



Eurogroup
The President

Lisbon, 06 May 2020

Dear Presidents,

Thank you very much for your letter of 7 April.

I fully share your concerns about the grave situation that the EU finds itself in as a result of the coronavirus pandemic. Covid19 is not just an acute and unprecedented health crisis, it has also triggered the worst economic downturn since the Great Depression.

As you pointed out, an exceptional effort to mobilise resources and investment is required to mitigate the socio-economic fallout of this crisis and rebuild our economies in the spirit of solidarity. Indeed, national governments and parliaments have taken swift and encompassing measures to support the economy. However, as Covid19 is an external shock affecting the entire euro area, it calls for coordinated and joint action by the member states to safeguard the smooth functioning of the single market and the Economic and Monetary Union.

This is what the Eurogroup has been working on in recent weeks. At its meeting of 9 April, the Eurogroup reached an agreement on a series of proposals in the context of a comprehensive and coordinated response. The proposals are outlined in a report by the Eurogroup and are intended to complement the national efforts and the initiatives by EU institutions.

They include important joint safety nets for workers, businesses and sovereigns. Taken together, these proposals can provide up to € 540bn of funding, building on our collective financial strength and on European solidarity. Work is underway to operationalise these proposals in the coming weeks, in line with the conclusions of the President of the European Council following the video conference of the members of the European Council on 23 April.

In addition, the Eurogroup has agreed that work be conducted on a temporary and targeted Recovery Fund to spread the extraordinary costs of the current crisis over time, while ensuring solidarity with the most affected member states. It would fund EU programmes in line with EU priorities through appropriate financing, with an openness to discuss financing sources and innovative financial instruments.

The Commission has been asked to analyse the exact needs and to urgently come up with a proposal that is commensurate with the present challenge and that clarifies the link with the EU's Multiannual Financial Framework.

The Eurogroup will contribute to this workstream as appropriate. It will continue to closely monitor the economic situation and help prepare the ground for a robust economic recovery.

Finally, I fully agree that national parliaments should play an active role in this debate. You can count on my full support to this end.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Mario Monti', is written below the closing text.