<table>
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<tbody>
<tr>
<td>1 Goals specified; More binding</td>
<td>International agreement on reinforced economic union</td>
<td>International agreement on reinforced economic union</td>
<td>Treaty on stability, co-ordination and governance in the economic and monetary union</td>
<td>Treaty on stability, co-ordination and governance in the economic and monetary union</td>
<td>Treaty on stability, co-ordination and governance in the economic and monetary union</td>
<td>(No change)</td>
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<tr>
<td>2 Goals added</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>added: &quot;WELCOMING the legislative proposals made by the European Commission [... on 23 November 2011]&quot;</td>
<td>(No change)</td>
<td>(No change)</td>
<td>(No change)</td>
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<td>3 see Article 3(3) below</td>
<td>NOTING in particular, that, for the application of the budgetary “Balanced Budget Rule” [...], this monitoring will be made through the setting up of country specific medium term objectives and of calendars of convergence, as appropriate, for each Contracting Party.</td>
<td>(no change)</td>
<td>[..., for each Contracting Party. Temporary deviation from the medium-term objective will only be allowed in cases of unusual event outside the control of the contracting party, with a major impact on the financial position of the general government or in periods of severe economic downturn for the euro area, the EU or the concerned Contracting party as defined in the revised Stability and Growth Pact.</td>
<td>(No change)</td>
<td>(No change)</td>
<td>(No change)</td>
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<td>4</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no change)</td>
<td>(no change)</td>
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<td>5</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>added: NOTING that sufficient progress towards the medium term objectives should be evaluated on the basis of an overall assessment with the structural balance as a reference, including an analysis of expenditure net of discretionary revenue measures, in line with the provisions specified under the law of the Union, in particular Regulation (EC) No. 1466/97, as amended by Regulation (EC) No. 1175/2011</td>
<td>(no provision)</td>
<td>(No change)</td>
<td>(No change)</td>
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<td>6</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no change)</td>
<td>(No change)</td>
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<td>7 Means specified</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>added: &quot;RECALLING that Article 168 of the Treaty on the Functioning of the European Union empowers the Court of Justice of the European Union to impose the payment of a lump sum or penalty on a Member State of the European Union having failed to comply with one of its judgments,&quot;</td>
<td>(No change)</td>
<td>(No change)</td>
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<td>8</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>added: &quot;NOTING that the smooth functioning of the Economic and Monetary Union makes it necessary that the Contracting Parties work jointly towards an economic policy where, whilst building upon the mechanisms of economic policy coordination as defined in the European Union Treaties, they take the necessary actions and measures in all the domains which are essential to the good functioning of the euro area,&quot;</td>
<td>(No change)</td>
<td>(No change)</td>
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<td>9 Means specified; enhanced cooperation emphasized</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>added: &quot;NOTING, in particular, the wish of the Contracting Parties to make more active use of enhanced cooperation [...], without undermining the internal market, as well as to make full recourse to measures specific to the Member States whose currency is the euro pursuant to Article 136 [TUEU]...&quot;</td>
<td>(No change)</td>
<td>(No change)</td>
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<td>10 Ratification condition added</td>
<td>STRESSING the importance of the Treaty establishing the European Stability Mechanism as an element of a global strategy to strengthen the Economic and Monetary Union,</td>
<td>(No changes)</td>
<td>added: &quot;and POINTING OUT that compliance with Article 3(2) shall be considered as a condition for the granting of assistance under the European Stability Mechanism as soon as the transposition period mentioned in Article 3(2) has expired,&quot;</td>
<td>(No changes)</td>
<td>(No changes)</td>
<td>(No changes)</td>
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<td>11</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>(no provision)</td>
<td>added: &quot;POINTING OUT that the granting of assistance in the framework of new programmes under the European Stability Mechanism will be conditional, as of 1 March 2013, on the ratification of this Treaty by the Contracting Party concerned and, as soon as the transposition period mentioned in Article 3(2) has expired, on compliance with the requirements of this Article.&quot;</td>
<td>(No changes)</td>
<td>(No changes)</td>
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</table>
**Title I: PURPOSE AND SCOPE**

**Article 1 (1):** Purpose

| IMPORTANT | “agree to strengthen their budgetary discipline and to reinforce their economic policy coordination and governance.” | “agree on a ‘fiscal compact’ and on a stronger coordination of economic policies, involving an enhanced governance to foster fiscal discipline and deeper integration in the internal market as well as stronger growth, enhanced competitiveness and social cohesion.” | “agree […] to strengthen the economic pillar of the Economic and Monetary Union by adopting a set of rules intended to foster budgetary discipline through a fiscal compact and to strengthen the coordination of economic policies and to improve the governance of the euro area, thereby supporting the achievement of the European Union’s objectives for sustainable growth and employment.” |

| No change | No change | No change |

**Article 2 (2):** Consistency and Relationship with the EU law

| IMPORTANT | “In accordance with the case law of the Court of Justice of the European Union, European Union law has precedence over the provisions of this Treaty.” |

| (No change) | (No change) | (No change) |

**Title II: CONSISTENCY AND RELATIONSHIP WITH THE LAW OF THE UNION**

**Article 1 (1):** balanced budget rule

| IMPORTANT | “the country-specific reference value shall not exceed 0.5% of nominal GDP.” | “[…] and where risks in terms of long-term sustainability of public finances are low […] under point b) can reach a deficit of maximum 1.0 % of the gross domestic product at market prices.” |

| (No change) | (No change) |

**Article 3 (2):** Transposition at the national level

| IMPORTANT | “The rules mentioned […] shall be introduced in national binding provisions of constitutional or equivalent nature.” | “The rules mentioned […] shall take effect in the national law of the Contracting Parties within one year of the entry into force of this Treaty through provisions of binding force and permanent character, preferably constitutional, that are guaranteed to be respected throughout the national budgetary processes. The Contracting Parties shall in particular put in place at national level, on the basis of principles agreed on a proposal from the European Commission, a correction mechanism to be triggered automatically in the event of significant deviations from the medium term objective or the adjustment path towards it, as specified under the law of the Union.” |

| (No change) | (No change) |

**Article 3 (3):** exceptional circumstances/ temporary deviation

| IMPORTANT | “[…] in addition, ‘annual structural deficit of the general government’ means the cyclically-adjusted deficit net of one-off and temporary measures; ‘exceptional economic circumstances’ means an unusual or temporary change in the structural position of the Contracting Party concerned, which has a major impact on the financial position of the government.” |

| (No change) | (No change) |

**Article 4: debt reduction, debt brake rule, or 1/20 rule**

| IMPORTANT | “When the ratio of their government debt to gross domestic product exceeds the 60 % reference value mentioned under Article 1 of Protocol No 12, the Contracting Parties undertake to reduce it at an average rate of one twentieth per year as a benchmark.” |

| (No major changes) | (No major changes) | (No major changes) |

| IMPORTANT | “[…] in the event of significant deviations from the reference value or the adjustment path towards it, as specified under the law of the Union.” |

| (No major changes) | (No major changes) | (No major changes) |

**Article 5 (1): automatic correction mechanism**

| IMPORTANT | “such programmes shall be submitted to the European Commission and the Council.” |

| (No major changes) | (No major changes) | (No major changes) |

**Article 5 (2):**

| IMPORTANT | “Added: The implementation of the programme, and the yearly budgetary plans consistent with it, will be monitored by the Commission and by the Council.” |

| (No changes) | (No changes) | (No changes) |
Article 6: debt issuance

The Contracting Parties shall improve the reporting of their national debt issuance. For that purpose they shall report ex-ante on their national debt issuance plans to the European Commission and to the Council.

Article 7: reverse qualified majority

3rd draft: Limiting its scope to national deficits and not to include national debt (that’s demand)

"The Contracting Parties whose currency is the euro undertake to support proposals or recommendation put forward by the Commission where a Member State whose currency is the euro is recognized by the Commission to be in breach of the 3% ceiling in the framework of an excessive deficit procedure, unless a qualified majority of them is of another view."

Article 8 (1): Member states which consider that another member state has failed to comply... [EC]

The Commission acting “on behalf of the Contracting Parties” (2nd draft) to non-compliance before the EC, was downsized to reporting role with some kind of peer review between the Contracting Parties

"Any Contracting Party which considers that another Contracting Party has failed to comply with Article 3(2) may bring the matter before the Court of Justice of the European Union.

For that purpose they shall report ex-ante to the enhanced recourse, whenever appropriate and necessary, to the enhanced cooperation on matters which are essential for the smooth functioning of the euro area, without undermining the internal market.

"[...] Contracting Parties undertake to make recourse, whenever appropriate and necessary, to the enhanced cooperation on matters that are essential for the smooth functioning of the euro area, without undermining the internal market.

Article 9

Since the 4th draft, the Euro Plus Pacts not explicitly mentioned any longer cf. See Adelina Marsili on the softening change from 1st to 2nd draft.

"Without prejudice to the economic policy coordination as defined in the Treaty on the Functioning of the European Union, the Contracting Parties undertake to work jointly towards an economic policy fostering growth through enhanced convergence and competitiveness and improving the functioning of the Economic and Monetary Union. To this aim, they will take all necessary action, including through the Euro Plus Pact."

"[...] to measures specific to those Member States whose currency is the euro as provided for in article 136 TFEU and to the enhanced cooperation on matters [...]"

"[...] to the enhanced cooperation as provided for in Article 20 of the Treaty on European Union and in Articles 326 to 334 of the Treaty on the Functioning of the European Union on matters [...]"

"Working towards a more closely coordinated economic policy [...]"

"The Contracting Parties stand ready to make active use, whenever appropriate and necessary, of measures specific to those Member States whose currency is the euro [...]"
**Title V: GOVERNANCE OF THE EURO AREA**

<table>
<thead>
<tr>
<th>Article 12</th>
<th>Participants in Euro summit meetings [Article 13 in the 1st draft]</th>
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<tbody>
<tr>
<td>28</td>
<td>“The Heads of State or Government of the Contracting Parties whose currency is the euro, together with the President of the European Commission shall meet informally in Euro Summit meetings. The President of the European Central Bank shall be invited to take part in such meetings.”</td>
</tr>
<tr>
<td>29</td>
<td>Euro Summit meetings shall take place, when necessary, and at least twice a year, to discuss questions related to the specific responsibilities of Member States sharing the common currency. Other issues concerning the governance of the euro area and the rules that apply to it, and in particular strategic orientations for the conduct of economic policies and for improved competitiveness and increased convergence in the euro area.</td>
</tr>
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</table>

**Article 12 (2): Number of Euro summit meetings [Article 13 in the 1st draft]**

| 30         | “In order to discuss specific issues concerning the implementation of this Treaty, the President of the Euro Summit will, when appropriate and at least once a year, the Heads of State or Government of the Contracting Parties whose currency is the euro who have ratified this Treaty and have declared their intention to be bound by some of its provisions in accordance with Article 14(1) of the Treaty of the Euro Summit.” |

**Article 12 (3): Contracting parties whose currency is not the euro (New in fourth draft) [Article 12(6) in 4th and 5th draft]**

| 31         | “Representatives of the relevant committees of the national Parliaments and representatives of the relevant committees of the European Parliament.” |

**Article 13: National parliaments [Article 12 in the 1st draft]**

| 32         | “Representatives of the committees of the national Parliaments and representatives of the relevant committees of the European Parliament.” |

| Article 14 (2): Treaty will enter into force. [Important Change] |
|------------|---------------------------------------------------------------|
| 33         | “This Agreement shall enter into force on the first day of the month following the deposit of the nineth instrument of ratification by a Contracting Party whose currency is the euro.” |

**Article 15: Open to accession**

| 34         | This Treaty shall be open to accession by Member States of the European Union other than the Contracting Parties upon application that any such Member State may file with the Depositary. The Contracting parties shall approve the application by common agreement. Following such approval, the applicant Member State shall accede upon the deposit of the instruments of accession with the Depositary, who shall notify the other Contracting Parties thereof. |

**Article 16: To be incorporated into EU treaties... [former Article 14] [Important]**

| 35         | “Within five years at most following the entry into force, [...] the necessary steps shall be taken [...] with the aim of incorporating the substance of this Treaty [...] to the legal framework.” |