



**COUNCIL OF
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European semester: Council approves strengthened coordination of economic and budgetary policies

The Council today¹ endorsed changes to the manner in which the EU's stability and growth pact is implemented in order to allow a "*European semester*" to be introduced, as from 2011, as part of a reform of EU provisions on the coordination of the member states' economic policies.

Implementation of this initiative will improve economic policy coordination and help strengthen budgetary discipline, macroeconomic stability and growth, in line with the EU's 2020 strategy for jobs and growth.

The so-called European semester is one of the first initiatives to emerge from a task force on economic governance set up at the request of the European Council in March and chaired by the President of the European Council, Herman Van Rompuy. The aim is to boost coordination of the member states' economic policies on the basis of expected results.

The new six-month cycle will start each year in March when, on the basis of a report from the Commission, the European Council will identify the main economic challenges and give strategic advice on policies. Taking this advice into account, the member states will during April review their medium-term budgetary strategies and at the same time draw up national reform programmes setting out the action they will undertake in areas such as employment and social inclusion. In June and July, the European Council and the Council will provide policy advice before the member states finalise their budgets for the following year.

¹ At a meeting of the Economic and Financial Affairs Council.

P R E S S

The European semester will be introduced in accordance with a modified code of conduct on implementation of the stability and growth pact, as prepared by the Economic and Financial Committee at the request of the Council. Under the revised code, the member states must ensure that the necessary national procedures are in place to apply these provisions as from next spring. However, with the aim of making the requirements legally binding, the Commission announced its intention to present a proposal for modification of regulation 1466/97¹.

¹ Regulation 1466/97 on the surveillance of budgetary positions and the surveillance and coordination of economic policies