

**EGOV**

ECONOMIC GOVERNANCE AND EMU SCRUTINY UNIT



ECONOMIC GOVERNANCE

2024 Country-specific recommendations

Stylised facts and figures

This document provides an overview of all country-specific recommendations for 2024 as proposed by the Commission on 19 June 2024 and agreed by the Council on 16 July 2024.

On 19 June, as a part of the [2024 European Semester Spring Package](#), the Commission [proposed](#) draft **2024 country-specific recommendations (CSRs) for Member States** and the Council [agreed](#) on these CSRs on 16 July introducing only minor changes to the text of the recommendations put forward by the Commission.

For each Member State, the CSRs comprise:

1. a recommendation on **fiscal policy**, including fiscal-structural reforms where relevant;
2. a recommendation on the implementation of the national **Recovery and Resilience Plans and cohesion policy programmes**, taking into account country-specific risks as regards implementation, which includes guidance in view of the mid-term review of cohesion policy programmes;
3. where relevant, further recommendations on **outstanding and/or newly emerging challenges, focusing on improving competitiveness**.

The fiscal recommendation (CSR1) takes into account the changes brought about by the entry into force of the reformed economic governance framework on 30 April 2024. The reform notably transformed the governance of the preventive arm of the Stability and Growth Pact (SGP) with a view of promoting debt sustainability and growth enhancing fiscal consolidation in the EU. Based on a debt sustainability analysis (DSA) and consistently with a number of additional safeguards, Member States are now required to prepare country-specific **medium-term fiscal-structural plans** describing their path to consolidation as well as potential reforms and investment underpinning an expansion of their fiscal adjustment period to up to seven years.



The 2024 CSRs, on the one hand, **encourage Member States to timely submit their plans to the Commission** according to their fiscal consolidation needs (or lack of thereof) and, on the other, **suggest potential reform avenues that Member States could cover in their fiscal plans**, contributing to economic growth and resilience.

These annual recommendations also stock of the level of implementation of the Recovery and Resilience Facility (RRF), including the REPowerEU chapters, as well as cohesion policy (CSR2). The accompanying [Communication on the 2024 European Semester Spring Package](#) recognises that this “*cycle of the European Semester explores complementarities and synergies between different EU funding instruments and Member States’ reform and investment actions*”. The publication of the Spring Package follows the mid-term review of the RRF and seeks to provide guidance on the roll-out of cohesion funds in view of their mid-term review.

The other recommendation (CSR3 and CSR4) focus on other specificities and outstanding challenges, particularly on **competitiveness**.

The following **sections include snap-shots of these thematic CSRs**:

- Section 1: [CSR1 - Fiscal policy](#)
- Section 2: [CSR2 - RRF and cohesion policy](#)
- Section 3: [CSR3 and CSR4 - Further outstanding issues](#)
- Section 4: [Macroeconomic Imbalance Procedure \(MIP\)](#)
- Section 5: [CSRs relation to the euro area recommendations](#)

An overview of the **changes introduced by the Council to the 2024 CSRs as proposed by the Commission** are in Section 6 i.e. in line with the "[comply or explain](#)" principle.

In the **annexes** of this document all the 2024 CRS are displayed as follows:

- [ANNEX I: 2024 Council Recommendations on fiscal-structural measures \(part of CSR1\)](#)
- [ANNEX II: 2024 Council Recommendations on RRF and cohesion policy \(CSR2\)](#)
- [ANNEX III: 2024 Council Recommendations on further outstanding issues \(CSR3 and CSR4\)](#)
- [ANNEX IV: Legal basis of CSRs](#)
- [ANNEX V: 2024 CSRs mapping according to relation to EU legal bases and the 2024 Euro Area Recommendations](#)

1. Snap-shot on CSR1 - Fiscal policy

These CSRs encourages Member States to timely submit their medium-term fiscal structural plan based on the reformed economic governance framework (“SGP-related recommendation”). Table 1 presents an overview of actions recommended to Member States with the goal of keeping/bringing government debt and deficit levels below the Treaty threshold values of 60% of GDP and 3% of GDP, respectively.

Table 1: Recommendations on SGP within CSR1 grouped by actions required for debt and deficit

Submit the medium-term fiscal-structural plan in a timely manner. In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with, inter alia:																											
	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK
putting the general government debt on a plausibly downward trajectory over the medium term																											
keeping the general government debt at a prudent level over the medium term																											
reducing the general government deficit below the 3% of GDP Treaty reference value																											
maintaining/respecting the general government deficit below the 3% of GDP Treaty reference value																											

Note: EGOV elaboration based on the CSR1. Fiscal policy CSR for DK, IE, LU and SE was related only to the timely submission of the plan without specific recommendations for debt or deficit trajectories.

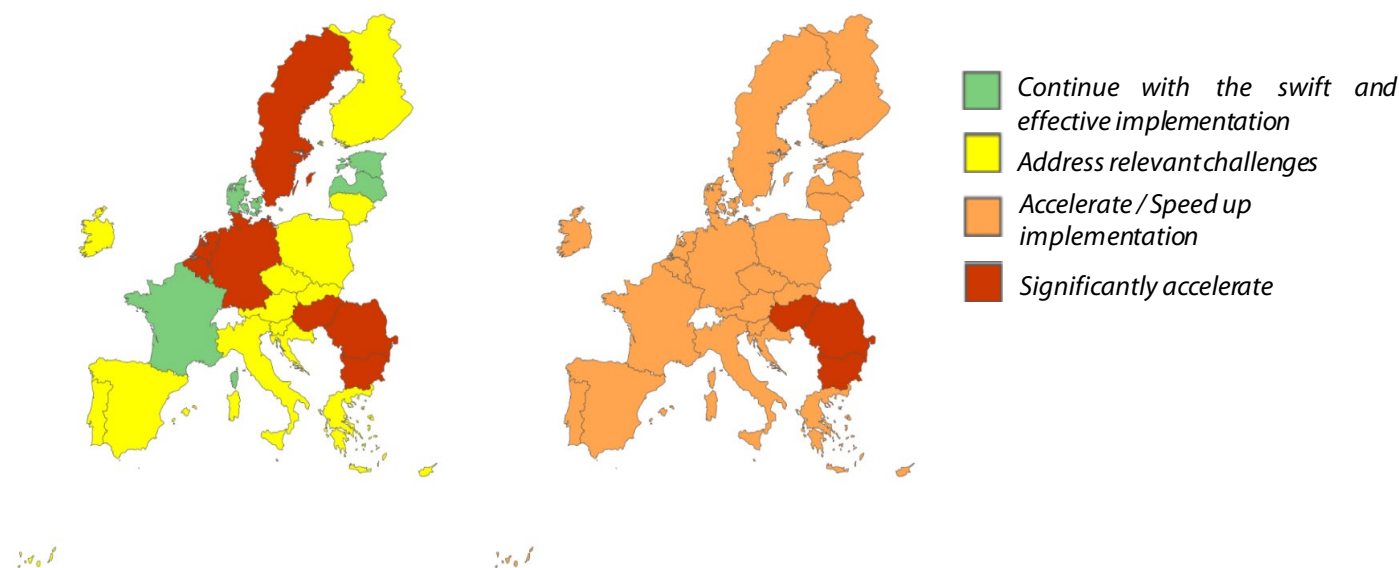
It is worth noting that the SGP related recommendations for four Member States (DK, IE, LU, SE) did not include any quantitative or qualitative guidance and were only limited to the general recommendation “Submit the medium-term fiscal-structural plan in a timely manner”.

In addition to the above SGP-related fiscal recommendations, **most of the Member States were also provided with the specific recommendation on fiscal-structural measures** (see Annex I). These are primarily related to cost-effectiveness of healthcare, sustainability of pension systems, tax system reforms, public investment, competitiveness, social protection, employment and administrative efficiency. Only Bulgaria, Croatia, Cyprus, Denmark and Romania did not receive any fiscal-structural recommendation.

2. Snap-shot on CSR2 - RRF and cohesion policy

These CSRs are related to the improvements required in the speed of implementation of the Recovery and Resilience Facility (including the RePowerEU Chapter) and cohesion policy in each Member State (see Figure 1). Overall, CSR2 shows a varying degree of implementation of national recovery and resilience plans, ranging from merely suggesting to continue the effective roll-out of the plans to urgently calling on Member States to significantly accelerate implementation. CSR2 also highlights the **significant lag in implementation of cohesion policy** as every Member State is urged to at least accelerate the implementation of the cohesion policy. This indicates how **Member States face more substantial delays and challenges in the implementation of the cohesion policy compared to the RRF** and points to a potential crowding out of cohesion policy funds due to RRF implementation. A few countries require significant acceleration in both programmes: Bulgaria is encouraged to take action in the area of public administration and quality of procurement, Hungary in the area of protection of EU's financial interests and energy poverty, and Romania in the area of administrative capacity and social services. Please refer to **Annex II** for a detailed overview of CSR2.

Figure 1: Recommendations on the RRFs (left map) and cohesion policy (right map) implementation according to the level of acceleration required

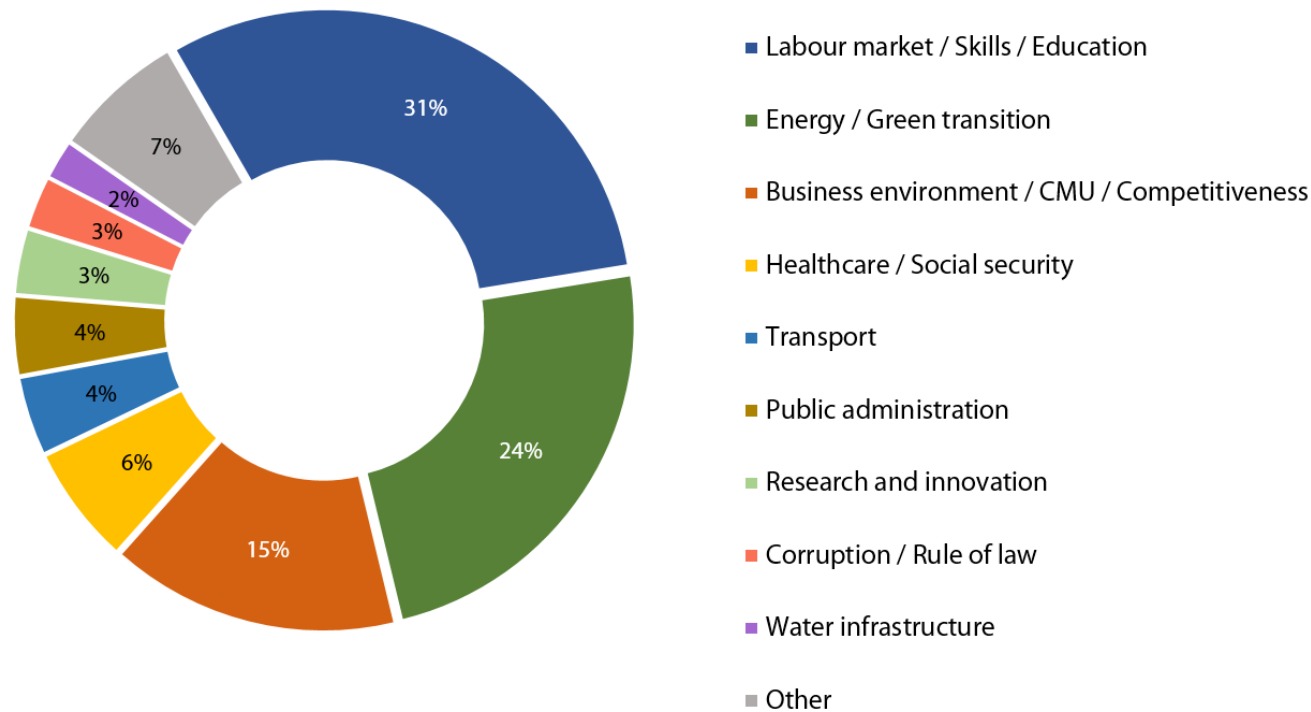


Note: EGOV elaboration based on CSR2. Please see [ANNEX II](#) for detailed list of recommendations.

3. Snap-shot on CSR3 and CSR4 - Further outstanding policy priorities

These recommendations (CSR3 and CSR4) reflect further specificities of each Member State with a view to enhance overall competitiveness. Overall, about 2/3 of the recommendations issued cover policies to strengthen the labour markets through education and investments in skills, promote the green transition and other energy-related policies as well as address outstanding competitiveness issues (see **Figure 2**).

Figure 2: Policy categories addressed by the CSR3 and CSR4

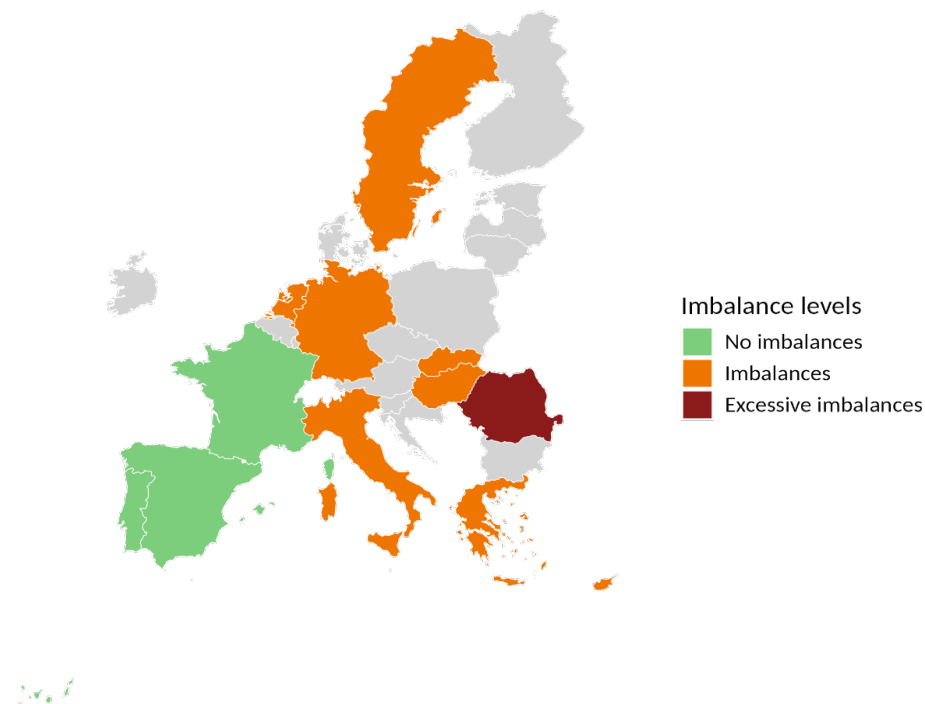


Note: EGOV elaboration based on the CSR3 and CSR4. Category "Other" includes Digitalisation, Agriculture, Environment, Cohesion, Demographics and Industry. Please see [ANNEX III](#) for detailed list of recommendations and respective policy categories.

4. Snap-shot: Macroeconomic Imbalance Procedure (MIP) and the 2024 CSRs

The CSRs proposed by the Commission are also designed to address specific issues identified in the In-Depth Reviews (IDR), which aim at assessing the severity of the macroeconomic imbalances under the MIP. As such, they represent one of the concluding steps of the annual [MIP cycle](#). The MIP cycle begins with the analysis of all EU economies, and after the alert mechanism report (AMR) identifies countries with potential economic imbalances, the IDR is conducted by the Commission to determine the presence of imbalances. In the 2024 cycle, 12 Member States were selected by the AMR as candidates for potential imbalance. Of them, 9 were concluded by the IDR to have some level of imbalances, with CY, DE, EL, HU, IT, SK, SE, NL having imbalances and RO having excessive imbalances (see [Figure 3](#)).

Figure 3: Results from 2024 Commission’s In-Depth Reviews on identified imbalances



Note: EGOV elaboration based on the [Commission's IDRs](#). Possible outcomes from IDRs include: no imbalances, imbalances, excessive imbalances and excessive imbalances with corrective action.

All the Member States that were identified in 2024 by the AMR as facing potential imbalances were also included in the list of the 17 countries subject to the previous MIP cycle in 2023 (see Table 2). While 5 Member States received the same result and 5 improved their imbalance levels according to the 2024 IDR2, 2 countries were downgraded, namely Romania moved from having imbalances in 2023 to excessive imbalances in 2024 and Slovakia changed from no imbalances in 2023 to imbalances in 2024.

Table 2: Change in imbalances identified by the In-Depth Reviews in 2024 and 2023

Country	MIP in 2023	MIP in 2024	Change
CY	Imbalances	Imbalances	
FR	Imbalances	No imbalances	
DE	Imbalances	Imbalances	
EL	Excessive imbalances	Imbalances	
HU	Imbalances	Imbalances	
IT	Excessive imbalances	Imbalances	
PT	Imbalances	No imbalances	
RO	Imbalances	Excessive imbalances	
SK	No imbalances	Imbalances	
ES	Imbalances	No imbalances	
SE	Imbalances	Imbalances	
NL	Imbalances	Imbalances	
CZ	No imbalances	<i>Not at risk of being affected by imbalances, according to the AMR</i>	
EE	No imbalances	<i>Not at risk of being affected by imbalances, according to the AMR</i>	
LV	No imbalances	<i>Not at risk of being affected by imbalances, according to the AMR</i>	
LT	No imbalances	<i>Not at risk of being affected by imbalances, according to the AMR</i>	
LU	No imbalances	<i>Not at risk of being affected by imbalances, according to the AMR</i>	

Note: EGOV elaboration based on the [Commission' In-Depth Reviews](#). Possible outcomes from In-Depth Reviews include: no imbalances, imbalances, excessive imbalances and excessive imbalances with corrective action. **Green colour** indicates improvement, **red colour** indicated downgrade, **grey colour** indicates no change.

Accordingly, those Member States with imbalances or excessive imbalances undergo a process of “specific monitoring”, including dialogue with the Commission, progress reports and specific policy recommendations. In the 2024 cycle, the fiscal recommendation (CSR1) partially or fully addresses identified imbalances for all the 9 Member States concerned (see Table 3). Recommendations related to RRF/Cohesion policy CSR2 addresses the imbalances for 3 countries (EL, IT, RO). In terms of more tailored recommendations, CSR3 helps to address the imbalances for 4 countries (EL, HU, IT, SK), while CSR4 contributes

the least to resolving the imbalances in HU and IT only. Italy is the only Member State where all the CSRs contribute to addressing the existing imbalances due to the vulnerabilities in multiple sectors, such as high debt, weak productivity, weaknesses in the labour market and financial sector.

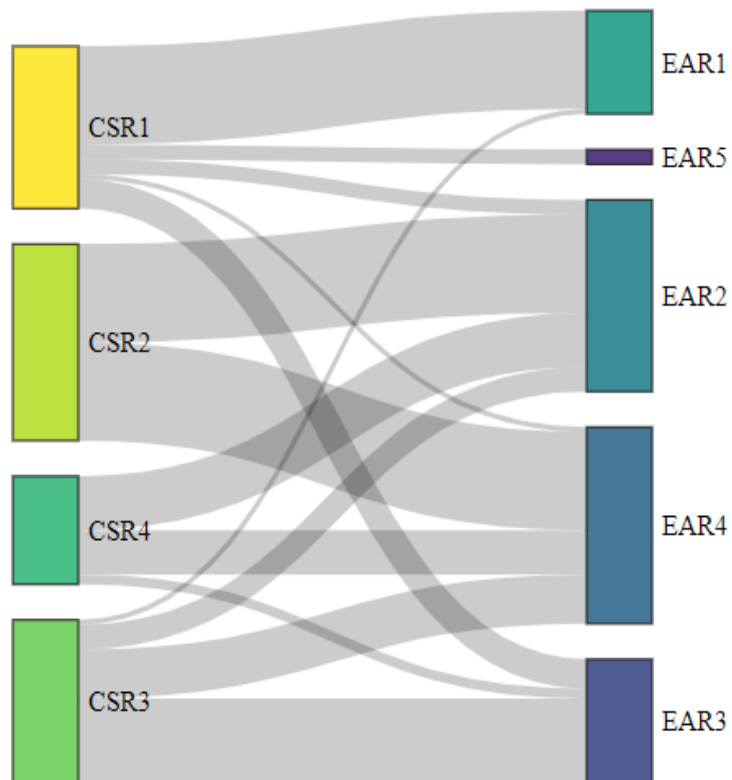
Table 3: Reflection of the recommendations under MIP cycle in the 2024 CSRs

	<u>CY</u>	<u>DE</u>	<u>EL</u>	<u>HU</u>	<u>IT</u>	<u>NL</u>	<u>RO</u>	<u>SE</u>	<u>SK</u>
CSR1									
CSR2									
CSR3									
CSR4									

Note: EGOV elaboration based on the [Council Recommendations](#) as agreed on 16 July 2024.

5. Snap-shot: 2024 CSRs in relation to the 2024 euro area recommendations

Figure 4: CSRs relation to the EAR



Source: EGOV elaboration based on [Council CSRs](#) and [Council EAR](#). Please see [ANNEX V](#) for detail on individual countries.

Due to the close interlinkages between the euro area economies, the Commission also proposes policy recommendations for the euro area (EAR), which are later reflected in certain CSRs. On 21 November 2023, the Commission published its [recommendation](#) for a Council recommendation on the 2024 EAR, which were [adopted](#) on 12 April 2024. The EARs traditionally focus on five areas: fiscal policies and inflation (EAR1), structural policies (EAR2), labour markets (EAR3), internal market (EAR4), and financial markets (EAR5)¹. The 2024 EAR also includes a sixth recommendation (EAR 6) to continue deepening the EMU taking into account lessons learnt from the economic response of the pandemic, in full respect of the internal market as well as in a transparent and open way to non-euro area Member State. **Accordingly, multiple CSRs are designed to facilitate fulfilment of one of the EARs (Figure 4).** CSR1 contributes the most to the implementation of EAR1 in the area of fiscal policies and debt reduction, while for some countries it also addresses other remaining EARs. Furthermore, it is the only CSR which facilitates implementation of the EAR5, but only for few countries. CSR2 is equally related to the EAR2 in terms of RRF implementation, as well as to the EAR4 where reduction of investment obstacles is addressed by the reference to the Strategic Technologies for Europe Platform (STEP). CSR3 is mostly related to the EAR3 in the area of labour market policies, and for some Member States it also addresses EAR4 in terms of business dynamism and access to capital. Finally, CSR4 helps to implement EAR2 due to recommendations of decarbonisation and renewable energy solutions for some Member States, as well as EAR4 due to business environment improvements. No CSR is related to the new EAR6 in the 2024 cycle, potentially because of its scope for action at collective EU level more than at individual Member State level.

¹ For further details, please refer to EGOV [briefing](#) on the institutional role of the EAR and EGOV [briefing](#) on the implementation of the 2023 EAR.

6. 2024 CSRs - Implementation of the Comply or explain - principle²

On 16 July 2024, the Council agreed on the 2024 CSRs and has introduced some changes to the draft recommendations presented earlier by the Commission.

For this edition of the CSRs, most of the **content-related changes were introduced within CSR3 and CSR4**. Table 3 provides an extract from the Council's recommendations for those countries where the modifications to the Commission's recommendations were made, with the changes highlighted in yellow.

Other notable changes relate to CSR2 where the **Council seems to have watered down the language on the level of acceleration to be achieved by Member States in the implementation of the RRF and cohesion policy**. In particular, the Council changed the proposal by the Commission from urging Member States to "Address emerging delays" to instead "Address relevant challenges" in the RRF implementation.




Changes to CSR1 were mostly linguistic, notably with the addition of "inter alia" before each SGP recommendations for debt or deficit trajectories for all countries.

Table 4: Content-related changes made by the Council to the Commission Recommendations for the CSR3 and CSR4





Country	<u>Council Recommendations(s) on further outstanding issues (CSR3 and CSR4)</u> As agreed on 16 July 2024 (in bold changes to the Commission proposal)
AT 	CSR3: Boost the labour market participation of women, including by improving quality and availability of childcare services, and of older workers. Improve labour market outcomes for disadvantaged groups, such as low-skilled jobseekers and people with a migrant background, and raise the levels of basic skills, starting from an early age, and notably at school level. Promote business dynamism, creation and growth of young companies, including through better access to risk capital.




² According to the Article 29 of EU [Regulation](#) No 2024/1263 : "The Council is, as a rule, expected to follow the recommendations and proposals of the Commission or publicly explain its position".

<p>DE</p> 	<p>CSR3:</p> <p><i>Address the shortage of skilled workers, particularly by strengthening basic and digital skills, and improving education outcomes, including by providing enhancing the provision of targeted support to disadvantaged groups.</i></p> <p><i>Speed up the digitalisation of public administration including by increasing the geographic coverage of digital public services.</i></p> <p><i>Further boost the deployment of very high-capacity digital communication networks, including by facilitating the necessary implementation of private investment projects and mobilising public resources where needed.</i></p>
<p>ES</p> 	<p>CSR3:</p> <p><i>Improve water management to better address the adaptation to present and future effects of climate change and ensure long-term economic, social and environmental resilience, by improving coordination among all levels of government and administration and scaling up existing solutions for drought risk reduction and sustainable water management in agriculture, water efficiency and infrastructure investments, and by supporting the development of nature-based solutions.</i></p>
<p>HR</p> 	<p>CSR3:</p> <p><i>To strengthen competitiveness:</i></p> <p><i>(i) boost access to diverse sources of financing and promote capital markets by further facilitating the participation of retail investors in the bond market, and addressing barriers to listing and strengthening corporate governance to improve the attractiveness of the stock market;</i></p> <p><i>(ii) reduce labour and skills shortages by strengthening basic skills, enhancing upskilling and reskilling, and improving access to formal home- and community-based long-term care; and</i></p> <p><i>(iii) address the fragmentation of public institutions that carry out research, development and innovation activities by ensuring a comprehensive and binding approach to merging various support functions, bolstering the financial incentives for mergers, and ensuring the promotion of relevant strategic goals under the performance agreements between the Ministry of Science and Education and Youth and public research and higher education institutions.</i></p>
<p>HU</p> 	<p>CSR3:</p> <p><i>Improve the regulatory framework and enhance competition in product markets and services by avoiding arbitrary administrative interventions and the selective use of tailor-made legislation providing undue advantage or disadvantage to specific companies, by applying competition scrutiny systematically to business transactions and by reducing the use of emergency measures to what is strictly necessary, in line with the principles of the single market and the rule of law.</i></p> <p><i>Improve the adequacy of the social protection system, including assistance and unemployment benefits.</i></p> <p><i>Improve educational attainment levels as well as access to effective active labour market measures, in particular upskilling and reskilling opportunities for the most disadvantaged groups, and ensure effective social dialogue.</i></p>

<p>IE</p> 	<p>CSR4:</p> <p><i>Increase efforts to improve the flexibility of the electricity system and modernise and expand grid capacity. Develop and implement a strategy to promote demand-side response and streamline planning and permitting for electricity storage facilities and grid connectors. Increase efforts to improve energy performance of private buildings to reduce energy bills and energy system costs.</i></p>
<p>IT</p> 	<p>CSR3:</p> <p><i>In order to mitigate the effects on potential growth, tackle negative demographic trends including by attracting and retaining high-skilled workers with adequate skills and by addressing labour market challenges, in particular with regards to women, young people and in-work poverty, notably of workers with non-standard contracts.</i></p> <p>CSR4:</p> <p><i>Define an industrial and development strategy to reduce the territorial divide by streamlining current policy measures and by taking into account key infrastructure projects as well as strategic value chains. Address remaining restrictions to competition, in particular in the retail sector, regulated professions and railways.</i></p>
<p>LV</p> 	<p>CSR3:</p> <p><i>Improve the business environment by reducing the administrative and regulatory burden for companies and improving access to finance for small and medium-sized enterprises, including through public lending and guarantee schemes aimed at facilitating investments of strategic importance and boosting competition in the financial markets.</i></p> <p><i>Address labour and skills shortages, in particular in STEM, and in other specialisations needed for the green and digital transition, as well as in the social and healthcare sectors, including through targeted upskilling and reskilling, as well as improved working conditions.</i></p>


ANNEX I: 2024 Council recommendations on fiscal-structural measures (as part of CSR1)

Country	<u>Council Recommendations(s) on non-SGP-related fiscal policy</u> as agreed on 16 July 2024
AT 	<p>CSR1:</p> <p><i>Improve the fiscal sustainability of the healthcare system and the long-term care system.</i></p> <p><i>Simplify and rationalise fiscal relationships and responsibilities across layers of government and align financing and spending responsibilities.</i></p> <p><i>Further improve the tax mix to reduce the tax wedge and support inclusive and sustainable growth.</i></p>
BE 	<p>CSR1:</p> <p><i>Address the expected increase in age-related expenditure, including by making the long-term care system more cost-effective.</i></p> <p><i>Reform the tax and benefits system to strengthen incentives to work by shifting the tax burden away from labour and by reviewing the design of benefits.</i></p> <p><i>Finance the labour tax reduction, including by reducing tax expenditure. In particular, take steps to phase out fossil fuel subsidies, including by shifting excise duties from electricity to fossil fuels.</i></p>
CZ 	<p>CSR1:</p> <p><i>Take measures to ensure the long-term fiscal sustainability of the pension system.</i></p> <p><i>Lower tax and benefit disincentives for parents to return to work to promote higher female labour market participation. Improve incentives for people close to retirement to continue working.</i></p> <p><i>Take steps to increase revenue from recurrent property taxes.</i></p>
DE 	<p>CSR1:</p> <p><i>Strengthen public investment and remove obstacles to private investment to boost competitiveness.</i></p> <p><i>Enhance the fiscal space for productive spending including by reforming the financing side of the first pillar pension system.</i></p> <p><i>Improve the tax mix for more inclusive growth and sustainable competitiveness, also by reducing disincentives to increase hours worked, in particular for second earners.</i></p>

<p>EE</p> 	<p>CSR1:</p> <p><i>Broaden the taxbase and improve access to and financing of healthcare and long-term care.</i></p>
<p>EL</p> 	<p>CSR1:</p> <p><i>Continue improving the investment friendliness of the taxation system by reinforcing its legal certainty and continue increasing the operational autonomy of the tax authority to manage and develop its human resources.</i></p> <p><i>Safeguard the efficiency of public administration while ensuring that it can attract the right skills and preserving consistency with the unified wage grid, and operationalising the multi-level governance framework.</i></p> <p><i>Ensure that external balances continue on a steadily improving path by promoting balanced growth and supporting productive domestic investment.</i></p> <p><i>Pursue the ongoing reduction of the stock of non-performing loans held by banks and credit servicers, including by further improving the e-auction processes to reduce the ratio of unsuccessful auctions.</i></p>
<p>ES</p> 	<p>CSR1:</p> <p><i>Ensure fiscal sustainability including by: (i) reviewing and simplifying the tax system to support economic growth and employment, cohesion and the green transition; and (ii) improving the quality, efficiency and equity of public spending.</i></p>
<p>FI</p> 	<p>CSR1:</p> <p><i>Pursue the reform of the social security system in order to increase the efficiency of the social benefits system, which would improve incentives to work and support the long-term sustainability of public finances.</i></p>
<p>FR</p> 	<p>CSR1:</p> <p><i>Reduce the complexity of the tax system by better targeting tax expenditures, removing the least efficient ones and limiting their overall budgetary impact.</i></p> <p><i>Continue the efforts to enhance the quality of budgetary measures, including by setting up quantitative targets for expenditure savings in budgetary planning within the established framework for spending reviews.</i></p>
<p>HU</p> 	<p>CSR1:</p> <p><i>Wind down the emergency energy support measures before the 2024/2025 heating season.</i></p> <p><i>Pursue effective coordination and clear demarcation of macroeconomic policies to ensure fiscal and external sustainability.</i></p> <p><i>Phase out remaining price and interest rate caps to reduce distortive effects and facilitate the smooth transmission of monetary policy.</i></p> <p><i>Target support measures in the housing sector to low-income households.</i></p>

	<i>Strengthen the medium-term budgetary framework, align the preparation of annual budgets with the budgetary year and limit discretion in the implementation of annual budgets.</i>
<p>IE</p> 	<p>CSR1:</p> <p><i>Address the expected increase in age-related expenditure by making the healthcare system more cost-effective.</i></p>
<p>IT</p> 	<p>CSR1:</p> <p><i>Make the tax system more supportive to growth, with a focus on reducing the tax wedge on labour and in line with fiscal sustainability objectives, including by reducing tax expenditures and updating cadastral values, while ensuring fairness and progressivity and supporting the green transition.</i></p>
<p>LT</p> 	<p>CSR1:</p> <p><i>Provide adequate financing for healthcare, social protection and general public services.</i></p>
<p>LU</p> 	<p>CSR1:</p> <p><i>Wind down the emergency energy support measures before the 2024/2025 heating season.</i></p> <p><i>Address the long-term sustainability of the pension system, in particular by limiting early retirement options and by increasing the employment rate for older workers.</i></p> <p><i>Accelerate the adoption of a comprehensive land use policy and a property tax reform and prioritise the development of large-scale district projects on government-owned land.</i></p> <p><i>Increase action to effectively tackle aggressive tax planning, in particular by ensuring sufficient taxation of outbound payments of interest and royalties to zero/low-tax jurisdictions.</i></p>
<p>LV</p> 	<p>CSR1:</p> <p><i>Broaden taxation, including of capital and property, and strengthen the adequacy of healthcare and social protection.</i></p>
<p>MT</p> 	<p>CSR1:</p> <p><i>Wind down the emergency energy support measures by the 2024/2025 winter.</i></p>




	<i>To address remaining aggressive tax planning risks, introduce a withholding tax on outbound payments or equivalent defensive measures, and amend rules on non-domiciled companies.</i>
<p>NL</p> 	<p>CSR1:</p> <p><i>Align the taxation of different types of income from wealth, amongst others, to reduce the household debt bias.</i></p> <p><i>Remove obstacles to the construction of new dwellings, and ensure the affordability and availability of housing in the private rental market.</i></p> <p><i>Address the expected increase in age-related expenditure by making the long-term care system more cost-effective</i></p>
<p>PL</p> 	<p>CSR1:</p> <p><i>Improve the efficiency of public spending, including through better targeting of social benefits as well as more transparency in investment planning and wider use of standardised procedures for project assessment and selection.</i></p> <p><i>Ensure the adequacy of future pension benefits and reinforce the sustainability of the pension system, including by taking measures on effective retirement age and reforming preferential pension schemes.</i></p>
<p>PT</p> 	<p>CSR1:</p> <p><i>Wind down the emergency energy support measures before the 2024/2025 heating season.</i></p> <p><i>Improve the effectiveness of the tax system, in particular by strengthening the efficiency of its administration and reducing the associated administrative burden.</i></p> <p><i>Take action to ensure the medium-term fiscal sustainability of the pension system.</i></p>
<p>SE</p> 	<p>CSR1:</p> <p><i>Reduce risks related to high household debt and housing market imbalances by reducing the tax deductibility of mortgage interest payments and increasing recurrent property taxes, while developing appropriate tools for better policy assessment and targeting.</i></p> <p><i>Stimulate investment in residential construction to ease the most urgent shortages, in particular by removing structural obstacles to construction.</i></p> <p><i>Improve the efficiency of the housing market, including by introducing reforms in the rental market.</i></p>
<p>SI</p> 	<p>CSR1:</p> <p><i>Ensure the fiscal sustainability of social protection and rebalance tax revenues towards more growth-friendly and sustainable sources.</i></p> <p><i>Improve the efficiency of public spending by carrying out spending reviews and through better management of public investment.</i></p>

<p>SK</p> 	<p>CSR1:</p> <p><i>Make the tax mix more efficient, including by reducing disincentives on the labour market, and making a stronger use of environmental and recurrent property taxation.</i></p> <p><i>Reduce costly spending measures, also by implementing spending reviews.</i></p> <p><i>Continue to strengthen tax compliance, including by further digitalising tax administration.</i></p> <p><i>Reduce the risks related to household debt by supporting housing supply and the expansion of the rental market.</i></p>
---	--

ANNEX II: 2024 Council Recommendations on RRF and cohesion policy (CSR2)


Country	<u>Council Recommendation(s) on RRF and cohesion policy as agreed on 16 July 2024</u>
<p>AT</p> 	<p>CSR2:</p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>BE</p> 	<p>CSR2:</p> <p><i>Significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026, by ensuring effective governance.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>BG</p> 	<p>CSR2:</p> <p><i>Significantly accelerate the implementation of cohesion policy programmes and the recovery and resilience plan, ensuring completion of reforms and investments by August 2026, by improving the functioning and boosting the capacity of the public administration, including at the regional level, increasing the quality of procurement procedures and strengthening the independence and functioning of regulators. Rapidly finalise the REPowerEU chapter.</i></p> <p><i>In the context of the mid-term review of cohesion policy programmes, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>CY</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of the cohesion policy programme. In the context of its mid-term review, continue focusing on the agreed priorities, taking action to better address the needs in the area of prevention and preparedness against climate change-related risks, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>

<p>CZ</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, taking action to better mobilise private sector resources, including through the use of innovative financial instruments, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>DE</p> 	<p>CSR2:</p> <p><i>Significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter once adopted, ensuring completion of reforms and investments by August 2026, and speed up the implementation of cohesion policy programmes, including by allocating sufficient resources to the management of the recovery and resilience plan and cohesion policy programmes.</i></p> <p><i>In the context of the mid-term review of cohesion policy programmes continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>DK</p> 	<p>CSR2:</p> <p><i>Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>EE</p> 	<p>CSR2:</p> <p><i>Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of the cohesion policy programme. In the context of the mid-term review, continue focusing on the agreed priorities, taking action to better address the needs in the long-term care sector, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>EL</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p>




	<p><i>Accelerate the implementation of cohesion policy programmes. In the context of their midterm review, continue focusing on the agreed priorities, taking action to better address the needs in the area of prevention and preparedness against climate change-related risks, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>ES</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for a continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>FI</p> 	<p>CSR2:</p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>FR</p> 	<p>CSR2:</p> <p><i>Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>HR</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>

<p>HU</p> 	<p>CSR2:</p> <p><i>In light of prolonged delays, significantly accelerate the implementation of cohesion policy programmes and the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026, by swiftly implementing the necessary measures to ensure the protection of the EU's financial interests and resolving pending issues on enabling conditions.</i></p> <p><i>In the context of the mid-term review of cohesion policy programmes, continue focusing on the agreed priorities, taking action to better address poverty, focusing on energy poverty and the least developed districts and municipalities, and improve the smart specialisation strategy, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>IE</p> 	<p>CSR2:</p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter once adopted, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>IT</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>LT</p> 	<p>CSR2:</p> <p><i>Address relevant challenges to allow for continued swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>LU</p> 	<p>CSR2:</p> <p><i>Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter once adopted, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>

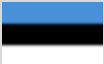


<p>LV</p> 	<p>CSR2:</p> <p><i>Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review continue focusing on the agreed priorities, taking action to better address persistent regional disparities and inequalities while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>MT</p> 	<p>CSR2:</p> <p><i>Continue with the swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>NL</p> 	<p>CSR2:</p> <p><i>Significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes.</i></p> <p><i>In the context of their mid-term review, continue focusing on the agreed priorities and promote testing and piloting solutions to help reduce the congestion of the electricity grid, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>PL</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review continue focusing on the agreed priorities, taking action to better support and integrate non-EU nationals, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>PT</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p>


	<p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, taking action to better address the needs in the area of prevention of and preparedness for climate change-related risks, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>RO</p> 	<p>CSR2:</p> <p><i>Significantly accelerate the implementation of cohesion policy programmes and the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026, by guaranteeing effective governance and strengthening administrative capacity.</i></p> <p><i>In the context of the mid-term review, continue focusing on the agreed priorities, taking action to better address the needs regarding social housing, the related social services and the development of smaller urban areas, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>SE</p> 	<p>CSR2:</p> <p><i>In light of prolonged delays, significantly accelerate the implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of cohesion policy programmes. In the context of their mid-term review continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>SI</p> 	<p>CSR2:</p> <p><i>Strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms. Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of the cohesion policy programmes. In the context of their mid-term review, continue focusing on the agreed priorities, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>
<p>SK</p> 	<p>CSR2:</p> <p><i>Ensure effective governance, strengthen administrative capacity to manage EU funds, accelerate investments and maintain momentum in the implementation of reforms.</i></p> <p><i>Address relevant challenges to allow for continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring completion of reforms and investments by August 2026.</i></p> <p><i>Accelerate the implementation of the cohesion policy programme. In the context of its mid-term review, continue focusing on the agreed priorities, taking action to better address the investment needs in the sustainable use of natural resources, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness.</i></p>

ANNEX III: 2024 Council Recommendations on further outstanding issues (CSR3 and CSR4)




Country	<u>Council Recommendations(s) on further outstanding issues</u> As agreed on 16 July 2024	Policy category(-ies) (assessed by EGOV)
<p>AT</p> 	<p><i>CSR3: Boost the labour market participation of women, including by improving quality and availability of childcare services, and of older workers. Improve labour market outcomes for disadvantaged groups, such as low-skilled jobseekers and people with a migrant background, and raise the levels of basic skills, starting from an early age, and notably at school level.</i></p> <p><i>Promote business dynamism, creation and growth of young companies, including through better access to risk capital.</i></p>	<p>Labour market</p> <p>Business environment / CMU</p>
	<p><i>CSR4: Improve energy security by accelerating the diversification of gas supply towards non-Russian sources. Further reduce emissions, in particular in the transport sector.</i></p>	<p>Energy / Green transition</p>
<p>BE</p> 	<p><i>CSR3: Address labour shortages and skills mismatches, including for the green transition, and strengthen activation policies to further integrate disadvantaged groups into the labour market. Improve the performance and equity of the education and training systems and continue reforms to strengthen the teaching profession.</i></p> <p><i>CSR4: Improve the business environment and business dynamics by reducing regulatory burden and complexity, and by easing the restrictions in the service sector.</i></p>	<p>Labour market / Skills / Education</p> <p>Business environment</p>
<p>BG</p> 	<p><i>CSR3: Improve education and training, including for disadvantaged groups, by enhancing teacher training and implementing competence-based teaching and learning. Address labour shortages and improve workers' skills to boost competitiveness and support the green transition.</i></p> <p><i>CSR4: Reduce reliance on fossil fuels and accelerate the clean energy transition, particularly by shifting to renewable energy in district heating and deploying wind installations. Ensure sufficient storage capacities to increase the flexibility of the energy system. Strengthen the electricity grid infrastructure by introducing smart grid elements and increasing interconnection with neighbouring countries. Address energy poverty by implementing targeted measures to reduce the share of population unable to keep their homes adequately warm.</i></p> <p><i>Promote the deployment and uptake of sustainable urban and railway transport, including by accelerating the development of the necessary infrastructure.</i></p>	<p>Labour market / Education</p> <p>Energy / Green transition</p> <p>Transport</p>

<p>CY</p> 	<p><i>CSR3: Strengthen the competitiveness of the economy by accelerating efforts to improve the governance of state-owned enterprises in line with international standards and further improving skill levels and educational outcomes.</i></p> <p><i>Strengthen continuous teacher training and address the imbalances between labour supply and demand by further increasing the capacity and attractiveness of Vocational Education and Training programmes as well as fostering adult learning.</i></p>	<p>Public administration Labour market / Education</p>
	<p><i>CSR4: Upgrade and expand the grid and storage to accommodate an increasing share of renewables. Improve the implementation of climate adaptation measures, by focusing on fostering the institutional framework governing climate adaptation and implementing sustainable water management practices in agriculture.</i></p>	<p>Energy / Green transition</p>
<p>CZ</p> 	<p><i>CSR3: Strengthen the capacity of Czechia's public administration to attract, retain and develop talent, particularly those with analytical, managerial and IT skills. Reduce departmentalism and strengthen strategic steering capacities to improve consistency across polides. Support cooperation among municipal administrations, including by providing support for administrative capacity building targeted to structurally affected regions.</i></p>	<p>Public administration</p>
	<p><i>CSR4: Boost innovation by improving technology transfer from academia to businesses, supporting the creation of spin-offs and start-ups, and increasing participation in tertiary education.</i></p> <p><i>Strengthen the competitiveness of the economy by addressing skills mismatches, simplifying the recognition of foreign qualifications, and by increasing the labour market participation of underrepresented groups.</i></p>	<p>Business environment / CMU Competitiveness / Labour market / Skills</p>
<p>DE</p> 	<p><i>CSR3: Address the shortage of skilled workers, particularly by strengthening basic and digital skills, and improving education outcomes, including by enhancing the provision of targeted support to disadvantaged groups.</i></p> <p><i>Speed up the digitalisation of public administration including by increasing the geographic coverage of digital public services.</i></p> <p><i>Further boost the deployment of very high-capacity digital communication networks, including by facilitating the necessary implementation of private investment projects and mobilising public resources where needed.</i></p>	<p>Labour market / Skills Public administration Digitalisation</p>
	<p><i>CSR4: Accelerate the decarbonisation of the transport sector, including by upgrading the rail network.</i></p>	<p>Transport / Green transition</p>
<p>DK</p> 	<p><i>CSR3: Take further efforts for sustainable agriculture by stepping up decarbonisation measures and action to reduce nutrient losses.</i></p>	<p>Agriculture / Green transition</p>

<p>EE</p> 	<p>CSR3: Strengthen social protection, inter alia to address old-age poverty and by extending the coverage of unemployment benefits, in particular to those with short workspells and in non-standard forms of work.</p>	<p>Social security</p>
	<p>CSR4: Reduce the share of oil shale in the energy mix and raise resource productivity through bio-based innovation. Improve labour productivity and skills supply through reskilling and upskilling, and by better attracting and retaining talent.</p>	<p>Energy / Green transition Labour market / Skills</p>
<p>EL</p> 	<p>CSR3: Boost competitiveness through tackling underachievement in basic skills, reinforcing the management of state assets and completing the regulatory framework for environmental licensing.</p>	<p>Competitiveness / Business environment / Skills</p>
	<p>CSR4: Reduce reliance on fossil fuels by accelerating the decarbonisation of the transport sector. Strengthen management of natural disasters by putting in place an effective early warning and risk prevention system.</p>	<p>Energy / Transport Environment</p>
<p>ES</p> 	<p>CSR3: Improve water management to better address the adaptation to present and future effects of climate change and ensure long-term economic, social and environmental resilience, by improving coordination among all levels of government and administration and scaling up existing solutions for drought risk reduction and sustainable water management in agriculture, water efficiency and infrastructure investments, and by supporting the development of nature-based solution.</p>	<p>Water infrastructure / Green transition</p>
<p>FI</p> 	<p>CSR3: Address labour and skills shortages by reskilling and upskilling the workforce and widening the higher education offer, in particular for the study fields most in demand in the labour market. Ensure that the reform of social and healthcare services improves access to and delivery of services and tackles inefficiencies.</p>	<p>Labour market / Skills Social security / Healthcare</p>
<p>FR</p> 	<p>CSR3: Further address skills shortages, including in green transition occupations, and foster participation in training, in particular among the low-skilled. Improve the performance and equity of the education system. Strengthen the teaching profession, including by improving working conditions and training.</p>	<p>Skills / Education</p>
	<p>CSR4: Improve the business environment by reducing the administrative burden. Foster business R&D intensity, including by better targeting public support schemes. Accelerate the energy transition by deploying renewable energies faster, including by adopting secondary legislation, setting up the 'renewables acceleration areas' and promoting storage technologies.</p>	<p>Business environment / CMU Research and innovation</p>

		Energy / Green transition
<p>HR</p> 	<p>CSR3: To strengthen competitiveness:</p> <p>(i) boost access to diverse sources of financing and promote capital markets by further facilitating the participation of retail investors in the bond market, and addressing barriers to listing and strengthening corporate governance to improve the attractiveness of the stock market;</p> <p>(ii) reduce labour and skills shortages by strengthening basic skills, enhancing upskilling and reskilling, and improving access to formal home- and community-based long-term care; and</p> <p>(iii) address the fragmentation of public institutions that carry out research, development and innovation activities by ensuring a comprehensive and binding approach to merging various support functions, bolstering the financial incentives for mergers, and ensuring the promotion of relevant strategic goals under the performance agreements between the Ministry of Science and Education and Youth and public research and higher education institutions.</p>	<p>Competitiveness:</p> <p>CMU</p> <p>Labour market / Skills / Social security</p> <p>Research and innovation</p>
<p>HU</p> 	<p>CSR3: Improve the regulatory framework and enhance competition in product markets and services by avoiding arbitrary administrative interventions and the selective use of tailor-made legislation providing undue advantage or disadvantage to specific companies, by applying competition scrutiny systematically to business transactions and by reducing the use of emergency measures to what is strictly necessary, in line with the principles of the single market and the rule of law.</p> <p>Improve the adequacy of social assistance and unemployment benefits.</p> <p>Improve educational attainment levels as well as access to effective active labour market measures, in particular upskilling and reskilling opportunities for the most disadvantaged groups, and ensure effective social dialogue.</p>	<p>Business environment / Corruption / Rule of law</p> <p>Social security</p> <p>Labour market / Skills / Education</p>
	<p>CSR4: Reduce overall reliance on fossil fuels, accelerate the diversification of gas supply towards non-Russian sources, and take steps to phase out fossil fuel subsidies.</p>	Energy / Green transition
<p>IE</p> 	<p>CSR3: Increase investments in drinking water and wastewater infrastructure to improve water quality and reduce leakages.</p>	Water infrastructure
	<p>CSR4: Increase efforts to improve the flexibility of the electricity system and modernise and expand grid capacity. Develop and implement a strategy to promote demand-side response and streamline planning and permitting for electricity storage facilities and grid connectors. Increase efforts to improve energy performance of private buildings to reduce energy bills and energy system costs.</p>	Energy / Green transition

 <p>IT</p>	<p>CSR3: <i>In order to mitigate the effects on potential growth, tackle negative demographic trends including by attracting and retaining workers with adequate skills and by addressing labour market challenges, in particular with regards to women, young people and in-work poverty, notably of workers with non-standard contracts.</i></p>	<p>Labour market / Demographics</p>
	<p>CSR4: <i>Define an industrial and development strategy to reduce the territorial divide by streamlining current policy measures and by taking into account key infrastructure projects as well as strategic value chains.</i></p> <p><i>Address remaining restrictions to competition, in particular in the retail sector, regulated professions and railways.</i></p>	<p>Industry / Cohesion</p> <p>Competitiveness / Business environment / Transport</p>
 <p>LT</p>	<p>CSR3: <i>Improve health outcomes and the resilience of the health system by strengthening primary care and expanding preventive care.</i></p> <p><i>Increase the adequacy of old-age pensions, while maintaining the sustainability of the pension system.</i></p> <p><i>Address regional disparities by promoting cooperation among municipalities in improving access to public services, including public transport.</i></p>	<p>Healthcare</p> <p>Social security</p> <p>Cohesion / Public administration</p>
	<p>CSR4: <i>Address skills mismatches by improving the labour market relevance of higher education.</i></p> <p><i>Facilitate private investment in research and innovation.</i></p> <p><i>Step up resource productivity to progress towards a circular economy.</i></p>	<p>Labour market / Skills</p> <p>Research and innovation</p> <p>Green transition</p>
 <p>LU</p>	<p>CSR3: <i>Improve the performance and equity of the school education system, including by adapting teaching to the needs of disadvantaged students and those from various linguistic backgrounds. Address labour shortages and skills mismatches in particular for the green transition.</i></p>	<p>Labour market / Skills / Education</p>
	<p>CSR4: <i>Boost competitiveness by supporting business and greenfield investment, in particular in high R&D intensive activities.</i></p> <p><i>Reduce reliance on fossil fuels by investing in energy efficiency and renewable energy. Further promote the electrification of transport and invest in public transport networks and infrastructure.</i></p>	<p>Competitiveness / Research and innovation</p> <p>Energy / Green transition / Transport</p>
 <p>LV</p>	<p>CSR3: <i>Improve the business environment by reducing the administrative and regulatory burden for companies and improving access to finance for small and medium-sized enterprises, including through public lending and guarantee schemes aimed at facilitating investments of strategic importance and boosting competition in the financial markets.</i></p>	<p>Business environment / CMU</p>

	<i>Address labour and skills shortages, in particular in STEM, and in other specialisations needed for the green and digital transition, as well as in the social and healthcare sectors, including through targeted upskilling and reskilling, as well as improved working conditions.</i>	Labour market / Skills
	<i>CSR4: Accelerate the deployment of wind and solar energy by improving permit-granting procedures and promoting demand-side flexibility. Foster the transition to a circular economy through eco-innovation and sustainable resource management practices.</i>	Energy / Green transition
 MT	<i>CSR3: Strengthen the quality and labour market relevance of education and training to address low educational outcomes as well as the severe shortage and mismatch of skills, in particular by fostering basic skills of students and the professional development of teachers.</i>	Labour market / Skills
	<i>CSR4: Accelerate the deployment of renewable energy through large-scale projects as well as small-scale investments in direct energy production and consumption. Address traffic congestion by improved quality and efficiency of public transport and step up investments in 'soft mobility' infrastructure.</i>	Energy / Green transition Transport
 NL	<i>CSR3: Implement measures to reduce incentives to use flexible or temporary contracts. Address structural and sector-specific labour and skills shortages, including by tapping into underutilised labour potential, and by encouraging mobility to high-productivity sectors and sectors related to societal challenges. Improve basic skills, including by addressing teacher shortages and tailored support to disadvantaged schools.</i>	Labour market / Skills
	<i>CSR4: Improve framework conditions to boost investment in the electricity transmission and distribution grids, in particular to accelerate the deployment of renewables and improve competitiveness. Take further efforts for sustainable agriculture.</i>	Agriculture / Energy / Green transition
 PL	<i>CSR3: Take steps to increase labour market participation of disadvantaged groups, including by improving quality of and access to formal home- and community-based long-term care. Foster competition in public procurement processes, making these more efficient and less cumbersome, especially for SMEs. Support private investments by fostering digitisation of companies.</i>	Labour market / Social security Public administration / Business environment Digitalisation
	<i>CSR4: Take measures to accelerate the phase-out of fossil fuels in the district heating sector by shifting to renewable energy. Improve policies related to the protection and sustainable use of water resources to ensure the long-term sustainability of sectors that rely on ecosystem services.</i>	Energy / Green transition

<p>PT</p> 	<p>CSR3: Improve water management to strengthen adaptation to the effects of climate change and ensure long-term economic and environmental resilience, by putting in place a strategy for integrated and sustainable water management, developing its governance structure, promoting investments in wastewater collection and treatment, leaks reduction and water monitoring, while developing nature-based solutions and water body rehabilitation, and improving water efficiency and water reuse.</p>	<p>Water infrastructure / Green transition</p>
	<p>CSR4: Strengthen the capacity of the electricity transmission and distribution grid, in particular by improving connection procedures and increasing their transparency to incentivise investments in the national network and increase energy storage capacities.</p>	<p>Energy</p>
<p>SE</p> 	<p>CSR3: Improve educational performance, including of students with disadvantaged socio-economic and migrant backgrounds, by addressing the persistent shortage of qualified teachers, by ensuring equal access opportunities to the schooling system and by further supporting the transition of students to upper secondary school.</p> <p>Develop the skills of the labour force, particularly those from disadvantaged socio-economic and migrant backgrounds, through targeted policy measures and resources, to improve their integration into the labour market.</p>	<p>Education / Social security</p> <p>Labour market / Skills</p>
	<p>CSR4: Ensure the achievement of greenhouse gas emissions reduction targets by reducing in particular emissions from road transport, and accelerate and streamline permitting procedures for deploying renewables, in particular for offshore and onshore wind energy.</p>	<p>Energy / Green transition</p>
<p>SI</p> 	<p>CSR3: Strengthen competitiveness by boosting skills levels further, ensuring that the ongoing curricular reform also helps strengthen basic skills, by addressing labour shortages, and by promoting business dynamism and the creation of high-growth companies by improving the conditions for venture capital investment and institutional investors as well as investments in research, development and innovation.</p>	<p>Labour market / Skills</p> <p>Research and innovation / CMU / business environment</p>
<p>SK</p> 	<p>CSR3: Strengthen the effectiveness, independence and integrity of the judicial and anti-corruption system, including by ensuring that adequate safeguards for the effective investigation and prosecution of high-level corruption cases are in place.</p> <p>Improve competitiveness and productivity, including by ensuring transparency and competition in public procurement processes, to promote good governance and improve the effectiveness of public spending.</p> <p>Strengthen the teaching of basic skills, including for children from disadvantaged backgrounds such as from marginalised Roma communities, and increase the availability and use of affordable high-quality early childhood education and care for children under the age of 3.</p> <p>Strengthen resource waste management and reuse of municipal and packaging waste, and the conservation of natural resources by mainstreaming nature-based solutions and finalising zonation of nature-protected areas.</p>	<p>Corruption / Rule of law</p> <p>Competitiveness / Business environment / Public administration</p> <p>Skills / Education</p> <p>Green transition / Environment</p>

ANNEX IV: Legal basis of CSRs

From a legal standpoint, CSRs are underpinned by the EU primary legislation, namely Articles 121 and 148 of the [Treaty](#) on the Functioning of the European Union, and secondary legislation:

- 1) [Regulation \(EU\) 1176/2011](#) on the prevention and correction of macroeconomic imbalances, particularly for the CSRs referring to the MIP.
- 2) The [Council recommendation](#) on broad guidelines for the economic policies of the Member States and of the Union and a Council decision on guidelines for the employment policies of the Member States (latest Commission [proposal](#) from June 2024).

The entry into force of the new economic governance framework in 2024 brought new changes to the way in which the CSRs are proposed. The establishment under [Regulation \(EU\) 2024/1263](#) of national medium-term fiscal structural plans and related annual progress report on implementation replaced Stability or Convergence Programmes (SCPs) and National Reform Programmes that Member States had to submit to the Commission on a yearly basis. The assessment of such programmes provided a basis for the issuance of fiscal CSRs. With the new economic governance framework, *“[i]nstead of proposing annual fiscal policy recommendations, the Commission will focus on Member States’ compliance with the multi-year net expenditure path”*³. Therefore, compared to the CSRs issued before, in the European Semester Spring Package 2024 there is no more an explicit reference to the SGP in CSRs related to the fiscal policy (CSR1).






[Regulation \(EU\) 2021/241](#) establishing the Recovery and Resilience Facility reinforced the link between Member States’ reform programmes and the Commission’s CSRs, thus providing a further incentive to implement structural reforms.







The Council and Commission closely monitor the implementation of the CSRs, and failure to do so might result in further sanctions under the SGP and MIP, such as fines or suspension of the EU funds.







In addition to the CSRs, the Commission proposes policy recommendations for the euro area (EAR) as a whole based on Article 136 of the TFEU in order to better integrate euro area and national dimensions. For further details, please refer to EGOV [briefing](#) on the institutional role of the EAR and EGOV [briefing](#) on the implementation of the 2023 EAR.



³ Please refer to European Commission’s [Questions and Answers on the Economic Governance Review](#).





ANNEX V: 2024 CSRs mapping according to legal bases and relation to the EARs

Country	<u>Council Recommendations(s)</u> As agreed on 16 July 2024	Legal bases for the CSR	<u>Council 2024 EAR</u>
	CSR1	Broad guidelines	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3, EAR4
	CSR4	Broad guidelines	EAR2
	CSR1	Broad guidelines, Guidelines for the employment policies	EAR1, EAR2, EAR3
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3
	CSR4	Broad guidelines	EAR4
	CSR1	Broad guidelines	n.a.
	CSR2	Broad guidelines	
	CSR3	Broad guidelines, Guidelines for the employment policies	
	CSR4	Broad guidelines	
	CSR1	Broad guidelines, MIP	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3, EAR4
	CSR4	Broad guidelines	EAR2
	CSR1	Broad guidelines, Guidelines for the employment policies	n.a.
	CSR2	Broad guidelines	
	CSR3	Broad guidelines, Guidelines for the employment policies	

	CSR4	Broad guidelines, Guidelines for the employment policies	
	CSR1	Broad guidelines, MIP	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3, EAR4
	CSR4	Broad guidelines	EAR2
	CSR1	Broad guidelines	n.a.
	CSR2	Broad guidelines	
	CSR3	Broad guidelines	
	CSR1	Broad guidelines	EAR1, EAR4
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3
	CSR4	Broad guidelines, Guidelines for the employment policies	EAR2, EAR3
	CSR1	Broad guidelines, MIP	EAR1, EAR3, EAR5
	CSR2	Broad guidelines, MIP	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies, MIP	EAR3, EAR4
	CSR4	Broad guidelines	EAR2
	CSR1	Broad guidelines,	EAR1, EAR2
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines	EAR2, EAR4
	CSR1	Broad guidelines, Guidelines for the employment policies	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3
	CSR1	Broad guidelines	EAR1
	CSR2	Broad guidelines	EAR2, EAR4

	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3
	CSR4	Broad guidelines	EAR2, EAR4
	CSR1	Broad guidelines	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3, EAR4
	CSR1	Broad guidelines, MIP	n/a
	CSR2	Broad guidelines, Guidelines for the employment policies, RRF	n/a
	CSR3	Broad guidelines, Guidelines for the employment policies, MIP	n/a
	CSR4	Broad guidelines, MIP	n/a
	CSR1	Broad guidelines	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines	EAR2
	CSR4	Broad guidelines	EAR2
	CSR1	Broad guidelines, MIP	EAR1, EAR2
	CSR2	Broad guidelines, MIP	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies, MIP	EAR3
	CSR4	Broad guidelines, MIP	EAR4
	CSR1	Broad guidelines	EAR1, EAR3
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR1, EAR3
	CSR4	Broad guidelines, Guidelines for the employment policies	EAR3, EAR4
	CSR1	Broad guidelines, Guidelines for the employment policies	EAR1, EAR3
	CSR2	Broad guidelines	EAR2, EAR4

	CSR3	Broad guidelines, Guidelines for the employment policies	EAR2, EAR3
	CSR4	Broad guidelines	EAR2, EAR4
	CSR1	Broad guidelines	EAR1, EAR3
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR2, EAR3, EAR4
	CSR4	Broad guidelines	EAR2, EAR4
	CSR1	Broad guidelines	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3
	CSR4	Broad guidelines	EAR2, EAR4
	CSR1	Broad guidelines, Guidelines for the employment policies, MIP	EAR1, EAR5
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3
	CSR4	Broad guidelines	EAR2, EAR4
	CSR1	Broad guidelines, Guidelines for the employment policies	n.a.
	CSR2	Broad guidelines	
	CSR3	Broad guidelines, Guidelines for the employment policies	
	CSR4	Broad guidelines	
	CSR1	Broad guidelines	EAR1
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines	EAR2, EAR4
	CSR4	Broad guidelines	EAR4
	CSR1	Broad guidelines, MIP	n.a.

 RO	CSR2	Broad guidelines, Guidelines for the employment policies, RRF, MIP	
 SE	CSR1	Broad guidelines, MIP	n.a.
	CSR2	Broad guidelines	
	CSR3	Guidelines for the employment policies	
	CSR4	Broad guidelines	
 SI	CSR1	Broad guidelines	EAR1, EAR3
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies	EAR3, EAR4
 SK	CSR1	Broad guidelines, MIP	EAR1, EAR5
	CSR2	Broad guidelines	EAR2, EAR4
	CSR3	Broad guidelines, Guidelines for the employment policies, MIP	EAR3, EAR4

Source: EGOV elaboration based on Council recommendations. Please note that in the Council recommendations to Greece and Germany, CSR4 is not mentioned as contributing to the EAR.

Disclaimer and copyright. The opinions expressed in this document are the sole responsibility of the authors and do not necessarily represent the official position of the European Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2024.

Contact: egov@ep.europa.eu

This document is available on the internet at: www.europarl.europa.eu/supporting-analyses