



ECO/ESG

Brussels, 29 March 2023

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 25th meeting
of the
European Semester Group,
held at the Committee building in Brussels
on
29 March 2023

The European Semester Group (ESG) held its 25th meeting at the Committee building in Brussels **on Wednesday 29 March 2023, from 9.30 a.m. to 1 p.m.** It was a hybrid meeting, with some members connecting remotely via the Interactio videoconferencing system and others attending in person. The meeting was chaired by the ESG president, **Javier Doz Orrit**.

1. **Adoption of the draft agenda**

The draft agenda was adopted.

2. **Approval of the minutes of the 24th European Semester Group meeting** on 18 January 2023

The minutes were approved.

3. State of play of the **ECO/600 own-initiative opinion on the EESC's recommendations for a solid reform of the European Semester**, promoting a participatory Semester with more ownership at national level

3.1. **Presentation of the reports of the seven country visits**

The ESG president commented on the seven round tables, which were held in **Croatia, Belgium, Finland, Luxemburg, Romania, France and Spain**, and invited the respective member of the delegation or their representative - **Danko Relić, Andris Gobiņš, Vertti Kiukas, Marco Wagener, Elena Calistru, Pierre Bollon** and **Mr Doz Orrit** himself - to report on the main points from the discussions:

- the visibility of the European Semester and consequently the engagement of (organised civil society) OCS in the respective recommendations, programmes and reforms is very limited. OCS is not sufficiently integrated and represented and partially lacks the capacity and expertise to involve and engage in the process consistently. Involvement must be more structured, systematic and transparent and should be regulated through a European legal act. OCS should be notified with sufficient time to deliver its opinions and proposals. For instance, country reports and Country-Specific Recommendations (CSRs) are published simultaneously, which does not allow OCS to contribute its views. OCS further asks for transparent feedback and follow-up on its proposals. However, several ESG national delegations say they have a substantial vision of involving OCS in parliamentary processes and exchanges with Commission representatives and within the national economic and social councils;
- the transparency and accountability of the European economic governance needs to be improved;
- social and environmental areas need to be strengthened in the Semester process, i.e. by improving the integration of the European Pillar of Social Rights. In particular, the impact of the current energy, inflation and refugee crises in Europe needs to be taken into account more thoroughly. Better support is required during times of crises;
- CSR should be more targeted and specific while allowing for flexibility at national level. Monitoring of the implementation of CSR at national level should be improved by harmonising the framework for economic, social and environmental indicators;
- it is extremely important to boost national investment.

3.2. Report on the progress of the preparatory work of the own-initiative opinion ECO/600 – by the three rapporteurs **Javier Doz Orrit, Luca Jahier** and **Gonçalo Lobo Xavier**:

The opinion is currently in translation (29 March 23) and will be discussed in the ECO section on 18 April. The recommendations are in line with the perspectives of OCS. It aims to create

cross-institutional change to establish a structured and permanent mechanism for the consultation of OCS and social partners. An essential proposal is to extend the main instruments of the Semester to three years, with annual evaluations and reviews. This would also allow for a better process of participation and increase national ownership. Mr Jahier highlighted the position of the European Council in the Synthesis Report on the European Semester published on 20 March 2023, indicating support for the systematic involvement of social partners, civil society and other relevant stakeholders in a timely and meaningful manner at all stages of the Semester and policymaking cycle. He concluded that the proposals put forward in this opinion do not intend to create any burden, but aim to encourage citizens and Member States to retain control of the Semester process.

Discussions and Q&A

Following the report given by the rapporteurs, **Javier Doz Orrit** opened the floor to comments and questions on the opinion and the consultation. **Plamen Dimitrov, Reet Teder (replacing Krister Andersson)**, and **Dominika Biegón** took the floor to raise the following concerns:

- the economic governance framework needs to allow for increasing flexibility in Eastern Europe, as these countries are struggling to follow the deficit strategies due to the ongoing crises and especially the war in Ukraine. There are requests to enter into negotiations with the Commission concerning a 4-year plan with the option to exceed the 3% deficit clause. The Excessive deficit procedure (EDP) prevents national ownership and might jeopardise future recovery and resilience processes;
- lifting the escape clause will push a large number of countries into an EDP. It is suggested to refer to the ECO/597 opinion which indicates that the 3% threshold should be reached in the *medium term* (point 3.7);
- this opinion is contradictory in one respect: it is attempted to strengthen national ownership and the power of the European Parliament at the same time.

Mr Doz Orrit and **Mr Jahier** provided the following answers to the questions:

- concerning the first two discussion points, the rapporteurs acknowledged that the debt-deficit balance must allow for the necessary flexibility. However, they highlighted that the European debt and deficit rule itself cannot be changed without changing the EU Treaties. The Commission's legislative proposal should be awaited to gain a better understanding of "flexibility" mechanisms in this process and to open the floor to discussions in the section meetings, taking into account the suggestion by Ms Biegón;
- regarding the third point, it is pointed out that is not contradictory but rather complementary to strengthen national ownership and the role of the European Parliament. Greater enforcement of the European Parliament ensures a balance of power and creates an essential tactical alliance.

4. Presentation of the progress on the preparatory work of **the evaluation report ECO/607 "Mid-term evaluation of the Recovery and Resilience Facility"** – by the rapporteur and the co-rapporteur: **Elena Calistru** and **Javier Doz Orrit**:

The rapporteurs reported that discussions on the roadmap, the planned visits and the draft questionnaire had taken place at the 1st SGM and that many new ideas had been presented. The countries chosen for the missions during May and June 2023 are IT, PT, DE, LT and RO. The rapporteurs added that the evaluation reports are governed by a now established EESC methodology and will be based on three criteria: efficiency, relevance and added value of civil society. The Commission's mid-term evaluation will integrate the perceptions of OCS on participation in the process of designing and implementing the national RRP and thereby complement the evaluation carried out by the Commission, with additional input from an external evaluator.

5. **Speeches by the outgoing president** (term ending with the April plenary), **Javier Doz Orrit**, and **the future president of the group, Luca Jahier**:

The outgoing president expressed his gratitude for the excellent cooperation he had enjoyed with Luca Jahier and Gonçalo Lobo Xavier and underlined that the goal of his presidency was to foster the consultation process and support the national delegations in integrating a solid Semester structure. Opinion ECO/600 was an important milestone. Twenty-three countries had been involved through questionnaires and visits. The European Parliament and the Commission had welcomed the large number of contributions, studies and resolutions that the ESG had put forward during these last years.

The future president thanked Mr Doz Orrit for his determination, engagement and leadership and acknowledged that it had not been easy to discharge his role during the COVID-19 pandemic. Mr Jahier also underlined the success of the initiative on reforming the economic governance framework of the European Semester. It had set out to give the Member States a louder voice and it had exceeded expectations. He also pointed out that the number of missions of the ESG had greatly increased since the start of Mr Lobo Xavier's presidency. This had helped to build a process for coordinating national involvement within a European core policy area. The output of the ESG had received significant recognition and created substantial impact on the procedures of the European Parliament and the Commission. The upcoming ESG mid-term evaluation ECO/607 on the national results of the RRF and the RRP's would continue this dynamic.

Isabel Cano Aguilar, Lucie Studničná and András Edelényi expressed their gratitude to Javier Doz Orrit and all the ESG members for creating tangible results with impact at European and national level. Mr Edelényi underlined the need to continue to strengthen the *ex-ante* and *ex-post*-perspective evaluation processes of the ESG.

Gonçalo Lobo Xavier expressed his appreciation and gratitude for the work, engagement and passion of Mr Doz Orrit, introducing a social vision of the Semester's mission and processes of work. He welcomed the expertise, political ability to deal with challenges and great understanding of the upcoming ESG priorities of the incoming president, Luca Jahier.

6. Any other business.

Announcement of the date of the next meeting: **23 May 2023, p.m.**

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APPENDIX

ATTENDANCE LIST

List of members				
Mr/Ms	Present in situ	Present remotely	Absent	Apologies
ANDERSSON, Krister	X			
	TEEDER, Reet			
BALON, Krzysztof Stanislaw			X	
BOLLON, Pierre	X			
CABRA DE LUNA, Miguel Ángel		X		
CALISTRU, Elena-Alexandra		X		
DANDEA, Petru Sorin			X	
DE LEEUW, Rudy			X	
DIMITROV, Plamen	X			
DOZ ORRIT, Javier	X			
EDELÉNYI, András	X			
GOBIŃŠ, Andris	X			
HAUKANÖMM, Monika	X			
HOLST, Sif		X		
JAHIER, Luca	X			
KIUKAS, Vertti		X		
LANNOO, Ronny	X			
LOBO XAVIER, Gonçalo		X		
LUSTENHOUWER, Colin			X	
MAVROMMATIS, Manthos		X		
MEYNENT, Denis	X			
	C.AGUILAR Isabel			
MORKIS, Gintaras	X			
O'CONNOR, Jack	X			
OSTROWSKI, Krzysztof	X			
PALMIERI, Stefano			X	
PARTHIE, Sandra			X	
PLOSCEANU, Aurel Laurențiu			X	
POČIVAVŠEK, Jakob Krištof			X	
REALE, Maurizio	X			
RELIĆ, Danko		X		
SCHLÜTER, Bernd			X	
SCHMIDT, Peter		X		
		BIEGON Dominika		
SIPKO, Juraj	X			

SÖBER, Kristi	X			
STUDNIČNÁ, Lucie	X			
SVENTEK, David	X HARTMAN Tomas			
VARDAKASTANIS, Ioannis			X	
VON BROCKDORFF, Philip	X			
VORBACH, Judith			X	
WAGENER, Marco	X			

EESC secretariat

ANDERSEN, Jakob	ECO – Administrator
GREGOIRE, Colombe	ECO – Administrator
CARMONA GONZALEZ, María Dolores	ECO – Assistant
BAUMEISTER, Julia	ECO – Trainee
