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## **DRAFT REPORT**

on possible evolutions of and adjustments to the current institutional set-up of  
the European Union  
(2014/2248(INI))

Committee on Constitutional Affairs

Rapporteur: Guy Verhofstadt

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on possible evolutions of and adjustments to the current institutional set-up of the European Union (2014/2248(INI))

*The European Parliament,*

- having regard in particular to Articles 1, 2, 3, 10, 14, 15, 16, 17, 48 and 50 of the Treaty on the European Union (TEU), and to Articles 119, 120-126, 127-133, 136-138, 139-144, 194 and 352 of the Treaty on the Functioning of the European Union (TFEU) and the Protocols thereto,
- having regard to the report of 22 June 2015 of the President of the European Commission in close cooperation with the Presidents of the European Council, the European Parliament, the European Central Bank and the Eurogroup entitled ‘Completing Europe’s Economic and Monetary Union’ (the ‘Five Presidents’ Report’)<sup>1</sup>,
- having regard to its legislative resolution of 19 November 2013 on the draft Council regulation laying down the multiannual financial framework (MFF) for the years 2014-2020<sup>2</sup>, and to its decision of 19 November 2013 on conclusion of an interinstitutional agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management<sup>3</sup>,
- having regard to the MFF and the interinstitutional agreement as finally adopted on 2 December 2013 and published in the Official Journal of 20 December 2013<sup>4</sup>,
- having regard to the work and interim report of the high-level group on own resources<sup>5</sup>,
- having regard to the European Council conclusions of 18-19 February 2016 concerning a new settlement for the United Kingdom within the European Union<sup>6</sup>,
- having regard to the decision to leave the European Union resulting from the UK referendum,
- having regard to Standard Eurobarometer 84 of Autumn 2015 entitled ‘Public opinion in the European Union’ and to the Special Barometer of the European Parliament of June 2016 entitled ‘Europeans in 2016: Perceptions and expectations, fight against terrorism and radicalisation’,
- having regard to Opinion 2/13 of the Court of Justice of the European Union on the draft agreement providing for the accession of the EU to the Convention for the

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<sup>1</sup> [http://ec.europa.eu/priorities/economic-monetary-union/docs/5-presidents-report\\_en.pdf](http://ec.europa.eu/priorities/economic-monetary-union/docs/5-presidents-report_en.pdf)

<sup>2</sup> Texts adopted, P7\_TA(2013)0455.

<sup>3</sup> Texts adopted, P7\_TA(2013)0456.

<sup>4</sup> OJ L 347, 20.12.2013, p.884.

<sup>5</sup> [http://ec.europa.eu/budget/mff/hlgor/index\\_en.cfm](http://ec.europa.eu/budget/mff/hlgor/index_en.cfm)

<sup>6</sup> [EUCO conclusions of 19 February 2016.](#)

Protection of Human Rights and Fundamental Freedoms ('European Convention on Human Rights' – ECHR)<sup>1</sup>,

- having regard to the European Council decision establishing the composition of the European Parliament of 28 June 2013<sup>2</sup>,
- having regard to its resolution of 12 December 2013 on constitutional problems of a multitier governance in the European Union<sup>3</sup>,
- having regard to its resolution of 15 April 2014 on the MFF 2014-2020: lessons to be learned and the way forward<sup>4</sup>,
- having regard to its resolutions of 22 November 2012 on elections to the European Parliament in 2014<sup>5</sup>, and of 4 July 2013 on improving the practical arrangements for the holding of the European elections in 2014<sup>6</sup>,
- having regard to its resolution of 20 November 2013 on the location of the seats of the European Union's institutions<sup>7</sup>,
- having regard to its resolution of 11 November 2015 on the reform of the electoral law of the European Union, and to its proposal for amending the Act concerning the election of the members of the European Parliament by direct universal suffrage<sup>8</sup>,
- having regard to its resolution of 28 June 2016 on the decision to leave the EU resulting from the UK referendum<sup>9</sup>,
- having regard to its resolution of XXXXX on improving the functioning of the European Union building on the potential of the Lisbon Treaty,
- having regard to its resolution of XXXXX on budgetary capacity for the Eurozone,
- having regard to the opinions of the European Economic and Social Committee of 16 September 2015<sup>10</sup> and of the Committee of the Regions of 8 July 2015<sup>11</sup>,
- having regard to Rule 52 of its Rules of Procedure,
- having regard to the report of the Committee on Constitutional Affairs and to the opinions of the Committee on Budgets and the Committee on Budgetary Control (A8-0000/2016),

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<sup>1</sup> ECJ Opinion 2/13 of 18 December 2014.

<sup>2</sup> OJ L 181, 29.6.2013, p. 57.

<sup>3</sup> Texts adopted, P7\_TA(2013)0598.

<sup>4</sup> Texts adopted, P7\_TA(2014)0378.

<sup>5</sup> Texts adopted, P7\_TA(2012)0462.

<sup>6</sup> Texts adopted, P7\_TA(2013)0323.

<sup>7</sup> Texts adopted, P7\_TA (2013)0498.

<sup>8</sup> Texts adopted, P8\_TA(2015)0395.

<sup>9</sup> Texts adopted, P8\_TA(2016)0294.

<sup>10</sup> OJ C 013, 15.1.2016, p. 183.

<sup>11</sup> OJ C 313, 22.9.2015, p. 9.

- A. whereas the ‘polycrisis’ currently faced by the Union, including its financial, economic, social and migratory consequences, have all led to the rejection by a growing part of the population of the current European Union;
- B. whereas progress towards a Union that can really deliver on and achieve its goals are impaired by a failure of governance owing to a continuous and systematic search for unanimity in the Council (which is still based on the so-called Luxembourg Compromise) and the lack of a credible single executive authority enjoying full democratic legitimacy and competence to take effective action across a wide spectrum of policies; whereas recent examples such as the uncontrolled migration flow, the slow clean-up of our banks after the outbreak of the financial crisis and the lack of an immediate common response to the internal and external threat of terrorism have aptly demonstrated the Union’s incapacity to respond effectively and quickly;
- C. whereas this problem, coupled with a lack of a common vision on the part of our Member States as regards the future of our continent, has given rise to unprecedented levels of ‘euroscepticism’ that risk a return to nationalism and the disintegration of the Union;
- D. whereas, instead of fostering the Union, the system whereby Member States make progress at different speeds in accordance with their different capacities and circumstances, further reinforced in the Lisbon Treaty, which introduced new formal methods of enhanced cooperation, has increased the complexity of the Union and accentuated its ‘variable geometry’; whereas more and more Member States are declining to agree on the goals and prefer ‘à la carte’ solutions, some of them even unilaterally;
- E. whereas, in the field of the euro and monetary policy, the United Kingdom obtained a permanent derogation from joining (Protocol No 15), Denmark has a constitutional exemption (Protocol No 16), Sweden has ceased to follow the euro convergence criteria and the possibility of Greece leaving the single currency has been openly discussed in the European Council;
- F. whereas, as regards Schengen, the free movement of people and the resulting abolition of internal border controls, all formally integrated into the Treaties, ‘opt-outs’ were given to the UK and Ireland; whereas four other Member States are also not taking part, but have the obligation to do so, while ‘opt-ins’ were accorded to three countries outside the European Union; whereas this fragmentation not only prevents the total abolition of some remaining internal borders, but also hinders the establishment of a true internal market and of a fully integrated area of freedom, security and justice;
- G. whereas, last but not least, this ‘variable geometry’ endangers the uniform application of EU law, leads to excessive complexity in terms of governance, jeopardises the cohesion of the Union and undermines solidarity among its citizens;
- H. whereas, since the Treaty of Lisbon, further accelerated by the financial and migration crises, the European Council has widened its role to include day-to-day management through the adoption of intergovernmental instruments outside the framework of the EU such as the European Stability Mechanism (ESM), the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG or the ‘Fiscal Compact’)

and the deal with Turkey on migration;

- I. whereas, while Article 16 of the TSCG provides that within five years of the date of entry into force (before 1 January 2018) the necessary steps must have been taken to incorporate the Fiscal Compact into the legal framework of the Union, it is clear that the resilience of the euro area, including the completion of the banking union, cannot be achieved without further fiscal deepening steps together with the establishment of a more reliable, effective and democratic form of governance; whereas this will complete the current Stability and Growth Pact, which, ever since it came into existence, even after its reform by the so-called six-pack and two-pack, has never been applied for any obvious political reasons;
- J. whereas this new system of governance implies a genuine government equipped to formulate and implement the common monetary, fiscal and macro-economic policies that the euro area desperately needs and must be endowed with a treasury and budget commensurate with the scale of the tasks at hand; whereas this requires, in addition to measures within the existing primary law, a reform of the Lisbon Treaty;
- K. whereas this is also the case for the necessary reform and modernisation of the financial resources of the whole European Union; whereas the agreement on the current multiannual financial framework (MFF) was only reached after long and strenuous negotiations and was accompanied by the decision to establish a high-level group to review the Union's revenue system of 'own resources', due to report in 2016; whereas the current MFF severely limits the financial autonomy of the Union, as most of the revenue consists of national contributions by the Member States and a large part of the expenditure is already preordained by means of returns to these same Member States;
- L. whereas the European Union is a constitutional system based on the rule of law; whereas the Treaties must be changed to give the European Court of Justice (ECJ) jurisdiction over all aspects of EU law, in particular common foreign and security policy (Article 24(1) TEU) and monetary and economic policy (Article 126(10) TFEU);
- M. whereas this review is also needed to rebalance the functioning of the Union, with the aim of less bureaucratic regulation and more effective policymaking; whereas this exercise also concerns the competences conferred on the Union that impair the ability to make progress towards some of its stated objectives such as the energy union, common migration management and security policy;
- N. whereas over the past decade the security situation in Europe has deteriorated markedly, especially in our neighbourhood: no longer can a single Member State guarantee its internal and external security alone;
- O. whereas the decline of Europe's defence capabilities has limited its ability to project stability beyond our immediate borders; whereas this goes hand in hand with the reluctance of our US allies to intervene if Europe is not ready to take its fair share of responsibility; whereas this leads inevitably to the need for more intense cooperation among the Member States and an integration of some of their defence capacities into a European defence community, both in line with a new European security strategy;
- P. whereas these changes in the Union's primary law have become unavoidable, as

regrettably none of the ‘passerelle clauses’ provided for in the Lisbon Treaty with a view to facilitating the reform of the Union’s governance have been deployed, and are unlikely to be so in the present circumstances; whereas this is in sharp contrast with the attitude of the European Council in the matter of the envisaged reduction in the number of members of the European Commission, where the ‘let-out’ clause was used instantly;

- Q. whereas clarifications are still needed as regards the European elections and on the matter of who leads the Union; whereas, despite the outcome of the 2014 European parliamentary elections having for the first time led directly to the nomination of the candidate for President of the Commission, a clear direct democratic link is still lacking, although the European Council has agreed to review the ‘*Spitzenkandidat*’ process in time for 2019<sup>1</sup>; whereas, moreover, there is still confusion – not least among third parties – about the interrelationship of the Presidents of the Commission and the European Council;
- R. whereas, finally, the urgency for reform of the Union has been dramatically increased by the United Kingdom’s decision, through a referendum, to leave the European Union; whereas it is crystal clear that the negotiations to set out the arrangements for the UK’s withdrawal also need to take account of the framework for its future relationship with the Union; whereas this agreement must be negotiated in accordance with Article 218(3) TFEU and be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament;
- S. whereas the UK’s decision creates an opportunity to reduce and drastically simplify the ‘variable geometry’ and complexity of the Union; whereas it offers at least the opportunity to clarify what membership of the Union really means and what could be a clear structure in the future for the EU’s relationship with non-members in our periphery (the United Kingdom, Norway, Turkey, Ukraine, etc.); whereas the founding fathers of the Union had already envisaged a type of ‘associate status’;
- T. whereas in this important exercise the Treaties confer on the European Parliament six specific prerogatives, namely: the right to propose amendments to the Treaties (Article 48(2) TEU), the right to be consulted by the European Council on amending the Treaties (Article 48(3)(1) TEU), the right to insist on calling a Convention against the wishes of the European Council (Article 48(3)(2) TEU), the right to be consulted on a decision by the European Council to amend all or part of the provisions of Part III TFEU (Article 48(6)(2) TEU), the right to initiate a reapportionment of seats in Parliament before the next election (Article 14(2) TEU) and the right to propose a uniform electoral procedure (Article 223(1) TFEU);
1. Considers that the time of crisis management by means of ad hoc and incremental decisions has passed, as it only leads to measures that are too little, too late; is convinced that it is now time to address the shortcomings of the governance of the European Union by undertaking a comprehensive, in-depth reform of the Lisbon Treaty;
  2. Notes that the direction of the Union’s reform should lead towards its modernisation by establishing new effective European capacities and instruments, rather than its renationalisation by means of greater intergovernmentalism;

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<sup>1</sup> [EUCO conclusions of 27 June 2014.](#)

3. Underlines that recent Eurobarometer polling demonstrates that, contrary to popular belief, EU citizens are still fully aware of the importance of, and in support of, genuine European solutions<sup>1</sup>;
4. Observes with great concern the proliferation of subsets of Member States undermining the unity of the Union by causing a lack of transparency, as well as diminishing the trust of the people;
5. Stresses that a comprehensive democratic reflection on the reform of the Treaties can and must only be achieved through a Convention, which guarantees inclusiveness through its composition of representatives of national parliaments, governments of all the Member States, the Commission and the European Parliament, and also provides the proper platform for such reflection and engagement with European citizens;

### ***Ending 'Europe à la carte'***

6. Notes that the fracturing process of 'variable geometry' has found its way into the European decision-making process every time the European Council decides to apply intergovernmental methods and to bypass the 'Union method' as defined in the Treaties; this not only leads to less effective policy-making but also contributes to a growing lack of transparency, democratic accountability and control;
7. Considers that the 'Union method' is the only method for legislating which ensures that all interests, especially the common European interest, are taken into account; understands by 'Union method' that the Commission as the executive initiates legislation, Parliament and the Council representing respectively the citizens and the states decide by majority voting, and the Court of Justice oversees and provides ultimate judicial control;
8. Considers it essential in these circumstances to reaffirm the mission of an 'ever-closer union among the peoples of Europe' (Article 1 TEU) in order to mitigate any tendency towards disintegration and to clarify once more the moral, political and historical purpose, as well as the constitutional nature, of the European Union;
9. Proposes that the next revision of the Treaties should rationalise the current disorderly 'variable geometry', i.e. *'l'Europe à la carte'*, by ending the disruptive practice of opt-outs, opt-ins and exceptions;
10. Recommends that, instead of these multiple derogations, a type of 'associate status' could be proposed to those states in the periphery that only want to participate on the sideline, i.e. in some specific Union policies; this status should be accompanied by obligations corresponding to the associated rights;

### ***The UK's withdrawal from the European Union***

11. Notes that this new type of 'associate status' could also be one of the possible outcomes to respect the will of the majority of the citizens of the United Kingdom to leave the EU; stresses that this wish must be respected, given that the withdrawal of the United

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<sup>1</sup> [Standard Eurobarometer 84 - Autumn 2015](#) & [Special Eurobarometer EP - June 2016](#).



Kingdom, as one of the larger Member States, and as the largest non-euro-area member, affects the strength and the institutional balance of the Union – a new situation that adds to the need for revision of the Treaties;

12. Underlines the fact that, until the Treaties cease to apply to the United Kingdom, it will continue to participate in all decision-making of the Union throughout its institutions, with the exception of the negotiations and the agreement concerning its own withdrawal; considers that intermediate arrangements will need to be made concerning the UK's participation in European decision-making, as it will be politically difficult to allow a Member State in the process of leaving to influence decisions affecting the Union of which it will soon cease to be a member;

#### *New Economic Governance*

13. Is greatly concerned by the lack of economic reform and convergence in the Economic and Monetary Union (EMU) as well as the loss of competitiveness of the economies of many of its Member States;
14. Considers that neither the Stability and Growth Pact nor the 'no bail-out' clause (Article 125 TFEU) provide the intended solutions, and that they have furthermore lost credibility in their current form, as the pact has been infringed by several Member States without political or legal consequences, while Greece has been bailed out on a large scale on three occasions;
15. Acknowledges the improvements brought by the European Semester, the six-pack and the two-pack aimed at addressing these issues, but concludes that they have not solved the problems; believes, moreover, that they have contributed to making the system overly complex, are not binding with regard to country-specific recommendations and do not cover spill-over effects between one Member State and another, or to the euro area or the EU as a whole;
16. Is acutely aware of the need to review the efficacy of the many recent crisis-management measures taken by the EU, and to codify in primary law certain decision-making procedures – such as 'reverse qualified majority voting' – as well as the need to entrench the legal bases of the new regulatory framework for the financial sector; agrees with the Five Presidents' Report that the 'open method of coordination' as the basis for Europe's economic strategy does not function and needs to be elevated into binding legal acts;
17. Proposes therefore merging the deficit and debt procedures, the macroeconomic imbalance procedure and the country-specific recommendations into a single 'convergence code' of a legally binding nature, setting minimum and maximum standards, where only compliance with this code would allow access to EU funds for investment projects or participation in new instruments that combine economic reform with fiscal incentives such as a fiscal capacity for the euro area or a common debt instrument; the coordination of economic policies as provided for in Article 5 TFEU would therefore become a 'shared competence' between the Union and the Member States;
18. Believes that, in order to reduce the still excessively high debt burden of Member

States, such a common debt instrument needs to be established, inspired by the proposal by the German Council of Economic Experts of 9 November 2011, whereby euro-area members would undertake joint and several liability for a sinking fund, with strong individual commitments on structural reforms to reduce the debt-to-GDP ratio to the required maximum of 60 %; insists that euro-area members would only be able to participate when they are in compliance with the convergence code, as this will prevent moral hazard;

19. Stresses, however, that conditionality in this new debt instrument will only be credible if complemented by an insolvency procedure for sovereigns, which will not only provide predictability to the markets in the event of an insolvent state, but also safeguard market discipline for both Member States and private creditors;
20. Calls for the integration of the Fiscal Compact into the EU legal framework as well as the incorporation of the ESM and the Single Resolution Fund into EU law, with corresponding democratic oversight by Parliament;
21. Is of the opinion that, in order to increase financial stability, mitigate cross-border asymmetric shocks and reduce the effects of recession, the euro area needs a fiscal capacity based on genuine own resources and a proper treasury facility equipped with a capacity to borrow; this treasury must be based in the Commission and be subject to democratic scrutiny and accountability through Parliament and the Council;
22. Points out that, because compliance with the new code is crucial to the functioning of the Economic and Monetary Union, stronger governmental institutions are required than those currently provided by the Commission and/or the Eurogroup;
23. Calls, therefore, for the executive authority to be concentrated in the Commission in the role of an EU Finance Minister, by endowing the Commission with the capacity to formulate and give effect to a common EU economic policy combining macro-economic, fiscal and monetary instruments, backed up by a euro-area budget; the Finance Minister should be responsible for the operation of the ESM and other mutualised funds, and be the single external representative of the euro area in international organisations, especially in the financial sector;
24. Considers it necessary to endow the Finance Minister with proportionate powers to intervene in the setting of national economic and fiscal policies in cases where the convergence code is not respected, and the power to use the fiscal capacity or the common bond instrument for those Member States that are compliant with the convergence code;
25. Considers it necessary to endow the European Central Bank with the status of lender of last resort enjoying the full powers of a federal reserve bank;
26. Calls for the suppression of Article 126(10) TFEU in order that the European Court of Justice gain full jurisdiction over the operation of the EMU, as is appropriate in a democratic system of economic governance based on the rule of law and the principle of equality among Member States;
27. Calls, finally, for the banking union to be completed as soon as possible on the basis of

a fast-track timetable;

### *New challenges*

28. Recognises the geopolitical, economic and environmental need for the creation of a genuine European energy union; notes that this will require the removal of the constraint that EU policy must not affect a state's right to determine the conditions for exploiting its energy sources, its choice between different energy sources and the general structure of its energy supply (Article 194(2) TFEU);
29. Notes that the Treaties provide ample means to set up a humane, well-functioning migration management system including a European Border and Coast Guard; believes, however, that the Treaties, particularly Article 79(5) TFEU, are too restrictive regarding other aspects of migration, especially on the establishment of a genuine European legal migration system; insists that democratic scrutiny by Parliament is needed on the implementation of border control, asylum and migration policies, and that the safeguarding of national security cannot be used as a pretext to circumvent European action;
30. Considers it necessary, in view of the intensity of the terrorist threat, to upgrade the EU's capacities in the fight against terrorism and international organised crime; stresses that, beyond strengthening coordination between the competent authorities and agencies in the Member States, Europol and Eurojust must receive genuine investigation and prosecution competences and capabilities;

### *Strengthening our foreign policy*

31. Regrets, as stated in its resolution of XXXXX on the improvement of the functioning of the European Union building on the potential of the Lisbon Treaty, that the EU has not made more progress in developing its capacity to agree and to implement a common foreign and security policy (CFSP); notes that its efforts in initiating a common security and defence policy have not been particularly successful;
32. Is of the opinion, while reiterating that more progress could and should be made under the terms of the Lisbon Treaty, including as regards use of the provisions to act by qualified majority voting, that the Vice-President / High Representative should be named EU Foreign Minister and be supported in her efforts to become the main external representative of the European Union in international fora, not least at the level of the UN; considers it essential that, owing to the broad and heavy workload, the Foreign Minister should be able to appoint political deputies; proposes a review of the functionality of the current European External Action Service;
33. Stresses that for the Union to strengthen the defence of the EU territory, as a pillar within NATO, which remains the cornerstone of the European security architecture, and to enable the Union to act autonomously in operations abroad, mainly with a view to stabilising its neighbourhood, the Treaties should provide for the possibility of establishing a European defence union;
34. Believes, finally, that it is essential that the restrictions in Article 24(1) TEU on the authority of the European Court of Justice in the field of CFSP be removed; calls, in the

same spirit, for Parliament to gain greater powers of scrutiny and accountability over CFSP, including full co-decision powers over the budget;

***More democracy, transparency and accountability***

35. Proposes transforming the Commission into the principle executive authority or government of the Union with the aim of strengthening the 'Union method', increasing transparency and improving the efficiency and effectiveness of action taken at the level of the European Union;
36. Reiterates its call for the size of the renewed Commission to be reduced substantially and for its vice-presidents to be reduced to two: the Finance Minister and the Foreign Minister; suggests that the same reduction be applied to the Court of Auditors;
37. Welcomes the successful new procedure whereby European political parties promote their top candidates for the President of the European executive, but believes that they should be able to stand during the next elections as official candidates in all Member States; proposes, therefore, following its legislative proposal on the reform of the electoral law of the European Union, empowering the electorate by giving them two votes, one for the national or regional lists and a second one for the European party lists; these European lists will be headed by the parties' nominees to become President of the European executive or government and will be composed of candidates drawn from at least one third of the Member States;
38. Recalls that Parliament, following the European Council Decision of 28 June 2013, will need to present before the end of 2016 a proposal to establish a system which will make it possible, before each election to the European Parliament, to reallocate the seats among Member States in an objective, fair, durable and transparent way, respecting the principle of degressive proportionality, while taking account of any change in the number of Member States and demographic trends;
39. Reiterates its call for a single seat for the European Parliament; proposes that Parliament and the Council each decide the location of their own seat after having obtained the consent of the other; further proposes that the seats of all the other EU institutions, agencies and bodies be determined by Parliament and the Council on a proposal by the European executive, acting in accordance with a special legislative procedure;
40. Notes that, despite the prohibition in Article 15(1) TEU, the European Council has undertaken various legislative initiatives; proposes abolishing Article 15(1) and integrating the European Council into a Council of States that could engage legitimately in the law-making process and provide direction and coherence to the other specialised Council configurations;
41. Considers that this Council and its specialised configurations, as the second chamber of the EU legislature, should, in the interest of specialism, professionalism and continuity, replace the practice of the rotating six-month presidency with a system of permanent chairs chosen from their midst; suggests that the idea of creating a special Law Council should be favourably reconsidered;
42. Suggests that Member States should be able to determine the composition of their

national representation in the specialised Council configurations, whether consisting of representatives of their respective national parliaments, governments or a combination of both;

43. Stresses that, following the creation of the role of EU Finance Minister, the Eurogroup should be considered as a specialised configuration of the Council with legislative and control functions but no executive tasks;
44. Proposes that, when Parliament and the Council vote on legislation specific to the euro area, only MEPs elected in the euro area and respectively representatives of its member states, can take part in the vote;
45. Believes that, in strengthening the governance of the euro area, due respect should be paid to the interests of Member States that are not yet part of the euro (the ‘pre-ins’);
46. Recognises the significant role played by national parliaments in the constitutional order of the European Union, and in particular their role in transposing EU legislation into national law and the role they would play in both ex-ante and ex-post control of legislative decisions and policy choices made by their members of the new Council of States, including its specialised configurations; suggests therefore complementing and enhancing the powers of national parliaments by introducing a ‘green card’ procedure whereby national parliaments could submit legislative proposals to the Council for its consideration;
47. Proposes moreover that, in line with the common practice in a number of Member States, both chambers of the EU legislature, Parliament and the Council, should be given the right of legislative initiative, without prejudice to the basic legislative prerogative of the European executive or government;
48. Insists that Parliament’s right of inquiry should be reinforced and be granted specific, genuine and clearly delimited powers which are more in line with its political stature and competences, including the right to summon witnesses, to have full access to documents, to conduct on-the-spot investigations and to impose sanctions for non-compliance;
49. Recalls its conviction that the financing of the EU budget should respect the letter and the spirit of the Treaty and return to a system of genuine, clear, simple and fair own resources; stresses that the reintroduction of such resources would put an end to the share of GNI-based contributions and thus lessen the burden on national treasuries; awaits with interest the proposals from the high-level group on own resources in this respect;
50. Proposes in this regard that the decision-making procedures for both own resources and the MFF should be shifted from unanimity to qualified majority voting, thereby inducing real co-decision between the Council and Parliament on all budgetary matters; repeats its call, furthermore, to make the MFF coterminous with the mandates of Parliament and the European executive, and insists that the finances of all Union agencies should become an integral part of the EU budget;
51. Points out that, in accordance with the Treaties, Parliament gives discharge to the

Commission in respect of implementation of the budget; takes the view that, as all the EU institutions and bodies manage their budgets independently, Parliament should be given the explicit competence to grant discharge to all EU institutions and bodies, and that the latter should be obliged to cooperate fully with Parliament;

52. Believes, finally, that the current Treaty ratification procedure is too rigid to befit such a supranational polity as the European Union; proposes allowing amendments to the Treaties to come into force if not by an EU-wide referendum then after being ratified by a qualified majority of four-fifths of the Member States, having obtained the consent of Parliament; correspondingly, once this threshold has been met, Member States which still decline to ratify the amended Treaty should decide, in accordance with their own constitutional requirements, whether to start the process of secession or to opt for an associate status;

#### *Constituent process*

53. Commits itself to playing a leading part in these important constitutional developments, and is determined to make its own proposals for Treaty amendment in a timely fashion;
54. Is of the opinion that the 60th anniversary of the Treaty of Rome would be an appropriate moment to modernise the European Union and to start a Convention with the purpose of making the European Union ready for the decades ahead;

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55. Instructs its President to forward this resolution to the European Council, the Council, the Commission, the Court of Justice of the European Union, the European Central Bank, the Court of Auditors, the Committee of the Regions, the European Economic and Social Committee and the parliaments and governments of the Member States.