



**COUNCIL OF
THE EUROPEAN UNION**

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REPORT

from: The General Secretariat
to: Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject: Recommendations for Council Recommendations on the National Reform
Programmes 2012 to each Member State
- *Approval (Article 148 TFEU)*

I. INTRODUCTION

On 30 May 2012, the Commission presented 27 Recommendations for a Council Recommendation based on Articles 121(2) and 148(4) TFEU, as well as Article 5(2) of Regulation 1466/97 -or Article 8 (2) of that Regulation, if the Member State concerned is a Member State whose currency is not the euro. The documents combine economic and employment recommendations with the Council opinions on Stability and Convergence Programmes. The Recommendations are presented in 27 different documents, one for each Member State plus one for the Euro area.

New elements have been introduced this year. For the first time, the six pack of legislation on economic governance has come into force with focus on structural reforms. Also for the first time, the Commission has made reviews based on the macroeconomic imbalances procedure (MIP). They covered 12 countries: Belgium, Bulgaria, Denmark, Spain, France, Italy, Cyprus, Hungary, Slovenia, Finland, Sweden and the United Kingdom.

The legal basis requires the Council to consult the Employment Committee (EMCO) and the Economic and Financial Committee (EFC) before it decides on the country-specific recommendations. The EFC has delegated part of its work to the Economic Policy Committee (EPC). Certain parts of the recommendations fall under the competence of the Social Protection Committee (SPC), which has provided its input to EMCO and EPC/EFCA.

No consultation of the European Parliament is required, although Article 121(2) TFEU provides that the Council should inform the European Parliament of the recommendations which it has adopted.

On 30 May, the Commission also submitted an overall *Communication on Action for Stability, Growth and Jobs* outlining its approach to the country-specific recommendations as well as, under Article 136 TFEU in combination with Article 121(2) TFEU, a separate set of recommendations for the economic policies of the countries whose currency is the euro. Although the programme countries¹ received one CSR, they were not included in this review exercise.

II. THE PROCESS - STATE OF PLAY

Taking into account the roles of the different Committees (EMCO, SPC, EPC, EFC/EFCA), they have shared the preparatory work in the context of multilateral surveillance in order to submit the texts of the recommendations for approval to the EPSCO Council on 21 June (related to Article 148 TFEU) and to the ECOFIN Council on 22 June 2012.

¹ Greece, Ireland, Portugal and Romania.

The Recommendations have been examined jointly by the EMCO and SPC on 6 June and by EMCO and EPC on 7 June. EMCO analysed the results of the joint meetings and finalised its opinion at its meeting on 12-13 June. The parts of the Recommendations which do not deal with the employment aspects have been further examined by the EPC.

During these successive examinations the EMCO has concentrated on the employment elements falling under Article 148 TFEU and the EPC/EFCA essentially on the broader macro- and micro-economic elements. While the Recommendations are addressed to individual Member States, the Committees have considered certain issues in a horizontal manner, with the aim of ensuring the consistency of the Recommendations across Member States.

Further to the examination of the 27 Recommendations by the EMCO, the following issues remain open in the employment-related parts of the Recommendations:

- (a) MT has expressed concerns on the voting rules. EMCO agreed to a change in voting arrangements adopting the Recommendations by qualified majority. The Council Legal Service has provided an opinion (doc.11223/12);
- (b) BG has indicated a reservation on CSR 4 (last sentence), which refers to education for disadvantaged groups;
- (c) UK has indicated a reservation on CSR 4, which refers to child-care and child poverty issues.

The contribution of the SPC is referred to in an additional recital introduced in each document accordingly.

The work of the EPC has been subject to the formal endorsement of the EFC.

III. CONCLUSION

The Permanent Representatives Committee is invited:

- to examine the issues in the employment-related parts of the Recommendations and
- to submit the Recommendations to the EPSCO Council on 21 June, with a view to approve the employment-related elements of the 27 Recommendations, one for each Member State.

Given the comprehensive nature of the country-specific recommendations, the ECOFIN Council will consider them on 22 June and approve the Article 121 TFEU related parts. All recommendations will be submitted to the GAC Council on 26 June with a view for their endorsement by the European Council on 28-29 June.

The final adoption will take place after legal-linguistic revision in July.
