

Key figures and messages

of the opinion on “Reform and investment proposals and their implementation in the Member States – what is the opinion of organised civil society? (2023-2024 European Semester cycle)”

Key figures

- Number of EESC members involved in this consultation → **77**
- Number of round tables → **10**
- Number of participants in the round tables (without the members of the delegation) → **190**
- Number of pages of written contributions (reports + replies to questionnaire) → **158**
- Number of pages of annex → **62**

Implementation for this opinion of the EESC's project to involve youth organisations in its work

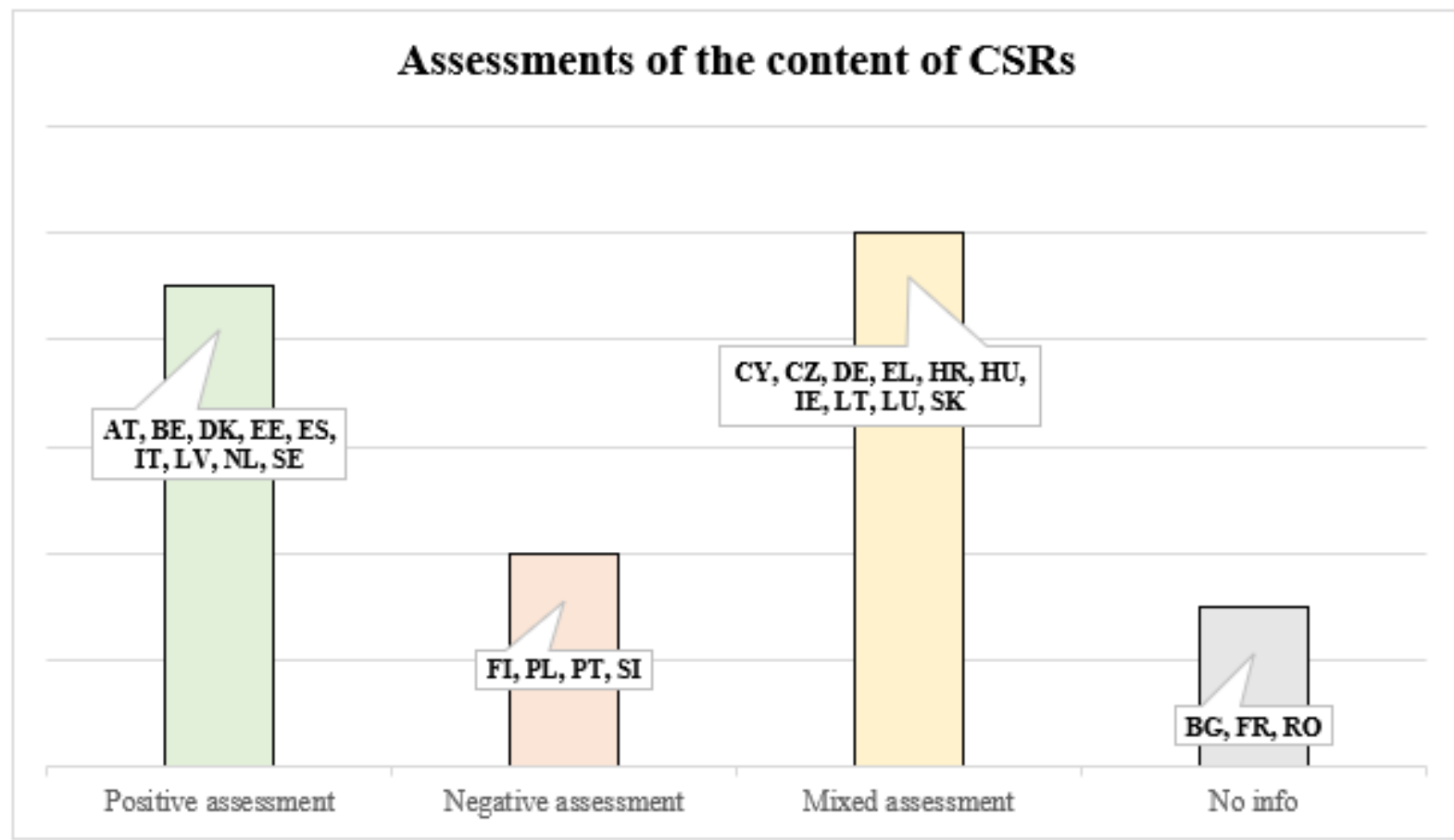
In addition to the **2 representatives of youth organisations invited to the 2 meetings of the study group**, we also invited representatives of youth organisations (identified through a mapping exercise) from the 10 countries where a round table was planned. They were invited to take part (on site) in the round tables like any other invited participants from organised civil society. **7 youth organisations representatives took part in 6 round tables.**

Regional and local dimension

We have also invited members of the Committee of the Regions to the round tables in order to meet one of the objectives set out in the ESG programme: closer collaboration with the CoR on the key issues of the European Semester.

Key messages

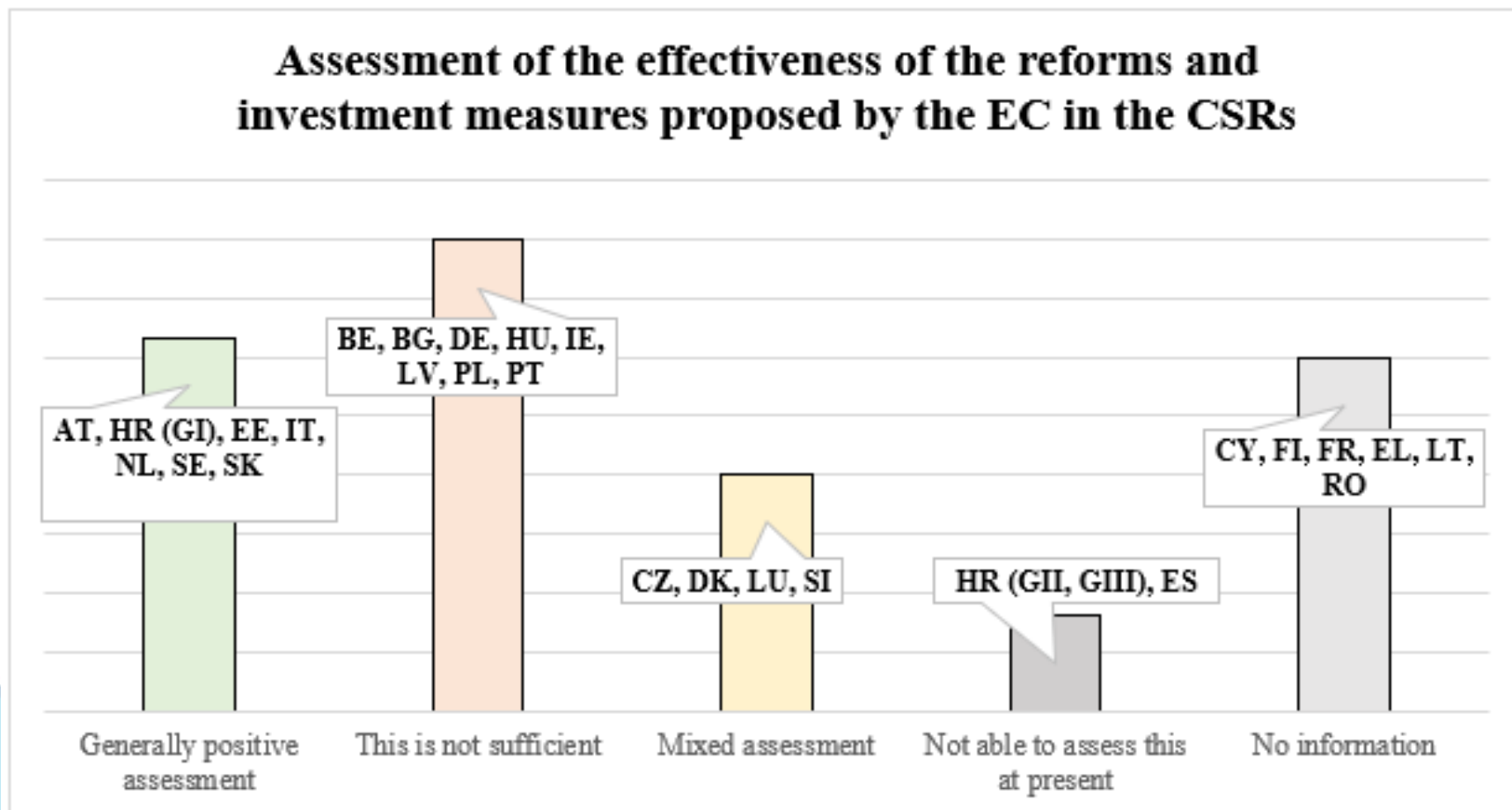
Question 1: What is your opinion on the priorities identified by the Commission in the country-specific recommendations for your country in 2023?



In general, the CSRs are seen as relevant and appropriate, although they do not sufficiently address social issues, prioritising financial aspects. However, the implementation of the proposed measures at national level is judged more critically.



Question 2: How would you assess the effectiveness of the reform and investment measures proposed by the Commission in these recommendations?



Question 3: How is organised civil society involved in the dialogue with your government and the Commission? What are the positive and negative points?

A few examples of OCS's recommendations that arose from this question:

- We need to conduct consultations at least twice annually, during each six-month period (final meeting-before the government adopts the final document);
- National governments should conduct dialogues on all European Semester documents, not only in the context of the NRPs, developing detailed planned measures during the initial phase, considering input from social partners and CSOs;
- A ESG should be established within the national Economic & Social Councils;
- We must establish clear guidelines and transparent communication regarding citizen participation;
- We must ensure an appropriate length for public consultations depending on the importance of the legislation and respecting legal deadlines (30 or 21 days);
- The public consultation should be mandatory for all draft laws including statement of reasons and impact assessments for amendments during the legislative process;
- Member States should publish regular reports on the consultation process annually, transmitting them to the EC and national parliaments.

Question 4: Do you generally agree or disagree with this proposal for a review? What are the main advantages and/or disadvantages?

A few examples of OCS's recommendations that arose from this question, in order to ensure the proper implementation of the new rules:

- We need a stricter enforcement of the rules to ensure the sustainability of public finances;
- We must strike a balance in fiscal policy between reducing debt and preserving public investment and growth, especially for over-indebted countries;
- We must strengthen national ownership by involving national parliaments, regional and local authorities, social partners and civil society;
- We should establish a long-term social agreement or social pact through OCS involvement in the European Semester process or the European economic governance framework;
- We need a stronger solidarity between surplus and indebted Member States;
- We should create RFF 2.0 for pan-European and long-term strategic investments for Member States in need;
- We need more flexibility for MS to adapt to unforeseen circumstances;
- We should exclude investment expenditure with high social and economic impact from deficit calculations to enhance EU's competitiveness;
- We must identify areas important to the public or military that should not be subject to deficit and debt level calculations;
- We should established an independent, reliable and transparent mechanism to ensure MS fulfil commitments made in their medium-term fiscal-structural plans.

Question 5: Has your organisation been consulted or is it being consulted in defining the position of your government on the Commission legislative proposal currently under discussion within the European Parliament and the Council of Ministers?

Consultation of organised civil society in defining the national government's positioning on the review of the EU economic governance framework



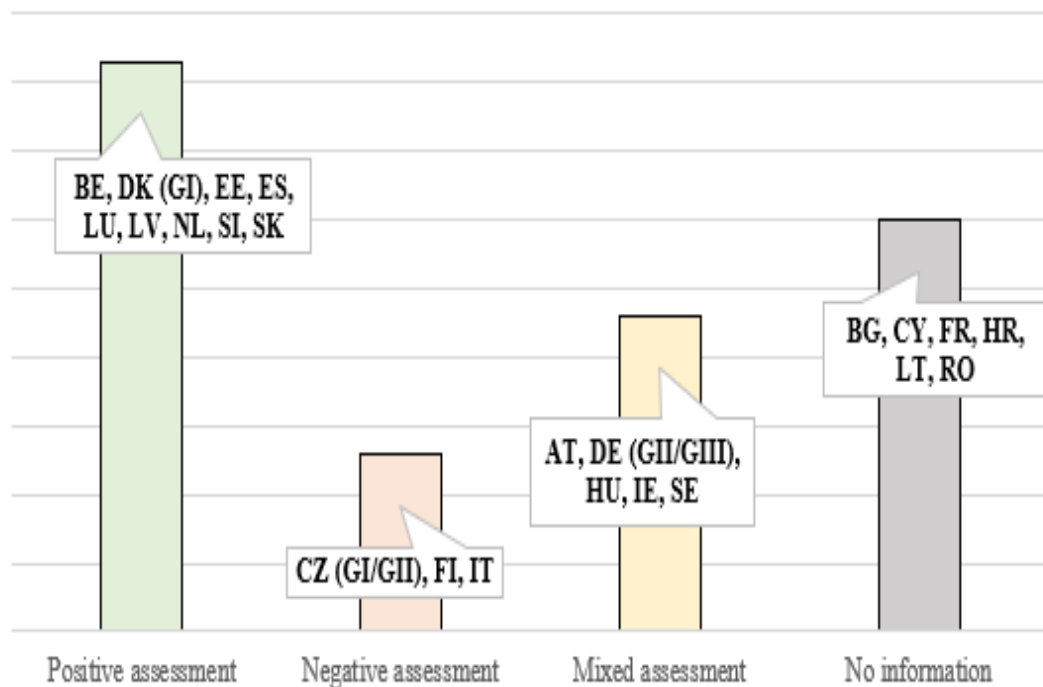
A few examples of OCS's recommendations that arose from this question regarding the implementation of the revised EU economic governance framework and the consultation of OCS :

- A formal consultation process should be implemented to allow social partners and CSOs to provide input into the government's position;
- Commission's European Semester officers should participate as observers in consultations between OCS and the government.



Question 6: According to the proposal, each Member State would draw up a national medium-term fiscal-structural plan. Furthermore, it would be possible to extend the fiscal adjustment period if underpinned by specific reform and investments. Do you think that such plans would be effective to encourage specific reform and investments?

Assessing the effectiveness of plans to encourage specific reforms and investments



A few examples of OCS's recommendations that arose from this question:

- The plans must consider the specific situations of MS, support long-term stability and development and contribute to regional balance and environmental sustainability;
- Attention has to be paid to the effectiveness and efficiency of public investment, the risk of crowding out and the need for a balance between control and overly strict management;
- We need wide multi-faceted consultations, particularly with OCS, and consensus building;
- Constant monitoring of the plans should be guaranteed by the European authorities, EP, social partners & CSOs;
- Annual report should be delivered, analysing deviations, including social aspects, and proposing corrections for plan implementation;
- We need a subsidiary relationship between public and private parties to support plan implementation;
- We need strong communication campaigns to raise citizens awareness and support national plans.



Question 7: Do you think Member States will have sufficient flexibility within their medium-term fiscal-structural plans to promote such reforms and investments, while they also need to adhere to the 3% deficit and 60% debt-to-GDP rules?

Assessment of whether Member States will have sufficient flexibility within their medium-term fiscal-structural plans to promote reforms and investments

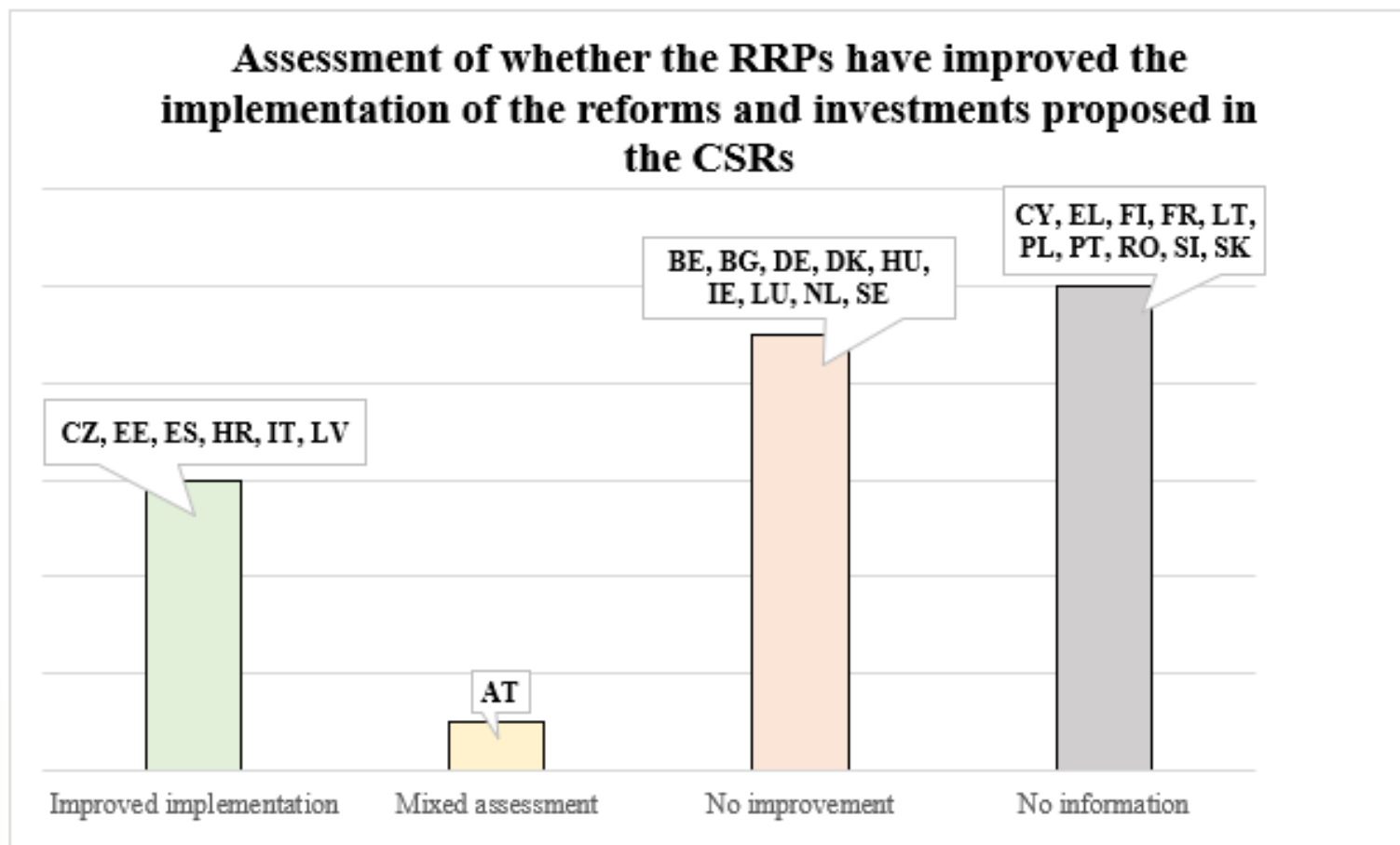


OCS welcomes the flexibility provided, but mentions several aspects crucial for the success of the new rules:

- Capital account and current expenditure investments based on CSRs should not be included into deficit calculation;
- Direct Investments by companies for ongoing employee training should be excluded from the State aid map;
- Dynamic rules adaptable to economic situations are needed to foster growth and reduce public debt without compromising stability;
- Strengthening growth without neglecting stability rules;
- Measures promoting the green transition must consider economic component and shared burdens by all stakeholders;
- Possibility for adjustments and deviations from strict conditions for Member States following the CSRs within the European Semester framework, where investments required to implement them lead to non-compliance with the 3% deficit rule.



Question 8: In your opinion, have the Recovery and Resilience Plans improved the implementation of the reforms and investments proposed in the country-specific recommendations or made it more complicated?



A few examples of OCS's recommendations that arose from this question:

- EC should continue urging MS to simplify administrative procedures in order to facilitate the implementation of the RRP's;
- Transparency of RRP's should be improved by providing updated data at least quarterly on projects implementation and resource utilisation;
- The role of central and local public administrations in implementing the RRP should be strengthened.

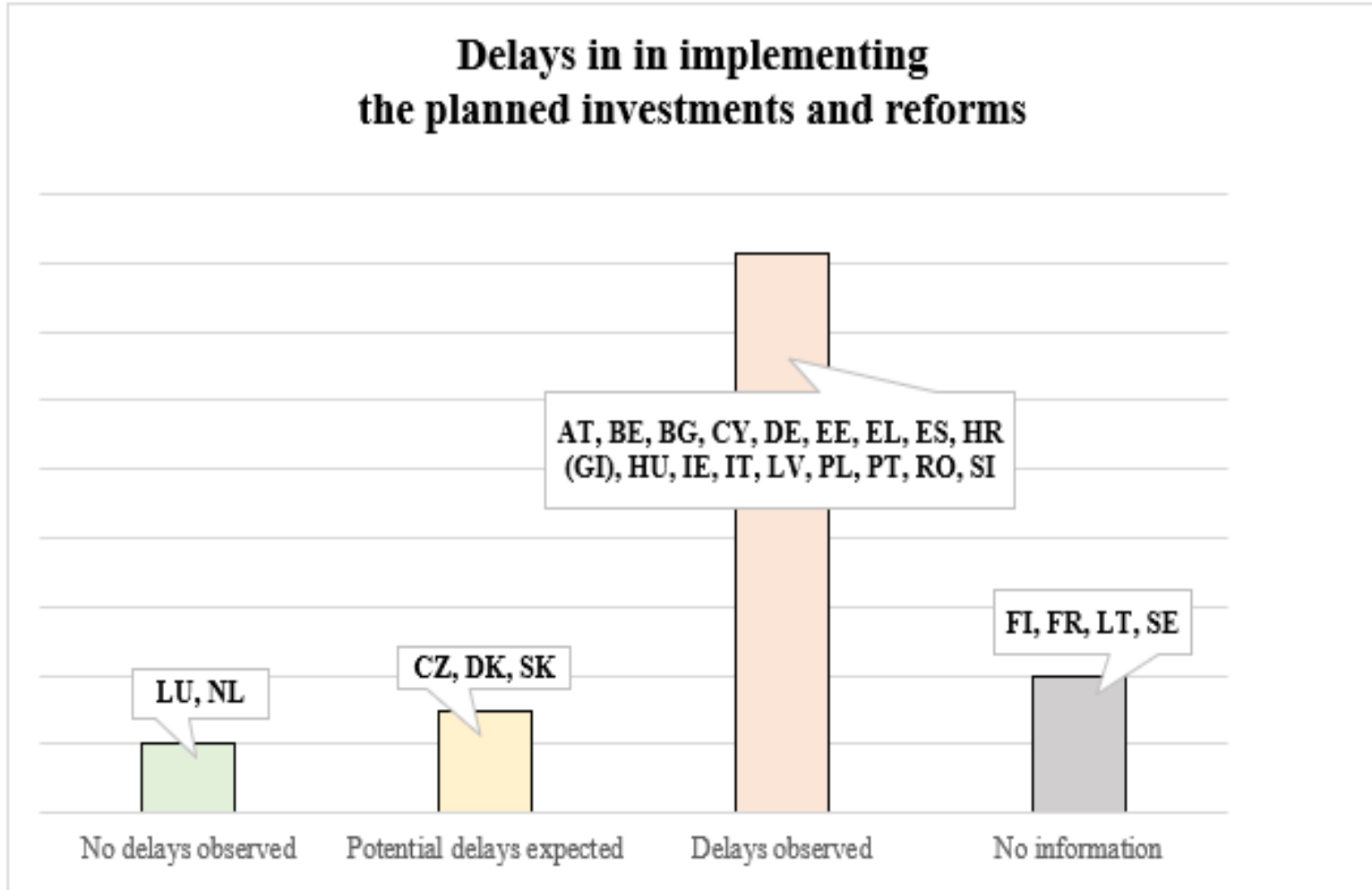


Question 9: Based on a multiple-choice options below, what do you consider to be the main action(s) to be taken to increase the role of social partners, civil society organisations and local and regional authorities in the implementation and monitoring of the RRP?

List of multiple choices in order of preference:

- I. **A formal, permanent and structured consultation process**, in which national government works closely with authorities at all levels and in partnership with trade unions, employers, non-governmental organisations and other responsible bodies throughout the whole measure cycle consisting of preparation, implementation, monitoring and evaluation.
- II. **The meetings will be convened in due time and form**, and the necessary documents and information will be sent to the convened local and regional authorities, social partners and civil society representatives, allowing sufficient time for them to be studied. Minutes will be taken at the meetings and will include the proposals made by these representatives.
- III. **The procedure should take place in a specific body**, or in a pre-existing one to which such functions are legally attributed. Existing national economic and social councils should also play a relevant role in this process.
- IV. **Regular reports on the consultation process should be published annually**, transmitted to the EC and the national parliaments and made available to organised civil society and the general public in each Member State.
- V. **For each measure, Member states will identify the relevant partners among local and regional authorities, trade unions, employers, non-governmental organisations and other responsible bodies and consult them** on the process and timetable of the preparation of that measure.
- VI. The consultation process should be **commonly defined in an EU regulation**.

Question 10: Have there been delays in implementing the planned investments and reforms in your country?



OCS is reporting delays:

- In payments by the EC and the implementation of investments, particularly for regional and local governments and businesses;
- Due to bureaucracy and bottlenecks at various levels, the novelty of the mechanism, external shocks, changes in government, poor planning capacity of the public administration system, low elasticity of the country's economic fabric, regulatory uncertainty, changes to the RRF plan to achieve investments in line with the RePowerEU plan, conflict of interest rules that restrict parties' involvement in various major projects,

OCS proposes, for example,:

- To grant more flexible investment periods;
- To implement counter-cyclical public investment to support jobs and growth ;
- To increase the role of public-private partnerships, co-programming and co-planning;
- To improve communication of project and tenders, providing targeted assistance and establishing a more appropriate mechanism for monitoring and information flow;
- That the EC consider the possibility of implementing national RRP projects in the longer term.

Question 11: As we reach the mid-term of the implementation of the RRP's and the ongoing review of the EU's economic governance framework, what lessons have been learned that should be applied to the design, implementation and monitoring of the future medium-term fiscal-structural plans that have been proposed by the Commission?

A few examples of OCS's recommendations that arose from this question:

For the design of the plans:

- To provide longer programming periods in order to increase the scope of the consultation of OCS, national parliaments, regional and local authorities;
- To ensure simplification and flexible disbursement rules;
- To promote a better coordination with other EU programmes and funds;
- To use of the same performance-based logic as the RRP's, and make funding conditional on the implementation of recommendations;

To implement the plans :

- To provide technical training is needed for public administration staff responsible for implementing RRP's;
- That business associations contribute to the implementation of the funds by helping companies to manage the administrative complexities;
- To support capacity building for public administrations, particularly in the most disadvantaged territories;

To monitor the plans:

- To provide better auditing and reporting systems;
- To conduct random, selective and representative ex ante control systems;
- To assess the economic and social impact of projects;
- To provide a permanent and continuously updated open data system.

Question 12: Implementation of the reforms set out in the RRP is lagging significantly behind, particularly in comparison with investment. How can we achieve a better balance between investment and the emphasis on reforms?

List of multiple choices in order of preference:

- I. Some of the planned reforms have raised serious concerns in the political debate and public opinion**, as they were planned with very little (or no) proper consultation in the preparation of the plans.
- II. There have been difficulties with the implementation of the reforms** (please summarise below).
- III. We believe that the implementation of the reforms has been delayed and has become more complex** because of the current economic and social context due to the war in Ukraine, the energy crisis and inflation.
- IV. The measures planned in our Recovery and Resilience Plan to undertake reforms are well implemented**, in the same way as the measures providing for investment.