

# Priority dossiers under the German EU Council Presidency

## INTRODUCTION

Germany is a federal parliamentary republic, with federal power vested in the **Bundestag** (the German parliament) and the **Bundesrat** (the representatives of Germany's regional states, *Länder*). The Bundestag is the only body at the federal level directly elected by the people, and is currently composed of 709 members.

The Bundestag is elected every four years by German citizens aged 18 and over. The current Bundestag is led by the CDU (Christian Democratic Union) with 33 % of representation, followed by the SPD (Social Democratic Party) with 24 % and then by the AfD (Alternative for Germany) with 11 %. These are followed by: the Free Democratic Party (FDP), the Left (Die Linke), Alliance 90/The Greens (Grüne) and the Christian Social Union (CSU).

**Chancellor Angela Merkel**, who has been in office since 2005, heads the executive government. The executive is elected by the Bundestag and is responsible to it. The German head of state is the federal President, currently Frank-Walter Steinmeier. The federal President has a role in the political system, particularly in the establishment of a new government and its possible dissolution.

Germany has held the Council Presidency 12 times since becoming a founding member of the European Economic Community in 1957. The country last held the Presidency in 2008. It will take the helm of the EU Council Presidency on 1 July 2020, starting the trio Presidency composed of Germany, Portugal and Slovenia. The Trio has adopted a Declaration outlining the main areas of focus for their Trio, including democracy, human rights and the rule of law, as well as an economically strong EU based on growth and jobs and the social dimension. Likewise the three Member States have pledged to work on the challenges of digitalisation, climate change and energy transition. It is to be noted that the Trio is working on a revised declaration to reflect the changed situation in Europe due to the coronavirus pandemic.

The **Strategic Agenda 2019-2024** endorsed by the Member States at the European Council meeting of 20 June 2019 will remain, however, a guiding instrument. The 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.

## POLITICAL PRIORITIES OF THE GERMAN PRESIDENCY

This note looks at the legislative and political projects, which could feature predominantly during the German Presidency. The upcoming German Presidency has already been dubbed the 'German corona Presidency' with a focus on crisis management. In the words of the **Minister for Foreign Affairs, Heiko Maas**, '...the Council Presidency will have to deal with very difficult framework conditions. The Covid-19 pandemic will not only influence the Council Presidency's thematic priorities, but also the way of doing politics. Priority should be given to projects that are legally binding and have to be dealt with by the end of 2020.'

### I. Covid-19

One of the first tasks of the Presidency will be to regulate restrictions on **free travel** and to revive the **internal market**. The **EU civil protection mechanism** is another area of importance in relation to Covid-19 as well as common procurement and production of life-saving medical equipment.

In the short term, the German Presidency will likely want to focus on the **exit strategy from the emergency measures** and the recovery of the continent. Europe will need to get back on its feet, and in order to do this, there has to be a focus on **strengthening social cohesion**. The north-south fight over the financial responses to the crisis will need to be addressed with the degree of commitment that would lead to economic recovery. There is also an urgent need to re-open EU borders, and to help tourism and aviation which have been hard-hit by Covid-19. On 13 May 2020, the European Commission published a **communication on tourism and transport in 2020 and beyond**. The Commission has already published a common rulebook for voluntary travel vouchers, and once the virus outbreak is sufficiently under control, will adopt recommendations on reimbursement options for travellers.

It is clear that to achieve this first set of objectives, there will need to be coordination efforts at the EU level on Covid-19 measures taken by individual Member States.

### II. 2021-2027 MFF AND OTHER KEY ISSUES

There are policy areas in which decisions are imperative, notwithstanding the pandemic crisis. This includes the Multiannual Financial Framework (MFF) and its sectoral programmes, including the establishment, as requested by the EP, of an MFF contingency plan, the adoption of the annual budget for 2021, the future relationship with the UK, fishing quotas and certain international obligations.

Apart from the Covid-19 pandemic, the overarching challenges currently facing the Union are well known and include, in particular, the **2021-2027 MFF** (2018/0166 APP). There should be a rethinking of the EU budget for the next seven years, in the words of Foreign Minister Heiko Maas, where massive investment is needed in **research, climate protection, technological sovereignty and crisis-proof health and social systems**.

Another area requiring an imperative decision at EU level concerns the **annual budget for 2021**. This, too, will fall during the German Presidency, along with the decisions on **fishing quotas** and international commitments such as **climate goals set in the Paris Agreement**.

The negotiations on **the future relationship with the UK** in the post-Brexit reality are particularly challenging. The UK has rejected an extension of the current transition period, which expires at the end of 2020. After four negotiation rounds up to June, there is no guarantee that a future relationship agreement will be struck and ratified by the end of the year.

The German Presidency may also take initiatives in tackling issues requiring more European integration such as **climate change** and **minimum taxes**. On the question of the environment, it is clear that much work lies ahead with the need to implement the European Green Deal. Amongst others, there are the **Closed Substance Cycle and Waste Management Action Plan** and the

**Chemicals Strategy** due in summer. The European Commission has also promised the announcement of an **offshore wind strategy** in July 2020.

Another area of importance is the **protection of the EU's founding values of democracy and the rule of law**. One of the consequences of the pandemic has been the restrictions introduced by some Member States on these fundamental values under the guise of fighting coronavirus. The German Presidency may well push forward the idea that Member States which undermine these fundamental values should not be able to benefit from the Union's financial assistance.

The question of **migration and asylum** will likely feature prominently on the German Presidency agenda. Under the previous legislature, agreement on a Common European Asylum System was not reached. It is expected that the European Commission will come up with a new proposal in the next months, which it is hoped can find support among the Member States and the European Parliament. There can be no doubt, however, that the Member States remain highly divided on the questions of migration and asylum. The German Ambassador, in a recent webinar highlighting Germany's priorities, indicated that while Germany is very much committed to working on this matter, it is not considered a likelihood that a solution be found before the end of the German Presidency in December 2020.

### III. HEALTH

From the **health** perspective, one of the proposals is to strengthen the **European Centre for Disease Prevention and Control**, possibly through a budgetary increase to recruit more staff and increase the capacities of the Centre.

Likewise, Germany is likely to look at ways to strengthen the **health systems** of the Member States, in order to ensure that each is well equipped to deal with the coronavirus, considering that infections could increase again in individual regions after the summer.

A **European Pharmaceutical Strategy** is also a project in the pipeline of the European Commission that could feature prominently during the Presidency, particularly the ways to prevent supply bottlenecks for pharmaceuticals in the EU, secure supply chains and to avoid dependency in the production of active ingredients. The Commission is preparing a roadmap for this strategy, which aims to review the **Orphan and Paediatric Regulation**, legislation on **fees for the European Medicines Agency (EMA)**, as well as the basic pharmaceutical legislation, which dates back to 2001.

### IV. DIGITALISATION

The German Presidency will likely also focus on issues such as **data policy, artificial intelligence and a digital single market**. There is an urgent need for a strengthened research base if the EU is to play a role on the international level, particularly in the face of fierce competition from the US and China. Germany has already proposed a **Code of Conduct** for the use of health data. Likewise, it would like to see a **European Data Governance framework** in order to write common rules for data use.

### V. EU-CHINA RELATIONS

The German Presidency had announced well in advance the preparation of an EU-China summit in September 2020. This is a priority for the German Chancellor and an essential event for the future relations between the two trading partners. However, with the ongoing coronavirus situation the two sides agreed on 3 June to postpone the summit, and it remains unclear when it will take place. On the other hand, an EU-China summit did take place on 22 June 2020 via video conference with the participation of Charles Michel, European Council President, and Ursula Von der Leyen, European Commission President.

## CONCLUSION

**A revised Commission Work Programme** was adopted on 27 May, including a proposal on the Covid-19 recovery plan, which, as the Commission has explained, is based on the EU's seven-year budget and will be topped up by a recovery instrument. The EU executive has proposed borrowing from the markets in order to finance a recovery plan that will come on top of the EU budget.

**The revised MFF proposal** is also on the table, and a number of further legislative proposals to deal with Covid-19 are expected. All this will require urgent action by the two co-legislators and under the leadership of the German Presidency. The economic hit to Europe's economy because of the pandemic is substantial. The EU institutions and Member States will be expected to work together to manage and handle the consequences and fall-out of the current crisis.

On the **Conference on the Future of Europe**, while work was halted due to Covid-19, the German Presidency has indicated its wish to work further on this project. It is however clear that the Conference cannot start until the pandemic is considered over, and social-distancing measures are relaxed. Conducting complex negotiations is very much dependent on physical meetings.

## ENDNOTE

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