

# Remarks by Paschal Donohoe following the Eurogroup meeting of 17 June 2021



Good afternoon, everybody. We just finished our in-person meeting of the Eurogroup. We began our meeting by welcoming Annika Saarikko, who is the new Finnish minister, to our meeting. The fact that we were able to greet her and meet physically for a second meeting in a row is a good sign. We're obviously all taking care of the health precautions, and we look forward to being able to continue to meet in person and to continue with our work across the rest of the year.

We began our meeting by taking stock of the economic situation and the positive developments in Spain, Cyprus, Portugal and in my own country – Ireland – on the basis of the Post-Programme Surveillance Reports. For Greece, we heard of good progress with reform implementation as described in the 10th enhanced surveillance report.

These reports show that economic recovery is underway in all countries, thanks to the measures taken by the authorities, the resilience of our citizens across Europe and the good progress of our vaccination campaigns. Of course, the Recovery and Resilience Fund, due to do the work of our Commission, due to the work of Paolo [Gentiloni], it's now coming to the point in which we will play a really important role in reinforcing economic recovery across Europe.

In the case of Greece, we agree that the positive assessment of our institutions warrants the approval of the next tranche of policy contingent debt measures. This is worth €748 million and the Eurogroup has released a statement with the technical details.

We continued our agenda with one of our regular discussions with the International Monetary Fund in the context of their Article IV surveillance of the euro area. The IMF were positive about the comprehensive and agile economic policy response we have put in place. But at the same time, they reminded us of the important challenges that lie ahead in the aftermath of the pandemic. The discussions we had today will feed into our policy making in the months ahead. We'll come back to this process more fully at the end of the year when the IMF formally completes its surveillance cycle.

We then welcomed the ministers and the central bank governors from Croatia, from Bulgaria and from Denmark to take stock of developments in the Exchange Rate Mechanism (ERM II) since last year. Ahead of joining ERM, Bulgaria and Croatia had taken certain prior and post entry policy commitments, aiming at facilitating their smooth participation in ERM II. These commitments are about paving the way towards euro adoption, once the convergence criteria are met. Today, we heard that the implementation of post entry commitments is on track. We were also informed that ERM II exchange rate mechanism continued to function smoothly during the last year. Our discussion today recognises the

important economic reforms already undertaken by Bulgaria and Croatia, as well as the continued attractiveness of the euro as a tangible symbol of European unity, prosperity and solidarity.

I also took the opportunity to debrief the group on the G7 finance ministers' meeting in London that I attended on their behalf a few weeks ago.

Finally, we convened in an inclusive format with our non-euro area colleagues to continue our discussions on a work plan to complete the Banking Union, in line with the mandate that we received from Leaders. We've made progress. We need to make more progress. We will agree a work plan, but it will take a bit more time and we will be returning to this later in the year.

I want any work plan that the Eurogroup issues to be credible, ambitious and effective, because this is about building a Banking Union that's good for jobs in Europe, investment in Europe, and good for the competitiveness in Europe. We will get to that point, but it will take some more time to achieve that outcome.

Good progress has been made and the discussions that have taken place have been intense, but they have been insightful and they have been constructive. And in the Eurogroup this evening, all member states recommitted themselves to trying to get agreement, and I will be harnessing that renewed agreement to get to that work plan in the coming months. It was a Eurogroup that was efficient, that was very positive in tone, it gave us a good sense of what we have achieved. But it reminded all of us of what we need yet to achieve in order to deliver a sustainable and a durable recovery.

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