

December 2017

Euro Summits: Role and expectations ahead of the meeting of 15 December 2017

Since 2008, Euro Summits have brought together the Heads of State or Government of those countries whose currency is the euro, providing policy guidance to assure the smooth functioning of Economic and Monetary Union (EMU) and the euro area. Donald Tusk, who chairs the Euro Summit as well as being President of the European Council, has convened a Euro Summit for 15 December 2017. This will be the first such meeting since those dedicated to the Greek crises in 2015.

Composition

The [Euro Summit](#) is an informal gathering of the Heads of State or Government of the (currently [19](#)) EU countries that have introduced the euro as their currency, together with the President of the Euro Summit, appointed by euro-area leaders for two and a half years, as well as the President of the European Commission. The President of the European Central Bank is also invited to attend its meetings; the President of the [Eurogroup](#) may be invited to attend and the President of the European Parliament may be invited to speak. Non-euro-area countries that have ratified the TSCG are also invited take part in Euro Summit meetings for specific discussions (see below).

Function

The purpose of a Euro Summit is to provide strategic guidance on euro-area economic policy. Its members discuss questions relating to the specific responsibilities on the single currency shared by the euro-area countries, as well as other issues concerning the governance of the euro area, and strategic orientations for the implementation of economic policies to boost convergence. Euro Summits thus seek to encourage euro-area countries to take greater account of the specific responsibilities of euro-area membership in their national policy-making. However, in practice, Euro Summits have, since their creation, mainly served as a crisis management tool to break deadlocks, such as on the 2015 Greek crisis, where no solution could be found at the level of the Eurogroup.

Origin and formalisation of Euro Summit meetings

The first Euro Summit meeting took place on 12 October 2008, following a proposal by the then French President, Nicolas Sarkozy, to organise regular meetings of euro-area Member State leaders to discuss specific issues. A further seven meetings took place to define a coordinated response to the financial and sovereign debt crisis and ensure the stability of the euro area. At the European Council meeting of 1-2 March 2012, 25 EU leaders signed the intergovernmental [Treaty on Stability, Coordination and Governance in the EMU](#) (TSG), which entered into force on 1 January 2013. Its Title V, on the governance of the euro area, defines rules applicable only to the euro-area countries, and formalises Euro Summits. Also known as the '[Fiscal Compact Treaty](#)', after its Title III on fiscal rules, the TSCG was aimed at strengthening fiscal discipline to restore market confidence through enhanced economic policy coordination and convergence, stricter fiscal rules and better governance of the euro area. Of the EU Member States, Croatia, the Czech Republic and the UK are not currently signatories to the TSCG.

Organisation of Euro Summit meetings

According to the TSCG and the [rules for the organisation of the proceedings of Euro Summits](#), adopted at the meeting of **14 March 2013**, Euro Summit meetings should take place when necessary, but at least twice a year. Since 2015, however, no Euro Summit meeting has taken place. Ordinary meetings should, whenever possible, take place after European Council meetings in Brussels, and are not public. The President of the Euro Summit ensures the preparation and continuity of meetings, and is also responsible for drafting any statement by the Euro Summit, in close cooperation with the President of the European Commission and the President of the Eurogroup. The President of the Euro Summit reports to the European Parliament after each meeting and informs all non-euro-area Member States that have ratified the TSCG about the preparation and outcome.

Addressing the sovereign debt crisis

From the outset, Euro Summit meetings have been primarily convened to find a common approach to emergency economic situations, triggering ad hoc solutions to the specific problems at stake, but without leading to reforms to the architecture of the euro area. Following their formalisation by the TSCG in 2012, seven meetings have taken place, all aimed at defining coordinated action to address the sovereign debt crisis and at stabilising the euro area. On **22 June 2015**, an extraordinary Euro Summit on Greece was convened to address one of the most severe crises within the euro area, which was putting the integrity of EMU at risk. As months of negotiations in the Eurogroup had not enabled an agreement, the issue was brought to the level of the Euro Summit to attempt to break the deadlock. Two more meetings were needed to bring a final breakthrough, reached on **12 July 2015**.



Since then, Eurogroup members have agreed on new loans with Greece in exchange for reforms, the [European Stability Mechanism](#) (ESM) has disbursed them, the Eurogroup has agreed on a package of potential debt-relief measures following the first programme review, and both the ESM and the [European Financial Stability Facility](#) (EFSF) have approved short-term debt relief measures for Greece.

Euro Summit meeting of 15 December 2017

In his letter to the EU Heads of State or Government of 21 September 2017, Donald Tusk, the President of the Euro Summit as well as of the European Council, convened a Euro Summit in December in an inclusive format. This format is set by the TSCG, which provides that leaders of those non-euro-area countries which have ratified that Treaty take part in the Euro Summit, for discussions relating to competitiveness, modification of the global architecture of the euro area, and the fundamental rules that will apply to it in the future. Considering the importance of the issues to be discussed, the Heads of State or Government of the Czech Republic and Croatia, which are not party to the TSCG, have also been invited as observers. Both Mario Draghi, President of the European Central Bank (ECB), and Jeroen Dijsselbloem, President of the Eurogroup, have also been invited to attend.

Towards gradual completion of EMU

Donald Tusk has called for decisions to be taken on the further development of the euro and gradual completion of the EMU. As a priority, completing the [Banking Union](#) through [bank risk reduction](#) and risk-sharing, notably including the establishment of a [European deposit insurance scheme](#), is intended to structurally reinforce the euro area. On 6 December 2017, the European Commission set out a [Roadmap](#) for deepening the EMU, including specific steps for the next 18 months. It has also proposed a package of four main initiatives: i) a proposal to establish a European Monetary Fund (EMF) as a development of the ESM, to strengthen the EU's capacity to rescue countries in financial difficulty; ii) a proposal to integrate the substance of the TSCG into the Union legal framework; iii) a communication on new budgetary instruments for a stable euro area within the Union framework; iv) a communication on the possible functions of a European Minister of Economy and Finance, who could serve as Vice-President of the Commission and chair the Eurogroup. The discussions are designed to prepare specific decisions that President Tusk has called for by June 2018, with possible further decisions envisaged by the [Leaders' Agenda](#) for March 2019.

To contact the European Council Oversight Unit, please e-mail: EPRS-EuropeanCouncilOversight@ep.europa.eu

Manuscript completed in December 2017. Brussels © European Union, 2017.

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

www.europarl.europa.eu/thinktank (Internet) – www.epthinktank.eu (blog) – www.eprs.sso.ep.parl.union.eu (Intranet)