European Semester 2019 Spring Package and EU budget 2020

European Semester 2019 Spring Package

The European Commission presented today the 2019 country-specific recommendations, giving economic policy guidance to all EU Member States for the next 12 to 18 months. The Commission calls on Member States to build on the progress made in recent years in pursuing effective structural reforms, well-targeted investment strategies and responsible fiscal policies as a successful compass for modernising the European economy. The country-specific recommendations for 2019 include a stronger focus on identifying and prioritising investment needs at national level and pay special attention to regional and territorial disparities.

The content of the recommendations reflects the overall priorities set out in the Annual Growth Survey 2019 and the 2019 recommendation on the economic policy for the euro area issued in November. They draw on the detailed analysis of the country reports published in February and the assessment of the national programmes presented in April. The slowdown in global growth reinforces the need to pursue structural reforms, prioritising those aimed at sustainable and inclusive growth. Member States should advance social convergence in line with the European Pillar of Social Rights. In line with the euro area recommendation, Member States should also proceed towards a more symmetric rebalancing across the euro area and continue their efforts to strengthen the Single Market and deepen Europe's Economic and Monetary Union.

The Commission also adopted reports for Belgium, France, Italy and Cyprus under <u>Article 126(3) of the Treaty on the Functioning of the EU (TFEU</u>), in which it reviews their compliance with the deficit and debt criteria of the Treaty. For Italy, the report concludes that a debt-based EDP is warranted.

Hungary and Romania have been subject to <u>Significant Deviation</u> <u>Procedure</u> since 2018 and 2017 respectively. The Commission today addressed a warning to Hungary and Romania that a significant deviation was observed in 2018 and recommends to the Council to recommend they correct the significant observed deviation.

The Commission also adopted today the <u>third report for Greece under the</u> <u>Enhanced Surveillance framework</u> that was put in place following the conclusion of the European Stability Mechanism stability support programme. The report notes that Greece has made a reasonable start to the post programme environment since August 2018, but finds that reform implementation in Greece has slowed in recent months, and that the consistency of some measures with commitments given to European partners is not assured and poses risks to the achievement of agreed fiscal targets.

EU budget 2020

The European Commission has today proposed an EU budget of €168.3 billion for 2020 for a more competitive European economy, and for solidarity and security in the EU and beyond. This budget is the seventh and last one under the current 2014-2020 long-term EU budget. It is designed to optimise funding for existing programmes as well as new initiatives and to boost the European added value in line with the Juncker Commission's priorities.

According to the Commission's proposal, the money under the 2020 budget will go to the following priority areas: competitive economy and young people; and strengthening security and solidarity in the EU, climate change and beyond.

21% of the overall proposed budget for 2020 will go to tackle climate change. This aligns with the ambitious target of spending 20% of the EU's current long-term budget on activities that address climate change. More than &83 billion in commitments will boost economic growth, European regions and will support young people.

Pending legislative proposals

First Vice-President Frans Timmermans informed the College about the ongoing legislative files that could still be delivered before the end of the mandate of this Commission. Altogether, this Commission has made 474 proposals which includes 44 presented by previous Commissions. Of these, 351 proposals have been adopted or agreed by the European Parliament and/or the Council during the present mandate. This means that 167 proposals remain to be agreed at this point, of which about half have a chance of agreement before 31 of October.

Related links

Memo on the European Semester 2019 Spring Package

Chapeau Communication on the country-specific recommendations 2019

Country-specific recommendations 2019

Abrogation of the Excessive Deficit Procedure for Spain

Reports under Article 126 (3) TFEU for Belgium, France, Italy, Cyprus

Significant Deviation Procedure for Hungary and Romania

Third Enhanced Surveillance Report for Greece

EPSAS Progress Report 2019

European Economic Forecast Spring 2019

European Semester timeline

Recommendation for the euro area 2019

European Semester Winter Package 2019

European Semester Autumn 2018 Package

- European Pillar of Social Rights
- The EU Economic Governance Explained
- Draft EU budget 2020 Questions and Answers
- Draft EU budget 2020 documents
- Programmes' Performance Overview (2018)
- Factsheet Draft EU budget 2020
- Factsheet Programmes' Performance Overview
- <u>Commission proposal for EU's next long-term budget</u>
- EU budget at a glance

Photo report