



**EUROPEAN COUNCIL
THE PRESIDENT**



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Remarks by President Van Rompuy following the first session of the European Council

Let me give you the state of play of our meeting this evening.

We had a good discussion this afternoon and this evening on the Multiannual Financial Framework (MFF) and on our growth and jobs agenda. We will continue over dinner the discussion about financial stability, which is related to the growth agenda.

What we have already agreed today concerns first of all the growth and jobs agenda, and here the key element is that we will boost the financing of the economy by mobilising around 120 billion euro for immediate growth measures.

A 10 billion euro increase of the capital of the European Investment Bank will increase the Bank's overall lending capacity by 60 billion euro. This money must flow across Europe, not least to the most vulnerable countries, and help companies grow themselves out of the crisis.

The other 60 billion euro comes first from the reallocation of unused structural funds (55 billion), in particular for small and medium enterprises and youth employment, and second from the pilot phase of Project Bonds that should be launched this summer and will go to key initiatives in energy, transport and broad-band infrastructure (almost 5 billion).

We have prepared the ground on how to stimulate growth earlier this year. It is not just about injecting money. Growth is the overriding concern in every aspect of our work -- be it improving the single market, tackling unemployment or promoting trade and innovation. The growth agenda is a sign of our unrelenting commitment. It brings together all the concrete measures that we will swiftly take, in each Member State and together as a Union.

P R E S S

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There is also a real commitment to continue to apply all our strengthened economic governance tools (such as the Country Specific Recommendations) and keep building up peer pressure.

On the upcoming Multiannual Financial Framework: we had our first discussion among leaders on this issue. Everybody agrees we have a unique opportunity to transform the EU's budget into a tool for future growth.

Even if it is relatively small compared to the budgets of all the Member States put together, (about 50 times smaller), it can make a real difference because it is an investment budget. It can help finance, directly and indirectly, thousands of investments in different areas, like research, joint ventures, transport or energy, and help people to find jobs or upgrade their skills.

The MFF discussions are always interesting political negotiations. They are not just about how much we can spend and where the money comes from, but also where we spend it and how we spend it. They are about more than just money.

Today we built on the excellent groundwork done by the Danish Presidency, for which I should like to warmly thank Prime Minister Helle Thorning-Schmidt.

We discussed two issues:

Firstly, I asked leaders to share their priorities: in which areas they think we should invest in the first place.

Secondly, we discussed how to make sure we get the best value for money, by having policies with the right structures, incentives and controls to guarantee the biggest impact on growth.

We all agree we need an agreement quickly, before the end of the year. We must make sure to have this important tool for growth up and running from day one of the next period. That is why we will be talking about it again at our meeting in October and presumably also in December.

Over dinner we will discuss the report on the future of the Economic and Monetary Union, that I presented earlier this week and prepared in close cooperation with Commission President Barroso, Eurogroup President Juncker and ECB President Draghi.

The title of the report sums up our ambition: moving "Towards a genuine Economic and Monetary Union.". The analysis is simple. If we are serious about the single currency, there is a number of steps that must be taken: in the financial sector, in fiscal matters, in economic policy. They must be accompanied by increased democratic legitimacy and accountability. We will talk about the timing and nature of the next steps.

There are certainly things to be done also on the short term. We will discuss this tomorrow in the framework of the Eurozone summit. But in the current climate, a credible perspective for the longer term is essential to restore confidence in the short term. More about this tomorrow. This is the state of play of the discussion we had this afternoon and this evening.

