures, the modalities of which should be laid down in a regulation adopted in accordance with the ordinary legislative procedure. Following this logic, the Commission should provide the secretariat of the ESM and be in charge of implementing and monitoring the permanent mechanism, both assessing the financial situation of the Member States and ensuring the precautionary use of the mechanism. At the same time, the financial assistance should be subject to an evaluation provided by the Commission, the European Central Bank (and in so far as it may be involved, the International Monetary Fund) and to a programme of economic and financial recovery. The Commission should report back to the European Parliament on a regular basis.

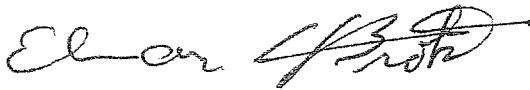
In the plenary debate which followed the vote in AFCEC, most of the political groups supported the political line of the report. Furthermore, the Conference of Presidents has given a mandate to the co-rapporteurs to engage in a dialogue with the European Council and the Eurogroup in order to find a solution regarding the involvement of the Community institutions.

To our knowledge an agreement on several important aspects of the ESM is still to be found. In particular, the Parliament deems crucial that the procedures governing the policy conditionalities (namely, enhanced surveillance and macroeconomic adjustment programme) should be defined by means of a regulation, assuring at the same time their consistency with the European Union multilateral surveillance framework. In addition to this, the Committee is concerned about the fact that no reference about any role of the European Parliament regarding those procedures governing the above mentioned conditionalities is included in the "draft term sheet" (not even a mention on the right to be informed or consulted).

In order to facilitate the timely issuing by the European Parliament of a positive opinion on the European Council draft decision, we would very much appreciate if you could share with us your views and perspectives on these points, and also suggest how this could be done before the vote scheduled in the European Parliament on 23 March.

In particular, could you inform us about the possible modalities to involve the European Parliament in the setting up and functioning of the ESM?

Yours sincerely,



Elmar Brok



Roberto Gualtieri