BRIEFING

European Parliament

Country-Specific Recommendations in banking - June 2018

Financial sector reforms have been flagged by the Commission in its Communication on the 2018 European Semester as the policy area where Member States have made the most progress during last year. This briefing focuses on the banking recommendations addressed by the Council to individual Member States within the framework of the European Semester over the past years (2011-2018). It takes a rather broad approach and covers all recommendations targeting individual Member States' banking sectors from a financial stability perspective or in respect of the financing of their economies and access to finance. It takes stock of these banking relevant country-specific recommendations issued since 2011, looks in detail at the main topics addressed and gives an overview of the implementation by Member States as assessed by the Commission. The briefing is regularly updated.

1. Overview of the Banking CSRs

Over the period 2011-2018 the Council has addressed 103 country-specific recommendations (CSRs) to Member States relating to banking services and financial stability (hereafter 'banking CSRs'). Altogether, 20 Member States have been targeted in this respect over the period under review, of which 13 belong to the euro area (see Chart 1 overleaf). The 2018 CSRs have been proposed by Commission on 23 May 2018 and are expected to be adopted by the Council in July 2018.

It should be noted that Member States under a macroeconomic adjustment programme are not subject to the European Semester surveillance framework. Instead programme conditionality is enshrined in a specific Memorandum of Understanding. Hence Greece has never received any recommendation as part of the Semester; Cyprus received banking CSRs in 2011 and 2012 (i.e. before the start of its programme in 2013) and then again in 2016, 2017 and 2018 (following the completion of the programme); and Ireland started receiving recommendations in 2014 after exiting its programme in 2013. As an exception, Spain has always been integrated into the European Semester, on account of the narrow scope, small size and short duration of the Spanish programme (recapitalisation and restructuring of the banking sector). In addition, Romania has not

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received CSRs as part of the European Semester respectively in 2011 and 2012 and Latvia in 2011 since those Member States benefitted from Balance of Payment assistance.

In general, Member States that have received banking CSRs have been targeted several years in a row. There are very few cases, e. g. Denmark in 2011 and Romania in 2013, of banking CSRs being issued on a 'one-off' basis. Since 2011, one Member State has received a banking CSR each year, i.e. eight years in a row (Sweden) and seven Member States have never received any CSRs relating to their banking sector (the Czech Republic, Estonia, France, Lithuania, Luxembourg, Poland, and Slovakia) [1].

Chart 1: Banking CSRs by Member State

																	2018		
														2018			2017	2017	
											2018			2017			2016	2016	2017
		2018	2018			2015				2018	2017		2018	2016		2018	2015	2015	2015
2015		2017	2017	2014		2014			2015	2017	2016		2017	2015		2017	2014	2014	2014
2014		2016	2016	2013		2013		2016	2014	2016	2015		2015	2014		2016	2013	2013	2013
2013	2012	2015	2012	2012	2012	2012	2018	2015	2013	2015	2014	2016	2013	2013		2015	2012	2012	2012
2012	2011	2013	2011	2011	2011	2011	2017	2014	2011	2014	2013	2013	2012	2012	2013	2014	2011	2011	2011
AT	BE	BG	CY	DE	DK	ES	FI	HR	HU	IE	IT	LV	MT	NL	RO	PT	SE	SI	UK

Source: EGOV based on CSRs adopted by the Council (2011-17) and 2018 CSRs proposed by the Commission (pending adoption in July 2018). Please note that CSRs that are issued for a given Member State several years in a row can address either a persisting, moving or new banking problem.

2. Topics addressed by banking CSRs

It is possible to identify recurring topics in banking CSRs. Four main themes are particularly prominent:

- CSRs addressing *structural weaknesses* in Member States' banking systems (aimed at enhancing banking supervision, strengthening banks' capital adequacy where structurally low or fostering the restructuring of the banking sector, for example);
- CSRs pointing to the high level of *non-performing loans* (NPLs) on bank balance sheets and/or to the shortcomings of *national insolvency frameworks.* While closely interrelated to structural weakness (i.e. capital adequacy, efficiency of the insolvency framework), those CSRs are singled out in this paper given the importance attached to those reforms over the past years (see below);
- CSRs addressing *cyclical vulnerabilities* such as overvalued housing prices owing to excessive credit growth (a housing bubble);
- CSRs relating to *access to finance* and the financing of the economy.

The focus of banking CSRs has evolved over time. In the early days of the European Semester, in 2011-2012, priority was clearly given to the stabilisation of the financial system in general. Many recommendations targeted the quality of banking supervision or recapitalisation needs of the banking system (structural weaknesses) in the aftermath of the financial crisis. In more recent years, the focus has shifted to access to finance and growth, and to the need to reduce the amount of NPLs on bank balance sheets in order to free up lending capacity.

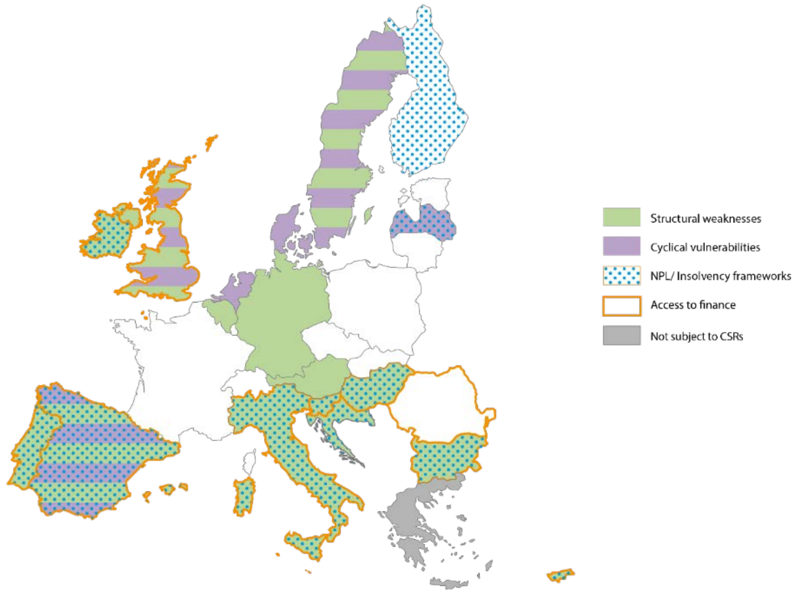
[1] The briefing focuses only on the banking CSRs as proposed by the Commission and adopted by the Council; it doesn't discuss whether these CRSs are comprehensive.

The establishment of the Banking Union in 2014 marked a turning point as regards the scope of banking CSRs: since then, far fewer banking CSRs relating to structural weaknesses have been issued to euro area Member States. Banking CSRs focus more on NPLs and insolvency frameworks. In terms of supervisory framework, the 2018 CSRs addresses the "*effective enforcement of the Anti-Money Laundering framework*" in Malta, which does not fall within the Banking Union's remits; for more information, see the EGOV briefing on recent cases of money laundering.

Addressing NPLs and deficiencies of Member States' insolvency framework is now a priority of the Semester. The Commission communication of 24 November 2015 entitled 'Towards the completion of the Banking Union' confirmed that: '*In the context of the European semester the Commission will also call for increased attention from Member States to settle NPLs, including by upgrading insolvency regimes towards best practices*.' The January 2018 Commission progress report on the reduction of NPL emphasised that the Commission intends to consistently mention this matter, in the context of the European Semester as "*the primary responsibility for tackling high NPL ratios remains with the affected banks and Member States*". The Council addressed a recommendation relating to NPLs to Cyprus, Croatia, Ireland, Italy, Latvia, Portugal, Slovenia in 2016, to Bulgaria, Cyprus, Ireland, Italy, Portugal, Slovenia in 2017 and to Bulgaria, Cyprus, Ireland and Italy in 2018. A detailed overview of the areas of concern by Member State can be found in Annex 2.

A certain geographical divide can be identified with cyclical vulnerabilities in the north of the EU and structural weaknesses including NPLs further south. It appears that recommendations relating to cyclical vulnerabilities and excessive credit growth and/or private-sector debt have been predominantly addressed to Member States in the northern part of Europe - with the exception of Spain in 2012: the United Kingdom, the Netherlands, Denmark, Sweden and Latvia. The 2018 CSRs proposed by the Commission address cyclical vulnerabilities in the Netherlands and Sweden. Member States further south have received recommendations targeting the structural weaknesses of their banking systems instead, i.e. weaknesses in banking supervision or banks' governance, banks' insufficient levels of capital, and the need to restructure the small and medium-size banking sector or to reduce the high level of NPLs (Bulgaria, Cyprus, Italy, Portugal, Spain). A noteworthy exception is Germany, which has been recommended several times to restructure its *Landesbanken* sector.

Figure 1: Banking sub-CSRs broken down by category during the period 2011-18



Source: EGOV based on 2011-17 CSRs and draft 2018 CSRs.

3. Implementation of banking CSRs

Compared with the average implementation rate for all general CSRs, the **level of implementation of policies addressed in the banking CSRs, as assessed by the Commission in its country reports since 2012, was overall reasonably satisfactory until 2015**; the level of implementation of banking CSRs declined sharply in 2016 (see Table 1 below and the EGOV briefings covering 2017 CSRs, 2016 CSRs, 2015 CSRs, 2014 CSRs and 2013 CSRs).

Over the period 2012-2017, the percentage of banking CSRs[2] that led to no or limited progress amounted to 25.7 %. As shown in Table 1, the implementation rate of banking CSRs has varied over time. In the early days of the Semester, the implementation rate was low, with only 11.8 % of the 2012 CSRs fully or substantially implemented. The implementation rate reached a peak in the years 2013-15, with 43.9 % of the 2014 banking CSRs fully or substantially implemented. In 2016, no banking CSRs were in that category. In 2017, 12.0 % banking CSRs were substantially or fully implemented.

In 2017, financial sector reforms have been flagged by the Commission in its Communication **on the 2018 European Semester as the policy area where Member States have made the most progress**, "*by improving financial conditions, facilitating a durable resolution of non-performing loans and improving banking supervision*" (see Box 1). As shown in table 1, the level of implementation of banking CSRs (full/substantial and some progress) in 2017 is on average well above the general implementation level.

Table 1: (a) Comparison of the implementation of all CSRs and banking CSRs

Year / CSRs	Full/Substantial		Some		No/Limited	
	Banking	All	Banking	All	Banking	All
2017	12.0 %	1.3 %	64.0 %	48.7 %	24.0 %	50.0 %
2016	0.0 %	2.3 %	56.0 %	43.0 %	44.0 %	54.7 %
2015	32.3 %	4.2 %	51.6 %	44.2 %	16.1 %	51.6%
2014	43.9 %	6.4 %	31.7 %	44.6 %	24.4 %	49.0 %
2013	34.4 %	9.2 %	28.1 %	44.7 %	37.5 %	46.1 %
2012	11.8 %	11.6 %	88.2 %	59.4 %	0.0 %	29.0 %
2012-2017	**25.7 %**	**6.6 %**	**48.5 %**	**47.8 %**	**25.7 %**	**45.6 %**

Source: European Commission country reports 2013-2017, EGOV calculations.
Note: there has been no explicit assessment by the Commission of the level of implementation of the 2011 CSRs, which are hence not covered in this table and Figures 1 and 2, nor are the recently proposed 2018 draft CSRs.

[2] Banking CSRs refer to sub-CSRs that relate to banking. Please note that sub-CSR assessed by Commission may include different policy aspects and not only cater for banking issues. In this latter case, they have been included in the sample to get a comprehensive picture of all banking CSR. See Annexes for more details on the methodology applied.

Box 1: General Assessment by Commission of the banking CSRs

"Progress has been made over the last year to strengthen the financial sector in a number of Member States, bringing down both the stock and the flows of non-performing loans. *Steps have notably been taken to improve the insolvency framework, to strengthen the supervisory framework and reduce non-performing loans, including through asset management companies. Further actions are recommended to Bulgaria* [i.e. follow-up measures resulting from the financial sector reviews]*, Cyprus* [i.e. supervision of insurance companies and pension funds] and Malta [i.e. AML] *to strengthen the supervision of the financial sector in those segments where national authorities remain competent. A number of Member States also continue to be affected by large shares of non-performing loans. Country-specific recommendations are addressed to Bulgaria, Cyprus, Ireland, Italy and Malta in this sense* [it must be noted that Malta has not received a specific CSR on NPL].

Developments in the housing market can have a destabilising impact on the financial sector, requiring action in some Member States*. Housing is generally the main asset held by households, and real estate is also routinely used as collateral for loans by companies. Preventing booms and busts would thus increase the resilience of economies to potential shocks, especially if there is correction in housing prices. On that account, Ireland, the United Kingdom, the Netherlands and Sweden are recommended to reduce bottlenecks to housing supply. Reducing the debt bias, created notably by the tax system, such as mortgage interest deductibility, would contribute to decrease the high indebtedness of households in Sweden".*

Source: Commission Communication on the 2018 European Semester

This overall picture hides contrasting situations at country level: Figure 2 gives an overview of the level of implementation by Member State, as assessed by the Commission in its last country reports for 2016-17, while Annex 2 contains the full implementation rate of banking CSRs' policy aspects over 2012-17. The level attained corresponds to the overall assessment by the Commission's services of the implementation of the last banking CSRs received by the country[3].

The following conclusions can be drawn:

- The level of implementation does not seem to be linked to the size of the country. Both small countries, e.g. Latvia and large ones, e.g. Spain, may perform well, and small countries, i.e. Luxembourg, and large ones, i.e. Germany, may make only limited progress as regards CSRs implementation;
- High implementation rates are not necessarily linked to a specific type of banking CSR; some Member States that had to address structural weaknesses in their banking sector performed well, for instance Belgium. Cyclical vulnerabilities can be difficult to overcome, like for example in Sweden;
- Member States in the euro area have not performed worse or better than other EU Member States; being part of the Banking Union, they are nonetheless in a specific situation as the European Central Bank (ECB) became responsible for the supervision of their banks – directly or indirectly – as of November 2014, when the Single Supervisory Mechanism became fully operational;

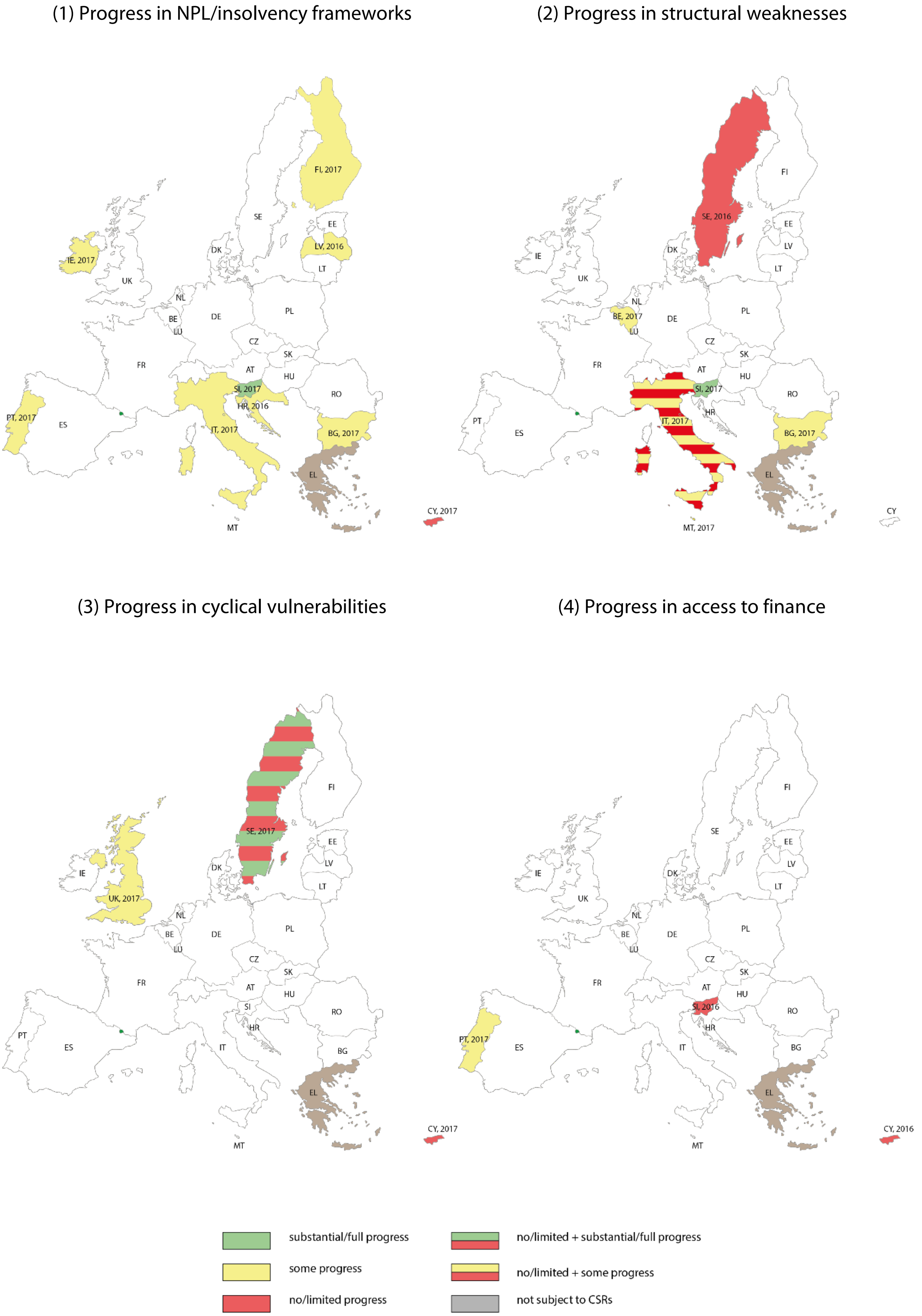
[3] The 2018 CSR have not been included as their implementation has not been assessed yet.

In terms of implementation of the 2017 CSR, the following can be noted:

- Three Member States made no progress in implementing the 2017 banking CSRs in relation to the following policy aspects: Cyprus (NPLs, insolvency framework, title deeds issuance), Italy (insolvency framework), and Sweden (tax-induced housing debt bias) ;
- Two Member States implemented the 2017 banking CSRs addressed to them in full or substantially for the following policy aspects: Sweden (strengthening of mortgage amortisation) and Slovenia (NPLs, implementation of Bank Asset Management Company strategy);
- Eight Member States made some progress in implementing the 2017 banking CSRs in relation to the following policy aspects: Bulgaria (asset quality review, bank recapitalisation, reduction of concentration risks, strengthening of supervision, NPLs), Finland (credit register), Ireland (NPLs), Italy (banks' balance sheet consolidation and restructuring, NPLs), Malta (strengthening of banking and financial supervision), Portugal (NPLs, insolvency frameworks, access to finance to households), the Netherlands (tax-induced housing debt bias) and United Kingdom (boost housing supply).

The level of implementation also depends on the type of vulnerabilities: in general terms, structural and cyclical weaknesses are more difficult to address by Member States. Figure 2 overleaf shows that Member States to which CSR on NPL/insolvency framework have been addressed have made in general terms "some progress". The same holds true for access to finance-related CSRs where - with some exceptions - most Member States have made some or substantial progress. Member States experienced contrasting assessment when implementing CSR in relation to structural and cyclical weaknesses.

Figure 2: Progress in implementing 2016 and 2017 CSRs in banking



4. Conclusions

The following conclusions can be drawn:

- The level of implementation of the banking CSRs policy aspects, after a sharp decline in 2016, increased again in 2017 up to the level of 2014;
- Banking CSRs have been used to monitor the reduction of banks' NPL and the pace at which Member States reform their insolvency framework;
- There is no obvious correlation between the size of the banking system and the level of implementation of the banking CSRs: small banking systems are not necessarily easier to reform than large ones. In general terms, structural and cyclical weaknesses are more difficult to address by Member States;
- Some banking CSRs have been discontinued, despite the implementation by the Member State not being assessed as satisfactory (in Denmark and Germany);
- The establishment of the Single Supervisory Mechanism and the Banking Union constitutes a turning-point which resulted in far fewer banking recommendations on structural weaknesses addressed to euro area Member States. Since the establishment of the Banking Union, national supervisors have been fully integrated into the Single Supervisory Mechanism and the ECB is now directly responsible for the supervision of the most significant banks in the euro area; one may argue that this institutional change has made the interpretation of some banking related CSRs more complex, as they remain addressed to individual countries while the responsibility of banking supervision has been transferred to the European level.

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Annex 1: Sample of banking CSRs in the 2011-2018

The banking CSR sample is given here; please note that the assessment of progress used in this briefing is expressed with CSR policy aspect granularity.

MS	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
AT		CSR7	CSR7	CSR5	CSR4				4
BE	CSR3	CSR3							2
BG			CSR5		CSR2	CSR2,4	CSR2	CSR2	6
CY	CSR2	CSR2				CSR2,3,4	CSR2,3	CSR2,3,4	10
DE	CSR2	CSR2	CSR4	CSR4					4
DK	CSR5	CSR5							2
ES	CSR3	CSR4	CSR3	CSR2	CSR2				5
FI							CSR3	CSR3	2
HR				CSR7,8	CSR6	CSR5			4
HU	CSR5		CSR2	CSR2	CSR2				4
IE				CSR5,6	CSR4	CSR3	CSR3	CSR3	6
IT			CSR3	CSR4	CSR4	CSR3	CSR3	CSR3	6
LV			CSR2			CSR3			2
MT		CSR6	CSR5		CSR4		CSR2	CSR1	5
NL		CSR5	CSR2	CSR2	CSR2	CSR3	CSR1	CSR1	7
RO			CSR7						1
PT				CSR5	CSR4	CSR4	CSR3	CSR3	5
SE	CSR2	CSR2	CSR2	CSR2	CSR1	CSR1	CSR1	CSR1	8
SI	CSR3	CSR3,6	CSR4,5,9	CSR4	CSR3	CSR3	CSR3		10
UK	CSR2,5	CSR2,5	CSR2,5	CSR2,5	CSR2		CSR2		10
TOTAL	10	13	16	15	13	13	12	11	**103**

Source: EGOV based on the CSRs adopted by the Council in the period 2011-2018.

Please note that the 2012-17 banking CSRs sample used in this briefing has been modified, when compared against the banking CSR sample used in the previous versions of this publication: (1) The following CSRs have been added to the banking CSR sample: 2012 DK CSR5, 2013 BG CSR5, 2013 RO CSR7, 2016 LV CSR3, 2017 CY CSR2, 2017 ES CSR3, 2017 MT CSR2, and 2017 UK CSR2; (2) The following CSRs have been removed from the banking CSR sample: 2016 LT CSR3, 2016 LU CSR3, and 2016 DE CSR2.

Annex 2: Banking CSRs' policy aspects in 2011-2018

The banking CSR policy aspect sample is given here; please note that the assessment of progress used in this briefing is expressed with CSR policy aspect granularity. The definition of CSR policy aspects implies the following hierarchy: a CSR contains many sub-CSRs, and a sub-CSR may contain one or more policy aspects related different policy measures. The assessment of progress of each policy aspect equals the assessment of progress of its sub-CSR.

MS	Structural weakness	2011	2012	2013	2014	2015	2016	2017	2018
AT	Improve asset quality					some			
AT	Restructure banks		some	some	subst				
BE	Recapitalize banks	CSR3	full						
BE	Restructure banks	CSR3							
BE	Strengthen banking and financial supervision	CSR3							
BG	Complete asset quality review and stress tests					some	some	some	CSR2
BG	Recapitalize banks							some	
BG	Reduce concentration risk in the non-banking financial sector					limit		some	
BG	Reform insolvency framework						limit		CSR2
BG	Strengthen banking and financial supervision					some	limit	some	CSR2
CY	Recapitalize banks		some						
CY	Strengthen banking and financial supervision	CSR2	some						
DE	Restructure banks	CSR2	some	limit	no				
DE	Strengthen banking and financial supervision	CSR2	subst						
ES	Monitor the state asset management company				some				
ES	Recapitalize banks	CSR3		full	subst				
ES	Reform saving banks sector				some	subst			
ES	Restructure banks		some	full					
HR	Complete asset quality review and stress tests				subst	some			
HU	Improve capacity for capital accumulation			no	no				
HU	Strengthen banking and financial supervision	CSR5		subst	subst				
IE	Housing - Restructure mortgage loans				full				
IE	Housing - Develop guidelines for mortgage arrears restructuring				no	some			
IE	Housing - Monitor mortgage arrears restructuring targets.				full	subst			
IE	Involve and monitor the state asset management company in debt relief				limit				
IE	Supervisory assessment of restructuring arrangements				subst				
IT	Improve asset quality screening			some					
IT	Improve corporate governance in banks			some	some	subst	some		
IT	Support bank balance sheet restructuring and consolidation							some	CSR3
MT	Improve regulatory oversight and loan-loss provisioning		some	subst					
MT	Strengthen banking and financial supervision							some	CSR1
PT	Monitor banks' liquidity and capital position and assess banks' recovery plans				subst				
SE	Enhance the legal mandate of the macroprudential authority						limit		
SI	Complete asset quality review and stress tests			full	some	subst			
SI	Establish the Bank Asset Management Company			no	subst	subst	some	subst	
SI	Privatise the NKBM		some	limit	some				
SI	Recapitalize banks	CSR3	some	full	subst				
SI	Restructure banks					subst			
SI	Review the bank regulatory framework			full					
SI	Strengthen banking and financial supervision		some	no					
UK	Address capital shortfalls			full					
UK	Support competition within the banking sector			subst					

MS	NPL/insolvency framework	2011	2012	2013	2014	2015	2016	2017	2018
BG	Create/Develop NPLs' secondary markets							some	CSR2
BG	Reduce NPLs							some	CSR2
CY	Create/Develop NPLs' secondary markets						some	limit	CSR3
CY	Improve title deeds issuance and transfer system						limit	limit	CSR2
CY	Reduce NPLs						some	limit	CSR3
CY	Reform insolvency framework						some	limit	CSR2
CY	Set up and develop a credit register						some		
ES	Reform insolvency framework				some				
HR	Housing - Reduce impact of foreign currency (CHF) mortgage loans					limit			
HR	Improve the tax treatment to facilitate NPL resolution						some		
HR	Reduce NPLs					some			
HR	Reform insolvency framework				some	subst			
HU	Reduce contingent liability risks due to state ownership in the banking sector					no			
HU	Reduce NPLs			limit	limit	some			
IE	Reduce NPLs					some	some	some	CSR3
IE	Set up and develop a credit register				limit	some	some		
IT	Reduce NPLs				some	some	limit	some	CSR3
IT	Reform insolvency framework						some	limit	CSR3
LV	Increasing accountability and public oversight of insolvency administrators						some		
MT	Reform insolvency framework			limit					
PT	Develop NPLs' secondary markets								CSR3
PT	Implement an early warning system for SMEs with high probability of default				full				
PT	Reduce NPLs					some	limit	some	
PT	Reform insolvency framework							some	CSR3
SI	Reduce NPLs				some	subst	some	subst	
SI	Reform insolvency framework				some	full	subst		

MS	Access to finance	2011	2012	2013	2014	2015	2016	2017	2018
BG	Increase access to finance of SMEs			limit					
CY	Increase access to finance of SMEs, households						limit		CSR4
ES	Increase access to finance of SMEs, households				subst	subst			
HU	Increase access to finance of SMEs, households			limit	limit	some			
IE	Increase access to finance of SMEs, households				subst				
IE	Introduce state guaranteed loans for SMEs				some				
IE	Mediate disputes between banks and refused-credit SMEs.				some				
IE	Publish regular data on banks' SME loan portfolios in arrears				no				
IT	Develop non-bank funding			some	subst				
IT	Improve access to finance for firms			some					CSR3
MT	Increase access to finance of SMEs, households					some			
PT	Implement measures to reduce corporate debt overhang				subst	some	some		
PT	Increase access to finance of SMEs, households				some		limit	some	CSR3
RO	Increase access to finance of SMEs			some					
SI	Increase access to finance of SMEs, households					some	limit		
UK	Increase access to finance of SMEs, households	CSR5	some	subst	subst				

MS	Cyclical vulnerabilities	2011	2012	2013	2014	2015	2016	2017	2018
DK	Housing - Monitor mortgage loans according to their riskiness	CSR5	some						
ES	Housing - Decrease tax-induced debt bias by abolishing mortgage interest deductibility		some						
FI	Set up and develop a credit register to monitor household debt							some	CSR3
LV	Implement macro-prudential measures to supervise non-resident banking			subst					
NL	Housing - Decrease tax-induced debt bias by abolishing mortgage interest deductibility		some	limit	no	no	no	some	CSR1
SE	Decrease tax-induced debt bias in corporate taxation			some					
SE	Housing - Decrease tax-induced debt bias in housing taxation			no	no	no	no	no	CSR1
SE	Housing - Implement measures promoting amortisation of mortgages			limit	some	some		subst	
SE	Housing - Strengthen the stability of the housing and mortgage market	CSR2	some						
UK	Boost housing supply to moderate prices							some	
UK	Housing - Mitigate risks related to high mortgage indebtedness	CSR2	some	some	subst				

Annex 3: The scale of assessment of progress

Since 2012, the qualitative assessment of implementation was complemented with a quantitative assessment of implementation using a 5-value scale: *no progress, limited progress, some progress, substantial progress, full progress.* The following table shows the Commission's definition of each assessment value and the traffic-light colour-code used to represent CSRs and sub-CSRs' progress assessments in this briefing.

Commission's definition of each assessment value and traffic-light colour-code		
Fully implemented		The MS has implemented all measures needed to address the CSR appropriately
Substantial progress		The MS has adopted measures that go a long way in addressing the CSR and most of which have been implemented.
Some progress		The MS has adopted measures that partly address the CSR and/or the Member State has adopted measures that address the CSR, but a fair amount of work is still needed to fully address the CSR as only a few of the adopted measures have been implemented. For instance: adopted by national parliament; by ministerial decision; but no implementing decisions are in place.
Limited progress		The MS has: announced certain measures but these only address the CSR to a limited extent; and/or presented legislative acts in the governing or legislator body but these have not been adopted yet and substantial non-legislative further work is needed before the CSR will be implemented; presented non-legislative acts, yet with no further follow-up in terms of implementation which is needed to address the CSR.
No progress		The Member States (MS) has not credibly announced nor adopted any measures to address the CSR, including initial steps in addressing the CSR, such as commissioning a study or setting up a study group to analyse possible measures that would need to be taken, while clearly-specified measure(s) to address the CSR has not been proposed.