



EUROPEAN COMMISSION

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Ms Miroslava NĚMCOVÁ
President of the
Poslanecká sněmovna
Sněmovní 4
CZ – 118 26 PRAGUE 1

Dear President,

The Commission would like to thank the Poslanecká sněmovna for its Opinion on the Communications from the Commission to the European Parliament and the Council: Towards a deep and genuine Economic and Monetary Union, The introduction of a Convergence and Competitiveness Instrument {COM(2013) 165} and Ex ante coordination of plans for major economic policy reforms {COM(2013) 166} and apologises for the delay in replying.

The Commission takes note of the Poslanecká sněmovna's positive stance towards the discussion on measures to promote the stability and healthy functioning of the euro area. As indicated in its Blueprint for a deep and genuine economic and monetary union¹, the Commission is of the opinion that, where legally possible, euro area measures should be open for participation of other Member States.

The Commission considers the implementation of tools and procedures that have already been agreed a key priority. Where new instruments are agreed, duplication and unnecessary administrative burden should be prevented. The Communication on the ex ante coordination of major economic policy reforms, for example, provides that such a process would form an integral part of the European Semester and Member States would generally make use of existing tools, such as the National Reform Programme, to submit information.

The Commission attaches the highest value to the democratic legitimacy and accountability of national economic reforms, which must start with the national democratic institutions. A process of ex ante coordination, as described in the Commission's Communication, would respect national decision-making powers, with the decision on the reform plan remaining with the Member State itself. The process would be limited to key reforms plans that could have an impact on other Member States, the euro area or the EU as a whole. Suggestions for adjustments to the plan by the Commission or by the Council to the Member States would be of a non-binding nature.

¹ http://ec.europa.eu/commission_2010-2014/president/news/archives/2012/11/pdf/blueprint_en.pdf

The initiative for the contents of a contractual arrangement as described in the Communication on a Convergence and Competitiveness Instrument, would be with the Member State itself. The aim of a Convergence and Competitiveness Instrument would of course be to facilitate the implementation of reforms, not to postpone them; any risk of moral hazard, i.e. the postponement of reforms to qualify for financial support, as pointed out in the Opinion of the Poslanecká sněmovna, would have to be prevented. A financial support mechanism under a Convergence and Competitiveness Instrument could be set up in a variety of ways; a link to the EU budget would ensure accountability and democratic control in the context of the Treaties.

On the basis of feedback received on the Communications and taking into account the June European Council conclusions, the Commission will decide how to move forward in the coming months.

The Commission hopes that these clarifications address the issues raised by the Poslanecká sněmovna, and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*