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ioreSME Newsletter

PROJECT 101051860

THE EUROPEAN GREEN DEAL

In reaching its climate neutrality target by 2050, the EU sought to create the tools that ensure the availability of finance to environmentally sustainable investments. The EU also sought to provide the framework for adopting and running a clear label for such investments.

The Regulation on European Green Bonds (EuGB) establishes the minimum standards that bond issuers, whether based in the EU or not, must meet to use the "European Green Bond" brand when offering their bonds to EU investors.

The key features of the regulation are a) the use of the proceeds according to the published EU Taxonomy; b) the disclosure (prescriptive and voluntary) regime for the EU Green Bond label; and c) the introduction of powers to National Competent Authorities.

The EU Taxonomy is an essential building block in the EU's sustainable finance framework. It helps direct investment towards activities aligned with the European Green Deal objectives. The taxonomy provides a common language of what is sustainable and acts as a transparency index of reference to multiple stakeholders across the Member States. The taxonomy tool provides security to investors, helps companies align their operations to become more climate-friendly, and reduces the dangers of greenwashing. The Taxonomy Regulation entered into force in July 2020 and essentially set four conditions to be met by economic activity to be labelled as environmentally sustainable.

The EuGB includes comprehensive disclosure reporting. Before issuance, a fact sheet about the allocation of proceeds and their environmental impact needs to be published. After issuance, they must regularly report on the allocation and impact of the green bonds.

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The main elements of the Directive are: (a) a list of criteria to determine whether a platform exercises control over a person and so determines if the person is to be considered an employee of the platform; (b) asks MSs to ensure that the presumption of employment status is effective and can be enforced or rebutted; (c) sets a new set of rights for people subject to the management by an algorithm – such rights provide workers with the right to information about how work is allocated, accounts are rated and terminated; (d) platforms must declare work in the country where it is performed and provide authorities with information on people working through them and their conditions.

The Directive centres around the platform rather than the employee. When a platform exercises a certain degree of control over the worker, the platform will be 'presumed' to be an employer. The Directive lists criteria that determine the degree of control over the worker. The correct determination of the employment status is based on the primacy of facts, that is, on the actual practices relating to the performance of work and remuneration, rather than on how the relationship is defined in the contract.

Specific rights have also been granted to information on algorithmic management. Platform work is characterised by the automated monitoring and decision-making systems that replace the functions of managers in businesses. The Directive provides increased transparency, protects personal data, ensures human monitoring and makes it possible to contest automated decisions.

This Directive is a kingpin of the European Pillar of Social Rights Action Plan. It establishes a common set of rules across the EU, enabling platforms to spread their wings to different jurisdictions while protecting the worker's rights and ensuring fair working conditions.

The Directive was not ratified in the last Coreper meeting of December and is now in the hands of the Belgian Presidency to gather the necessary votes to move it forward. If the changes demanded are too significant, the Council will have to re-open negotiations with the Parliament.

The co-legislators have only until February to conclude their negotiations due to the cut-off deadline set by the MEP elections.

Member States will have two years to enshrine the EU Directive in their national laws. With a two-year implementation period for Directives, Member States would have until spring 2026 to amend their domestic laws, assuming the procedure is completed before the mandates of the current Commission and Parliament expire in spring 2024.

LATEST NEWS

➤ In COP28 UN Climate Conference last month, EU leaders and other partners from around the world agreed to accelerate the transition away from fossil fuels this decade; to take action to reduce emissions by 43% by 2030 and continue the effort to reach net zero by 2050. All parties have committed to triple global renewable energy capacity and double the rate of energy efficiency improvement by 2030.

Read more [EU negotiators secure agreement at COP28 \(europa.eu\)](#)

➤ €1.2 billion in funding opportunities will be available in 2024 for SMEs and start-ups to develop 'deep tech' innovations in critical fields such as AI, space, raw materials, semiconductors, and quantum technology. The European Innovation Council (EIC) 2024 work programme has been launched. It includes the introduction of lump sum funding, which will reduce financial reporting and provide flexibility to pace the investments to better respond to market developments and the needs of the participants. The EIC is part of the Horizon Europe programme and has a budget of €10 billion between 2021 – 2027.

Read more [EIC 2024 work programme - European Commission \(europa.eu\)](#)

➤ Skilled workers are paramount for the success of the business sector. Yet, three-quarters of SMEs in Europe say they concretely face skills shortages for at least one job role in their company. Nearly 4 in 5 companies say it is generally difficult for them to find workers with the right skills, and more than half of them find it difficult to retain skilled workers.

Read more [European Year of Skills - Skills shortages, recruitment and retention strategies in small and medium-sized enterprises - September 2023 - - Eurobarometer survey \(europa.eu\)](#)

➤ The Climate Action Progress Report 2023 outlines the progress of the EU during last year towards meeting our climate goals and international climate commitments. The positive news is that greenhouse gas emissions fell by 3% in 2022 as compared to 2021. This decline has moved the emission trajectory back with the prevailing downward trend since 1990. However, the pace of emission decline must increase to meet the 2030 targets.

Read more [com 2023 653 glossy en 0.pdf \(europa.eu\)](#)



This newsletter is part of the IoreSME project and seeks to provide information pertinent to the business community on the EU Green Deal and European Pillar of Social Rights.

IoreSME project aims to raise awareness of and give visibility to the activity/function/responsibility of SME employer organisations in the EU and foster their role as social partners. IoreSME seeks to understand the expectations of the members of the Social Partners (SPs) while providing the opportunity for the SPs to raise awareness of their services and their role in the social dialogue discourse in their country.

The Partners of the Project are [Malta Chamber of SMEs \(smechamber.mt\)](http://smechamber.mt); [About | GSEVEE: Hellenic Confederation of Professionals, Craftsmen, and Merchants](#); [CNA | Confederazione Nazionale dell'artigianato e della Piccola e Media Impresa](#); [Home | UNIZO](#); [home - Confartigianato Imprese](#); [SMEunited | Crafts & SMEs in Europe](#); [About us \(ozs.si\)](#)

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