

STUDY

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Democratic control and legitimacy in the evolving economic governance framework



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Democratic control and legitimacy in the evolving economic governance framework

Abstract

This briefing aims to contribute to the debate on the review of the economic governance framework by drawing lessons from the implementation of the existing provisions, assessing the parliamentary accountability of the EU executive actors and providing specific policy recommendations on its reform.

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LIST OF ABBREVIATIONS

AGS	Annual Growth Survey
AMR	Alert Mechanism Report
ASGS	Annual Sustainable Growth Survey
BEPG	Broad Economic Policy Guidelines
CSRs	Country Specific Recommendations
EDP	Excessive Deficit Procedure
EFSF	European Financial Stability Facility
EFSM	European Financial Stabilisation Mechanism
ERM	Exchange Rate Mechanism
EP	European Parliament
ESM	European Stability Mechanism
GDP	Gross Domestic Product
IMF	International Monetary Fund
MEPs	Members of the European Parliament
MIP	Macroeconomic Imbalance Procedure
MoU	Memorandum of Understanding
NGEU	Next Generation EU
NRP	National Reform Programme
NRRP	National Recovery and Resilience Plan
OLP	Ordinary Legislative Procedure
RoP	Rules of Procedure
RQMV	Reverse Qualified Majority Voting
RRD	Recovery and Resilience Dialogue
RRF	Recovery and Resilience Facility
SGP	Stability and Growth Pact
SRF	Single Resolution Fund
TEU	Treaty on the European Union
TFEU	Treaty on the Functioning of the European Union
WG	Working Group

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EXECUTIVE SUMMARY

In October 2021, with its Communication on “The EU economy after COVID 19: implications for economic governance”, the European Commission relaunched and updated the debate on the review of economic governance, which had started in February 2020 but was immediately halted by the outbreak of the COVID-19 pandemic emergency. In its contributions to the debate, the European Parliament has repeatedly requested the strengthening of democratic scrutiny in the reformed economic governance framework.

This briefing paper maps and assesses the political accountability of the EU executive actors in economic governance within three different institutional contexts: (i) the current EU economic coordination and surveillance framework (i.e., the Stability and Growth Pact and the European Semester); (ii) the intergovernmental instruments set up for crisis management (i.e., the European Stability Mechanism) and (iii) the new instruments established to mitigate the negative economic and social effects of the pandemic (i.e., the Recovery and Resilience Facility).

Analysing the relevant provisions on accountability in the legal texts and their actual implementation, and drawing empirical evidence from existing academic and policy literature and original data collection, this paper argues that the complexity of the current economic governance framework – characterised by the enduring co-existence of supranational and intergovernmental legal frameworks; the empowerment of several different EU executive actors and the interaction of Member State and EU institutions at different stages of the policy cycle – represents a challenge for parliamentary scrutiny.

The paper shows that, while the minimum conditions for accountability in the EU’s economic governance are met – the European Commission, the European Council, the Council of the EU and the Eurogroup or the national finance ministers are bound by the legal framework, or have voluntarily accepted to appear before the European Parliament and/or national parliaments to provide information and explain their conduct – the capacity of parliaments to pass a judgement and, if need be, sanction the executive actors is significantly more limited.

By strengthening parliamentary accountability at both the EU and the Member State level, citizens’ trust in the EU and ownership of the reform programmes can be enhanced. To this end, specific institutional reforms are considered. On the one hand, there is scope to improve the functioning of several of the existing instruments of accountability (i.e., the Economic Dialogue and the Recovery and Resilience Dialogue) within the existing legal framework, or with limited innovations that do not require changes of the Treaties. On the other, particularly if a permanent EU fiscal instrument is created, the electoral accountability of the European Commission through the European Parliament elections should be (re-)considered.

1. INTRODUCTION¹

The economic governance framework of the EU is currently under review. The Commission launched the review in February 2020, but its timing was unfortunate as the pandemic was making its way to Europe and was soon to force an overhaul of policy agendas. In October 2021, with its Communication on “The EU economy after COVID 19: implications for economic governance”, the Commission relaunched and updated the debate (European Commission 2021). The ensuing public consultation – which closed on 28 March 2022 – called for “simpler and more transparent” economic governance (European Commission 2022).

The European Parliament (EP) is actively contributing to this exercise and, in its Resolution of 8 July 2021, placed the focus both on a “better impact on Europe’s real economy” and on “improved transparency of decision-making and democratic accountability” (European Parliament 2021). It is on this latter aspect that this briefing focuses.

According to a widely cited definition, political accountability can be understood as the requirement for public officials to (i) justify their conduct before an accountability forum (typically a parliament), (ii) being assessed for their (in)actions and (iii) face consequences (cfr. Bovens 2007). In this briefing paper, the political accountability of the EU executive actors in economic governance is mapped and assessed within three different institutional contexts.

First, while the Member States retain ultimate control of their economic and fiscal policies, the supranational economic and surveillance framework makes them subject to the closer monitoring of the supranational executive, the European Commission. The Commission is in charge of drafting recommendations and decisions, which are then adopted by the ECOFIN Council, and of overseeing their implementation. In addition, specific procedures allow the Commission to propose sanctions for those Members that breach the economic and fiscal rules, which the ECOFIN Council can overturn by qualified majority.

Second, when euro area countries experience serious financial difficulties, financial assistance can be provided through intergovernmental instruments for crisis management. The most important of such tools, the European Stability Mechanism (ESM), is managed by the Eurogroup, an informal institution comprising the finance ministers of the euro area countries. The implementation of financial assistance programmes is carefully monitored by the Commission, supported by the European Central Bank (ECB) and the International Monetary Fund (IMF), and the funding is subject to strict conditionality.

Third, following the pandemic crisis, the Commission has been tasked with overseeing the domestic implementation of the Next Generation EU (NGEU) for post-pandemic recovery. It assesses the National Recovery and Resilience Plans (NRRPs) submitted by the Member States – which are then approved by the Council on the basis of its recommendation – and it authorises the disbursement of the funds, conditional on its assessment of the progress made by the beneficiary Member State.

It is by strengthening democratic scrutiny over such decisions – at the EU level by the EP, and at the Member State level by the national parliaments – that both citizens’ trust in the EU and their ownership of the reform programmes can be enhanced, thus increasing compliance of Member States with the EU’s recommendations. As a prominent scholar of democracy argued, it is precisely the “growing gap”

¹ I am very grateful to Nicola Chelotti, Christel Koop and Giuseppe Martinico for their comments, Claire O’Neill for the language editing and Matteo Nebbiai for research assistance. Needless to say, I remain solely responsible for any error or omission.

between decision-making and citizens that “lies at the heart of the dissatisfaction and malaise that now suffuses democracy” (Mair 2011, 14-15).

The analysis that follows is based on the relevant provisions on accountability in the legal texts and their actual implementation. Empirical evidence is drawn from existing academic and policy literature and original data collection. Building on the findings, policy recommendations to strengthen the democratic control and legitimacy of economic governance are presented.

2. BACKGROUND: THE ECONOMIC GOVERNANCE FRAMEWORK

2.1. From Maastricht to COVID: the development of economic governance

The Maastricht Treaty created an asymmetric EMU (e.g., European Commission 2017). In the Monetary Union, the supranational ECB was the key institution deciding on monetary policy. In the Economic Union, the European Commission was given responsibility for monitoring fiscal policies, issuing opinions on the Excessive Deficit Procedure (EDP) and proposing recommendations and sanctions if a Member State failed to take corrective actions. The ECOFIN Council – and ultimately the Member States – remained in control, having the final say on the process and the substance of decisions.

In 1997, the Member States adopted the Stability and Growth Pact (SGP), a political agreement accompanied by a set of Council regulations designed to speed up and clarify the enforcement of the EDP. In the early years, this had proved to be complicated: in 2003, somewhat remarkably, the ECOFIN Council did not endorse the Commission’s indication to sanction France and Germany, which had not respected the limits prescribed by the SGP.

The financial crisis that erupted in the USA in 2007 had far-reaching consequences for the EU and the euro area, leading to very substantive changes in the design of the EMU since 2010 and a “new constitutional architecture of economic governance” (Fabbrini 2016).

On the one hand, the reform of the EU economic governance framework was realised through two legislative packages adopted under the Ordinary Legislative Procedure (OLP). The regulations included in the “Six Pack” (in 2011) and the “Two Pack” (in 2013) were all negotiated with the EP as co-legislator, even those – such as Council Regulation 1177/2011 on the implementation of the EDP – on which it should have only been consulted (Schoeller & Héritier 2019). The new legal framework placed fiscal policies and budgetary decisions with Member States, and particularly for euro area members, under tighter EU control.

Starting with the “Six Pack”, Regulation 1175/2011 strengthened the preventive arm of the SGP and introduced the notion of the European Semester into EU law.² Regulation 1173/2011 and Council Regulation 1177/2011 reformed the EDP, operationalised the debt criteria of the Treaty and introduced

² The European Semester provides for the systematic review of national budget plans and economic outlooks by the EU in the spring semester ahead of their formal adoption in the autumn. It also introduces a single co-ordinated calendar: in November the Commission presents its Annual Sustainable Growth Survey (ASGS – formerly known as Annual Growth Survey); in March the economic priorities are endorsed by the European Council; in February/early March the Commission publishes its Country Reports, which are followed in April/May by Country Specific Recommendations (CSRs).

Reverse Qualified Majority Voting (RQMV) for decisions on sanctions proposed by the Commission, which are automatically adopted unless a qualified majority in the Council objects.

Regulation 1176/2011 established the Macroeconomic Imbalance Procedure (MIP), extending the scope of EU surveillance beyond public finance to also include macroeconomic indicators (i.e., current account balance, private debt, and unemployment). Coordination of economic policies is achieved through Council recommendations, which are neither binding nor associated with sanctions. Regulation 1174/2011, instead, included sanctions to correct excessive macroeconomic imbalances in the euro area.

The “Two Pack” regulations – i.e., Regulation 472/2013 and Regulation 473/2013 – only apply to euro area members. They set common timelines for a closer surveillance of national draft budgets and establish an EU framework for the surveillance of Member States experiencing serious financial difficulties.

While the “Six Pack” and the “Two Pack” were adopted with the former co-decision procedure, another set of measures to tackle the financial crisis and strengthen economic governance was, instead, introduced by means of intergovernmental treaties, outside the EU legal framework.

In October 2012, the governments of the euro area created the European Stability Mechanism (ESM), a permanent crisis resolution mechanism that offers financial assistance to members that lose access to financial markets and is strictly conditional on the implementation of policy measures. The ESM replaced the former temporary rescue fund for the euro area, the European Financial Stability Facility (EFSF), set up in May 2010. The highest decision-making organ of the ESM – the Board of Governors – comprises the ministers of finance of the euro area countries and has so far been headed by the President of the Eurogroup.

The intergovernmental Treaty on Stability, Coordination and Governance (TSCG) was signed in March 2012 by 25 EU countries (all the Member States except the Czech Republic and the UK) and entered into force on 1 January 2013. It has since been signed by all 27 Member States (including Croatia and the Czech Republic). The Treaty, partly overlapping with the “Six pack” and the “Two pack”, aimed to “strengthen the economic pillar of the economic and monetary Union by adopting a set of rules intended to foster budgetary discipline through a fiscal compact, to strengthen the coordination of economic policies and to improve the governance of the euro area” (art. 1). It requires national budgets to be balanced or have a surplus, and such provisions were to be included in national legal systems, preferably in constitutions.

With the new economic governance framework fully in place, and the peak of the financial crisis over, discussions on further reforms were launched: in November 2014, the Commission presented its Communication on the application of the “Six Pack” and the “Two Pack” (European Commission 2014); in July 2015, the Five Presidents’ Report (Juncker et al. 2015) called for a “deeper and fairer EMU”. With unfortunate timing, in early February 2020 the Commission published its review of the economic governance framework. A few days later, the public focus moved to the COVID-19 pandemic, quickly spreading throughout Europe, and the review was consequently halted.

The impact of COVID-19 required unprecedented policy responses. In March 2020, the general escape clause of the SGP was activated to allow Member States not to be bound by fiscal constraints and react swiftly to the pandemic crisis.³ In May 2020, the Commission proposed the ‘Recovery Plan’, a broad set of measures aimed at tackling its economic and social consequences. On 21 July 2020, the European

³ Following the Russian invasion of Ukraine, the Commission has postponed the lifting of the general escape clause to 2024.

Council reached an agreement on the tools to boost post-pandemic economic recovery and growth. Such measures bear strong implications for the EU economic governance framework.⁴

The Commission was empowered to borrow €750 billion on behalf of the EU on financial markets and provide loans and grants to Member States, to enable them to adjust to the crisis and facilitate their digital and green transitions. The key instrument of NGEU, the Recovery and Resilience Facility (RRF) was designed to allocate €312.5 billion in grants and €360 billion in loans to Member States.

The transformative, structural impact of the NGEU has been much debated (i.e., Schmidt 2020; Wolff & Ladi 2020) some have dubbed it the EU's 'Hamiltonian' moment, constituting a critical juncture leading to a federal budget, while others have underlined its contingent and temporary nature. In any case, the NGEU is funded by the EU – with a large amount of money borrowed from international markets rather than transferred by the Member States – and it carries significant redistributive implications – with Member States that were most hit by the pandemic receiving a far larger quota of resources. It may also have inter-generational implications due to the fact that spending is based on borrowing that will be paid back later.

Its implementation is inspired by the pre-existing institutional structure of the European Semester, which had not originally been designed for the disbursement of EU funds. The timing for the submission of the NRRPs by Member States is aligned with that of the ES, that is, by the end of April along with the National Reform Programmes (NRPs). Member States are also expected to present reform and investment projects, taking into account the challenges and priorities identified in the context of the European Semester and the CSRs of 2019 and 2020.⁵

2.2. Debating reform and democratic accountability

Although present since the creation of EMU, the discussion on how to enhance its democratic accountability and legitimacy has gained momentum after the economic and financial crisis. Already in the Four Presidents' Report (Van Rompuy et al., 2012), the President of the European Council, together with the Presidents of the Commission, the Eurogroup and the ECB, explicitly stated that "closer EMU integration will require a stronger democratic basis and broad support from citizens" further indicating that "close involvement of the European Parliament and national parliaments will be central, in the respect of the community method" (2012, 3, 7). In October 2012, in its Conclusions, the European Council asserted the principle that "democratic control and accountability take place at the level at which decisions are taken and implemented" (2012, 10) while the roadmap for the achievement of a genuine EMU, presented in December, underscored the need to fully involve the EP in decisions taken at the EU level and national parliaments in the ES. It also advocated bringing under EU law intergovernmental agreements like the TSCG (Van Rompuy et al., 2012b, 16-17).⁶

The Five Presidents' Report of July 2015 – this time adding the President of the EP to the former four presidents – included an entire chapter on "Democratic Accountability, Legitimacy and Institutional Strengthening" (Juncker et al. 2015).

⁴ The ESM also launched 'Pandemic Crisis Support' credit lines, which were not requested by any Member State.

⁵ With the REPowerEU chapters in the NRRPs, the most recent CSRs are also to be considered. Cfr. European Commission (2022). *Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans*. Brussels: COM(2022) 231 final, 18 May 2022.

⁶ According to art. 16 TSCG, within five years at most of the date of entry into force, 'the necessary steps' would be taken to incorporate the substance of the Treaty into the EU legal framework.

The report presented several proposals for reform: in the short run (until July 2017), it called for the strengthening of the Economic Dialogue; the presentation before national parliaments of the Commission's opinion on the draft budgetary plans or recommendations for the EDP; the consolidation of the EP plenary debates for key steps of the ES and the consolidation of inter-parliamentary cooperation. In the longer-term, it advocated the integration of intergovernmental agreements – and distinctively the ESM – in the EU legal framework, the establishment of a full-time Presidency of the Eurogroup and a euro area treasury.

Building on the above, in May 2017 the European Commission presented its reflection paper on 'Deepening of the Economic and Monetary Union'. Recognising the complexity of the institutional architecture of the EMU (which it labels as "cumbersome"; European Commission 2017a, 17), the paper indicates a possible way forward, with more transparent decision-making and stronger accountability. Among the suggested reforms, it recommended strengthening the Eurogroup with new competences, and a full-time permanent chair, merged with the Commissioner in charge of the economy. The paper further suggested transforming the Eurogroup into a Council configuration, "given the growing relative size of the euro area within the Union" (European Commission 2017a, 27). Later in December, the Commission published its roadmap on the completion of the EMU, together with proposals to transform the ESM into a European Monetary Fund under the EU Treaties and to create a European Economic and Finance Ministry. Among the arguments to justify its creation, the democratic accountability of the EMU featured prominently (European Commission 2017b).⁷

The most recent initiatives to reform the EMU (European Commission 2020; 2021) do not elaborate extensively on accountability, focusing rather on more substantive policy aspects. On the issue, the EP resolution of 8 July 2021 underscores "the need to strengthen the democratic legitimacy, accountability and scrutiny of the economic governance framework; [...] to improve ownership, responsibilities must be assigned at the level where decisions are taken or implemented, with national parliaments scrutinising national governments and the European Parliament scrutinising the European executives" (point 55).⁸

3. SCRUTINISING THE EU ECONOMIC COORDINATION AND FISCAL SURVEILLANCE FRAMEWORK

3.1 The EP and the accountability of the EU executive actors

The development of economic governance has led to a complex situation where intergovernmental and supranational features coexist (i.e., European Commission, 2017; Crum 2018). Starting here with the supranational economic and surveillance framework, the formal powers of the EP to hold the EU executive actors into account are reviewed. In this domain, the key executive actors operating at the EU level are the European Council, providing policy orientations and endorsing important decisions, the Commission, which drafts recommendations and decisions and oversees their implementation,

⁷ "...the Minister will be instrumental in strengthening the coherence, efficiency, transparency and democratic accountability of EU economic governance" (European Commission 2017b, 10).

⁸ This Resolution echoes the wording of previous resolutions. Cfr. Resolution of 16 February 2017 *Budgetary Capacity for the euro area*, Section iii "Governance, democratic accountability and control" and Resolution of 24 June 2015 *Review of the economic governance framework: stocktaking and challenges*, particularly section "Democratic accountability and challenges ahead in deepening economic governance".

and the ECOFIN Council, which adopts them. The Eurogroup discusses the draft budgetary plans for euro area countries.

The European Commission, as the EU's supranational executive, is accountable to the EP – including for its EMU competences. The EP, representing the Union's citizens, shall exercise "functions of political control" (art. 14 TEU). On the one hand, according to art. 14(1) and art. 17(7) TEU, the President of the Commission is 'elected' by the EP and the entire Commission is subject to a vote of consent by the EP. On the other hand, following art. 17(8) TEU and art. 234 TFEU, the EP may vote on a motion of censure of the Commission, which is approved by a two-thirds majority of the votes cast and a majority of component MEPs. The approval of the motion requires, therefore, a super-majority (of votes and members) and leads to the collective resignation of the College of Commissioners. Given such demanding requirements and the very significant political implications, it is unsurprising that a motion of censure has never been carried. In one case – which led to the end of the Commission headed by Jacques Santer in 1999 – the Commission's resignation anticipated the likely outcome of a vote of no confidence. As the Commission is subject to 'collective responsibility', the EP cannot dismiss individual commissioners.⁹

As the Commission "shall execute the budget" of the EU – according to art. 17(1) TEU – the EP (together with the Council) also exercises control over the Commission through the annual budgetary and discharge procedure. Needless to say, the decision not to grant – or even just postpone – the discharge of the budget can be used to send very strong political messages, in particular when the EU is financing its largest stimulus package ever, the NGEU.

The Parliament has several other instruments to scrutinise the work of the Commission. The EP has the right to ask questions – both during plenary and committee sessions or in written form; it can set up committees of inquiry to investigate policy topics and, in several policy areas, the TFEU requires the Commission to report or submit evidence to Parliament, including – as per art. 121(5) TFEU – on the results of multilateral surveillance in economic policy.

The capacity of the EP to scrutinise the European Council or the Council of the EU is much weaker. Indeed, as art. 10(2) TEU puts it, Member States are represented in the European Council by their Heads of State or Government and in the Council by their governments: they are thus accountable to their national parliaments, or directly to their citizens. The President of the European Council is required after each summit to present a report to the EP on its outcomes (art. 15(6) TEU), but she/he is not questioned by MEPs.¹⁰ A similar reporting obligation applies to the President of the Euro Summit (art. 12 TSCG).

Otherwise, the EP does not have many opportunities to influence the work of the European Council and/or the Euro Summit. National parliaments normally have mechanisms at their disposal to establish a dialogue with their governments on the European Council meetings (cfr. ECPRD 2020). The means are different – e.g., plenary debates, questions, opinions – but, whatever they use, oversight is exercised vis-à-vis national government, rather than the European Council as a collective institution (cf. Akbik 2022, 28-32).

As for the Council of the EU, art. 121(5) TFEU prescribes that the President of the Council (and the Commission, see above) shall report to the EP on the results of multilateral surveillance, while the

⁹ Through parliamentary hearings, however, the EP has gained a role in the appointment of individual commissioners, with its committees 'grilling' the designated Commissioners of specific policy portfolios.

¹⁰ The first permanent President of the European Council – Herman Van Rompuy – underlined that he "did not accept further formal commitments that would have exceeded the clear division of roles set out by the Treaty" (cited in Wessels 2016, 90).

President of the Council may be invited to appear before the relevant EP Committee when the Council has made its recommendations public. Furthermore, according to art. 122(2) and art. 126(11) respectively, the President of the Council shall inform the EP on decisions to grant financial assistance to Member states threatened with severe difficulties, or on imposing sanctions in the corrective arm of the SGP. Moreover, the EP has the right to table oral and written questions to the Council.

The Eurogroup and its President, elected by its members for two and a half years, have no formal reporting obligations, although according to its Working Methods (2008, 7) “the president regularly informs the European Parliament on the priorities of the Eurogroup work programme and reports on progress achieved in the coordination of economic policies in the euro area”. Since 2019, the President of the ECON Committee of the EP also participates twice a year in Eurogroup meetings (cfr. Dias, Hagelstam & Lehofer 2022).

While the Treaty of Lisbon did not bring significant changes to the existing provisions on parliamentary accountability, the EP skilfully managed to secure a stronger institutional involvement in economic governance and reinforce provisions on accountability when negotiating, as a co-legislator, the “Six Pack” and the “Two Pack” (Bressanelli & Chelotti 2016; Kluger-Dionigi & Koop 2019). In particular, they introduced Economic Dialogue, expanding obligations for the different EU executive actors to appear before the EP’s competent committee and address MEPs’ questions. The procedures that compose the Economic Dialogue are dispersed both in the “Six Pack” and “Two Pack” regulations. In addition, both packages include extensive reporting obligations for the European Commission (see Table 1 for a summary, and Table A in the Annex for a detailed list of provisions).¹¹

Through Economic Dialogue, the “Six Pack” empowers the EP to request the Commission and the presidents of the Council, the European Council, and the Eurogroup to appear before its competent committee to discuss the SGP application, the MIP, the ES, the multilateral surveillance procedures, and the Broad Economic Policy Guidelines (BEPG). Moreover, the EP is entitled to invite Member States that are the subject of specific recommendations following a violation of the BEPG or medium-term budgetary objectives, face disciplinary action under the SGP or have been sanctioned under the MIP, for an exchange of views.

The “Two Pack” allows the EP to request the Commission and the presidents of the Council, the European Council, and the Eurogroup to appear before its competent committee to discuss the Commission’s assessment of the budgetary situation and prospects for the euro area as a whole, the economic partnership programmes, the corrective instruments of the SGP and the procedures for economic and budgetary surveillance of euro area member states with threatened financial stability. Moreover, the EP can invite euro area members that are participating in an economic adjustment programme and/or are subject to fines under the EDP.

¹¹ See also [https://www.europarl.europa.eu/ReqData/etudes/BRIE/2019/624436/IPOL_BRI\(2019\)624436_EN.pdf](https://www.europarl.europa.eu/ReqData/etudes/BRIE/2019/624436/IPOL_BRI(2019)624436_EN.pdf) and [https://www.europarl.europa.eu/ReqData/etudes/BRIE/2014/497736/IPOL-ECON_NT\(2014\)497736_EN.pdf](https://www.europarl.europa.eu/ReqData/etudes/BRIE/2014/497736/IPOL-ECON_NT(2014)497736_EN.pdf)

Table 1: Overview of accountability provisions towards the EP in the “Six” and the “Two Pack”

Tools for accountability	Legal bases
Annual/interim/meeting reports	Art. 2a Regulation 1175/2011 Art. 3 Regulation 1176/2011 Art. 15 Regulation 1176/2011 Art. 15 Council Directive 2011/85
Final reports on the application of the regulation	Art. 13 Regulation 1173/2011 Art. 7 Regulation 1174/2011 Art. 12a Regulation 1175/2011 Art. 16 Regulation 1176/2011 Art. 17a Council Regulation 1177/2011 Art. 19 Regulation 472/2013 Art. 16 Regulation 473/2013
Providing information	Art. 5 Regulation 1176/2011 Art. 6 Regulation 1176/2011 Art. 7 Regulation 1176/2011 Art. 3 Council Regulation 1177/2011 Art. 3 Regulation 472/2013 Art. 14 Regulation 472/2013 Art. 18 Regulation 472/2013 Art. 7 Regulation 473/2013
Providing information (oral and confidential)	Art. 7 Regulation 472/2013
Economic Dialogue	Art. 3 Regulation 1173/2011 Art. 6 Regulation 1174/2011 Art. 2ab Regulation 1175/2011 Art. 14 Regulation 1176/2011 Art. 2a Council Regulation 1177/2011 Art. 3 Regulation 472/2013 Art. 15 Regulation 473/2013

The “Two-Pack” and the “Six-Pack” provide that the EP “may invite” other institutions or Member States to appear before the ECON committee, hinting at the non-mandatory nature of the request. In reality, the binding character of the Economic Dialogues depends on the institution that is invited by the EP. The Commission is required to participate in the Dialogues because the “Six Pack” and the “Two Pack”

are based on the Treaty provisions that oblige the Commission to reply orally or in writing to the Parliament's questions.¹² On the other hand, the Treaties establish that the Council and the European Council shall be heard by the EP in accordance with their own Rules of Procedure.¹³ Therefore, it can be sustained that their refusal to respond to the EP's invitations might be successfully challenged before the Court of Justice of the EU (De la Parra 2017, 109). Finally, as concerns the Eurogroup and the Member States, there are no provisions in the Treaties specifying their relationship with the EP. Hence, challenging their refusal to appear in front of the ECON committee may be more difficult. Some authors are therefore inclined to see the EP invitations to these institutions as non-mandatory (Bovens and Curtin 2016, 195-196). Supporting this thesis is the fact that, in April 2017, the then president of the Eurogroup Mr Dijsselbloem declined to appear before the EP, provoking 'only' a strong parliamentary backlash.

3.2 Economic Dialogue

Building on the extant literature and data, the actual functioning of the Economic Dialogue, as a key tool for the scrutiny of EU executive actors in economic governance, is discussed below. The presentation focuses on its actors, organisation, the questions asked by MEPs and the answers provided.

First, which institutions participate in the Economic Dialogue? Mapping all meetings held from 2014 to mid-2022 (Graph 1), the ECON Committee organises at least two meetings with the Commission – i.e., with the Commissioner(s) in charge of Economic Affairs – per year. Some of these dialogues are held jointly with the EMPL Committee¹⁴ and, in such cases, the Commissioner for Employment and Social Affairs is also invited. The Vice-President for the Euro and Social Dialogue (2014-2019) and the Executive Vice-President for an Economy that Works for People (since 2019) have also been regular attendees of Economic Dialogue meetings.¹⁵ Furthermore, every year one or two meetings with the Eurogroup president, and from two to up to five meetings (in 2016) with the Council (i.e., Ministers of Finance of the two member states that hold the six-month Presidency of the Council), take place.

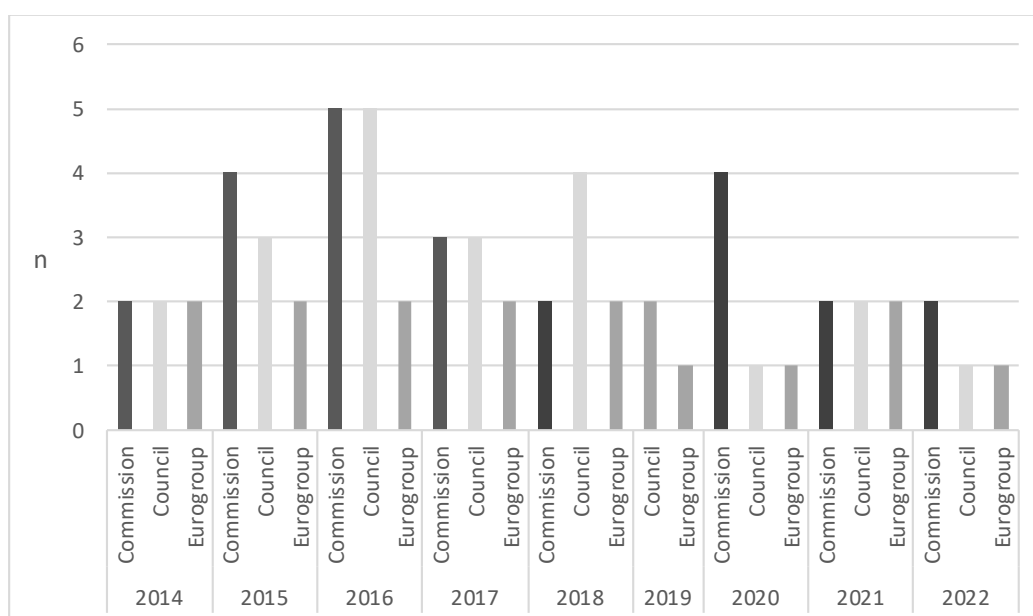
¹² Art. 14(1) TEU and Art. 230(2) TFEU.

¹³ Art. 230(3), TFEU

¹⁴ In particular those related to the presentation of the documents launching a new cycle of the European Semester process.

¹⁵ In both periods, the Vice-President was Valdis Dombrovskis.

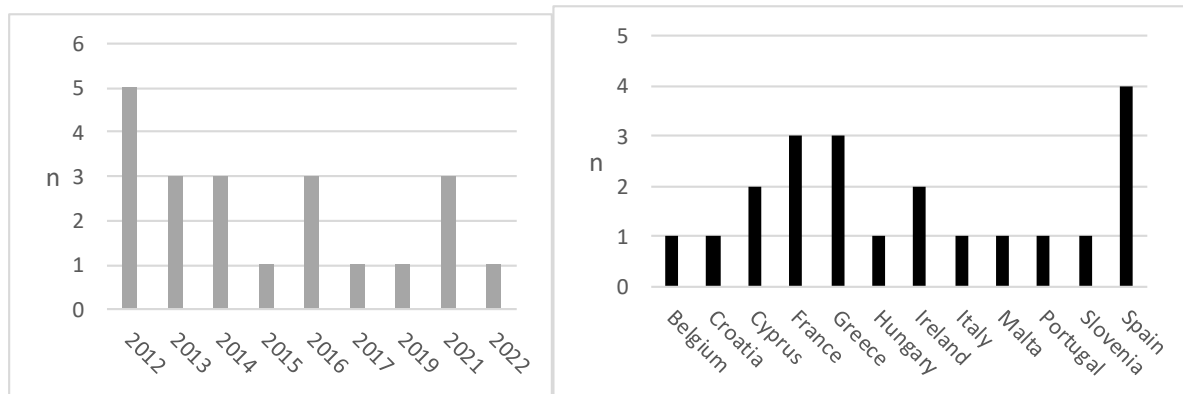
Graph 1: Mapping Economic Dialogue with the other EU institutions (2014 / June 2022)



Source: elaboration from data collected by the Economic Governance Support Unit

Moreover, the Economic Dialogue also involves national ministries (i.e., Ministers for Economic Affairs). Both the “Six Pack” and the “Two Pack” lay down several specific circumstances in which Member States can appear before the competent EP committee (see above). In addition, Member States can also be invited – and have actually been invited – by the ECON Committee for an “exchange of views”, without reference to specific legal bases. Graph 2 shows that Economic Dialogues with Member states were more frequent in the immediate aftermath of the economic and financial crisis (with a peak of five meetings in 2012) particularly with those Member States which had experienced financial difficulties (i.e., four dialogues were organised with Spain and three with Greece). MEPs from the same Member State of the minister invited are particularly active in such meetings (Chang & Hodson 2019, 358).

Second, how is the Economic Dialogue organised? Meetings last about 1.5 to 2 hours and, after a short introductory statement by the invited institution or representative of the Member State, MEPs ask questions. In meetings organised solely by ECON, each question is, in turn, addressed by the invitee. In meetings organised jointly with the EMPL Committee, by contrast, questions are clustered in groups of three or four and are addressed together in a dedicated slot (Akbik 2022, 109-110). The allocation of speaking time is based on the D’Hondt formula, meaning the largest political groups are given more time and their members ask more questions. After the allocated time has been used, there may be space for additional questions using the “catch-the-eye” procedure (cfr. De la Parra 2017, 113-114). In the dialogues with the Commission and the Eurogroup President, MEPs asked on average thirty questions per meeting; in the dialogues with the ECOFIN Council, MEPs asked on average twenty-two questions during the 7th parliamentary term and twenty-five questions during the 8th term (Akbik 2022, 116; 145; 159).

Graph 2: Mapping Economic Dialogue with Member States (2014 / June 2022)

Source: elaboration from data collected by the Economic Governance Support Unit

Third, what are the main topics covered in Economic Dialogues and the types of questions? In general, questions address all aspects of economic governance, going beyond the substantive limits imposed by the legal framework (cf. above). More specifically, the existing research has shown that topics vary depending on the invited institution (De la Parra 2017, 114-115; Akbik 2022, 122-123; 150-152; 165-168). In the dialogues with the Commission, social issues – e.g., unemployment, pension policy and labour market policies – are very salient. The European Semester – particularly the implementation of CSRs by Member States and the interpretation of the rules by the Commission – is another very important topic. In the dialogues with the ECOFIN Council, by contrast, the most recurrent topics are the ongoing legislative negotiations between the EP and the Council. MEPs tend to ‘use’ the Presidency of the ECOFIN Council to enquire about the negotiations of legislation, with more limited *ex post* scrutiny of its executive actions. Finally, the focus of the dialogues with the Eurogroup president centres on the ESM financial assistance programmes and economic governance framework reforms.¹⁶ More than half of the questions are used to request information or justification of conduct, with fewer questions (slightly more than a third) demand changes of decisions or the imposition of sanctions (Akbik 2022, 179-180).

Fourth, to what extent do the other EU institutions effectively answer the questions asked by MEPs? Akbik (2022) coded all the answers provided by the Commission, the ECOFIN Council and the Eurogroup in Economic Dialogue up to May 2019. She classified them as “explicit” – when they fully engage with the substance of the question – “intermediate” – offering only a partial response – or as “non-replies” – when the answer is evasive or there is an explicit refusal to address it.¹⁷ Her figures show that most answers are explicit or at least intermediate, with a relatively small number (slightly above 10%) of non-replies. This finding holds for Economic Dialogues with all institutions, showing a general willingness of EU executive actors to engage with parliamentary questions, offering information and providing justifications for their behaviour, although rarely promising to change decisions or policies in response to MEPs’ demands (Akbik, 2022, 181-184).

At the same time, the effectiveness of parliamentary scrutiny is also related to MEPs’ efforts to engage with EU executive actors and present follow-up questions to the answers received: on this aspect, there

¹⁶ See also: [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/634367/IPOL_IDA\(2019\)634367_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/634367/IPOL_IDA(2019)634367_EN.pdf)

¹⁷ For a full description of her methodology, see the ‘Coding Guide’ in Akbik 2022, 65-68.

is scope for improvement, as follow-up questions are not so frequently asked (De la Parra 2017, 117; Akbik 2022, 178).

3.3 The role of national parliaments in economic governance

In general terms, national parliaments have often been regarded as the ‘victims’ or ‘losers’ of European integration, as they have a hard time scrutinising the activities of their executives in Brussels. At the peak of the economic and financial crisis, EU executive actors have often taken decisions of an existential nature in emergency mode, with the urgency to act hollowing out the space for parliamentary scrutiny. It has been argued that party politics has also been limited, with party ‘responsiveness’ (to the voters’ inputs) giving ground to party ‘responsibility’ (to the EU or the ‘Troika’, particularly in countries under economic adjustment programmes; cfr. Mair 2011; White 2019). The perception of reforms ‘imposed’, rather than ‘owned’ by EU citizens has fuelled anti-EU sentiment and worsened national compliance with EU policy recommendations.

In this respect, it has been argued that the European Semester places the national executives – and arguably even more so the national legislatures – in “reactive and defensive mode” (Crum 2018, 274). While all parliaments obviously vote on the budgets, the Commission plays an extensive role in budgetary preparation through its repeated interaction with national governments. Yet, the European Semester is not to be seen only as an institutional constrain, but also as an opportunity for national parliaments to be involved from the very preliminary stages of budgetary preparation. The early planning of the next budgetary cycle, and the recurrent exchanges between the Commission and the Member States, offer national parliaments the possibility to exert their scrutiny at several stages, in theory at least (cf. Brack 2021, 44-45). In addition, the application of the economic governance framework has been in practise less strict than the rules would imply.

First, at the start of a new budgetary cycle in the autumn, the Commission publishes several documents (the Annual Sustainable Growth Survey (ASGS), the Alert Mechanism Report (AMR), the proposal for a Joint Employment Report, the proposal for a recommendation for the euro area) setting out the EU’s general economic and social priorities for the new year. This means that national parliaments have the chance to start discussing the policy priorities that will feed into national budgets.

Second, by the end of April, Member States have to submit to the Commission their NRRPs, detailing what policies they will implement to boost jobs and growth, and their Stability (in the case of euro area countries) or Convergence (for non-euro area countries) programmes, specifying the actions to be taken to respect the budget deficit and public debt limits set by the SGP. In this phase, national parliaments can provide their input before the NRRPs and the Stability or Convergence Programmes are submitted to the Commission and/or scrutinise the ensuing CSRs.

Third, euro area countries are expected to submit, by mid-October, their budgetary plans to the Commission which, in turn, assesses them as compliant, broadly compliant or at the risk of non-compliance with the fiscal requirements and the CSRs. Such draft budgetary plans can be presented and discussed in national parliaments.

Two surveys targeting the staff of national parliaments to assess the latter’s involvement in the ES provide very interesting data on the effectiveness of parliamentary scrutiny and variation across countries (Hagelstam, Lehofer & Ciucci 2018; Hallerberg, Marzinotto & Wolff 2018).

In 2018, 17 governments had presented the economic and social priorities of the next ES to their parliaments before adoption in the spring, while in six cases (out of a total of 33 chambers replying to

the questionnaire), the priorities were presented after adoption. In 11 cases, parliaments delivered an opinion or mandated their governments. Moving further down the ES cycle, only in eight cases did governments present the NRRPs to their parliament before approving them. In five cases, national parliaments were provided with the Stability or Convergence programmes before their adoption.

There is a greater involvement of national parliaments in the CSRs. Also in 2018, in 19 cases national governments presented CSRs to parliament before adoption by the Council and, in 12 cases, parliaments issued an opinion. Finally, euro area countries have to submit their draft budgetary plans to the Commission. Here, only in four cases (out of 24), were parliaments provided with the draft budgets prior to their submission. Interestingly, in six cases the Commission was invited by governments to present its opinion before the national parliaments, while in two additional cases the invitation came from national parliaments.

Based on 2018 data, most parliaments were informed, but a minority of them issued opinions or provided a mandate to their governments. However, by comparing different survey rounds, levels of scrutiny appear to increase over time (Hallerberg, Marzinotto & Wolff 2018). The other clear finding emerging from the surveys is the significant national variation: stronger scrutiny activities are observed in Northern Europe and, interestingly, in non-euro area countries (see also Auel & Neuhold 2018, 14). Though no study has been conclusive, the geographical variation has been explained by inferring that parliamentary control is positively correlated with the overall strength of parliamentary activities and formal rules (e.g., Auel, Rozenberg & Tacea 2015) and the share of the Eurosceptic population (Raunio 2005). On the other hand, it has been hypothesised that non-euro countries are more sensitive to the comments of the Council and, therefore, are more likely to discuss them (Hallerberg, Marzinotto & Wolff 2018, 76).

Overall, academics provide rather sceptical assessments about the contribution provided by national parliaments in the context of the ES. Recent analyses continue to judge their role as “modest” (Akbik 2022, 31) and observe that they remain “rather weak actors in EU economic governance” (Wozniakowski, Maatsch & Miklin 2021, 98).

Another opportunity for national parliaments to oversee the EU economic and budgetary policy is through interparliamentary cooperation. The Interparliamentary Conference on Stability, Economic Coordination and Governance was established by the TSCG (art. 13) and provides a forum for debate, cooperation and exchange of best practices among national parliaments. According to its Rules of Procedure (RoP), its ambition is to “contribute to ensuring democratic accountability in the area of economic governance and budgetary policy in the EU” (art. 2.1).

The Conference meets twice a year, each time for a couple of days, and the timing of its meetings is aligned with that of the ES. The first semester meeting is organised in the context of the ‘European Parliamentary Week’, a broad gathering of parliamentarians from all over the EU in the premises of the EP to discuss economic, budgetary and social issues. The second semester meeting is, instead, held in the Member State holding the rotating presidency of the Council. For instance, on 15-16 March 2022, the European Parliamentary Week was co-organised by the EP and the French National Assembly and Senate.¹⁸ Participants included MPs and officials from Member States (with delegations varying considerably in terms of size), candidate countries (i.e., Bosnia and North Macedonia) and special guests (i.e., Norway).

¹⁸ For the programme of the 2022 European Parliamentary Week, see https://www.europarl.europa.eu/cmsdata/245809/Programme_EN.pdf

From its very inception the Conference had a difficult institutionalisation (Brack 2021, 47). Opposing views by the EP and national parliaments led to strong contrasts on its design and composition. It took two years – from April 2013 to November 2015 – to approve its RoP and, eventually, it was decided not to determine the size and composition of parliamentary delegations and involve all national parliaments, rather than only those of the euro area. These choices were produced by a “reduction of damage” approach to accommodate and compromise among different views (Lupo & Griglio 2018).

Overall, the composition and organisation of the Interparliamentary Conference make it a forum for exchanging information among parliaments rather than an instrument of accountability, through which executive actors are expected to address questions and justify their actions.¹⁹

4. SCRUTINISING INTERGOVERNMENTAL INSTRUMENTS FOR CRISIS MANAGEMENT

The ESM was created in September 2012 to provide financial assistance, subject to conditions, to euro area countries and prevent their insolvency, which could lead to major economic and financial downturns. Its role was therefore as “indispensable” as it soon became “contested” (Hodson 2022, 265).

The ESM is not an institution of the EU. It is based on an intergovernmental treaty signed by the Euro area member states (17 at the time of its constitution, 19 currently) and is located in Luxembourg. Technically, therefore, the ESM is an international organization, albeit strongly embedded in the EU governance structures (Howarth & Spendzharova 2019).

Its Board of Governors is constituted by euro area finance ministers and has been chaired so far by the Eurogroup president, elected by ministries for two and a half years (see TEU, Protocol 14). Representatives of the ECB and the Commissioner in charge of economic and financial affairs are invited to attend its meetings as observers. *De facto*, the Eurogroup manages the ESM.

Unanimity is the standard decision-making rule (for all important matters, including for decisions on financial assistance), with the exceptional use of QMV (which applies to decisions on capital raising). The ESM Board of Governors is supported by the Board of Directors, made up of high-level officials from national administrations and a Managing Director, who is the legal representative of the ESM, appointed by the Board of Governors for five years, renewable once.

To receive financial assistance, the country in need submits a formal request. The ESM Board of Governors asks the Commission to assess the application, which evaluates it together with the ECB and the International Monetary Fund (IMF) – i.e., the ‘Troika’. The Commission, again with the help of the ECB and the IMF, negotiates a macroeconomic adjustment programme, which is then included in a Memorandum of Understanding (MoU) signed by the Commission (on behalf of the ESM) and the beneficiary country. The lending instrument and the attached conditions are approved by the ESM Board of Governors. The ‘Troika’ is subsequently in charge of monitoring compliance.

To what extent are the institutions responsible for financial assistance accountable to the EP and/or national parliaments? In the ESM treaty there is no mention of the EP, but the President of the Eurogroup regularly participates in the Economic Dialogue, where ESM activities are a central issue on

¹⁹ This is further confirmed by the perception of national parliaments. The answers to a survey addressed to their secretariats in 2019 shows that a large majority of them consider the exchange of views and networking among participants as the main purposes of the Interparliamentary Conference (Borońska-Hryniewiecka 2021).

the agenda (see Section 2.2). The first Managing Director of the ESM has also voluntarily attended several meetings organised by the ECON committee of the EP and answered MEPs' questions.

The Commission, which is subject to additional reporting requirements following Regulation 472/2013 of the "Two pack",²⁰ and the ECB²¹ are accountable in their own ways to the EP, but the IMF is not. Furthermore, there is no collective responsibility of the Troika as such, although an oversight role is envisaged both for the EP and the parliament of the Member State concerned under art 3(9) of Regulation 472/2013, which allows the competent committee of the EP to invite representatives of the Commission, the ECB and the IMF during the course of the enhanced surveillance procedure.

National parliaments – which are only mentioned once in the ESM Treaty, with art. 30 indicating that the Board of Governors shall make the annual report prepared by the Board of Auditors accessible to them – shall hold their national minister of finance to account on the basis of their standard institutional procedures. Regarding their rights to approve key decisions on the agenda of the ESM – understood, following Winzen (2022, 997) as "decisions on aid programs, memorandums of understanding, the authorization of aid tranches within programs, the choice and changes of instruments in aid programs, and the authorization of callable capital" – Graph 3 shows that three parliaments must approve all the 'important' ESM decisions (Germany, Estonia and Austria) with six other parliaments approving a subset of key decisions or having only some participation rights in the process. Moreover, focusing on the provision of information and the graph on the right-hand side, there is again strong variation across countries, with governments asked to inform parliaments in the Netherlands, Lithuania, Germany and Austria "broadly and immediately" (Winzen 2022, 997), while in six other countries the government is subject to some general reporting obligations.²²

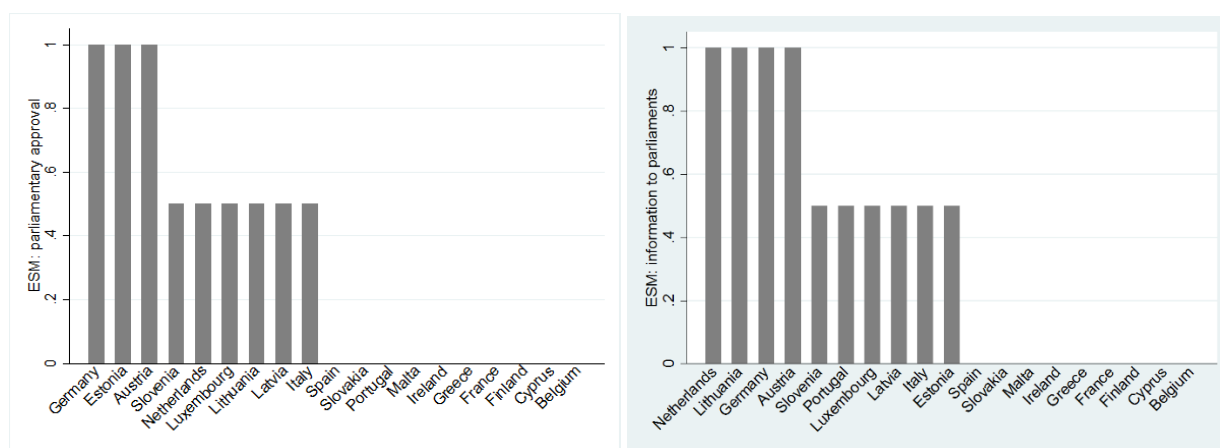
There are therefore "asymmetries" in the democratic control that national parliaments can exercise over their representatives in the ESM (Crum & Merlo 2020, 404). Nevertheless, ESM authorities have also made voluntary visits to national parliaments and have regularly engaged with national authorities (Howarth & Spendzharova 2019, 903).

²⁰ They include, as per art. 3(1) and 3(5), the obligation for the Commission to inform ECON of the measures adopted by the Member State in the context of enhanced surveillance and, every quarter, provide an assessment on the progress made; as per art. 7(3) and 7(4), the obligation to confidentially inform the Chair and Vice-Chairs of the ECON committee on the progress made in the preparation of the macroeconomic adjustment programme and the conclusions drawn from its monitoring; as per art. 14(3) the obligation to communicate, every six months, to the ECON committee its assessment of the economic, fiscal and financial situation of the Member State under post-programme surveillance.

²¹ For an overview of the available tools, see <https://www.ecb.europa.eu/ecb/orga/accountability/html/index.en.html>

²² The former categories are coded '1', the latter '0.5'.

Graph 3: Parliamentary scrutiny of the ESM



Source: elaboration from the National Parliaments in the European Union dataset - NPdata (Winzen 2022)

5. SCRUTINISING THE IMPLEMENTATION OF NGEU

5.1 The role of the EP in the RRF

The EP was fully involved in the setting up of the centrepiece of the NGEU – the RRF – as a co-legislator. The regulation establishing it was adopted by the Commission on 28 May 2020. In the EP, the legislative proposal was jointly assigned to the BUDG and ECON Committees, with three rapporteurs selected among three political groups (i.e., EPP, S&D and RENEW). The BUDG-ECON joint report was voted on 9 November 2020 and, between November and December 2020, nine trilogue meetings took place between the Council, the Commission and the EP. On 18 December, the negotiators reached an agreement, which was supported by a large majority (582 votes in favour, 40 against and 69 abstentions) in the EP plenary on 9 February 2021.

During the legislative negotiations, the EP managed to significantly expand its powers to monitor the implementation of the Facility. In the original legislative proposal (cfr. Table B in the Annex), the Commission was expected to provide an annual report on the implementation to both the EP and the Council; send the approved NRRPs to both the EP and the Council (save for “sensitive or confidential information” on request by the concerned Member state) and both an independent evaluation report (four years after the entry into force of the regulation) and an independent *ex post* evaluation report (by 2030 at the latest). Indeed, it has been observed that the EP’s role in fostering transparency and accountability was not sufficiently in line with its role in the ES (Moschella 2020, 24).

By contrast, in the final legislative act, the involvement of the EP has considerably grown (for details, see Table C in the Annex). The annual evaluation and *ex post* evaluation reports all feature in the approved regulation (art. 31 and 32, respectively). Besides, the Commission is also tasked with presenting a review report on the implementation of the Facility by the end of July 2022 (art. 16), and a report on the application of the procedure linking the facility to sound economic governance – i.e., provisions on the suspension of payments (art. 10) – by the end of 2024.

Not only have the reporting obligations of the Commission been tightened, but so has the release of information to the EP. The NRRPs submitted by Member States to the Commission and the proposals for Council implementing decisions must be submitted to both the EP and the Council “simultaneously and on equal terms” (art. 25). The EP must also “simultaneously” receive information that the Commission relays to the Council, while its competent committee is informed about the “relevant

outcomes of discussions” in Council preparatory bodies. If Member states are allowed to request the Commission to redact sensitive or confidential information, the latter shall liaise with the EP and the Council to discuss in what form the redacted information can be made confidentially available. Finally, the Commission shall also keep the EP updated on the fulfilment of the relevant milestones and targets.

Other relevant changes include the procedure to suspend payments (art. 10), which requires the Commission to keep the EP fully informed in a timely manner. The proposal for suspension, or to lift such a suspension, must be transmitted to both the Council and the EP, with the latter able to invite the Commission to explain the motivations behind the proposal. The EP also managed to ensure that the Recovery and Resilience Scoreboard for monitoring and reporting on the progress of the implementation of the RRF is introduced through delegated acts of the Commission, over which it has scrutiny powers.

Another important institutional innovation introduced by the regulation has been the creation of a Recovery and Resilience Dialogue (RRD), through which the EP can invite the Commission, every two months, for an exchange of views on matters relating to the NRRPs, progress on the fulfilment of milestones and targets, suspension and termination procedures *and any other relevant issue* (art. 26, emphasis added). This aspect differentiates the RRD from Economic Dialogue, as the subject matters to be discussed in the latter are spelt out by the regulations (although, in practice, their agendas have been broader, cf. above).

The regulation stresses that the views expressed in the Dialogues, together with the relevant resolutions voted by the EP, shall be duly considered by the Commission.²³ However, the EP did not succeed in getting more directly involved in the assessment of the NRRPs that MS submit to access funds or the adoption of the implementing decisions that authorise financial contributions to the Member States (see also Fasone 2022).

In the scrutiny of the RRF, the EP is supported by a dedicated body – a standing Working Group (WG) of the BUDG and ECON committees – which is the main preparatory and follow-up body for the RRDs and the scrutiny of delegated acts based on the RRF Regulation. The WG is composed of 27 members of all political groups, with a majority of members from the BUDG and ECON committees and at least one member of all associated committees of the RRF regulation (EMPL, ENVI, ITRE and TRAN).²⁴ Up to June 2022, it has been reported that more than 20 *in camera* meetings took place.

The actual functioning of the RRD, the key tool to oversee the implementation of the RRF, is analysed below with a focus on its organisation, the questions asked orally in the RRD and in written form and the responses of the Commission.

²³ In its Resolution of 23 June 2022 on the *Implementation of the Recovery and Resilience Facility* (2021/2251 (INI)), the EP underscored the importance of its strong involvement both in the definition of priorities and scrutinizing implementation. It also urged the Commission to treat it in the same way as the Council.

²⁴ The composition of the WG, as of 16.02.2022, can be found at the following link: https://www.europarl.europa.eu/cmsdata/250075/RRF%20WG%20-%20Full%20Members%20and%20Substitute%20Members_as%20of%2016.02.2022.pdf

5.2 The Recovery and Resilience Dialogue

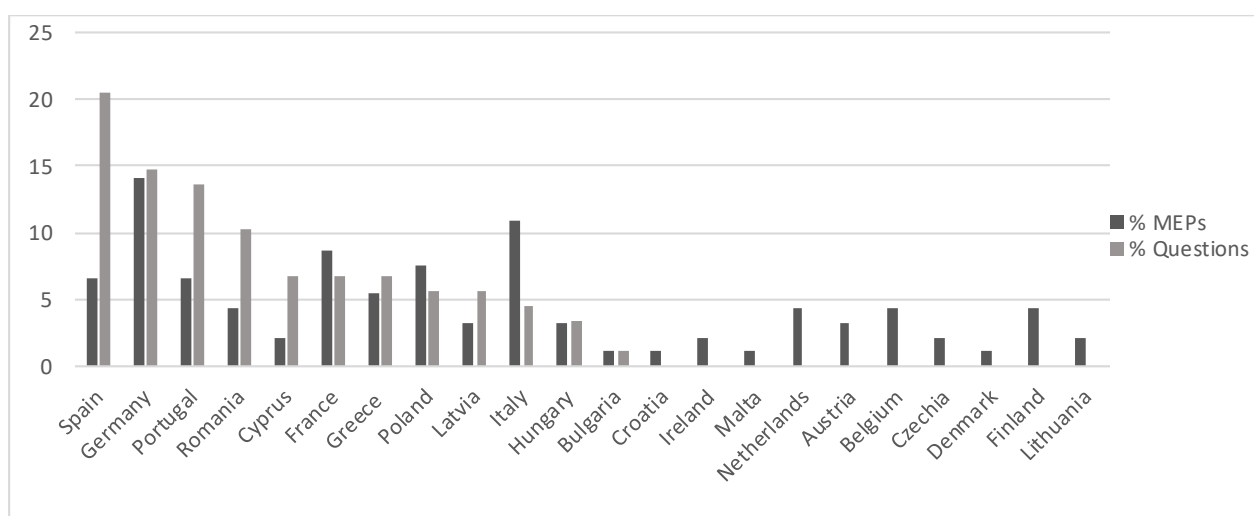
The RRDs are web-streamed and video-recorded and, similarly to Economic Dialogues, they can be analysed to assess how the implementation of the RRF is overseen.²⁵ The RRD has followed a standard format so far, with Executive Vice-President Dombrovskis and Commissioner for Economy Gentiloni jointly addressing MEPs’ questions. All meetings featured no less than 13 and a maximum of 16 questions. Up to September 2022, seven RRDs were held: about one every two months, as prescribed by the regulation.²⁶ The analysis below covers RRDs until June 2022.

Looking at the MEPs taking the floor, the distribution by party broadly mirrors the numerical strengths of the political groups, given that the D’Hondt method is used to allocate the speaking time among them. Thus, EPP members asked about a quarter of all questions, followed by members of the S&D, with about a fifth, RENEW with 14%, the Greens/EFA with 13%, The Left (GUE/NGL) with 10%, the ECR with 7% and the remaining groups with 6%.

Focusing on the nationality of MEPs asking questions provides more interesting information. There is little correspondence between the size of the national delegations and the number of oral questions. Spanish MEPs are the most active, accounting for a fifth of all questions. German MEPs asked 15% of all questions, followed by Portuguese (14%), Romanian (10%), Cypriot, French, and Greek members (all 7%). There is, therefore, more activism among South European members – although Italian MEPs only asked 4% of all questions – and, based on this data, relatively little among North European members.

To control for any bias due to the composition of the joint BUDG and ECON committee, Graph 4 compares the share of questions asked by the MEPs of each Member State to the share of MEPs of each Member State in the joint committee. In so doing, the nationalities that are over, or under, represented in the RRD were assessed. Data confirm that MEPs from Southern Europe – specifically from Spain, Portugal, Greece and Cyprus – are particularly active. German MEPs ask about the number of questions they could be expected to ask based on the size of their national contingent. Members from Northern Europe appear, by contrast, relatively less active in this context.

Graph 4: Nationality of MEPs and questions in the RRD



²⁵ This ensuing analysis broadly replicates the methodology in Akbik (2022)

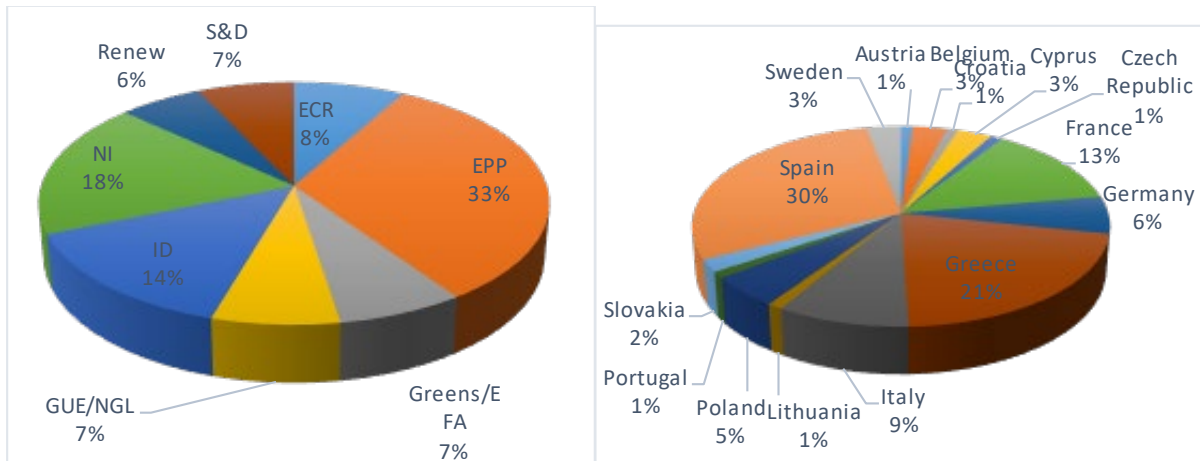
²⁶ They were held on 10.05.2021; 14.07.2021; 01.09.2021; 13.12.2021; 07.03.2022; 02.05.2022 and 12.09.2022.

A comparison of the questions asked in the context of the RRD with the written questions formulated by MEPs – following Rule 138 of the parliamentary RoP – and addressed to the Commission²⁷ highlights interesting similarities and differences. A search for written questions was carried out on the official EP database using keywords related to the implementation of the NGEU²⁸ for the period following the approval of the RRF (i.e., after 19 February 2021).

²⁷ The search retrieved only one question addressed to the Council in the period considered here.

²⁸ The keywords are “Recovery Plan”, “Recovery and Resilience Facility”, “Recovery fund” in full and abbreviated format. Data is available at the following link: <https://www.europarl.europa.eu/plenary/en/parliamentary-questions.html>

Graph 5: Political affiliation and nationality of MEPs asking written questions

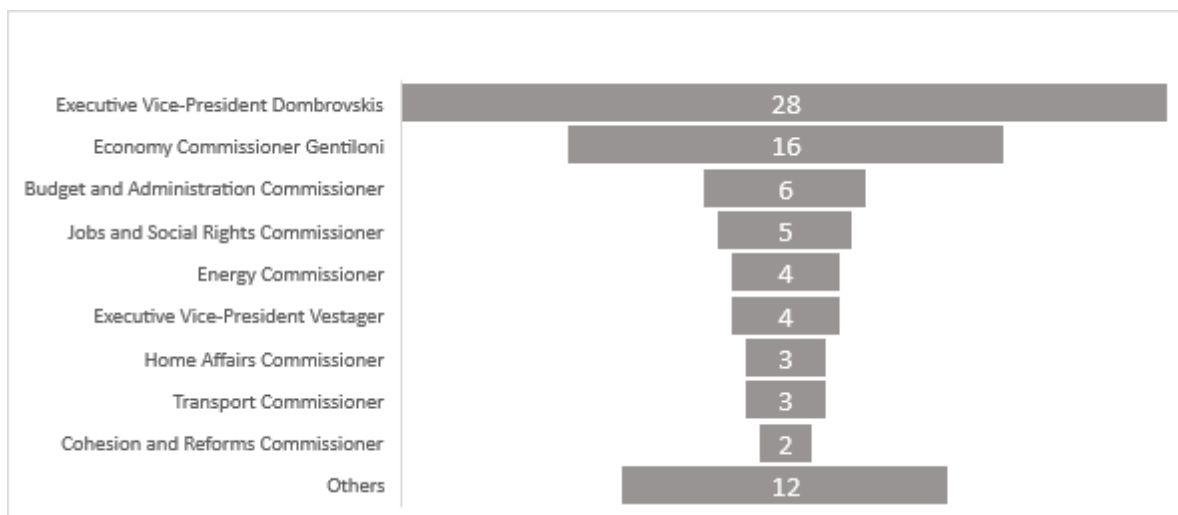


Note: some written questions have multiple Authors. Only the first name is included in the calculation.

Graph 5 shows – differently with respect to RRD – that some groups are particularly active. This is the case for the EPP, whose members have posed about a third of all written questions on the RRF, ID (about 14%) and particularly Non-Attached MEPs, who are making an extensive use of written questions (possibly, to compensate their relative weakness in other parliamentary bodies). However, when the nationality of MEPs asking written questions is analysed, there is again a clear prevalence of South European members – with Spanish and Greek MEPs being the most active (30 and 21% respectively), followed by French and Italian members. Once more, very few questions are asked by MEPs from Northern Europe.

Written questions are not only answered by Vice-President Dombrovskis and Commissioner Gentiloni – although they remain the two Commissioners replying to most questions (Graph 6) – but, given the wide spectrum of policies affected by the NRRPs, replies are also provided by the Budget and Administration Commissioner, the Jobs and Social Rights Commissioner, the Energy Commissioner and even – in one case – the President of the Commission.

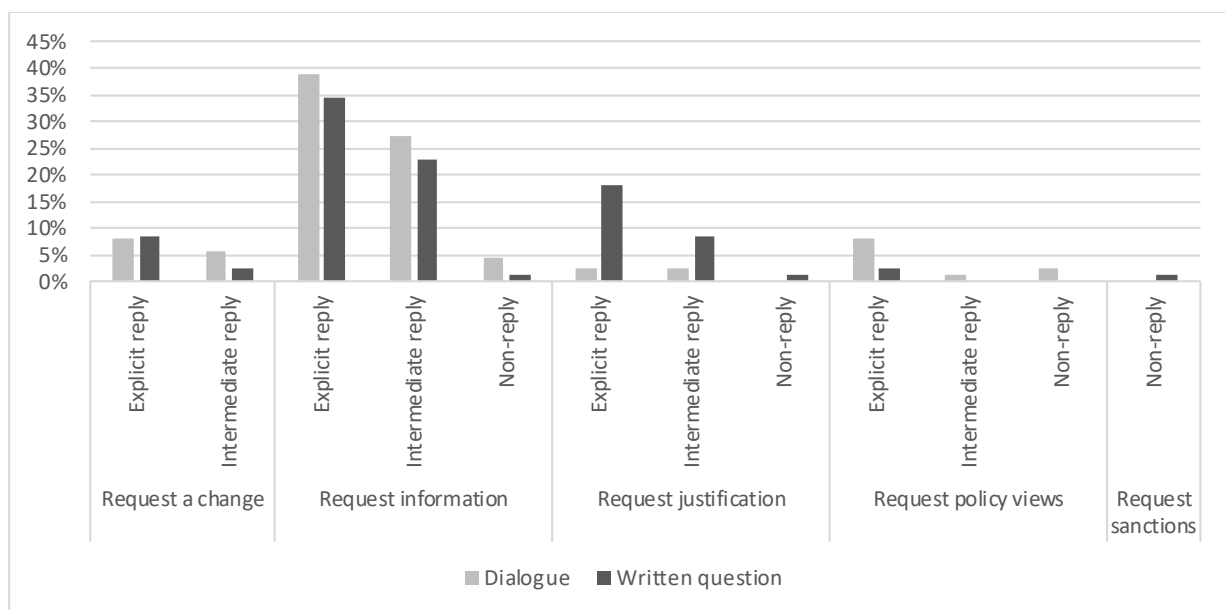
Graph 6: Institutional role of the Commissioner answering written questions



Replicating here the coding scheme used for Economic Dialogue (cf. Akbik 2022, 64-69), it can be observed (Graph 7) that most questions are formulated to request information on the NGEU, and the implementation of the RRF and the NRRPs. They are followed by questions requesting the Commission to justify its actions or policies (in the case of written questions) or requesting a change of policy (for oral questions). In one case only, there is a clear request to the Commission to sanction a member state (i.e., Poland) by suspending payments.

Finally, to what extent is the Commission effectively answering the questions asked by MEPs? Looking at its replies, for all categories of questions they are mainly 'explicit' – that is, they directly address the question asked by MEPs. There are, however, several cases of 'intermediate replies' across all categories, with the Commission claiming that the competences for the implementation of the policy are to be found at national level. The few 'non-replies' are, instead, mainly for politically charged questions (i.e., MEPs from opposition parties using the questions to criticise the national government), which the Commission evades answering.

Graph 7: Mapping written questions and oral questions in the RRD



5.3 The role of national parliaments in the RRF

The preparation of NRRPs by the governments of Member States and their implementation are scrutinised by domestic legislatures. Based on the answers provided to a survey prepared by the EP services in cooperation with staff working in national parliaments, with replies from the national parliaments of twenty-four member states (Lehofer et al. 2022),²⁹ it can be observed that parliaments are scrutinising the activities related to the implementation of the RRF with different tools and at different levels of detail, with a strong variation among states that recalls that observed in the context of the ES. (cf. Section 2.3).

²⁹ In four Member States, replies were provided by both chambers. Only Bulgaria, France and Malta are excluded, as replies were not received by the deadline.

Among the parliaments surveyed, only Portugal established a specific body devoted to NGEU monitoring; the other parliaments used existing committees (especially the Committee on Finance or Budget, but also the Committee for EU affairs and the Economic affairs Committee). In most cases, given the complexity of the plan, the lead committee is supported in its works by other committees, particularly the Committee or sub-Committee on EU affairs. In eight parliaments, three or more committees are involved in the monitoring of the RRF.

Most Parliaments took major policy decisions on the implementation of the NRRP in the form of adopted legislation (through the general budget, and with specific legislation for investments or reforms), while a few – five according to the survey – used softer instruments like resolutions or opinions.

The majority of parliaments envisage monitoring the progress of the RRFs implementation, notably by employing quantitative targets. However, only a minority of them intend to monitor the progress of specific projects included in the RRF. In most cases, there is no obligation for the executives to submit their payment requests and the related Commission assessments to parliament. On the other hand, however, most governments provided specific information to their parliaments on the attainment of milestones and targets for the implementation of the 2019 and 2020 CSRs – which feed into the NRRPs – to their parliaments.

Finally, half of the surveyed parliaments plan to involve stakeholders as part of the scrutiny: the most involved stakeholders are regional and local level representatives, social partners and independent fiscal institutions or national productivity boards. Unsurprisingly, the focus of the national legislatures remains in most cases purely domestic, with little attention paid to what other countries are doing with their NRRPs.

An in-depth focus on the parliamentary scrutiny of the NRRP in Italy – the Member State which was allocated the highest quota of recovery funds – is presented in Box 1.

Box 1: Case-study: The Italian Parliament and the NRRP

The Italian Parliament – i.e., the Chamber of Deputies and the Senate – was involved in the NRRP from the drafting stage. Already in September 2020, the Government headed by Giuseppe Conte proposed Guidelines on the NRRP to Parliament, which suggested various modifications. Subsequently, the first draft of the NRRP was submitted to both Chambers, whose committees – after consulting with social partners and representatives of civil society – presented two reports (one for each Chamber) proposing modifications to the plan, including in relation to accountability requirements for the Government.

In both Chambers, all committees were able to present their comments on the draft version of the NRRP. The lead committees were the Budget Committees which, in the Senate, worked together with the Committee for EU Policies. The main oversight role over the implementation of the NRRP is also performed by the same parliamentary committees, with other committees organising hearings and providing their comments.

On 26 April 2021, the President of the Council of Ministers Mario Draghi communicated the key aspects of the NRRP to Parliament. The plan was subsequently sent to the Commission. Later, Parliament introduced a provision that required any future Government that intends to modify the NRRP to present it to Parliament, allowing sufficient time for parliamentary scrutiny, before submitting it again to the Commission.

The Parliament has the power to give opinions to the Government opinions on the direction of the policy (*Atti di indirizzo*). Such opinions are however, not binding and whether they are integrated into governmental policy is a matter of political choice.

The Parliament has a stronger influence on the adoption of legislation planned in the context of the NRRP, which is approved through standard legislative procedures. However, such an influence also depends on whether the government makes use of emergency procedures, which can significantly shrink Parliament's time and tools to examine and modify legislation.

The Government is required to present to Parliament an annual implementation report on the NRRP and a bi-annual report on the achievement of NRRP milestones and targets. The Chamber of Deputies, in its opinion on the first bi-annual report, was critical of the delays in the implementation of some measures. It also claimed that the information system for data sharing on the NRRP had not been made operational by the expected deadline and the content of the report was not fully satisfactory, especially in terms of data provided.

Overall, it appears that the Italian Parliament has been able to build an effective framework for the monitoring and scrutiny of the NRRP, particularly if this is observed in a comparative perspective (cfr. Dias Pinheiro and Dias 2022, 11)

Various reports of the Italian Chamber of Deputies and the Senate; law n. 108/2021 and law n. 233/2021.

6. DEMOCRATIC CONTROL IN ECONOMIC GOVERNANCE: MOVING FORWARD

6.1 Accountability in economic governance: an overall assessment

As the previous sections have shown, the features of the current economic governance framework – which the Commission itself once described as “cumbersome” (2017, 17) – limit democratic control: the enduring co-existence of supranational and intergovernmental legal frameworks; the empowerment of several different executive actors and its multi-level nature, with the interaction of Member State and EU actors at different stages of the policy cycle.

This briefing conceptualises political accountability as the requirement for public officials to (i) justify their conduct before an accountability forum, (ii) be assessed for their (in)actions and (iii) face consequences (cf. Bovens 2007). Distinguishing between the three components of the concept of accountability, it is now possible – on the basis of the empirical evidence provided by this briefing – to provide a general assessment of the capacity of parliaments – the EP at the EU level and national parliaments at the Member State level – to hold the EU executive actors to account in economic governance and identify specific targets for reform.

Starting with the first element in the definition of accountability, the current economic governance framework includes extensive information rights for the EP, particularly but not only with regards to the Commission. Some stem directly from the Treaties, while several other reporting obligations were introduced by the “Six Pack” and the “Two Pack”. The information rights included in the regulation on the RRF are likewise extensive, and the EP deserves credit for having managed to expand them in the course of the legislative negotiations. The Commission regularly appears before the joint BUDG and ECON Committee meetings in the context of the RRD.

The information rights of the EP vis-à-vis the (ECOFIN) Council and the Euro group are not as broad. In any case, the TFEU prescribes that the President of the Council informs the EP on decisions to grant financial assistance or on imposing sanctions, as well as on the results of multilateral surveillance. Both the Minister of Finance of the Member State holding the rotating Presidency of the Council and the Euro group President regularly attend Economic Dialogue, where the latter is also questioned on ESM matters. The ECOFIN Council is not part of the RRD.

The President of the European Council and the Euro Summit are subject to fewer obligations. They are both expected to report to the EP after each summit, with the former appearing before the EP plenary and – in theory, as this provision has yet to be implemented – the ECON committee in the context of Economic Dialogues. Executive actors have generally been willing to appear before the EP: participation in the Economic Dialogue has worked well in practice, while other actors who are not subject to reporting obligations, such as the Managing Director of the ESM, have also voluntarily accepted to address MEPs’ questions when invited.

Moving to the second element of accountability, whether the EP and particularly its ECON Committee have sufficient capacity to effectively ‘digest’ all the information provided and pass a judgement on the account-giver can be questioned. Situations of account-holder overload or shirking are not infrequent (see Schillemans & Busuioc 2015). In economic governance, formulating a judgement on the account-giver can be made even more difficult by the technical complexity of the subject matter. In a related context, the limits of the EP vis-a-vis the ECB in the Monetary Dialogue have been stressed (cfr. Amentbrink and Van Duin 2009). It is telling that the majority of questions formulated by MEPs in the

context of both the Economic Dialogue and the RRD (see Sections 3.2 and 5.2) require executive actors to provide information or justify their conduct or decisions, but only a minority demand a change of behaviour. The fragmentation of accountability provisions, with different obligations to report and provide information scattered through several different regulations (cfr. the “Six Pack” and the “Two Pack”), does not help.

The third element in the definition of accountability requires the account-giver to face consequences for its (in)actions. On this latter aspect, the powers of the EP are very limited. As neither the Council nor the Euro group are responsible to the EP, the only sanction that may be triggered is negative publicity and blame through media coverage – provided that the issue on the agenda is a salient one. Even the Commission cannot be expected to face major political consequences: commissioners are not individually responsible to the EP and, in the absence of an electoral connection, motions of no confidence are a ‘nuclear option’ very unlikely to be triggered for political motives. Ultimately, the executive actors of economic governance are ‘answerable’ to the EP but can afford not to be ‘responsive’ to its requests.

Most national parliaments are also kept informed by their governments in the context of the ES or on the implementation of the NRRPs. However, the timing of the release of such information (e.g., very close to the submission date) and its quality (e.g., in terms of completeness) does not always allow an adequate assessment. In addition, national parliaments generally have a limited capacity to influence governments’ actions in this field, by providing them with opinions or even binding mandates. While national ministers and prime ministers are accountable to their parliaments (in presidential and semi-presidential systems, heads of state are electorally accountable to voters), this is not obviously the case for collective institutions like the European Council or the Council. Interparliamentary assemblies like the Conference on Stability, Economic Coordination and Governance are formally expected to strengthen accountability in economic governance but, again, information-sharing appears to be, in practice, their main if not exclusive objective.

In the current economic governance framework there are, therefore, clear limits to parliamentary control. While the minimum conditions for accountability exist – executive actors are bound by both EU and national legal provisions to provide information and explain their conduct to parliaments – the latter’s capacity to pass a judgement and, if need be, sanction the account-givers is significantly more limited.

6.2 Policy recommendations: institutional reform in economic governance, and beyond

As the economic governance framework is being reviewed, some targeted institutional reforms – which, in some cases, require adaptation to the existing legal framework while, in others, are only conditional to the political will of the main institutional actors – can be considered in order to strengthen democratic control and, ultimately, legitimacy in the eyes of the EU's citizens.

First, the extensive information rights of the EP are a necessary but not sufficient condition for accountability, which also requires Parliament to pass a judgement on the account-givers and, in case, sanction them for their (in)actions. Both in Economic Dialogues and the RRDs, most questions are framed as requests for information or justification of decisions (cfr. Sections 3.2 and 5.2). In addition, there is a limited number of follow-up questions to press on the topic when the answers provided are vague or evasive although, in truth, most responses address the MEPs' questions satisfactorily.

Of course, asking 'good' questions, and 'good' follow-up questions, requires preparation and specialised expertise. Some doubts on whether the current set-up really is the most effective in this regard can be raised. ECON is a large committee (with 60 members, not counting substitutes) and some meetings in the Economic Dialogue and all meetings in the RRD take place as joint committee meetings (with the EMPL Committee in the former case, and the BUDG Committee in the latter). More restricted bodies in terms of membership, with a specific mandate of oversight and scrutiny over the executives, could strengthen the quality of the Q&A session. Thus, ***Economic Dialogues could be managed by a specific sub-committee of ECON created pursuant to Rule 212 of the EP Rules of Procedure***. In terms of composition, it could be inspired by other sub-committees currently operating in the EP: e.g., the sub-committee on tax matters (FISC), established within ECON in June 2020, which is made up of 30 members. The sub-committee would be exclusively concerned with the preparation of the dialogues, with ECON in charge of legislation and tasked with other non-legislative functions. Likewise, ***an ad hoc committee formed pursuant to Rule 207 of the parliamentary rulebook could be in charge of the RRD***, taking up the role of the RRF WP (which is a restricted body of just 27 members, mainly from the ECON and the BUDG committees) and meeting publicly rather than *in camera*. In both cases, dedicated administrative support should be provided, building on what the Economic Governance Support Unit already offers.

Although the creation of specific institutional arrangements exclusively for the euro area has been extensively debated, it is questionable whether there is still any pressing need for them. After the withdrawal of the United Kingdom from the EU on 31 January 2020, with Croatia expected to adopt the euro on 1 January 2023 and Bulgaria participating in the Exchange Rate Mechanism II since 2020, the overlap between membership of the euro area and the EU more broadly has consolidated. Furthermore, post-pandemic policy developments have blurred this distinction for economic policy, as the funds allocated through the NGEU – and specifically the RRF – are for all EU Member Countries. Incidentally, the EP itself (i.e., 2017) has expressed its opposition against *à la carte* solutions like the creation of a separate chamber for the euro area, which would also require amending the Treaties.³⁰

³⁰ More broadly, three criticisms raised against proposals aiming to create a sub- or separate chamber exclusively for the euro area remain valid. First, such a choice goes against the spirit of the EP as an assembly representing all EU citizens. Second, this differentiation may involve a growing number of policy fields, thus triggering its fragmentation. Finally, this setup might make the EP's activity more dysfunctional and inefficient (Fasone 2014, 182-183).

Second, the calendar of the EP could be better aligned with the key stages of the European Semester and the acts of other institutional players. For instance, as part of the Economic Dialogue, in November or early December, the Commissioners for Economic and Monetary Affairs and Employment appear before the joint ECON/EMPL committee meeting to discuss the ASGS and the AMR. This is normally followed, a few months later, by a parliamentary resolution.³¹ The problem with this calendar is that the EP intervenes in the process rather late, when the ECOFIN Council has already provided its views on the ASGS and the AMR (for an early assessment of the issue, cf. Alcidi et al. 2014, 39-40). In 2022, the ECOFIN Council adopted its conclusions on 18 January, while the parliamentary resolution was voted on 11 March, shortly before the European Council formally endorsed the policy priorities of the ASGS at its summit on 24-25 March.

To strengthen its influence in the European Semester, **the EP should table ex ante steering documents** early in the autumn, to call on the Commission to consider the topics and priorities that MEPs regard as important. Later on, **the EP could assess ex post the congruence of the economic and employment policy priorities with its desiderata, asking the Commission to explain its decisions.** Such changes could be implemented within the existing legal framework.

Third, moving the focus to national parliaments, their capacity to scrutinise the European Semester and the implementation of the RFF varies significantly across countries. In the European Semester (cf. Section 2.3), national parliaments of the euro area tend to make very little use of the provisions to invite the European Commission and hear its opinion on the draft budgets (based on art. 7(3) of Regulation 473/2013). This is a missed opportunity for a direct exchange of views to complement the accounts provided by the national minister of finance on the discussions in the Eurogroup.

In this respect, an important role could be played by the fiscal councils, independent public institutions providing external credible external oversight on the budgets. Following the “Two pack”, fiscal councils have been established in all euro area countries, but they still have very different mandates, resources, and powers. **Common EU standards should be established for strengthened national fiscal councils** (see Arnold et al. 2022), **providing to parliaments independent and authoritative assessments of fiscal and budgetary policies.** Based on such technical and non-partisan accounts, legislators could ask governments to justify or modify their decisions, or publicly explain why the recommendations of the fiscal council are not going to be followed (cfr. Fasone 2021).

As for the RRF, national parliaments are not mentioned in the regulation. As **the Commission** is in charge of assessing progress in the domestic implementation of the NRRPs and of approving the disbursement of payments, **it should, at the very least, voluntarily accept the invitation of national parliaments to explain its decisions.** While the EP has the competences to scrutinise the Commission on the matter (although, to its regret, not to vote and approve decisions), and the national parliaments could organise hearings or debates with the national executive, the national parliament of the Member State affected should be able to directly question the Commission, rather than only the (prime) minister.

Fourth, the political accountability of the Council and particularly the Eurogroup remains limited. In addition, neither the Council nor the Eurogroup – differently from the individual ministers of which

³¹ In March 2022, a report adopted by the EMPL Committee on the employment and social aspects of the ASGS was rejected by the EP plenary. https://www.europarl.europa.eu/doceo/document/A-9-2022-0040_EN.html

they are composed – is institutionally accountable to national parliaments. In this regard, **a reformed Interparliamentary Conference on Stability, Economic Coordination and Governance could play a role**. Indeed, enhancing accountability in economic governance is an institutional objective of the Conference, formalised in its RoP. In practice, however, the Conference is broadly perceived by both practitioners and observers as a tool for the exchange of information and networking between parliamentarians (cf. Section 2.3).

Three reforms should be considered. To start with, its current composition is too fluid, and membership of the national delegations should be explicitly defined, reflecting the political balance of the national parliament they are representing. Moreover, being organised as an intense two-day session lacking focused Q&A sessions, it is not fit for the scrutiny of executive actors. This is an issue that the EP itself has underscored: “further development [should] allow for substantial and timely discussions” (point 60; European Parliament, 2021). Finally, its sessions do not produce written conclusions or recommendations, whose implementation could be subsequently assessed. Either the EP secretariat (in the first semester) or the secretariat of the parliament of the country holding the Council presidency (in the second semester) could circulate draft conclusions or more informal notes to be approved by the delegations.

Fifth, in the current institutional arrangement, neither the EP nor national parliaments can hold the ESM into account (cf. Section 3). In December 2017, the Commission proposed bringing the ESM under EU law and establishing the European Monetary Fund, to be chaired by the president of the Eurogroup. The Commission further recommended, in another proposal advanced in parallel, the creation of a European Minister for Economy and Finance, combining the vice-president of the Commission in charge of the EMU with that of president of the Eurogroup in a single position. In the envisaged reform of economic governance, therefore, the new Minister, with ‘two hats’, was supposed to chair the ESM.

Such proposals did not progress, and the reform of the ESM endorsed by the euro area members, which led to the signing of a revised ESM Treaty on 27 January 2021 (whose ratification still needs to be completed) followed a different path. The ESM Managing Director, in particular, will be in charge – together with the Commission – of the approval and supervision of the implementation of the MoU. While the reformed ESM treaty acknowledges “the current [*voluntary*] dialogue between the Managing Director and the European Parliament” (recital 7) and adds the EP to the list of recipients of the annual report of the ESM Board of Auditors (art. 30(5)), the EP is right to keep pushing for the extension of the “Community method” (point 73, European Parliament 2021). At the very least, **given the new and enhanced competences of the Managing Director, it would be important for the EP to be consulted on their appointment and to institutionalise the dialogue to scrutinise their acts.**

Finally, the debate on the accountability and legitimacy of economic governance cannot be kept separate from the broader debate on accountability and legitimacy in the EU political system. Currently, the weak connection between the EP elections and the appointment of a new Commission means that EU citizens cannot, by casting their vote, choose the EU supranational executive and hold an incumbent Commission to account for its (past) actions. Should the RRF be transformed into a permanent EU fiscal instrument backed by own resources, the lack of an electoral mandate for the Commission’s (re)distributive decisions will be harder to justify.

In this context, resuscitating the *Spitzenkandidaten* procedure for the 2024 EP elections, following its implementation in 2014 and rejection in 2019³² – would allow the presidential candidates, backed by the Europarties, to spell out their positions on economic governance during the electoral campaign, thus garnering media attention and triggering transnational debate. The winner could then be asked to explain and defend decisions before the EP and, ultimately, the EU voters. ***By creating a party-political connection between the Commission (President) and their parliamentary majority, the Spitzenkandidaten procedure introduces an important and, so far, absent element of electoral accountability.***

In fact, while this briefing has placed its focus on the democratic quality of institutional rules and processes – ‘throughput’ legitimacy – this is in itself insufficient to bridge the gap between EU citizens and decision-makers. ‘Input’ legitimacy, in other words, must not be forgotten. The EP itself stressed that the Conference on the Future of Europe should debate citizens and stakeholders’ involvement (point 74; European Parliament, 2021). In its final report, the Conference called for a better involvement of social partners and local authorities in the reviewed economic governance framework and the European Semester (2022, 54). Regrettably, the evidence suggests that social stakeholders and civil society organisations were side-lined in the development of the RRF and the NRRPs (Vanhercke et al. 2021). ***Their stronger participation in the implementation phase should then be promoted by both the Commission and the national governments,*** in order to enhance the legitimacy and the effective realisation of reforms.

³² In view of the 2024 EP elections, the EP agreed on 3 May 2022 on a proposal to modify the EU electoral law by introducing EU-wide lists, headed by the *Spitzenkandidaten*, from which 28 additional MEPs would be elected.

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ANNEX

Table A: The EP and economic governance: detailed provisions on accountability

Regulation	Article	Provisions
<p>SIX PACK</p> <p>Regulation (EU) No 1173/2011</p> <p>On the effective enforcement of budgetary surveillance in the Euro area</p>	<p>art. 3</p> <p>Economic Dialogue</p>	<p>[...] the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the President of the Eurogroup to appear before the committee to discuss decisions taken pursuant to Articles 4, 5 and 6 of this Regulation.</p> <p>The competent committee of the European Parliament may offer the opportunity to the Member State concerned by such decisions to participate in an exchange of views</p>
	<p>art. 13</p> <p>Review</p>	<p>(1) By 14 December 2014 and every 5 years thereafter, the Commission shall publish a report on the application of this Regulation</p> <p>(3) The report shall be forwarded to the European Parliament and to the Council</p>
<p>Regulation (EU) No 1174/2011</p> <p>On enforcement measures to correct excessive macroeconomic imbalances in the Euro area</p>	<p>art. 6</p> <p>Economic Dialogue</p>	<p>[...] the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the President of the Eurogroup to appear before the committee to discuss decisions taken pursuant to Articles 3.</p> <p>The competent committee of the European Parliament may offer the opportunity to the Member State concerned by such decisions to participate in an exchange of views</p>
	<p>Art. 7</p> <p>Review</p>	<p>(1) By 14 December 2014 and every 5 years thereafter, the Commission shall publish a report on the application of this Regulation</p> <p>(3) The Commission shall send the report and any accompanying proposals to the European Parliament and to the Council</p>
<p>Regulation (EU) No 1175/2011</p> <p>On the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies</p>	<p>Art. 2a</p>	<p>(4) The European Parliament shall be duly involved in the European Semester in order to increase the transparency and ownership of, and the accountability for the decisions taken, in particular by means of the economic dialogue carried out pursuant to Article 2-ab of this Regulation</p> <p>The President of the Council, and the Commission in accordance with Article 121 TFEU, and, where appropriate, the President of the Eurogroup, shall report annually to the European Parliament and to the European Council on the results of the multilateral surveillance. These reports should be a component of the Economic Dialogue referred to in Article 2-ab of this Regulation.</p>
	<p>Art. 2-ab</p>	<p>[...] the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the</p>

		<p>President of the Eurogroup to appear before the Committee to discuss:</p> <p>(a) information provided to the committee by the Council on the broad guidelines of economic policy pursuant to Article 121(2) TFEU;</p> <p>(b) general guidance to Member States issued by the Commission at the beginning of the annual cycle of surveillance;</p> <p>(c) any conclusions drawn by the European Council on orientations for economic policies in the context of the European Semester</p> <p>(d) the results of multilateral surveillance carried out under this Regulation;</p> <p>(e) any conclusions drawn by the European Council on the orientations for and results of multilateral surveillance;</p> <p>(f) any review of the conduct of multilateral surveillance at the end of the European Semester;</p> <p>(g) Council recommendations addressed to Member States in accordance with Article 121(4) TFEU in the event of significant deviation and the report made by the Council to the European Council as defined in Article 6(2) and Article 10(2) of this Regulation.</p> <p>(2) The Council is expected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publicly.</p> <p>(3) The competent committee of the European Parliament may offer the opportunity to a Member State which is the subject of a Council recommendation under Article 6(2) or Article 10(2) to participate in an exchange of views.</p> <p>(4) The Council and the Commission shall regularly inform the European Parliament of the application of this Regulation</p>
	<p>Art. 12a</p>	<p>(1) By 14 December 2014 and every 5 years thereafter, the Commission shall publish a report on the application of this Regulation</p> <p>(3) The report shall be forwarded to the European Parliament and the Council</p>
<p>Regulation (EU) No 1176/2011 On the prevention and correction of macroeconomic imbalances</p>	<p>Art. 3 Alert mechanism</p>	<p>(4) The Commission shall transmit the annual report to the European Parliament, the Council and the European Economic and Social Committee in a timely manner</p>
	<p>Art. 5 In-depth review</p>	<p>(3) The Commission shall inform the European Parliament and the Council of the results of the in-depth review and shall make them public</p>

	<p>Art. 6 Preventive action</p>	<p>(1) If, on the basis of the in-depth review referred to in Article 5, the Commission considers that a Member State is experiencing imbalances, it shall inform the European Parliament, the Council and the Eurogroup accordingly.</p> <p>(2) The Council shall inform the European Parliament of the recommendation and shall make it public</p>
	<p>Art. 7 Opening of the excessive imbalance procedure</p>	<p>(1) If, on the basis of the in-depth review referred to in Article 5, the Commission considers that the Member State concerned is affected by excessive imbalances, it shall inform the European Parliament, the Council and the Eurogroup accordingly</p>
	<p>Art. 14 Economic Dialogue</p>	<p>[...] the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the President of the Eurogroup to appear before the Committee to discuss:</p> <p>(a) information provided to the committee by the Council on the broad guidelines of economic policy pursuant to Article 121(2) TFEU;</p> <p>(b) general guidance to Member States issued by the Commission at the beginning of the annual cycle of surveillance;</p> <p>(c) the conclusions of the European Council concerning orientations for economic policies in the context of the European Semester</p> <p>(d) the results of multilateral surveillance carried out under this Regulation;</p> <p>(e) the conclusions of the European Council concerning the orientations for, and results of, multilateral surveillance;</p> <p>(f) a review of the conduct of multilateral surveillance at the end of the European Semester;</p> <p>(g) the recommendations taken pursuant to Article 7(2), Article 8(2) and Article 10(4) of this Regulation.</p> <p>(2) The competent committee of the European Parliament may offer the opportunity to participate in an exchange of views to the Member State which is the subject of a Council recommendation or decision under Article 7(2), Article 8(2) and Article 10(4)</p> <p>(3) The Council and the Commission shall regularly inform the European Parliament of the results of the application of this Regulation</p>
	<p>Art. 15 Annual reporting</p>	<p>The Commission shall report annually on the application of this Regulation, including the updating of the scoreboard as set out in Article 4 and shall present its findings to the European Parliament and to the Council in the context of the European Semester</p>

	Art. 16 Review	(1) By 14 December 2014 and every 5 years thereafter, the Commission shall review and report on the application of this Regulation (3) The Commission shall send the reports referred to in paragraph 1 to the European Parliament and the Council
Council Regulation (EU) No 1177/2011	Art. 2a	[...] the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the President of the Eurogroup, to appear before the committee to discuss Council decisions under Article 126(6) TFEU, Council recommendations under Article 126(7) TFEU, notices under Article 126(9) TFEU, or Council decisions under Article 126(11) TFEU. The Council is, as a rule, expected to follow the recommendations and proposals of the Commission or explain its position publicly. The competent committee of the European Parliament may offer the opportunity to the Member State concerned by such decisions, recommendations or notices to participate in an exchange of views. 2. The Council and the Commission shall regularly inform the European Parliament of the application of this Regulation
	Art. 3	Taking fully into account the opinion referred to in paragraph 1, the Commission, if it considers that an excessive deficit exists [...] shall inform the European Parliament thereof
	Art. 17a	(1) By 14 December 2014 and every 5 years thereafter, the Commission shall publish a report on the application of this Regulation (3) The report shall be forwarded the European Parliament and to the Council
Council Directive 2011/85/EU On requirements for budgetary frameworks of the Member States	Art. 15	The Commission shall prepare an interim progress report on the implementation of the main provisions of this Directive on the basis of relevant information from Member States, which shall be submitted to the European Parliament and to the Council by 14 December 2012
TWO PACK Regulation (EU) 472/2013 On the strengthening of economic and budgetary surveillance of Member States in the Euro area threatened with serious	Art. 3 Enhanced surveillance	(1) The Commission shall inform the competent committee of the European Parliament, the EFC, the Eurogroup Working Group, and the parliament of the Member State concerned, where relevant and in accordance with national practice, of the measures referred to in the first subparagraph (5) Every quarter, the Commission shall communicate its assessment to the competent committee of the European Parliament and to the EFC

<p>difficulties with respect to their financial stability</p>		<p>(8) Where a recommendation referred to in paragraph 7 is made public:</p> <p>a) the competent committee of the European Parliament may offer the opportunity to the Member State concerned and to the Commission to participate in an exchange of views;</p> <p>b) representatives of the Commission may be invited by the parliament of the Member State concerned to participate in an exchange of views;</p> <p>c) the Council shall inform the relevant committee of the European Parliament in due time about the content of the recommendation</p> <p>(9) During the course of the enhanced surveillance process, the competent committee of the European Parliament and the parliament of the Member State concerned may invite representatives of the Commission, the ECB and the IMF to participate in an economic dialogue</p>
	<p>Art. 7 Macroeconomic Adjustment Programme</p>	<p>(1) The draft macroeconomic adjustment programme shall fully observe Article 152 TFEU and Article 28 of the Charter of Fundamental Rights of the European Union. The Commission shall orally inform the Chair and Vice-Chairs of the competent committee of the European Parliament of the progress made in the preparation of the draft macroeconomic adjustment programme. That information shall be treated as confidential</p> <p>(4) The Commission shall inform the Chair and Vice-Chairs of the competent committee of the European Parliament orally of the conclusions drawn from the monitoring of the macroeconomic adjustment programme. That information shall be treated as confidential</p> <p>(10) The competent committee of the European Parliament may offer the opportunity to the Member State concerned and to the Commission to participate in an exchange of views on the progress made in the implementation of the macroeconomic adjustment programme</p>
	<p>Art. 14 Post programme surveillance</p>	<p>(3) The Commission shall conduct, in liaison with the ECB, regular review missions in the Member State under post-programme surveillance to assess its economic, fiscal and financial situation. Every six months, it shall communicate its assessment to the competent committee of the European Parliament, to the EFC and to the parliament of the Member State concerned and shall assess, in particular, whether corrective measures are needed.</p> <p>The competent committee of the European Parliament may offer the opportunity to the Member State concerned to participate in an exchange of views on the progress made under post-programme surveillance</p>
	<p>Art. 18 Informing the European Parliament</p>	<p>The European Parliament may invite representatives of the Council and of the Commission to enter into a dialogue on the application of this Regulation</p>

	Art. 19 Reports	By 1 January 2014, and every five years thereafter, the Commission shall submit to the European Parliament and to the Council a report on the application of this Regulation
Regulation (EU) 473/2013 On common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficits of the Member States in the Euro area	Art. 7 Assessment of the draft budgetary plans	(3) The Commission's opinion shall be made public and shall be presented to the Eurogroup. Thereafter, at the request of the parliament of the Member State concerned or of the European Parliament, the Commission shall present its opinion to the parliament making the request
	Art. 15 Economic Dialogue	[...] the competent committee of the European Parliament may invite, where appropriate, the President of the Council, the Commission, the President of the European Council or the President of the Eurogroup to appear before the committee to discuss: a) the specification of the content of the draft budgetary plan as set out in a harmonised framework established in accordance with Article 6(5); b) the results of the discussion of the Eurogroup on the Commission opinions adopted in accordance with Article 7(1), to the extent that they have been made public; c) the overall assessment of the budgetary situation and prospects in the euro area as a whole made by the Commission in accordance with Article 7(4); d) Council acts referred to in Article 9(4) and in Article 12(3). 2. The competent committee of the European Parliament may offer the opportunity to the Member State that is the subject of a Commission recommendation under Article 11(2) or Council acts as referred to in paragraph 1(d) to participate in an exchange of views. 3. The European Parliament shall be duly involved in the European Semester in order to increase the transparency and ownership of, and the accountability for the decisions taken, in particular by means of the economic dialogue carried out pursuant to this Article
	Art. 16 Review and reports	By 1 January 2014, and every five years thereafter, the Commission shall submit to the European Parliament and to the Council a report on the application of this Regulation
TSCG	Art. 12	(5) The President of the European Parliament may be invited to be heard. The President of the Euro Summit shall present a report to the European Parliament after each Euro Summit meeting

	Art. 13	As provided for in Title II of Protocol (No 1) on the role of national Parliaments in the European Union annexed to the European Union Treaties, the European Parliament and the national Parliaments of the Contracting Parties will together determine the organisation and promotion of a conference of representatives of the relevant committees of the European Parliament and representatives of the relevant committees of national Parliaments in order to discuss budgetary policies and other issues covered by this Treaty.
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Table B: The European Parliament and the RRF (Commission proposal)

Legislative proposal	Provisions
<p style="text-align: center;">Art. 21</p> <p>Information to the European Parliament and the Council and communication on the Member States' recovery and resilience plans</p>	(1) The Commission shall transmit the recovery and resilience plans as approved in the implementing act of the Commission in accordance with Article 17 to the European Parliament and the Council without undue delay. The Member State concerned may request the Commission to redact sensitive or confidential information, the disclosure of which would jeopardise public interests of the Member State
<p style="text-align: center;">Art. 24</p> <p>Annual report</p>	(1) The Commission shall provide an annual report to the European Parliament and the Council on the implementation of the Facility set out in this Regulation
<p style="text-align: center;">Art. 25</p> <p>Evaluation and ex post evaluation of the Facility</p>	(1) Four years after the entry into force of this Regulation, the Commission shall provide the European Parliament, and the Council, the European Economic and Social Committee and the Committee of the Regions with an independent evaluation report on its implementation and with an independent <i>ex post</i> evaluation report no later than three years after the end of 2027

Source: elaboration from European Commission (2020), *Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility*, 2020/0104(COD).

Table C: The European Parliament and the RRF (Regulation (EU) 2021/241)

Art. in the Regulation	Provisions
<p style="text-align: center;">Art. 10 Measures linking the facility to sound economic governance</p>	<p>(7) The Commission shall keep the European Parliament informed of the implementation of this Article. In particular, when the Commission makes a proposal pursuant to paragraph 1 or 2, it shall immediately inform the European Parliament and provide details on commitments and payments which could be subject to a suspension</p> <p>The competent committee of the European Parliament may invite the Commission to discuss the application of this Article in the context of a structured dialogue in order to allow the European Parliament to express its views. The Commission shall give due consideration to the views expressed by the European Parliament.</p> <p>The Commission shall transmit the proposal for suspension or the proposal to lift such a suspension, to the European Parliament and to the Council without delay after its adoption. The European Parliament may invite the Commission to explain the reasons for its proposal</p> <p>(8) By 31 December 2024, the Commission shall carry out a review of the application of this Article. To that end, the Commission shall prepare a report which it shall transmit to the European Parliament and the Council, accompanied where necessary by a legislative proposal</p> <p>(9) Where there are major changes in the social and economic situation in the Union, the Commission may submit a proposal to review the application of this Article, or the European Parliament or the Council, acting in accordance with Articles 225 or 241 TFEU respectively, may request the Commission to submit such a proposal</p>
<p style="text-align: center;">Art. 16 Review report</p>	<p>(1) By 31 July 2022, the Commission shall present to the European Parliament and the Council a review report on the implementation of the Facility</p> <p>(4) The competent committee of the European Parliament may invite the Commission to present the main findings of the review report in the context of the recovery and resilience dialogue referred to in Article 26.</p>
<p style="text-align: center;">Art. 25 Transparency</p>	<p>(1) The Commission shall transmit the recovery and resilience plans officially submitted by the Member States, and the proposals for Council implementing decisions referred to in Article 20(1), as made public by the Commission, simultaneously and on equal terms to the European Parliament and the Council without undue delay</p> <p>(2) Information transmitted by the Commission to the Council or any of its preparatory bodies in the context of this Regulation or its implementation shall simultaneously be made available to the European Parliament, subject to confidentiality arrangements if necessary. Relevant outcomes of discussions held in Council preparatory bodies shall be shared with the competent committee of the European Parliament</p> <p>(3) The Member State concerned may request the Commission to redact sensitive or confidential information, the disclosure of which would jeopardise public interests of the Member State. In such a case, the Commission shall liaise with the European Parliament and the Council regarding how the redacted information can be made available to them in a confidential manner in accordance with the applicable rules</p>

	<p>(4) The Commission shall provide the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets included in the recovery and resilience plans of the Member States</p> <p>(5) The competent committee of the European Parliament may invite the Commission to provide information on the state of play of the assessment of the recovery and resilience plans in the context of the recovery and resilience dialogue referred to in Article 26</p>
<p>Art. 26 Recovery and resilience dialogue</p>	<p>(1) In order to enhance the dialogue between the Union institutions, in particular the European Parliament, the Council and the Commission, and to ensure greater transparency and accountability, the competent committee of the European Parliament may invite the Commission every two months to discuss the following matters [...]</p> <p>(2) The European Parliament may express its views in resolutions as regards the matters referred to in paragraph 1</p> <p>(3) The Commission shall take into account any elements arising from the views expressed through the recovery and resilience dialogue, including the resolutions from the European Parliament if provided</p> <p>(4) The recovery and resilience scoreboard referred to in Article 30 shall serve as a basis for the recovery and resilience dialogue</p>
<p>Art. 31 Annual report</p>	<p>(1) The Commission shall provide an annual report to the European Parliament and the Council on the implementation of the Facility</p>
<p>Art. 32 Evaluation and ex post evaluation of the Facility</p>	<p>(1) By 20 February 2024, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent evaluation report on the implementation of the Facility, and by 31 December 2028 with an independent <i>ex post</i> evaluation report.</p>
<p>Art. 33 Exercise of delegation</p>	<p>(5) As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council</p> <p>(6) A delegated act adopted pursuant to Articles 29(4) and 30(2) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.</p>

Source: Regulation (EU) 2021/241 of the EP and the Council of 12 February 2021 establishing the Recovery and Resilience Facility

This briefing aims to contribute to the debate on the review of the economic governance framework by drawing lessons from the implementation of the existing provisions, assessing the parliamentary accountability of the EU executive actors and providing specific policy recommendations on its reform.

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