



EUROPEAN COMMISSION

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*Mr Călin POPESCU-
TĂRICEANU
President of the Senat
Calea 13 Septembrie nr. 1-3
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Dear President,

The Commission would like to thank the Senat for its Opinion on the proposal for a Council Directive laying down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States {COM(2017) 824 final}.

The Commission would like to recall the commitment of the signatories of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union to take steps to incorporate the substance of that Treaty in the European Union's legal framework by 1 January 2018. The proposal allows the signatories of the Treaty to implement their commitment while taking into account the evolution of the multilateral budgetary surveillance since the adoption of the Fiscal Compact, as reflected in the common position on the flexibility within the Stability and Growth Pact, reached by the Council and the Commission in February 2016¹. In this way, the proposal takes into account the lessons drawn from the crisis and the role of fiscal policy in supporting growth and stability. The proposal also acknowledges the ongoing discussions on the future evolution of the EU's fiscal rules and therefore is robust to a range of possible future reforms of the Stability and Growth Pact.

At the same time, the Commission would like to recall the importance of sound public finances for sustainable economic growth. The proposal takes into account the Commission's experience in monitoring fiscal policies in the Member States and the impact of domestic fiscal frameworks on the quality of those policies. In that context, there is substantial international evidence that independent domestic fiscal institutions, if well-designed and endowed with sufficient resources, can be an important element in

¹ <http://data.consilium.europa.eu/doc/document/ST-14345-2015-INIT/en/pdf>

improving the functioning of fiscal frameworks. The existence of such institutions and their opinions on fiscal policy matters in no way impinge on the democratic prerogatives of national Parliaments.

The points made above are based on the initial proposal presented by the Commission, which is currently under discussion in the Council.

The Commission hopes that the above clarifications address the issues raised by the Senat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Elżbieta Bienkowska
Member of the Commissioner*