

OECD Workshop

Advancing new tools for the EU budget to foster crisis management and economic convergence

Session 3 - How can the EU favour convergence and benefit from agglomeration?

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Economic convergence in the EU



Questions arising

- Changes to cohesion policy? How to improve?
- Impetus to structural reforms? How to encourage and sustain reforms?
- Need for new instruments or tools? What focus and objectives?

Deepening EMU agenda (1)

Euro Summit statement – June 2018

"In line with the Leaders' Agenda and the outcome of its December 2017 meeting, welcoming national contributions, including the one presented by France and Germany, the Euro Summit today agreed on the following:

- [...] The Eurogroup will further discuss all the items mentioned in the letter by the Eurogroup President.*
- The Euro Summit will come back to these issues in December 2018."*

The June 2018 letter by the Eurogroup President mentioned, among others, possible instruments for convergence and stabilisation in the Economic and Monetary Union.



Deepening EMU agenda (2)

Euro Summit statement – December 2018

- *"In the context of the Multiannual Financial Framework (MFF), we mandate the Eurogroup to work on the design, modalities of implementation and timing of a budgetary instrument for convergence and competitiveness for the euro area, and ERM II Member States on a voluntary basis.*
- *It will be part of the EU budget, coherent with other EU policies, and subject to criteria and strategic guidance from the euro area Member States.*
- *We will determine its size in the context of the MFF.*
- *The features of the budgetary instrument will be agreed in June 2019.*
- *The instrument will be adopted in accordance with the legislative procedure, as foreseen by the Treaties, on the basis of the relevant Commission proposal to be amended if necessary."*



Budgetary Instrument for Convergence and Competitiveness (BICC)

Way forward

- What priorities would it finance?
 - Focusing on structural reforms?
 - Supporting investments?
 - Both aspects?
- How to ensure coherence with other EU policies?
- What type of resources? What type of conditions?
- What type of governance structure and decision-making?



Thank you!

