

Resolution on the June 2012 European Council meeting (28-29 June 2012)

2011/2923(RSP) - 04/07/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution by 501 votes to 132, with 38 abstentions, on the conclusions of the European Council meeting (28-29 June 2012).

The resolution had been tabled by the S&D, EPP, ALDE, and Greens/EFA groups.

It welcomes the concrete steps taken by the European Council to face up to the eurozone crisis, underlining the significance of the eurozone's agreement on substantial measures to **break the vicious circle between banks and sovereign debt and to narrow the spreads among eurozone sovereign debt yields**. Members also welcome the flexible and efficient use that could be made of the existing EFSF /ESM instruments. They consider that this agreement is an important step on the road to a **fully-fledged banking union for the EU as a whole**, but point to the critical fact that this possibility cannot be activated immediately since it is conditioned by agreement on a **single supervisory mechanism**.

Parliament welcomes also the Compact for Growth and Jobs, in particular the agreement to mobilise EUR 120 billion to stimulate investment, as well as the commitment to make the EU budget a tool for growth. However, it notes that the European Council made no tangible progress towards striking an agreement on the next MFF, i.e. for 2014-2020, and it urges the Cypriot Presidency to step up its efforts, whilst insisting that **own-resources reform is an essential element, without which no agreement on the multiannual financial framework will be possible**. It reiterates its conviction that an agreement on both the revenue and the expenditure sides of the MFF, which should correspond to the actual needs and ambitions of the Union for the next period, would need to be reached by the end of this year.

Members welcome the **draft proposals contained in the report entitled 'Towards a Genuine Economic and Monetary Union'**, as presented by Presidents Van Rompuy, Juncker, Barroso and Draghi, as a good starting point towards a sound and genuine EMU, and they look forward to the inclusion in the proposal of greater EU social responsibility and a strengthening of the transparency and accountability of the new European provisions in this area. They believe that rapid action is required within each of the **four building blocks identified in this report**:

- an integrated financial framework to ensure financial stability in particular in the euro area and minimise the cost of bank failures to European citizens; such a framework elevates responsibility for supervision to the European level, and provides for common mechanisms to resolve banks and guarantee customer deposits;
- an integrated budgetary framework to ensure sound fiscal policy making at the national and European levels, encompassing coordination, joint decision-making, greater enforcement and commensurate steps towards common debt issuance (including short-term funding instruments on a limited and conditional basis, or gradual roll-over into a redemption fund); this framework could include also different forms of fiscal solidarity;
- an integrated economic policy framework which has sufficient mechanisms to ensure that national and European policies are in place that promote sustainable growth, employment and competitiveness, and are compatible with the smooth functioning of EMU;
- ensuring the necessary democratic legitimacy and accountability of decision-making within the EMU, based on the joint exercise of sovereignty for common policies and solidarity.

Members call on the Commission to **table a package of legislative proposals by September 2012**, in line with the Community method, on the basis of these four building blocks, and commits itself, once it has received the legislative package within the requested timeframe and has examined it, to ensure efficient and rapid decision making. Parliament notes, however, that it will draw its own conclusions should it not receive the above-mentioned legislative package within the requested timeframe.

Parliament welcomes the decision to call for further work on the development of a roadmap for genuine economic and monetary union, but insists that the European Parliament must be fully involved as an equal partner in this task beyond its role as co-legislator. The **process of reform of European Union institutions and decision-making procedures** must engage not only the European institutions and national parliaments, but also the social partners, civil society and other stakeholders in a broad public debate on deeper political, economic, social and fiscal integration of the EU. Close involvement of the European Parliament and national parliaments will be central, with due respect for the Community method.

Lastly, Members call on the Council to agree to a coordinated programme of targeted investment at national level in order to stimulate the European economy.