

Economic governance: common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit in the euro area. 'Two pack'

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The Council agreed a general approach on two draft regulations on economic governance, namely:

- a regulation for enhanced monitoring and assessment of draft budgetary plans of euro area member states, especially those subject to an excessive deficit procedure;
- a [regulation](#) on enhanced surveillance of euro area member states that are experiencing severe financial disturbance or request financial assistance.

This will enable the presidency, on behalf of the Council, to start negotiations with the European Parliament, with a view to reaching agreement at first reading before the end of the Danish presidency.

The two regulations would introduce provisions for enhanced monitoring of euro area countries' budgetary policies:

- Member states would be required to submit annually to the Council and the Commission their draft budgetary plans for the next year by 15 October.
- Closer monitoring would apply to member states in excessive deficit procedure in order to enable the Commission to better assess whether there is a risk of non-compliance with the deadline to correct the excessive deficit.

Member states experiencing severe difficulties with regard to their financial stability or receiving financial assistance on a precautionary basis would be subject to even tighter monitoring than member states in excessive deficit procedure.