

# The role (and accountability) of the President of the Eurogroup

*This note provides an overview of the role of the President of the Eurogroup, the procedures for his/her appointment, as well as proposals on a “full time position” as part of the wider debate on deepening the Economic and Monetary Union. The note also briefly addresses the mandate and working methods of the Eurogroup. In addition, this note refers to the debate around the transparency of Eurogroup proceedings. It is updated in light of relevant developments.*



## I. The President of the Eurogroup

The Eurogroup (EG) is led by a President selected in a personal capacity by its peers, by simple majority for a two and a half term. As set out in its [Working Methods](#) (as adopted in 2008), the President of the Eurogroup (PEG) must hold the position of national minister of finance.

The tasks of the PEG are:

- To chair and steer EG meetings and sets the agenda;
- To draw up the Eurogroup's work programme (see Box 1);
- To present the outcomes of EG discussions to the public and the ministers of non-euro area EU countries during ECOFIN meetings;
- To represent the EG in international fora, and
- To take part in regular [Economic Dialogues](#) with the European Parliament.

The Presidency of the Eurogroup had been taken on a 6 months rotating basis until January 2005. [Jean-Claude Juncker](#) was elected the first permanent president of the EG in January 2005 by the Finance Ministers.

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 the president by a simple majority of votes, for two and a half years. The Lisbon Treaty also amended the voting rules in the Council, 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 as PEG; in July 2015, he was reappointed for another term, until 13 January 2018. In December 2017, [Mário Centeno](#), at that time Minister of Finance of Portugal, was appointed as PEG. On 11 June 2020, Minister [Centeno](#) informed his colleagues that he would not to run for a second term.

[Paschal Donohoe](#), Minister of Finance of Ireland, was elected PEG on 9 July 2020 following a secret simple majority vote (in two rounds) from the [19 euro area countries](#). Minister Donohoe's mandate started on 13 July 2020. In his [motivation letter](#), he emphasised he would be “building bridges” and committed to a transparent and inclusive EG, including giving a pro-European voice internally and with external partners.



He also emphasized the importance of effectively communicating to citizens and the European Parliament the steps being taken at Eurogroup on the EG agenda.<sup>1</sup> The PEG may also be elected Chair of the Board of Governors of the European Stability Mechanism (ESM) if the members of the Board so decide. Minister Donahue was elected Chair of the ESM Board of Governors on [9 July 2020](#). A separate [EGOV document](#) provides an overview on the ESM and its accountability features.

The EG has also been made responsible for preparing the Euro Summit meetings and for their follow-up. The [Treaty on Stability, Coordination and Governance in the EMU](#) of 2012 established that the Euro Summit would meet at least twice a year, to provide strategic orientation on the economic and fiscal policies. The [October 2011 Euro Summit statement](#) recalls that “*The Eurogroup will, together with the Commission and the ECB, remain at the core of the daily management of the euro area. It will play a central role in the implementation by the euro area Member States of the European Semester. It will rely on a stronger preparatory structure.*” In March 2017, Donald Tusk was [reappointed](#) President of the Euro Summit for the period from 1 June 2017 to 30 November 2019. The [July European Council](#) elected Charles Michel as Mr. Tusk’s successor and Heads of State or Government of the Member States whose currency is the euro also appointed Mr. Michel as President of the Euro Summit.

In the context of the [Recovery and Resilience Facility](#), the EG is being called to assess national implementation of the euro area recommendation through national Recovery and Resilience Plans, as reflected in a background note prepared ahead of the 18 January EG meeting (for further details, see [specific EGOV briefing](#) on the euro area recommendation). On the 15 March 2021 the EG published a [statement](#) on the euro area fiscal policy response to the COVID-19 crisis and its future prospects once the COVID-19 pandemic is under control. It stressed that timely implementation of the Recovery and Resilience Facility remains of ‘utmost priority’.

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. [Tuomas Saarenheimo](#) was elected as chair of the EWG by his peers on 6 February 2020 (and confirmed by the EG on 17 February 2020). He took office as of 1 April 2020 for a two-year term.

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<sup>1</sup> The other two candidates were Spain’s Finance Minister Nadia Calviño (see [motivation letter, dated 25 June](#)) and Luxembourg’s Finance Minister Pierre Gramegna (see [motivation letter, dated 25 June](#)).

### Box 1: Eurogroup's work programme from July to December 2021

According to the [work programme](#), in the second half of 2021 the Eurogroup will focus on:

**Economic and fiscal policies to support the recovery and long-term growth:** through coordination and dialogue, the EG will seek to stabilize the economy and support the recovery whilst also focusing on promoting structural reforms and investments that foster recovery and convergence and contribute to the goals of a green and digital transitions. It will assess the Draft Budgetary Plans, discuss the EA fiscal stance, and discuss lessons learned from the COVID crisis (notably in terms of accentuating divergences and the health of the corporate sector).

**Strengthening the Banking Union:** the EG will continue working on a stepwise and time-bound work plan on all outstanding elements needed to complete the Banking Union and on deepening the Capital Markets Union.

**The euro as a digital currency:** the EG supports the work being done by various institutions. Due to the complexity of the project, the EG will revert to this topic regularly and discuss its various dimensions, focusing on their political relevance, in full respect of the institutional roles and mandates of all actors involved.

**International role of the euro:** The EG will continue to discuss how to strengthen the role of the euro on the international stage, aiming at making the euro area more robust by pursuing sound economic policies (by deepening the EMU, completing the Banking Union, and the Capital Markets Union). The EG also intends to discuss the political dimensions of the development of the euro as the currency of the sustainability transition.

As in previous semesters, the EG will continue liaising with its international partners, continue to monitor the plans and actions of non-euro area Member States' related to the introduction of the euro, and the economic situation, policy response and recovery needs after the COVID19 pandemic. It will prepare and follow up to the Euro Summit meetings and continue ensuring transparency and communication with citizens.

## II. The informal nature of the Eurogroup

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 EG meeting was convened on 4 June 1998.

The [European Council conclusions of 13 December 1997](#) set out in broad terms the mandate for the EG, which have been followed up in the Protocol 14 to the Lisbon Treaty (see below). Leaders foresaw that *"The Ministers of the States participating in the euro area may meet informally among themselves to discuss issues connected with their shared specific responsibilities for the single currency. The Commission, and the European Central Bank when appropriate, will be invited to take part in the meetings."* (our emphasis). But Leaders also noted that *"the ECOFIN Council is the centre for the coordination of the Member States' economic policies and is empowered to act in the relevant areas (...) [and] is the only body empowered to formulate and adopt the broad economic policy guidelines which constitute the main instrument of economic coordination. (...)"*.

[Article 1 of Protocol 14](#) reads: *The Ministers of the Member States whose currency is the euro shall meet informally. Such meetings shall take place, when necessary, to discuss questions related to the specific responsibilities they share with regard to the single currency. The Commission shall take part in the meetings. The European Central Bank shall be invited to take part in such meetings, which shall be prepared by the representatives of the Ministers with responsibility for finance of the Member States whose currency is the euro and of the Commission.*

Being an informal supranational body, the EG has nevertheless gained significant prominence during the financial and sovereign crisis. The EG was the body deciding, *de facto*, whether financial assistance would be granted, and under which conditions, to a requesting Euro Area Member State. It is again gaining specific relevance in the context of the Recovery and Resilience Facility (see above).

The informal nature of the EG is maintained in various decisions by the EU Courts, namely in the [Mallis](#) case and more recently in an Opinion of Advocate General Pitruzzella to the European Court of Justice in case

[Chrysostomides](#). In that Opinion, the Advocate General concludes that the appealed decisions of the General Court (which considered admissible charges against the Eurogroup on the basis of it being an EU Institution) are unfounded and reinforced<sup>2</sup> the thesis that the EG “*must be considered the embodiment of a particular form of intergovernmentalism that is present within the constitutional architecture of EMU.*” and not an EU institution. The [final decision](#) by the Court (Grand Chamber) confirms the Advocate General opinion.

More recently, the EG is being recurrently convened in “inclusive format”<sup>3</sup>, comprising all Finance Ministers, to address euro area issues that are also relevant to Member States outside the euro area (such as the completion of the Economic and Monetary Union, the Banking Union and the response to the corona virus outbreak). In this respect, the EG is meeting in a format that is closer to that of the Council (ECOFIN). With [Bulgaria](#) and [Croatia](#) having joined ERM-II on [10 July](#) and being part of the Banking Union as of 1 October 2020, any discussion on the Banking Union in the EG will obviously need to include them as well. The most recent work programme acknowledges that EG will be convening “*at the appropriate format*”.

The [Working Methods of Eurogroup](#) (WM) were updated in 2008 (see Box 2) to reflect developments in its functioning. Importantly, the WM clearly refer to the informal nature of the Eurogroup and that issues of common concern of all Member States are to be discussed by all Member States.

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<sup>2</sup> Other cases, referred to namely in paragraphs 56 to 60 of the Opinion, also support such assessment.

<sup>3</sup> Some [authors](#) argue that this may lead to a lesser role for the Eurogroup.

### Box 2: Working Methods of the Eurogroup

The Working Methods define a set of principles to organise the Eurogroup. It addresses:

- **Eurogroup mandate:** Eurogroup will discuss “matters of key importance to fiscal, monetary and structural policies in the euro area (...) identify common challenges and to formulate and agree on common approaches (...) [to] (...) foster the “ownership” by national authorities when translating them into policy action (...) [and] strengthen finance ministers’ roles at home in implementing policies and advancing important reform projects.”;
- Such discussions would focus on (a) the economic situation and outlook, (b) budgetary policy, (c) structural reforms (including the so called “macro structural topics” referring to structural reforms able to “influence area wide macroeconomic and financial conditions or the smooth functioning of the internal market”;
- **Eurogroup Presidency:** the WM sets out the nomination and replacement procedures for the PEG. It also defines that the PEG is elected in its personal capacity, has to be familiar with EG matters and enjoy “general recognition for their knowledge in EMU matters”;
- **Attendance to the EG** is limited to a number of officials and institutions as set out in the WM (PEG and two members from each euro area Member State, one Commission member and one Commission official in addition to the Commission president, the president of the ECB, accompanied by another member of the Executive Board or an ECB official of his choice, the EWG president, the EFC secretary and one member of the EFC staff, an assistant to the Eurogroup president, an assistant to the Commissioner for Economic and Monetary Affairs, the secretary general of the Council, the Council Secretariat’s director general for Ecofin matters and one member of the Council Secretariat staff, the EPC president or an EPC vice-president may attend whenever necessary);
- **Timing of meetings, Secretariat, venues and language:** meetings are held at the occasion of Ecofin meetings, but if urgently required, meetings or teleconferences may be held at other times;
- **Preparation of EG meetings** (the EWG): the WM spell out the importance of the EWG as a preparatory body to the EG (“The EWG should remain at the centre of the Eurogroup preparations, implying that, in general, it should be in a position to examine all the documents discussed at the Eurogroup”), also referring to the Commission, ECB and Member States input. The EWG is tasked with preparing “short draft “terms of reference” or “common understandings”, which could help crystallising Eurogroup views”;
- **Agendas, proceedings and documentation:** the WM notably refer that “is a general obligation to safeguard the confidentiality of the documents prepared for the Eurogroup”;
- **Output of the discussions: conclusions and communication:** being an informal body, the EG does not prepare conclusions. Nevertheless, the PEG prepares a letter to other participants outlining the debate and conveying his/her understanding of the meeting (which has been made publicly available). Terms of reference, statements and a dedicated website are also foreseen, as well as press conferences. Only the PEG (and ECB PRES and the Commissioner for Economic Affairs) should convey EG views, whilst preserving confidentiality of discussions;
- **External dimension:** the WM refer to the importance of holding regular contacts and exchanges with the Ecofin, european social partners and international counterparts, namely G7 and IMF.

The WM make a specific reference to the PEG reporting to the European Parliament “on the priorities of the Eurogroup work programme and reports on progress achieved in the coordination of economic policies in the euro area.”

### III. The President of Eurogroup and the European Parliament

In accordance with EU legislation, the competent Committee of the EP may invite the PEG for an [Economic Dialogue](#) during certain stages of the implementation of the European Semester for economic policy coordination and in the context of macro-economic adjustment programmes, including any post-programme surveillance.

In recent years, the practice has been that the PEG takes part in an Economic Dialogue (ED) on a regular basis twice a year (in spring and in autumn) and, if needed, on an *ad hoc* basis. During the 8th parliamentary term, nine EDs with the PEG were held in the ECON Committee. This practice was already agreed during the 7th parliamentary term through an exchange of letters between the competent Committee and the PEG (for an overview of the EDs with the PEG during the 8th parliamentary term, please see separate [EGOV briefing](#)).

Furthermore, the PEG occasionally took part in an exchange of views in the plenary of the EP and in inter-parliamentary meetings relating to economic governance.

During the current (9th parliamentary) term, [two EDs](#) has so far taken place (in November 2019 and April 2020). Paschal Donohoe's [first appearance](#) in the ECON Committee in his capacity as PEG took place on [25 January 2021](#).

On [9 September 2018](#), and on initiative of the PEG, the then Chair of the ECON Committee, Roberto Gualtieri, participated in a first exchange of views at a meeting of the Eurogroup. This practice has continued since then and the Chair of the ECON Committee participated now twice a year in the EG meetings held in context of the informal ECOFIN meetings.

#### IV. Eurogroup transparency

The less formalised nature of Eurogroup (*"Member States whose currency is the euro shall meet informally"* according to the TFEU Protocol on the EG), compared with other EU institutions involved in economic governance and surveillance of Member States' policies, renders 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 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. As said before, EG has recurrently been convening in inclusive format, thus blurring the difference to ECOFIN.

At least since the [summer of 2015](#), the European Ombudsman monitors how requests for public access to EG 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 PEG'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).

At 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*

#### Box 3: Transparency

In February 2019, [Transparency International EU](#) (TI EU) published a [report](#) on the Eurogroup's accountability and transparency. One of their conclusion is that the Eurogroup continues to evade proper accountability: *"As a basic principle, democratic control and accountability should occur at the level at which the decisions are taken" – i.e. European decision-making should be accountable at European level. This was the stated goal, in 2012, of the Presidents of the European Council, the European Commission, the Eurogroup, and the European Central Bank. While the Eurogroup's President regularly appears before the European Parliament to answer questions, this voluntary arrangement does not constitute an effective accountability mechanism. Thus, even while operating as a de-facto gouvernement économique, the Eurogroup as such is not accountable to anyone."*

The report highlights various proposals to improve the transparency, accountability and integrity of the EG, including the transformation of the EG into a formal body with direct responsibility at EU level, mandatory hearings of the PEG before the EP, the creation of a register containing all EG documents and the suggestion for a full-time president, to avoid interest of conflicts by splitting the role of PEG with its function as national Finance Minister.

The report and its recommendations is acknowledged in a March 2021 [background document](#) of the Council outlining the EG transparency initiative.

The TI EU work on EG is part of a larger project looking at transparency, integrity and accountability of the main EU institutions. An update of the first 2014 study was presented in [February 2021](#).

*course of our discussions*", whilst mandating the EWG to work on whether other meeting documents could also be made available.

On [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."*

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 concerning 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 PEG 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 PEG 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 [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 PEG 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 were inappropriate considering their preliminary nature.

In the [September 2018](#) Eurogroup summing up letter, Mr. Centeno noted he had informed ministers *"of my [his] intention to review the transparency initiative adopted by the Eurogroup in 2016 and consider further improvements."*

On [13 May 2019](#) the European Ombudsman launched a strategic inquiry into the transparency of the bodies involved in preparing Eurogroup meetings (i.e. Eurogroup Working Group (EWG), Economic and Financial Committee (EFC) and Economic Policy Committee (EPC)) to assess how requests for access to documents are handled. The inquiry is addressed to the Council and the Commission. In a press release, the Ombudsman notes that it is important for citizens to be able to *"follow when EU decisions are made by their national Ministers, and on what basis"* in particular in the context of a (future) euro area budget. A [letter](#) was also sent to the PEG asking for views by 15 July 2019 on how to adopt *"a more ambitious approach to the transparency of the EWG, extending for example to the proactive publication of EWG meeting documents."*

On [11 July 2019](#) the PEG replied that the issues around EG transparency would be discussed with Ministers *"at the next Eurogroup meeting"*. In its final remarks following the [EG 13 September 2019 meeting](#), the PEG indicated that Ministers agreed to increase EG transparency by (i) creating an online repository of publicly available Eurogroup documents (available [here](#)<sup>4</sup>); (ii) expanding - whenever possible - the summing-up letters; (iii) increase the transparency of preparatory work in the EWG, by publishing the EWG meeting

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<sup>4</sup> The EG register of documents facilitates access to EG documents. Nevertheless, it seems to comprise documents that were, in any case, already made available (*inter alia*, agendas, lists of participants, summing up letters and some background documents).

calendar and improving its [webpage](#)<sup>5</sup>. The PEG further noted that EG transparency arrangements should be reviewed at “regular intervals to ensure they remain fit for purpose”. Such policies are reflected in a document titled “[Eurogroup transparency policy review and way forward](#)” dated of 20 September 2019.

The EG took stock of the implementation of the current transparency regime in April 2021. A [background document](#) (dated 31 March) from the Council Secretariat outlines the achievements thus far, highlighting the higher levels of transparency achieved both at EG and EWG. At the April 2021 meeting, the EG [agreed](#) that “no additional steps are called for at the current juncture. We confirmed our strong commitment to regularly take stock and maintain this high standard going forward.”. This commitment is reflected in the latest work programme (see box 1 above).

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<sup>5</sup> The meeting calendar of EWG is, indeed, being made available in the EWG website. No further documents seem available, notably, no agendas. The document “[Eurogroup transparency policy review and way forward](#)” addresses EGW transparency as follows: “In relation to the EWG, it is worth noting that it is only a preparatory body for the discussions held by Ministers at the Eurogroup, and EWG agendas largely mirror the ones of the Eurogroup.”.

#### Box 4: Debate on a full-time President of the Eurogroup

The debate on establishing a full-time president is part of a wider discussion on how to achieve a more integrated European and Monetary Union by 2025. Recently, the European Fiscal Board (EFB) also argued in favour of a permanent President of the EG. In its [assessment of the EU fiscal rules](#), the EFB mentions being “convinced that the functioning of the Eurogroup could be improved if it was chaired by a full-time president, who is neither a national Finance Minister nor a member of the Commission.”.

The decision whether the president of the Eurogroup should be elected among its Members or become a full-time position should have been taken at the end of the mandate of Jean-Claude Juncker as the President of the Eurogroup, as outlined in the [conclusions](#) of the Euro Summit of 27 October 2011. At this meeting, the need for a better governance structure of the euro area, both to deal more effectively with the challenges after the financial crisis of 2008 and to strengthen the euro, was highlighted. Furthermore, the Euro Summit stated: “The Eurogroup-together with the Commission and the ECB - should rely on a stronger preparatory structure to remain at the core of the daily management for the euro area Member States” (point 32).

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 on whether the then current president Dijsselbloem could stay in office or he had to resign, as no more being the Dutch finance minister.

The European Parliament had taken a stance on this issue in its [resolution](#) of 16 February 2017 on the budgetary capacity for the euro area (2015/2344(INI)). “The positions of President of the Eurogroup and Commissioner for Economic and Financial Affairs could be merged, and in such case, the President of the Commission should appoint this Commissioner as Vice-President of the Commission.”

In December 2017, the Commission published its [Communication](#) on a European Minister of Economy and Finance, as part of its Roadmap for deepening Europe’s Economic and Monetary Union. The European Commission [set out](#) “how a future European Minister of Economy and Finance could play a role in the governance architecture of the EU and euro area. Specifically, the Communication detailed the possible key functions of a European Minister of Economy and Finance, outlines the institutional setting in which the Minister would operate and sets out a potential timeline for the setting up of this new position.”.

The following points present some arguments raised in the public domain in favour of and against a full-time PEG:

- reduce the possible conflicts of interest due to 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 of clear EU legal framework for the new role, and
- not build on sufficient “peer support” from other Finance Ministers as the role would be somehow detached from Finance Ministers.

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