



**The European Affairs Committee of the National Council
of the Slovak Republic**

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Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Commission Work Programme 2018 - An agenda for a more united, stronger and more democratic Europe, COM (2017) 650

The European Affairs Committee of the National Council of the Slovak Republic

A. A p p r o v e s

priorities resulting from the Commission Work Programme as set out in the Preliminary Report on Priorities of the Slovak Republic resulting from the Commission Work Programme 2018, submitted to the Committee by the Minister of Foreign and European Affairs of the Slovak Republic, and annexed to this resolution;

B. A u t h o r i s e s

The Chairman of the Committee

to inform the Speaker of the National Council of the Slovak Republic and the Minister of Foreign and European Affairs of the Slovak Republic of the Committee meeting results.

Edita Pfundtner
Peter Osuský
Verifier

Ľuboš Blaha
Chairman

Preliminary Report on the Priorities of the Slovak Republic resulting from the Commission Work Programme 2018

Commission Work Programme 2018 (CWP 2018) was presented to the European Parliament on 24 October 2017. For the first time, it has two dimensions – the first is the completion of the legislative initiative by the end of the mandate of the current European Commission, and the second are proposals in the context of the debate on the future of the EU (White Paper of the European Commission) with the perspective of their adoption by 2025.

CWP 2018 **reflects the initiatives presented by** the President of the European Commission Mr. Juncker in his State of the Union address on the European Parliament plenary session on 13 September, as well as the subsequent **Letter of Intent**, which was sent to the Estonian Presidency of the Council of the EU by the President and the first Vice-President of the European Commission. At the same time, it considers the **discussions of the European Commission with the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.**

CWP 2018 must be perceived **in the context of the forthcoming end of this EU electoral cycle.** Therefore, European Commission is submitting only a limited number of new legislative proposals. There is a clear emphasis on the completion of the existing legislative initiatives, what was agreed together with the EU Member States and the European Commission. Despite this setting, the current European Commission's effort taking into account discussions on the future of the EU is in line with proposals with a 2025 perspective that it plans to publish by the end of its mandate.

CWP 2018 contains 5 attachments (new initiatives, REFIT, priority proposals at the approval stage, proposals for withdrawal, cancellation).

Annex 1 includes **26 new initiatives**, which are divided into two categories:

1. **limited number of targeted legislative measures** to be tabled by **May 2018** to complete the legislative process before the European Parliament elections in June 2019
2. **ambitious measures and initiatives**, which are future-oriented and should form a new **EU 27 by 2025 and later**

CWP 2018 further includes:

- **66 priority proposals at the approval stage** (Annex 3) submitted by the European Commission in the last two years and for which urgent adoption by the European Parliament and the Council is needed;
- **a proposal to withdraw 15 proposals at the approval stage** (Annex 4) for which there is no perspective of reaching an agreement or they are no longer fulfilling their purpose, or are technically obsolete;
- **15 proposals following the review of regulatory suitability and effectiveness of current legislation** (REFIT) taking into account the opinions of the REFIT Platform (Annex 2, + 3 proposals of Annex 1);
- a communication **on the cancellation of 3 obsolete legal acts.**

Parallel to the introduction of CWP 2018 so-called **Leaders' Agenda** was launched by the President of the European Council, D. Tusk, which planned the areas for discussion, or decisions, for leaders at the level of the European Council for the next 18 months. While CWP 2018 is based on established practice, the Leaders' Agenda is a new element and it is not yet clear how these processes will work together. It is necessary to appeal for both processes (CWP

2018 and Agenda Leaders) not to be parallel and competitive, but on the contrary, to be synchronized and complementary.

Priority initiatives resulting from the Commission Work Programme 2018 from the point of view of Slovak interests

We highlight selected priority areas below from the point of view of interests of the Slovak Republic, which are found in CWP 2018 focusing on new initiatives and on proposals submitted in 2017. **This assessment is preliminary** and has been prepared by the Ministry of Foreign and European Affairs of the Slovak Republic (including inputs from the Permanent Representation of the Slovak Republic to the EU in Brussels). **The final definition of priority initiatives and areas will be part of the Annual Report on the Membership of the Slovak Republic in the European Union - Evaluation and Current Priorities of the European Commission Work Programme** (Annual Report). Based on Government Resolution no. 118 of 7 March 2013, this document is submitted by the Minister of Foreign and European Affairs to the Government of the Slovak Republic annually until 28 February. After its approval by the Government of the Slovak Republic, the Annual Report is submitted by the Prime Minister to the National Council deliberation. **The Annual Report is processed on the basis of documents provided by the ministries and other central government authorities, which in the section dealing with the CWP 2018, define the coordinator and the degree of priority of the initiative / proposal for the Slovak Republic with a justification.**

Selected priority initiatives and proposals:

- **Fulfilling objectives of the Circular Economy Action Plan:** Promoting sustainable growth in the single market also requires a significant improvement in the management of natural resources. The Slovak Republic supports the objectives of the Action Plan and the measures towards the circular economy, the aim of which is the reduction of waste and the protection of the environment, as well as the transformation of the economy from production and consumption to waste management and the secondary raw materials market. The support of the circular economy was one of the priorities of the Slovak Presidency 2016.
- **Multiannual financial framework:** The aim will be to reach a balanced agreement on Multiannual financial framework for the period after 2020 that will ensure further development of the EU, its regions and will have adequate capacity to answer to unforeseen events. It is important for the Slovak Republic to continue in completion of major EU projects. The new EU challenges should not be funded at the expense of the convergence of individual countries and regions of the EU, which is an assumption for a successful deepening of economic integration. The Slovak Republic supports simple, transparent and fair system of EU own resources.
- **Completing the Digital Single Market:** The single digital market will enable individuals and businesses to seamlessly use e-services and conduct online cross-border activities in accordance with fair competition rules and with a high level of consumer protection irrespective of their nationality or place of residence. One of its key objectives is to give citizens and entrepreneurs the opportunity to move freely within the digital space and at the same time to allow data freedom of movement as a fifth freedom throughout the EU internal market. Completing the Digital Single Market was one of the priorities of the Slovak Presidency in 2016.
- **Completing the Energy Union:** Energy security and maintaining industrial competitiveness are the long-term priorities of the Slovak Republic. The key objective of the Energy Union is safe and clean energy at affordable prices for consumers. Fulfilling this ambition requires an integrated energy market open to more competition,

so the Slovak Republic considers proposals for the revision of the legislation regulating the functioning of the internal market to be extremely important. The Slovak Republic supports the objectives of the Energy Union and a balanced and holistic approach to security of supply, competitiveness and sustainability. The completion of the Energy Union was one of the priorities of the Slovak Presidency 2016.

- **Fair Taxation in the Digital Economy:** The new initiative aims to ensure a coherent EU approach to taxation of the digital economy and to ensure a fair and effective taxation of all companies. Legislative proposal for EU rules on taxation of profits in the digital economy should be presented in spring 2018. Slovak Republic supports the concept of value-added taxation where it is created so that tax repatriation is proportional and fair. There are a number of companies in the Slovak market, especially digital platforms, which use the current imperfect system and tax only part of their profits. From the point of view of the informatization policy of society, the Slovak Republic supports the distribution of profits through the collection of taxes to be redistributed fairly. **Social fairness package:** A high priority package of legislative and non-legislative measures that will have an impact on cross-border mobility and on the national social systems of the Member States. The European Labour Authority and the European Social Security Number have a cross-border context and should make it possible to improve the fight against fraud in cross-border situations and to improve the administrative relations between citizens and the authorities in each member state. The Social fairness package will also include proposals for a revision of the Employer Information Obligation Directive and a Recommendation (or other legislative instrument) on access to social protection for self-employed workers. The proposals should respond to changed social conditions and, in particular, to new (atypical) forms of work that often leave out-of-work and self-employed workers out of social security systems.
- **EU food supply chain:** The inclusion of this initiative in the CWP 2018 is one of the important achievements of the Slovak Presidency 2016, which initiated the adoption of Council Conclusions on strengthening the position of farmers in the food supply chain and the fight against unfair commercial practices. During the Slovak Presidency, the Member States have unanimously signed for the first time the need to tackle unfair commercial practices through legislative and non-legislative measures at European level.
- **Completing the Capital Markets Union:** In June 2018, the European Commission presented further steps towards progress in building the Union of Capital Markets - the European Commission's project to promote growth and jobs in Europe. The core themes of the revised Capital Market Union concept are: (i) Strengthening framework of the integrated capital market (ii) Increasing proportionality for small and medium-sized enterprises, (iii) Financial technologies, and (iv) Sustainable and environmentally-friendly investments. The most important initiatives in the near future include: (i) a legislative proposal for a Pan-European Personal Pension Product (the European Commission submitted the proposal in June 2017, details of the proposal are given below); and (ii) Legislative proposal for covered bonds (submission expected in Q1 2018). These and other measures should be discussed and implemented by the end of 2019 at the latest. The Slovak Republic welcomes and fully supports the proposals for measures resulting from the mid-term review of the EU Capital Market Action Plan as well as the Council conclusions on this mid-term review. We consider the current capital market barrier removal initiatives as one of the most important for less developed markets as they can have a significant impact on the future development of the capital market in Slovakia as well as in the whole Central and Eastern Europe. In this context,

we highlight in particular the need to ensure small and middle-sized enterprises access to capital, transparent and proportionate rules that are understandable to financial consumers, further convergence of supervision, and, last but not least, measures for a more active involvement of the private sector in the financing of the European economy.

- **Making the Single Market legislation more effective and more effective and consistent implementation of the Common Foreign and Security Policy:** Proposals to extend qualified majority voting on Single Market and Common Foreign and Security Policy have been put forward to streamline the decision-making process within the EU. However, this objective should not be at the expense of the Member States' interests in these sensitive areas.
- **Completing of Economic and Monetary Union and completing of the Banking Union:** The European Commission will adopt a package of proposals for the completion of the Economic and Monetary Union (transformation of the ESM - the European Stability Mechanism into the EMF - the European Monetary Fund, the establishment of a budget line for the Eurozone within the EU budget, including the role of the Instrument for Pre-Accession Assistance to Member States outside the euro area; a proposal to integrate the so-called Fiscal Compact (Intergovernmental Agreement) into EU law. The Slovak Republic has long supported the completion of Economic and Monetary Union and the Banking union. During the Slovak presidency in 2016, we focused on intensifying the debate on the long-term measures needed to strengthen the fiscal pillar of the Economic and Monetary Union.
- **Completing the Security Union and extending the tasks of the new European Public Prosecutor's Office:** The European Commission plans to present a several proposals (interoperability of EU information systems; cross-border access by law enforcement authorities to electronic evidence and to financial data and further strengthen the rules against explosives precursors). At the same time, the European Commission's Communication on Extending the Competence of the European Prosecutor's Office (EPPO) to Counter-Terrorism (expected in 2020 or 2021) should be issued, so it will be a long-term vision of the European Commission with a perspective of admission by 2025. The Slovak Republic generally supports activities aimed to strengthen the Union's security. If the Slovak Republic is interested in staying at the core of the EU, it must be prepared for greater engagement and sharing of information in the area of internal security and intelligence.
- **Trusted Expansion Perspective:** The European Commission has announced the presentation of the draft Strategy for the successful accession process of Serbia and Montenegro, which are the most active candidate countries in the Western Balkans. On the one hand, it is the appreciation of Serbia and Montenegro and, on the other hand, the strategy could be a motivation for the progress of other Western Balkan countries in their Euro-integration efforts. In the long run, the Slovak Republic supports the Euro-integration ambitions of these countries.
- **EU Cyber Security Agency (ENISA):** The draft Regulation on ENISA contains a relatively ambitious change of the Agency's current tasks, with the addition of its permanent mandate. ENISA should provide support to Member States, EU institutions and industry for the implementation of the Network Safety and Information Systems Directive as well as support for a new ICT product and service certification scheme. Reformed ENISA should have a stronger advisory voice in the development of cyber policies and their implementation. At the same time, ENISA will assist in the establishment of ISAC (Information and Analytical Centres), organize annual pan-European cyber security exercises and assist in so-operational cooperation between Member States, EU institutions and crisis management. ENISA will also operate as the

central information and knowledge contact point for the cyber-security community. The Slovak Republic generally supports the permanent mandate of ENISA.

- **Schengen Border Code:** The European Commission's proposal for measures includes the update of the Schengen Border Code in order to adapt the rules on the need to react on serious threats to public policy or internal security and to introduce strengthened procedural safeguards to ensure that internal border controls remain the exception - when necessary and proportionate. The Slovak Republic is restraining itself to the amendment of the Schengen Code (internal controls introduced by some Member States at their borders should be removed). This proposal is extremely sensitive and requires the consensus of all parties, while some of the Member States have clearly negative approach to the proposal.
- **Europe on the Move:** The aim of the legislative package is to help the industry maintain its competitiveness in a socially fair transformation towards clean energy and electronization. On the one hand, the freight transport sector in Europe employs up to 5 million people, but on the other hand it is one of the main sources of pollution (up to one quarter of greenhouse gas emissions come from transport, 70% of which comes from road transport). The Slovak Republic supports those European Commission proposals that will help to ensure administrative cooperation between Member States and prevent the establishment of so-called shelf companies or to facilitate cross-border enforcement of infringements in the case of non-paying of tolls or electronic toll stamps. The rules for the posting of workers in the transport sector will be determined through a specific sectoral legislation (so-called *lex specialis*), which is a part of this package. To this end, the Slovak Republic supported a compromise agreement between the Council on the wording of the Posting of Workers Directive, which does not apply to international transport, including cabotage. In the future, the Slovak Republic will require, in particular, the simplification of administrative rules and the introduction of realistic measures, especially in the area of weekly or daily rest, as well as simplified reporting of rides in the discussions on the *lex specialis*, in addition to the specific rules on broadcasting. Analyses show that the increased bureaucratic burden (and not the changed wage conditions for posted workers in transport - truckers) would be liquidating for small and medium-sized companies within the international transport.