

PROGRAMME OF THE 6-MONTH POLISH PRESIDENCY OF THE EU COUNCIL IN THE SECOND HALF OF 2011

Economic and Financial Council (ECOFIN)

Structural reforms, faster economic growth, sounder public finances

In the second half of 2011, the Economic and Financial Affairs Council will have the following priorities: **to implement effective measures that enhance economic growth, to put public finances in the EU on a stable footing, and to launch initiatives – under the Europe 2020 Strategy – that support employment and economic growth. The aim of these measures is to boost EU competitiveness worldwide and to respond quickly and adequately to current economic developments**, which continue to be affected by the financial and economic crisis and the public finance crisis in some EU Member States. All ECOFIN Council activities will be implemented with a view to the quality and comprehensive impact assessment of new legislative acts, to eliminating barriers and obstacles in the operation of the Single Market, and good coordination with other EU Council formations.

Economic governance – implementation of new measures

Improvement of a situation relating to the current sovereign debt crisis in many countries and enhancement of economic governance in the EU will be the main priorities of the Polish Presidency in the economic and financial areas. Stability of the euro area is of key importance for the whole EU thus the Presidency will promote this issue despite the fact that Poland is not a member of the Eurozone. The Presidency will be actively supporting measures aimed at ensuring long-term stability of public finances that strengthen fiscal discipline and macroeconomic oversight and will undertake the efforts to prepare the position concerning future of available mechanisms of support. The Council will act to ensure consistent application of the Stability and Growth Pact, in particular, it will assess progress made by Member States in reducing excessive deficits during the first year of the enforcement of the *European Semester*. These actions have great importance due to its effects and the need to strengthen the measures helping to avoid such crisis in the future.

Actions relating to the establishment of the **European Stability Mechanism** will also be continued to enable its entry into force in accordance with the timetable set by the European Council in December 2010.

The ECOFIN Council will be engaged in the process of managing the implementation of the Europe 2020 strategy. It will aim to effectively implement medium- and long-term structural reforms with a view to increasing EU's competitiveness, its economic potential, social cohesion and economic convergence.

Recognising that the European System of National and Regional Accounts is an important tool of EU administration, and is also used to analyse the coordination and convergence of the Member States' economic policies, the Polish Presidency will work actively on the legislative proposals aimed at revising this system.

Financial services – enhancing the security of the European financial market

Recognising the importance of improving the stability of the financial sector in the EU, the Polish Presidency will support and promote the early adoption of proposals

aimed at **improving financial market regulation and oversight**, and at developing **crisis management rules**, which would help to safeguard the sector against the negative effects of crises and help maintain financial market stability. Special emphasis will be placed on the implementation of **measures to increase the integrity and transparency of the financial sector**, reducing systemic risks and excessive risk-taking. In addition, the ECOFIN Council will **monitor the operation of the new macro- and micro-prudential oversight framework**, closely collaborating with the European Systemic Risk Board and the newly established supervisory agencies.

2012 EU Budget – meeting our needs and challenges

The Polish Presidency will act to efficiently conduct the annual budget procedure in line with the new legislative provisions of the Lisbon Treaty, which grant equal rights to the European Parliament and the Council. The aim of the Presidency will be to ensure that the 2012 EU budget is adopted on time and that its size guarantees that the challenges facing Europe can be met.

Financial Regulation - new, effective budget rules

The Polish Presidency will aim to ensure the smooth continuation of work to amend the financial regulation, which lays down new budget rules to enable EU policies to be implemented effectively.

EU's own resources - towards a modern system of financing

The Presidency will initiate work on a new system of EU budget revenues, based on a European Commission proposal, in order to establish a modern and fair system of financing EU activities in the new multiannual financial framework.

Protection of EU financial interests – implementation of effective solutions

The Presidency will support initiatives to protect the EU's financial interests and to combat financial abuses or any other illegal activities affecting those interests. Continued emphasis will be put on the implementation of planned reforms of EU institutions responsible for executing tasks relating to proper control of budget revenues and expenditures.

Taxes – towards more transparent regulations

In the area of **direct taxes**, the Presidency will continue working on the European Commission's proposal for a common consolidated tax base. Efforts will be made to achieve progress on the European Commission's other legislative proposals. Special emphasis will be placed on **good governance**, particularly with regard to the taxation of savings income and agreements on counteracting fraud signed with third countries. Considering the conclusions of the European Council of March 24-25 2011, it will be necessary to continue work on **financial sector taxation**. With respect to indirect taxes, as soon as the European Commission tables a legislative proposal, the Presidency will engage, as a priority, in work relating to **administrative cooperation on excise duties**. Work to amend the **Energy Taxation Directive** will also be continued.

In the area of value added tax, the Presidency will continue the work **to streamline regulations, reduce administrative burdens, and counteract fraud**. If the European Commission announces a Communication on a new VAT strategy, efforts will be made to use the discussions on this new strategy to improve the functioning of the internal market and to increase the effectiveness of the system of indirect taxes in order to enhance EU economic growth.

The external dimension – the EU’s strong and united voice at international forums

The Polish Presidency will aim for the **EU to develop and present a coordinated, common position at G20 meetings** at the level of finance ministers and central bank presidents. It will use its best efforts to ensure, with the full cooperation of the President of the European Council and the President of the European Commission and those Member States attending the summit meeting, proper coordination in the preparation of the EU position before the G20 leaders’ summit.

The Polish Presidency will be involved in the development and presentation of the EU's position on the forum of the **International Monetary Fund, the World Bank Group**, and it will maintain close relations with other international and regional financial institutions and organisations dealing with economic integration. The Polish Presidency will act to strengthen economic cooperation with partner countries covered by the European Neighbourhood Policy, in particular **countries participating in the Eastern Partnership**, the European Free Trade Association member countries and candidate countries for EU membership.