

Economic governance: implementation of the excessive deficit procedure. 'Six pack'

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The Council took note of a **report from the presidency on progress in negotiations with the European Parliament** on a package of legislative proposals on economic governance.

Taking note of the views expressed by delegations, the presidency called on all parties to remain constructive and show the degree of flexibility that will be necessary to enable an agreement to be reached in June, as called for by the European Council.

The proposals set out:

- **to strengthen economic governance in the EU** – and more specifically within the euro area – as part of the EU's response to the challenges highlighted by recent turmoil on sovereign debt markets. The Council reached agreement on a general approach in March, opening the way for the negotiations with the Parliament;
- **to enhance budgetary discipline in the Member States and broaden the surveillance of their economic policies**, thus implementing the recommendations of a task force chaired by the President of the European Council, Herman Van Rompuy.

The package consists of:

- a [draft regulation](#) amending Regulation (EC) No 1466/97 on the surveillance and coordination of Member States' budgetary and economic policies;
- a [draft regulation](#) amending Regulation (EC) No 1467/97 on the excessive deficit procedure;
- a [draft regulation](#) on the enforcement of budgetary surveillance in the euro area;
- a [draft regulation](#) on the prevention and correction of macroeconomic imbalances;
- a [draft regulation](#) on enforcement measures to correct excessive macroeconomic imbalances in the euro area;
- a [draft directive](#) on requirements for the Member States' budgetary frameworks.

Four of the proposals deal with reform of the **EU's Stability and Growth Pact**, enhancing the surveillance of fiscal policies, introducing provisions on national fiscal frameworks, and applying enforcement measures for non-compliant Member States more consistently and at an earlier stage. The other two proposals target **macroeconomic imbalances** within the EU.