**Eurogroup**
The President

Brussels, 10 December 2021
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To the members of the Eurogroup

**Subject:** Eurogroup meeting of 6 December 2021

Dear colleagues,

I would like to share with you the main content and course of our discussions at the Eurogroup meeting held on 6 December in Brussels. The Commission was represented by Executive Vice President Valdis Dombrovskis and Commissioner Paolo Gentiloni. Our meeting was also attended by ECB President Christine Lagarde and ESM Managing Director Klaus Regling.

For the first and second item, we welcomed Alfred Kammer from the IMF's European Department and for the fourth item we were joined by IMF Managing Director Kristalina Georgieva.

## 1. Greece - 12th enhanced surveillance report and policy contingent debt measures

We discussed the twelfth enhanced surveillance report on Greece, which summarises the key findings of the institutions on the progress with reform implementation, the economic situation and outlook. As in the rest of the European Union, the pandemic has had substantial social and economic consequences in Greece. We welcomed Greece's progress made in several reform areas and its commitment to continue to implement targeted reforms to address the medium-term risks and challenges identified in the report. On this basis, the Eurogroup decided positively on the release of the sixth tranche of policy contingent debt measures, subject to the completion of national procedures. We issued a statement to confirm this understanding, enclosed in the annex.

## 2. Post-Programme Surveillance of Portugal, Cyprus, Spain and Ireland

We were debriefed by the Commission and the ECB regarding the main findings included in the respective post-programme surveillance reports for Cyprus, Portugal, Ireland and Spain and by the ESM on the findings of its early warning system. The IMF also complemented from its point of view.

We were informed on the economic impact of the pandemic on the economies of these countries as well as on the structural developments and challenges in particular in the financial sector. The ESM confirmed that there were no material risks concerning the scheduled repayments of loans.

## 3. Eurogroup work programme for I/2022

We adopted the Work Programme for the first half of next year, covering the period from January until June. Indicative scheduling for the July meeting has also been provided to ease programming for the second semester. This Work Programme reflects our joint priorities and ambitions. Our attention will be geared towards supporting the recovery and long term growth, and strengthening the Banking Union as a way to increase the resilience of our monetary union.

## 4. IMF Article IV: mission to the euro area

Kristalina Georgieva outlined the key points of the mission, which are also reflected in the concluding statement issued by the IMF. Reactions from European institutions and Ministers confirmed that there is a broad degree of consensus on the policy priorities for the euro area in the short-to-medium term and a shared recognition of many of the longer-term challenges. The IMF stressed that the euro economy has been able to recover quickly thanks to strong coordinated policy support, consumer- and business adaptation to the pandemic and the roll-out of vaccination campaigns. The IMF also emphasized the high level of uncertainty and highlighted that strong coordination will remain key. The IMF encouraged us to pay close attention to the impacts of the pandemic on all dimensions of economic inequality in order to avoid increasing disparities. I believe these messages are consistent with the overall tenor of Eurogroup policymaking in recent months.

## 5. Euro-area recommendation – presentation by the Commission

The European Commission presented its proposal for the recommendation on the economic policy of euro area for 2022 published on 24 November. Based on this presentation, we had a first exchange of views and will return to this topic in January.

## 6. Assessment of Euro area Member States' Draft Budgetary Plans

The Commission outlined its assessment of euro area Member States' Draft Budgetary Plans for 2022, as contained in its Opinions and Communication of 24 November. In its presentation, the Commission stressed the need for an overall moderately supportive fiscal stance to sustain the economic recovery throughout 2021.

We have issued a statement (see annex) committing ourselves to move from generalized fiscal support to more targeted policy measures, while regularly reviewing the use, effectiveness and adequacy of the support measures and standing ready to adapt them as necessary to changing circumstances. In doing so, we will keep sight of the need to safeguard fiscal sustainability in the medium.

The Eurogroup will continue to monitor the economic situation and assess the policy orientation and in this context, we look forward to a timely discussion on the fiscal guidance that the Commission will submit for the period ahead.

## 7. Miscellaneous

Under miscellaneous, we said goodbye to Pierre Gramegna, who will be leaving his post as Minister of Finance for Luxembourg, and to Carsten Pillath, who will be leaving his position as Director-General of Economic affairs and competitiveness (ECOMP) at the General Secretariat of the Council.

Yours sincerely,

Paschal DONOHOE

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