



Council of the
European Union

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NOTE

From: General Secretariat of the Council

To: Permanent Representatives Committee (part 2) / Council

Subject: COUNCIL EXPLANATORY NOTE Accompanying document to Council
Recommendations to Member States under the European Semester 2021

Delegations will find here attached the post EFC version of the draft Explanatory note accompanying the Council recommendations to Member States under the European Semester 2021.

DRAFT

Explanatory note

*- Accompanying document to Council Recommendations
to Member States under the European semester 2021*

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 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 Council Recommendations on Member States in the context of the 2021 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.

For all Member States except Romania

Recommendation 3

Commission text:

Give priority to fiscal structural reforms that will help provide financing for public policy priorities and contribute to the long-term sustainability of public finances, including by strengthening the coverage, adequacy, and sustainability of health and social protection systems for all.

Agreed text:

Give priority to fiscal structural reforms that will help provide financing for public policy priorities and contribute to the long-term sustainability of public finances, including, where relevant, by strengthening the coverage, adequacy, and sustainability of health and social protection systems for all.

Explanation:

While the horizontal recommendation duplicates the Council recommendation on the economic policy of the euro area, it should not apply to each Member State in the same manner (especially concerning coverage). The agreed change would not alter in a substantive way the recommendation, while allowing Member States to take into account past progress and to tailor policy measures to country-specific circumstances.
