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BULLETIN

Europe in the Shadow of War: Poland Takes Over EU Council Presidency

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Starting 1 January 2025, Poland will assume the six-month presidency of the Council of the EU and its priorities will concern security in the broadest sense, including defence. Among the planned activities are the opening of the first negotiating chapters with Ukraine and the successful completion of negotiations on the European Defence Industrial Programme (EDIP), which is expected to accelerate the restoration of Member States' military capabilities. Although the current moment of the institutional cycle is not conducive to ambitious legislative plans, Poland has a chance to influence the discussion on the strategic directions of EU development.

Context. One of the tasks of the presidency is to choose which legislative acts to prioritise and then negotiate them. However, the beginning of the institutional cycle in the EU means that there are not yet many projects that the EU Council can adopt. In addition, the goals that the new European Commission (EC) has set for itself still need to be fleshed out, while many of the key documents on which its actions will be based are due to be published within the first 100 days of the new EC. These circumstances mean that the pool of legislation that Poland could support in finalising is limited. However, the new institutional cycle does not mean a complete halt to legislative activities—at the level of the EU Council, various types of documents and legal acts that were created in the previous EC term, such as the digital euro or EDIP, are proceeding. However, they are few in number and, with the exception of the latter, their political significance and media visibility are low.

A significant determinant affecting the reception of the Polish presidency is the preceding <u>Hungarian one</u>, negatively assessed by many Member States, which (like the EC) expressed opposition to its instrumentalisation by Prime Minister Viktor Orbán for his own political purposes. This led, among other things, to the downgrading of diplomatic representatives sent to meetings. The European Parliament, in turn, has significantly restricted the progress of legislative acts promoted by the Hungarians. One consequence of

these actions will be a poor legislative record of this presidency, with unfinished issues to be taken over by Poland.

An opportunity for the Polish presidency to play an important role is the current political situation in the EU and the world. Internal political instability in Germany and France will translate into reduced decisiveness of their governments and, consequently, weakened activity at the European level. The diminished ability of these countries to shape the direction of EU development and, at the same time, the ever-increasing importance of defence-related issues mean that Poland will have more room to promote its perspective of the EU's strategic goals. In addition, Donald Trump's return the U.S. presidency in January 2025 and his expected transactional policy towards Europe, make the issue of increasing the EU's effort to develop the military capabilities of the Member States a priority for European policy. This context is reflected in the goals of the Polish presidency.

Main Objectives. Poland's priorities are in line with the goals of the future EC, with security the unifying theme across seven dimensions: military, economic, energy, civilian (including border protection), information, food, and health, of which the first three have the greatest potential to influence the functioning of the EU. Within the framework of defence issues, Poland wants to develop a discussion aimed

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at changing the paradigm of thinking among the Member States on this issue. It assumes that putting forward new ideas for defence development at the EU level without first guaranteeing them adequate funding diverts the attention of EU decision-makers to discussions about the advisability of new solutions, which, due to a lack of funds, will not be implemented anyway. Poland will therefore seek to advance the debate on increasing EU defence funding, including by creating new sources of revenue. In addition, it would like to move the discussion away from viewing the EU's defence support tasks only through the prism of increasing the competitiveness of the defence industry, an approach that Poland believes limits the ability of Member States to rapidly develop military capabilities urgently needed, due to the uncertain scope of the Russian threat and the need to support Ukraine. Due to the small number of legal acts related to this topic, the presidency also hopes to take part in strategic reflection in this area. Poland has commissioned, for example, an opinion from the European Economic and Social Committee on defence financing.

On energy issues, Poland wants to lead a discussion on high energy prices in the Union and their negative impact on the competitiveness of EU industry. Increased security is to be ensured by, among other things, the expansion of interconnectors (i.e., electricity and gas connections between countries), while common energy purchases (e.g., LNG) are to help lower prices. The presidency will also strive to create a more favourable legal environment for the development of nuclear energy. Economic security, in turn, will focus on increasing the EU's competitiveness. Poland will seek to review EU legislation in this matter and reduce regulation, especially for small businesses.

Planned Activities. Poland will want to conclude the negotiations on the EDIP and forward it to the European Parliament for work. It will also try to persuade the Member States to get the Union more involved in financing defence infrastructure on its eastern border (e.g., within the framework of East Shield or the Baltic Defence Line) and to get permission to launch flagship capability-development projects (air and missile defence systems) as common strategic objectives for the whole EU. An important aim is to continue the enlargement process, both in its eastern dimension (e.g., opening initial chapters, the so-called "cluster", as part of the accession negotiations with Ukraine) and the southern one (trying to speed up the process towards the Western Balkans, e.g., also opening further negotiating chapters in selected cases). In addition, Poland wants to prepare a roadmap for enlargement defining what model the EU should prepare for—one big enlargement or the admission of individual countries one by one. Another package of sanctions against Russia is also to be adopted during the presidency.

An important aspect will be activities in the economic field. During the presidency there will be six meetings of the ministers of economy and finance of the Member States (ECOFIN format) and dozens of legislative acts will be processed. The key objective of the Polish presidency in this regard will be the development of a general approach to the reform of the Union Customs Code (the provisions regulating this sphere have not changed significantly for almost a decade). Other issues that Poland will work on will be financial services and tax issues (e.g., the regulation on cooperation in the field of taxation, the so-called DAC9). Poland will also participate in the preparation of the summit planned for next year between the EU and the UK, supporting the conclusion of agreements that will help realize the full potential of the UK-EU relationship, especially in the area of security.

Conclusions and Outlook. The beginning of the institutional cycle in the EU is not the most favourable moment for any presidency, but it can be used to shape the strategic framework for the Union's activities in the coming years. At the level of the EU Council, legal acts from the previous term are still being processed, and although they have less media visibility and are less related to the EC's current priorities, their smooth implementation will be counted as a success of the presidency. Poland has prepared a broad set of goals, finding an effective way to communicate them to the media (a common theme for all threads is security). So far, however, there is a lack of selected, specific projects among them, around which a coherent narrative could be built and their adoption presented as Poland's success.

Influencing the shape of the EU's key objectives is particularly important in the context of the new EC's emerging security agenda. Implementation of the Polish presidency's demands would contribute to increasing the competitiveness of the EU defence industry, which is the EC's goal, and allow better support for Member States in acquiring new military capabilities. The effective development of their military capabilities is fundamental not only in view of the uncertainty of the Russian threat and the need to strengthen Ukraine's security but also crucial in view of the expected redefinition of transatlantic relations by the Trump administration, which will very firmly set Europe the goal of increasing its efforts in deterrence and defence against Russia.