

Newsletter

Issue 25, October 2016



Introductory words by Prof. Dr. Danuta Maria HÜBNER

Dear Readers,

I am very happy to present the 25th issue of the AFCO Newsletter, a tool prepared by the Secretariat which aims to inform you about AFCO activities and increase awareness on institutional challenges that the EU is facing.

At our meeting on Wednesday 12 October, AFCO will consider important and topical institutional issues such as the report on “Improving the functioning of the European Union building on the potential of the Lisbon Treaty” and the report on “Possible evolutions of and adjustment to the current institutional set-up of the European Union”, the Revision of the Rules of Procedure, e-Democracy and the vote on the European Defense Union opinion.

Prof. Dr. Danuta Maria HÜBNER, Chair

Meeting languages available

FR,DE,IT,NL,EN,EL,ES,PT,CS,PL,RO,HR

Meeting Documents

In light of the European Parliament's paperless project please bear in mind that only a very limited number of paper dossiers will be available in the meeting room.

Instead, meeting documents will be made available on the following public and internal websites:

<http://www.emeeeting.europarl.europa.eu/committees/archives/201512/AFCO>

and (EP internal only):

<http://www.emeeeting.ep.parl.union.eu/committee/>



MEETING DATE AND VENUE

12.10.2016 in BRUSSELS
09:00-12:30 and 15:00 -18:30

Room: Paul-Henri Spaak (5B001)

Please find below the link to the latest committee draft agenda:

<http://www.europarl.europa.eu/committees/en/a-fco/draft-agendas.html>

Improving the functioning of the European Union building on the potential of the Lisbon Treaty



Rapporteurs: Mercedes Bresso and Elmar Brok

The two co-rapporteurs Mercedes Bresso (S&D, IT) and Elmar Brok (EPP-DE) will update the calendar and the procedure of the INI report on “Improving the functioning of the European Union building on the potential of the Lisbon Treaty”.

Following a request to postpone the deadline for amendments by the Verhofstadt report, the new deadline for amendments has been set for 20 October at noon. The idea is to vote both reports

on 21 November in AFCO so as to allow a plenary vote in December, together with the ECON-BUDG report on a “budgetary capacity for the Eurozone” (rapporteurs Ms Pervenche Berès and Mr Reimer Böge).

In their working document and draft report, the rapporteurs are examining the yet unused possibilities offered by the Lisbon Treaty to tackle the challenges that the Union is currently facing, by adapting its institutional structure, enhancing its democratic accountability, deepening the Economic and Monetary Union, completing the Internal Market and furthering joint efforts in the fields of External Action and Justice and Home Affairs.

Calendar proposed:

Vote in regular or extraordinary AFCO meeting: 21 November (TBC)

Vote in Plenary: December

Shadow Rapporteurs: Kazimierz Miłkiewicz (ECR); Charles Goerens (ALDE); Barbara Spinelli (GUE/NGL); Sven Giegold (Greens/ EFA); Fabio Massimo Castaldo (EFDD); Gerolf Annemans (ENF).

Possible evolutions of and adjustment to the current institutional set-up of the European Union



Rapporteur: Guy Verhofstadt

The rapporteur Verhofstadt (ALDE - BE) will update the calendar and the procedure. As mentioned in the previous point, both the Verhofstadt and the Bresso/Brok reports are intended to be voted on 21 November.

The draft report presented by the rapporteur identifies the following issues for reform of the Treaties:

*Ending “Europe a la carte” (“variable geometry, type of “associate status”);

*The withdrawal of the UK from the European Union;

*new Economical governance (convergence code, fiscal capacity, debt instrument, Fiscal compact, ESM treasury facility, EU Finance Minister, ECB, ECJ);

*New challenges (energy, migration, terrorism);

*Strengthening Foreign Policy (EU Foreign Minister, ECJ - CFSP, European Defence Union);

*More democracy, transparency and accountability (Commission size, VPs, top candidates, European party lists, reallocation of seats, Council of the States, special Law Council, composition of Council configurations, Eurogroup, Eurozone arrangements, national parliaments, legislative initiative, EU budget and budget control, Right of Inquiry, treaty ratification procedure);

*Constituent process (treaty amendment, convention).

Calendar Proposed:

Deadline for amendments: 20 October, noon

Consideration of amendments: 8 November

Vote in extraordinary AFCO meeting: 21 November (TBC)

Vote in Plenary: December

Shadow Rapporteurs: Paulo Rangel (EPP); Jo Leinen (S&D); Morten Messerschmidt (ECR); Barbara Spinelli (GUE/NGL); Pascal Durand (Greens/ EFA); Fabio Massimo Castaldo (EFDD); Gerold Annemans (ENF).

General Revision of Parliament’s Rules of Procedure



Rapporteur: Richard Corbett

The vote in AFCO on this report remains scheduled for 8 November, in order for plenary to be able to vote on 14 December, which would allow the

changes to enter into force at the opening of the constitutive part-session in January 2017.

The first meeting of shadows has shown that it would be difficult to amend most of the proposals made by the rapporteur, since they already represent a compromise as reached by the Working Group in its preparatory work. The need not to put at risk on what has been achieved has been underlined, meaning that it should be taken as far as possible as a package and therefore the vote should also be organised in order to aim at safeguarding this objective.

However some issues were already more controversial and imply to make choices between the positions on the table. Such are for example some objections from the JURI (on the waiver of immunities), CONT (on the discharge procedure), BUDG (on the procedure concerning the Parliament's budget) and ENVI (on the legislative procedure and on delegated acts) Committees.

Some amendments also deal with a possible limitation of the number of successive mandates for the Parliament's leading positions, a question not raised during the works of the Working Group.

And last but not least the issue of transparency is still open, since the adoption of the Giegold report is still pending. Mr Giegold has been invited for the next shadows' meeting in order to discuss what could be inserted in the Rules at this stage among the proposals where a consensus on compromises was emerging in the framework of his report.

Shadow Rapporteurs: Rainer Wieland (EPP), Kazimierz Michał Ujazdowski (ECR), Charles Goerens (ALDE), Helmut Scholz(GUE), Max Andersson (Greens/EFA), Isabella Adinolfi (EFDD), Gerolf Annemans (ENF)

European Defence Union



Rapporteur: David Mc Allister

The rapporteur David McAllister (EPP) presented his draft opinion on European Defence Union in the AFCO committee meeting of 11-12 July. This opinion is to be issued to the Committee on Foreign Affairs (AFET) - Subcommittee on Security and Defence (SEDE), on their report on European Defence Union, which aims at:

*Advocating the progressive framing of the European Defence Union, with a view to its establishment under the next multiannual political and financial framework of the EU;

*Elaborating on the process and the contents of a future EU White Book on security and defence;

*Describing related preparatory activities which should be launched immediately, the already programmed Preparatory Action for the Common Security and Defence Policy (CSDP).

The rapporteur recalled the exact terms of the Treaty regarding the framing of a common defence policy and underlined the need to deploy the several tools and mechanisms, as provided for in the Treaty in the area of CSDP.

Attention was also brought to the need of reinforcing the institutional setting, through the establishment of a Council of Defence Ministers and of a permanent strategic civil-military headquarters, emphasizing also the role of the European Defence Agency in the development of capabilities, while reiterating the need to further strengthening the strategic EU-NATO partnership. Finally, the rapporteur advocated for the adoption of a White Book on defence based on the EU Global Strategy on Foreign and Security Policy.

Within the deadline, set for 6 September, 66 amendments were tabled focusing on varied issues and pointing, in certain areas, to diametrically opposed direction regarding the future evolution in matters of defense at the level of the Union. In general, there is a concern, also shared by citizens, with the security situation in the European Union, and the need to present solutions.

Shadow rapporteurs: Enrique Guerrero Salom (S&D); Morten Messerschmidt (ECR); Charles Goerens (ALDE) Kostas Chrysogonos (GUE/NGL); Josep-Maria Terricabras (Greens/EFA); Fabio Massimo Castaldo (EFDD).

e-Democracy in the European Union and challenges



Rapporteur: Ramón Jáuregui Atondo

Last 15 June AFCO held an exchange of views on a modified working document. Discussions have been very fruitful and in this next meeting the rapporteur Ramón Jáuregui Atondo (S&D) will present his draft report, which incorporates many AFCO Members' suggestions.

The rapporteur stresses that the new technologies have a great potential in enhancing democracy and democratic participatory procedures, e-democracy being one of its applications. He believes that e-democracy, which is not meant to be an alternative form of democracy, could help regain citizens' affection and interest in politics.

Among other things, the draft report calls on the Member States and the EU to provide educational and technical means to improve ICT competences as well as digital access for all EU citizens in order to bridge the digital divide, and recommends a larger use of e-democracy tools (e-government, e-governance, e-participation, e-consultation, e-voting...) at EU and national level.

The rapporteur also invites the EP administration to look into the possibility of setting up digital platforms, allowing Members to inform the public about EU and parliamentary activities more efficiently, with a view to opening up policy-making cycles and increasing awareness of European democracy.

Calendar proposed:

Consideration of draft report: 12 October 2016
Possible deadline for amendments: 8 November 2016 (at 6pm)
Consideration of amendments: 29 November 2016
Vote: 30 January 2017

Shadow Rapporteurs: Cristian Dan Preda (EPP); Kazimierz Mikal Ujazdowski (ECR); Sylvie Goulard (ALDE); Barbara Spinelli(GUE/NGL); Isabella Adinolfi (EFDD).

European Deposit Insurance Scheme



Rapporteur: Danuta Maria Hubner

The proposed regulation would amend regulation 806/2014, which established the Single Resolution Mechanism. The European Deposit Insurance Scheme (EDIS) aims to move from national systems deposits at the national level, distribute the risk associated with protecting deposits from the scheme that is currently only harmonized at the EU level to genuine full-insurance of the national DGS via European mechanism by 2024, via newly created Deposit Insurance Fund managed by Single Resolution Board.

AFCO is to provide an opinion to the ECON committee which started to consider the proposal at the beginning of the year and produced a document framing the main issues of concern. The EP also requested an opinion from ECB, which it delivered on 20th April 2016. The adoption of the final report in ECON is provisionally scheduled for the beginning of the next year.

The five presidents report stated unambiguously that completing the banking Union with its third pillar was a "fundamental step in making EMU more sustainable and enabling it to deliver a better life for the EU citizens".

EDIS therefore is to constitute the third pillar of the Banking Union, the first two pillars of which are the Single Supervisory Mechanism and the Single Resolution Mechanism. The overarching goal of the Banking Union is to break the so-called bank-sovereign nexus by preventing a situation in which a failing banking sector endangers the sustainability of public debt or conversely where

the doubts on the sustainability of the public debt would endanger the stability of an otherwise solvent banking sector.

The amending regulation points to a number of important issues of interest to AFCO. The common deposit insurance scheme will be created and managed under the auspices of the already existing Single Resolution Board established by the SRM regulation, the tasks of which would be expanded to include the administration of the EDIS. Although the proposal does not create any new "institution" it entrusts new roles and tasks to both the Single Resolution Board and the European Commission. New governance mechanisms might therefore warrant more scrutiny.

Inter-linkages between the three pillars of a banking union create additional complexity, especially because of the gradual build-up of the funding (both SRF and DIF) and progressive extension of the coverage. Membership at late stages such as co-insurance and full insurance is more constraining for the acceding Member State's institutions. Therefore accession and, conversely exit or disqualification from the coverage have to take due account to the stage at

which the overall EDIS system is. Phasing-into the EDIS might therefore require more legal certainty and transparency.

Shadow Rapporteurs: Mercedes Bresso (S&D); Marcus Pretzell (ECR); Sylvie Goulard (ALDE); Kostas Chrysogonos (tbc) (GUE); Pascal Durand (Greens/EFA); Gerold Annemans (ENF).

Next Meeting

Thursday 20 October 2016, 9.00 - 12.30 and 15.00 - 18.30 (Brussels)

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Further information

For any further information, please visit the AFCO committee website:

<http://www.europarl.europa.eu/committees/en/afco/home.html>

Twitter Activities of the AFCO committee may be followed on twitter @EPIInstitutional.

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