



European Semester Spring Package: Recommendations for a coordinated response to the coronavirus pandemic

Brussels, 20 May 2020

The Commission has proposed today country-specific recommendations (CSRs) providing economic policy guidance to all EU Member States in the context of the coronavirus pandemic, focused on the most urgent challenges brought about by the pandemic and on relaunching sustainable growth.

The recommendations are structured around two objectives: in the short-term, mitigating the coronavirus pandemic's severe negative socio-economic consequences; and in the short to medium-term, achieving sustainable and inclusive growth which facilitates the green transition and the digital transformation.

A refocused European Semester package

The [Annual Sustainable Growth Strategy](#) outlined the Commission's growth strategy, based on promoting competitive sustainability to build an economy that works for people and the planet. With the outbreak of the coronavirus crisis this remains of utmost importance. The recommendations cover the four dimensions of competitive sustainability - stability, fairness, environmental sustainability and competitiveness - and also place a specific emphasis on health. The recommendations also reflect the Commission's commitment to integrating the United Nations' Sustainable Development Goals into the European Semester as they offer an integrated framework encompassing public health, social, environmental and economic concerns.

The recommendations cover areas such as investing in public health and resilience of the health sector, preserving employment through income support for affected workers, investing in people and skills, supporting the corporate sector (in particular small and medium-sized enterprises) and taking action against aggressive tax planning and money laundering. Recovery and investment must go hand-in-hand, reshaping the EU economy faced with the digital and green transitions.

The fiscal CSRs this year are qualitative, departing from the budgetary requirements that would normally apply. They reflect the activation of the general escape clause, recommending that Member States take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, fiscal policies should aim at achieving prudent medium term fiscal positions and ensuring debt sustainability, while enhancing investment.

Monitoring fiscal developments

The Commission has also adopted reports under Article 126(3) of the Treaty on the Functioning of the EU for all Member States except Romania, which is already in the corrective arm of the Pact.

The Commission is required to prepare these reports for Member States that are themselves planning – for reasons related to the coronavirus - or are forecast by the Commission, to breach the 3% deficit limit in 2020. The reports for France, Belgium, Cyprus, Greece, Italy and Spain also assess these Member States' compliance with the debt criterion in 2019, based on confirmed data validated by Eurostat.

These reports take into account the negative impact of the coronavirus pandemic on national public finances. In light of the exceptional uncertainty related to the extraordinary macroeconomic and fiscal impact of the pandemic, the Commission considers that at this juncture a decision on whether to place Member States under the excessive deficit procedure should not be taken.

Next steps

A coordinated European economic response is crucial to relaunch economic activity, mitigate damage to the economic and social fabric, and to reduce divergences and imbalances. The European Semester of economic and employment policy coordination therefore constitutes a crucial element of the recovery strategy.

Against this background, the Commission calls on the Council to adopt these country-specific recommendations and on Member States to implement them fully and in a timely manner.

Members of the College said:

Valdis **Dombrovskis**, Executive Vice-President for an Economy that Works for People, said: *"The Coronavirus has hit us like an asteroid and left a crater-shaped hole in the European economy. This Spring semester package has been recast and streamlined to provide guidance to our Member States as they navigate their way through the storm. For this immediate phase, our focus is on investing in public health and protecting jobs and companies. As we shift to the recovery, the Semester will be essential in providing a coordinated approach to put our economies back on the track to sustainable and inclusive growth - no one should be left behind. We also need reforms to improve productivity and the business environment. Once conditions allow, we will need to strike a balance between achieving fiscal sustainability while also stimulating investment."*

Nicolas **Schmit**, Commissioner for Jobs and Social Rights, said: *"Supporting workers, reinforcing social protection, fighting inequalities and guaranteeing people the right to develop their skills will be top priorities for our economic response to the crisis, as well as to ensure inclusive green and digital transitions. We can only achieve this together. The European Pillar of Social Rights remains our compass in these endeavours. The post-coronavirus recovery must foster resilience and upward convergence by putting people at the centre."*

Paolo **Gentiloni** Commissioner for Economy, said: *"The coronavirus pandemic and the necessary containment measures have dealt a brutal blow to Europe's economies. These recommendations reflect that unprecedented situation. The priorities today are to strengthen our healthcare, support our workers, save our businesses. Yet the challenges we faced before this crisis have not gone away. So as we look to the future, our investment and reform objectives must remain focused on making a success of the green and digital transitions and ensuring social fairness. That also means everyone must pay their share: there can be no place for aggressive tax planning in a Europe of solidarity and fairness."*

Surveillance reports for Greece, Spain and Cyprus

The Commission adopted the sixth enhanced surveillance report for Greece. The report concludes that, considering the extraordinary circumstances posed by the Coronavirus outbreak, Greece has taken the necessary actions to achieve its due specific reform commitments.

The Commission has also adopted the post-programme surveillance reports for Spain and Cyprus.

Further Information

[European Semester 2020 Spring Package: Questions and answers](#)

[Factsheet: European Semester Spring Package](#)

[Communication on the country-specific recommendations](#)

[Country-specific recommendations](#)

[Reports under Article 126\(3\)](#)

[Sixth enhanced surveillance report for Greece](#)

[Post-programme surveillance report for Spain](#)

[Post-programme surveillance report for Cyprus](#)

[European Semester 2020: Country reports](#)

[Spring 2020 Economic Forecast](#)

[Stability and Growth Pact](#)

[Macroeconomic imbalance procedure](#)

[The European Semester](#)

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