

Policy Brief

Managing expectations

The German Council presidency

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On 1 July 2020 Germany will take over the presidency of the Council of the EU. Major European issues such as the Commission's proposal for a Recovery Instrument, the EU multiannual financial framework, or the negotiations on the future UK-EU relationship will fall within its term. If expectations were high before corona that a member state with the political weight and capacities of Germany would be able to significantly advance the political agenda at EU level, such expectations are even more prevalent now. At the same time, the institution of Council presidency has lost much of its bite under the Treaty of Lisbon. Germany does not only find itself wedged between different institutional actors with a limited time frame to achieve political results. It is also faced with an overcrowded agenda and many practical limitations caused by the pandemic. This policy brief analyses and assesses the expectations as regards the German Council presidency, in particular by considering the institutional context in which it operates and the limitations imposed by the pandemic.

#Council Presidency
#Germany
#Corona

Introduction

On 1 July 2020 Germany will once more, for the first time in 13 years, take over the rotating six-month presidency of the Council of the European Union – and it does so in the midst of a global pandemic that has led the EU into an unprecedented economic crisis.

Major European issues such as the Commission's proposal for a Recovery Instrument (RI), the EU's multiannual financial framework (MFF), and the Brexit negotiations on the future UK-EU relationship will fall within its term. As the presidency, it will be up to Germany to facilitate a compromise between the various member states on these issues as well as enforce the Council's stance vis-a-vis the European Parliament and the Commission. If expectations were high beforehand that a member state with the political weight and capacities of Germany would be able to significantly advance the political agenda at the EU level, such expectations are even more prevalent now.

The question is, however, how reasonable such expectations for Germany are. While it is true that as the biggest member state and economic powerhouse of the EU, it wields a lot of political power in negotiations, the possibilities of the German Council presidency must also be considered within its institutional context. On the one hand, the German presidency is faced with an overcrowded agenda and many practical limitations caused by the pandemic. On the other hand, the Council presidency itself has lost much of its bite when it was formally separated from the presidency of the European Council

with the Treaty of Lisbon. It is now wedged between different institutional actors and within a trio presidency programme, with somewhat limited room for manoeuvre and a very limited timeframe to achieve political results.

Against this background, this policy brief looks to manage the expectations regarding the German Council presidency, in particular by considering the institutional context in which it operates, and the limitations imposed by the pandemic.

Framing expectations: three key roles of the Council presidency

In order to be able to manage the expectations put on the German Council presidency, it is first necessary to understand what the institutional role of the Council presidency in the EU is.

The presidency rotates between EU member states every six months. Its main tasks are to organise and chair Council meetings and to act as an honest broker in Council negotiations with a view to finding compromises between the different member states. It also represents the Council in relations with other institutions. Member states holding the Council presidency work closely together in groups of three in order to bring consistency and coherence into the Council's work. This is called the trio. Germany is part of a trio with Portugal (first half of 2021) and Slovenia (second half of 2021).

Agenda setter

The member state holding the presidency organises the Council's work and determines the agenda of the Council meetings. This means that the presidency decides who meets, for how long, and when, and determines what will be discussed in the meeting. In doing so, it has the power to influence which specific policy issues will receive the most attention, time, space, and resources in the Council, as long as it has a political inclination as to what it wishes to achieve during its term.

The presidency not only sets the agenda of formal meetings but also influences the thematic calendar of informal meetings and EU bilateral summits. It can thereby have a significant impact on policy – provided there is such an ambition. Moreover, the presidency can also indirectly influence the discussions in the European Council as it chairs the General Affairs Council (GAC), which is responsible for preparing and ensuring a follow-up of European Council meetings.

On a longer-term basis, the presidency sets the Council's 18-month agenda together with its fellow trio members. This is to ensure consistency and coherence in the Council's work. Germany, together with the Portuguese and Slovenian presidencies as well as the High Representative of the Union, who chairs the Foreign Affairs Council, has prepared a joint [18-month Council programme](#).

Honest broker

One of the key elements repeatedly emphasised by German representatives in the run-up to their country's presidency is Germany's role as a bridge-builder. Germany wants to see its role as a mediating one between the North, the South, and Central and Eastern Europe. And in a way, Germany has already shown that it can play this role before the official start of its presidency through the [Franco-German initiative](#) for a European Recovery from the corona crisis presented on 18 May 2020. With the proposal, Germany took a decisive step towards French and Southern European interests and acted as a [bridge-builder between Northern and Southern Europe](#).

This fits well with the institutional role of the Council presidency, which is not only tasked with scheduling meetings, but is also expected to act as a mediator between the different member states. It is supposed to reconcile different interests in the Council with a view to contributing to a quick end to the negotiations. This means that the presidency is expected to be neutral and impartial in its role as an honest broker.

Notwithstanding its impartiality, it is of course possible that in steering the discussions towards a workable compromise, the member state holding the presidency works in its own favour. In particular, because the presidency has knowledge of the other member states' policy preferences, it can choose to present those compromise proposals that are closest to its own preferences, as long as its suggestions are still perceived as sufficiently fair by the other member states.

Representative of Council in relations with other institutions

The presidency represents the Council in its relations with the European Parliament and the European Commission. In the legislative process, it negotiates on behalf of the Council with the other EU institutions, most notably in the so-called trilogues, which are the standard way of informally reaching a compromise between the three institutions. This is an important prerogative of the member state holding the Council presidency in law-making, as no other member state will have a representative in the trilogue negotiations, giving the presidency considerable leeway in how to conduct these trilogues.

Managing expectations: agenda setter in an institutional corset

While the member state holding the Council presidency has enormous influence in setting the agenda, and thus prioritising policy topics, any expectations as to what it can and cannot achieve must also be assessed against the institutional context in which the Council operates.

Curtailed powers since the Treaty of Lisbon

The Treaty of Lisbon curtailed the powers of the presidency by formally separating the Council presidency from the presidency of the European Council and the chairmanship of the Foreign Affairs Council (FAC). While in 2007 Germany presided over both institutions, giving it a higher profile and more responsibilities, it is now European Council president Charles Michel who sets the agenda for the European Council, and the High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell who presides over the FAC.

No right of initiative

The Council does not have a right of initiative. The exclusive right of initiative in the EU remains with the European Commission. The Council presidency therefore depends on the Commission's willingness to make a proposal when it comes to setting the agenda and must work within the Commission's own priority setting.

Not a decision-maker of last resort

It is the European Council that sets overall EU priorities. The main legislative decision-making in the EU takes place at the ministerial and working group level, i.e. at Council level, but particularly significant or politically sensitive decisions are mostly taken in the European Council. This puts the Council in an institutional corset between the Commission and the European Council. Issues that cannot be resolved in the Council are also referred to the heads of state and government, making the European Council the decision-maker of last resort in the EU, at least for the most contentious dossiers. The EU multiannual financial framework and Recovery Instrument are an example of this: while they constitute two of the top priorities of the German Council presidency, the negotiations thereon are due to take place in the European Council in June and July, based on the Commission's proposal.

What should be noted here is the qualification that this limitation poses much less of a constraint on Germany than it does on other, smaller member states. Angela Merkel wields incomparably more political power in the European Council than do her counterparts from smaller countries. This makes the likelihood of German interests being enforced in the European Council – and a corresponding mandate being handed down to the Council for the presidency to accomplish – much higher.

Limited time frame

The Council presidency is in office for only six months. While it is true that the preparations for a presidency often begin 18 to 24 months in advance, one should not forget that substantial numbers of legislative dossiers in the EU are not concluded within six months. The [average length](#) of EU legislative dossiers adopted at first reading in the ordinary legislative procedure is 18 months; for those dossiers adopted at second reading, the time period is 40 months. This makes the completion of a legislative project from start to finish quite difficult. Many dossiers stretch over into the next (or previous) presidency (or presidencies), in particular when very difficult and politically controversial dossiers are involved. A telling example is the lagging reform of the Common European Asylum System. Subsequent presidencies have formulated compromise proposals without achieving a breakthrough. The German presidency will now take its turn but is only expected to put forward a roadmap outlining the next steps.

Inheritance of legislative dossiers

Because of the limited time frame of the Council presidency, an incoming presidency also often inherits the agenda of its predecessors. This of course significantly limits its room for manoeuvre in setting the agenda.

Expectations in times of corona: overburdened agenda meets social distancing

If the expectations on the German Council presidency were already high before the pandemic reached the shores of Europe, they are arguably even higher now that Europe is searching for a way to jointly recover from the crisis.

There were two big issues against which the success of the German presidency was to be measured, namely the EU multiannual financial framework and the Brexit negotiations. Corona has now added the Commission's Recovery Instrument to the list. The presidency is thus not only faced with the practical implications of the pandemic, including social distancing rules, but it must also deal with an overburdened agenda that had to be adapted after the preparations for the presidency were already well underway, if not completed.

Negotiations under social distancing rules

In-person Council meetings have fallen victim to the pandemic as social distancing rules also entered the European institutions. According to an [estimate](#) by German Ambassador to the EU Michael Clauss, the Council will only be able to work at a maximum of 30% of its normal capacity during the German presidency.

The lack of in-person meetings cannot be fully compensated by videoconferencing either, as has also been emphasised in the context of the European Council meetings on the MFF in June and July, for example. Without in-person meetings, the presidency sees itself deprived of the opportunity to engage in informal talks with different parties in order to strike a deal on difficult issues. The negotiating parties, on the other hand, cannot be certain about the confidentiality of discussions via videoconference, as they have no knowledge as to who else might be joining the virtual room. Nor does videoconferencing provide for the same level of interaction as face-to-face meetings. This makes Germany's role as a mediator and honest broker between the other member states significantly more difficult.

New priorities in an overburdened agenda

The pandemic and its devastating economic effects on EU member states have had a knock-on effect on the [priorities](#) of the German presidency. It has shifted much of the focus onto ensuring that the EU and its member states overcome the crisis and recover from the pandemic jointly and adequately, and as has been mentioned above, the success of the German presidency will now be measured against three issues: the EU multiannual financial framework 2021-2027, the Commission's Recovery Instrument (RI) and the Brexit negotiations.

Other issues formerly in the top tier of priorities, such as the Green Deal, migration, and the rule of law, have dropped in the order of priorities. These are longer-term issues, which, as stated earlier, stretch beyond the timeframe of the presidency. Other priorities that fell victim to the coronavirus were notably the Conference on the Future of Europe, which was supposed to kick off in May 2020, and the EU-China summit, which was supposed to be hosted by Chancellor Merkel in September 2020 in Leipzig. Both events have been postponed on the grounds that no personal meetings seem to be possible in the near future, and the Conference in particular has been overtaken by more pressing pandemic-related issues.

In terms of the three top priorities, it is expected that the presidency will focus most of its attention at the start of its term, i.e. between July and September, on the MFF and the €750 billion Recovery Instrument. The Franco-German proposal for a European recovery plan mentioned above might have paved the way for the Commission proposal, but it has also been met with [some resistance](#) from, most notably, Sweden, Denmark, the Netherlands and Austria, often referred to as the "frugal four". The most divisive issue is the question of whether the financial assistance given to member states by the EU should take the form of grants, as proposed by the Commission in line with the Franco-German proposal, or as loans, as preferred by the "frugals". But there is also disagreement regarding the size of the recovery fund and the allocation key.

Germany not only needs to foster a compromise on the MFF and RI between the member states within the Council; as the representative of the Council in the legislative process, it will also be incumbent on the German presidency to then enforce the Council's standpoint vis-a-vis the European Parliament and the Commission. This is easier to do for a large member state with a high number of staff such as Germany than for a small member state which must rely on the Council's General Secretariat.

The negotiations on the future EU-UK relationship, in turn, are expected to absorb most political capital throughout September and October at least. The UK has formally [rejected](#) any extension to the transition period, meaning that if an agreement is to be in place before it ends on 31 December 2020, a deal must be confirmed by October so as to give sufficient time for national and European parliaments to ratify it. Even though the EU is officially represented by Brexit chief negotiator Michel Barnier in the talks with the UK, Germany as the Council presidency will have a leading role in preserving consensus among the 27 EU member states amid hopes that pragmatic German intervention in the discussions will be conducive to reaching a deal.

Conclusion

The German Council presidency comes at a time of unprecedented crisis for the EU. And while the pandemic makes it more challenging, it also opens an unprecedented window for Germany to drive forward important issues of European integration. The success of the German presidency will be measured against the necessary conclusion of three dossiers: the EU multiannual financial framework, the Commission's Recovery Instrument, and the Brexit negotiations. In order to be able to move forward on these issues, Germany will have to give up its hesitant approach and take on the strong leadership role that seems to be expected of it.

At the same time, despite the urgency of the pandemic, Germany should not lose sight of longer-term but less pressing objectives such as the Green Deal, the Conference on the Future of Europe, or the rule of law. Particularly because these stretch beyond the timeframe of a single presidency, there is good reason for Germany to ensure their kick-off. The next time that a large member state (France) will hold the Council presidency will be in the first half of 2022. Not only would inaction by the German presidency on these topics risk that an endorsement of the issues by a big member state's presidency would have to wait for another 1.5 years, but having these issues framed by the German and French presidencies would also be yet another signal of the Franco-German cooperation that we have already seen with the initiative for EU recovery – and perhaps also constitute a part of Angela Merkel's legacy in the European project that stretches beyond the current focus on the EU's recovery from the pandemic.

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