



**COUNCIL OF
THE EUROPEAN UNION**

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SOC 414
COMPET 399
ENV 498
EDUC 194
RECH 228
ENER 248**

REPORT

from: The Presidency
to: Council (EPSCO)
Subject: Draft Council Recommendations on the National Reform Programmes (2013) to each Member State, including Macro-economic Imbalance Procedure (MIP)
- Approval

I. INTRODUCTION

The proposals for Country-Specific Recommendations (as listed in document 10345/13), were presented by the Commission on 29 May 2013 in the context of the third European Semester process.

They were examined by the relevant committees (EMCO, SPC, EPC, EFC/EFCA) which also considered certain issues in a horizontal manner with the aim of ensuring the consistency of the Recommendations across the Member States.

On 19 June, Coreper (Part I) considered the outcome of the preparatory work of the committees. It discussed in particular the employment and social policy related parts of the recommendations.

It agreed on some modifications regarding the text of the draft recommendation to Poland. Furthermore, it was agreed to modify the reference to the Employment Committee, the Social Protection Committee and the Economic and Financial Committee in the visa part of all the draft recommendations (based on advice of the Council legal service).

The result of this preparatory work is contained in document 10662/1/13 REV 1)

II. HORIZONTAL ISSUES

Apart from the country specific issues, three outstanding horizontal issues were highlighted by delegations:

- bundling of MIP and non-MIP relevant recommendations on labour market policies in the same recommendation: concerns were expressed about the very limited scope for the EPSCO Council to also decide on matters within its competence as it was decided that the recommendation as a whole fall within the remit of the ECOFIN Council;
- the compromise language applied to most CSRs on pensions (increasing the effective retirement age by aligning retirement age or pension benefits to changes in life expectancy), as compared to linking the statutory retirement age to life expectancy as the most appropriate policy option in the area of pensions;
- ensuring consistency between the recommendations in a given sector and the Community *acquis* as well as relevant legislative proposals falling under the ordinary legislative procedure in the same sector.

III. OTHER ISSUES

Some Member States raised issues (either in CSRs and/or in corresponding recitals) which have already been discussed at the committee level but had not received the required support (through indicative voting). Nevertheless, these Member States considered that their concerns are of high importance to be raised at ministerial level. CSRs of another Member State have not been duly taken into account at the committee level and it will seek a solution at the Council level.

From a more general view, a number of Member States considered the available time between the submission of CSRs and the examination in the committees too limited to have an in-depth examination of the proposed CSRs.

The Presidency pointed out that the preparation and organisation of the 2013 exercise has improved, but due to the complexity of the process, existing shortfalls should be addressed in the evaluation in the second half of the year.

Regarding the organisation at Council level, the Presidency has given full consideration to the cross-cutting issues to be discussed in both Council formations (EPSCO and ECOFIN). However, in case of remaining divergences, in particular on the CSRs linked to the MIP, it is necessary to decide that only one Council formation can take a decision. What matters most is the consistency of the results. Both Council formations need to synchronise their work with a view to the discussion at the European Council on 27-28 June.

IV. CONCLUSION

The Council (EPSCO) is invited to examine the Recommendations with a view to approve the employment and social policy related aspects of the draft Council Recommendations for each Member State.

On 21 June, the ECOFIN Council will consider and approve the economic/financial and MIP related parts of the recommendations.

The Country-specific Recommendations will be submitted to the European Council on 27-28 June 2013 for endorsement.
