



Eurogroup
The President

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To the members of the Eurogroup in inclusive format

Subject: Eurogroup in inclusive format of 8 July 2019

Dear colleagues,

I would like to share with you the main content and course of our discussions at the Eurogroup meeting in inclusive format of 8 July in Brussels.

The Commission was represented by Vice-President Valdis Dombrovskis, Commissioner Pierre Moscovici and Commissioner Günther Oettinger. ECB Executive Board Member Benoit Coeuré and ESM Managing Director Klaus Regling attended our meeting.

1. EMU Deepening – Follow-up to the June Euro Summit

The Eurogroup in inclusive format discussed the follow-up to the June Euro Summit and the organisation of work in the second semester. In June, Leaders invited the Eurogroup in inclusive format to continue working on all the elements of the comprehensive package on the strengthening of the EMU, as set out in the letter of the President of the Eurogroup of 15 June 2019.

First, we agreed to continue work to finalize the package of documents related to the revision of the ESM Treaty by December. This includes documents related to the introduction of the common backstop (Guideline and BoG resolution on the main features of the backstop, the abolition of the Direct Recapitalisation of Institutions instrument), work on the early introduction of the backstop, the amendments to the Guideline on the precautionary instruments and the common methodological working document on debt sustainability analysis. We invited the Commission and the ESM to start working on the latter as soon as possible. We will strive to make significant progress on these issues by November.

Second, on the budgetary instrument for convergence and competitiveness (BICC), Leaders tasked the Eurogroup to work on all pending issues together with the Commission and requested the Eurogroup to report swiftly on the appropriate solutions for financing. Work will thus continue on financing aspects, as well as on the allocation methodology, the procedure for the modulation of the co-financing rate, and governance aspects. In view of the broader debate in the context of the MFF, we will strive to deliver solutions by October. In addition, some Member States requested technical work on stabilisation to continue.

Finally, on the further strengthening of the Banking Union, work will continue, in order to report back in December including on a roadmap for beginning political negotiations on a European Deposit Insurance System (EDIS) and liquidity in resolution. Depending on progress, we could come back to these topics before December, to take stock and provide further guidance if needed.

Yours sincerely,

Mario Centeno