



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 25 September 2013

13957/13

**EMPL 5
SOC 721
EDUC 352
ECOFIN 817**

COVER NOTE

from: The Social Protection Committee
to: Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject: Evaluation of the 2013 European Semester in employment and social policies:
(a) Contribution of the Social Protection Committee
- Endorsement

Delegations will find attached the above-mentioned contribution, consisting of a set of recommendations, based on the Social Protection Committee's evaluation of the third European semester, with a view to its endorsement by the Council (EPSCO) on 15 October 2013.

The full evaluation can be found in doc. 13957/13 ADD 1.



Ex-post evaluation of the third European semester: recommendations for further improvements

The 2013 European semester marked a step forward in the right direction both in terms of policy discussion and governance. This synthesis report presents the recommendations prepared by the SPC on the basis of its full evaluation of the third European semester¹. They are referred to the Council for endorsement.

1. PREPARATORY PHASE OF THE COUNCIL DECISION ON THE PROPOSAL FOR RECOMMENDATIONS

Recommendations:

1. Member States and the Commission continue discussing the policy priorities for the future AGS(s) in order for the latter to become an effective guidance tool.. The future AGS should reflect more explicitly on the outcome of the previous years' work in order to illustrate the cyclical nature of the semester and the continuity between semesters as well as the input from the SPC.
2. The Commission communicates in writing its evaluation of the national reporting on the implementation of previous recommendations examined at the implementation reviews. This will bring on equal footing the Commission and the reviewing Member State which submits a written evaluation on the reviewed Member State.

¹ The full report of the Committee can be found in document 13957/13 ADD 1.

3. The SPC ensures that the way it reports the implemented policy measures in its multilateral opinions on the implementation of previous recommendations is consistent across Member States including in respect to the level of compliance with previous recommendations. The Committee should make more use of the Social Protection Performance Monitor (SPPM) and of other monitoring tools to underpin its conclusions.
4. For a better understanding of the analytical underpinning of the recommendations, the publication of the Commission staff working documents should be advanced. A commonly agreed methodology between Member States and the Commission should be in place to assess social protection systems - in particular their effectiveness and fiscal sustainability.
5. The assessment of the effectiveness of social protection systems should not be based exclusively on the poverty reduction impact of social transfers.

2. IMPROVING THE SEMESTER'S CONTRIBUTION TO BETTER POLICIES FOR INCLUSIVE GROWTH

Recommendations:

6. The EPSCO Council needs to :
 - enhance its role and contribution to the economic coordination process by improving the monitoring of relevant structural reforms in the areas of its policy responsibility;
 - improve its monitoring of key employment and social developments. For this purpose, an instrument illustrating such developments in an integrated way needs to be part of the framework of the European Semester building on existing monitoring tools (EPM and SPPM).

Taken together, these tools will underpin the EPSCO's appraisal of the relevance of the recommendations, particularly in cases of cross-cutting policy issues with relevance for the social and macroeconomic policies.

7. Over the last Semesters (2011-2012-2013) a significant number of recommendations on pension policy were issued. At EU level there is a need for a consistency in the formulation of the recommended policy measures. A distinction needs to be made between the short and long-term effects of the recommended actions in this policy area.
8. Health and long-term care policies are also central themes in the semester. The Commission and the Council need to continue working on a joint assessment framework for these very specific policy areas in order to improve the quality of the policy dialogue, sharpen its specificity and increase the value added of EU discussions on these policies which are facing challenges going beyond their fiscal sustainability. In this respect, co-operation with the Working Party on Public Health at Senior Level will continue.
9. Structural reforms take time to deliver their effects. They need to be implemented with a great deal of care in order to safeguard other goals and to maintain social acceptability. The future proposals for recommendations should acknowledge the efforts taken at national level, be precise and specific and focussed on outcomes while avoiding over-prescriptiveness to leave discretionary scope for national authorities and social partners to negotiate the details.
10. The timeline of the recommendations needs therefore to be feasible and fit within the time horizon of each semester.

3. IMPROVING THE SEMESTER'S PROCESS AND GOVERNANCE

Recommendations:

1. More time is needed between the date of publication of the recommendations and the start of the multilateral examination at Committee's level. The Commission is invited to take this into account for the publication of its proposal for Council recommendations with the view to facilitate the multilateral discussion in the Committees. In addition, the Commission should fully participate in discussing the alternatives to its original proposal in cases whereby the Committees' Chairs seek to establish a consensus.
2. There is a need to increase the time devoted to the bilateral consultations between the Commission and Member States prior to the publication of the recommendations. This will help achieving a better understanding regarding the recommended actions. Securing national buy-in is important for the compliance with the recommendations.
3. The good practices established in the 2013 semester concerning the roles of the Council formations and of their advisory bodies need to continue and be further improved. This will guarantee coherent and harmonised policy advice submitted to the Council for adoption.
4. Further improving the co-operation between all Council preparatory bodies is important ahead of the publication of the Commission package in full respect of their Treaty mandates and field of policy responsibilities.
5. There is a need to limit the range of employment and social policy issues taken under the macro-economic imbalance procedure (MIP). The application of the MIP to policy areas falling outside its thematic and regulatory scope should be avoided. Should the need occur in 2014, the Committee will recommend splitting the MIP recommendations in cases where social policy issues are bundled with MIP based recommendations.