

## **EVALUATION OF THE FIRST HUNGARIAN COUNCIL PRESIDENCY**

As the last member of the Spanish-Belgian-Hungarian trio, Hungary took over the presidency of the EU Council on 1 January 2011, in the context of the deepening crisis of the euro area, uncertainty about the future of some key policies as well as enlargement fatigue. The motto of the Hungarian presidency has been a “Strong Europe”, reflecting the conviction of the Hungarian government that after the crisis only further deepening can make the European Union successful. This deepening process however should be coupled with further widening: the EU must maintain the credibility of the enlargement process and leave its doors open to new members.

The presidency was run by a staff of some 800 officials under the leadership of the Ministry of Foreign Affairs. It has to be mentioned at this point that with the change of the government in May 2010, several changes were made on different posts both within Hungary as well as on the Permanent Representation in Brussels. This, on the one hand disrupted the personal continuity, on the other hand however allowed more than a half year for the newcomers (or for those being new in the given position) to prepare for the tasks. All in all, the performance, the commitment and the dynamism of the whole staff involved (including many young people) has been recurrently recognised by the foreign minister János Martonyi as well as by representatives of the EU institutions and member states.

The presidency started work with an ambitious programme including, among other items, the launch of the first European Semester, the adoption of legislative proposals (the so-called “six-pack”) designed to reinforce EU level economic governance, the paving of the way for the Schengen membership of Romania and Bulgaria, the conclusion of accession negotiations with Croatia, the adoption of a new European strategy for the integration of the Roma minorities and the launch of the Danube Region Strategy.

Beyond promoting its priorities and managing all current dossiers, the Hungarian presidency however – similarly to all its predecessors – had to cope with unexpected events and challenges as well. Already at the very beginning, the presidency had to face a very unfortunate and unprecedented phenomenon, namely that internal political discord had also made itself felt at the European level (demonstrated by the harsh debates in the European Parliament about the new Hungarian media law or later about the new constitution). It has to be mentioned however that despite these over-politicised reactions, the everyday relations between the presidency and the European Parliament have been very good and pragmatic; the EP would time and again praise the presidency for being really “EP-friendly”.

Furthermore, the presidency had to react to three external unexpected and unforeseeable events. First, the revolutionary changes in North Africa (the “African Spring”) involved EU action in different aspects such as deciding on political statements, arms embargo, humanitarian assistance and EUFOR intervention, or tackling the refugee problem. Although here most of the competences belong to the High Representative of Foreign Affairs and Security Policy, the Hungarian foreign minister has been closely assisting Catherine Ashton in these tasks while the refugee and immigration issues required action by the Hungarian presidency. The Hungarian embassy in Libya carried out an extremely important coordination work when evacuating EU and even non-EU citizens, and the Hungarian embassy is among the few still operating in Tripoli. The Hungarian presidency also activated the European civil protection mechanism at an early stage to effectively coordinate civilian protection in this case of emergency. Later on the presidency worked on reinforcing the competences of FRONTEX to assist the Union in its border protection

efforts. According to the general Hungarian approach to immigration pressures, the EU must let political refugees in, while immigration for economic reasons should not be liberalised. The best solution should be to help the countries of origin in their domestic developments so that their young workforce could have real opportunities and perspectives at home. At the same time, Europe's demographic problems should be eased in the first place by introducing generous family policies, coupled with more flexible employment schemes for women that would promote improved fertility rates across the member states.

The second unexpected event was the natural disaster and humanitarian catastrophe in Japan, where the earthquake and the tsunami claimed thousands of lives, devastated huge dwelling areas and damaged the Fukushima nuclear power plant. Thus the humanitarian catastrophe has been coupled with environmental catastrophe involving different actions on the EU's part. First, aid provided to Japan by the EU had to be coordinated, and the presidency assisted the Commission in this task. Second, the tragedy also pushed member states to revise their approach to nuclear energy. One of the most important steps of the Hungarian presidency in this regard was the convening of the extraordinary Energy Council meeting in March to discuss the consequences of the Japanese situation (and also of the North African crisis) on the energy policy of the Union. Upon the presidency's proposal the Council pledged to undertake stress tests of all the nuclear power plants in the territory of the EU.

The third unexpected affair was the necessity of postponing the Eastern Partnership summit, initially scheduled for the end of May. This happened primarily due to conflicting dates (i.e. OECD, G8 meetings), but also due to weakened attention to the East because of the Southern Mediterranean events. Thus the summit had to be postponed until the Polish presidency and will be held in the end of September. This however was not a real disappointment, on the contrary. Namely, due to the mentioned factors Hungary could thus avoid the risk of having a less successful conference with lower level attendance by EU member states and a poorer outcome of the meeting. Now there is more time available to prepare the summit which was originally to be co-chaired by Poland (the founding father of the programme) and Hungary. And when speaking about "moving" summits it is also worth mentioning that in June, Hungary had the honour to host the Asia-Europe meeting (dedicated to non-traditional security challenges) that was initially planned to be held in Brussels.

When contrasting the presidency's priorities with its actual achievements, we observe that the first Hungarian presidency was successful as the bulk of its priorities was completed, in many cases thanks to extraordinary diplomatic efforts and some marathon negotiations. Among the successes the following can be evoked. First of all, the presidency managed to eliminate nearly all hurdles before the adoption (by the European Parliament and Council) of the six-pack. Here the presidency first succeeded in hammering out a compromise among the 27 member states before the March European Council. Second, it managed to settle almost all issues raised by the EP, despite the Parliament's more than 2000 proposed amendments. Agreement seems to be within reach on the remaining points of debate and the procedure may come to an end in September.

Hungary was also successful in introducing a completely new issue to the EU agenda, namely the Roma strategy. In this issue Hungary had to respect and integrate different member state positions vis-à-vis minority policies in general. Upon an initial report by a Hungarian Roma MEP and the Commission's official proposal in April, several Council formations discussed and approved the would-be strategy which then was forwarded to the European Council level. According to the June European Council Conclusions there is now an EU Framework for National Roma Integration Strategies aiming at improving the situation of the Roma population in terms of education, employment, health care and housing by 2020. Member states are to elaborate their own action plans in this regard and the Commission will carry out annual monitoring, and will report to the European Parliament and the Council about the implementation of those national programmes. Member state actions are to be aligned with the Europe 2020 Strategy and financial assistance may come from the structural funds where appropriate. There is also a new forum for regularly discussing relevant issues, namely the European Roma Platform, embracing national

experts, NGOs and European Commission officials. The new Roma framework strategy – based on subsidiarity and national solutions – can be crucial in helping Europe’s greatest ethnic minority in its social integration and development process.

On the eve of launching deliberations on the budgetary framework for 2014-20 the presidency worked hard on establishing the common principles of both the cohesion policy as well as the common agricultural policy. As regards the former, Hungary managed to have all member states agreed on the future principles of cohesion policy, moreover these principles could be reinforced with a territorial development dimension too. On the other hand, the Hungarian presidency did not succeed in reaching a consensus regarding the principles of the future common agricultural policy, thus only presidency conclusions could be adopted by a qualified majority which has actually no binding effect. Nevertheless, the document can serve as a starting point in the upcoming (obviously very sensitive) debate on this policy’s future.

The presidency also contributed to some ground-breaking commitments from the European Council in the field of energy policy. The February European Council conclusions included the goal to have a real internal market for energy supply (gas and electricity) by 2014, to provide for interconnections of networks and to build new ones across the Union as well as to reach a greater coherence of individual external energy policies of member states allowing the EU to run a more consistent external action in the field of energy.

The Hungarian presidency furthermore, was able to achieve major progress in an important competitiveness issue, namely that of patents. Having a European patent system has dragged on for all together three decades without any concrete results. Shortly before the Hungarian presidency a dozen of member states signalled their willingness to launch cooperation together. In the end of the day, Hungary managed to bring 25 member states on board for using the new European patent system from 2014 onwards in the framework of enhanced cooperation, and the door is open for Italy and Spain as well (which are for the time being reluctant to join because of the language regime).

The filling up of the EU’s Danube Region Strategy – a macro region strategy involving the cooperation of 14 countries along the river – with real content is also among the realised priorities. Under the Hungarian presidency national coordinators have been appointed and agreement was met on several concrete projects to be launched soon, in the framework of 11 action areas. Although according to the official position of the EU the Danube strategy is characterised by three “no-s”: no extra money, no new institution, no EU law, the Hungarian presidency introduced three “yes-es” relating to jointly targeting available money on the projects to be launched, to harmonise ideas and proposals across the partners and also to introduce a new and integrated approach to spatial planning along Europe’s second longest and “most international” river.

Promoting the Schengen membership of Romania and Bulgaria has also been close to the heart of the presidency. This issue has been very challenging however as some old member states were not satisfied with Sofia’s level of preparedness. The Hungarian diplomats strove to bring the two positions closer. They urged Bulgaria to meet all criteria while, at the same time, they tried to “reassure” doubtful member states. For the sake of avoiding discrimination, the presidency also underlined that no new preconditions should be introduced prior to Romanian and Bulgarian accession. Thanks to those efforts of the presidency, a political declaration from the EP and the EU27 eventually emerged in June, stating that the two Balkan members are technically ready for Schengen membership and the exact timing of their accession is to be set in September.

At the end of this incomplete list of achievements the successful conclusion of accession negotiations with Croatia must be highlighted. This was achieved despite an initially rather sceptical mood across the EU and the talks could be concluded thanks to marathon negotiations, the perseverance and the strong commitment of the presidency. This also sends a very positive message to the whole of the Western Balkan region. The Hungarian Prime Minister actually visited all of these countries in June and, in the end of the presidency’s term, Mr Viktor Orbán also published a memorandum on the region’s integration process (“completing the reunification

of Europe”) which was sent to the countries concerned, to the EU member states as well as to the EU institutions.

But, despite its pro-enlargement stance, the presidency was not able to promote the accession process of Turkey, or indeed of the other Western Balkan countries, while with Iceland the negotiations went on as planned. The Hungarian presidency emphasised that the candidate countries “are members of the European family” therefore all delegations concerned were invited to informal Council meetings. Without participating in the deliberations proper, the representatives of the countries concerned had a chance to meet EU ministers, to be informed about issues under discussion and to express their positions. This gesture was welcomed by all five countries (namely Croatia, Iceland, Macedonia, Montenegro and Turkey).

During its semester, Hungary had to preside over some two thousand meetings at working group, COREPER and Council levels, had to manage some 320-340 dossiers of which some 100 could be closed. Most of the Hungary-based events were held in the Grassalkovich castle at Gödöllő, not far from Budapest (renovated with special regard to hosting the official programmes). The total cost of the presidency amounted to some 80 million euros which is below the EU average. In terms of infrastructure and logistics all events during those six months have passed smoothly without any problems or delays.

A weaker point was however the communication to the wider public of the presidency’s everyday work and most important achievements. While, according to opinion polls, in December 2010 only 45% of Hungarians were aware of the upcoming EU Council presidency, in June 2011 80% knew about it. Nevertheless 67% were not able to name even one single event or achievement of the presidency. The best known fact was that meetings were held in Gödöllő. From among the topics treated by the presidency, 24% of the respondents could identify the accession negotiations with Croatia and 23% remembered the Roma strategy. 49% of those questioned found the presidency successful and 27% were of the opposite view. As the polls testify it, the priorities chosen by the presidency, including the Danube and the Roma strategy or energy issues, coincide with Hungarian citizens’ concerns and expectations. This explains why these topics could be backed by the oppositional parties as well.

Hungarian politicians and officials highlight the fact that during the presidency the entire Hungarian administration was able to enter into much closer contact with the other member states as well as with the other EU institutions. This learning process represents a tremendous added value in terms of the knowledge gained about all the decision-making details and becoming more aware of the full range of possibilities for shaping decisions and promoting ideas.

In the final analysis, Hungary’s management of the presidency has been highly flexible and pragmatic. It was flexible as it was able to react quickly to unexpected events, e.g. by acting on the spot (Libya), or by convening Council meetings to tackle unforeseen issues and to come up with potential solutions (e.g. immigration issues, energy challenges). And it was pragmatic as it managed to reconcile very divergent views as an honest broker (e.g. Schengen enlargement, six-pack, patents).

With all its achievements, the first Hungarian presidency has obviously contributed to making the EU stronger and has left its footprint on European integration in terms of responding to the interests and concerns of the Roma minority, binding different nations together along the Danube in the framework of a new macro regional strategy as well as paving the way for the EU to soon have 28 members.

31 August 2011