

POLICY KIT

with regard
to the Maltese Presidency of
the Council of the EU
1 January 2017 – 31 June 2017

CEEP, the European Centre of Employers and Enterprises providing Public Services and Services of General Interest, represents employers and enterprises providing services of general interest since 1961. Our members are organisations active in fields such as:

- Central & local administrations,
- Healthcare,
- Education,
- Housing,
- Waste management,
- Energy,
- Transport,
- Water,
- Environment,
- Communications.

Modern public services and services of general interest (SGIs) support the fundamental goals of the EU, enabling business, social and territorial cohesion, economic and social solidarity and a better quality of life for all EU citizens.

This Policy Kit, prepared considering the priorities of the Maltese presidency of the European Union, aims at presenting key CEEP positions on the main files currently discussed at the European level.

PRESIDENCY PRIORITY THEME - REUNION

CEEP presented in December its contribution to the discussions on the future of the EU, presenting the key role employers and providers of public services can play in re-connecting the EU institutions and the EU citizens. The main axes for reflections brought forward are the following:

- There is a striking need for the EU social and economic model to be strengthened in these turbulent times. **Public services and SGIs have a lot to offer, considering their important potential to improve the living standards and to boost regional development.** Many regions are now failing to attract investment and economic activity, due to a lack of public services and SGIs' infrastructures, skills and connectivity, reducing the potential at national, regional and local level. To break this vicious cycle, we need to foster European regions' attractiveness by supporting their ability to develop quality public services and SGIs such as health, security, education, innovation. **A renewed priority for inclusion and productivity is key to improving living standards and supporting regional developments.**
- In addition to the already existing weeks (such as the Covenant of Mayors, the European Week of Waste Reduction, the European week of Sports, the European Mobility week), CEEP could support the organisation of a **European Week of Public Services**. During this Week of Public Services, participants at national, regional and local level would discuss the added value of the internal market for the preservation and promotion of their values and identities. It could be worthwhile to gather all decentralised actions already in place by the EU and analyse how they can be used to communicate better the added value of the EU for each and every citizen.
- CEEP thinks that the EU needs a **holistic communication strategy** to be rolled out at national, regional and local level. This does not mean that we need a new EU communication body. We think the solution can be achieved through a **decentralised implementation**. Furthermore, holistic doesn't mean to only concentrate on "hard facts" like economic and social data. Recent political discussions, whether at international, EU or national level showed that **people need to be emotionally touched**. Public services are an example of such an "emotional good" that 500 million Europeans rely on in their everyday life, that are tangible for them and public services and SGI providers are an important intermediary between the EU and the citizens.

More: [CEEP Contribution to the White Paper on the Future of the EU](#)

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GENERAL AFFAIRS

BETTER REGULATION, ACCOUNTABILITY AND TRANSPARENCY

- **Better regulation** needs to be a collective effort to be effective and legitimate. It overall strengthens the equal footing of the co-legislators and strikes the **right balance between democratic and evidence-based, transparent, inclusive decision-making**.
- Impact assessments are a tool to help reach well-informed decisions and should not substitute political and democratic decision-making as well as lead to undue delay and must “assess economic, environmental and social impacts in an integrated and balanced way”. Furthermore, whenever possible, it should **look at the cost of non-Europe and the impact on competitiveness and administrative burdens**.
- On its reply to the public consultation on the **Transparency Register**, CEEP brought forward three key elements:
 - **A mandatory Transparency Register, for all institutions;**
 - **Correcting the current shortcomings first:** clear guidance, control on the quality of the information, reinforcement of the Transparency Register Secretariat and proper enforcement;
 - An **inclusive Transparency Register**, bringing together EU institutions, citizens and grass-roots organization outside of Brussels.

More:

- On Better Regulation: [CEEP Comments on Draft Interinstitutional Agreement on Better Regulation](#)
- On the Transparency Register: [CEEP Reply to the Public Consultation](#) and [Annex](#)

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ECONOMIC AND FINANCIAL AFFAIRS

ECONOMIC GOVERNANCE

- One of the main problem with the current rules of the EU economic governance (and the Stability and Growth Pact – SGP) is that they do not make a distinction between operational expenditures and investments. The situation has become even worse since the application of the European System of National and Regional Accounts in force since September 2014.
- Public investments are currently calculated in the deficit and debt criteria over the short period of the construction duration, whereas they should be considered as long-term investments and written off over a far longer period of 15 to 20 years.
- This issue may only be the tip of the iceberg when we consider the full consequences of the SGP on public investment in Europe. That is why we believe that we must now take a step back and decide collectively which form of expenses are indispensable to our relaunch and should accordingly be supported by the EU and its Member States, not only politically but also technically. This implies an honest and non-dogmatic review of SGPs, including its interpretative communication of 2015.

More: [CEEP Speech at the Rome Investment Forum 2016](#)

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INVESTMENT

- CEEP welcomed the renewal and empowerment of the European Fund for Strategic Investments (EFSI). However, it will not be enough to attract investments into what has proved to be problematic in the first phase of the plan: investments in social infrastructures.
- There is no natural appetite for private investors to go there. It requests a stronger political and public intervention, and for Member States to think outside of the box. Social impact bonds, where private investors provide capital to support the provision of social services with public value, are very good examples of such innovative approach.
- Boosting public investment has many positive long-term effects, as it can contribute to the economy's potential output by increasing the stock of public capital. But for that, the fiscal rules need to be adapted. For example, expenditure in education and healthcare directly contributes to reinforcing human capital stock, enhancing the supply side of the economy and contributing to growth. Despite this, it is currently considered to be an expenditure rather than an investment.

More: [“Innovative Public Investment to Boost Economic Growth”, said CEEP at MEDPOL](#)

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EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMER AFFAIRS

AN AGENDA FOR NEW SKILLS AND JOBS

- CEEP welcomed the priorities identified in the ‘New Skills Agenda for Europe’. Employers if public services struggle to match skill needs and workers. Identifying and addressing skill needs and increasing the comparability of qualifications across Europe are priorities to encourage job creation and facilitate mobility.
- CEEP particularly supports the launch of a ‘Digital Skills and Jobs Coalition’, which is an important step to accompany the digital transformation. Adapting to the digital era and finding the workforce with the right skills remains a major challenge for many of our members, and it requires solutions.
- The EU economic and social partners also called in a joint statement in March 2016 for the integration of migrants and refugees in European labour market. The proposed ‘Skills Profile Tool’ goes in the right direction and could directly contribute to addressing the refugee crisis by better recognising their skills and qualifications.
- A renewed European Qualifications’ Framework is also necessary to encourage mobility across Europe, which could benefit both Europeans and third country nationals.

More: [Press release: The New Skills Agenda for Europe, a Much-needed Tool to Modernise Labour Markets](#)

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ECONOMIC AND MONETARY UNION AND PILLAR OF SOCIAL RIGHTS

- CEEP welcomes the new initiative of the European Commission to streamline the Social dimension of the EMU. The future instruments should address the urgent need to level the playing field all around Europe with the objective of fostering a society that is both

economically performant and inclusive. We welcome the clear recognition of key services of general interest (SGIs) as essential elements to overcome the crisis and to move towards a deeper and fairer Economic and Monetary Union.

- The Pillar should be a general strategic document which is not legally binding but states different objectives that the member states, regional and local authorities, social partners and citizens should/will be committed to. A proper way forward would be for the Principles of the Pillar to be implemented via the European Semester and to serve as guidance during the drafting of the country reports and Country Specific Recommendations.
- The way forward is not necessarily for the Pillar to produce new EU Social legislation but to make sure that the existing one is still fit for purpose. The EU Social Acquis already encompasses 70 directives providing workers with protection and rights including: information and consultation of workers, awareness of conditions of employment, equal treatment, health and safety. Hence the problem is not quantity but quality.
- The way forward will be for the Pillar to provide an opportunity to foster a better understanding of the differences between the national industrial relations systems and to define possible common reference principles to foster convergence. CEEP calls for the definition of common benchmarks which would promote and develop quality, accessible and affordable public services in the context of national structural reforms.
- Respecting the principle of subsidiarity will be key for the success and widespread acceptance of the European Pillar of Social Rights. As a unique model that would work for every country does not exist, only member states can anticipate the implications of policy initiatives at national, regional and local level.
- The competences in the social area lie mainly with the member states e.g. wage formation is the exclusive competence of the member states and/or social partners, which is why they should always be the entity deciding upon which policy measures to implement to achieve the goals in the pillar.
- The role of the social partners will be equally critical and should therefore be integrated in the pillar in a transversal way, making it clear that social policies cannot achieve their goals and deliver sustainable effects if social partners are not fully involved in their shaping and implementation.

More: [CEEP Opinion on the European Pillar of Social Rights](#)

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TRANSPORT, TELECOMS AND ENERGY STRATEGY FOR AN EU ENERGY UNION

- CEEP supports the attempts to realise reliable national energy and climate plans. They should ensure a more coherent approach towards the achievement of the objectives of the EU 2030 Climate and Energy Framework, while avoiding to limit Member States in the choice for their way towards decarbonisation.
- Social partners should be involved in the process, in order to keep citizens and customers at the heart of the transition of the European energy system. Public acceptance is indispensable for the successful implementation of energy and climate policies. A stronger focus on the local

and regional dimension of the Energy Union, with the inclusion of citizens beyond their sole capacity as consumers, would also be helpful.

- CEEP very much welcomed that the institution's work on the Commission's Heating and Cooling Strategy sends out a clear sign in favour of efficient and sustainable solutions and encourages the Council and the other EU institutions to ensure a concrete follow-up, among others through the current review of the Energy Efficiency, Energy Performance of Buildings and Renewable Energy Directives.
- CEEP welcomes the Commission's Winter Energy Package and will provide input to the legislative discussions on the Package's different elements. A fully-integrated internal energy market should be at the heart of the Energy Union project, among others through the full implementation of the Third Energy Package and a market based approach to renewables. As in the medium to long run the energy-only market will not be sufficient to ensure security of supply, a new market design that values the provision of firm capacity should be developed.
- CEEP welcomes the holistic approach of the Commission initiatives and is particularly delighted by the recognition of the crucial role of transport. The decarbonisation of this sector has to be tackled more than in the past through concrete action at EU level.
- CEEP members need the right conditions to actively anticipate and manage the energy transition and therefore welcome that this crucial issue is highlighted in the State of the Energy Union, among others in view of its skills dimension.

More: [CEEP Opinion on the State of the Energy Union](#)

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TELECOMMUNICATIONS SECTOR AND DIGITAL SINGLE MARKET

- Public services have to deliver services to all citizens. An inclusive digital transformation requires to deepen the penetration of digital infrastructure in rural areas and increase digital skills. Policy choices should leave flexibility and be technologically neutral, allowing public services' providers to find cost-effective solutions to adapt services.
- Increasing transparency, trust and security in the digital economy is a core concern. The elaboration of clear and effective guidance following the approval of the GDPR requires the inclusion of all stakeholders in the discussions. Furthermore, public services' providers are committed to contributing to the discussions on data ownership and liability.
- The future of public services lies in horizontal integration. Important synergies between infrastructures could be created. It is essential to develop effective ICT standards which enable interoperability between different domains, in strong partnership with end-users.
- Managing the impacts of the digital revolution on the workforce will be a major challenge. It will require retraining and attracting digital-savvy employees and management. It is essential that initiatives such as the Grand coalition for jobs take a holistic approach.
- Public services' employers will have to deal with the impacts of the digital transformation on labour market. In order to create a fair digital economy, the EU needs to work hand in hand with the social partners to assess the impacts of digitalisation on the labour market.

More: [CEEP Opinion on Digitalisation: "Harnessing the Digital Transformation of Public Services"](#)

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ENVIRONMENT

FOLLOW UP TO THE COP21 AND THE 2030 CLIMATE AND ENERGY FRAMEWORK

- Public services providers support ambitious climate action. They are committed to climate action through their business culture and their sectors of activity. Their approach is based on the logics of sustainability, taking into account its environmental aspects, as well as its economic and social dimensions.
- Mitigation policies should take a comprehensive approach and be structured around resource efficiency and decarbonisation. Several public services sectors have an important mitigation potential. In order to fully exploit this potential, the current orientation in Europe to put into place a European Emissions Trading Scheme (ETS) must imperatively provide a true and fair carbon price, creating a level-playing field to incentivise investments that foster the decarbonisation of the European economy.
- Adaptation policies should be seen as complementary to mitigation policies as they provide measures needed to tackle the negative consequences due to climate change. Adaptation measures should include the protection of infrastructure in order to increase their resilience. The implications of climate change on sectors such as water, energy and transport, need to be urgently considered.
- Climate change policies cannot ignore the investment challenge. There is a strong economic case for investing in climate action as this will create the sustainable growth and jobs Europe needs. In order to unleash the full potential of investments in climate-friendly solutions, private investment needs to be underpinned by public investment.

More: [Contribution of Public Services' Providers to Climate Action for a Successful and Ambitious COP21](#)

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CIRCULAR ECONOMY PACKAGE AND WASTE LEGISLATION REVIEW

- Having in mind the overall ambition of making waste management one of the cornerstones of a circular economy, CEEP among others calls for a coherent definition of municipal waste, sustainable Extended Producer Responsibility (EPR) schemes and a reliable commitment to move towards an end of landfilling.
- CEEP believes that adding a quantity criterion to the definition of “waste” (as suggested by the Commission) is inconsistent with the OECD/Eurostat definition of municipal waste, which doesn't include the quantity criterion and specifically refers to commerce, trade, business and other institutions as sources of municipal waste. A quantity criterion would also have a deep impact on existing, environmentally sound and efficient public waste management systems. Waste collection systems incur mostly fixed costs for infrastructure. By allowing other sources of municipal waste to opt out from collection schemes based on quantity, these fixed costs would be distributed among a smaller number of remaining payers and therefore lead to higher costs for consumers and households.
- On the Extended Producer Responsibility (EPR) schemes, CEEP supports the introduction of minimum requirements while it is left in the remit of the Member States to decide on the use of this instrument. More clarification is however needed to avoid misinterpretations, in

particular regarding cost recovery and the relation between organisations in charge of the implementation of EPR schemes and public waste management operators.

- Only after reaching an agreement on reliable measures to move towards an end of landfilling in Europe that a real circular economy can come into existence. CEEP repeats the demand for a quick landfill ban for biodegradable waste as well as for waste that can be recycled or thermally recovered. Such a ban needs to be introduced in all Member States as it would be the most effective way to support waste prevention, reuse, recycling and other efficient ways of recovery, and thus the shift towards a real circular economy.
- Recycling targets for municipal waste must be quite ambitious, as proposed by the Commission. Recycling measures should indeed be further boosted in the European Union. This should be done as long as recovery of secondary raw material is less expensive and resource intensive than primary raw material extraction. It should be borne in mind that primary and secondary raw materials need to be treated equally so that the same environmental requirements apply to both.

More: [CEEP Input to Ongoing Debates on the Waste Legislation Review](#)

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FOREIGN AFFAIRS

TRADE

- CEEP supports a coherent implementation of the EU trade strategy and sees free trade agreements as an opportunity to set worldwide well-designed standards to support sustainable development, including by safeguarding subsidiarity and the essential role played by services of general interest (SGIs) and the social economy. Therefore:
- More legal certainty is needed over the safeguard of the provision of SGIs in international trade agreements. Standard clauses are needed to preserve the discretionary power of national, regional and local authorities in how to provide, organise, finance and commission SGIs, and notably services of general economic interest (SGEIs) subject to trade agreements.
- The EU should pursue effectively the Sustainable Development Goals 2030 in its trade policy. Binding and enforceable provisions to promote high environmental and labour standards need to be included in all future FTAs negotiated by the EU and any attempt of social and environmental dumping should be prevented.
- CEEP calls the European Commission and Member states to continue their efforts towards a more evidenced-based, inclusive and transparent trade policy. Furthermore, in a democratic system, competent authorities should not find it difficult to enact any standards because of fearing to be challenged by corporate claims.
- Trade agreements need to be fit for the digital age. Cross-border data flows, if addressed, shall be in compliance with data protection and security rules in force in the country of residence of the data subject. New services should not be automatically included in EU market access commitments without re-negotiation. In addition, the “digital dimension” of products and services shall be negotiated in the context of their respective original classifications.

More: [CEEP Opinion on EU Trade Agreements](#)

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JUSTICE AND HOME AFFAIRS

MIGRATION AND ASYLUM

- The European economic and social partners (CEEP, ETUC, BUSINESSEUROPE/UEAPME, EuroChambres) addressed to the EU leaders in March 2016 a joint statement regarding migration and the integration of refugees in the EU society.
- Strong public services are of prime importance: CEEP members, mainly operating at regional and local level, are on the front line, providing health, housing, education and water provision services, as well as a wide range of services of general interest.
- Also, the workforce of public services is quickly ageing, calling for future recruitment of many high- and low-qualified employees in core sectors such as waste management, transport, energy and health services.
- Assessing, testing and screening skills and competences is a cornerstone for the inclusion into EU labour markets, and must go hand-in-hand with the organisation of integration courses, housing, language classes and other education and training measures.
- Some of our members are also active in third-country activities, exporting their know-how to third countries, thus helping to rebuild the necessary infrastructure of essential public services and to combat the reasons people leave their countries.
- In terms of financing, we believe that one way to do so is to use the flexibility built in the Stability and Growth Pact to deal with the fiscal consequences of the refugee crisis.
- CEEP, ETUC and EUROCHAMBRES started a joint project “Labour Market Integration of Migrants: a multi-stakeholder approach”, co-funded by the European Commission and approved by DG HOME in December 2016. Its main goal is to enhance capacities of trade unions, employers, chambers of industry and commerce and the Unionmigrantnet’s contact point to support the integration of asylum-seekers and refugees in labour market. The project partners will work together to make skills assessment and skills matching the cornerstone of a revitalised integration strategy in Europe. Three pilot actions will be conducted, implementing multi-layered integration paths for migrants in Italy, Germany and Belgium. OSCE, BUSINESSEUROPE, UEAPME and ILO-Brussels are associated organisations of the action, and contribute to its implementation and dissemination phase.

More: [CEEP Letter to June European Council](#)

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CYBERSECURITY

- Increasing transparency, trust and security in the digital economy is a core concern to public services providers which have a strong expertise in dealing with sensitive data and securing essential infrastructure. The elaboration of clear and effective guidance following the approval of the GDPR (General Data Protection Regulation) requires the inclusion of all stakeholders in the discussions. Furthermore, public services’ providers are committed to contributing to the discussions on data ownership and liability.

More: [CEEP Opinion “Harnessing the Digital Transformation of Public Services”](#)

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COMPETITIVENESS

INTERNAL MARKET

- The Single Market Strategy presented in the fall 2015 aims to adapt to new economic realities due to the digital revolution such as the development of the sharing economy and of start-ups.
- It also wants to ensure a better application of existing internal market legislation. This should be achieved through new legislative actions in targeted areas as well as a stronger culture of compliance thanks to better monitoring tools, improved data collection and increased cooperation with and between Member States and relevant stakeholders/authorities.
- CEEP expects the Single Market Strategy to underpin the creation of a more investment-friendly environment by focusing on the implementation and application of existing legislation.
- In this regard, CEEP considers as a priority to ensure the adequate transposition and strategic application of the new rules on public procurement and concessions. The Commission intends to put in place several actions in 2017 and 2018 to support more efficient public procurement procedures, notably through technical assistance and better monitoring. The effectiveness of the Remedies Directive currently under evaluation could also be improved.

More: [The European Commission published Single Market Strategy](#)

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