Economic governance and Article 9 of the Treaty of Lisbon

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The Council took note of work in progress since the October meeting of the European Council on legislative proposals aimed at strengthening the EU's economic governance provisions.

It encouraged Member States to continue work within the Council's ad hoc working group, with a view to enabling the Council to reach agreement on the proposals as rapidly as possible.

On 28 and 29 October, the European Council endorsed the final report from a task force established in March to devise proposals to provide for better budgetary discipline in Member States and a budgetary crisis resolution framework at EU level. Further to this:

- as regards **budgetary discipline and the coordination of economic policies**, it called on the Council and the European Parliament to reach agreement on the ensuing legislation by the summer of 2011, on the basis of the Commission's proposals, so as to enable rapid and effective implementation of the task force's recommendations;
- on **budgetary crisis resolution**, further to the work of the task force, the European Council asked its President to undertake consultations on a **limited change to the EU treaties in order to establish a permanent mechanism** to safeguard the financial stability of the euro area. It will return to this at its meeting on 16 and 17 December with a view to taking a final decision both on the outline of a crisis mechanism and on a limited treaty amendment.

The proposals currently being examined within the Council deal in particular with budgetary discipline in the Member States and the coordination of economic policies.