



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.6.2003  
COM(2003) 305 final

2003/0133 (CNS)

Proposal for a

**COUNCIL DECISION**

**establishing a Social Protection Committee**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

### **1. INTRODUCTION**

The Treaty of Nice came into force on 1 February 2003. It provides, in the new Article 144 of the TEC, for the establishment of a Social Protection Committee with advisory status to promote co-operation on social protection policies between Member States and with the Commission. A Social Protection Committee with similar status and objectives was established by Council Decision of 29 June 2000 (2000/436/EC) and has functioned since then. The purpose of this decision is essentially procedural - to establish the Committee in line with the new legal basis. It proposes, in relation to the body of the Decision, three departures from the approach taken in the existing decision, for reasons explained in this memorandum.

### **2. LEGAL BASIS**

The Social Protection Committee was established by Council Decision of 29 June 2000 (2000/436/EC), under Article 202 of the TEC. On adoption of the draft Decision now proposed, the earlier Decision will be repealed.

Article 144 of the TEC as amended by the Treaty of Nice states:

- “The Council, after consulting the European Parliament, shall establish a Social Protection Committee with advisory status to promote co-operation on social protection policies between Member States and with the Commission. The tasks of the Committee shall be:
  - to monitor the social situation and the development of social protection policies in the Member States and the Community;
  - to promote exchanges of information, experience and good practice between Member States and with the Commission;
  - without prejudice to Article 207, to prepare reports, formulate opinions or undertake other work within its fields of competence, at the request of either the Council or the Commission or on its own initiative;
  - in fulfilling its mandate, the Committee shall establish appropriate contacts with management and labour.
- Each Member State and the Commission shall appoint two members of the Committee.”

The draft Decision therefore sets out Article 144 as the legal basis for the proposal.

### **3. PROPOSED CHANGES TO THE BODY OF THE TEXT**

#### **3.1. Definition of the tasks of the Committee**

Article 144 expands the definition of the tasks of the Committee beyond what is stated in Decision 2000/436/EC. It states that the tasks of the Committee shall include “to monitor *the social situation and* the development of the social protection policies...” (words in italics are new). The draft Decision uses the Treaty formulation.

#### **3.2. Formulation regarding the preparation of reports.**

Article 1.2 of Council Decision 2000/436/EC outlined the tasks of the Social Protection Committee as including the following:

- without prejudice to Article 207 of the Treaty, to prepare an annual report on social protection to be submitted to the Council, reporting on policy developments in respect of the achievement of objectives pointed out by the Council.

The reference to the preparation of an annual social protection report followed the proposal made in the Commission's Communication “A Concerted Strategy for Modernising Social Protection” (COM(1999) 347 of 14 July 1999) to this effect. In practice, meeting this demand has not been a priority for the Committee in view of other mandates it has received, in particular from the European Council of Lisbon and subsequent European Councils. Only one report was produced in 2002, referring to the situation as of 2001. Furthermore, in a proposal going before the Commission at the same time as this draft Decision, the Commission will propose new working arrangements and procedures for the organisation of policy co-operation regarding social protection, under which the role of the annual report would be changed.

The formulation regarding the preparation of reports in the new Article 144 (see Section 2 above) is more general and would have the effect of leaving open all questions regarding a future annual report. The Commission proposes, in Article 1.2 of the draft Decision attached, to follow the Treaty Article in full on this point.

#### **3.3. Gender balance in the composition of delegations to the Committee**

Article 2.1 sets out proposals for the membership of the Committee. It is proposed to add a new sentence inviting the Member States to ensure a gender balance in the composition of their delegations.

Proposal for a

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 144 thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Whereas:

- (1) In its Communication ‘A Concerted Strategy for modernising social protection’ of 14 July 1999<sup>3</sup>, the Commission made suggestions for the enhancement of co-operation in the field of social protection by, among other things, setting up a group of high-level officials.
- (2) In its Resolution of 16 February 2000, the European Parliament welcomed the Commission's communication and the creation of such a group.
- (3) In its Conclusions of 17 December 1999 on the strengthening of co-operation for modernising and improving social protection<sup>4</sup>, the Council supported the Commission's proposal to establish a mechanism for enhanced co-operation brought about by the work of the group of high-level officials for the implementation of this action. The Council stressed that this kind of co-operation should cover all forms of social protection and, where necessary, help the Member States, to improve and strengthen their social protection systems in accordance with their national priorities. It also recalled the competence of the Member States for the organisation and financing of social protection, and endorsed the four broad objectives within the overall challenge of modernising social protection systems as identified by the Commission: namely to make work pay and provide secure income; to make pensions safe and pension systems sustainable; to promote social inclusion; and to ensure high quality and sustainable health care. Finally, the Council recognised that the aspects relating to finance are common to all the objectives.

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<sup>1</sup> OJ C ..., ..., p. ...

<sup>2</sup> OJ C ..., ..., p. ...

<sup>3</sup> COM(1999) 347 final.

<sup>4</sup> OJ C 8, 12.1.2000, p. 7.

- (4) The Conclusions of the Lisbon European Council on 23 and 24 March 2000 acknowledged the importance of social protection in further developing and modernising an active and dynamic welfare state in Europe, and called upon the Council to strengthen co-operation between Member States by exchanging experiences and best practice on the basis of improved information networks.
- (5) At Nice and at its subsequent meetings, the European Council has regularly endorsed the work done by the Social Protection Committee in promoting the Community policy exchange on social protection.
- (6) The Social Protection Committee established by Council Decision 2000/436/EC<sup>5</sup> has clearly demonstrated its utility as an advisory body for both the Council and the Commission and has contributed actively to the development of the Open Method of Coordination as established in the Lisbon European Council.
- (7) Following the entry into force of the Treaty of Nice on 1 February 2003, a Social Protection Committee with additional tasks should replace the existing Committee of the same name, in order to permit the work already done by the latter to be continued. Decision 2000/436/EC should therefore be repealed as from the date on which the new Social Protection Committee takes up its functions,

HAS DECIDED AS FOLLOWS:

*Article 1*

1. A Social Protection Committee (hereinafter referred to as 'the Committee'), with advisory status, is hereby established to promote co-operation on social protection policies between Member States and with the Commission, in full compliance with the Treaty and with due regard for the powers of the Community's institutions and organs.
2. The tasks of the Committee shall be:
  - (a) to monitor the social situation and the development of social protection policies in the Member States and the Community;
  - (b) to promote exchanges of information, experience and good practice between Member States and with the Commission;
  - (c) without prejudice to Article 207 of the Treaty, to prepare reports, formulate opinions or undertake other work within its fields of competence, at the request of either the Council or the Commission or on its own initiative.
3. The Committee shall work, as appropriate, in co-operation with other relevant bodies and committees dealing with social and economic policy matters, such as the Employment Committee and the Economic Policy Committee.
4. In fulfilling its mandate, the Committee shall establish appropriate contacts with the social partners.

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<sup>5</sup> OJ L 172, 12.7.2000, p. 26.

## *Article 2*

1. The Committee shall consist of two representatives appointed by each Member State and two representatives of the Commission. The representatives may be assisted by two alternates.

Member States and the Commission shall use their best endeavours to achieve a gender balance in the composition of delegations.

2. The Committee may call on external experts where its agenda so requires.

## *Article 3*

1. The Committee shall elect its chairperson from among the representatives of the Member States for a non-renewable term of two years.

The chairperson shall be assisted by four vice-chairpersons, of whom two shall be elected by the Committee from among its members for a term of two years. The third shall be a representative from the Member State holding the Presidency of the Council and the fourth shall be a representative from the Member State which will hold the next Presidency.

2. Meetings of the Committee shall be convened by the chairperson, either on his or her own initiative or at the request of at least half of the members of the Committee.
3. The Committee shall establish its own rules of procedure. Expenses shall be reimbursed in accordance with the administrative rules in force.
4. The Commission shall provide the analytical and organisational support for the Committee. It shall designate a member of its staff as Secretary, who shall act on the instructions of the Committee when assisting the Committee in carrying out its tasks.

The Commission shall liaise with the General Secretariat of the Council with regard to the holding of meetings.

## *Article 4*

The Committee may entrust the study of specific questions to its alternate members or may establish working groups to this end. In such cases, the chair shall be taken by either a member or an alternate member of the Committee or by a Commission official, appointed by the Committee.

The working groups may call upon experts to assist them.

*Article 5*

Decision 2000/436/EC is repealed as from the date of the first meeting of the Committee established by this Decision. The first meeting of the Committee shall take place no later than four months after the date of adoption of this Decision.

Done at Brussels, [...]

*For the Council*  
*The President*

## **FINANCIAL STATEMENT**

**1. TITLE OF OPERATION**

Creation of a Social Protection Committee.

**2. BUDGET HEADING(S) INVOLVED**

A 7031 Obligatory Committees.

A 7010 Mission expenses, travel expenses and incidental expenditure.

**3. LEGAL BASIS**

Article 144 of the EC Treaty as amended by the Treaty of Nice.

**4. DESCRIPTION OF OPERATION**

**4.1 General objective**

In its Conclusions of 17 December 1999 (2000/C 8/7) on the strengthening of co-operation for modernising social protection, the Council supported the Commission's suggestion to establish a mechanism for enhanced co-operation in the form of a group of high-level officials. On 29 June 2000 the Council, in Decision 2000/436/EC, established a Social Protection Committee with advisory status to promote co-operation on social protection policies between Member States and with the Commission. The aim of the present decision is to establish a Social Protection Committee with similar status and objectives under the new Treaty basis, i.e. Article 144 of the EC Treaty as amended by the Treaty of Nice. On adoption of the draft Decision proposed herewith, the earlier Decision will be revoked.

**4.2 Period covered and arrangements for renewal**

Indefinite.



**5. CLASSIFICATION OF EXPENDITURE OR REVENUE**

**5.1 Compulsory/Non-compulsory expenditure**

Non-compulsory expenditure.

**5.2 Differentiated/Non-differentiated appropriations**

Non-differentiated appropriations.

**5.3 Type of revenue involved**

Type of revenue involved: none.

**6. TYPE OF EXPENDITURE OR REVENUE**

100% for the necessary personnel and costs of meetings.

**7. FINANCIAL IMPACT**

No impact on operational expenditure; for administrative expenditure see point 10.

**8. FRAUD PREVENTION MEASURES**

Expenditure will be carried out in accordance with the normal administrative rules governing the payment of expenses of experts invited to meetings.

**9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS**

**9.1 Specific and quantified objectives; target population**

To set up an Social Protection Committee to assist the Council in carrying out its responsibilities in the field of social protection, in full compliance with the Treaty and with due regard to the powers of the Community's institutions and organs.

The Committee shall, in particular, be responsible for:

- monitoring the social situation and the development of social protection policies in the Member States and the Community;
- promoting exchanges of information, experience and good practice between Member States and with the Commission; and
- preparing reports, formulating opinions or undertaking other work within its fields of competence, at the request of either the Council or the Commission or on its own initiative;

- working, as appropriate, in co-operation with other relevant bodies and committees dealing with social and economic policy matters, such as the Employment Committee and the Economic Policy Committee;
- establishing appropriate contacts with management and labour.

## **9.2 Grounds for the operation**

The Commission's Communication "A Concerted Strategy for Modernising Social Protection" (COM(1999) 347 of 14 July 1999) proposed a framework for closer co-operation in the field of social protection, based on the exchange of experiences, mutual concertation and evaluation of ongoing policy developments with a view to identifying best practices. To this end the Council first of all established an interim group of high-level officials to carry out this task (Council Conclusions of 17 December 1999 on strengthening of co-operation for modernising and improving social protection (OJ 2000/C 8/7)) and subsequently set up a Social Protection Committee to continue the work (Council Decision of 29 June 2000, OJ L 172/26 of 12 July 2000). Since then, the Council and the European Council have given regular mandates to the Social Protection Committee to address different policy issues in the field of social protection under the broad strategic objective for socio-economic policy established by the European Council at Lisbon in March 2000.

## **9.3 Monitoring and evaluation of the operation**

The Committee shall be responsible for preparing opinions and reports for the Social Affairs Council, the European Council and the Commission.

## **9.4 Coherence with financial programming**

The measures provided for are included in the financial programming of DG EMPL.

**10. ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)**

**10.1 Effect on the number of posts**

Type of post		Staff to be assigned to managing the operation		Source		Duration
		Permanent posts	Temporary posts	Existing resources in the DG or department concerned	Additional resources	
Officials or temporary staff	A	2 x 0.7 = 1.4		1.4		Indefinite
	B	0		0		Indefinite
	C	0.6		0.6		
Other resources						
Total		2.0		2		

The existing Committee currently works with the level of staff resources outlined above.

**10.2 Overall financial impact of additional human resources**

EUR

	Amounts	Method of calculation
Officials	216 000	2 persons/years x EUR 108 000 (unit costs). Titles A1, A2, A4 A5 and A7
Temporary staff		
Other resources (indicate budget heading)		
Total	216 000	

*The amounts given must express the total cost of additional posts for the entire duration of the operation, if this duration is predetermined, or for 12 months if it is indefinite.*

### 10.3 Increase in other administrative expenditure as a result of the operation

Travel costs for Member State experts will be provided in accordance with the rules currently in force. Meetings of the Committee will be organised by the Commission in Commission meeting rooms. Interpretation will be provided by the Commission. It is estimated that the Committee will meet around 11 times per year and that its Indicators Sub-Group will meet 8 times per year.

It is estimated that these 11 meetings (30 participants) will cost around EUR 250 000 per year. The indicators group will meet around 8 times per year. These meetings (15 participants) will cost around EUR 78 000 so the total per year under budget article A 7031 will be EUR 328 000.

EUR

Budget heading	Amounts	Method of calculation
A 7031 Obligatory Committees	EUR 328 000	EUR 650 (average cost of travel to and from a committee meeting in Brussels) x 30 members x 11 meetings of the SPC (average number of meetings per year) = EUR 214 500. There is also the indicators sub-group which will meet around 8 time per year x 15 members x meetings = EUR 78 000.  Note that two of the eleven meetings of the SPC per year will probably take place outside Brussels (in the Member State holding the rotating Presidency of the Council). Experience shows that these meetings tend to incur an average travel cost higher than the EUR 650 figure for Brussels meetings. On this basis, one arrives at an estimated cost of EUR 328 000 on budget heading A 7031.
A 7010	EUR 8 125	For meetings outside Brussels in the second half of 2003 and first half of 2004:  5 officials (i.e. two Commission members of the Committee plus three support staff) x EUR 129.82 (average cost of overnight stay on a mission to Italy) x 3 days = EUR 1 947.3 + EUR 1 200 (i.e. 5 x average cost of transport to Italy of EUR 240) = EUR 3 147.3.  5 officials (i.e. two Commission members of the Committee plus three support staff) x EUR 165.2 (average cost of overnight stay on a mission to Ireland) x 3 days = EUR 2 478 + EUR 2 500 (i.e. 5 x average cost of transport to Ireland of EUR 500) = EUR 4 978.
Total	EUR 336 125	

The costs shown are equivalent to what would have been incurred by the existing Committee.

The amounts given must correspond to total expenditure arising from the operation if its duration is predetermined or expenditure for 12 months if it is indefinite.

The needs for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure.

All expenditure attributed to Title A7 will be covered from the annual allocation for administrative credits.