

Commission sets out Roadmap for deepening Europe's Economic and Monetary Union

Building on the vision set out in the [Five Presidents' Report](#) of June 2015 and the Reflection Papers on the [Deepening of the Economic and Monetary Union](#) and the [Future of EU Finances](#) of spring 2017, the European Commission is setting out a [Roadmap](#) for deepening the Economic and Monetary Union, including concrete steps to be taken over the next 18 months. A number of initiatives are also presented as part of this package. The overall aim is to enhance the **unity, efficiency and democratic accountability** of Europe's Economic and Monetary Union by 2025.

President **Juncker** said: *"After years of crises, it's now time to take Europe's future into our own hands. Today's robust economic growth encourages us to move ahead to ensure that our Economic and Monetary Union is more united, efficient and democratic, and that it works for all of our citizens. There is no better time to fix the roof than when the sun is shining."*

Deepening the Economic and Monetary Union (EMU) is a means to an end: more jobs, growth, investment, social fairness and macroeconomic stability. The single currency offers protection and opportunities to Europeans, and a strong and stable euro area is essential for its members as well as for the EU as a whole. There have been important institutional reforms to strengthen Europe's EMU in recent years but its architecture remains incomplete. Today's Roadmap reflects remaining challenges and sets out a way ahead.

The economic and financial crisis that hit Europe did not start in the euro area but laid bare some of its institutional weaknesses. Almost ten years later, thanks to determined efforts at all levels, Europe is experiencing a robust recovery with economic growth in all Member States. Unemployment is at its lowest level since 2008. Economic sentiment is at its highest since 2000. Europeans also show the highest level of [support for the single currency](#) since the introduction of euro notes and coins.

This provides a **window of opportunity** for deepening Europe's Economic and Monetary Union. The next 18 months should be used to take the necessary next steps, as agreed in the [Leaders' Agenda](#).

In addition to the Roadmap, today's package includes four main initiatives:

1. A proposal to establish a **European Monetary Fund** (EMF), anchored within the EU's legal framework and built on the well-established structure of the European Stability Mechanism (ESM). In recent years, the ESM has played a decisive role in safeguarding the stability of the euro area by assisting Member States to regain or maintain access to sovereign bond markets. The EMF would build on the ESM architecture, with its current financial and institutional structures essentially preserved, including

when it comes to the role played by national parliaments. It would thus continue to assist euro area Member States in financial distress. In addition, the EMF would provide the common backstop to the Single Resolution Fund and act as a last resort lender in order to facilitate the orderly resolution of distressed banks. More rapid decision-making in cases of urgency and more direct involvement in the management of financial assistance programmes are also foreseen. Over time, the EMF could also develop new financial instruments, for instance to support a possible stabilisation function. The European Parliament and the Council are invited to adopt this proposal by mid-2019.

2. A proposal to **integrate the substance of the Treaty on Stability, Coordination and Governance into the Union legal framework, taking into account the appropriate flexibility built into the Stability and Growth Pact** and identified by the Commission since January 2015. In 2012, the 25 signatory Member States legally committed to incorporate the substance of that Treaty into Union law five years after its entry into force, which corresponds to 1 January 2018. The European Parliament has also called for this. The proposal incorporates into Union law the main elements of the Treaty in order to support sound fiscal frameworks at national level and is fully in line with existing rules defined in [primary and secondary legislation](#). The European Parliament and the Council are invited to adopt this proposal by mid-2019.
3. A Communication on **new budgetary instruments for a stable euro area within the Union framework** setting out a vision of how certain budgetary functions essential for the euro area and the EU as a whole can be developed within the framework of the EU's public finances of today and tomorrow. The Communication discusses four specific functions: a) support to Member States for structural reforms through a **reform delivery tool** and **technical support** at the request of Member States; b) a **dedicated convergence facility for Member States on their way to joining the euro**; c) a **backstop for the Banking Union**, through the EMF/ESM, to be agreed by mid-2018 and made operational by 2019; and d) a **stabilisation function** in order to protect investments in the event of large asymmetric shocks. The Commission will present the necessary initiatives in May 2018 in the context of its proposals for the **post-2020 Multiannual Financial Framework**. The European Parliament and the Council will then be invited to adopt these proposals by mid-2019. For the period 2018-2020, the Commission is also proposing to **strengthen the Structural Reform Support Programme**, by doubling the funding available for technical support activities, thus reaching €300 million up to 2020. The Commission is also proposing to test the new reform delivery tool in a pilot phase. To that end, it proposes **targeted changes to the Common Provisions Regulation** governing the European Structural and Investment Funds (ESIF) in order to extend the possibilities to use part of their performance reserve in support of agreed reforms. The European Parliament and the Council are invited to adopt these latter two proposals in 2018.
4. A Communication spelling out the possible functions of a **European Minister of Economy and Finance** who could serve as Vice-President of the

Commission and chair the Eurogroup, as is possible under the current EU Treaties. By bringing together existing responsibilities and available expertise, this new position would strengthen the coherence, efficiency, transparency and democratic accountability of economic policy-making for the EU and the euro area, in full respect of national competences. Reaching a common understanding on the role of the Minister by mid-2019 would allow setting it up as part of the formation of the next Commission. The Eurogroup could then also decide to elect the Minister as its President for two consecutive terms in order to align both mandates.

Today's package is neither the first nor the final step in the process of completing Europe's Economic and Monetary Union – one of the top priorities for President Juncker's Commission, as set out in his [Political Guidelines](#), the [Five Presidents' Report](#) and the Reflection Papers on [Deepening the Economic and Monetary Union](#) and the [Future of EU Finances](#). All reforms initiated so far have been driven by the need to combine **solidarity and responsibility** at all levels and this is also a central priority of today's package.

The "[wind is in Europe's sails](#)" not only when it comes to [economic performance](#), but also with regards to citizens' confidence in the single currency. A new [Flash Eurobarometer](#) on the euro area published today shows that **64% of respondents say the euro is a good thing** for their country.

Background

Today's package is part of President Juncker's broader [Roadmap for a more United, Stronger and more Democratic Union](#) as well as the resulting [Leaders' Agenda](#) on the road to Sibiu, presented by the President of the European Council, Donald Tusk, where on 9 May 2019 important decisions on the future of Europe should be taken. The package, which also builds on ideas presented by the European Parliament and French President Emmanuel Macron in his [Sorbonne speech](#) in September, is presented ahead of the inclusive [Euro Summit](#) on 15 December 2017 where EU leaders will meet for a first discussion on the next steps to be taken, and a dedicated meeting planned on 28-29 June 2018 with a view to reaching concrete decisions.

For More Information