



Helsinki, 4 March 2011

The Heads of State or Government and Party Leaders of the European People's Party emphasise the need to come to a timely agreement on a comprehensive strategy that safeguards financial stability, economic growth and improved employment in Europe.

The comprehensive strategy should be based on five pillars:

- I Agreement on the **necessary immediate measures to safeguard financial stability in the euro area**, including measures needed to strengthen the European Financial Stability Facility to ensure its effectiveness if needed. Member States need to continue to make efforts to return to sustainable public finances. We encourage a periodical re-evaluation of EU and international assistance, which may lead to possible amendments of the packages in place. This can be pursued upon reaching agreed benchmarks. Possible measures to ensure the continued successful implementation of the Greek and Irish programmes should also fall under this category. We recognize that measures taken as part of consolidation plans need certain adjustments at national levels.
- II Agreement on the main features of the permanent crisis management tool for the euro area, the **European Stability Mechanism**, that will become operational after June 2013. This agreement will have to specify, i.a., the details of private sector involvement in any future crisis resolution so as to limit future burden sharing by European taxpayers'. The purpose of the mechanism is to safeguard the stability of the euro area as a whole. The granting of financial assistance under the mechanism will be made subject to strict conditionality. It can only be used to contain an acute financial crisis and each Member State will remain solely responsible for managing its public finances in a sound and responsible way.
- III Agreement in the Council on the **legislative package on improved economic governance** and a commitment to work swiftly with the European Parliament to reach final agreement before the summer. This will ensure that the new governance structure is fully operational at the beginning of 2012. The operationalisation of numerical benchmarks and procedures for those who are not able to fulfil them, along with all other relevant factors, will be the key elements for improving the credibility of EU economic governance.
- IV Agreement on the introduction of enhanced economic policy coordination in the euro area. We therefore propose a **pact for competitiveness**. Improving competitiveness is key to future economic growth, which means that the euro area Member States must be ready to put all their measures up for analysis, even if they fall within national competences. This shall be achieved through both structural reforms and fiscal consolidation, in order to improve our competitiveness and strengthen the prospects for economic growth. We need to create jobs, increase productivity and ensure sustainable public finances in the long run. To avoid overlaps, these processes should be monitored by the European Commission and the parts of the pact that are in the Union's competence should be prepared by the community method. It is also important to define procedures for cases, where development is lagging from what has been agreed. We support the reinforcement of the Stability and Growth Pact and believe it needs to be en-

forced more consistently and at earlier stages. Clear sanction mechanisms need to be in place for Member States that do not comply with the rules of the Pact. We need to ensure fiscal discipline and address excessive imbalances within the EU.

V Non-euro area Member States will be invited to participate in all the measures on a voluntary basis.

The EPP Heads of State or Government are committed to reaching a balanced agreement on all aspects of the comprehensive strategy at the March 24-25 European Council and call on the other Members of the European Council to adopt a similarly constructive approach.
