



EUROPEAN COMMISSION

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Dear Presidents,

The Commission would like to thank the Houses of the Oireachtas for their Opinion on the Five Presidents' Report 'Completing Europe's Economic and Monetary Union'.

The Five Presidents' Report, which was published in June 2015, maps the way ahead to complete the Economic and Monetary Union by 2025. The report is ambitious, yet pragmatic. Some steps can be implemented immediately and do not require a Treaty change. Others will take more time. In order to help ensure a fast and concrete implementation of the next steps, the Commission published in October 2015 a package of measures, on which the Houses of Oireachtas have also given their views. The Commission welcomes the Houses of the Oireachtas' active participation in the debate and their support for moving ahead with steps towards the completion of the Economic and Monetary Union. The Commission has taken due note of the views expressed by the Houses of the Oireachtas. More specifically, at the invitation of the Joint Committee on European Union affairs of the Houses of the Oireachtas, the Commission participated in a hearing to discuss the completion of the European Monetary Union on 24 September 2015.

In particular, the Houses' support for strengthening the 'social dimension' of the Economic and Monetary Union is highly appreciated, given the central role of national Parliaments in social progress and social cohesion. The Commission notes that the Houses of the Oireachtas have also welcomed the stronger euro area dimension in the European Semester and the proposal for a euro area system of competitiveness authorities. The Houses of the Oireachtas' support for the draft Council Recommendation on the National Competitiveness Boards is also much appreciated. Ireland, and its National Competitiveness Council (NCC), can serve as a positive example of how a National Competitiveness Board can function and encourage an ambitious reform agenda.

The Commission takes seriously the concerns expressed by the Houses of the Oireachtas and is pleased to have this opportunity to provide a number of clarifications.

*Senator Paddy BURKE
President of Seanad Éireann
Houses of the Oireachtas
Leinster House
Kildare Street
IRL – DUBLIN 2*

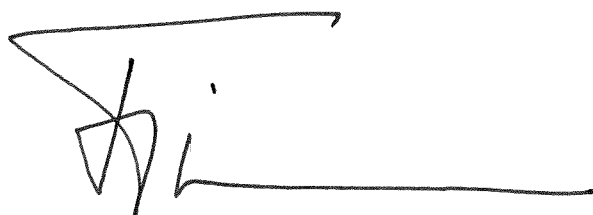
*Mr Seán Ó FEARGHAÍL T.D.
President of Dáil Éireann
Houses of the Oireachtas
Leinster House
Kildare Street
IRL – DUBLIN 2*

With regard to democratic accountability, legitimacy and institutional strengthening, the Commission agrees with the need to enhance accountability and ownership of the European Semester at national level, in particular by a closer involvement of national Parliaments. The further streamlining of the European Semester introduced in this round of the process has been designed to allow for a better parliamentary oversight from both the European Parliament and the national Parliaments. The Commission has been encouraging the national Parliaments' close involvement in the European Semester at the national level, in line with national practices, for instance in the adoption of National Reform and Stability Programmes. National Parliaments are also encouraged to make better use of the right enshrined in the 'Two-Pack' legislation to invite a Commissioner to present the Commission's opinion in particular on a draft budgetary plan. Your suggestion to reiterate that power in writing to all national Parliaments has in fact already been put into practice since the Two-Pack' legislation entered into force. Every year, after the adoption of the Commission opinions on the draft budgetary plans, the Commissioner responsible for monetary and financial affairs has written to all national Parliaments in the euro area Member States, informing them of the Commission opinions and re-iterating the Commission's readiness to appear before the parliament in line with the Two-Pack provisions. In addition, the system of inter-parliamentary cooperation has been established to bring together European and national actors. As you note, the Parliamentary Week is a key opportunity in the economic governance cycle to take stock, listen to national experiences and ideas how to go forward.

With regard to the timescale and the level of ambition, it is indeed necessary to act swiftly to achieve the ambitious plans set out in the Five Presidents' Report. But ambition has to be weighed against pragmatism as views among the Member States are diverse. The White Paper is scheduled to be published in spring 2017. Time is needed first to make an assessment of progress made in Stage 1 and second, to thoroughly prepare for Stage 2. A targeted consultation has been launched to engage with specific stakeholders on the more fundamental reforms needed to complete the Economic and Monetary Union. The outcome of the consultation process and the work of an expert group, to be set up mid-2016, will feed into the preparation of the Commission's White Paper.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Houses of the Oireachtas and looks forward to continuing the political dialogue in the future.

Yours faithfully,



*Frans Timmermans
First Vice-President*



*Valdis Dombrovskis
Vice-President*