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THE POLISH PRESIDENCY OF THE EU

By Marek Matraszek

Christmas in the EU comes not once a year, but approximately once every thirteen years, when each of the member states has the opportunity to take charge of the Presidency of the Council of the European Union, which is rotated between EU member states every six months. For Poland, this magic time will come in the second half of 2011, following the Hungarian presidency and preceding that of Denmark. What in practice does this mean for Poland, and more importantly for Amcham members, and for US and other investors both in Poland and Europe?

Before answering the question, bear with some definitions. The Council of the European Union is one of the two legislative bodies in the EU, the other being the European Parliament. The Council is composed of twenty-seven national ministers, one per member state, and the exact membership depends upon the topic being discussed. For example, when discussing agricultural policy the Council is formed by the twenty-seven national ministers whose portfolio includes this policy area. The 2009 Lisbon Treaty, however, reduced the importance of the Presidency by ending the capacity of the head of state or government of the member state holding the Presidency, to be also President of the European Council (a different body, being the EU heads of state or government). That job, the President of the European Council, is now in the hands of Herman Van Rompuy, the former Prime Minister of Belgium.

Clear enough? The basic point is that following the ratification of the Lisbon Treaty, the picture of influence at any one time in the EU has shifted considerably, and it is only now in the coming months that we will be able to see how these new institutions – not only European Council President Van Rompuy, but also the new “High Representative of the Union for Foreign Affairs and Security Policy” (Baroness Catherine Ashton) – jockey for position with the President of the European Commission José Manuel Barroso, the President of the European Parliament (who is of course former Polish Prime Minister Jerzy Buzek) and the country holding the formal Presidency of the Council of the European Union. By the time Poland takes over in eighteen months time, much of this will have worked itself out, but it remains inevitable that the influence wrought by most countries will be a function of that country’s size, its economic and geopolitical clout, the stability of its internal politics and above all the determination, vision and preparedness of its political class to seize the opportunities that its Presidency provides.

Most of these factors work to Poland’s benefit, although some do not. Certainly Poland is a major player in Europe in general, and one where the political class is determined to make its Presidency a success, and not share the fate of the Czech Republic whose Presidency never got taken very seriously by anyone. One of the reasons was the internal instability in the Czech Republic, and this is perhaps the most obvious pitfall that Poland must avoid. Unfortunately, the current electoral calendar makes it necessary for Poland to have a parliamentary election in the autumn of 2011 -

unless Parliament takes a decision to end its term prematurely, allowing for elections to take place in spring 2011 and thus leaving a new government in place for the Presidency. The most recent thinking in the office of PM Tusk (who may in any case be President of Poland by then) is that parliamentary elections should be held off until the last possible constitutional date, and a new government sworn in right at the end of 2011 thus leaving the Presidency uninterrupted. That having been said, the prospect of Poland's political class and government being absorbed by an election campaign in the middle of the Presidency does not bode well for coherence of policy.

Thus far however, Poland has taken its preparations seriously. To more closely coordinate efforts, the formerly independent European Integration Office has been incorporated into the Ministry of Foreign Affairs. Work has been split between the Department of Co-ordination of the EU Presidency (technical and organisational aspects) supervised by deputy foreign minister Mikolaj Dowgielewicz, and the Department of Economic Policy (policy aspect) supervised by deputy minister Piotr Serafin. There are five main policy areas where Polish priorities will be defined: the new financial perspective 2014-2020; internal market; energy and climate; Eastern Partnership; and defence and security. Of course other areas will be part of the Presidency too, but Poland will focus on these five areas – and if an investor has a link with one of those policy areas, it will pay to keep a close eye on developments in the next year and a half.

Although there is an external function of the Presidency, Poland will undoubtedly be focused on its role of conducting the work of the Council and its subsidiary bodies (working groups and committees), and especially organising and chairing hundreds of meetings of the Council on different levels, from ministerial to expert. A cursory look at the Swedish and Spanish presidencies of the EU (2009 and 2010) shows not only the challenges but also the opportunities represented by the literally hundreds of meetings held during the six months of the Presidency. These will include not only ministerial meetings and conferences but also a range of issue-specific meetings such as a Cohesion Policy Conference, an Entrepreneurship Conference, and a European Competitiveness and Consumers' Day.

So, the Polish Presidency provides for foreign investors in Poland a unique opportunity to finally get their messages across to the government on issues where Poland in turn can exert a real influence in Europe. It will also be a crucial opportunity to obtain information and intelligence on the directions of EU policy. So how can business and Amcham members engage? The Foreign Ministry is already talking with some business circles, particularly Lewiatan, on co-operation during Presidency. There is also pressure on the Polish Government to set up a steering committee to manage contacts between the Government and business during the presidency. In purely commercial terms, the Foreign Ministry has proposed – on the basis of guidelines adopted by the government in July 2009 – that companies become official partners of the Polish Presidency, and there is a list of preferred sectors including IT/Telecoms, Food & Beverages, Air Transport, and Post & Courier Services. But ultimately there will be no substitute for Amcham members working with their European HQs to identify key areas of concern, and then planning out a strategy for effectively communicating these concerns to the Polish authorities.

It is important to bear in mind that the Polish Presidency will not exist in a vacuum. Following the expansion of the EU to 27 member states, three successive presidencies, known as *presidency trios*, were established to provide additional continuity by sharing common political programmes. Poland's trio consists of itself and Denmark and Cyprus to follow, and many of the policy priorities defined by the Polish Presidency will be carried forward by those two countries in 2012. It is also worth noting that Poland's Presidency will be preceded by that of Hungary, meaning that 2011 will be a year when the Central European perspective will be uniquely primary on key EU policy issues. With elections in Hungary in April 2010, there are already signs that the current Polish Government, and the next Hungarian Government (certainly to be led by the FIDESZ party under Prime Minister

Viktor Orbán), will want to coordinate their policies on issues such as energy and the Eastern Partnership. So companies wanting to seriously influence policy should not stop at Poland: there needs to be an ongoing effort extending behind and ahead of the Polish Presidency.

Ultimately the ability of the Polish Presidency to be a useful platform on which companies can build their public affairs strategies will depend on the degree of stability in Poland during the Presidency. Although there is merit in the Civic Platform government deciding to go the end of its full term before elections in November 2011, the fact that the Polish Presidency will be overshadowed by a domestic election campaign in September and October will mean that the top politicians will have little time to focus on policy details. On the other hand, that may be no bad thing – leaving EU policy to the experts in both government and business might make the Polish Presidency more effective than most.

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