BRIEFING

European Parliament

Economic Dialogue and Exchange of Views with the President of the Council (ECOFIN)

ECON on 22 January 2020

Zdravko Marić, Minister of Finance of Croatia, is participating in the ECON Committee in his capacity of President of the ECOFIN Council during the Croatian Presidency (January-June 2020). In accordance with the Treaty of the Union, "Member States shall regard their economic policies as a matter of common concern and shall coordinate them within the Council".

This briefing provides an overview of the Croatian Presidency priorities in ECON matters, including the deepening of EMU, and the Council's work relating to the implementation of the European Semester for economic coordination.

1. The ECON-related priorities and programme of the Croatian Presidency

Croatia took over from Finland the Council Presidency on 1 January 2020. It is the first time Croatia holds a rotating Presidency of the Council since joining the EU in 2013. The current Trio of Presidencies included also Romania and Finland.

Croatia has built its Presidency priorities in line with the guidelines set by the EU Strategic Agenda 2019-2024. According to the Presidency, the beginning of a new institutional cycle and the Multiannual Financial Framework adoption present an opportunity to define new strategic goals and thus enable the Union to cope more efficiently with the changing global economic environment and with internal structural differences. "*An ambitious, balanced and sustainable EU Multiannual Financial Framework for 2021–2027 is a prerequisite for achieving our goals. The Croatian Presidency will work towards achieving a comprehensive agreement as swiftly as possible, in order to enable the timely implementation of all the Union's policies and programmes*".

In ECON matters, Croatian priorities focus on "Balanced regional developments", by:

- reducing differences between Member States, and fostering economic and social cohesion and convergence;
- strengthening the Economic and Monetary Union (EMU) and the international role of the euro;
- further developing the Capital Market Union;
- using the potential of macro-regional cooperation; and
- ensuring the equal quality of products on the markets of Member States.

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Zdravko Marić (born in 1977) is the Minister of Public Finance in the Croatian Government since January 2016. He has been member of the national parliament, State secretary in the Ministry of Finance (2008-2012) and Assistant Minister (2006-2008) for Macroeconomic Analysis and Planning in charge of budget, macroeconomic analysis and planning, financial system, cooperation with international financial institutions and Croatian negotiation process with the European Union. Since July 2019, he is Deputy Prime Minister of Croatia, thus becoming the first non-political holder of the office in Croatian government history.

He represented Croatia in various international institutions, such as the EBRD, the EIB, Inter-American Development Bank and the MIGA/ World Bank Group.

Mr Marić graduated from the Faculty of Economics and Business of the University of Zagreb in 2000. He worked as research assistant at the Institute of Economics Zagreb (2001-2006) and in 2008 he obtained a Doctorate degree (*PhD thesis: Impact of foreign direct investments on the productivity of Croatian companies*) in International Economics.

Mr Marić also worked as Executive Director for Strategy and Capital Markets in the Croatian retail company Agrokor (2012-2016), where he was responsible for managing international finances, relations with investors and M&A.

The Programme of the Croatian Presidency of the ECOFIN Council focuses on:

Strengthening the Economic and Monetary Union: further deepening of the Banking Union, with emphasis on increasing the resilience and stability of the Union's banking system, by continuing discussions on the European Deposit Insurance Scheme (EDIS) and reducing non-performing-loans (NPLs); striving for an agreement on the draft Budgetary Instrument for Convergence and Competitiveness (BICC) and the draft Convergence and Reform Instrument - CRI).

Further developing the Capital Markets Union: making special efforts to support the transition of sustainable economy priorities, which will lead to the adoption of a new Action Plan on Building Capital Markets Union.

Budgetary matters: striving to finalise the EU budgetary discharge procedure for 2018 in a timely manner and focus on the smooth implementation of the Union budget for 2020.

Taxation: using taxation measures to fight activities that significantly contribute to climate change.

Customs Union: strengthening the capacities of customs administration on the EU external borders; work towards reaching an agreement on the instrument for financial support for customs control equipment as part of the Integrated Border Management Fund, and the EU Customs Programme.

The Presidency has also published draft Council agendas. As far as ECOFIN meetings are concerned:

- Under **legislative activities**, the Council will deliberate on current financial services proposals at all their meetings. VAT rates reform and Definitive VAT system will be possibly debated in March 2020; the Common Corporate Tax Base (CCTB) is expected to be debated in May 2020; the Commission is expected to present its proposals on the finalisation of Basel III reforms in June, when the Presidency will also present its progress report on the Banking Union. See also Box 1.
- Under **non-legislative activities**, the draft agendas feature the Action Plan to tackle non-performing loans in the EU and the Capital Markets Union Action Plan (in March); the implementation of the Anti-Money Laundering Action Plan and follow-up on stablecoins (in May). For work on the European Semester, see Section 2 below. Furthermore, the Council will exchange views on the Convergence reports from the Commission and the ECB in June (see Box 2).
- ECOFIN activities will conclude with Annual EIB Board of Governors meeting, on 12 June 2020.

After presenting some of the current legislative and non-legislative work, this document deals with the European Semester (Section 2), the deepening of the EMU (Section 3) and the new European Green Deal and EU2020 (Section 4).

Box 1 - "Unfinished business" in ECON legislative files

There are several legislative files pending from the previous legislature, for some of which the Council and/or the European Parliament are still missing a negotiating mandate. The detailed list of ongoing files is available at ECON website; work on legislative files can be followed also through the Legislative Observatory.

- Council and European Parliament have not yet mandate on EDIS; on files linked to the MFF, such as the European Investment stabilisation function or the regulation on the Reform Support Programme. The MFF-related files are joint competences of BUDG and ECON Committees in EP.
- Council has a mandate while European Parliament's is still pending on the proposal for a Directive on Credit servicers, credit purchasers and the recovery of collateral (together with the Prudential backstop regulation part of the NPL Package), which was split into two files: one part on Credit servicers and credit purchasers (2018/0063B(COD)) and one part on *Accelerated extrajudicial collateral enforcement (AECE) mechanism* (2018/0063B (COD)).
- The European Parliament has a mandate but the Council has not agreed on the general approach on the sovereign-bond backed securities; on country-by-country reporting and on statistics for macroeconomic imbalances.

The legislative files on crowdfunding service providers and the framework to facilitate sustainable investment (taxonomy) were agreed in trialogues in December 2019.

On the framework for recovery and resolution of central counterparties (CCP recovery), trialogues will start once ECON has voted on the start of negotiations (possibly on 22/23 January 2020).

EP has adopted its Interim Report on the file on the European Monetary Fund. However, the Member States of the Euro Area have instead agreed amendments to the ESM Treaty.

Box 2 - Adoption of euro: Bulgaria and Croatia

Bulgaria and Croatia are on path to join the European Exchange Rate Mechanism II (ERM II) and the euro and the Banking Union (BU). Joining ERM II is based on opinions by the ECB and Commission, published every two years in their "Convergence reports". ERM II participation during at least 2 years is one of the criteria for Euro adoption.

Bulgaria announced its intention to join ERM II in a letter of 29 June 2018, where it committed to implement six achievement (notably on insolvency framework, non-banking financial supervision, state owned enterprises and anti-money laundering, detailed in a Eurogoup's summing up letter of July 2018), before a formal application. On 18 July 2018, Bulgaria requested to establish a close cooperation with the ECB. The latest available Commission Convergence Report on Bulgaria (May 2018) concluded that the country was still lacking compliance with two of the accession conditions, concerning the legislation surrounding the national central bank. The ECB had also pointed to supervisory concerns in its own latest Convergence Report (May 2018). According to the Bulgarian Finance Ministry, most of the actions foreseen in the country's plans for accession were completed by August 2019. The ECB published on 26 July 2019 the results of its comprehensive assessment where it still found capital shortfalls in two banks under the adverse scenario. Bulgaria was expected to join ERM II (and BU) by July 2019, but no recent information is available on the status of Bulgaria accession.

On 27 May 2019, **Croatia** sent a letter requesting the ECB to establish a close cooperation and in its letter of 4 July 2019 to the Commission, Eurogroup and ECB it made a number of commitments to reinforce its banking system and supervisory framework (see also the Croatian "Strategy document"). The country is expected to join the ERM II and the BU by mid-2020. The latest available Commission Convergence Report (May 2018) concluded the country was fulfilling all the criteria to join the euro except (for not) being part of ERM II. The ECB Convergence Report (May 2018) noted, in addition, that the country needs to address shortcomings in auditing, governance and accounting standards. On 7 August 2019 the ECB identified the six banks undergoing a comprehensive assessment; results are expected in May 2020. It can be noted that according to the Government, 72% of public debt is denominated in euro or includes a euro-linked currency-clause; furthermore, according to the Central bank of Croatia, 51.1% of citizens support the introduction of the euro.

2. Latest developments on the European Semester and related Council work

On 17 December 2019, the Commission launched a new European Semester cycle, the first of its mandate; it was composed of the Annual Sustainable Growth Strategy (ASGS), the Alert Mechanism Report (AMR), the proposal for the Recommendation on the economic policies of the euro area (REA), the proposal for the Joint Employment report, the Single Market Performance Report as well as the second annual monitoring report on the implementation of the 2018 Structural Reform Support Programme.

According to the Council "European Semester 2020 roadmap" and the draft Council agendas, the ECOFIN Council is expected to deal with the Semester along the following timeline:

- It will have a public debate/exchange of views on the ASGS, the AMR and the REA in January 2020 and adopt related conclusions in February.
- Exchange of views on the implementation of Country Specific Recommendations (CSRs) 2019 will be held in March 2020 and related conclusions will be adopted in May.
- A possible vote on the Council decisions/recommendations and opinions related to the implementation of the Stability and Growth Pact will take place in June.

The ECON and BUDG Committees of the EP are working on an own-initiative report on the Annual Sustainable Growth Strategy 2020. The draft report, together with related information, is available here.

The main legal texts related to the European Semester include a review clause that requires the Commission to assess the effectiveness and the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances. The review process is expected to start in February 2020 (see e.g. Commitments of Commissioner Gentiloni).

Further readings

- The European Semester for economic policy coordination: a reflection paper
- Country-Specific Recommendations - An overview
- How to further strengthen the European Semester

Box 3: ECOFIN reflections on lessons learned from 2019 European Semester

Based on a report by the two preparatory bodies of the ECOFIN Council (the Economic and Financial Committee and the Economic Policy Committee), on 10 October 2019, the ECOFIN Council took stock of the 'European Semester 2019'. The exchange of views among ministers focused in particular on:

- the **main new features introduced in the 2019 European Semester exercise**, namely the cross-country focus on investment in the country-specific recommendations, as well as the fact that the CSRs addressed issues related to aggressive tax planning and anti-money laundering;
- the future of the European Semester and the need to ensure that the **Semester remains focused on key challenges**;
- the importance of **improving the degree of implementation of CSRs** and of national ownership of the reforms.

Fiscal issues

The 2019 cycle of the EU Semester ended with the following steps linked to the 2020 Draft Budgetary Plans (DBPs) that euro area Member States had submitted in October 2019[1]:

In November 2019, the Commission adopted its opinions on the 2020 DBPs, following its autumn 2019 Economic Forecasts and consultations with the Member States. It concluded that no DBP shows particularly

[1] Austria, Belgium, Portugal and Spain had submitted DBPs with the assumption of no-policy changes, due to the ongoing government formation processes. Portugal submitted its updated DBP in January 2020.

serious non-compliance with the requirements of the Stability and Growth Pact (SGP). Nevertheless, the plans of eight Member States pose a risk of non-compliance with the SGP, two Member States are broadly compliant and the DBPs of nine Member States are compliant with the SGP. In January 2020, the Commission published its opinion on the Portuguese DBP, concluding that "*the updated DBP of Portugal is at risk of non-compliance with the provisions of the SGP*"; such conclusion does not differ from the one issued on the DBP previously submitted by Portugal in October.

In December 2019, the Eurogroup discussed the Commission's opinions on the 2020 DBPs and published a statement, where:

- it reiterated the Commission's assessments of the 2020 DBPs;
- it expressed the opinion that "the euro area economy is facing an elevated level of uncertainty. If downside risks were to materialise, fiscal responses should be differentiated, taking into account country-specific circumstances and avoiding pro-cyclicality to the extent possible."
- it stated that 'there is still a need to rebuild fiscal buffers in Member States that have not reached their Medium-Term Budgetary Objectives (MTO). The Eurogroup reiterates that a slow pace of debt reduction from high levels in a number of Member States remains a matter for concern and should be decisively addressed, including by making use of windfall gains from low interest rates. In this context, the continued fiscal expansion or limited structural fiscal adjustment expected in some Member States in 2020 is worrying, in particular when coupled with high medium-term sustainability risks. The Eurogroup recalls in this context that the focus on sufficient debt reduction and the adjustment towards the MTO are an integral part of the SGP."

The European Court of Auditors has recently published a report that analyses whether the EU requirements for national budgetary frameworks are adequate and well implemented. It focuses on the EU fiscal rules and the assessments of compliance carried out by independent national fiscal bodies, the Commission and the European Fiscal Board. The European Fiscal Board had published in August 2019, upon request of the then Commission President Juncker, its Assessment of the EU fiscal rules, with a focus on the "six and two pack" legislation. (See Box 4).

Further readings:

- Implementation of the Stability and Growth Pact - January 2020
- The role of independent fiscal bodies - state of play - January 2020
- Structural budget balances in EU Member States – November 2019
- Public finances in Euro Area Member States: selected indicators - November 2019
- The advisory European Fiscal Board - November 2019

Macroeconomic Imbalances

In December 2019, the Commission published the 2020 Alert Mechanism Report, which initiates the annual round of the Macroeconomic Imbalance Procedure (MIP), in the wider context of the 2020 European Semester cycle.

The Commission notes that even if reduced, there are still risks of macroeconomic imbalances, namely related to current accounts and external positions, increased labour costs and house prices. On the basis of an economic reading of the "MIP scoreboard" and its auxiliary indicators, the Commission identified 13 Member States for which it will undertake in-depth reviews, namely Greece, Cyprus and Italy (that were experiencing excessive macroeconomic imbalances during the 2019 cycle), as well as Bulgaria, France, Germany, Cyprus, Ireland, the Netherlands, Portugal, Romania, Spain and Sweden (that were experiencing macroeconomic imbalances during the 2019 cycle).

Further reading:

- Implementation of the Macroeconomic Imbalance Procedure
- The Macro-economic Imbalance Procedure: overview
- Member States with excessive macroeconomic imbalances

The European Parliamentary Week 2020 will take place on 18 and 19 February 2020 in Brussels and will be jointly organised by the Croatian Presidency and the European Parliament. It brings together around 250 Parliamentarians from the EU Member States, candidate and observer countries. They will discuss economic, budgetary and social matters, in plenary and parallel sessions, including “Widening and deepening of the Europe Area Governance: What next?”, “Becoming a global leader in combating climate change: What role for EU economic, budget and social policies?” and “Skills and job for inclusive growth: What can we learn from each other’s experiences? The EPW covers both the European Semester Conference and the Inter-parliamentary Conference on Stability, Economic Coordination and Governance in the EU.

3. Ongoing work on deepening of EMU

The deepening of the Economic and Monetary Union has been progressing on the basis of orientations established by the Euro Summit, started in December 2017, and evolving ever since. Progress was based on discussions at the Eurogroup (mostly working in inclusive format, with Finance Ministers of all the EU Member States). Three specific areas have been addressed: completion of the Banking Union, reform of the European Stability Mechanism (ESM) and the establishment of a budgetary instrument for the euro area. These points are further developed below.

Completion of the Banking Union

Completing the Banking Union has been a continuous endeavour during the last Juncker Commission, and various stakeholders have been contributing to the debate. In recent papers, e.g. the Annual Sustainable Growth Strategy 2020, the new Commission reiterates that concern. But, although Euro Leaders anticipated in December 2018 to reach common views on how to achieve a comprehensive Banking Union in June 2019, the final results of the December 2019 Summit are somehow meagre.

During 2019, the Eurogroup mostly discussed the outcome of deliberations of the so called “High Level Working Group on EDIS” (HLWG), set up by the Eurogroup following its December 2018 meeting. After an initial report in June 2019, the Chair of the HLWG on EDIS reported back to Eurogroup in December 2019 through a letter that sets out a programme for actions in the various dimensions necessary for a fully-fledged Banking Union (i.e. full implementation of EDIS with loss coverage; diversification of banks’ portfolios of sovereign exposures; significant reduction of banks NPLs and its appropriate monitoring; well integrated banking sector operating efficiently and safely across borders; appropriate crisis management framework). Based on previous discussions, the work plan foresees a preparatory and negotiating phase and an implementation phase. The first two could spam from 2019 to 2024, and the implementation phase going further. In the preparatory and negotiating phases, the work will continue on the set-up and features of EDIS, on bank’s sovereign exposures, on the crisis management framework and on financial integration. Ministers have mandated the HLWG to continue working and report back by June 2020.

Reform of the European Stability Mechanism

In June 2019, the Eurogroup reached a broad agreement on revising the text of the ESM treaty, covering issues such as the common backstop for bank resolution, the precautionary instruments and debt sustainability, as well as institutional aspects, including the cooperation between the ESM and the European Commission (within and outside financial assistance programmes). Later, in their December 2019 meeting, Ministers reached an agreement in principle, subject to national procedures, on the package of documents related to the ESM reform: those relating to the common backstop to the Single Resolution Fund, those relating to the amendments to the ESM precautionary financing instruments and those on the terms of reference and explanatory note of single limb Collective Action Clauses (CACs) to be introduced by the 1st of January 2022. An amendment to the ESM Treaty is expected to be signed in early 2020.

A Budgetary Instrument for the euro area

The Budgetary Instrument for Convergence and Competitiveness" (BICC) is a proposed budgetary tool aimed at financing structural reforms and public investments in euro area Member States, strengthening potential growth of their economies and the resilience of the single currency against economic shocks. The general features of the BICC were agreed by the Eurogroup in October 2019 and compiled in a BICC term sheet that details the (1) governance; (2) financing and (3) funds allocation and modulation. Previously, in June, the Eurogroup had already agreed on general principles, key features, financing and governance.

According to currently available information, the BICC will be part of the EU budget, under discussion in the context of the Multiannual Financial Framework (MFF) proposed by the Commission in May 2018. More specifically, it will be integrated into the Commission proposals for a Reform Support Programme. It will be strongly interlinked with and within the European Semester for economic policy coordination. Following up on the agreements at the June 2019 Eurogroup and Euro Leaders' requests for codifying the BICC governance framework in an "*additional act*", in July 2019 the Commission put forward a legislative proposal for a regulation on a governance framework for BICC, which would secure the euro area Member States autonomous decision.

In parallel with the BICC, Ministers also discussed a possible instrument for the non-euro area Member States (the Convergence and Reform Instrument (CRI)), to support the convergence of non-euro area Member States towards the euro area, by providing financial support for structural reforms. It is aimed at non euro area countries with structural challenges, as evidenced by income per capita below the euro area average.

The Finnish Presidency MFF negotiating box foresees limited amounts available for BICC and CRI.

Further readings

- The European Stability Mechanism: Main Features, Instruments and Accountability
- The 2019 proposed amendments to the Treaty establishing the European Stability Mechanism
- What do we know about the BICC today?

Box 5 - State of play on the Capital Markets Union

Despite significant progress since 2015, when the CMU initiative was launched, regulatory and other barriers still hamper smooth movement of capital, investments and related services. The initial action plan set out a programme of 33 actions (30 of these actions had political agreements by spring 2019 with only few legislative files still open from the original action plan) in order to help maintain cross-border capital flows and sustain investments, especially in the Member States suffering large asymmetric macroeconomic shocks to be completed by 2019. After the mid-term review of the CMU action plan in 2017, the Commission after a public consultation recalibrated the action plan. However, measures taken so far fall short of what is necessary for a complete and truly operational CMU. Remaining issues include the divergent insolvency regimes across the EU, burdensome cross-border taxation procedures, further strengthening of effectiveness and consistency in supervision, etc.

To further advance CMU, the Commission has launched a high-level forum on CMU that will bring together industry executives, international experts and academics to provide advice, identify long-term trends and determine areas where further action may be needed. The high-level forum on CMU will focus on *"building pan-European ecosystem for raising capital for companies (including SMEs), fostering retail investor participation and diversification of the investor base, and strengthening a pan-European financial market infrastructure"*. The forum had already started their work on 26 November, 2019 and is expected to report back in spring 2020 with recommendations to be taken into account by the Commission before proceeding with further steps on the CMU. In their Annual Growth Strategy Report, the Commission adds to the current work strands on CMU, references to cyber and climate threads that will possibly be addressed by the high-level forum.

4. The EU Green Deal and the EU2020 Strategy for growth and jobs

The EU Green Deal and its financing

Commission President U. von der Leyen announced the "European Green Deal" as one of her political priorities, laying the foundations for a climate-neutral European Union economy by 2050: it will gear towards green and sustainable growth, and based on the three pillars of sustainable development as understood by the UN: the environmental pillar, the economic pillar and the social pillar. The announcement was complemented by a roadmap, according to which a proposal on a European climate law will be introduced by March 2020, to enshrine in a legal text the objective of climate neutrality by 2050.

The European Central Bank had kicked off the debate on its funding in a speech on Scaling up Green Finance: The Role of Central Banks of 8 November 2018. The European Investment Bank (EIB) modified its lending strategy with the launch of its ambitious new climate strategy and Energy Lending Policy in November 2019. Ahead of the UN COP25 Climate Change Conference in Madrid 2-16 December 2019, the European Parliament had adopted a resolution declaring a climate and environmental emergency in Europe and globally.

Making the European Union to become the first climate-neutral bloc in the world by 2050 requires significant investment from both the EU and the national public sector, as well as the private sector. In January 2020, the Commission presented the following proposals:

- The 'Investment Plan for a Sustainable Europe', which aims to mobilise public investment and help to unlock private funds through the EU financial instruments, notably InvestEU, which would lead to at least €1 trillion of investments;
- The Just Transition Mechanism, which aims to provide targeted support to help mobilise at least €100 billion over the period 2021-2027 in the most affected regions, to alleviate the socio-economic impact of the transition. The graph below shows how the Mechanism is expected to be framed.

The EP adopted a resolution on the European Green Deal on January 2020.

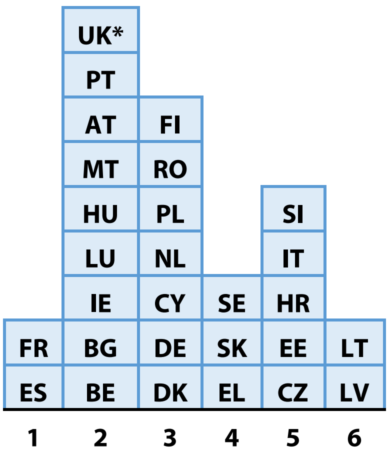
The EU 2020 Strategy for growth and jobs: where do we stand?

On 17 June 2010, the European Council adopted the EU2020 strategy, which followed the Lisbon strategy, and put forward 3 mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

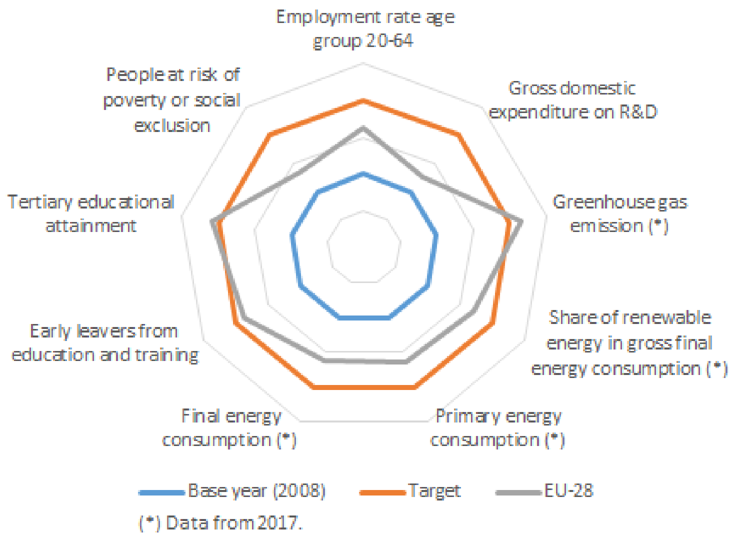
The strategy emphasised a smart, sustainable and inclusive growth as a way to strengthen EU economy and prepare its structure for possible challenges. The EU adopted 8 targets in the following five thematic areas: employment; education; poverty and social exclusion; climate change and energy; and R&D and innovation. The EU2020 strategy was integrated in the European Semester, its annual cycle of economic policy coordination. The objectives are measured against Member State specific targets, whose achievement was expected by the end of 2020. As the strategy is approaching its conclusion, and despite considerable progress, some of the headline indicators remain far away from their targets and there is high dispersion among Member States.

Chart 1. Number of EU2020 strategy individual targets achieved by Member States



Number of EU2020 achieved targets
* For the UK, 5 out of 8 targets are not set

Chart 2. EU 2020 headline indicators



Source: EGOV based on Eurostat

Over the decade since the launch of the strategy, the EU has managed to reach employment, greenhouse emission and higher education headline indicator targets (targets respectively: 75% of the population aged 20-64 should be employed; greenhouse gas emissions should be reduced by 20% compared to 1990; and at least 40% of 30-34 years old should have completed a tertiary or equivalent education) and is also well on track with the renewable energy, energy efficiency and early school leavers targets (targets respectively: the share of renewable energy sources in final energy consumption should reach 20%; energy efficiency should improve by 20%; and share of early school leavers should be under 10%). Nevertheless, considerable progress is still needed for fighting poverty and social exclusion and stimulating investment in research and innovation (targets in respective order: number of people in the risk of poverty or social exclusion should be reduced by at least 20 million and 3% of the EU's GDP should be invested in R&D).

See Annex 1 for information on the EU Member States progress toward the EU 2020 Strategy indicators.

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This document is available on the internet at: www.europarl.europa.eu/supporting-analyses

Annex: Member State's progress towards the EU2020 targets

	Employment rate *(% of population aged 20 to 64)*				**R&D Target** *(% of GDP)*				**Greenhouse Gas Emissions[1]** *(1990 = 100)*				**Renewable Energy** *(% of final energy consumption)*			
Member states	2016	2017	2018	Target: >	2016	2017	2018	Target: >	2016	2017	2018	Target: <	2016	2017	2018	Target: >
EU (28 Countries)	71.1	72.2	73.2	**75**	2.04	2.06	2,12	**3**	78,11	77,81	78,34	**80**	17.0	17.5	n.a.	**20**
Belgium	67.7	68.5	69.7	**73.2**	2.55	2.58	2,76	**3**	81,18	80,28	79,73	**85**	8.6	9.1	n.a.	**13**
Bulgaria	67.7	71.3	72.4	**76**	0.78	0.75	0,75	**1.5**	60,68	58,23	60,53	**120**	18.8	18.7	n.a.	**16**
Czech Republic	76.7	78.5	79.9	**75**	1.68	1.79	1,93	**1**	64,8	65,81	65,31	**109**	14.9	14.8	n.a.	**13**
Denmark	77.4	76.9	78.2	**80**	3.10	3.05	3,03	**3**	70,45	73,53	70,51	**80**	32.6	35.8	n.a.	**30**
Germany	78.6	79.2	79.9	**77**	2.92	3.02	3,13	**3**	73,77	74,23	74,1	**86**	14.9	15.5	n.a.	**18**
Estonia	76.6	78.7	79.5	**76**	1.25	1.29	1,4	**3**	45,09	48,85	51,95	**111**	28.6	29.2	n.a.	**25**
Ireland	71.4	73	74.1	**69**	1.19	1.05	1,15	**2**	109,3	113,06	112,94	**80**	9.3	10.7	n.a.	**16**
Greece	56.2	57.8	59.5	**70**	0.99	1.13	1,18	**1.2**	93,02	89,78	93,64	**96**	15.1	16.3	n.a.	**18**
Spain	63.9	65.5	67	**74**	1.19	1.20	1,24	**2**	119,97	116,69	121,83	**90**	17.4	17.5	n.a.	**20**
France	70	70.6	71.3	**75**	2.25	2.19	2,2	**3**	85,75	85,84	86,59	**86**	15.9	16.3	n.a.	**23**
Croatia	61.4	63.6	65.2	**62.9**	0.86	0.86	0,97	**1.4**	76,04	76,53	78,72	**111**	28.3	27.3	n.a.	**20**
Italy	61.6	62.3	63	**67**	1.37	1.35	1,39	**1.53**	84,99	84,76	84,08	**87**	17.4	18.3	n.a.	**17**
Cyprus	68.7	70.8	73.9	**75**	0.53	0.56	0,55	**0.5**	141,72	150,57	155,67	**95**	9.3	9.9	n.a.	**13**
Latvia	73.2	74.8	76.8	**73**	0.44	0.51	0,64	**1.5**	43,75	43,97	44,32	**117**	37.1	39.0	n.a.	**40**
Lithuania	75.2	76	77.8	**72.8**	0.84	0.89	0,88	**1.9**	42,07	42,12	42,66	**115**	25.6	25.8	n.a.	**23**
Luxembourg	70.7	71.5	72.1	**73**	1.30	1.26	1,21	**2.3**	88,6	87,88	90,78	**80**	5.4	6.4	n.a.	**11**
Hungary	71.5	73.3	74.4	**75**	1.20	1.35	1,53	**1.8**	65,12	65,58	68,49	**110**	14.3	13.3	n.a.	**13**
Malta	71.1	73	75	**70**	0.57	0.54	0,55	**2**	110,38	98,76	112,23	**105**	6.2	7.2	n.a.	**10**
Netherlands	77.1	78	79.2	**80**	2.00	1.99	2,16	**2.5**	91,67	91,72	90,93	**84**	5.9	6.6	n.a.	**14**
Austria	74.8	75.4	76.2	**77**	3.13	3.16	3,17	**3.76**	101,86	102,98	106,23	**84**	33.0	32.6	n.a.	**34**
Poland	69.3	70.9	72.2	**71**	0.96	1.03	1,21	**1.7**	82,6	84,45	87,65	**114**	11.3	10.9	n.a.	**15**
Portugal	70.6	73.4	75.4	**75**	1.28	1.33	1,35	**2.7**	116,98	114,37	122,8	**101**	28.4	28.1	n.a.	**31**
Romania	66.3	68.8	69.9	**70**	0.48	0.50	0,51	**2**	47,09	46,27	46,13	**119**	25.0	24.5	n.a.	**24**
Slovenia	70.1	73.4	75.4	**75**	2.01	1.86	1,95	**3**	90,4	94,94	93,79	**104**	21.3	21.5	n.a.	**25**
Slovakia	69.8	71.1	72.4	**72**	0.79	0.88	0,84	**1.2**	56,91	57,62	59,22	**113**	12.0	11.5	n.a.	**14**
Finland	73.4	74.2	76.3	**78**	2.74	2.76	2,75	**4**	79,04	83,08	79,52	**84**	39.0	41.0	n.a.	**38**
Sweden	81.2	81.8	82.6	**80**	3.27	3.40	3,31	**4**	76,6	76,39	76,32	**83**	53.8	54.5	n.a.	**49**
United Kingdom	77.5	78.2	78.7	**n.n.t.**	1.68	1.66	1,71	**n.n.t.**	66,87	63,84	62,41	**84**	9.2	10.2	n.a.	**15**

Source: Eurostat 2020 indicators (extraction date: 09/01/2020), Europe 2020 Targets by the Commission; n.n.t. = no national target, or national target differently specified.

	Energy Efficiency[2] *(Primary energy consumption - in Mtoe)*				**Early School Leaving** *(% pop aged 18-24 with at most lower secondary)*				**Tertiary Education** *(% of pop aged 30-34 with tertiary educ. attainment)*				**Poverty/Social exclusion**[3] *(people at risk of poverty or social exclusion, in thousands)*			
Member states	2016	2017	2018	Target: <	2016	2017	2018	Target: <	2016	2017	2018	Target: >	2016	2017	2018	Target: <
EU (28 Countries)	1546,94	1561,59	n.a.	**1,483**	10,7	10,6	10,6	**10**	39,2	39,9	40,7	**40**	118065	112925	110235	**96,070**
Belgium	49,27	49,12	n.a.	**43.7**	8,8	8,9	8,6	**9.5**	45,6	45,9	47,6	**47**	2335	2296	2250	**1,814**
Bulgaria	17,68	18,33	n.a.	**16.9**	13,8	12,7	12,7	**11**	33,8	32,8	33,7	**36**	2890	2767	2315	**3,161**
Czech Republic	40,05	40,36	n.a.	**39.6**	6,6	6,7	6,2	**5.5**	32,8	34,2	33,7	**32**	1375	1267	1264	**1,466**
Denmark	17,38	17,74	n.a.	**17.4**	7,2	8,8	10,2	**10**	47,7	48,8	49,1	**40**	951	980	997	**865**
Germany	297,69	298,31	n.a.	**276.6**	10,3	10,1	10,3	**10**	33,2	34	34,9	**42**	16035	15516	15253	**n.a**
Estonia	5,89	5,64	n.a.	**6.5**	10,9	10,8	11,3	**9.5**	45,4	48,4	47,2	**40**	318	305	318	**255**
Ireland	14,62	14,41	n.a.	**13.9**	6	5	5	**8**	54,6	54,5	56,3	**60**	1160	1088	1023	**850**
Greece	22,84	23,12	n.a.	**24.7**	6,2	6	4,7	**10**	42,7	43,7	44,3	**32**	3789	3702	3349	**2,596**
Spain	119,23	125,63	n.a.	**119.8**	19	18,3	17,9	**15**	40,1	41,2	42,4	**44**	12827	12236	12047	**9,386**
France	240,24	239,52	n.a.	**219.9**	8,8	8,9	8,9	**9.5**	43,6	44,3	46,2	**50**	11463	10717	11045	**9,482**
Croatia	8,05	8,33	n.a.	**11.15**	2,8	3,1	3,3	**4**	29,3	28,7	34,1	**35**	1159	1085	1008	**1,220**
Italy	147,97	148,95	n.a.	**158**	13,8	14	14,5	**16**	26,2	26,9	27,8	**26**	18137	17407	16441	**12,882**
Cyprus	2,42	2,52	n.a.	**2.2**	7,6	8,5	7,8	**10**	53,4	55,9	57,1	**46**	234	215	206	**154**
Latvia	4,29	4,47	n.a.	**5.4**	10	8,6	8,3	**10**	42,8	43,8	42,7	**34**	554	544	543	**619**
Lithuania	6,04	6,16	n.a.	**6.5**	4,8	5,4	4,6	**9**	58,7	58	57,6	**48.7**	871	843	794	**740**
Luxembourg	4,15	4,3	n.a.	**4.5**	5,5	7,3	6,3	**10**	54,6	52,7	56,2	**66**	114	126	126	**65**
Hungary	23,74	24,48	n.a.	**24.1**	12,4	12,5	12,5	**10**	33	32,1	33,7	**34**	2541	2465	1887	**2,344**
Malta	0,71	0,81	n.a.	**0.7**	19,2	17,7	17,4	**10**	32	33,5	34,7	**33**	90	87	89	**74**
Netherlands	64,83	64,54	n.a.	**60.7**	8	7,1	7,3	**8**	45,7	47,9	49,4	**40**	2797	2864	2833	**2,332**
Austria	31,71	32,55	n.a.	**31.5**	6,9	7,4	7,3	**9.5**	40,1	40,8	40,7	**38**	1542	1563	1512	**1,464**
Poland	94,83	99,11	n.a.	**96.4**	5,2	5	4,8	**4.5**	44,6	45,7	45,7	**45**	8221	7273	6976	**9,991**
Portugal	21,76	22,79	n.a.	**22.5**	14	12,6	11,8	**10**	34,6	33,5	33,5	**40**	2595	2399	2223	**2,557**
Romania	30,62	32,37	n.a.	**43**	18,5	18,1	16,4	**11.3**	25,6	26,3	24,6	**26.7**	7694	7040	6360	**8,535**
Slovenia	6,54	6,64	n.a.	**7.3**	4,9	4,3	4,2	**5**	44,2	46,4	42,7	**40**	371	345	326	**321**
Slovakia	15,37	16,15	n.a.	**16.4**	7,4	9,3	8,6	**6**	31,5	34,3	37,7	**40**	950	856	872	**941**
Finland	32,34	31,93	n.a.	**35.9**	7,9	8,2	8,3	**8**	46,1	44,6	44,2	**42**	896	849	894	**770**
Sweden	46,9	46,48	n.a.	**43.4**	7,4	7,7	7,5	**7**	51	51,3	51,8	**45**	1799	1765	1822	**n.a.**
United Kingdom	179,8	176,82	n.a.	**177.6**	11,2	10,6	10,7	**n.n.t.**	48,1	48,2	48,8	**n.n.t.**	14359	14325	15465	**n.a.**

[1] The EU as a whole aims to reduce GHG emissions by 20 % compared to 1990 levels; hence, the index for EU28 uses 1990 as its base year. The Member State targets, set out in the Commission Decision 406/2009, covering only sectors not included in the EU Emissions Trading System (EU ETS), are relative to 2005 levels. Thus, the index for emissions from these sectors uses 2005 as its base year. Moreover, these national targets are presented in terms of an index rather than percentage deviation from the 2005 target as specified in the above-mentioned Commission Decision. By 2020, the national targets will collectively deliver a reduction of around 10 % in total EU emissions from the non-EU ETS sectors and a 21 % reduction in emissions for the sectors covered by the EU ETS, both compared to 2005 levels. This will accomplish the overall emission reduction goal of a 20 % cut below 1990 levels by 2020. [2] Member States have set indicative national targets based on different indicators translated into absolute levels of primary energy consumption in million tonnes of oil equivalent (Mtoe); [3] Note that there is a break in the time series in 2014; [4] Most of the Member States have set national targets based on a reduction in the number of people living in poverty or social exclusions, in most cases compared to 2008 levels; some Member States, whose target is not included in this column, have set national targets based on different indicators related to the reduction in poverty/social exclusion, e.g. reduction in long-term unemployment for Germany, reduction in the at risk poverty rate after social transfers for Estonia, reduction to a certain absolute number of persons at risk of poverty and social exclusion for Croatia and Finland, reduction to well below 14% the percentage of women and men aged 20-64 not in the labour force, long-term unemployed or on long-term sick leave for Sweden, reduction of the child poverty for UK.