The 2014 country-specific recommendations – a EPSU briefing note

This document provides an overview of the European Commission's 2014 country-specific recommendations as the relate to public services. These include:

We thought that it would be useful for affiliates to summarise the recommendations in this way so that it is possible to see any common factors or different emphases in the European Commission's approach. We also make a few brief observations below about the main themes in each category.

- **Public budgets:** The emphasis is still very much on fiscal consolidation, with the focus on reducing spending. Although nine countries are encouraged to make their fiscal consolidation "growth-friendly", only Germany is specifically encouraged to increase public investment. In a few other cases the approach was more about not reducing spending on education, innovation and research and development. In contrast, EPSU would call for a significant boost to public investment across Europe to help underpin what is still a fragile recovery.

- **Taxation:** It is positive to see at least 13 countries being encouraged to improve tax collection, compliance and/or the efficiency of tax administration, however, EPSU's concern is whether they can do this effectively when under pressure from austerity measures, with our latest research showing over 55000 jobs cut from tax administrations across Europe since 2007. It is disappointing and surprising that only six countries are urged to tackle tax fraud, when this is a major problem faced across the EU and solving it could produce a significant boost to public finances, with the Commission also recognising the estimate of the €1 trillion that is lost each year to tax fraud.

- **Health and long-term care:** This year 19 countries get a recommendation relating to health, hospital and/or long-term/elderly care. Unfortunately, the recommendations continue to be in the shadow of fiscal consolidation and so the emphasis is very much on "cost-effectiveness" and "sustainability" and in only five cases do the recommendations also acknowledge the crucial importance of accessibility and/or affordability and only one of these mentions quality of care.

- **Childcare:** Ten countries get recommendations on childcare which are positive in that they generally call for improvements to the accessibility and affordability of childcare although only three include a reference to quality. One concern is that the recommendations say nothing about the provision of good quality early years education.

- **Energy:** Among the recommendations on energy for 18 countries there are several different elements including action to improve energy efficiency and increase cross-border connections. Several countries are also pressed to increase competition.

- **Public administration:** the recommendations cover a range of issues from procurement and corruption to the workings of the judiciary and the capacity and independence of the civil service. However, a major theme running through the recommendations is the call to reduce administrative "burdens" on business.

- **Public employment services:** 11 countries have recommendations referring to public employment services which mainly focus on improving the capacity and/or efficiency and effectiveness of the service.

The country-specific recommendations also include references to wages, wage-setting systems and collective bargaining and the ETUC Collective Bargaining Committee has released a statement focusing on the continuing attacks on collective bargaining and the assessment of wages only in relation to competition, rather than as contributing to demand, decent incomes and equality (www.etuc.org/statement-etuc-collective-bargaining-committee-country-specific-recommendations-2014-concerning).

The country-specific recommendations and other relevant documents can be found here:
http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

	BUDGETARY
AUSTRIA	“Following the correction of the excessive deficit, reinforce the budgetary measures for 2014 in the light of the emerging gap of 0.5% of GDP based on the Commission 2014 spring forecast, pointing to a risk of significant deviation relative to the Stability and Growth Pact requirements. In 2015, significantly strengthen the budgetary strategy to ensure reaching the medium-term objective and remain at it thereafter, and ensure that the debt rule is met in order to keep the general government debt ratio on a sustained downward path. Further streamline fiscal relations between layers of government, for example by simplifying the organisational setting and aligning spending and funding responsibilities”.
BELGIUM	“Following the correction of the excessive deficit, reinforce the budgetary measures for 2014 in the light of the emerging gap of 0.5% of GDP based on the Commission 2014 spring forecast, pointing to a risk of significant deviation relative to the Stability and Growth Pact requirements. In 2015, significantly strengthen the budgetary strategy to ensure the required adjustment of 0.6% of GDP towards the medium-term objective, which would also ensure compliance with the debt rule. Thereafter, until the medium-term objective is achieved, pursue the planned annual structural adjustment towards the medium-term objective, in line with the requirement of an annual structural adjustment of at least 0.5% of GDP, and more in good economic conditions or if needed to ensure that the debt rule is met in order to put the high general government debt ratio on a sustained downward path. Ensure a balanced contribution by all levels of government to the fulfilment of fiscal rules including the structural budget balance rule, through a binding instrument with an explicit breakdown of targets within a medium-term planning perspective”.
BULGARIA	“Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the Stability and Growth Pact requirements. In 2015, strengthen the budgetary strategy to ensure reaching the medium-term objective and remain at it thereafter. Ensure the capacity of the new fiscal council to fulfil its mandate.”
CROATIA	“Fully implement the budgetary measures adopted for 2014. Reinforce the budgetary strategy, further specifying announced measures for 2015 and 2016, and considering additional permanent, growth-friendly measures in order to ensure a sustainable correction of the excessive deficit by 2016. At the same time, ensure that the structural adjustment effort as specified in the Council recommendation under the Excessive Deficit Procedure is delivered. Align programme projections with ESA standards and Stability and Growth Pact requirements. Take measures to reinforce control over expenditure. By March 2015, carry out a thorough expenditure review. Reinforce the budgetary planning process, in particular by improving the accuracy of macroeconomic and budgetary forecasts and strengthening the binding nature of the annual and medium-term expenditure ceilings and improve the design of fiscal rules. By October 2014, ground in law the newly established Fiscal Policy Commission, strengthen its independence from all budgetary authorities, broaden its mandate, notably with respect to monitoring of all fiscal rules and the ex-ante and ex-post assessment of forecasts, and ensure adequate resourcing”.
CZECH REPUBLIC	“Following the correction of the excessive deficit, preserve a sound fiscal position in 2014. Significantly strengthen the budgetary strategy in 2015 to

	ensure that the medium-term objective is achieved and remain at the medium-term objective thereafter. Prioritise growth-enhancing expenditure to support the recovery and improve growth prospects. Adopt and implement measures to strengthen the fiscal framework, and in particular establish an independent fiscal institution to monitor fiscal policies, introduce fiscal rules for local and regional governments and improve co-ordination between all layers of government".
DENMARK	"Following the correction of the excessive deficit, continue to pursue a growth friendly fiscal policy and preserve a sound fiscal position, ensuring that the medium term budgetary objective continues to be adhered to throughout the period covered by the Convergence Programme".
ESTONIA	"Reinforce the budgetary measures for 2014 in the light of the emerging gap of 0.3% of GDP based on the Commission 2014 spring forecast, pointing to a risk of significant deviation relative to the Stability and Growth Pact requirements. In 2015, significantly strengthen the budgetary strategy to ensure reaching the medium-term objective and remain at it thereafter. Complement the budget rule with more binding multi-annual expenditure rules within the medium-term budgetary framework and continue to enhance the efficiency of public spending".
FINLAND	"Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the medium-term objective. In 2015 and thereafter respect the medium-term objective as planned, and ensure that the debt criterion is fulfilled, while pursuing a growth-friendly fiscal policy. Implement rapidly the reforms set out in the structural policy programme and government's spending limits and fiscal plan for 2015-18 in order to reduce the fiscal sustainability gap and strengthen conditions for growth".
FRANCE	"Reinforce the budgetary strategy, including by further specifying the underlying measures, for the year 2014 and beyond to ensure the correction of the excessive deficit in a sustainable manner by 2015 through achieving the structural adjustment effort specified in the Council recommendation under the Excessive Deficit Procedure. A durable correction of the fiscal imbalances requires a credible implementation of ambitious structural reforms to increase the adjustment capacity and boost growth and employment. After the correction of the excessive deficit, pursue a structural adjustment towards the medium-term objective of at least 0.5% of GDP each year, and more in good economic conditions or if needed to ensure that the debt rule is met in order to put the high general government debt ratio on a sustained downward path".
GERMANY	"Pursue growth-friendly fiscal policy and preserve a sound fiscal position, ensuring that the medium-term budgetary objective continues to be adhered to throughout the period covered by the Stability Programme and that the general government debt ratio remains on a sustained downward path. In particular, use the available scope for increased and more efficient public investment in infrastructure, education and research". "Complete the implementation of the debt brake consistently across all Länder, ensuring that monitoring procedures and correction mechanisms are timely and relevant. Improve the design of fiscal relations between the federation, Länder and municipalities also with a view to ensuring adequate public investment at all levels of government".
HUNGARY	"Reinforce the budgetary measures for 2014 in the light of the emerging gap

	of 0.9% of GDP relative to the Stability and Growth Pact requirements, namely the debt reduction rule, based on the Commission 2014 spring forecast. In 2015, and thereafter, significantly strengthen the budgetary strategy to ensure reaching the medium-term objective and compliance with the debt reduction requirements in order to keep the general government debt ratio on a sustained downward path. Further enhance the binding nature of the medium-term budgetary framework through systematic ex-post monitoring of compliance with numerical fiscal rules and the use of corrective mechanisms. Improve the transparency of public finances, including through broadening the mandatory remit of the Fiscal Council, by requiring the preparation of regular macro-fiscal forecasts and budgetary impact assessments of major policy proposals".
IRELAND	"Fully implement the 2014 budget and ensure the correction of the excessive deficit in a sustainable manner by 2015 through underpinning the budgetary strategy with additional structural measures while achieving the structural adjustment effort specified in the Council recommendation under the Excessive Deficit Procedure. After the correction of the excessive deficit, pursue a structural adjustment towards the medium-term objective of at least 0.5% of GDP each year, and more in good economic conditions or if needed to ensure that the debt rule is met in order to put the high general government debt ratio on a sustained downward path. Enhance the credibility of the fiscal adjustment strategy, effectively implement multi-annual budgetary planning and define broad budgetary measures underlying the medium term fiscal targets. Make the government expenditure ceiling more binding by limiting the statutory scope for discretionary changes. To support fiscal consolidation, consideration should be given to raising revenues through broadening the tax base. Enhance the growth and environmental friendliness of the tax system".
ITALY	"Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the Stability and Growth Pact requirements, namely the debt reduction rule, based on the Commission 2014 spring forecast. In 2015, significantly strengthen the budgetary strategy to ensure compliance with the debt reduction requirement. Thereafter, ensure that the general government debt is on a sufficiently downward path; carry out the ambitious privatisation plan; implement a growth-friendly fiscal adjustment based on the announced significant savings coming from a durable improvement of the efficiency and quality of public expenditure at all levels of government, while preserving growth-enhancing spending like R&D, innovation, education and essential infrastructure projects. Guarantee the independence and full operationalisation of the fiscal council as soon as possible and no later than in September 2014, in time for the assessment of the 2015 Draft Budgetary Plan".
LATVIA	"Preserve a sound fiscal position in 2014 and strengthen the budgetary strategy as of 2015, ensuring that the deviation from the medium-term objective remains limited to the impact of the systemic pension reform".
LITHUANIA	"Reinforce the budgetary measures for 2014 in the light of expenditure growth exceeding the benchmark and the emerging gap of 0.3% of GDP in terms of structural effort based on the Commission 2014 spring forecast, pointing to a risk of significant deviation relative to the Stability and Growth Pact requirements. In 2015, strengthen the budgetary strategy to ensure the required adjustment of 0.5% of GDP towards the medium-term objective.

	Thereafter ensure that the medium-term objective is adhered to. Complement the budgetary strategy with a further strengthened fiscal framework, in particular by ensuring binding expenditure ceilings when setting the medium-term budgetary framework”.
LUXEMBOURG	“Preserve a sound fiscal position in 2014; significantly strengthen the budgetary strategy in 2015 to ensure that the medium-term objective is achieved and remain at the medium-term objective thereafter, in order to protect the long-term sustainability of public finances, in particular by taking into account implicit liabilities related to ageing. Strengthen fiscal governance by speeding up the adoption of a medium-term budgetary framework covering the general government and including multi-annual expenditure ceilings, and by putting into place the independent monitoring of fiscal rules”.
MALTA	“Correct the excessive deficit in a sustainable manner by 2014. In 2015, significantly strengthen the budgetary strategy to ensure the required structural adjustment of 0.6% of GDP towards the medium-term objective. Thereafter, pursue a structural adjustment of at least 0.5% of GDP each year, and more in good economic conditions or if needed to ensure that the debt rule is met in order to keep the general government debt ratio on a sustained downward path. Finalise the adoption of the Fiscal Responsibility Act with a view to putting in place a binding, rule-based multiannual fiscal framework and establishing an independent institution charged with monitoring of fiscal rules and endorsing macroeconomic forecasts underpinning fiscal planning”.
NETHERLANDS	“Following the correction of the excessive deficit, reinforce the budgetary measures for 2014 in the light of the emerging gap of 0.5% of GDP based on the Commission 2014 spring forecast, pointing to a risk of significant deviation relative to the Stability and Growth Pact requirements. In 2015, significantly strengthen the budgetary strategy to ensure reaching the medium-term objective and maintain it thereafter, and ensure that the debt rule is met in order to keep the general government debt ratio on a sustained downward path. Protect expenditure in areas directly relevant for growth such as education, innovation and research”.
POLAND	“Reinforce the budgetary strategy to ensure the correction of the excessive deficit in a sustainable manner by 2015 through achieving the structural adjustment effort specified in the Council recommendation under the Excessive Deficit Procedure. After the correction of the excessive deficit and until the medium-term objective is achieved, pursue an annual structural adjustment of 0.5% of GDP as a benchmark. A durable correction of the fiscal imbalances requires a credible implementation of ambitious structural reforms to increase the adjustment capacity and boost growth and employment. In that regard, minimise cuts in growth-enhancing investment, improve the targeting of social policies and the cost effectiveness of spending and the overall efficiency of the healthcare sector, broaden the tax base by addressing the issue of an extensive system of reduced VAT rates, and improve tax compliance, in particular by increasing the efficiency of the tax administration”.
PORTUGAL	“Fully implement the budgetary strategy for 2014 so as to achieve the fiscal targets and prevent the accumulation of new arrears. For the year 2015, rigorously implement the budgetary strategy as laid out in the Fiscal Strategy Document 2014, in order to bring the deficit to 2.5% of GDP, in line with the target set in the Excessive Deficit Procedure recommendation, while

	achieving the required structural adjustment. Replace consolidation measures which the Constitutional Court considers unconstitutional by measures of similar size and quality as soon as possible. The correction of the excessive deficit should be done in a sustainable and growth-friendly manner, limiting recourse to one-off/temporary measures. After the correction of the excessive deficit, pursue the planned annual structural adjustment towards the medium-term objective, in line with the requirement of an annual structural adjustment of at least 0.5% of GDP, more in good times, and ensure that the debt rule is met in order to put the high general debt ratio on a sustainable path. Prioritise expenditure-based fiscal consolidation and increase further the efficiency and quality of public expenditure. Maintain tight control of expenditure in central, regional and local administration. Continue the restructuring of the state-owned enterprises". "Strengthen the system of public financial management by swiftly finalising and implementing the comprehensive reform of the Budgetary Framework Law by the end of 2014".
ROMANIA	"Implement the budgetary strategy for 2014, significantly strengthen the budgetary effort to ensure reaching the medium-term objective in 2015 in line with commitments under the Balance of Payments programme and as reflected in the 2014 convergence programme, in particular by specifying the underlying measures, and remain at the medium-term objective thereafter".
SLOVAKIA	"Following the correction of the excessive deficit, reinforce the budgetary measures for 2014 in the light of the emerging gap of 0.3% of GDP relative to the Stability and Growth Pact requirements based on the Commission 2014 spring forecast. In 2015, ensure the required adjustment of 0.1% of GDP towards the medium-term objective taking into account the expected weak economic conditions. Thereafter, until the medium-term objective is achieved, pursue an annual structural adjustment of 0.5% of GDP as a benchmark. Further strengthen the fiscal framework, also by introducing binding and enforceable expenditure ceilings".
SLOVENIA	"Reinforce the budgetary strategy with sufficiently specified structural measures, for the year 2014 and beyond to ensure correction of the excessive deficit in a sustainable manner by 2015 through the achievement of the structural adjustment effort specified in the Council recommendation under the Excessive Deficit Procedure. A durable correction of the fiscal imbalances requires a credible implementation of ambitious structural reforms to increase the adjustment capacity and boost growth and employment. After the correction of the excessive deficit, pursue a structural adjustment of at least 0.5% of GDP each year, and more in good economic conditions or to ensure that the debt rule is met in order to put the high general government debt ratio on a sustained downward path. To improve the credibility of fiscal policy, complete the adoption of a general government budget balance/surplus rule in structural terms, make the medium-term budgetary framework binding, encompassing and transparent, and establish the necessary legal basis for a functioning fiscal council defining its remit within the budgetary process and introducing clear procedural arrangements for monitoring budgetary outcomes as soon as possible. Launch a comprehensive review of expenditure covering state and local government levels, direct and indirect budget users and municipality-owned providers of utilities and services in the area of health care by the end of 2014 with a view

	to realising budgetary savings in 2015 and beyond".
SPAIN	"Reinforce the budgetary strategy as of 2014, in particular by fully specifying the underlying measures for the year 2015 and beyond, to ensure the correction of the excessive deficit in a sustainable manner by 2016 through achieving the structural adjustment effort specified in the Council recommendation under the Excessive Deficit Procedure. A durable correction of the fiscal imbalances requires a credible implementation of ambitious structural reforms to increase the adjustment capacity and boost growth and employment. After achieving the correction of the excessive deficit, pursue a structural adjustment towards the medium-term objective of at least 0.5% each year, and more in good economic conditions or if needed to ensure that the debt rule is met in order to put the high general government debt ratio on a sustained downward path. Ensure that the new independent fiscal authority becomes fully operational as soon as possible and ensure a full implementation of the preventive, corrective and enforcement measures in the Budgetary Stability Organic Law at all levels of government, including on the elimination of public sector commercial arrears. Carry out by February 2015 a systematic review of expenditure at all levels of government to underpin the efficiency and quality of public spending going forward".
SWEDEN	"Continue to pursue a growth-friendly fiscal policy and preserve a sound fiscal position, ensuring that the medium-term budgetary objective is adhered to throughout the period covered by the Convergence Programme, also with a view to the challenges posed on the long-term sustainability of public finances by an ageing population". "Moderate household sector credit growth and private indebtedness. To this end, reduce the effects of the debt bias in personal income taxation by gradually limiting tax deductibility of interest payments on mortgages and/or by increasing recurrent property taxes. Take further measures to increase the pace of amortisation of mortgages".
UNITED KINGDOM	"Reinforce the budgetary strategy, endeavouring to correct the excessive deficit in a sustainable manner in line with the Council recommendation under the Excessive Deficit Procedure. Pursue a differentiated, growth-friendly approach to fiscal tightening by prioritising capital expenditure".

	TAXATION
AUSTRIA	"Reduce the high tax wedge on labour for low-income earners by shifting taxation to sources less detrimental to growth, such as recurrent taxes on immovable property, including by updating the tax base".
BELGIUM	"Improve the balance and fairness of the overall tax system and prepare a comprehensive tax reform that will allow shifting taxes away from labour towards more growth friendly bases, simplifying the tax system, closing loopholes, increasing VAT efficiency, broadening tax bases, reducing tax expenditures and phasing out environmentally harmful subsidies".
BULGARIA	"Implement a comprehensive tax strategy to strengthen tax collection, tackle the shadow economy and reduce compliance costs".
CROATIA	"Building on plans outlined in the national reform programme, present a concrete strategy to reform recurrent property taxation. Initiate a process of reporting and reviewing of tax expenditures. Improve tax compliance, in particular by further enhancing the efficiency of the tax administration; present an action plan to this end by the end of 2014". "Review tax and benefits systems by the end of 2014, and present an action plan to improve the reactivation of inactive and unemployed persons".
CZECH REPUBLIC	"Improve tax compliance with particular focus on VAT and reduce the costs of collecting and paying taxes by simplifying the tax system and harmonising the tax bases for personal income tax and social and health contributions. Reduce the high level of taxation on labour, particularly for low-income earners. Shift taxation to areas less detrimental to growth, such as recurrent taxes on housing and environmental taxes. Further reduce discrepancies in the tax treatment of employees and the self-employed".
FRANCE	"Introduce a ceiling on the annual increase in local government tax revenue while reducing grants from the central government as planned". "Reduce the tax burden on labour and step up efforts to simplify and increase the efficiency of the tax system. To this end, starting in the 2015 budget, take measures to: remove inefficient personal and corporate income tax expenditures on the basis of recent assessments and the "Assises de la fiscalité" initiative while reducing the statutory rates; take additional measures to remove the debt bias in corporate taxation; broaden the tax base, notably on consumption;"
GERMANY	"Improve the efficiency of the tax system, in particular by broadening the tax base, notably on consumption, by reassessing the municipal real estate tax base, by improving the tax administration and by reviewing the local trade tax, also with a view to foster private investment". "Take measures to reduce fiscal disincentives to work, in particular for second earners, and facilitate the transition from mini-jobs to forms of employment subject to full mandatory social security contributions".
HUNGARY	"Help restore normal lending flows to the economy, inter alia by improving the design of and reducing the burden of taxes imposed on financial institutions. Adjust the financial transaction duty in order to avoid diverting savings from the banking sector and enhance incentives for using electronic payments". "Ensure a stable, more balanced and streamlined corporate tax system,

	including by phasing out distortive sector-specific taxes. Reduce the tax wedge for low-income earners, inter alia by improving the efficiency of environmental taxes. Step up measures to improve tax compliance – in particular to reduce VAT fraud – and reduce its overall costs".
IRELAND	"To support fiscal consolidation, consideration should be given to raising revenues through broadening the tax base. Enhance the growth and environmental friendliness of the tax system".
ITALY	"Further shift the tax burden from productive factors to consumption, property and the environment, in compliance with the budgetary targets. To this end, evaluate the effectiveness of the recent reduction in the labour tax wedge and ensure its financing for 2015, review the scope of direct tax expenditures and broaden the tax base, notably on consumption. Consider the alignment of excise duties on diesel to those on petrol and their indexation on inflation, and remove environmentally harmful subsidies. Implement the enabling law for tax reform by March 2015, including by adopting the decrees leading to the reform of the cadastral system to ensure the effectiveness of the reform of immovable property taxation. Further improve tax compliance by enhancing the predictability of the tax system, simplifying procedures, improving tax debt recovery and modernising tax administration. Pursue the fight against tax evasion and take additional steps against the shadow economy and undeclared work".
LATVIA	"Pursue efforts to further reduce the tax burden on low-income earners in the context of a shift towards more growth-friendly property and environmental taxes and by improving tax compliance and collection".
LITHUANIA	"Further review the tax system and consider increasing those taxes that are least detrimental to growth, such as recurrent property and environmental taxation, while continuing to improve tax compliance".
LUXEMBOURG	"Further broaden the tax base, notably on consumption".
MALTA	"Continue improving tax compliance and fighting tax evasion by ensuring the continued roll-out and evaluation of measures taken so far, while taking additional action, notably by promoting the use of electronic means of payment".
NETHERLANDS	"Take further measures to enhance labour market participation particularly among people at the margin of the labour market and to reduce tax disincentives on labour".
POLAND	"A durable correction of the fiscal imbalances requires a credible implementation of ambitious structural reforms to increase the adjustment capacity and boost growth and employment. In that regard, minimise cuts in growth-enhancing investment, improve the targeting of social policies and the cost effectiveness of spending and the overall efficiency of the healthcare sector, broaden the tax base by addressing the issue of an extensive system of reduced VAT rates, and improve tax compliance, in particular by increasing the efficiency of the tax administration. Establish an independent fiscal council". "Improve the effectiveness of tax incentives in promoting R&D in the private sector as part of the efforts to strengthen the links between research, innovation and industrial policy, and better target existing instruments at the different stages of the innovation cycle".
PORTUGAL	"Review the tax system and make it more growth-friendly. Continue to

	improve tax compliance and fight tax evasion by increasing the efficiency of tax administration”.
ROMANIA	“Improve tax collection by continuing to implement a comprehensive tax compliance strategy, stepping up efforts to reduce VAT fraud. Fight undeclared work. Reduce tax burden for low- and middle-income earners in a budget-neutral way”.
SLOVAKIA	“Improve the efficiency of the tax administration by strengthening its audit, risk assessment and debt collection capacity. Link the basis for real-estate taxation to the market value of the property”.
SPAIN	“Adopt by the end of 2014 a comprehensive tax reform to make the tax system simpler and more conducive to growth and job creation, preservation of the environment and stability of revenues. To that end: shift revenues towards less distortive taxes, such as consumption, environmental (e.g. on motor fuels) and recurrent property taxes; remove inefficient personal and corporate income tax expenditures; consider lowering employers' social security contributions, in particular for low-wage jobs; continue to tackle the debt bias in corporate taxation; take measures to avoid that taxation hinders the smooth functioning of Spain's internal market. Step up the fight against tax evasion”.
UNITED KINGDOM	“To assist with fiscal consolidation, consideration should be given to raising revenues through broadening the tax base”. “Remove distortions in property taxation by regularly updating the valuation of property and reduce the regressivity of the band and rates within the council tax system”.

	HEALTH and LONG-TERM CARE
AUSTRIA	"Further improve the cost effectiveness and sustainability of health care and long-term care services". "Reinforce measures to improve labour market prospects of people with a migrant background, women and older workers. This includes further improving child- and long-term care services and the recognition of migrants' qualifications".
BELGIUM	"Contain future public expenditure growth relating to ageing, in particular from pensions and long-term care, by stepping up efforts to reduce the gap between the effective and statutory retirement age, bringing forward the reduction of early-exit possibilities, promoting active ageing, aligning the statutory retirement age and career length requirements to changes in life expectancy, and improving the cost-effectiveness of public spending on long-term care".
BULGARIA	"Ensure efficient provision of healthcare including by improving transparency in hospital financing, optimising the hospital network and developing out-patient care". "In order to alleviate poverty, further improve the accessibility and effectiveness of social services and transfers for children and older people".
CROATIA	"Strengthen the cost-effectiveness of the healthcare sector, including in hospitals".
CZECH REPUBLIC	"Take measures to improve significantly the cost-effectiveness and governance of the healthcare sector, in particular for hospital care".
FINLAND	"Ensure effective implementation of the on-going administrative reforms concerning municipal structure and social and healthcare services, in order to increase the cost effectiveness in the provision of public services".
FRANCE	"In particular, take steps to reduce significantly the increase in social security spending as from 2015 as planned, by setting more ambitious annual healthcare spending targets, containing pension costs, and streamlining family benefits and housing allowances". "Beyond the need for short-term savings, take steps to tackle the increase in public expenditure on health projected over the medium and long term, including in the area of pharmaceutical spending, and take additional measures when and where needed to bring the pension system into balance by 2020 in a sustainable manner, with a special focus on existing special schemes".
GERMANY	"Make additional efforts to increase the cost effectiveness of public spending on healthcare and long-term care".
IRELAND	"Advance the reform of the healthcare sector initiated under the Future Health strategic framework to increase cost-effectiveness. Pursue additional measures to reduce pharmaceutical spending, including through more frequent price realignment exercise for patented medicines, increased generic penetration and improved prescribing practices. Reform the financial management systems of the national health authority to streamline systems across all providers and to support better claims management. Roll out individual health identifiers starting in January 2015".
LATVIA	"Reform social assistance and its financing further to ensure better

	coverage, adequacy of benefits, strengthened activation and targeted social services. Increase coverage of active labour market policies. Improve the cost-effectiveness, quality and accessibility of the health care system".
LUXEMBOURG	"In view of ensuring fiscal sustainability, curb age-related expenditure by making long-term care more cost-effective, (…)".
MALTA	"Ensure that a comprehensive reform of the public health system delivers a cost-effective and sustainable use of available resources, such as strengthening primary care".
NETHERLANDS	"Implement the envisaged reform in the area of longterm care with a view to ensure sustainability, while ensuring fair access and the quality of services and monitor its effects".
POLAND	"A durable correction of the fiscal imbalances requires a credible implementation of ambitious structural reforms to increase the adjustment capacity and boost growth and employment. In that regard, minimise cuts in growth-enhancing investment, improve the targeting of social policies and the cost effectiveness of spending and the overall efficiency of the healthcare sector, (…)".
PORTUGAL	"Control health care expenditure growth and proceed with the hospital reform".
ROMANIA	"Step up reforms in the health sector to increase its efficiency, quality and accessibility, including for disadvantaged people and remote and isolated communities. Increase efforts to curb informal payments, including through proper management and control systems".
SLOVAKIA	"Improve the long term sustainability of public finance by increasing the cost-effectiveness of the health-care sector, in particular by rationalising hospital care and management and by strengthening primary care".
SLOVENIA	"Contain age-related expenditure on long-term care by targeting benefits to those most in need and refocusing care provision from institutional to home care".
SPAIN	"Continue to increase the cost-effectiveness of the health-care sector, in particular by further rationalising pharmaceutical spending, including in hospitals and strengthening coordination across types of care, while maintaining accessibility for vulnerable groups".

	CHILDCARE
AUSTRIA	“Reinforce measures to improve labour market prospects of people with a migrant background, women and older workers. This includes further improving child- and long-term care services and the recognition of migrants' qualifications”.
BULGARIA	“In order to alleviate poverty, further improve the accessibility and effectiveness of social services and transfers for children and older people”.
CZECH REPUBLIC	“Increase considerably the availability of affordable and quality childcare facilities and services, with a focus on children up to three years old”.
ESTONIA	“Increase the efficiency and cost-effectiveness of family policy while improving the availability and accessibility of childcare”.
GERMANY	“Address regional shortages in the availability of fulltime childcare facilities and all-day schools while improving their overall educational quality”.
IRELAND	“Facilitate female labour market participation by improving access to more affordable and full-time childcare, particularly for low income families”.
ITALY	“Adopt effective action to promote female employment, by adopting measures to reduce fiscal disincentives for second earners by March 2015 and providing adequate care services.”
POLAND	« Continue efforts to increase female labour market participation, in particular by taking further steps to increase the availability of affordable quality childcare and pre-school education and ensuring stable funding”.
ROMANIA	“Ensure better access to early childhood education and care”.
SLOVAKIA	“Improve incentives for women's employment, by enhancing the provision of child-care facilities, in particular for children below three years of age”.
UNITED KINGDOM	“Improve the availability of affordable quality childcare”.

	ENERGY
BELGIUM	"(…) by strengthening competition in the retail sectors, removing excessive restrictions in services, including professional services and addressing the risk of further increases of energy distribution costs (…)."
BULGARIA	"Scale up the reform of the energy sector in order to increase competition, market efficiency and transparency, and energy efficiency, in particular by removing market barriers, reducing the weight of the regulated segment, stepping up efforts for the creation of a transparent wholesale market for electricity and gas, phasing out quotas, and strengthening the independence and administrative capacity of the energy regulator. Accelerate interconnector projects with neighbouring Member States and candidate countries and enhance the capacity to cope with disruptions".
CZECH REPUBLIC	"Step up the efforts to improve energy efficiency in the economy".
ESTONIA	Step up efforts to improve energy efficiency, in particular in residential and industrial buildings. Substantially strengthen environmental incentives for the transport sector to contribute to less resource-intensive mobility. Continue the development of crossborder connections to neighbouring Member States to diversify energy sources and promote competition through improved integration of the Baltic energy markets.
FINLAND	"Step up the development of cross-border gas connection to Estonia".
FRANCE	"While maintaining affordable conditions for vulnerable groups, ensure that regulated gas and electricity tariffs for household customers are set at an appropriate level which does not represent an obstacle to competition. Strengthen electricity and gas interconnection capacity with Spain; in particular, increase the gas interconnections capacity to fully integrate the Iberian gas market with the European market".
GERMANY	"Keep the overall costs of transforming the energy system to a minimum. In particular, monitor the impact of the Renewable Energy Act reform on the costeffectiveness of the support system for renewable energies. Reinforce efforts to accelerate the expansion of the national and cross-border electricity and gas networks. Step up close energy policy coordination with neighbouring countries".
HUNGARY	"Review the impact of energy price regulation on incentives to invest and on competition in the electricity and gas markets. Take further steps to ensure the autonomy of the national regulator in establishing network tariffs and conditions. Take measures to increase energy efficiency in particular in the residential sector".
ITALY	"Approve the list of strategic infrastructure in the energy sector and enhance port management and connections with the hinterland".
LATVIA	"Accelerate the development of gas and electricity interconnections to neighbouring Member States to diversify energy sources and promote competition through improved integration of the Baltic energy markets. Pursue efforts to further increase energy efficiency in transport, buildings and heating systems".
LITHUANIA	"Step up measures to improve the energy efficiency of buildings, through a rapid implementation of the holding fund. Continue the development of cross-border connections to neighbouring Member States for both electricity and gas to diversify energy sources and promote competition through improved integration of the Baltic energy markets".

LUXEMBOURG	“Develop a comprehensive framework and take concrete measures to meet the 2020 target for reducing greenhouse gas emissions from non-ETS activities, especially through the taxation of energy products for transports”.
MALTA	“Diversify the energy mix in the economy, including by increasing the share of energy produced from renewable sources”.
POLAND	“Renew and extend energy generation capacity and improve efficiency in the whole energy chain. Speed up and extend the development of the electricity grid, including cross-border interconnections to neighbouring Member States, and develop the gas interconnector with Lithuania. Ensure effective implementation of railway investment projects without further delay and improve the administrative capacity in this sector. Accelerate efforts to increase broadband coverage. Improve waste management”.
PORTUGAL	“Implement the second and third package of measures in the energy sector aimed at reducing energy costs for the economy, while eliminating the electricity tariff debt by 2020, and closely monitor implementation. Improve the cross-border integration of the energy networks and speed up implementation of the electricity and gas interconnection projects”.
ROMANIA	“Promote competition and efficiency in energy and transport industries. Accelerate the corporate governance reform of state-owned enterprises in the energy and transport sectors and increase their efficiency. Improve and streamline energy efficiency policies. Improve the cross-border integration of energy networks and enable physical reverse flows in gas interconnections as a matter of priority”.
SLOVAKIA	“Step up efforts to make the energy market function better, in particular by increasing the public transparency of the regulatory framework and by exploring the determinants of the high electricity network charges, notably for industrial consumers. Building on the progress made so far, further develop interconnections with neighbouring countries, including with Ukraine, accordingly to the Memorandum of Understanding signed in April”.
SPAIN	“Following the reform of 2013, ensure the effective elimination of deficit in the electricity system as of 2014, including by taking further structural measures if needed”.

	PUBLIC ADMINISTRATION
CZECH REPUBLIC	“Identify the reasons behind the low value of public contracts open to procurement under EU legislation. Substantially strengthen the resources of the Federal Competition Authority”.
BELGIUM	“(…); by promoting innovation through streamlined incentive schemes and reduced administrative barriers; (…)”. “Agree on a clear distribution of efforts and burdens between the federal and regional entities”.
BULGARIA	“Continue to improve the business environment, in particular for SMEs, by cutting red tape, promoting e-government, streamlining insolvency procedures and implementing the legislation on late payments. Improve the public procurement system by enhancing administrative capacity, strengthening the ex-ante checks performed by the Public Procurement Agency and taking concrete steps for the implementation of e-procurement. Enhance the quality and independence of the judiciary and step up the fight against corruption”.
CROATIA	“Take further measures to improve the business environment. Notably, by March 2015 set a target for considerably lowering administrative requirements, including para-fiscal charges. Address the high level of fragmentation and overlapping responsibilities by streamlining administrative processes and by clarifying the decision-making and accountability framework across various levels of government and at central government level between ministries and agencies. Improve administrative capacity and strategic planning of units entrusted with the management of European Structural and Investment Funds and provide them with adequate and stable staffing levels”. “Present, by October 2014, a detailed plan for public property management for 2015. Ensure that companies under state control are governed in a transparent and accountable manner, in particular, strengthen the competency requirements for members of management and supervisory boards nominated by the state and introduce a public register for appointments. Reinforce prevention of corruption in public administration and state-owned and state-controlled enterprises, including by increasing the verification powers of the Conflict of Interest Commission. Strengthen transparency and efficiency of public procurement at both central and local levels, and the capacity to monitor implementation and to detect irregularities”. *“Improve the quality and efficiency of the judicial system, in particular by providing incentives to resolve proceedings in litigious civil and commercial cases and in administrative cases in a timely manner and to resort to outof- court settlement especially for smaller claims”.*
CZECH REPUBLIC	“In 2014 adopt and implement a Civil Service Act that will ensure a stable, efficient and professional state administration service. Speed up and substantially reinforce the fight against corruption by implementing the remaining legislative measures provided for in the anti-corruption strategy for 2013-2014 and by developing plans for the next period. Further improve the management of EU funds by simplifying implementing structures, improving capacity and tackling conflicts of interest. Increase transparency of public procurement and improve the implementation of public tenders by providing appropriate guidance and supervision”.
ESTONIA	“Better balance local government revenue against devolved responsibilities.

	Improve the efficiency of local governments and ensure the provision of quality public services at local level, especially social services complementing activation measures”.
FRANCE	“Step up efforts to achieve efficiency gains across all sub-sectors of general government, including by redefining, where relevant, the scope of government action”. “Set a clear timetable for the on-going decentralisation process and take first steps by December 2014, with a view to eliminating administrative duplication, facilitating mergers between local governments and clarifying the responsibilities of each layer of local government”. “Simplify companies’ administrative, fiscal and accounting rules and take concrete measures to implement the government’s ongoing “simplification plan” by December 2014. Eliminate regulatory impediments to companies’ growth, in particular by reviewing size-related criteria in regulations to avoid thresholds effects. Take steps to simplify and improve the efficiency of innovation policy, notably through an evaluation and if necessary an adaptation of the “crédit d’impôt recherche”. Ensure that resources are focused on the most effective competitiveness poles and further promote the economic impact of innovation developed in the poles”.
GERMANY	“Identify the reasons behind the low value of public contracts open to procurement under EU legislation”.
HUNGARY	“Stabilise the regulatory framework and foster market competition, inter alia by removing barriers in the services sector. Take more ambitious steps to increase competition and transparency in public procurement, including the introduction of eprocurement, and further reduce corruption and the overall administrative burden”.
IRELAND	“Reduce the cost of legal proceedings and services and foster competition, including by enacting the Legal Services Regulation Bill by the end of 2014, including its provision allowing the establishment of multi-disciplinary practices, and by seeking to remove the solicitor's lien. Monitor its impact, including on the costs of legal services. Take executive steps to ensure that the Legal Services Regulatory Authority is operational without delay and that it meets its obligations under the legislation, including in terms of publishing regulations or guidelines for multi-disciplinary practices and the resolution of complaints. Improve data collection systems to enable quality and efficiency of judicial proceedings”.
ITALY	“As part of a wider effort to improve the efficiency of public administration, clarify competences at all levels of Government. Ensure better management of EU funds by taking decisive action to improve administrative capacity, transparency, evaluation and quality control at regional level, especially in southern regions. Further enhance the effectiveness of anti-corruption measures, including by revising the statute of limitations by the end of 2014, and strengthening the powers of the national anticorruption authority”. “Foster market opening and remove remaining barriers to, and restrictions on competition in the professional and local public services, insurance, fuel distribution, retail and postal services sectors. Enhance the efficiency of public procurement, especially by streamlining procedures including through the use of e-procurement, rationalising the central purchasing bodies and securing the proper application of preand post-award rules. In local public services, rigorously

	implement the legislation providing for the rectification of contracts that do not comply with the requirements on in-house awards by 31 December 2014". "Timely monitor the impact of the reforms adopted to increase the efficiency of civil justice with a view to securing their effectiveness and adopting complementary action if needed".
LATVIA	"Complete judicial reforms including the pending reforms of insolvency, arbitration and mediation frameworks to ensure a more business- and consumer- friendly legal environment. Step up public administration reforms, including by implementing state-owned enterprise management reform and increasing institutional and financial independence of the Competition Council".
LITHUANIA	"Complete the implementation of the reform of state-owned enterprises as planned; in particular by finalising the separation of commercial and non-commercial activities, further professionalising executive boards and closely monitoring compliance with the requirements of the reform".
MALTA	"Continue efforts to increase the efficiency and reduce the length of public procurement procedures; (…) and increase the efficiency of the judicial system by ensuring a timely and efficient implementation of the planned judicial reform".
POLAND	"Take further steps to improve the business environment by simplifying contract enforcement and requirements for construction permits. Step up efforts to reduce costs and time spent on tax compliance by businesses".
PORTUGAL	"Continue to rationalise and modernise central, regional and local public administration. Implement the reforms to enhance the efficiency of the judicial system and increase transparency."
ROMANIA	"Step up efforts to strengthen the capacity of public administration, in particular by improving efficiency, human resource management, the decision-making tools and coordination within and between different levels of government; and by improving transparency, integrity and accountability. Accelerate the absorption of EU funds, strengthen management and control systems, and improve capacity for strategic planning, including the multi-annual budgetary element. Tackle persisting shortcomings in public procurement. Continue to improve the qualityand efficiency of the judicial system, fight corruption at all levels, and ensure the effective implementation of court decisions".
SLOVAKIA	"Take measures, including by amending the Act on Civil Service, to increase the independence of the public service. Adopt a strategy to improve the management of human resources in public administration. Step up efforts to strengthen analytical capacity in key ministries with a view to adopting evidence-based policies, and improving the quality of policy impact assessment. Take steps to fight corruption and accelerate efforts to improve the efficiency and quality of the judicial system. Introduce measures to improve business environment including for SMEs. Step up efforts to improve the efficiency of public procurement".
SLOVENIA	"Reduce obstacles to doing business in Slovenia in key areas for economic development rendering the country more attractive to foreign direct investment particularly through accelerated liberalisation of regulated professions, reduction of administrative burden including leaner authorisation schemes". "Take effective measures to fight corruption, enhancing transparency and accountability, and introducing external performance evaluation and quality control procedures".
SPAIN	"Remove remaining bottlenecks in the corporate insolvency framework, in

	particular by enhancing the expertise of insolvency administrators and the capacity of the judicial system to handle insolvency cases and develop a permanent framework for personal insolvency". "Implement at all government levels the recommendations of the committee for the reform of the public administration. Strengthen control mechanisms and increase the transparency of administrative decisions, in particular at regional and local level. Complete and monitor closely the ongoing measures to fight against the shadow economy and undeclared work. Adopt pending reforms on the structure of the judiciary and on the judicial map and ensure implementation of adopted reforms".
SWEDEN	"Further improve the efficiency of the housing market through continued reforms of the rent setting system. In particular, allow more market-oriented rent levels by moving away from the utility value system and further liberalising certain segments of the rental market, and greater freedom of contract between individual tenants and landlords. Decrease the length and complexity of the planning and appeal processes, by reducing and merging administrative requirements, harmonising building requirements and standards across municipalities and increasing transparency for land allotment procedures. Encourage municipalities to make their own land available for new housing developments".

	PUBLIC EMPLOYMENT SERVICES
BELGIUM	"Increase labour market participation, notably by reducing financial disincentives to work, increasing labour market access for disadvantaged groups such as the young and people with a migrant background, improving professional mobility and addressing skills shortages and mismatches as well as early school leaving. Across the country, strengthen partnerships of public authorities, public employment services and education institutions to provide early and tailor-made support to the young".
CROATIA	"Strengthen the effectiveness and reach of active labour market policies by reinforcing the administrative capacities of the public employment services, including at regional level, and by increasing the coverage of the young, long-term unemployed and older workers".
CZECH REPUBLIC	"Strengthen the efficiency and effectiveness of the public employment service, in particular by setting up a performance measurement system. Reach out to nonregistered youth and provide individualised services".
HUNGARY	"Strengthen well-targeted active labour market policy measures, inter alia by accelerating the introduction of the client profiling system of the Public Employment Service. Put in place the planned youth mentoring network and coordinate it with education institutions and local stakeholders to increase outreach. Review the public works scheme to evaluate its effectiveness in helping people find subsequent employment and further strengthen its activation elements".
IRELAND	"Offer more workplace training; improve and ensure the relevance of FET courses and apprenticeships with respect to labour market needs. Increase the level and quality of support services provided by the *Intreo* labour offices. Put in place a seamless FET referrals system between *Intreo* offices and Education and Training Boards".
ITALY	"Strengthen the link between active and passive labour market policies, starting with a detailed roadmap for action by September 2014, and reinforce the coordination and performance of public employment services across the country".
PORTUGA L	"Pursue the ongoing reform of active labour market policies and Public Employment Services aimed at increasing employment and labour participation rates, specifically by improving job counselling/job search assistance and activation/sanction systems with a view to reducing long-term unemployment and integrating those furthest away from the labour market".
ROMANIA	"Strengthen active labour-market measures and the capacity of the National Employment Agency. Pay particular attention to the activation of unregistered young people. Strengthen measures to promote the employability of older workers".
SLOVAKIA	"More effectively address long-term unemployment through activation measures, second-chance education and tailored quality training. Enhance the capacity of public employment services for case management, personalised counselling and activation of jobseekers, and strengthen the link between activation and social assistance".
SLOVENIA	"Prioritise outreach to non-registered young people ensuring adequate public employment services capacities".
SPAIN	"Accelerate the modernisation of public employment services to ensure effective personalised counselling, adequate training and job-matching, with special focus on the long-term unemployed. (…)Ensure the effective functioning of the Single Job Portal and combine it with further measures to support labour mobility".