



Council of the
European Union

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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Explanatory note - Accompanying document to Council recommendation
on the economic policy of the euro area 2022

Delegations will find here attached the post EFC and EWG version of the Explanatory note accompanying the Council recommendation on the economic policy of the euro area.

Explanatory note

- *Accompanying document to Council recommendation
on the economic policy of the euro area 2022*

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 the Commission Recommendations for a Council recommendation on the economic policy of the euro area in the context of the 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.

EAR 3

Commission text:

[...] promote an efficient allocation of capital and cross-border investments. [...]

Agreed text:

[...] promote an efficient allocation of capital in the real economy and cross-border investments.
[...]

Explanation:

The change clarifies the focus of recommendation 3, which is centred on the real economy, while issues related to the banking sector and capital allocation in that context are covered in recommendation 5.