Resolution on the conclusions of the European Council meeting (8-9 December 2011) on a draft international agreement on a Fiscal Stability Union

2011/2546(RSP) - 18/01/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 521 votes to 124, with 50 abstentions, a resolution on the conclusions of the European Council meeting on 8-9 December 2011 on a draft international agreement on a Fiscal Stability Union.

The text adopted in plenary was tabled as a joint resolution by the EPP, S&D, ALDE and Greens/EFA groups.

Parliament expresses its doubts on the necessity of such an intergovernmental agreement, since it considers that most of the chief objectives of the agreement could be better and more effectively achieved through EU law, thereby giving a firm, urgent and sustainable response to the current financial and economic crises and the social crisis in many Member States. However, Parliament states that it remains ready to work towards a constructive solution.

It is deeply convinced that only through the Community method can the Monetary Union evolve into a true economic and fiscal union, and insists particularly on the following points:

- the new agreement shall without ambiguity accept explicitly the **primacy of EU law** over its provisions;
- all measures to implement the agreement shall be taken in accordance with the relevant procedures provided for in the EU Treaties;
- the agreement must be in conformity with EU law, in particular as regards the figures in the Stability and Growth Pact. Where Contracting Parties wish to commit to targets at variance with EU law, this must be done through the **applicable EU legal procedures** and must not lead to the establishment of double standards;
- all Contracting Parties to the agreement, present and future members of the euro, should have the same **right to participate** in the Euro summit meetings;
- democratic accountability must be respected through a **strengthening of Parliamentary participation** in all aspects of European economic coordination and governance;
- cooperation between national parliaments and the European Parliament must operate within the EU Treaties, in accordance with the Treaty;
- the new agreement must enshrine, in legally binding form, a commitment by the Contracting Parties to take all necessary steps to ensure that the agreement will in substance be **integrated at the latest within five years into the Treaty**.

Referring to the submissions made to the ad hoc working group by the Members nominated by the Conference of Presidents to represent Parliament, MEPs affirm their support for those submissions, and regret that the draft agreement of 10 January 2012 **does not reflect the proposals of the European Parliament**. They note that the working group's submission had support from several Member States. Parliament states that it will consider its position having received the final draft expected on 18 January 2012. It reserves the right to use all political and legal instruments at its disposal to defend EU law and the role of the EU institutions, especially if elements of the final agreement are incompatible with EU law. It

stresses that the intergovernmental agreement involves similar institutional, legal and political aspects as multilateral agreements dealing with the financial crisis, such as the European Stability Mechanism. Parliament wishes to participate in the same way in negotiations on this agreement.

Lastly, Members believe that **fiscal discipline, whilst the basis for sustainable growth, will not on its own bring about recovery**. The agreement must send a clear message that Europe's leaders will take vigorous action on both growth and recovery. Parliament insists therefore that the agreement must include a commitment from the Contracting Parties to measures promoting stronger convergence and competitiveness as well as proposals for: (i) a redemption fund; (ii) project bonds; (iii) a Financial Transaction Tax within EU law and (iv) a roadmap for stability bonds.