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CEEP and the EU Social Partners meeting with Maroš Šefčovič, EC VP for Interinstitutional Relations and Foresight

On Wednesday 7 October, Maroš Šefčovič, European Commission Vice-President for Interinstitutional Relations and Foresight, met with CEEP and the EU cross-industry Social Partners (ETUC, BusinessEurope, SMEunited).

The focus of the meeting was to discuss the Commission Work Program 2021, the upcoming Better Regulation Communication and the Strategic Foresight Report, and more specifically how to create a bigger value for more resilience across EU policies in Europe. He invited EU social partners to work together to further develop the Report in order to create a strategic approach to mega-events such as the COVID-19 pandemic and climate change. During the meeting, CEEP General Secretary Valeria Ronzitti welcomed the Foresight Report and call for looking beyond the GDP as the sole measure for wealth and a healthy society in the context of a digital, green and fair transition. CEEP also underlined that creating resilience in Europe will mean to have public services and SGIs side by side with the European Commission to further develop the foresight measures, and CEEP stands ready to support the European Commission in the endeavour.

Finally, CEEP highlighted that more work on Better Regulation have to be done in regards to the guidelines of the social partners consultation processes and the public consultations. Specifically, we believe that the "one-in one-out" rule is not in line with the values of the EU Social Partners. To enable a good synergy of the Better Regulation and the Foresight Report in regards to the priorities of the Work Programme, a better involvement of the EU partners have to be established.

SUSTAINABILITY BOARD

Meeting of the Sustainability Board on Tuesday 13/10, with MEPs Bas Eickhout and Pierre Larrousurou

Join the discussion on "Investment - Inclusion - Resilience: SGIs as a Pillar for a Sustainable

Future in a post COVID-19 era" during the meeting of the Sustainability Board. The meeting will take place on 13 October from 9:30 to 12:30 and will offer the unique opportunity to have an open discussion with:

Pierre Larrouturou, MEP (S&D, FR) and Rapporteur of the 2021 EU Budget on tools to support the green recovery fund and the EU next Generation

Bas Eickhout, MEP and Vice-chair of the ENVI Committee, (Greens, NL) on the new proposal of the European Parliament for GHG emission reduction and rebuilding a new concept of a sustainable EU

Laurent Bontoux, Senior Policy Analyst for the Foresight Report and Member of the Cabinet for Vice-President Maroš Šefčovič, on the chances and challenges for a Resilient Europe

If you wish to take part in the next board meeting, please send our Sustainability Policy Officer Henriette Gleau (henriette.gleau@ceep.eu) and email confirming your interest to participate.

European Parliament adopts its position on the Climate Law

On 8 October, the European Parliament has adopted during its plenary session its position on the legally binding [Climate Law](#) to reduce European GHG emission by 60% by 2030, instead of the originally proposed 40% target. In these two days voting marathon, MEPs have strongly approved their position with 392 votes in favour, 161 against and 142 abstentions. The European's People's Party (EPP), the strongest party in the Parliament, explained that its MEPs would abstain in protest after the Parliament supported the higher target for 2030. The EPP is generally in support of the changed amendment proposal of the European Commission from last week of a net 55% emission cut.

The rapporteur Jytte Guteland (S&D, Sweden) said: "The adoption of the report sends a clear message to the Commission and the Council, in light of the upcoming negotiations. We expect all Member States to achieve climate neutrality by 2050 at the latest and we need strong interim targets in 2030 and 2040 for the EU to achieve this".

Additionally, the Parliament's proposal included a call for setting a 2040 emission target that will require EU countries to be climate neutral by 2050 and to introduce negative emission targets after 2050.

With the European Parliament's position now in place, Europe is now waiting for the Member States to conclude their negotiations in the next Council meetings to agree on the Commission's proposal of a net 55% target. It is planned that EU leaders will take a final decision in December.

SOCIAL AFFAIRS BOARD

EU Initiative on fair minimum wages postponed by the European Commission

On 6 October, the European Commission published an [updated "liste des points à l'ordre du jour"](#) which contains the possible planning and items to be discussed by the College of Commissioners. There is an important change in the planning related to the future EU initiative for fair minimum wages for workers in the EU. The initiative, first scheduled for publication on 28 October, has now been pushed to the 15 December and is marked "to be confirmed".

This substantial change is following up on the information shared by Joost Korte, Director-General for Employment at the European Commission, to the European Social Partners during the Social Dialogue Committee of 29 September: the draft initiative and related impact assessment had to go through the Regulatory Scrutiny Board, an independent body within the Commission that advises the College of Commissioners by providing central quality control and support for Commission impact assessments and evaluations at early stages of the legislative process. It appears that the Regulatory Scrutiny Board blocked the initiative on minimum wages as presented and asked for the Commission to improve the proposal before it could be published.

CEEP has many concerns over the feasibility and legality of a binding initiative on minimum wage. This concern is shared by most employers organization at EU level. Therefore, it is important for the future updated initiative on minimum wage to be properly evaluated by the Regulatory Scrutiny Board once again according to the principles of proportionality and subsidiarity, and to ensure that its legal basis is compatible with the EU treaties.

CEEP will keep the Social Affairs Board duly informed of future developments on the topic.

PUBLIC SERVICES BOARD

The European Commission reviews the EU ETS Guidelines

In line with the European Green Deal, the Commission adopted revised [EU Emission Trading System State Aid Guidelines](#) in the context of the system for greenhouse gas emission allowance trading post-2021 (the "ETS Guidelines"). They will enter into force on 1 January 2021 with the start of the new ETS trading period and apply until 2030.

The ETS Guidelines aim at reducing the risk of "carbon leakage", where companies move production to countries outside the EU with less ambitious climate policies, leading to less economic activity in the EU and no reduction in greenhouse gas emissions globally. In particular, they enable Member States to compensate companies in at-risk sectors for part of the higher electricity prices resulting from the carbon price signals created by the EU ETS.

Against this background, the revised ETS Guidelines will target aid only at sectors at risk of carbon leakage due to high indirect emission costs and their strong exposure to international trade. The Guidelines will also set a stable compensation rate of 75% in the new period (reduced from 85% at the beginning of the previous ETS trading period), and exclude compensation for non-efficient technologies, to maintain the companies' incentives for energy efficiency. Furthermore, they will make compensation conditional upon additional decarbonisation efforts by the companies

concerned, such as complying with the recommendations of their energy efficiency audit. The Guidelines also take into account the specificities of small and medium-sized enterprises, in line with the [SME Strategy for a sustainable and digital Europe](#), by exempting them from the new conditionality requirement in order to limit their administrative burden.

You can find more information [here](#).

Special Report on the Control of State aid to financial institutions in the EU

The European Commission has the legal powers and resources to control State aid to financial institutions. However, it had not always been in a position to use them to full effect, according to a [new report from the European Court of Auditors](#). From 2013 to 2018, there were weaknesses in both compatibility assessment and performance monitoring. The European Court of Auditors observed that market realities improved and that the regulatory framework changed. However, the applicable State aid rules themselves have not been modified since 2013. The auditors therefore call for the current rules to be reevaluated.

PROJECTS & EVENTS

Fourth UfM Social Dialogue Forum - 6-7 October 2020

CEEP and the Social Partners of the two shores of the Mediterranean have met virtually on 6-7 October for the fourth Union for the Mediterranean (UfM) Social Dialogue Forum.

This edition of the UfM social dialogue forum has been a mix of taking stock of past activities of the European and South Mediterranean social partners in the context of UfM, and of looking forward to the next steps of their cooperation in the context of the UfM paving the way for their future joint contribution to the 2022 UfM Labour and Employment Ministers Meeting.

This fourth edition has also been an important opportunity to talk about their recent experiences, notably in relation with the management of the economic and social consequences of the Covid-19 outbreak at national level and in both regions, and with a view to improving the management of migratory flows between both regions.

From the beginning of UfM cooperation on employment and labour, the crucial importance of effective social dialogue has been recognised and regularly stressed by the Ministers for employment and labour.

CEEP specifically addressed during the meeting the issue of migration and brain drain, and presented its work in the framework on the [New Pact on Migration and Asylum](#), published by the European Commission on the 23 September 2020.

Should you wish to know more about the outcomes of this meeting or about CEEP's activities in the field of migration, do not hesitate to contact CEEP Project Manager, [Carlotta Astori](#).

LOOKING AHEAD...

- 13 October 2020: **Sustainability Board** (online)
- 15 October 2020: **Energy Task Force** (online)

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