Economic and Monetary Union

The December 2017 Euro Summit made it clear that the current economic expansion provides an opportunity to deepen the Economic and Monetary Union. Our objective must be to strengthen the resilience of the monetary union, and of its current and future members, so as to enhance its ability to withstand financial shocks and to respond to economic and social challenges.

Ministers (Eurogroup and the ECOFIN Council, as appropriate) have been mandated to take the work forward, giving priority to those areas where the discussions are more advanced: completing the Banking Union and further developing the European Stability Mechanism (ESM). The President of the Eurogroup will be invited to report on the discussion among Ministers during the European Council, since these matters are for the EU28.

As agreed by Leaders in December 2017, the upcoming Euro Summit among the 19 euro area Member States should allow for an open and forward-looking debate. Many of the themes for discussion in March have been considered by Ministers on several occasions, gathering a limited degree of consensus so far. Further developing the agenda requires the direct involvement of, and guidance by, the Leaders.

These themes could notably include the following questions, which are interlinked:

- Fiscal capacity. Should a fiscal capacity for the euro area be set up? What would be its main purposes (e.g. macroeconomic stabilisation, support to investment and employment, promotion of structural reforms)? Should it be part and parcel of the EU budget or an instrument outside the EU budget?

- Promotion of good policy-making. Should more be done at the European level to promote competitiveness- and growth-enhancing structural reforms, reduce imbalances and ensure sustained convergence? Should more be done to ensure fiscal responsibility? Which instruments should be used to this effect?

**Leaders are encouraged to discuss the aforementioned issues and how to take them forward.**

There will be no written output from this debate.