Outlook for upcoming Presidency



Priority dossiers under the Slovenian EU Council Presidency

INTRODUCTION

Slovenia will, in the second half of 2021, hold its second Presidency of the Council of the EU since joining the EU in 2004. It will conclude the work of the Trio Presidency composed of Germany, Portugal and Slovenia.

Slovenia is a democratic parliamentary republic with a proportional electoral system. The Slovenian parliament is bicameral, made up of the **National Assembly** (composed of 90 members) and the **National Council** (composed of 40 members). In the National Assembly, there are 88 representatives of political parties and two representatives of the Italian and Hungarian national communities, the latter two elected to represent their interests.

The National Assembly elects the Prime Minister and the government. The current government is a four-party coalition, made up of the Slovenian Democratic Party (SDS); the Modern Centre Party (SMC), the Democratic Party of Slovenian Pensioners (DeSUS) and New Slovenia—Christian Democrats (NSi). The **Prime Minister, Mr Janez Janša from the Slovenian Democratic Party (SDS)**, was elected to office on 3 March 2020. The next general elections in Slovenia will take place no later than 5 June 2022.

Other political parties represented in parliament are the List of Marjan Šarec (LMS), Social Democrats (SD), Party of Alenka Bratušek (SAB), The Left, and the Slovenian National Party (SNS).

PART A: POLITICAL PRIORITIES OF THE SLOVENIAN PRESIDENCY

This note looks at the draft Slovenian Presidency priorities. Those dossiers which figure in the Joint Declaration agreed to by the three institutions as priorities for 2021 are marked with an asterisk (*). The Slovenian Presidency will present its political priorities to the European Parliament during the July plenary session.

The Slovenian Presidency divides its priorities into four pillars:

- A resilient EU that enjoys the trust of its citizens,
- Economic renewal of the EU based on a digital and green transition,
- Union based on the rule of law and a European way of life,
- Secure EU, a good and reliable partner in the neighbourhood and in the world.

1. A resilient EU that enjoys the trust of its citizens

The Slovenian Presidency will prioritise the EU's preparedness for and resilience to crises, particularly in the fields of health, pandemics and cybersecurity. The **European Health Union** and the establishment of a **European Health Emergency Response Authority (HERA)** will be the first areas of focus. Three proposals, adopted by the European Commission, are of particular relevance: **Health, medicine and disease control: reinforced role for the European Medicines Agency*** (2020/0321 COD); **Health, medicine and disease control: European Centre for Disease Prevention and Control*** (2020/0320 COD); and **Health, medicine and disease control: serious cross-border threats to health*** (2020/0322 COD).

Concerning **cybersecurity**, the Slovenian Presidency will work towards strengthening **Cyberresilience of Critical Infrastructure** and the **Digital Single Market**. The **Directive on Security of network and information systems (NIS Directive)*** (2020/0359 COD) is a proposal that is already at working party level in the Council, and Slovenia has indicated a readiness to find an appropriate substantive base for discussions during its Presidency.

Under this pillar, the Slovenian Presidency will also further the work of the **Conference on the Future of Europe**, with a view to reaching a conclusion in 2022. As a member of the Executive Board, the Slovenian Presidency will aim at streamlining the interests of the Member States and representing the Council in the governing structure of the Conference. A first plenary session of the Conference took place on 18 and 19 June 2021.

2. Economic renewal of the EU based on a digital and green transition

Effective and prompt implementation of the **Next Generation EU recovery plan and recovery instrument** will be the focus of attention under this pillar. **Climate change** and **digitalisation** are two key areas: for climate change there is the **Fit for 55 legislative package**, which the Commission will adopt in July 2021. This will be composed of the following:

- Revision of the EU Emissions Trading System, including maritime, aviation and CORSIA as well as a proposal for ETS as an EU own resource*;
- Carbon Border Adjustment Mechanism (CBAM) and proposal for CBAM as an own resource;
- Effort-sharing regulation*;
- Amendment to the Renewable Energy Directive to implement the ambition of the new 2030 climate target*;

- Amendment of the Energy Efficiency Directive to implement the ambition of the new 2030 climate target*
- Revision of the Regulation on the inclusion of greenhouse gas emissions and removals from land use, land-use change and forestry*;
- Reducing methane emissions in the energy sector*;
- Revision of the Energy Tax Directive*;
- Revision of the Directive on deployment of alternative fuels infrastructure*;
- ▶ Revision of the Regulation setting CO₂ emission performance standards for new passenger cars and for new light commercial vehicles*;

In the field of **digitalisation**, the Slovenian Presidency will focus on the regulation of the digital services markets, including the **Digital Services Act*** (2020/0361 COD) and the **Digital Markets Act*** (2020/0374 COD). The Members of the European Council have encouraged the co-legislators to work swiftly on both proposals. The **Artificial Intelligence Act*** (2021/0106 COD), adopted by the Commission on 21 April 2021, will also be given priority during the Slovenian Presidency.

3. Union based on the rule of law and a European way of life

The new **Pact on Migration and Asylum** is the principal commitment on which the Slovenian Presidency will seek progress. Politically it will seek agreement amongst the Member States on the notion of **solidarity** and **responsibility**. The Pact on Migration and Asylum is composed of the following proposals, adopted by the Commission on 23 September 2020:

- Crisis and force majeure in the field of migration and asylum* (2020/0277 COD);
- Screening of third-country nationals at the external borders* (2020/0278 COD);
- Asylum and migration management* (2020/0279 COD);
- Returning illegally staying third-country nationals* (2018/0329 COD);
- Union Resettlement Framework* (2016/0225 COD);
- A common procedure for international protection* (2016/0224 COD);
- Qualification of third-country nationals or stateless persons as beneficiaries of international protection* (2016/0223 COD);
- Reception of applicants for international protection* (2016/0222 COD);
- Eurodac* (2016/0132 COD):
- European Union Agency for Asylum* (2016/0131 COD).

The Slovenian Presidency will also prioritise **strengthening the Schengen area** and work towards its full functioning. To this end, on 2 June 2021, the European Commission announced a **strategy towards a fully functioning and resilient Schengen Area**, as well as a proposal for a **Council Regulation on the establishment and operation of an evaluation and monitoring mechanism to verify the application of the Schengen** *acquis***. A Revision of the Schengen Borders Code* is also expected.**

Slovenia will also work towards the institutionalisation of the new process on the **rule of law review in the Member States**. It plans to hold the annual discussion on the Rule of Law Report: the rule of law situation in the EU as well as a country-specific debate. In this framework, it will hold a discussion on the situation regarding the rule of law in the Member States that are due for reporting, namely Italy, Croatia, Cyprus, Latvia and Lithuania.

4. Secure EU, a good and reliable partner in the neighbourhood and in the world

On the international level, Slovenia intends to promote **closer cooperation with the US and with NATO**. Particular attention will also be given to the **Western Balkans and the process of EU**

enlargement with the countries in the region. In this context, it will be crucial to focus on regional security issues from the past, economic recovery of the Western Balkan countries, strengthening the region's cybersecurity and resilience, improving connectivity, implementing the Green Agenda as well as furthering youth programmes.

PART B: OTHER JOINT DECLARATION FILES

The Presidents of the European Parliament, Council and Commission agreed on the <u>Joint Declaration on the EU's Legislative Priorities for 2021</u> in which they commit to give priority treatment in the legislative process to a series of initiatives in key policy areas.

The following is an overview of the main legislative initiatives, currently being discussed in Parliament, or which are in the negotiation process with the Council. Those proposals forming part of the Slovenian Presidency priorities, mentioned in part A of this paper, are not included again here. Before the end of the Slovenian Presidency, the three Presidents should agree on a new **Joint Declaration list of priorities for 2022.** It will fall to the next Trio, composed of France, Czechia and Sweden, to implement the next Joint Declaration priority proposals.

1. A European Green Deal

The European Commission will adopt the following legislative proposals in the coming months and these could feature in the work of the Slovenian Presidency:

- Biodiversity and toxic-free environment: minimising the risk of deforestation and forest degradation associated with products placed on the EU market*;
- Revision of the Directive on Intelligent Transport Systems, including a multimodal ticketing initiative* (Sustainable and smart mobility);
- Revision of the Regulation on the trans-European network (TEN-T) EU 2021 Rail Corridor Initiative* (Sustainable and smart mobility);
- Rules on Waste Revision of Regulation on Shipments of Waste*;
- Update of concentration limit values of persistent organic pollutants in waste*.

Other ongoing proposals to be dealt with by the Slovenian Presidency:

- Fisheries Control* (2018/0193 COD);
- Updating aviation rules* (2013/0186 COD) Single European Sky recast;
- Financing the sustainable transition: Corporate Sustainability Reporting Directive* (2021/0104 COD); and
- Environment action programme* (2020/0300 COD).

2. A Europe fit for the Digital Age

Amongst the ongoing proposals, there is the **Review of the Roaming Regulation*** (2021/0045 COD); and forming part of the **digital finance package**, there are the following:

- Amending Directive regarding digital operational resilience* (2020/0268 COD);
- Digital operational resilience for the financial sector* (2020/0266 COD);
- Pilot regime for market infrastructures based on distributed ledger technology* (2020/0267 COD);
- Markets in crypto-assets, and amending Directive on Protection of persons reporting on breaches of Union law* (2020/0265 COD).

Finally, on e-Privacy: Respect for private life and the protection of personal data in electronic communications* (2017/0003 COD), a mandate was given in Council in February 2021 and negotiations are under way under the Portuguese Presidency.

3. An Economy that works for the people

A number of proposals are expected during the second or third quarter of 2021; hence, the Slovenian Presidency may initiate work in preparation for the next Trio. These include:

- Investment protection and facilitation framework*;
- Revision of prudential rules for insurance and reinsurance companies (Solvency II)*;
- Completing the banking union: review of the capital requirements legislation*;
- Sustainable corporate governance*;
- EU green bond standard*;
- Anti-money-laundering package*;
- Generalised scheme of preferences granting trade advantages to developing countries*;

The following are proposals on which work has already commenced by the two co-legislators:

- Customs single window* (2020/0306 COD);
- Fair minimum wages for workers in the EU* (2020/0310 COD);
- Credit servicers, credit purchasers and the recovery of collateral* (2018/0063A and 2018/0063B COD); on credit services
- Coordination of social security systems* (2016/0397 COD);
- Country-by-country reporting disclosure of income tax information* (2016/0107 COD);
- European Deposit Insurance Scheme (EDIS)* (2015/0270 COD).

4. A stronger Europe in the World

Under this chapter, there is one ongoing proposal, which could make its way to the negotiating table during the Slovenian Presidency:

Public procurement markets in third countries* (2012/0060 COD)

The Portuguese Presidency expects to have a Council position on this proposal before its term is up, hence negotiations could commence during the Slovenian Presidency.

5. Promoting our European Way of Life

Apart from the **Pact on Migration and Asylum**, and the **Schengen** proposals mentioned in Part A, the following ongoing proposals could feature during the Slovenian Presidency:

- Fostering Europe's Security: Strengthening Europol's Mandate* (2020/0349 COD);
- Schengen Information System (SIS) in the field of police cooperation and judicial cooperation in criminal matters as regards the entry of alerts by Europol* (2020/0350 COD);
- Fostering Europe's security: Additional measures for critical infrastructure protection* (2020/0365 COD).

6. A new push for European Democracy

Work is ongoing on **evidence in criminal proceedings** and it will likely fall to the Slovenian Presidency to conclude, if possible, on the following:

Evidence in criminal proceedings: harmonised rules on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings* (2018/0107 COD); Evidence in criminal proceedings: European Production and Preservation Orders for electronic evidence in criminal matters* (2018/0108 COD)

Improving the gender balance among non-executive directors of companies listed on stock exchanges*(2012/0299 COD) is a proposal that is inherited from one Presidency to the next and remains blocked at the Council. Binding pay transparency measures* (2021/0050 COD) is a new proposal adopted by the Commission on 4 March 2021 on which work has commenced in the Parliament and in the Council.

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