

## Policy Brief

# Five takeaways from the German “Corona Presidency”

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# CouncilPresidency  
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On 31 December 2020, Germany’s rotating EU Council presidency will come to an end after a particularly difficult term. Corona burst upon an already crowded policy agenda, including the negotiation of the EU’s next seven-year budget, rule of law conditionality and the finalization of the Brexit negotiations. On top of a packed agenda, the German presidency faced considerable institutional and corona-related constraints. In this Policy Brief, Nicole Koenig and Thu Nguyen look back at the German presidency and develop five key takeaways for the upcoming corona presidencies, notably Portugal (first half of 2021) and Slovenia (second half). The German presidency has shown that they should prepare for more corona crisis management, internal divisions and unexpected crises.

On 31 December 2020, Germany’s rotating EU Council presidency term will come to an end. Expectations, already high at the outset, were only boosted by the pandemic. Who but Angela Merkel’s Germany, the EU’s biggest economic power, could steer the EU through these rough seas? We called for [managing expectations](#) at the outset of this so-called “corona presidency”. The pandemic burst upon an already crowded policy agenda, including the negotiation of the EU’s next seven-year budget, rule of law conditionality and the finalization of the Brexit negotiations. On top of a packed agenda, the rotating presidency faces [institutional constraints](#) and has lost much of its bite under the Lisbon Treaty.

The past six months have underlined the need to adjust expectations to pandemic-related constraints as well as internal divisions and external crises. When taking stock of the German presidency’s term, some will argue that the glass is half full and others half-empty, often depending on the concrete policy field. In some cases, it is hard to make a clear-cut assessment as the presidency’s role cannot be easily untangled from that of other EU players. Take the [Brexit](#) negotiations: a lot of expectations were invested in the German presidency – not least by Boris Johnson – when, in fact, Germany and the other member states have explicitly and unfailingly delegated this task to the Brexit Task Force led by Michel Barnier.

The more interesting and forward-looking question is what we can learn from this German corona presidency, in particular when it comes to fulfilling key tasks in the midst of a pandemic: agenda-setting and brokering compromises both among the member states and with other institutions. This question is relevant for the forthcoming corona presidencies, notably Portugal (first half of 2021) and Slovenia (second half). As it stands, both will still be struggling with pandemic-related priorities and constraints. It is also relevant for the next bigger member state to hold the presidency: France in the first half of 2022. Looking back at the process and some key policy issues, we develop five key takeaways.

### The five takeaways at a glance



Source: Thu Nguyen and Nicole Koenig, illustration by Burak Korkmaz

#### 1. Corona presidencies stand and fall with one big priority: recovery

As the coronavirus spread, seemingly unstopably, across Europe, the dominant topic in the EU, as elsewhere in the world, was the pandemic. This was no different during the German Council presidency. Its six-month term became inextricably tangled with the EU's ability to recover from the pandemic and its devastating economic effects, summarized under the presidency's motto: "Together for Europe's recovery". The EU's multiannual framework (MFF) and the Recovery Instrument (RI), a [Franco-German flagship initiative](#), became the presidency's single most important priority. Linked to this dossier came later the rule of law mechanism. While it is true that both the MFF and the rule of law mechanism were on the to-do list even before the pandemic, it was arguably the urgent need to provide for economic relief to the member states via the Recovery Fund that turned the whole dossier into a stand-or-fall benchmark of the German presidency. Earlier top-tier priorities such as the Green Deal and migration reform consequently slid down the order of priorities and were postponed, not least due to linkages with the MFF/RI (see takeaway 5). Other items such as the Conference on the Future of Europe fell victim to the coronavirus altogether.

The role of the German presidency in the budgetary negotiations is discussed below (see takeaway 2). It suffices here to say that the presidency succeeded in bringing all three files – the MFF, the Recovery Fund, and the rule of law mechanism – to a successful conclusion, after a nerve-wrecking negotiating period in November and December; approval of all three was confirmed at the European Council meeting of [10/11 December](#), pending final adoption in Council and the European Parliament. The conclusion of these dossiers was lauded as a success for Angela Merkel and the German presidency by, among others, [ECB President Christine Lagarde](#), [Commission President Ursula von der Leyen](#), and the [EU Commissioner for Economy Paolo Gentiloni](#).

But the ending on a high note of the German presidency does not mean an end to the coronavirus or its urgency on political agendas. The virus will most likely remain with us throughout the upcoming Portuguese and Slovenian presidencies. This premonition is also reflected in the trio presidency's [programme](#), identifying Covid-19 and its fall-out as the foremost priority during the 18-months term. If the economic recovery from the pandemic marked the German presidency, societal recovery or social cohesion might characterise the Portuguese presidency in light of the growing backlash against corona-related restrictions and a rising number of anti-vaccine disinformation campaigns.

The implication is that the stakes may be higher for corona presidencies than for “normal” ones because evaluating the presidency cannot be done on the merit of several dossiers. This can be compared to university exams: if the grade is composed of several components such as a written exam, an essay and an oral presentation, failing in one element may still be offset by achieving high scores in the others. If the grade is mostly composed of a final written exam, failing it simply means failing. The same principle applies to the German corona presidency: If it had not concluded the MFF and Recovery Fund, even its success in other areas such as climate could not have compensated this – its presidency would have been to a large part a failure.

## **2. The honest broker role matters**

One of the key elements repeatedly emphasised by German representatives in the run-up to the presidency was Germany's role as a bridge-builder. While the role of honest broker might seem under-ambitious for a big member state it is in fact essential. This became apparent in the difficult negotiations on rule of law conditionality.

The regulation, linking EU funds to respect for rule of law, was first [proposed](#) by the Commission in May 2018, and its adoption was effectively tied into the negotiations on the MFF and later the Recovery Instrument. The most contentious points – the scope and decision-making mode of the proposed mechanism – divided both EU institutions and member states. While the European Parliament [preferred](#) a much broader scope as well as reverse qualified majority voting in adopting sanctions, the [Council mandate](#), fostered by the German presidency between the member states, was much narrower in scope and pressed for qualified majority voting as the decision-making mode. It was not until 5 November 2020 that the European Parliament and the Council finally reached a [political agreement](#) in trilogue. However, this agreement was eventually blocked by the Hungarian and Polish governments, which vetoed the Own Resources Decision needed for the Recovery Fund.

The atmosphere in the EU following the Polish and Hungarian vetos was toxic. The German

presidency found itself wedged between Hungary's and Poland's accusations of [ideological blackmail](#) on one side and other member states' and commentators' [accusations](#) of failing to take a stand against the rule of law backsliding in the two countries on the other. Many [called](#) for the establishment of a Recovery Fund without Hungary and Poland. Dutch Prime Minister Mark Rutte reiterated that the mechanism as agreed between the Council and Parliament was the "[bare minimum](#)" for him, thus excluding any watering down of its substance.

In this toxic atmosphere, Germany's honest broker role proved essential. The presidency had the task, and the responsibility, of convincing Hungary and Poland in Council to drop their veto, without conceding on the substance of the rule of law mechanism, which the other member states would not have accepted. It then carried this task up to the European Council, where the role of brokering a compromise would normally have lain with President Charles Michel and where it succeeded in doing just that. Hence, in the run-up to the European Council summit of 10/11 December, the presidency brokered a compromise with Hungary and Poland: the wording of the rule of law conditionality regulation remains untouched – including the already agreed scope and decision-making mode – but – and this proved crucial – the Commission refrains from using the mechanism until the European Court of Justice has ruled on it. In return, Hungary and Poland agreed to drop their vetos. While the compromise was not a perfect solution, it achieved what the presidency had set out to do: build a bridge between all parties that leads the EU to a historic Recovery Fund and budget worth €1.8 trillion as well as a novel mechanism linking disbursement of funds to respect for the rule of law. The bridge-building nature of the compromise was confirmed when all member states agreed to write it into the European Council [conclusions](#).

The showdown in the budgetary negotiations at the end of the German presidency serves as a reminder to the forthcoming corona presidencies that the honest broker role matters. If the negotiations concern urgent dossiers such as the Recovery Fund, fostering compromises between the different positions in the EU's institutional system becomes imperative. The German experience also shows that an honest broker cannot please everyone and must be prepared to face a lot of backlash from all sides.

### 3. "Videoconference diplomacy" has severe limitations

One important takeaway from the German corona presidency concerns the limitations of videoconference diplomacy. As social distancing rules took effect within the European institutions, in-person meetings became increasingly difficult, which in turn rendered negotiations on contentious dossiers more cumbersome. Only 25-30% of the meetings planned by the presidency before Corona could in the end take place physically. Without physical meetings, the presidency was deprived of the opportunity to engage in informal backroom talks with different parties and to test the waters to find a compromise. This lack of networking opportunities cannot be fully compensated for by videoconferencing, which does not allow for the same kind of interaction nor confidentiality. Security loopholes became embarrassingly [clear](#) in November – eight months into the pandemic – when EU defence ministers unexpectedly found themselves in conversation with a Dutch journalist in a confidential meeting on the bloc's classified joint threat analysis (see takeaway 4). When we [asked](#) the German Defence Minister about the incident she mentioned two future options: either the EU "borrows" NATO's secure lines, or it builds its own.

The limitations were illustrated by the fact that the most disputed dossiers, namely the rule of law conditionality and MFF/Recovery Fund (see takeaways 1 and 2), were always discussed in, and sometimes delayed until, physical meetings. Hence, after no agreement on the MFF and Recovery Fund could be found at COREPER level, i.e. the Committee of Permanent Representatives, on 16 November due to the veto by Hungary and Poland, the issue was referred to the heads of state or government. However, despite its urgency, the topic was not addressed in the video conference of the leaders on 19 November but postponed until the next physical meeting on 10/11 December.

But even those meetings that took place in person faced disruptions. The 22 September summit – the first physical one after the historic July summit – was [postponed](#) after European Council President Charles Michel had to go into quarantine. During the summit on 15/16 October not one, but two leaders, namely [Commission President Ursula von der Leyen](#), and [Finnish Prime Minister Sanna Marin](#), had to leave early because they had been in contact with someone who had tested positive for the Corona virus. At the crucial physical summit on 10/11 December, it was in turn Estonian Prime Minister Jüri Ratas and Croatian Prime Minister Andrej Plenković, who were unable to attend because they were in [quarantine](#) or had [tested](#) positive. They were represented by Latvia's Krišjānis Kariņš and Slovenia's Prime Minister Janez Janša instead. Overall, the European Council met [three times via videoconferencing](#) and four times in person during the German presidency's term.

The takeaway for the Portuguese and Slovenian presidencies is therefore three-fold: Videoconference diplomacy has severe limitations, not least when it comes to particularly contentious dossiers. The presidencies should therefore be prepared to organise a certain number of in-person meetings even at the heights of the pandemic. The institutions' experience with the German corona presidency and a broader availability of rapid tests should make this easier for the Portuguese and Slovenian presidencies. Secondly, many meetings will still have to take place virtually. To ensure confidentiality, the EU needs to build its own secure lines of communication. This might not happen overnight, but it is a precondition for an EU that seeks digital sovereignty. Thirdly, even when meetings can take place physically, disruptions due to sudden quarantine restrictions are unavoidable and should be planned into the organisation. This includes preparing hybrid solutions.

#### **4. To set and drive the agenda there must be an agenda**

Agenda-setting power requires two things: putting items on the agenda and driving them forward in terms of substance. The presidency's formal agenda-setting power has been curtailed by the Lisbon Treaty: The European Council is now chaired by its own permanent President while the Foreign Affairs Council is chaired by the High Representative for Foreign Affairs and Security Policy. Nevertheless, expectations that Germany would use its weight and power to set and shape the EU's longer-term agenda were high. However, during pre-pandemic preparations, few truly agenda-setting items designed to set the EU's future direction emerged. With the onset of the pandemic, all eyes turned to the one central agenda item – the MFF and RI package.

An example of how the German presidency still left a mark on the EU's longer-term agenda was the so-called [Strategic Compass](#). This two-year process aims at concretising the EU's level of ambition in security and defence. It was launched two weeks before the start of the

German presidency and is due to end under the French presidency in 2022. Considering the member states' initial scepticism towards the initiative, the launch itself can be considered an agenda-setting success. However, six months later, member states are still debating what exactly should be discussed in the process and what its output should be in concrete terms. The combination of overly broad objectives and the constraints of virtual negotiations may lead the member states to lose interest along the way – particularly if the German presidency is no longer the key driver. To give greater substance to initiative, Germany should provide a clearer sense of direction in the joint “food-for-thought” paper of the Trio presidency that the German defence minister [announced](#).

There are two lessons for the forthcoming presidencies. First, putting items on the agenda works if you prepare them well and have the time to get others – notably the presidencies after yours – on board. Second, to drive the agenda you need to have a clear-cut agenda and concrete objectives. For the Portuguese presidency this means tabling concrete initiatives for one of its key priorities: implementing the EU's social pillar. For the French presidency, it means preparing agenda items for the EU's post-corona future such as the conclusion of the Strategic Compass and the Conference on the Future of Europe as of now.

## 5. Many things are beyond the presidency's control

Even if there were a clear-cut agenda, many things are beyond the presidency's control. In the German case, these included the pandemic on the one hand as well as the institutional corset and external disruptions on other. These issues explain why Germany had only limited impact on two priority issues: EU-China relations and migration reform.

China was an example where the pandemic made it even harder to make substantial progress. The three-day EU-China Summit in Leipzig in September was supposed to be the presidency's geopolitical highlight. For the first time, it was to bring together all EU heads of state or government with the Chinese President and lead to concrete progress on issues such as the bilateral investment agreement. China's [handling of the pandemic](#), including its divisive “mask diplomacy” and disinformation campaigns as well as the imposition of the national security law on Hong Kong, caused considerable tensions with the EU. The summit was eventually transformed into a one-day virtual “[Leaders Meeting](#)” limited to Chancellor Merkel, President Xi Jinping and the presidents of the European Council and of the Commission. While the pandemic was certainly a good enough reason to scale down the summit, this could barely hide the much greater problems in EU-China relations: severe political tensions and lack of progress on EU priority items.

Meanwhile, the presidency's aim of pushing for an ambitious reform of the EU's asylum and migration policy lost salience due to the pandemic and got stuck between a divided Council and a dithering Commission. The presidency scaled back its ambition, stating that it would only deliver a progress report rather than the “political compromise” initially hoped for. One reason was that it had to wait for the Commission's New Pact on Asylum and Migration with the relevant legislative reform proposals. The publication, initially planned for March, was postponed to late September. The pandemic played a role, but so did long-standing and deep divisions within the Council. The Commission carefully avoided mixing the sensitive migration issue with the equally sensitive negotiations on the MFF/RI. If introducing rule of law conditionality was controversial, any link to compulsory solidarity in the migration field would have killed off the negotiations. This left the presidency with only roughly two

months to forge a compromise, which proved insufficient to resolve contested issues. At the Home Affairs Council on 14 December, the member states could only agree to disagree on some of the Pact's main proposals, notably concerning the implementation of solidarity.

Finally, a few crises in the EU's neighbourhood forced themselves onto the German presidency agenda. July's marathon session of the European Council on the MFF/RI was followed by a [special European Council](#) in October on crises in Belarus, the Eastern Mediterranean, Nagorno-Karabakh and the poisoning of Alexei Navalny. Especially regarding the Turkish-Greek gas conflict, the German presidency faced high expectations on it to act as the EU's crisis manager in chief. Mediating between Greece and Turkey while bridging significant intra-EU splits between hawks and doves absorbed much of the presidency's diplomatic resources but without achieving the desired success.

Any forthcoming presidency will have to plan in light of the institutional corset, internal divides and external disruptions. This will require intense cooperation with other institutions, systematic follow-up on divisive issues (e.g. on Turkey, migration and the rule of law) as well as constant future-scoping. When dealing with these constraints, larger member states have an advantage due to their political weight and extended admin staff.

### **Conclusion: Looking ahead**

The Portuguese and Slovenian presidencies will face a mix of unfinished business, coronavirus-related priorities and new agenda items. This unfinished business notably includes the implementation of the Recovery Fund as well as the thorny evergreen of migration reform or the new European Green Deal. The German presidency has made an important head start regarding the Green Deal after the European Council agreed to reduce greenhouse gas emissions in the EU by at least 55% by 2030 but the real proof will be in implementation. Meanwhile, Covid-19 will very much stay at the top of the agenda. The Portuguese presidency will, for instance, be the first to validate national recovery and resilience plans in light of the twin digital and green transitions. Finally, their agendas will also be crowded by new items such as forging consensus on a new and ambitious transatlantic agenda with Joe Biden or building a new partnership with post-Brexit Britain. All these items will have to be addressed under continued pandemic-related social and economic constraints and increasing severe public backlash against them. There is thus much that these presidencies can learn from the German corona presidency.

Our five takeaways also point towards the special responsibility of the Franco-German tandem. As they have demonstrated with the initiative for the Recovery Fund, their size and political weight come with leverage and therewith responsibility. France will take over the Council presidency in 2022, meaning that some longer-term dossiers will span across the two presidencies. Items left for the French presidency will amongst others include the Strategic Compass for Security and Defence and (probably) the reform of the Common European Asylum System. The list also comprises the Conference on the Future of Europe, an item that has been postponed not only because of the difficulties of bringing citizens together under social distancing rules, but also due to the Institutions' inability to settle on its [leadership](#), ambition and method. There is thus a very strong case for close coordination between the outgoing German presidency and the team preparing the French one starting in early 2022. A prompt start will be key given that both countries will be busy with their

own electoral agendas in 2021 and 2022. The first half of 2021 will also be the last chance for Merkel to burnish her EU legacy by building bridges reaching beyond a difficult, crisis-driven corona presidency.

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