

I. The Slovak Presidency of the Council of the European Union in the Context of Current Events

On 1 July 2016, Slovakia will assume the six-month presidency of the Council of the European Union (SK PRES). The presidency will hand the Slovak Republic responsibility for running the day-to-day affairs of one of the EU's three main institutions – the Council of the European Union, which represents the Union's 28 Member States. In practice, this means shaping European legislation from working-party level all the way to the ministerial level as the presiding country, along with leading negotiations with other EU institutions, most notably the European Commission and European Parliament.

Slovakia's tenure at the helm of the Council will be the EU's 116th rotating presidency. Meanwhile, it will be the first ever Council Presidency for the Slovak Republic, marking the culmination of unprecedented preparatory work in terms of organisation, management and content. This document encapsulates the areas in which an active approach on the part of the Slovak Presidency is expected and from which the core priorities of the Presidency programme will emerge. The programme itself is to be approved by the Government of the Slovak Republic in June 2016.

The Slovak Republic will preside over the Council of the European Union at a time when the European Union is facing a number of challenges – migration, terrorism, hotbeds of tension in its neighbourhood, repercussions of the Eurozone crisis and a referendum on the United Kingdom's membership of the European Union. This often produces divisions within the EU and the questioning of joint and successful projects, including the common European currency and the Schengen Area. Such a climate contributes to the rise of radical political sentiments.

As holder of the presidency, we stand ready to be a constructive broker working to the benefit of the entire EU. Whilst it is not always easy to cooperate and reach compromises, we are looking to address all pressing challenges in a manner that maintains cohesion in the European Union and reaffirms its fundamental principles and successful projects benefiting everyday life. This is vital for the sake of preserving the prosperity and security of all Member States. The United Kingdom within the EU. A Schengen Area strong from the outside and free from doubt inside. Regulated flows of migrants. A working Eurozone with efficient anti-crisis tools.

At the same time, we are seeking to work towards the jointly agreed long-run goals, particularly within the five priority areas defined in the *Strategic Agenda for the Union in Times of Change* from June 2014. This document also provides a framework for the work of the Slovak Presidency, as it includes initiatives such as the digital single market, the energy union and the capital markets union, which are of actual benefit to Europe's economy and the general public. In addition, we are aiming to show that the deepening and enhancing of cooperation in the Union not only works, but that it also delivers results. We will promote the preservation of solid transatlantic ties and communication with the EU's strategic partners.

The Slovak Republic will take up the Council Presidency 12 years after joining the EU, membership of which has had a positive effect on the country's development. The Presidency represents a unique opportunity for the Slovak Republic to contribute towards the way in which

the EU functions more than ever before and to return something to it, while taking a greater share of responsibility for the direction in which it is headed. It also represents a singular opportunity for Slovakia to enhance its success story as an EU Member State.

II. Strategic Basis

Introduction

The basic content framework of the Slovak Presidency rests on five priorities set out in the *Strategic Agenda for the Union in Times of Change*, which was approved by the heads of state and prime ministers of EU Member States at the European Council in June 2014. The strategic programme highlights long-term priorities which are still valid and which are envisaged to bring new opportunities for EU citizens:

- 1. A Union of jobs, growth and competitiveness**
- 2. A Union of opportunities for its citizens**
- 3. An Energy Union with a forward-looking climate policy**
- 4. A Union of freedom, security and justice**
- 5. The Union as a strong global actor**

This section seeks to **lay out the position of the Slovak Presidency with respect to the five aforementioned areas**. At a later stage, it is also **designed to provide the basis for defining the priorities underpinning the programme of the six-month presidency**. The programme itself is slated to be adopted in June 2016. It will also reflect developments occurring over the last few months in the run-up to its release. The Presidency programme will represent a programme of priorities of the entire Union that we will be promoting while presiding over the Council of the EU.

1. A Union of Jobs, Growth and Competitiveness

Despite indications of a moderate recovery of European economy, we need, more than ever before, to truly exploit the potential of the EU's single market. In doing so, we need to keep EU citizens and their needs in mind. In recent years, the crisis has brought about a major drop in employment and investments. This trend needs to be reversed. Measures that will facilitate effective utilisation of the EU budget (including the EU's European Structural and Investment Funds, which are the Union's key investment instrument) can assist greatly in the fulfilment of this objective. With an eye towards ensuring the Union's long-term stability, the Economic and Monetary Union (EMU) must be deepened further. However, the integrity of the single market needs to be honoured. In the context of the recovery of public finances, we must press ahead with the fight against tax evasion.

The EU's single market has brought immense benefits and new opportunities. It is an area with no internal borders that assures the free movement of goods, persons, services and capital. In order to derive the utmost benefit from its potential, the single market must adapt to the reality of the world today. This would lay the groundwork for the single market to increase its contribution to growth and employment. With that in mind, the Slovak Presidency will focus on measures contributing to the full exploitation of the potential afforded by the **single market**, making sure that it offers better services for lower prices and encourages the growth of businesses. Notwithstanding the undeniable benefit of the single market, the competitiveness of European economies is partly influenced by pressures of the global market. Following on from

legislative and non-legislative proposals put forward by the European Commission, the Slovak Presidency will conduct talks at the level of the Council's preparatory bodies, seeking to ensure the competitiveness of economic sectors that face globalisation, such as the steel industry, but also other, mainly energy-intensive industries.

The digitalisation has had a sizeable effect on the quality of the environment that we live in. By extension, this change requires adaptation of the EU's single market. A digital single market is being created where individuals and businesses will be able to seamlessly use electronic services and exercise online activities under the rules of fair competition and a high level of consumer protection irrespective of their nationality or place of residence. On 6 May 2015, the European Commission unveiled **A Digital Single Market Strategy for Europe**, which came in response to the needs of a forthcoming digital era and lays the groundwork for all of the EU's actions in this area. **The Digital Single Market** legitimises online economy as a new, fully-fledged sector of economy and data as an innovative source of growth whose potential surpasses the traditional sources of growth. The market aims at enabling people to freely cross online borders, just as they do in real life. Slovakia is committed to taking an active approach towards the implementation of the digital single market. During its Council Presidency, the Slovak Republic will, inter alia, seek to develop digital economy, dismantle barriers preventing its development, ensure continued digitalisation of public services and reforms of the telecommunication framework, a more effective use of data and improve the framework for audio-visual policy, copyright and contracts in the digital environment.

A drop in investment that persists over prolonged periods of time may make a dent in the competitiveness of European economy and jeopardise its growth potential in the medium-term. The situation is being partly addressed by the **Investment Plan for Europe** and its cornerstone, the **European Fund for Strategic Investments (EFSI)**. EFSI seeks to mobilise €315 billion of additional investment that should be invested in strategic infrastructure, innovations, education and support for small and medium-sized enterprises. The Slovak Presidency will place an emphasis on the fulfilment of EFSI's objectives and an expansion of its functioning, particularly with respect to the deepening of EMU and with regard to the effect of the investment plan on macroeconomic stabilisation.

The EU's budget and the **European Structural and Investment Funds (ESIFs)** remain the Union's main investment tool. The current EU cohesion policy is based on performance and results in accordance with the principles of the EU's economic governance. ESIFs foster cohesion and the catching-up process with respect to the EU's advanced economies, contributing also towards the implementation of structural reforms in the Union's Member States. In doing so, ESIFs greatly support Europe on its path towards sustainable prosperity and enable better utilisation of the potential offered by the single market. In a situation of falling national and regional investments, a thorough implementation of ESIF programmes is essential. The goals of the EU's cohesion policy have become all the more relevant as a result of the crisis. The Slovak Presidency will therefore concentrate on preserving the policy's significance, while paying also due attention to the stance regarding its recent reform. At the same time, the Slovak Presidency will continue to work on the EU Urban Agenda, following on from the Pact of Amsterdam. Its conclusions are expected to be formalised at the General Affairs Council in June 2016.

A proposal for a **mid-term review of the Multiannual Financial Framework 2014-2020** (MFF) is expected to be tabled during the Slovak Presidency. The review will be aimed at ascertaining whether EU budgetary resources are sufficient, whether enough funds have been allocated towards the right priorities and whether changes to the way it works are needed. The Slovak Presidency will pursue discussion on the proposal to review MFF with a view to coming closer to an agreement or alternatively concluding the MFF review.

In addition, the economic crisis has revealed that, in order to ensure financial and economic stability, it is necessary to develop instruments and measures enabling the EU to respond both to external and internal financial and economic shocks. As a result, the Slovak Presidency underlines the need to complete **EMU** which will not only be a monetary but also a fiscal union involving fully developed instruments with the function of macroeconomic stabilisation. At the same time, EMU needs to honour the integrity of the single market. The Slovak Presidency will play a significant role in work to strengthen the banking union. Due attention will also be paid to the **Capital Markets Union** as an important element of not only the Investment Plan for Europe but EMU, too.

In spite of success so far **in the fight against tax evasion**, continued efforts are needed to advance this agenda. Partly in view of substantial consolidation efforts in EU Member States over the past few years, a fair implementation of public budgets through tax revenues must be ensured. The Slovak Presidency is also expected to see further discussion on the Action Plan for a simple, efficient and fraud-proof system of value added tax tailored to the needs of the single market. The objectives of the Action Plan include presenting the essentials and principles of the future of VAT as a robust common system safeguarding the tax revenues of the Member States. The Slovak Presidency intends to hold a discussion on the Action Plan, paying utmost efforts to attaining a common position of the Economic and Financial Affairs Council (Ecofin). It also plans to continue the trend of the previous presidencies, especially within the context of submissions by the European Commission of concrete legislative and non-legislative proposals where we will actively seek a common position of the Ecofin Council.

Starting businesses, or the **so-called start-ups**, and **small and medium-sized enterprises** (SMEs) are an important element of growth and job creation. Despite playing a crucial role in job creation throughout Europe, SMEs face a number of obstacles that prevent them from fully functioning and impede the creation of new jobs. The Slovak Presidency will therefore look to make the environment in which SMEs operate better and more efficient.

2. A Union of Opportunities for Citizens

Europe's role is to protect the interests of its citizens. Although Europe's economy is showing some signs of recovery, EU citizens continue to experience a high level of unemployment (particularly as regards long-term and youth unemployment) and the deepening of social inequalities. This necessitates the need to build social systems that grant EU citizens sufficient protection and contribute efficiently to their return to the labour market. Current demographic developments in Europe call for a concerted response from all Member States in their respective social security systems.

Young people are key for the future dynamism and prosperity of Europe. Their talents and creativity will help spur growth in Europe. The crisis that has weakened the EU has had a sizeable impact on young people in particular. Just as serious a social and economic problem that diminishes one's prospects of returning to work is long-term unemployment. It is crucial in this regard to ensure support for the development of skills as part of lifelong investments into human capital, the mobility of labour force and the safeguarding of the right of each EU citizen to move, reside and work freely in another EU Member State. The Slovak Presidency will therefore look to lay the groundwork for improvements to future employment and dignified work in the context of new challenges on the labour market that are generated by demographic changes, migration and digitalisation.

Human capital is the cornerstone of a successful and competitive economy and a civil and democratic society. An important aspect that contributes to a long-term drop in unemployment is **education** and adequate links between the education system and the labour market. The aim of the European initiative "**An Agenda for New Skills and Jobs**" is to enhance links between the education sector and the needs of the labour market by fostering the development of skills, better transparency, support for vocational education and the modernisation of higher education. A European Commission proposal is expected to be put forward in May 2016. The Slovak Presidency will endeavour to reach agreement between the Member States in the mutual recognition of qualifications as well as in the comprehensive documentation of knowledge, skills and competences.

Another area where activity at the EU level is expected is assistance in the ensuring of effective and equitable **social security and social protection systems**. The crucial aspect in this regard is a comprehensive policy of **worker mobility in the EU** and the completion of the single market when it comes to the free provision of services and movement of workers. Importantly, a package of proposals on labour mobility within the EU is expected to be unveiled later this year. The Slovak Presidency will promote a balanced approach preventing the abuse of social systems, ensuring the social protection of workers and preserving their free movement. The Slovak Presidency will also prioritise the reconciliation of work and family life in a changing society, problems plaguing women, the issue of poverty, and conditions in the area of social inclusion with particular emphasis on the integration of the Roma.

3. An Energy Union with a Forward-Looking Climate Change Policy

The lack of natural resources is one of the major challenges that the European Union currently has to face. This scarcity causes the high dependence of the EU on the imports of energy raw materials (the EU is one of the major energy importers in the world with 53% of imported materials) and excessively high costs of purchasing energy from non EU countries. This situation raises concerns over the security of energy supplies and has a negative impact on climate change. In light of this development, the EU has launched the European Energy Union project, which is aimed at providing affordable, secure and sustainable energy. The project builds on the approved EU 2030 climate and energy goals and comprises five closely related dimensions, focusing on boosting the energy security, establishing an internal energy market, increasing energy efficiency, reducing greenhouse gas emissions and supporting the research and innovation of energy. The objective of the Slovak Presidency is to make further progress in the

negotiations on all proposals necessary for the establishment of a real Energy Union and to successfully conclude negotiations on selected proposals. We will place emphasis on synergies necessary to ensure a balanced approach to the targets of the EU Energy Policy - energy security, competitiveness and sustainability.

The integration of energy markets of the European Union into one energy union will significantly reduce the energy dependence of Europe. The diversification of sources and routes is essential for the strengthening of resilience of the Member States in the face of external disruptions. Pursuing work towards an Energy Union with an emphasis on **increasing energy security** will therefore be one of the headline priorities of the Slovak Presidency. The Slovak Presidency will seek to promote regional cooperation and solidarity between the Member States, since such cooperation and solidarity have proven to be crucial in strengthening the resilience of the EU during the crisis. Furthermore, we will support the implementation of infrastructure projects that comply with EU legislation and the principles of the Energy Union and the implementation of which will not jeopardize the energy security of individual Member States of the EU.

The competitiveness of the EU industry and the living standards of EU citizens are largely influenced by **energy costs and prices**. Therefore, in order to increase **energy efficiency**, the Slovak Presidency will pursue a cost-effective approach in developing new measures in the particular energy policy areas, as well as in completing the internal market. The issues addressed by the Slovak Presidency are closely related to new technologies and, consequently, also to new business opportunities. Last but not least, the Slovak Presidency will promote the consistent application of the principles of the Member States' sovereignty when defining the energy mix and the technological neutrality.

In order to achieve sustainable development, it is inevitable to ensure an optimal use of resources and conservation of biodiversity. Therefore, the Slovak Presidency will pay particular attention to the coherence of development policies, especially in the field of energy and climate change policy. The transition towards a **circular economy**, including an efficient reuse of water resources (water recycling), will also be very high on the agenda.

Apart from the European Energy Union, the Slovak Presidency will work to ensure a proper follow-up to the 21st Climate Conference in Paris (COP21). In order to strengthen the EU leadership position in **the fight against climate change**, the Slovak Presidency will seek to implement the new global climate deal resulting from the COP21. Furthermore, the Slovak Presidency will focus on the implementation of agreements aimed at the reduction of greenhouse gas emissions and the gradual transition to new technologies, which will, inter alia, contribute to the promotion of competitiveness and to the development of a resource-efficient economy. The Slovak Presidency will also concentrate on the safe use of nuclear energy and its contribution to the achievement of the objectives of the 2030 Agenda for Sustainable Development. The implementation of the Climate and Energy Framework until 2030 with a special focus on the revision of the Emission Trading Scheme (ETS), as well as on the drafting of legislation in the non-ETS sectors (agriculture, construction, decarbonisation of transport) will also be high on the agenda of the Slovak Presidency.

4. A Union of Freedom, Security and Justice

In order to ensure freedom, security and justice in the EU, it is of crucial importance to manage migration flows and enhance cooperation on the security issues. The current migration crisis is considered to be the most severe challenge faced by the EU. The European Agenda for Migration from May 2015 provides the basic framework for further EU action. Specific priorities in this area include a better management of all aspects of migration, including irregular/illegal migration, asylum system and border protection. Since the terrorist attacks in Paris in January and November 2015, the EU has focused on the promotion of mutual cooperation and the implementation of counter-terrorist measures within the European Union and beyond. Organised crime and cybercrime pose an ever increasing threat to European society, the character and intensity of which are subject to constant changes. The EU and its Member States have to tackle these security challenges and an efficient solution requires a common approach.

The Slovak Presidency will seek to pursue a **comprehensive approach to the management of the migration crisis and will work to link up its internal and external aspects**. This section addresses the internal aspects of migration. The external aspects are set out in the Section 5 entitled The Union as a Global Actor that covers the external relations of the EU. The same approach was applied both in the priority-setting of the Strategic Agenda for the Union in Times of Change, and in the 18-month programme of the Council (1 January 2016 to 30 June 2017).

The headline targets of the internal aspects will focus on the implementation of the EU External Border Policy and the security of the Schengen Area. The Slovak Presidency will simultaneously work to **resolve the problems related to the current migration flows**. The current Presidency Trio (the Netherlands, Slovakia and Malta) will seek to ensure a better link between migration, security and external policy. The European Commission has also announced a revision of the basic elements of the migration management scheme, including a substantial reform of the Dublin system, a proposal for a substantial reinforcement of the position of the European Asylum Support Office (EASO) and the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex) and its transformation into the European Border and Coast Guard.

Even though the Member States still bear the primary responsibility for internal security, the threats the European citizens are currently facing are becoming ever more diverse and transnational. The basic framework for cooperation and common EU action in the field of **security** is provided by the **European Agenda on Security** from April 2015, the primary objective of which is to implement the renewed EU Internal Security Strategy. The European Union's security is highly dependent on cooperation with international partners and neighbouring countries. Crime and terrorist activities are not confined within the borders of the EU nor to neighbouring regions.

As far as the **counter-terrorism policy** is concerned, the Slovak Presidency will follow up the conclusions of the EU Foreign Affairs Council from December 2015, which establishes a framework for the engagement of the EU in the fight against terrorism. The Slovak Presidency will place emphasis on the implementation of specific activities based on the geographic and thematic priorities to fight against the financing of terrorism and the phenomenon of foreign fighters. The effort to further and intensify political dialogue with partner countries will also form an integral part of the agenda.

In the area of **justice**, the main emphasis will be placed on the consolidation of existing instruments and their efficiency in practice. At the same time, the Slovak Presidency will focus on improving the quality of legislation taking into account the needs of the citizens and the authorities as well as the legal practitioners. Furthermore, the Slovak Presidency will work to improve the procedural rights in criminal proceedings and seek to further the fight against fraud affecting the financial interests of the Union, including the continued effort to establish the European Public Prosecutor's Office. We will also boost e-justice solutions. The protection of the human rights will become a horizontal objective and the Presidency will endeavour to forward the accession of the EU to the European Convention for the Protection of Human Rights and Fundamental Freedoms.

5. The Union as a Global Actor

The European Union forms part of a global environment that is characterised by a high degree of instability and unpredictability. In the time of globalisation, significant changes to the strategic environment and, in particular, growing instabilities, a high degree of engagement will be required to strengthen the position of the European Union in the world. In this respect, the Slovak Presidency will provide assistance and support to the High Representative of the EU for Foreign Affairs and Security Policy in implementing of an active Common Foreign and Security Policy.

The stabilisation of the closest neighbourhood will be one of the key objectives of the EU. The Slovak Presidency will promote the active implementation of the revised **European Neighbourhood Policy**, its new priorities, a more flexible use of financial resources and the strengthening of a differentiated partnership reflecting more realistic needs of our partners.

The Enlargement Policy remains the most efficient transformation instrument of the EU in relation to the neighbouring countries. An enlargement policy based on consistency, credibility and positive motivation and supported by targeted financial aid has a high potential to strengthen the stability, security, democracy and prosperity of the acceding countries and therefore will become one of the strategic priorities of the Slovak Presidency. The Slovak Presidency will also focus on maintaining the momentum and the credibility of the enlargement process. The Slovak Presidency will, furthermore, pay particular attention to the accession processes of candidate and potential candidate countries and to the approximation of the Western Balkans to the EU.

The Slovak Presidency will place its primary emphasis on the development of the **Eastern Partnership** Policy and the relations of the EU with partner countries. Taking into account the differentiation between the partners, the Slovak Presidency will promote the democratisation and reform processes in these countries, including the reforms in the field of security. In order to promote the development of relations with the countries that have signed an Association Agreement/Deep and Comprehensive Free Trade Agreement, the Slovak Presidency will support the pursuit of reforms to improve the business and investment environment in these countries and thus foster their economic integration with the EU. The Slovak Presidency will also fully support Ukraine in its efforts to implement reforms, especially in the area of anti-corruption policy, law enforcement, the judiciary and public finances.

Within the **Southern Neighbourhood** Policy, the Slovak Presidency will encourage the resolution and management of the long-term conflicts and crises. The resolution process shall be based on a comprehensive approach that encompasses diplomacy, trade, energy, development, migration, human rights and security.

The management of **uncontrolled migration** from unstable, war-stricken regions and failing states also emphasises the need for a comprehensive approach in the common foreign and security policy of the EU. The Slovak Presidency will therefore promote the adoption of measures aimed at eliminating the causes of illegal migration and providing support to the countries of origin and transit of migrants, including the Western Balkans.

Given the complex nature of the migration crisis, it is crucial for the European Union to intensify cooperation with the relevant international organisations. In this respect, we will promote a **closer cooperation with NATO** to protect the EU's external (Schengen) border.

After the adoption of the **EU Global Strategy on Foreign and Security Policy** in June 2016, the Slovak Presidency will focus on its implementation.

The implementation of the universal **2030 Agenda for Sustainable Development** will also be one of the main priorities of the Slovak Presidency. The European Union took the leading role in the negotiation process of the Agenda and should reassume the leadership during the implementation as well. The 2030 Agenda has yet to face a major challenge when it comes to ensuring adequate funding.

The Slovak Presidency will promote the continued consultations on framing the future cooperation between the EU and the African, Caribbean and Pacific countries after the Cotonou Agreement expires in 2020.