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Q&A: Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth

What is the Europe 2020 strategy?

Europe 2020 is the EU's long-term growth and jobs plan, built on five targets to be met by 2020. It was launched in 2010 to tackle Europe's economic, social and environmental weaknesses, some of which predate the crisis and all of which were exposed, and sometimes exacerbated, by it.

Europe 2020 has been a central part of the EU's overall recovery strategy and is a growth model for the future. It is based on investing in knowledge, a low-carbon economy, high employment, productivity and social cohesion. These are the ways to ensure the EU can compete on the world stage while preserving its unique social market economy.

What are the Europe 2020 targets?

There are five headline Europe 2020 targets. They are not ends in themselves but rather a guide for growth policies at both national and EU level. For instance, Member States translate these headline targets into [individual national targets](#), based on their different starting points. The headline targets for the EU are:

- **Jobs:** To have at least **75%** of people aged 20-64 in employment
- **Innovation:** To invest **3%** of GDP in research and development
- **Climate:** To cut greenhouse gas emissions by at least **20%**, increase the share of renewables to **20%** and improve energy efficiency by **20%**
- **Education:** To reduce school drop-out rates to below **10%** and increase the share of young people with a third-level degree or diploma to at least **40%**
- **Social:** To ensure **20 million** fewer people are at risk of poverty or social exclusion

Why are you 'taking stock' of the strategy, and why now?

Experience confirms that the worst economic and financial crisis in a generation has had a very significant impact on Europe's economy and society. As the recovery is gaining ground, this is a good moment to discuss policies that can move us decisively beyond the crisis.

As we approach the halfway point of the strategy, it is timely to publish a [communication](#), showing how the EU and individual Member States are advancing towards the 2020 targets. The communication lays the ground for a more informed discussion and a mid-term review, which the Commission proposed in 2011, given the particular challenges Member States faced at the time. The public consultation foreseen for later this year should yield further evidence and will offer an opportunity to all Europeans to share their views on the EU's post-crisis growth strategy.

Is Europe on track to meet its 2020 goals?

The purpose of this document is to take stock and lay the ground for an informed discussion. At this stage, we are not drawing any conclusions, but we can see some trends emerging.

The communication shows that progress on the 2020 targets has so far been mixed. The EU is on course to meet or to come close to its education, climate and energy targets. But given the magnitude of the crisis, we are not on track to meet our employment, research and development or poverty reduction goals, although results and forecasts vary widely across Member States.

These are the kinds of challenges which must be further explored in the future review of the Europe 2020 strategy.

Are the 2020 targets binding?

The targets are politically binding and have been agreed by EU leaders. National governments have a major role in making the strategy a success. Two of the targets – on reducing greenhouse gas emissions and on the use of renewable energy – are legally binding.

What is the Commission doing to help Member States meet their targets?

While the crisis has often meant we needed to focus on short-term urgencies, the European Commission has encouraged Member States to take a longer-term view on the recovery, as set out in the Europe 2020 strategy.

- The Commission monitors progress on the 2020 targets throughout the year under the European Semester ([MEMO/13/979](#)) for economic policy coordination, offering EU-wide and country-by-country guidance to Member States on priority reforms.
- Seven flagship initiatives, often backed by EU funding, have been set up to promote skills, youth employment, innovation, the digital economy, industry, resource efficiency and poverty reduction, areas that directly relate to the five headline targets.
- The EU budget for 2014-20 ([IP/13/1096](#)) is closely aligned to the 2020 goals. For instance, at least €70 billion has been set aside to support skills and entrepreneurship through the European Social Fund, and there is a €6 billion fund dedicated to boosting youth employment. Funds available for research and innovation (Horizon 2020) have been increased to €80 billion, the amount for climate-related projects has been tripled (now 20% of the budget) and there will be a €3.5 billion fund to aid the most deprived.

How do the targets fit into the European Semester?

The Semester starts with the Annual Growth Survey ([IP/13/1064](#)) each November, which sets EU-wide priorities for the following year, in line with the 2020 goals.

Member States submit national reform programmes each April, detailing their reform agendas and how they plan to reach their national 2020 targets.

The Commission assesses these programmes at the same time as it reviews Member States' budgetary plans (stability/convergence programmes), and then publishes country-specific recommendations ([IP/13/463](#)) setting out priority reforms in May/June. The recommendations are discussed and endorsed by all Member States and are taken into account when they adopt their budgets and economic plans for the following year.

Alongside the Europe 2020 communication today, the Commission has published the results of in-depth reviews ([IP/14/216](#)) into the economies of 17 EU Member States, under the European Semester cycle.

And, as part of its continuous monitoring of fiscal obligations under the Excessive Deficit Procedure, the Commission is, for the first time, making use of a new instrument to draw the attention of two euro area Member States, France and Slovenia, to the risk of non-compliance with their budgetary targets for this year. The Commission will reassess the overall situation in the context of the European Semester in June, and, if necessary propose the appropriate steps to the Council.

What happens next?

This communication sets the scene for a future review of the Europe 2020 strategy. The European Council will hold a first discussion, based on the Commission's findings, at its meeting on 20-21 March.

Given the scale of the change that the EU has undergone as a result of the crisis, the Commission considers it necessary to launch an EU-wide public consultation to gather the views of all interested parties on how to develop the Europe 2020 strategy over the next five years. The consultation will start later this spring and conclude in the autumn.

Following the consultation, the Commission will make further proposals for the strategy early in 2015.