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External Challenges for the Polish Presidency in the Council of the EU

Abstract: *Preparations for the Presidency of the Council of the European Union in the second half of 2011 are one of the priorities of Polish foreign policy. At the same time, the starting point for the choice of priorities of the Presidency will be the development of the European Union agenda. Moreover, the defined priorities should not only reflect the internal economic and social needs of the European Union, but should also take into account translating internal actions into responses to the challenges faced by Europe in the global arena. In this sense, the Polish Presidency faces particular challenges in the external policy field which involve the legal aspects following the entry into force of the Treaty of Lisbon, but also, and above all, the sensitive political decisions.*

Preparations for the Presidency of the Council of the European Union in the second half of 2011 are one of the priorities and challenges of Polish foreign policy. Currently, the Government is concentrating on developing the priorities of the Polish Presidency. It has been provisionally agreed that they should put particular stress on such issues as: the internal market, energy policy, negotiations on the new multiannual financial framework for 2014–2020, relations with East European countries, defence policy and intellectual capital. The starting point for the choice of priorities of the Polish Presidency will be the agenda of the European Union. In this respect we consider the programme of the European Commission for the coming years an important

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point of reference. The final priorities will be officially announced just before the beginning of the Presidency.

However, we should keep in mind that in the process of programming the Presidency the defined priorities should not only reflect the internal economic and social needs of the European Union, but should also take into account that Europe needs to transform its internal action in such way that we can face the global challenges of tomorrow.

1. Global challenges for the Polish Presidency

The global context, which is increasingly more present in European policy, will influence the Polish Presidency because the challenges faced by the EU are more and more frequently global in nature (international trade and access to the markets of third countries, financial regulations or climate change). At the same time, the number of decisions taken on the global level is growing.

One of the most fundamental challenges for the European Union is concentration on long-term goals, the common element being to make the European economy more flexible, competitive and productive on the global stage. These challenges involve the need to mobilise the Member States' economies and implement tasks included in the Europe 2020 strategy and in the Single Market Act. This direction of EU activity can serve as an indicator in the programming actions taken by the Presidency – helping ensure long-term cohesion in the development of the EU economy. **Ensuring the cohesion of EU activity and realisation of the ambitious plan of economic and social reforms, leading to the strengthening of the position of the EU on the global stage, is the key challenge for the Polish Presidency.**

It is expected that by July 2011, when Poland will assume the Presidency, the EU will be well on its way to overcoming the recession resulting from the current financial and economic crisis. Fighting the effects of the crisis seems to be one of the main factors influencing the European Union agenda for 2011. Without doubt, the search for possibilities of economic growth in crisis-ridden Europe and the need for a growing number of jobs will require substantial efforts of our Presidency.

Recent economic events (the global economic crisis, rapid deterioration of the fiscal conditions of many EU Member States, and consequently the threat to the stability of the whole European Union) have also reflected the mutual relations between the Member States and their susceptibility to these events, as well as the need for better co-ordination of their economic policies.

The need for improving the quality of economic governance is also a global challenge. This issue is currently being highlighted by European Union leaders, who devoted much attention to it in their conclusions of the June summit. They consider strengthening the co-ordination of economic policy in the Community to be a particular priority and they recommend to the European Commission that it should toughen the laws on budget discipline in the Member States. Also, at the September summit in Brussels EU leaders debated on enhancing economic governance and on budget discipline, sending a clear message to financial markets that should there be a crisis in the euro zone, the EU is able to prevent it.

In the context of the effectiveness of global economic governance there is the question of legitimising the activities of the G20, composed of the most important economies in the world – not only the elite and rich G7, but also the largest developing states. The G20 has come into existence in a quite spontaneous way, without any political or legal mandate. Nevertheless, the decisions made by it are of global importance and concern matters which are essential to ensure economic and financial stability in the world. But even this group has not managed to prevent some anomalies. Actions taken to rescue banks have negatively affected the condition of public finances of states, and the G20 itself is strongly divided. **Therefore, it is so important that the EU speaks with a single voice at upcoming G20 summits.**

In this context, the actions of the European Union in relation to the G20 gain increasing importance. The French President, Nicolas Sarkozy, has proposed three major reforms in the field of global economic governance which the G20 should deal with in the nearest future. The reforms concern the world financial system, the global resource market, and the establishment of a global institution for governing the global economy. The French plans constitute a big challenge for the Polish Presidency. Poland will participate in this debate, therefore we should closely monitor the directions of the suggested reforms. Thus it is necessary to initiate close co-operation with France in light of the French leadership in the G20 and the Polish Presidency of the European Union.

The actions launched by the special task-force appointed by Herman Van Rompuy to develop solutions to reform the method of economic governance in Europe, the work of which is currently being continued in the European Commission, are also aimed at improving the co-ordination of economic policy by strengthening the functioning of the Growth and Stability Pact and by extending the supervision of macroeconomic imbalances.

The Polish Government supports the proposals aimed at enhancing economic governance in the EU – it is one of the lessons which we all should learn from the crisis. The solutions developed as part of the reform of economic governance should be resolute and universal, and should ensure a level

playing field for all states. At the same time, we believe that co-ordination of actions in the field of economic management should include all EU Member States, without institutionalisation of the euro zone. We want equal conditions for everyone, taking into account all obligations related to national debt.

The entry into force of the Treaty of Lisbon in 2009 is also of special importance for the Polish Presidency. In this respect, Poland intends to use the instruments provided by the Treaty to increase the activity of the European Union, in particular in the field of energy policy.

For many years Poland has been actively supporting the development of an EU energy policy through parallel actions for the development of climate policy, making the functioning of the internal market more effective, and ensuring the security of raw material and electric energy supply. The development of the situation on the internal energy market (including the crises in natural gas supply, the depletion of the EU's own natural resources, and the corollary increase in the importance of importing resources from third countries), the ambitious goals in the field of reducing CO₂ emissions and converting to a low-carbon economy, and the situation on global markets (including changes on the global liquefied natural gas (LNG) market and the consequences of the economic crisis for resource balance) have, taken together, essentially contributed to the decision to make an external energy policy the central priority of the Polish Presidency.

At this moment, the EU does not have the necessary tools to influence third states proportionally to the EU's potential. The activity of the Member States and energy companies in the international arena should be supported by Community instruments and mechanisms.

Considering the above, we strongly believe that actions aimed at making the functioning of the internal market more effective (in terms of laws and infrastructure) will contribute to the substantial strengthening of energy security and to the overall development of the entire EU economy.

The Polish Presidency will also coincide in time with the culminating period in the process of negotiating the new Convention on Climate Change and the 17th Conference of the Parties to the Framework Convention, which is scheduled to take place in December 2011 in South Africa. The international community expects that the final decisions in the most difficult areas of negotiation will be made there, and will be consequently concluded by adopting a global agreement. It is worth stressing that after the failure of the Copenhagen Conference and rather low expectations towards the Cancun Conference, the 2011 session is increasingly more often mentioned as the possible culminating point of the negotiations. This means that

the pressure to reach an agreement will be much greater, as will be the expectations towards the Polish Presidency as the co-negotiator on the part of the European Union.

In this respect, we will mainly focus on adopting a single position of the European Union in global negotiations in issues such as the goals of emission reduction, the possibility of continuing the Kyoto Protocol, or the financing of actions aimed at reducing emissions in developing states.

In the context of international trade relations, the main challenge is to launch actions leading to the enhancement of European Union activity in the Doha Development Agenda (DDA) negotiations, as well as in relation to the reform of the WTO system. Further inertia of the organisation may lead to its marginalisation and induce a slow breakdown of the multilateral trade system.

As regards the internal dimension of the European Union, the long-term challenge is to promote European standards in trade with third countries. In order to improve access to these markets and effectively promote European standards, we should put more pressure on trade partners, both in bilateral and multilateral negotiations. The EU should strive for deepening the co-operation with third countries in the field of regulation, unification of norms and equivalence of rules. Particular focus should be placed on the promotion of fair working conditions and quality of professional life, and prevention of social dumping. In other words, it is about 'exporting' social and ecological values outside the Community. The aim of these actions should however be limited exclusively to initiatives which in no way infringe upon the principle of free trade.

2. Challenges related to EU external policy

In the preliminary list of priorities of the Polish Presidency, we have defined two issues which are strictly connected with EU external policy. The first, which is of particular importance in the context of the Polish Presidency, concerns the relations of the EU with the East European states. These relations have long been an important issue in Poland's European policy. The Polish Presidency of the Council of the European Union is a perfect opportunity to initiate a new phase in the EU's co-operation with its partners from the East, which will also contribute to strengthening the European Neighbourhood Policy. The other priority is the European Security and Defence Policy. The entry into force of the Treaty of Lisbon brings about essential changes in the functioning of the Common Defence and Security Policy, which gives the Polish Presidency a chance to take actions aimed at substantially

deepening the co-operation between the Member States, and as a consequence enhance security in Europe. We hope that this co-operation will also contribute to the strengthening of the European Union's position in the global arena.

In order to strengthen the Common Security and Defence Policy, we will try to increase the efficiency of the EU in the field of crisis management, deepening co-operation between the Member States in the field of defence and ensuring partnership with NATO in light of the new opportunities in this area created by the Treaty of Lisbon.

During the Presidency, we intend to continue to promote the EU's Eastern Policy. In relations with the countries covered by the Eastern Partnership, we will aim at concluding association agreements, adopting mandates for the processes of negotiating the establishment of free trade zones with the EU, and at concluding such talks with Ukraine, achieving progress in visa and trade liberalisation and intensifying economic co-operation. One of the most important events planned for the period of the Polish Presidency will be the Eastern Partnership Civil Society Forum, which will be hosted in Poland in October 2011.

However, the challenges facing our Presidency in the field of EU external policy are not only related to certain policy directions, but also to some formal legal aspects connected with the implementation of the Treaty of Lisbon. It is still not clear how the co-operation between the new institutions and the Member States will look like in practice.

The Treaty of Lisbon provides a new definition of the role of the High Representative for Common Foreign and Security Policy – now called the 'High Representative of the Union for Foreign Affairs and Security Policy'. At this moment, the role of the High Representative (HR) is to perform a huge number of tasks resulting from her competences related to: her function as Vice-President of the European Commission; holding important prerogatives of the rotating presidency, which include chairing the Council for Foreign Affairs, created by splitting it from the General Affairs and External Relations Council under the Treaty; and the organisation and management of the European External Action Service (EEAS). This extension of the political, organisational and representational tasks of the HR may create a need to complement the actions of the HR during the Polish Presidency and provide support in certain areas of her responsibilities.

The solutions introduced by the Treaty of Lisbon potentially involve essential changes in the ability of the Member States to influence the external agenda of the European Union. A Member State as large as Poland cannot remain passive in one of the most important European policies; one which, in addition, belongs to intergovernmental competences. This fact is also

reflected by the role of Poland in less formal mechanisms of consultation and co-operation (e.g. the Visegrad Group or the Weimar Triangle). Consequently, it will be a challenge for Poland to use its own potential for co-operation to promote our priorities, especially in regard to those in which we particularly need European solidarity – i.e. deepening the co-operation between the EU and East European states, the development of transatlantic relations, co-operation between the EU and NATO, and the development of the EU's capabilities in crisis management.

The Polish Presidency will also involve three summit meetings with the fastest developing strategic partners of the EU: China, India and Brazil. The meeting of the European Council in September demonstrated, among other things, how hard it is to identify and agree on the practical means of strengthening these relations. Poland already has to look at them from the perspective of political engagement as part of its own future Presidency. However, we also have to focus on ensuring that the current strengthening of relations between the EU and its several most important external partners does not negatively affect its involvement in relations with other smaller, less essential actors in international relations. The latest voting in New York on a resolution concerning the status of the EU in the UN was a good lesson in improving the EU's ability to enter into coalitions in future so that our position better reflects our potential and our declared goals.

The present focus of the EU on strengthening bilateral relations with the most important external partners must be in line with the advancement of co-operation in the field of promoting multilateralism. During its Presidency, Poland will have to take vital actions in the fora of international organisations, harmonised with the role exercised by Poland in the EU. This will be related to the expectations towards Poland resulting from its Presidency of the Council. It will be able to influence the possibilities of articulating European interests in horizontal issues (e.g. in human rights or non-proliferation and arms control).

A separate group of challenges is related to another innovation introduced by the Treaty of Lisbon – the establishment of the European External Action Service (EEAS). In the future, the EEAS will be the power base for the High Representative, a kind of EU ministry for foreign affairs, composed of the central administration and a network of branch offices, also established by the Treaty through transformation of the branch offices of the European Commission and the Council's liaison offices. The officers in the central office of the EEAS will be responsible for coordination and support, while the branch offices of the EU will also ultimately take over the function of a local presidency. This certainly creates an opportunity to make EU external policy more cohesive, but it can also lead, in extreme cases, to mar-

ginalisation of the role of the rotating Presidency in the process of developing this policy.

The challenges for our Presidency also have a financial aspect. In the second half of 2011 the EU will launch negotiations on the Multiannual Financial Framework of the EU for 2014–2020, and the revision of some of its instruments. The Polish Presidency will also conduct works on the Budget of the EU for 2012.

Finally, we should stress that in order to be effective, our Presidency must be fully European – our role will be to moderate the discussion, not to impose our own opinion. Europe's common success will also be our success. This sounds rather like a clichéd truism, but it needs to be recalled from time to time.