



Brussels, 07 December 2015

## ***Work programme for the Eurogroup for the first half of 2016***

### **I. Policy priorities**

As stipulated in the Eurogroup working methods, a work programme for the Eurogroup for the following six months has been drawn up. The work programme is intended to facilitate a longer working horizon and to help ensure an optimal preparation of issues for discussion.

Co-ordinating policy responses at the Eurogroup level will remain a necessity in order to focus efforts on effectively bolstering economic growth and job creation. The euro area recovery is expected to continue, although at a modest pace, and in the face of stiffer headwinds, including the slowdown in emerging markets. Employment, productivity and investment will need to be boosted inside the euro area to counter the slowdown elsewhere. This further reinforces the importance of structural reforms and of growth-friendly fiscal consolidation. Specific attention should be given to economic variables of interest for the euro area as a whole.

The prominence and the implementation of the European Semester will continue to be strengthened in this setting. This is the first year in which the Council Recommendation on the implementation of the broad guidelines for the economic policies of the euro area Member States will be issued ahead of the recommendations (CSRs) for individual countries. This will allow a greater focus on the priorities at the euro area level. It should also ensure that common challenges are fully reflected in country-specific action, while retaining the national specificities of the subsequent recommendations (CSRs) to individual Member States. Thematic discussions on growth and jobs, and in particular on the implementation of the 2015 and 2016 euro area recommendations will continue throughout the semester, taking due account of spillovers between countries and economic issues of relevance for the euro area as a whole.

On the fiscal side, the follow-up to the discussion of the dedicated November 2015 Eurogroup meeting on the draft budgetary plans will be an important element on the agenda in the first half of next year. In this context, additional discussions on the euro area fiscal stance and fiscal policy in a low interest rate environment may be warranted. Moreover, the implementation of excessive deficit procedure (EDP) recommendations to euro area Member States will continue to be closely monitored.

The Eurogroup will continue reviewing the macro-financial assistance programme in Greece and, while applicable, in Cyprus. Eurogroup involvement in post-programme surveillance will also carry on as deemed appropriate. More broadly, the Eurogroup will maintain the close scrutiny of financial and macroeconomic stability developments within the euro area, with specific attention devoted to Member States with excessive macroeconomic imbalances and Member States with imbalances requiring decisive policy action.

The Banking Union features as a very important theme. As of 1 January 2016, the Single Resolution Fund will be established<sup>1</sup>, and the Single Resolution Board shall be fully operational as an independent EU Agency, as the Bank Recovery and Resolution Directive also comes into effect in full, including the bail-in provisions. The Banking Union needs to be further developed. We also need to better understand and minimise risks within the Banking Union and work towards a true level playing field.

The Eurogroup should continue to provide the Euro Summit and, as appropriate, the European Council with insight regarding the deepening of the Economic and Monetary Union (EMU) as appropriate, also in light of the proposals contained in the Five Presidents' Report on deepening EMU. The Eurogroup should aim to foster consensus on the issue of external representation. As is customary, exchange rate matters will be discussed *inter alia* ahead of G7 meetings.

For optimal policy co-ordination, it will be necessary to maintain sufficient flexibility with respect to the Eurogroup agenda to ensure an appropriate focus on changing priorities

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<sup>1</sup> Once the SRF enters into force and when participating Member States have ratified the IGA and fully transposed the BRRD, Member States will take stock of the establishment of the bridge financing arrangements and consider the way forward and timing regarding the work on the common backstop, to ensure that it will be fully operational at the latest by the end of the transitional period.

## **I. Detailed work programme**

### **14 January 2016**

- European Semester
  - Euro area report – Implementation of 2015 euro area recommendations (EA CSRs)
  - 2016 euro area recommendations (EA CSRs)
  - Annual Growth Survey (AGS) and Alert Mechanism Report (AMR) – euro area aspects
  - (poss.) Enhanced monitoring under the Macroeconomic Imbalances Procedure (MIP) – for the relevant euro area countries
- Thematic discussion on growth and jobs: national insolvency frameworks (CSR3 2015)
- Cyprus – 8<sup>th</sup> review
- (poss.) Greece – state of play
- IMF Article IV consultation with the euro area
- (poss.) Banking union – euro area aspects
- (poss.) Preparation of the February European Council/ Euro Summit

### **11 February 2016**

- Economic situation in the euro area – [broad outline of the ]Commission winter forecast
- Thematic discussion on growth and jobs – The quality of public finances – recent trends (CSR2 2015)

- (poss.) Greece – state of play
- (poss.) Portugal – post-programme surveillance – 3<sup>rd</sup> review
- Banking union – euro area aspects
- International role of the euro
- (poss.) Preparation of the February European Council/ Euro Summit

## **7 March 2016**

- Fiscal surveillance:
  - EDP implications of the Commission winter forecast for euro area Member States
  - (poss.) Stability and Growth Pact implementation for euro area countries and follow-up to the November 2015 Eurogroup discussion on draft budgetary plans
- (poss.) Euro area fiscal stance
- Benchmarking – concept and applications
- (poss.) Greece – state of play
- (poss.) Cyprus – 9<sup>th</sup> review
- Banking union – euro area aspects
- (poss.) Preparation of the spring European Council/ Euro Summit
- (poss.) Preparation of G7 meeting during the international spring meetings – mandate to the Eurogroup Working Group (EWG) for the adoption of the key messages of the President of the Eurogroup (PEG) to G7 partners

## **22 April 2016**

- Financial and macroeconomic stability developments in the euro area, including monitoring of individual Member States
- (poss.) Macro-economic imbalances procedures – in depth reviews of euro area countries
- (poss.) Greece – state of play
- (poss.) Fiscal compact review
- Annual ex-ante reporting on issuance plans
- (poss.) Follow-up spring European Council/ Euro Summit
- (poss.) Follow-up of G7 meeting

## *Eurogroup in Banking Union Composition*

- First hearing of the Single Supervisory Mechanism Chair in 2016, including the Annual Report
- [Follow-up on supervisory Options and National Discretions]

## **24 May 2016**

- Economic situation in the euro area – Commission spring forecast
- Inflation and exchange rate developments
- Thematic discussion on growth and jobs – Services – follow-up/benchmarking (CSR1 2015)
- (poss.) Greece – state of play

- Banking union – state of play and implementation

## **16 June 2016**

- (poss.) Implications of the spring forecast for EDPs/EIPs for euro area countries
- (poss.) Stability and Growth Pact implementation for euro area countries
- (poss.) Fiscal policy in a low interest rate environment – second discussion
- Thematic discussion on growth and jobs – Investment (CSR1, CSR2 2015)
- IMF Article IV review of the euro area
- (poss.) Greece – state of play
- (poss.) Spain – post-programme surveillance – 5<sup>th</sup> review
- (poss.) Ireland – post-programme surveillance – 5th review
- (poss.) Follow-up of Five Presidents' Report – external representation
- Banking Union – euro area aspects
- (poss.) preparation June European Council/ Euro Summit
- Eurogroup work programme for II/2016

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