

The role of the President of the Eurogroup

This note provides an overview of the role of the President of the Eurogroup, the related appointment procedures and a possible full time position. The note alludes, in addition, to the transparency of Eurogroup proceedings.

I. The Eurogroup and its President

The European Council of 13 December 1997 endorsed the creation of the Eurogroup, as **an informal body that brings together the finance ministers of countries whose currency is the euro**. The first Eurogroup (EG) meeting was convened on 4 June 1998.

In January 2005, the Eurogroup elected Jean-Claude Juncker as its first permanent president of the Eurogroup (EGP). On 1 December 2009, the [Protocol 14 to the Lisbon Treaty](#) entered into force, entrusting Ministers of the euro area Member States to discuss matters related to the single currency and to **elect a president by simple majority of votes for two and a half years**. The Lisbon Treaty also amended the Council of the EU's rules so that when the Economic and Financial Affairs Council (ECOFIN) votes on matters affecting the euro area only, only EG members are allowed to vote. In January 2013, Jeroen Dijsselbloem, at that time Minister of Finance of the Netherlands, was appointed EGP (and reappointed in July 2015 for another term, until 13 January 2018). Mário Centeno, Minister of Finance of Portugal, was elected [EGP](#) on the 4 December 2017. His mandate started as of 13 January 2018 for a two and half year term.



Tasks of the President of the Eurogroup:

- Chairs EG meetings and sets the agendas;
- Draws up the Eurogroup's work programme (see Box 1);
- Presents the outcomes of EG discussions to the public and to the ministers of non-euro area EU countries during ECOFIN meetings;
- Represents the EG in international fora; and
- Takes part in [Economic dialogues](#) with the European Parliament on a regular basis.

The EG is also responsible for preparing the **Euro Summit meetings** and for their follow-up. The original intention - as agreed in the [Treaty on Stability, Coordination and Governance in the EMU](#) - was that Euro Summit meets at least twice a year to provide strategic orientation on the economic and fiscal policies. In March 2017, Donald Tusk was [reappointed](#) President of the Euro Summit for the period 1 June 2017 to 30 November 2019. The next Euro Summit is scheduled for the 14 December 2018.

The EG is supported by an advisory body, the **Eurogroup Working Group** (EWG), which is composed of the representatives of the euro area Member States in the [Economic and Financial Committee](#) (EFC), the



European Commission and the European Central Bank. [Hans Vijlbrief](#) was elected as the new chair of the EWG by his peers on 11 January 2018 (and confirmed by the Eurogroup on 22 January 2018). He took office as of 1 February 2018 for a two-year term.

The EGP may also be elected Chair of the Board of Governors of **the European Stability Mechanism (ESM)**, if the members of the board so decide. On the 21 December 2017, Mr Centeno was elected as the [Chair](#) of the Board of Governors of the ESM in his capacity as President of the EG (for a more detailed overview of the ESM and its accountability arrangements, please see separate [EGOV document](#)).

Box 1: Eurogroup's work programme for the second half of 2018

According to an indicative [work programme](#) for the second half of 2018, the Eurogroup is to:

- Maintain its attention on structural policies to strengthen longer-term growth and employment and to improve the resilience of the economy.
- Continue to closely monitor the euro area member states' efforts to ensure sound fiscal policies, as well as the budgetary situation in the euro area as a whole. It will also assess the draft budgetary plans and the overall euro area budgetary situation and prospects.
- Continue to be involved in post-programme surveillance in Cyprus, Ireland, Portugal, Spain and Greece.
- Continue monitoring issues relevant for financial stability as well as the progress related to strengthening the banking union.
- The deepening of the Economic and Monetary Union remains an important topic for euro area finance ministers. The outcome of the June 2018 European Council may lead to further refinement of the work programme, in particular on the further deepening of EMU.

Box 2: Debate on a full-time President of the Eurogroup

The decision whether the president of the Eurogroup should be elected among Members of the Eurogroup or whether the new president would become a full-time position based in Brussels, should be taken at the end of the mandate of the current president, as outlines in the conclusions of the Euro Summit of 27 October 2011.

The [Euro Summit of October 2011](#) stressed the need for a better governance structure of the euro area to deal more effectively with the challenges after the financial crisis of 2008 and to strengthen the euro. The Eurogroup - together with the Commission and the ECB - should rely on a stronger preparatory structure to remain at the core of the daily European Semester management for the euro area Member States. The decision on a full-time president of Eurogroup based in Brussels should be taken at the end of the mandate of the current incumbent.

In May 2013, a [German-French paper](#) endorsed the idea to create a full-time president for the Eurogroup "relying on wider resources" to be created after the EU elections in 2014. The Dutch elections in spring 2017 fuelled the discussion, as there were doubts if the current president Dijsselbloem could stay in office or if he might have to resign as a consequence of being voted out of the Dutch finance minister position. The current debate on establishing a full-time president is part of a wider discussion on how to achieve a more integrated eurozone by 2025.

The President of the European Commission [stated](#) that the Commissioner for economic and financial affairs – ideally also a Vice-President – should assume the role of an EU Economy and Finance Minister. He or she should also preside the Eurogroup. The European Parliament has also taken a similar stance (latest in its [resolution](#) of 16 February 2017 on budgetary capacity for the euro area (2015/2344(INI)). Arguments raised in the public domain in favour of and against a full-time President may:

- reduce the possible conflicts of interest due to of defending the interest of the euro area as a whole and national interest as a current Minister of Finance;
- focus only on economic policy surveillance and cooperation with national and EU level stakeholders;
- strengthen the external representation of the euro;
- strengthen the link between the work of the President of the EG and the work of the ESM;
- strengthen the intergovernmental approach to economic governance in EMU;
- loosen the link between the EG and the work of the Council (ECOFIN),
- lack a clear EU legal framework for the new role, and
- not build on sufficient "peer support" from other Finance Ministers.

II. The relationship between the President of Eurogroup and the European Parliament

According to EU legislation, the competent Committee may invite the EGP for an Economic Dialogue during certain stages of the implementation of the European Semester framework and during the implementation of macro-economic adjustment programmes, including any post-programme surveillance of concerned Member States. In recent years, the practice has been that the EGP takes part in an Economic Dialogue on a regular basis twice a years and, if needed, on an ad hoc basis. The EGP has also occasionally been invited for an exchange of views with Members of the Parliament in the Plenary. For any overview of Economic Dialogues with the President of the Eurogroup, please see separate [EGOV document](#).

On personal initiative of the EPG with the aim to further strengthen the dialogue between the European Parliament and the EG, the Chair of the European Parliament's Committee on Economic and Monetary Affairs (ECON), Roberto Gualtieri, was invited for the first time to exchange views on the euro area's economic outlook and challenges on the [9 September 2018](#).

III. Eurogroup transparency

The less formalised nature of Eurogroup (*"Member States whose currency is the euro shall meet informally"* according to the EG Protocol of the TFEU), compared with other EU institutions involved in economic governance and surveillance of Member States' policies, render inapplicable some of the EU transparency principles to Eurogroup proceedings and decisions. The sensitivity of discussions and their potential impact on the markets (as seen during the crisis times) have been used as arguments for a certain level of opacity to the internal discussions and in granting access to meeting documents. Nevertheless, the EG has been cognisant that transparency increases legitimacy and acceptance of decisions and has acted upon that principle.

At least since the [summer of 2015](#), the European Ombudsman monitored how requests for public access to Eurogroup documents were handled, following a complaint.

On 17 December 2015, the President of the Eurogroup addressed to its members a [letter](#) with proposals to enhance the EG transparency. The letter proposed making publicly available (a) the annotated draft agenda (with a meaningful summary of the aim of discussions); (b) the summing up letter, reflecting EGP's understanding of the discussions and subject to an *ex ante* written procedure among EG members; (c) financial assistance documentation (to be made available ahead of the decisions, to allow namely forwarding for national parliaments); (d) other meeting documents (to be made available after the EG meeting).

On the EG of [11 February 2016](#) Ministers agreed to "make public the EG agendas in annotated format as well as the summing-up letters that recapitulate the main content and course of our discussions", whilst mandating the EWG to work on whether other meeting documents could also be made available. On the [7 March 2016](#) Ministers further decided "from now on, documents submitted to the Eurogroup will, as a rule, be published shortly after meetings, unless there are well-founded objections such as: (i) documents which are still work in progress, and/or subject to further substantial changes; (ii) documents containing confidential or market-sensitive information; and (iii) documents for which the author institution objects to their publication. (...) This initiative also extends to the ESM Board of Governors; the ESM will publish ESM programme documents on its website."¹.

In a letter dated [14 March 2016](#), the Ombudsman (a) signalled the importance of clarifying the handling of requests for access to EG documents; (b) required transparency also in relation to the proceedings of the EG preparatory bodies, namely, the Eurogroup Working Group and disclosure of an overview of available

documents. The letter was copied to, namely, the President of the EP. In its response of [16 May 2016](#), the EGP noted that the EG is not subject to the transparency requirements applicable to “institutions, bodies, offices and agencies” of the European Union and pointed out to the confidentiality of EWG proceedings. The EGP also noted that the initiatives aiming at increasing EG transparency were respectful of the principles underlying the transparency requirements applicable to European bodies and institutions.

On the [30 of August 2016](#) the Ombudsman signalled a number of issues for further consideration. The Ombudsman (a) requested clarification on handling documents not held by European institutions or bodies; (b) insisted on disclosure of provisional agendas of EWG; (c) suggested to reconsider the proposal regarding the publication of draft programme country-related documents ahead of the decisions being taken; (d) commended the intention to publish preparatory meeting documents. In its reply, dated [25 November 2016](#), the EGP clarified that most of the documents for EG meetings were prepared by Commission and the ESM but documents held and prepared by EG members could only be made available in accordance with the respective national transparency regimes. He further clarified that (a) the EG proceedings already brought clarity to the EWG discussions and that (b) publication of programme documentation ahead of EG meetings was inappropriate considering their preliminary nature.

[More recently](#), in September 2018, Mr. Centeno informed ministers “of my intention to review the transparency initiative adopted by the Eurogroup in 2016 and consider further improvements.”. No further information was made available concerning this initiative.

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