

Expert Group on debt redemption fund and eurobills

The Commission has established an Expert Group to deepen the analysis on the possible merits, risks, requirements and obstacles of partial substitution of national issuance of debt through joint issuance in the form of a redemption fund and eurobills. The establishment of this Expert Group follows directly from a commitment made by the Commission to the European Parliament as part of the overall agreement on the Two Pack legislation, in the Declaration of the Commission of 12 March 2013 (MEMO/13/207).

The Expert Group is invited to present its final report not later than March 2014. The mandate of the Expert Group has been defined in the declaration of the Commission of 12 March 2013 (the full text of the mandate is in the Annex).

Given the complexity but also the overarching nature of the topics to be analysed and their importance for the future of the Economic and Monetary Union at large, it was not appropriate to issue a call for interest as regards the membership of the Expert Group. The Commission has chosen the chairperson, Mrs. Tumpel-Gugerell, and the other members because they combine precisely the impressive expertise and the varied professional background that are needed to provide thorough analysis on these complex issues from a political, economic and legal point of view. The Commission has appointed all 11 members to serve on the Expert Group in their personal capacity, irrespective of their professional backgrounds and current positions, having satisfied itself that none of them would have a conflict of interest.

All members will therefore be working in the Expert Group with the sole objective to produce a fair and complete final report to the Commission, and they are committed to work independently and only in the general interest of the Union.

The final report of this Expert Group, once sent to the Commission, will be published by the Commission [in all official languages of the European Union].

Annex: Mandate of the Expert Group

In its Blueprint for a Deep and Genuine EMU, the Commission considered that, in the medium-term, a redemption fund and eurobills could be possible elements of deep and genuine EMU under certain rigorous conditions. The guiding principle would be that any steps to further mutualisation of risk must go hand-in-hand with greater fiscal discipline and integration. The required deeper integration of financial regulation, fiscal and economic policy and corresponding instruments must be accompanied by commensurate political integration, ensuring democratic legitimacy and accountability.

The Commission will establish an Expert Group to deepen the analysis on the possible merits, risks, requirements and obstacles of partial substitution of national issuance of debt through joint issuance in the form of a redemption fund and eurobills. The Group will be tasked to thoroughly assess what could be their features in terms of legal provisions, financial architecture and the necessary complementary economic and budgetary framework. Democratic accountability will be a central issue to be considered.

The Group will take into account the on-going reform of the European economic and budgetary governance and assess the added value for such instruments in this context. The Group will pay particular attention to recent and on-going reforms, such as the implementation of the two-Pack, the ESM and any other relevant instruments.

In its analysis, the Group will pay particular attention to sustainability of public finances, to the avoidance of moral hazard, as well as to other central issues, such as financial stability, financial integration and monetary policy transmission.

The members of the Group will be experts in law and economics, public finances, financial markets and sovereign debt management. The Group will be invited to present its final report to the Commission not later than March 2014. The Commission will assess the report and, if appropriate, make proposals before the end of its mandate.