



Council of the
European Union

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REV 1**

**ECOFIN 507
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NOTE

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

Subject: COUNCIL EXPLANATORY NOTE Accompanying document to Council
Recommendations to Member States under the European Semester 2023

Delegations will find attached draft Explanatory note accompanying Council Recommendations to Member States under the European Semester 2023, as prepared at the Committee level and finalised by the Economic and Financial Committee.

Explanatory note

Accompanying document to Council Recommendations to Member States under the European semester 2023

Article 2-ab)(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 expected 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 2023 European semester on which the Commission is in disagreement.

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

Extract from country-specific recommendation 1

For all Member States except Denmark, Ireland, Cyprus, Lithuania, Sweden

Commission text:

Wind down the energy support measures in force by the end of 2023, using the related savings to reduce the government deficit.

Agreed text:

Wind down the **emergency** [*change agreed by the Commission*] energy support measures in force ~~by the end of 2023~~, using the related savings to reduce the government deficit, **as soon as possible in 2023 and 2024**.

Explanation:

The text of the recommendation was amended by the Economic and Financial Committee to reflect the fact that several Member States have in place some emergency energy support measures, which are envisaged, by the relevant existing national legislation to be in force beyond 2023. This is also due to the fact that the heating season extends beyond the end of 2023.

For Denmark, Ireland, Cyprus, Lithuania, Sweden

Commission text:

Wind down the energy support measures in force by the end of 2023.

Agreed text:

Wind down the **emergency** [*change agreed by Commission*] energy support measures in force, ~~by the end of~~ **as soon as possible in 2023 and 2024.**

Explanation:

The same reason than for the other Member States, explains the amendment made to the text of the recommendation addressed to Denmark, Ireland, Cyprus, Lithuania, and Sweden. However, since they have already attained their Medium-Term Budgetary Objective (MTO), their recommendation does not include the reference to the use of the related savings arising from the winding down of emergency energy support measures.