



Eurogroup
The President

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To the members of the Eurogroup

Subject: Eurogroup meeting of 13 September 2019

Dear colleagues,

I would like to share with you the main content and course of our discussions at the informal Eurogroup meeting held on 13 September in Helsinki, to which we welcomed Christos Staikouras and Roberto Gualtieri, the newly appointed Finance Ministers of Greece and Italy, respectively.

The Commission was represented by Vice-President Dombrovskis. Our meeting was attended by ECB President Mario Draghi, by ECB Executive Board Member Benoît Coeuré and by ESM Managing Director Klaus Regling. Mahmood Pradhan, European Department Deputy Director of the IMF, joined us in our discussions of the post-programme surveillance mission to Ireland.

1. Thematic discussion on growth and jobs – Quality of public finances – expenditure reviews and investment

We held a thematic discussion on the quality of public finances, focussing on how to boost the efficiency of public investment with expenditure reviews and on the effective management of public resources. The Commission outlined that euro area governments are making increasingly better use of spending reviews, which goes along with greater adherence to the common principles we adopted in 2016. Investment spending is a difficult area to review, notably due to the long timespans of projects; and experience in that area remains limited. In his presentation on improving the management of public assets, Dag Detter, expert in the management of public assets, stressed that effective management starts with a good knowledge of public assets. He also enlightened us on the financial benefits that could result from an efficient public governance. Our discussion showed that interest in sharing of best practices is strong. I concluded that work on spending reviews should

continue, based on the Commission analysis and survey data. The next thematic discussion will take place in October and will focus on competitiveness developments in the euro area.

2. Review of the Eurogroup Transparency initiative

Following the initiative I took last year to review our transparency framework, we exchanged views on possible steps to enhance the transparency of the Eurogroup further. We all agreed on the general objective and a number of options were discussed. Several Ministers emphasised that a difference should continue to be made between the Eurogroup, which is a political grouping, and its preparatory bodies, which have a technical role, in terms of openness and disclosure of information to the public, in view of their different functions. Against this background, we agreed to publish the EWG calendar of meetings and to revamp the EWG webpage. Furthermore, the draft Eurogroup agenda would be published as soon as it is approved by the EWG and the Eurogroup summing-up letters would be expanded, where relevant. An online repository of publicly available Eurogroup documents, featuring a search engine and filtering options, would also be created. The agreement on the additional transparency measures will be published on the web page of the Eurogroup. We also agreed that we will regularly review the transparency policy of the Eurogroup.

3. Ireland – post programme surveillance

We were debriefed by the Commission and the ECB on the main findings of the eleventh post-programme surveillance (PPS) mission to Ireland and by the ESM on its early warning system. The IMF also presented the results of its recent Article IV mission in Ireland. The institutions emphasized the strong economic and fiscal performance of Ireland, while underlining the downward risks, in particular Brexit. The ESM stated that there were no material risks to the repayments of loans in the short term. Ministers encouraged the authorities to continue pursuing sound policies to enhance the resilience of the Irish economy and public finances to shocks.

4. Debrief of the G7 meeting, including an exchange of views on the macroeconomic situation

I reported on the discussions that took place in the G7 Finance Ministers in Chantilly in July. Bruno Le Maire debriefed us, from the perspective of the French G7 Presidency, about the economic outcomes of the G7 Leaders' Summit in Biarritz, in particular as regards taxation and stable coins. I also asked the ECB to inform us about its staff macroeconomic projections and the monetary policy decisions taken by the Governing Council the day before. On this basis, we had an exchange on the macroeconomic situation and outlook in the euro area and the appropriate policy response.

On the topics discussed in the G7, some of us highlighted the potential risks stemming from digital currencies, such as Libra, and called for a reflection on the costs of international financing transactions and on how technological developments could help to scale them down. On the

economic situation, we took stock of the positive, albeit slowing economic growth in the euro area. We agreed to monitor economic developments very closely and to closely coordinate our policies in case downside risks materialise.

5. Miscellaneous

a) Launch of the nomination process of a new ECB Executive Board member

I have launched the call for candidates of the new ECB Executive Board Member, replacing Benoît Cœuré, whose term ends on 31 December this year. The deadline for applications is September 25.

b) Presentation of policy priorities of the Greek and Italian governments

Christos Staikouras and Roberto Gualtieri, the newly appointed Finance Ministers for Greece and Italy respectively, presented briefly the economic and fiscal policy priorities of their new governments. In addition, Minister Staikouras informed the Eurogroup of Greece's forthcoming request for an early partial repayment of IMF loans.

Yours sincerely,

Mário CENTENO