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POLICY KIT

with regard
to the programme
of the Luxembourg Presidency
of the Council of the EU
1 July – 31 December 2015

14 July 2015

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INTRODUCTION

The **European Centre of Employers and Enterprises providing Public Services** (CEEP) gathers enterprises and organisations from across Europe, either public or private, at national, regional and local level, which are providers of Services of General Interest (SGIs) or representing them as employers. CEEP is one of the three cross-sectoral social partners in the European social dialogue.

Public services have been seriously brought into question during the economic and financial crisis, and massive cuts have been made during these difficult times. **Public services' providers now need to deliver the same level of services as previously, with a high level of efficiency, but with fewer resources**.

Even if endangered, public services are vital for the economy, as they include sectors such as water, energy, health, education, public transport, telecommunications, waste management, public administration and local and regional authorities.[1]

CEEP is the main public services' representative in Brussels, and it will be working side by side with the Luxembourg Presidency to support it in the fulfilment of its major goals. Either gained by our many research projects or by our membership expertise, CEEP can provide information on topics related to public services, and help the Presidency to achieve its goals.

[1] Cfr Mapping of Public Services, Appendix A, pp. 119-120.

BOOST GROWTH AND EMPLOYMENT

An investment strategy and the Juncker Plan

What the Presidency intends to do:

The work of the Luxembourg Presidency will build on the Investment Plan for Europe [...] The implementation of the European Fund for Strategic Investments (EFSI) will mobilise existing European savings and funds to finance strategic investment projects providing added value to the European Union. The Fund has been set up within the framework of the European Investment Bank (EIB) and can therefore rely on the EIB's expertise and experience, not only during the project selection process, but also in the form of technical assistance for the development and implementation of projects.

What CEEP says:

- The long-term should stay the main focus for investing in the real economy. The renovation of the European internal market, the creation of effective policies to reinvest in our industrial potential and in our education systems, the complementarity of public and private sectors, must bring new answers while sharing risks and opportunities.
- EFSI focuses on projects regardless of their geographic location. While this will increase the volume of cross-border projects and fundings, it ignores the different investment needs of Member States. It is clear that the EFSI, while being an important tool, will not be able to fulfil alone the investment gap in Europe.
- The development of the third pillar of the Investment Plan should aim at reducing the investment gap, while pushing for a holistic approach towards long term investments in all EU policies.

More on CEEP position:

CEEP Opinion on the Investment Plan

Press release: EFSI is a step to close the European investment gap

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The EMU and the 'fiscal consolidation-investment-structural reforms' triptych

What the Presidency intends to do:

Following the presentation [...] of a report on the completion of the Economic and Monetary Union (EMU), the Luxembourg Presidency intends to direct this work towards an approach integrating the four pillars of the EMU, which are currently being implemented at a varying pace, in order to promote a return to growth and an employment boost within a framework of solidarity and budgetary discipline as well as a more social Europe.

At the informal European Council meeting held in February 2015, the Heads of State and Government reaffirmed the value of the triptych model founded on fiscal consolidation, relaunching growth through investment and structural reforms that have a positive impact on sustainable, balanced growth.

What CEEP says:

- The introduction of the triptych 'Investment-Fiscal responsibility-Structural reforms' was an important change, emphasising the more growth-friendly fiscal responsibility over fiscal consolidation.
- The European Semester and the country-specific recommendations should aim at improving the balance between the main goals of delivering ambitious structural reforms, pursuing responsible fiscal policies aiming at short-term stabilisation and long-term sustainability, investments and growths.
- The Five Presidents' report on the completion of the EMU is a step in the good direction. That report is highly relevant and is symbolically important. Setting up a euro area treasury accountable at the European level is a great step, not only for the completion of the EMU, but for the EU project as a whole.

More on CEEP position:

Speech: Reforms, investments and fiscal responsibility are the way forward

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Better Regulation

What the Presidency intends to do:

The Presidency will contribute to a sound application of the principles of subsidiarity and proportionality. Updating the Interinstitutional Agreement on better law-making, based on the proposal submitted by the Commission, falls within this context and will enable better interinstitutional cooperation. In accordance with the capacity of the other institutions to participate in this process, the Luxembourg Presidency will seek to advance negotiations on establishing the foundations of an agreement that will ensure high-quality legislation, in a context of sustainable development, resulting from a transparent and efficient legislative process.

The Presidency will step up the interinstitutional dialogue on the content of the Commission's annual work programme.

What CEEP says:

- CEEP welcomes the new approach proposed in the European Commission's Better regulation package. More transparent, inclusive and evidence-based decisions through a systemic approach are needed to ensure that EU measures are fit for the needs of citizens, enterprises and public administrations, including public services providers. More importantly, it will enable to increase the ownership of the European project.
- Better regulation has a great potential to contribute to jobs and growth in Europe by helping to establish a clearer and more predictable regulatory environment and to create the right environment for accompanying the on-going modernisation of public services across Europe.
- There is some room for improvements in order to make sure that Better regulation will be effective. Stakeholders need to be better informed on how decisions are taken at each important step of the policy-cycle. In particular, the comitology delegated acts procedure and the 'trilogues' need to be made more transparent.

- Additional public consultations channels are very welcome. Nevertheless, timing, intelligible drafting as well as transparency on how the results are taken into account need to be considered and improved.
- A more evidence-based decision-making is needed to ensure the quality of political decisions, but the requirement of impact assessment should not end up paralyzing decisions. In addition, local impacts must be better taken into account.
- In order not to undermine the balance between social, environmental and economic objectives, it is fundamental that the new REFIT approach fully embraces the principles of transparency and legal security. In addition, we call on the European Commission to include the general cross-sectoral social partners in the REFIT platform.

More on CEEP position:
CEEP Opinion on the European Commission Package "Better Regulation For Better Results – An EU Agenda"

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DEEPENING THE EUROPEAN UNION'S SOCIAL DIMENSION

Relaunch of social dialogue

What the Presidency intends to do:
The Luxembourg Presidency will support the idea of the President of the European Commission for a Europe with a 'Triple A social rating'. In order to advance this ambitious project, the Luxembourg Presidency will work closely with the European Parliament, the Commission, the Member States and the social partners.
The appointment of a Vice-President of the Commission, responsible for both the 'euro' and 'social dialogue', underlines the importance that the Commission places on relaunching the social dialogue. The Luxembourg Presidency will lend its full support to the Commission in its efforts to involve the social partners in order to ensure better economic and social governance at the European level.
Although policies on social protection and employment are first and foremost a matter of national competence, the Union shares responsibility with its Member States in certain areas.

What CEEP says:
- At the high level conference 'A New Start for Social Dialogue' on 5 March, CEEP reiterated the commitment of public services employers' to a Tripartite Social Dialogue fully integrated to the EU decision-making process, which remains the pre-condition for the legitimacy and ownership of reforms implemented through the EU semester.
- At bipartite level, CEEP also contributes to reinforcing industrial relations in public services, especially where effectiveness and efficiency need to be increased through modernisation and reforms.

- CEEP launched in 2010 the Public Services Employers' Forum, together with several sectoral employers' organisations[2]. On the occasion of the re-launch of Social Dialogue, the PSEF presented a joint declaration, restating its commitment to social dialogue.

More on CEEP position:
For a new start for social dialogue
Joint declaration of the Public Services Employers' Forum in view of the High level social dialogue event on 'A New Start for Social Dialogue'

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Review of the EU2020 strategy

What the Presidency intends to do:
The Europe 2020 strategy that needs to be readjusted quickly must prioritise education, training and qualifications. Investment in people, especially young people, will also be essential for the successful creation of a European digital market. The inclusive growth objective as a flagship initiative of the Europe 2020 strategy must be established within a system of reference to support Member states in their efforts to modernise social policies.
The Luxembourg Presidency will continue work on the revision of the Europe 2020 strategy by 'greening' the European Semester to better integrate environmental sustainability into the wider cycle of economic governance.

What CEEP says:
- The Europe 2020 strategy should remain the guiding approach of the EU policy making.
- An efficient and working articulation between local, European and global levels is essential for the EU2020 Strategy to deliver positive results. European targets need to be translated into ambitious and measurable national targets, and assessments must be carried out, using additional indicators and qualitative analysis.
- A clear link between investments in social capital and economic performance exists: high poverty rates threaten the possibility for human capital to support the long-term growth potential of the European economy. The EU2020 should not fail to address social capital, as it would be short-sighted and a missed opportunity.

More on CEEP position:
CEEP Opinion on the mid-term Review of the EU 2020 strategy

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[2] Composition of the PSEF: CEEP, UITP, CER, EFEE, HOSPEEM, EURELECTRIC, EBU and CEMR

Boost social investments

What the Presidency intends to do:

The Luxembourg Presidency will focus on social investment and, in particular, on investment in human capital, that is to say skills. Particular attention will be paid to digital skills, thus demonstrating the Luxembourg Presidency's commitment to digital technology. Digital technology will be vital in the future to make our economies more productive, increase their growth potential and strengthen competitiveness.

What CEEP says:

- Investments should aim at increasing both the quantity and quality of jobs created. Investing in sectors such as health, social services and education has a high job creation potential and positive outcomes for the whole society. Despite this, investments in those sectors remain constrained and undervalued. Their social added value should be better assessed and promoted by institutions.
- There is a need for more and better targeted public investments to respond to the needs of the most depressed European areas where such sustainable jobs are most needed.
- The European funding tools and mechanisms need to be made more complementary in order to reach their objectives in a coherent way. There is tremendous potential for creating sustainable jobs in the currently underused European Structural Investment Funds.

More on CEEP position:

Press release: PSS: the social potential of investing in public services

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Placing the European competitiveness in a global and transparent framework - TTIP & other trade agreements

What the Presidency intends to do:

The Luxembourg Presidency will focus on continuity and coherence in the field of trade policy, notably in terms of growth, job creation, opening third markets and sustainable development. These objectives define current trade policy (2010 communication) for both external (trade negotiations) and internal (legislation) affairs: an update to this communication should be submitted during the second semester of 2015.
The Luxembourg Presidency will advance discussions on the Transatlantic Trade and Investment Partnership (TTIP) which will intensify during the second semester of 2015, when issues of substance will be addressed.
The Luxembourg Presidency will pay particular attention to discussions on the Investor-State Dispute Settlement (ISDS) mechanisms and other more sensitive issues. The Luxembourg Presidency will promote maximum transparency in this regard.

What CEEP says:

- CEEP supports free trade and the promotion of fair international trade rules. However, trade agreements should not put at risk the provision of high-quality services of general interests in Europe, now and, more importantly, in the future. The commitments taken by the EU have to respect the existing Acquis for Services of General Interest.

- The possible implications for public services of trade agreements such as TTIP and CETA are highly uncertain, even more given that the scope of negotiations has been considerably broadened including sensitive areas such as public procurement, subsidies, competition rules and investment protection. Also, it makes it even more challenging to find an effective approach to protect public services.
- All Service of general (Economic) Interest should be excluded from liberalisation requirements. In this context, CEEP has always been calling for a positive list approach and is concerned that the hybrid-list approach supported by the EU would not provide sufficient legal certainty for the protection of Services of General Interest. For instance, it is not yet clear which restrictions the negotiators would identify under "market access" and which under "national treatment".
- CEEP strongly opposes a negative-list approach (such as included in CETA) as it is impossible to list all public services in an exhaustive way. Furthermore, such an approach submits de facto all 'new services' to market liberalisation requirements. The negotiated rules for opening public procurement markets should not go beyond the current EU regime. Negotiators should ensure the respect of EU Public Procurement rules, notably with regard to local self-government, “in-house”, public-public cooperation and the possibility to include social and environmental award criteria.
- The same should apply for subsidies and competition rules, as article 106 TFEU[3] should be fully transposed into the texts of the trade agreement.
- Reforming the ISDS mechanism is fundamental in order to address concerns over transparency, conflicts of interest, the possibility of appeal and the right to regulate. In the light of these concerns, CEEP welcomed the concept paper of the European Commission on a reformed ISDS as well as the position of the European Parliament in this regard.

More on CEEP position:

CEEP Opinion on TTIP

CEEP Response to the EC Consultation on ISDS in TTIP

CEEP Response to the ombudsman consultation on transparency in TTIP

SGI for Everyone

[3] Which states that undertakings providing SGEIs are exempted from competition rules if their performance in delivering a SGEI task is obstructed.

REVITALISING THE SINGLE MARKET

Digital Single Market

What the Presidency intends to do:

The Luxembourg Presidency welcomes the importance given to the development of the single digital market by the European Commission – identified as one of its ten priorities – a logical continuation of the efforts undertaken to establish the single market.

The Luxembourg Presidency will encourage an approach based on the principle of 'digital by default' which will ensure that European Union legislation really does provide good solutions for exploiting new technologies and for helping the European digital economy take off.

The Luxembourg Presidency will therefore promote initiatives in fields as diverse as civil liberties (reuse and protection of personal data), telecommunications, cross-border e-commerce, online public services (eGovernment), research and innovation (Big Data, Cloud Computing), employment (inclusion), energy (efficiency), industrial policy, transport as well as education (skills).

The Luxembourg Presidency will focus on the issue of digital skills to meet the needs of the IT sector.

What CEEP says:

- New technologies change expectations and comportments, pushing providers to evolve rapidly as technology is developing exponentially. Digitalisation leads to new third parties, sometimes from completely different sectors, to enter the markets.
- Citizens and companies have a legitimate expectation that digital access to public services, whatever the sector of activity, should be simple and efficient. Online services are crucial to reducing costs and increasing the efficiency and the quality of the services provided.
- The accessibility of those services is directly linked to the access to reliable and efficient networks. There is clear need now to connect rural areas to broadband network, or some citizens might end up being left on the side of the 'digital revolution'. There is a need to set up incentives to encourage such investments, for instance through more flexible state aid rules.

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Energy Union and the Emission Trading Scheme

What the Presidency intends to do:

The Energy Union as proposed by the Commission promotes the emergence of a horizontal energy strategy based on an ambitious action plan and targets the implementation of a new form of governance.

The Luxembourg Presidency will strive to implement robust governance based on dialogue between the Commission and the Member States with the added value of the regional and Community dimension. The Luxembourg Presidency will focus on innovation, research and the new technologies used in energy transition (essentially in the field of renewable energy, energy efficiency and integrated resource management) as key catalysts for sustainable, green growth that will create wealth and boost employment throughout the EU.

The Presidency will address the issue of financing the transition to sustainable energy in view of the establishment of the European Fund for Strategic Investments (EFSI) and will ensure better coordination between all the existing European financial instruments.

What CEEP says:

- The Energy Union project is a solid basis for an ambitious and sustainable European energy and climate policy as well as for the achievement of the EU's overarching priorities for economic growth and job creation. The Energy Union is also deeply intertwined with other major European strategies.
- The Energy Union should focus on fully implementing existing legislation rather than pursuing new legislation. Particular attention should be given to the implementation of the Third Energy Package and the revival of the Emission Trading Scheme (ETS).
- Citizens and customers should be put at the heart of the ongoing transition of the European energy system as public acceptance is indispensable for the realization of highly needed infrastructure projects. In this context, a stronger focus on the local and regional dimension of the Energy Union is needed.
- Social partners can contribute to maximize the growth and job creation potential of the Energy Union. It can represent a success factor in the transition to a more sustainable economy, in particular through reinforced training, up-skilling and re-skilling of workers as well as the improvement of the current European framework on recognition of competences.

More on CEEP position:

CEEP Opinion on the Energy Union

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Transport policy and the 4th Railway Package

What the Presidency intends to do:

The Luxembourg Presidency will strive to achieve the aims of the European transport policy, which seeks to promote effective, safe, reliable, accessible and socially responsible mobility. It will also endeavour to create suitable conditions for a sustainable, innovative transport industry that generates first-rate jobs and good working conditions in order to bolster the EU's prosperity and economic competitiveness, whilst respecting the social, financial and ecological balance.

In a bid to promote the least polluting means of transport, the Luxembourg Presidency will continue work on the Fourth Railway Package both within the Council and with the European Parliament. The Presidency will try to make progress on the proposal regarding technical requirements for inland waterway transport.

The major priorities for the European transport policy, as set out in the 2011 White Paper, must be reviewed in a critical, pragmatic and results-orientated spirit. The Presidency will launch a wide-ranging debate on the European transport policy.

What CEEP says:

- The completion of a competitive European railway market requires a quick decision on the technical pillar of the Fourth Railway Package, i.e. ensuring interoperability and accelerating licensing procedures. Therefore, everything should be done to reach a fast conclusion on these elements. Clear and high priority should be given to the quick completion of the technical pillar. In this context, CEEP welcomes the progress achieved over the last months.
- Whilst welcoming the amendment of the European Parliament to include regional bodies in the definition of a competent authority, CEEP still prefers the retention of the existing text in Regulation 1370/2007.
- With regard to the award of public rail passenger transport contracts, CEEP underlines the general spirit of regulated competition in providing transport services. Nevertheless, it is important to keep direct awarding as one of the options of competent authorities, in those cases in which general economic and social reasons advise to do so. No "one size fits it all" and flexibility should guide the public service contract awarding process with as first target to make the right choices to enable a qualitative development and organisation of services of general economic interest, in particular railway services.
- CEEP welcomes the intention of the Council to remove the detailed content requirement for public transport plans proposed by the Commission. Whilst welcoming the current compromise proposed by the Presidency, CEEP urges further simplification, in particular on consultation requirements which should be voluntary and leave open to competent authorities the choice of potential consultees, rather than specify certain stakeholder groups.
- In view of the Single European Railway Area Directive 2012/34 on travel information and ticketing system, CEEP does not support the amendment adopted by the European Parliament which in certain respects is unworkable, would impose a rigid and bureaucratic ticketing and travel information system, and hinder innovation. Instead we favour the Commission's original text and the current compromise promoted by the Presidency.
- As cross-sectoral social partner, CEEP deems crucial that the social aspects of the Fourth Railway Package need to be properly taken into account. In a competitive environment, it is crucial to enable a social level playing field. CEEP urges the Council to ensure that the Fourth Railway Package guaranties the same social conditions for all market participants at the best level possible. CEEP thus recommends a strong political signal in favour of a harmonised framework at national level as well as to establish a possibility for transport authorities either regarding transfer of staff or alternatively to include social clauses in the call for tender.

More on CEEP position:

Press release: CEEP priorities for ongoing debate on the 4th Railway package
Letter to EU Transport Ministers on the negotiations on the Fourth Railway Package

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PROMOTING SUSTAINABLE DEVELOPMENT

A green and circular economy

What the Presidency intends to do:

Sustainable economic development for the benefit of citizens necessarily goes hand-in-hand with the most ambitious environmental criteria. The Luxembourg Presidency will make every effort to accelerate the transition towards a green economy with low greenhouse gas Emissions by creating the dynamics required to build a sustainable and safe society. The Presidency will also encourage the emergence of an innovative, circular and competitive economy which is energy-light and respectful of biodiversity and natural resources, minimises waste and encourages cost-effective recycling.

What CEEP says:

- The circular economy is an important step towards a new social model in which resource efficiency becomes the key driver for both economic growth and environmental protection.
- CEEP embraces the ongoing work on a new Circular Economy strategy as it represents an outstanding opportunity to realize the objective of a more sustainable economy. Managing waste means managing resources.
- A European Circular Economy Strategy, as the European Commission intends to present, has an enormous potential to set free investment in resource-efficient technologies and services. It could become a driving force for the European economy as a whole.
- Increasing recycling, in quantity and in quality and, is a must. Landfill reduction targets are therefore a crucial part of achieving a circular economy.

More on CEEP position:

Press release: CEEP supporting the Circular Economy, Driver for growth and jobs

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COP21 and International Climate negotiations

What the Presidency intends to do:

During the Paris Conference on climate change, international negotiations should lead to the adoption of a new, ambitious and binding treaty with universal participation, t o e nsure t hat g lobal w arming is kept below two degrees Celsius. The Paris agreement must cover the issues of attenuation, adaptation, financing, technology transfer, capacity building in poor countries and policy transparency.

The Luxembourg Presidency will steer the discussions with a view to adopting an ambitious negotiating mandate. It will combine its efforts with those of the European Commission to ensure that the EU can make its voice heard during the negotiations to be held throughout the second semester. It will also place special emphasis on the issue of climate financing.

What CEEP says:

- The 2030 Framework for Energy and Climate, in particular the EU's commitment to a 40% reduction of GHG was a first and important step into the right direction. It is a clear signal that decoupling of economic growth and emissions reductions is possible.
- The EU has to commit itself to the aim of continuing to be the worldwide leader towards the realistic and cost-efficient achievement of climate protection targets by market-based instruments. In order to promote this commitment in a credible manner at international level, the EU has to quickly decide on further action, including through high coordination of the contributions of all Member States. The success of the climate negotiations is in the EU's own self-interest, in order to realise a level playing field at international level.
- At EU-level, an ambitious and sustainable reform of the post-2020 Emission Trading Scheme (ETS) should be a priority during the Luxembourgian Presidency. It has to be ensured that the ETS delivers an appropriate price signal that stimulates investment in the decarbonisation of the economy, including in the field of energy generation and transport.

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PROJECTS

Over the past few years, CEEP has managed several projects on the issue of management and anticipation of change in public services. Experience earned in this field now has a very specific value in the context of the management of the crisis in several Member States. CEEP is fully ready to provide 'technical assistance' to enterprises and governments currently facing the need to reform public services at high pace.

CEEP is currently carrying out two main projects as lead applicant:

Training and Promotion of Social dialogue measures for Public services

With the support of CRA UZS, ETUC and in close cooperation with EPSU, CEEP will intake social dialogue activities in countries and sectors with less experience in European social dialogue. This project aims at supporting people in the 12 Countries that have joined the EU since 2004 in two senses: raising their knowledge of EU Labour policy and their ability to be involved at EU level; helping them understand the effects of the cross-industry social partners' agreements, looking at how the implementation of these agreements affect public services in their countries.

Social services in European cross-industry Social dialogue: towards a strong and deeper involvement

This project, dedicated to the analysis of the social services sector at European level, started in 2014, and has a clear objective: it aims at exploring the involvement of social services in cross-industry social dialogue. To reach this goal, partners in the project will deliver a report about the results, main findings and recommendations from the survey that is currently being conducted in 14 EU Member States to map the structure of the potential social dialogue players in social services, in the branches of social services enumerated in the NACE codes.

CEEP is also managing several long-running projects:

- CEEP and its members are strong **promoters of Corporate Social Responsibility in public services** via the CEEP-CSR Label which awards enterprises complying best with CSR. Since 2008, more than 100 enterprises have been awarded the CEEP-CSR Label, the only European CSR label for public services.
- CEEP also helps all applying enterprises to **improve their CSR commitments thanks to tailor-made** reports indicating strengths and weaknesses.
- CEEP is also the **founder of the Public Services Employers' Forum** (PSEF), an informal platform which gathers public services' employers in European sectoral and cross-sectoral social dialogue. Partners of the PSEF are the sectoral employers organisations involved in education, electricity, hospitals and healthcare, local and regional administration, public transport and railways. Partners of the PSEF are CEEP, UITP, CER, EFEE, HOSPEEM, EURELECTRIC, EBU and CEMR.

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