



ECO/ESG

Brussels, 12 March 2026

To the members of the
European Semester Group

The secretary-general of the European Economic and Social Committee is pleased to enclose the

MINUTES
of the 39th meeting
of the
European Semester Group,
held at the Committee building in Brussels
on
12 March 2026

The European Semester Group (ESG) held its 39th meeting in the EESC's JDE building in Brussels, from **09:30 to 13:00 on Thursday 12 March 2026**. The hybrid meeting was chaired by the ESG president, **Gonçalo Lobo Xavier**.

1. Adoption of the draft agenda

The draft agenda was adopted.

2. Approval of the minutes of the 38th meeting held on 9 December 2025: EESC-2026-00207-00-00-PV-REF

The minutes were approved.

3. **State of play of the work on the Information Report ECO/691** "national reform and investment proposals and their implementation (2025-2026 European Semester cycle)", and presentation of the outcome of the country visits (ESG consultation) in Austria, Cyprus, Estonia, France and Romania, and discussion with ESG members.

State of play with work on Information Report ECO/691, presented by **Colombe Grégoire**. She stated the following:

- Consultation for the information report had been conducted in two complementary ways.
- Firstly, **a questionnaire had been sent to 22 Member States**. For each country, three designated EESC members had been responsible for submitting a joint national response.
- Secondly, **five country visits** had been carried out in **Austria, Cyprus, Estonia, France, and Romania**. The resulting report would constitute the delegation's contribution.

Presentation of the outcome of country visits to Austria, Cyprus, Estonia, France and Romania.

France, **Christophe Lefèvre**:

- **Mr Lefèvre** described the French contribution as comprehensive. The French Economic, Social and Environmental Council (ESEC) had considered the Country-Specific Recommendations (CSRs) to be relevant and consistent, but had noted a contradiction between fiscal discipline and investment in the environmental transition and in upskilling.
- During the round table discussion, concerns had been expressed about the impact of austerity on public services and the need to balance fiscal consolidation with growth and fair climate burden-sharing. The administrative complexity and lack of a single national portal for EU funds had also been highlighted.
- Concerns had been raised about limited transparency in the recovery plan, underinvestment in R&D, decarbonisation, poverty and funding for education, as well as about reduced dialogue with civil society due to short consultation deadlines and political instability. While acknowledging progress with implementation of the National Recovery and Resilience Plan (NRRP), transparency issues persisted.
- The links between the European Semester and the Multiannual Financial Framework (MFF) had been in place, but more information was needed. A weakening of joint policies in favour of national strategies, a deterioration in cohesion policy and different treatment among Member States were some of the risks that had been highlighted.

Cyprus, **Michalis Antoniou**

- **Mr Antoniou** described the consultation process in Cyprus as constructive, with broad participation, especially in respect of the CSRs.

- Greater transparency, particularly regarding investment, was needed. Progress with implementation of the Recovery and Resilience Facility (RRF) was positive.
- The challenges that had been identified included competitiveness, administrative simplification, reforms in public administration, the justice system and digital transformation, as well as issues relating to water scarcity, labour shortages and procedures for third-country workers. The need for greater focus on security and defence had also been stressed.

Austria, **Judith Vorbach**

- **Ms Vorbach** noted that the participants in Austria's round table had been fully engaged in the discussions and that the European Commission had participated in the dialogue.
- During the debate, the European Semester's potential for evidence-based policy-making had been highlighted, as had its importance as a tool for European society and Europe's economy.
- Participants had called for greater democratic legitimacy, more dialogue with the European Parliament, and transparency in the drafting of CSRs, while the European Commission's fact-finding missions had been considered positive.
- There had been some criticism about country reports going hand in hand with the recommendations, however the vast majority of the participants had supported most of the CSRs. The need for regular monitoring had been stressed and the importance of the recommendations mentioned, although concern had been expressed that these might divert funding from social priorities.
- Key issues that had been raised included Austria's heavy labour tax burden, the need for sustainable growth, a common industry strategy and investment in infrastructure, as well as a need to balance competitiveness with social considerations.
- RRF implementation had been positively assessed, although follow-up remained necessary for the NRRP.
- The medium-term fiscal-structural plans had also been positively assessed, but concerns had been raised regarding complexity and transparency.
- **Ms Vorbach** reported broad agreement on linking the European Semester to the MFF, with calls having been made for stronger accountability, enforcement and attention to long-term investment needs.

Estonia, **Kaia Vask**

- **Ms Vask** noted that social partners' and civil society's involvement in the European Semester process was limited in Estonia, except during European Commission visits.
- Participants had stressed that reforms and investment had to be economically realistic, socially fair, and developed with civil society from the outset. They had also highlighted tensions between competitiveness and social fairness; the green transition was seen as costly, requiring fair burden-sharing. In addition, strong emphasis had been placed on education, skills, equal opportunities, labour-market mismatches, and barriers faced by persons with disabilities.
- On implementation, it had been noted that while projects were being launched, funding used and formal targets met, there was often a lack of continuity once projects had concluded, with no clear plan of who took over responsibility, or of how successful measures would be sustained or real needs assessed.
- Participants had highlighted the need for a broader view of resilience, covering food security, energy affordability, functioning services and regional balance.
- Social dialogue, consultation and collective bargaining had frequently been mentioned during the discussions. While consultation did take place, genuine co-creation and structured follow-

up remained insufficient. The need for timely and meaningful involvement of civil society had been emphasised.

Romania, **Elena Calistru**

- **Ms Calistru** presented the discussions that had been held in the Romanian round table, noting the lively participation by business associations, trade unions and civil society organisations, although the overall tone had been rather pessimistic. She reported that organised civil society was not involved enough in the European Semester process.
- Participants had considered the CSRs for 2025 to be relevant, but the government had not successfully translated them into concrete policies. Fiscal adjustment in Romania was tax-driven rather than reform-oriented, weakening business confidence.
- The NRRP implementation had been deemed by participants to be unsatisfactory due to delays, political obstacles, limited fund absorption and insufficient stakeholder involvement.
- Participants had noted slow progress with energy efficiency, decarbonisation, and the green and digital transitions, alongside structural challenges such as a heavy administrative burden, regulatory fragmentation, weak digital infrastructure and skills shortages. They had proposed measures such as simplifying procedures, developing unified digital platforms for fiscal and statistical reporting, and strengthening skills development and implementation capacity.
- Civil society participants had highlighted consultation gaps and policy inconsistencies, and had called for more meaningful involvement in design and implementation.
- Participants had stressed the need to strengthen the link between the European Semester and the MFF, to balance competitiveness with social fairness, and to enhance capacity-building so that civil society could better monitor, and participate in, the European Semester. Significant concerns had also been raised regarding the reform-based approach in the new MFF, and participants had recommended treating macro conditionalities with care and avoiding re-centralisation of fund management. The current proposal for the next MFF had been perceived by some organisations as negatively affecting social and environmental investment, as well as the green transition.

Discussion with ESG members

The ESG president opened the floor for questions and comments. **Sebastian Rehse, Luca Jahier, Andris Gobiņš** and **Kaia Vask** took the floor and raised the following points:

- In Austria's roundtable there had been some criticism about the CSRs being weak, but it was also important to note that strong emphasis had been placed on competitiveness.
- The European Semester exercise had become further-reaching and more solid each year, also taking into account links with the next MFF and the National Regional Partnership Plans (NRPPs). The technical indicators, milestones and targets would be defined in advance as an annex in this new framework. There was a need for early involvement by civil society in the ongoing preparations for the 2028 NRPPs.
- Mr Gobiņš asked whether the reports reflected broader experiences, noting that some civil society organisations from Group III were feeling left out of the European Semester process, unlike the social partners, who felt they were being consulted by the Commission, as had been usual to date.
- Ms Vask confirmed that in Estonia, no groups, not even the social partners, were involved in the European Semester process, noting that the government acted largely independently.

4. Presentation of the report entitled “The involvement of trade unions and employers’ organisations in the European Semester in 2024-2025”, by Peter Kerckhofs, Senior Research Manager at Eurofound. Differences and complementarity with the work carried out by the ESG.

- **Mr Kerckhofs** presented Eurofound: a tripartite EU agency (trade unions, employers and national governments) established in 1975 and based in Dublin.
- Eurofound conducts research in four areas: working conditions and sustainable work; industrial relations and social dialogue; employment and labour markets; and living conditions and quality of life. The presentation focused on industrial relations and social dialogue, specifically trade unions’ and employers’ organisations’ involvement in the European Semester.
- Information was gathered through document analysis, questionnaires completed by national social partners and national government representatives, and interviews with European Commission economic counsellors and experts.
- The report covered four chapters: medium-term fiscal-structural plans (MTFSPs), 2025 annual progress reports, fact-finding missions and CSRs, as well as social partner capacity and familiarity with the European Semester, including the Social Convergence Framework (SCF).
- Findings had shown there had been consultation on the MTFSPs in 16 Member States (AT, BG, CZ, DE, FI, HR, IE, IT, LT, LU, LV, MT, PL, RO, SI and SK), with four of them reporting that no consultation had taken place (CY, DK, NL and PT). On the 2025 annual progress report, governments in many countries had reported that there had been no consultation with the social partners (BE, CY, DE, DK, EE, EL, ES, HR, HU, IE, LT, LU, LV, NL and SK). Only in a few countries had the social partners considered their involvement to be meaningful; in most cases, it had been limited to information sharing or purely formal consultation.
- Key challenges included limited consultation frequency and timing, delayed or incomplete access to documents, limited opportunities for input and minimal feedback on contributions.
- By contrast, fact-finding missions and CSR discussions had generally enabled effective involvement of trade unions and employers in most Member States.
- On the European Semester in general, the aspects cited as most important for the social partners were as follows: country reports and CSRs; effects on labour relations and social policies; structural and labour market reforms and skills-related measures; consultation and input opportunities; fact finding missions; the European Pillar of Social Rights (EPSR); socially-responsible fiscal consolidation ensuring economic growth and investments; the MTFSPs; RRP; competitiveness; the social scoreboard; and the SCF.
- Generally the social partners were familiar with the entire European Semester process, but less so with the SCF. Social partners’ self-assessed capacity to contribute to the European Semester revealed a need for capacity-building.
- Country-specific annexes highlighted variability: best practice was observed in the Czech Republic, whereas in Estonia, Belgium and Denmark there had been limited involvement.
- **Mr Kerckhofs** concluded his presentation by noting that the involvement of social partners varied depending on the different aspects of the European Semester, their perspectives and the source of the information concerned.

Discussion with ESG members:

The ESG president opened the floor for questions and comments: **Judith Vorbach**, **Marco Wagener** and **Kristina Krupavičienė** took the floor and raised the following points:

- *To what extent were differences in perspectives between social partners and governments considered controversial?*

- The importance of the social convergence framework had often been overlooked, as well as the impact thereof on the macroeconomic imbalance procedure.
- On the form of social partners' contributions: *Had any consensus emerged among the social partners regarding their position on the recommendations?*
- *Who was responsible for consultations at national level and what would be the action plan following the recommendations?* It was important to see greater involvement of social partners in action plans, as well as to build up trade unions' capacity, especially regarding resources and experts.

The ESG president then gave the floor to **Mr Kerckhofs** to respond.

- **Mr Kerckhofs** clarified to **Ms Vorbach** that the differences reflected divergent perspectives rather than actual disagreements. The reality was not described as it was, rather it reflected the views of governments, trade unions and employers, which differed in perspectives and expectations.
- In response to **Mr Wagener**, he cited Austria as an example of good practice, where trade unions and employers had jointly submitted a position annexed to the 2025 Annual Progress Report.
- In reply to **Ms Krupavičienė**, he acknowledged national differences, expressed openness to further discussion on action plans and stressed the importance of capacity-building and continued cooperation.

5. **Presentation of the conclusions of the paper on “The new fiscal framework in practice: a comparative overview of 6 cases” by Giacomo Loi and Ronny Mazzocchi (Economic Governance and EMU Scrutiny Unit - EGOV), European Parliament, and discussion with ESG members.**

- **Mr Loi** started by introducing the work of the European Parliament's economic governance and EMU scrutiny unit, which supported scrutiny of EU governance, including EU fiscal rules and the European Semester, with a focus on strengthening democratic accountability.
- He explained that their analysis had examined the first year of implementation of the reformed EU economic governance framework, highlighting main patterns, methodological choices and challenges, as well as assessing transparency, accountability and lessons learnt. It was based on a comparative analysis of six case studies, insights from the European Fiscal Board (EFB), Independent Fiscal Institutions' (IFIs) involvement, and a survey of national parliaments.
- The selection of the case studies (Germany, Italy, the Netherlands, Spain, Poland and Romania) had been based on five complementary aspects, such as different fiscal starting points, varied institutional and budgetary settings, different uses of flexibility provisions, different degrees of alignment with the Commission's reference trajectory, and Euro-area and non-euro-area perspectives. The sample had allowed them to assess the balance between national heterogeneity and common standards of fiscal discipline and transparency.
- Germany had submitted its MTFSP in July 2025, deviating significantly from the Commission's technical trajectory. This had mainly been driven by planned increases in public spending, especially in defence and other key sectors. The plan relied on optimistic assumptions about the growth-enhancing impact of that investment on GDP.
- In Italy's case there had been a complex, multi-step definition of the medium-term fiscal trajectory, which diverged methodologically from both the debt sustainability analysis (DSA) and the Commission's formula. The government had opted for a bottom-up approach in

calculating annual expenditure limits for 2025-27, aggregating individual expenditure items and excluding discretionary revenue measures.

- The Netherlands combined a very small deficit and with low levels of debt. The government had presented a MTFSP with an average net expenditure path that went much higher than that of the Commission's reference. The Commission had not agreed, the plan had been rejected by the Council, and the Dutch government had decided not to present another plan but to accept the technical trajectory presented by the Commission as a benchmark for the future.
- Beyond the case studies, most Member States had submitted an average net expenditure figure above that originally proposed by the Commission.
- Key challenges included: limited access to information to stakeholders and IFIs; the confidentiality and bilateralism of the technical dialogue between the Commission and Member States, hindering transparency and accountability; and the fact that 12 out of 27 MTFSPs contained assumptions that were "significantly or very significantly more optimistic" than the Commission's prior guidance.
- **Mr Mazzocchi** spoke of the limited ex ante involvement of IFIs, noting that around two-thirds were involved in the preparation of plans, mainly by endorsing forecasts. At the same time, their substantive input typically occurred ex post through opinions on plans already submitted.
- A survey of national parliaments (covering 26 Member States) showed limited ex ante involvement in the preparation or endorsement of the plans, with most parliaments neither participating in the preparation of the MTFSP nor voting on the plans, indicating an accountability gap.
- Parliamentary discussions, where they occurred, were often sporadic; in 10 cases they had taken place after submission of the plans to the European Commission,; in 8 cases this had occurred before submission. In most cases, no information had been received about technical dialogues and there had been only limited discussion of annual progress reports in parliament.
- There was only sporadic engagement with IFIs and most of the latter were not invited to present their opinion on MTFSPs to national parliaments; thus, accountability was limited.
- The analysis had highlighted that the new fiscal framework was highly sensitive to the assumptions used in the DSA. Methodological transparency was key when deviating from Commission guidance and to ensure ownership of the rules.
- However, in practice, there was an accountability gap mainly because involvement of the European Parliament was suboptimal. In addition: no codes were published regarding the final trajectory; there were significant differences in the underlying assumptions used; it was difficult to retrieve information and original documentation; and the Parliament was not involved in the working groups on the DSA – all of which led to a lack of common understanding.
- The primary role of the technical dialogue was highlighted, alongside concerns about its opacity and the fact that negotiations had taken place behind closed doors and official communications had often only been released after Council endorsement, which limited the scope for meaningful parliamentary scrutiny.
- **Mr Mazzocchi** underlined the potential role of the EFB and national IFIs in strengthening transparency and accountability, including through closer cooperation with the Parliament, knowledge sharing and more structured dialogue.
- To enhance national ownership, he suggested that improvements include greater parliamentary involvement, such as: requests for draft plans to be seen by parliamentary committees before submission to the Commission; ex ante discussions and ex post scrutiny sessions on the

implementation of fiscal rules; more systematic discussions on annual progress reports; and greater interaction with national IFIs.

- **Mr Mazzocchi** concluded by stressing the importance of ensuring transparency and accountability in future revisions of national plans, including the possible role of civil society and national parliaments in this process.

Discussion with ESG members

The ESG president opened the floor for questions and comments. **Elena Calistru** and **Juca Jahier** took the floor and raised the following points:

- *Which national parliament had not responded to the survey and why? Romania's parliament had not been involved in the DSA methodology. In terms of transparency, were there any evaluations or indications that could be implemented or followed up in the following cycle? Had there been any discussions or plans to improve data availability that would enable a meaningful review of fiscal rules in the future?*
- The report was timely and indeed the technical trajectories set by the Commission were often opaque, while national parliaments had limited influence. The lack of involvement of civil society, social partners and national parliaments in plan preparation was criticised. Full accountability required all actors, national parliaments, governments and European institutions to play active roles in discussions and in the approval of MTFSPs.

The ESG president then gave the floor to **Mr Loi** and **Mr Mazzocchi** to respond.

- DSA methodology was under development and being discussed in the Commission's working group, but the Parliament was not formally involved, limiting scrutiny. External experts had underlined weaknesses in the methodology, not all of which had been addressed.
- Data availability was a key issue: different assumptions and data provided by Member States limited transparency and made projections difficult to assess. Independent fiscal institutions had requested access to raw data, but only manual reconstruction was currently possible.
- National parliament involvement remained limited: plans were often shared too late for meaningful review. Some representatives of the parliaments were engaged in bilateral discussions or advisory roles, but overall accountability was constrained by late access, different national legal frameworks and the timing of new economic governance directives.
- Various examples illustrated the problem: Germany had increased expenditure above the technical trajectory for short-term investment, while Italy had kept expenditure to below the trajectory. In both cases, limited data transparency restricted parliamentary and independent fiscal oversight.

6. Presentation of the draft content of the Annual ESG Conference.

- The ESG president pointed out that the conference aim was to bring together speakers from the EU institutions, organised civil society, Member States and research institutes to exchange views on the following topic: ***European Semester 2026: Driving competitiveness, sustainable growth and social resilience in a strategic budgetary framework***. He outlined the conference schedule, noting there were two panels, entitled:
 - *Delivering the EU priorities through a strategic European Semester: competitiveness, sustainable growth and social resilience.*
 - *Building a strategic link between the European Semester and the future Multiannual Financial Framework (MFF).*

- The ESG president opened the floor for comments. **Andris Gobins** and **Luca Jahier** expressed support for the programme, but also mentioned there was a scheduling conflict with a Group III meeting. The conference date had, however, been agreed upon and communicated in advance.
- The ESG president concluded by emphasising the aim of delivering high-quality content, boosting engagement, raising the profile of the ESG’s work and enhancing its impact.

7. Confirmation of the date of the next ESG meeting: **Tuesday 30 June 2026 – Conference at 9:30 a.m. and 40th ESG meeting at 2:30 p.m.**

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APPENDIX
ATTENDANCE LIST

List of members				
Mr/Ms	Present	Remotely	Absent	Apologies
ANDERSSON Krister (SE - GRI)		X		
ANTONIOU Michalis (CY – GRI) replaced by Mr ROBYNS Wautier GRI		X		
BARRERA CHAMORRO Maria del Carmen (ES – GRII)	X			
BIEGON Dominika (DE – GRII)		X		
BOGDAN Luka (HR – GRIII)		X		
CALISTRU Elena-Alexandra (RO - GRIII) (ECO section president)	X			
COHEUR Alain (BE – GRIII) (CCMI president)	X			
DABU Adelina (RO – GRI)		X		
DEL RIO Cinzia (IT – GRII) (SOC section president)			X	
GOBIŅŠ Andris (LV – GRIII)	X			
HAKEN Roman (CZ – GRIII)	X			
HIDVÉGHINÉ PULAY Brigitta (HU – GRIII)		X		
IOANNIDIS Athanasios (EL – GRIII)	X			
JAHIER Luca (IT - GRIII) (ESG vice-president)	X			
KRUPAVIČIENĖ Kristina (LT – GRII)		X		
LOBO XAVIER Gonçalo (PT – GRII) (ESG president)	X			
MARKKULA-KIVISILTA Hanna (FI – GRIII)		X		
MÁRQUEZ DE LA CALLEJA María Lourdes (ES - GRIII)		X		
MEDINA Felipe (ES - GRI)		X		
MISSLBECK-WINBERG Christiane (DK - GRI)			X	
NOWACKI Marcin (PL - GRI) (TEN section president)			X	
PALMIERI Stefano (IT – GRII) (REX section president)			X	
POČIVAVŠEK Jakob Krištof (SI – GRII)			X	
PROUZET Emilie (FR – GRI) (INT section president)			X	
REHSE Sebastian (AT - GRI)		X		
SIPKO Juraj (SK – GRIII)	X			
TCHOUKANOV Stoyan (BG - GRIII) (NAT section president)				X
TIMMERMANS Theo (NL - GRI)	X			
TREFON Grzegorz (PL - GRII)		X		
VASK Kaia (EE - GRII)	X			
VON BROCKDORFF Philip (MT- GRII)	X			
VORBACH Judith (AT - GII) (ESG vice-president)	X			
WAGENER Marco (LU – GRII)	X			
WALKER Neil (IE – GRI)		X		