

President Donohoe and Eurogroup discuss Europe's response to COVID-19

From [Department of Finance](#)

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Today's (Friday) Eurogroup meeting was chaired by President of the Eurogroup and Irish Minister for Finance, Paschal Donohoe T.D.

Finance Ministers followed up from international IMF and World Bank meetings last week and addressed the European response to COVID-19 and efforts deployed both on the vaccination and the economic front to tackle the pandemic.

There is consensus at Eurogroup on the need to continue to deliver supportive budgetary measures through 2021 and 2022 and as long as the health emergency persists. The priority is to remain agile, and to continue to help citizens in Europe and around the world beat the virus and its variants.

Minister Donohoe said:

‘We are fully focused on fighting the pandemic. The pace of vaccination is picking up fast so we are increasingly confident about the outlook: we expect growth of around 4% this year and a return to pre-pandemic levels next year in the euro area as a whole. The EU and its Member States have co-ordinated to put in place an extraordinary level of support for citizens and businesses, protecting livelihoods and ensuring that the economy bounces back as soon as restrictions are relaxed. We are committed to keep fiscal support in place, implement our common Recovery and Resilience Facility and adjust our response as needs arise’.

Euro area Finance Ministers welcomed the ECB's public consultation on a digital euro. The unprecedented response to the ECB's public consultation (8,000 responses) demonstrates the importance of this work to citizens. This work will require ongoing political and regulatory attention.

Euro area Finance Ministers also discussed insolvency frameworks. Effective and efficient insolvency frameworks are important to ensure the economic recovery, more robust growth and deeper financial integration within the euro area in the future.

In inclusive format, with all 27 Finance Ministers, the Eurogroup discussed the next steps to complete Banking Union. Reforms in recent years have improved the resilience of the EU banking sector, which has helped to mitigate and absorb the impact of COVID-19 on the EU economy. Good progress was made to introduce further safety nets and reforms in November 2020. Finance Ministers will continue their efforts to find consensus and develop a workplan

on Banking Union to be presented to the Heads of State and Government at the next Euro Summit in June 2021.

At the ECOFIN meeting the same day, Minister Donohoe presented on the Recovery and Resilience Plan. The Recovery and Resilience Fund provides a window of opportunity for all EU Member States to channel investment into areas where it is needed the most, and to support growth-enhancing reforms thereby contributing to fiscal sustainability. Minister Donohoe outlined that he has identified the following priority areas for reform and investment:

- Advancing the green transition;
- Accelerating and expanding digital reforms and transformation;
- Social and economic recovery and job creation.