



## EUROPEAN COMMISSION

Brussels, 8.6.2015  
C(2015) 3780 final

*Dear President,*

*The Commission would like to thank the Senát for its Opinion concerning the Commission Communication on "Making the best use of the flexibility within the existing rules of the Stability and Growth Pact" {COM(2015) 12 final}.*

*The Commission welcomes the Senát's support for the Commission's efforts to clarify the existing rules of the Stability and Growth Pact regarding the possible use of flexibility, and the clear intention of the Commission to encourage new investments in the EU, also with respect to the treatment of Member States' voluntary contributions to the European Fund for Strategic Investments under the Stability and Growth Pact.*

*The Commission would like to provide some clarifications on a number of points raised by the Senát with regard to the different elements of this Communication.*

*The importance given by the Commission to taking into account the country-specific economic situations in line with the text and spirit of the Stability and Growth Pact is reflected in the specification and formalisation of the criteria for application of the "investment clause". The Commission will apply the "investment clause" irrespective of the economic condition of the euro area or EU as a whole, in order to link it only to the cyclical conditions faced by individual Member States. Allowing Member States to benefit from this clause when their own growth is negative or when the output is well below its potential will permit a broader application of the clause than in the past, and one which better reflects country-specific conditions. The Commission is pleased that the Senát also finds this approach appropriate.*

*Concerning the risk of implementation failures in the context of the application of the structural reform clause, the Commission would like to stress that the criterion related to the implementation of reforms will only be seen as fulfilled ex-ante when the Member State concerned presents a medium-term structural reform plan which is comprehensive and detailed and includes well-specified measures and credible timelines for their adoption and delivery. The implementation of the reforms will be monitored closely in the context of the European Semester or through the Excessive Imbalances Procedure if applicable.*

*Mr Milan ŠTĚCH  
President of the Senát  
Valdštejnské náměstí 17/4  
CZ –, 118 01 PRAGUE I*

*In its Opinion the Sénat also stresses the need for a balanced approach to the requirements for fiscal discipline and to the application of the individual flexibility clauses, including equal treatment of all Member States. The Commission would like to recall that the guidance provided in the Communication neither changes nor replaces any of the existing rules of the Stability and Growth Pact. It needs to be ensured that the Stability and Growth Pact is applied in the most effective way possible to deliver both its stability and growth objectives. Adequate safeguards and conditions are in place to make sure that while the best use is made of the flexibility within the existing rules, their credibility and effectiveness in ensuring fiscal responsibility is maintained.*

*Furthermore, the Commission would like to highlight that the principle of equal treatment of all Member States must be at the heart of the application of the Stability and Growth Pact. The Pact is a rules-based system setting a framework shared and applied by all Member States, where the Commission proposes and the Council decides. Equal treatment, however, does not mean “one-size-fits-all” and must be combined with the economic assessment specific to each situation.*

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

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Pierre Moscovici  
Member of the Commission*