

Brussels, 11 December 2018

Donald Tusk
President of the European Council
175, rue de la Loi
1048 Brussels
Belgium

Subject: European Council and Eurosummit meetings of 13-14 December 2015

Mr President,

I am writing to you today ahead of the upcoming meeting of the European Council and the Eurosummit to highlight the proposals of the Union of European Federalists (UEF) - of which I have recently become the European President - on the European Council's agenda. I would also like to have the possibility to meet you at your earliest convenience to present our proposals and activities ahead of the European Parliament elections.

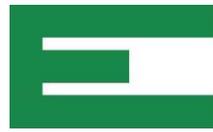
After long negotiations, we hope that the European Council and Eurosummit meetings on 13-14 December will take some important steps ahead. In this sensitive phase, this would send an important signal to our citizens. In order to restore citizens' trust in the European Union, which nowadays is constantly being challenged across Europe, the European Union needs to deliver responses to some of the common key challenges we are facing in Europe. Therefore, in respect of the two most pressing issues on your agenda, I would like to briefly highlight our proposals as European Federalists as approved by our recent European Congress held in Vienna.

Economic and Monetary Union

It is high time to address the shortcomings in the institutional architecture and policies of the EMU, before the window of opportunity provided by the current cyclical economic upswing begins to close.

It is vital for the credibility of the *Banking Union* that a final agreement on its common fiscal backstop is concluded so that it becomes operational and potentially ready for use as soon as possible. Expanding the *European Stability Mechanism's* lending ability to pre-crisis situations is needed to strengthen its role and credibility. Such increased role should be accompanied by a greater role of the European Commission in designing, approving and implementing assistance programmes. We welcome that an agreement on some of these issues was reached in the Eurogroup last week. Similarly, a decision on creating a *budgetary capacity for the Eurozone* should not be postponed any longer as it remains necessary to address the common policy challenges of both macroeconomic stabilisation and convergence of economic cycles at Eurozone level.

In respect of a Eurozone budgetary capacity, we believe that the Franco-German proposal submitted on 19 November is a very welcome starting point but that it should further focus on the following aspects: (a) the *role* of the budget, which should not duplicate the European Fund for Strategic Investment (EFSI) but should mostly play a role in macroeconomic stabilisation as a first line of defence against asymmetric economic shocks in the Eurozone; (b) its *size*, which should have an adequate economic impact in times of economic crisis in one or more Member States; and (c) its *governance*, which should see a strong executive role of the European Commission and the power of co-decision of the European Parliament also on the definition of its size and the way it is funded. We also believe that a *European unemployment re-insurance scheme* would be a significant



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tool to contribute to the goal of macroeconomic stabilisation of the Eurozone and could be financed through such a budgetary capacity. We consider essential to allow the group of Member States in favour of the creation of such a budgetary capacity to identify ways to move forward also in case of other Member States' opposition.

Migration

We are concerned with the security narrative of the migration challenge and we think that it cannot dominate the European political agenda and public discourse any further, especially considering the first significant results that the European Union has already achieved in addressing the emergency of the past few years. For this, Governments should convincingly reassure citizens that the challenges resulting from migration flows are manageable. We believe it is essential that the European Council reaches an agreement at least on the swift establishment of control centres, underpinned by an agreement on common standards and procedures in the management of migration flows, and on key principles for a reform of the Dublin Regulation ensuring a balance of responsibility and solidarity.

Moving forward, we believe we need convincing new concepts and instruments to introduce and implement a comprehensive coherent and effective immigration and asylum policy at the European level based on solidarity, fair sharing of responsibility and clear respect for human rights. Such new concepts and instruments should reflect the idea that a sound European migration management is a European public good that it should be provided through European financing supporting new European instruments. Among these new instruments, a European Agency for Asylum could be set up to examine asylum demands and have the power to grant asylum in the name of all EU member states. European-wide integration projects could be established to address the complex challenges of employment and societal integration of new migrants. European legal ways for economic migrations could provide concrete alternatives to dangerous illegal migratory routes. Last but not least, a roadmap should be developed so that prospectively the external borders of the Union are managed under the sole responsibility of a common and adequate European force.

On all of these issues, it would be very important to take a final decision at the European Council or at least to reach a sufficient agreement on the way forward. We think we need clear, thorough and effective European solutions to create a credible narrative for the future of Europe and a concrete alternative to anti-European and nationalistic forces at the European elections and beyond.

Yours sincerely,

Sandro Gozi
President