

Priority dossiers under the Portuguese EU Council Presidency

INTRODUCTION

Portugal is a democratic republic with a unitary semi-presidential system of government, whereby the Prime Minister of Portugal is the head of government. The current Prime Minister is **António Luís Santos da Costa**, from the Socialist Party, and a former MEP who was a Vice-President of the European Parliament between July 2004 and March 2005.

The President of Portugal, Marcelo de Sousa, from the Social Democrat Party, is the executive head of state and has several significant political powers. Executive power is exercised by the President and the Council of Ministers. Legislative power is vested in both the government and the Assembly of the Republic. The Judiciary of Portugal is independent of the executive and the legislature.

The political landscape is composed of several political parties, primarily the Socialist Party (PS) and the Social Democratic Party (PSD). Other parties are the Popular Party (PP), the Portuguese Communist Party (PCP), the Left Bloc (BE) and the Green Ecologist Party (PEV). The Communists and the Greens are in coalition as the Unitary Democratic Coalition (UDC).

Portugal will hold the Presidency of the European Council for the fourth time from 1 January 2021. The last time it held the Presidency was in 2007, when the Treaty of Lisbon was signed on 13 December 2007. Portugal is part of the Trio also composed of Germany and Slovenia.

The Trio 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 pledged to work on the challenges of digitalisation, climate change and energy transition.

The **Strategic Agenda 2019-2024** endorsed by the Member States at the European Council on 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 PORTUGUESE PRESIDENCY

The Portuguese Presidency comes at a crucial time for the EU. Despite the difficulties around the agreement finally reached on the **Multiannual Financial Framework (MFF) for 2021-2027**, the Portuguese Presidency will focus on the implementation of this agreement, together with the **Next Generation EU recovery instrument**. The latter is to be put in place to help deal with the damage caused by the Covid-19 pandemic to the social and economic fabric of the EU. The European Parliament voted the agreed texts successfully on 16 December 2020, including the high-profile legislation on Rule of Law conditionality for access to EU funds for Member States. Portugal will now have the essential task of overseeing the implementation of both the MFF and the recovery instrument, to ensure that the resources of the multiannual budget and of the recovery plan are effectively on the ground from January 2021. A large number of MFF sectoral programmes, being negotiated by the two co-legislators, will also need to be finalised during the Portuguese Presidency.

A second important priority relates to Brexit. With agreement reached on **the future relationship with the UK** just before the end of the transition period in December 2020, it will fall to the Portuguese Presidency to execute the agreement and ensure its formal conclusion thus moving beyond the current provisional application.

On the **Conference on the Future of Europe**, while work could not start due to Covid-19, the Portuguese Presidency is expected to work further on progressing this initiative.

The Portuguese Presidency is set to organise its programme around **five main pillars**:

- Resilient Europe
- Social Europe
- Green Europe
- Digital Europe, and
- Global Europe

I. Resilient Europe

In line with the European Commission's Work Programme for 2021, the Presidency will give priority to the **Action Plan for Economic and Monetary Union**. To this end, ensuring that the recovery in the aftermath of Covid-19 reaches the whole of society is crucial, together with a strengthening of the sustainability of Europe's banks and capital markets. Amongst the relevant proposals that the European Commission will announce, are the completion of the **Banking Union, Sustainable corporate governance** and **deepening the Capital Markets Union**.

The European Commission has also announced a new **Consumer Agenda Strategy** running until 2024. According to the Commission Work Programme, the new strategy will align consumer protection with today's realities, notably cross-border and online transactions. It will allow consumers to make informed choices and play an active role in the ecological and digital transitions. The Portuguese Presidency is set to focus on this new Agenda during its mandate.

One other key initiative of the European Commission, on which the Presidency plans to focus, is the initiative on **Boosting sustainable tourism development and capacity of tourism SMEs**, through transnational cooperation and knowledge transfer. The specific objective of the action is to develop and put in place transnational and cross-sectoral support schemes to build capacity for sustainable growth of SMEs in the tourism sector.

The new **Pact on migration and asylum**, composed of 11 legislative proposals, will also feature prominently during the Portuguese Presidency. Some of the proposals, dating back to 2016, had already been negotiated and approached provisional agreement between the two co-legislators, but they were left pending due to deeply divergent views at Member States' level on the revision of the Dublin Regulation.

Also as part of the Resilient Europe pillar, the Portuguese Presidency will focus on the **European Democracy Action Plan**. The purpose of the action plan is to ensure that citizens are able to participate in the democratic system through informed decision-making, free from unlawful interference and manipulation. The action plan will also build on the lessons learnt from the Covid-19 crisis and include measures on electoral integrity, media freedom, media pluralism and disinformation.

On cybersecurity, a legislative proposal was adopted in December, reviewing the **directive on security of network and information systems (NIS Directive)**, building on the recent proposal establishing the **European Cybersecurity Industrial, Technology and Research Competence Centre** and the Network of National Coordination Centres. The Portuguese Presidency has announced its intention to push forward these proposals.

II. Social Europe

A Social Europe will be the hallmark of the Portuguese Presidency, with the implementation of the **Action Plan for the European Pillar of Social Rights** as a major priority. Already in the pipeline is the proposal on **Fair minimum wages for workers in the EU** (2020/0310(COD)). Likewise important for the Presidency, is the **Child Guarantee** scheme, which is an initiative to ensure that all children in Europe who are at risk of poverty, social exclusion, or are otherwise disadvantaged, have access to essential services of good quality. It will recommend that EU countries invest in and develop strategies and action plans to ensure that children in need have access to free or affordable services.

Depending on the progress achieved in the ongoing trilogues, the proposal on **Social Security Coordination** (2016/0397(COD)) could also be part of this impetus given by the Presidency for a Social Europe.

A **Social Summit** will be organised in the city of Porto, in May 2021, ideally in physical format, to bring together all the initiatives promoting a Social Europe.

III. Green Europe

The implementation of the **European Green Deal**, as announced by the European Commission, is a primary goal of all European institutions. To this end, the climate transition must be just and inclusive, while enabling the EU to achieve **climate neutrality by 2050**.

The Portuguese Presidency has identified the following initiatives as priorities during its six-month term: climate law, circular economy, blue economy and hydrogen strategy as well as a new strategy for forests and reform of the Common Agricultural Policy (CAP).

The European Commission will adopt the following proposals during the course of 2021:

- Framework for achieving **climate neutrality** (2020/0036(COD)),
- the **Fit for 55 package** which includes the revision of the EU Emissions Trading System, Carbon Border Adjustment Mechanism, Effort-sharing Regulation, revision of the Regulation on the inclusion of greenhouse gas emissions and removals from land use, land-use change and forestry, revision of the Energy Tax Directive and of the Directive on deployment of alternative fuels infrastructure, and reducing methane emissions in the energy sector
- **Biodiversity and toxic-free environment**, and
- **Sustainable and smart mobility**

IV. Digital Europe

The fourth pillar of the Portuguese Presidency focuses on the **Digital Services Act**, which the Commission adopted just before the end of 2020. The Commission is also expected to adopt a **European Approach to Artificial Intelligence**.

e-Privacy on the respect for private life and the protection of personal data in electronic communications (2017/0003(COD)) is a proposal that has been on the table since 2017 and which the Presidency hopes to push towards completion.

V. Global Europe

Prime Minister Costa and Prime Minister Narendra Modi of India have agreed that an **EU-India summit** in the course of the Portuguese Presidency would be appropriate and timely. The Portuguese Presidency has committed to holding such a summit during its Presidency with a view to furthering collaboration and joining forces so that, in their own words, a safer world, based on shared prosperity and the defence of democracy, prevails.

The Portuguese Presidency will also organise an **Eastern Partnership Summit**, in March 2021. The last summit took place on 18 June 2020, via video conference, and it was then agreed that the Parties would endorse a joint declaration, on five policy priorities, at the next year's summit.

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