



EUROPEAN PARLIAMENT

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*Committee on Budgetary Control*

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**2013/2277(INI)**

6.2.2014

# **OPINION**

of the Committee on Budgetary Control

for the Committee on Economic and Monetary Affairs

on Enquiry report on the role and operations of the Troika (ECB, Commission and IMF) with regard to the euro area programme countries (2013/2277(INI))

Rapporteur: Michael Theurer

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## SUGGESTIONS

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

1. Stresses that at the beginning of the financial crisis, 16 out of 17 Member States of the euro area were in breach of the Maastricht criteria; recalls the importance of the Member States' compliance with European legislation; believes that the budgetary control mechanisms need to be enhanced to implement the policy for jobs and growth in the euro area that is laid down in both the Lisbon strategy and Europe 2020 strategy; points out that the Union failed to provide effective early warnings and subsequently take action on the excessive accumulated deficits of those countries affected by the crisis and lacked the proper monitoring mechanisms for oversight thereof;
2. Recognises that European tax payers have demonstrated considerable solidarity with crisis countries and that significant efforts in crisis countries have been made to tackle structural problems;
3. Underlines that commitments to structural reforms are a precondition for financial support in the euro area;
4. Stresses that the democratic legitimacy of Troika negotiations and Eurogroup decisions are weak and should be strengthened, bearing in mind that the Troika is merely a technical body;
5. Believes that its macroeconomic adjustment programmes should also be evaluated with a view to further improving the legal and institutional provisions for a more effective budgetary control system;
6. Expects the national courts of auditors to fully assume their legal responsibilities with regard to certifying the legality and regularity of financial transactions and the effectiveness of supervisory and control systems; calls on the supreme audit institutions, in this connection, to reinforce their cooperation, in particular by exchanging best practices;
7. Calls on the Member States to reinforce expertise in governmental organisations and central banks so as to reduce the risk of obligation to pay for external expertise;
8. Emphasises that the European Stability Mechanism (ESM), an international organisation located in Luxembourg acting as a permanent source of financial assistance for Member States in financial difficulty, which has a maximum lending capacity of EUR 500 billion, should be held directly accountable to Parliament; expects the ESM to issue a complete report every six months on its activities to the Parliament committees concerned; strongly recommends, in this connection, that the ESM move towards Community-method management, as provided for in the ESM Treaty; demands also that the ESM be held accountable to Parliament;

9. Criticises the fact that the ESM Treaty lacks sufficient provisions to ensure effective external auditing; regrets the fact that in Article 24 (on the board of auditors) of the bylaws of the Treaty the Court of Auditors may nominate only one member, while the Chairperson may propose two;
10. Is concerned over the provisions of Article 24, paragraph 6 of the by-laws of the Treaty, under which the procedure agreed upon for informing Parliament is to issue only the annual report of the Board of Auditors to Parliament; underlines Parliament's right to hold a debate on the annual report with the Board of Auditors in the presence of the Board of Governors of the ESM;
11. Expects that the Commission, the Council and the Member States develop a coherent and strong policy to fight tax evasion (including evasion of VAT) and tax fraud, including coordinated action against offshore financial transactions and tax heavens, without any further delay;
12. Points out that the co-financing rates for EU structural funds were topped up to 95 % for some of the Member States which have been most affected by the crisis and which have received financial assistance under an adjustment programme; Stresses that local and national administrations need to be strengthened to cope with the implementation of EU legislation and programmes in order to speed up the absorption of structural funds;
13. Regrets the insufficient results of the Lisbon strategy and recalls that the focus of EU support should be on growth and employment;
14. Takes note of demands for the establishment of a European Monetary Fund (EMF), replacing the Troika and the European Stability Mechanism (ESM); considers that such an EMF would need to be established using EU instruments, but financed by the Member States' taxpayers; draws the attention to the importance of a credible and independent crisis management; deems it therefore a priority that the IMF remains involved in European crisis management.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	22.1.2014
<b>Result of final vote</b>	+: 21 -: 2 0: 1
<b>Members present for the final vote</b>	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräßle, Cătălin Sorin Ivan, Monica Luisa Macovei, Monika Panayotova, Petri Sarvamaa, Theodoros Skylakakis, Søren Bo Søndergaard, Michael Theurer
<b>Substitute(s) present for the final vote</b>	Thijs Berman, Barbara Weiler
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Emer Costello, Jürgen Creutzmann, Albert Deß, Ismail Ertug, Richard Falbr, Peter Jahr, Elisabeth Jeggle, Teresa Jiménez-Becerril Barrio