



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 21 September 2012

13723/12

**SOC 740
ECOFIN 775
EDUC 264**

NOTE

from:	The Social Protection Committee
to:	Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject:	Social Protection Performance Monitor (SPPM) - <i>Endorsement of the SPPM main features</i>

Delegations will find attached the above mentioned report prepared by the Social Protection Committee for endorsement by the Council (EPSCO) at its session on 4 October 2012.

Social protection performance monitor (SPPM): main features

1. Social protection performance monitor: political relevance

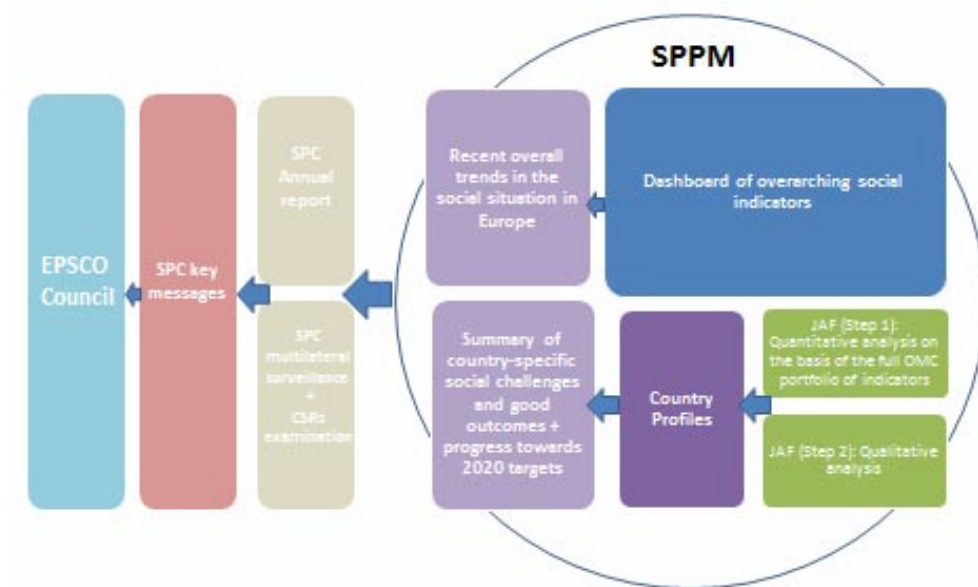
The social protection performance monitor (SPPM) is developed by the Social Protection Committee and the Commission services in response to the European Council call for "complementing reinforced economic governance with improved monitoring of employment and social policies" (European Council Conclusions, 9.12.2011, EUCO 139/11). It will be part of the SPC Annual report on the social dimension of Europe 2020 for the Council.

The Council (EPSCO) has already endorsed the Employment Performance Monitor through which it follows the employment policies. The SPPM will enhance the Council ability to gain a deeper understanding over developments occurring in social policies across the EU, to monitor them closely and regularly and to identify social trends to watch common to a number of Member States. The new tool covers the three strands of the social open method of co-ordination (OMC) as re-confirmed by the Council in June 2011.

To respond to the call of the June 2012 European Council, the SPPM will deepen the SPC multilateral surveillance and it will support the coordination of social protection and social inclusion policies. The new instrument will allow Member States to assess the effectiveness of social investments at EU and national levels. Thus, the EPSCO role in the European Semester will be strengthened including its capacity to select key social policy developments for the attention of the European Council. It is not intended to use the SPPM for ranking of Member States.

2. Structure of the social protection performance monitor

The following diagram illustrates the structure of the SPPM as well as the way it will feed into the Europe 2020 process.



The SPPM will consist of two key elements:

- i) a **dashboard of key social indicators** covering all three strands of the OMC to overlap as much as possible with the overarching list of OMC indicators used for identifying trends to watch and positive recent trends. The dashboard will provide an overall summary of negative and positive developments in the social situation in Europe based on common trends identified across several Member States;
- ii) **country profiles** which look in-depth into the key social challenges as well particular good outcomes in each MS and the progress towards the national 2020 poverty and social exclusion targets.

The dashboard will address the need for a summary set of indicators allowing for the identification of important common "trends to watch" as well as "positive recent trends".

The country profiles are a result of the analysis done in the context of the Joint Assessment Framework between EMCO, SPC and the Commission and offer country-specific information on Member States' progress with respect to the poverty and social exclusion target, information on main social indicators, and identification of key social challenges as well as particularly good social outcomes. They will facilitate the SPC multilateral surveillance process.

3. Use of the Social protection performance monitor

First, the social protection performance monitor will be an integral part of the Annual SPC report to the Council on the social dimension of Europe 2020. The SPC annual report to be endorsed by EPSCO in February 2013 will identify "trends to watch" as well as "positive recent trends". As the dashboard will be based on time comparisons (year "n" versus a chosen baseline year "n-x"), it will allow for tracking historical progress.

Second, the "trends to watch" will inform the SPC choices for thematic surveillance within Europe 2020. Third, the Social Protection Committee will use the social protection performance monitor with a view to take a genuine multilateral position on the Commission proposal for country specific recommendations as well as on assessing views expressed by other Committees on social protection issues.

The SPC retains the possibility to assess the comprehensiveness of the information provided before taking a final decision on which element to refer to the Council. The SPC will complement the SPPM with a broader quantitative and qualitative analysis. It will also decide on the indicators for the dashboard as well as on the threshold for statistical significance of the analysed social trends. The country profiles will be standard documents to support multilateral surveillance exercises undertaken by the SPC and will be validated by Member States through their SPC Members with the support of the Committee's indicator sub-group.