



2017/0333R(APP)

23.1.2019

OPINION

of the Committee on Constitutional Affairs

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

on the proposal for a Council regulation on the establishment of the European Monetary Fund

(COM(2017)0827 – C8 – 2017/0333R(APP))

Rapporteur for opinion: Danuta Maria Hübner

SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to incorporate the following suggestions into their report:

1. Welcomes the proposal for the integration of the European Stability Mechanism (ESM) into the EU legal order; recalls that such integration must be accompanied by appropriate democratic accountability; notes that only such integration will ensure the management thereof in accordance with the Community method, enable consistency of fiscal rules and obligations, facilitate fiscal and economic policy coordination and enhance democratic legitimacy and accountability through the European Parliament; recalls that the competences of the successor of the ESM should in no way replace, duplicate or overlap with the normal macroeconomic and fiscal surveillance provided for in the EU's financial rules and regulations, which must remain the exclusive competence of the Commission, while respecting the autonomy of the successor of the ESM;
2. Notes that the functions to be exercised by the successor of the ESM will belong to the realm of economic policy, and that use of the name 'European Monetary Fund' (EMF) might be misleading in that respect; further notes that the successor of the ESM will perform tasks going way beyond those of a mere paybox; notes that, in its opinion, the European Central Bank (ECB) suggested that the successor of the ESM retain the name 'ESM'; notes that the acronym ESF entails a risk of confusion between a future European Stability Fund and the European Social Fund; in light of the above, calls for the implications of the choice of a name for the successor of the European Stability Mechanism to be properly and thoroughly evaluated before such a decision is taken;
3. Recalls that monetary policy in the Union is an exclusive competence of the ECB;
4. Believes that, taking into account the whole institutional set-up of the EU and of the Euro area, the International Monetary Fund (IMF) system should not be transposed wholesale into the EU legal framework;
5. Recalls that the Commission proposal provides for the establishment of the successor of the ESM as an EU body, which makes the ESM accountable to the European Parliament and the Council and subject to judicial control by the Court of Justice of the European Union (CJEU); takes note of the proposed provisions regarding the accountability of the future successor of the ESM;
6. Believes that the relevant accountability framework for the future successor of the ESM should refer to economic governance as a whole; recalls the request made by this Parliament for an interinstitutional arrangement in this field;
7. Believes that any provisional arrangement concluded between the European Parliament and the successor of the ESM would send out a signal that increases the autonomy of the latter when the strong position of Parliament is that it should, as proposed by the Commission, be integrated into the Treaty and the EU legal order;
8. Requests that the European Parliament be informed immediately and in an appropriate manner of the decisions that have been taken by the successor of the ESM and approved

by the Council; urges the future Managing Director of the successor of the ESM to hold transparent and regular dialogue with the Committee on Economic and Monetary Affairs of the European Parliament;

9. Stresses that complete, accurate and timely information is a prerequisite for proper accountability; insists therefore, that the highest standard of transparency and accountability be laid down in the future interinstitutional agreement between the successor of the ESM and the European Parliament regarding the decisions of the successor of the ESM, the background of such decisions, access to the documents of the successor of the ESM and the records of its discussions;
10. Emphasises the need for the democratic accountability of the future Board of Directors of the successor of the ESM; regrets the lack of institutional involvement in the proposed selection procedure for its members and calls for the inclusion of the European Parliament and the European Council in the decision on their appointment;
11. Requests that the European Court of Auditors be given a clear and formal role in the discharge procedure of the successor of the ESM, and that the associated reports should be examined by the European Parliament;
12. Calls for efforts to ensure gender balance in the composition of the governing bodies of the successor of the ESM and in the shortlist of candidates for the position of Managing Director;
13. Understands the need for the Member States to be involved in the decision-making procedures that have an impact on fiscal resources; stresses, however, that the successor of the ESM is an instrument for crisis management, and should therefore be able to act swiftly; calls for the right balance to be struck between, on the one hand, ensuring democratic control of the successor of the ESM and its accountability to the participating Member States and, on the other hand, the need to enable the requisite actions to be taken quickly; recognises the budgetary powers of national parliaments and takes note of the provisions that ensure the transparency of the successor of the ESM and its accountability to the national parliaments of the ESM members and those of the other participating Member States;
14. Calls for a meaningful ESM reform to be initiated in the short term by means of a revision of the ESM Treaty, without prejudice to more ambitious developments in the future; notes that such reform should focus on strengthening the EMU and improving the decision-making procedure, especially in urgent situations;
15. Notes that both the inclusion of the ESM and the introduction of the successor of the ESM change the institutional architecture of the EU; calls therefore for the matter to be incorporated into the wider discussions on the possible future revision of the Treaties.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishment of the European Monetary Fund
References	2017/0333R(APP)
Committees responsible	BUDG ECON
Opinion by Date announced in plenary	AFCO 13.9.2018
Rapporteur Date appointed	Danuta Maria Hübner 24.9.2018
Discussed in committee	6.12.2018
Date adopted	22.1.2019
Result of final vote	+: 15 -: 4 0: 3
Members present for the final vote	Gerolf Annemans, Mercedes Bresso, Pascal Durand, Esteban González Pons, Danuta Maria Hübner, Ramón Jáuregui Atondo, Alain Lamassoure, Jo Leinen, Maite Pagazaurtundúa Ruiz, Markus Pieper, Paulo Rangel, Helmut Scholz, György Schöpflin, Pedro Silva Pereira, Barbara Spinelli, Josep-Maria Terricabras, Kazimierz Michał Ujazdowski
Substitutes present for the final vote	Pervenche Berès, Ashley Fox, Sylvia-Yvonne Kaufmann
Substitutes under Rule 200(2) present for the final vote	Michael Gahler, Jarosław Wałęsa

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

15	+
ALDE	Maite Pagazaurtundúa Ruiz
NI	Kazimierz Michał Ujazdowski
PPE	Michael Gahler, Esteban González Pons, Danuta Maria Hübner, Alain Lamassoure, Paulo Rangel, György Schöpflin, Jarosław Wałęsa
S&D	Pervenche Berès, Mercedes Bresso, Ramón Jáuregui Atondo, Sylvia-Yvonne Kaufmann, Jo Leinen, Pedro Silva Pereira

4	-
ECR	Ashley Fox
ENF	Gerolf Annemans
VERTS/ALE	Pascal Durand, Josep-Maria Terricabras

3	0
GUE/NGL	Helmut Scholz, Barbara Spinelli
PPE	Markus Pieper

Key to symbols:

+ : in favour

- : against

0 : abstention