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The Portuguese Presidency of the Council of the EU

Taking Care of the Unfinished Business

After Germany, the largest and [most influential](#) EU member state, a relatively small country from the Iberian Peninsula, Portugal, comes at the helm of the Council of the EU. Despite its size and location, it is a country which has often “[punched above its weight](#)” as it has acquired significant experience in EU-affairs. Not only was the last treaty change made in Lisbon in 2007 during the then Portuguese Presidency, but Portugal also provided a two-term Commission President, José Manuel Barroso (2004-2014), as well as a Eurogroup President, Mário Centeno (2018-2020). With regards to presiding over the Council of the EU, Portugal also comes as a veteran – by presiding for the fourth time since becoming a member in 1986. Meanwhile, [its political landscape](#) remains stable and committed to the EU integration process, whilst having a [pro-EU](#) and [pro-enlargement](#) oriented population. These aspects are certainly conducive to its presidency in the upcoming six months.

In 2021, Portugal's Presidency comes at the time when the EU and the rest of Europe is still dealing with the challenges created by the COVID-19 pandemic. Germany, a country whose agenda was hijacked by the pandemic and from whom everyone was expecting great leadership at these critical times, has [done its job](#) by securing some improvements and coordination. Yet, the pandemic is still far from over. Therefore, the burden of taking care of the unfinished business now falls on Portugal's shoulders. The aim of this Insight is to shed a light on the Portuguese priorities, and to analyse how its presidency will shape the EU, as well as the enlargement policy, in the first half of 2021. As the time to fight the pandemic is short, and enlargement seems to be on a pause, this Insight argues that the Portuguese Presidency has the potential to steer the Union in the right direction with regards these two areas.

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COVID-19 Hijacking the Agenda

Ever since the pandemic struck, it became the strong-mark of the EU's agenda. So far, Croatia and Germany had to adjust their presidencies' programmes to meet the requirements of the changing reality. Undoubtedly, the same will be the case with Portugal. This unprecedented situation caught the EU institutional structure unprepared. Even though the primary responsibility for health protection lies with the Member States when it comes to handling the health consequences of the pandemic, the EU, nevertheless, has the ability to complement national policies as part of shared competences (Articles 4 and 168.1 TFEU), and coordinate their activities as part of supporting competences (Articles 6 and 168. TFEU).² In that regard, the Council plays a [crucial role](#) as it negotiates and adopts EU laws together with the European Parliament, and coordinates policies of the Member States in cooperation with the European Commission. For this reason, the Member States are right to expect of the Council, and thus of Portugal as a presiding country, to play an important role by providing guidance and means to effectively fight the current COVID-19 crisis.

The first six months of 2021 will also represent an important period for the EU to make further steps towards greater integration, particularly in the area of health. In order to properly address the existing challenges concerning health and proper functioning of the Union, Portugal will support the creation of a [European Health Union](#). It will do so by negotiating proposals for enhanced cooperation between Member States and by strengthening the mandate of the European health agencies. The aim of such proposals is to strengthen capacity to respond to public health crises and to coordinate efforts to produce and distribute safe vaccines accessible throughout Europe and the rest of the world. In order to back these efforts aimed at accelerating the recovery of Europe, Portugal will also continue working on the implementation of the [European Green Deal](#) and “environmental health”, [European Pillar of Social Rights](#) and “health at work”, and [digital transformation](#) and “digital health”. It is therefore clear that the multi-levelled fight against such health crisis will be the overarching priority of Portugal's Presidency.

1. We express gratitude to Dr. Duško Lopandić, former Ambassador of Serbia to Lisbon and Brussels, for cooperation and support during the preparation of this Insight.

2. Although public health was first introduced with [Maastricht Treaty](#) (1993), the EU began to play an increasing role since the [Amsterdam Treaty](#), as it enhanced the importance of this policy by stipulating “that a high level of human health protection shall be ensured in the definition and implementation of all Community policies and activities” (italic by the author). With regards to the area of public health, the EU continues only to intervene when and if its objectives can be better achieved at community level, in line with the [principle of subsidiarity](#).

In terms of socio-economic consequences of COVID-19, Portugal's Presidency will need to pick up from where Germany's Presidency ended. In fact, in order to effectively mitigate the crisis, Portugal's "top priority" will be, as stated in its [Presidency Programme](#), to ensure the smooth implementation of the [Multiannual Financial Framework \(MFF 2021-27\)](#) and its programmes, and the [Next Generation EU \(NGEU\)](#) instrument for recovery. Additionally, as the negotiations on the MFF and the NGEU were successfully concluded during Germany's presidency (although not without [hurdles](#)), Portugal will oversee the approval of [national recovery and resilience plans](#) of each Member State. For these plans to be successful, Member States will need to [comply](#) with the recommendations addressed to them within the [European semester](#), and they must be aligned with [European priorities](#) (2019-24). Making sure the EU kickstarts its year smoothly, despite all the logistical restrictions due to the pandemic, will define Portugal's presidency.

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Boosting Europe's Strategic Autonomy

Alongside promoting European recovery, another explicitly stated priority of Portugal is "strengthening the strategic autonomy of Europe". In order to avoid any misunderstanding of what this would mean in practice, Portugal defines it, in its Presidency Programme, as "management, production and supply capacity in Europe, and robustness and security of distribution and production chains." Although not all Member States view this concept identically, [fearing](#) from protectionism in disguise, the fact that the European Council's President, Charles Michel, [described](#) European strategic autonomy as a "goal number one for our generation", showcases that Portugal will have allies with regard to developing and implementing this principle in practice.

In that regard, as the EU's latest [catchphrase](#), the push for strategic autonomy, represents a push for the Union to increase self-sufficiency and boost its own industry in the wake of the pandemic. The fact that the EU [imports](#) most of its essential products in the health sector from China, a country considered by the EU as a "[systemic rival](#)" in its promotion of alternative models of governance, was a wake-up call. Although the work on strategic autonomy requires long-term commitment, the steps taken during the Portuguese Presidency could usher the path towards solidifying this commitment. With regard to concrete steps to achieving this priority, the programme of the Portuguese presidency stresses the need for a new industrial strategy which promotes European value chains and pays particular attention to strengthening small and medium-sized enter-

prises (SMEs), while creating cooperation networks in research and innovation (R&I) at a European level. By doing so, the aim is to reduce external dependence on critical goods and technologies and to increase food security, all while strengthening the position of the Union.

Furthermore, the fact that Portugal unambiguously calls for a *European* instead of the EU strategic autonomy, is also a step in a positive direction in terms of better equipping the European continent for a joint fight against common challenges. This showcases that such principle is maturing. In fact, the pandemic and the changing world relations in which China's influence is steadily growing are showing that the EU needs to assert its dominance, not only within its borders, but also with regards to the countries aspiring to join it, such as the Western Balkans. This therefore also includes the development a comprehensive partnership with the United Kingdom, a country with which Portugal has historically had very important [strategic relationship](#), and a country with whom the EU yet needs to [sort out](#) how close the post-Brexit relationship will be. As the emphasis of this priority can produce practical developments on the ground, it showcases that Portugal indeed has a broader view of the global developments and the practical necessities.

Yet, Portugal will continue to insist on revitalising the relationship with its transatlantic partner, the United States. As the EU-US rapprochement will mean re-instating NATO as a driving engine of cooperation, which Portugal perceives as [the core collective security instrument](#), it would represent a slightly different take on the concept of strategic autonomy from, for example, France – a country which has traditionally been sceptical of cross-Atlanticism and NATO. In that regard, although French President, Emmanuel Macron, described NATO as "[brain-dead](#)", Portugal is, on the contrary, insisting that this organisation is "[very much alive](#)". For this reason, Portugal will continue highlighting the necessity of deepening EU-NATO cooperation in areas of hybrid threats, cyber defence, maritime security, military mobility and response to complex emergencies. As Donald Trump is now out of the picture, Portugal will aim to support close interaction with the new Biden administration, particularly via security and defence cooperation, but also by reemphasising the importance of multilateralism and of Paris Climate Agreement.

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Finally, the intercontinental relationship and partnership with Africa is becoming a topic of central importance. In that regard, Portugal advocates for strengthened dialogue on the issues of peace, security and defence, energy transition, trade, capacity-building, population flows and health crises. To take the talks a step further, Portugal will highlight cooperation in R&I between the EU and Africa in the areas of space and higher education. As a peak of talks on Africa, Portugal will organise the sixth EU – African Union Summit, while also hosting a high-level conference entitled “Africa – Europe Science Forum for Earth Observation”. Considering Portugal’s geographical proximity to this continent, it was expected that this Iberian country will invest further efforts into raising the importance of this topic.

Is there room for Enlargement?

Portugal is a country that traditionally supports the enlargement process. Among other things, this is a consequence of its overall pro-European attitude, which is expressed by almost all political parties (with the exception of right-wing extremists and former communists) as well as its traditionally pro-European public opinion. Portugal is also labelled as “enlargement friendly” due to its own positive accession experience. Accession to the European Communities in 1986 brought about radical and rapid positive changes to this small and poor country, such as democratisation, modernisation and development of its society, in general, as well as of its economy, in particular.

The fact that a pro-enlargement country is coming at the helm of the EU at a time of crisis is a sign of relief to the Western Balkans, particularly as the narrative within the EU on this policy has considerably fluctuated in recent years. As announced in January 2021 by the Portuguese Minister of Foreign Affairs, Augusto Santos Silva, Portugal will try to achieve what the German presidency failed to: to [reach the accord](#) in the Council on scheduling the first intergovernmental accession conferences (IGCs) with North Macedonia and Albania, respectively. As it is known, in November 2020, Bulgaria [blocked](#) the decision to schedule the first IGC on the accession of North Macedonia to the EU.³ Meanwhile, the Member States still remain in disaccord when it comes to further dynamics of the enlargement policy, including a possible deadline for membership of some of the Western Balkan countries.⁴ Considering the deadlock, it is encouraging that Portugal publicly committed to work towards resolving this issue. If North Macedonia and Albania were to start negotiations in the first six months of 2021, that would be sufficient to mark the Portuguese Presidency as successful, at least from the perspective of enlargement.

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With regard to concrete cooperation with the Western Balkans, Portugal will have to work on important developments. These include issues of cooperation and support of the EU in the fight against the pandemic (procurement of vaccines, financial support to the countries of the Western Balkans, etc.) and the beginning of the new IPA III program (pre-accession assistance instrument within the Multiannual Financial Framework, 2021-2027). Furthermore, considering that Portugal will [push the start](#) of the Conference on the Future of Europe during its Presidency, the Western Balkans have a strong interest in keeping close cooperation and communication with Portugal in order to increase the likelihood of securing its invitation to [take part](#) at the Conference as observers. This showcases that Portugal has a role to play in terms of advancing the enlargement policy and reinforcing interactions with the region, which is why the region will have no time to waste in the first six months of 2021.

When it comes to Serbia's accession negotiations with EU Member States, it is difficult to expect any significant progress during the Portuguese Presidency. Although, in principle, the period of Presidency provides an opportunity for more intensive bilateral contacts between Portuguese and Serbian officials at the political level, based on traditional good political relations and good understanding, the key reason behind the scepticism lies in the fact that Serbia made [no significant progress](#) in terms of reforms during 2020. Unless Serbia dramatically changes its approach when it comes to undertaking the necessary reforms needed for accession during the Portuguese Presidency, it is at risk of continuing the trend of opening and closing no chapters for a third presidency in a row, that is, for a year and a half.

3. Bulgaria referred to the unresolved issues of historical interpretation of the past between the two countries, i.e. the way that North Macedonia interprets its national origin and its language. With this, Bulgaria practically “hijacked” the enlargement process, trying to increase the pressure on its neighbour over a purely bilateral issue. This is primarily a consequence of Bulgaria’s domestic policy. The very fact that a country with so limited political weight within the EU decision-making process, such as Bulgaria, has managed to slow down again the EU accession process (at least in the short term) shows the weakness of enlargement policy in the context of a weakened Union.

4. This impression is reinforced by the fact that the Council, as a consequence of the Bulgarian blockade, failed at the end of this year to adopt regular conclusions on enlargement with candidate countries and potential candidates from the Western Balkans, which are usually adopted after the European Commission’s report.



Meanwhile, it remains to be seen how the "[revised enlargement methodology](#)", which was described in the Portuguese Programme as "more credible and more effective", will be applied to Serbia. The document envisages essentially a kind of sectoral integration for the Western Balkan candidate countries into some of the EU policies while restructuring the framework of negotiations through policy "clusters". For now, the Serbian President has [publicly announced](#), during his visit to France, that Serbia accepted the revised methodology. Yet, not much can be said about how the methodology would work in practice, as the Serbian Government has yet to officially endorse it. Until that happens, it is unlikely that Serbia's negotiation framework will witness any significant modifications during the Portuguese Presidency.

Instead, it can be expected that the bilateral cooperation between the EU and Serbia (including accession negotiations) during the Portuguese Presidency and the subsequent Slovenian Presidency, will depend to a large extent on the evolution of the internal political situation in Serbia. Considering that the Serbian political stakeholders are already gearing up for the [snap-elections](#) in 2022, the following period will be a litmus test for incumbent's willingness to abide by the rules with regard to the rule of law and electoral procedures. In addition, as another [inter-party "dialogue"](#) between the ruling party and the opposition parties on pre-election conditions is being scheduled to take place, which is to be again mediated by representatives of the European Parliament, will serve as another test of the incumbent's resolve and commitment to EU standards. If Serbia fails this test, no Presidency of the Council of the EU, including the Portuguese, will be able to do much about Serbia's sluggish path towards the EU.

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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;
- 2) Internal Market and Competitiveness;
- 3) Regional Policy, Networks and Energy;
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