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**ECOFIN 487
UEM 229
SOC 341
EMPL 237
COMPET 314
ENV 355
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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Explanations of modifications to Commission Recommendations for the Country Specific Recommendations

Delegations will find attached the explanations of modifications to Commission Recommendations for the Country Specific Recommendations per Member State (Commission Recommendations for Council Recommendations on Member States' 2016 national reform programmes and delivering a Council opinion on Member States' stability and convergence programmes).

This note follows from Article 2-ab(2) of Regulation (EU) No. 1175/2011 of the European Parliament and the Council: the Council is expected to, as a rule, follow the Recommendations and proposals of the Commission or explain its position publicly with a view to ensure greater transparency and accountability in the process of multilateral surveillance and the results of the Country Specific Recommendations in the context of the European Semester.

Explanatory note

- Accompanying document to Council Recommendations to Member States under the European semester 2016 -

Article 2ab)(2) of Regulation 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies, which makes part of the section on "Economic dialogue", states that "*The Council is respected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publicly*".

In respect of this "comply or explain rule" the Council hereby presents the following explanations to changes agreed to Commission Recommendations for Country-Specific Recommendations (CSRs) on Member States in the context of the 2016 European semester on which the Commission is in disagreement.

The Council has also agreed to a number of additions as well as factual or technical changes to recommendations with the full support of the Commission.

Germany

CSR 1

Commission text:

Achieve a sustained upward trend in public investment, especially in infrastructure, education, research and innovation, by using the available fiscal space and prioritising expenditure.

Agreed text:

Achieve a sustained upward trend in public investment, especially in infrastructure, education, research and innovation, while respecting the medium term objective.

Explanation:

It was agreed that the change would not alter in a substantive way the country recommendation, while it avoids reference to a concept (i.e. fiscal space) that is not defined in the SGP.