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## Croatia's Presidency of the Council of the EU

### Future of Europe in the Hands of a Balkan Country

Croatia takes over the Council Presidency from Finland at a turbulent time for enlargement policy, especially after the opening of accession negotiations with Albania and North Macedonia was postponed yet again. While such a move caused shockwaves among the expert community, it also had a snowball effect of putting enlargement back on the agenda of EU leaders. All of this took place in the context of yet another Brexit extension, a prolongation of the Multi-annual financial framework negotiations, and the delay of the start of the new European Commission. Regarding the upcoming period, what awaits the region during the Balkan presidency of Croatia? Is the upcoming Summit in Zagreb simply going to be Sofia 2.0 or can the region expect more tangible commitments and results? As phase one of the talks on the Future of Europe, according to the [Franco-German proposal](#), is planned to start and end with Croatia's presidency, this CEP Insight answers whether this a burden or a blessing for this Balkan country.

#### A Post-Brexit Europe

After assuming "a strong Europe in a world of challenges" as its presidential motto, Croatia has selected the following relatively-vague sounding priorities to pursue: a Europe that **grows**; a Europe that **connects**; a Europe that **protects**; and an **influential** Europe. Even though the mentioned motto and priorities do not represent anything out of the ordinary for a Council Presidency, these elements will have a special weight during Croatia's term. As the United Kingdom departed the Union on 31 January 2020, Croatia oversaw the shrinking of the EU from

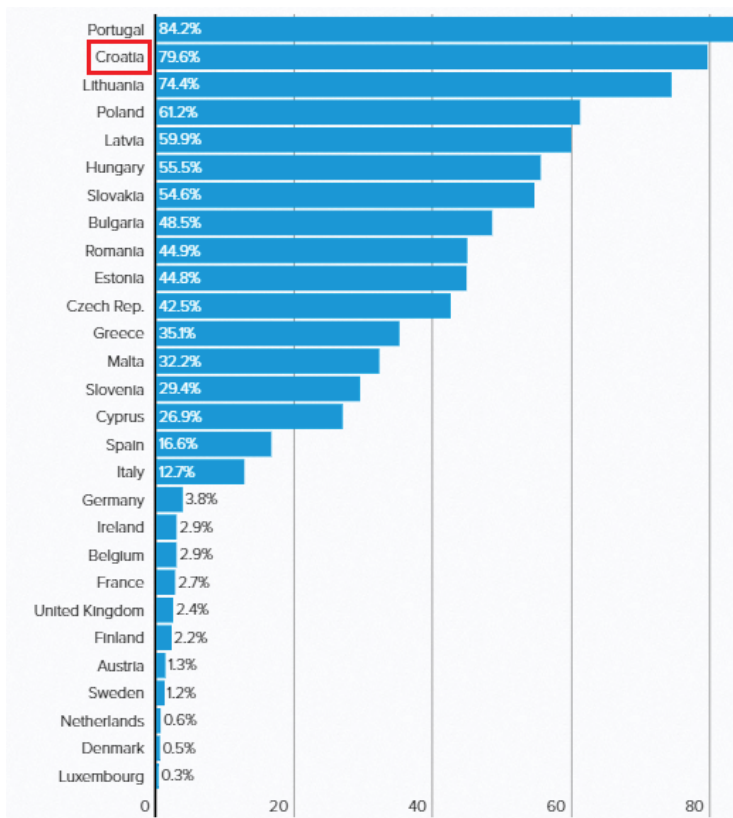
28 member states to 27. After this historical event, nothing will ever be the same – and the Croatian Presidency knows it.

**Finding itself at a critical juncture, Croatia will have the herculean task of strengthening the image of Europe as one that grows, connects, protects, and influences the global stage, against all odds.** From this perspective, Croatia will need to provide support to talks on the future relationship between the EU and the UK as well as preserve unity and cohesion among the EU27. Such a task will be made more difficult due to the insistence of Boris Johnson, the UK's PM, on finishing negotiations by the end of 2020 – with or without a new framework.

Another challenge induced by Brexit is a smaller budget. As the UK was the third largest [net-contributor](#) to the EU budget, EU leaders have been negotiating how the post-Brexit Multi-annual Framework (MFF) for the period from 2021-27 should look. According to Andrej Plenković, Croatia's PM, an ambitious, balanced and sustainable MFF is a prerequisite for achieving progress for the EU (as stated in the foreword of Croatia's Presidency Programme). Since Croatia is a net-receiver of EU funds, these words may be interpreted in the following manner: **Croatia will advocate for preventing the MFF from shrinking, especially not at the expense of the cohesion policy, due to Croatia's heavy reliance on cohesion funds** (see the [graph 1](#)). In fact, a closer look at Croatia's Presidency Programme shows that the first two issues it raises are precisely the MFF and Cohesion Policy, which is why it is unsurprising that it will aim to contribute to strengthening the visibility and added value of the cohesion policy.



Graph 1. The share of EU cohesion funding as a percentage of total public investment between 2015 and 2017.



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**What might further complicate Croatia's handling of the Presidency is the system of cohabitation** that is about to take place, as Zoran Milanović, a Social-democrat candidate, won the presidential elections in January 2020 against the incumbent Kolinda Grabar-Kitarović. As he stands in contrast to the ruling Christian-democrat government and as parliamentary elections are scheduled to take place in the fall of 2020, it is expected that political elites will soon enter election mode, with a risk of decreased focus on Croatia's Presidency. In the electoral year, however, these two sides will need to find a way to do away with their differences if they hope to have a successful presidency.

What might enable Croatia to isolate its presidency from political infighting, at least in part, is the fact that it will rely on a **"Brussels-based" model of Council presidency** (as specified in Croatia's Presidency [Action Plan](#)). Based on this model, the Permanent Representation of the Republic of Croatia to the EU will play a key role in the day-to-day operations of the Presidency – a practice typical for smaller EU member states. Nevertheless, as a meeting of heads of state and government, as well as some 30 ministerial meetings and dozens of expert-level meetings will take place in Croatia, this Balkan country has no time to waste.

## The Road to Zagreb

Originally, 2018 was supposed to be a year of high hopes for the Western Balkans (WB), especially prior to the Sofia Summit under Bulgaria's Presidency of the Council of the EU. This Summit however produced the realisation that enlargement was to be further slowed down, with 2025 perspective for Montenegro and Serbia out of the picture. Nevertheless, a year and a half prior to its own presidency, Croatia agreed to hold another enlargement summit in its capital in May 2020.

Since then, however, **the road to Zagreb has become rocky**. Most notably, President Macron vetoed opening accession talks with Albania and North Macedonia (backed by a few other member states) for a third consecutive time, while issuing a statement that Bosnia and Herzegovina was a "ticking time-bomb." In this context, France proposed a [non-paper](#) which provided a new tentative roadmap and suggestions for how to redefine the accession process. For these reasons, **Croatia will face a challenge in promoting enlargement in an era in which enlargement candidates face new hurdles imposed by some EU member states**.

It is encouraging that Croatia has repeatedly stated that it hopes [to build compromise](#) between member states in order to make the enlargement process more effective and allow for **accession talks to be opened with North Macedonia and Albania**. This ambition was reaffirmed in its Presidency Programme, which also includes advocating for progress in Bosnia and Herzegovina towards achieving candidate status, as well as for **overcoming the legacies of the past** and achieving genuine reconciliation and resolution of open issues.

The simultaneous emphasis on backward - and forward-looking aspects of cooperation is completely reasonable, as Croatia has a deep interest in integrating the rest of its region with the EU as reconciliation, good-neighbourly relations, and economic ties are likely to become better developed if the region is brought closer together rather than kept apart. The **Zagreb summit therefore represents a unique opportunity for EU and WB leaders to start over, providing mutual commitments that go beyond the mere connectivity agenda originally promoted in Sofia**.

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**Phase One of the Future of Europe Talks**

The beginning of Croatia’s presidency coincides with the fresh start of **an entirely new institutional cycle** in the EU, with new heads of institutions such as Ursula von der Leyen, Charles Michel and David Sassoli. In this setting, this Balkan presidency has found itself, willingly or not, in the midst of debates on the future of Europe, as presented in the Franco-German “non-paper” - originating from President Macron’s eagerness to redefine Europe in the changing global context. Hence, Croatia – a small Balkan country and the newest member of the EU – has **gained a more important role as a Council Presidency** than was the case for the presidencies that preceded it.

The Franco-German proposal includes intentions to make overarching reforms to the EU, stressing readiness even to open treaties if necessary. According to this proposal, Phase One of this process is supposed to begin and end with Croatia’s Presidency, while Phase Two is supposed to begin with Germany’s Presidency in the second half of 2020 and end with a Final Conference during France’s Presidency in the first half of 2022. The **European Parliament** and the **European Commission** share a similar view. Because ambitions are big and time is limited, the Conference on the Future of Europe will require sincere and dedicated effort, a role essential for Croatia to take on, as its **input and proposals will have the potential to set the tone for the upcoming debates** on all the open issues the EU is currently facing.

The talks in Phase One are intended to cover the issue of **EU democratic functioning**, especially regarding elections and designations in key positions, such as transnational lists and the lead candidate system, and issues related to citizen participation in EU institutions/matters. Many of these issues have



Vice-president Dubravka Suica presenting the Conference on the Future of Europe © EU 2020

functioned as dividing lines between supranational institutions (such as the European Parliament and the European Commission) and intergovernmental institutions (such as the Council of the EU and the European Council) in the last years, precisely why these issues were chosen to be settled first. From this standpoint, the Croatian Presidency’s tasks will consist of, on one hand, **working to define the Council’s positions** on issues such as the content, scope and functioning of the Conference, and, on the other hand, **facilitating cooperation with the European Parliament and the Commission**.

What puts Croatia in an advantage in this regard is the fact that **its Commissioner, Dubravka Šuica, will have an important role to play** as well, not only because she is one of eight Vice-presidents of the new European Commission (out of 27 Commissioners), but also because she is responsible for the Commission’s “Democracy and Demography” portfolio. By heading this portfolio, according to the **Mission Statement** given to her by the Commission President Ursula von der Leyen, Ms. Šuica will have the task of leading the Commission’s efforts to **make the Conference on the Future of Europe successful** (besides tackling the issue of demographic change in the EU).<sup>1</sup> Therefore, as Croatia takes over the Presidency at the very first stage of this process and has its own Commissioner dealing with such an important issue, **it will have a unique opportunity to set the stage for major reforms that are yet to come**.

Furthermore, as Croatia is a Balkan country mindful of enlargement and regional issues, there is also **a window of opportunity to include the Western Balkans in wider debates on the future of Europe**. Such a move would not be unprecedented; on the contrary, it would **represent an example** of genuine European unity, as was the case during debates in the period from 2002-2003 on the Convention on the Future of Europe. In fact, during Convention talks, candidate countries and civil society engaged in wide-ranging debates together with Member States. Candidate countries (including Turkey) were represented on the same

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1. Such a role entails that she will have the following responsibilities: 1) to work closely with the European Parliament and the Council to agree on the concept, structure, timing, and scope of the Conference; 2) to ensure the widest possible participation in the Commission’s Citizens’ Dialogues, and; 3) to work closely with the Vice-President for Interinstitutional Relations and Foresight Maroš Šefčovič (the Slovak Commissioner) and the Vice-President for Values and Transparency Vera Jourova (the Czech Commissioner) to ensure follow-up on decisions made at the Conference.



terms as existing Member States (with one Government representative and two members of the national Parliament included), albeit without the right to vote.<sup>2</sup> This practice shows that **there is a precedent that allows non-members to be invited to, and effectively participate in, European debates.**

One step has already been made towards the inclusion of non-members in the Conference. Namely, the European Parliament has **endorsed** seeking efforts to involve representatives from candidate countries in discussions on the future of Europe. If Croatia were to find a way to nudge EU member states to include the Western Balkans in debates, this would represent **practical and long-needed reaffirmation of unequivocal support for the Western Balkans' European future.** A measure of this kind would not only encourage the leaders of the region to put more effort into sincere and comprehensive reforms, especially in the area of rule of law, but would also boost overall "Eurosentiments" among Western Balkan populations.

The **Laeken Declaration** allowed candidate countries to take a full part in the proceedings in 2001. In 2020, Croatia could work together with EU and WB leaders on developing some sort of Zagreb Declaration in which **an open invitation would be extended to regional decision-makers and civil society to actively take part in the forthcoming Conference on the Future of Europe.** Such a move would be of invaluable importance as it would signal that the EU is genuinely committed to integrating the Western Balkans, while allowing the regional countries to showcase their dedication to the European project and to taking part in shaping Europe's future.



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2. In addition to the President and the two Vice-Presidents, the Convention was made up of 15 Heads of State and Governments of Member States (one per Member State), 30 members of national Parliaments (two per Member State), 16 members of the European Parliament and two representatives from the Commission. The Convention, therefore, had a total of 105 members, with one third of the members of the being from 13 Candidate Countries. Fast-forward to 2020, there are 27 Member States and only five Candidates and two Potential Candidates, thereby including fewer non-EU members than was the case in the early 2000s. As negotiations with Turkey are *de facto* frozen, the total number of non-EU representatives included would be comparatively low and hence could not potentially disrupt European talks in any way, especially as these members would operate without voting rights.

## About the European Policy Centre

European Policy Centre - CEP - is a nongovernmental, non-profit, independent think-tank, based in Belgrade. It was founded by a group of professionals in the areas of EU law, EU affairs, economics and public administration reform, with a shared vision of changing the policy making environment in Serbia for the better – by rendering it more evidence based, more open and inclusive and more substantially EU accession driven. Profound understanding of EU policies and the accession process, the workings of the Serbian administration, as well as strong social capital combine to create a think-tank capable of not only producing high quality research products but also penetrating the decision making arena to create tangible impact. Today, CEP organises its work into four programme areas:

- 1) Good Governance, with a strong focus on horizontal policymaking and coordination;
- 2) Internal Market and Competitiveness;
- 3) Regional Policy, Networks and Energy;
- 4) Europe&us.