

Priority dossiers under the Croatian EU Council Presidency

INTRODUCTION

For the first time since joining the European Union in 2013, Croatia will hold the rotating Council Presidency from 1 January to 30 June 2020. Croatia is a parliamentary, representative democratic republic, where the Prime Minister of Croatia is the head of government in a multi-party system. Executive power is exercised by the government and the President of Croatia. Legislative power is vested in the Croatian Parliament. The judiciary is independent of the executive and the legislature. Parliament adopted the current Constitution of Croatia on 22 December 1990 and decided to declare independence from Yugoslavia on 25 May 1991.

The **Croatian Parliament** is the unicameral representative body of the citizens of the Republic of Croatia. Under the terms of the Croatian Constitution, the 'Sabor' represents the people and is vested with legislative power. The Sabor is composed of 151 members elected for a four-year term based on direct, universal and equal suffrage by secret ballot. Seats are allocated according to the Croatian Parliament electoral districts: 140 members of the parliament are elected in multi-seat constituencies, 8 from the minorities and 3 from the Croatian diaspora.

Since 19 October 2016, the Prime Minister of Croatia is Mr **Andrej Plenković**. There are four deputy prime ministers: Davor Božinović, Zdravko Marić, Damir Krstičević and Predrag Štromar. The government ministers are from the Croatian Democratic Union (HDZ) and the Croatian People's Party - Liberal Democrats (HNS), with two further ministers being independent politicians. The **Croatian Democratic Union** (Croatian: Hrvatska demokratska zajednica or HDZ, literally Croatian Democratic Community) is a liberal conservative political party and the main centre-right political party in Croatia. It is one of the two major contemporary political parties in Croatia, along with the centre-left Social Democratic Party (SDP). It is currently the largest party in the Sabor with 55 seats.

POLITICAL PRIORITIES OF THE CROATIAN PRESIDENCY

This note looks at the Croatian Presidency's priorities, focusing essentially on the four core priorities, which will guide its work until June 2020. Those dossiers which figure in the Joint Declaration agreed to by the three institutions as priorities for 2018-2019 are marked with an asterisk (*). Also included are some legislative files which the Conference of Presidents (COP) of the European Parliament endorsed in a list of 'unfinished business' in October 2019, and on which work between the two co-legislators has started or will resume.

The four main priority areas of the Croatian Presidency are:

- A Europe that is developing,
- A Europe that connects,
- A Europe that protects, and
- An influential Europe.

The challenges currently facing the Union are well known and include in particular Brexit and the **Multiannual Financial Framework 2021-2027 (MFF)** (2018/0166 APP)*, which the Croatian Presidency commits to carrying forward. Croatia also pledges to focus on disparities in economic development, climate change, migration, misinformation campaigns and growing populism.

This presidency will follow on the work of the Finnish Presidency, taking into account the priorities of the **Strategic Agenda 2019-2024** endorsed by the Member States at the European Council on 20 June 2019. The Strategic Agenda covers the protection of citizens' freedoms; developing a strong and vibrant economic base; building a climate-neutral, green, fair and social Europe; and promoting European interests and values on the global stage.

I. A EUROPE THAT IS DEVELOPING

In an effort to reduce differences between Member States, and to **foster economic and social cohesion and convergence**, Croatia will work towards an ambitious, balanced and sustainable MFF. During Parliament's eighth legislature, a number of committees worked on the proposals for sectoral programmes, which will implement the overall MFF for 2021-2027. However, the actual amount of the next seven-year EU budget still needs to be established by the Council and then approved by Parliament. Agreeing the new seven-year programme has been complicated by, on the one hand, the appointment of a new Commission, and on the other hand, by time-consuming and complex issues such as Brexit.

Brexit is a major question that the Croatian Presidency will be facing, considering the deadline of 31 January 2020 for the UK to exit the EU. The general election on 12 December in the UK gave an unambiguous result, and the UK parliament can now be expected to move forward in time for the Brexit date. In the coming months there will need to be negotiations on the new relationship to be tailored with the UK, and this will most certainly dominate the political environment in the first half of 2020.

In line with Croatia's **first priority**, the following legislative proposals could feature during the Croatian Presidency:

- Establishment of the Reform Support Programme (2018/0213 COD) (MFF file)*
- European Investment Stabilisation function (2018/0212 COD) (MFF file)*
- Recovery and Resolution of central counter-parties (2016/0365 COD)*
- Credit services, credit purchasers and the recovery of collateral* (2018/0063A COD)
- Accelerated extrajudicial collateral enforcement* (2018/0063B COD)
- Framework for the development of EU Sovereign Bond-backed Securities (SBBS) (2018/0171 COD)*
- European Deposit Insurance Scheme (EDIS) (2015/0270 COD) *

On matters relating to the strengthening of **competitiveness and skills**, the Croatian Presidency plans to focus on digitalisation of business, competitiveness of European industry and SMEs, mobility of scientists and researchers, and modernisation of agriculture. The following are some of the pending proposals which would fall under this remit:

- Support for strategic plans to be drawn up by Member States financed by EAGF and EAFRD (2018/0216 COD) (MFF file)
- Programme for single market competitiveness of enterprises, including SMEs and European statistics 2021-2027 (2018/0231 COD) (MFF file)
- Horizon Europe framework programme for research and innovation 2021-2027 and specific programme implementing it (2018/0224 & 0225 COD) (MFF file)
- Digital Europe Programme 2021-2027 (2018/0227 COD) (MFF file)
- Common agricultural policy (CAP) 2021-2027 (2018/0218 COD) (MFF file)
- Common agricultural policy: financing, management and monitoring (2018/0217 COD) (MFF file)

With regard to the mobility of scientists and researchers, there is the pending proposal on the Entry and residence of third-country nationals for the purposes of highly skilled employment (2016/0176 COD)*. This proposal, known as the Blue Card directive, remains blocked over the question of harmonisation vs national schemes.

In the context of a **green Europe**, and of **sustainable economic growth and development**, the following could feature prominently:

- Regulation on the framework to facilitate sustainable investment (2018/0178 COD)
- Programme for the environment and climate action (LIFE) 2021-2027 (2018/0209 COD) (MFF file)
- Minimum requirements for water reuse (2018/0169 COD)

The Croatian Presidency also intends to work towards the implementation of the **Paris Agreement**, with a transition to a low-carbon and circular economy, and on conservation of biodiversity, protection of the marine environment and efficient water and waste management. It is to be noted that legislative proposals on the matter are being prioritised by the European Commission. A **European Green Deal** has already been adopted by the College of Commissioners and presented in Parliament on 11 December 2019. New legislative proposals in this connection will be adopted and published in the coming months.

On **social matters**, the Croatian Presidency highlights the need to implement the European Pillar of Social rights, including work-life balance and promoting equality between women and men, as well as better opportunities for young people and promoting lifelong care for one's health. In this regard, there is the non-evolution on the legislative proposal on Gender balance among non-executive directors of companies listed on stock exchanges (2012/0299 COD). On the other hand, there is a possibility that the proposal on the Coordination of social security systems (2016/0397 COD)* could be concluded by the Finnish Presidency before the end of its term in December 2019. This proposal affects the social rights of some 12 million citizens and their families.

II. A EUROPE THAT CONNECTS

The main areas of concern under this heading are the establishment of a single, European transport area, high quality and secure data infrastructure, an integrated energy market and stronger connections between Union citizens. To this end, the following pending legislative proposals could be negotiated during the Croatian Presidency:

- Charging of heavy goods vehicles (Eurovignette) (2017/0114 COD)*
- Use of vehicles hired without drivers for the carriage of goods by road (2017/0113 COD)*
- Combined transport of goods between Member States (2017/0290 COD)*
- Access to the international market by coach and bus services: further opening of national markets (2017/0288 COD)*

On **stronger connections between Union citizens**, the Croatian Presidency proposes to focus on further strengthening the mobility of students and researchers – in this context, negotiations on the Erasmus programme for education, training, youth and sport 2021-2027 (2018/0191 COD) will be essential, as well as on the Creative Europe programme 2021-2027 (2018/0190 COD). Equally important in terms of youth programmes, is the European Solidarity Corps programme 2021-2027 (2018/0230 COD) (MFF file).

III. A EUROPE THAT PROTECTS

Internal security, more effective control of external borders, interoperability of IT systems and stronger resilience to external threats and malicious cyber activities, are amongst the key areas the Presidency would like to focus on. The following legislative proposals are relevant:

- European production and preservation orders for electronic evidence in criminal matters* (2018/0108 COD) (known as one of the e-evidence files)
- Appointment of legal representatives for the purposes of gathering evidence in criminal proceedings* (2018/0107 COD) (also an e-evidence file)
- Internal Security Fund 2021-2027 (2018/0250 COD)
- Visa Information System* (2018/0152 COD)
- Preventing the dissemination of terrorist content online* (2018/0331 COD)
- Respect for private life and the protection of personal data in electronic communications (e-privacy)* (2017/0003 COD)
- Returning illegally staying third-country nationals* (2018/0329 COD)

On the reform of the **Common European Asylum system**, and questions of migration, the co-legislators did not conclude the following proposals and work, it is hoped, would resume quickly:

- Asylum: Member States responsible for examining an application for international protection (Dublin system)* (2016/0133 COD) – this is the key file of the asylum package and the one that held up the conclusion of most other files in the package
- European Union Agency for Asylum* (2016/0131 COD)
- Eurodac* (2016/0132 COD)
- Standards for the reception of applicants for international protection* (2016/0222 COD)
- Standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection* (2016/0223 COD)
- Common procedure for international protection in the Union* (2016/0224 COD)
- Union Resettlement Framework* (2016/0225 COD)

IV. AN INFLUENTIAL EUROPE

Strengthening multilateralism, fulfilling the **UN 2030 Agenda for Sustainable Development Goals** and promoting European values and interests are amongst the key points for the EU's external action. The Croatian Presidency considers that an effective enlargement and neighbourhood policy, including in the Western Balkans, is necessary for further economic development in Europe. To this end, an **EU-Western Balkans Summit** will take place in Zagreb in May 2020. Prior to this, the European Council pledged to discuss enlargement matters again after failing to approve Northern Macedonia and Albania for accession negotiations.

Equally important are the negotiations on the Instrument for pre-accession assistance (IPA III) 2021-2027 (2018/0247 COD) (MFF file).

The Croatian Presidency also considers it a priority to intensify **relations with third countries and to strengthen transatlantic relations**. Trade agreements with **Vietnam** and **Mercosur** are nearing completion, with consent for the first due to be given by the INTA committee in January and plenary in February 2020. Referral to Parliament of the Mercosur agreement is expected by mid-2020.

On questions of **security and defence**, negotiations on the European Defence Fund 2021-2027 (2018/0254 COD) (MFF file) will be important in terms of the crisis-response capacity described in the Presidency priorities.

CONCLUSION

The Croatian Presidency has announced it intends to build cooperation and agreement among Member States in a spirit of consensus and mutual respect. In this light, work on the **Conference on the Future of Europe** is expected to intensify, at a time where the challenges facing the EU are significant, including the United Kingdom's withdrawal from the EU. Similarly, it is expected that a new Joint Declaration for 2020, between the three institutions, will see the light of day during the Croatian Presidency, after the new Commission has presented its annual work programme for 2020.

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eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

