

## European Semester for economic policy coordination: implementation of 2016 priorities

Brussels, 28 September 2016

### Background

The European Parliament's Committee on Economic and Monetary Affairs will discuss the draft report on the European Semester for economic policy coordination: implementation of 2016 priorities, on 28 September 2016. The Committee is expected to go over the assessment of the 2016 European Semester and the priorities for the 2017 Annual Growth Survey.

Representatives of corresponding committees of national parliaments have been invited to attend the discussion on this topic in the context of the Commission's Spring 2016 forecast, which indicates a continuing modest economic growth in Europe.

### Inside

These supporting analyses are provided by Parliament's Economic Governance Support Unit and by its Policy Departments for the Committees on Economic and Monetary Affairs, on Tax Rulings, on Regional Development, and on Agriculture. Scan the QR codes or click on titles for access.



### Publications

#### [Implementation of the 2015 Country Specific Recommendations - September 2016](#)

This note gives a brief explanation of Country Specific Recommendations (CSRs), which aim at boosting economic growth and job creation, while maintaining sound public finances, and looks into the implementation of the 2015 CSRs under the European Semester. It explains that they are proposed by the Commission within the framework of the European Semester, based on its assessment of Member States' medium-term budgetary plans and economic reform programmes in light of broad policy priorities outlined in the Annual Growth Survey.



#### [Involvement of the national parliaments in SCPs and NRPs – 2014 and 2015 - September 2016](#)

This note provides an overview of the involvement of national parliaments in the preparations of the National Reform Programmes (NRPs) and Stability or Convergence Programmes (SCPs), based on information provided in them. National parliaments take part in the European Semester by being involved in the preparation of these programmes to increase the transparency, ownership and accountability of the decisions taken. This overview is updated on an ad hoc basis to reflect the latest information available.



### [Implementation of the Stability and Growth Pact - September 2016](#)



This note, which is updated regularly, gives an overview of key developments under the preventive and corrective arms of the Stability and Growth Pact (SGP) on the basis of the latest Council recommendations and of the European Commission forecast of spring 2016. The latter expects economic growth in Europe to remain modest as the performance of key trading partners has slowed down and some of the so far supportive factors start to wane; GDP in the euro area is forecast to grow at modest rates over the 2015-2017 period.



### [Implementation of the Macroeconomic Imbalance Procedure - September 2016](#)



This note gives an in-depth analysis of the Member States' situation with respect to the Macroeconomic Imbalance Procedure, taking into account recent assessments and decisions by the European Commission, as well as documents published by other relevant European institutions. The 2016 European Semester started in November 2015 with the publication of the Annual Growth Survey and of the Alert Mechanism Report, which is the annual starting point of the Macroeconomic Imbalance Procedure. This document is updated regularly.



### [Euro area recommendations under the 2016 European Semester: an overview - September 2016](#)



This briefing provides an overview of the Council recommendations addressed to the euro area as a whole under the European Semester, including their implementation. These recommendations typically cover fiscal, financial and structural issues, and institutional aspects of the Economic and Monetary Union. The Council and the Commission closely monitor their implementation and take action as appropriate. The European Parliament is involved in the European Semester to increase its transparency and ownership.



### [Country-specific recommendations on banking issues - September 2016](#)



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. It takes a broad approach to banking country-specific recommendations (CSRs) and covers all recommendations targeting banking sectors of individual Member States. It takes stock of banking CSRs 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.



### [Overview of the Economic and Monetary Union - June 2016](#)



This note focusses on selected policy issues as outlined in the Five Presidents' Report and which are relevant for parliamentary work. It provides an overview of the main steps undertaken and of the proposals planned to make the EMU more resilient to shocks by addressing the policy and governance challenges unveiled by the financial crisis. The note complements the document "Institutions and Bodies in the Economic and Monetary Union" (February 2016), which provides an overview of the EMU governance framework.



### [International taxation and tax rulings: policy issues at challenging times - May 2016](#)



Reforming international taxation is a complex matter that will be subject to continual discussion and negotiation for years. Since most major players are willing to settle for incremental change toward a better system, the world should be able to do better when it comes to taxing international income flows relatively fairly and efficiently. Given the complexity of the issues at stake, expert views can provide a real added value - these papers are written by specialists of International Taxation, Tax Rulings and State Aid.



### [The role of the EU's Common Agricultural Policy in creating rural jobs](#) - April 2016



This study analyses the role of the EU's CAP in creating rural jobs. Starting at the EU level, a thorough systematic literature review and a statistical analysis prepare the ground for more detailed Member State reviews and case studies. The study concludes that the CAP supports the survival of small scale farms and contributes to sustain and develop rural economies. However, Pillar I payments have contradictory effects on employment and the direct effects of Pillar II on employment are difficult to assess.



### [Institutions and bodies in the Economic and Monetary Union](#) - February 2016



The governance framework of the Economic and Monetary Union (EMU) is a system of institutions and procedures that contributes to the attainment of balanced economic growth, price stability, a highly competitive social market economy, full employment and social progress, through appropriate monetary, fiscal and economic policies. This document provides an overview of the main institutions and bodies in charge of economic governance in the EMU by focussing on their tasks and composition, and Parliament's role.



### [Implications for the euro area of divergent monetary policy stances by the Fed and the ECB](#) - February 2016



Confronted with a different macroeconomic and financial environment, the ECB and the Fed monetary stances seem to be more and more on diverging paths. The Fed has stopped its quantitative easing (QE) operations and decided to raise the target range for the federal funds rate. The ECB is committed to extend the scope of its QE programme of March 2015, without reversing its zero interest rate policy before 2017. This compilation of notes provides an assessment of the main repercussions and risks for the euro area.



### [Corporate tax practices and aggressive tax planning in the EU](#) - November 2015



This paper is part of a series of analytical pieces on the absence of EU-coordination on aggressive tax planning and its effects. It provides background to the political debate and to the ongoing efforts to reform the tax system both at an international level, through the Base Erosion and Profit Shifting (BEPS) project led by the OECD and the G20, and at the EU level. It also describes the key features and role of the Platform for Tax Good Governance, Aggressive Tax Planning and Double Taxation, among others.



### [EU state aid law and national tax rulings](#) - October 2015



Part of a series of analytical pieces on various tax issues, this paper sets out how tax rulings can be subject to state aid scrutiny if they lead to a beneficial tax treatment of a particular undertaking that is not in line with the normal application of national tax law. However, a deviation from national law in itself is not always an indicator of selective aid. As national law is the only relevant benchmark, the state aid regime is not designed to impose particular doctrines or best practices on tax systems.



### [Interaction between monetary policy and bank regulation](#) - September 2015



As the euro area business cycle matures, will the interaction between monetary policy and supervisory policy become potentially controversial? How to avoid situations where controversy over the actions of one policy dents the credibility of the other and/or the institutions involved? And how to best exploit the positive synergies stemming from the close interaction of monetary and macro-prudential policies? An in-depth analysis by key monetary experts on these issues is provided in this compilation of papers.



### [The cohesion policy dimension of the implementation of the Europe 2020 Strategy](#) - June 2015



This analysis was prepared as input to the report on "Cohesion policy and the review of the Europe 2020 strategy", adopted by Parliament in October 2015. Launched in 2010, the Europe 2020 Strategy is an overarching EU strategy for growth and jobs. This paper focuses on three themes: the (reciprocal) relationship between cohesion policy and the Europe 2020 Strategy in the current and the previous programming period; the governance aspects (ownership and responsibility) and the territorial dimension of the strategy.



### [Interrelation between financial stability and monetary policy at the current juncture](#) - March 2015



Several years of unconventional monetary policies and exceptionally low interest have improved banks' health, eased credit conditions and helped supporting the economy. However, these policies may have undesirable side-effects. The notes in this compilation by key monetary experts discuss the main financial stability threats of unconventional monetary policies in an environment of low interest rates. They also look at the interrelation between financial stability and monetary policy at the current juncture.



### [The European Structural and Investment Funds and sound economic governance](#) - December 2014



With a view to ensuring effectiveness of expenditure under the European Structural and Investment Funds, cohesion policy in the 2014-2020 programming period is aligned with the economic governance of the EU. This paper looks at the concept of linking effectiveness of the ESI Funds to sound economic governance. It then analyses the Guidelines on the application of measures to this effect in accordance to Article 23 of the Common Provisions Regulation, as set out in the Commission Communication of July 2014.



### [European economic governance and cohesion policy](#) - January 2014



This study analyses the interactions between the wide-ranging economic governance reforms undertaken since 2008 and cohesion policy. It details the main changes and analyses how the aims of Cohesion Policy are likely to be affected. It also highlights the challenges of assuring legitimacy and of suitable formulation of Cohesion Policy as especially salient issues for the European Parliament, not least because of the expanded roles in economic governance of the European Commission and the European Central Bank.



## Facts sheet on the EU

The Fact Sheets provide an overview of European integration and of the European Parliament's contribution to that process. They cover six main themes: the EU's functioning; a citizens' Europe; the internal market; the economic and monetary union; sectoral policies; and external relations.



The Fact Sheets are available in 23 languages. The online version is updated regularly.

[www.europarl.europa.eu/factsheets](http://www.europarl.europa.eu/factsheets)

## Policy Departments

There are five policy departments within the European Parliament's DGs for Internal Policies and for External Policies. They are responsible for providing both in-house and external high-level independent expertise, analysis and policy advice at the request of committees and other parliamentary bodies (delegations, President, Bureau, Secretary-General). Their expertise covers all areas of activity of the European Parliament. They are closely involved in the work of the committees, which they support in shaping legislation on and exercising democratic scrutiny over EU policies.



Policy departments deliver policy analysis in a wide variety of formats, ranging from studies and in-depth analyses to briefings and the Fact Sheets on the EU. This written output serves a variety of purposes by feeding directly into the legislative work of a specific committee or serving as a briefing for delegations of members. Policy departments also organise events, including workshops and expert panels, which enhance Parliament's analytical capacity and develop common approaches to current political issues.

[www.europarl.europa.eu/supporting-analyses](http://www.europarl.europa.eu/supporting-analyses)