

### FMA Visit to Bratislava in context of Slovak Presidency

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### ASSOCIATION DES ANCIENS DEPUTES AU PARLEMENT EUROPEEN EUROPEAN PARLIAMENT FORMER MEMBERS ASSOCIATION

### I. The Slovak EU Presidency 2016

- 1. Priority Dossiers under the Slovak EU Council Presidency
- 2. Programme of the Presidency
- **3. Slovak Presidency priorities discussed in parliamentary committees**
- 4. Contributions of the LV COSAC

### Briefing

### **Outlook for upcoming Presidency**



### Priority dossiers under the Slovak EU Council Presidency

### I. GENERAL REMARKS

From July to December 2016, Slovakia will hold the Presidency of the EU Council for the first time, following the Dutch and preceding the Maltese Presidency.

Parliamentary elections took place in Slovakia on 5 March 2016. The new coalition government formed by Prime Minister Robert Fico (the so-called 'coalition of historic compromise') was sworn in on 23 March 2016. The coalition includes the S&D-affiliated SMER-SD, the EFDD-affiliated Slovak National party, EPP-affiliated MOST-HÍD representing the country's Hungarian minority and the centre-right Network party, which together hold 85 of the 150 seats in the Parliament. Ivan Korčok, Ministre délégué and Government Plenipotentiary for the Slovak Presidency of the Council of the EU will be responsible for EU Affairs during the Presidency.

### **II. PRIORITIES**

At its session of 24 February 2016, the (previous) Slovak Government adopted guidelines that will determine the agenda of the Slovak Presidency, and the final Presidency programme is due to be approved by the Government on 29 June 2016. Slovak priorities include the Capital Markets Union proposals, the completion of EMU, delivering on Energy Union measures and the Single Market, as well as external relations with a particular focus on the Eastern Partnership. Inevitably, the migration crisis, revision of the Dublin system and the fight against terrorism will be high on the agenda too.

As of May 2016, out of around 140 active ordinary legislative procedures, some 25 are being negotiated by the co-legislators with a view to a first or (early) second reading agreement. This note aims to present the state of affairs in the priority fields of the Slovak Presidency, as well as the most important related dossiers to be addressed by the Presidency in the second half of 2016.

### 1. JOBS, GROWTH AND COMPETITIVENESS

Since its entry into force on 4 July 2015, the European Fund for Strategic Investment (EFSI) has triggered investments in the EU worth €82.1 billion, mainly in the sectors of SMEs (34%), energy (27%) and transport (16%). A mid-term review of the Investment Plan is to be presented by the

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Commission on 1 June 2016. To further exploit the investment potential of the EU internal market, a Communication on the Capital Markets Union, Digital Single Market and Single Market Strategy will also be presented by the Commission on 1 June 2016, to be discussed by the European Council on 28-29 June 2016. The European Parliament adopted a strategic report on the Commission's Single Market Strategy of 28 October 2015 at its plenary session of 25-26 May (*Comi report, IMCO*). Under the Single Market Strategy, a standardisation package will be presented in June 2016, as well as a proposal on a notification procedure for Services in October 2016.

### 1.1 Digital Single Market

By the end of 2016, the Commission plans to adopt all 16 key actions of the Digital Single Market Strategy in three areas: online access to goods and services (e-commerce, geo-blocking, copyright, consumer protection), digital networks (data protection, content, cybersecurity), and digital economy (e-government, standards). The Commission has already put on the table legislative proposals on e-commerce, copyright, content and spectrum. On 25 May 2016, it presented an e-commerce package to prevent geo-blocking and improve parcel delivery, including the review of the Regulation on Consumer Protection Cooperation as well as the revision of the Audiovisual Media Services Directive. Future proposals will include the draft 'wholesale roaming regulation' on 15 June 2016, enabling the abolition of roaming charges by June 2017; the 'telecoms review' with proposals for deeper coordination of spectrum management, to be presented in September, and finally, the 'free flow of data' proposal, expected in the autumn.

### ONGOING MAJOR LEGISLATIVE PROCEDURES

- **Digital Single Market** the following reports are in preparatory phase at committee level:
  - (1) Access proposals: proposal on the portability of online content (*Cavada report, JURI*), proposal on digital content (*Voss/Gebhardt report, IMCO/JURI*) and proposal on online sale of goods (*Arimont report, IMCO*).
  - (2) Broadband proposal on repurposing the 700 MHz frequency band for ensuring the provision of wireless broadband services in rural areas by mid-2020 (*Toia report, ITRE*) committee vote to take place on 13 October 2016.
- **Directive on enhancing shareholders' engagement** (*Cofferrati report, JURI*) proposal on fiscal transparency and country-by-country reporting of multinational accounts; negotiations started with the Council on 27 October 2015 but no progress has been made since then.
- Market access to port services (*Fleckenstein report, TRAN*) negotiations started in April, in view of final adoption in plenary, possibly in autumn.

### 1.2 Mid-term review of the MFF

The mid-term review of the 2014-2020 Multiannual Financial Framework (MFF) will give the opportunity to assess the available budgetary resources and the funding of priority policy areas. The High Level Group on Own Resources (HLGOR) chaired by Mario Monti will end its work with an inter-parliamentary conference on 8 September 2016 before presenting its final report. Following an assessment, a proposal on the mid-term review of the MFF and the System of Own Resources is due to be presented by the Commission at the end of 2016. The European Parliament will adopt a strategic report ahead of the Commission proposal at its July plenary session (*Olbrycht/Thomas* 

*report*). The Presidency will pursue discussions on the Commission proposal with a view to coming closer to an agreement or alternatively concluding the review.

### 1.3 Economic and Monetary Union (EMU)

Stage 1 of the completion of EMU as outlined in the Five Presidents' report is due to be finished by 30 June 2017. It essentially means stronger coordination under the revamped European Semester, completion of Banking Union, the creation of an advisory European Fiscal Board and increased democratic accountability. The Five Presidents' report also provides for the conclusion of an interinstitutional agreement between the European Parliament, the Commission, the Ecofin Council and the Eurogroup, which may be addressed under the Slovak Presidency.

With a view to achieving Fiscal Union in Stage 2, the Five Presidents' report provides for the creation of a euro area-wide fiscal stabilisation function. A joint report was prepared on this topic by BUDG and ECON (*Böge/Berès report*) and will be discussed during the October I plenary session. Slovakia is the only central European and Visegrad-4 country which has introduced the euro, and it was the fastest growing euro area member between 2004 and 2014. The creation of a fiscal capacity for the euro area will be closely followed by the Slovak Presidency.

The Slovak Presidency will also pay due attention to the Capital Markets Union not only as part of President Juncker's Investment Plan for Europe but also as an important part of the completion of the Financial Union within EMU. Further to the three ongoing legislative procedures (see below), the Commission is to present the revision of the European Venture Capital Fund and European Social Entrepreneurship Fund Regulations in mid-July 2016. Parliament is to discuss an INI report on access to finance for SMEs in September (*Karas report, ECON*).

### **ONGOING MAJOR LEGISLATIVE PROCEDURES**

- BANKING UNION: European Deposit Insurance Scheme (de Lange report, ECON) The new European insurance mechanism for national banking deposit guarantee schemes will be the third pillar of the Banking Union, which is currently based on the 'supervision' and 'resolution' pillars. The draft report is to be adopted in ECON on 28 November 2016.
- CAPITAL MARKETS UNION: Modernisation of the prospectus directive (De Backer report, ECON), to be adopted in committee in June 2016. EU Securitisation Framework (Tang report, ECON) the proposal introduces a regulatory framework for simple, transparent and standardised (STS) securitisations and revision of capital calibrations for banks. Prudential requirements for credit institutions and investment firms (Zalba Bidegain report, ECON) proposal to adjust prudential (Solvency II) requirements for insurers' investments in infrastructure projects and European Long-Term Investment Funds. The latter two reports are to be adopted in ECON in November 2016.
- Bank structural measures (BSR) improving the resilience of EU credit institutions (Hökmark report, ECON) — Council has approved a general approach, whereas Parliament's ECON committee is trying to secure a political majority behind a compromise.
- Money Market Funds (*Neena Gill report, ECON*) Parliament adopted its negotiating mandate on 26 May 2015 and is waiting for the Council to start negotiations.

### 1.4 Fight against tax evasion

The European Commission addressed the fighting of corporate tax avoidance and aggressive tax planning with a comprehensive set of proposals set out under the Action Plan on a Fairer and Efficient Corporate Tax System adopted in June 2015. With a second set of proposals presented on 28 January 2016, it aligned EU tax rules to the global standards developed by the OECD, the BEPS (Base Erosion and Profit Shifting) Action Plan. Finally, on 12 April 2016, the Commission presented to Parliament a legislative proposal introducing rules for multinational enterprises to disclose income tax information on a country-by-country basis (*Regner report, JURI*). The proposal also addresses concerns flowing from the 'Panama Papers' revelations concerning offshore financial centres suspected of potentially being engaged in tax fraud and evasion and money laundering, involving current and former leaders across the globe. The European Parliament is planning to set up an inquiry committee to investigate the Panama Papers revelations. On the other hand, the European Parliament's special committee on tax policies (TAXE II) will present its final recommendations at the July plenary session.

On 7 April 2016, the Commission presented a VAT Action Plan to address the 'VAT-gap' in the EU – that is the difference between the expected revenue from VAT and the revenue actually collected. Parliament's ECON committee is preparing a report on the perspectives of a definitive VAT system (*Langen report*), which will be debated at the September plenary session. Upcoming proposals in 2016 will address e-publications and VAT obstacles to cross-border e-commerce (Digital Single Market) as well as measures to strengthen tax administrations' capacity. The Slovak Presidency will aim to adopt a common position on the Action Plan.

### 2. PROTECTION OF CITIZENS

The proposal for the targeted revision of the 1996 Posting of Workers Directive was presented by the Commission on 8 March 2016. Member States have until 18 June 2016 to transpose a Directive aimed at the enforcement of the 1996 Directive's application. However, due to strong opposition from the Visegrad Group, Baltic countries, Romania, Bulgaria and Cyprus, a blocking minority is likely to prevent any progress on the new proposal in the Council under the Slovak Presidency.

The EU employment target for 2020 is to get 75% of the working-age population (20-64 years) into work. In that context, the Commission will present a New Skills Agenda in early June 2016 aiming to provide low-qualified people with the necessary skills to help them integrate into the labour market and to enhance links between the education sector and the needs of the labour market. In particular, the Slovak Presidency will aim to reach agreement between Member States on the mutual recognition of qualifications.

### ONGOING MAJOR LEGISLATIVE PROCEDURES

- Posting of Workers in the framework of the provision of services (Jongerius/Morin-Chartier report, EMPL) – revision of the 1996 Directive, preparatory phase in EMPL.
- Accessibility requirements for products and services (Rochefort report, IMCO), preparatory
  phase in committee. An implementation report by EMPL is also to be adopted on the UN
  Convention on Disabled Persons' Rights (CRPD) at the July plenary.
- Medical Devices and in vitro diagnostic medical products (Willmott and Liese reports, ENVI) —
  an early second reading agreement was reached on 25 May and the final adoption is expected
  in the autumn.
- Consumer product safety package market surveillance of products (*Pietikainen report, IMCO*) and consumer product safety (*Schaldemose report, IMCO*) both files have been awaiting Council's position since their adoption in Parliament in April 2014 and the Commission is likely to present new proposals.
- Organic production and labelling of organic products (Häusling report, ENVI) first reading negotiations are ongoing, with a view to final adoption in plenary, possibly in autumn.

### 3. ENERGY UNION AND CLIMATE CHANGE

On 16 February 2016, the Commission unveiled a package of energy security measures to equip the EU for global energy transition to address possible energy supply interruptions, including: moderating energy demand, increasing energy production in Europe (including renewables), further developing a well-functioning and fully integrated internal energy market, as well as diversification of energy sources, suppliers and routes. In 2016, the Commission will present most of the remaining parts of the Energy Union Roadmap. In general, increasing energy security, promoting regional cooperation and solidarity between Member States will be high on the agenda of the Slovak Presidency.

The Agreement reached at the Conference of the Parties (COP21) to the UN Framework Convention on Climate Change (UNFCCC) was signed by 177 of the 195 parties. EU Member States will now have to agree on their individual pledges to reduce greenhouse gas emissions, increase the share of renewable energies and improve energy efficiency. Ratification of the Climate Agreement will be required by each Member State individually. The European Commission will present at the end of July legislative proposals to implement the pledges made at EU level, namely on burden-sharing between the Member States for non-ETS sectors (transport, construction and agriculture), the decarbonisation of the transport sector, and on land-use and forestry. The Slovak Presidency privileges the safe use of nuclear energy to reach the 2030 targets and wishes to make progress on the ETS reform and non-ETS sectors.

Following the 'dieselgate' scandal, the European Parliament set up on 17 December 2015 an inquiry committee to investigate alleged contraventions and maladministration in the application of EU law in relation to emission measurements in the automotive sector. The inquiry committee (EMIS) will present an interim report to plenary in September, which may also impact on Parliament's position on the draft regulation on the approval and market surveillance of motor

vehicles and their trailers (*Dalton report, IMCO*). The Slovak Presidency is expected to address this issue, Slovakia being the largest car producer per capita in the world.

### ONGOING MAJOR LEGISLATIVE PROCEDURES

- ENERGY UNION EU ETS reform (Duncan report, ENVI) Proposal for a Directive to enhance cost-effective emission reductions and low-carbon investments; the committee vote is scheduled for 8 December 2016. Revision of the Energy Efficiency Labelling Directive (Tamburrano report, ITRE) reinstating a single A to G label scale to help consumers distinguish the most efficient products; negotiations to begin following the adoption of the committee report on 14 June. Energy security package: Security of gas supply (Buzek report) + Decision on information exchange mechanism on inter-governmental agreements in the field of energy (introduces ex-ante compatibility check by Commission) (Krasnodębski report) vote of the committee reports on 13 October 2016.
- Reduction of national emissions of certain atmospheric pollutants NEC Directive (*Girling report, ENVI*) negotiations ongoing since February 2016; the proposal may be amended.
- Reduction of pollutant emissions from road vehicles (Dess report, ENVI) first reading negotiations started in October 2015 but the file has been on hold since November 2015.
- Approval and market surveillance of motor vehicles and their trailers (*Dalton report, IMCO*) proposal presented by the Commission in January 2016, to be adopted in committee in autumn; a general approach may be adopted in Council under the Slovak Presidency.
- CIRCULAR ECONOMY four legislative proposals on waste, including long-term targets to reduce landfilling and to increase preparation for reuse and recycling of key waste streams such as municipal waste and packaging waste; the vote in ENVI committee is expected in November 2016.

### 4. MIGRATION, SECURITY AND JUSTICE

### 4.1 Migration (internal aspects)

Slovak Prime Minister Robert Fico has been opposing a mandatory quota system and filed a lawsuit at the European Court of Justice in December 2015 against the Council Decision to redistribute 120 000 asylum-seekers among Member States. The Presidency will focus on the implementation of better management of all aspects of migration, including irregular/illegal migration, asylum system, border protection and the security of the Schengen area. In particular, it will aim to advance the establishment of a European Border and Coast Guard.

On 4 May 2016, the European Commission published a first set of three legislative proposals for the revision of the Common European Asylum System that should replace – in the medium term – the 'Dublin rules'. The proposals aim to introduce (i) a permanent mechanism for allocating asylum applications among Member States, (ii) the transformation of the existing European Asylum Support Office into a fully fledged European Union Agency for Asylum, and (iii) a reinforced Eurodac System to tackle irregular migration.

### ONGOING MAJOR LEGISLATIVE PROCEDURES

- EUROPEAN AGENDA FOR MIGRATION (proposals presented on 9 September 2015): Crisis relocation mechanism (Kirkhope report, LIBE) to be applied temporarily in respect of specific crisis situations in a given Member State, pending adoption of a permanent mechanism. EU list of safe countries of origin (Guillaume report, LIBE) for the purposes of common procedures for granting and withdrawing international protection. Both files are in preparatory phase at committee level.
- **EUROPEAN BORDER AND COAST GUARD package**: negotiations have started on the Community Fisheries Control Agency (*Cadec report, PECH*), whereas the proposals on the European Border and Coast Guard (*Pabriks report, LIBE*) were adopted in committee on 30 May. The report on the European Maritime Safety Agency (*Arnautu report, TRAN*) was rejected in committee on 24 May. The European Border and Coast Guard remains a priority for the Dutch Presidency but is likely to be finalised only under the Slovak Presidency.
- Regulation on the Schengen Borders Code and reinforcement of checks against relevant databases at external borders (Macovei report) – due to be adopted in LIBE before the summer.
- European travel documents for the return of illegally staying third country nationals (Halla-aho report, LIBE) adopted in LIBE on 30 May.

### 4.2 Security

The Slovak Presidency will follow up on the conclusions of the Foreign Affairs Council of December 2015, which established a framework for the engagement of the EU in the fight against terrorism, taking into account the geographic specificities of terrorist financing.

### **ONGOING MAJOR LEGISLATIVE PROCEDURES**

- **Directive to improve the control of the acquisition and possession of weapons** (*Ford report, IMCO*), and an implementing Regulation to establish common guidelines on firearm deactivation standards. A plenary vote is expected in September and negotiations may then start under the Slovak Presidency.
- **Directive on combating terrorism** (*Hohlmeier report*) due to be adopted in LIBE in the coming months, establishing minimum rules on the definition of criminal offences and sanctions, as well as protection and assistance to victims of terrorism.

### 4.3 Justice

Parliament's LIBE committee is preparing a legislative initiative report on the establishment of an EU mechanism on democracy, the rule of law and fundamental rights (*In't Veld report*) which would contribute to the development of a future proposal from the Commission on such a mechanism. The report will be debated in Parliament in autumn.

The Slovak Presidency will work to improve procedural rights in criminal proceedings and seek to proceed with the fight against fraud affecting the financial interests of the Union, including the continued effort to establish the European Public Prosecutor's Office. Human rights will be a horizontal priority, and the Presidency will endeavour to move forward on the accession of the EU to the European Convention for the Protection of Human Rights and Fundamental Freedoms.

### ONGOING MAJOR LEGISLATIVE PROCEDURES

- Procedural rights in Criminal proceedings negotiations are ongoing since July 2015 on the
  provisional legal aid for suspects or accused persons deprived of liberty and legal aid in
  European arrest warrant proceedings (*De Jong report, LIBE*).
- Fight against fraud to the Union's financial interests by means of criminal law (Gräßle/López Aguilar report, CONT/LIBE) early second reading negotiations on hold since June 2015.
- **European Public Prosecutor's Office** (*Matera report, LIBE*) Parliament has adopted two interim reports, but needs to give its consent to the final text once Council reaches an agreement. So far it has done so only on certain articles of the proposed regulation; progress could be made under the Slovak Presidency.

### 5. EXTERNAL RELATIONS

The Commission will adopt the EU Global Strategy on Foreign and Security Policy on 6 June 2016, which will frame the foreign affairs agenda of the EU under the Slovak Presidency too.

### 5.1 Migration (external aspects)

A general Slovak priority is to have closer cooperation with NATO to protect the EU's external borders. Turkey and the EU agreed on a Joint Action Plan on 15 October 2015 to step up their cooperation on migrant flows from Syria, and other issues such as the enlargement process, strengthening the customs union, and visa liberalisation. On 29 November 2015, in their joint declaration EU Heads of State or Government and Turkey agreed to hold an EU-Turkey Summit twice per year, to explore the potential of EU-Turkey relations, especially regarding foreign and security policy. The EU-Turkey Statement of 18 March 2016 concerning the return of irregular migrants from Turkey to the EU and the Visa Liberalisation Roadmap (VLR) is currently being implemented.

### 5.2 Eastern Partnership and enlargement

The EU and Ukraine signed the Deep and Comprehensive Free Trade Agreement (DCFTA) on 27 June 2014 as part of their broader Association Agreement (AA). It has been ratified by all signatories except The Netherlands, which has to propose a solution following the rejection of the AA in a Dutch referendum held on 6 April 2016.

The European Commission presented a recommendation on 4 May 2016 to grant visa-free status to Turkey – provided the latter meets all necessary conditions set out in the VLR (*Diaz de Mera report, LIBE*). The legislative proposals on the recommendation to grant visa exemption to Ukraine, Georgia and Kosovo are also being examined by the LIBE committee. The accession processes of candidate and potential candidate countries and the approximation of Western Balkan countries' systems to the EU will be a strategic priority of the Slovak Presidency.

### 5.3 Trade

On 25-29 April 2016 the 13th round of the Transatlantic Trade and Investment Partnership (TTIP) negotiations between the EU and the US took place in New York. Significant progress was achieved on the regulatory cooperation and rules pillars, but much work remains to be done in the fields of

services, public procurement and geographical indications. The 14th round, to be held probably in July 2016, will be decisive, with a view to an agreement in principle by the end of 2016.

The proposal for a decision to sign and conclude a free trade agreement with Canada (CETA) is due to be adopted by the Commission on 5 July 2016. On 11 May 2016, the European Commission and Mercosur exchanged offers with a view to relaunching negotiations on a comprehensive EU-Mercosur trade agreement. A chief negotiators' meeting will be held before the summer break in order to take stock of the negotiations and to prepare a timetable for the second half of the year.

EU-Japan free trade talks were put on hold due to both sides being at odds over opening their markets to agricultural imports. Half of the EU's export income from Japan would come from food and agriculture products, yet Tokyo is now bound by the recently concluded Trans-Pacific Partnership Agreement. The 24th EU-Japan summit was postponed to the second half of 2016 and the objective remains to conclude the trade deal by the end of 2016.

### **ONGOING MAJOR LEGISLATIVE PROCEDURES**

- **Conflict minerals** (*Winkler report, INTA*) Proposal to establish a system of self-certification for importers of tin, tantalum and gold originating in conflict-affected and high-risk areas; negotiations have been ongoing since February 2016.
- Trade in goods used for torture (*Schaake report, INTA*) negotiations started on 10 December 2015.
- Access of third-country goods (*Caspary report, INTA*) Commission presented an amended proposal in January 2016.
- **Dumped imports from third countries** (*Fjellner report, INTA*) Parliament adopted its first-reading position on 16 April 2014 but the file is blocked in Council.

### 6. INSTITUTIONAL REFORMS

Article 223 of the TFEU gives the European Parliament the right to initiate a reform of the European electoral law, which the Council decides upon by unanimity. On 11 November 2015, the Parliament adopted a resolution with recommendations to change the Act concerning the election of the members of the European Parliament by direct universal suffrage ('the Electoral Act') (Hübner/Leinen report, AFCO) in time for the 2019 European elections. It called, inter alia, for the system of 'Spitzenkandidaten' to be reflected through a joint European constituency list, to which most Member States are opposed. Discussions are likely to continue under the Slovak Presidency.

Parliament's AFCO committee is also working on two comprehensive reports on improving the functioning of the European Union building on the potential of the Lisbon Treaty (*Bresso/Brok report*) and on the possible evolutions and adjustments of the current institutional set-up of the European Union (*Verhofstadt report*). The Slovak Presidency is expected to continue discussions with AFCO on the legislative initiative for a regulation on the European Parliament's right of inquiry (*Jáuregui Atondo report*). The file has been blocked in Council since the adoption of Parliament's position on 16 April 2014.

The Presidency will carry on with the implementation of the new Interinstitutional Agreement on Better Law-Making including the interinstitutional preparation of the Commission's 2017 Work

Programme. The Commission intends to present a proposal for an Interinstitutional Agreement on a Transparency Register at the end of September 2016.

Finally, the Slovak Council Presidency will have to address the consequences of the referendum on the UK's membership in the EU, to be held on 23 June 2016. If UK voters decide to remain, the Decision of the EU Heads of State or Government of 19 February 2016 concerning a new settlement for the UK within the EU will take effect, with some follow-up procedures to be implemented. Should the UK decide to leave, negotiations would begin under the terms of Article 50 TEU, initiated by the UK.

### III. MAJOR INTERNATIONAL EVENTS AND SUMMITS DURING THE SLOVAK PRESIDENCY

- EU-Japan Summit (date TBC)
- 7th Summit of the European Committee of the Regions, Bratislava (8-9 July)
- 3rd International Conference on Financing for Development, Addis Ababa (13-16 July)
- 21st International AIDS Conference, Durban, South Africa (17-22 July)
- EU-Ukraine Summit (September date TBC)
- G20 summit, Hangzhou, China (4-5 September)
- World Health summit, Berlin, Germany (9-11 October)
- Conference of Parties to the UN Framework Convention on Climate Change (Marrakech, 7-18 November).

This document is also available on the internet at: <a href="www.europarl.europa.eu/thinktank">www.europarl.europa.eu/thinktank</a>.

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### PROGRAMME OF THE SLOVAK PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION

1 JULY - 31 DECEMBER 2016



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### I. OUR VISION FOR EUROPE



The Slovak Presidency comes at a time when the European Union finds itself in an unprecedented situation. The negative outcome of the referendum on the UK's membership of the EU has presented us with a **new challenge**; for the first time in history, we are required to concern ourselves with the practicalities and political ramifications of a Member State leaving the EU. At this juncture, it is vital that the EU engage in selfreflection. Its aim should be to restore citizens' confidence in the common European project, develop its tangible benefits and defend the results of the integration process on our continent. We need a coherent, better and more comprehensible Europe.

However, many other challenges persist. The migration and refugee crisis has tested our ability to manage external borders, maintain the integrity of the Schengen area and seek common solutions. The terrorist attacks have reminded us that there is still much to improve in terms of mutual cooperation in the field of internal security. The continuing consequences of the financial and economic crisis and the current global uncertainty are contributing to a very slow economic recovery and high unemployment.

The Union finds itself at a crossroads. The path it chooses will determine whether it continues to fragment or whether it can mobilise itself towards greater cohesion and sustainable solutions which are more comprehensible to its citizens.

The priorities of the Presidency are a reflection of the ambition to increase the EU's unity and coherence and its resilience to external and internal challenges and to restore citizens' confidence in the European project. The Presidency's vision is therefore based on two pillars:

### Positive agenda

The Slovak Presidency aims to specifically focus on the development of a positive agenda. Maximum effort will be devoted to projects that build on the good experience gained with the internal market and extend it to new pillars. Removing barriers between Member States leads to real benefits for the economy and citizens.

### Sustainable solutions

The Slovak Presidency wishes to promote solutions which, in addition to the immediate response, take into account the long-term perspective. This approach is essential for the EU to move away from mere crisis management towards a systematic fulfilment of its strategic vision.

The EU agenda will be dominated in the coming months by the practical and political consequences of the referendum in the United Kingdom. The Union faces difficult negotiations on the future configuration of relations with the United Kingdom, the framework for which is provided for by Article 50 of the Treaty on European Union.

At this time of self-reflection, the Slovak Presidency aims to produce tangible results for citizens in **four priority areas**: an economically strong Europe, the modernisation of the single market, a sustainable migration and asylum policy and a globally engaged Europe.

The European economy needs a significant investment incentive that will support sustainable economic growth and the creation of new job opportunities. Making full use of and multiplying investment instruments, pursuing structural reforms and promoting a responsible approach to public finances are at the heart of an economically strong Europe. Progress in building the Capital Markets Union and in completing the Economic and Monetary Union (EMU) will also contribute to the improved performance and stability of the European economy.

Despite the success of the single market, there are still shortcomings and barriers preventing it from realising its full potential.

Modernisation of the single market also requires continuous technological development and new

opportunities. The Energy Union can contribute to secure supplies of clean energy at affordable prices for industry and households. The digital single market, including e-commerce, has the unique potential to remove barriers and create new opportunities for businesses and citizens.

The protection of external borders and efficient cooperation with third countries are important elements of the efforts to manage migration effectively. A sustainable migration and asylum policy will make it possible for the EU to return to a fully functioning Schengen area and to consolidate Member States' asylum systems. The use of modern technology at the external borders and closer cooperation between Member States in the field of internal **security** contribute to making the Union more resilient to current security threats.

Strengthening **external relations** will reinforce the global role of the Union. Strong trade links with key global economies are an integral part of active engagement on the global scene. It is also important to promote stability, prosperity and democracy in our neighbourhood. A credible enlargement policy remains an effective tool of political and economic transformation in Europe.

The Slovak Presidency of the Council of the EU is confident that achieving progress in these priority areas will contribute to the coherence of the EU and will help restore the trust of citizens in the Union.

### II. PRIORITIES OF THE SLOVAK PRESIDENCY SK .. EU2016 OF THE COUNCIL OF THE EU



The programme of the Slovak Presidency is an expression of its determination to act as a fair and honest broker in fulfilling the strategic priorities of the European Union. The Presidency's mission is to achieve such solutions as are acceptable to all Member States and beneficial to the EU as a whole. For Slovakia this is a unique opportunity to contribute, more than ever in its history, to the functioning of the Union, with a sense of ownership over the EU's direction.

The themes which will be at the forefront of the Presidency are driven by three interconnected principles:

### Achieving tangible results

The aim of the Slovak Presidency is to demonstrate to citizens that joint European projects have a practical impact on improving their quality of life. The Presidency will

keep a pragmatic focus on areas in which it can achieve tangible results.

### Overcoming fragmentation

The Union needs to make significant progress in a number of areas where barriers still exist between Member States. The Presidency will also seek to contribute to connecting Member States more closely in the single market.

### · Focusing on the citizen

The ability to deliver concrete results and overcome fragmentation is the key to bringing the EU closer to its citizens. The central role of citizens is also reflected in the social dimension, which is a high priority for the Presidency.

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### Economically strong Europe

The Slovak Presidency will prioritise an economically strong Europe based on investments which contribute to economic growth and the creation of new jobs. To achieve this objective, the Union must make full use of, and strengthen, the available instruments, in particular the European Fund for Strategic Investments, the Capital Markets Union and the EU budget. Promoting an economy in which small and medium-sized enterprises can flourish is a prerequisite for the availability of investment capital and the sustainability of public finances. A favourable economic and investment environment in Europe must be built on a well-functioning Economic and Monetary Union with a high level of social and territorial cohesion and economic stability. However, these efforts must be supported by the necessary structural reforms at both EU and national level in all Member States.

The economic crisis has shown that to ensure financial and economic stability it is necessary to adopt systemic measures that will enable the Union to better deal with economic shocks that have negative social consequences. However, the **Economic and Monetary Union** remains incomplete. Therefore, in the follow-up to the Five Presidents' Report of June 2015, the Slovak Presidency will support the implementation of actions that will give positive momentum to its completion. The future of the European economy will greatly depend also on the outcome of the debate on long-term measures to deepen the Economic and Monetary Union. The Presidency will focus on building the EMU's fiscal pillar and will examine the possibility of setting up common macroeconomic stabilisation tools, which can help mitigate the negative effects of economic fluctuations.

The Union must continue to pursue efforts to boost private investment, which is still below pre-crisis levels. The European Fund for Strategic **Investments**, as an additional instrument to the existing investment programmes, plays an important role in this area. Based on past experience of its functioning, the Presidency will strive to increase the investment potential of the Fund to maximise the benefits of its positive effects. The investment incentive must also be accompanied by continued structural reforms and measures to improve the investment environment in Europe.

The **Capital Markets Union** aims to open up alternative sources of finance for small and medium-sized enterprises (SMEs), which currently rely mainly on bank loans. The main result will be the gradual elimination of the remaining barriers to crossborder flows of capital, which will reduce the fragmentation of financial markets in Europe. The Slovak

### II. PRIORITIES OF THE SLOVAK PRESIDENCY OF THE COUNCIL OF THE EU



Presidency aims to make progress on this project and also to focus on innovative means of financing for businesses.

The EU budget, as our main investment tool, must take into account the Union's current priorities and have the necessary capacity to handle unexpected challenges. It is with this ambition in mind that the Slovak Presidency will make every effort to adopt the **EU budget for 2017**. As part of the debate on the mid-term review of the 2014-2020 Multiannual Financial Framework, the Presidency will endeavour to create conditions for sufficient budget flexibility and greater added value for investments by simplifying the rules of the main policies financed from the EU budget.

Economic growth in Europe cannot be achieved without targeted investments in the convergence of all EU regions, which is the main role of the **European Structural** and **Investment Funds**. The aim of the Slovak Presidency is to take into account the recent reform of

the EU cohesion policy, to evaluate the benefits of new elements and to discuss the opportunities for increasing the added value of this instrument after 2020.

The competition and transparent investment environment must be based on **tax measures** that lead to fair and effective taxation in the EU. Combatting corporate tax avoidance is an important part of this effort. The increased number of crossborder e-commerce transactions also highlights the need to modernise the current EU VAT system and keep pace with the new digital economy dynamics.

The completion of the **Banking Union** is an important tool for the stabilisation of the banking sector.
The Presidency will pursue discussions on the European deposit insurance scheme, which it sees as essential for improving the protection of depositors and for financial stability. At the same time, it will be necessary to focus on further risk reduction measures in the banking sector.

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### Modern single market

The single market is considered the greatest achievement of the European Union. The free movement of goods, persons, services and capital has brought new opportunities for European businesses and greater choice for consumers. In order to make maximum use of its potential, it must be adapted to the new reality requiring its extension to energy and the digital space. The Presidency's vision is to further develop projects such as the Energy Union and the digital single market, which will underpin the competitiveness and innovative potential of our economies, and consumer confidence in the single market.

The EU currently imports up to 53% of its energy, which makes it the largest energy importer in the world. The Slovak Presidency hopes to contribute to the creation of a resilient and competitive **Energy Union** with a forward-looking climate policy. The key objective must be secure and clean energy supplies at affordable consumer prices. To fulfil this ambition, the European Union needs an integrated energy market open to greater competition. Security of supply plays an important role in achieving energy resilience for Europe. Therefore, the Presidency will support efforts to improve the security of gas supply by tapping the potential of cross-border and regional cooperation and applying the principle of solidarity.

Ambitious policy in the area of climate change is an integral part of the Energy Union. The 2015 Paris Agreement confirmed a trend towards a low-carbon economy. It is therefore important for the EU to correctly set up the emissions trading system, which should operate as a cost-effective tool to promote investments in low-carbon technologies, while taking into account the existing differences in energy mix and economic structure within the EU.

Digitisation has changed the way we live and work. The **digital single** market will allow individuals and businesses to use electronic services easily, carry out cross-border online activities in accordance with the rules of fair competition, and benefit from a high standard of consumer protection, irrespective of their nationality or place of residence. One of its key objectives is to give citizens and businesses the possibility of free movement in the digital area, while also allowing free movement of data across the EU's internal market as a fifth freedom.

Promoting sustainable growth in the single market also requires a significant improvement of natural resources governance. The Slovak Presidency will promote the development of measures directed towards the **circular economy**. Its essential purpose is to reduce waste production and protect the environment, but also to transform how the economy functions, from production and consumption to waste management and the secondary materials market. Increased attention should be paid to the issue of the efficient use of water as a natural resource, the availability of which may be affected by climate change.



### Sustainable migration and asylum policies

Migration is a long-term historical phenomenon. Since last year, however, Europe has been facing unprecedented migratory flows which are putting extra pressure on the EU's external borders and the asylum systems of the Member States. The Presidency intends to encourage sustainable EU migration and asylum policies, which will be based on the protection of external borders, restoration of the Schengen area, cooperation with third countries and solidarity. In terms of internal security, the challenge for Europe is to make the fight against terrorism more effective through a common coordinated approach by the Member States.

Over the past few years, several measures have been taken, many of which are already operational and are beginning to yield results. However, a number of additional tasks need to be carried out to move Europe away from crisis management and towards sustainable migration management. The risks associated with the different migratory routes are still present.

The **Schengen area** is one of the greatest benefits of European integration for EU citizens. However, due to temporary controls introduced along some internal borders, the Schengen area is not currently fulfilling its essential role, which is to ensure the free movement of citizens and goods. The Slovak Presidency regards the return to a fully functioning Schengen area as our main common goal. This objective cannot be achieved without the implementation of measures that will enable us to regain control over our external borders.

The protection of the external borders is a key priority. Fully functioning external borders are the only way to manage migration more effectively, improve the internal security of the European Union and preserve the free movement of persons. The Slovak Presidency will actively contribute to the deployment

of the European Border Guard, which can help significantly improve the management of the external borders and the implementation of returns of irregular migrants.

There is also a need to make greater use of modern information technology on the external borders. Europe must move towards **smart borders**. Their implementation will facilitate the handling of passengers, contribute to the fight against irregular migration and strengthen the internal security of the European Union, enabling it to better deal with the current threats.

Cooperation with third countries, especially with migrants' countries of transit and origin, forms an integral part of a comprehensive approach to migration. Active and committed partnership, in particular with countries neighbouring the EU, should focus on eliminating causes of migration. Effective cooperation in the field of returns and readmissions, for example cooperation between the EU and Turkey, is also crucial. It led to a significant drop in migration flows in the Aegean and the stabilisation of the situation on the Western Balkans migration route.

At the same time, the migration and refugee crisis has led to reflections

on the future of the **joint European asylum system**. The Slovak Presidency feels a strong responsibility for further developments in this debate, and wishes it to move forward in those areas where there is agreement among the Member States. Consensus building will allow us to move the EU away from crisis management and towards a strategic discussion on the systemic changes.

The security threats that the EU is facing have significantly increased due to the instability in the EU's immediate neighbourhood as well as to the new forms of radicalisation and terrorism. Although the Member

States bear the primary responsibility for internal security, an efficient and coordinated response at European level has become a necessity. The **internal security** of the European Union is the joint responsibility of the Member States and the EU institutions and, therefore, must not suffer because of fragmentation. The Presidency will encourage an ambitious approach to internal security, the prerequisites of which are improved information exchange, increased operational cooperation and mutual coordination between the police and judicial authorities of the Member States.



### Globally engaged Europe

Significant changes in the geopolitical reality have made increased global commitment and political unity within the EU an indispensable element in promoting peace and stability throughout the world. It is the EU's common goal to protect international order based on compliance with international norms and standards, including human rights, to strengthen security, and to contribute to the prevention and resolution of crises. Europe needs an active Common Foreign and Security Policy, based on the EU Global Strategy that strengthens its position in the world, helps it to face complex challenges and contributes to stabilising its neighbourhood.

The Slovak Presidency will promote a comprehensive approach to the EU's engagement by improving both the coherence of the EU's external policies and the coordination of the external and internal security tools. One of the pillars of the foreign policy is the EU Global Strategy on Foreign and Security Policy, the implementation and development of which will be the main focus of the EU in the next period.

Stability in the eastern and southern neighbourhoods of the EU has been significantly weakened in recent years. The Slovak Presidency will therefore promote an effective European **neighbourhood policy**, with the objective of stabilising the neighbourhood and developing relationships with partners based on common interests and needs, with due regard for the principle of enhanced differentiation. In terms of the Eastern Partnership, particular emphasis will be put on supporting the stabilisation of countries in the political and security field, continuing with reforms, implementing the Association Agreements and making progress on visa liberalisation. In terms of the Southern Neighbourhood, the Presidency will foster the development of dialogue and cooperation, and will promote the stabilisation of partner countries in the political, economic and security fields, including by providing assistance in solving long-standing crises based on the diplomatic efforts of the international community.

The Slovak Presidency will put great emphasis on the **enlargement policy**,

which is of crucial importance for the consolidation of political and economic stability in Europe. The enlargement policy is an effective means of ensuring a democratic transition for the Enlargement countries. With a view to strengthening the policy's credibility, the Presidency will seek to maintain the momentum of the accession process and to achieve concrete progress in the candidate countries.

In addition to the long-term EU priorities defined in the strategic neighbourhood programme, the Presidency will actively engage in **strengthening transatlantic ties** and developing relations with other strategic partners of the EU. It will also emphasise the need to deepen the EU's cooperation with international organisations, including by strengthening relations between the EU and NATO.

Free, fair and balanced trade based on reciprocity and mutual benefits is of key importance for the internal and external stability of the EU. The Slovak Presidency will focus primarily on bilateral free trade agreements with third countries, particularly negotiations in the transatlantic relationship.

In terms of **development cooperation**, the Slovak Presidency will focus on the progress in the implementation of the Agenda 2030 and in the debate on the future of relations with the African, Caribbean and Pacific (ACP) group of states. The focus will be put on policy coherence for development in order to comprehensively address the crises, including the migration crisis.

### III. COUNCIL CONFIGURATIONS

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### General Affairs Council (GAC)

Following the adoption of the Interinstitutional agreement on better law-making, the Slovak Presidency will see the implementation of its key parts, particularly the calibration of the coordination of legislative planning between the EU institutions and the involvement of the Council in the preparation of the Commission's work programme for 2017. The Presidency will also focus on the mid-term review of the Multiannual Financial Framework 2014–2020 and will conduct the first evaluation of the implementation of the rule of law mechanism. As is usually the case, the December General Affairs Council will be devoted to Council conclusions on enlargement. With respect to the Council's agenda regarding EU cohesion policy, the Slovak Presidency will, first and foremost, reflect on the recent reform of the policy, paying particular attention to issues such as flexibility, simplification and results orientation, including with a view to the policy's future perspectives.

The new Interinstitutional agreement on better law-making has brought new elements to the process of annual and multiannual programming. The Slovak Presidency will hold discussions within the Council on the European Commission's annual work programme for 2017, as well as on the subsequent joint declaration on annual programming between the Council, the European Commission and the European Parliament. The Slovak Presidency will aim to reach agreement on the strategic priorities of the Council for the next programming period so that they can be taken into consideration in the planning documents of the other institutional partners.

The European Commission is to submit, no later than by the end of 2016, a mid-term review of the Multiannual Financial Framework 2014–2020. Further to a proposal by the European Commission, the Slovak Presidency will lead a discussion focusing on the functioning of and possible improvements to the current Multiannual Financial Framework.

Based on the conclusions of the Council and the Member States from December 2014, the Member States are holding a dialogue in the General Affairs Council on the **promotion and protection of the rule of law**. The Council is to assess the experience gained from this dialogue by the end of 2016. The ambition of the Slovak Presidency is to organise further discussion, assess the rounds of the dialogue so far and summarise the experience gained.

Enlargement policy is an effective tool for strengthening security, stability and democratic transformation in Europe. The Slovak Presidency will promote consistent and fair implementation of the principles of an individual approach to each country. The Presidency aims to adopt Council conclusions on Enlargement and Stabilisation and Association Process, with the objective of taking stock of the progress of each country in its integration process and encouraging them to carry out the necessary internal reforms.



In the area of EU cohesion policy, the Slovak Presidency intends to lead a discussion on European Commission proposals and also adopt Council conclusions that will assess the benefits of the new components of the reformed EU cohesion policy and, on the basis of initial experience, outline areas to further simplify and streamline the policy, including with a view to its future perspectives..

During its Presidency, Slovakia, which forms part of the Danube macroregion, will continue to work on activities designed to support macroregional cooperation of the EU through the development of existing macro-regional strategies.

The Slovak Presidency will aim to reach agreement among the Member States on the issue of building **cyber resilience and safety in industry** via the adoption of Council conclusions.

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### Foreign Affairs Council (FAC)

The EU has always been a symbol of stability, security and prosperity and despite the current challenging times, we have the responsibility to make every effort to enlarge this unique environment by promoting our European values and principles and be more active and coherent in the help and support we provide in order to shape our neighbourhood and wider region in a positive way. The Slovak Presidency will support the High Representative of the Union for Foreign Affairs and Security Policy as chair of the Foreign Affairs Council in pursuing a coherent external policy. Its focus will be on the follow-up of the European Union Global Strategy on Foreign and Security Policy which offers a vision and opportunity for the EU's global engagement and action. We will put special emphasis on strengthening the European Neighbourhood Policy, a credible Enlargement Policy, an effective Common Security and Defence Policy, responsible external action on migration, an engaged Development Policy and further development of trade relations with third countries.

### Foreign affairs and defence

The Slovak Presidency is committed to strengthening the Common Foreign and Security Policy (CFSP), including the Common Security and Defence Policy (CSDP). The current challenges we are facing vary from migration to security and hybrid threats and terrorism. These challenges are interlinked and cross cutting and so should be the EU's response. There is a need for the EU to take a stronger strategic and comprehensive approach to these challenges as well as a need to use EU's instruments more effectively in a coordinated and complementary manner in order to achieve solutions and sustainable results. In this context, the Presidency will focus on strengthening the links between internal and external security as well as between security and development policies.

The ongoing migration crisis requires focused attention and a comprehensive, coordinated and inventive approach by the EU and Member States. Migration issues have to be firmly embedded in all elements of our external relations and cooperation with third countries. The

Slovak Presidency, not losing sight of operational aspects (mainly successful implementation of the EU-Turkey Statement, control of the Central Mediterranean route, and effective use of Trust Funds established in this context), will support all efforts to tackle the root causes of migration and will thus facilitate the elaboration of a medium- to long-term external targeted strategy (complete with adequate financial resources) on how in mutually enriching contacts with the states in question – to address the mass movement of people. The Presidency will seek to work on global migration governance and contribute to restoring the general trust in the EU's capability to handle this challenge.

The new EU Global Strategy on Foreign and Security Policy (EUGS) presented to the European Council in June 2016 is based on principles of EU engagement, responsibility, unity and partnership. The Slovak Presidency will support transforming EUGS political ambitions and priorities into a credible follow-up. This may include elaboration of further documents in the area of security and defence aimed to strengthen civil and military



capabilities and defence cooperation, development of crisis management capabilities and CSDP missions and operations as a unique part of overall EU engagement in third countries.

On the basis of the adopted Joint Framework on countering **hybrid threats**, the Slovak Presidency will support the implementation of the tasks identified therein. It will also support the adoption and implementation of a new wider EU strategic framework for a reform of the security sector.

The Slovak Presidency will provide all possible assistance to the European External Action Service (EEAS) and the European Commission in implementation of the European Neighbourhood Policy (ENP). A strong political impetus will be given to the Eastern Partnership Policy and the implementation of the commitments from the Riga Summit 2015. The Presidency will promote deepening relations and political dialogue with neighbouring countries with a particular focus on securing their stability. It will assist in advancing political association and economic integration of Ukraine, Republic of Moldova and Georgia. Within the Southern neighbourhood the Presidency will seek to further develop relations and to provide assistance to individual states in the region in their political, economic and security stabilisation. The Presidency will also endeavour to ensure the implementation of the reviewed EU -Central Asia Strategy.

The Western Balkans remains an important region in the immediate neighbourhood of the EU. Its stability and prosperity is closely linked with that of the Union. The Presidency fully supports the region's European perspective and is ready to further strengthen it through widening of

mutual relations and through close co-operation.

The Slovak Presidency believes that European defence cooperation can be further strengthened. The Presidency welcomes the work of the European Commission on European Defence Action Plan which should stimulate the European Defence Technological and Industrial Base (EDTIB), Defence Research and capabilities. It will support activities towards small and medium-sized enterprises (SMEs) as they are an important part of the EU defence industrial sector.

Since all the challenges we are facing now are global, there is need to strengthen EU cooperation with all other relevant international partners ranging from the UN to the OSCE and in particular with NATO. Our joint goal with NATO is to build and strengthen our own and our partners' resilience against external threats. The Slovak Presidency will seek to deepen the **strategic EU-NATO partnership** and cooperation. The EU and NATO will adopt a Joint Declaration in this regard ahead of the Warsaw NATO Summit in July 2016.

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### **Trade**

In bilateral, multilateral and plurilateral negotiations, as well as in the legislative area, the Slovak Presidency will foster a **balanced** trade policy based on reciprocity and mutual benefit. The main focus will be on bilateral talks about free trade agreements with third countries. Negotiations between the EU and the USA on the Transatlantic Trade and Investment Partnership represent one of the major challenges for the EU's trade policy. In this context, the Slovak Presidency will have the task to create scope for an internal discussion in the Council and the Commission on the status of the negotiations and the prospects for their successful conclusion with the aim of reaching a comprehensive, ambitious and balanced agreement. The Presidency will also pay close attention to approval processes concerning the signing, application and adoption of an agreement with Canada, as well as concerning negotiations on a free trade agreement with Japan.

The EU's long term strategic goal is the **strengthening of the multilateral trading system**. In the context of multilateral negotiations, discussion will continue on the future and the role of the World Trade Organisation as the guarantor of a transparent and predictable world trading system. A possible conclusion of negotiations on plurilateral agreements on trade in services and on trade in environmental goods will also be high on the agenda.

The question of recognising the market economy status for the People's Republic of China will present a major challenge in the legislative area. Further discussion on a more effective joint action against unfair commercial practices will be no less sensitive and complex.

### **Development**

During the second half of 2016, we expect a strategic discussion on the Sustainable Development Goals and Agenda 2030 implementation with an emphasis on a strong link between its external and internal dimensions. Following the adoption of the Agenda 2030 and the need to adapt EU development policy, it is expected that a revision of the European Consensus on Development will be launched during the Slovak Presidency. In this context, the Slovak Presidency will stress the principle of policy coherence for development. Attention will be given to the role of energy in EU development policy. We will focus on reaching progress in promoting the EU's comprehensive approach by linking security and development policies. In the implementation of the goals of the Agenda 2030, increased attention will need to be paid to the issues of financing for development in the spirit of the Addis Ababa Action Agenda. Equal attention will be given to the fulfilment of obligations and opportunities arising from the Paris Agreement.

During the Slovak Presidency, discussion in the Council will continue on the need for a more flexible and targeted response to challenges brought by the **migration** and refugee crisis and on the need for addressing its causes. In April 2016, a Commission communication on linking development and forced displacement was released, which will be followed by further steps related to linking humanitarian assistance and development cooperation.

One of the ambitions of the Slovak Presidency will be the adoption of Council conclusions on implementing obligations arising out of the **World Humanitarian** 



**Summit**. On the basis of the conclusions reached in Istanbul, the Slovak Presidency will propose possible improvements to the system of provision of EU humanitarian aid that would adequately address the needs of people affected by armed conflicts and natural disasters.

As the expiry of the Cotonou Agreement in 2020 is approaching, the Slovak Presidency will continue the preparations for formal negotiations on the **future framework for cooperation with ACP countries**, due to start in 2018 at the latest. The Presidency will promote an open and informed discussion on the future framework with ACP countries.

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### Economic and Financial Affairs Council (ECOFIN)

Within the agenda of the Economic and Financial Affairs Council the Slovak Presidency will pay particular attention to the measures necessary to complete the Economic and Monetary Union following the Five Presidents' Report, to combat tax fraud and evasion and to increase tax transparency. In the field of completing the Economic and Monetary Union, the Presidency will seek to intensify the debate on long-term measures to strengthen the fiscal pillar of the Economic and Monetary Union. In order to support investment in the EU, the Slovak Presidency will strive to make maximum use of and strengthen the potential of the European Fund for Strategic Investments. We will pursue discussions on the measures necessary to create the Capital Markets Union, to complete the Banking Union with particular emphasis on its second and third pillar and to simplify the rules of the Stability and Growth Pact. In terms of the fight against terrorist financing and tax evasion, the Presidency will aim to make progress in the search for common European solutions. The Presidency will also strive for an agreement between the Council of the European Union and the European Parliament on the EU budget for 2017.

The **Economic and Monetary Union** can be stable, prosperous and resilient only if all its pillars, i.e. economic, financial, fiscal and political, work. The Slovak Presidency will therefore focus on discussions about deepening the Economic and Monetary Union following the Five Presidents' Report. As regards the planned establishment of a European Fiscal Board, the Slovak Presidency will concentrate on making the Stability and Growth Pact simpler and more transparent and on striking the right balance between objectives of macroeconomic stabilisation and fiscal sustainability. The Slovak Presidency will seek to encourage and sustain the debate on long-term measures to complete the Economic and Monetary Union. We will place emphasis on establishing common macroeconomic stabilisation tools as part of the fiscal pillar. This will include discussions on common European unemployment insurance. The Presidency welcomes the establishment of an expert group to examine long-term proposals for deepening the Economic and Monetary Union and will seek opportunities for

cooperation between that group and the Council. The Slovak Presidency will actively participate in the consultation process for the European Commission's white paper on the second phase of deepening the Economic and Monetary Union, which is due to be published in the spring 2017.

In recent years, the European Commission has introduced a number of positive changes to improve the efficiency of the **European Semester**. The Slovak Presidency will evaluate the 2016 European Semester process and will continue discussions on how to improve it further, including by better implementation of specific recommendations to Member States and the euro area. In this context. the Presidency stands ready to start discussions with the European Parliament on the establishment of a programme to support structural reforms for the 2017-2020 period.

The European Fund for Strategic Investments is proving to be an effective and efficient tool for



increasing the rate of investment in the EU. After the first year of its functioning it is expected that the Fund will have mobilised at least one third of the EUR 315 billion target amount for investment. The Slovak Presidency will pursue the evaluation of the Fund's functioning at the Council meeting and will seek to ensure that the Fund's maximum investment potential is delivered.

The Presidency considers building the Capital Markets Union to be an essential part of the agenda for deepening the Economic and Monetary Union. The Presidency will therefore put an emphasis on creating the structures necessary to stabilise and improve the efficiency of financial markets, emphasising the positive agenda. The Slovak Presidency will support efforts to help European SMEs access co-financing through capital markets, including on a cross-border basis. The Presidency will also make active efforts to advance in the negotiations on venture capital schemes. At the same time, the Presidency will aim to reach a political agreement with the European Parliament on money market funds, revision of the prospectus regime and securitisation.

Completion of the **Banking Union** is one of the prerequisites for long-term economic, financial and social stability of the EU. The Slovak Presidency intends to continue the work on completing the second pillar of the Banking Union. The Presidency will seek to make progress in the negotiations on the European deposit insurance scheme. An important part of the work will also be identification of specific measures to reduce risk in the European banking sector.

The Slovak Presidency aims to take forward the search for common European solutions to be translated into effective measures to combat the financing of terrorism

### **Taxation**

In the area of taxation, the Slovak Presidency will focus on the fight against tax fraud and evasion. We see this as one of possible instruments for achieving the EU's objectives on growth, competitiveness and strengthening of the single market. The Presidency stands ready to continue to promote fair and efficient corporate taxation.

The common system of value added tax (VAT) is an important part of the internal market. Current VAT rules should be upgraded as soon as possible in order to promote the internal market, to facilitate cross-border trade and to keep pace with today's digital economy. The action plan on VAT from April 2016 lays down how to modernise the existing EU system and make it simpler, more secure against fraud and more favourable to businesses. The aim of the Slovak Presidency in this area is to obtain clear political guidelines from all Member States.

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Following the package of measures against **tax avoidance** practices, published by the European Commission in January 2016, the Slovak Presidency will take the necessary steps to achieve the maximum possible progress on individual elements of the package. If concrete proposals are submitted, the Slovak Presidency will endeavour to move forward on the issue of how best to resolve disputes arising from cross-border double taxation faced by companies operating in several Member States.

In accordance with the European Commission Action Plan on fairer and more effective corporate taxation in the EU, we expect a renewed initiative in the field of a **common consolidated tax base for corporate income tax** to be presented during the Slovak Presidency. The Presidency is ready to conduct a constructive debate on this topic.

### **EU** budget

The Slovak Presidency will systematically work towards a political agreement between the Council of the EU and the European Parliament on the EU budget for 2017. The final compromise should represent a responsible budget that ensures a balance between supporting the EU budgetary priorities focused on growth, employment, competitiveness and cohesion on the one hand and providing enhanced flexibility to address new and unexpected challenges on the other hand.



## Justice and Home Affairs Council (JHA)

The current migration crisis is one of the biggest challenges facing the EU. The Slovak Presidency aims to contribute to the further development of EU policies, in particular in the fields of migration, asylum, border control and visas. Although these are sensitive issues, the Slovak Presidency sees scope for a positive agenda in this area. Our intention is to build on the work of previous presidencies and to advance efforts to ensure better links between migration, security and external policy. As regards the Schengen area, our objective is to maintain its integrity and to contribute to the re-establishment of its smooth functioning. The Presidency will also pay attention to the fight against terrorism and the issue of foreign fighters. In the 'Justice' configuration, the Presidency will focus on the proposals with added value for the EU and its citizens, particularly on the continuing fight against fraud affecting the Union's financial interests and on the development of the digital single market.

The **migration crisis** is one of the biggest current challenges for the Union. The Slovak Presidency will build on the work of previous presidencies in efforts to manage the migration crisis. We will prioritise in particular the return to respect for international and European law.

A significant part of the Slovak Presidency's tasks will be the work on a new generation of European law on **asylum**. Building on the work of the Dutch Presidency, we will pursue the ongoing negotiations on individual legislative proposals to overcome the division in the Council on certain points and to achieve as much progress as possible.

On integration of third-country nationals, the Slovak Presidency will respond to the needs of other EU Member States following a newly adopted **Action Plan on the Integration of Third-Country Nationals**. The Slovak Presidency has an ambition to adopt Council conclusions on this action plan.

In the field of legal migration, the Slovak Presidency will continue negotiations on the draft of the "EU **Blue Card**" Directive, which is designed to facilitate the employment of highly qualified third-country nationals, and will seek to achieve a partial general approach.

On the functioning of the **Schengen area**, the Slovak Presidency aims to support solutions and initiatives for its improvement. We intend to preserve the integrity of the Schengen area and to contribute to the re-establishment of its proper functioning.

Another priority of the Slovak Presidency is to **protect external** borders. We expect to witness the start of functioning of the European Border Guard, which will really contribute to the protection of the EU's external borders. We also aim to successfully conclude the legislative work on proposals related to the Smart Borders package. This should make it possible to keep more accurate and more complete records of people crossing the EU's external borders and to create a basis for modern management of mobility across borders in the future.

Regarding the **fight against terrorism**, the Slovak Presidency will focus on the implementation of the European Council conclusions of February 2015 and the Council conclusions of

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November 2015 which, in response to terrorist attacks, have created a basic framework for EU action in this field. The Presidency will put emphasis on the exchange of information between Member States' competent authorities, the fight against terrorist financing and the issue of foreign fighters. The ambition of the Slovak Presidency is also to conclude discussions on the draft Directive on the exchange of information about third-country nationals within the European Criminal Records Information System (ECRIS), which will be an important contribution from the field of justice to improvement of safety in the EU. A separate issue in the context of counter-terrorism measures is the prevention of radicalisation.

The Slovak Presidency will build on the work done by previous presidencies on the proposal for a revision of the Visa Code and other proposals on **visas**. One particularly significant challenge lies in proposals for a visa waiver for four countries in the EU's neighbourhood, which collectively constitute the most significant wave of visa liberalisation in the EU's history.

In the 'Justice' configuration, the Slovak Presidency will follow up on the work done by previous presidencies in terms of negotiations on the proposal for a Regulation establishing the European Public Prosecutor's Office and on related

proposals concerning the protection of the EU's financial interests and the European Union Agency for Criminal Justice Cooperation (Eurojust).

The Slovak Presidency will continue with negotiations on the legislative proposals in the field of civil law, particularly on proposals for directives on the supply of digital content and the online sale of **goods**. The Presidency will also devote attention to the proposal to revise the regulation concerning jurisdiction and the recognition and enforcement of judgments in matrimonial matters and the matters of parental responsibility (the socalled **Brussels IIa**) and the proposal on the accession on the part of the EU to the Convention for the Protection of Human Rights and Fundamental Freedoms.

The Presidency will also seek to make progress in the Council discussions focused on more efficient cross-border judicial cooperation and the fight against cybercrime, with particular emphasis on the use of e-justice, since it has the potential to contribute to the acceleration of cross-border litigation, and thus bring a clear European added value.



# Employment, Social Policy, Health and Consumer Affairs Council (EPSCO)

In the area of employment and social affairs, the Slovak Presidency will work to advance the negotiations on the rules concerning free movement of workers, coordination of social security systems and posting of workers. The Presidency will also aim to improve the functioning of the internal market while improving the quality of life of people with disabilities and improving health protection for workers. Through the evaluation of the existing European framework, the Slovak Presidency will endeavour to promote youth employment and to support the implementation of measures for Roma integration. In the health sector, the Presidency will continue negotiations on the draft Regulations on medical devices and on Community procedures for the authorisation of medicinal products for human use and for veterinary use. In the non-legislative area, it is the ambition of the Slovak Presidency to prepare the EU position for the 7th Conference of the Parties to the WHO Framework Convention on Tobacco Control.

In the social policy and employment sector, the Slovak Presidency will focus on discussions on legislative changes in the internal market as regards the free movement of workers, the coordination of social security systems and the revision of the Directive on the posting of workers. The Slovak Presidency hopes to make progress in the negotiations in the Council. The Slovak Presidency will continue negotiations on the European Accessibility Act, which is meant to improve the functioning of the internal market as regards accessibility for selected products and services and facilitating their accessibility for persons with disabilities.

The goal of the Slovak Presidency will be to achieve progress in the negotiations on the revision of legislation aimed at **improving the protection of workers** from the risks related to carcinogens or mutagens.

As far as the **employment sector** is concerned, the Slovak Presidency will prepare draft Council conclusions with the aim of evaluating the effectiveness and results of the Youth Guarantee.

The Slovak Presidency will also focus on the **European pillar of social rights**. The aim of the pillar is to define the basic principles to promote fair and well-functioning labour markets and social protection systems, and promote social convergence.

One of the objectives of the **Commission's package on skills**, which is primarily the responsibility of the Council of education ministers, is to harmonise the changing skills requirements of the labour markets with the acquired skills. During the Slovak Presidency the package will therefore be subject to political debate of Council of employment ministers.

Following the evaluation of the implementation of the Council Recommendation on effective measures concerning **Roma** integration in the Member States, the Presidency will prepare draft Council conclusions.

In the **health sector**, the Presidency will continue negotiations in the Council on the revision of the current regulatory framework for medical devices and on Community procedures for the authorisation of medicinal products for human use and for veterinary use. The Slovak Presidency intends to build on the work done by the Netherlands Presidency on the availability of medicinal products in the context of high prices of innovative medicines, cuts in production and parallel exports of medicinal products.

The Slovak Presidency aims to prepare a joint EU position on the negotiation topics of the 7th Conference of the Parties to the World Health Organisation's (WHO) Framework Convention on **Tobacco Control**, to be held in India in November 2016.

Following the priorities of the Netherlands Presidency, the Slovak Presidency intends to continue the political debate in the Council on **antimicrobial resistance**, which is related to high consumption of antibiotics in human medicine and in animal production. The Slovak Presidency will also lead the political debate in the Council regarding the issue of tuberculosis in Europe, in terms of treatment, multidrug resistance and vaccination.

As far as **chronic non-communicable diseases** are concerned, the goal of the Slovak Presidency is to underline the importance of prevention of chronic non-communicable diseases by promoting healthy lifestyles. The Presidency will follow up on EU action on improving food quality, with a view to learning about and evaluating the best practices of Member States in this area.



# Competitiveness Council (COMPET)

Building the single market, modernising industry and better regulation will be the key topics on the agenda of the Slovak Presidency within the Competitiveness Council. The Presidency's ambition is, in particular, to promote the further development of the single market, which we consider one of the biggest achievements of European integration. We consider the systematic removal of obstacles to the free movement of goods and services and making the internal market accessible to all the citizens of the European Union to be core EU policies. A stable industrial base in the EU is equally important. The Slovak Presidency will therefore promote the introduction of the smart industry concept, as well as the creation of high-quality framework conditions for the prosperity of European industry. In addition, the Presidency will support the efforts of high-quality law-making, which will ensure a simple and predictable regulatory framework for EU businesses and citizens.

As far as the **internal market** is concerned, the Slovak Presidency aims to take forward negotiations on legislative proposals submitted on the basis of the Internal Market Strategy and the Digital Single Market Strategy. During the Presidency we will strive to reach a general approach on the proposal for a Regulation on addressing unjustified geo-blocking and other forms of discrimination on the grounds of place of residence or establishment, or nationality within the single market. We also expect the launch of a debate on two proposals – the 'Services Passport' and the reform of the notification procedure for the Services Directive.

The revision of the **Consumer Protection Cooperation Regulation**will step up market surveillance
in cross-border sales and thereby
encourage the development of crossborder trade in the internal market
of the EU. The Slovak Presidency
will continue negotiations on the
proposal in the Council with the aim
of reaching a general approach.

In the context of **industrial policy**, the Slovak Presidency will promote the creation of appropriate framework conditions for boosting the competitiveness of industry. From this perspective, it is particularly crucial to harmonise all the relevant policies to promote a stable industrial base in the EU. In addition, the Presidency will pursue the implementation of the smart industry concept, which represents a comprehensive approach to adapting industry to new trends and new business models.

The right regulatory environment is a precondition for boosting economic growth and improving the competitiveness of enterprises. During the Slovak Presidency we will continue the debate on the efficient use of better regulation tools and on removing regulatory barriers to innovation. The Presidency will seek to create space for the exchange of good practices in this area and will also focus on the Regulatory Fitness and Performance Programme (REFIT), as well as on other issues arising from the application of the interinstitutional agreement on better law-making.

The Slovak Presidency will also address **copyright reform**. The first proposal in the context of the reform is a proposal for a Regulation on ensuring the cross-border portability of online content services in the internal market. The Slovak Presidency intends to start the trilogues with the European Parliament. Following the Commission's submission of the second package of legislative proposals on copyright reform, the Presidency will chair the initial discussions in the Council.

One of the main topics of the Slovak Presidency in the field of **research** is support for young researchers. The Presidency aims to adopt Council conclusions on measures to support young researchers with a focus on increasing the attractiveness of scientific careers, encouraging mobility and investing in human potential in the field of research and development.



# Transport, Telecommunications and Energy Council (TTE)

Within the agenda of the Council in the format of ministers responsible for transport, it is the ambition of the Slovak Presidency to take forward the debate on the proposals in different transport areas, aiming to contribute to the realisation of the single European transport market. In the Council of energy ministers, the Slovak Presidency will focus on building the Energy Union, with the emphasis on increasing energy security and competitiveness. The Presidency will pursue discussions on proposals on security of gas supply, intergovernmental agreements in the field of energy and energy labelling of products, aiming to reach an overall agreement regarding the proposals. As part of the agenda of ministers for telecommunication, it is the ambition of the Presidency to make some progress in the negotiations on elimination of roaming charges by 2017 and to move towards a political agreement with the European Parliament on the harmonisation of the 700 MHz frequency band for the purposes of high-speed mobile internet. The Slovak Presidency also aims to adopt Council conclusions on the EU eGovernment Action Plan.

### **Transport**

As far as air transport is concerned, the ambition of the Slovak Presidency is to help improve the safety and competitiveness of civil aviation and to facilitate innovation, for example in the field of drone production (remotely piloted aircraft), through a revision of the Regulation on the European Aviation Safety Agency. The Presidency's objective is to reach a common position on this proposal in the Council. Another important topic is the preparation of mandates for the Commission to open negotiations on air transport agreements with third countries in order to improve market access and introduce measures to prevent unfair competition. The Presidency will try to build on previous achievements in this area. In preparation for the 39th session of the General Assembly of the International Civil Aviation Organisation in autumn 2016, the Slovak Presidency will coordinate the process of adopting a common EU position on the individual proposals, particularly on the proposal for a global market-based mechanism for emissions trading in aviation.

In the field of **inland waterway transport**, the Presidency will focus on a proposal for a Directive on the mutual recognition of qualifications of workers. The Slovak Presidency intends to lead trilogues with the European Parliament regarding this proposal.

As part of the global strategy for maritime transport, the Slovak Presidency intends to adopt a Council decision concerning the proceedings of the International Maritime Organisation's committees on improving safety and reducing emissions from maritime transport. The Slovak Presidency will conduct an initial discussion on the package of proposals on passenger ship safety. The Slovak Presidency hopes to conclude the negotiations on the revision of the Regulation on the European Maritime Safety Agency, which is part of a package of measures to strengthen cooperation regarding the protection of the EU's external borders.

In **rail transport**, the Slovak Presidency will approve the EU's position by means of a Council decision on the



preparation of a new Convention of the Organisation for Cooperation between Railways.

### Energy

The aim of the revision of the **Security of Gas Supply Regulation** is to enhance the principle of solidarity, further encourage regional cooperation and increase the transparency of gas contracts. The intention of the Slovak Presidency is to reach a compromise in the negotiations on the proposal for revision of the Regulation, which will make it possible to achieve an agreement in the negotiations with the European Parliament.

A revision of the decision establishing an information exchange mechanism with regard to **intergovernmental agreements in the field of energy** will raise the transparency of intergovernmental agreements. The ambition of the Slovak Presidency is to build on the compromise and reach an agreement with the European Parliament.

The revision of the Regulation on the framework for **energy efficiency labelling of products** is intended to provide EU consumers with objective information about the most energy efficient products and ensure compliance with the rules set by producers and retailers. The Slovak Presidency aims to conclude the negotiations with the European Parliament.

Following the expected submission of proposals to revise the Directives on energy efficiency and on energy performance of buildings by the European Commission, the Slovak Presidency plans to organise a ministerial policy debate.

In the second half of the Slovak Presidency, the European Commission is expected to submit proposals for revision of Regulations of the Council and the Commission in accordance with Article 41 of the Treaty establishing the European Atomic Energy Community. The Regulations establish the rules for notification of investment projects of natural and legal persons in the field of nuclear **energy** and their revision will build on the European Energy Security Strategy. The Slovak Presidency's ambition is to initiate a debate and discussion on the proposed revision of those Regulations.

# Telecommunications, information society, postal services and a joint European navigation system

As part of public sector efforts to modernise and optimise its output by introducing digital services for citizens and businesses, the building of eGovernment is a key initiative. The Slovak Presidency aims to adopt Council conclusions on the EU eGovernment Action Plan 2016-2020 issued by the European Commission in April 2016.

A proposal to revise the **wholesale charges for international roaming** is a condition for the elimination of roaming by 2017. This is an important topic embodying the internal market and removal of internal borders in the EU. The aim of the Slovak Presidency is to reach a general approach on this proposal, or to initiate trilogues with the European Parliament.



The Slovak Presidency will build on the work of the Netherlands Presidency in the negotiations on the harmonisation of the 700 MHz band in the Union. The purpose is to harmonise the use of frequencies for mobile internet, which will create the necessary conditions for extending broadband coverage across the Union and pave the way for innovative mobile services. The Slovak Presidency will lead the trilogues with the European Parliament with a view to concluding the discussion on the proposal.

During the Slovak Presidency, the submission of a proposal for revision of the **regulatory framework for electronic communications** is expected. The aims of the proposal will be to adapt the rules to rapidly changing conditions in the telecommunications sector, eliminate regulatory fragmentation across national markets and encourage investment in high speed networks and innovative services. The Slovak Presidency will schedule a debate on the main policy issues involved at the December meeting of the Council.

In the field of postal services, it is the ambition of the Slovak Presidency to make some progress in the negotiations on the proposal of the Member States for **cross-border parcel delivery**, which will contribute to the development of e-commerce in the Union through increased transparency and reduced prices for service.

There is a need to coordinate effectively between several Council formations on the legislative and non-legislative initiatives in the **Digital Single Market Strategy**. With this in mind and, in particular, with the ambition to achieve consistency on cross-cutting issues arising in these proposals, the Presidency will create room for a presentation of the progress made and of the planned next steps.

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## Agriculture and Fisheries Council (AGRIFISH)

Within the Agriculture and Fisheries Council, the Slovak Presidency will look at ways to strengthen the position of farmers in the food supply chain, with the intention of adopting Council conclusions on this issue. Owing to the protracted crisis in the agricultural markets, especially in the dairy and pigmeat sectors, it plans to monitor the situation on the agricultural commodities market and discuss the need for measures to stabilise the markets. The Presidency will also aim to evaluate the progress made on simplifying the common agricultural policy. It will also pay attention to forests and forestry. In this context, it intends to help implement the EU Forest Strategy, in particular as regards the guiding principle of global forest responsibility.

The Slovak Presidency will look at ways to **strengthen the position of farmers in the food supply chain**. It will inform the Council about the conclusions of the international expert conference on this topic organised by the Presidency. The Slovak Presidency aims to emphasise the importance of fairness in the European food supply chain and to adopt Council conclusions on this matter.

Owing to the protracted **crisis in the agricultural markets**, especially in the dairy and pigmeat sectors, the Slovak Presidency plans to monitor the situation on the agricultural commodities market and include these topics on the agendas for the meetings of the Special Committee on Agriculture and the Council of Ministers. It is the Presidency's aim to evaluate the measures taken on the basis of the findings and analyses and propose further measures to stabilise the agricultural markets where appropriate.

As regards the implementation of the EU Forest Strategy, the key activities of the Slovak Presidency will relate in particular to the third guiding principle, that of global forest responsibility. The Presidency's ambition is to prepare and adopt common EU positions for the meetings of intergovernmental multilateral organisations. The Slovak Presidency aims to make the EU the global leader in promoting sustainable global forest management and ensure that it adopts a clear position on current developments in the international dialogue on forests.

As far as simplification of the **common agricultural policy** (CAP) is concerned, the Council, led by the Slovak Presidency, will evaluate the progress made with the aim of identifying further ways to reduce the administrative burden. The simplification of the regulatory framework for the common agricultural policy is closely linked to its post-2020 philosophy. Therefore, the Slovak Presidency will build on the work of the Netherlands Presidency and will continue the discussion on the future of the CAP pillars.



The Slovak Presidency will build on the work of the Netherlands Presidency in negotiations on the proposal for a Regulation on **organic farming and labelling of organic products** aimed at maintaining the confidence of consumers and organic operators and making it easier for farmers to switch to organic production.

In the **fisheries policy** sector, the Slovak Presidency will focus on annual fishing quotas. The Presidency's ambition is to reach a political agreement on individual regulations on the Baltic Sea, the Black Sea, deepsea species and other stocks.

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# **Environment Council (ENV)**

The Environment Council agenda under the Slovak Presidency will focus on creating conditions for a gradual transition towards a competitive, resource-efficient and low-carbon economy. In the climate change sector, the Presidency will focus on implementing the conclusions of the October 2014 European Council, where leaders took the political decision to reduce greenhouse gas emissions by 40% by 2030 compared to 1990.

The Slovak Presidency will continue discussions on the proposal for the revision of the **emissions trading scheme**, with a view to agreeing a general approach within the Council. The Slovak Presidency will discuss two related legislative proposals from the European Commission, namely the proposal on the sectors not included in the emissions trading scheme and the proposal on the reduction of greenhouse gas emissions related to land use, land-use change and forestry.

Following the adoption of the Paris Agreement at the Conference of the **Parties to the Framework Convention** on Climate Change, the Slovak Presidency will also address other issues related to the ratification of the Agreement by the Member States and the EU, including the ministerial debate on the ratification of the Paris Agreement. A proposal for the ratification of the Paris Agreement on the EU's behalf has already been submitted and the Slovak Presidency will seek to conclude the proposal. The Presidency will pay particular attention to the preparation and coordination of EU positions and participation in international negotiations. The EU's position for the 22nd Conference of the Parties to the Framework Convention on Climate Change in Morocco will be approved in the form of Council conclusions.

As regards the **environment**, one of the Presidency's main objectives will be to actively contribute to the current European debate on the transition towards a green and circular economy. An event entitled 'The transition towards a green economy' will serve as a useful platform for public discussions with the EU Member States and other stakeholders. The Presidency will present the outcomes of the event at the ministerial meeting of the OECD Environment Policy Committee in Paris and at the Environment Council meeting. At the same time, the Slovak Presidency will build on the work of the Netherlands Presidency in negotiations on legislative proposals, the amendments to six important directives on waste management, the proposal for a Regulation on mercury and the proposal for a Directive on emission ceilings.

In the **nature protection and biodiversity** sector, the Presidency
will focus on the results of the
effectiveness evaluation of the Birds
and Habitats Directives. With a view
to adopting measures to ensure and
protect sustainable water resources, a
ministerial conference will take place
in Bratislava in July. As a follow-up to
the conference, the Presidency will
aim to adopt Council conclusions on
droughts and water scarcity in the
context of climate change adaptation.



The Slovak Presidency will be closely involved in the preparation and coordination of **EU positions for international negotiations**. As regards the Conference of the Parties to the Convention on International Trade in Endangered

As regards the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the EU position will be approved during the Slovak Presidency in the form of a Council decision. The draft Council conclusions setting out the EU's position for the Conference of the Parties to the Convention on Biological Diversity and the Cartagena and Nagoya Protocols will be approved during the October

Council meeting. The preparation of an extraordinary meeting of the parties to the Montreal Protocol on substances that deplete the ozone layer is also of key importance. The Slovak Presidency, together with the Commission, will help to prepare these meetings with a view to reaching agreement on reducing production and use of fluorinated greenhouse gases.

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## Education, Youth, Culture and Sport Council (EYCS)

The Slovak Presidency's main focus within the Education, Youth, Culture and Sport Council will be on fostering and developing talent. Fostering talent will translate into increased competitiveness, enhanced social inclusion, and the personal development of every individual. Talent is a driver for innovation and economic growth. As a follow-up to the Commission's presentation of a proposal for the revision of the Audiovisual Media Services Directive, the Slovak Presidency will lead negotiations on the proposal within the Council. The Presidency's aim is to present a progress report at the November meeting of the EYCS Council.

The priorities of the Slovak Presidency in the education sector follow the objectives of the New Skills Agenda **for Europe**, a strategic initiative of the European Commission. As regards the negotiations on a Council Recommendation on establishing a skills quarantee, the Slovak Presidency aims to increase the level of adult education, including digital, entrepreneurial and transversal skills. In the context of the revision of the Recommendation on the European Qualifications Framework for lifelong learning, the Slovak Presidency will focus on developing tools and services for skills and qualifications and on improving their comparability. It will also address the modernisation of higher education and digital skills.

Further to the Commission communication on **supporting** the prevention of radicalisation leading to violent extremism, the Slovak Presidency will prepare Council conclusions highlighting the role of education and youth work in preventing radicalisation and extremism. The objective of the conclusions is to respond to Commission proposals aimed at encouraging inclusive education, developing social and civic skills and promoting common European values through formal education and nonformal learning.

In the **youth** sector, the Slovak Presidency's focus will be on developing the talent and potential of young people by introducing attractive approaches in youth work. It intends to adopt Council conclusions on new approaches in youth work which are aimed at developing young people's potential and their inclusion in society.



In the sport sector, the Slovak Presidency will focus on **sports diplomacy**, which has not yet been included in discussions on formal EU policies. It intends to adopt Council conclusions on sports diplomacy with the aim of raising awareness about its role in society and proposing ways forward in this area.

As a follow-up to the Commission's presentation of a proposal for the revision of the **Audiovisual Media Services Directive**, the Slovak Presidency will lead negotiations on the proposal within the Council. The proposal is one of the key initiatives of the Digital Single Market Strategy. The Slovak Presidency intends to present a progress report at the November meeting of the EYCS Council.

In the culture sector, the Slovak Presidency will deal with the midterm review of the Work Plan for Culture 2015-2018, with the aim of adopting Council conclusions on the subject, and with the proposal for a decision of the European Parliament and of the Council declaring 2018 the European year of cultural heritage.

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# Slovak Presidency priorities discussed in committee

[01-09-2016 - 12:26]

The priorities of the Slovak Presidency of the EU Council of Ministers are being outlined to parliamentary committees by Slovak ministers at a series of meetings taking place in July, August and September.

Constitutional affairs: Brexit vote, funding of European parties and EP election rules

The consequences of the UK's vote to leave the EU was the main subject that State Secretary for Foreign and European Affairs, Ivan Korčok, debated with the Constitutional Affairs Committee on 6 September. MEPs asked how the Presidency intends to use the time left until the UK hands in its formal notification to leave the Union and if the future situation for Northern Ireland and Scotland was being discussed. MEPs also asked the Presidency to speed up its work on rules to tackle abuse of EU funding for political parties.

Mr Korčok said the Presidency would work to agree on an EU position for the upcoming talks with the UK and use the time to deliver on security, migration and economy issues. He also promised progress on the rules on political funding and added that Council was ready to discuss some of the changes in EU electoral law proposed by Parliament last autumn.

Women in the labour market, work-life balance, female poverty key issues for Slovak presidency

Boosting women's participation in the labour market, promoting new work-life balance policies and strengthening the fight against female poverty throughout the Union are key issues for the Slovak Presidency, Minister of Labour, Social Affairs and Family Ján Richter, told MEPs in the Parliament's Women's Rights and Gender Equality Committee on 1 September.

MEPs welcomed the minister's speech, but stressed the importance of further action within the field of women's rights and gender equality. They also called for speeding up the process of ratifying the Istanbul Convention, calling it a necessary measure to combat violence against women in Europe.

# Employment: posting of workers, exposure to carcinogens at work, EU Accessibility Act

Presenting the priorities of the Slovak presidency in the field of social policy on Wednesday 31 August, Ján Richter, Minister of Labour, Social Affairs and Family, emphasised that the focus will be on boosting jobs and prosperity while continuing to fight against social exclusion. There will be three key legislative proposals: an overhaul of the posting of workers directive, which faced "yellow cards" by eleven member states yet was re-tabled without changes; changes to the directive on exposure to carcinogens or mutagens at work, which aim to improve health and safety of workers and was presented to the Employment on Social Affairs Committee; and the EU Accessibility Act to boost the market for accessible products and services for people with disabilities.

MEPs focused on the posting of workers and urged the minister to seek a compromise with other member states so that negotiations between the Parliament and Council can start as soon as possible.



# **Press release**

### International trade: CETA ratification and China market economy status

Ratifying CETA (EU trade deal with Canada) was flagged as the Presidency's main trade priority to International Trade Committee MEPs on 14 July. Minister Peter Žiga said that he was looking to sign the deal at the EU-Canada summit in October and that work was under way to apply CETA provisionally, which, now that the EU Commission had proposed CETA to be a "mixed agreement" was "important in terms of our credibility towards Canada". He also told MEPs that, as requested by most member states in the Council, investment rules would not be included in the deal's provisional application.

Mr Žiga reported that the EU Council was also still divided on how the EU should update it's trade defence tools and as regards the general EU approach towards China's "market economy" status. MEPs again stressed the need for decisive EU action to protect local production against Chinese overcapacity. In their questions, MEPs also called on the Presidency to make negotiating mandates for trade talks public, in particular as regards the current trade talks with Tunisia.

# Economic and Monetary Affairs: money markets funds, European Deposit Insurance Scheme, VAT

"We don't need more Europe, we don't need less Europe, we need a better Europe", Minister of Finance Peter Kazimir, told Economic and Monetary Affairs Committee MEPs on 13 July. Mr Kazimir will chair the Economic and Financial Council (ECOFIN).

Presidency priorities include making progress on money markets funds, the prospectus directive, securitisation, a European Deposit Insurance Scheme (EDIS) and modernising the VAT system, as well as strengthening the implementation of country-specific economic policy recommendations, modernising the internal market and fostering investments, inter alia by prolonging the European Fund for Strategic Investments (EFSI) until 2020.

# Culture, Education and Sport:audio-video media services directive, European Year of Cultural Heritage, preventing radicalisation of young people

Ministers Peter Plavčan (Education, Science, Research and Sport) and Marek Maďarič (Culture) told the Culture Committee on 13 July that the audio-video media services directive (AVMSD), with special attention to protecting minors, will be the Presidency's top priority for the next six months.

The ministers also assured MEPs that every efforts will be made to reach a final decision on the 2018 European Year of Cultural Heritage. Improving skills for an active civic life, modernising higher education and preventing radicalisation of young people are the key priorities in the education field.

### Internal Market: geo-blocking, consumer rights, SMEs

Modernising and deepening the internal market is among the Presidency's key priorities, Deputy Prime Minister Peter Pellegrini told the Internal Market Committee on 14 July. The Digital Single Market, including proposals on geo-blocking and enforcing consumer rights, is also high on its agenda. On the supply of digital content proposal, the Presidency aims to reach a "partial general approach" in the Council, he added. The modernisation of industry, with a particular attention to energy-efficient sectors, was also mentioned as an important priority by Economy Minister Peter Žiga.

MEPs highlighted the importance of the collaborative economy, cybersecurity and an economy "fit for the digital age". Some MEPs argued that the geo-blocking proposal is not ambitious enough, and that this issue will have to be addressed. VAT rules, SMEs and the UK referendum/Brexit were also mentioned.

# Development: humanitarian assistance, particularly to women and children in crisis areas

A key issue for the Presidency is to make the international humanitarian system more efficient, coordinated and flexible, using the momentum created by the recent World

# Press release

Humanitarian Summit, State Secretary of the Ministry of Foreign and European Affairs Lukáš Parízek told the Development Committee on 12 July. The situation of women and children in crisis areas calls for a better response too, he added.

MEPs welcomed this agenda and urged Mr Parízek to make sure that no development money is diverted to support security or for other purposes.

### Industry, Research and Energy: telecoms, 5G, China, Horizon 2020

The telecoms packages, including moving to a roaming charge-free system by 2017 and renegotiating use of mobile spectrum for 5G, are among the Presidency priorities, Transport, Construction and Regional Development Minister Roman Brecely told the Industry, Research and Energy Committee on 12 July.

On the issue of China's market economy status, the Presidency will "proceed very carefully", but there will be "sufficient protection for European industry", Minister of Economy Peter Žiga told MEPs.

The Presidency will also aim to foster innovation, use the Horizon 2020 programme to the full and bring the European space programme to fruition, added Minister of Education, Science, Research and Sport Peter Plavčan on 11 July.

### Agriculture: farm crisis, unfair trading practices, trade talks, organics and forestry

The need for common European solidarity-based solutions to the agricultural crisis and unfair trading practices was stressed by Agriculture and Rural Development Minister Gabriela Matečná, in a debate with the Agriculture Committee on 13 July. The Presidency will seek to make progress on draft proposal on organic products, veterinary medicinal products and medicated feed laws, she said. Simplifying EU farm policy, promoting sustainable forestry and advocating a balanced trade deals will be also high on the agenda, she added.

MEPs stressed that the difficulties on agricultural markets demand further action now, adding that they expect Commissioner Phil Hogan to come up with new measures on 18 July and discuss them with the committee the next day.

### Public Health: medical devices, veterinary medicines, availability of medicines

The Presidency will formalise the agreement between the institutions on medical devices in September, Health minister Tomáš Drucker told Environment and Public Health Committee on 12 July. Work will also focus on veterinary medicinal product legislation, with the aim of obtaining a mandate for negotiation with MEPs. The availability of medicines, "a critical issue for patients and growing problem in Europe", he said, will also be among the Presidency priorities.

# Regional Development: implementation of the new EU cohesion policy, Omnibus, Urban Agenda

The need to assess the benefits of the recent EU cohesion policy reform innovations and simplify implementing mechanisms was stressed by Deputy Prime Minister for Investments and the Information Society Peter Pellegrini, on 13 July, in a debate with the Regional Development Committee. Mr Pellegrini said that the Presidency will focus on the structural reform support programme, the Omnibus regulation and the Urban Agenda.

Replying to MEPs' questions, Mr Pellegrini agreed on the need to improve the reputation of cohesion policy and raise awareness among citizens on its results and benefits.

### Foreign affairs: EU enlargement, EU-NATO, visa requirements

Regaining the credibility of EU enlargement policy, which is the best EU tool to promote reforms in the neighbourhood, while maintaining the conditionality principle and assessing each country's progress, is a key Presidency priority, Foreign and European affairs Minister Miroslav Lajčák, told the Foreign Affairs Committee on 12 July.

# Press release

MEPs welcomed the Presidency's focus on enlargement, hoping the current slowdown could be overcome. Several asked Mr Lajčák to ensure the swift implementation of EU-NATO declaration on mutual capabilities and timely lifting of EU visa requirements for Georgia and Ukraine.

### Legal Affairs: e-justice, copyright, whistleblower protection

More efficient cross-border judicial cooperation with emphasis on 'e-justice' - electronic communication in the justice field - is high the Presidency's agenda, as are progress in creating a digital single market and copyright reform, Justice Minister Lucia Žitňanská and State Secretary at the Culture Ministry Ivan Sečík, told the Legal Affairs Committee on 12 July.

MEPs highlighted the importance of whistle-blower protection and progress on the shareholders' rights directive. A priority stressed by both sides was revising the so-called "Brussels IIa regulation" to help international couples resolve disputes, involving more than one country, over divorce and child custody.

### Fisheries: sustainable management of fishing fleets, data collection, North Sea

The need to ensure fish stocks are sustainable and to protect the EU's thriving fisheries sector was stressed by Agriculture and Rural Development Minister Gabriela Matečná on 12 July, in a debate with the Fisheries Committee. Ms Matečná said the Presidency will focus on the following legislative files: the data collection framework, the sustainable management of external fishing fleets, the technical measures regulation and the Commission proposal on the North Sea management plan, which it is to table this summer.

Replying to MEPs' questions on the implications of Brexit, Ms Matečná said it is rather early to discuss this and that it will be examined once Article 50 is triggered.

### Transport: aviation safety, electric vehicles, ICAO and IMO

Ongoing revision of aviation safety rules and preparing EU positions for the next ICAO and IMO meetings, will be the Presidency priorities, Transport, Construction and Regional Development Minister Roman Brecely told the Transport Committee on 12 July. He also stressed the need to boost take-up of electric vehicles and cycling.

MEPs asked the minister about the effects of minimum wages in Germany and France on the transport single market, initiatives for road transport and decarbonisation, ensuring EU funding for transport projects, whether a European or a global approach to ETS should be preferred and progress on air passenger rights.

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### Contributions of the LV COSAC,

The Hague, 12 – 14 June 2016

### 1. Modes of parliamentary scrutiny

1.1 COSAC welcomes that, as presented in the 25th Bi-annual Report of COSAC, national Parliaments have the ambition to play an active role at EU level in full respect of the current Treaties. Moreover, COSAC notes that the most important EU parliamentary scrutiny activities for national Parliaments are government oversight, being a policy shaper, as well as being a public forum, and engaging in active exchange with other national Parliaments.

Therefore, COSAC invites national governments, as well as the relevant EU institutions to facilitate, to contribute to and to take into account, as much as possible and where appropriate, the fulfilment of Parliaments' ambitions at EU level.

- 1.2 COSAC points out that most national Parliaments exchange information on political dialogue and subsidiarity contributions regarding EU proposals. COSAC encourages Parliaments to make use of all available channels to exchange information, also on the implementation of EU-legislation, with each other to decide on positions on EU dossiers. COSAC invites Parliaments to continue exploring new ways to improve cooperation in this field.
- 1.3 COSAC invites the future Presidency Parliaments in every first half of the year, assisted by the COSAC Secretariat, to compile an annual overview of Parliaments' priorities from the Commission Work Programme based on the data received from each national Parliament, to share this overview amongst all Parliaments/Chambers and send it to the EU Institutions.
- 1.4 COSAC notes that the annual overview of parliamentary priorities could be useful to strengthen cooperation between national Parliaments and the European Parliament on a selection of legislative dossiers. COSAC expresses the ambition that Parliaments, who are willing to do so, could, for example, cooperate during the preparation of parliamentary scrutiny of EU-legislation. To this end Parliaments are invited to, for example, experiment with new modes of co-operation and exchange regarding the parliamentary scrutiny of one or two selected EU proposals or policies, facilitated within the framework of COSAC as much as possible.
- 1.5 COSAC welcomes the ambition of the European Parliament, the Council and the European Commission related to annual programming as agreed in the interinstitutional agreement on Better Law-Making. COSAC invites all EU-institutions to share and discuss the work on annual programming actively with national Parliaments.

1.6 COSAC notes that the Commission has reduced the number of proposals announced in its Work Programme, but that the overall number of proposals has increased. COSAC underlines that realistic annual programming by the EU-institutions could enable national Parliaments to optimally fulfil their role and responsibilities.

### 2. Rapporteurs

- 2.1 COSAC notes, as presented in the 25th Bi-annual Report of COSAC, that not all Parliaments appoint rapporteurs on EU related dossiers and acknowledges that Parliaments adopted different rules and practices when using rapporteurs.
- 2.2 The active exchange between parliamentary rapporteurs on EU dossiers is welcomed by COSAC and it therefore encourages Parliaments to further develop the active exchange in order to improve parliamentary scrutiny within Parliaments.

### 3. The "yellow card" and the "green card" (enhanced political dialogue)

- 3.1 COSAC reiterates the contribution of the LIV COSAC in Luxembourg on the "yellow card" procedure (paragraph 4) and the need for improvement without Treaty change. COSAC also reiterates the invitation to the European Commission to consider excluding certain periods from the 8-week deadline. COSAC welcomes the current exclusion of the August period and encourages the European Commission to follow up on the aforementioned invitation in the same way.
- 3.2 COSAC supports the European Commission's endeavour to ensure better quality and more timely responses to reasoned opinions and contributions submitted by national Parliaments.
- 3.3 COSAC takes note that concerning the Proposal for a directive of the European Parliament and the Council amending Directive 96/71/EC of The European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services [COM (2016) 128] national Parliaments of 11 Member States adopted reasoned opinions accounting for 22 votes, thus reaching the threshold of one third of the votes required to trigger the so-called yellow card procedure. COSAC reminds the European Commission of its own commitment to consolidate the role of national Parliaments, including through "forging a new partnership with national Parliaments."
- 3.4 On the introduction of the "green card" (enhanced political dialogue), COSAC reiterates the contribution of the LIV COSAC in Luxembourg (paragraph 5). COSAC notes that Parliaments have different views on defining the minimum threshold for introducing a "green card", the deadline to participate in the "green card" and the timeframe for concluding a "green card".
- 3.5 COSAC would welcome further "green card" initiatives by parliaments wishing to do so, in order to further shape and explore the use of this instrument in the framework of the political dialogue with the Commission and without introducing new formal procedures. It invites future Presidencies of COSAC to follow up on previous initiatives in this respect and, once more insights into the potential of the enhanced political dialogue are gathered, to strive to present conclusions to COSAC on, inter alia, the threshold, deadline and time frame for a "green card".

### 4. Trilogues

- 4.1 COSAC encourages Parliaments to exchange information on trilogues, for example during inter-parliamentary meetings or between rapporteurs, as this exchange is considered a useful tool to improve parliamentary scrutiny on EU affairs.
- 4.2 COSAC welcomes the interinstitutional agreement on Better Law-making of the European Parliament, the Council and the Commission in which they agree to ensure the transparency of legislative procedures, on the basis of relevant legislation and case-law, including an appropriate handling of trilateral negotiations.
- 4.3 COSAC furthermore welcomes the agreement of these three institutions that the provision of information to national Parliaments must allow the latter to exercise fully their prerogatives under the Treaties. COSAC therefore calls on these three institutions as well as national governments, within their respective roles, to provide relevant information on trilogues to national Parliaments and to the public.

### 5. Interaction at COSAC

5.1 COSAC notes that the Plenary sessions of COSAC offer a unique platform for Parliaments to exchange views and share opinions on important European Union policy challenges. COSAC underlines the importance of high-level discussions during the Plenary sessions of COSAC; such discussions would include up-to-date information, expertise and therefore also input from the European Commissioners. COSAC also notes, as presented in the 25th Bi-annual Report of COSAC, that most

COSAC also notes, as presented in the 25th Bi-annual Report of COSAC, that most Parliaments support further improvements of the Plenary sessions to allow sufficient room for informal networking. Therefore, COSAC invites future Troikas of COSAC to further provide sufficient time for debates and discussion in the Plenary sessions, while allowing sufficient time for informal exchange among delegates.

### 6. Parliaments and the Rule of Law

- 6.1 COSAC notes that the institutional responsibility for securing human rights, and incorporating them into domestic laws, as well as for upholding and fostering the rule of law and democratic governance, is a shared responsibility of the national Parliament, the executive and the judiciary, and is embedded in national constitutional traditions.
- 6.2 COSAC notes that the EU is based on shared values such as the rule of law, democratic governance and human rights, as laid down in the Treaties and the Charter of Fundamental Rights of the European Union, and that this entails responsibilities for each EU Member State, while at the same time threats to and violations of these values are of common concern to those sharing these values and adhering to the agreed obligations and standards.
- 6.3 COSAC underlines that respect for the rule of law within the Union is a precondition for mutual recognition and mutual trust among the Member States and between Member States and the Union, essential for a well-functioning Union in all policy areas.
- 6.4 COSAC supports initiatives to establish permanent dialogue mechanisms in relevant fora on these matters. Once in place these mechanisms can be helpful in discussing politically sensitive human rights violations and threats to the rule of law.

- 6.5 COSAC can serve as a platform for such inter-parliamentary dialogue, promoting a culture of respect for human rights, democratic governance and the rule of law within the European Union and its Member States, thereby complementing the work of other platforms and assemblies such as the Parliamentary Assembly of the Council of Europe (PACE).
- 6.6 COSAC welcomes the rule of law dialogue among the Member States in the Council of the European Union aimed at strengthening the rule of law in the EU and its Member States. COSAC takes note of the TFEU Article 225 own-initiative report on the establishment of an EU mechanism on democracy, the rule of law and fundamental rights that is being drafted in the European Parliament and welcomes exchanges with national parliaments on such issues.
- 6.7 COSAC underlines the vital and increasing role of Parliaments in the protection and realisation of the rule of law, democratic governance and human rights. Parliaments have a pronounced role owing to their primary role of law-making, in holding the executive to account over the implementation and compliance onto the national level of internationally agreed rule of law and human rights standards and obligations, and in strengthening democratic legitimacy and ownership of the rule of law and human rights standards.
- 6.8 COSAC stresses the importance of national Parliaments' engagement with society in monitoring and safeguarding the rule of law, democratic governance and human rights values, standards and obligations e.g. by following up on the recommendations of both international human rights mechanisms, and the reports and recommendations by, amongst others national human rights institutes, NGOs and civil society.
- 6.9 While the rule of law, democratic governance and human rights deserve ongoing attention, COSAC encourages national Parliaments to continuously devote attention to the rule of law, democratic governance and human rights in their work and engage in and promote the national and international dialogue on these values. Best practices, check lists from other Parliaments, as well as common standards and guidelines developed by bodies such as the Council of Europe should provide guidance and be further developed.

# 7. Parliamentary diplomacy in the framework of the European Neighbourhood Policy

- 7.1 COSAC notes that, as presented in the 25th Bi-annual Report of COSAC, all Parliaments engage in parliamentary diplomacy, in most cases to promote fundamental values (democracy, the Rule of Law and human rights), to increase mutual understanding between countries and to exchange information and know-how.
- 7.2 COSAC welcomes activities as part of parliamentary diplomacy contributing to the European Neighbourhood Policy with a view to deepening relations, enhancing cooperation and strengthening the EU's partnerships with both Eastern and Southern neighbouring countries, to support and foster peace, security and prosperity.
- 7.3 COSAC considers that, by deploying their parliamentary contacts, Parliaments as institutes and parliamentarians are able to support Parliaments of neighbouring countries in transition processes, to build bridges between conflicting parties and to voice concerns or promote the universal values in a way traditional diplomacy might not be able to do. COSAC therefore encourages Parliaments to continue to engage in parliamentary diplomacy as a complementary form of diplomacy to traditional diplomacy in the field of the European Neighbourhood Policy.

- 7.4 To improve the effect of parliamentary diplomacy and to better understand differences in Parliaments' working practices, COSAC encourages all Parliaments to share best practices in this field, as well as regular exchange of information with and visits to and from countries covered by the European Neighbourhood Policy.
- 7.5 COSAC furthermore encourages Parliaments to cooperate and exchange information among them, as well as with the European Parliament and the executive in order to develop more coherence in the field of parliamentary diplomacy particularly in the framework of European Neighbourhood Policy.

### 8. Migration

8.1 COSAC underlines the importance of the implementation of the European Agenda on Migration, while respecting human rights and all international treaties and conventions, as well as efforts to tackle the root causes of refugee and migration flows, and the need to implement the short-term and long-term priorities by reinforcing the focus on the external dimension of migration in a spirit of partnership with countries of origin and transit. Therefore COSAC calls for a structured strategy for the external dimension of the EU migration policy, aiming at the development and stabilisation of the migrants' countries of origin.

COSAC recognises the need to exercise solidarity in relation with Member States facing an unprecedented flow of refugees and migrants.

COSAC welcomes the aim of the Commission to reform the Common European Asylum System and in particular takes note of the substantial recast of the Dublin Regulation.



# ASSOCIATION DES ANCIENS DEPUTES AU PARLEMENT EUROPEEN EUROPEAN PARLIAMENT FORMER MEMBERS ASSOCIATION

- II. Political system in Slovakia
  - 1. Introduction
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    - 2.1 NDI 2016. Parliamentary elections result
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### II. Political system in Slovakia

### 1. Introduction 1

The Slovak Republic came into existence on January 1, 1993 as one of the successor states of the Czech and Slovak Federal Republic. The Slovak Republic is a parliamentary democracy with autonomous legislative, executive and judicial branches. The National Council of the Slovak Republic is a unicameral parliament, and under the Constitution is the supreme body exercising legislative power in the Slovak Republic, it is the highest legislative authority of the state. The government consists of ministers selected by the political parties which have formed a coalition (usually more than 75 members of parliament). The Government of the Slovak Republic is the supreme body for exercising executive power. The Government of the Slovak Republic is the supreme body for exercising executive power.

The political system of the Slovak Republic is a parliamentary democracy (with prime ministership) with autonomous legislative, executive and judicial branches.

The National Council of the Slovak Republic is a unicameral parliament, and under the Constitution is the supreme body exercising legislative power in the Slovak Republic, it is the highest legislative authority of the state. The National Council has 150 members elected for 4-year terms in direct elections with secret ballots. At least 5% of the total vote is needed for a party to enter the Parliament. The system of elections is proportional representation – parties are allotted seats in Parliament in accordance with the percentage of votes they get in the parliamentary elections.

The government consists of ministers selected by the political parties which have formed a coalition (usually more than 75 members of parliament). The Government of the Slovak Republic is the supreme body for exercising executive power. It consists of the Prime Minister, Deputy Prime Ministers and Ministers. The Government is formed on the basis of parliamentary elections. The Prime Minister is appointed and recalled by the President of the Slovak Republic. Upon the advice of the Prime Minister, the President appoints and recalls other members of the Government and grants commissions to carry out departmental duties. The Government is collectively responsible to the Parliament for the exercise of governmental powers, which may take a vote of no-confidence at any time.

The President of the Slovak Republic, who currently is Andrej Kiska, is the highest constitutional representative (Head-of-State) in the country and he/she is elected by direct elections. His function is, however, more formal, the real governmental power is in the hands of Prime Minister and partly in the hands of President of the Parliament (Chairman of the

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<sup>&</sup>lt;sup>1</sup>Reference source: http://www.slovak-republic.org/politics/

National Council). According to the constitutional law adopted on January 14, 1999 the President is elected to office by popular vote in a two-round election system. The same person can be elected President for a maximum of two consecutive 5-year terms.

The Chairman of the National Council of the Slovak Republic is elected or recalled by secret ballot with the consent of an absolute majority of all members of the Parliament. The Chairman is responsible exclusively to the National Council of the Slovak Republic.

The Constitutional Court of the Slovak Republic is an independent judicial body charged with protecting constitutionality in the Slovak Republic. The Court consists of 10 judges appointed by the President for a period of 7 years out of 20 nominees proposed to him by the Parliament. The Court is headed by a President, who is appointed from among the judges of the Constitutional court by the President of the Slovak Republic.

### **General Aspects of the Electoral System**

The legislature of the Slovak Republic, the National Council, is composed of 150 members directly elected by universal adult suffrage for a four-year term of office. National Council seats are filled by proportional representation (PR) in a single, nationwide electoral constituency, where political parties or coalitions of two or more parties submit lists of candidates. Voters may indicate preferences for up to four candidates in one list.

National Council seats are distributed on a nationwide basis by the Hagenbach-Bischoff method. However, in order to participate in the distribution of National Council seats, a party must obtain at least five percent of the vote, while coalitions of two to three parties and four or more parties are required to obtain at least seven and ten percent of the vote, respectively. An electoral quota - the republic electoral number - is calculated by dividing the total number of valid votes polled by qualifying lists by 151 - the number of National Council seats plus one. The number of votes won by each qualifying list is then divided by the electoral quota, and the result of this division, disregarding fractions, is the initial number of seats obtained by each list. Any seats that remain unallocated after the application of the electoral quota are distributed according to the largest remainder method.

List seats are allocated first to candidates whose preferential votes constitute at least three percent of the total number of votes cast for the list; however, if there are more qualifying candidates than available list seats, these are allocated to the candidates with the largest number of preferential votes. If the number of preferential votes is the same, seats are allocated to candidates in the order in which they appear on the list.

The president of the Slovak Republic is directly elected by universal suffrage in two stages of voting. In order to secure a place on the ballot, presidential candidates must be nominated by fifteen members of the National Council, or by a petition signed by 15,000 citizens. If no

candidate obtains an absolute majority of all valid votes cast in the first round, then the top two candidates qualify for a runoff election, in which the candidate with the largest number of votes is elected to office for a term of five years.

Originally, the National Council chose the president, but a 1999 amendment to the constitution established the popular election of the president by runoff voting. Popular voting for presidential elections was adopted following a prolonged impasse in 1998, in which the National Council repeatedly tried to elect a new president, but no candidate attained the three-fifths majority required by the constitution.

### 2. National Council and Parliamentary elections' result

### Parliamentary Elections 2016<sup>2</sup>

59.94% of Slovak citizens took part in elections held on March 5, 2016, with a total of 23 political parties and movements in the running. The five percent threshold was exceeded by 8 political parties. The NC SR welcomed three new parties: Kotleba - Ľudová strana Naše Slovensko, SME RODINA - Boris Kollár, and #SIEŤ. Kresťanskodemokratické hnutie, with a result of 4.9%, and Strana maďarskej komunity – Magyar Közösség Pártja with 4% of the vote, were left just outside of Parliament. The electoral gains of other candidate parties did not exceed 1%.

Party	Votes	%	Seats	+/-
Direction – Social Democracy	737,481	28.28	49	-34
Freedom and Solidarity	315,558	12.10	21	+10
OĽANO–NOVA	287,611	11.03	19	+3
Slovak National Party	225,386	8.64	15	+15
Kotleba – People's Party Our Slovakia	209,779	8.04	14	+14
We Are Family	172,860	6.63	11	New
Most–Híd	169,593	6.50	11	-2
Network	146,205	5.61	10	New
Christian Democratic Movement	128,908	4.94	0	-16
Party of the Hungarian Community	105,495	4.05	0	0
Slovak Civic Coalition	21,785	0.84	0	New
TIP Party	18,845	0.72	0	New

<sup>&</sup>lt;sup>2</sup> Reference source: https://en.wikipedia.org/wiki/Slovak\_parliamentary\_election,\_2016

Slovak Green Party	17,541	0.67	0	0
Communist Party of Slovakia	16,278	0.62	0	0
Slovak Democratic and Christian Union – Democratic Party	6,938	0.27	0	-11
CHANCE	6,522	0.25	0	New
Party of Modern Slovakia	4,559	0.17	0	New
Direct Democracy Party	3,595	0.14	0	New
Courage – Great National and Pro-Russian Coalition	3,428	0.13	0	New
Resistance – Labor Party	3,182	0.12	0	New
Hungarian Christian Democratic Alliance	2,426	0.09		New
Democratic Party - Ľudo Kaník	1,998	0.08	0	New
Coalition – Together for Slovakia	1,777	0.07	0	New
Invalid/blank votes	20,798	-	-	-
Total	2,648,184	100	150	0

### Current Cabinet<sup>3</sup>

Prime Minister: Robert Fico (Smer-SD)

Deputy Prime Minister for Investment: Peter Pellegrini (Smer–SD)

Deputy Prime Minister / Minister for Interior: Robert Kaliňák (Smer–SD)

Deputy Prime Minister / Minister for Justice: Lucia Žitňanská (Most–Híd)

Minister of Finance: Peter Kažimír (Smer–SD)

Minister of Foreign Affairs: Miroslav Lajčák (Independent(SD))

Minister of Economy: Peter Žiga (Smer–SD)

Minister of Transport, Construction and Regional Development: Árpád Érsek (Most–Híd)

Minister of Agriculture and Rural Development: Gabriela Matečná (Independent(SNS))

Minister of Defence: Peter Gajdoš (Independent(SNS))

Minister of Labour, Social Affairs and Family: Ján Richter (Smer-SD)

Minister of the Environment: László Solymos (Most-Híd)

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<sup>&</sup>lt;sup>3</sup> Reference source: https://en.wikipedia.org/wiki/Government\_of\_Slovakia

Minister of Education, Science, Research and Sport: Peter Plavčan (Independent(SNS))

Minister of Culture: Marek Maďarič (Smer–SD)

Minister of Health: Tomáš Drucker (Independent(SD))

### Status and powers

National Council of the Slovak Republic (hereinafter "National Council") is the sole constitutional and legislative body of the Slovak Republic. It is the body of state authority and the status of other state bodies in Slovakia is derived from its primary status. As an elected body it represents the sovereignty of the state and of the citizens. It has an important role in the formation of the Slovak Republic as a modern and democratic state, as well as in the implementation of social and ecologically oriented market economy. Members of the Parliament are elected by universal, equal and direct suffrage by secret ballot. There are 150 Members of Parliament elected for a four-year term.

### **Powers of the National Council of SR**

Powers of the National Council are determined by its constitutional status within the system of exercising the power divided into:

Legislative Power

**Power of Scrutiny** 

Power to Create State Bodies

Domestic and Foreign Policy Powers

National Council also discharges its power through elections, which is assigned to it by respective laws (Act no. 80/1990 Coll. on Elections to the Slovak National Council, as amended).

### **Legislative Power**

The National Council shall consider and approve the Constitution, constitutional statutes and other laws and it shall control their upholding. Its legal acts regulate relationships that arise in all spheres of social, political and economic life of the Slovak Republic.

The method of law-making and the details of procedure of the drafting of laws, debate on them and their form is laid down in the Legislative Rules of Law-making, published in the Collection of Laws of the Slovak Republic as item no. 19/1997 Coll.

Draft laws may be introduced by the committees, Members of Parliament and the Government. The legislative process in the Parliament is carried out in three readings. In the first reading, after general debate, during which no amendments may be proposed, the Parliament either:

Returns the bill to its sponsor for revision, or

Stops the debate on the bill, or

Passes the bill to the second reading

In the second reading, the NC may start the debate after a minimum of 48 hours since the delivery of a joint report of committees or the information of a joint reporter. The filing of an amendment or of an addition to the bill is subject to the approval of at least 15 MPs.

In the third reading, the only things which may be proposed are corrections of legislative mistakes of a technical character, corrections of grammatical mistakes and mistakes in writing or print. Other amendments or additions to the bill must be submitted by a minimum of 30 MPs. In the third reading bills are approved.

The legislative process in the Parliament is regulated in detail in Part 10 of the Act No. 350/1996 Coll. on Rules of Procedure of the Slovak National Council, as amended (§67 to § 97).

### **Power of Scrutiny**

State bodies, established by the Parliament, or with its involvement, are responsible to answer and report to the Parliament. The Parliament exercises its power of scrutiny primarily towards the Slovak Government and its members

It endorses the Government Manifesto of the Slovak Government, which is a pre-requisite of its continuing operation, and supervises its implementation

Approves state budget and final state budgetary account, including control reports

Discusses the expression of confidence to the Government or its members Parliamentary control in relation to the Government lies in the right of the MPs to raise interpellations, suggestions, comments and questions. The Sponsors of an interpellation are obliged to respond in a manner prescribed by the law. If Thursday is a day assigned for debate, the agenda for this day shall include "Question Time" at 14.00. All Government members have to be present during both "Interpellations" and "Question Time" agenda items. The National Council shall approve budgets of other legal entities it had created and shall discuss their implementation.

It shall discuss the reports of the Supreme Audit Office of the Slovak Republic on the results of its control activities and the reports of the Slovak Central Bank on monetary development and the results of its management.

### **Power of Creation**

Power of creation includes the power to establish both its own bodies and state bodies as well as to participate in the establishment of other state bodies. In compliance with the above-mentioned:

The Parliament elects and recalls the Speaker and the Deputy Speakers of the Parliament in a secret ballot

Establishes and abolishes its committees, special control committees and commissions, sets their number as well as electing and recalling their chairs and members

Passes laws establishing or abolishing ministries and other central bodies of state administration

Elects candidates for the position of a Justice of the Constitutional Court of the Slovak Republic and the Prosecutor General

Elects and recalls other officials if so stipulated by the law Details on submission of proposals, on the election and recall of the abovementioned officials are included in election rules approved by the Parliament.

### Powers of the Parliament in Domestic and Foreign Policy

The National Council exercises its powers in domestic and foreign policy in the following manner:

Gives consent for constitutional statutes that entail a change to the state borders

It approves the treaties on a union of the Slovak Republic with other states and the repudiation of such treaties by a constitutional statute

It passes resolutions declaring war in case the Slovak Republic had been attacked or if obligations under international collective defense treaties must be fulfilled, and after the end of war on concluding peace

Gives consent for dispatching of military forces outside of the territory of the Slovak Republic

Approves the presence of foreign military forces on the territory of the Slovak Republic

Prior to their ratification approves of international treaties, if so stipulated by the Constitution

Decides on proposals to call a referendum

Debates on fundamental issues related to domestic, international, economy, social and other policies

### The Organization of the Business/Activities of the Parliament

The activities of the National Council are presided over and organized by Speaker and the Deputy Speakers. The Parliament is continually in session. A session of the Parliament ends as a result of termination of the electoral term or its dissolution. The National Council may resolve to adjourn its session; the time of adjournment may not exceed four months within a period of one year.

The Parliament exercises its constitutional power through the constituent session and sessions that take place during the election term. The constituent session is of particular importance. It is convened by the President of the Slovak Republic in a manner ensuring that it takes place no later than 30 days following the announcement of election results. In this session the Parliament elects its validators, Speaker and Deputy Speakers and establishes its committees – except for the ones established by the law – and elects their chairmen and members.

The days of debate are usually Tuesday to Friday.

Parliamentary sessions are public. Closed meetings or its parts thereof may take place in case when matters subject to state, service or trade confidentiality are discussed, or if stipulated by law or if a 3/5 majority of the Parliament resolves so.

The National Council may only vote when a simple majority of all its members (i.e. 76 MPs) are present and are taking part in the voting. To pass a decision the approval of a simple majority of all MPs present is required – i.e. a minimum of 39 votes. Ordinary laws are adopted by a relative majority.

An absolute majority – i. e. a minimum of 76 votes – is required in order to pass a vote of noconfidence in the Government or its members, or to elect and recall the Speaker or the Deputy Speakers or by the adoption of other proposals, as laid down by the constitution or by the law.

A qualified majority of 3/5 of all deputies (i.e. at least 90 deputies) is required for the adoption of a constitution, constitutional statute, a resolution on closed session of the National Council as well as in other cases foreseen by the constitution or by the law.

The voting at sessions is public or secret. Public voting is carried out by the use of electronic equipment in the assembly hall or by the raising of hand. Secret ballot is used in cases laid down by the constitution, by the law or if the Parliament resolves so. Ballots are used for secret voting.

A debate on particular items of the approved order of the program may not commence unless all printed matter had been provided to the deputies at least 24 hours prior to the debate. Every draft act submitted to the National Council in compliance with the Constitution must be assigned to a relevant committee for discussion and the issuing of an opinion.

MPs who wish to take part in a debate file an application in writing after the agenda had been approved or they may apply orally after the presentation of signed-up speakers.

If proposed by a minimum of two caucuses, the Parliament may resolve to limit the time for debate on a particular agenda item, however to a minimum of 12 hours, proportionally allocated between caucuses and MPs not affiliated to any caucus. The debate may not be limited when discussing drafts of constitutional statutes, of the state budget or the Program Proclamation of the Cabinet.

MPs are entitled to raise one factual comment that reacts to a speaker. The presentation of a comment may not exceed two minutes. A speaker may use a factual comment to answer to the comments raised by other MPs as a reaction to his speech. The debate ends when all speakers that had applied finished their speeches, unless a member of the Government takes the floor, thus opening the debate again.

MPs have the right to table procedural motions concerning the manner of the debate or the timetabling and factual procedure of Parliamentary debate. However these may not pertain to the voting itself and their duration is limited to one minute. These motions are voted on without a debate.

Minutes are taken of every session of the National Council. After their verification they are the authentic record of the meeting and are used as a basis for the publication of a report, which is published after every meeting.

(The above account of powers, rules of procedure and activities of the Parliament is not a complete one. A more detailed enactment thereof and of the status of bodies and their external relations are contained in the Act No. 350/1996 Coll. on Rules of Procedure as amended.)

Numerical identification of election terms of the National Council of the Slovak Republic and of its sessions

The creation and operation of the Slovak National Council in 1943 is considered the first election term of the current National Council. This numerical identification of the order of parliamentary election terms was terminated when its competence and status as the

legislative body of Slovakia within the Czechoslovak Republic had changed. This took place in its tenth election term, following the formation of an independent Slovak Republic on 1 January 1993 and the demise of the Czech and Slovak Federative Republic.

For organization and technical reasons all Parliamentary sessions are marked numerically in an order in which they follow during one election term.

At the time of the parliamentary election of 30 September to 1 October 1994 for the National Council as the sole constitutional and legislative body in the autonomous Slovak Republic, a new numbering of election terms was introduced, starting with the ordinal number "I" written in Roman script, together with the verbal identification "first". This first electoral term ended upon the parliamentary election of 25 and 26 September 1998. On 26 September 1998, the second four-year electoral term of the National Council started. The third electoral term started on 21 September 2002 and finished on 17 June 2006, when the early parliamentary election took place. On that date, the fourth electoral term started, which is currently running.

#### **Political Parties**



**Direction – Social Democracy** *Smer – sociálna demokracia*: It is led by Robert Fico, the current Prime Minister of Slovakia. Smer-SD is the largest party in the National Council, with a plurality of 49 seats (out of 150) following the Parliamentary Election held on 5 March 2016. Originally named Direction, the party emerged as a breakaway from the Party of the

Democratic Left (SDĽ) on 8 November 1999. Under Fico, at the time one of the most popular politicians in the country, it quickly surpassed the SDĽ. In 2003 it changed its formal name to Direction (Third Way) (Slovak: Smer (tretia cesta)). In 2005, it absorbed SDĽ and several other centre-left parties and adopted its current name. Following the party's victory in 2006, Smer entered into a coalition with the nationalist Slovak National Party (SNS). For this, it was suspended from membership of the Party of European Socialists (PES). The PES Chairman, Poul Nyrup Rasmussen, explained in The Slovak Spectator that "Most of our members stood solidly behind our values, according to which forming a coalition with the extreme right is unacceptable.

Ideology: Centre-left; Social democracy, Social patriotism, Left-wing nationalism

Leader: Robert Fico



**Freedom and Solidarity** *Sloboda a Solidarita*: The centre-right party was established in 2009 and is led by its founder, the economist Richard Sulík, who designed Slovakia's flat tax system. In the March 2012 parliamentary election, it lost half of its 22 seats in the National

Council. The party had held four positions in the government of Slovakia before the election.

Richard Sulík was special adviser to two Ministers of Finance, Ivan Mikloš and Ján Počiatek, with whom he worked to simplify the tax system and implement Slovakia's 19% flat tax. He announced his intention to found Freedom and Solidarity on 10 October 2008, calling for a party dedicated to economic freedom and questioning the commitment of the Slovak Democratic and Christian Union – Democratic Party (SDKÚ-DS) to that objective. Analysts cited a lack of any liberal party in the country. After securing the 10,000 signatures required to found a party, SaS made its public debut in February 2009, ahead of the European election in June. The party set publicly declared goals of entering the National Council in 2010 and entering government in 2014. In the 2016 parliamentary election the party had in total 21 seats and an increase of 10 seats.

o Ideology: Centre-right; Liberalism, Euroscepticism

Leader: Richard Sulík



Ordinary People and Independent Personalities, New Majority *Obyčajní ľudia a nezávislé osobnosti Nová väčšina:* It ran four candidates on the list of the Freedom and Solidarity (SaS) party in the 2010 parliamentary election to the National Council, and all four were elected. The party is led by Igor Matovič, one of the four MPs. In the last elections of 2016, the party

had a total of 19 seats and an increase of 3 seats.

 Ideology: Centre-right; Christian democracy, Social conservatism, Political activism

Leader: Igor Matovič (OĽaNO),



**Slovak National Party** *Slovenská národná strana:* The party characterizes itself as a socialist, nationalist party based on the European Christian system of values. Since 1990, SNS has won seats in every Slovak parliament but two (in 2002 and 2012) and has been part of the government from 2006 to 2010. In that year, it formed a

coalition with Robert Fico's Direction – Social Democracy (Smer-SD), which resulted in suspension of Smer-SD from the Party of European Socialists (PES). The PES considered SNS a "political party which incites or attempts to stir up racial or ethnic prejudices and racial hatred." However, in 2008 Smer's membership suspension ended with no further PES's demands regarding SNS. In the 2012 parliamentary election, SNS failed to meet the 5% electoral threshold and thus lost parliamentary representation. At the following party congress in October 2012, the delegates chose lawyer Andrej Danko as the new chairman of the party. In the last parliamentary elections the party had a total of 15 seats and an increase of 15 seats.

o Ideology: Right-wing; National conservatism, Euroscepticism

o Leader: Andrej Danko



**People's Party – Our Slovakia** *L'udová strana – Naše Slovensko*: is a farright political party in Slovakia. The Party declares that it builds on the legacy of L'udovít Štúr, Andrej Hlinka and Dr. Jozef Tiso who took part in liquidation of the democratic regime in Czechoslovakia after the Munich Agreement and as a president of World War II Slovakia supported an implementation of antisemitic legal norms and advocated the deportations

of the Jewish population. In the elections of 2016 the party had a total of 14 seats and an increase of 14 seats.

o Ideology: Far-right; Slovak nationalism, Euroscepticism, Antiziganism

o Leader: Marian Kotleba

We Are Family – Boris Kollár SME RODINA – Boris Kollá : The party founded on 10 November 2015 by businessman Boris Kollár from renaming and repurposing the existing minor party Our Land (Náš Kraj). The party took 6.6% of the vote in the 2016 parliamentary election, winning 11 seats in the National Council.

o Ideology: Centre-right; Anti-politics, Conservatism, Euroscepticism

Leader: Boris Kollár



**Most–Híd**: Its programme calls for greater cooperation between the country's Hungarian minority and ethnic Slovaks. It has thirteen members of National Council and is part of the centre-right opposition against the current single-party Direction — Social Democracy

government of Robert Fico. In the parliamentary elections of 2016 the party had a total of 11 seats and a loss of 2 seats.

o Ideology: Centre; Hungarian minority, Liberal conservatism

Leader: Béla Bugár

#NETWORK #SIEŤ: The party was founded by Radoslav Procházka in June 2014, after the 2014 presidential election. NETWORK polled above 10% being second to SMER and was expected to become major centre-right party after 2016 parliamentary election where the party won 10 seats.

o Ideology: Centre to Centre-right; Social conservatism, Liberal conservatism

o Leaders: Radoslav Procházka

Christian Democratic Movement Kresťanskodemokratické hnutie: The party was established in 1990. In the 1990s it was led by Ján Čarnogurský and then since 2000 by Pavol Hrušovský. Before the 2016 elections, it was led by Ján Figeľ. Following the defeat in the elections, Figeľ stepped down from the position and Pavol Zajac became temporary leader until the decisive party meeting on March 19, 2016. Figeľ endorsed Milan Majerský, mayor of Levoča, for the position.

o Ideology: Centre-right; Christian democracy, Social conservatism

o Leaders: Alojz Hlina

Party of the Hungarian Community Strana mad'arskej komunity - Magyar Közösség Pártja: The party was founded in 1998 in response to an anticoalition law passed. The law prevented parties from forming electoral cartels at election time, which small parties had used to overcome the 5% electoral threshold. Three parties representing the Hungarian minority had formed such a cartel, called 'Hungarian Coalition' in the 1994 election, and had won 10.2% of the vote. To comply with the new law, the three parties – the Hungarian Christian Democratic Movement, Coexistence, and the Hungarian Civic Party – merged to form the Party of the Hungarian Coalition. The party lost the parliamentary elections of 2016 without any seats.

 Ideology: Centre-right; Hungarian minority, Liberal conservatism, Christian democracy

Leaders: József Berényi

#### Joining the EU

Relations between Slovak Republic and European Union (Slovakia & EU) are based on the European Association Agreement, which was signed on 4th of October 1993 and came into force on 1st of February 1995. Slovakia, with other associated countries of Central and Eastern Europe, was involved in the process of EU enlargement. In 1995, these countries applied to become members of the EU: Romania, Latvia, Lithuania and Bulgaria. Czech Republic and Slovenia have applied to join the EU in June 1996.

Joining the European Union belonged to the priorities of Slovak foreign policy since the Slovak Republic was established as an independent country in 1993. Vladimír Mečiar, the Prime Minister of Slovakia, submitted the application for the Slovak Republic into the EU on 27th of June 1995 at the European Council meeting in Cannes.

One of the conditions to acquire membership for all candidate countries is the implementation of the Copenhagen criteria, which have been approved by the European Council in Copenhagen in 1993. These criteria are divided into several groups:

- •Political criteria the candidate country must have institutional stability as a guarantee of democratic governance and legally consistent state, respect for human rights and the protection of minorities.
- Economic criteria these include a functioning market economy and the ability to withstand competitive pressure in the enlarged European Union.
- •Acceptance of the acquis communautaire the candidate countries need to harmonize the system of law with the EU, and demonstrate the ability of its implementation in practice.

In December 1999, the European Council on the Helsinki summit decided to invite Slovakia for negotiations on joining the EU. In March 2000 formal negotiations in Brussels began. Slovakia had to negotiate with the EU in 31 negotiating chapters. Slovak Republic managed to keep pace with the candidate countries of the so-called first group, who negotiated with the EU two years longer, and closed the individual negotiating chapters in quick time.

Negotiations officially ended at the Copenhagen summit in December 2002, concluding chapters of agriculture, finance and budget.

Slovak Republic signed the Accession Treaty with EU on 16th of April 2003 and on 1st of July 2003 it was approved by the plenary of the SR.

Slovakia, like other candidate countries after the conclusion of the negotiations on accession to the EU, declared a referendum on 16th – 17th of May 2003, where citizens were able to comment joining the European Union. The majority of eligible voters expressed their agreement with the country's entry into the European Union. After a successful ratification of the Accession Treaty, the Slovak Republic became a member of the European Union on 1st of May 2004.



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# **2016 Parliamentary Elections Signal A Shift to the Right** in Slovakia [1]



Citizens gather around a local elections campaign event in eastern Slovakia prior to parliamentary elections.

Slovaks went to the polls early in March to elect a new parliament. The country of 5.5 million is a member of the European Union and NATO, and has experienced, more than most other former communist countries of the region, a bit of an economic miracle generated by foreign investment in manufacturing, proximity to large consumer markets, and a talented workforce. Slovakia however is not been immune from the political challenges facing Europe, notably terrorism, the refugee crisis, and Russian aggression to Slovakia's immediate east in Ukraine. All of these issues were on display during a heated election campaign, which featured a political battle between establishment parties, on both the right and left, and newer entrants, some pushing xenophobic, extremist platforms. At the end of it all, voters gave strong support to these new parties, including those espousing extremist views. The incumbent, center-left SMER party managed to emerge on top, and cobbled a governing coalition together with other establishment parties, albeit ones formerly in opposition on the right.

The mainstream, pro-Europe political consensus that has presided over Slovakia and elsewhere in Central Europe--in the Czech Republic, Hungary, and Poland—since 1989 is being tested by restive electorates concerned about prosperity and security in a Europe struggling to find answers to new and difficult questions. Slovakia's election results suggest that the test isn't over.

In the attached memo, NDI staff in Slovakia's capital, Bratislava, analyze the election results, and reflect on what the elections means for Slovakia's sizable Roma community, which NDI supports through programs that enfranchise Roma in the political process as voters, watchdogs, and elected officeholders.

	Vote (percentage)	Seats	
Smer-SD	28.3	49	
SaS	12.1	21	
OľaNO	11.0	19	
SNS	8.6	15	
ĽSNS	8.0	14	
Sme Rodina	6.6	11	
Most-Híd	6.5	11	
#Sieť	5.6	10	
KDH	4.9	0	
SMK	4.0	0	

[1]

Slovakia's March 5 parliamentary elections resulted in a political shake-up as establishment parties on both the left and right gave up a large share of the electorate to new parties, including one perceived by many to be nationalist/fascist.

The left-wing populist Direction – Social Democracy (SMER–SD), led by incumbent Prime Minister Robert Fico, will lead the new government with erstwhile center-right opponents, in a joint bid by mainstream parties to hold on to power. SMER's share of the vote dropped significantly.

The far-right Kotleba – People's Party Our Slovakia (LSNS), led by regional governor Marian Kotleba, enters parliament for the first time with 8 percent of the vote and will be in opposition.

The center-right Christian Democratic Movement (KDH) failed to cross the five percent threshold required to enter parliament for the first time since Slovakia's independence in 1993. Other traditional parties on the right suffered a similar fate.

SMER and other parties had believed that they would benefit from adopting anti-immigrant rhetoric, protecting so-called authentic Slovak values. But in the end it was Kotleba who benefited most. Adjusting his rhetoric from the 2013 regional elections, when he was elected as governor of the Banska Bystrica region in central Slovakia, Kotleba had assumed a more moderate tone and made a point to spend a lot of time with people in small towns and municipalities, talking to them, listening to their frustrations. He had very limited campaigning in mainstream media. Under a new legal provision, pre-election polling had to be suspended two weeks before election day. Pre-election polls had Kotleba's party well below the five percent threshold. This suggests that Kotleba took a large segment of late deciding voters.

Kotleba's popularity was high among first-time voters, with exit polls showing almost 23 percent supporting Kotleba's party, followed by other newer, more mainstream parties parties, including Richard Sulik's Freedom and Solidarity (SaS) party and Igor Matovic's Ordinary People and Independent Personalities (OLaNO) movement.

Another interesting outcome was the poor result of Radoslav Prochazka's Siet' party, which ended up with just over five percent, despite polling as high as 15 percent prior to the elections, and perceived by many as the primary threat to Smer.

Voters showed their dissatisfaction with SMER, which dropped to 28 percent in this election from 44 percent in the 2012 parliamentary elections. Popular among older voters, SMER potentially risks a declining base going forward.

#### **Government Formation**

Confronted by Kotleba's strong showing, leaders of other parties quickly put aside their strong political differences to agree on a ruling coalition within a week. SMER-SD, Slovak National Party (SNS), Most-Hid, and Siet have between them 81 out of 150 seats, which is seen as sufficiently comfortable majority. The <u>coalition agreement</u> [3] was signed on March 22. SMER will be the most dominant in the coalition, as the three other parties did not negotiate more influence..

That the agreement was reached in such a short time is interesting and surprising. Shortly after elections it seemed that it would be almost impossible to create a government, amidst speculation about a caretaker/unity government. It seemed almost impossible for SMER. With SNS, SMER's partner in the outgoing government, SMER did not have enough seats, and it appeared improbable that the center-right parties would step in to make the difference. A broad center-right coalition with support of SNS could had have some chances (SaS - OLaNO - SNS - Most-Hid - Siet), with some support from We are the Family - Boris Kollar.

However, these chances proved quixotic, because center-right unity was sacrificed right after the elections. Immediately after the polls closed, Prochazka was photographed at the government office with Fico and Robert Kalinak (Minister of the Interior in the previous SMER government). Prochazka denied it at first, but then confirmed that he had visited the government office to talk to Kalinak (not Fico), and refused to reveal the topic of their discussion. This immediately provoked reactions within his party as three Siet' members of parliament (MPs) led by Miroslav Beblavy, Siet's highly regarded deputy president, stated that they have no more trust in Prochazka. Beblavy resigned from his position.

For its part, SNS stated that it would not be part of a center-right governing coalition, which mathematically upended any chance for such a coalition. SMER apparently wasted no time in inviting Most-Hid to discussions about a possible coalition, and party leader Bela Bugar accepted the invitation. Bugar's decision caused very strong reactions from his voters, who, in similar fallout over Prochazka's actions, saw his decision as a betrayal. This could complicate the future political fortunes of Siet' and Most-Hid if their respective support declines owing to their leader's decisions to go into government with SMER.

The election results indeed showed that Siet' and Most-Hid barely reached the five percent threshold (despite more promising poll numbers before elections) and that is because, most analysts believe, they clearly did not say "no" to SMER before the elections. Neither Prochazka nor Bugar refused cooperation with SMER - their statements were ambivalent and sometimes confusing. In contrast, the anti-SMER approached helped two other center-right parties--SaS and OLaNO--which categorically refused to govern with SMER during the election campaign. These two parties won many voters who had deserted center-right standard-bearers, the Christian Democratic Movement and the Slovak Democratic and Christian Union, which along with the center-right Party of Hungarian Communities, failed to pass the threshold.

At the same time, there was an increasing number of voters who supported anti-establishment parties, like LSNS, which is widely considered to be neo-Nazi, and business mogul Boris Kollar.

It seems that the new government can have a chance to be stable and last the full four years of a government mandate, so there is little risk of early elections. However, this may also mean that there will not be a significant change in the political direction on very consequential issues regarding corruption, the judicial system, etc.

#### **The New Cabinet**

<u>Cabinet positions</u> [4] have been apportioned as follows:

- SMER will control eight ministries including the so-called power ministries of Foreign Affairs, Interior, Finance, Labor, Economy, and Culture
- SNS will control: Education, Defense, Agriculture
- Most-Hid will have Justice and Environment
- Siet will lead the Ministry of Transportation

Fico will remain Prime Minister and all previous ministers will continue in their positions, including Minister of the Interior Kalinak. As for deputy ministers (state secretaries), SMER has one at every ministry. SNS and Most-Hid will have five deputy ministers each, and Siet will have three. Many ministers and deputies will resign their parliamentary seats available for those candidates further down party candidate lists.

#### **Roma Candidates**

There were several Roma candidates competing for parliamentary seats, the two strongest were Peter Pollak (OLaNo), the first Roma elected to the Slovak parliament since independence, and Stefan Vavrek (Most-Hid), mayor of Rimavska Sobota, a largely Hungarian-speaking municipality in southern Slovakia. Unfortunately, none of the Roma managed to obtain enough preferential votes to enter parliament. Pollack missed re-election by some 400 votes, Vavrek by some 700. NDI met with both to see what happened.

In many Roma municipalities, voters who wanted to vote for Peter did not circle his number they just cast an unmarked OLaNO ballot into the box - which made their vote valid for the party but without the preferential vote for Peter. This difference between votes for Peter and empty votes for OLaNO was more than 450 votes in just five municipalities. It appears that Peter's team underestimated voter education in his targeted municipalities.

Paradoxically, OLaNO's better than expected 11% overall hurt Peter's chances to win reelection. Slovakia has one election district for the entire country; there are no election districts. Each political party forms one overall list of candidates. A candidate who is not in a 'winnable' position on a party list would need a number of individual preferential votes that equals three percent of the party's overall vote. Because of his notoriety, Peter was placed further down the candidate list. He scored some 8,100 votes, which was 450 shy of the party's three percent threshold. Peter's campaign brought in more voters to OLaNO, and this, ironically, produced a higher preferential vote threshold for Peter himself to meet.

Many people who wanted to vote for Roma candidates regardless of their political affiliations had indicated to Peter that they would rather support other Romani candidates, because Peter had the best chance to be re-elected (considering his regular presence in media, for instance,

and that in some polls he was the second best known person in OLaNO after the leader, Igor Matovic.

For Stefan Vavrek and his team, it was their first experience in a national campaign. Stefan had the second best result in Rimavska Sobota and Revuca region (the first was party leader, Bela Bugar). Stefan and his team stated that the start of the campaign was pretty late (end of January), because of which they did not have enough time to visit each settlements they planned. They also paid little attention to media-campaign (videos on Facebook, local media) in Slovak and Hungarian. His campaign struggled to win over the non- Roma electorate in his region. Vavrek also had to contend with unethical campaign tactics by a rival ethnic Hungarian party which alleged that Hungarian-language educational services would be cut if it did not prevail.

#### **Roma Representation**

Discussions about the scope and placement of the government's Office of Plenipotentiary for Roma Communities have started. Some are advocating that the office remain within the Interior Ministry and be expanded to include all minority groups. Others would like to see the office remain devoted to Roma communities and be removed from the Interior Ministry and placed in the Office of the Government. As the incumbent plenipotentiary, Peter has indicated he will resign once a successor is determined. Most-Hid wants to nominate Stefan Vavrek. People in his region (not only Roma) want to see him in a good position, as there is presently no official from Rimavska Sobota in the new government. Stefan has said that, if the position is vested with more competencies, then he would consider it. He would, however, have to resign as mayor.

SNS may have also expressed interest in the Office, which is both surprising and troubling given the party's staunch anti-Roma rhetoric and policy. Another potential candidate is Siet's Ivan Hriczko. SMER appears not very eager to assume the office.

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**Source URL:** https://www.ndi.org/Parliamentary-Elections-Signal-Political-Change

#### Links:

- [1] https://www.ndi.org/Parliamentary-Elections-Signal-Political-Change
- [2] https://www.ndi.org/Slovakia-Parliamentary-Elections
- [3] http://spectator.sme.sk/c/20122445/new-government-officially-set-up.html
- [4] http://spectator.sme.sk/c/20121797/meet-slovakias-new-cabinet.html?ref=njctse

# Migration, elections and extremism: the case of Slovak politics

Grigorij Mesežnikov

During the March 2016 Slovak parliamentary election campaign even moderate parties adopted anti-immigrant language in the hope of capturing some of the far right vote. The strategy backfired as far-right politicians took their place in parliament for the first time since the fall of the communist regime.

Migration was one of the most debated issues in the run up to the recent Slovak elections (March 2016) and it considerably influenced the results. This might seem rather strange as Slovakia, a country of relatively small numbers of foreign migrants (only one percent which is one of the lowest rates in the EU), has not been affected by the recent waves of migration from the Middle East and North Africa. It would appear that Slovakia is not regarded as a desirable destination country for those seeking safety or a better life. Nevertheless, many mainstream Slovak politicians made migration the core of their election strategy. As a result, Our Slovakia, a farright extremist neo-Nazi party won seats in the Slovak parliament. The more xenophobic elements of the electorate considered them a more authentic defender of Slovakian values than parties with moderate profiles that had opportunistically employed anti-migration rhetoric in their election campaigns.

Before 2015, the issue of foreign migration was marginal in Central Europe, both in terms of public interest and its impact on the political and ideological preferences of local populations. Since the summer of 2015, however, migration has been the focus of a sharp political struggle that has affected relations between the Central Europe countries, the EU institutions and Western European states.

#### Visegrad 4 go against EU

Today the so-called Visegrad V4 Group (Czech Republic, Hungary, Poland and Slovakia) behaves as the toughest opponent of the EU proposal to redistribute the burden of refugees from those countries currently taking the strain (e.g. Greece and Italy) by refusing to accept any refugees. In September 2015, the Slovak government, along with the Czech Republic, Hungary and Romania, voted at the European Council against mandatory quotas for the redistribution of 120,000 immigrants, even though Slovakia was only required to take in 802 persons under the emergency relocation scheme. The V4 also rejected the European Commission's proposal for Member States to provide financial support in the form of a fixed sum for each migrant rather than have them stay in their territory. In December 2015, the Slovakian and Hungarian governments filed a lawsuit at the European Court of Justice against the EU for this decision.

### Xenophobia used by centre parties for short term political gains

Slovak Prime Minister Robert Fico, a self-proclaimed social democratic, has taken a most radical anti-migration stance. At the election rallies of his party Smer-SD (Direction–Social Democrats) he warned that thousands of terrorists were arriving in Europe hidden among the migrants. He emphasized to supporters that nobody from outside could dictate that Slovakia should take in "tens of thousands of migrants" (a figure not substantiated by the EU). He claimed he would not want to have "close knit Muslim communities" in Slovakia, as they could not be properly integrated into Slovak society on the grounds that they were too different.

Government officials declared that the most that would be possible would be for Slovakia to take in a small number of Christian migrants. Even this modest declaration met with negative reactions from Fico's own native village of Hrušovany, where residents protested against the settlement of 10 members of a group of 150 Iraqi Assyrian Christians brought to Slovakia by a Christian charity organization. This reaction is hardly surprising when one considers, why would the compatriots of Robert Fico be more tolerant and open to foreigners than he is?

## Unintended consequences - far right forces make it into parliament

It is therefore not surprising that the wave of anti-immigration hysteria stirred up during the March 2016 parliamentary election campaign has led to a strengthening of far-right forces that have, for the first time since the fall of the communist regime, won representation in the legislative assembly. They took 8 per cent of the vote, three times more than the polls predicted. This hysteria, however, did nothing to help Fico's party, Smer-SD, as they only managed 28 per cent of the votes against the 44 per cent gained in the previous 2012 election.

After the election the anti-migration rhetoric has eased, but the new government has not withdrawn its December 2015 lawsuit against the European Commission for its decision to distribute 120,000 immigrants among the EU member states.

Unfortunately the xenophobia genie, cynically let out of the bottle for the purposes of stoking pre-election hysteria, cannot be put back in. When Slovak extremists were only gaining 1,6 per cent of the vote they were considered marginal and therefore not dangerous. As a result their racist, anti-Semitic and anti-Roma excesses were tolerated or even de facto pardoned by the state. Today they sit in parliament, presenting their malignant views as an established political force. The tragedy is that the direct and indirect co-creators of the atmosphere that has strengthened the extremists have been the moderate political forces unsuccessfully using latent xenophobia for their own short-term political ends.

The virus of extremism is dangerous and disruptive, especially in democratic societies that allow free speech. It is especially dangerous when the political mainstream adopts its language in the hope of gaining electoral advantage. The case of these Slovak parliamentary elections serves as a warning not only for Slovakia but also for Europe.

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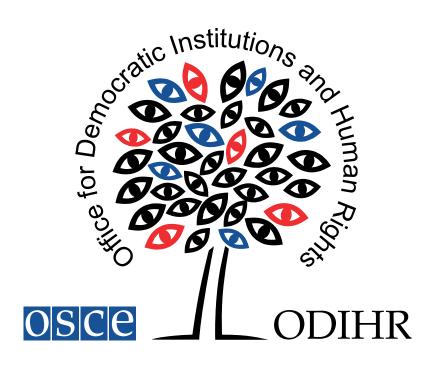


Office for Democratic Institutions and Human Rights

# **SLOVAK REPUBLIC**

# PARLIAMENTARY ELECTIONS 5 March 2016

# OSCE/ODIHR Election Assessment Mission Final Report



Warsaw 22 April 2016

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## SLOVAK REPUBLIC PARLIAMENTARY ELECTIONS 5 March 2016

# **OSCE/ODIHR Election Assessment Mission Report**<sup>1</sup>

#### I. EXECUTIVE SUMMARY

Following an invitation from the Ministry of Foreign and European Affairs of the Slovak Republic to the Organization for Security and Co-operation in Europe (OSCE), the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) deployed an Election Assessment Missions (EAM) to observe the 5 March parliamentary elections.

The elections were held in a competitive and pluralistic environment and fundamental freedoms were respected. Stakeholders expressed confidence in most stages of the electoral process. Voters had the opportunity to make an informed choice from a variety of political options.

In line with the OSCE/ODIHR recommendations to harmonize the election legislation, the legal framework was amended in 2014, resulting in a number of improvements. The revised legal framework provides for more detailed rules on composition and activities of election commissions, imposes administrative sanctions for certain election violations, further regulates party and campaign financing, and criminalizes vote-buying. However, certain aspects of the electoral process remain under-regulated, including those concerning dispute resolution and the rights of observers.

OSCE/ODIHR EAM interlocutors expressed a high level of trust in the ability of the election administration to conduct elections professionally and according to the law. Following the amendments to the elections act, a permanent State Commission for Elections and the Control of Funding for Political Parties (State Commission) was established to oversee the preparations for elections and the funding of political parties, and to determine election results. Some OSCE/ODIHR EAM interlocutors opined that the mechanism of appointment of State Commission members may lead to a lack of impartiality in its decision-making. While the elections act does not explicitly state whether the State Commission sessions are open to the public, the OSCE/ODIHR EAM was given full access and could observe its sessions.

Those serving prison sentences for particularly serious crimes, as well as those deprived of legal capacity are denied the right to vote. Voter registration is decentralized and maintenance of the voter lists is under the responsibility of the municipal authorities. There is a high level of confidence among election stakeholders in the accuracy and inclusiveness of the voter lists. Voters have the possibility to vote in person in polling stations, by absentee ballot in any polling station in the country, by post if they are temporarily or permanently abroad, or in case of a serious medical condition by a mobile ballot box.

The candidate registration process was inclusive with 23 candidate lists being registered. Independent candidates cannot stand, contrary to OSCE commitments and other international obligations and standards. Some political parties included in their lists candidates who publicly declared themselves as independent.

<sup>&</sup>lt;sup>1</sup> The English version of this report is the only official document. Unofficial translation is available in Slovak.

Political parties could campaign freely and fundamental freedoms of assembly and expression were respected. The campaign was marked by accusations of corruption and fraud between some candidates, and overall lacked discussion about party programmes. Many OSCE/ODIHR EAM interlocutors voiced allegations of misuse of administrative resources for campaign purposes by the ruling party. Of the 2,882 candidates, 677 were women. Women candidates did not feature prominently in the campaign. There are no specific legal measures to promote women's participation in elections and, often, no internal party policies on the issue.

In line with previous OSCE/ODIHR recommendations, the system of political party and campaign financing was reviewed and a number of improvements were introduced. Recent amendments included the provisions on registration of 'third parties' and on financing campaigns only through a 'transparent account', with details of all transactions made available for public scrutiny. However, the possibility to cover various campaign expenses with a single transaction limited the effect of such measures. Some campaign finance aspects remain to be addressed, including the ease of circumventing the expenditure ceiling through third parties and absence of interim reporting by election contestants.

The State Commission is tasked with overseeing political party and campaign financing, along with the Ministry of Interior (MoI). However, functional dependence of the State Commission on the MoI may potentially reduce the State Commission's independence.

The media environment is vibrant and pluralistic with a significant number of TV and radio channels, as well as newspapers. The concentration of ownership of media led to increased concerns over editorial independence. Also, high damages in civil defamation cases and criminalization of defamation are thought to have a detrimental effect on journalism.

The law obliges broadcasters to be impartial, objective and ensure plurality of views in news and current affairs programmes. Public broadcaster fulfilled its legal obligation to devote 10 hours to political discussion programmes on both radio and television. The compliance is overseen by the Council for Broadcasting and Retransmission. The media covered the election campaign extensively including through special discussion programmes. While most print media were predominantly critical of the government, OSCE/ODIHR EAM interlocutors noted that several TV channels favoured the ruling party and its leader in their news programmes. The newly introduced ban on publication of opinion polls two weeks before elections was seen by many as infringing the public's right to information.

According to the 2011 census, the largest minorities in the country are Hungarians and Roma. Three ethnic Hungarian parties contested the elections and one entered the parliament. No Roma party presented a list of candidates, and none of the 23 Roma candidates running on ten different candidate lists was elected. According to the OSCE/ODIHR EAM interlocutors, efforts to deter vote-buying, including through education and criminalization of such offenses, appeared to decrease the practice for these elections, previously a significant concern, especially in vulnerable Roma communities.

The elections act does not provide for specific mechanisms for resolution of election-related disputes. Despite previous OSCE/ODIHR recommendations, there are no mechanisms for adjudication of campaign-related complaints and lower-level commissions have no authority to review complaints. No campaign-related complaints or appeals were filed with the MoI or the State Commission. Election results can be appealed to the Constitutional Court after the establishment of final results by the State Commission. There are no specific timelines for the resolution of election-related disputes and the general deadline of 60 days to decide on administrative complaints is

applied. The lack of legal deadlines for considering various types of election-related complaints can undermine the right to effective remedy.

In line with OSCE/ODIHR's methodology, the EAM did not observe election day proceedings in a systematic and comprehensive manner. However, mission members visited a limited number of polling stations. In polling stations visited by the OSCE/ODIHR EAM voting and the vote count took place in an organized manner with only minor inconsistencies noted. The State Commission published the final results on 6 March.

#### II. INTRODUCTION AND ACKNOWLEDGEMENTS

Following an invitation from the Ministry of Foreign and European Affairs of the Slovak Republic to observe the 5 March 2016 parliamentary elections and based on the recommendation of a Needs Assessment Mission conducted from 11 to 13 January, the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) deployed an Election Assessment Missions (EAM) from 17 February to 8 March.<sup>2</sup> The OSCE/ODIHR EAM was headed by Ambassador Jorge Fuentes and consisted of six international experts from six OSCE participating states. The EAM was based in Bratislava, but also visited Dunajská Streda, Košice, Modra, Šamorín and Trnava.

The electoral process was assessed for its compliance with OSCE commitments, other international obligations and standards for democratic elections and with national legislation. In line with the OSCE/ODIHR's methodology, the OSCE/ODIHR EAM did not observe election day proceedings in a systematic or comprehensive manner. However, mission members visited a limited number of polling stations on election day.

The OSCE/ODIHR EAM wishes to thank the authorities of the Slovak Republic for the invitation to observe the elections, and the Ministry of Foreign and European Affairs, the Parliament, the State Commission for Elections and the Control of Funding for Political Parties (State Commission), the Ministry of Interior (MoI), the Constitutional Court, the Ombudsperson, the election administration at all levels, and other state institutions and municipal authorities for their assistance and cooperation. The OSCE/ODIHR EAM also wishes to express gratitude to the representatives of political parties and candidates, media, civil society organizations, representatives of diplomatic missions in Bratislava and other interlocutors for sharing their views.

#### III. BACKGROUND

Slovakia is a parliamentary republic and legislative powers are vested with a 150-member unicameral National Council (parliament), elected for four years. The president is the head of state, elected directly for a five-year term. The president appoints a prime minister who holds most executive powers and is responsible for forming a government.

On 12 November 2015, the speaker of the parliament called parliamentary elections for 5 March 2016. The elections were held in an environment dominated by debates about Europe's refugee and migration crisis, corruption scandals, issues of unemployment and strikes by teachers and healthcare workers.

Slovakia's first ever single-party government was formed after the 2012 parliamentary elections, when Direction-Social Democracy (SMER-SD), led by Prime Minister Robert Fico, won an

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See all <u>previous OSCE/ODIHR election reports</u> on the Slovak Republic.

overwhelming majority with 83 seats. Mr. Fico ran for the presidency in 2014, but lost to Andrej Kiska in the second round. In addition to SMER-SD, four other parties and one coalition were represented in the outgoing parliament: the Christian Democratic Movement (KDH); Ordinary People and Independent Personalities (OL'aNO); Most-HiD; the Slovak Democratic and Christian Union-Democratic Party (SDKU-DS); and Freedom and Solidarity (SaS).

The Slovak political landscape is characterised by a wide spectrum of parties. The choice that voters faced was, however, widely perceived as one between a continuation of the government led by *SMER-SD*, and a potential coalition of centre-right parties, some of which were recently established.

#### IV. LEGAL FRAMEWORK AND ELECTORAL SYSTEM

The legal framework for the parliamentary elections includes primarily the Constitution and the Law on Conditions for the Exercise of Voting Rights and on Amendments to Certain Laws (hereinafter, elections act). Specific aspects of elections are regulated also by the Act on Electoral Campaign, the Act on Political Movements and Political Parties, the Act on Broadcasting and Retransmission and the Criminal Code.

In line with the OSCE/ODIHR recommendations to harmonize election practices and to eliminate gaps and inconsistencies in the legislation, the legal framework was amended in 2014, resulting in adoption of the elections act and the Act on Electoral Campaign and in changes to the Act on Political Movements and Political Parties.

The electoral system and the rules governing electoral processes were not changed significantly, but a number of improvements were introduced. Among others, the revised legal framework provides more detailed rules on the activities and composition of the newly created State Commission, imposes administrative sanctions for certain election violations, and further regulates party and campaign financing. In 2011 sanctions for vote-buying were introduced to the Criminal Code, as previously recommended by the OSCE/ODIHR. However, some previous OSCE/ODIHR recommendations remain unaddressed. Certain aspects of the electoral process are still underregulated, including those concerning the rights of observers and campaign-related disputes.

The parliament is elected in one nationwide constituency, on the basis of a proportional electoral system with a preferential component. In addition to voting for a party list, voters may select up to four individual candidates on the chosen list.

Parties need to receive at least 5 per cent of valid votes to participate in the distribution of mandates.<sup>3</sup> Candidates who receive at least 3 per cent of preference votes out of all votes cast for their party have a priority during distribution of mandates. The remaining mandates are distributed according to the order of candidates in party lists.

#### V. ELECTION ADMINISTRATION

The elections are administered by several institutions including the State Commission, the MoI, the Statistics Office, the lower-level commissions including 49 District Election Commissions (DECs) and a total of 5,992 Precinct Election Commissions (PECs), as well as the municipal authorities. In

The threshold for coalitions composed of two or three parties is 7 per cent, and for four and more parties – 10 per cent of valid votes.

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general, OSCE/ODIHR EAM interlocutors expressed a high level of trust in the ability of the election administration to conduct elections professionally and according to the law.

The State Commission was established as a permanent body by the 2014 elections act, with its mandate expiring after each parliamentary elections. The State Commission is an independent body with a role to oversee the funding of political parties, electoral preparations and tabulation of results. It comprises 14 members, of whom 10 are nominated by parliamentary parties (5 each by the ruling and the opposition parties). In addition, the President of the Constitutional Court, the President of the Supreme Court, the Public Prosecutor and the President of the Supreme Audit Office nominate one member each. The chairperson of the State Commission is elected by the parliament from among the commission members by a secret vote. Three of the State Commission members are women. Some OSCE/ODIHR EAM interlocutors opined that the mechanism of appointment of State Commission members may lead to a lack of impartiality in its decision-making.

The elections act does not explicitly state whether the State Commission sessions are open to the public. Moreover, the State Commission's Rules of Procedures stipulate that their sessions are closed, except upon invitation by the commission. The commission's interpretation of the elections act, which covers the rights of observers to observe voting, counting and tabulation of results, is that those rights are also extended to the observation of State Commission's sessions. The OSCE/ODIHR EAM members were invited to State Commission sessions and received full support and co-operation.

The elections act should be amended to explicitly allow observers, both citizen and international, to be present at sessions of election commissions of all levels.

The State Commission adopts decisions with simple majority, except on questions related to candidate registration or breaches of the opinion poll moratorium, for which three-quarter majority of all members is required.<sup>4</sup> During sessions attended by the OSCE/ODIHR EAM the State Commission conducted open discussions and usually reached its decisions unanimously. The minutes of the State Commission sessions were published promptly on its website.

Political parties contesting the elections have the right to nominate members to all DECs and PECs.<sup>5</sup> An electoral officer with an advisory and secretarial role is appointed by state and municipal authorities to each commission to support its work.

The work of the DECs and PECs is limited to organizing the voting, counting and tabulation.<sup>6</sup> According to the State Commission, the DECs, PEC chairpersons and electoral officers attended training sessions and received a copy of the elections act and methodological instructions on procedural aspects provided by the MoI. Statistics on gender breakdown of DEC and PEC members was not available.

According to the State Commission, its decisions are legally binding for lower-level commissions. However, this is not explicitly regulated in the legislation and may prove problematic on election day if any DEC or PEC reaches unlawful decisions or fails to implement the law.

In the case of a tie, the vote of the chairperson is decisive.

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Minimum number of DEC and PEC members is five. In case fewer than five members are nominated, the district and municipal authorities, respectively for DECs and PECs, must fill the remaining seats.

In general, DECs and PECs met in sessions only twice, once to appoint the commission chairperson through lottery, and the second time on the election day.

As previously recommended, the elections act could be amended to explicitly stipulate that the State Commission's decisions on procedural matters are legally binding for lower-level commissions.

The MoI is responsible for the technical aspects of the organization of elections, including the printing of ballot papers and envelopes, training of election commissioners and conducting voter information and education programs. The MoI provided information to the public on changes to voting procedures, such as the obligation for voters to sign the voter list and the obligation to deposit unused ballots inside the polling station, mainly through interviews given to the media closer to election day.

The Statistics Office is responsible for the tabulation of election results at district and central levels. The election administration fully relies on the Statistics Office to organize this process, while the State Commission and the DECs are legally tasked to supervise the process.

#### VI. VOTER REGISTRATION

Citizens aged 18 years or older are eligible to vote. Those serving prison sentences for particularly serious crimes, as well as those deprived of legal capacity, including persons with mental disabilities, are denied the right to vote. The evolving case law of the European Court of Human Rights (ECtHR) calls for proportionality of the restrictions on voting rights of persons with mental disabilities.<sup>7</sup>

Consideration could be given to revising the existing blanket denial of the right to vote to those deprived of legal capacity to ensure proportionality of restrictions on the voting rights of persons with mental disabilities.

Voter registration is decentralized and maintenance of the voter lists is under the responsibility of the municipal authorities. Voters are included in the voter lists based on their permanent address. The voter lists are updated continuously and are based on the municipalities' own records and information provided by the state institutions. Municipalities may use and update the information contained in the population register that is maintained by the MoI.

According to the elections act, voters can be added to the voter list in the precinct of their residence by the PEC on election day if they present an identity card and proof of residence. Voters without permanent residence may request to be entered in the special register maintained by the Mol. Voters can verify their data at any time during working hours and, if necessary, request corrections of the voter lists until the last day before election day. There is a high level of confidence among election stakeholders in the accuracy and inclusiveness of the voter lists.

Voters can vote in person in polling stations, by absentee ballot in any polling station in the country, by post if they are temporarily or permanently abroad, or in case of a serious medical condition by a mobile ballot box in the place of their residence. Application for postal voting is possible from the

See *Alajos Kiss v. Hungary* where the ECtHR ruled that the indiscriminate denial of voting rights of mentally disabled people violates Article 3 of Protocol 1 of the European Convention on Human Rights.

According to municipal authorities met with by the OSCE/ODIHR EAM, in case when citizens change their permanent address close to election day, they receive an administrative document which can serve as a proof of their newly registered permanent residence.

In this case active registration is required before each parliamentary elections. Some 1,200 voters without permanent residence registered for these elections.

Voter lists are printed and delivered by the municipal authorities to the PECs at the latest one hour before the opening of the polls.

time the elections are called and until 50 days before election day. <sup>11</sup> Absentee voting certificates are issued by the municipalities of permanent residence, and could be requested by e-mail and post no later than 15 days before election day or in person or by proxy no later than 1 day before election day. Adequate mechanisms are put in place to prevent misuse of absentee voting certificates.

A dedicated online platform to assist voters was created to facilitate the administrative process of applying for a postal or absentee ballot. The number of requests for postal and absentee voting increased significantly, compared with previous elections.<sup>12</sup>

#### VII. CANDIDATE REGISTRATION

Citizens aged 21 years or older and who have permanent residence in the country can stand for office. Residency requirements for parliamentary candidates are at odds with international standards and good practice. <sup>13</sup> In accordance with the elections act, those who served a prison sentence for committing an intentional crime, regardless of the gravity of the crime, are not eligible to stand if the sentence has not been expunged. This is at odds with the principle of proportionality enshrined in paragraph 24 of the 1990 OSCE Copenhagen Document. <sup>14</sup>

Candidate lists can be nominated by registered political parties, movements and coalitions. Independent candidates cannot stand, contrary to OSCE commitments and other international obligations and standards. The nomination shall be supported by an electoral deposit of EUR 17,000 per list, which is returned to a party that gets at least 2 per cent of valid votes. By the deadline of 6 December 2015, 24 candidate lists were submitted to the State Commission for registration. The candidate registration process was conducted in an inclusive manner. On 7 December, the State Commission registered and published candidate lists of 23 registered contestants (22 political parties and one coalition). One political party candidate list was not registered for refusing to pay the election deposit. In addition, four citizens submitted applications as independent candidates, but were rejected by the State Commission based on the elections act,

The number of absentee certificates issued in 2016 was 112,640, compared to 89,505 in 2012. The total number of postal ballots received was 17,278 in 2016 and 7,051 in 2012.

Paragraph 24 of the 1990 OSCE Copenhagen Document provides in part that "any restriction on rights and freedoms must, in a democratic society, relate to one of the objectives of the applicable law and be strictly proportionate to the aim of that law."

The MoI opined that the early cut-off day for applications to vote by post was due to the need to send ballots and receive them back in time before election day. Postal ballots are counted if they are delivered to the relevant municipality or, in case of permanent residence outside of country, to the MoI by 4 March.

Paragraph 15 of the 1996 UNHCR General Comment No. 25 states that "any restrictions on the right to stand for election, such as minimum age, must be justifiable on objective and reasonable criteria. Persons who are otherwise eligible to stand for election should not be excluded by unreasonable or discriminatory requirements such as ... residence..." The 2002 Code of Good Practice in Electoral Matters of the Council of Europe's Commission for Democracy through Law (Venice Commission) section I.1.1.c recommends that "a length of residence requirement may be imposed on nationals solely for local or regional elections, the requisite period of residence should not exceed six months".

Paragraph 7.5 of the 1990 OSCE Copenhagen Document provides that participating States will "respect the right of citizens to seek political or public office, individually or as representatives of political parties or organisations, without discrimination". Paragraph 15 of the 1996 General Comment No. 25 to Article 25 of the International Covenant on Civil and Political Rights (ICCPR) provides that "persons who are otherwise eligible to stand for election should not be excluded by unreasonable or discriminatory requirements such as ...political affiliation".

A total of 2,914 candidates were registered.

Movement for Democratic Slovakia (HZDS).

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which does not foresee independent candidates. <sup>18</sup> Some political parties included candidates in their lists who publicly declared themselves as independent.

Limitations on the right to stand should be reviewed to ensure full compliance with OSCE commitments and other international obligations and standards. The withdrawal of individual franchise in case of a criminal conviction must be proportionate to the severity of the offence. The legislation should be amended to allow citizens to run as independent candidates.

Political parties may withdraw the complete list from the elections. Candidates may withdraw from the race at their own discretion. In addition, the nominating political party may revoke the candidacy of specific candidates, by the deadline of 48 hours before election day. Such requests do not need to be substantiated or explained. By the deadline, the State Commission deregistered 32 candidates. As the ballot papers have already been printed and contained the names of the withdrawn candidates, the names of deregistered candidates were posted by the PECs at polling stations, in accordance with the relevant provisions of the elections act.

#### VIII. ELECTION CAMPAIGN

The official campaign lasted almost four months, beginning on 12 November 2015 when the elections were announced and ending 48 hours before election day. Many political party representatives told the OSCE/ODIHR EAM that their campaigns were already well under way since mid-2015.

Political parties could campaign freely, and fundamental freedoms of assembly and expression were respected. Most candidates used traditional campaign methods to reach out to voters including meetings, concerts, billboards, and traditional and online media. Facebook was the most heavily used social media platform. While only the larger parties bought TV advertising, several others made promotional videos and posted them on YouTube and on party websites.

Of the 2,882 candidates 677 were women. Women candidates did not feature prominently in the campaign. There are no specific legal measures to promote their participation and, often, no internal party policies on the issue. According to the party representatives that the OSCE/ODIHR EAM met with, it was difficult to persuade women to get involved in politics, due to cultural and societal reasons as well as lack of interest.

Possible legislative measures could be considered to facilitate a more balanced participation of women and men in political and public life. Political parties could consider ways to further increase gender balance on their party lists.

The contestants were widely criticized for a lack of discussion about their programs. The incumbent prime minister employed populist rhetoric on the European Union's (EU) refugee and migration crisis by focusing on perceived threats to Slovakia's border and citizens; his party changed its slogan during the campaign from "We work for people" to "We protect Slovakia". 19 While other parties were less vocal on the subject, most told the OSCE/ODIHR EAM they also disagreed with the migrant quota system. Allegations of corruption, particularly in the area of public procurement

<sup>18</sup> All four of them appealed to the Supreme Court, which on 22 December upheld the decisions of the State Commission. At least one submitted a petition to the Constitutional Court challenging the constitutionality of the decision of the State Commission. At the time of this report the Constitutional Court did not yet consider

<sup>19</sup> The government has filed a suit with the European Court of Justice against the EU's migrant relocation plan.

in the health sector, were a major campaign theme, as well as unemployment, public sector pay and conditions, pensions and tax rates.

Some interlocutors alleged to the OSCE/ODIHR EAM that the prime minister's reserve fund, which finances ad-hoc measures during unforeseen emergencies, was significantly increased in 2015, followed by substantial expenditures from the fund on non-emergency projects such as the building of sports fields, a number of which were launched at publicized events during the campaign. <sup>20</sup>

Many OSCE/ODIHR EAM interlocutors claimed the government had misused state resources for campaign purposes by sending cheques worth between EUR 10 and EUR 165 to customers of gas distribution companies as compensation for commodity prices decrease. The law allowing for such payments was passed on 20 November 2015, eight days following the announcement of elections.<sup>21</sup> On 27 January TV reports showed the prime minister issuing the first batch of cheques.

As previously recommended, consideration should be given to introducing provisions prohibiting the misuse of administrative resources for campaign purposes.

#### IX. POLITICAL PARTY AND CAMPAIGN FINANCE

In line with previous OSCE/ODIHR recommendations, the authorities reviewed the system of political party and campaign finances and introduced a number of improvements. Political party financing is regulated by the Act on Political Parties and Political Movements, amended in 2014, while the new Act on Electoral Campaign governs campaign financing. The Council of Europe's Group of States against Corruption (GRECO) concluded in 2014 that the adoption of the Act on Electoral Campaign provided a significant improvement, making the financing of election campaign more transparent. However, additional measures can be taken to further improve the revised political and campaign finance regulations.

#### A. FUNDING SOURCES

A political party that receives more than 3 per cent of the total number of valid votes is entitled to a state subvention of 1 percent of the average monthly salary for each vote received.<sup>23</sup> The same total amount is paid to these parties for their activities. A party is also entitled to receive a subvention for each parliamentary seat it has.<sup>24</sup>

Political parties and political movements may also take bank loans, as well as receive donations and in-kind services from individuals and legal entities, membership fees and revenues from assets. Donations from foreign sources, legal entities with capital participation of the state, foundations and other non-governmental organizations are prohibited. Political parties participating in elections can receive donations only through a special so-called 'transparent' account established only for the election campaign purposes.

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Some EUR 1.5 million was allocated to this reserve fund for 2015; the amount spent was close to EUR 5.6 million.

The funds were disbursed under the 2016 state budget.

See: <u>GRECO</u> addendum to the Second Compliance Report on Slovakia, Third Evaluation Round, 16 October 2014.

The average salary is about EUR 800, i.e., the political party receives about EUR 8 for each vote obtained. For example *SMER-SD* obtained EUR 8,915,441 state subvention for votes received. *KDH* and *OL'aNO* received EUR 1,771,337 and EUR 1,384,052, respectively.

Qualified party receives approximately EUR 24,000 per seat per year. In the last four years, *SMER-SD* received a total of EUR 5,847,400 in state subventions for all gained seats, and *KDH* and *OL'aNO* EUR 1,509,120 each.

The Act on Electoral Campaign introduced a new type of campaign stakeholder called a 'third party'. This can be any individual or legal entity that wishes to support the campaign of a political party or candidate. A third party has to register with the State Commission and must also establish a transparent account. Funds can be transferred to transparent accounts of political parties or third parties up to 48 hours before election day. There is no limit on the amount of donations. The introduction of transparent accounts and third parties is a step forward in increasing the transparency of the financing of election campaign as well as the accountability of political parties.

#### B. CAMPAIGN EXPENDITURE

The campaign spending limit is EUR 3,000,000 for each party that nominated a candidate list. This ceiling covers the campaign period and the pre-campaign period of 180 days before the official start of the election campaign. Many OSCE/ODIHR EAM interlocutors pointed out that parties had election-related expenditures long before the pre-campaign period, making it difficult to verify if the reports match the actual expenses.

An unlimited number of third parties can register in support of a specific political party or candidate.<sup>26</sup> In addition, there is no ban on political parties donating to third parties; therefore the expenditure ceiling can be *de facto* circumvented.

In order to prevent possible circumvention of the expenditure ceiling, the authorities could consider introducing a ban on political party donations to third party transparent accounts.

#### C. DISCLOSURE AND REPORTING

Political parties are required to publish the list of donations quarterly as well as annually. If the donation exceeds one minimum salary, <sup>27</sup> the details must be published in the annual list of donors. <sup>28</sup> Moreover, all donations need to be listed in quarterly reports, regardless of the amount. If a donation to a political party exceeds EUR 200, the party must sign a donation agreement with the donor, which *inter alia* identifies donors and contains details and the value of the donation. In case of donations higher than EUR 5,000, the donor should inform the State Commission about it no later 31 January of the following year. The differences in requirements regarding the quarterly and annual reporting may obscure the understanding of the amounts of donations to be disclosed.

The authorities could consider harmonizing the requirements for quarterly and annual donation reports.

Other sources of income, such as bank loans and in-kind donations, are not subject of disclosure, which limits the possibility of public scrutiny of political financing.<sup>29</sup>

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Donations to a third party's transparent account are possible through bank transfer from political parties, individuals and legal entities.

A third party may spend no more than EUR 100,000 for an election campaign.

Minimum salary for 2016 is EUR 405.

Annual reports are published on the political party website or in a daily newspaper.

See paragraph 198 of the 2010 OSCE/ODIHR and Venice Commission Guidelines on Political Party Regulation that mentions "States should require political parties to keep records of all direct and in-kind contributions given to all political parties and candidates in the electoral period. Such records should be available for public review and must be in line with the pre-determined expenditure limits.

To increase the transparency of political party financing, consideration should be given to requiring that political parties disclose all types of income, including donations, bank loans and inkind contributions, on a quarterly basis.

The details of transactions through transparent accounts are available to the public, providing for the possibility of public scrutiny. However, parties have a possibility to cover various campaign expenses with a single transaction to a subcontractor, which limits public awareness on details of how the funds are spent. Moreover, political parties in a number of cases do not disclose information about the type of service purchased, even though it is legally required. Since recent amendments the political parties are not required any longer to submit interim reports on income and expenditure during the election campaign. This reduced the possibility of the public to scrutinize the political party and campaign finances before election day.

The authorities could consider mandating detailed interim reports of all types of income, including in-kind donations and bank loans, and expenditure incurred during election campaign.

Political parties are required to submit final reports on the election campaign donations and expenditures to the MoI within 30 days after elections. The MoI must publish the reports within 30 days after receipt. Third parties are required to publish an overview of expenditures on their websites within 10 days after the end of the election campaign.

#### D. OVERSIGHT

According to the elections act, the State Commission is tasked with overseeing political party and campaign financing. However, the Office of the State Commission, which is an organizational unit of the MoI, has competences in controlling certain aspects of political party activities and their election campaigns. Among those are registration of contestants and third parties, verification of the data available on transparent accounts and imposing administrative fines in case of non-compliance. The State Commission does not have its own secretariat and fully relies on the MoI staff. This functional dependence of the State Commission on the MoI may potentially impact its independence.

Consideration should be given to providing the State Commission financial and human resources independent from the Ministry of Interior, so that the commission fulfills its role as a fully independent political party and campaign finance oversight body.

The law provides for fines up to twice of the amount of the received donation for violations of finance regulations. Most of the OSCE/ODIHR EAM interlocutors were satisfied with the interaction with the State Commission and its readiness to provide explanations on the aspects of campaign finance. However, the State Commission did not issue guidelines on campaign finance for political parties that could help clarify important issues before the start of campaign.

The State Commission could consider publishing instructions for political parties and other stakeholders on the implementation of legal provisions related to political party and campaign financing.

#### X. MEDIA

#### A. MEDIA ENVIRONMENT

Media environment in the country is vibrant and pluralistic, with 12 nationwide, 14 regional and 41 local TV channels, 20 national and regional radio stations, as well as 9 national daily newspapers and 35 weeklies. Some 79 per cent of the population has access to the internet. The newspaper market is dominated by the tabloids *Nový Čas* and *Plus Jeden Deň*, while four daily newspapers *Pravda, SME, Denník N and Hospodárske noviny* provide news and analysis.

Television is the main source of election-related information. The most popular TV channel is privately-owned *TV Markíza*, followed by another private TV station *TV JOJ*. All-news TV channel TA3 runs news and current affairs programs for 17 hours a day. The public broadcaster, Radio and Television of Slovakia (RTVS), has two TV channels, as well as nine radio stations, including radio channels with special programmes in national minority languages.

Gradual changes in media consumption habits and the economic recession have led to takeovers and concentration of ownership of media companies by influential business groups.<sup>30</sup> Many of the OSCE/ODIHR EAM interlocutors expect this trend to continue, leading to potential concerns over editorial independence, self-censorship in coverage of politically sensitive subjects and the resulting impact on the plurality of views. Some interlocutors stressed that the ownership concentration had a negative impact on investigative reporting.<sup>31</sup>

A set of measures to strengthen media diversity and plurality of opinions could be considered. The decline in investigative journalism could be mitigated by strengthening the public broadcaster. Legal measures to limit concentration of media ownership could be considered.

Another detrimental effect on journalism is the high damages in civil defamation cases envisaged by the legislation.<sup>32</sup> The OSCE RFoM has called on the authorities to limit compensation in these cases<sup>33</sup> and also abolish defamation as a criminal offence in line with international standards.<sup>34</sup>

To prevent self-censorship and remove unjustified strain on the financial stability of the media, defamation should be decriminalized and proportional legal limitations of damages in civil libel cases should be introduced.

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See OSCE RFoM statement from 2 May 2013.

In 2014, *Penta* financial group acquired shares in publisher of weekly *Trend*, tabloid *Plus Jeden Deň* and its sister *Plus 7 Dní*, as well as in publisher of flagship daily *SME* and 15 other titles. *J&T Group* controls *TV JOJ*, daily *Hospodárske noviny* is controlled by the enterprise belonging to businessman and politician Andrej Babiš and TV TA3 is controlled by the company of a businessman Ivan Kmotrík.

See also the 2010 Joint <u>Declaration</u> by the United Nations Special Rapporteur on Freedom of Opinion and Expression, the OSCE Representative on Freedom of the Media (RFoM), the Organization of American States Special Rapporteur on Freedom of Expression and the African Commission on Human and Peoples' Rights Special Rapporteur on key challenges to media freedom who noted that "growing concentration of ownership of the media, with serious potential implications for content diversity is a concern".

For example, the daily SME had 80 unresolved civil libel cases at the beginning of 2016, some running for ten years. Overall, the highest requested damages for a single person were 150 000 EUR. The majority of claims originated from the law enforcement officials, judges and politicians, and not the general public.

Paragraph 47 of the 2011 UN Human Rights Committee General Comment No. 34 provides that states "should consider decriminalization of defamation."

#### B. LEGAL FRAMEWORK FOR THE MEDIA

Freedom of speech, the right to information and ban on censorship are enshrined in the Constitution. During the pre-election period, the main laws regulating the work of the media are the Act on Electoral Campaign and the Act on Broadcasting and Retransmission. There are no restrictions for campaigning on the Internet.

The campaign silence period is set for 48 hours before election day. A ban on the publication of opinion poll results in the last 14 days before elections was introduced to the legal framework in 2014. Many OSCE/ODIHR EAM interlocutors saw it as infringing the public's right to information.

RTVS is obliged to devote 10 hours to political discussion programmes both on radio and television which it fulfilled by organizing eight radio and four TV programmes with equal time provided to the contestants. Political parties are entitled to up to 30 minutes of paid political TV advertising per channel, but the total length is limited to 10 hours altogether. Prices must be equal for all political parties.

The law obliges broadcasters to be impartial, objective and ensure plurality of views in news and current affairs programmes. The compliance is monitored by the Council for Broadcasting and Retransmission (CBR).<sup>35</sup> The Act on Broadcasting and Retransmission gives the CBR up to six months to impose the sanction after it has learned about a possible breach, a norm which lets the CBR to address the election-related complaints after elections were conducted.<sup>36</sup>

The authorities could consider amending the law to set reasonably shorter time limits for the Council for Broadcasting and Retransmission to decide on campaign-related media complaints.

#### C. MEDIA COVERAGE OF THE ELECTIONS

The pre-election campaign was marked by frictions between several media outlets and the prime minister, who refused to answer their questions, citing politically biased coverage.<sup>37</sup> The decision of the government from May 2015 to refuse providing information to daily *Dennik N* was not observed anymore during the election campaign.<sup>38</sup>

The media covered the election campaign extensively. Most main TV and radio channels and online news sites ran special pre-election discussion programmes. TV broadcasters opted for grouping political parties in discussions according to their popularity in different opinion polls. Generally, this practice was accepted by the contestants.

Several OSCE/ODIHR EAM interlocutors expressed an opinion that while most print media were predominantly critical of the government, they noted that several TV channels, and especially the TA3, favoured the incumbents in their news coverage. The positive coverage was explained by the advertising contracts of these channels with the government agencies meant to promote the EU-funded projects.

The CBR started monitoring of 12 TV stations and 8 radio stations on 12 February 2016, covering the last three weeks of campaign.

The CBR received 12 complaints about media coverage of the electoral campaign.

SME, Denník N, Nový Čas and aktuality.sk news site confirmed the refusal of the prime minister to answer questions

Denník N has filed a complaint to the Constitutional Court which had not ruled on its admissibility yet. On 9 October 2015, the Ombudsman stated that the refusal to provide information to a daily newspaper is unacceptable.

The CBR opened investigations into six programmes aired by TA3, four by TV Markíza and four by RTVS on the basis of monitoring conducted by a non-governmental organization (NGO) that pointed to a more positive coverage of the government. By the time of this report, the CBR did not yet reach a decision.

#### XI. PARTICIPATION OF NATIONAL MINORITIES

Slovakia has ratified the Council of Europe's Framework Convention for the Protection of National Minorities as well as the European Charter for Regional or Minority Languages. According to the 2011 census, the largest minorities in the country are Hungarians, with 8.5 per cent of the population (over 450,000) and Roma with 2 per cent (about 100,000).<sup>39</sup>

Three ethnic Hungarian parties contested these elections: *Most-Hid*, whose program calls for greater co-operation between Slovak and Hungarian communities, the Party of Hungarian Coalition (*SMK*) and the Hungarian Christian Democratic Alliance. The Hungarian minority is more active in national politics than the Roma one, and was thus more visible during the campaign. No Roma party presented a list, reportedly due to unsuccessful attempts to consolidate politically. Roma were not very active in the campaign. <sup>40</sup> According to a Roma NGO, 23 Roma candidates ran on 10 candidate lists, as party members or as self-declared independents within the lists.

Poor socio-economic circumstances, social exclusion and low level of education have previously rendered Roma communities vulnerable to undue influence and electoral manipulation. While vote-buying was a significant concern in the 2010 parliamentary elections, many OSCE/ODIHR EAM interlocutors expressed an opinion that efforts made to educate Roma communities, as well as new legislation criminalizing such electoral offences, would discourage the practice. However, some political parties expressed skepticism about the effectiveness of these measures. Following an OSCE/ODIHR recommendation in 2010, the removal of unused ballot papers from polling stations has been prohibited.<sup>41</sup>

The use of ethnic stereotypes and intolerant speech with regard to national minorities was generally absent. However, billboards posted by the party Kotleba – People's Party Our Slovakia featured a derogatory reference to Roma.

In line with previous OSCE/ODIHR recommendations, the elections act mandates that voter information is provided in Slovak and minority languages where applicable. <sup>42</sup> This includes invitations to vote and information for voters at polling stations, including on how to vote. There were no special national minority pre-election discussion programmes in the media.

#### XII. ELECTION OBSERVATION

The elections act provides for the citizen and international observation of the voting and counting process. Despite previous OSCE/ODIHR recommendations, the law provides no further detail about

By some estimates, the actual number of Roma is between 380,000 and 600,000. See, for instance, <u>Council of Europe's estimates</u>.

Several Roma interlocutors said municipal elections were perceived as more relevant to Roma communities than the parliamentary ones.

The elections act provides for a EUR 33 fine for non-compliance by a voter.

According to the 1999 Law on Usage of Ethnic Minority Languages, in municipalities with more than 20 per cent of minority population there should be information available in these minority languages.

observation of the other stages of the electoral process, or about the status and rights of observers, both citizen and international. The OSCE/ODIHR EAM was able to conduct its activities enjoying the support of the State Commission, as well as other relevant bodies in charge of organizing the elections.

Legal provisions should be introduced to ensure full access to all stages of the electoral process to citizen and international observers, including accreditation arrangements.

#### XIII. COMPLAINTS AND APPEALS

The elections act does not provide for specific mechanisms for resolution of election-related disputes. Despite prior OSCE/ODIHR recommendations, the elections act did not introduce a legal mechanism for adjudication of campaign-related complaints or legal procedures for review of complaints by the State Commission. Campaign-related complaints can be lodged with the MoI, but not with courts. The State Commission acts as an appellate body against the decisions of the MoI in cases related to party and campaign finance, while DECs and PECs have no authority to review complaints. The State Commission informed the OSCE/ODIHR EAM that no campaign-related complaints or appeals were lodged with either the MoI or the State Commission.

The elections act could be amended to introduce explicit mechanisms for adjudication of election-related disputes by election commissions and stipulate a detailed legal procedure for consideration of complaints by the State Commission.

The State Commission's decisions on candidate registration can be appealed to the Supreme Court. Election results can be appealed to the Constitutional Court within 10 days from the announcement of results by the State Commission.<sup>43</sup> The Constitutional Court can announce the election results invalid in part or declare elections null and void altogether. It can also repeal the decision of the State Commission concerning the results of the elections and reinstate a duly elected candidate.

Resolution of electoral disputes by the MoI and by the State Commission is subject to general rules of administrative proceedings. There are no specific timelines for the resolution of election-related disputes and the general deadline of 60 days to decide on administrative complaints is applied. In addition, the legislation provides no specific deadlines for adjudication of electoral disputes by the Constitutional Court. The lack of legal deadlines for electoral complaints may result in protracted adjudication and can undermine the right to effective remedy. 45

Adequate time limits for election-related complaints at all levels should be provided by the legislation to ensure the implementation of the right to effective remedy.

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Petitions for invalidation of election results can be submitted to the Constitutional Court by the president, the government, one-fifth of members of the parliament, the prosecutor general, a political party contesting elections, a candidate who has received not less than 10 per cent of the votes in an electoral district, as well as 10 per cent of voters in the electoral district where the election results are challenged.

A deadline of 90 days is stipulated for adjudication by the Constitutional Court of petitions related only to local elections.

Paragraph 5.10 of the 1990 OSCE Copenhagen Documents states that "everyone will have an effective means of redress against administrative decisions, so as to guarantee respect for fundamental rights and ensure legal integrity". The Venice Commission's Code of Good Practice in Electoral Matters provides in paragraph Section II 3.3 (g) that timelines for lodging and deciding on electoral complaints must be short (three to five days at first instance) and that a "little more time" may be given only to Supreme or Constitutional Courts for their rulings (paragraph 95 of the Explanatory Report).

During the campaign period the Prosecutor's Office investigated two election-related cases, both based on allegations of vote buying. Since the 2011 amendments to the Criminal Code that criminalized vote-buying, the Prosecutor's Office has initiated 21 criminal cases, resulting in 13 convictions by courts. The OSCE/ODIHR EAM was informed by some interlocutors that the sanctions for vote-buying and their subsequent enforcement by the Prosecutor's Office had an important deterring effect, considerably diminishing the practice.

#### XIV. ELECTION DAY

In line with OSCE/ODIHR methodology, the OSCE/ODIHR EAM did not carry out a systematic or comprehensive observation of voting, counting or tabulation procedures. The OSCE/ODIHR EAM team visited a limited number of polling stations in Bratislava, Modra and Trnava on election day.

Polling stations were open from 07:00 to 22:00 hours. In the limited number of polling stations visited, voting took place in an organized manner and PECs appeared knowledgeable, including on new voting procedures. <sup>46</sup> However, in some polling stations visited the secrecy of the vote was not ensured due to the positioning of voting booths. The similar design of the ballot box and the box for unused ballots, and their placement in close proximity in some polling stations, led to confusion among voters in some cases.

The PECs should be instructed to position the voting booths in a way that ensures the secrecy of the vote. The boxes for depositing unused ballot papers could be clearly distinguished and placed far apart from the ballot box.

A number of polling stations visited by the OSCE/ODIHR EAM were not easily accessible to voters with disabilities. However, voters could request that the mobile ballot box be brought to them.

After the election day, the police and the State Commission informed the OSCE/ODIHR EAM that nine alleged cases of vote-buying were being investigated. The public prosecutor started investigations for suspected cases of electoral malfeasance, however no further information was provided due to sensitive nature of the investigations.

The OSCE/ODIHR EAM also observed vote count at a few polling stations. The PECs at those polling stations generally followed the counting procedures. The elections act does not require the PEC to publish the results at the polling stations or provide a copy of results protocols to PEC members and observers. Some PECs told the OSCE/ODIHR EAM they would provide the copy of results protocols to observers, if requested.

To enhance transparency of the counting procedures, the election legislation could be amended to mandate that the PEC publishes election results at polling stations and provides copies of results protocols upon request.

The Statistics Office produced an application for PECs to be able to process election results electronically at polling station level and send the results directly or through a data carrier to the DEC for tabulation; according to the Statistics Office, 2,344 out of 5,992 PECs did so. The municipalities had to provide the required equipment but were not always technically prepared.

4

According to amendments voters needed to sign the voter list and deposit the unused ballots in the polling stations.

The tabulation process in the Bratislava DEC, observed by the OSCE/ODIHR EAM, was well organized. Several PECs were sent back to reconvene and correct errors on PEC protocols.

The State Commission announced the final results on 6 March without taking into account the results from one PEC in the municipality of Borovce. This was due to an ongoing investigation after a voter cast ballots in both mobile and stationary ballot boxes. As the PEC was unable to establish election results, the State Commission excluded results from that PEC, stating that the allocation of parliamentary mandates could not be affected in any way.

As directed by the State Commission, the Statistical Office published the partial and preliminary results on their website as they were tabulated at DECs.<sup>47</sup> The final results of each polling station were published on 6 March and were available for full download in a tabulated format since 9 March.

#### XV. RECOMMENDATIONS

These recommendations, as contained throughout the text, are offered with a view to further enhance the conduct of elections in Slovakia and to support efforts to bring them fully in line with OSCE commitments and other international standards for democratic elections. These recommendations should be read in conjunction with past OSCE/ODIHR recommendations that remain to be addressed. The OSCE/ODIHR stands ready to assist the authorities of Slovakia to further improve the electoral process and to address the recommendations contained in this and previous reports. <sup>48</sup>

#### A. PRIORITY RECOMMENDATIONS

1. Limitations on the right to stand should be reviewed to ensure full compliance with OSCE commitments and other international obligations and standards. The withdrawal of individual franchise in case of a criminal conviction must be proportionate to the severity of the offence. The legislation should be amended to allow citizens to run as independent candidates.

- 2. As previously recommended, consideration should be given to introducing provisions prohibiting the misuse of administrative resources for campaign purposes.
- 3. To increase the transparency of political party financing, consideration should be given to requiring that political parties disclose all types of income, including donations, bank loans and in-kind contributions, on a quarterly basis.
- 4. Consideration should be given to providing the State Commission financial and human resources independent from the Ministry of Interior, so that the commission fulfills its role as a fully independent political party and campaign finance oversight body.
- 5. To prevent self-censorship and remove unjustified strain on the financial stability of the media, defamation should be decriminalized and proportional legal limitations of damages in civil libel cases should be introduced.

4

The Statistics Office reported it experienced a half-hour interruption in the functionality of the electronic results system due to hacker attacks.

In paragraph 24 of the 1999 OSCE Istanbul Document, OSCE participating States committed themselves "to follow up promptly the ODIHR's election assessment and recommendations."

- 6. Legal provisions should be introduced to ensure full access to all stages of the electoral process to citizen and international observers, including accreditation arrangements.
- 7. Adequate time limits for election-related complaints at all levels should be provided by the legislation to ensure the implementation of the right to effective remedy.

#### B. OTHER RECOMMENDATIONS

#### **Election Administration**

- 8. The elections act should be amended to explicitly allow observers, both citizen and international, to be present at sessions of election commissions of all levels.
- 9. As previously recommended, the elections act could be amended to explicitly stipulate that the State Commission's decisions on procedural matters are legally binding for lower-level commissions.

### **Voter registration**

10. Consideration could be given to revising the existing blanket denial of the right to vote to those deprived of legal capacity to ensure proportionality of restrictions on the voting rights of persons with mental disabilities.

#### **Election campaign**

11. Possible legislative measures could be considered to facilitate a more balanced participation of women and men in political and public life. Political parties could consider ways to further increase gender balance on their party lists.

#### **Political party and Campaign Finance**

- 12. In order to prevent possible circumvention of the expenditure ceiling, the authorities could consider introducing a ban on political party donations to third party transparent accounts.
- 13. The authorities could consider harmonizing the requirements for quarterly and annual donation reports.
- 14. The authorities could consider mandating detailed interim reports of all types of income, including in-kind donations and bank loans, and expenditure incurred during election campaign.
- 15. The State Commission could consider publishing instructions for political parties and other stakeholders on the implementation of legal provisions related to political party and campaign financing.

#### Media

16. A set of measures to strengthen media diversity and plurality of opinions could be considered. The decline in investigative journalism could be mitigated by strengthening the public broadcaster. Legal measures to limit concentration of media ownership could be considered.

17. The authorities could consider amending the law to set reasonably shorter time limits for the Council for Broadcasting and Retransmission to decide on campaign-related media complaints.

#### **Complaints and Appeals**

18. The elections act could be amended to introduce explicit mechanisms for adjudication of election-related disputes by election commissions and stipulate a detailed legal procedure for consideration of complaints by the State Commission.

#### **Election Day**

- 19. The PECs should be instructed to position the voting booths in a way that ensures the secrecy of the vote. The boxes for depositing unused ballot papers could be clearly distinguished and placed far apart from the ballot box.
- 20. To enhance transparency of the counting procedures, the election legislation could be amended to mandate that the PEC publishes election results at polling stations and provides copies of results protocols upon request.

# **ANNEX I: ELECTION RESULTS**

Final results were published by the Statistics Office.<sup>49</sup>

Final election results according to the official State Commission results protocol:

	total	percentage
Total number of PECs	5,993	
Number of PEC results protocols included in the results	5,992	99,98
Total number of registered voters	4,426,760	
Total number of voters who took part in the elections	2,648,184	59,82
Voters who voted in person in polling stations	2,628,548	99,25
Voters who returned postal votes from abroad	17,278	0,65
Number of valid votes	2,607,750	98,56

Distribution of valid votes to political parties and allocation of seats:

No.	Party abbreviation	Valid votes	Percentage	Seats
1	TIP	18,845	0.72	
2	SMS	4,559	0.17	
3	OĽANO – NOVA	287,611	11.02	19
4	DS - Ľudo Kaník	1,998	0.07	
5	ŠANCA	6,522	0.25	
6	SME RODINA - Boris Kollár	172,860	6.62	11
7	SZS	17,541	0.67	
8	KSzS	1,777	0.06	
9	MKDA - MKS	2,426	0.09	
10	VZDOR	3,182	0.12	
11	MOST - HÍD	169,593	6.50	11
12	SNS	225,386	8.64	15
13	Odvaha	3, 428	0.13	
14	KSS	16,278	0.62	
15	SDKÚ- DS	6,938	0.26	
16	SMER – SD	737,481	28.28	49
17	KDH	128,908	4.94	
18	SKOK	21,785	0.83	
19	Kotleba – ĽSNS	209,779	8.04	14
20	#SIEŤ	146,205	5.60	10
21	SMK-MKP	105,495	4.04	
23	PD	3,595	0.13	
23	SaS	315,558	12.10	21

Number of elected members of parliament that are women: 29, or 19.33 per cent.



## ASSOCIATION DES ANCIENS DEPUTES AU PARLEMENT EUROPEEN EUROPEAN PARLIAMENT FORMER MEMBERS ASSOCIATION

### III. Economy in Slovakia

- 1. Commission Country Report Slovakia 2016
- 2. Standard Eurobarometer Slovakia



Brussels, 26.2.2016 SWD(2016) 93 final

### COMMISSION STAFF WORKING DOCUMENT

**Country Report Slovakia 2016** 

You can find the full document at:

http://ec.europa.eu/europe2020/pdf/csr2016/cr2016\_slovakia\_en.pdf

This document is a European Commission staff working document. It does not constitute the official position of the Commission, nor does it prejudge any such position.

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### **EXECUTIVE SUMMARY**

This country report assesses Slovakia's economy in the light of the European Commission's Annual Growth Survey published on 26 November 2015. The survey recommends three priorities for the EU's economic and social policy in 2016: relaunching investment, pursuing structural reforms to modernise Member States' economies, and responsible fiscal policies.

Slovakia's recovery from the crisis was one of the fastest in the EU. According to the Commission 2016 winter forecast, real GDP is expected to have increased by 3.5 % in 2015 due to solid household spending and surging investment activity. Investment benefited from intensified drawing of EU funds, as the possibility to make use of funding available under the 2007-2013 programming period came to an end. Household consumption was supported by an improvement in labour market conditions, solid wage growth, falling prices and favourable credit conditions.

Slovakia's economic expansion is set to continue, driven by the household sector. Real GDP growth is expected to exceed 3% in both 2016 and 2017. Accelerating private consumption is set to become the strongest driver of growth in 2016 and thereafter, buttressed by steady gains in employment, robust real wage growth, low credit costs and the continued fall in energy prices. Public investment expenditure is expected to moderate as the drawing of EU funds returns to more normal levels, but the impact on overall investment is likely to be offset by stronger private investment activity, mainly from abroad. Subdued external demand, including for the output of Slovakia's large automotive sector, represents the main downward risk to the medium-term outlook.

The labour market has witnessed a cyclical improvement. The unemployment rate fell to 11.5 % in 2015 and is expected to further decline below 10% in 2017 on the back of robust economic expansion. However, structural unemployment continues to represent a key challenge, reflecting pronounced geographical differences in labour market conditions, accompanied by low labour mobility. Low educational outcomes and inequalities linked to socio-economic background represent major obstacles to the improvement of human capital

with potential knock-on effects for skill levels and growth potential.

While the Slovak economy is highly integrated into global value chains, production is concentrated in few sectors and regions. Slovakia is an internationally integrated economy, especially in the lower parts of value chains, as a large share of the car and electronics production is carried out by foreign-owned firms and exported. These sectors constitute a non-negligible part of domestic output and are concentrated mainly in the Western region. Lack of appropriate infrastructure restrains investment in other regions, which prevents their integration into global value chains and contributes to regional divergences. Although Slovakia has succeeded in attracting new investment from foreign companies, long-standing concerns about the quality of the business environment, public administration and judicial system have dented its non-price competitiveness. This deterioration is reflected especially in a low participation of the domestically-owned companies in the global supply chain. There have been no major efforts so far to diversify the economy into other industrial sectors and this exposes it to external demand volatility. Low innovation performance and business spending on R&D inhibit long-term growth prospects.

Slovakia has made limited progress in addressing the 2015 country specific recommendations (CSRs). Slovakia received recommendations in the areas of healthcare costcollection, effectiveness, long-term tax unemployment, availability of childcare, attractiveness of the teaching profession, participation of Roma in mainstream education, issuance of land-use and building permits, and public procurement performance. There has been partial progress on several fronts. Measures to fight tax fraud have contributed to better collection of taxes, in particular of value added tax (VAT). The lowering in recent years of the tax wedge for the low-paid, in combination with the granting of in-work benefits for the long-term unemployed, could contribute to a reduction in long-term unemployment. The capacity of early childhood education and care facilities, in particular for children aged three years and above, is being expanded. Legislation aimed at reducing the proportion of Roma pupils in special schools with limited curricula was adopted in mid-2015. The length of building permit procedures for largescale investment and infrastructure projects has been reduced. Transparency of public procurement has improved somewhat through the introduction of the Electronic Contracting System and the mandatory use of the contract registry. Nevertheless, a number of areas have not been sufficiently addressed. Measures aiming to improve cost-effectiveness in healthcare have been taken but have not led to tangible improvements. Access to training for the jobseekers has improved, but individualised measures for long-term unemployed in this respect are still lacking. Teachers' education remains inadequate. Despite the efforts undertaken, competition in public procurement remains limited.

Regarding the progress in reaching the national targets under the Europe 2020 Strategy, Slovakia has made good progress towards its targets reducing greenhouse gases, increasing renewable energy, and reducing poverty, while more effort is needed to increase employment, R&D spending, improving energy efficiency, preventing early school leaving and increasing tertiary education.

The main findings of the analysis in this report, and the related policy challenges, are as follows:

- The reduction in tax avoidance has been substantial, but an overall tax compliance strategy is still missing. Measures to fight tax fraud have contributed to an increase in tax collection, but the VAT gap remains high, indicating an ongoing compliance challenge. This is mainly because improvements in collection have not been accompanied by an overall tax compliance strategy. A strong emphasis on VAT collection in recent years has lessened attention to other key functions of the tax administration, indicating scope to improve resource allocation.
- The healthcare sector continues to face longterm sustainability challenges. Healthcare expenditure is comparatively low, but will be the main driver of the projected increase in ageing-related costs. Although (non-binding) measures have been taken in the area of budgeting and process management, several public hospitals continue to be in poor financial shape, which may reflect continued weaknesses

in healthcare procurement. Government efforts to better integrate healthcare services have continued, and forthcoming plans should be judged by their ability to safeguard accessibility and deliver efficiency gains. Progress on e-health and the introduction of the diagnosis-related group (DRG) system of payments has been slow. While Slovakia has recorded a substantial improvement in health status indicators, it still ranks low compared to other EU countries.

- The improving labour market has not translated into significantly lower levels of long-term unemployed. High and persistent long-term unemployment represents a policy challenge, particularly affecting the low-skilled and young, while large regional disparities persist. Roma participation in the Slovak labour market remains very low and progress in increasing their employment is slow. The employment of women is also below potential. The Central Labour Office has been reorganised, but the potential for individualised support to the long-term unemployed and vulnerable groups has not been realised yet. Although the risk of poverty or social exclusion has decreased, social safety nets remain relatively weak, in particular for unemployed and families with children.
- The education system is insufficiently geared towards increasing Slovakia's economic potential. Educational outcomes are weak and inequalities appear high in an international comparison. The low attractiveness of the teaching profession is not supportive towards improvements in teaching quality. Recently adopted legislation aims at reducing the proportion of Roma pupils in special schools with limited curricula and the discrimination against Roma. Tertiary education attainment has stagnated at a low level and measures to improve quality are proving insufficient. & development (R&D) Research innovation performance is hindered by a fragmented governing framework. Participants' demand for a newly introduced dual vocational training system is still limited.
- The level of publication of contract notices is high, but the public procurement system still

shows weaknesses. Competition remains limited because of frequent use of exceptional procedures without calls for tender or of tenders with tailor-made technical specifications. Insufficient focus on quality, as well as the frequent use of 'price-only' criteria, are common features of the system. Overall, implementation of strategic solutions seems to be hampered by fragmented policy design.

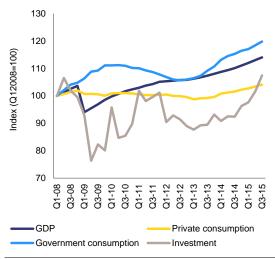
- Despite policy efforts, administrative and regulatory barriers continue to harm the business environment. The efficiency and effectiveness of public administration is limited by a lack of strategic planning, problems in human resources management and insufficient uptake of e-solutions. The enforcement of contracts and the use of insolvency procedures are hampered by lengthy and complicated judicial processes. Surveys consistently report grievances among Slovak and foreign companies about frequently changing and opaque legislation and complex administrative procedures, which may deter investment. However, tax compliance costs for businesses have declined and measures are being taken to improve the business environment and foster entrepreneurship.
- The attractiveness of Slovakia's Central and Eastern regions for private investment is hampered by problems in the physical infrastructure. A fragmented road transport network harms investment, especially in the Central and Eastern regions, and aggravates the regional economic divide. Foreign direct investment inflows tend to concentrate around Bratislava, while Central and Eastern regions do not attract even home-grown private investment.
- Low energy efficiency and under-pricing of environmental resources constitute a challenge. Slovakia remains a highly energy-intensive economy. The waste management framework has a poor track record, in part due to under-pricing of landfilling, while water charges do not sufficiently reflect environmental costs. High electricity prices, which incorporate several subsidies, represent an important challenge to the Slovak industry.

### $1_{ullet}$ scene setter: economic situation and outlook

### **Growth performance**

Slovakia's economic expansion was one of the strongest in the EU after the crisis and convergence is continuing, albeit at a slower pace. Economic output recovered quickly and rose above the pre-crisis levels in 2011 (Graph 1.1), but post-crisis growth rates have been weaker. Annual real GDP growth slowed to an average of 1.8 % in 2012-2014 from an average of 8.3 % in 2006-2008. Despite the sustained economic recovery, the output gap remained negative in 2015 and is forecast to close only in 2017. Real convergence towards more developed Member States is continuing, albeit more slowly than before the crisis. Real GDP per capita in Slovakia in 2014 was some 75 % of the EU (Graph 1.2).



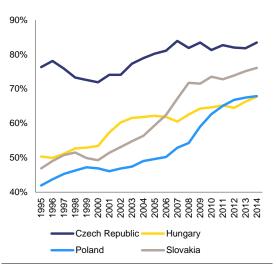


Source: European Commission

According to the Commission 2016 winter forecast, real GDP growth increased to 3.5% in 2015, driven by a substantial pickup in investment activity and robust household consumption. Overall investment is estimated to have expanded by 12.7% in 2015, boosted by intensified drawing on EU funds as funding available under the 2007-2013 programming period drew to an end. Non-residential investment in construction in particular received a substantial boost. Household consumption growth remained robust at 2.3%, supported by positive labour market developments, wage growth and continued deflation. High consumer confidence and

favourable credit conditions contributed to an increase in credit to households. Export growth was outpaced by accelerating imports, driven by buoyant investment.

Graph 1.2: Nominal GDP per capita as a percentage of FII28

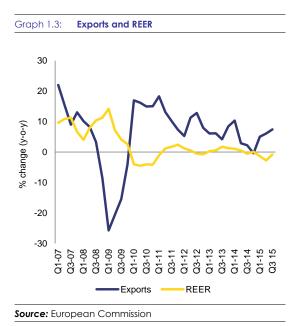


(1) Adjusted for purchasing power parity **Source:** European Commission

Household expenditure is expected to buttress economic growth over the coming years. According to the Commission 2016 winter forecast, the Slovak economy is projected to expand by 3.2 % in 2016 and by 3.4 % in 2017. Household spending is expected to become the strongest driver of growth in the coming years, reflecting gains in real disposable income on the back of an improving labour market. A protracted fall in energy prices (by 7 % between the end of 2013 and 2015) is also strengthening household budgets, with the windfall gains expected to gradually feed through to consumption. Low interest rates and improving consumer confidence are set to provide a further boost to consumer credit and, consequently, to household spending.

Export growth is expected to have picked up to 6.4 % in 2015, supported by a weakening real effective exchange rate. The annual depreciation in the real effective exchange rate in 2015 was the first since 2011 (Graph 1.3) and is expected to further buttress the price competitiveness of Slovak exports in the short term (Section 2.4). However, faltering economic growth in emerging

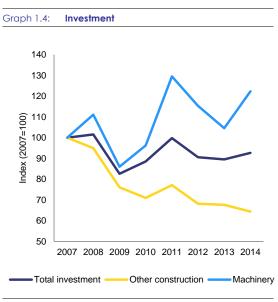
markets is expected to restrain Slovak export growth in 2016, which would therefore only marginally outpace import growth in 2016; the latter is set to decelerate due to an expected slowdown in overall investment. In the medium term, a recovery in Slovakia's main trading partners is expected to boost export growth anew, while imports are likely to accelerate from 2017, as private investment activity strengthens. The trade surplus is expected to remain positive at around 2 % of GDP.



### Investment

Investment growth is set to continue in the coming years, albeit at a slower pace. After the significant spike in investment in 2015, boosted by intensified drawing on EU funds, total investment is expected to grow by 3.8 % in 2016, according to the Commission 2016 winter forecast. Public investment is forecast to recede as the drawing of EU funds returns to more normal levels. The expected decline in public investment expenditure is likely to be partly offset by stronger private investment activity. In view of new planned investment projects in the automotive industry, foreign direct investment will once again be the main driver of investment growth in the coming years. However, a high dependence on foreign investment and the strong specialisation in the automotive sector increase the vulnerability of the Slovak economy to global economic fluctuations.

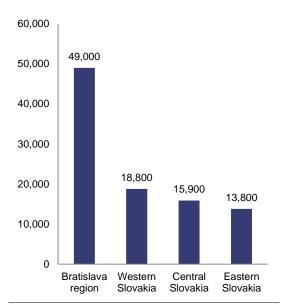
Slovakia's capital stock remains low and foreign investment flows predominantly into the Western part of the country. Slovakia's overall capital stock remains well below the EU average (see Box 1.1). Total investment accounted for more than 26 % of GDP before the crisis, but dropped to 21 % between 2012 and 2014. The inflow of foreign direct investment has been driven by expansion in the automotive industry; spending on machinery and equipment has exceeded precrisis levels since 2011 (Graph 1.4). Foreign direct investment is, however, unevenly distributed within the country, with Bratislava and Western Slovakia attracting by far the largest share of investment inflows. By contrast, the Central and Eastern regions have failed to attract foreign investors. Lack of sufficient interconnections and low quality of transport infrastructure exacerbate the regional divide which is also evidenced by regional income differences (Graph 1.5).



Source: European Commission

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Graph 1.5: GDP per capita in Slovakia's regions (purchasing power standard, 2013)

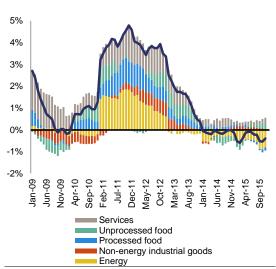


Source: European Commission

### Inflation

Deflationary pressures observed in 2015 are expected to slowly dissipate, mirroring the pickup in household spending. Consumer prices declined by 0.3 % in 2015 on the back of falling energy prices, while core inflation remained positive at 0.3 % (Graph 1.6). Headline inflation is forecast to turn positive but remain close to zero in 2016, as renewed weakness in energy prices is expected to be offset by a recovery in the prices of services. In 2017, inflation should increase significantly from to the low base of the previous year.





Source: European Commission

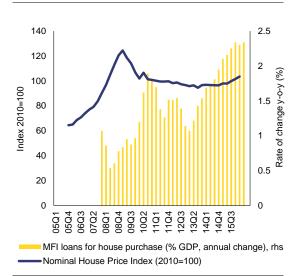
### Credit growth and house prices

Strong financial deepening trends since Slovakia's EU accession continued in 2015 (1). While growth of credit to non-financial corporations declined in the wake of the financial crisis, credit to households continued to increase at double-digit growth rates. In particular, bank lending for house purchases rose at an average annual rate of almost 13 % between 2010 and 2014 and accounted for 77 % of total bank loans to individual households at the end of 2014 (Graph 1.7). In 2015, lending for housing purchases accelerated further to around 14 %, supported by low interest rates. Nevertheless, banks' aggregate portfolio of loans to households has shown no signs of deteriorating. With the share of nonperforming loans having long recovered from a post-crisis peak of 6 %, hovering around 4 % since 2012, loan quality is now back at the pre-crisis levels of 2008. Growth of credit to non-financial corporations picked up in 2015. Bank profits grew by more than 13 % in 2015 suggesting a good condition of the banking sector as a whole. This is also confirmed by adequate levels of banks' capitalisation.

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<sup>(</sup>¹) Peter Harvan, Anton Jevčák, Peter Ponťuch and Vladimír Solanič (2015): The Impact of Rapid Credit Growth on Slovakia's Housing Market; Economic Briefs 6 December 2015, Brussels.

Graph 1.7: Loans of monetary financial institutions (MFI) for house purchases and house prices



Source: ECB, European Commission

Despite rapid lending growth, household indebtedness remains relatively moderate and house price developments well contained. Outstanding loans to households for house purchases have increased markedly in recent years from below 10 % of GDP in 2006 to almost 25 % in the third quarter of 2015. Nevertheless, total mortgage debt remains far below the 2014 euroarea average of about 38 % of GDP, while total household debt amounted to 33 % of GDP in 2014. close to the levels of regional peers and well below levels in most euro-area countries. By end-2014, nominal prices still stood 17 % below their peak in 2008, reflecting a protracted cooling of the housing market. Since late 2014 a muted recovery in house prices has set in; they grew by 0.7 % in 2015, the first annual increase since 2009.

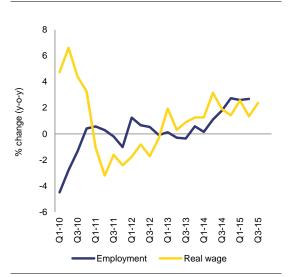
In the medium term, price pressures in the housing sector might pick up due to several structural factors. Potential demand for housing space is ample. Slovakia is among the countries with the lowest average number of rooms per person (1.1 in 2013) leading to overcrowded households (39.8 % of total population). In addition, more than half of young people (aged 25-34) still live with their parents. Slovakia's large share of prime age population (aged 25-40) and a rising number of single person households are expected to progressively boost demand for housing units. In this context, preferential treatment of capital gains from housing investment

and a weak rental market, in combination with a slow housing supply response, are likely to further raise price pressures. Meanwhile, pronounced regional differences in property prices and rents persist, with both growing rapidly in Bratislava but only marginally in the rest of the country. High real estate prices foster incentives for residential and infrastructure investment in the region. However, high rents may inhibit labour mobility into those regions, especially from the Central and Eastern parts of the country.

### Labour market

Employment rose markedly in 2015, and the labour market is set to improve further, in line solid economic expansion. unemployment rate fell to 11.5 % in 2015 and is expected to continue falling over the coming years to around 9.3 % in 2017. Nominal wages are expected to have increased by 2.1 % in 2015, providing a boost to real disposable income in a deflationary environment. Nominal wage growth is forecast to pick up to around 3 % in 2016 and 2017. Solid real wage growth, accompanied by steadily rising employment (Graph 1.8), is expected to substantially support household consumption.

Graph 1.8: Employment and real wages



Source: European Commission

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Structural unemployment, also reflecting strong geographical disparities, still represents a key policy issue. Significant geographical differences in the labour market, fostered by low labour mobility, contribute to one of the highest long-term unemployment rates in the EU (Section 2.3). Integration of underrepresented groups (Roma, youth, women with young children, elderly and low-skilled) into the labour market is limited. The current system of labour taxation creates work disincentives for low wage earners and contributes to high unemployment, notwithstanding recent policy action. Social safety nets remain relatively weak, especially for the unemployed and families with children, but the risk of poverty or social exclusion has declined in recent years.

### **Public finances**

The general government deficit is projected to decline gradually. In 2015, the deficit is expected to have improved only marginally to 2.7 % of GDP, falling further to 2.1 % of GDP in 2016. This is driven by a favourable economic outlook and envisaged savings in the healthcare sector, but also by public investment cuts. After a marked upward trend in government debt levels in the post-crisis period up until 2013, debt levels have broadly stabilised and are projected to decline moderately to around 51% of GDP in 2017. Negative risks arise from the potential cost of the planned public-private partnership project to build a motorway ring around Bratislava. The assumed annual cost to the government of more than EUR 50 million represents a non-negligible burden for future budgets. In the longer term, rising ageing-related costs — particularly related to healthcare — may put Slovakia's relatively sound debt position under pressure(2).

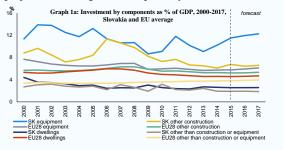
<sup>(2)</sup> See European Commission (2016): Fiscal Sustainability Report 2015, European Economy, Institutional Paper 018.

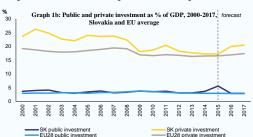
### Box 1.1: Investment challenges

### Macroeconomic perspective

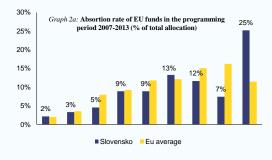
Cutbacks in both private and public investment expenditure since the crisis are exacerbating regional disparities and may endanger future economic convergence. Public investment contracted substantially as domestic financing was cut back to meet consolidation requirements and EU funding of almost all operational programmes came to a standstill in 2014, after irregularities were uncovered in public procurement and the evaluation and selection of projects eligible for EU funding. The uneven allocation of investment across regions deepens the regional divide.

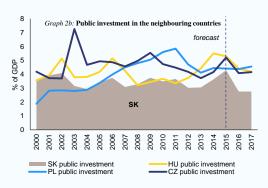
A breakdown by components shows equipment is the strongest driver of investment in Slovakia, reflecting the heavy weight of manufacturing in total output (Graph 1a). Investment in construction other than dwellings is in decline and the trend is forecast to continue. In the coming years, public investment growth is expected to lag somewhat behind GDP growth as the drawdown of EU funds is expected to slow down in the initial years of the 2014-2020 programming period. On the upside, private investment is projected to strengthen, thus partially offset the slowdown in public investment expenditure (Graph 1b).





EU structural and cohesion funds (including national co-financing) accounted for 86 % of Slovak public investment between 2011 and 2013. The utilisation of available EU funds can be measured by the absorption rate, which represents the ratio of actually paid funds over total allocation, and in Slovakia was around the EU average until 2009. Thereafter it fell behind (Graph 2a) due to complex procedures, weak administrative capacity and the absence of investment strategies. Financial corrections arising from the mismanagement of funds also hampered absorption, especially during the programme suspension of 2014. In 2015, the final year in which funding under the 2007-2013 programming period could be drawn, the Commission estimates that the absorption rate will reach close to 25 % of the total EU allocation bringing total absorption of funds during the programming period to around 85 %.





(Continued on the next page)

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Box (continued)

Inflows of foreign direct investment (FDI) decreased substantially in the wake of the global financial crisis and public investment in Slovakia has been historically lower than in regional peers. In the wake of the crisis, private investment declined more than public investment, especially for FDI inflows, which averaged 7.8 % of GDP between 2004 and 2008 but fell to 2.1 % of GDP between 2009 and 2014. Public investment in Slovakia averaged 3.5 % of GDP between 2000 and 2014, compared with 4.2 % in the neighbouring countries (Graph 2b). Faced with a deepening regional divide, Slovakia has scope to improve transport connections between the Western and the less developed Central and Eastern part of the country (Section 2.6).

### Assessment of barriers to investment

To provide an overview of barriers to investment in Member States, the Commission recently published country specific profiles (1). This box complements the findings of the profile for Slovakia.

Investment bottlenecks in Slovakia arise mainly from regulatory barriers in the business environment (Section 2.4) and the low efficiency of public administration (Section 2.5). The level of digitisation of the public administration and the use of e-government services is low. Lengthy court proceedings for litigious civil and commercial cases, including insolvency procedures, harm the business climate. Weakness persists in the public procurement system and limits the competition. The level of perceived corruption remains high and the impact of anti-corruption strategies is limited by institutional shortcomings. These factors discourage smaller foreign companies from investing in Slovakia and affect investment decisions of local SMEs.

Other sector-specific investment barriers affect the business climate, requiring further efforts to realise Slovakia's economic potential. The low access to life-long learning and the weak responsiveness of the educational system to labour market needs translates into skills shortages that hold back growth and employment (Section 2.3). High levels of regulation in most network industries and environmentally harmful subsides translate into higher prices of inputs, notably electricity, for Slovak companies, thus undermining their competitiveness (Section 2.4 and 2.6). Improvements in the research and innovation framework have been achieved but are limited (Section 2.6). Procedures to obtain a construction permit have been streamlined for major investment only, posing a challenge for SMEs (Section 2.6). Transport investment needs appear considerable (Section 2.6), as despite ample funding opportunities progress towards closing the infrastructure gap has been slow. Low energy efficiency represents both an environmental and a competitiveness challenge for Slovakia (Section 2.6).

(1) See "Member States Investment Challenges", SWD (2015) 400 final/2 (http://ec.europa.eu/europe2020/pdf/2016/ags2016\_challenges\_ms\_investment\_environments\_en.pdf).

### Box 1.2: Contribution of the EU Budget to structural change

Slovakia is a major beneficiary from the European Structural and Investment Funds (ESIF) and can receive up to EUR 15.3 billion for the period 2014-2020. This is equivalent to 2.6% of GDP annually and 64.7% of the expected national public investment in areas supported by ESIF.

To meet the ex-ante conditionalities, a number of strategies and legislation were put in place, for instance in the area of digital growth and next generation network, vocational education, human resources management or shift towards a low-carbon economy to ensure targeted and effective investments from the Funds. Reforms in areas such as public procurement, civil service and finalisation of the Transport Master plan are still pending and for completion by end-2016. Where ex ante conditionalities are not fulfilled by end 2016, the Commission may suspend interim payment to the priorities of the programme concerned.

Slovakia's ESIF programmes are strongly focused on priorities and challenges identified in the context of the European Semester (for instance some 90% of the European Social Fund allocation addresses country specific recommendations of recent years). Key investments areas include, improvements to education and training systems, making healthcare more sustainable, labour market measures for unemployed workers and disadvantaged groups, improving the business environment and significant investment in public administration reform (including judicial reform and more efficient public procurement). The Youth Employment Initiative (YEI) is integrated into the Slovak Operational Programme Human Resources as a dedicated priority axis. The activities under this priority axis will receive a total of EUR 194 million, out of which EUR 72 million from YEI. Regular monitoring of implementation includes reporting in mid-2017 on the contribution of the funds to Europe 2020 objectives and progress in addressing relevant structural reforms to maximise the use of EU financing (notably, in the R&DI, employment, education and health sectors and in the area of public procurement).

Financing under the new European Fund for Strategic Investments (EFSI), Horizon 2020, the Connecting Europe Facility and other directly managed EU funds would be additional to the ESI Funds. Following the first rounds of calls for projects under the Connecting Europe Facility, Slovakia has signed agreements for EUR 52 million for transport projects. For more information on the use of ESIF in Slovakia, see: https://cohesiondata.ec.europa.eu/countries/SK.

Table 1.1: Key economic, financial and social indicators - Slovakia

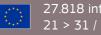
	2002 200=	2000	2000	2010	2011	2012	2012	2014	2015	forecast	2017
Pool CDP (v.o.v.)	2003-2007 7.3	2008 5.7	-5.5	2010 5.1	2011	2012 1.5	2013	2014	2015 3.5	2016 3.2	3.4
Real GDP (y-o-y)	6.1	6.0	-3.5 -0.5	0.4	-0.6	-0.4	-0.8	2.3	2.3	3.4	3.4
Private consumption (y-o-y) Public consumption (y-o-y)	3.5	6.7	6.0	1.8	-1.7	-2.6	2.2	5.9	3.7	1.4	2.3
Gross fixed capital formation (y-o-y)	7.2	1.6	-18.7	7.2	12.7	-9.2	-1.1	3.5	12.7	3.8	5.7
Exports of goods and services (y-o-y)	17.9	3.0	-16.8	15.7	12.0	9.3	6.2	3.6	6.4	4.6	5.7
Imports of goods and services (y-o-y)	14.8	3.6	-18.8	14.7	9.6	2.5	5.1	4.3	7.8	4.5	5.8
Output gap	1.3	7.2	-2.1	-0.4	-0.9	-1.8	-2.4	-1.9	-1.1	-0.7	-0.3
Potential growth (y-o-y)	5.2	5.4	3.5	3.4	3.4	2.5	2.0	2.0	2.6	2.8	3.0
Contribution to GDP growth:											
Domestic demand (y-o-y)	5.6	4.9	-4.0	2.2	2.1	-2.9	-0.3	3.1	4.6	3.0	3.4
Inventories (y-o-y)	0.1	1.2	-3.6	2.4	-1.0	-1.3	0.6	-0.2	-0.2	0.0	0.0
Net exports (y-o-y)	1.6	-0.5	2.1	0.5	1.7	5.7	1.2	-0.4	-1.0	0.2	0.0
Contribution to potential GDP growth:											
Total Labour (hours) (y-o-y)	0.3	0.8	0.7	0.6	0.6	0.4	0.3	0.4	0.4	0.5	0.5
Capital accumulation (y-o-y)	1.2	1.6	0.3	0.5	0.8	0.2	0.0	0.0	0.5	0.7	0.8
Total factor productivity (y-o-y)	3.7	3.1	2.5	2.3	1.9	1.8	1.7	1.6	1.6	1.6	1.7
Current account balance (% of GDP), balance of payments	-9.0	-6.4	-3.5	-4.7	-5.0	0.9	2.0	0.1	•	•	•
Trade balance (% of GDP), balance of payments	-3.6	-2.3	-1.1	-1.1	-0.4	4.0	4.7	3.9	. 0.1	. 0.2	. 0.1
Terms of trade of goods and services (y-o-y)	-0.7	-1.6	-1.1	-0.6	-1.3	-1.2	-0.5	0.0	-0.1	0.2	-0.1
Capital account balance (% of GDP)  Net international investment position (% of GDP)	0.3	1.2	0.8	1.5	1.3	2.0	1.4	1.0			
Net international investment position (% of GDP)	-56.6 1.5*	-56.1 -6.4*	-66.7 -11.0*	-62.1 -10.1*	-64.6 -11.7*	-62.0 -10.1*	-63.6 -12.9	-69.0 -16.7			
Net marketable external debt (% of GDP)1 Gross marketable external debt (% of GDP)1	1.5* 51.5	41.3	-11.0* 61.7	62.0	-11.7* 60.8	-10.1** 58.0	-12.9 65.1	-16.7 73.4			
Export performance vs. advanced countries (% change over 5	31.3	41.5	01.7	02.0	00.8	38.0	03.1	/3.4			
years)		72.1*	18.8	12.4	6.2	0.5	4.7	10.05			
Export market share, goods and services (y-o-y)	6.5	-2.1	-7.2	-4.7	3.4	0.8	4.7	-0.8			
Net FDI flows (% of GDP)	-7.2	-4.4	1.0	-0.9	-2.8	-3.2	0.3	0.2			
Savings rate of households (net saving as percentage of net											
disposable income)	0.9	0.8	2.3	4.7	2.9	1.7	2.9	3.8			
Private credit flow (consolidated, % of GDP)	6.4	11.0	3.1	3.1	3.0	3.1	5.3	3.9			
Private sector debt, consolidated (% of GDP)	51.3	65.3	69.9	68.1	71.0	71.3	74.8	76.2			
of which household debt, consolidated (% of GDP)	12.0	20.9	23.8	24.8	26.5	27.8	29.7	31.6			
of which non-financial corporate debt, consolidated (% of	39.3	44.4	46.1	43.3	44.5	43.5	45.1	43.8			
Corporations, net lending (+) or net borrowing (-) (% of GDP)	-3.0	-1.8	5.2	2.5	-0.1	5.8	4.2	1.5	1.3	-1.6	-2.0
Corporations, gross operating surplus (% of GDP)	26.7	28.0	24.7	26.7	26.4	26.9	26.7	25.7	25.5	25.5	25.7
Households, net lending (+) or net borrowing (-) (% of GDP)	-1.4	-1.6	0.1	1.8	0.4	0.2	0.7	1.4	1.2	1.4	
									1.2	1.4	1.5
Deflated house price index (y-o-y)	25.6	12.9	-12.8	-4.9	-5.2	-5.9	-0.4	1.6			
Residential investment (% of GDP)	2.8	2.5	3.0	2.6	2.4	2.3	2.7	2.6			
GDP deflator (y-o-y)	3.5	2.8	-1.2	0.5	1.6	1.3	0.5	-0.2	-0.3	0.6	1.5
Harmonised index of consumer prices (HICP, y-o-y)	5.0	3.9	0.9	0.7	4.1	3.7	1.5	-0.1	-0.3	0.3	1.7
Nominal compensation per employee (y-o-y)	8.3	6.6	2.6	5.5	2.0	2.6	2.6	1.8	2.1	3.0	3.1
Labour productivity (real, person employed, y-o-y)	5.9	2.4	-3.6	6.7	1.0	1.5	2.2	1.1			
Unit labour costs (ULC, whole economy, y-o-y)	2.3	4.1	6.4	-1.2	1.0	1.1	0.3	0.7	0.6	1.1	0.9
Real unit labour costs (y-o-y)	-1.1	1.3	7.6	-1.6	-0.7	-0.2	-0.2	0.9	0.9	0.5	-0.7
Real effective exchange rate (ULC, y-o-y)	6.4	8.4	8.9	-3.2	0.5	-1.8	0.2	0.2	-1.8	0.4	
Real effective exchange rate (HICP, y-o-y)	8.0	8.3	6.9	-4.2	1.0	0.1	0.9	0.3	-1.6	0.9	-0.4
Tax wedge on labour for a single person earning the average	21.7	22.8	21.4	21.5	22.9	22.8	22.8	22.9			
wage (%)  Taxe wedge on labour for a single person earning 50% of the											
average wage (%)	14.7*	15.8	12.9	13.1	15.9	15.7	15.7	15.9	•		
Total Financial Sector Liabilities, non-consolidated (y-o-y)	6.5	8.7	6.3	4.1	0.4	1.2	3.5	5.1	•		
Tier 1 ratio (%)2		21.9	20.9	19.2	16.9	16.3	17.3	16.6			
Return on equity (%)3		3.8	6.7	8.6	-0.8	5.7	6.7	5.2			
Gross non-performing debt (% of total debt instruments and											
total loans and advances) (4)	•	1.7	3.5	3.9	4.0	3.8	3.8	4.1			-
Unemployment rate	15.4	9.6	12.1	14.5	13.7	14.0	14.2	13.2	11.5	10.3	9.3
Long-term unemployment rate (% of active population)	10.8	6.7	6.5	9.3	9.3	9.4	10.0	9.3			
Youth unemployment rate (% of active population in the same		19.3	27.6	33.9	33.7	34.0	33.7	29.7			
age group)									26.4		
Activity rate (15-64 year-olds)	69.1	68.8	68.4	68.7	68.7	69.4	69.9	70.3			
People at-risk poverty or social exclusion (% total population)	26.7	20.6	19.6	20.6	20.6	20.5	19.8	18.4			
Persons living in households with very low work intensity (%	6.4	5.2	5.6	7.9	7.7	7.2	7.6	7.1			
of total population aged below 60)	0.4	5.2	5.0	1.7	/./	7.2	7.0	/.1	•		•
General government balance (% of GDP)	-2.7	-2.3	-7.9	-7.5	-4.1	-4.2	-2.6	-2.8	-2.7	-2.1	-1.7
Tax-to-GDP ratio (%)	30.5	28.7	28.5	27.8	28.4	28.0	30.0	30.9	31.5	31.2	31.3
Structural budget balance (% of GDP)				-7.1	-4.1	-3.6	-1.7	-2.0	-2.1	-1.8	-1.6
General government gross debt (% of GDP)	35.4	28.2	36.0	40.8	43.3	51.9	54.6	53.5	52.3	51.9	51.2

Source: European Commission, winter forecast 2016; ECB

<sup>(1)</sup> Sum of portfolio debt instruments, other investment and reserve assets
(2,3) domestic banking groups and stand-alone banks.
(4) domestic banking groups and stand alone banks, foreign (EU and non-EU) controlled subsidiaries and foreign (EU and non-EU) controlled branches.

<sup>(\*)</sup> Indicates BPM5 and/or ESA95





27.818 interviews 21 > 31 / 05 / 2016

1.011 interviews 21 > 30 / 05 / 2016

Methodology: face-to-face

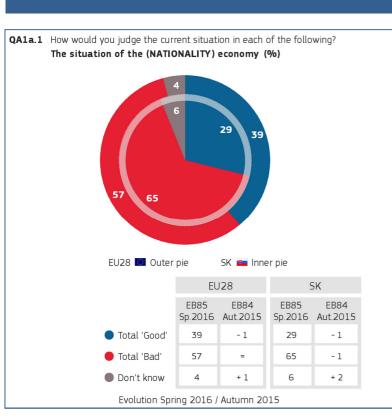
Standard Eurobarometer 85

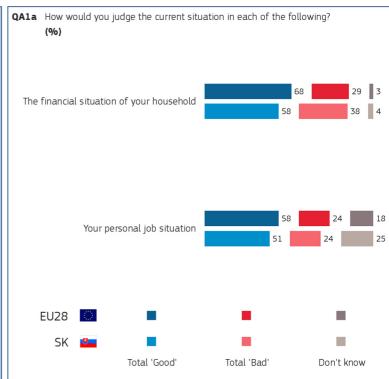
The key indicators

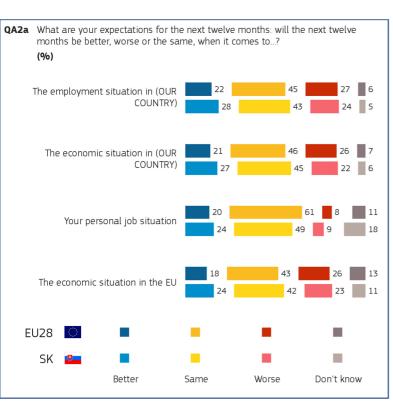
**SLOVAKIA** 

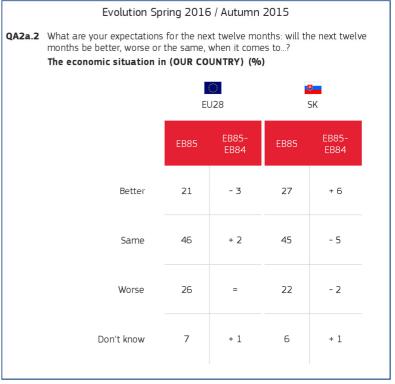
Spring 2016

### 1. LIFE IN THE EUROPEAN UNION

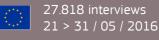












1.011 interviews 21 > 30 / 05 / 2016

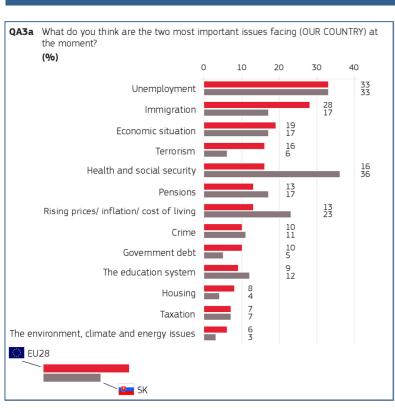
Methodology: face-to-face

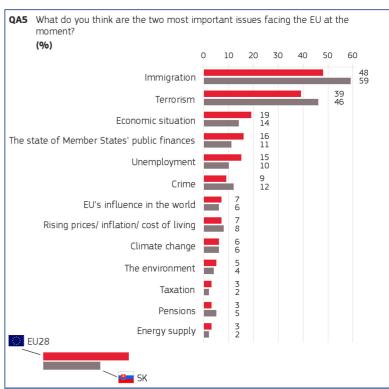
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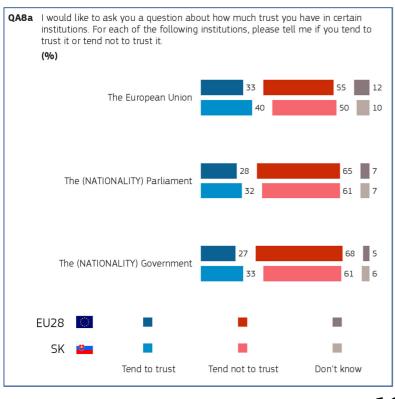
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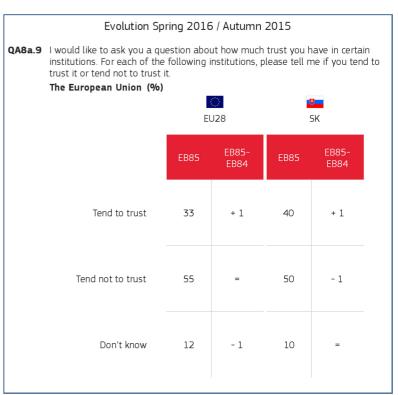
SLOVAKIA Spring 2016

### 1. LIFE IN THE EUROPEAN UNION

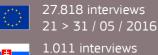












21 > 30 / 05 / 2016

Methodology: face-to-face

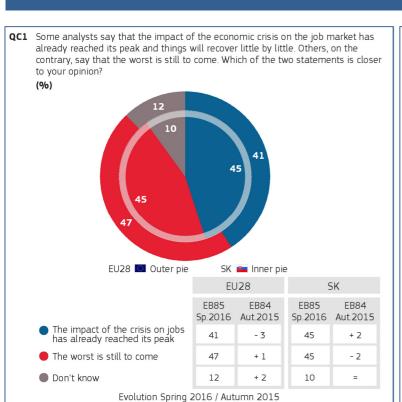
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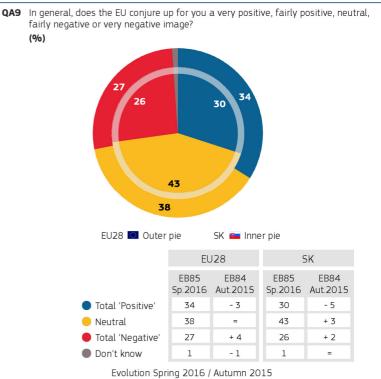
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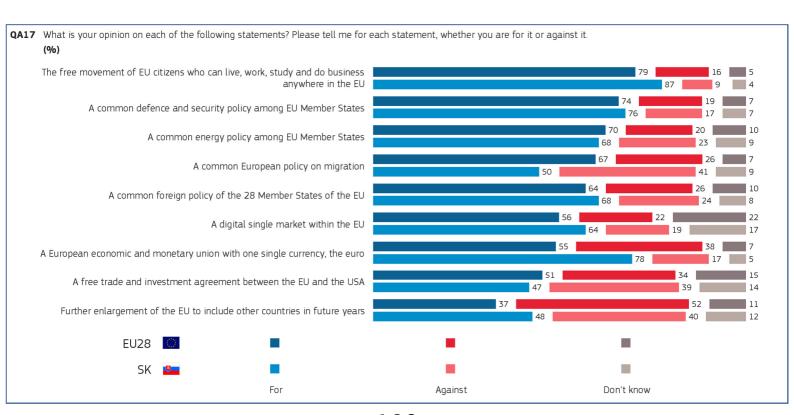
**SLOVAKIA** 

Spring 2016

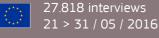
### 1. LIFE IN THE EUROPEAN UNION











1.011 interviews 21 > 30 / 05 / 2016

Methodology: face-to-face

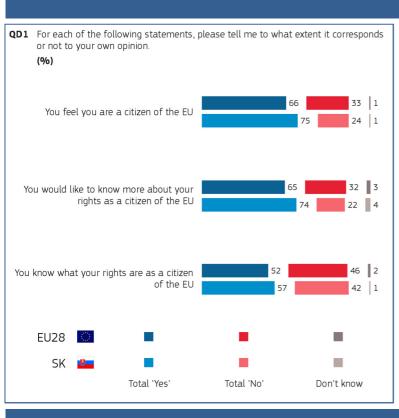
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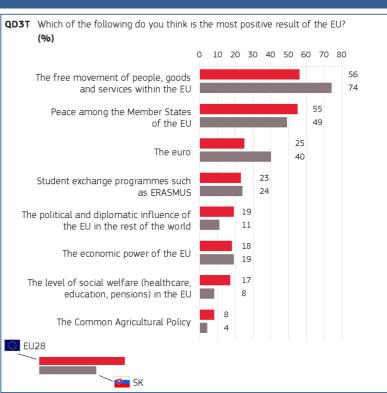
The key indicators

SLOVAKIA

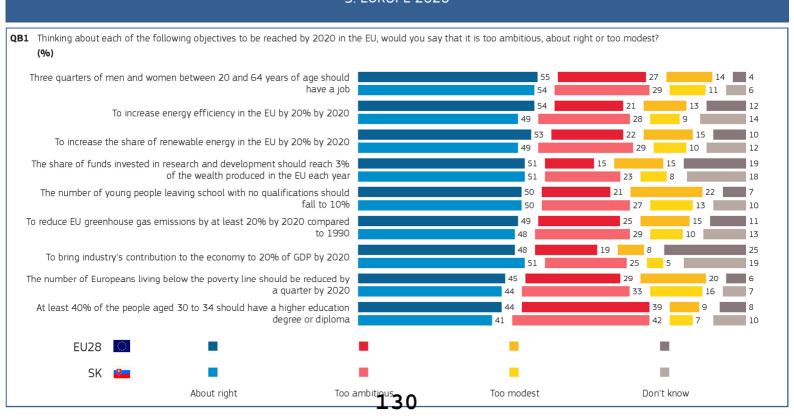
Spring 2016

### 2. EUROPEAN UNION CITIZENSHIP





### 3. EUROPE 2020





# ASSOCIATION DES ANCIENS DEPUTES AU PARLEMENT EUROPEEN EUROPEAN PARLIAMENT FORMER MEMBERS ASSOCIATION

### IV. Visi

### IV. Visiting Bratislava

- 1. Culture of Slovakia
- 2. Must see in Bratislava

### IV. Visiting Bratislava

### 1. Culture of Slovakia 4

The development of Slovak culture reflects the country's rich folk tradition, in addition to the influence of broader European trends. The impact of centuries of cultural repression and control by foreign governments is also evident in much of Slovakia's art, literature, and music.

There are 12 state scientific libraries in Slovakia, 473 libraries affiliated with universities and institutions of higher learning, and 2,600 public libraries. The University Library in Bratislava, founded in 1919, contains more than 2 million volumes and is the country's most important library. The Slovak National Library (1863), located in Martin, includes a collection of materials relating to Slovak culture.

Slovakia is also home to more than 50 museums. The Slovak National Museum (founded in 1893), located in Bratislava, contains exhibits on Slovak history, archaeology, and musicology, and is probably the country's best-known museum. Other museums include the Slovak National Gallery (1948), also in Bratislava; the Slovak National Uprising Museum (1955), located in Banska Bystrica; and the Museum of Eastern Slovakia (1872), in Kosice.

### **Historical Cultural Synopsis**

The emergence of culture and of Slovak national literature came late in the European context.

Elements of the Slovakian spoken language appeared in literary texts during the centuries preceding the 18th century, but Anton Bernolak (1762-1813) was the first who attempted to create a literary language. Bernolak's language was used by two talented writers, Jozef Ignac Bajza (1755-1836), the author of the first Slovakian novel, and the famous classical poet Jan Holly (1785-1849), who wrote his epic poems in alexandrine verse in order to prove the Slovakian language malleable enough to be equal to complicated forms of ancient poetry.

The two main representatives of Slovakian literary classicism are the poet Jan Kollar (1795-1852) and the historian Pavel Jozef Safarik (1795-1861), even though both continued to write in Czech, their work belongs equally to Czech and Slovakian literary heritage.

Both writers adopted J.G. Herder's philosophical conception about the glorious future reserved to Slavs, and they became the most important promoters of Pan-Slavism. Holly, Kollar and Safarik greatly helped to awaken national conscience and showed the way to the creation of native literature.

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<sup>&</sup>lt;sup>4</sup> Reference source: http://www.slovakia.org/culture

### Literature

In the late 18th century, a national movement began in Slovakia, with the aim of fostering Slovak culture and identity. One of its leaders was Anton Bernolak, a Jesuit priest who codified a Slovak literary language based on dialects used in western Slovakia. In the 19th century, Protestant leaders Jan Kollar and Pavol Safarik developed a form of written Slovak that combined the dialects used in central Slovakia and the Czech lands. The linguist and Slovak nationalist Ludovit Stur, a contemporary of Kollar and Safarik's, rejected the Czech influence and set out to develop a more authentic literary Slovak; his language was adopted by a group of Slovak poets, whose work dealt largely with national Slovak themes. Poetry remained an important literary form into the 20th century, and was used by some Slovak writers to address the experience of World War II and the rise of Communism. During the Communist period, Slovak literary culture suffered from heavy governmental control. The works of Dominik Tatarka, Lubos Jurik, Martin Butora, Milan Simecka and Hana Ponicka were exceptions to the pattern of politically influenced works.

### **Folk Art**

Folk arts and crafts, which include woodcarving, fabric weaving, and glass painting, have a long and popular tradition in Slovakia, especially in rural areas. Examples of folk architecture, such as wooden churches and brightly painted houses, are found throughout the country, particularly in the Ukrainian communities of Eastern Slovakia.

The development of folk art and crafts developed throughout Slovak history which is documented by the abundant archaeological findings on its national territory. These findings were composed of tools and artefacts - over time, these useful objects became more and more refined and thus became what we call today's folk art. The tradition of folk art and crafts has been handed down through the generations and is supported by ULUV, The Centre for Folk Art Production. Since 1954, ULUV's expositions have shown throughout dozens of countries.

### **Fine Art and Architecture**

Slovak modern art is influenced by both Slovakian folklore and European art and is represented today by numerous artistic associations.

Contemporary sculpture is divided between the old generation with artists like V. Kompanek and A. Rudavsky who are from a classical school, using traditional material, and the younger generation who use more original materials and are inspired by a more psychological

approach. A Slovak school of painting emerged in the mid-19th century. Sculpture and architecture also developed in the 19th and 20th centuries, much of it heavily influenced by western European styles. Peter Michal Bohn and J.B. Klemens were among the best-known artists of this period. The work of landscape and figure painters Ladislav Mednansky and Dominik Skutecky received widespread attention in the late 19th century. The cubist artist Ester Simerova-Martincekova and surrealist Imrich Weiner-Kral were influential in the early 20th century. Other important 20th-century artists include Ludovit Fulla, Mikulas Galanda, Martin Benka, and Mikulas Bazovsky. Dusan Jurkovic was an important architect of the early 20th century.

Among the well-known pieces of Slovakian art is the Venus of Moravany dating from the Palaeolithic era, art forms from the stone and bronze age, as well as religious architecture from the Great Moravian Empire. In Slovakia, artistic tradition in several forms developed long ago.

### Music

Music has long occupied an important and distinguished place in Slovak cultural life. In the first half of the 19th century, a national musical tradition began to develop around Slovakia's impressive folk heritage. Modern Slovak music has drawn from both classical and folk styles. Well-known works from the 20th century include the compositions of Alexander Moyzes and the operas of Jan Cikker.

Traditional Slovakian music is one of the most original of Slavic and European folklore. Its oldest form is liturgical (in Slavon) from the time of Great Moravia (9th century) which is the origin of the sacred music of the 15th and 16th centuries. National Slovakian music was heavily influenced by liturgical and chamber music.

Today, music is one of the most significant aspects of Slovakian culture. Some of the most renown orchestras are: The Philharmonic Orchestra of Bratislava and Kosice, The Symphonic Orchestra of Bratislava Radio and The Slovak Chamber Orchestra.

### **Motion Pictures**

During the Communist period, when art was to be directed to political ends, filmmakers in Slovakia suffered from the same restrictions that affected their counterparts in the Czech lands. Nonetheless, certain individuals, including Jan Kadar, Dusan Hanak, Stefan Uher, and Juraj Jakubisko, gained international recognition for their work. As in many of the other post-Communist countries of Eastern Europe, the Slovak motion-picture industry has been affected by the reduction in state subsidies and increased competition from international

filmmakers. Although the main film studio has been closed, filmmakers Jakubisko and Uher, as well as Martin Sulik and Stefan Semjan, continue to make important and innovative films.

### 2) Must see in Bratislava<sup>5</sup>



Devin Castle (mentioned below)

Bratislava Old Town - The Old Town of Bratislava is the historic center and one of the boroughs of Bratislava, in the Bratislava Region of Slovakia. It is coextensive with the smallest Slovak administrative district by area, Bratislava I. It contains the small, but preserved medieval city center, Bratislava Castle and other important landmarks. Bratislava's Old Town is known for its many churches, a riverbank promenade and cultural institutions, it is also the location of most of the foreign states embassies and important Slovak institutions including the National Council of the Slovak Republic; the Summer Archbishop's Palace, seat of the Government of Slovakia; and Grassalkovich Palace, seat of the President of Slovakia.



<sup>&</sup>lt;sup>5</sup> Reference source:http://www.bratislavavisit.com/what-to-do-attractions/6-bratislava-culture-top-10-sightsbratislava.html

*Slavín* - is a memorial monument and military cemetery in Bratislava, the capital of Slovakia. It is the burial ground of thousands of Soviet Army soldiers who fell during World War II while liberating the city in April 1945 from the occupying German Wehrmacht units and the remaining Slovak troops who supported the clero-fascist Tiso government. It is situated on a hill amidst a rich villa quarter of the capital and embassy residences close to the centre of Bratislava.

It was constructed between 1957 and 1960 on the site of a field cemetery, and opened on April 3, 1960 on the occasion of the 15th anniversary of the city's liberation. The monument was constructed similar in kind to the Palace of Culture and Science in Stalinist architectural style. In 1961 it was declared a National Cultural Monument. Its designer was Ján Svetlík.



**The Church of St. Elizabeth** - commonly known as Blue Church, is a Hungarian Secessionist Catholic church located in the eastern part of the Old Town in Bratislava, Slovakia. It is consecrated to Elisabeth of Hungary, daughter of Andrew II, who grew up in the Pressburg Castle. It is referred to as "The Little Blue Church" because of the colour of its façade, mosaics, majolicas and blue-glazed roof. It was initially part of the neighboring gymnázium (high school) and served as the school chapel.



**Michael's Gate** - In Bratislava, Slovakia, Michael's Gate is the only city gate that has been preserved of the medieval fortifications and ranks among the oldest town buildings. Built about the year 1300, its present shape is the result of baroque reconstructions in 1758, when

the statue of St. Michael and the Dragon was placed on its top. The tower houses the Exhibition of Weapons of Bratislava City Museum.

In the medieval times, the town was surrounded by fortified walls, and entry and exit was only possible through one of the four heavily fortified gates. On the east side of the town, it was the Laurinc Gate, named after Saint Lawrence, in the south it was the Fishermen's Gate. This was the smallest gate of the four, used mainly by the fishermen entering the city with fish caught in the river Danube. On the west side it was the Vydrica Gate, also called the Dark Gate or Black Gate, since it was like a tunnel—dark and long. In the north, there was St. Michael's Gate named after St. Michael and the St. Michael church that stood in front of it (outside the town wall). Later on it was put down and materials gained from it were used in the building of additional town walls.



**Čumil** - Bronze sculpture of a man peeping out of the manhole. His name is Čumil and he is either resting after cleaning the sewer or is looking under women's skirts. After the statue had lost its head twice due to inattentive drivers, it was decided to place a unique road sign next to it.



**Danubiana meulensteen art museum** - On the 9th September 2000, less than 15 kilometres south of the centre of Bratislava, on the edge of a peninsula where the mighty Danube flows, the opening of one of the youngest museums of modern art in Europe - Danubiana - took

place. The River Danube has lent the museum its name and the rest is the result of the enthusiasm and initiative of the Slovak gallery owner Dr. Vincent Polakovič and the financial resources of the Dutch collector and art patron Gerard H. Meulensteen.

The framework of its impressive architecture is formed by its unusual location on the borders of three neighbouring countries, Slovakia, Austria and Hungary, but above all by the superb contrast of the wide expanse of water, open air and the endless banks of a dam. This architecture evokes the shape of a Roman galley bound in the shallows of a river and its diversity provides the opportunity to put on a wide variety of exhibitions.

Shows by leading international artists are alternated in the great hall on the first floor. On the ground floor there is a gallery of contemporary art where the exhibits are on sale, a place for smaller scale exhibitions, an audio-visual centre and a lecture hall. The complex is completed by an art shop with a wide selection of catalogues, art publications, postcards, souvenirs, and the cosy Art Café, which extends beyond the gallery and allows visitors to sit right on the bank of the Danube. A newly set up park covering an area of 8000 m2 provides the possibility for presenting sculpture work. This reaches new dimensions against the backdrop of verdure, the expanse of water and the panorama of the distant city. On the threshold of the third millennium, this peninsula of art is awaiting your visit, offering a unique symbiosis of works of art, modern architecture and nature.



### **Devin Castle**

Standing on a massive cliff, 212 meters above the ground, the castle serves as a museum with several exhibitions. A very popular place for Bratislava's families to spend their afternoon, this ruin (an important frontier place in Great-Moravian era) symbolizes Slavic fellowship and unity. No wonder it is a National cultural monument, depicted on Slovak stamps and old coins.

### **History**



Oldest traces of a settlement date back to the 5th century B.C., 400 years before Celts populated this area. The castle has a vivid medieval history. It served as a boundary fortress, military station and a trade centre.

Devin Castle remembers our favourite brotherly duo, patron saints Cyril and Methodius, who started their mission here in 863. They developed the first alphabet to be used for Slavonic manuscripts, translated the Bible and wrote the first Slavic Civil Code, which was used in Great Moravia.

The ancient name of this castle (Dowina) comes from the Slavic word deva (girl). The watchtower, most photographed piece of the castle known now as the Maiden Tower, serves as a basis for legends about beautiful virgins, imprisoned in the tower, eventually jumping for their deaths.

In 1809, Napoleon himself ordered the castle to be destroyed, as part of the regional military neutralisation.

**Bratislava Castle** - is the main castle of Bratislava, the capital of Slovakia. The massive rectangular building with four corner towers stands on an isolated rocky hill of the Little Carpathians directly above the Danube river in the middle of Bratislava. Because of its size and location, it has been a dominant feature of the city for centuries.

The location provides excellent views of Bratislava, Austria and, in clear weather, parts of Hungary. Many legends are connected with the history of the castle.

The castle building includes four towers (one on each corner) and a courtyard with a 80 m (260 ft) deep water well. The largest and tallest tower is the Crown Tower on the southwest corner. The 47 m (154 ft) tower dates from the 13th century and for approximately 200 years beginning in the mid-1500s housed the crown jewels of Hungary.[1] The exterior walls and inside corridors contain fragments of old Gothic and Renaissance construction elements. The

walled-up entrance gate from the 16th century is still visible to the east of the main entrance. Behind the entrance, is an arcade corridor leading to a large Baroque staircase which, in turn, leads to the exhibitions of the Slovak National Museum on the second floor. The west wing of this floor houses the 4 halls of the Treasure Chamber (opened in 1988) with a collection of the most precious archaeological finds and other objects of Slovakia, including the prehistoric statue called the Venus of Moravany. The third floor houses the exhibition on the History of Slovakia. The first floor in the south wing of the building houses the rooms of Slovak parliament — the National Council of the Slovak Republic - including furnishings from the 16th century. The northern wing of the building- the former Baroque chapel, houses the Music Hall in which concerts are held. The courtyard includes the entrance to the Knights Hall.

