



Madrid, 25th June 2020

To Euro Area Ministers of Finance

Dear Minister, dear colleague,

I am hereby submitting my candidacy for the presidency of the Eurogroup.

Let me start by paying tribute to Mário Centeno for his excellent work for the past two and a half years. His leadership has been particularly important in building the necessary consensus for a strong and timely response to the COVID-19 crisis, with an agreement in record time to set up a triple safety net for sovereigns, workers and companies to face the immediate impact of the pandemic.

The end of his mandate comes at a very challenging time for all of us. The COVID-19 pandemic has hit all European countries, with consequences that go well beyond the health emergency and will cause an unprecedented disruption in economic activity, pushing all members of the euro area into a recession in 2020. Unlike the financial and sovereign debt crisis of the last decade, this time we are facing an exogenous shock which is having a deep impact on our economies.

Throughout the years, the Eurogroup has proven to be the right forum to tackle common challenges, providing an efficient and tightly knit framework for Ministers to work together in order to respond to the mandates of European leaders and provide the best possible responses. It has a central role to play in ensuring a coordinated action and shaping our policies for the future.

With the prudence required by current uncertainty, let me share four key issues we will need to address in the course of the next two and a half years.

First, we will surely need to set the ground for a strong economic recovery that leads to sustainable, inclusive economic growth and job creation within the euro area.



This crisis has confirmed what we already learnt from the previous one: close links from sharing a common currency and monetary policy tie our countries together, even closer than with the rest of the EU. We are on the same boat and actions taken in one country can have a strong impact on the stability and growth of others. Coordination is therefore needed to avoid the negative impact of diverging policies but also to benefit from the synergies and positive spillovers derived from acting together in our highly interconnected economies and societies.

Since the outbreak of the health emergency, EU institutions and governments acted fast to contain the shock, implementing quickly and effectively a set of exceptional measures intended to control the spread of the virus whilst sustaining economic activity, protecting the economic and social fabric as well as financial stability in the short-term.

As countries emerge from the lock-down and containment measures, we are entering the recovery phase, requiring an equally strong and coordinated response at national and European level to accelerate the reactivation of firms and sectors and to ensure a V-shaped recovery that brings the euro area as soon as possible back on the track of robust sustainable growth.

Decisions we take in response to this crisis will determine the shape of our Economic and Monetary Union in the coming decades. And the Eurogroup will need to play an essential role in shaping and coordinating action so that the euro area emerges stronger and more resilient from this crisis.

We therefore have a unique opportunity to accelerate the ongoing process towards sustainable and inclusive growth, quality employment, and a stronger euro area, well equipped for the future and able to bring solutions and prosperity today and for future generations. We need to act now to accelerate investments and reforms that will be crucial to increase resilience, potential growth, productivity, competitiveness, reinforce skills, create jobs and promote a fair environmental transition and digitalization. Strengthening the Single Market and the improvement of the investment and business climate will also be crucial in the recovery strategy.

In parallel to the deployment of the Next Generation EU package, still pending political agreement, euro area countries will have to put in place unprecedented plans including investments and reforms to foster the recovery. The supranational dimension needs to be brought into the equation: actions at national level have a clear impact on other Member States and on the euro area as a whole. The Eurogroup should therefore contribute to integrating this dimension into the analysis of Recovery and Resilience Plans, ensuring their consistency with euro area recommendations within a reinforced European Semester and building trust and confidence through a clear understanding of each other's policies.



This brings me to the second issue at stake: our fiscal framework. After significant progress towards the reduction of public deficit and debt levels over the last years, with no euro area country in an Excessive Deficit Procedure, the euro area finds itself again in an extraordinary situation. The escape clause of the Stability and Growth Pact has been activated to allow for measures needed to sustain economic activity while preserving the medium term sustainability of public finances. All countries will face substantial increases in deficit and debt levels in 2020. This impact will be temporary if we ensure a strong recovery. There is a broad consensus on the need to avoid withdrawing supportive policies too early. At the same time, we should design a path that ensures sustainable public finances and financial stability in the mid term. Going forward, we will need to coordinate our fiscal policies to this end.

The review of the EU economic governance framework launched by the Commission provides a timely opportunity to identify possible ways to enhance its effectiveness in delivering on its main objectives: ensuring sustainable public finances and avoiding macroeconomic imbalances, enabling closer coordination of our economic policies and promoting convergence. This exercise will help us build a more resilient euro area in the post-COVID stage, assess our common rules to make them stronger, more predictable and more transparent, and enhance our common understanding of economic policies to achieve sustainability of public finances while at the same time promoting investment and growth for a robust recovery.

Thirdly, the next two and a half years will be decisive in making further progress in strengthening the resilience of the Economic and Monetary Union, to be well prepared for future shocks. I am aware of the different sensitivities around the table and the need to work constructively in building consensus, finding balanced agreements and developing feasible and realistic solutions that can deliver a more resilient architecture.

The Banking Union is one of the pillars where significant progress has been made over the last years. Financial institutions have entered this crisis in a significantly stronger position, and are now contributing to the solutions. This pays tribute to the progress achieved. But we know this project is not yet complete. The Eurogroup has an important role to play in putting forward a coherent work-plan to design the steps towards the steady state of a stronger, more resilient EMU architecture that is able to guarantee the stability of our economies and underpins a leading currency worldwide. Progress is also needed on a Capital Markets Union that provides adequate financing for companies – big and small – to start, grow and thrive. Close and permanent dialogue with the ECB, the SSM, the SRB, EBA, ESMA and EIOPA is also indispensable.



Progress on this front will have important implications for the international role of the euro and the attractiveness of the currency for future members. Europe's response to the crisis will entail debt issuance in important volumes by the states and European institutions, bringing an unprecedented opportunity for the Eurogroup to reflect on how to promote a stronger international role for our common currency in a way that benefits our citizens, our companies and our economic sovereignty. The international scene is becoming increasingly complex and polarized and the euro area needs to play an active role.

New members will of course continue to be welcome, ensuring adequate convergence and preparedness to fulfill the commitments derived from euro area membership.

Fourthly, we will need to reflect on our working methods with a view to maximizing efficiency while reinforcing democratic legitimacy.

The extremely important role that the Eurogroup has played and will continue to play in the next two and a half years calls for a strong emphasis on transparency, communication and accountability. This is all the more so where our common European response to this crisis will drive the recovery phase. We will need to engage actively with all stakeholders. The European Parliament is a key partner in this endeavor, and I would strive to step up exchanges with our representatives. We should also enhance the dialogue with national parliaments in full coordination with Member States. Permanent communication and coordination with the Commission, the ECB, the ESM and the Council in all our work streams is warranted. We should also renew and reinforce our engagement with social partners through the Macroeconomic Dialogue.

Let me finally share some personal thoughts on the reasons for my candidacy.

During the last decade, the Eurogroup has been instrumental in putting in place an economic governance to complement the monetary union and to deliver adequate solutions to steer the euro area economies away from the crisis. When the current crisis hit, we have acted quickly and effectively, working together to avoid permanent damages to our economic structures and to preserve the sustainability of our public finances. We will certainly need to be equally efficient, creative, inclusive and constructive going forward, standing up to the challenge and moving together with confidence and mutual trust. I think the President of the Eurogroup has a leading role in this regard and my career and personal profile correspond to what is needed right now.



Beyond my experience as Vice-President and Minister in the Spanish Government, my previous professional experience and deep understanding of the European institutions provide me with a strong ability to listen, to understand nuances and different points of view, to look for ways to bridge gaps, to facilitate exchanges and engage actively with the aim of reaching balanced decisions, being creative to find the right equilibrium in complex negotiations. Those that have worked or interacted with me throughout the years know of my commitment to sound policies and deep respect for all national and European institutions.

With a strong background in economics and law, I have held high responsibilities all along my professional career in a broad number of areas including economic policy, digitalisation, finance and budgeting, financial regulation, competition and trade. This combination of knowledge and expertise at national, European and international level, provides me with the well-informed and comprehensive vision required to deal with the complex challenges ahead.

I therefore put forward my candidacy with the determination to take account of different sensitivities and to work together with all colleagues around the table to build strong consensus, to foster the common interest of the euro area and the welfare of European citizens.

There is no roadmap, no certainty about the duration and impact of this unprecedented situation; and many unforeseen challenges lie ahead but one thing is clear: we need to be more united and coordinated than ever in order to drive effective economic policies and respond to the expectations of our citizens.

It would be my honor and privilege to contribute to this very important task as President of the Eurogroup, should you decide to support my candidacy.

Yours Sincerely,

Nadia Calviño

Vice-President and Minister
for Economy and Digitalization



Dublin, 25 June 2020

Dear colleagues,

I am writing to you to put forward my candidacy to be President of the Eurogroup, and to outline my vision for our work together over the next two and a half years.

The Eurozone currently faces unprecedented challenges as a result of the public health and economic impacts of the Covid-19 pandemic. Against this backdrop, we face a complex and challenging external environment, and a shared goal of returning our economies to sustainable growth.

In the course of my three years as a member of this group, we have taken many important steps to deal with legacy issues of the last crisis and to build stability and resilience in our economies and financial systems to prepare for the future. Some of our best discussions have been when we have taken a political approach to addressing our shared challenges. Our work and our working methods support and advance the priorities of the Heads of State or Government. With your support, I am committed to building a Eurogroup that continues this approach, and is inclusive in its work.

Building Bridges

I will act as a bridge-builder between North and South, East and West, Ins and Outs, and between larger and smaller Member States, to strengthen trust and confidence between us. I will act in solidarity, and in the common interest of the Eurozone. I will be a strong pro-European voice in our discussions, both internally and with our external partners.

My vision is for an effective, inclusive and transparent Eurogroup, that is an engine for European economic recovery, prosperity and jobs.

We have shown during the current Covid 19 pandemic what can be achieved when Member States, the European Commission, ECB, EIB and ESM work together. The Eurogroup played a key role in building this common purpose.

To paraphrase Jean Monnet, one of the great strengths of Europe is that, by making people work together, it shows them there lies a common interest beyond their differences and geographical boundaries. I believe this is also true of our work in the Eurogroup.

As our focus moves to returning our economies to sustainable growth, we have a role in maintaining political will and common purpose. I also see a central role for the Eurogroup in our response to the crisis and the impacts from the recovery package, when Leaders have agreed this. This more political role - the discussions we are able to have on the Eurozone and wider European economy - complements our work in Ecofin.

An Inclusive Recovery

A key challenge will be to avoid an uneven recovery across Member States. This is clear to all of us. While the pandemic effects are symmetric, the ability of Member States to respond to them and return to growth is not. While I believe that primary responsibility for the management of our economies should continue to rest at national level, given the scale of the crisis and in solidarity with those worst hit I think it is important that we put our common interests first at this time. That is why I have supported going beyond normal economic policy or positions. This is one of the lessons Ireland learned from the last crisis.

Our focus must also be to ensure that recovery is sustainable and inclusive, by adopting a pro-growth agenda based on the green and digital transitions. As we chart our path through recovery, it will be important that we also agree a pathway back to the rules on State aid and the Stability and Growth Pact in the medium term, when conditions permit. And as part of this recovery, we must continue our work on completion of Banking Union and to make a reality of Capital Markets Union.

In our approach to this agenda, we must look beyond the present crisis, to ensure that the recovery lifts all Member States and EU citizens. We must also ensure we have the right mix of policies and instruments to provide resilience and strengthen our economies to weather future shocks. Effectively communicating to our citizens and to the European Parliament the steps we are taking in the Euro area will be a priority of my term.

We are all aware of the challenging external landscape, which the coronavirus has made more complex. We will need to defend our economic model and values, as well as our ability to act and contribute to global economic debates, while strengthening the international role of the Euro. We will also need to deepen our engagement with a range of global partners, including the United States and the United Kingdom. Brexit will bring a unique set of challenges for the European economy and we need to be ready.

This is a challenging agenda. We will doubtless face difficult political and economic choices, but we will make them together. I will work to build the trust and confidence necessary to find agreement. Mine will be a shared agenda; I will not pursue a national or regional agenda, as Ireland's record of EU Presidencies will attest. When we build trust among us, we create the space for our deputies to better manage the technical work. This will be at the heart of my working methods.

My Experience

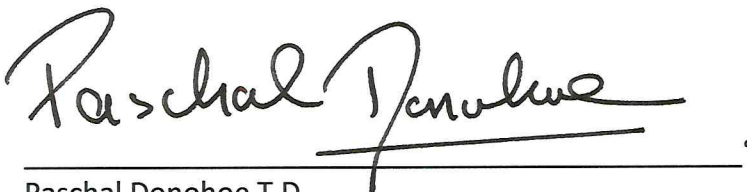
Finally, I want to say a few words about my suitability for the post of President of the Eurogroup. I understand that it is a great honour and a great responsibility.

I am one of the longest serving members of the group. As well as having been Finance Minister for three years, I have also held the posts of Minister for European Affairs, Minister for Transport, and Minister for Public Expenditure and Reform during my political career.

I am an elected politician, since 2007, from a small Member State that has been a Programme country but which has also seen its economy and society transformed beyond recognition since it joined the European Union forty-seven years ago. This has given me an understanding of the importance of solidarity, and also the concerns and challenges facing partners around the table.

Should you decide to trust me with the honour of serving as Eurogroup President, my door will be open to each of you. I will give my full attention to ensure that our group works efficiently and effectively to deliver on the wishes of its members, and in the best interest of Europe and its citizens.

Yours sincerely,

A handwritten signature in black ink, reading "Paschal Donohoe", with a horizontal line underneath.

Paschal Donohoe T.D.

Minister for Finance and Public Expenditure and Reform
IRELAND



25 June 2020

To the Ministers of Finance of the Euro Area

Dear Minister, dear colleague,

Herewith I am submitting my candidacy for the Eurogroup presidency for the next two and a half years.

Before setting out my views on the future priorities for the Eurogroup and how I would intend to lead our work in the years ahead, I would like to thank the outgoing President of the Eurogroup for his tireless efforts, particularly as he spearheaded our common response to an unprecedented crisis. Thank you, Mario!

Building on that work, we must now firmly set our sights on the future. To succeed over the long term, Europe must rapidly regain the path of recovery and revitalize its competitiveness, convergence and resilience, including by embracing the green and digital transitions. If given the opportunity, I would see this as a guiding objective throughout my mandate as Eurogroup President.

Prior to the COVID-19 outbreak, the Euro Area had already enjoyed a broad-based economic expansion. Importantly, unemployment had fallen below pre-crisis levels, benefitting citizens across all our countries. The crisis years were finally behind us, as no Euro Area country was subjected any longer to an excessive deficit procedure nor to a macroeconomic adjustment programme.

We should not downplay – as we sometimes tend to do – the significance of these achievements, which are not least the fruit of our common work in the Eurogroup. Both collectively and individually, enormous efforts have indeed been undertaken by all of us to strengthen our economies.

Today, we are confronted with a new challenge, namely that of creating the right conditions for a speedy upswing from an unprecedented sanitary crisis, which has hit everyone and has triggered an economic recession where every country suffers, some more than others. The challenge now lies in leaving no one behind and ensuring that a symmetric shock does not turn into an asymmetric recovery. Therefore, Luxembourg has openly called for more solidarity at this crucial moment. This solidarity must go hand in hand with national responsibility. The historical compromise we reached at our

Eurogroup meeting of 9 April 2020 over a package worth over € 540 billion to address the immediate economic fallout arising out of the COVID-19 pandemic struck the right balance between solidarity and the necessary sense of responsibility. An equally balanced approach will be necessary in the weeks ahead to find a consensus on the framework and scope of the upcoming recovery fund.

Naturally, the current crisis represents a considerable strain on our **public finances**. The general escape clause under the Stability and Growth Pact has been activated. This was the right choice. Yet, we are all aware of the need to ensure sustainable public finances over the medium term and I will endeavour to help striking the right balance between responsible fiscal policies and the continued need for macroeconomic stabilization.

In addition, the crisis has vividly reminded us of the **Single Market's** central importance and the strong links between our economies, especially within the Euro Area. It is in our collective interest to redouble our efforts to strengthen the Single Market, in particular the Digital Single Market, and focus on **structural reforms** that boost productivity and improve the business environment. Our thematic discussions have proven useful in this respect and should be continued.

This objective is also reflected in our continued efforts to deepen the **Economic and Monetary Union**. As a matter of immediate priority, I will seek to ensure that the Eurogroup plays its due role in the crisis response. Similarly, the ESM reform will have to be finalized swiftly, paving the way for the setup of the common backstop to the Single Resolution Fund. I would rapidly reignite our work on the **Banking Union**, whose completion will require renewed determination from all of us in discussing all elements on the table. In the same vein, the Capital Markets Union will form an integral part of the recovery to allow the financial sector to play its role in providing the necessary financing to the real economy.

Finally, I intend to continue my predecessors' work on the **transparency of the Eurogroup** to strengthen its legitimacy in the eyes of citizens. In the same spirit, I would continue the dialogue with the European Parliament and all other institutions.

Having been a member of the Eurogroup for over six years now, I am fully aware of the diversity of views on all issues. Those of you who have followed my interventions closely over the last years know very well that I carefully listen to all of you and try to identify the middle ground that is common to us. I am firmly convinced that Europe can only advance if it stands united, particularly in the face of the momentous challenges that await the continent over the next months. This is particularly true for the Eurogroup, which is the spearheading force in our European Union.

As President of the Eurogroup, I would therefore seek consensus and aim to build bridges between the North and the South, the East and the West, treating small and large Member States in an equally fair manner. I would devote my time as President of the Eurogroup to bringing all sides together and carefully consider all aspects in order to find the golden mean acceptable to all.

As a member of a three-party-coalition, which has been confirmed after the elections of October 2018, I am well accustomed to striking compromises between diverging interests, including by breaking with traditions of the past. I have spared no efforts upon taking office as Minister of Finance of Luxembourg in December 2013 to support the work towards fair and effective taxation and more transparency, including during my tenure as President of the ECOFIN Council in 2015. I am firmly convinced that my country can play a positive role in this transition, especially at a time when Europe is called upon to assume leadership in the global tax debate.

My track record as Minister of Finance in Luxembourg as well as my experience as long-standing member of the Eurogroup, coupled with a twenty-year career as diplomat, with postings in the USA and Japan, have helped me understand that strengthening the Eurogroup and the European Union as a whole is the best way to enhance the role of our so called old continent.

Our joint ability to support an even and sustainable recovery for all of us will prove pivotal in breathing new life in our European project, of which our common currency is the most palpable symbol to date.

Together with you, the European Commission, the European Central Bank, the European Stability Mechanism and all other partners and institutions, I am ready and motivated to dedicate the necessary energy and time to this ambitious task and I would like to thank you all for your consideration and support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'P. Gramegna', with a stylized flourish at the end.

Pierre Gramegna