

## ***Work programme for the Eurogroup for the first half of 2014***

### **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 should facilitate a medium-term working horizon and help to ensure an optimal preparation of issues for discussion in the next semester.

The Eurogroup should continue to play a key role in the strengthened surveillance framework applicable to euro area Member States, ensuring a stable and robust euro area and overall policy coherence, as also mentioned in the European semester recommendations to the euro area. Coordination of economic policies in the euro area could benefit from further strengthening, notably by increasing the level of commitment, ownership and implementation of economic reforms. The progress achieved so far in our comprehensive strategy to overcome the euro area sovereign debt crisis, as reflected in improved financial market conditions and encouraging signs of economic recovery, presents an opportunity to put a stronger focus on preventive policy coordination. The euro area should also pursue the fundamental reforms necessary to ensure strong growth, sustainable public finances and high employment. The Eurogroup will have to monitor policy implementation at national level while assessing the overall policy stance for the euro area.

In line with this, the first semester of 2014 will be marked by the European Semester. As part of this process, the implementation of the euro area recommendations must continue and the Eurogroup should take an active role in taking forward those recommendations and overseeing their implementation. Furthermore, a close and timely monitoring of the implementation of EDP recommendations of euro area Member States will need to be continued, as well as a regular monitoring of the overall budgetary situation in the euro area as a whole. The European semester will end with the provision of euro area guidance in June, one month after the European elections.

Also, the Eurogroup is planned to continue reviewing the adjustment programmes for Greece, Portugal and Cyprus. The Eurogroup will also be involved in the post-programme surveillance for Ireland and Spain as deemed appropriate. The exact timing of the post-programme reviews will still need to be determined. At the same time, the Eurogroup should continue the close scrutiny of financial and macroeconomic stability developments in the euro area throughout the first semester of 2014; specific attention should also be given to Member States which may be identified as having excessive macroeconomic imbalances following the in-depth reviews.

The Eurogroup will continue to pay close attention to financial stability in the euro area as well as to the range of measures needed to complete the Banking Union and their policy implications for the euro area and its members. In the

coming months, this will not only concern the implementation of the Single Supervisory Mechanism, the design of a Single Resolution Mechanism and possible backstop arrangements but also the finalisation of the ESM's direct recapitalisation instrument.

The Eurogroup will also continue its role of preparing the Euro Summit meetings<sup>1</sup>. In order to ensure an optimal preparation of Euro Summit meetings adjustments might be needed to the Eurogroup meeting calendar. It may be considered useful to have an additional dedicated Eurogroup meeting before Euro Summit meetings. In this context, the Eurogroup should continue to provide HoSG with insight on current discussions regarding the deepening of the Economic and Monetary Union, as appropriate.

The Eurogroup will not only welcome a new Member State, but may also have to discuss a further enlargement of the euro area. The Eurogroup will thus again have a specific responsibility with an assessment of convergence to carry out in the next semester.

The Eurogroup work programme should be seen as indicative. Sufficient flexibility will be needed to ensure an appropriate focus on changing priorities. Notably, the first half of next year will have a particular political context, with the European elections scheduled for May.

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<sup>1</sup> As laid down in the Rules of Procedure of the Euro Summit, as agreed in March 2013.

## **II. Detailed work programme**

### **27 January 2014**

- Latvia – euro adoption
- ESM – direct recap operational framework
- (Poss.) Slovenia – results AQR and stress test and presentation of follow-up measures
- Follow-up of the December European Council
- (Poss.) Preparation of the February European Council/ Euro Summit
- Greece – adjustment programme – 4th review
- Portugal – adjustment programme – 10th review and (poss.) exit strategy
- Spain – financial sector programme – 5th review
- Banking Union – euro area aspects

### **17 February 2014**

- Economic situation in the euro area – broad outline of the Commission winter forecast
- (Poss.) Greece – adjustment programme – 4th review
- (Poss.) Portugal – exit strategy
- (Poss.) Preparation of the spring European Council/ Euro Summit
- (Poss.) ESM matters
- (Poss.) Follow-up of the February European Council/ Euro Summit
- Banking Union – euro area aspects

### **10 March 2014**

- Portugal – 11<sup>th</sup> review and (poss.) exit strategy
- (Poss.) Cyprus – adjustment programme 3<sup>rd</sup> review
- EDP implications based on the Commission winter forecast
- Stability and Growth Pact implementation for euro area countries
- (Poss.) ESM matters
- (Poss.) Preparation of the spring European Council/ Euro Summit, including assessment of the implementation of the euro area specific recommendations 2013
- Banking Union – euro area aspects

### **1 April 2014**

- Portugal – exit strategy
- (Poss.) Greece – adjustment programme 5<sup>th</sup> review
- (Poss.) Cyprus – adjustment programme 3<sup>rd</sup> review
- Follow-up spring European Council/ Euro Summit
- (Poss.) Preparation of G7 meeting during the international spring meetings
- Banking Union – euro area aspects

### **5 May 2014**

- (Poss.) Greece – adjustment programme 5<sup>th</sup> review
- Economic situation in the euro area – Commission spring forecast
- Exchange rate developments

- Inflation developments
- Macro-imbalances procedures – in depth reviews euro area countries
- (Poss.) Follow-up of G7 meeting during the international meetings
- Banking Union – euro area aspects

### **19 June 2014**

- European semester – discussion on SCPs and euro area specific recommendations, including (poss.) implications of the Spring forecast for EDPs and possibly EIPs for euro area countries
  - (Poss.) Stability and Growth Pact implementation for euro area countries
  - (Poss.) Euro area enlargement
  - IMF Art. IV consultation with the euro area
  - Greece – adjustment programme – state of play
  - (Poss.) preparation June European Council/ Euro Summit
  - Banking Union – euro area aspects
  - Eurogroup work programme for II/2014
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