

PROPOSAL FOR GENERAL POLICY RESOLUTION [1.1.]

Submitted by the Executive Bureau

1 ***The Challenge of our Time: Uniting Europe in a Time of Multiple Crises***

2 The European Union is jeopardised by multiple crises that are threatening its existence and the political project
3 of peace and integration that it embodies. After the prolonged economic and financial crisis, most recently the
4 refugee emergency and the problem of domestic security have added to Europe's challenges.

5 At the root of the difficulties the EU is having in coping with these crises lies the fact that its current system of
6 government has proved to be inadequate. Only by building up political unity – i.e. an effective, democratic and
7 accountable system of government at the European level – can Europe become strong enough to guarantee
8 the European citizens' future, both in terms of internal and external security and with regards to growth and
9 employment.

10 ***The institutional framework to build Europe today: a multi-circles Union***

11 Despite all the challenges Europe is facing, the last months' events have shown the existence of deep
12 disagreements between Member States inside the EU. This is partially due to a lack of reciprocal trust but,
13 above all, it is caused by the different points of view on the future of Europe that some European countries
14 have; and by their lack of will to share the political supranational values and the required sovereignty that is
15 necessary to build up political unity.

16 Hence, an institutional reform formalising a two-tier European Union has become more and more necessary.
17 As the deal agreed between the United Kingdom and the European Council already acknowledges: "Member
18 States not participating in the further deepening of the economic and monetary union will not create obstacles
19 to but facilitate such further deepening" and "Member States whose currency is not the euro shall not impede
20 the implementation of legal acts directly linked to the functioning of the euro area and shall refrain from
21 measures which could jeopardise the attainment of the objectives of economic and monetary union". While a
22 special status has been recognised for Member States not willing to achieve an ever closer union, "the
23 coexistence between different perspectives within the single institutional framework ensuring consistency, the
24 effective operability of Union mechanisms and the equality of Member States before the Treaties, as well as
25 the level-playing field and the integrity of the internal market has been guaranteed".

26 Therefore, in order to achieve political unity, the European project must be grounded on the creation of a
27 federal core, open to all countries willing to participate; this core cannot but be irreversible and able to bind
28 Member States to mutual responsibility and solidarity. At the same time the reform must foresee a different
29 level of participation in the EU institutions for any countries that should chose to not participate in the new
30 federal core but still want to be part in the EU single market.

31 The necessary reforms can be achieved either through the revision of the existing Treaties, or by means of the
32 adoption of a new Treaty or Protocol for the members of this federal core.

33 ***Towards a European sovereignty: time to revise the Treaty again***

34 The Lisbon Treaty could still be exploited to make some improvements in EMU governance and other policies,
35 but only provided that national governments have the political will to do it. But, inevitably, the question of
36 Treaty change must be put at the core of European political debate urgently.

37 The revised EU's institutional architecture should be aimed at building up a truly European sovereignty, creating
38 a federal system of coordinated and independent levels of government. The current deficits of efficiency,
39 democracy and accountability must be overcome. The European Commission must evolve into a true European
40 Government responsible to the citizens (through their representatives elected to the European Parliament)
41 and the Member States, i.e. the Council transformed into a kind of Senate of the States. As a first step, the

42 governance of the Economic and Monetary Union needs to be overhauled, under democratic scrutiny of and
43 being accountable to the European Parliament and the Council, by appointing a Finance Minister of the euro
44 area. S/he must be empowered both to implement an overall economic plan backed by a genuine euro area
45 budget funded by own resources, and to intervene in the setting of national economic and fiscal policies in case
46 the commonly planned standards are not respected.

47 The revised institutional structure should be built around the political union of the countries sharing the euro,
48 or at least of a majority of them. It should be open to non-euro area countries which are genuinely committed
49 to joining the single currency and encourage their participation to the largest extent possible in order to
50 facilitate the process of integration with the federal core. There is no need for new institutions, but only for an
51 adaptation of the roles and functions of the existing ones, with flexible ways of participation in and of decision
52 making. Especially the strong role of the European Parliament, which remains as a whole the parliament of the
53 entire European Union, has to be maintained and strengthened also in the federal core; with the clause that
54 when decisions about the euro area, particularly in case of fiscal legislation specific to the euro area Member
55 States, are at stake only members from countries involved should be allowed to vote, even though all members
56 should be invited to discuss those matters.

57 The new treaty must extend the European Court of Justice's jurisdiction to all the fields of EU law.

58 Moreover the Treaty reform has to be used to establish a budget of the euro area aimed at purposes such as
59 supporting macroeconomic stabilisation and insurance against shocks and providing public goods and
60 assistance for necessary reforms of the euro area countries, and boosting the convergence of participating non-
61 euro area countries with the core.

62 Those countries not willing to participate in the federal core must have the possibility to remain integrated into
63 the single market in the framework of the *acquis communautaire*, but should not be allowed to have the power
64 to hinder the building up of the federal core.

65 ***Progressing pro-unification supranational policies***

66 In parallel with opening a revision of the Treaties, implementation of policies aimed at clawing citizens' trust
67 and consensus back are urgently needed. These policies must address all the issues that are creating fear and
68 uncertainty among public opinion, thereby robbing populist and nationalist forces of any false solutions they
69 try to present.

70 In the economic and financial fields – In these fields policies focused on countering the deepening of the
71 economic divergence among Member States in the euro area are absolutely necessary, together with a true
72 capacity at the euro area level to foster economic growth and employment. The euro area needs: a complete
73 Banking Union and a true Capital Market Union; stabilisation and adjustment instruments to address economic
74 shocks and imbalances in the euro area economies; a genuine investment plan, funded, decided and
75 implemented at European level – (from this point of view the so called Juncker Plan is a positive first step, but
76 the euro area capacity on this issue must be substantially strengthened); its own dedicated budget, with own
77 resources; the implementation of structural reforms by Member States.

78 In the area of justice, freedom and security – The European Union also urgently needs to progress in the area
79 of justice, freedom and security. Any proposal to suspend or dilute any European achievement must be
80 opposed, especially as far as the reintroduction of internal borders control within the Schengen Area are
81 concerned. It is necessary to create rapidly a European integrated management of European external borders,
82 adopting the European Commission's proposals for restoring a fully functioning Schengen system establishing
83 a European Border and Coast Guard, and transforming the European Asylum Support Office into a federal
84 agency with clout. Effective European intelligence police and forces must be developed to address cross-border
85 crimes and internal security threats in an efficient way ensuring full respect of Fundamental rights. EU needs
86 urgently an effective, well balanced Common European asylum system based on mutual trust and solidarity
87 among Member States. A European legal migration policy, also capable to fairly distribute the burdens of these

88 policies, must be established, reflecting the new paths and trend of human mobility, as well as the demographic
89 and productive challenges. In this perspective an ambitious European integration policy should be introduced
90 to respond to the increasing ethnic, religious and cultural diversity challenges the European societies are facing,
91 and to hinder all forms of racism and xenophobia.

92 As regards common foreign, security and defence policies – The European Union will not become the global
93 actor it aspires to be unless its Member States commit themselves to developing common foreign, security ad
94 defence policies in order to overcome the present diverging and ineffective national approaches. Such policies
95 must first take responsibility for contributing to the stabilisation of neighbouring areas in the Mediterranean
96 and in the Middle East. Moreover, in order to establish a genuine European Defence Union, in the framework
97 of a unified and robust European foreign policy, it is necessary that the Council launch a credible roadmap
98 which must foresee the creation of a European Army.

99 Taking all the above questions into consideration, the XXV UEF Congress, gathered in Strasbourg, mandates its
100 bodies to prepare as soon as possible and on the basis of the above guidelines, practical tools to be used at
101 European and local level and by the national, regional and local sections, to ask all the MEPs and national MPs
102 as well as other national and European political leaders to embrace and work for the above goals.

103 Strasbourg, June 12, 2016