



European Committee
of the Regions

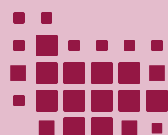
Commission for
Economic Policy

ECON

2017 European Semester

Territorial Analysis of the Country-specific Recommendations

REPORT OF THE STEERING COMMITTEE
OF THE EUROPE 2020 MONITORING
PLATFORM





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PREFACE



More than three quarters of the 2017 Country-specific Recommendations (CSRs) are territory-related, as they point to regionally-differentiated challenges and their implementation relies on sub-national levels of government; nearly two thirds are directly addressed to local and regional authorities.

This is a significant increase over previous years and a remarkable testimony to the growing recognition of the role of local and regional authorities and the awareness of territorial concerns in addressing the EU's "virtuous triangle of economic policy", which consists in strengthening investment, implementing structural reforms, and conducting responsible fiscal policies.

Regional and local governments are key actors in the implementation of the CSRs, not only because of the competences conferred on them under respective national systems of division of powers, but also because of their knowledge and expertise regarding local conditions and institutions, their closeness to citizens, and their commitment to local development. This applies particularly to labour market, education and social policies as well as to policies that improve the quality of the public administration.

The EU institutions are increasingly acknowledging this reality. At the Plenary Session of the European Committee of the Regions (CoR) in May 2017, Commissioner Günther Oettinger stated that the European Semester should include regional aspects. In their dialogue with the European Parliament, Commissioners Valdis Dombrovskis and Marianne Thyssen stressed that EU cities, regions and social partners must work together with the European Commission to implement the CSRs swiftly.

In May 2017, the CoR unanimously adopted an opinion proposing a Code of Conduct (CoC) to involve cities and regions in the European Semester systematically and at an earlier stage, flexibly leaving the practical implementation of the CoC to the Member States. It is now the right moment for the European Commission, the Council and the European Parliament to consider, discuss, and eventually adopt such a CoC at EU level, asking Member States to do the same at national level.

To us, progress in the implementation of recommendations related to difficult, time-consuming reforms should be measured on a multi-annual, rather than annual, basis. We are therefore pleased to see that the Communication accompanying the new CSRs shares this suggestion from the CoR. We look forward to the publication of a transparent methodology for this long-term assessment.

Michel Delebarre
Political Coordinator of the Europe 2020 Monitoring Platform
CoR Member, Member of Dunkirk Municipal Council

1. EXECUTIVE SUMMARY

This annual report of the CoR shows that 76% of all 2017 CSRs are territory-related as they point to regionally-differentiated challenges and their implementation relies on sub-national levels of government. This is a significant increase in comparison to 2015 and 2016, when the corresponding figure was about half of all recommendations.

Recommendations directly addressed to local and regional authorities (LRAs) have risen greatly over the last years, reaching 62% of all the CSRs issued in 2017.

The vast majority of 2017 territory-related CSRs concern the policy areas of (1) the labour market, education and social policies (36%) and (2) the public administration and the business environment (26%).

With regard to the current priorities of the European Semester, territory-related CSRs addressing obstacles to investment constitute 55% of all the 2017 CSRs. These investment barriers have resulted mainly from such systemic failures as: skills and education mismatch with labour market needs, inadequate infrastructure, public procurement and PPP shortcomings, and deficiencies in the quality of public governance.

About half of 2017 CSRs (53%) are related to administrative capacity at the regional and local level, highlighting the importance of modernizing the public administration to deliver structural reforms in the context of the European Semester.

Removing territorial obstacles to investment and improving administrative capacity would enable EU cities and regions to contribute to the policy priorities of the European Semester, while strengthening long-term prospects for sustainable growth and jobs. Improved administrative capacity at local and regional level would also favour convergence within the EU by making cohesion policy more effective, before and after 2020.

Table 1: Territory-related country-specific recommendations (tr-CSRs) (% of all CSRs)

	2015	2016	2017
tr-CSRs	54%	57%	76%
tr-CSRs directly addressed to LRAs	23%	35%	62%
tr-CSRs addressing obstacles to investment	31%	42%	55%
tr-CSRs addressing administrative capacity	27%	37%	53%

2. TERRITORIAL ANALYSIS OF THE COUNTRY-SPECIFIC RECOMMENDATIONS FOR 2017

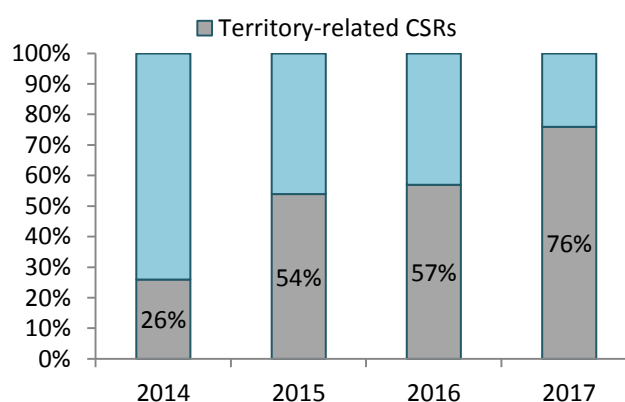
2.1 The territorial dimension of the European Semester

In 2017, 78 Country-specific Recommendations were addressed to 27 Member States, of which 59 were territory-related (see **Table 2** and **Annex 1, Table 1**). They represent more than three quarters (76%) of all CSRs, being partly or entirely, directly or indirectly territory-related as they point at challenges concerning regions and their implementation relies on sub-national levels of government.

This ratio has grown steadily over the years (**Graph 1**), notably after the Juncker Commission decided to streamline the European Semester and brought down the total number of recommendations by almost fifty per cent between 2014 and 2017¹.

Recommendations are now focusing on the most pressing and relevant economic issues for each country. Conversely, while the number of CSRs decreased, the number of territory-related CSRs increased, leading to a steady increase in the ratio of territory-related CSRs to all CSRs.

Graph 1: Territory-related CSRs from 2014 to 2017 (% of all CSRs)



This trend confirms that regions and cities are essential partners in addressing urgent economic challenges.

Policy areas covered by the territory-related 2017 CSRs include labour market, education and social policies (36% of territory-related CSRs), public administration & business environment (26%), public finances & taxation (16%), structural policies (14%) and the financial sector (8%) (see **Annex 1, Table 3**).

A reference list of all *territory-related* CSRs for 2017 is provided below (**Annex 2**).

¹ From 162 CSRs in 2014 to 78 CSRs issued in 2017.

Table 2: Territory-related country-specific recommendations (tr-CSRs) in 2017, in comparison to 2015 and 2016

	2015	2016	2017
Number of countries getting tr-CSRs / number of countries getting CSRs	24 / 26 (a)	26 / 27 (a)(b)	27 / 27 (a)
Number of tr-CSRs / number of total CSRs	55 / 102	51 / 89	59 / 78
Percentage of tr-CSRs	54%	57%	76%
Number of tr-CSRs directly addressed to LRAs (% of total tr-CSRs)	23 (48%)	31 (61%)	48 (81%)
Number of tr-CSRs addressing obstacles to investment (% of total tr-CSRs)	32 (58%)	37 (73%)	43 (73%)
Number of tr-CSRs addressing admin. capacity issues (% of total tr-CSRs)	28 (51%)	33 (65%)	41 (69%)
Number of tr-CSRs already issued in the previous year (% of total tr-CSRs)	36 (65%)	37 (73%)	45 (76%)

(a) In 2016 and 2017, Greece did not get CSRs since it was under financial assistance. In 2015, the same applied to Greece and Cyprus

(b) Malta received 2 CSRs in 2016, but none of them was territory-related

Source: CoR/ECON elaboration on the EC Country-specific Recommendations 2017. European Committee of the Regions (2016): *2016 European Semester: Territorial Analysis of the Country-specific Recommendations*. Brussels: Commission for Economic Policy. European Committee of the Regions (2017): *2017 European Semester: Territorial Analysis of the Country Reports and accompanying Communication*. Brussels: Commission for Economic Policy.

2.2 State of implementation: A multiannual perspective

CSRs repeated from one year to another relate to complex reforms that are implemented on a multi-annual scale and which are at the top of the political agenda of the European Semester.

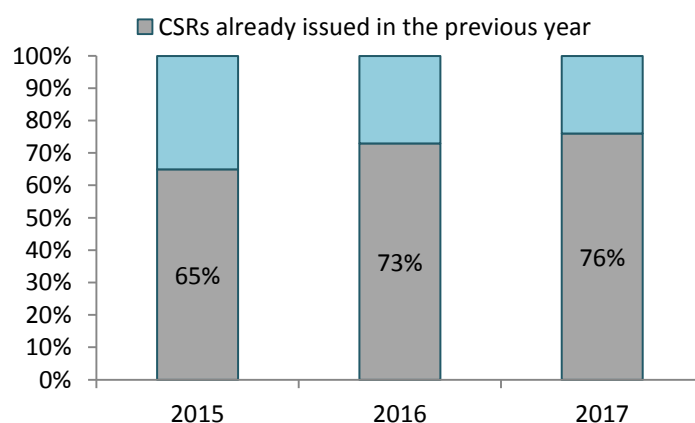
Implementing these crucial recommendations for the EU economy takes time. Indeed, more than three quarters (76%) of the territory-related CSRs were already issued in 2016 (**Graph 2**). The proportion of repeated recommendations, which is higher than in 2016 (73%), and in 2015 (65%), highlights the fact that local and regional authorities are inherent partners in implementing these long-term changes.

So far, the European Commission has assessed progress on all CSRs, including those on structural reforms, on a yearly basis: in February every year, the Commission's Country Reports assess the progress made on the recommendations issued 7-8 months before. Since most recommendations have been reiterated for several years, it may well be the case that several years of "limited" progress amount to at least "some" progress, with respect to the first year in which the recommendation was issued. But recording only limited progress from one year to another, while missing the larger progress made over a longer period of time, results in an inaccurate picture, failing to acknowledge the reform efforts made by countries, regions and cities over time.

In its resolution on the European Commission's Annual Growth Survey 2017² adopted at the Plenary Session on 8-9 February 2017, the CoR requested that annual measurement of implementation be replaced by multi-annual measurement to fairly acknowledge the efforts of the national and sub-national levels of governments involved.

In the accompanying Communication on the 2017 CSRs, the European Commission meets this CoR request, acknowledging that "*around two thirds of CSRs issued until 2016 have been implemented with a least some progress*"³. Regrettably, the data and methodology on which this quantification is based were not disclosed.

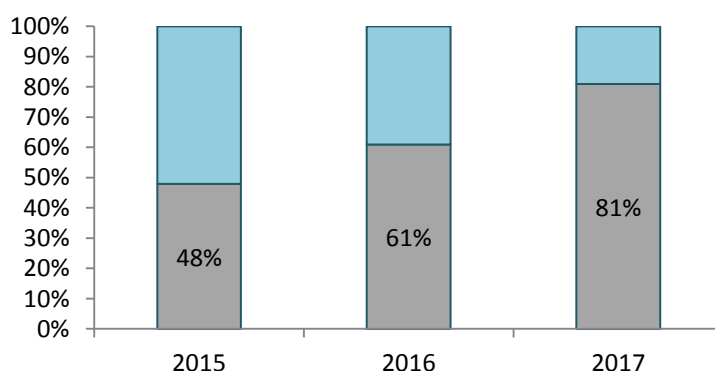
Graph 2: Territory-related CSRs already issued in the previous year (% of all territory-related CSRs)



2.3 Territory-related recommendations directly addressed to LRAs

In 2017, 81% (48) of territory-related CSRs (62% of all CSRs) were directly addressed to local and regional authorities of 26 member countries⁴, significantly more than in previous years (see **Graph 3**).

Graph 3: Territory-related CSRs addressed to LRAs



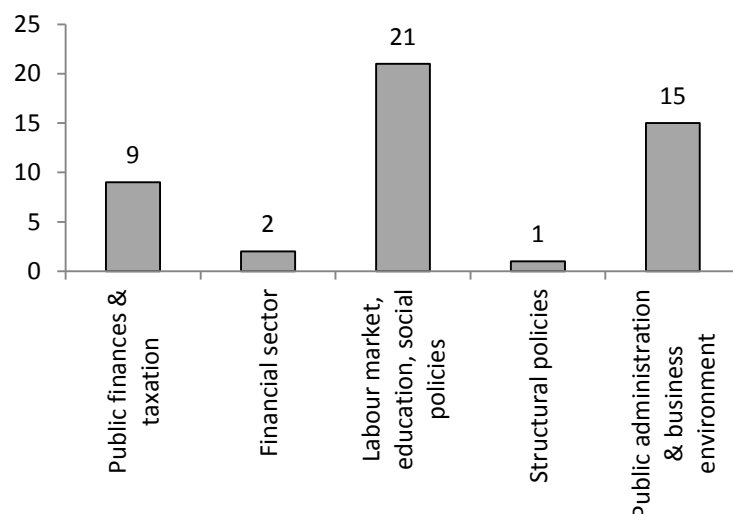
² Link: <https://memportal.cor.europa.eu/Handlers/ViewDoc.ashx?doc=COR-2016-06277-00-00-RES-TRA-EN.docx>

³ European Parliament (2017): *Economic Dialogue with the European Commission on the European Semester Spring 2017 Package*. In-Depth Analysis. Brussels. Quoting the European Commission accompanying communication on the 2017 CSRs.

⁴ Danish LRAs were not sent any such recommendation, as Denmark has only one recommendation dealing with a service sector.

Graph 4 presents the distribution of 48 territory-related CSRs addressed to LRAs. The vast majority of them (75%) concern the following two policy areas: (1) labour market, education and social policies, and (2) public administration and business environment.

Graph 4: Number of territory-related CSRs 2017 addressed to LRAs: breakdown by policy areas

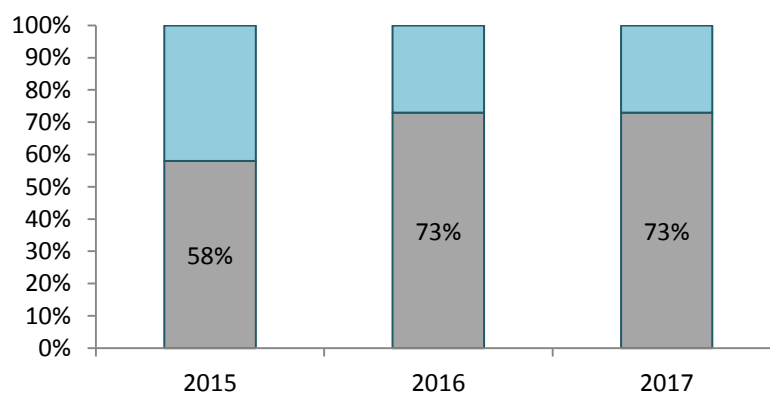


2.4 Territory-related obstacles to investment in the 2017 CSRs

Obstacles to investment are addressed in almost three quarters of the territory-related CSRs (55% of all CSRs) (**Graph 5**). This trend is stable compared to 2016 and highlights the strong territorial dimension of obstacles to investment, at a moment when public and private investment in the EU is still below its pre-crisis level.

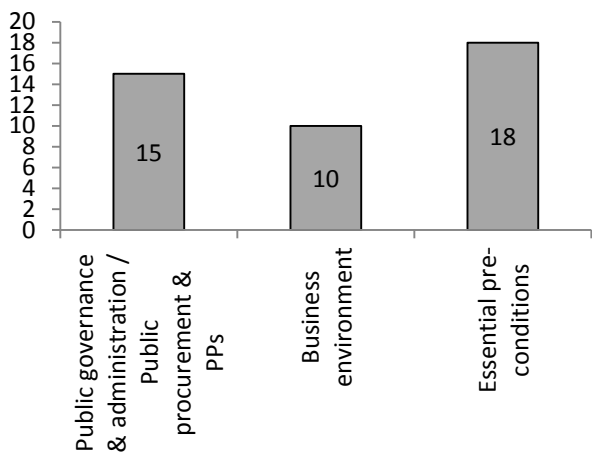
Local and regional authorities are responsible for more than 50% of public investment; they are also planner, investment partner, regulator, provider and promoter, as well as have an overarching role of ‘enabler’ of private investment. It is therefore obvious that the CSRs address the role of cities and regions in boosting investment.

Graph 5: Territory-related CSRs addressing obstacles to investment (% of all territory-related CSRs)



The sectoral analysis of territory-related CSRs dealing with obstacles to investment (**Graph 6**) focuses mainly on essential pre-conditions for investment (skilled and educated labour force, transport and network infrastructures) and public administration and public procurement (see **Annex 1, Table 2**).

**Graph 6: Territory-related CSRs addressing obstacles to investment:
breakdown by categories of obstacles**



This finding confirms the results of a study on obstacles to investment at local and regional level commissioned by the CoR⁵. The study identified several obstacles and solutions: coordination issues between different levels of government and sectors; problems in accessing and managing investment funds; shortcomings in public procurement and public-private partnerships; unfavourable business environment, due to burdensome procedures; and inadequate preconditions for investment such as skilled labour force and transport networks.

2.5 Administrative capacity at the regional and local level

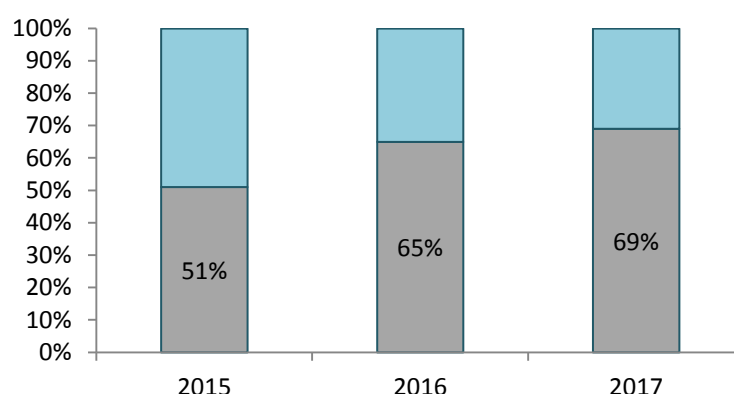
The quality of public administration has been one of the key priorities of the European Semester, as it reflects the institutional foundation of how countries are governed, and shapes economic prosperity, social cohesion and sustainable growth⁶.

The challenge of administrative capacity was addressed by 69% of territory-related CSRs in 2017 (53% of all CSRs). **Graph 7** shows that the ratio has been constantly growing over recent years. The increasing complexity of modern society makes public administration face challenges resulting from demographical, climate, technological and other changes. The modernisation of public administration is seen as one of the ways to deliver structural reforms, to foster innovation and to create new job opportunities.

⁵ European Committee of the Regions, (2016) *Obstacles to Investment at local and regional level*. Brussels

⁶ European Commission (2016): *Quality of Public Administration*. European Semester Thematic Factsheet. Brussels.

Graph 7: Territory-related CSRs addressing administrative capacity issues
(% of all territory-related CSRs)



With public expenditure accounting for 47.3% of EU GDP in 2015⁷, public administration plays an important role in shaping European economic development. A modern and effective public sector can actively influence and create markets to foster innovative solutions, e.g., by trying new approaches to delivering public services⁸.

Administrative capacity is a key factor in the determination of public procurement of innovative products and services as well as pre-commercial procurement which supports R&D activities. The new role of the public sector as an entrepreneur and a risk taker is gaining importance in political debate⁹.

2.6 Territory-related sub-recommendations

To facilitate the assessment of the territorial relevance of the recommendations, the 2017 territory-related CSRs have been divided into 117 sub-recommendations (see Annex 2). When compared to the previous year — in which 95 sub-recommendations were identified — the largest increase occurred in the policy area dedicated to labour market, education and social policies (see **Graph 8**).

As for the obstacles to investment, 55% of sub-recommendations referred to investment barriers in 2017 — a decrease of 9% in comparison to the previous year. The vast majority of obstacles concerned the following two categories: (1) public governance, administration, public procurement and PPPs, and (2) essential pre-conditions (see **Graph 9**).

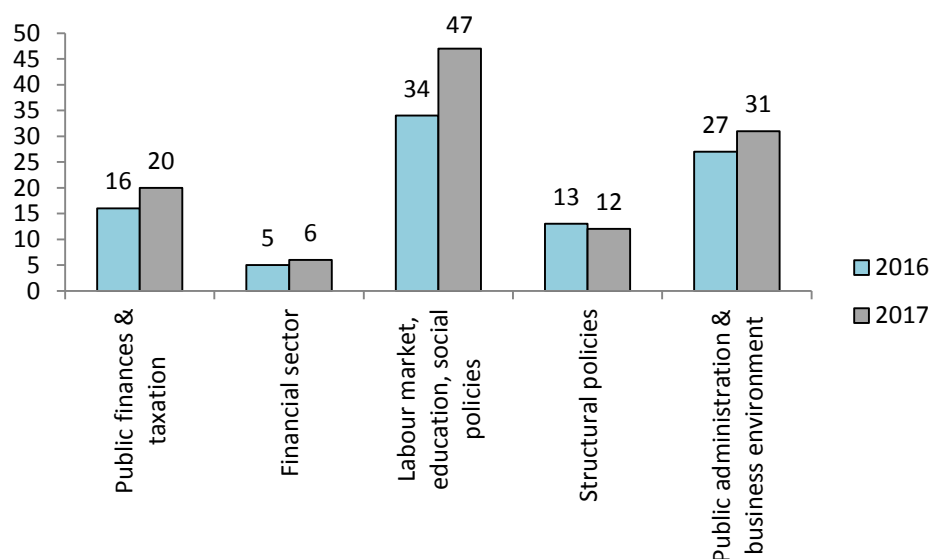
There was a slight increase in the percentage of sub-recommendations addressing administrative capacity — which amounted to 53% in 2017 vs. 51% in 2016.

⁷ Eurostat: Government expenditure by function - COFOG

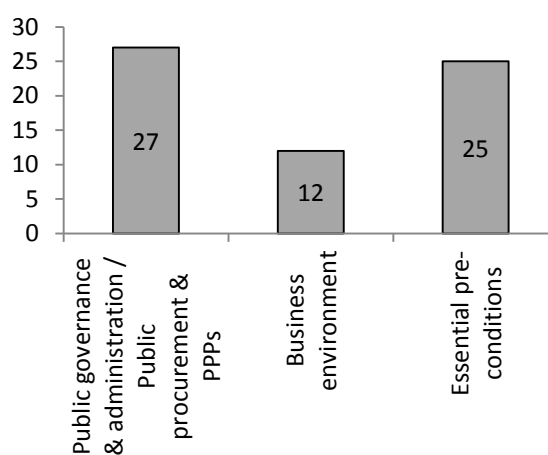
⁸ Committee of the Regions (2014): *Blueprint for a revised Europe 2020 Strategy*. Contribution of the Steering Committee of the Committee of the Regions' Europe 2020 Monitoring Platform, Brussels.

⁹ See: Mazzucato, M. (2013): *The Entrepreneurial State. Debunking Public vs. Private Sector Myths*. London: Anthem Press.

Graph 8: Territory-related sub-recommendations issued in 2016 and 2017: breakdown by policy areas



Graph 9: Territory-related sub-recommendations addressing obstacles to investment: breakdown by categories of obstacles



Annex 1. Methodology

The 2017 CSRs have been analysed on the basis of the definitions shown in Tables 1, Table 2 and Table 3. The classification of policy areas used to group territory-related CSRs corresponds to the European Commission's methodology applied in its communication accompanying the new CSRs¹⁰.

Table 1: Territory-related CSRs and obstacles to investment

Territory-related CSRs are recommendations that have, entirely or in part, a territorially-differentiated impact or relevance within countries and/or that require, directly or indirectly, LRA involvement through their functions and competences for their implementation
Territory-related obstacles to investment are obstacles to investment with a territory-differentiated impact or relevance within countries and/or where there is potential for LRAs to contribute in easing or removing them

Table 2: Categories used to regroup obstacles to investment

1. Public governance & administration / Public procurement & PPPs <ul style="list-style-type: none">– Deficiencies in quality/efficiency/transparency/coordination in the public administration– Mismatch between functions and resources of LRAs and inadequacies in equalization schemes– Deficiencies in strategic planning, designing and managing public investments– Public procurement shortcomings: lengthy procedures, legal framework fragmentation, transparency/corruption/collusion issues, complexity, lack of expertise, inefficiencies in supervision and control systems– PPP shortcomings: legal framework uncertainties, lack of expertise, weak management
2. Business environment <ul style="list-style-type: none">– Burdensome (general) regulatory regime: rules, procedures, property registration, licenses, permits, lengthy and costly compliance requirements, lack of stability/predictability– Burdensome sector-specific regulations: regulated professions, retail, construction, ICT, energy, transport– Difficult access to credit for SMEs
3. Essential pre-conditions <ul style="list-style-type: none">– Skill and education mismatch with labour market needs; skills and labour shortages– Inadequate transport and other infrastructure

¹⁰ European Commission (2017): *Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee, The Committee of the Regions and the European Investment Bank. 2017 European Semester: Country-specific recommendations*. 22.05.2017, Brussels.

Table 3: Policy areas used to regroup territory-related CSRs

<p>1. Public finances & taxation</p> <ul style="list-style-type: none"> – Fiscal policy & fiscal governance – Long-term sustainability of public finances – Reduce the tax burden on labour – Broaden tax bases – Reduce the debt bias – Fight against tax evasion, improve tax administration & tackle tax avoidance
<p>2. Financial sector</p> <ul style="list-style-type: none"> – Financial services – Housing market – Access to finance – Private indebtedness
<p>3. Labour market, education & social policies</p> <ul style="list-style-type: none"> – Employment protection legislation & framework for labour contracts – Unemployment benefits – Active labour market policies – Incentives to work, job creation, labour market participation – Wages & wage setting – Childcare – Health & long-term care – Poverty reduction & social inclusion – Education – Skills & life-long learning
<p>4. Structural policies</p> <ul style="list-style-type: none"> – Research & innovation – Competition & regulatory framework – Competition in services – Telecom, postal services & local public services – Energy, resources & climate change – Transport
<p>5. Public administration & business environment</p> <ul style="list-style-type: none"> – Business environment – Insolvency framework – Public administration – State-owned enterprises – Civil justice

Annex 2. Territory-related sub-recommendations for 2016 and 2017

Legend. This table is based on the draft country-specific recommendations published by the European Commission on 16 May 2017, each of which may include one or more sub-recommendations. **Numbers** refer to published recommendations and letters to sub-recommendations (e.g., CSR 1a and 1b are respectively the first and second sub-recommendations of recommendation 1). **Policy areas** are as follows: 1 = public finances & taxation, 2 = financial sector, 3 = labour market, education, social policies, 4 = structural policies, 5 = public administration & business environment. **Obstacles to investment** numbering refer to the policy area in which the obstacle is detected: 1 = public governance & administration / public procurement & PPPs, 2 = business environment, 3 = preconditions for investment (for details, see Annex 1, Table 2).

Country	Country-specific Recommendations 2016		Country-specific Recommendations 2017		Policy area	Issued in 2015	Directly addressed to LRAs	Obstacles to investment (group)	Administrative capacity	No. of CSRs 2016	No. of sub-CSR 2016	No. of CSRs 2017	No. of sub-CSR 2017
Austria	CSR1a	Simplify fiscal relations and responsibilities across the various layers of government	CSR1a	Rationalize and streamline competencies across the various layers of government and align their financing and spending responsibilities	1	✓	✓	1	✓	2	2	2	2
	CSR3a	Reduce administrative and regulatory barriers for investments	CSR2a	Foster investment in the services sector by reducing administrative and regulatory barriers	5			2	✓				
Belgium	CSR1a	Agree on an enforceable distribution of fiscal targets among all government level	CSR1a	Agree on an enforceable distribution of fiscal targets among government levels and ensure independent fiscal monitoring	1	✓	✓	1	✓				
	CSR1b	Simplify the tax system and remove distortive tax expenditures	CSR1b	Remove distortive tax expenditure	1	✓		1	✓				
			CSR1c	Improve the composition of public spending to create room for infrastructure investment	1		✓	1	✓				
	CSR2a	Move forward with education and vocational training reforms	CSR2a	Ensure that the most disadvantaged groups have equal access to quality education, vocational training, and the labour market	3	✓	✓	3	✓	3	5	3	5
	CSR3a	Boost the capacity to innovate, by fostering investment in knowledge-based capital	CSR3a	Foster investment in knowledge based capital, increase digital technologies adoption and innovation diffusion	4			2	✓				
	CSR3b	Address shortfalls in investment in transport infrastructure and energy generation capacity						3	✓				

Country	Country-specific Recommendations 2016		Country-specific Recommendations 2017		Policy area	Issued in 2015	Directly addressed to LRAs	Obstacles to investment (group)	Administrative capacity	No. of CSRs 2016	No. of sub-CSR 2016	No. of CSRs 2017	No. of sub-CSR2 017
Bulgaria	CSR3a	Reinforce social assistance, active labour market policies for long-term unemployment	CSR3a	Improve the targeting of active labour market policies and the integration between employment and social services for disadvantaged groups	3	✓	✓	3	✓	2	4	2	3
	CSR3b	Increase the provision of quality education for disadvantage groups	CSR3b	Increase the provision of quality mainstream education, in particular for Roma	3	✓	✓	3	✓				
	CSR4a	Strengthen the capacity of the Public Procurement Agency			5		✓	1	✓				
	CSR4b	Speed up the introduction of e-procurement	CSR4a	Ensure efficient implementation of the 2014-2020 National Public Procurement Strategy	5			1	✓				
Croatia	CSR1a	Improve budgetary planning and strengthen the multi-annual budgetary framework	CSR1a	By September 2017, reinforce budgetary planning and the multi-annual budgetary framework	1	✓		1		2	5	4	7
	CSR1b	Start a reform of recurrent taxation of immovable property	CSR1b	Introduce the value based property tax	1	✓	✓	1					
	CSR1c	Reinforce the framework for public debt management	CSR1c	Reinforce the framework for public debt management, ensure updates of the debt management strategy	1	✓		1					
			CSR2a	Improve coordination and transparency of social benefits	3		✓		✓				
			CSR3a	Improve adult education, accelerate the reform of the education system	3		✓	3					
	CSR3a	Start reducing fragmentation and improving distribution of competencies in public administration	CSR4a	Reduce the fragmentation and improve the functional distribution of competences in public administration	5	✓	✓	1	✓				
	CSR3b	Harmonize the wage-setting frameworks across the public administration and services	CSR4b	Harmonize the wage-setting frameworks across the public administration and public services	5		✓		✓				
Cyprus	CSR1a	Adopt the horizontal reform of the public-administration	CSR1a	Adopt key legislative reforms aiming to improve efficiency in the public sector	5		✓		✓	2	3	3	5
	CSR1b	Adopt the law on the governance of state-owned entities and implement reforms of local governments	CSR1b	Adopt reforms on governance of state-owned entities and local governments	5		✓		✓				
	CSR4a	Increase access to finance for SMEs	CSR4a	Improve access to finance	2			2					

Country	Country-specific Recommendations 2016		Country-specific Recommendations 2017		Policy area	Issued in 2015	Directly addressed to LRAs	Obstacles to investment (group)	Administrative capacity	No. of CSRs 2016	No. of sub-CSR 2016	No. of CSRs 2017	No. of sub-CSR2 017
		CSR5a	Increase the capacity of public employment services		5	✓			✓				
		CSR5b	Complete the reform of the education system to improve its labour market relevance and performance		3	✓		3					
	CSR1a	Ensure the long-term sustainability of public finances	CSR1a	Ensure the long-term sustainability of public finances, in view of the aging population	1	✓							
	CSR1b	Adopt legislation to strengthen the fiscal framework	CSR1b	Increase the effectiveness of public spending	1	✓		1					
	CSR2a	Reduce regulatory and administrative barriers to investment, in transport and energy	CSR2a	Reduce administrative burden on business	5		✓	2	✓				
	CSR2b	Increase the availability of e-government services	CSR2b	Roll out key e-government services	5		✓	3					
	CSR2c	Adopt the outstanding anti-corruption reforms	CSR1c	Increase the effectiveness of public spending by fighting corruption	5	✓	✓	3	✓				
	CSR2d	Improve public procurement practices	CSR1d	Fight inefficient practices in public procurement	5		✓	1	✓				
	CSR3a	Strengthen governance in the R&D system, facilitate the links between academia and enterprises	CSR2c	Improve the quality of R&D	4		✓	3					
	CSR3b	Raise the attractiveness of the teaching profession, increase the inclusion of disadvantaged children			3	✓	✓						
	CSR3c	Remove obstacles to labour market participation by under-representing groups	CSR2d	Foster employment of underrepresented groups	3		✓	1					
	CSR2a	Enhance productivity and private sector investment by increasing competition in the domestic services sector	CSR1a	Foster competition in the domestically oriented services sector	4	✓		1					
	CSR2b	Incentivize the cooperation between business and universities			1		✓	1					
	CSR1a	Ensure the accessibility of high-quality public services at local level			5		✓	3	✓				
Czech Republic										3	9	2	8
Denmark										1	2	1	1
Estonia										1	2	2	3

Country	Country-specific Recommendations 2016	Country-specific Recommendations 2017	Policy area	Issued in 2015	Directly addressed to LRAs	Obstacles to investment (group)	Administrative capacity	No. of CSRs 2016	No. of sub-CSR 2016	No. of CSRs 2017	No. of sub-CSR2 017
	CSR1b	Narrow the gender pay gap	CSR1a	Reduce the gender pay gap by improving wage transparency and reviewing the parental leave	3	✓	✓	✓			
			CSR2a	Promote private investment in R&D	4						
			CSR2b	Strengthen the cooperation between academia and business	5		✓	3			
Finland	CSR1a	Ensure timely implementation of the administrative reform with a view to better cost-effectiveness of social services	CSR1a	Ensure timely adoption and implementation of the administrative reform to improve cost-effectiveness of social and healthcare services	5	✓		✓			
	CSR2a	Ensure that the wage setting system enhances local wage bargaining and remover rigidities	CSR2a	Promote the further alignment of wages with productivity developments	3	✓	✓				
			CSR2b	Address employment and social challenges, provide incentives to accept work	3		✓	3			
	CSR2b	Reduce regional and skills mismatches			3	✓	✓		3	5	3
	CSR3a	Increase competition in services (in retail)	CSR3a	Reduce the administrative burden to increase competition in services	4	✓		✓			
	CSR3b	Promote entrepreneurship and investment, reduce administrative and regulatory burden	CSR2c	Provide incentives to promote entrepreneurship	5			1	✓		
			CSR3b	Reduce the administration burden to promote investment	5			1	✓		
France	CSR1a	Specify the expenditure cuts, increase the amount of savings generated by the spending reviews, including on local government	CSR1a	Review expenditure items to make efficiency gains that translate into expenditure savings	1	✓	✓	✓			
	CSR1b	Reinforce independent public policy evaluations to identify efficiency gains across all sub-sectors of general government			5			✓			
			CSR3a	Improve the access to the labour market for jobseekers	3		✓		1	2	3
			CSR3b	Revise the system of vocational education and training	3		✓	3			
			CSR4a	Reduce regulatory burdens for firms	5	✓	✓	2	✓		
			CSR4b	Simplify and improve the efficiency of public support schemes for innovation	4		✓	✓			

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Germany	CSR1a	Achieve a sustained upward trend in public investment, especially in infrastructure	CSR1a	Use fiscal policy to achieve a sustained upward trend in investments	1	✓	✓						
	CSR1b	Increase public expenditure on education	CSR1c	Accelerate public investment in education	3	✓	✓						
	CSR1c	Increase public spending on R&D	CSR1d	Accelerate public investment in research and innovation	4	✓	✓						
	CSR1d	Improve the design of federal fiscal relations with a view to increasing public investment, especially at municipal level	CSR1b	Accelerate public investment at all levels of government	1	✓		1		2	5	1	6
	CSR2a	Reduce inefficiencies in the tax system, by reviewing corporate taxation and the local tax, review the regulatory framework for venture capital	CSR1e	Improve the efficiency and investment friendliness of the tax system	1	✓	✓		✓				
			CSR1f	Stimulate competition in business services and regulated professions	4			1	✓				
Hungary	CSR2a	Strengthen transparency and competition in public procurement through e-procurement	CSR2a	Implement a comprehensive e-procurement system	5			1	✓				
	CSR2b	Improve the anti-corruption framework	CSR2b	Strengthen the anti-corruption framework	5		✓	1	✓				
	CSR3a	Facilitate the transition from the public works scheme to the primary labour market	CSR3a	Better target the public works scheme to those furthest away from labour market	3	✓				2	4	2	4
	CSR3b	Improve educational outcomes and increase the participation of disadvantage groups	CSR3b	Improve education outcomes and increase the participation of disadvantaged groups in inclusive mainstream education	3	✓	✓	3					
Ireland	CSR1a	Reduce vulnerability to economic fluctuations and shocks (e.g. by broadening the tax base)	CSR1a	Limit the scope and the number of tax expenditures and broaden the tax base	1	✓		1					
	CSR1b	Enhance the quality of expenditure through a reform of the budgetary process			1			1					
	CSR1c	Prioritize government capital expenditure in R&D and in public infrastructure	CSR2a	prioritize public investment in transport, water services and innovation in support of SMEs	4			1		1	3	2	4
			CSR2b	Enhance social housing and quality childcare	3		✓						
			CSR2c	Increase employment prospects of low-skilled people and address low work intensity of households	3		✓	3					

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Italy		CSR1a	Reduce the number and scope of tax expenditures, reforming the outdated cadastral system	1	✓		✓				
		CSR1b	Broaden the compulsory use of electronic invoicing and payments	5	✓		✓				
	CSR2a	Implement the reform of the public administration, local public services and the management of human resources	CSR2b	Complete reforms of public employment and improve the efficiency of state-owned enterprises	5	✓	✓	1	✓		
	CSR2b	Step up the fight against corruption	CSR2a	Set up the fight against corruption in particular by revising the statute of limitations	5			1	✓		
	CSR4a	Implement the reform of active labour market policies by strengthening the effectiveness of employment services	CSR4b	Ensure effective active labour policies	3	✓		2	✓	3	4
	CSR5a	Implement the pending law on competition, increase competition in regulated professions, transport, health, and the system of concessions	CSR2c	Adopt and implement the pending law on competition and address the remaining restrictions to competition	4	✓	✓	1		3	8
		CSR4a	Strengthen the collective bargaining framework to allow collective agreement to better take into account local conditions	3		✓					
		CSR4c	Rationalize social spending and improve its composition	3		✓					
Latvia	CSR1a	Ensure that the deviation from the adjustment path towards the medium-term budgetary objective in 2016 and 2017 is limited to the allowance linked to the systemic pension reform and the major structural reform in the healthcare sector	CSR2b	Increase cost-effectiveness and access to healthcare by reducing out of pocket payments and long waiting times	3	✓				2	1
	CSR2a	Speed up the curricula reform in vocational education, establish with the involvement of social partners a regulatory framework for apprenticeship-type schemes and increase their offer	CSR2a	Up-skill the labour force by speeding up the curricula reform in vocational education	3	✓	✓	3	✓	2	3

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			CSR3a	Increase efficiency and accountability in the public sector by simplifying administrative procedures	5	✓		1	✓				
Lithuania	CSR2a	Strengthen investment in human capital and address skills shortages	CSR2a	Address skills shortages through effective active labour market policy measures	3	✓	✓	3					
	CSR2b	Reinforce the coverage and effectiveness of active labour market policies	CSR2b	Effective active labour market policy measures	3		✓						
	CSR2c	Enhance the role of social dialogue mechanisms			3		✓						
	CSR2d	Improve the performance of the healthcare system	CSR2c	Improve the performance of the healthcare system	3	✓				1	5	2	6
	CSR2e	Improve the coverage and adequacy of unemployment and social assistance	CSR2d	Improve the adequacy of the social safety net	3	✓							
			CSR2e	Improve education outcomes by rewarding quality in teaching	3		✓	3					
Luxembourg			CSR3a	Improve the efficiency of public investment and strengthen its linkage with the country's strategic objectives	5		✓		✓				
	CSR1a	Remove barriers to investment and innovation that limit economic development in the business services sector	CSR1a	Remove barriers to investment and innovation	4		✓		✓	1	1	2	2
			CSR2a	Increase employment rate of older people	3		✓						
Malta	-	-	CSR1a	Introduce performance-based public spending	1		✓		✓	0	0	1	1
The Netherlands	CSR3a	Reduce the remaining distortions in the housing market and the debt bias for household	CSR1b	Reduce the remaining distortions in the housing market and the debt bias of household	2	✓				1	1	1	2
			CSR1a	Use fiscal policy to support domestic demand including investment in R&D	1		✓		✓				
Poland	CSR2a	Increase participation in the labour market, by starting to reform the preferential pension arrangements	CSR2a	Increase labour market participation in particular for women, low-qualified and older people	3	✓				2	4	2	3
	CSR2b	Remove obstacles to more permanent types of employment and improving the labour market-relevance of education	CSR2c	Remove obstacles to more permanent types of employment	3	✓	✓	3					

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Portugal	CSR3a	Remove obstacles to investment in transport, construction and energy infrastructure	CSR3a	Remove obstacles to investment, particularly in the transport sector	4			2	✓				
	CSR3b	Increase the coverage of spatial planning at local level			5		✓	3	✓				
			CSR1a	Set up efforts to broaden the expenditure review	1		✓		✓				
			CSR1b	Increase the financial sustainability of state-owned enterprises	5		✓		✓				
	CSR2a	Ensure that minimum wages are consistent with the objectives of promoting employment and competitiveness across industries	CSR2b	Ensure that minimum wage development, do not harm employment of the low-skilled	3	✓	✓						
	CSR3a	Ensure the effective activation of the long-term unemployed and improve the coordination between employment and social services	CSR2a	Ensure the effective activation of the long-term unemployment	3		✓		✓	3	4	3	5
	CSR5a	Increase transparency and efficiency in public procurement as regards public-private partnerships and concessions			5	✓	✓	1	✓				
	CSR5b	Incentivize cooperation between universities and the business sector			5		✓	3					
			CSR3a	Improve access to capital in particular for start-ups and SMEs	2			2					
	CSR2a	Strengthen the National Employment Agency's services to employers and jobseekers	CSR2a	Strengthen targeted activation policies and integrated public services, focusing on those furthest away from the labour market	3	✓			✓				
Romania	CSR2b	Prevent early school leaving and increase the provision of quality education, in particular among Roma	CSR2b	Improve access to quality mainstream education in particular for Roma and children from rural areas	3	✓			✓	3	7	2	6
	CSR3a	Curb informal payments in the healthcare system and increase the availability of outpatient care	CSR2c	Shift to outpatient care, and curb informal payments	3	✓	✓		✓				
	CSR3b	Strengthen the independence and transparency of human resources management in the public administration	CSR3a	Adopt legislation to ensure a professional and independent civil service	5				✓				

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	CSR3c	Simplify administrative procedures for business and the public			5				✓				
	CSR4a	Improve access to integrated public services, extend basic infrastructure and foster economic diversification, in particular in rural areas			5		✓	3	✓				
	CSR4b	Adopt and implement the transport master plan			4			3	✓				
			CSR3a	Strengthen project prioritization and preparation in public investment	5		✓		✓				
			CSR3b	Ensure the timely full and sustainable implementation of the national public procurement strategy	5		✓	1	✓				
Slovakia	CSR1a	Improve the cost-effectiveness of the healthcare system	CSR1a	Improve the cost effectiveness of the healthcare system	3	✓							
	CSR2a	Improve activation measures for the long-term unemployment	CSR2a	Improve activation measures for the long-term unemployed, provide individualized services and targeted training	3	✓	✓						
	CSR2b	Facilitate the employment of women	CSR2b	Enhance employment opportunities for women by extending affordable childcare	3	✓	✓						
	CSR2b	Improve educational outcomes by making the teaching profession more attractive and by increasing the participation of Roma children from early childhood in mainstream education	CSR2c	Improve the quality of education and increase the participation of Roma in inclusive mainstream education	3	✓	✓			2	4	3	6
			CSR3a	Improve competition and transparency in public procurement operations	5		✓	1	✓				
			CSR3b	Lower administrative and regulatory barriers for business	5		✓	2	✓				
Slovenia	CSR2a	Increase the employability of low-skilled and older workers, including through targeted lifelong learning and activation measures	CSR2a	Intensify efforts to increase the employability of low-skilled and older workers through targeted lifelong learning	3	✓	✓	3		2	3	2	3
	CSR4a	Take measures to modernize public administration and reduce the administrative burden on business	CSR3a	Reduce the administrative burden on business deriving from rules on spatial planning and construction permits	5		✓	2	✓				

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	CSR4b	Improve the governance and the performance of state-owned enterprises	CSR3b	Ensure good governance of state-owned enterprises	5	✓			✓				
Spain	CSR1a	Implement at all government levels the tools set out in the fiscal framework law	CSR1a	Strengthen the fiscal and public procurement frameworks	1	✓							
			CSR1b	Undertake a comprehensive expenditure review to identify areas for improving spending	1	✓							
	CSR2a	Enhance the capacity of regional employment services and reinforce their coordination with social services	CSR2a	Reinforce the coordination between regional employment services, social services and employers	3	✓							
			CSR2b	Address regional disparities and fragmentation in income guarantee schemes	3	✓							
			CSR2c	Improve family support including access to quality childcare	3	✓							
			CSR2d	Increase labour market relevance of tertiary education	3	✓	3			3	4	3	9
			CSR2e	Address regional disparities in educational outcomes, by strengthening teachers' training and individual students' support	3	✓	3						
			CSR3a	Ensure sustained investment in research and innovation, strengthen its governance across government levels	4	✓	3						
	CSR4a	Accelerate the implementation of the law on market unity at regional level	CSR3b	Ensure a timely implementation of the law on market unity	3	✓	✓	2	✓				
	CSR4b	Ensure implementation by the autonomous regions of the reform measures adopted for the retail sector			4		✓	2	✓				
Sweden	CSR1a	Address the rise in household debt by adjusting fiscal incentives, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes, and by increasing the pace of mortgage amortization	CSR1a	Address risks related to household debt, by limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes	2	✓		3		1	2	1	2

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	CSR1b	Foster investment in housing and improving the efficiency of the housing market	CSR1b	Foster investment in housing and improve the efficiency of the housing market	2	✓	✓	3	✓				
	CSR2a	Address shortfalls in network infrastructure investment, including by delivering the priorities of the National Infrastructure Plan			4		✓	3					
UK	CSR2b	Take further steps to boost housing supply, including by implementing the reforms of the national planning policy framework	CSR2a	Take further steps to boost housing supply through reforms to planning rules and their implementation	2	✓	✓	3	✓		2	4	2
	CSR3a	Address skills mismatches and provide for skills progression, including by strengthening the quality of apprenticeship	CSR3a	Address skills mismatches and provide for skills progression by strengthening the quality of apprenticeships and providing for other funded further education progression routes	3	✓	✓	3					
	CSR3b	Further improve the availability of affordable, high-quality, full-time childcare			3	✓	✓						
Total										51	95	59	117



**European Committee
of the Regions**



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JUNE 2017

Created in 1994 following the signing of the Maastricht Treaty, the European Committee of the Regions is the EU's assembly of 350 regional and local representatives from all 28 Member States, representing over 507 million Europeans. Its mission is to involve regional and local authorities and the communities they represent in the EU's decision-making process and to inform them about EU policies. The European Commission, the European Parliament and the Council are obliged to consult the Committee in policy areas affecting regions and cities. It can appeal to the Court of Justice of the European Union if its rights are infringed or it believes that EU law infringes the subsidiarity principle or fails to respect regional or local powers.

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