

Euro rescue fund ESM: Community method will be safeguarded

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Van Rompuy, Juncker and Rehn give written assurances that EU Commission and European Parliament will be involved

A day before the European Council is to formally approve the Treaty change necessary to establish the future Euro rescue fund ESM, the European Parliament has received assurances that the ESM will respect the EU Institutions. The European Commission will play a central role in the ESM structure while the European Parliament will also be involved, the President of the European Council, Herman Van Rompuy, as well as the President of the Eurogroup, Jean-Claude Juncker and the European Commissioner for Economic and Monetary Affairs, Olli Rehn, said in two letters sent to the European Parliament's negotiator Elmar Brok MEP, providing details of Monday's conclusions of the meeting of the Euro Finance Ministers as well as the position of the European Council on 11 March.

In order to tie the ESM to existing EU structures, the European Commission will be closely involved in the functioning of the fund, Van Rompuy, Juncker and Rehn emphasised. The Commission will draw up a draft Regulation detailing the conditions for the use of the fund as well as its integration into the existing system for the budgetary surveillance of EU Member States by the EU Institutions. In their letters, they also agree that:

- □ The European Commission will assess whether a country's financial difficulties threaten the Eurozone as a whole;
- □ The European Commission will assess the actual financing needs, and will negotiate an economic reform programme on the basis of a mandate by the Council;
- □ The European Commission will supervise the implementation of this programme, and will report back to the European Parliament together with the Council.