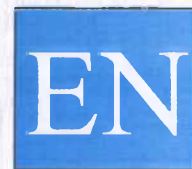




COUNCIL OF
THE EUROPEAN UNION



EuroPlus Pact – the way forward - Conclusions of member states participating in the Euro Plus Pact

*3148th ECONOMIC and FINANCIAL AFFAIRS Council meeting
Brussels, 21 February 2012*

Member states participating in the Euro Plus Pact adopted the following conclusions:

"There is broad agreement that key elements of the comprehensive EU response to the crisis in order to restore the credibility and sustainability of economic policy in the EU requires country-specific combinations of fiscal consolidation and structural reforms as well as measures to ensure the recovery and long-term health of the financial sector. As discussed at the ECOFIN meeting on January 24, focus should be put on measures supporting short term growth within the overall framework of fiscal consolidation. Although many initiatives are needed at EU level, it is first and foremost up to individual Members States to deliver on the agreed consolidation and reforms in the forthcoming National Reform Programmes and Stability and Convergence Programmes.

Member States taking part in the Euro Plus Pact are in particular committed to undertake reforms relevant to the Pact's agreed objectives to foster competitiveness and employment, contribute further to the sustainability of public finances and reinforce financial stability. By summer 2011 Member States participating in the Euro Plus Pact had presented commitments representing over 100 separate measures in total, differing in level of ambition and impact. The measures announced focused on frontloading growth-enhancing reforms that foster competitiveness, for instance in network industries and the service sector. Sustainability of public finances measures mainly involved fiscal consolidation, for example by implementing pension reforms and anchoring fiscal discipline in national legislation. Measures on financial stability aimed at reinforcing national supervision of the financial sector.

P R E S S

In December 2011 Heads of Euro Plus Pact Member States tentatively reviewed progress in implementing their commitments at national level and agreed to take on more specific and measurable commitments in each of the areas covered by the Pact and to report on progress in their forthcoming National Reform Programmes. As part of the European Semester, Euro Plus Pact commitments should be thoroughly assessed and any remaining implementation gap should be identified.

Furthermore, in light of the need to ensure that the Euro Plus Pact adds value to the European Semester and provides political attention to structural reforms, Euro Plus Pact Member States should consider further focusing their Euro Plus Pact commitments on a small number of essential reforms necessary to achieve the overall aims of the pact and to reflect this focus in their National Reform Programmes and Stability and Convergence Programmes, in line also with the orientations in ECOFIN's macroeconomic and fiscal guidelines reflecting the Annual Growth Survey. Thus, the Euro Plus Pact should be used as an effective complementary instrument to focus attention on high impact measures combining durable consolidation of public finances with structural reforms substantially improving growth and employment prospects in Member States in both the short and long run.

In light of the need to ensure consistency and avoid overlap with the European Semester, it must be ensured that Euro Plus Pact commitments are anchored in the European Semester and presented in the National Reform Programmes and Stability and Convergence Programmes so that commitments can be monitored and assessed by the Commission and the Council fully within the context and timing of the economic surveillance under the European Semester. Thus, economy and finance ministers should play their role in the monitoring of Euro Plus Pact commitments in the same way as in the European Semester.

In addition, work on the structured discussions on the coordination of tax policy issues under the Euro Plus Pact will be further pursued focusing on areas where more ambitious activities can be envisaged. Particular attention should be paid to how tax policy can support economic policy coordination and contribute to fiscal consolidation and growth. The Finance Ministers and the Commission will report on progress in June 2012."