**Resolution of the Senate Standing Committee on European Union Policies**

*on the*

Proposal for a regulation of the European Parliament and of the Council on the strengthening of economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability in the euro area

(COM(2011) 819 FINAL)

*and the*

Proposal for a regulation of the European Parliament and of the Council on

common provisions for monitoring and assessing draft budgetary plans and

ensuring the correction of excessive deficit of the Member States in the euro area

(COM(2011) 821 FINAL)

*agreed on 26 September 2012*

The Senate Standing Committee on European Union Policies

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expresses, insofar as its remit is concerned, a favourable assessment with the following qualifications:

the legal basis of the two proposals is rightly identified in Articles 136 and 121(6) of the Treaty on the Functioning of the European Union (TFEU), in relation to the power to adopt measures relating to the Euro zone for the purpose of strengthening coordination and monitoring of fiscal discipline, developing economic policy guidelines – and ensuring their surveillance – and establishing multilateral surveillance of the economic policies of Member States;

the proposal appears on the whole to comply with the subsidiarity and proportionality principles, for only a rigorous model of European governance based on preventive monitoring of economic policies and strict surveillance of members' compliance with the Stability and Growth Pact can ensure a strong and effective mid and long-term response in terms of balance and reaction of the European system;

on the contents of the proposal, enhancement and protection of the prerogatives of national parliaments should be considered, in the framework of the Commission's monitoring of national fiscal policies, as was already proposed by the Swedish Parliament in its reasoned opinion of 26 January 2012;

in view of the decisions to be made during the budget session, it would be advisable to bring forward the deadline of the opinion to be issued by the Commission, at least to 15 November, in order to ensure its consideration by national parliaments;

with regard to the proposal included in the general approach of the 21 February 2012 Ecofin to create a new Article 6A, to be based on a provision of the fiscal compact whereby Member States report ex-ante on their public debt issuance plans to the Commission and the Euro Group, the Committee expresses the hope that such co-ordination of public debt issuance will be a first step towards fiscal integration and the issuance of European stability bonds (on which topic the Commission has released a Green Paper), and towards common management of excessive national debts through a debt redemption fund which, in the opinion of the rapporteur of the European Parliament's Economic and Monetary Affairs Committee, could and should be soon established;

finally calls on the appropriate Senate committee to urge the Senate leadership to outline as soon as possible and in concert with the other House of Parliament an Independent Fiscal Council under Proposal COM(2011) 821 and in line with the provisions of the Constitutional Amendment Act which enshrined the principle of a balanced budget in the Italian Constitution.