

21 February

Annex to Voting List - Compromise AMs Troika Report

COMP A

1. Considers that the precise triggers for the crises differed in all four Member States *even though common patterns can be observed such as the rapid increase in capital inflows and a build-up of macroeconomic imbalances across the EU during the years preceding the crisis; points out that excessive private and/or public debt, which had risen to a level which became unsustainable, overreaction by financial markets combined with speculation and a loss of competitiveness played a crucial role all of which could not be prevented by the existing EU economic governance framework; further notes that the sovereign debt crises in all cases has been strongly correlated to the global financial crisis caused by lax regulation and misbehaviour of the financial industry;*

Taking into account: Karas 173, Torvalds et al 174, Bullmann 175 (partly), Lamberts 176, new language

COMP B

2. Notes that, prior to the beginning of the EU-IMF assistance programme initiated in the spring of 2010, there was a dual fear associated with the 'insolvency' *and* 'non-sustainability' of the public finances of Greece as a result of the constantly declining competitiveness of the Greek economy and *long-run* fiscal **derailment, resulting from low effective corporate tax collection**, with the government deficit reaching 15.7% of GDP in 2009, up from -6.5% in 2007, and the debt-to-GDP ratio continuing on an upward trend since 2003 when it stood at 97.4%, reaching 107.4% in 2007, 129.7% in 2009 and 156.9% in 2012; *is of the opinion that the problematic situation of Greece was also due to statistical fraud* in the years preceding the setting up of the programme,; *welcomes the decisive action by the Greek government to urgently and effectively address these problems including by establishing the independent Hellenic Statistical Authority in March 2010;* notes that the *gradual uncovering of statistical fraud in Greece, had an impact on the need to readjust multipliers, forecasts and proposed measures; recalls that because of the European Parliament's insistence Eurostat (the statistical office of the European Union) is now endowed with powers and means to deliver a solid basis of reliable and objective statistics;*

Takes into account: Sylvie Goulard, Nils Torvalds, Olle Schmidt (AM 185); Chountis (185 - part), Rodi Kratsa-Tsagaropoulou (AM 187); Philippe Lamberts (AM 188); Anni Podimata (AM 189); Derk Jan Eppink (AM 190); Othmar Karas (AM 191); Udo Bullmann, Peter Simon (AM 192)

COMP C

3. Notes that Greece entered recession in Q4 2008; notes that the country experienced six quarters of negative GDP growth rate in the seven leading to the assistance programme being activated; notes that a close correlation between the effects of the financial crisis and the rise in government debt *on the one hand and the increase in the national debt and the*

economic downturn on the other hand, with public debt increasing from EUR 254.7 billion at the end of Q3 2008 to EUR 314.1 billion at the end of Q2 2010;

Takes into account: Udo Bullmann, Peter Simon (AM 197); Philippe Lamberts (AM 199)

COMP D

3 a (new) Notes that following the Greek government request for financial assistance in April 2010, markets started to reassess the economic fundamentals and the solvency of other euro area Member States, and subsequently tensions on Portuguese sovereign bonds quickly drove up Portugal's refinancing costs to unsustainable levels;

Taking into account: 209, 216, 180, 183 modified

COMP E

3b (new) Notes that the economic data first used by the government during the negotiations had to be revised;

Taking into account: 214, 215,

COMP F

4. Notes that, ***prior to the beginning*** of the EU-IMF assistance programme, the Portuguese economy had suffered from low GDP and productivity growth for a number of years, ***as well as large capital inflows*** and that ***these patterns***, combined with ***an acceleration of expenditure, particularly discretionary spending, consistently above GDP growth***, and the impact of the global financial crisis, had resulted in a large fiscal deficit and high ***public and private*** debt levels together with contagion from the Greek crisis, driving up ***Portugal's*** refinancing costs in capital markets to unsustainable levels and effectively cutting the public sector from access to the capital markets; ***stresses that in 2010, before financial assistance was sought in 7 April 2011, Portugal's*** growth rate ***had declined to 1.9%***, its fiscal deficit ***reached 9.8% (2010)***, its debt level ***94% (2010)*** and its current account deficit ***10.6%*** of GDP, with the unemployment rate standing at ***12.0%***; notes in this context that ***the overall macroeconomic fundamentals deteriorated very rapidly from a reasonably good levels*** in 2007, ***before the crisis, when Portugal's*** growth rate reached 2.4%, its fiscal deficit 3.1%, its debt level 62.7% and its current account deficit 10.2% of GDP, with the unemployment rate standing at 8.1% ***to a deep and unprecedented recession***;

Takes into account: Diogo Feio (AM 205 mod); Nuno Melo (AM 206 part); Philippe Lamberts (AM 207)

COMP G

5. Notes that, ***before*** the EU-IMF assistance programme, the Irish economy had just suffered a banking ***and economic*** crisis of unprecedented dimensions ***that resulted largely from the exposure of the Irish financial sector to the US "subprime crisis", irresponsible risk taking by Irish banks and the widespread use of asset backed securities***, which following blanket guarantee and subsequent bailout had the effect of cutting the public sector from access to the capital markets, causing Irish GDP to fall by ***6.4%*** in 2009 (1.1% in 2010) from a positive

growth level of 5% of GDP in 2007, unemployment to increase from 4.7% in 2007 to **13.9%** in 2010, and the *General Government Fiscal Balance* to experience a deficit, **peaking at 30.6%** in 2010, **as a result of Irish government support for the banking sector**, down from a surplus **of 0.2%** in 2007; **notes that the banking crisis partly resulted from inadequate regulation, very low tax rates and an over-sized banking sector recognises that private losses of Irish banks were taken onto the balance of the Irish sovereign in order to avoid a breakdown of the Irish banking system and also to minimise the risks of contagion across the Eurozone as a whole, and that the Irish government acted in the wider interests of the Union in responding to its banking crisis**; further notes that in the decade prior to the assistance programme that the Irish economy experienced a prolonged period of negative real interest rates;

Takes into account: Liem Hoang Ngoc (AM 217); Emer Costello (AM 218); Gay Mitchell, Langen (219- part) (AM 220); Philippe Lamberts (AM 221); Elisa Ferreira (AM 223)

COMP H

5a (NEW). Points to the inexistence of fiscal imbalances prior to the crisis in Ireland and to the extremely low level of public debt; points to the extended level of flexibility of the labour market prior to the crisis; notes that the troika initially requested to lower wage; points to a non-sustainable banking model and a tax system which was overly dependent on the income from taxing a housing and asset bubble, depriving the state of income when these bubbles burst;

(based on AM 225 Hoang Ngoc)

COMP I

5 b (NEW). Notes that around 40% of GDP was injected into the banking sector by the taxpayer at a time when bail-in was not available as it had given rise to considerable debate within the troika ;

(based on AM 226 Mitchell and AM 159 Lamberts)

COMP J

5 c (NEW) Calls for the full implementation of the June 2012 commitment by EU leaders to break the vicious circle between banks and sovereigns and to further examine the situation of the Irish financial sector in a manner that substantially alleviates Ireland's heavy burden of bank debt;

(AM 438 Gallagher et al)

COMP K

5d(NEW). Notes that when it came to PSI in Greece, knock on effects on the Cyprus banking system, which was already on the verge of collapse because of a failing banking model, were

not sufficiently considered and it is also suggested that assets relating to some larger Member States were again protected.

COMPL

6. Notes that *in May 2011, Cyprus lost access to international markets due to the significant deterioration in public finances as well as the large exposure of the Cypriot banking sector to the Greek economy and the restructuring of public debt in Greece which led to sizeable losses in Cyprus*; years before the beginning of the EU-IMF assistance programme in 2013, *serious concerns* about the systemic instability in the Cypriot economy had been *known* owing inter alia to *its overleveraged and risk seeking banking sector and its exposure to highly indebted* local property companies, the Greek debt crisis, the downgrading of Cypriot government bonds by international rating agencies, the inability to refund public expenditure from the international markets, and the reluctance of *its public authorities* to restructure the troubled financial sector, *opting instead to rely on a massive injection of capital by Russia*; *recalls also that the situation has been complexified by the overreliance on savings coming from Russian citizens and by the recourse to a loan from the Russian authorities*; *further notes that in 2007, the Cypriot public debt-to-GDP ratio stood at 58.8%, rising to 86.6% in 2012, while in 2007 the general government was in surplus with +3.5% of GDP, deteriorating to a deficit of -6.4% in 2012*;

Takes into account: Antigoni Papadopoulou (AM 227 - mod); Othmar Karas (AM 229 mod); Sylvie Goulard, Nils Torvalds, Olle Schmidt (AM 230); Philippe Lamberts (AM 231)

COMP M

7. Notes that the initial *request for financial assistance was made by Greece on 23 April 2010 and that the* agreement between the Greek authorities on the one side and the EU and IMF on the other was adopted on 2 May 2010 in the relevant MoUs containing, the policy conditionality for EU-IMF financial assistance; further notes that, following five reviews and the insufficient success of the first programme, a second programme had to be adopted in March 2012, which has been reviewed three times since; *notes that the IMF did not take effectively into account the objections of one third of its board members in regards to the distribution of benefits and burden resulting from the first Greek programme*;

Takes into account: Philippe Lamberts, Sven Giegold (AM 237); Diogo Feio (AM 238);

COMP N

7 a (new) Notes that the first agreement of May 2010 could not contain provisions for a restructuring of the Greek debt, despite it being first proposed by the IMF, which along its usual practice would have preferred an early debt restructuring; points to the ECB's reluctance to consider any form of debt restructuring in 2010 and 2011 on the grounds that it would have led to the contagion of the crisis to other Member States, and its refusal to participate to the restructuring agreed in February 2012; Notes that the Central Bank of Greece in November 2010 contributed to intensifying market turmoil by publicly warning investors that ECB liquidity operations could no longer be taken for granted in the case of Greek sovereign debt; Further notes that there was a commitment by Member States that their banks would retain their exposures to the Greek bond markets, which they were unable to keep,

Covers: 120, 194, 201, 202, 241, 242, 243, 477

COMP O

8. Notes that the initial *request for financial assistance was made by Portugal on 7 April 2011 and that the* agreement between the Portuguese authorities on the one side and the EU and IMF on the other was adopted on 17 May 2011 in the relevant MoUs containing the policy conditionality for EU-IMF financial further notes that the Portuguese programme has since been reviewed regularly *to adjust the targets and objectives, given the unattainable initial goals*, leading to the *successful tenth review of Portugal's* economic adjustment programme, *with good prospects to complete the programme soon*;

Takes into account: Diogo Feio (AM 246); Burkhard Balz (AM 247); Ana Gomes (AM 249); Udo Bullmann (AM 250)

COMP P

9. *Recalls reported bilateral pressure from the ECB to the Irish Authorities prior to the* initial agreement between the Irish authorities and the EU and IMF was adopted on 7 December 2010 *and 16 December 2010 respectively* in the relevant MoUs containing the policy conditionality for EU-IMF assistance. *Notes the programme was largely based on the Irish Government's own National Recovery Plan 2011-2014 published on 24 November 2010*; further notes that the Irish programme has since been reviewed regularly, leading to a twelfth and final review on 9 December 2013 *and that the Irish programme was completed on December 15th 2013*;

Takes into account: Sharon Bowles (AM 252); Gay Mitchell (AM 254);

COMP Pa

9c (new). Notes that the European Council decided on 29 June 2012 that the ESM could have the possibility to recapitalize banks directly, following a regular decision and when an effective single supervisory mechanism is established; further notes that the operational framework for a direct recapitalisation instrument, subjected to conditionality, was defined by the Eurogroup on 20 June 2013;

COMP Q

9 b (NEW) Notes that thinking on bail-in evolved over time; in the case of Ireland in 2010, the bail-in of senior bondholders was not an option available to the Irish Authorities while in Cyprus in 2013, the bail-in of insured depositors was put forward as a policy measure, which increased the disparity between the instruments used to alleviate the banking and sovereign debt crises;

(AM 830 Bowles modified)

COMP R

10. Notes that the initial request for financial assistance was made by Cyprus on 25 June 2012, but that differences of positions as regards the conditionality, as well as the rejection of an initial draft programme by the Cypriot Parliament *on 19 March 2013, which included*

bail-in of insured depositors, because it was contrary to the spirit of European law as it envisaged haircut of small deposits of less than 100,000 Euros, delayed the final agreement on the EU-IMF assistance programme until 24 April (EU) and 15 May 2013 (IMF), respectively, and on 30 April 2013 the Cypriot House of Representatives finally endorsed the agreement; notes initial competing programme proposals in the case of Cyprus between different members of the Troika and highlights the lack of sufficient explanation how the inclusion of insured depositors was signed off by the European Commission and EU finance ministers. Furthermore, regrets that the Cypriot Authorities expressed difficulties in convincing the Troika representatives of their concerns during the negotiation process and that the Cypriot Government reported to have been obliged to accept the bail-in instrument on bank deposits in view of the exceptionally high level of private debt in relation to the GDP. whilst the Central Bank of Cyprus and a Ministerial committee were heavily involved in the negotiation and the design of the financial assistance program, and finally the CBC Governor co-signed the MoU with the Minister of Finance, it must be noted that there was extremely limited time to further negotiate in detail aspects of the MoU,

Takes into account: Sharon Bowles (AM 256); Antigoni Papadopoulou (AM 257)

COMP S

10a (NEW) Notes the serious side effects of the application of the bail-in, which include the imposition of capital controls; stresses that the Cypriot real economy continues to face major challenges as the severing of credit lines is bearing down on the productive sectors of the economy

(AM 684 Papadopoulou partly)

COMP T

11. Notes that the IMF is the global institution tasked with providing states experiencing balance of payment problems with conditional financial assistance; points to the fact that all Member States are members of the IMF and have therefore the right to request its assistance, *in cooperation with EU institutions, assessing the interests of the EU and the Member State in question; notes that in view of the magnitude of this crisis, a sole reliance on financial means of the IMF would not have been sufficient to tackle the problems of the countries in need of financial assistance;*

Takes into account: Othmar Karas (AM 263); Rodi Kratsa-Tsagaropoulou (AM 264);

COMP U

11a. Notes that the IMF has clearly pointed to the risks of the Greek programme in particular with respect to debt sustainability; observes that in addition to accepting that the programme be devised and negotiated by the troika, the IMF decided to modify its Exceptional Access Policy (EAP) criterion on debt sustainability in order to make it possible to lend to Greece, Ireland and Portugal; (716 Lamberts partly)

COMP V

11b. Notes the concerns expressed with regard oversight of the ECB on ELA; points to the solvency concept used by the ECB as lacking transparency and predictability;

COMP W

12. Notes the *unpreparedness of the EU and international institutions* for a sovereign debt crisis of a large magnitude *and its differentiated origins and consequences* inside *the eurozone, stemming amongst others from the most serious financial crisis since 1929, and regrets the absence of a viable legal basis to deal with such a crisis.; acknowledges the efforts made to respond quickly and resolutely, but regrets that the Council of Ministers has consistently refused to develop a long term, comprehensive and systemic approach; deplores that the EU structural funds and other policies aiming at long term economic convergence within the Union had not effectively delivered;*

Takes into account: Sharon Bowles (AM 271); Philippe Lamberts, Sven Giegold (AM 272); Sylvie Goulard, Nils Torvalds, Olle Schmidt (AM 273); Nils Torvalds, Sylvie Goulard, Olle Schmidt (AM 275); Rodi Kratsa-Tsagaropoulou (AM 277); Diogo Feio (AM 279)

COMP X

13. Acknowledges, however, that the immense challenge the Troika faced leading to the crisis was unique as a result of, *inter alia*, the poor state of *public finances, the need for structural reforms in some Member States, insufficient* regulation of financial services *on European and national level*, large macroeconomic imbalances *built up over many years, as well as policy and institutional failures* and the fact that *most traditional macroeconomic* instruments such as *budgetary policy or* external devaluation were not available due to the constraints of monetary union *and the incompleteness of the Eurozone*; notes, moreover, *the considerable time pressure owing in part to the fact that requests for financial assistance were generally made at a time, when countries were already close to default and had already lost access to the markets, the fact that* legal obstacles had to be cleared, fear of a melt-down of the euro area was palpable, *the necessity to reach* political agreements *and to take decisions on reforms*, the world economy was in a *severe* downturn, and *that* a number of countries *that* were to contribute financial support had seen their own public and private debt increase in alarming ways;

Taking into account: Bowles 288, Eppink 291, Balz 292, Ferreira 294, Ferber 295, Langen 296 (partly), Costello 297, Lamberts 298, 232

COMP Y

14. *Denounces* the lack of transparency in the MoU negotiations; notes the necessity to evaluate whether formal documents were clearly communicated *and considered* in due time *at* the national parliaments and the European Parliament *and adequately discussed with social partners*; further notes the possible negative impact of *such practices which involve keeping information behind closed doors* on citizens' rights and the *stability of* political situation within the countries concerned *and trust of citizens in democracy and in the European Union project;*

Taking into account: 313 Bowles, 309 Ferreira, 314 Kleva Kekus (partly), 312 Essayah (partly), 311 Gomes

COMP Z

15. *Notes that recommendations contained in MoUs are at odds with the modernisation policy drawn up in the form of the Lisbon strategy and the Europe 2020 strategy; further notes the fact that Member States with MoUs are exempt from all European Semester reporting processes, including reporting under the anti-poverty and social inclusion targets and do not receive Country Specific Recommendations, aside from implementation of their MoUs; reminds that the MoUs need to be adapted in order to take into account the practice and institutions for wage formation and the national reform programme of the Member State concerned in the context of the Union's strategy for growth and jobs as set out in Regulation n°472/2013 (Art 7(1)); urges to do so where this has not been done yet; points out however that this can be partly explained, even if not fully justified, by the fact that programmes had to be implemented under considerable time pressure in a difficult political, economic and financial environment;*

Taking into account: 330 Bullmann (partly), 327 Langen, 325 Hoang Ngoc, Kratsa 328, Bullmann 330 (part), Costello 331), Lamberts 323

COMP AA

16. *Regrets that the programmes for Greece, Ireland and Portugal comprise a number of detailed prescriptions for health systems reform and expenditure cuts; regrets that the programmes are not bound by the Charter of Fundamental Rights of the European Union and the Treaties, including Art. 168 (7) TFEU;*

Original as best compromise

COMP AB

17. *Regrets that the measures implemented have led in the short-term to a rise in the income distribution inequality; notes that these have grown above average in the four countries and that cuts in social benefits and services and rising unemployment...resulting from measures contained in the programme meant to address the macroeconomic situation as well as wage reductions are raising poverty levels*

Covering Lamberts 372, Ferber 373 (part), Costello 384

COMP AC

18. *Points to the unacceptable level of unemployment, long term unemployment and youth unemployment in particular in the four Member States under assistance programmes; stresses that this high youth unemployment imperils the opportunities for future economic development, as demonstrated by the flow of young migrants from Southern Europe as well as from Ireland, that risks causing a brain drain; recalls that education, training and strong scientific and technological background were systematically identified as the critical path for the structural catching up of these economies; therefore welcomes the recent initiatives at EU level regarding youth education and employment, the Erasmus+ programme, the Youth Employment Initiative, the 6 billion EUR for the EU Youth*

Guarantee Scheme, but calls for an even stronger political and economic focus for addressing these issues; underlines that the competences related to employment remain primarily with the member States; therefore encourage the MS to further modernise their national education systems and to engage in addressing youth unemployment

*Taking into account Balz 391 (partly) Bullmann and Simon 392 (mod); Ferreira 398, Lamberts 396 (partly), Costello 397 (part) Kratsa (395); Ferreira (409)
Covering AMs Gomes394 , Eppink 399*

COMP AD

19. *Welcomes the end of the programme in Ireland, in so far as the Troika missions have stopped and the country was able to access successfully bond markets on 7 January 2014 and the expected end for Portugal; regrets the uneven results in Greece despite unprecedented reforms having been undertaken; acknowledges the very demanding efforts that have been requested from individuals, families, enterprises and other institutions of the civil societies of the countries under adjustment programmes; notes first signs of partial economic improvements in certain programme countries; points out, however, that the persistently high unemployment rates weigh on economic recovery and that continued and ambitious efforts are still needed both at national and at EU level*

COMP AE

20. *Underlines that adequate **country specific as well as Eurozone wide** economic models, **built on prudent assumptions, independent data, involvement of stakeholders, transparency** , are necessary in order to produce credible and efficient adjustment **programme while acknowledging that economic forecasts usually contain some level of uncertainty and unpredictability**; deplores that adequate statistics and information were not always available; **(moved to para 2)***

Taking into account Balz (445), Karas (447 mod), Podimata (448 part), Bullmann and Simon (449) Lamberts (450 mod)

COMP AF

21. *Welcomes that **financial assistance achieved in the short run the objective of avoiding** a disorderly default on sovereign debt that would have had extremely severe economic and social consequences which would have arguably been worse than the current economic and social consequences, as well as spill-over effects for other countries of an incalculable magnitude, and possibly the forced exit of countries from the euro area; notes **however** that there is no guarantee this will be avoided in the long run; also notes that the financial assistance and adjustment programme in Greece have not prevented an orderly default nor contagion of the crisis to other Member States **and that market confidence was restored and spreads on sovereign debt only started to come down when the ECB supplemented actions already taken with the OMT programme in August 2012**; deplores the economic and social downturn which became evident when the fiscal and macroeconomic corrections were put into place; notes that the economic and social consequences would have been worse without the EU-IMF financial and technical assistance*

AM 466 (partly)

COMPAG

22. Notes that from the onset the Troika published comprehensive documents on the diagnosis, the strategy to overcome the **unprecedented** problems, a set of policy measures elaborated together with the national government concerned, and economic forecasts, all of which are updated on a regular basis; notes that **these documents did not permit the public to form an overall view of the negotiations and thus that this does not constitute sufficient means of accountability**;

Taking into account AM 492, 493 (mod) 494

COMP AH

23. Deplores the sometimes over-optimistic assumptions made by the Troika, especially as far as growth and unemployment are concerned, deriving amongst others from the insufficient recognition of cross border spill-overs as recognized by the Commission in its report on “Fiscal consolidations and spillovers in the Euroarea periphery and core”, political resistance to change in some Member States and the economic and social impact of adjustment; deplores the fact that this also affected the Troika’s analysis of the interplay between fiscal consolidation and growth; notes that as a result fiscal targets could not be fulfilled within the timeframe foreseen;

Taking into account AM 483 (mod), 485, 488 (part) 489, 492, 495, 497 498, 516 (to be checked)

COMP AI

24. **Welcomes** the reduction of structural deficits in all programme countries since the start of their respective assistance programmes; **regrets that these have** not yet led to a reduction in the ratios of public debt to GDP; **notes** that the ratio of public debt to GDP has instead sharply increased in all programme countries, **as the receipt of conditional loans naturally leads to an increase of public debt and as policy implemented has a recessive impact in the short term; further believes that the accurate estimation of fiscal multipliers is of crucial importance for fiscal adjustment to be successful in reducing the debt to GDP ratio; notes that progression towards more sustainable levels of private debt is also necessary for long-term stability; acknowledges that it typically takes several years before structural reforms can make a significant contribution to raising output and employment**;

Taking into account AM 506, 509 Kratsa (mod), 511 Karas (mod), 513 Bowles (mod), 515 Balz, 508 Eppink

COMP AJ

25. Considers that fiscal multipliers are difficult to assess with certainty; recalls in this respect that the IMF admitted to underestimating the fiscal multiplier in its growth forecasts prior to October 2012; notes that this period encompasses the conclusions of all but one of the initial memoranda of understanding under enquiry in this report; recalls that the European Commission stated in November 2012 that forecast errors were not due to the

underestimation of fiscal multipliers; points out however that the Commission stated in its reply to the questionnaire that "fiscal multipliers tend to be larger at the current juncture than in normal times"; understands that fiscal multipliers are partly endogenous and evolve in changing macroeconomic conditions; points out that this expression of public disagreement between the European Commission and the IMF on the size of the fiscal multiplier was not followed up with a joint stance being taken by the troika;

Taking into account AM AM 520 522

COMPAK

26. Points out that while the IMF's stated objective in its assistance operations within the frame of the Troika is internal devaluation including through salary reduction and pension cuts, the Commission has never explicitly endorsed this objective; notes that the objective emphasised by the Commission in all four programme countries under enquiry has rather been fiscal consolidation; recognizes these priority differences between the IMF and the European Commission, takes note of this preliminary inconsistency of goals between both institutions; notes that it was commonly decided to rely on a mix of both instruments as well as structural reforms, with other measures complementing this approach; notes that the combination of fiscal consolidation and restrictive wage policy depressed both public and private demand; notes that the objective of reforming both the industrial basis and institutional structures in programme countries rendering them more sustainable and effective have received less attention than the above mentioned objectives.

Taking into account AM 535, 536, 537, 532,

COMPAL

27. Considers that too little attention has been given to alleviating the negative economic and social impact of adjustment strategies in the programme countries; recalls the origins of the crises; deplors that too often the one-size fits all approach taken to crisis management did not fully consider the balance in the economic and social impact of the prescribed policy measures

Taking into account AM 557, 548, 549

COMPAM

28. Stresses that national-level ownership is *crucial*, and that failure to implement agreed measures has consequences in terms of the expected results; *inducing additional hardship over an even longer period for the country concerned; takes note of the IMF's experience that country ownership could be seen as the single most important factor in the success of any financial assistance programme; stresses however that national-level ownership cannot be achieved without proper democratic legitimacy and accountability at both national and EU level; highlights in this regard that the deliberation by national parliaments of the budgets and laws to implement economic adjustment programmes is crucial to provide national level accountability and transparency;*

Taking into account AM 563, 564, 565 (mod), 568

COMPAN

29. Notes that *because of the evolving nature of the EU response to the crisis, the unclear role of the ECB in the Troika and the nature of the Troika decision making process*, the Troika's mandate has been perceived as being unclear, lacking transparency *and democratic oversight*;

Taking into account: Ferber 585, Langen 586, Balz 587, Bowles 589, Gomes 592, Kleva Kekus 593, Ferreira 595,

29 a (new). *Points out however that the adoption of Regulation (EU) No 472/2013, adopted on 21 May 2013, constitutes a first -even though insufficient- step to codify the surveillance procedures to be employed in the euro area for countries experiencing financial difficulties and that it gives a mandate for the Troika; welcomes inter alia the provisions regarding the evaluation of the sustainability of the government debt; the more transparent procedures regarding the adoption of macroeconomic adjustment programmes including the need to integrate adverse spill-over effects as well as macroeconomic and financial shocks and the scrutiny rights devolved to the European Parliament; the provisions regarding the involvement of social partners; the requirements to take explicit account of national practices and institutions for wage formation; the need to ensure sufficient means for fundamental policies, such as education and health care; and the exemptions granted to Member States under assistance from the relevant requirements of the Stability and Growth Pact*

Taking into account: Torvalds et al. 584, Lamberts 632, Lamberts 633,

29b (new) *Takes note of the Eurogroup President statement that the Eurogroup gives a mandate to the European Commission to negotiate on its behalf the details of the conditions attached to the assistance, while taking into account Member States' views on key elements of the conditionality and, in view of their own financial constraints, on the size of financial assistance; Notes that the above mentioned procedure whereby the Eurogroup confers a mandate to the European Commission is not specified in EU law as the Eurogroup is not an official institution of the European Union; Stresses that despite the Commission acting on behalf of the Member States the ultimate political responsibility for the design and approval of the macroeconomic adjustment programmes lies with EU Finance Ministers and their governments; deplors the absence of EU level democratic legitimacy and accountability of the Eurogroup when it assumes EU level executive powers;*

Takes into account: Hoang Ngoc 611, Hoang Ngoc 612, Hoang Ngoc 613, Torvalds et al 618

COMPAO

30. Points out that *the rescue mechanisms and the Troika were of an ad hoc nature and regrets that* there was no appropriate legal basis *available* for setting up the Troika on the basis of Union primary law, *which led to the establishment of inter-governmental mechanisms that are the EFSF and eventually the ESM; demands that any future solution shall be based on Union primary law; acknowledges that this might lead to the necessity of a Treaty change;*

Taking into account: 607 Karas, Lamberts 610 (partly), , 609 Ferber, 610 Lamberts (partly)

COMP AP

31. *Is alarmed by* the admission by the *former* President of the Eurogroup before the European Parliament that the Eurogroup endorsed the recommendations of the Troika without considering *extensively* their specific policy implications; *stresses that, if accurate, this does not discharge euro area finance ministers from their political responsibility for the macroeconomic adjustment programmes and the MoUs; points out that such admission sheds worrying lights into the blurred scope of the 'technical advising' and 'Eurogroup agency' roles devolved to both the Commission and the ECB in the framework of the design, implementation and assessment of assistance programmes; deplores in that perspective the lack of a clear and accountable case-by-case mandates provided by the Council and the Eurogroup to the Commission;*

Taking into account: 624 Torvalds et al, 622 Lamberts (partly), 623 Hoang Ngoc (partly)

COMP AQ

32. *Questions* the dual role of the Commission in the Troika as both an agent of Member States and an EU institution; *asserts that there is a potential conflict of interest* within the Commission between its role in the Troika and its responsibility as a guardian of the Treaties *and the "acquis communautaire"*, especially in policy areas such as *competition and state aid policy, social cohesion, and with regard to Member States wage and social policy on which the Commission has no competence; as well as respect of Charter of Fundamental Rights of the European Union*; points out *that such a situation contrasts with the normal Commission role which is to act as an independent principal protecting the EU interest and ensuring the implementation of EU rules within the limits established by the treaties;*

Taking into account: Langen 635, Hoang Ngoc 637, Ferreira 639, Lamberts 640, Kratsa 641.

COMP AR

33. Points equally to the potential conflict of interest between the current role of the ECB in the Troika as 'technical advisor' and its position as creditor of the four Member States as well as its mandate under the Treaty as it has made its own actions conditional on decisions it is itself part of; nonetheless, welcomes its contribution in addressing the crisis but requests that potential ECB conflicts of interest, especially as regards crucial liquidity policy are carefully scrutinized; notes that throughout the crisis, the ECB has had crucial information on the health of the banking sector and financial stability in general, and that with this in mind it has subsequently exerted policy leverage on decision-makers, at least in the cases of the Greek debt-restructuring where the ECB insisted that CACs were to be removed from government bonds it held, the Cypriot ELA operations and the Irish non-inclusion of senior-bondholders in the bail-in;

Taking into account: Torvalds et al 646, Kratsa 649, Hoang Ngoc 650, 665 667 668

COMP AS

34. Notes that the ECB's role is not sufficiently defined, as it is stated in the ESM Treaty and Regulation (EU) No 472/2013 that the Commission should work 'in liaison with the ECB', thus reducing the ECB to an advisory role; notes that the Eurogroup asked the involvement of the ECB as a provider of expertise as to complement the views of the other Troika partners and that the ECJ has ruled in its Case C-370/12 ("Pringle vs Ireland") that the tasks allocated to the ECB by the ESM Treaty are in line with the various tasks which the TFEU and the Statute of the ESCB [and the ECB] confer on the ECB; points to the responsibility of the Eurogroup in allowing the ECB to act within the Troika but reminds that the ECB mandate is circumscribed by the TFEU to monetary policy as well as to financial stability and that the involvement of the ECB in matters related to budgetary, fiscal and structural policies is not foreseen by the Treaties;

*Taking into account: Langen 653 (partly), Balz 654, Karas 655, Hoang Ngoc 650,
Taking into account: Balz 654, Karas 655, Hoang Ngoc 658 (partly+changed), Torvalds et al
659 (partly), Bullmann 660, Lamberts/Giegold 661 (partly, rest covered by para 33)*

COMPAT

35. Points to generally weak democratic accountability of the Troika in programme countries at national level; notes, however, that this democratic accountability varies between countries, depending on the will of national executives and the effective scrutiny capacity of National parliaments, as demonstrated in the case of the refusal of the original MoU by the Cypriot parliament; notes, however, that when consulted National parliaments were faced with the choice between eventually defaulting on their debt or accepting Memoranda of Understanding negotiated between the Troika and national authorities; points to the fact that the MoU was not ratified by Parliament in Portugal; notes with concern that three independent institutions of the Troika with an uneven distribution of responsibility between them, coupled with differing mandates, as well as negotiation and decision-making structures with different levels of accountability, resulted in a lack of appropriate scrutiny and democratic accountability of the Troika as a whole;

Taking into account: Torvalds et al. 671, Karas 672, Hoang Ngoc 674, Ferber 677 (partly), Wortmann-Kool 679, Lamberts 680 to be checked

COMP AU

35a. Regrets that due to its statutes the IMF cannot appear formally nor report in writing in front of national or European parliaments; notes that the IMF governance structure foresees accountability towards the 188 member countries via the IMF Board; underlines that the IMF involvement as lender of last resort providing up to one third of the funding puts the institution in a minority role; (Lamberts 716 partly)

COMP AV

36. Notes that, ***following preparatory work by the Troika***, formal decisions are made, ***according to their respective legal statutes and roles***, by the Eurogroup and the IMF ***separately which respectively carry political responsibility for Troika actions***; further notes that a crucial role now given to the ESM as it is the organisation responsible for deciding on financial assistance, ***granted by Member States of the Eurozone***, thus putting ***national***

executives from member states of the euro area including governments of the Member States directly concerned, at the centre of any decisions taken;

Taking into account: Goulard et al 691, Lamberts 694, Hoang Ngoc 690, Bullmann 693

COMP AW

36a (new). notes that the democratic legitimacy of the troika at national level derives from the political responsibility of Eurogroup and ECOFIN members' before their respective national parliaments; regrets that the troika lacks means of democratic legitimacy at EU level because of its structure.

COMP AX

37. Points to the fact that the ESM is an intergovernmental body which is not part of the European Union legal structure and that it is bound by the unanimity rule in the regular procedure; for this reason, a spirit of mutual commitment and solidarity is required; notes that the ESM Treaty has introduced the principle of loan conditionality under the form of a macroeconomic adjustment programme; points out that the ESM treaty does not define further the content of conditionality or adjustment programme, thus giving a great leeway in recommending such conditionality

Taking into account: Hoang Ngoc 698 (partly), Lamberts 701 (Hoang Ngoc)706 708

COMP AY (Recommendations)

Welcomes the willingness of the Commission, the ECB, the President of the Eurogroup, and the IMF, of the national governments and central banks of Cyprus, Ireland, Greece and Portugal as well as social partners and representatives of civil society to cooperate and participate in the evaluation of the European Parliament on the role and operations of the Troika, including by answering the detailed questionnaire and/or participating in formal and informal hearings; (732 Karas)

Deplores the fact that the European Council did not sufficiently take into account the proposals contained in its resolution of 6 July 2011 on the financial, economic and social crisis; emphasises that implementing them would have fostered economic and social convergence in the Economic and Monetary Union and would have afforded the measures to coordinate economic and budgetary policy full democratic legitimacy; (762 Beres)

Short to Medium Term

Calls as a first step for the establishment of clear, transparent and binding rules of procedure for the interaction between the institutions within the Troika and the allocation of tasks and responsibility therein; strongly believes that a clear definition and division of tasks is needed in order to enhance transparency, enable a stronger democratic control over and to underpin the credibility of the work of the Troika; (849 Karas)

Calls for the development of an improved communication strategy for on-going and future financial assistance programmes. Urges to give this concern utmost priority as inaction on this front will ultimately damage the image of the Union; (761 Huebner)

Calls for an transparent assessment into the awarding of contracts to external consultants, the lack of public tender, the very high fees paid and the potential conflicts of interests. (836 Lamberts)

Economic and Social impact

Recalls that the European Parliament position in the Regulation 472/2013 introduced provisions requiring the macroeconomic adjustment programmes to include contingency plans in case baseline forecasts scenarios would not materialize and in case of slippage due to circumstances outside the control of the Member State under assistance, such as unexpected international economic shocks; underlines that such plans are a prerequisite of prudent policy making given the fragility and poor reliability of economic models underpinning programme forecasts as illustrated in all Member States under assistance programmes; (738 Lamberts)

Urges the EU to closely monitor the financial, fiscal and economic evolution in the Member States and to create an institutionalized system of positive incentives to duly reward those who meet best practices in this regard and those who utterly comply with their adjustment programmes; (795 Feio)

Demands that the Troika take stock of the current debate on fiscal multipliers and consider the revision of MoUs on the basis of the latest empirical results; (original Draft Report)

Asks the troika to proceed to new debt sustainability assessments and as a matter of urgency to address the need to reduce the Greek public debt burden as well as the severe capital outflows from Greece which contributes significantly to the vicious circle of the current economic depression in the country; recalls that a number of possibilities exist for a debt restructuring, besides a haircut on bonds principals, including bond swapping, extending bonds maturities and reducing coupons; the different possibilities for debt restructuring should be carefully weighed; (Hoang Ngoc 888, 736 Lamberts)

Insists that the MoUs are made to respect, where this is not the case, the objectives of the European Union that are the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion, as stated in Article 151 of the TFEU; supports the cautious prolongation of fiscal adjustment timeframes that have already been performed in memoranda as fears of general meltdown receded; supports considering further adjustments in light of further macroeconomic developments; (337 Hoang Ngoc, Chountis et al, 415)

Regrets that the burden has not been shared among all who acted irresponsibly and that the protection of bond holders was seen as an EU necessity in the interest of financial stability; asks the Council to activate the framework it decided on the treatment of legacy assets so as to break-down the vicious circle between sovereigns and the banks and alleviate the public debt burden in Ireland, Greece, Portugal and Cyprus; urges the Eurogroup to deliver on its commitment to examine the situation of the Irish financial sector with the view of further improving the sustainability of the adjustment in Ireland,

and, having regard to all of the above, urges the Eurogroup to make good on the commitment to Ireland to deal with this bank debt burden; Special consideration should be made in the application of the Stability and Growth Pact for relevant legacy debt that is perceived in Ireland as unfair and burdening the country under the flexibility provisions of the reformed pact; in the longer term the distribution of the costs should reflect distribution of the protected bond holders; takes note of the Irish authorities' demand for a transfer of a share of public debt corresponding to the cost of the bail out of the financial sector to the ESM;

(829 Bowles, 831 Bowles, 749 Lamberts, 828 Costello, 887 Hoang Ngoc)

Recommends the Commission, the Eurogroup and the IMF to explore further the concept of 'contingent convertible bonds' where the returns of newly issued sovereign debt in Member States under assistance are linked to economic growth; (Lamberts 751)

Recalls the necessity of measures to safeguard tax revenues, in particular for programme countries enshrined in the regulation n°472/2013 of the European parliament and of the Council on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (Gauzès report), by taking "measures in close cooperation with the Commission and in liaison with the ECB and, where appropriate, with the IMF, aiming to reinforce the efficiency and effectiveness of revenue collection capacity and the fight against tax fraud and evasion, with a view to increasing its fiscal revenue"; recalls that effective steps to fight and prevent fiscal fraud both within and outside the EU should be taken rapidly; Recommends implementing measures that would make all parties contribute fairly to tax revenues (Goulard et al 420, 896)

Calls for the publication of the use made of bail-out funds; underlines that the quantity of funds directed to finance the deficits, fund the government and repay private creditors should be clarified; (282 Tremosa)

Calls for an effective involvement of social partners in the design and implementation of adjustment programmes, current and future; agreements reached by social partners in the frame of the programmes should be respected in so far as they are compatible with the programmes; emphasizes that Regulation (EU) No 472/2013 provides that assistance programmes shall respect national practices and institutions for wage formation;

Calls for the involvement of the EIB in the design and the implementation of investment related measures measures in order to contribute to economic and social recovery; (799 Karas)

Regrets that the programmes are not bound by the Charter of fundamental rights of the European Union, the European Convention of Human Rights and the European Social Charter due to the fact that they are not based on Union primary law; (Lamberts et al 902)

Stresses that European institutions need to respect Union law, including the Charter of Fundamental Rights of the European Union, under all circumstances;

Commission

Calls for full implementation and full ownership of the regulation 472/2013; Calls on the Commission to start inter-institutional negotiations with the European Parliament in order to define a common procedure for informing the competent committee of the European Parliament on the conclusions drawn from the monitoring of the macroeconomic adjustment programme as well as progress the made in the preparation of the draft macroeconomic adjustment programme provided for in article 7 of Regulation (EU) No 472/2013; Reminds the Commission to conduct and publish ex-post evaluations of its recommendations and its participation in the Troika; asks the Commission to include such assessments in the review report foreseen in Article 19 of Regulation (EU) No 472/2013; Reminds the Council and the Commission that article 16 of Regulation (EU) No 472/2013 provides that Member States in receipt of financial assistance on 30 May 2013 shall be subject to that Regulation as from that date; calls upon the Council and the Commission in conformity with article 265 TFEU to act in order to streamline and align the ad hoc financial assistance programmes with the procedures and acts referred to in Regulation (EU) No 472/2013; Calls on the Commission and the co-legislators to draw the lessons from the troika experience when designing and implementing the next steps of the EMU; including when revision regulation 412/2013 (from para 29) (Lamberts 739) (Lamberts 741) (Lamberts 746) (898 Lamberts)

Reminds the Commission and the Parliament of its position adopted in plenary regarding Regulation (EU) No 472/2013; emphasises in particular that the European Parliament laid down provisions in this position which increase further the transparency and accountability of the decision-making process leading to the adoption of macroeconomic adjustment programmes, providing for a clearer and well-delimited mandate and overall role for Commission; asks the Commission to reassess and integrate such provisions into the framework in case of a future proposal to amend Regulation(EU) No 472/2013; reminds in that perspective that the preparation of future assistance programmes shall be placed under the responsibility of the European Commission; which should seek advice, where appropriate, from third parties such as the ECB, IMF or other bodies:

Requests full accountability of the Commission in line with and beyond Regulation (EU) No 472/2013 when it acts in its capacity as a member of the European Union assistance mechanism; requests that Commission representatives in the European Union assistance mechanism are heard by the European Parliament before taking up their duties; demands that they are subjected to regular reporting to the European Parliament; Taking into account: 846 Torvalds et al, 843 Hoang Ngoc, 839 Balz (partly),

Proposes that for each programme country the Commission sets up a "growth task force" composed inter alia of experts coming, among others, from the Member States, the EIB, in association with representatives of the private sector and civil society in order to allow ownership, to suggest options to promote growth which would complement fiscal consolidation and structural reforms; this task force would have the objective of restoring confidence and therefore enabling investments; the Commission should build on the experience of the "Twinning" instrument for cooperation between Public Administrations of EU Member States (MS) and of beneficiary countries; (Goulard et al 893)

Is of the opinion that the situation of the euro area as a whole (including spill-over effects resulting from national policies on other Member States) should be better taken into account when looking at the Macroeconomic Imbalances Procedure (MIP) or when the Commission is drafting the AGS; (894 Torvalds)

Believes that the Macroeconomic Imbalances Procedure (MIP) should also clearly assess any Member State's overreliance on a particular sector of activity; (895 Torvalds)

Asks the Commission to proceed to a thorough examination in the light of State Aid rules of liquidity provisions by the European system of Central Banks; (742 Lamberts)

Instructs the European Commission as „guardian of the Treaty" to present by the end of 2015, a detailed study of the economic and social consequences of the adjustment programmes in the four countries in order to provide a precise understanding of both the short-term and long-term impact of the programmes to enable the resulting information to be used for future assistance measures; asks the Commission to use all relevant consultative bodies including the Economic and Financial Committee, Employment Committee and the Social Protection Committee when drafting this study and to fully cooperate with the European Parliament; the report of the Commission should also reflect the assessment of the European Agency of Fundamental Rights (Klute et al 909, first part, 853 Rangel, 740 Lamberts)

Calls on Commission and Council to ensure the involvement of all relevant Directorate Generals (DG) of the Commission and national Ministries in the MoU discussions and decisions; highlights in particular the role DG Employment has to play alongside DG ECFIN and DG MARKT to ensure that the social dimension is a key consideration in the negotiations, and the social impact is also taken into account; (Lamberts et al 904)

ECB

Requests that in any reform of the Troika framework the ECB role is carefully analysed in order to align it with the ECB mandate; requests especially to make the ECB a silent observer with a transparent and clearly defined advisory role while not allowing it to be a full negotiation partner and discontinuing ECB co-signing mission statements; (Torvalds et al 850)

Asks the ECB to conduct and publish ex-post evaluations of the impact of its recommendations and its participation in the Troika; (Lamberts 743)

Recommends the ECB to update its guidelines on Emergency Liquidity Assistance (ELA) and its collateral framework regulations in order to increase the transparency of liquidity provisions in Member States under assistance and increase the legal certainty surrounding the solvency concept used by the ESCB; (Lamberts 744)

Calls on the ECB and NCBs to publish comprehensive information on ELAs in a timely fashion, including concerning the conditions for support such as solvability, the way the ELAs are financed by the NCBs, the legal framework and practical functioning (835 Lamberts)

IMF

After these years of experience in designing and implementing financial programs, the European institutions have acquired the necessary know-how to design and implement them by themselves while the IMF involvement would be redefined along the lines proposed in this report;; (884 Feio)

Calls for any future involvement of the IMF in the Euro area to remain optional;

Calls on the IMF to redefine the scope of any future involvement in EU related assistance programmes to that of a catalytic lender providing minimum financing and expertise to the borrowing country and EU institutions while retaining the option of exit in case of disagreement; (753 Lamberts)

Asks the Commission, in accordance with article 138 TFEU, to propose appropriate measures to ensure unified representation of the euro area within the international financial institutions and conferences and particularly in the IMF, in order to replace the current system of individual Member State representation at the international level; notes that this requires a change in the statutes of the IMF; (891 Torvalds et al)

Calls for the consultation of the European Parliament on the involvement of the IMF in the Euro area on an ad-hoc basis; (811 Hoang Ngoc)

Council and Eurogroup

*Calls for a reassessment of the decision-making process of the Eurogroup to include appropriate democratic accountability at both national and European levels; calls for European guidelines to be established in order to ensure appropriate democratic control on the implementation of measures at national level **which take into account the quality of -employment, social protection, health and education and ensure access for all to the social systems; proposes that the permanent chairperson of the Eurogroup should be a full time responsibility; who would be one of the Vice-President of the Commission and accountable in front of the European Parliament; in the short run, calls for the establishment of a regular dialogue between the Troika and the European Parliament;***

Taking into account: 865 Torvalds et al, 863 Wortmann, 859 Ferber (partly), 864 Hadjigeorgiou et al

Calls on the Eurogroup, the Council and the European Council to assume full responsibility for the operations of the Troika; Is concerned, in particular, to improve the accountability of decisions of the Eurogroup with regard to financial assistance as finance ministers bear the ultimate political responsibility for macroeconomic adjustment programmes and their implementation while often neither being directly accountable to their national parliament nor the European Parliament for specific decisions; believes that before financial assistance is being granted the President of the Eurogroup should be heard before the European Parliament and the EU finance ministers in their respective parliament; stresses that the President of the Eurogroup and the finance ministers should both be required to regularly report to the European parliament and national parliaments; (Torvalds 697, 851)

Urges all Member States to increase their national ownership in the European Semester's workings and decisions and to carry out all measures and reforms they have agreed to in the context of the Country Specific Recommendations; Reminds that the Commission has identified a significant degree of progress in comparison with previous years in only 15 % of the around 400 country-specific recommendations; (730 Karas, recommendation part)

ESM

Stresses that with the phasing out of the Troika, an institution will need to take over the scrutiny of on-going reforms;

Demands the ESM to be integrated in the European Union's legal framework and evolve towards a Community-based mechanism as provided for in the ESM Treaty and be made accountable to the European Parliament and the European Council including with respect to decisions to grant financial assistance as well as decisions to grant new loan tranches; acknowledges that as long as Member States make direct contributions from their national budget to the ESM, member states should approve financial assistance;; calls for the ESM to be further developed, with adequate lending and borrowing capacities, and the establishment of a dialogue between the ESM board and European social partners and an integration of the ESM into the EU budget; calls on the members of the ESM, until the above becomes reality, to abstain from the unanimity requirement in the short run in order to allow standard decisions to be taken by a qualified majority rather than by unanimity, and to allow for precautionary assistance to be given;

Taking into account: 774 Hoang Ngoc et al (partly), 773 Torvalds et al, Karas 779 mod, Bullmann 781, Klute et al 783 (partly), 810 Hoang Ngoc

Asks the Council and Eurogroup to respect the commitment made by the President of the European Council to negotiate an inter-institutional arrangement with the European Parliament in order to establish an appropriate interim mechanism for increasing the accountability of the ESM; calls also in that context for greater transparency in the proceedings of the ESM Governing Council; (750 Lamberts)
(Huebner 794)

Underlines that the ECJ 'Pringle' case-law and jurisprudence opens the possibility to bring the ESM within the community framework with a constant Treaty on the basis of article 352 TFEU; calls therefore upon the Commission to put forward by end of 2014 a legislative proposal with that objective; (755 Lamberts)

Medium to Long term

Calls for memoranda to be placed within the frame of the community legislation so as to promote credible and sustainable consolidation strategy, and also serve the objectives of the Union growth strategy and stated social cohesion and employment objectives; Recommends that in order for assistance programmes to be vested with appropriate democratic legitimacy; the negotiation mandates should be submitted to a vote by the European Parliament, and the European Parliament should be consulted on the resulting MoUs; (826 Ferreira/Hoang Ngoc, 906 Lamberts)

Reiterates its call for decisions related to the strengthening of the EMU to be taken on the basis of the Treaty on European Union; takes the view that a departure from the Community method and increased use of intergovernmental agreements (such as contractual agreements), divides, ***weakens and challenges the credibility of*** the Union, including the euro area; ***full respect of community method in further reforms of the union assistance mechanism might require treaty change; such changes must fully involve the EP and be subject to a convention;***

Taking into account: Balz 725, Bowles 727, Bullmann 729, 886 Hoang Ngoc

Is of the opinion that the option of a Treaty change allowing for the extension of the scope of the present Art. 143 TFEU to all Member States, instead of being restricted to non-euro Member States, should be explored;

Calls for the creation of a European Monetary Fund on the basis of Union law, which shall act according to the Community method; points out that such a EMF should combine the financial means of the ESM geared to support countries experiencing balance of payments problems or facing state insolvency with the resources and experience that the Commission has gained over the last few years in this field; points out that such framework would avoid the possible conflicts of interest inherent to the Commission's current role as an Eurogroup agent and it's much more encompassing role of 'guardian of the treaty'; believes that the EMF should be subjected to the highest democratic standards of accountability and legitimacy; believes that this setting would ensure transparency in the decision-making process and that all institutions involved are made fully responsible and accountable for their actions; (885 Hoang Ngoc 754 Lamberts, 882 Karas, 905 Lamberts)

Is of the opinion that a treaty revision will be required in order to fully anchor the EU crisis prevention and resolution framework within a legally sound and economically sustainable ground;

Is of the opinion that the option of developing a mechanism with clear procedural steps for states, which are in danger of insolvency, should be explored, accompanying the rules of the 6-pack and the 2-pack; in this context encourages the IMF and asks the Commission and the Council to bring the IMF to a common position to reignite the debate around an international sovereign debt restructuring mechanism (SDRM) with a view to adopting a fair and sustainable multilateral approach in this domain; (883 Karas; 760 Lamberts)

Summarises its recommendation that the respective roles and tasks^{1a} of each participant in the Troika should be clarified in the following ways:

a- a European Monetary Fund, which shall combine the financial means of the ESM and the human resources that the Commission has gained over the last few years, would take over the Commission's role, allowing the latter to act in conformity with article 17 of the TEU and in particular to be the guardian of the Treaties;

b- the ECB would participate as a silent observer during the negotiation process, in order to enable it to raise strong concerns in its advising role to the Commission and latter to the European Monetary Fund if appropriate

c- the IMF, if strictly necessary, would be a marginal lender and therefore could leave the program if in disagreement;

Considers that the work started with this report should be followed up; calls on the next Parliament to pursue the work of this report and develop further its key findings and to further investigate; (734, 735 (partly), 899 Lamberts)

Instructs its President to forward this resolution to the **European Council**, the Council, the Eurogroup, the Commission, the European Central Bank **and the IMF**; (915 Karas mod)

COMP AZ (All Recitals in Block)

A. whereas the Troika, consisting of the European Commission, the European Central Bank (ECB) and the International Monetary Fund (IMF), originated in the decision of 25 March 2010 by euro area Heads of State and Government to **establish a joint programme and to provide conditional bilateral loans to Greece, thereby also building on recommendations from the Ecofin Council**, and has since also been operational in Portugal, Ireland and Cyprus; **whereas there exists significant involvement of Euro area finance ministers in the decisions concerning the detail of the bilateral loans;**

Taking into account: 11 Balz, 12 Bowles

B. whereas, within the Troika, the Commission, **acting as an agent of the Eurogroup entrusted with** negotiating the conditions for financial assistance for euro area Member States 'in liaison with the ECB' and 'wherever possible together with the IMF', the financial assistance hereinafter referred to as 'EU-IMF assistance', **but the Council is politically responsible for approving the macroeconomic adjustment programmes; whereas each member of the Troika followed its own procedural process;**

Taking into account: 40, Feio (partly), 43 Torvalds et al, 42 Lamberts, 41 Bullmann, 44 Eppink, 45 Balz

C. whereas the Troika **has been to date** the basic structure for negotiation between the official lenders and the governments of the recipient countries, as well as for reviewing the implementation of **economic** adjustment programmes; whereas for the European side, **in case of EFSF and ESM support**, the final decisions as regards financial assistance and conditionality are taken by the **the Eurogroup, thus bearing the political responsibility for the programmes;** ;

Taking into account: 51 Bullmann, 52 Balz, 53 Bowles, 54 Goulard et al., 55 Eppink

D. whereas the Troika together with the Member State concerned is also **responsible for** the preparation of formal decisions of the Eurogroup;

F. whereas the EU **and its Member States** created several ad hoc mechanisms to provide financial assistance for euro area countries, first through bilateral loans, including from several non-euro area countries, then through **emergency funds of temporary character for EU Member States in distress**, the EFSF and EFSM, and finally through the ESM, which was meant to replace all the other mechanisms;

Taking into account: 69 Mitchell, 68 Eppink (partly)

Fa. Whereas the European Court of Justice in the 'Pringle' Case C-370/12 provides that the European Stability Mechanism is consistent with the TFEU and opens the door for a possible integration of the mechanism to the community acquis within the current limits of the treaties,

G. whereas a Memorandum of Understanding (MoU) is, by definition, an agreement between the Member State concerned and the Troika, which results from negotiations and whereby a Member State undertakes to carry out a number of *precise* actions in exchange for financial assistance; *whereas the Commission signs the MoU on behalf of euro area finance ministers; whereas, however, it is not public knowledge how negotiations have been conducted in practice between the Troika and the relevant Member State and, furthermore, there is a lack of transparency as to the extent to which a Member State seeking assistance has been able to influence the outcome of negotiations;* whereas it is stipulated in the ESM Treaty that a Member State requesting assistance from the ESM *is expected* to address, *wherever possible*, a request for assistance to the IMF;

Taking into account: 76 Bullmann, 75 Torvalds et al (partly), 78 Karas, 79 Feio

H. whereas the total amount of financial assistance *packages* in the four programmes is unprecedented, as are the duration, *shape and the context* of the programmes, leading to an *undesirable* situation where the assistance has almost exclusively replaced the usual financing *provided by* the markets;

Taking into account: 84 Lamberts, 88 Karins, 89 Eppink, 85 Chountis (partly)

I. whereas the *financial crisis has led to an economic and social crisis; whereas this economic situation and recent developments have had serious and previously unforeseen negative impacts on the quantity and quality of employment, access to credit, income levels, social protection and health and safety standards and as a result economic and social hardship is unmistakable; whereas these negative impacts could have been considerably worse without the EU-IMF financial assistance and whereas the action on European level has helped to prevent the situation from deteriorating yet further;*

Taking into account: 94 Balz, 95 Hoang Ngoc, 96 Langen, 100 Eppink, 102 Ferreira, 101 Bowles, 103 Karins, 110 Costello

J. whereas the Task Force for Greece was set up to strengthen the capacity of the Greek administration to design, implement *and enforce* structural reforms to improve the *competitiveness and* functioning of the economy, *society and administration* and create the conditions for sustained recovery and job creation, as well as to speed up the absorption of EU Structural and Cohesion Funds in Greece and to *utilize* critical resources to finance investment;

Taking into account: 115 Ferber, , 107 Balz (partly), 118 Kratsa, 119 Torvalds et al,

K. whereas, in its resolution of 20 November 2012, Parliament calls for high standards of democratic accountability at *national and* Union level to be applied to the *EU institutions which are members of the Troika*; whereas such accountability *is imperative to the credibility of the assistance programmes and* notably requires *a closer involvement of the national parliaments and the need of the EU Members of the Troika* to be heard in the European Parliament *on the basis of a clear mandate* before taking up *their* duties and to be subject to regular reporting to and democratic scrutiny by the European Parliament;

Taking into account: 127 Bowles, 125 Eppink, 126 Balz, 128 Mitchell, 129 Lamberts

L. whereas the programmes were in the short run primarily meant to avoid a disorderly default and stop speculation on sovereign debt; whereas the medium term aim was to ensure that the money that was lent would be reimbursed, thus avoiding a large financial loss that would rest on the shoulders of the taxpayers of the countries which are providing the assistance and guaranteeing the funds; whereas this also requires the programme to deliver sustainable growth and effective debt reduction in the medium and long term; whereas the programmes were not suited to comprehensively correcting macroeconomic imbalances which had accumulated sometimes over decades;

Original as COMP

COMP AY (Recommendations)

Welcomes the willingness of the Commission, the ECB, the President of the Eurogroup, and the IMF, of the national governments and central banks of Cyprus, Ireland, Greece and Portugal as well as social partners and representatives of civil society to cooperate and participate in the evaluation of the European Parliament on the role and operations of the Troika, including by answering the detailed questionnaire and/or participating in formal and informal hearings; (732 Karas)

Deplores the fact that the European Council did not sufficiently take into account the proposals contained in its resolution of 6 July 2011 on the financial, economic and social crisis; emphasises that implementing them would have fostered economic and social convergence in the Economic and Monetary Union and would have afforded the measures to coordinate economic and budgetary policy full democratic legitimacy; (762 Beres)

Short to Medium Term

Calls as a first step for the establishment of clear, transparent and binding rules of procedure for the interaction between the institutions within the Troika and the allocation of tasks and responsibility therein; strongly believes that a clear definition and division of tasks is needed in order to enhance transparency, enable a stronger democratic control over and to underpin the credibility of the work of the Troika; (849 Karas)

Calls for the development of an improved communication strategy for on-going and future financial assistance programmes. Urges to give this concern utmost priority as inaction on this front will ultimately damage the image of the Union; (761 Huebner)

Calls for an transparent assessment into the awarding of contracts to external consultants, the lack of public tender, the very high fees paid and the potential conflicts of interests. (836 Lamberts)

Economic and Social impact

Recalls that the European Parliament position in the Regulation 472/2013 introduced provisions requiring the macroeconomic adjustment programmes to include contingency plans in case baseline forecasts scenarios would not materialize and in case of slippage due to circumstances outside the control of the Member State under assistance, such as unexpected international economic shocks; underlines that such plans are a prerequisite of prudent policy making given the fragility and poor reliability of economic models underpinning programme forecasts as illustrated in all Member States under assistance programmes; (738 Lamberts)

Urges the EU to closely monitor the financial, fiscal and economic evolution in the Member States and to create an institutionalized system of positive incentives to duly reward those who meet best practices in this regard and those who utterly comply with their adjustment programmes; (795 Feio)

Demands that the Troika take stock of the current debate on fiscal multipliers and consider the revision of MoUs on the basis of the latest empirical results; (original Draft Report)

Asks the troika to proceed to new debt sustainability assessments and as a matter of urgency to address the need to reduce the Greek public debt burden as well as the severe capital outflows from Greece which contributes significantly to the vicious circle of the current economic depression in the country; recalls that a number of possibilities exist for a debt restructuring, besides a haircut on bonds principals, including bond swapping, extending bonds maturities and reducing coupons; the different possibilities for debt restructuring should be carefully weighed; (Hoang Ngoc 888, 736 Lamberts)

Insists that the MoUs are made to respect, where this is not the case, the objectives of the European Union that are the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion, as stated in Article 151 of the TFEU; supports the cautious prolongation of fiscal adjustment timeframes that have already been performed in memoranda as fears of general meltdown receded; supports considering further adjustments in light of further macroeconomic developments; (337 Hoang Ngoc, Chountis et al, 415)

Regrets that the burden has not been shared among all who acted irresponsibly and that the protection of bond holders was seen as an EU necessity in the interest of financial stability; asks the Council to activate the framework it decided on the treatment of legacy assets so as to break-down the vicious circle between sovereigns and the banks and alleviate the public debt burden in Ireland, Greece, Portugal and Cyprus; urges the Eurogroup to deliver on its commitment to examine the situation of the Irish financial sector with the view of further improving the sustainability of the adjustment in Ireland, and, having regard to all of the above, urges the Eurogroup to make good on the commitment to Ireland to deal with this bank debt burden; Special consideration should be made in the application of the Stability and Growth Pact for relevant legacy debt that is perceived in Ireland as unfair and burdening the country under the flexibility provisions of the reformed pact; in the longer term the distribution of the costs should reflect distribution of the protected bond holders; takes note of the Irish authorities' demand for a transfer of a share of public debt corresponding to the cost of the bail out of the financial sector to the ESM;

(829Bowles, 831 Bowles, 749 Lamberts, 828 Costello, 887 Hoang Ngoc)

Recommends the Commission, the Eurogroup and the IMF to explore further the concept of 'contingent convertible bonds' where the returns of newly issued sovereign debt in Member States under assistance are linked to economic growth; (Lamberts 751)

Recalls the necessity of measures to safeguard tax revenues, in particular for programme countries enshrined in the regulation n°472/2013 of the European parliament and of the Council on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (Gauzès report), by taking "measures in close cooperation with the Commission and in liaison with the ECB and, where appropriate, with the IMF, aiming to reinforce the efficiency and effectiveness of revenue collection capacity and the fight against tax fraud and evasion, with a view to increasing its fiscal revenue"; recalls that effective steps to fight and prevent fiscal fraud both within and outside the EU should be

taken rapidly; Recommends implementing measures that would make all parties contribute fairly to tax revenues (Goulard et al 420, 896)

Calls for the publication of the use made of bail-out funds; underlines that the quantity of funds directed to finance the deficits, fund the government and repay private creditors should be clarified; (282 Tremosa)

Calls for an effective involvement of social partners in the design and implementation of adjustment programmes, current and future; agreements reached by social partners in the frame of the programmes should be respected in so far as they are compatible with the programmes; emphasizes that Regulation (EU) No 472/2013 provides that assistance programmes shall respect national practices and institutions for wage formation;

Calls for the involvement of the EIB in the design and the implementation of investment related measures measures in order to contribute to economic and social recovery; (799 Karas)

Regrets that the programmes are not bound by the Charter of fundamental rights of the European Union, the European Convention of Human Rights and the European Social Charter due to the fact that they are not based on Union primary law;(Lamberts et al 902)

Stresses that European institutions need to respect Union law, including the Charter of Fundamental Rights of the European Union, under all circumstances;

Commission

Calls for full implementation and full ownership of the regulation 472/2013; Calls on the Commission to start inter-institutional negotiations with the European Parliament in order to define a common procedure for informing the competent committee of the European Parliament on the conclusions drawn from the monitoring of the macroeconomic adjustment programme as well as progress the made in the preparation of the draft macroeconomic adjustment programme provided for in article 7 of Regulation (EU) No 472/2013; Reminds the Commission to conduct and publish ex-post evaluations of its recommendations and its participation in the Troika; asks the Commission to include such assessments in the review report foreseen in Article 19 of Regulation (EU) No 472/2013; Reminds the Council and the Commission that article 16 of Regulation (EU) No 472/2013 provides that Member States in receipt of financial assistance on 30 May 2013 shall be subject to that Regulation as from that date; calls upon the Council and the Commission in conformity with article 265 TFEU to act in order to streamline and align the ad hoc financial assistance programmes with the procedures and acts referred to in Regulation (EU) No 472/2013; Calls on the Commission and the co-legislators to draw the lessons from the troika experience when designing and implementing the next steps of the EMU; including when revision regulation 412/2013 (from para 29) (Lamberts 739) (Lamberts 741) (Lamberts 746) (898 Lamberts)

Reminds the Commission and the Parliament of its position adopted in plenary regarding Regulation (EU) No 472/2013; emphasises in particular that the European Parliament laid down provisions in this position which increase further the transparency and accountability of the decision-making process leading to the adoption of macroeconomic adjustment programmes, providing for a clearer and well-delimited mandate and overall

role for Commission; asks the Commission to reassess and integrate such provisions into the framework in case of a future proposal to amend Regulation (EU) No 472/2013; reminds in that perspective that the preparation of future assistance programmes shall be placed under the responsibility of the European Commission; which should seek advice, where appropriate, from third parties such as the ECB, IMF or other bodies:

Requests full accountability of the Commission in line with and beyond Regulation (EU) No 472/2013 when it acts in its capacity as a member of the European Union assistance mechanism; requests that Commission representatives in the European Union assistance mechanism are heard by the European Parliament before taking up their duties; demands that they are subjected to regular reporting to the European Parliament;

Taking into account: 846 Torvalds et al, 843 Hoang Ngoc, 839 Balz (partly),

Proposes that for each programme country the Commission sets up a "growth task force" composed inter alia of experts coming, among others, from the Member States, the EIB, in association with representatives of the private sector and civil society in order to allow ownership, to suggest options to promote growth which would complement fiscal consolidation and structural reforms; this task force would have the objective of restoring confidence and therefore enabling investments; the Commission should build on the experience of the "Twinning" instrument for cooperation between Public Administrations of EU Member States (MS) and of beneficiary countries; *(Goulard et al 893)*

Is of the opinion that the situation of the euro area as a whole (including spill-over effects resulting from national policies on other Member States) should be better taken into account when looking at the Macroeconomic Imbalances Procedure (MIP) or when the Commission is drafting the AGS; *(894 Torvalds)*

Believes that the Macroeconomic Imbalances Procedure (MIP) should also clearly assess any Member State's overreliance on a particular sector of activity; *(895 Torvalds)*

Asks the Commission to proceed to a thorough examination in the light of State Aid rules of liquidity provisions by the European system of Central Banks; *(742 Lamberts)*

Instructs the European Commission as „guardian of the Treaty" to present by the end of 2015, a detailed study of the economic and social consequences of the adjustment programmes in the four countries in order to provide a precise understanding of both the short-term and long-term impact of the programmes to enable the resulting information to be used for future assistance measures; asks the Commission to use all relevant consultative bodies including the Economic and Financial Committee, Employment Committee and the Social Protection Committee when drafting this study and to fully cooperate with the European Parliament; the report of the Commission should also reflect the assessment of the European Agency of Fundamental Rights *(Klute et al 909, first part, 853 Rangel, 740 Lamberts)*

Calls on Commission and Council to ensure the involvement of all relevant Directorate Generals (DG) of the Commission and national Ministries in the MoU discussions and decisions; highlights in particular the role DG Employment has to play alongside DG ECFIN and DG MARKT to ensure that the social dimension is a key consideration in the negotiations, and the social impact is also taken into account; *(Lamberts et al 904)*

ECB

Requests that in any reform of the Troika framework the ECB role is carefully analysed in order to align it with the ECB mandate; requests especially to make the ECB a silent observer with a transparent and clearly defined advisory role while not allowing it to be a full negotiation partner and discontinuing ECB co-signing mission statements; (Torvalds et al 850)

Asks the ECB to conduct and publish ex-post evaluations of the impact of its recommendations and its participation in the Troika; (Lamberts 743)

Recommends the ECB to update its guidelines on Emergency Liquidity Assistance (ELA) and its collateral framework regulations in order to increase the transparency of liquidity provisions in Member States under assistance and increase the legal certainty surrounding the solvency concept used by the ESCB; (Lamberts 744)

Calls on the ECB and NCBs to publish comprehensive information on ELAs in a timely fashion, including concerning the conditions for support such as solvability, the way the ELAs are financed by the NCBs, the legal framework and practical functioning (835 Lamberts)

IMF

After these years of experience in designing and implementing financial programs, the European institutions have acquired the necessary know-how to design and implement them by themselves while the IMF involvement would be redefined along the lines proposed in this report;; (884 Feio)

Calls for any future involvement of the IMF in the Euro area to remain optional;

Calls on the IMF to redefine the scope of any future involvement in EU related assistance programmes to that of a catalytic lender providing minimum financing and expertise to the borrowing country and EU institutions while retaining the option of exit in case of disagreement; (753 Lamberts)

Asks the Commission, in accordance with article 138 TFEU, to propose appropriate measures to ensure unified representation of the euro area within the international financial institutions and conferences and particularly in the IMF, in order to replace the current system of individual Member State representation at the international level; notes that this requires a change in the statutes of the IMF; (891 Torvalds et al)

Calls for the consultation of the European Parliament on the involvement of the IMF in the Euro area on an ad-hoc basis; (811 Hoang Ngoc)

Council and Eurogroup

*Calls for a reassessment of the decision-making process of the Eurogroup to include appropriate democratic accountability at both national and European levels; calls for European guidelines to be established in order to ensure appropriate democratic control on the implementation of measures at national level **which take into account the quality of***

-employment, social protection, health and education and ensure access for all to the social systems; proposes that the permanent chairperson of the Eurogroup should be a full time responsibility; who would be one of the Vice-President of the Commission and accountable in front of the European Parliament; in the short run, calls for the establishment of a regular dialogue between the Troika and the European Parliament;

Taking into account: 865 Torvalds et al, 863 Wortmann, 859 Ferber (partly), 864 Hadjigeorgiou et al

Calls on the Eurogroup, the Council and the European Council to assume full responsibility for the operations of the Troika; Is concerned, in particular, to improve the accountability of decisions of the Eurogroup with regard to financial assistance as finance ministers bear the ultimate political responsibility for macroeconomic adjustment programmes and their implementation while often neither being directly accountable to their national parliament nor the European Parliament for specific decisions; believes that before financial assistance is being granted the President of the Eurogroup should be heard before the European Parliament and the EU finance ministers in their respective parliament; stresses that the President of the Eurogroup and the finance ministers should both be required to regularly report to the European parliament and national parliaments; (Torvalds 697, 851)

Urges all Member States to increase their national ownership in the European Semester's workings and decisions and to carry out all measures and reforms they have agreed to in the context of the Country Specific Recommendations; Reminds that the Commission has identified a significant degree of progress in comparison with previous years in only 15 % of the around 400 country-specific recommendations; (730 Karas, recommendation part)

ESM

Stresses that with the phasing out of the Troika, an institution will need to take over the scrutiny of on-going reforms;

Demands the ESM to be integrated in the European Union's legal framework and evolve towards a Community-based mechanism as provided for in the ESM Treaty and be made accountable to the European Parliament and the European Council including with respect to decisions to grant financial assistance as well as decisions to grant new loan tranches; acknowledges that as long as Member States make direct contributions from their national budget to the ESM, member states should approve financial assistance;; calls for the ESM to be further developed, with adequate lending and borrowing capacities, and the establishment of a dialogue between the ESM board and European social partners and an integration of the ESM into the EU budget; calls on the members of the ESM, until the above becomes reality, to abstain from the unanimity requirement in the short run in order to allow standard decisions to be taken by a qualified majority rather than by unanimity, and to allow for precautionary assistance to be given;

Taking into account: 774 Hoang Ngoc et al (partly), 773 Torvalds et al, Karas 779 mod, Bullmann 781, Klute et al 783 (partly), 810 Hoang Ngoc

Asks the Council and Eurogroup to respect the commitment made by the President of the European Council to negotiate an inter-institutional arrangement with the European

Parliament in order to establish an appropriate interim mechanism for increasing the accountability of the ESM; calls also in that context for greater transparency in the proceedings of the ESM Governing Council; (750 Lamberts)
(Huebner 794)

Underlines that the ECJ 'Pringle' case-law and jurisprudence opens the possibility to bring the ESM within the community framework with a constant Treaty on the basis of article 352 TFEU; calls therefore upon the Commission to put forward by end of 2014 a legislative proposal with that objective; (755 Lamberts)

Medium to Long term

Calls for memoranda to be placed within the frame of the community legislation so as to promote credible and sustainable consolidation strategy, and also serve the objectives of the Union growth strategy and stated social cohesion and employment objectives; Recommends that in order for assistance programmes to be vested with appropriate democratic legitimacy; the negotiation mandates should be submitted to a vote by the European Parliament, and the European Parliament should be consulted on the resulting MoUs; (826 Ferreira/Hoang Ngoc, 906 Lamberts)

Reiterates its call for decisions related to the strengthening of the EMU to be taken on the basis of the Treaty on European Union; takes the view that **a** departure from the Community method and increased use of intergovernmental agreements (such as contractual agreements), divides, **weakens and challenges the credibility of** the Union, including the euro area; **full respect of community method in further reforms of the union assistance mechanism might require treaty change; such changes must fully involve the EP and be subject to a convention;**

Taking into account: Balz 725, Bowles 727, Bullmann 729, 886 Hoang Ngoc

Is of the opinion that the option of a Treaty change allowing for the extension of the scope of the present Art. 143 TFEU to all Member States, instead of being restricted to non-euro Member States, should be explored;

Calls for the creation of a European Monetary Fund on the basis of Union law, which shall act according to the Community method; **points out that such a EMF should combine the financial means of the ESM geared to support countries experiencing balance of payments problems or facing state insolvency with the resources and experience that the Commission has gained over the last few years in this field; points out that such framework would avoid the possible conflicts of interest inherent to the Commission's current role as an Eurogroup agent and it's much more encompassing role of 'guardian of the treaty'; believes that the EMF should be subjected to the highest democratic standards of accountability and legitimacy; believes that this setting would ensure transparency in the decision-making process and that all institutions involved are made fully responsible and accountable for their actions;** (885 Hoang Ngoc 754 Lamberts, 882 Karas, 905 Lamberts)

Is of the opinion that a treaty revision will be required in order to fully anchor the EU crisis prevention and resolution framework within a legally sound and economically sustainable ground;

Is of the opinion that the option of developing a mechanism with clear procedural steps for states, which are in danger of insolvency, should be explored, accompanying the rules of the 6-pack and the 2-pack; in this context encourages the IMF and asks the Commission and the Council to bring the IMF to a common position to reignite the debate around an international sovereign debt restructuring mechanism (SDRM) with a view to adopting a fair and sustainable multilateral approach in this domain; (883 Karas; 760 Lamberts)

Summarises its recommendation that the respective roles and tasks^{1 a} of each participant in the Troika should be clarified in the following ways:

a- a European Monetary Fund, which shall combine the financial means of the ESM and the human resources that the Commission has gained over the last few years, would take over the Commission's role, allowing the latter to act in conformity with article 17 of the TEU and in particular to be the guardian of the Treaties;

b- the ECB would participate as a silent observer during the negotiation process, in order to enable it to raise strong concerns in its advising role to the Commission and latter to the European Monetary Fund if appropriate

c- the IMF, if strictly necessary, would be a marginal lender and therefore could leave the program if in disagreement;

Considers that the work started with this report should be followed up; calls on the next Parliament to pursue the work of this report and develop further its key findings and to further investigate; (734, 735 (partly), 899 Lamberts)

Instructs its President to forward this resolution to the European Council, the Council, the Eurogroup, the Commission, the European Central Bank and the IMF;