



EUROPEAN COMMISSION
DG Employment, Social Affairs and Inclusion

Employment and Social Governance
Social dialogue

EXTRACTIVE INDUSTRIES SECTORAL SOCIAL DIALOGUE COMMITTEE

Plenary Meeting

11 October 2016

DRAFT MINUTES

Participants:

Employer representatives

Mr Georg Mijlocic , EURACOAL, Germany
Ms Magdalena Chawula-Kosuri, EURACOAL, Belgium
Ms Florence Lumen, IMA Europe, Belgium
Ms Hebestreit, Euromines, Belgium
Ms Kasia Palaczanis, Euromines, Belgium
Ms Mirona Coropciuc, Euromines, Belgium
Mr Rafał Szkop, Euromines, Poland
Ms Miette Dechelle, UEPG, Belgium
Mr Vicente Gutierrez, Euromines, Spain (in the chair)
Mr Sebastiz Isart Grau, APEP Spain
Mr Akos Zoltay, Euromines, Hungarian Mining Association
Mr Manfred Steinhage, Euromines, Germany
Ms Fredrik Gunnarsson, SveMin, Sweden

Employee representatives

Ms Corinna Zierold, industriAll, Belgium
Mr Luis Angel Colunga, industriAll, Belgium
Mr Jean-Pierre Damm, FNEM FO, France
Mr Károly Stanitz, BDSZ, Hungary
Mr Jose Luis Villares Suarez, ECOO de Industria, Spain
Mr Victor José Fernandez Vazquez, FITAG-UGT, Spain
Mr Alberto Simoes, SIMA, Portugal
Mr Ferencz Rabi, BDSZ, Hungary
Mr Ralf Bartels, IG BCE Germany
Mr Stefan Sjöqvist, IFMETAL Sweden

European Commission

Mr O'Brian DG SG
Mr Grohol DG GROW
Mr Strohbach, DG EMPL

1) Adoption of the draft agenda and of the draft minutes of the last meeting

The meeting was chaired by Mr Gutierrez. The agenda was approved with some adjustments. The draft minutes of the SSDC meeting on 23 June 2016 were adopted.

2. Energy Policy

- Energy Union *Winter Package*,

Mr O'Brian introduced the main components of the Commission's forthcoming energy package:

1. Energy Efficiency including performance of buildings criteria, smart financing, eco-design and eco-labelling
2. Proposals on new electricity market design.
3. Review of Renewables Directive.
4. Proposal on Energy Union governance.
5. A number of reports and supporting initiatives.

Mr O'Brian stressed the importance of the National Energy and Climate Plans for managing the energy transition in an optimal way for the economy and society. He emphasised the key role that the Social Partners (SPs) could play in this regard. He also recalled the success of the Paris Agreement and noted the importance of the EU ratifying it quickly. He reaffirmed that the energy transition is the backbone of the 21st century economy and the big potential this has for the creation of new jobs [e.g. building sector, energy efficiency, etc.]. He underlined the importance of innovation in the energy sector, the use of renewables and the transition from a passive to an active energy consumer. He asked SPs for their views on how to bring these messages to citizens, regions and cities. In addition he informed the interlocutors that the Commission's initiatives were progressing reasonably well in Council and Parliament. Many MS were waiting to see the rest of the energy package and he asked for the help of the SPs in passing messages at national level on the better services to customers and consumer protection aspects of the energy initiatives.

Mr O'Brian informed SP that due to the significant package foreseen for 30 November the State of the Energy Union report was rescheduled to early 2017. Therefore it is important to now take stock and describe the way forward in 2017.

He thanked the Social Partners for their very good cooperation over the past year and requested their ongoing help in consolidating public support for the Energy Union project.

Social partners pointed out that stability, security of supply, clarity and a thorough consideration of the consequences were important factors in the energy transition. Therefore strong scrutiny by the Commission was demanded. The competitiveness of the European (energy) industry should not be weakened: more flexibility is needed and regulation has to be fair and balanced in order not to force the best in class to invest outside of Europe. It is important to ensure a level playing field for all in order to generate new (better) jobs, health improvements and lower energy bills.

The Commission has to increase its efforts to influence acceptance at local level and re-affirmed the importance of achieving acceptance on the whole proposal from citizens and enterprises. In particular more attention has to be given to the social dimension of the transition process. For instance, people who work in the coal industry have not been consulted on the impact. People should not pay the price for the energy transition and therefore trade unions proposed a 'Just Transition' fund to be funded by auctioning emissions allowances. This is fundamental to social acceptance of the move to a low-carbon economy.

- COP 22: Update on EU's priorities,

Ms Coropciuc spoke about the Paris Agreement COP 21 and the preparation for COP 22. The COP 21 agreement was signed by 180 countries in December 2015. The objective of the agreement is to limit global warming through national pledges (called Intended Nationally Determined Contributions or INDCs). COP 22 will take place in Marrakech on 7 – 18 November 2016. From a European perspective the discussion should include the following points:

- how to encourage other partners to increase their efforts of limiting global warming to 1.5°C;
- how major emitters should bring their INDCs in line with the COP 21 commitments;
- establishing a mid-century zero emissions strategy, providing a cost-efficient pathway towards reaching the net zero emissions' goal;

- the relation between the EU ETS and the Paris Agreement;
- potential systemic risks associated with an abrupt transition to a low-carbon economy;
- financial market transparency requirements;
- a timetable, for progressively phasing out of environmentally or economically harmful subsidies.

3. The EU Emissions Trading System (ETS)

- Position of SSDCEI with regards to the revision of the EU ETS directive for the post 2020 period.

In September 2016 social partners agreed on a joint position with regards to the revision of the EU ETS directive for the post 2020 period. Ms Palaczanis highlighted that:

- the whole design of the EU ETS should not undermine the competitiveness of EU industry, in particular the energy-intensive sectors.
- non EU neighbouring countries should be included in the revised carbon leakage list.
- the Market Stability Reserve (MSR) and its size should be adjustable (annually).
- free allocation at European level should continue to be the key tool for sectors exposed to carbon leakage alongside the need of financial compensation for indirect CO2 costs.
- companies impacted by the ETS mechanism indirectly through costs that are passed on should be compensated for as long as the ETS is operational.
- the post-2020 rules on free allocation and financial compensation for indirect costs should be clear, predictable and effective.
- sustainable jobs must be protected and created in established as well as newly emerging industries.
- thermodynamic limitations and raw material intrinsic properties need to be taken into account; the extractive industry is energy efficient already.
- post-2020 legislation implementing the 2030 package should avoid overlapping with other legislation.
- the setting-up of the Modernisation and Innovation Funds should reflect the Council conclusions of October 2014 and allow beneficiary Member States to take their own Modernisation Fund investment decisions.
- the European Commission should enable the ETS to be linked with other carbon markets around the world to help develop a global market.

- ETS -a long-term tool to achieve EU's 2050 targets

Mr Milojevic made general comments about the EU ETS which was introduced in 2005. He underlined the importance of reducing emissions (the question is not if but how). However, the system of allocation with its exceptions is crucial in order to ensure the competitiveness of the industry. For the next 10 – 15 years he predicted a stable situation because of the overcapacities of the system. Therefore he welcomed the market stability reserve. The concept of the system is based on a fixed quantity and this should not be changed. CO2 prices do not have an impact on CO2 quantities. However, the CO2 price affects the costs of production and therefore the competitiveness of the industry as well.

Finally he pointed out that the presented SSDCEI position paper with regards to the revision of the EU ETS directive for the post 2020 period is adequate at the moment.

- Minimum price for CO2 in France

Mr Damm informed social partners about the current situation in France with regards to the ETS. In France 85 % of the electricity is produced by nuclear power plants and 1.5 % are based on coal.

On 27 April 2016 the French president announced a minimum (threshold) price for the production of electricity. The announced price amounts to 30 EURO/MW. Currently the price in the ETS market amounts to 5 EURO/MW. EDF (2 coal power stations) and UNIPER (2 coal power stations) and 300 employees concerned.

On 11 July Ms Royal, Minister for Energy and the Environment spoke about the establishment of an expert group to monitor the impacts of the minimum price for CO2. The expert group proposed to use the minimum price for coal energy only. French social partners of the coal industry requested equal treatment of all industries. The French Parliament is discussing the issue.

4. Regional Development

- Mining Regions, Horizon 2020

Mr Grohol gave a presentation on the EU network of mining and metallurgy regions 2017.

He pointed out that the EU Raw Material Framework is based on 3 blocks which are the Raw Material Initiative (policy/strategy), the European Partnership on raw materials (strategic implementation plan) and Horizon 2020 (funding tool).

The Raw Material Initiative aims at securing sustainable supplies of raw materials and comprises 3 pillars (fostering sustainable supply from European sources, boosting resource efficiency and ensuring a level playing field in access to resources from third countries).

The European Partnership on raw materials reinforces the Raw Materials Initiative by translating the strategic policy framework into concrete actions and mobilising the stakeholder community to implement them.

Under Horizon 2020 the societal challenge 5 call covers several raw material funding. One of them (SC5-15e) is the support for the EU network of mining and metallurgy regions.

Finally Mr Grohol underlined the importance of the Raw Materials Week (28 November – 2 December 2016) and invited Social partners to participate.

- Mining Competence Center for Rehabilitation

Ms Hebestreit presented the new concept "EU Mining Mentor Centre" which is still in the process of development. The goal of this concept is to deliver high quality support on mine issues (as maybe stipulated by EU or related national legislations) including environmental management, water management, material recovery, and mine closure and rehabilitation. Therefore a European consortium/competence centre should be established that gives high quality support on mine issues related to EU legislation including environmental management, water management, material recovery, and mine closure and rehabilitation. The Mentor Centre will consist of a number of experts which will cover the whole spectrum of issues related to mine closure and rehabilitation.

5. Roadmap of Skills and Competences:

Ms Palaczanis informed the social partners about a workshop being held on training and retraining in the sector in 2017. The main actors will be companies, institutes and other relevant groups. The objective is to identify the future skills and competences needed in the sector and to provide tailor made training. Therefore social partners were invited to actively contribute.

6. Conferences & Events

Social partners were informed about the international conference "Sustainability of mineral resources and the environment" in Bratislava on 21/22 November 2016.

7. Update on H&S issues

- Update on non-road engines emissions legislation,

Ms Palaczanis gave an update on non-road engines emissions legislation. She informed social partners about the EP and Council Regulation (EC) 2016/1628 of 14 September 2016. This regulation establishes requirements relating to gaseous substances (CO, NOx, HC) and particulate (PM, PN) pollutant emission limits and type approval for internal combustion engines for non-road mobile machinery. The main objective of the regulations is to reduce emissions.

- Revision of the Carcinogens at Work Directive, (Respirable Crystalline Silica),

Ms Lumen updated social partners about the status of the revision of the Carcinogens at Work Directive (CMD) as well as the NEPSI agreement. On 13 May 2016 the European Commission announced the revision of the CMD. This included the proposal that for work involving exposure to respirable crystalline silica dust generated by a work process inserted in Annex I of the Carcinogens and Mutagens Directive, a binding Limit Value (BLV) of 0.1 mg/m³ has been fixed in Annex III. In the Recital 6 of the document Commissioner Thyssen gave recognition of the value of the NEPSI social dialogue agreement and its good practice guide as a means to facilitate implementation of the BLV. The Commission study confirms that NEPSI has achieved good results on the ground.

Currently the Council and the EP are working on the legislative proposal. Reports are expected by the end of October 2016 (Council) and February 2017 (EP).

To provide more legal clarity on the formal recognition of the NEPSI Social Dialogue Agreement as an implementation tool of the Directive and to make sure that the recognition of the NEPSI Agreement and its Good Practices Guide are not omitted in future consolidations of the Directive, a mention in Annex III, Section B. (Other Directly Related Provisions) is requested by social partners.

- Chemical Agents (OELs),

Ms Palaczanis informed social partners of 4 points concerning the OELs. She pointed out that:

- The draft Directive amends the Annex to Council Directive 98/24/EC on the protection of workers from chemical agents requiring indicative occupational exposure limit values (IOELVs) to be set.
- The revised Annex would now include long-term IOELVs for 31 substances for the inhalation route of exposure with a reference period of 8-hours' time-weighted average of which 8 were already indicated in the opinion of ACSH of May 2015.
- The draft measure has been sent to the Council and Parliament for scrutiny. These institutions will have until 17 December 2016 to examine the draft measure and raise objections to the draft measure if appropriate.
- For any chemical agent for which an IOELV has been set at EU level, Member States will establish a national occupational level exposure limit value. In doing so, they would take into account the Union limit value, determining the nature of the national limit value in accordance with national legislation and practice.

Social partners underlined the importance of a sufficient transition period and a reliable monitoring system which is based on measurable limits. A best practice guide needs to be developed. All these elements should be discussed in the standing working party.

8. AOB

The work programme 2017 will be finalised in the bureau meeting.

Mr Damm was elected as chair for this Committee in 2017. Social partners thanked Mr Gutierrez for his work in 2016.

The Chair thanked the participants and closed the meeting.