Greater integration, reinforced solidarity

• 1. Further banking integration («Banking Union »)

• 2. Reinforced fiscal and economic policy coordination

• 3. Reinforced economic policy, and solidarity instruments

• 4. Reinforced democratic accountability
1. Reinforced banking integration (1)

1. Single supervisory Mechanism (March 2014)
   - For Euro area Member States but open to all others.
   - Composed of the European Central Bank and national competent authorities. The European Banking Authority will retain its role of developing standards and ensuring consistency.
   - Once effectively established, the European Stability Mechanism (ESM) will be able to recapitalise banks directly.
1. Reinforced banking integration (2)

- **Completing Financial Regulation** *(rapid adoption)*
  - New [rules on bank capital requirements](#) to make the financial sector better equipped to manage risks and absorb shocks.

- **Bank resolution and deposit guarantee schemes**
  - Further [harmonise current national](#) [bank resolution](#) and [deposit guarantee](#) frameworks *(by June 2013)*.
  - **A single resolution mechanism** *(by summer 2014)*
    - for member states participating in the SSM.
    - including appropriate and effective backstop arrangements,
    - based on contributions from the financial sector itself.
2. Reinforced fiscal policy coordination

- Reinforced fiscal surveillance in the euro area (rapid adoption of the "two-pack")
- Treaty on Stability, Coordination and Governance (TSCG, 'Fiscal Compact'): entry into force early in 2013
3. Reinforced economic policy coordination and instruments

• Roadmap (June 2013)
  – greater \textit{ex ante} coordination of member states' major economic policy reforms (see Article 11 of TSCG). (The Commission will propose a framework for this in the context of the European Semester).
  – the social dimension of EMU.
  – the feasibility of "mutually agreed contracts for competitiveness and growth".
  – solidarity mechanisms to support such contracts.
4. Reinforcing democratic accountability

Overarching principle:
"to ensure democratic legitimacy and accountability at the level at which decisions are taken".

Explore new mechanisms increasing the level of cooperation between national parliaments and the European Parliament (Article 13 of TSCG and Protocol No 1 to the Treaties).