



## Master thesis

---

### *Effect of Lisbon treaty on rotating Council Presidency success – the Poland-Denmark-Cyprus trio*

MSc. International Public Management and Policy

**Author:**

Neno Nenov

400720

nenov.a.nenov@gmail.com

**Supervisor:**

Ass. Prof. Frans K.M. van Nispen

**Second reader:**

Prof. Markus Haverland

Word count: 29 153

Date: 25 July 2014

## Abstract

The Presidency of the Council of the EU is directly responsible for the functioning of one of the two EU co-legislators – the Council of the EU, by chairing its meetings, setting its agenda and representing it before other EU institutions. However the Lisbon Treaty introduced significant changes in the functioning mechanisms of the Council and its Presidency in particular – the European Council is now separate institution from the Presidency; the European Council and the Foreign Affairs Council (FAC) are chaired by permanent Presidents independent from the Presidency; successive Presidencies are split into trios and must cooperate. This thesis is aimed at identifying the determinants for running successful Presidency in the changed post-Lisbon conditions. In order to do so three Presidencies forming a trio – Polish, Danish and Cypriot – are examined separately and then the findings are compared in a cross-case analysis. The findings of the research suggest that, first and foremost, the coordination between the Presidency on one side, and respectively the European Council and the FAC on others, determine whether a rotating Presidency will be perceived as successful or not. The success in negotiations with the more powerful post-Lisbon European Parliament proves also significant but to a slightly less extent. Agenda implementation turns to be no determinant for Presidency success, while there is not enough evidence to make valid conclusions about the potential causal effect of the consistency with other trio members on the Presidency success.

## Acknowledgements

First and foremost I would like to express my gratitude to my supervisor Associate Professor dr. Frans van Nispen who supported me throughout the whole process of preparation of this master thesis. I would like to thank him for his engagement valuable and patiently provided comments and during our numerous academic meetings and discussions.

I would like to thank also to Professor Markus Haverland for his generous contribution in terms of advice and constructive comments.

Furthermore, I want to acknowledge the academic and technical support of the entire staff of the Public Administration Department of the Erasmus University Rotterdam for ensuring perfect conditions for my work on this thesis. I would like to thank Ms Renata Minnibajeva for her invaluable assistance in administrative terms before and throughout the whole academic year.

Last but not least, I would like to express my gratitude to my girlfriend and my family for their patience, support and love, which provided motivational and emotional source for my determination to lift this research project to its high standards and finish it on time.

## Table of Contents

Abstract .....	2
Acknowledgements .....	3
Table of Contents.....	4
List of Abbreviations.....	5
List of Figures and Tables.....	6
1. Introduction .....	7
1.1 The Council Presidency and the Lisbon Treaty .....	8
1.2 Problem analysis and Research question.....	9
1.2.1 Academic relevance .....	9
1.2.2 Practical relevance .....	9
1.3 Thesis overview .....	10
2. Theoretical Framework.....	12
2.1 Historical institutionalism.....	12
2.2 Rational choice institutionalism (logic of consequences).....	13
2.3 Sociologic institutionalism (logic of appropriateness) .....	14
2.4 Hypotheses .....	14
3. Research Design and operationalization .....	20
3.1 Research design.....	20
3.1.1 Data collection .....	20
3.1.2 Within case analysis .....	21
3.1.3 Cross case analysis .....	21
3.2 Case selection.....	21
3.2.1 Internal validity .....	23
3.2.2 External validity .....	23
3.3 Operationalization .....	24
4. Case analysis: Poland .....	30
4.1 Background.....	30
4.2 Priorities .....	32
4.3 Analysis.....	33
4.4 Case conclusion.....	42
5. Case analysis: Denmark .....	43
5.1 Background.....	43
5.2 Priorities .....	44
5.3 Analysis.....	45
5.4 Case conclusion.....	53
6. Case analysis: Cyprus .....	54
6.1 Background.....	54
6.2 Priorities .....	55
6.3 Analysis.....	57
6.4 Case conclusion.....	65
7. Cross case analysis.....	66
8. Conclusion.....	71
8.1 Answering the research question .....	71
8.2 Reflections and limiattions.....	<b>Error! Bookmark not defined.</b>

8.3 Recommendations and further research .....	<b>Error! Bookmark not defined.</b>
References .....	75
Annex I – Poland.....	82
Annex II – Denmark.....	84
Annex III – Cyprus.....	86

## List of Abbreviations

CAP	Common Agriculture Policy
CRA	Credit Rating Agencies
CRD	Capital Requirements Directive
CSDP	Common Security and Defence Policy
EC	European Commission
ECB	European Central Bank
EED	Energy Efficiency Directive
EEAS	European External Action Service
EMU	European Monetary Union
EP	European Parliament
EU	European Union
EaP	Eastern Partnership
FAC	Foreign Affairs Council
IMF	International Monetary Fund
JHA	Judicial and Home Affairs
MFAD	Ministry of Foreign Affairs of Denmark
MFAP	Ministry of Foreign Affairs of Poland
MFF	Multiannual Financial Framework
MFID	Markets in Financial Instruments Directive
MSCA	Monthly Summary of Council Acts
SIS	Schengen Information System
TEU	Treaty on the European Union
VCF	Venture Capital Funds
QMV	Qualified Majority Voting
WTO	World Trade Organization

## List of Figures and Tables

### List of Figures

Figure 1. Factors influencing Presidency success after the Lisbon treaty.....	16
Figure 2. Annual GDP growth rate.....	27
Figure 3. Evaluations of the Polish Presidency - survey results.....	29
Figure 4. Survey results of Danish Presidency evaluation among stakeholders.....	41
Figure 5. Unemployment rate.....	45
Figure 6. Survey results of Cyprus Presidency evaluation among stakeholders.....	53

### List of Tables

Table 1. Summary of variables and indicators.....	24
Table 2. Summary of the Polish Presidency evaluations.....	29
Table 3. Summary of the results of the hypotheses test (Poland).....	38
Table 4. Summary of the Danish Presidency evaluations.....	41
Table 5. Summary of the results of the hypotheses test (Denmark).....	49
Table 6. Summary of the Cyprus Presidency expert evaluations.....	53
Table 7. Summary of the results of the hypotheses test (Cyprus).....	61
Table 8. Conclusions about the hypotheses.....	65
Table 9. Overview of indicators scores.....	66
Table 10. Polish Presidency Data.....	75
Table 11. List of official trio ministerial meetings.....	76
Table 12. Danish Presidency Data.....	77
Table 13. Negotiations on the Energy Efficiency Directive.....	78
Table 14. Cyprus Presidency Data.....	81
Table 15. Negotiations on Credit Rating Agencies III.....	82
Table 16. Negotiations on Venture Capital Funds.....	83

## Introduction

Ever since its founding in the 1950s the European Union (then European Community) has used the six-month Presidency rotation as an essential functioning mechanism of the Council of Ministers. This format was well-founded at the time. First, as the Council was the main decision-making body the member-states wanted to keep maximum control over it and thus could not let any form of independence of its presiding structure. Second, the member-states were only six, which meant that each of them would be at the helm of the Council once in three years. Although this Presidency format had received criticism about the lack of continuity and coherence in the work of the Council, concerns were not taken seriously until the prospect of the Eastern Enlargement with 12 new countries became real in the 1990s. Meanwhile in order to ensure the political leadership input in the European integration the Heads of states of the EU members began meeting on an informal basis since 1961. These meetings were formalized in 1975 after the 'empty chair' crisis and the economic problems from the beginning of the 1970s made the necessity for closer political rather than mere economic cooperation demanding. However, although these meetings became formal and scheduled they remained under the institutional hat of the Council of Ministers and were prepared and chaired by the member-state holding the Presidency.

In a report on the preparation of the Council for the enlargement the Secretary-General of the Council of the EU Javier Solana (who was also the High Representative of the EU for the Common Foreign and Security Policy) noted that the six-month rotation formula would be inappropriate and inefficient after the enlargement.<sup>1</sup> That is why in 2004 the European Convention came up with a text proposing one-year long Presidencies and a permanent President of the European Council for a five-year mandate. The Constitutional treaty drafted by the Convention was not ratified and never came into force. However, the need for reform in the Presidency system was urgent and remained high on the EU agenda until the next treaty reform.

## The Council Presidency and the Lisbon Treaty

The Lisbon Treaty, which entered into force on 1 December 2009, introduced significant changes in the functioning mechanisms of the Council and its Presidency in particular. They can be divided into four distinguishable changes. First, the European Council is officially set up as an independent institution outside the structure of the Council of the EU (art. 13 TEU). It is officially charged with the task to provide the political impetus and the general direction for development of the whole EU. However, while these provisions affect the essence of the issues dealt with in the European Council, it is unclear to what extent, if any, they can influence the legislative process in the Council (Closa 2012, Warntjen 2013). Second, Foreign Affairs issues were separated from the General Affairs Council and put into the new Foreign Affairs Council (FAC) (art. 16(6) TEU). These two changes alone would not have had significant impact on the Presidency if another innovation was not put forward. Article 15 stipulates that

---

<sup>1</sup> Council of the EU, June 2001, № 9518/01, "*Preparing the Council for enlargement – Overall assessment and evaluation of implementation of the Helsinki recommendations*"

[http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/misc/09518.en1.html](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/misc/09518.en1.html)



the European Council is chaired by a permanently elected President for a two and a half-year-term, who does not hold national office. This means that the Council Presidency is no longer responsible for preparing and chairing the European Council meetings and thus it had no formal control on discussions of the issues with the biggest impact on the EU. Furthermore, the Lisbon Treaty defines that the already existing office of the High Representative of the EU for Foreign Affairs and Security Policy chairs the FAC instead of the Presidency as it was before. However, the change does not restrict the Presidency only in terms of chairing meetings but also in terms of the external representation of the EU, which after Lisbon is charged to the European Council President at Heads of states level and to the High Representative at ministerial level (art. 15(6) and 18(4) TEU). The fourth major change introduced by the Lisbon Treaty concerns the informally functioning form of cooperation between successive Council Presidencies. The rotating Presidencies are grouped into trios with the only responsibility of this form of cooperation written in the Treaty being preparation of a common agenda for the Council activity during the 18-month period. However, no other actual powers, functions or responsibilities of the trio were mentioned in the Treaties nor in any other EU legal acts, which leaves room for their development in accordance with the way Presidencies use the office.

## Problem analysis and Research question

Although the offices of the President of the European Council and the High Representative were separated from the Rotating Presidency of the EU and have received more academic and media attention recently (Warntjen, 2013), the importance of the Presidency in its post-Lisbon form should not be underestimated as it is still in charge of all the legislative activity as it was before. As it may be argued that some of the Presidency's powers were taken away from it (Princen 2009, 2011; Verdun, 2013), the new institutional setting of the presiding actors has led to more sources of agenda priorities and thus a risk of lack of coordination and decrease in success. The European Council President is the agenda-setter of the highest political institution of the EU, which despite lacking decision-making powers, sets the political priorities and directions of development (informal agenda) of the entire EU. On the other side, the office of the High Representative presents opportunity for another actor to pursue its preferences and impose its priorities on the EU agenda, though only in a single sphere – the Foreign affairs. In this situation opposing or at least mismatching priorities can emerge. At the same time as the Council Presidency remains responsible for the smooth running of the decision-making process within the Council, any impediments in front of this process affect the performance of the Presidency in a negative manner. Furthermore, the combination of the permanent Presidencies of the European Council and the Foreign Affairs Council and the post-Lisbon requirement to organize the rotating Council Presidency within a trio is perceived by some scholars to lead to an overall decline in the importance and visibility of individual Council Presidencies (Crum, 2009).

All this leads to the conclusion that the modifications of the EU presiding system introduced by the Lisbon Treaty are significant and thus change considerably the institutional environment in which the rotating Presidency operates. Considering this and acknowledging the fact that due to its short period of operation in this form this phenomenon has received relatively little scientific attention, this thesis examines the potential determinants of success of the Presidency of the Council of the EU under the following main research question:

## ***What determines success of the rotating Presidency of the Council of the EU in the post-Lisbon era?***

This central research question can be broken down to several sub-questions. Their purpose is to indicate the logical path leading to the answer of the research question. The following sub-questions are formulated:

1. What changes did the Lisbon Treaty introduce regarding the Presidency office?
2. What kind of theories account for Council Presidency performance?
3. How should Council Presidency *success* be conceptualized?
4. Is the Presidency alone responsible for its success or it is dependent on external actors?
5. To what extent the can findings of the analysis be generalized to all member-states holding the Presidency office?

### **Research goal**

#### ***Academic relevance***

This thesis project relates to the general body of knowledge of public administration. In more specific terms it aims to contribute to the debate about the role and performance of the rotating Presidency in the current post-Lisbon era. It seeks to conceptualize the changed environment under which the Council Presidency operates and asks how these changes affect its success. In doing so, it contributes to the understanding of interaction mechanisms between the Presidency on one side, and the EP, European Council and the High Representative on the other. Moreover, in the research will provide a thorough empirical analysis of the trio format, an aspect of the Presidency that so far received relatively little attention by scholars (Batory and Puetter, 2013). As the successfulness is arguably the most important characteristic of the performance of institutions, the findings and conclusions of this thesis will enrich the academic debate on the topic providing rationalized reflection on the key determinants of Presidency success.

#### ***Practical relevance***

Nevertheless, the practical relevance of this research project is even more significant. It will examine and unveil functioning mechanisms of the Council of Ministers, an institution which has always been characterized as secretive and not transparent enough (Hillebrandt, Curtin & A. Meijer, 2012). More importantly, the thesis provides analysis on a currently present phenomenon on the basis of its performance rather than just theoretical reconceptualization. This means that the findings may have practical implications in case they are used with such intention. By revealing what causes a Presidency to be successful in its functions, this analysis provides other actors with the opportunity to change their behavior intentionally in order to increase or decrease the effectiveness. This way they acquire one more instrument for exerting influence on the decision-making process.

## Thesis overview

This first chapter includes a relatively descriptive part about the historical evolution of the Presidency office, its role in the institutional setting of the EU as well as its functions and responsibilities so that a full understanding of the unit of analysis can be achieved. The second chapter presents the theoretical framework through which the analysis is conducted and theory-based expectations about the possible determinants of the dependent variable. The aim of these assumptions is not merely to claim a correlation between two variables, but to state cause and effect relations between the independent variables and the dependent. However, in order to make valid conclusions about the genuineness of the hypothesized statements, they must be tested, which is the matter of the third chapter. The data analysis reveals whether there is empirical evidence to what extent the hypotheses reflect the reality. Each case analysis ends with a conclusion of the results of the hypothesis tests for the respective Presidency examined. However, chapter five consists of general conclusions about the correctness of the hypotheses within a cross-case analysis. Finally, chapter six concludes the whole thesis presenting reflections about the limitations and implications of the research and providing directions for further work in the area.

## Theoretical Framework

The main theories in the broad section of literature on regional integration are Intergovernmentalism, functionalism and to some extent federalism. However, most of the literature on EU matters perceives the EU governance as a unique phenomenon, which can either be analysed in descriptive and practical manner without theoretical explanation or in strict EU-specific terms. Thus a narrowly EU-oriented branch of each of these three theories has been developed in attempts to describe, explain and predict the European integration process. This proves also the predominant approach in EU Presidencies literature. These theoretical perspectives are used predominantly as instruments for analyzing macro-scale changes and tracking and explaining the overall development of the European integration (Bulmer 2011). However, in the case of this research the scope of analysis is much narrower. This implies that more precise theoretical tools which account for the influence of specific institutions on actor's behavior are needed. Distinguishable in this aspect is the work of Ole Elgstrom (2003) in which he analyses Presidencies' behavior through two rival general political science theoretical perspectives – the logic of expected consequences and the logic of appropriateness. The former is a rational institutionalist approach that emphasizes the utility maximization of actors, pursuing their goals, while the latter is defined as a sociological institutionalist approach stressing the expectation-based behavior of these actors trying to build a certain image. However, Elgstrom's work is consistent with and builds on the broader body of thought about new institutionalism.

Generally, the so called new (or neo) institutionalism emerged as a reaction (in the 1970s) to the influential school of political science thought during the 50s and 60s – behaviorism. While behaviorism focuses on the observed behavior of people as the main unit of analysis for explanation of political developments, institutionalists claimed that this behavior is shaped and constrained by institutions and thus they matter (Immergut, 1998). However, two features make this new institutionalist approach distinct from the long line of institutionalist tradition in all areas of science (political science, international relations, sociology, etc.). First, new institutionalists perceive institutions in a much broader sense. Along with the traditional formal constitution based government institutions new institutionalists examine multiple informal policy arenas and networks as institutions and thus as potential determinants of political developments (Bulmer, 2011). Second, new institutionalists use '*institution*' as a complex concept encompassing all the '*beliefs, paradigms, codes, cultures and knowledge*' related to the establishment and functioning of the institution itself (March and Olsen, 1989). However, despite some common features new institutionalism can hardly be considered a coherent body of thought (Hall and Taylor, 1996). Hall and Taylor (1996) distinguish three separate branches of new institutionalism developing almost simultaneously and at the same time independently – historical institutionalism, rational choice institutionalism and sociological institutionalism.

### Historical institutionalism

The first of them – the historical institutionalism – conceptualizes the relations between institutions and behavior in the broadest sense of all (Hall and Taylor, 1996). It considers institutions as important but not only determinant of behavior. The mere concept '*institution*' is perceived in broader terms than the

rational institutionalism does but narrower than the sociological one do. Institutions are perceived as organizations and the rules and norms they establish, which means that they can be both formal and informal unlike the rational choice, which considers only formal, but the informal ones do not include beliefs and cultural norms like in the sociological approach. Another feature of the historical institutionalism is its emphasis on the historical perspective. This approach is very similar to the sociological when it comes to the origins of institutions but it differs in its provisions about the historical developments arguing that they result of path dependence created by institutions though often intentionally and inefficiently (Hall and Taylor, 1996). This implies that the past provides restrictions to subsequent policy behavior and policy decisions are cumulative in most cases, which is something that distinguishes the historical institutionalism from the rational choice logic, which suggests that policies are not restricted by past policies but only by actor's preferences.

Following this line of argument, the dynamics of modern policy-making seems to contradict to such a claim. However, as Hall and Taylor (1996) note the historical institutionalist school admits the occurrence of 'critical junctures' – moments when a sudden and significant institutional change happens, which then continues to restrict future policies and decisions for a long period before the next such 'juncture' happens. In the context of the EU integration Treaty amendments can be perceived as such changes. However, historical institutionalists are not well equipped for explanation of what causes such phenomena and leave the question open (Hall and Taylor, 1996).

Furthermore, historical institutionalism emphasizes the asymmetrical power distribution caused by institutions (Hall and Taylor, 1996). This characteristic moves it close to the rational choice institutionalism, which claims that institutions are established by freely operating actors only in order to serve their interests. However, the implications of this feature for the phenomenon examined in this thesis are that historical institutionalism is an appropriate theoretical framework for explanation of whether member-states use the Presidency office in pursuit of national interests or more generally whether the Presidency office provides opportunities for some member-state to benefit from the office. However, this is not the main subject of this thesis and thus the appropriateness of the historical institutionalism is irrelevant.

Despite the eclecticism of the historical approach, in recent years the Council Presidency literature has more and more often stepped on the theoretical provisions of the rational and sociological branches of institutionalism (Niemann and Mak, Elgstrom 2003, Tallberg 2006). This section elaborates on the key features of both logics eventually arguing that the sociological approach provides more convincing explanatory power as far as the performance of Council Presidencies is concerned. Then theoretically based expectations about the success of the Presidencies are made, which provide the points of departure in the analytical part.

### **Rational choice institutionalism (logic of consequences)**

The rational choice institutionalism examines the effect of institutions on actors' behavior. The word 'rational' comes to explain the fact that actors are driven by their fixed individual preferences, seeking outcome as close as possible to them (Hall and Taylor, 1996). They calculate meticulously what actions

can ensure the achievement of these preferences. However, rational institutionalism claims that part of these calculations is the awareness that other actors are driven by the same logic and thus the outcome is a result of a collection action dilemma (March & Olsen, 1998). In such a scenario the expectations about the potential consequences of actions are important factor determining the actor's behavior, which is where the name 'logic of (expected) consequences' comes from. However, institutions (formal and informal) present the framework that structures the interactions between actors and provides the alternatives of possible actions and thus affecting the outcomes (Hall and Taylor, 1996).

Through this theoretical framework the Presidency of the Council of the EU is seen as an additional tool in the hands of the presiding member-state in its pursuit of national objectives. Elgstrom (2003) classifies the variables that the rational approach implies as determinants of a Presidency's strategy in its interaction with other actors in order to achieve maximum benefits in terms of policy outcomes. At first place, the process of agenda-setting of the Presidency is explained as a continuous aggregation and prioritization of interests of different national groups. In this perspective the rational theory almost equates this process with the struggle and lobbying for interests in the national politics and thus perceives the office of the Presidency of the EU as an additional arena of the governments for interest representation. The requirements that Presidency priorities match are the following: they constitute national preferences, they are constructed as European issues and they all have at least some chance of being progressed as legislation during the mandate (Elgstrom, 2003). The second determinant of Presidency behavior according to the logic of expected consequences is the domestic political situation. Their effect may be twofold. On the one hand, domestic landscape may facilitate the successful performance of the Presidency by providing political and public support. This occurs in new member-states where the broad perception is that their first hold of this office is appreciated by other member-states and referred to as an example of successful Presidency. On the other hand, domestic political and public environment may constrain the Presidency in their choice of strategy different from promoting explicitly the national interests. In cases of sensitive national topics even if the Presidency shows readiness for compromise with other actors in the EU in order that at least some legislation is adopted, the firm opposition of influential societal groups can limit its room for maneuvering and thus impede negotiations in the Council. Generally the rational approach implies that a Presidency should take into account domestic situation and act according to its objectives which may vary from creating a pro-EU image to being re-elected at approaching elections. The third factor influencing Presidency strategic behavior is its interaction with other actors within the institutional rules and norms. The claim that every Presidency is constrained to some extent by the neutrality and effectiveness Presidency norms has now been recognized by most authors (Tallberg, 2004; Thomson, 2008; Quaglia & Moxon-Browne, 2011). Even though this argument might be derived from the sociological institutionalism as well, it is recognized by rational choice institutionalists because these two norms have become so strong and widely accepted that even the most powerful actors (member-states) cannot act against them without experiencing negative consequences. Elgstrom (2003) further argues that even through the rational perspective the intent of a Presidency to be labeled 'successful' exists. This happens mostly in occasions when a new member-state holds the Presidency for the first time and seeks to establish a certain positive reputation or a Presidency tries to change its negative image created. However, the important point in this line of argument and where rational logic differs from the sociological one is the motivation for such a strategy. As outlined above rationalists associate the aim for positive reputation and norm

abundance with the fear of specific consequences which the opposite strategy might have. One such example is political sanction such as isolation or proneness to compromise in future negotiations. Another motivation for establishing a successful Presidency image in terms of norm compliance, for instance, might come from gaining public (electoral) support in a pro-EU society. The same logic is applied as far as Presidency's interaction with EU institutions is concerned. With the increasing power of the EP and the ever rising influence of the European Council on EU issues, the Presidencies have started to pay considerably more attention to them in their agenda-setting and mediating work (Niemann and Mak, 2010).

The bottom line is that rational choice institutionalists perceive norms and institutions only as constraints of behavior (due to the abovementioned reasons) that is driven by fixed individual preferences (Tallberg, 2006). Overall, the rational approach provides explanation for the functioning of the Presidency in terms of interaction of several factors: preference distribution, domestic situation, reputation concerns and decision-making rules.

### **Sociological institutionalism (logic of appropriateness)**

The other competing explanatory theoretical perspective is the sociological institutionalism, which perceives actions not only constrained but also shaped by institutions (Hall and Taylor 1996, March and Olsen 1998). This sociological approach links actions to the identities they are associated with and thus the pursuit of goals is driven mainly by the image that specific actions would create rather than fixed interests. The actor makes its choice in accordance with its beliefs what is appropriate in a given situation (hence the name) based on the socially accepted norms attached to this type of behavior in such a situation. Institutions do not only influence actions once the collective action dilemma based on individual preferences has emerge, but to a great extent predefines these initial preferences and the mere identity of the actor (Hall and Taylor, 1996).

Through the sociological perspective the Council Presidency is perceived as an identity-driven actor either by identities formed in the past or by norm-based expectations about its actions in certain situations (Elgstrom, 2003). All this means that Presidency is influenced by behavioral norms of what it 'should' do if it wants to be perceived in certain way rather than what its national interests imply. Following the sociological argument, the first determinant of a Presidency behavior is the role it wants to be associated with. A Presidency may shape its identity either as a leader, bargainer, broker or bureaucrat (Tallberg, 2004). All these identities are tightly linked to the self-images of the presiding member-state and the actions that are considered appropriate for this image. For example, France have leadership ambitions labeling itself 'an engine' of the European integration and thus it engages with more 'big' issues during its Presidencies rather than just being a mediator between actors, or Belgium is proud to be in the core of the EU and perceives itself as a pro-EU country which makes Belgian Presidencies take a more broker style progressing as much legislation as possible. However, in reality neither of these roles can be performed in its pure form and Presidencies are often balancing.

On second place, in their behavior Presidencies are influenced not only by their self-images but by the expectation from the other members as well. These expectations are based on reputation from previous

holdings of the office, general behavior of the presiding state in the international relations and specific country characteristics like size and geographical position (Elgstrom, 2003). They are important determinant of the attitudes of other actors towards the Presidency and thus influence its performance. Often expectations coincide with the self-image of the Presidency. However this is not always the case and then the stake for the Presidency doubles because it has not only to act in accordance with the identity it pursues but also to try to present itself as reliable, predictable and trustworthy. This is the case for example, when a small and/or new member-state holds the Presidency, which is expected to perform a modest and low profile Presidency. However, new member-states may be overambitious to create a positive first impression and try to be imposing or rushing negotiations, or small country to see the office as an opportunity to raise its voice in the international affairs instead of leaving only big powers to decide.

The third main source of influence for a Presidency performance is the set of norms that are attached to the Presidency office (Niemann and Mak, 2010). These are the impartiality and effectiveness norms that have become expectations towards every Presidency in order to be considered successful. They present serious constraints of the Presidency's room for maneuver in its choice of behavioral roles. The impartiality norm implies that the Presidency acts in a neutral manner, pursuing no national interests. Scholars and practitioners often determine the blame for violation of the impartiality norm as the greatest insult and reputation ruiner (Elgstrom, 2003; Niemann & Mak, 2010; Quaglia & Moxon-Browne, 2011). In order to avoid this, certain compromises and concessions from the national interests may be made. This argument is valid also for the effectiveness norm, which requires that issues of common EU interest are progressed no matter the national salience of the topic for the member-state holding the Presidency. The more of these 'big deal' issues (treaty amendments, financial frameworks, enlargements, etc.) are adopted during the mandate, the higher esteemed the Presidency is. The fact that Presidency overviews show that compliance with these norms is relatively high even in EU skeptical countries is a solid argument on the side of the sociological approach.

Nevertheless, as mentioned in the introductory paragraphs of this chapter both logics of Presidency's behavior are not contradicting to one another and diametrically opposite. As the above presentation of the key elements of both theoretical perspectives shows some factors influencing Presidency performance exist in both argumentations while those which differ cannot be defined as completely independent. As Katzenstein et al (1998) argue the difference in the rational and the sociological branches of institutionalism comes mainly from the focus point. While the former stresses on the preferences of actors, the latter put emphasis on the origins of these preferences. Indeed most of the interests outlined by the rational approach as guiding behavior can be explained with sociological arguments. However, when these preferences are already set, the rational logic stating that actors behave according to their interests has strong explanatory power. Acknowledging on one side the core purpose of this thesis to define the main determinants of the Presidency success, and on the other the strengths and weaknesses of both theoretical perspectives, the sociological approach provides the more appropriate theoretical framework. In order to measure the effect of each variable on the Presidency success mainly by qualitative methods a theory that accounts for the origins of these variables would be more productive. Furthermore, recent studies find no evidence in the claim that the member-states holding the Presidency of the EU, especially after the 2004 enlargement, exploit the office in pursuit of



their national interests (Lempp & Altenschmidt, 2008; Niemann & Mak, 2010; Batory & Puetter, 2012; Alexandrova & Timmermans, 2013), which further solidifies the arguments of the sociological approach.

## Hypotheses

In the following paragraphs four assumptions about the main determinants of the Presidency success are presented. While the concept and measurement of success are operationalized and clarified in the Research design chapter, for the better understanding of the hypotheses it is important to stress that this thesis examines Presidency success as perception of the different stakeholders ranging from general public to policy analysts and experts (more on this on p.25 and 26). These hypotheses are derived from the theoretical provisions of the sociological institutionalism.

First of all, we acknowledge the theoretical possibility that none of the factors presumed to determine the dependent variable actually possess explanatory power. This situation may occur either due to totally inappropriate selection of theoretical framework or by omission of a key variable that happen to be of greatest significance for the occurrence of the examined phenomenon. As the Lisbon Treaty changed substantially the institutional setting regarding the Presidency a factor of such characteristics, which had not been observed before and thus not accounted for in the literature, may have appeared. However, the lack of causal covariation between any of the independent variables and the dependent one in this research is highly unlikely due to the careful literature review and theoretical framework selection, but nevertheless, a null hypothesis is presented for the sake of academic accuracy:

H0 (null hypothesis): *The success of the Presidency is not influenced by any of the independent variables.*

The first and most tangible variable assumed to determine success is simply to measure how many of the initially set goals have been attained at the end of the office. Before taking the office every Presidency prepares a programme with its priorities and intentions for the term, which is its official agenda. As the logic of appropriateness implies these priorities reflect the identity that the Presidency will pursue and that is why the Presidency would put maximum efforts in their implementation. It should be admitted that rational institutionalism would also suggest agenda implementation as a variable for Council success as the agenda is a powerful instrument for promoting national preferences on EU level and thus each member-state would use it. As figure 1 at the end of the section reveals there is obvious interrelation between the first and some other variables. First, as the European Council is the setter of the informal EU agenda it is supposed to influence the Presidency agenda, which in turn is the departure point in the measurement of agenda implementation. Second, the third variable – success in negotiations with EP, also has implications on the agenda implementation as the bargaining with the EP is part of the legislative process. This means that potential low level of the third variable may result in a low level of the first variable. However, the way of measurement of the third variable ensures that the success in negotiations is assessed in terms of proximity of the outcome to the initial positions, which has very little to do with the agenda implementation (which would not have been the case if success with the EP was measured as number of percentage of adopted dossiers from all negotiated with EP pieces of legislation). The different measurement limits the risks of interrelation bias of the results of both hypotheses. After this clarification, the first hypothesis can be drawn up:

*H1: The greater the implementation of agenda priorities, the more successful the Presidency.*

Another crucial variable that affects the success of the Presidency is its ability to coordinate its actions with the two newly established permanent offices – the President of the European Council and the High representative of the EU for foreign affairs and security policy. Collaboration with these institutions is important because they can exert significant direct and indirect influence on the work of the Presidency as they perform the same presiding functions within the same set of actors. Considering the role of the European Council to set the general political directions and priorities of the EU, which is the so called ‘*informal agenda*’ (Wessels, 2011), a lack of coordination may result in substantial differences between the ideas of the Heads of States and the formal agenda of the decision-making actor (the Council), which may tremendously affect the public perception of the Presidency success in achieving its priorities. What is more, it will undermine the pro-EU identity of the Presidency as its work would be perceived as not matching the direction set by EU leaders. As far as the High representative is concerned, this office performs the same functions as the Presidency, on top of that within the same institution, just in a different configuration. This mere intra-institutional connection determines the interdependence of both offices in terms that the High representative’s opinion should be taken into account in the preparation of the Presidency programme in order that a smooth run in the closely scrutinized FAC is ensured. In this sense, a close coordination between these two institutions is likely to prevent potential negotiations obstacles and gridlocks during the Presidency term. However, for the sake of precision in the analytical and conclusion sections, I split the second hypothesis to two sub-hypotheses, each concerning the interaction of the Presidency with a single actor:

*H2.1: The closer the coordination with European Council, the more successful the Presidency.*

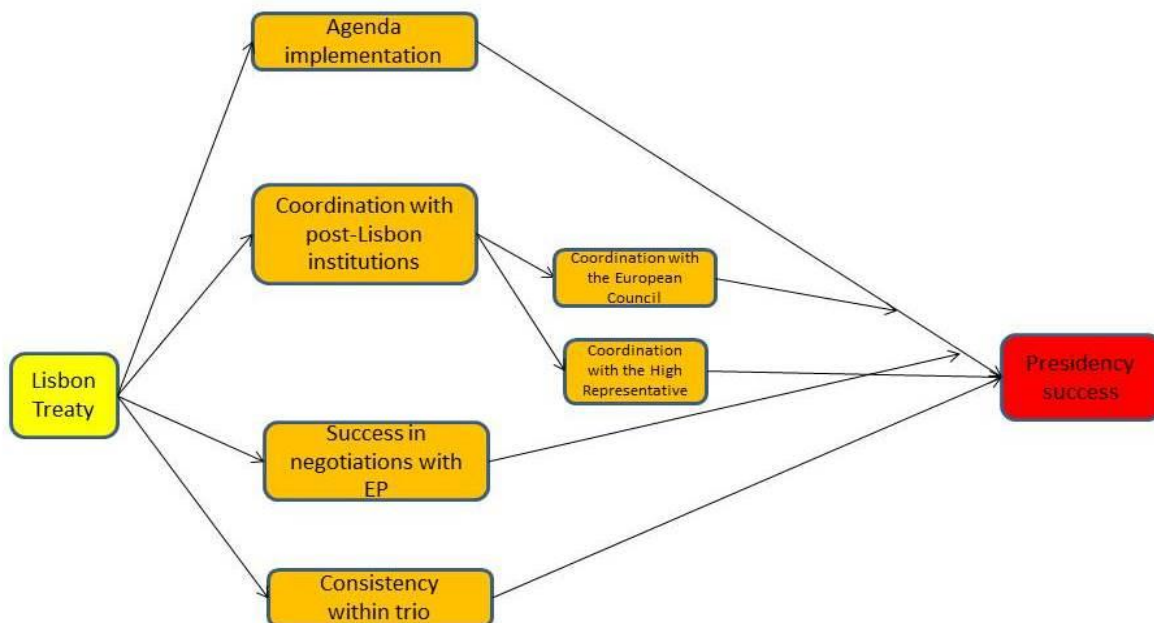
*H2.2: The closer the coordination with FAC, the more successful the Presidency.*

Within the current legal order of the EU the European Parliament has equal decision-making powers compared to the Council in most spheres. This means that policy outcomes depend heavily on the consensus between both institutions. Farrel and Héritier (2004) argue that mediating actors like the Council Presidency influence policy outcomes having an important role throughout the negotiations between decision-makers. This refers to the so called ‘early agreement’ procedure, facilitating the adoption of legislative proposals after a single reading in the EP. These interinstitutional negotiations do not follow the formal co-decision procedure but take place in informal ‘trilogues’ consisting of a few representatives of each institution. The Council is represented by members of the Presidency which means that the latter is responsible for conducting the negotiations with the Parliament. Thus, the bargaining skills of the Presidency vis-à-vis the Parliament become a key variable affecting the policy outcomes and in this manner determining the overall success of the Presidency. The Parliament is widely regarded as a promoter of European citizens’ interests in particular, and of deepening the integration process more generally. That is why, from a sociological perspective, a closer cooperation with the EP would move the Presidency towards a more pro-EU identity and would increase its public support. Thus, the following hypothesis is formulated:

*H3: The more successful the Council is in negotiations with EP, the more successful the Presidency.*

However, even in the cases where the ‘early agreement’ procedure works successfully, almost no piece of legislation can be adopted within the term of the same Presidency that received the initial Commission proposal (Farrel & Héritier, 2003; Costello & Thomson, 2013). This means that if a Presidency prioritizes in its agenda issues that are considerably different from those from the agendas of preceding Presidencies, its chance to end its term with these issues adopted as legislation is negligible. As the logic of appropriateness implies the actors’ behavior is shaped and conceptualized as stemming from the norms and beliefs embedded in the institution (in this case – the Presidency office). This means that Presidencies would pursue a performance consistent with that of other Presidencies so that they are not perceived as behaving outside the accepted norms of the institution. That is why the level of consistency of Presidency’s work with that of the previous ones is also a key determinant of the success of its performance. If the problem about the number of Presidencies considered relevant for the consistency may have existed before, after the official introduction of the trio format by the Lisbon Treaty this is no longer the case. The evolving practice of preparing a common trio agenda and priorities provides with the necessary benchmark for analyzing consistency. In this line of argument the fourth hypothesis about the Presidency success is:

*H4: The greater the consistency within other trio members, the more successful the Presidency.*



**Figure 1. Factors influencing Presidency success after the Lisbon treaty**

Figure 1 presents an overview of all the independent variables assumed to determine the success of a Presidency with the potential points of interaction between them taken into account.

## Research Design and operationalization

### Research design

Generally, in science the best way to determine what the effect of a factor (or factors) is on a given phenomenon is to conduct experiments (Buttolph, Johnson & Reynolds, 2008). The latter provide opportunity to change the extent of exposure of the dependent variable to the independent and allow to control for interference effect of other factors, which makes determining causal correlations more accurate. However, in cases when the researcher does not possess the power to change the independent variables an experimental design is inapplicable. As this is the case with the topic of analysis of this thesis, the selected research design is non-experimental. Although the success of the rotating Council Presidency of the EU is the dependent variable in this thesis project, the main unit of analysis is the Presidency itself. This means that there are several identical in its essence units of analysis which provide the opportunity to examine the interaction between the independent and dependent variables. That is why, a comparison between more units of analysis rather than just an examination of one, will mean that the theoretically based hypotheses can be tested in more than one case. All this will result in greater explanatory power of the research findings. Thus, this thesis is designed as a non-experimental comparative case study.

### Data collection

Every presidency wants to be remembered as a 'good' presidency (Lempp and Altenschmidt, 2008). That is why presidencies make big efforts to provide publicly information on their agenda so that their problem-solving ambition, EU-engagement and leadership aspirations are made clear. Hence, an important data source will be the websites of the Presidencies, which contain their detailed programmes and priorities, as well as the Joint trio programme. Moreover, publications and reports issued by departments within national governments and EU institutions are used as a source for quantitative data. However, in order to determine the success of the Presidency in the negotiations with the European Parliament, given legislation dossiers are tracked throughout the whole decision-making process. Information about the initial negotiation positions of both the EP and the Council are available in the Meeting reports and documents of the relevant EP Committee. The procession of legislation to a second reading or a trilogue can be traced at the Legislative Observatory – the EP database for monitoring the decision-making process. As far as the decision-making outcomes are concerned, the whole set of adopted legislation for a given period is present in the Monthly summaries of the Council acts, which are accessible at the Council web page. The adopted pieces of legislation are significant for the data analysis in two directions. First, they are referred to the priorities from the Presidency Programme, revealing to what extent the agenda was implemented. Bearing in mind the fact that the whole decision-making cycle of legislation dossiers is longer than the term of the Presidency, the analysis will account for whether the Presidency acted with the inherited dossiers according to its priorities. The second direction in which policy outcomes are analysed is assessing whether they reflect more the initial position of the EP or the Council. As far as the consistency within the trio-group is concerned, data will be gathered from the official common and individual programmes as well as the media reports about interactions between Presidencies.

The major problem in front of the process of data inquiry and analysis is the political sensitivity of the issue. This might result in politically nuanced assessments of the presidencies by other EU institutions and politicians. Public speeches and opinions will be examined with their subjectivity taken into account, but their relative weight for the analysis will be minimized. Another risk is that information about failures of closing dossiers might be limited. However, a thorough examination of the initial presidency agenda would detect all issues and then will serve as a basis for comparison about the outcomes so that the risk of missing the ‘unsuccessful’ stories would be reduced significantly.

### Within case analysis

The analysis is structured in a time-consistent way, examining the three Presidencies individually in their chronological order. This approach is chosen because it provides opportunity to explore the processes and mechanisms running during each Presidency in their logical causation and comprehensiveness. Within each case the analysis follows the successiveness logic of the hypotheses presented in the theoretical framework. At first place, a measurement of the dependent variable based on the indicators explained in the Operationalization chapter is performed for the respective case. Then data analysis is conducted in order to measure the level of each independent variable for each case. For comparative reasons this assessment the score of every independent variable is put on a four-grade scale consisting of the following grades – limited, medium, substantive, high, with the level of the variable being higher in each successive grade, as the semantics of the words suggest. There is no zero grade because it is practically impossible that an independent variable has a value of zero in a case due to the institutional conditions of the EU and the fact that the Presidency office does not possess full control on any of them. The cut-off lines between these grades are presented in table 1 at the end of the chapter. In this line of argument, the ‘*limited*’ and ‘*medium*’ scores are referred to as negative scores of the independent variables, while the ‘*substantive*’ and ‘*high*’ – as positive. This dichotomous classification is important so that an assessment of the correctness of each hypothesis for each case can be made unambiguously.

### Cross case analysis

Immediately after the three independent within case analyses, a cross-case analysis of the results of the hypotheses testing is conducted. The objective is to compare the individual sets of findings and conclude about the validity of the assumptions on a wider basis. Any general patterns of covariation and causal mechanisms across the different cases are identified and eventually explained.

### Case selection

The selection of cases that will be put under analysis in an attempt to test the outlined hypotheses is relatively limited. First, the format of the trio Presidency of the Council is a new phenomenon. Although ambitions and signs of cooperation between Presidencies is traceable back to the consecutive holds of Germany, Portugal and Slovenia in 2007 and 2008, the formal institutionalisation of this mechanism happened with the Lisbon treaty letting the term of the first trio-group start in January 2010. By the mid 2014 the third trio will have finished its term. However, due to the aim of this project to examine Presidencies’ success not only in isolation, but within the complete institutional context of the post-

Lisbon era, part of which is the trio format, and because of the comparative approach that will be used, a trio group of Presidencies that has already ended their terms by the beginning of the work on this thesis is needed. This limits the selection to only two 18-month Presidencies – Spain, Belgium, Hungary or Poland, Denmark, Cyprus, of which the second one is chosen because of three main reasons.

First, the responsibilities of the trio, except from the obligation to cooperate in the adoption of a common working programme, are not explicitly specified anywhere in the Treaties or in any act of secondary legislation. This provides every Presidency with significant leeway in its approach to fulfilling this task. That is why the first trio group after the Lisbon Treaty was likely to encounter difficulties in its attempts to find appropriate forms and extents of the intended cooperation (Batory and Puetter, 2013). In this perspective, analysing the very first trio Presidency might decrease the external validity of the findings because in the long term it may not turn to be a ‘typical’ example but rather experimental and adjusting one. The chances that the second 18-month Presidency might have drawn lessons from its predecessor’s term or implemented the criticism it has received are more significant, which justifies the case selection.

Second, Denmark and Poland are not part of the Eurozone and there are good reasons to assume the Cypriot influence in the decision-making process concerning the Eurozone was negligible at the time. On the one hand, as already discussed in the theoretical framework section, from a sociological point of view the relatively small size of the Cypriot economy determines a low-profile negotiation behavior. On the other hand, and more important, because of its sky-rocketing debt since the mid 2012 Cyprus has been heavily dependent on a loan from the European Stability Mechanism and respectively on all other Eurozone members, a situation further implying a non-obstructive voting behavior in Ecofin. Meanwhile, during the Presidency term (2011-2012) the debt crisis within the Eurozone reached its peak and the topic was undoubtedly on top of the EU political agenda. By clarifying that none of the members of the trio was actively and directly occupied with Eurozone matters, we can control for this strong factor that probably influenced the functioning of the Presidency and measure more accurately its success based on the other identified factors (perceptions).

Third, Denmark, Poland and Cyprus give optimal representative power of the findings of this research. Denmark is a small member-state with considerable experience in holding the Presidency office and thus an administrative capacity, while the other two are new member-states with no previous experience. However, it can be argued that a big member-state like Poland possess the needed administrative capacity to run the Presidency with little outside assistance (Kaczynski, 2011), while the capabilities of the public bureaucracy in Cyprus can be considered limited for the needs of the Presidency office (Passas and Katakalous, 2012). A further boost for the external validity of the analysis stems from the different political, economic and geographical backgrounds of the three countries. Denmark is a country with long-standing democratic and market economy traditions, while Poland is an example of post-communist Eastern European country. Meanwhile, Cyprus is a Mediterranean island that has been under British administration until 1960 and functioning independently since then, although torn apart from ethnic conflicts. All this means that the three countries from this trio-group differ almost as significantly in their country characteristics as any EU member-states could possibly do. This justifies further the case selection for this thesis.

## Internal validity

Having already mentioned the significant scientific and practical relevance of this research project, a further discussion of its validity is required. In other words, argumentation whether the findings of this analysis can be considered reliable enough in order to be referred to. First, I will discuss the internal validity of the thesis, which corresponds to the extent to which it can be inferred that a causal correlation exists between the independent and the dependent variables. One possible risk for the internal validity when determining the Presidency success is that not all potential factors are accounted for. Except for the included in the theoretical framework independent variables, Presidency literature points one more set of factors – the domestic politics (Johansson, Langdal & Sydow, 2012). However, as the domestic political environment is a multi-aspect factor which comprises variables like political and party system, veto points, civil society strength, etc. with each of them varying significantly across Presidencies, domestic politics can hardly be taken into account in only few hypotheses within this thesis. This suggests that domestic political factors are more appropriate to be a matter of a separate research. Furthermore, the thesis examines the current situation, taking into account the amendments introduced with the Lisbon Treaty and their influence on the success. It can be argued that the domestic political factors have not been affected by the Lisbon Treaty and thus their influence on the Presidency success remain the same with the period before Lisbon, which is beyond the scope of this research. The other major challenge in front of the internal validity of this thesis is a possible interaction between the independent variables, which may hinder the precise estimation of the extent of influence of each of them. This problem can be partially neutralized by tracking the variables one by one throughout the term of the Presidency and analyzing the changes they are subject to. This means that an independent variable will be analyzed with the others being controlled for and thus restricting their potential interference.

## External validity

The second validity aspect that should be discussed is the external validity. This means whether the findings of the research possess explanatory power to all similar cases, or in other words, can they be generalized as representative for the entire population of cases. As the unit of analysis is the Council Presidency and the conditions setting the framework of analysis are those established after the entry into force of the Lisbon Treaty, the entire population of cases consists of eight completed Presidencies. Starting from January 2010 Spain, Belgium, Hungary, Poland, Denmark, Cyprus, Ireland and Lithuania have consecutively held the office. By examining three out of eight cases, this research accounts for 37,5% of the population, which provides a solid basis for generalization of the findings. It should be admitted that as the number of completed Presidencies will increase by one every six months, the percentage of representativeness will decrease as well as the external validity. However, the research objective of this thesis is not to so much to predict future patterns of behavior but to explain existing causal mechanisms and make sure they would have occurred if other cases of the population have been analysed instead. Besides the high percentage of representativeness, the strong external validity is ensured by using the method of replication – conducting the test of the hypotheses more than once. This makes possible that the influence of some case-specific factors is controlled for in the overall conclusion of the findings, if those factors prove irrelevant or insignificant in most of the cases.

All in all, it may be concluded that the thesis possess considerable external validity but also minor flaws in its internal validity. However, this is a result of deliberate choice of a comparative case study research design rather than in-depth cross-sectional one-case analysis. This choice has been made in accordance with the research objective to analyze the Presidency office in its characteristics as an individual actor in the EU institutional setting rather than just an instrument at member-states' disposal which they can use as they wish.

## Operationalization

The test of the hypotheses, which is to be conducted in chapter five, includes examination of whether there is a covariation between the values of the independent variables and those of the dependent one in the assumed direction. However, in the case of this research most variables are abstract and thus hardly measurable without further specification. Concepts like '*success*', '*implementation*', '*coordination*', '*successful negotiations*' and '*consistency*' cannot be expressed in numbers. However, in order to express in a comprehensive and comparable manner the differentiation in the levels of those abstract variables, all of them are measured on a four-level scale indicating respectively '*limited*', '*medium*', '*substantive*' and '*high*' level of performance. Word concepts but not numbers are used so that no confusion is generated that qualitative measurement is done with quantitative instruments (if the scale was, for example, '1,2,3,4'). That is why in the following paragraphs all variables are operationalized in a more tangible manner, appropriate for the purposes of the analysis.

First, the dependent variable '*success of the rotating Council Presidency*' needs explanation and operationalization. Generally, the semantics of the word '*success*' implies the degree to which goals are achieved. It should be distinguished from '*efficiency*' which accounts not only for the successful accomplishment of an objective but also for the costs of the process and its productivity rate – aspects that are beyond the scope of analysis of this thesis. However, if the goals are multiple, it becomes clear that the overall success depends on the successful accomplishment of each of them. In this line of argument, the success of the Presidency is an aggregate variable combining the success of every one of the objectives of the Presidency. As far as these objectives are concerned, they have been outlined in the theoretical framework through the sociological approach.

However, no Presidency has ever set purely quantitative goals for two reasons. First, numbers can rarely express accurately the complex developments in politics, where sometimes an informal political agreement means more in terms of progress than the actual signing of a legislative act. Second, quantitative data provides fewer opportunities for politicians to interpret the policy developments in their own interest. That is why the success of goal achievements of Presidencies is based on subjective measures rather than objective, tangible indicators. This means that the data about it is often nuanced through the perceptions of the people providing it. Generally there are three main groups of people that may assess Presidency success – politicians, analysts and other stakeholders (EU institutions officials, Presidency employees, NGOs, business). In order to increase the validity of the measurement this thesis relies on both data and methodological triangulation. The former refers to the use of different data sources so that a larger representativeness of the results is ensured. In this case the two indicators reflect the opinions of the second and the third of the above mentioned groups. The reliability of the



opinions of politicians is considerably low as they have most at stake when giving evaluations and their objectivity might be distorted by factors like reelection, keeping strategic relations, foreign affairs interests, political pressure, public image, etc. and thus their opinion is omitted for the analytical purposes of this research. The methodological triangulation, on the other hand, refers to the usage of various methods of data gathering. The first of the indicators would rely on the conclusions of extensive analytical works, while the second – on survey answers.

The first indicator of Presidency success comes down to the conclusions made by academic scholars, public policy analysts and experts from think-tanks and other NGOs. In this thesis they are presented only as the single final assessment each of these works makes about the respective Presidency. Even despite the subjective factor that the author of the thesis determines this final assessment (based on the whole text) of each analytical work, it should be emphasized that the measurement is done by the analysts/scholars themselves and only summarized by the author. The second indicator measures success of the Presidency on the basis of survey results among different stakeholders. Those surveys have been conducted on demand by the ministries of foreign affairs of the respective countries holding the Presidency as a part of their final reports of the results of the Presidency. However, if mismatches between the results from both indicators occur, an explanation for it will be provided and based on this the final measurement will be provided with the opinion of the author of the thesis included.

Concerning the first independent variable – *'implementation of agenda'*, it basically signifies the progress of legislative dossiers indicated in the Presidency programme. The indicators here are two, the first being the number of Acts adopted by the Council related to the agenda priorities. The Monthly Summary of Council Acts database will be used, which keeps track of every piece of legislation adopted during the Council meetings as well as the official Report of the MFARP on the Polish Presidency. These sources provide considerable measurement reliability because they are official documents issued by public institutions. However, the validity may turn problematic due to the fact that although there might be some legislation adopted in certain area it may be more of symbolic significance and not affect de facto the policy situation in the direction indicated in the Presidency priorities. That is why a further qualitative analysis of the adopted measures will be performed based on the second indicator, namely – salience for the Presidency. The measurement logic is the following - the higher on the Presidency agenda an issue is, the more salient for the Presidency it is. Yet, a potential validity problem of this measurement of the implementation is the already mentioned fact that a dossier may need more procedural time than the six-month term of the Presidency in order to be adopted, though most of the negotiation work may be done during its mandate. That is why an assessment of the progress of the dossiers concerning the top priorities of the Presidency should be made separately and taken into account when the conclusions to what extent the agenda was implemented and how this affects success are made.

The independent variable *'coordination'* with the European Council and the High Representative is operationalized in lines with Kaczynsky's definition of an effective brokerage of a Presidency in the post-Lisbon era stating that *'the Prime Minister's and the Foreign Minister's activities are supportive to that of Mr Van Rompuy and Lady Ashton'* (Kaczynsky, 2011). This means that in order to determine the coordination between the rotating Presidency and the other institutions, the extent of support and

agreement between them should be measured. This happens through examination of one common and several individual indicators. The common one refers to the level of overlap between the Council Presidency agenda and those of the other two institutions. The greater the overlap, the more supportive the coordination and vice versa. However, as Alexandrova and Timmermans (2013) point out, there are two directions of agenda setting influence between the rotating Council Presidency and the European Council. The first being the already introduced as a common indicator 'uploading' of agenda issues from the Presidency, the second, 'download' agenda transfer, refers to the extent to which the Presidency sticks to the guidelines written in the European Council Conclusions, which are perceived as the informal agenda with general policy prescriptions for the whole EU (Werts, 2008). This can be measured by determining the key recommendations after each European Council and then tracking their implementation by the Presidency. The third indicator is the number of meetings between the President of the European Council and Presidency representatives as well as level of communication between both institutions. As these meetings and intensive communication through official channels and media are aimed at facilitating agenda synchronization, it is obvious that the more of them occur in a Presidency mandate, the more support it demonstrates towards the European Council. Overall, the measurement validity of the variable is significant because the indicators focus precisely on coordination matters. In front of the reliability there is a challenge because it may turn difficult to determine whether there were cases of deliberate agenda 'upload' or 'download' or they resulted from external processes and coincidence of mutual preferences.

One indicator measuring the relations between the Presidency and the High Commissioner is the number and type of occasions (meetings, official visits, conferences other events) in which the Foreign minister of the presiding member-state has represented (replaced) the High Commissioner. These include formal meetings with third parties and participation in the plenary sessions of the European Parliament. Another indicator is the relations that they demonstrate in their public announcements and speeches. However, the former indicator can be empirically measured as the cases can be counted and classified, while the latter relies entirely on qualitative assessment of the statements of both offices. As the two indicators encompass both the practical and verbal forms of interaction between the Presidency and the High Representative, it may be concluded that the measurement is comprehensive and thus its validity is quite solid. In terms of reliability this type of measurement relies on only formally recorded data and as long as the verbal interactions can be assumed as sincere rather than hypocrisy, the claim of relatively strong reliability is well-grounded as well.

The third independent variable in this research is the success of the Council in the decision-making process vis-à-vis the European Parliament. Although the concept 'success' is rather abstract, putting it into relative terms makes it more tangible. In the context of this thesis it comes to express to which initial position the final policy outcome is closer. However, an analysis of the negotiations of all legislative acts adopted during each Presidency is such a labour-intensive work that it can be subject of a whole thesis alone. Furthermore, all the dossiers formally concluded under a given Presidency term had been fully or partially negotiated by a previous Presidency. That is why the analysis for each Presidency will be on data from one legislative issue, which has been identified as a flagship dossier and top priority of the respective Presidency. Information about the position of the EP to every Commission proposal is available at the Legislative Observatory database of the EP. However, the corresponding data for the

Council is not always publicly available and missing information should be gathered through media publications search, which is a potential problem to the reliability of the measurement. On the other hand, a risk for the validity of this qualitative measurement method is the fact that not all amendments that each side insists for are equally salient. This may harm the conclusions on which position is closer to the final outcome because not only the number of compromises made during negotiations is important, but also their relative weight. That is why only texts concerning the most salient and controversial issues of the respective dossier will be analysed.

The fourth independent variable also needs clarification and operationalization. In its most common meaning '*consistency*' indicates perseverance or constancy (Oxford dictionary, 2010). However, in the context of this thesis it is conceptualized closer to its second meaning - as logical consecution of actions. In this sense, I use '*consistency with other trio members*' as a concept showing the level of policy continuity between single Presidencies in a trio group. If a Presidency of the Council follows relatively similar line of policy priorities to those of the other two trio members and it does not have a contradictory behavior compared to their actions, then it may be claimed that this Presidency performs in a consistent manner. The measurement of consistency is conducted through two indicators. The first stands for the number of priorities from the Joint Trio Programme that can be found in the individual Presidency agenda. As both types of programmes are official and publicly available and the indicator allows for empirical measurement, its reliability is considerable. On the other hand, the measurement validity is bolstered with the introduction of the second indicator, i.e. interactions with other trio members. Batory and Puetter (2012) use this indicator as a valid measurement of the coherence of the trio because it encompasses all types of communication and interaction that imply collaboration rather than individualism, which include official and unofficial meetings of Presidencies, forms of experience exchange, common symbols like logo, website or slogan, etc.).

Variable	Indicators	Scale	Description
Presidency success	1. Opinion of analysts, scholars, experts  2. Surveys among stakeholders	Limited	The Presidency was perceived as completely unsuccessful.
		Medium	The Presidency was perceived unsuccessful in general but several successful stories can be pointed.
		Substantive	The Presidency was perceived as successful in general but major failures were admitted in some areas.
		High	The Presidency was almost completely successful.
Agenda implementation	1. Number of Council Acts adopted  2. Salience for the Presidency	Limited	The adopted acts differ completely from the Presidency agenda with the exception of the unavoidably progressed acts.
		Medium	The adopted acts are partially consistent with the Presidency agenda both in terms of policy areas covered and content of the acts.

		Substantive	The adopted acts are in lines with the Presidency agenda but not enough in terms of content.
		High	The adopted acts are as close as practically possible to the Presidency agenda.
European Council Coordination	1. Agenda 'upload' 2. Agenda 'download' 3. Contacts and interaction	Limited	The Presidency achieved no more than the unavoidable level of coordination.
		Medium	The Presidency did not manage to upload and downloaded issues selectively from the European Council.
		Substantive	The Presidency uploaded some minor issues and downloaded most of the decisions taken at the European Council.
		High	The Presidency coordinated its actions as much as possible with the decisions and actions of the European Council.
FAC/High Representative Coordination	1. Agenda 'upload' 2. Number of representations 3. Public communication	Limited	The Presidency achieved no more than the unavoidable level of coordination.
		Medium	The Presidency achieved some coordination but kept traceable individual imprint on foreign affairs.
		Substantive	The Presidency had minor differences in agenda and communication but generally acted in coordination.
		High	The Presidency coordinated completely its actions with these of the High Representative and the FAC.
Success vis-à-vis EP	1. Match between the initial position and the final outcome	Limited	The Presidency did not manage to promote almost any of the Council preferences to the final act.
		Medium	The Presidency witnessed the Council position partially incorporated in the final act.
		Substantive	The Presidency managed to promote most of the Council preferences in the final act.
		High	The Presidency promoted successfully the position of the Council as much as practically possible.
Consistency with trio members	1. Agenda 'download' from the Trio Programme 2. Interaction with trio members	Limited	The Presidency achieved no more than the unavoidable consistency.
		Medium	The Presidency put efforts to achieve some consistency but more of a symbolic character.
		Substantive	The Presidency tried deliberately to achieve consistency and managed to do

			so reasonably.
		High	The Presidency achieved as big consistency as the conditions allowed.

**Table 1. Summary of variables and indicators**

Table 1 provides a systematic presentation of all the key concepts used in this research, the respective indicators that are used for their measurement and the scale on which each of them is assessed. The last column presents description of what each level mean for each variable, thus drawing the cut-off line between the grades.

## Case analysis: Poland

This chapter presents the analysis of the Polish Presidency – the first member of the trio. In the first section a brief overview of the historical and political background of the Presidency is provided so that its proper context is understood. At the next stage the dependent variable Presidency success is measured for the Polish case and then the analysis follows the hypothesis-by-hypothesis structure of the theoretical framework. At the end of the chapter, conclusions regarding the correctness of the assumptions for this case are drawn.

### Background

The Polish Presidency of the Council of the EU ranged from July 1<sup>st</sup> to December 31<sup>st</sup> 2011. It was the fourth Presidency in the post-Lisbon era as well as the fourth that a member-state from the Eastern enlargement had held. This provided Polish authorities with the opportunity to take lessons from other Presidencies<sup>2</sup> and build on their experience. Although reports from the Presidency preparation activities<sup>2</sup> indicate that Polish administration had studied in detail previous holds of the office (MFAP, 2012), this alone is not enough to claim that that Polish Presidency followed a path dependent trajectory. On the contrary, coming from the sociological approach a Presidency chooses its role and behavior in accordance with the image it aspires to build. In the case of Poland that image was of an active pro-EU Eastern European leader (Kazcynski 2011, Pomorska 2012). Evidence for this claim may be found in the total budget allocated for preparing and running the Polish Presidency – € 107.5 mln, which was two-three times more than the sum provided for preceding holds of the office (Tokarski, 2011) as well as the total number of people working for it – 1200. This implies that the Polish Presidency was not short of staff, budget or commitment and the perceived success depended entirely on its management. This contrasted to the low-profile preceding Presidencies of Belgium and Hungary, which acted as administrators with no distinguishable national goals and ambitions. However, the Polish high aspirations derive from two factors that should be clarified before the analysis of the Presidency performance takes place.

First, from geographic, demographic and economic point of view Poland may be considered a 'large' EU member-state as it ranks among the top six by area, population and GDP in the EU<sup>3</sup>. These figures are perceived in Poland as implying active engagement with the high EU politics and a leadership rather than a follower role (Copsey and Pomorska, 2010). In times of economic and trust crises when usual EU leaders Germany and France were far less decisive in their actions, there was room for another EU integration motor, which the strongly pro-EU Poland intended to fill. This perception has been strengthened by the fact that Poland is by far the largest member-state from the 2004-2007 enlargement and often described as the political and economic leader of post-communist Central and

---

<sup>2</sup> 'Programme of preparation of the Republic of Poland to take up and carry out the Presidency of the EU Council', Council of Ministers, 13 January 2009

<sup>3</sup> EU member countries, European Commission 2014, [http://europa.eu/about-eu/countries/member-countries/index\\_en.htm](http://europa.eu/about-eu/countries/member-countries/index_en.htm)

Eastern Europe. In this light Polish ambitions for their first hold of the EU Presidency office exceed those of its predecessors and thus the latter's line of behavior cannot be strictly followed by the Poles.

The second factor determining the ambitious image that Poland was pursuing during its Presidency term is the high expectations from the other member-states resulting from the surprisingly solid performance of the Polish economy during the 2008-2010 global economic crisis. Poland was the only EU country that kept positive economic growth during this period and was widely regarded as the “*green island*” of economic success within the EU. While recession in EU averaged 4.5% in 2009, Polish economy kept growing with 1.6% on annual basis (Figure 2). All this created perception of Poland as a country with resistant and dynamic economy driven by sound policies – an image contrasting from its previous one of a post-communist transition economic and political environment. That is why Polish ambitions were aimed at consolidating this identity and proving their de facto progress, for which the driving seat of the EU Presidency presented excellent opportunity.

Member State	GDP growth rate
EU 27	-4.5
Belgium	-2.8
Bulgaria	-5.5
Czech Republic	-4.5
Denmark	-5.7
Estonia	-14.1
Germany	-5.1
Ireland	-6.4
Greece	-3.1
Poland	1.6
France	-3.1
Italy	-5.5
Spain	-3.8
Portugal	-2.9
Malta	-2.8
Slovenia	-7.9
Hungary	-6.8
Slovakia	-4.9
Austria	-3.8
Cyprus	-1.9
UK	-5.2
Latvia	-17.7
Lithuania	-14.8
Luxembourg	-5.6
Romania	-6.6
Sweden	-5.0
Finland	-8.5
Netherlands	-3.7

Figure 2. Annual GDP growth rate for 2009; Source: Eurostat

However, these specific conditions surrounding the Polish Presidency should be considered in terms of one significant restriction. As Poland is not a member of the Eurozone it cannot preside nor even attend the meetings of the Eurozone ministers of finance where political decisions on the EU economic issues are de facto taken. In a situation where the greatest challenge for the whole EU – the Eurozone debt crisis, is an internal problem, the Presidency cannot take part in its resolution (Kazcynski, 2011). This fact significantly limits leadership and maneuvering possibilities of the Presidency to affect policy outcomes in this sphere and thus to contribute to the overcoming of the biggest challenge.

## Priorities

The starting point of analysis of a Presidency performance is examination of its agenda (Table 9, Annex I). The Polish Presidency officially announced three major priorities - European integration as a source of growth, a Secure Europe and Europe Benefiting from Openness (MFAP, 2011a). Within the first of them, economic growth is aimed to be achieved by the Presidency 'through the development of the Single Market' (MFAP, 2011a) and using the EU budget. The latter includes both the 2012 annual EU budget and the Multiannual Financial Framework 2014-2020 (MFF). It is namely the negotiations on the MFF that are put on first place of the action plan of the Polish Presidency, followed by specific actions aimed at deepening the Single Market, i.e. development of the digital service integration, removal of online transactions barriers and reduction of roaming costs. Helping the small and medium enterprises to get access to capital markets and venture funds and finalizing the patent system rank next in the agenda under the first priority. At its bottom are placed actions for development of the intellectual capital of EU, particularly via research and innovation policies, as well as modernizing universities and adopting measures to facilitate youth mobility.

Under the second major priority – Secure Europe, the Polish Presidency rank highest in its agenda the strengthening of the economic governance of the EU both through the already existing tools like the Stability and Growth Pact and the European Semester, and adoption of new forms of regulation. Second comes the enhancement of the External Energy policy of the EU, which is followed by a dedication to finalize the Frontex Regulation in accordance with the Integrated Border Management strategy. Food security, and more specifically reform of the Common Agricultural Policy (CAP), is positioned at fourth place in the agenda of the second leading priority. At the bottom one can find the Presidency aspiration to work for strengthening the EU military and civilian capabilities in the context of the Common Security and Defence Policy of the EU.

As far as the openness priority is concerned the Polish Presidency emphatically put the development of the Eastern Partnership initiative on the top of its agenda. Making progress on the Association Agreements with those countries, leading to establishment of free trade area, visa liberalization and further sectoral integration are indicated implicitly in the Programme. At second place on the openness agenda the Presidency places the cooperation with the southern neighbor of the EU, most of which at that time experienced revolutionary events. The main focus is put to supporting establishment of democratic foundations and assisting development of civil society in the countries concerned. Enlargement policy is ranked third with emphasis put on finalizing Croatia accession and making progress on the negotiations with Iceland and the Western Balkans countries. A new cooperation agreement with Russia is also indicated in the Polish agenda. As a fifth priority the Polish Presidency

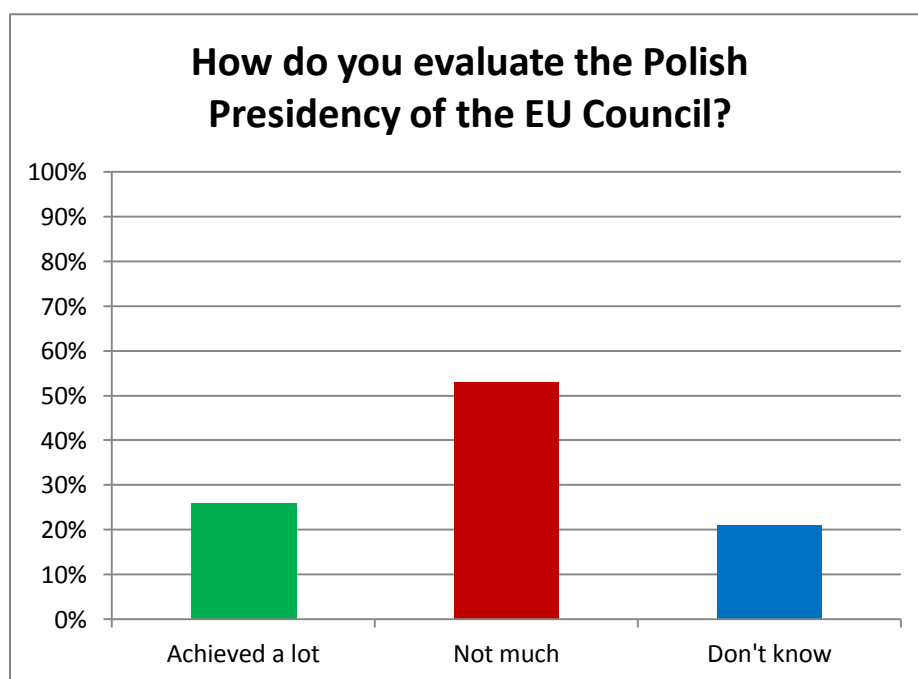


pointed the trade policy and more specifically the preparation of an agenda for the 8<sup>th</sup> WTO Ministerial Conference in December 2011. This is followed by expression of the intention to contribute actively to the preparation of the 2012 UN Conference on Sustainable Development.

## Analysis

### *The success of the Polish Presidency*

The results of the public opinion survey among the general Polish public (figure 3) reveal a clear picture of dissatisfaction from the Presidency performance. A total of 53% of the respondents believed that it had not achieved much success, while twice fewer people consider the Presidency successful. Partly this may be explained by the fact that the harsh EU economic and debt crisis reached its peak during the Polish Presidency and thus attracted the media and political attention at the expense of the first ever Polish Presidency. However, the most important reason for the dissatisfaction of the population from the Presidency performance must be rooted in the mismatch between the high expectations and the not so impressive, though considerable, results (Pomorska and Vanhoonacker, 2012). Although these two factors may account for some of the negativism of the Poles, the second indicator (Table 2) shows that the assessment of experts does not differ considerably.



**Figure 3. Evaluations of the Polish Presidency - survey results**

Source: Public opinion research center, January 2012,  
[http://www.cbos.pl/PL/publikacje/public\\_opinion/2012/01\\_2012.pdf](http://www.cbos.pl/PL/publikacje/public_opinion/2012/01_2012.pdf)

	Limited	Medium	Substantive	High
Scientific research	0	5	2	0
NGOs evaluations	2	2	3	0
Media analyses	1	5	5	1
<b>Total</b>	<b>3</b>	<b>14</b>	<b>10</b>	<b>1</b>

**Table 2. Summary of the Polish Presidency evaluations**

Much of the praise by scholars and analysts for the Polish Presidency is about its excellent administrative work within the different levels and working groups of the Council (Koszel 2012, Vandecasteele et al. 2013). The only highly positive evaluation came from one academic tutor in the University of Warsaw.<sup>4</sup> On the other hand, while NGOs evaluations and Media analyses provide wide ranging assessments of the Presidency success, the scientific research conclusions are far more consistent in their evaluations. It appears that Poland might have performed badly on some of the less obvious and more complex factors determining the success of a Presidency, which are object of examination only in extensive scientific works.

Although the two indicators show that the Polish Presidency did not achieve high success, the balanced results of the experts' evaluations suggest that the Presidency did not perform very low. Overall, it might be claimed that it was a Presidency with medium level of success, however, slightly closer to be unsuccessful than successful.

### *H1: The greater the implementation of agenda priorities, the more successful the Presidency.*

Having outlined the official agenda of the Presidency and the prioritization of the issues in it, an analysis of the first hypothesis, regarding the agenda implementation, may be conducted. As it is clear from the Monthly Summaries of the Council Acts database the whole Council activity during the Polish Presidency amounts to 54 legal acts, 58 conclusions and 61 decisions in total.

The Commission proposed the first draft of the MFF 2014-2020 in July 2011, which limits the possibilities of the 6-month Presidency to only explanatory activities well before the start of the real negotiations. Despite no Council acts were adopted on the MFF, the Polish Presidency achieved more than it was expected in Brussels as it not only organized information and discussion events and activities, but compiled a report about the expected difficulties in the negotiations on each issue. This document was later used by the Danish Presidency as a starting point for the bargaining process. The annual 2012 Budget was adopted on time (1<sup>st</sup> December 2011) with most Council members indicating relatively easier negotiation process with fewer deadlock situations compared to the 2011 Budget talks (Nowak, 2012). However, concerning the second priority from the growth agenda – the finalization of the Single Market, despite a fertile Council activity at first side, a more detailed examination shows that most of the acts were of symbolical meaning. Moreover, neither the relevant directive nor the regulation fall

<sup>4</sup> <http://eastbook.eu/en/2012/01/material-en/news-en/interview-katarzyna-pisarska-phd-summarises-the-polish-presidency/>

sunder the scope of the Single Market Act, which was the flagship initiative the Presidency indicated support for. Council conclusions show that some progress was made on the digital services dossier, reaching agreement between the EP and the Council on some of the problematic issues, while others like the location of the Headquarters of the Single Patent Court remained unresolved. Except for two conclusions of declaratory nature and a few public conferences, no progress can be tracked as far as the intellectual capital and youth mobility priorities are concerned.

In the field of the enhanced economic governance of the EU the second half of 2011 marks rapid finalization of the negotiations on a set of 5 regulations and 1 directive that become known as the Six-pack. Public announcements of the European Council<sup>5</sup> and EC members<sup>6</sup> suggest that it was the Presidency that played crucial role so that these acts of law are adopted simultaneously as a package deal on 13 December (Ebels, 2011). In terms of the Presidency priority to set the political environment for the start of negotiations about the external energy policy of the EU, the implementation reached high levels as well. Among the four Council decisions and one regulation on the topic, the key initiatives of the Polish Presidency that succeeded were, first, to reach an official agreement in the Council about the need for strengthening the external energy policy (Council Conclusions 17904/11), and second, to ensure that the Council mandates the Commission to negotiate the legal provisions of the construction of the Trans-Caspian gas pipeline with Turkmenistan and Azerbaijan. As far as the CAP is concerned during the Polish Presidencies 4 legal acts were adopted but neither of them related to the priority of reform of the CAP. Although the Presidency organized several discussions about the future of the CAP with different stakeholders, it was officially discussed by the Council on December 2011 resulting in declaratory Conclusions that a reform is needed for the CAP for 2014-2020 (Council Conclusions 17584/11). A similar situation occurred regarding the implementation of the Common Security and Defence Policy priority of the Presidency. In fact only confirmation of the need for more coherent CSDP was made in the Council Conclusions of the December FAC without any practical or legislative measures to be taken.

The Council Acts database unambiguously shows that the largest amount of Council acts during the second half of 2011 relate to the priority of developing the EU Neighborhood Policy. However, while this may be expected in the context of the Arab Spring tensions in almost all southern EU neighboring countries, the data indicates that it was the Eastern Partnership topic which received more Council attention. There were decisions, conclusions and positions of the Council regarding individual partnership relations with most of the countries from Eastern Europe as well as sectoral cooperation acts with all of them together, e.g. customs cooperation, Judicial and Home Affairs cooperation, drug traffic cooperation. A specific merit of the Polish Presidency is the Council Decision officially backing the creating of the European Endowment for Democracy Foundation, which set the tone for its establishment in late 2012 (Pomorska and Vanhoonacker, 2012). However, due to the political changes in Ukraine and the arrest of Yulia Timoshenko the signing of an Association Agreement between EU and Ukraine was postponed, although most of its issues were agreed including the setup of the Deep and

---

<sup>5</sup> Statement of the Members of the European Council, 30 January 2012, [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/127599.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/127599.pdf)

<sup>6</sup> Statement by President Barroso on the conclusion of the Polish Presidency, 14 December 2011, [http://europa.eu/rapid/press-release\\_SPEECH-11-888\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-11-888_en.htm)

Comprehensive Free Trade Area. As far as the Southern dimension of the Neighborhood Policy is concerned during the Polish Presidency the Council adopted more than 30 decisions, conclusions and declarations all of which imposing restrictive measures of different kinds to one or another country from the Southern and Eastern Mediterranean region. The only measure of practical significance was the launch of the SPRING initiative in September 2011, guaranteeing €350 mln aid funds for the region. However, only reports indicate that consensus was achieved on highest political level in the summer and only the formal voting in the Council took place during the Polish Presidency. Under the Enlargement priority the Polish Presidency witnessed its most important agenda issue implemented – signature of the Accession Treaty with Croatia, while at the same time progressing negotiations with Iceland where 6 chapters were closed and 7 opened. In the EU-Russia relations field one official position was adopted by the Council regarding the agreement between both sides on the flights over Siberia, which proved far from the ambitious aspirations of the Presidency for mutual cooperation. Even though Russia officially became member of the WTO in late 2011, the Polish Presidency played only assisting role to the EC which was the main driving force in the negotiations (Pomorska and Vanhoonacker, 2012).

All in all, based on the agenda implementation analysis it may be argued that during the Polish Presidency the Council adopted measures concerning primarily issues indicated as top priorities in the Presidency programme, while achieving almost no tangible progress on other points of its agenda. We have enough evidence to claim that the Presidency played substantial role in this process and managed to influence the Council work according its own Programme. Of course, the mere idea of having such a Programme or agenda is to list and most importantly prioritize goals that should be pursued, rather than point only the single most important one. That is why the successful achievement of the top priorities of an agenda may be equaled to substantive implementation of the agenda as a whole.

Following the theoretical logic behind the first hypothesis, if it is correct, then the substantive level of agenda implementation achieved by the Polish Presidency should result in a relatively high Presidency success. However, the measurement of the success indicated that the Presidency was closer, though very little, to the label ‘unsuccessful’ than ‘successful’. This means that the hypothesis is refuted as far as the Polish case is concerned.

### *H2.1: The closer the coordination with European Council, the more successful the Presidency.*

According to Article 9b (3) of the Treaty on the EU ‘the European Council meets twice every six months’. That is why during the second half of 2011 there were two official European Council meetings – on 23 October and on 9 December. This means that the Polish Presidency had been in office 3 months before the European Council held its first meeting during its term. Thus in order to analyze the cooperation between the Presidency and the European Council in this period, the last Council before the Polish Presidency should be examined as well. It was held on 24 June 2011 and having in mind the already discussed fact that the European Council sets the informal agenda of the whole EU, it may be argued that the June meeting is relevant for this analysis.

Before measuring the level of overlap between the agendas of the European Council and the Presidency of the Council of EU it should be noted that the former is shorter and less comprehensive as it is operational programme of a single meeting, while the latter is more detailed 6-month programme

document of numerous Council meetings and configurations. All three European Council meetings prioritize at the top of their agendas economic issues and more specifically the implementation of the Single Market Act initiatives including the Digital Services Regulation and measures facilitating SMEs activity. Immediately after this follows the appeal for enhancing the economic governance where in June the European Council insists on more specific and measurable commitments and then after the adoption of the Six-Pack, it declares its appreciation on it. While on this economic priority there is almost full overlap between the agendas of both institutions, this is not the case for the other priorities. In June the European Council rank migration issues second, while they are much lower on the Presidency agenda. In October the climate change matters emerge as the second top priority of the European Council but they are missing from the Polish Presidency action plan. Furthermore, in the three European Council meetings agendas the Neighborhood Policy is present, though not on high positions, but what is important is that the emphasis is put on the Southern Partnership and the countries from the 'Arab Spring', and very little attention is paid to the Eastern Partnership, which is exactly the opposite of the situation with the Presidency agenda. Moreover, in the conclusions from the June European Council it is stated that more attention should be paid to the banking sector regulation. However, although this is not present in the Presidency programme at all, significant progress is made in the ECOFIN, which is explicitly welcomed by the European Council at its next meeting, which is example for effective agenda 'download' to the Presidency.

On the other hand, cooperation between the two institutions exceeds simple agenda harmonization. Still in the preparation phase of the Polish Presidency in January 2011, the President of the European Council visited Warsaw in order to examine personally the preparation works and take part in discussion events organized by the Presidency team on EU topics. The reports of the MFAP indicate that the permanent dialogue with the office of Herman van Rompuy remained during the preparatory phase and was especially intensive regarding the setup of the draft Presidency programme. In another occasion, in lines with the European Council appeal for adoption of growth-stimulating measures, the Polish Presidency organized official high-level conference on the sources of growth in Brussels on 6 October 2011. This initiative was highly appreciated by the European Council and it called the decision making organs of the EU to use the conclusions of the conference as a reference for their work.

Overall, the Polish Presidency demonstrated a high level of willingness for cooperation with the European Council but it transformed this determination into practical actions only as far as the top prioritized issues are concerned. The Presidency managed to impose its own prioritization regarding cases of lower salience for the European Council. Coming from the assumption that in the context of the economic situation in the EU in 2011 it was almost impossible that any EU institution put anything but growth and economic governance policies on top of its agenda, then it becomes reasonable to claim that the Polish Presidency succeeded to a limited extent with its cooperation with the European Council.

If the assumption behind this hypothesis turns valid, then a low level of coordination with the European Council would result in a low level of Presidency success. As the Polish Presidency was defined as moderate but closer to be unsuccessful, and there is evidence that some coordination with the European Council and more specifically its President was present in areas beyond agenda synchronization. This means that the overall coordination was not extremely low and corresponded to the expectations, which confirms the hypothesis.

## *H2.2: The closer the coordination with FAC, the more successful the Presidency.*

During the second half of 2011 there were 7 Foreign Affairs Council meetings. Agendas of all of them look similar in sense that they all put on its top the situation with the Southern Mediterranean Arab countries. Then in different order for each Council follow the Eastern Partnership and some urgent issues like UNCTAD conference or minor violations in other countries. At first glance this situation seems close to the Presidency agenda except for one very crucial difference - the EaP, which was the Presidency highest priority in terms of foreign affairs, while nowhere near the top issues of the FAC agenda. An analysis of the outcomes of those Council meetings reveals that almost no tangible results are achieved concerning the EaP despite the proactive role of the Polish Presidency expressed in hosting and organizing numerous conferences and other events on the topic. An examination of the EaP dossiers considered by the FAC shows that the Presidency managed to influence progress on only 4 out of 25 – EU visa policy towards Armenia and Azerbaijan, transport cooperation within EaP and the European Endowment for Democracy initiative, which is the only example of an issue promoted by the Presidency and backed publicly by the High Representative (Vandecasteele et al. 2013). The fact that the Presidency managed to influence, though slightly, the FAC agenda but not the policy outcomes is indicative for the lack of high coordination and consensus between both institutions on the EaP issues.

In terms of the occasions on which Catherine Ashton was substituted by the Polish Foreign Minister Sikorski, the Presidency report gives evidence for 16 such situations (compared to 12 of the preceding Hungarian Presidency). A proof for the cooperation between the two institutions in this aspect was the initial agreement that the Polish Foreign Minister will represent the Ashton not only in informal foreign affairs meetings or at EP plenary sessions but also in official trips. In this capacity Sikorski visited Pakistan, Afghanistan, Uzbekistan and Libya (MFARP, 2011).

The public communication between the High Representative and the Presidency was marked from the very first day of the Presidency term when in his speech Sikorski pledged to be Ashton's '*loyal deputy*'<sup>7</sup>. During the 6-month mandate in the media and press releases hardly anything but praise for the fruitful cooperation between them can be found. Furthermore, the Presidency also cooperated tightly with the then still developing administration of the High Representative - the European External Action Service, which is proved by an official announcement of one of its senior officials inviting the Danish Presidency to follow the operational model established between the Service and the Polish Presidency (MFAP, 2011b).

In the Foreign Policy area most of the acts of the Council are adopted with unanimous voting meaning that all 27 member states must agree. This institutional rule determines the policy outcomes as often symbolic and insignificant in practical terms, a situation that even the most influential Presidency can hardly change. That is why the level of cooperation between the Presidency and the High Representative and its administration should be assessed on the basis of agenda overlap and bilateral interactions but not so much results. In this perspective the Polish Presidency coordination with Ashton may be categorized as medium.

---

<sup>7</sup> 'Polish Minister pledges loyalty to EU's Ashton', *EUobserver*, 2 July 2011.

The correctness of this hypothesis suggests that a medium level of coordination with the FAC would determine a medium success of the Presidency. Analyses of both variables led to exactly these results, which provides certainty in the claim that the hypothesis holds for the Polish case.

### *H3: The more successful the Council is in negotiations with EP, the more successful the Presidency.*

The relations between the Polish Presidency and the European Parliament should be analysed with two important circumstances in mind. The first is the fact that at that time the President of the EP was Jerzy Buzek, who is not only a Polish national but a member of the same political party as the Polish Prime Minister Tusk. Although the President does not possess powers in the decision-making process, they may use the authority of the office to facilitate negotiations within the EP and as they represent the EP in front of other institutions, they may set the tone for a consensus (Egeberg et al., 2012). The second fact is the widely perceived pro-EU orientation of the Polish government and the Presidency in particular, which was confirmed by Tusk in his speech on 1 July 2011 at the beginning of the term. This image of the Presidency was instrumental for the smooth cooperation with the EP because Presidency members were perceived as being on the same side as the EP in its 'more EU' views, opposite to the general image of the Council.

Although a brief examination of the Presidency success vis-à-vis the EP in negotiations on other pieces of legislation is made, the main dossier that is to be used as unit of analysis for this hypothesis for the Polish Presidency is the so called 'six-pack'. It is a package of 5 regulations and 1 directive aimed at enhancing the coordination of fiscal policies in the EU. The choice argumentation of legislation is twofold. First, the 'six-pack' is a Presidency top priority, which implies that maximum efforts had been dedicated to it. Second, while the economic situation in Europe required that negotiations run expressly, the preceding Hungarian Presidency did not achieve significant progress and the breakthrough negotiations were held under the Polish term (Agh, 2012).

As the Commission issued the proposals of the legislative measures known as the 'six-pack' in September 2010, the real negotiations between the EP and the Council began in 2011 under the Hungarian Presidency. However, due to struggle for predominance from both institutions and ineffective brokerage work of the Hungarian Presidency, the package was not adopted within the initial deadlines set by both institutions – the end of June<sup>8</sup>. The Polish Presidency saw the opportunity to finalize this important dossier and put it on the top of its economic agenda. The six-pack legislation was adopted in September by the Council after the EP's first reading but negotiations in the early agreement procedure were tense and interviews of officials from both institutions admit that the Presidency played key role pushing negotiations forward (Warntjen, 2013). However, the analysis of the final outcomes of all 5 regulations and 1 directive shows that they resemble more fully the initial EP's position than that of the Council. One of the most controversial issues concerned the changes in the Stability and Growth Pact. The final text includes clause stating that the Council would take decisions for sanctions under the preventive mechanism of the Pact with the 'reverse' QMV, meaning that the decisions of the

---

<sup>8</sup> European Council conclusions, 4 February 2011, [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/119175.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/119175.pdf)

Commission would come into force automatically if not overturned with QMV. This text was present in the initial Committee report but was opposed by majority of the Council members. Another point of discussion which proved of great salience for both decision-making bodies was the demand of the EP that if member states do not follow the recommendations of the Commission, their representatives should give explanations in public hearing in front of the EP. Needless to say this 'blaming and shaming' mechanism was excluded from the Council versions of the regulation, but however it appeared in the final document under the name '*economic dialogue*' (Wec, 2012). Throughout the lengthy negotiations the Council backed the initial proposal text that only countries with excessive budget deficit would be put under macroeconomic surveillance. On the other hand, the EP voted for an amendment which would put all member states under this procedure, which was adopted in the final version of the regulation. However the EP did not manage to promote its demand for common EU indicators for measurement of the macroeconomic imbalances and the legislation reflected the Council position for lower and upper thresholds. Furthermore, the general claim of the EP for more growth promoting measures was not adopted and the pack remained primarily budget austerity oriented. However, it may be argued that the EP was more successful in the negotiations on the six-pack because the issues which it pushed through led to reduction of the sovereignty of the member states and delegation of new powers to EU to recommend and sanction when rules are not complied, which can hardly be described as a goal of member states themselves.

Restricting the analysis of the Presidency negotiation results vis-à-vis the EP only to the six-pack legislation may lead to the conclusion that the former's success was rather limited. However, a brief examination of the progress on other top priorities from the Presidency agenda reveals slightly different picture. The 2012 Budget, which was the first annual budget in the post-Lisbon era adopted in time, reflected entirely the position of the Council for increase only with the annual inflation rate of 2%, opposed to the demand of the EP for increase with 5.23%. The merits for this deal can go explicitly to the Polish Presidency for pushing comprise from the EP under the danger of new series of prolonged and intense negotiations, during which the budget for the first months of 2012 would have kept the 2011 levels, without even the 2% increase (Nowak, 2012). That is why examination of the negotiations on a broader scale proves that the Presidency performed with medium success in the negotiations with the EP.

If the assumption from this hypothesis is correct, then it may be expected that a medium level of success in the negotiations with the EP would result in medium overall success of the Presidency. As the expected covariation between both variables coincide with the results of the hypothesis test, we have solid arguments to confirm the hypothesis.

#### *H4: The greater the consistency with other trio members, the more successful the Presidency.*

The formal trio cooperation between Poland, Denmark and Cyprus began in February 2008 on a first coordination meeting in Copenhagen. There were a total of 9 such meetings of national coordinators of the three Presidencies (only two of which in Poland) and 2 foreign ministers meetings by the beginning of the Trio mandate (table 10, Annex I). Furthermore, cooperation ran on all administration and operational levels – ministers, directorates, agencies, national parliaments (Kazcynski, 2011). All this activity resulted in a detailed 95-page Joint Trio Programme, officially presented at COREPER II on 16



June 2010 with reports from the abovementioned meetings indicating no major controversies or disagreements during the preparation process. This lack of negotiation difficulties is owed to the perception in all participants that the Joint programme had primarily symbolic meaning because it might be outdated when the individual Presidencies begin and implied no accountability responsibilities (interview, 11 October 2012 in Warntjen 2013). However, except for this programme, which is legally required according to the Lisbon Treaty, no other practical forms of cooperation between trio members can be found. Unlike the preceding 18-month trio group, the Poland, Denmark and Cyprus troika did not make common trio website, logo or slogan. Furthermore, the official Report of the MFAP on the Presidency indicates that Poland began work on its Presidency long before July 2011. Preparatory consultations and seminars were held with the Hungarian Presidency, which preceded the Polish and at that time was also preparing its first hold of the office, rather than within the trio format, which is proved by the number of formal and informal Polish-Hungarian ministerial level meetings from the preparation period – three (one more than ministerial meetings within the trio). In the already mentioned MFAP Report on the Presidency there is only half page (out of 246) dedicated to trio cooperation under the title “Cooperation with other member states” which does not even explicitly indicate the trio group. However, the cooperation with the Hungarian Presidency is explicitly put under separate chapter.

In terms of correspondence of the Polish Presidency programme to the Joint Trio programme, or the so called agenda ‘download’ examination of both documents (Table 9, Annex I) shows a high level of overlap only as far as the top Presidency priorities are concerned – budgetary issues, economic governance and the single market. However, enlargement issues in both programmes overlap completely in terms of content, but they are top priority in the Trio programme and as back as third in the Presidency one, which is why the overall correspondence is defined as substantive. On the other hand, there are certain issues that were not mentioned at all or in an insignificant way in the Joint programme but have relatively high priority in the Presidency agenda like the Eastern and Southern Partnerships, Patent legislation, External energy policy, relations with Russia. While the Southern Partnership emergence in the Presidency agenda is due to the Arab Spring events, which happened after the adoption of the Joint Programme, the others and especially the EaP received much less attention in the Danish and Cypriot agendas, which proves that they were national priorities promoted into the Presidency programme. Other agenda issues like the CAP reform and development of the Intellectual capital are present in both programmes but their prioritization differs significantly. Europe 2020, environmental policy, industrial policy and migration were all among the top priorities mentioned in the Trio programme that were completely absent from the Presidency agenda.

All in all, the Polish Presidency appeared to have run the office in the before Lisbon traditions and restricted its interaction and coordination with other trio members almost to the required minimum demonstrating limited consistency and cooperation effectiveness with them.

If the fifth hypothesis is valid, the expectation is that a limited or, in other words, very low consistency with trio-members would lead to a rather low success of the Presidency. However, while the Polish Presidency is generally considered unsuccessful, the measurement indicators showed that its more precise positioning on the successful-unsuccessful axis should be almost equally distant from both ends.

However, the independent variable analysis showed that the consistency of the Presidency was considerably low, which comes to show that there is only weak consistency with the expectations and thus no categorical conclusions about the correctness of the hypothesis can be made from this case.

## Case conclusion

In this chapter the Polish Presidency from the second half of 2011 was analysed and all hypotheses were tested according to the data from its performance. Table 3 provides the findings of this analysis in a consistent and summarized manner:

Dependent variable value	Independent variable	Score	Hypothesis test result
Medium	No causal relations between any of the independent variables and the dependent one	-	Incorrect
	Agenda implementation	Substantive	Incorrect
	Coordination with European Council	Limited	Correct
	Coordination with FAC	Medium	Correct
	Success in negotiations with EP	Medium	Correct
	Consistency with other trio members	Limited	Uncertain

**Table 3. Summary of the results of the hypotheses test (Poland)**

Overall, the second (with both sub-hypotheses) and the third hypotheses are confirmed from the data analysis of the Polish Presidency. This means that the assumptions that Presidency success is determined by interaction with other actors (EU institutions) turn correct. However, the first hypothesis is disconfirmed. On one hand, this suggests that the interrelation between the success in negotiations with the EP and the agenda implementation is not strong in general, because it is ruled out in this case. On the other, one of the only two variables for Presidency success that might have been applied in the before Lisbon condition – agenda implementation – turns to be no longer significant. No reliable inferences from the Polish case can be made concerning the correctness of the fourth hypothesis, which implies that even though some correlation between the variables may exist, it is far from being strong. The mere existence of causal relations between some of the independent variables and the dependent one means that the null hypothesis can be overturned.

In the following chapter the next Presidency from the trio, i.e. the only one with previous experience in holding the office – the Danish, is examined in a within-case analysis structured in the same way as the one from this chapter.

## Case analysis: Denmark

This chapter consists of the within case analysis of the Presidency of the second member of the trio – Denmark. First, some of the characteristics of the Danish membership in the EU which help for the understanding of the context of the Presidency are presented. Then the measurement of the dependent variable success of the Presidency is performed for the Danish case. The following section includes the by hypothesis data analysis for the case. Eventually, conclusion is drawn about the correctness of each hypotheses for the Danish Presidency.

### Background

Unlike Poland and Cyprus, for Denmark the hold of the Presidency of the EU office in the first half of 2012 was not anything new because it had chaired the Council on 6 previous occasions, the last being in 2002. However, forming expectations about the 2012 Danish Presidency based on the performance of past holds of the office are unlikely to result in reliable and valid conclusions because of the significantly changed institutional conditions. First of all, the number of member-states in the EU and respectively in the Council had almost doubled since 2002, and second, the Lisbon Treaty introduced new actors and responsibility distribution in the Presidency area. There is unanimity among scholars that the Danish Presidency was conceived and envisaged as an honest broker and mediator rather than a leader promoting an ambitious agenda (Adler-Nissen et al. 2012, Skrzydło 2012, Warntjen 2013). However, for the better understanding of the roots for establishing this image a brief overview of some country-specific background factors, which determine to some extent the scope of the Presidency actions, should be made.

First, while the heavy economic and financial situation in the EU as well as the uprisings in the Arab world are contextual variables for all three Presidencies examined in this thesis, the specific Danish-EU relations put the country in a unique situation. In order to achieve a positive outcome of the Maastricht Treaty referendum in 1993 Denmark signed the Treaty with 3 opt-out clauses regarding the EMU, JHA and Security and Defence Policy meaning that Denmark does not have to participate in these policy areas. These clauses can be changed only with Danish consent, for which a national referendum is needed. However, the opt-outs have significant consequences because they prevent Denmark from taking part in the decision-making process in these areas. Considering the fact that the external challenges mentioned at the beginning of this paragraph are issues from two of the areas that Denmark has no legislative powers at EU level, is a clear evidence for the limitations that the opt-outs impose on the Danish Presidency. While the Presidency still chaired the JHA and ECOFIN Councils and theoretically could influence the negotiations despite its lack of voting power, it had no power in the Eurogroup meetings of the financial ministers of the Eurozone member-states where the most important EMU decisions are negotiated, neither in the FAC where the Danish Presidency had no presiding or decision-making powers. With two salient EU agenda issues at that time being almost completely out of reach for the Danish Presidency influence, it is clear why even if the Danish authorities had wanted to establish a leadership Presidency image, they would not have been able. Yet, the Danes did not have such aspirations.

Here comes the second important country-specific part of the Presidency background – the eurosceptic reputation and public opinion. Having a history of 6 national referenda on EU issues 2 of which resulted in a break for further Danish EU integration was instrumental for the establishment of an eurosceptic image (Adler-Nissen et al. 2012). The first negative vote came in 1992 on the referendum on the Maastricht Treaty, when 51,7% of the voters rejected it<sup>9</sup>. This was the first ever anti-EU integration referendum result in a member-state. The perception of Denmark as an eurosceptic country strengthened in 2000 when the Danes rejected the removal of the EMU opt-out and thus kept their country outside the Eurozone. Although in the following years several other countries experienced negative EU referendum results (Ireland 2001 and 2008, Sweden 2003, France and the Netherlands 2005), the fact that the first two anti-EU votes happened in Denmark was widely regarded as a proof for the Danish euroscepticism (Manners, 2013). In this perspective, any potential leadership initiatives on important EU issues initiated by the Danes would have been regarded with suspicion and could have hardly had the support of pro-EU member-states.

## Priorities

Having clarified the reasons for the role taken by the Danish Presidency, an overview of its Programme should be made. The official Programme was publicly presented in January 2012 and consisted of 4 main areas, which resembled to a great extent the agenda of the Europe 2020 strategy (Manners, 2013). A full list of the priorities can be found in Table 11 (Annex II).

The first agenda section called *'Responsible Europe'* encompassed economic and financial issues. The external economic challenges in the EU implied the prioritization of enhancing the economic governance on the top of the agenda. Right after it followed a detailed list of financial regulation measures. While it was clear that the final decision on the MFF was out of the time scope of the Presidency, the goal was to *'bring the negotiations as far as possible'* (MFAD, 2012a).

Under the *'Dynamic Europe'* title the Presidency prioritized different measures for revitalizing the Single Market. Next in the agenda are positioned negotiations on the R&D and education programmes for the 2014-2020 period and ensuring sustainable growth in Europe through a reformed Cohesion policy. Labour market and health measures come next, while at the bottom of the agenda is the Trade policy.

The third agenda section, *'Green Europe'*, brings the Danish Presidency imprint to the overall Programme. The top priority was green development and growth, which was followed by improving energy efficiency and making first steps in creation of Internal Energy Market. The sustainable future of the CAP and fisheries was put on fourth place, with only pollution and chemicals regulation behind it.

Although Denmark opts-out from the JHA area the agenda in the *'Safe Europe'* section was intense. Improving the citizens' security tops the priority list, while further regulation of the Migration policy is second. A relatively high priority is given to the food safety and increasing the disaster response capacity at the expense of the Enlargement and Neighborhood policies. The coordination of the *'EU voice'* in the world is the last issue in the *'Safe Europe'* agenda.

---

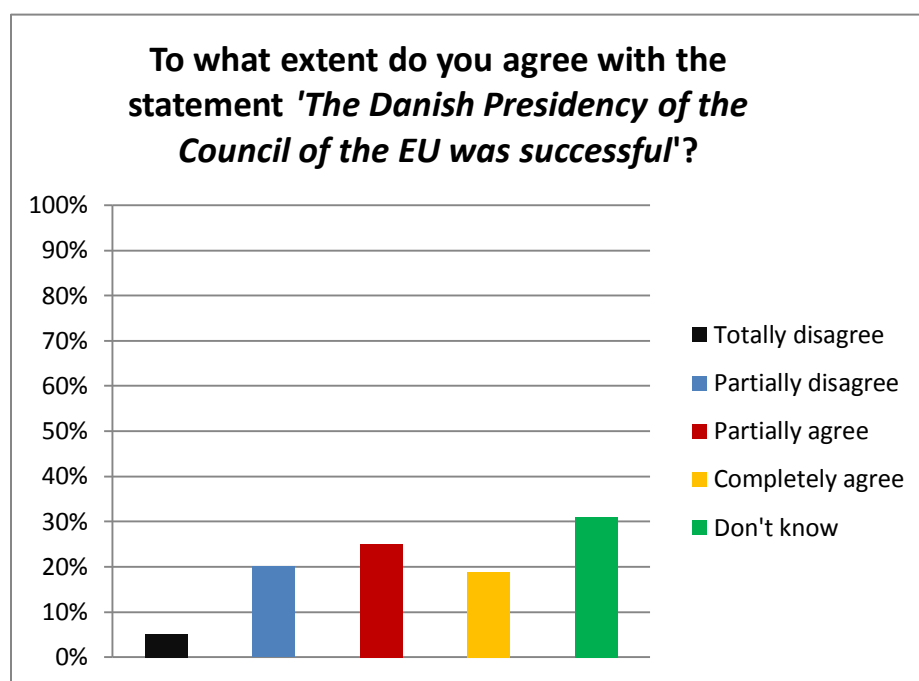
<sup>9</sup> EU Information Center of the Parliament of Denmark, 2006. Danish EU Referenda, [http://www.eu-oplysningen.dk/euo\\_en/dkeu/referenda/](http://www.eu-oplysningen.dk/euo_en/dkeu/referenda/)

Except for the crisis-imposed economic issues the Programme lacked a single, outstanding priority serving as a landmark initiative. The priorities of the Presidency were selected in a realistic way so that most of them are achievable during the 6-month term.

## Analysis

### *The success of the Danish Presidency*

Figure 4 expresses the results of the survey among the Danish population about their perception of the Presidency success. Almost half of the respondents agreed with the statement that the Presidency was success – 25% said it achieved a considerable success while 19% responded that it was a total success. This might be a low number, if we do not bear in mind the extremely high percentage of people without opinion on the issue – 31%, which leaves only 25% for people who thought the Presidency achieved little or almost no success. However, a potential limitation of the validity of the measurement of the first indicator might be the fact that respondents with negative attitude towards the Presidency performance might have chosen to provide no opinion due to some reasons (for instance, psychic reluctance to confront the dominant opinion, or fear of being considered uninformed). But results from the same survey for the previous Danish Presidency in 2002 show that the percentage of people without opinion is quite similar – 26%<sup>10</sup>, which proves this potential limitation unlikely.



**Figure 4. Survey results of Danish Presidency evaluation among stakeholders**

Source: Epinion 2012, <http://www.dr.dk/Nyheder/Politik/2012/06/27/233509.htm>

<sup>10</sup> Jyllands-Posten, 26 November 2002, <http://jyllands-posten.dk/indland/ECE3424587/meningsmaling-jubel-over-dansk-eu-formandskab/>

On the other hand, Table 4 reveals that the vast majority of the expert work on the topic considers the Danish Presidency a success. The only 2 sharply negative assessments of the Presidency come from the leading writer at the biggest online political portal in Denmark Politiken – Kristian Madsen<sup>11</sup>, and a report of a group of NGOs dealing with the CAP<sup>12</sup>. On top of the total number of assessments, the extensive research of Mark Orsten from the Roskilde University on the media coverage of the Danish presidency reveals that only 15% of the newspaper and journal articles on the Presidency were critical (Blach-Orsten, 2012). Orsten explains this with the fact that the Presidency performed very well and criticizing it would have been like ‘criticizing a winning football team’ (Andreassen, 2012).

	Limited	Medium	Substantive	High
Scientific research	0	1	3	2
NGOs evaluations	1	3	5	3
Media analyses	1	3	8	4
<b>Total</b>	<b>2</b>	<b>7</b>	<b>16</b>	<b>9</b>

**Table 4. Summary of the Danish Presidency evaluations**

That is why, as both indicators suggest positive evaluation, the relatively high level of success of the Danish Presidency may be taken for certain.

### *H1: The greater the implementation of agenda priorities, the more successful the Presidency.*

During the first Danish Presidency of the Council of the EU 9 directives, 29 regulations, 82 conclusions and 84 decisions were adopted (table 11, Annex II).<sup>13</sup> As far as the economic governance issues are concerned the UK vetoed the creation of the Fiscal Pact and thus it remained outside EU institutional and political structure being negotiated entirely on an intergovernmental basis, where the Presidency possesses no powers. That is why this priority cannot be classified as relevant for the level of agenda implementation. The progress on the ‘Two-pack’ legislation during the Danish Presidency is expressed in reaching an agreement in the Council, which is the maximum possible breakthrough, considering that the Commission proposal had been submitted just 2 months before the Council decision. Under the second agenda topic, i.e. financial regulation, the Presidency achieved consensus within the Council on the Capital Requirements Directive 4 (CRD4) and the Credit Rating Agencies (CRA), agreement with the EP on the derivatives trading and submitted a progress report on the Markets in Financial Instruments Directive (MFID) legislation, which indicated no significant progress on the issue. The lack of advance on the other two priorities is due to the delay of the Commission proposals, which shifted the negotiations in the Council for the second half of 2012 (MFAD, 2012b). Although the Presidency Report of the Danish MFA indicates series of actions undertaken by the Presidency in terms of facilitating the MFF 2014-2020

<sup>11</sup> Politiken, 17 May 2012,

<http://politiken.dk/debat/profiler/kristianmadsen/ECE1627793/thornings-eu-formandskab-er-slaaet-fejl/>

<sup>12</sup> <http://capreform.eu/danish-presidency-cap-reform-progress-report/>

<sup>13</sup> Monthly Summaries of Council Acts (January, February, March, April, May, June) 2012, Council of the EU, [http://register.consilium.europa.eu/content/out?PUB\\_DOC=%3E0&DOC\\_SUBJECT\\_PRIM=PUBLIC&lang=EN&i=ACT&ROWSPP=25&DOC\\_LANCD=EN&ORDERBY=DOC\\_DATE+DESC&typ=SET&NRROWS=500&RESULTSET=1&DOC\\_TITLE=2012](http://register.consilium.europa.eu/content/out?PUB_DOC=%3E0&DOC_SUBJECT_PRIM=PUBLIC&lang=EN&i=ACT&ROWSPP=25&DOC_LANCD=EN&ORDERBY=DOC_DATE+DESC&typ=SET&NRROWS=500&RESULTSET=1&DOC_TITLE=2012)

negotiations, the issues agreed were of minor importance (Horizon 2020, Erasmus for All, Connecting Europe Facility, etc.). No significant agreement was reached on the cornerstone issues – CAP and Cohesion Policy (MFAD, 2012b), which considerably limits the overall progress on the MFF during the Danish Presidency.

The second topic of the Danish Presidency Programme concerned the development of knowledge-based EU economy and broadening the scope of the single market. The Patent system legislation got adopted, while agreements with EP were reached concerning all the other priorities (Roaming III directive, Standardization package, Internal Market Information System). The only field of the Single market agenda where no progress can be found is the knowledge and education one. However, except for the Single market area, on the other priorities in the Dynamic Europe section received limited Council attention in the form of general affirmative decisions and conclusions, without signifying real implementation progress. For example, the reform of the Cohesion policy, which proved the major challenge in the MFF negotiations, had been stuck in a deadlock situation for almost a year after the Danish Presidency before it was overcome in the spring of 2013.

Within the Green Europe agenda significant Council acts were adopted in the areas of chemical regulation and preventing pollution, the 7<sup>th</sup> Eastern Partnership (EaP) and common EU positions for international environmental fora. However, despite the agreement with the EP on the Energy Efficiency Directive, which was perceived as a considerable breakthrough, all other long-term green targets and roadmaps, as well as biodiversity legislation dossiers witnessed no progress due to the harsh opposition of big member-states headed by fellow trio-member Poland. The fact that not a single legal act related to the internal energy market priority was adopted during the Danish Presidency (MFAD, 2012b) presents solid evidence for the lack of advance in this area. On the other hand, the Sustainable CAP priority can be associated with several Council decisions and conclusions, but in their essence they provide only cosmetic changes of the CAP and the Fisheries, and can thus be regarded as insignificant in terms of agenda implementation.

Acknowledging the already mentioned opt-outs of Denmark in the areas of Judicial and Home affairs and Security and Defence Policy, which constitute most of the priorities under the Safe Europe title, this analysis puts low relative weight of the agenda implementation in this field when conclusions about the overall implementation level are drawn. Nevertheless, it should be noted that progress was made in the enlargement area, where Serbia was granted candidate status, while a few more negotiations chapters were closed with Iceland. Furthermore, agreement with the EP was reached on several JHA migration and crime issues like the International succession regulation and the Minimum rights, support and protection for crime victims Directive, as well as the agreement with EP on the reception conditions for asylum seekers legislation. However, for those and other asylum and border control related Council acts the Danish Presidency role is perceived to be administrative rather than pushing forward or influencing negotiations.

The analysis of the agenda implementation data shows that only in the economic part of the Presidency programme the implementation level was above the medium. However, in the context of the EU crisis the need for enhanced economic governance and financial regulation at EU level was so urgent that it was top priority for all member-states and EU institutions. That is why it is highly likely that the

Presidency actions were not decisive for the high implementation level. On the other hand, the programme part characterized with low level of implementation was the one that due to country-specific constraints provided only marginal role of the Presidency and almost no instruments for exerting influence on the decision-making process in that area. That is why it may be argued that the level of agenda implementation of the other two sections, i.e. Dynamic and Green Europe, may serve as a basis for generalization for the whole agenda. Thus the overall level of agenda implementation of the Danish Presidency is determined as medium.

Having in mind that '*medium*' is relatively low level in the four-grade scale used in this thesis, it may be expected that if the first hypothesis is correct, then the medium agenda implementation would lead to a relatively unsuccessful Presidency. However, the success of the Danish Presidency was determined as high, which means that this hypothesis does not hold for this case.

### *H2.1: The closer the coordination with European Council, the more successful the Presidency.*

In the first half of 2012 there were 2 regular European Council meetings in March and June, and two informal ones – in January and May. However, as discussed in the section of the Polish Presidency analysis, the last meeting of the Heads of states before the term of the Presidency under examination should also be included in the analysis, because of the informal agenda setting character those meetings have. That is why the December 2011 European Council is also included in this analysis.

The data retrieved from the official Programmes of both the European Council and the Presidency summarized in Table 11 (Annex II), reveal several striking mismatches. All five European Council meetings prioritized highly job-creating measures, which is proved not only by their preliminary agendas but conclusions as well. According to the official van Rompuy's letter to the Heads of states the reason for the summoning of the January informal meeting was finding common solutions for stimulating employment and growth (European Council, 2012). On top of that the initiative '*Compact for Growth and Jobs*' was presented as an official result of the June meeting. Furthermore, while employment was an issue often referred to in the Presidency Programme, it was not explicitly pointed out as a priority. Although this might seem logical in the context of the relatively low unemployment level in Denmark at the time of the preparation of the Programme - just 7.0% compared to 10.5% for EU27 (Figure 1), it demonstrates a lack of agenda synchronization and flexibility on the Presidency part. Another mismatch is the strongly emphasized 'green' dimension of most of the priorities in the Danish Presidency agenda, while it was marginalized in the European Council documents - the word 'green' was mentioned just 6 times in the five European Council conclusions from the period together (a total of 47 pages), compared to 33 references in the Presidency programme that amounted to 56 pages. In 4 of the 5 examined meetings the European Council calls the Council to revert the issue of Bulgaria and Romania accession to Schengen area, while data shows that the issue was completely neglected in the Presidency programme as well as in the Council agenda.



GEO	TIME	2011M01	2011M02	2011M03	2011M04	2011M05	2011M06	2011M07	2011M08	2011M09	2011M10	2011M11	2011M12
European Union (27 countries)		9.5	9.4	9.4	9.4	9.4	9.5	9.6	9.7	9.8	9.8	9.9	10.0
Denmark		7.6	7.6	7.4	7.4	7.4	7.5	7.6	7.6	7.7	7.7	7.7	7.6

Figure 5. Unemployment rate; *Source: Eurostat*

On the other hand, in the cases where specific pieces of legislations and deadlines are mentioned in the December and January European Council conclusions, those issues have received proper attention in the Presidency Programme. What is more, most of them have been associated with full or very high level of implementation (either early agreement with EP or at least consensus within the Council) (MFAD, 2012b). Some of these issues include the patent system, the Energy efficiency directive, roaming, online dispute resolution and capital requirements legislation. Furthermore, the December European Council sets a strict deadline for the finalization of negotiations on the MFF – end of 2012, which has been reflected in the Presidency programme as well.

The official Presidency Report indicates that 4 bilateral meetings between van Rompuy and Presidency representatives during the 6-month term. Except for the protocol visits that the President of the European Council paid to Copenhagen for the start and end of the Presidency mandate, 2 meetings between him and the Danish Prime Minister Thorning-Schmidt were held in Brussels before the two informal European Councils in January and May, which shows a determination for coordination. However, the high level of coordination may be confirmed by the fact that Presidency representatives did not expressed ambitions in leading or at least influencing the economic issues of the EU agenda and as most analysts conclude that the leading role in this area was left to van Rompuy, who organized the economic agenda at the highest political level at both EU and Eurozone stage (Adler-Nissen et al., 2012). This claim is backed by the fact that in none of the European Council conclusions the Presidency was called (neither endorsed) for taking further actions in an economic sphere.

All in all, as a member-state with significant Presidency experience and renowned for its efficient public administration Denmark did not need extensive level of cooperation in order to achieve proper coordination with the European Council. In accordance with its administrator-broker perceived image, the Presidency let the European Council take the leadership role in negotiating the top issues in the EU agenda like the economic governance and unemployment or topics where only a political disagreement at highest level impedes the progress like the Fiscal Pact or Schengen. Instead, the Presidency concentrated on delivering results in terms of concrete, technical pieces of legislation. This ‘division of responsibilities’ indicates substantive level of coordination between the Presidency and the European Council.

As ‘substantive’ is relatively high score it would mean that the Presidency was successful. As this was proved at the beginning of this section, then we have grounds to claim that the second hypothesis is correct for the Danish case.

## *H2.2: The closer the coordination with FAC, the more successful the Presidency.*

The lack of ambitious foreign policy agenda due to the opt-out in this field resulted in only three priorities in the Presidency Programme – better coherence in EU foreign policy, renewal of the development policy and expansion of the trade policy. From the 8 Foreign Affairs Councils during the Danish Presidency only one was dedicated to Trade policy and one to Development policy, while the other meetings were structured around other top priorities like the situation in Syria, the Arab Spring consequences, Afghanistan, the Middle East and strategic relations with new economic powers like Mexico, BRICS countries, etc. All this means that in terms of agenda no conclusions can be made about the coordination between the Presidency and the High Representative and the EEAS that she heads.

However, the Presidency Report indicates that the Danish Foreign Affairs Minister Søvndal represented Ashton on a total of 10 occasions, 6 of which were in EP plenary sessions (MFAD, 2012b). Søvndal has been the Council representative in the bilateral meetings Nigeria-EU and Ethiopia-EU, and he chaired the annual meeting of the Stabilisation and Association Council with FYR Macedonia on behalf of Ashton. In terms of informal foreign affairs initiatives, the Danish Presidency was barely active and stuck to the FAC agenda and the coordination with the EEAS, which highly contrasted to the Polish Presidency and its numerous Eastern Partnership initiatives despite the ignorance of this topic in the FAC. The speech of Søvndal before the informal Gymnich ministerial meeting in on 9th March 2012 clearly indicated what kind of role was aimed at by the Presidency: “*we strive to become a “model-Presidency” for future Presidencies when it comes to strengthening the close cooperation with the EEAS*”<sup>14</sup>. Further examination of the media coverage of the public communication between both institutions reveals not only lack of controversies, but also a clear sense that Presidency representatives act and speak about Foreign affairs issues only in the scope that had been coordinated between them, without feeling of competition or struggle for power.

That is why the conclusions about the coordination between the Danish Presidency and the High Representative and the FAC resemble those between the Presidency and the European Council. The Presidency did not pursue putting its national imprint on the FAC activity but tried to support and assist the High Representative as far as the Danish opt-out in the Foreign affairs allows. In this perspective a claim that the Presidency achieved high coordination with the FAC is well grounded.

However, if the assumption of the hypothesis is valid, it would mean that the high level of coordination with the FAC suggests a successful Presidency. As this is what the indicators measuring success showed, then this hypothesis holds for the Danish Presidency case.

## *H3: The more successful the Council is in negotiations with EP, the more successful the Presidency.*

The Danish Presidency relations with the EP were marked with intensity and high willingness for cooperation. The total of visits paid by Danish ministers to the EP (85, compared to 65 and 59

---

<sup>14</sup>‘Europe must be a strong global actor’, Minister Søvndal speech at the EP Plenary session in February 2012, <http://eu2012.dk/en/NewsList/Marts/Uge-10/sovndal>

respectively of the Polish and Cypriot Presidencies)<sup>15</sup> on hearings, consultations and debates proves that. On top of that the Danish Presidency responded to the longstanding call of the EP for more transparency in the Council work by reaching rapid deal for an inter-institutional agreement giving access of the EP to some classified Council documents. However, in order to examine fully the bargaining success of the Danish Presidency vis-à-vis the EP, data from the 6-round trilogue negotiations on one of the flagship Danish priorities, i.e. the Energy Efficiency Directive (EED), will be analysed.

Table 12 (Annex II) summarizes data on the initial position of the EP and the Council to the Commission proposal and the final text of the adopted legislation on the key measures. Overall, the EP insisted for more ambitious measures than the envisaged in the proposal, while most of the Council members stood for less specific, non-binding provisions.<sup>16</sup> As it is seen from the final version of the directive the most salient issue – the national energy efficiency targets, has been adopted according to the Council demands, i.e. aiming at reaching indicative rather than binding national targets. Another key provision of the EED is the obligation scheme binding energy companies to reduce their sales by 1.5% per year through three types of energy efficiency measures. Although this text can be found in the EP position, some further provisions limit significantly the scope of the saving results of this measure (Lo Schiavo, 2013). For instance, the sales of energy used in transport are excluded from the regulation or the measure concerns only sales to customers but not those for the industry, which is roughly 40% of the overall energy sales (Riley and Hope, 2012). Harsh disputes emerged on the text regarding annual renovation of 3% of public buildings. Unlike the EP position, the final act provides that only buildings *‘owned and occupied by the central government’* (Directive 2011/0172) fall under this regulation, which was a clear Council demand. The Council and the EP, however, reached equally distant compromise regarding the floor area of buildings concerned. Another focal point of the EED was the audit obligation for large companies. Again, the Presidency managed to prevail in the negotiations and delayed the obligation to 5 December 2015 instead of the EP proposal – 30 June 2014. Considering the fact that the mandatory part of the application of the audit recommendations has been substituted with an encouraging one, a little doubt remains which side prevailed in the EED negotiations.

Member states succeeded in their attempts to water down the EED and avoid provisions with binding obligations in it. Although this was the prevailing desire in the Council, Denmark was much closer to the EP position in terms of its preferences. However, acting as a Council representative in the negotiations the Danish Presidency managed to take them to the Council preferable end. The success of the Presidency is expressed in the fact that it managed to persuade the EP that any deal during its term is better than a deal under the following Cypriot Presidency or no deal at all. Media reports and analysts suggest that this can be generalized for most pieces of legislation except from the Schengen Evaluation Mechanism, where the EP stood firmly against the Presidency and the Council (Skrzydło, 2012). This means that generally the success of the Danish Presidency vis-à-vis the EP may be classified as high.

---

<sup>15</sup> The Presidency in numbers, 29 June 2012, <http://eu2012.dk/en/NewsList/Juni/Uge-26/Presidency-in-numbers>

<sup>16</sup> On 19 April 2012 the EC presented a non-paper on the EED with information based on the initial positions of the EP and the Council, aimed at facilitating the negotiations. According to it the version of the Council implied for around 38% of the total energy savings provided in the Commission proposal, while the EP version would have resulted in 130% of it.

If the fourth hypothesis is correct, a high level of success in the negotiations with the EP would mean a general success of the Presidency. As both variables were proved to be high, then the hypothesis holds the test.

*H4: The greater the consistency with other trio members, the more successful the Presidency.*

Being by far the most experienced member of the trio Denmark might have been expected to act as informal leader of the group, providing organizational support to the Polish and Cypriot Presidencies. However, the available evidence for cooperation between the three Presidencies is scarce. As mentioned in the Polish Presidency analysis, except for coordination meetings hardly any forms of cooperation can be found – no common symbols or website, no exchange of expertise and staff, no strong public commitment to common goals and collaboration. On the other hand, the Danish Presidency is the least responsible for this situation because of the behavior of its trio partners. The Poles pursued ambitious leadership Presidency acting like a big member state although lacking the relevant experience and image, while Cyprus not only had scarce capacity and little experience but also was hampered by a severe financial and banking crisis.

The analysis of the consistency between the programmes of the three Presidencies fits best in the Danish case analysis section because this is the middle Presidency which has immediate contact with the other two. While the economic governance and MFF negotiations dominated the EU agenda during the 18-month period and the presence of these topic on top of the individual Presidencies' agenda is natural, this is not the case with all priorities. One striking difference is the 'green' focus. It was a top issue in the Danish Programme, while barely mentioned in the Cypriot one and completely neglected in the Polish one. An illustrative example is what happened with the highly prioritized by the Danes dossiers establishing long-term energy targets – the Roadmaps for Energy and Low-carbon economy to 2050, which were vetoed in the Council by fellow trio member Poland (Manners, 2013). Furthermore, in the field of Cohesion policy the Danish Programme was once again opposite to that of the other two Presidencies. Not only Cohesion policy presented a bottom priority for the Danes, but they made very little progress on the Cohesion negotiations in the MFF with their efforts being as modest as not organizing a single informal meeting of national representatives on this issue, nor any relevant conferences or seminar on the topic (Romanska, 2012). It should be noted, however, that the Danish Presidency despite the lack of progress on the MFF, prepared a well-structured negotiation box, which was later used by the Cypriot Presidency and thus contributed to the trio target of closing the MFF deal by the end of 2012.

As far as the Joint trio Programme is concerned the Danish like the Poles perceived it as a document with little significance the preparation of which though, helped Presidency gather information about the aspirations of other trio members (interview 20 July 2012 in Warntjen, 2013). In terms of consistency between the Danish and the Trio Programmes only minor mismatches can be found (table 11, Annex II). On the one hand, employment and labour market issues, industrial policy, enlargement and the already mentioned cohesion policy appear to be much lower on the Danish agenda than on the Trio one. On the other hand, areas like financial regulation and citizens' security have been prioritized in the 6-month Programme more than in the 18-month.

Overall, the analysis confirms the observation of Jensen and Nedergaard (2012) who claim that the trio presented a moderate set of goals in their joint programme and achieved modest level of coordination as well. However, evidence shows that the Danish Presidency cannot be blamed to the same extent as the other two Presidencies for this and based on its attempts to act as an honest broker and mediator the general level of consistency with them may be defined as medium.

According to the fifth hypothesis a relatively high level of consistency with the other trio-members leads to a high level of Presidency success. At the beginning of the section we found evidence that the Presidency was successful, but the level of the independent variable (medium) is a low level in the dichotomous division low-high, which means that the hypothesis is incorrect for the Danish case.

## Case conclusion

This chapter provides the within-case analysis of the Danish Presidency. The findings of the hypotheses tests are present in table 5. As it is further elaborated in chapter 7, some of them are consistent with the findings about the Polish Presidency but some differ.

Dependent variable value	Independent variable	Score	Hypothesis test result
High	No causal relations between any of the independent variables and the dependent one	-	Incorrect
	Agenda implementation	Medium	Incorrect
	Coordination with European Council	Substantive	Correct
	Coordination with FAC	High	Correct
	Success in negotiations with EP	High	Correct
	Consistency with other trio members	Medium	Incorrect

**Table 5. Summary of the results of the hypotheses test (Denmark)**

Table 5 presents the findings of the Danish Presidency case analysis. The first and the fourth hypotheses were disconfirmed by the data. However, both sub-assumptions of the second hypothesis proved correct. While the Danish opt-out from the SDP might suggest that coordination with FAC is to be achieved in fewer areas and thus it is more likely, there is no doubt that the Danish Presidency achieved high coordination with the European Council having no leadership aspirations and acknowledging the new division of responsibilities introduced by the Lisbon Treaty. The Danish case also confirms the third hypothesis in a categorical way, managing to impose the Council position to most of the dossiers negotiated with the EP. In this way the perception for the efficiency of the Danish administration is reaffirmed. Overall, the Danish Presidency case confirms these hypotheses assuming that success is determined by interaction with other EU actors.

In the next chapter the last Presidency from the trio – the Cyprus – is examined. The importance of including a third case in the research can be seen here because some of the hypotheses provided different results in the test of the already examined two cases. Thus the third within-case analysis can provide significant results for the extent to which some assumptions turn correct and can be generalized.

## Case analysis: Cyprus

In this chapter the last Presidency from the trio is examined – the Cypriot. In the first section, the background of the Presidency is presented, which provides the framework through which it should be perceived and analysed. Then the agenda of the Presidency is examined before the case data analysis is performed in the third section. At the end a brief conclusion of the findings in the Cypriot case is made.

### Background

The third member of the trio – Cyprus held the Presidency office for the second half of 2012. Like Poland it was the first such occasion for the small Mediterranean island, which also joined the EU in 2004. However, there were three major differences between Cyprus the other trio members. The first, and already mentioned, is the fact that Cyprus is a member of the Eurozone and thus had the opportunity to take part in all forms of formal and informal decision-making in the area. However, unlike its predecessors Cyprus was harshly hit by the EU debt crisis and had to rely on the financial assistance of other Eurozone members in order to stabilize its banking sector and economy as a whole. Third, Cyprus is in the unique situation in the EU having part of its territory occupied by another country – Turkey. In this section an overview of the implications that these factors can have on the Cyprus Presidency is presented as they will be a contextual basis for the analysis of the Presidency.

During the Eurozone sovereign debt crisis the stakes were as high as putting the future of the Economic and Monetary Union in question. That is why all economic policy decisions were taken with regard to the needs of the Eurozone but not the harmonious fiscal and monetary integration of the EU27. In this line of thought this thesis showed the difficulties that Poland and Denmark experienced in implementing their economic agendas being outside the Eurozone. That is why Cyprus' membership in the Eurozone provided the small island with an opportunity to use the instruments of the Presidency office in the decision-making process concerning the EU economic policies. However, with an economy share of 0.2% of the Eurozone and being heavily shuttered by the debt crisis Cyprus did not in practice had much room for influencing the decisions. Just one week before the beginning of its Presidency Cyprus officially asked its EU partners and the IMF for a bailout package of €10bn in order to recapitalize its banking sector exposed to Greek debt.<sup>17</sup> The negotiations between the representatives of the EC, ECB and IMF (the so called Troika) on one side, and Cyprus authorities on the other continued throughout the whole term of the Presidency and officially ended in March 2013, when the bailout agreement was signed<sup>18</sup>. The Troika insisted that the Cypriot side should commit to profound reforms of its financial sector and austerity measures in order to receive the loan. This situation of dependence of Cyprus on fellow EU member states implied for the country to strive for managing a reputation building Presidency, which would increase the credibility of the country as a reliable and EU engaged member-state. This reputation in turn was perceived to facilitate the negotiation of more loose conditions for the bailout. That is why it may be argued that although being member of the Eurozone provided Cyprus with a say in the

---

<sup>17</sup> *Cyprus requests Eurozone bailout*, Financial times, 25 June 2012, <http://www.ft.com/cms/s/0/80320e0e-bed0-11e1-b24b-00144feabdc0.html#axzz33x9PK2Ty>

<sup>18</sup> *Cyprus bailout deal: at a glance*, The Guardian, 25 March 2013, <http://www.theguardian.com/business/2013/mar/25/cyprus-bailout-deal-at-a-glance>

economic policy decisions, the ongoing during the Presidency negotiations with the Troika limited the strength of the Cyprus' voice in the EU economic policies and most importantly implied for an honest broker type Presidency without an option for persistent pursuit of national agenda.

As far as the third factor is concerned, the implications of the Cyprus national problem on the execution of the Presidency are not so obvious at first glance. However, in order to achieve the already mentioned reputation of reliable and EU engaged member-state Cyprus had to do the utmost efforts to avoid mixing its EU responsibilities of a Presidency country with its biggest national problem, as most of the EU countries did not want to be involved in this bilateral conflict (Adamczyk, 2013). Things worsened when in late 2011 Turkey announced that it will suspend its relations with EU during the Cyprus Presidency. However, not only was Turkey one of the biggest trade partners of the EU, but in the context of the Arab spring revolutions and the war in Syria most specifically, Turkey was envisaged as a stable and important EU partner in the Middle East. Evidence that the a situation of no cooperation during the Cyprus Presidency was against the interest of most EU member states is the fact that soon after this announcement was an initiative called '*the positive agenda*' aimed at revitalizing the cooperation with Turkey through channels having nothing to do with the Presidency.

Before examining the Cyprus agenda, it should be mentioned that due to its geographical remoteness and the limitations of an inexperienced and small administrative capacity, the Cypriot authorities chose to run a Brussels-based Presidency mostly via its Permanent Representation there (Adamczyk, 2013). In the context of all these factors it may be argued that the Cyprus Presidency evoked low level of expectations not only among others but in Cyprus as well, which is illustrated by its concise agenda.

## Priorities

One general question about the EU integration emerges often during crisis times – more or less Europe is needed. This was again the case during the European sovereign debt crisis of 2011-2012 and the Cyprus Presidency proposed its answer to this question – a better Europe, which was the official slogan of the Presidency. Under this title the Presidency outlined 4 priority areas (table 13, Annex III). The first, “more efficient and sustainable” Europe agenda section is headed by the negotiations on the MFF and more precisely finishing then by the end of 2012, which was the goal set by the trio Programme. There is little doubt that this was the flagship dossier of the Presidency and almost all other issues were subdued to the negotiations of the financial framework until 2020. From the two major items in the MFF – the CAP and the Cohesion policy, the Presidency gave higher agenda spot on the latter, which is expected considering the declining agriculture sector at the expense of the tourism and the financial sectors.<sup>19</sup> However, the Fisheries policy is highlighted as a priority directly following the CAP reform. The next priorities in the ‘efficient and sustainable’ area are Europe 2020 issues, of which the Research and innovations sector has been highlighted. The emphasis is clearly put on taking forward the Horizon 2020 programme. Progress on Energy policy is linked to the establishment of the Connecting Europe Facility, while EU Integrated Maritime Policy is indicated as the benchmark priority within the Sustainable development area.

---

<sup>19</sup> Ministry of Agriculture, natural resources and environment, 2011, <http://www.euroqualityfiles.net/Documents%20EUAM%20and%20CEECAP/Cyprus/Ministry%20of%20Agriculture,%20Natural%20Resources%20and%20Environment%20-%20Information%20Brochure.pdf>

The second section of the Presidency agenda concerns the establishment of a 'growth-based economy'. The top prioritization of the economic governance and fiscal consolidation among member states is no surprise because European economies were still far from finding exit from the crisis and these issues were on top of the EU agenda both at the European Council and the EC. Then the Presidency commits to monitoring of the implementation of all kinds of growth instruments adopted at EU level such as the Compact for growth and jobs, Europe 2020, etc. However, not much can be achieved in terms of agenda implementation in this area because all those measures are prescriptive for the member states and not binding for specific results. Like its predecessors from the trio, Cyprus puts in its priorities the completion of the Single market and more specifically progress on measures of the Single Market Act and the digital market dossiers. At the bottom of this section measures can be found related to financial services regulation. The relatively low prioritization of this issue can be explained with the relatively loose financial regulation on Cyprus, which has attracted huge foreign cash flows into the Cyprus financial sector. However, as this type of regulation at EU level had already been progressed significantly, including under the Danish Presidency, it cannot be completely neglected from the agenda.

The citizens' emphasis in the Presidency Programme is strong as a whole section is devoted to measures bringing EU close to the citizens. Unlike the other two Presidencies of the trio, Cyprus prioritized very high measures stimulating youth employment in particular. If the ground for this choice can easily be found in the negative unemployment trends throughout the whole EU, the next priority – the European Asylum System is highlighted partly due to the exposure of Cyprus to a huge immigrant flow from the Arab countries and Syria in particular. Somewhat unexpected considering the trio priorities is the explicit mentioning that the Presidency would pursue measures regarding the protection of personal data. On the other hand, relatively low priority is given to the education dimension of the MFF negotiations concerning the Erasmus for all and other programmes.

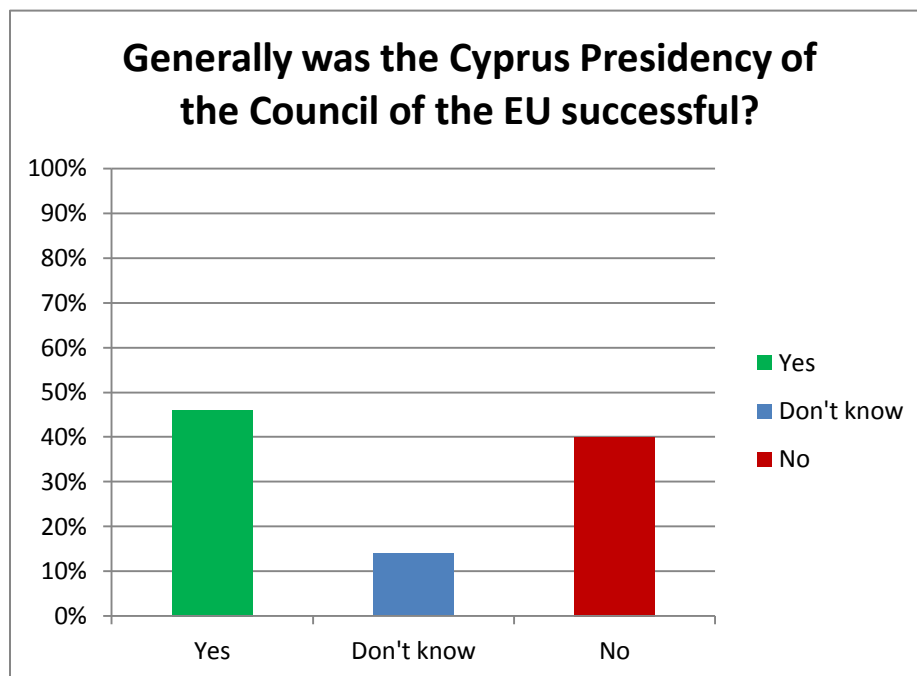
As far as the external dimension of the EU policies is concerned, it is no surprise considering its geographical position that the Cyprus Presidency put on top of its agenda the Neighborhood policy making explicitly clear that it is the southern dimension that will be on focus, but not the Eastern Partnership. As a second priority is indicated the finalizing of negotiations within the MFF on external financing instruments, which corresponds to the already mentioned high saliency of the financial sector for Cyprus. The presence of the trade policy is in the sphere of the routine external affairs agenda setting, while the least priority given to the Enlargement is explainable with the lack of prospect in the area after the finalization of the negotiations with Croatia during the previous Presidency and the obvious unwillingness to make any references to Turkey.



## Analysis

### *The success of the Cyprus Presidency*

At first glance, the triangulation measurement of the dependent variable for the Cypriot case reveals no unequivocal results from both indicators. Figure 6 shows that more people perceived the Cyprus Presidency as successful (46%) than not (40%). This might be unexpected outcome in the light of the publicly proclaimed fact that some flagship dossiers of the Presidency remained unfinished, but the logic that the public opinion reflects the mismatch between the expectations and the results is valid in this case as well. As the expectations before the Presidency were low mainly due to the reasons presented in the previous section, it is plausible to assume that the Cypriot population perceived the mere lack of scandals and breakdowns during the Presidency as a success.



**Figure 6. Survey results of Cyprus Presidency evaluation among stakeholders.**

Source: [http://www.moec.gov.cy/kee/pdf/ekdoseis/evdomi\\_seira\\_ekdoseon.pdf](http://www.moec.gov.cy/kee/pdf/ekdoseis/evdomi_seira_ekdoseon.pdf)

On the other hand, the overview of the analytical work on the Cyprus Presidency (table 6) indicates that the half of the authors assess the Presidency in a manner corresponding to the substantive score of the four-grade scale. Considering the fact that same number of experts' works (7) evaluates the Presidency as not much successful, an accurate judgement is hard to be made only based on this indicator. However, the overall success of the Cyprus Presidency of the EU measured according to the two indicators may be regarded as moderate being slightly closer to the label 'successful' than 'unsuccessful', which classifies as substantive on the four-grade scale.

	Limited	Medium	Substantive	High
Scientific research	0	2	2	0
NGOs evaluation	1	2	2	0
Media analysis	1	1	3	0
<b>Total</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>0</b>

Table 6. Summary of the Cyprus Presidency expert evaluations

### *H1: The greater the implementation of agenda priorities, the more successful the Presidency.*

The examination of the Presidency results (table 13, Annex III) reveals that the top priority (the MFF) was not agreed upon within the timeframe indicated in the Programme. The Presidency organized a round of bilateral talks with representatives of all member states which resulted in an Issue paper<sup>20</sup> summarizing the main priorities of each country and providing a starting point for the negotiations. Despite these efforts the first Negotiation Box proposed by the Presidency was rejected by the Council and the same happened to the second version of the Box, which was intended to reflect the positions in the Council and provided reduction of the total MFF sum of more than 50bn.<sup>21</sup> Furthermore, the EC and EP stood firmly against any cuts and opposed the Presidency proposals as well with the argumentation that the biggest cuts are made in growth stimulating areas.<sup>22</sup> As a result of the inability of the Cyprus Presidency to find the compromise at European Council in early November the heads of states agreed that van Rompuy take over the baton in the negotiations and that he submit a revised and further reduced proposal on the next GAC. At the end of its term the Presidency found itself nowhere near finalization of any of the prioritized dossiers under the MFF. This is valid even for the explicitly highlighted Cohesion policy regulation and Horizon 2020 programme. However, some success was achieved in the Sustainable development sector, where the Energy star regulation and the 'Land Use, Land Use Change and Forestry' decision, concerning harmonization of Greenhouse gas emission, were adopted.

In the area of economic governance the dossiers on which most progress was made and some of them were adopted like the Single Supervisory Mechanism, Credit Rating Agencies regulation and the European System of National and Regional accounts were not among the Presidency priorities and cannot be regarded as an implementation of its agenda. However, considering the top priority of the Presidency – the Two-pack, the negotiations between the Council and the EP on the Two-pack were blocked by disputes on the inclusion of a debt redemption fund, which was not fancied by the Council.

<sup>20</sup> Presidency Issues Paper: "Multiannual Financial Framework 2014-2020", Informal Meeting of Ministers and Secretaries of State for European Affairs, Nicosia 30/8/2012, <http://www.cy2012.eu/index.php/de/file/t4OXQzwQKPz2nxXo9+AUZw=>

<sup>21</sup> The MFF negotiating box has been changed but not the positions, EUinside, 27 September, 2012, <http://www.euinside.eu/en/news/the-mff-negotiating-box-has-been-changed-but-not-the-positions>

<sup>22</sup> European Parliament's Budget Committee: "Presidency MFF Proposal puts EU policies in jeopardy", <http://www.europarl.europa.eu/news/en/pressroom/content/20121030IPR54802/html/EPPresidency-MFF-proposal-puts-EU-policies-in-jeopardy>, accessed 31/10/2012

The fact that only 2 months after the end of the Cyprus Presidency the Irish one managed to get the agreement of the EP on a text matching exclusively the Council's views<sup>23</sup> suggests that the Cyprus Presidency can take part of the blame for the gridlock situation. In terms of the Single Market agenda the Presidency witnessed the adoption of the Patent package but as mentioned in the previous chapters of the analysis the main brokerage and mediation work was done under the Polish and Danish Presidencies. It should be noted that the Cyprus Presidency took to an agreement with EP the dossiers that the Danes had already achieved a common Council position – Venture capital funds, Social entrepreneurship funds, the Online and the Alternative dispute resolution regulations, etc.

An area where the implementation of the Presidency agenda is relatively high is the Common European Asylum System. Agreement with EP was reached on two of its pillars, namely the Dublin regulation and the Reception conditions directive, while progress in trilogue meetings was made regarding the Asylum procedures directive. Furthermore, the Presidency witnessed some of its JHA priorities like the Schengen Information System (SIS) II and Brussels I regulations adopted as well. However, data from the MSCA shows no Council acts regarding the personal data protection topic, which comes to prove that the Presidency agenda can hardly insert a new issue to the overall EU agenda and uncoordinated with the other EU partners issues are likely to be neglected. Concerning the improvement of the quality of life of citizens sphere, where EU legislative and regulation activity is modest, the Council decisions and conclusions concern topics clearly salient for an island country like Cyprus like Port state control and Cross border threats to health. This suggests that even a modest Presidency can exert influence to the Council agenda in areas of little salience for the EU where the Council activity is limited to non-binding acts.

Despite the explicit emphasis put on the Southern dimension of the Neighborhood policy as the top priority for the Presidency, only one tangible result can be identified during the 6-month term – Council decision for the start of negotiations on establishing free trade area with Morocco. The other Council acts do not follow the Presidency agenda as they concern trade relations with countries like Japan, Colombia, Peru, etc. On the contrary, more Council conclusions and decisions were related to the EaP with the progress on visa liberalization with Ukraine, Moldova and Armenia, which once pushed forward by the Polish Presidency, followed the path of progress in the Council. Lacking leadership ambition and profound persistent policy on a foreign affairs issue even outside the EU framework like the Polish dedication to the EaP, the Cyprus Presidency did not manage to attract the attention of the Council to its agenda. Moreover, the Council paid due attention to the enlargement process in its acts despite the low priority that the Presidency had given to it.

Although preparing an unambitious moderate Programme, the Cyprus Presidency had most of its priorities not implemented or very slightly progressed. While most of the issues like the MFF, the economic governance or the foreign affairs are beyond the scope of influence for a small country like Cyprus, the developments of these dossiers under the next Presidency revealed that part of the slow progress should be attached to the ineffective brokerage performance of the Cyprus Presidency. In this

---

<sup>23</sup> Council adopts the MFF 2014-2020, European Commission, 2013, [http://ec.europa.eu/budget/mff/index\\_en.cfm](http://ec.europa.eu/budget/mff/index_en.cfm)

perspective it may be argued that the overall Presidency agenda implementation for the Cyprus hold of office is not more than limited.

If the first hypothesis is correct, the expectations are that the limited agenda implementation would lead to a low level of Presidency success. However, even though the performance of the Cyprus Presidency did not prove to be categorically successful, it is still closer to successful than unsuccessful. Thus the first hypothesis does not hold for the Cyprus case.

### *H2.1: The closer the coordination with European Council, the more successful the Presidency*

During the Cyprus Presidency there were two regular European Council meetings – in October and December and one special meeting in late November. However, the June European Council will also be included in the analysis due to the implications its decisions may have on the then upcoming Cyprus Presidency. Examination of the agendas of all four meetings indicates unequivocally that the top priority for the Heads of state during the second half of 2012 was the MFF. There is abundant evidence for the cooperation on this topic between the Presidency on one side and the President of the European Council and its Cabinet on the other. First, the Presidency relied heavily on the help of the Cabinet for the management of the bilateral consultations with member states on the MFF in Brussels from 10<sup>th</sup> to 19<sup>th</sup> July. The Presidency did not insert specific numbers in the Negotiation Box until after the conclusions of the October European Council confirmed that there was a political consensus on the major issues and negotiations could progress with the technical part. However, after the proposal of the Presidency was rejected by all parties and it became evident that it lacked the capacity to strike a deal on time, at the beginning of November another round of bilateral meetings took place. This time van Rompuy was the initiator with the Presidency involved as an assistant. This change of leadership in the MFF negotiations was formalized on the special European Council in late November dedicated explicitly to the budgetary issue.

In other areas cooperation and coordination between the two institutions can also be tracked. The June European Council put strong emphasis on the progress of some JHA issues like the Common Asylum System, the Dublin regulation and visa regulation with neighboring countries. All these issues found proper reflection in the Presidency Programme and experienced a high level of implementation as showed in the previous section. Furthermore, the October European Council stressed the completion of the EMU as an important next step in the EU integration, with the establishment of the Single Supervisory Mechanism indicated as a top priority. Despite its complete absence from the Presidency agenda, the Mechanism was agreed in December on a special ECOFIN meeting. This successful agenda ‘download’ from the European Council proves the excellent coordination between the two institutions. Similar to the Danish Presidency the Cyprus one gave immediate priority in cases when the European Council called for progress in the Council on specific dossiers. This was the case with the two-pack, the venture capital funds, the Employment package, the Capital requirements directive, Horizon 2020, etc. Although on some of these issues little progress was achieved, they were all prioritized by the Presidency and put high on its agenda for the relevant Council configurations. Nevertheless, data from GAC meetings reveals that the Presidency avoided putting on the table for discussion Enlargement issues, which were a regular presence in the European Council agenda.

In the conclusions of the last European Council during the Cyprus Presidency in December there are a total of 4 endorsements and positive remarks for the work of the Presidency and its efforts on specific issues, which is more than the other trio members received in the last European Council of their offices.

The analysis shows that the Cyprus Presidency worked in close cooperation with the European Council. The lack of administrative capacity and experience as well as the decision to run a Brussels-based Presidency to some extent explain the collaboration with the Cabinet of the President of the European Council. On the other hand, the coordination with the European Council far exceeded the mere administrative cooperation and appeared to have a deep political dimension, which is best illustrated by the MFF negotiations. That is why the general evaluation of the coordination between the Cyprus Presidency and the European Council is high.

Potentially precise assumptions about the covariation between the coordination with the European Council and the success of the Presidency suggest that a high level of coordination would result in a highly successful Presidency. Even if the measurement of the latter does not indicate such a high success of the Cyprus Presidency, we have found enough evidence to claim that the excellent coordination with the European Council both in terms of agenda and interactions contributed for the success of the Presidency, which confirms the hypothesis.

## *H2.2: The closer the coordination with FAC, the more successful the Presidency.*

The Cyprus Presidency indicated its firm engagement with external dimension of the EU by dedicating a whole section of its Programme to it. However, this engagement did not involve pursuit of ambitious goals or promotion of clear national preferences in the EU agenda the country's geographic and historic background might have suggested so. In fact, except for the 40-year dispute with Turkey, the Cypriot national interests in the realm of foreign affairs during the Presidency coincided to a vast extent with the EU agenda. The civil war in Syria as well as the turmoil situation in Libya and Egypt were implicitly on the top of both the FAC and the Presidency agendas. From all the five FAC meeting during the second half of 2012 only the one on 19 November did not had the Southern Neighborhood on top of its agenda. This change of order is due to the escalation of the ethnic conflict in Mali in the beginning of November, which means that an emergent situation caused this agenda mismatch between the Presidency and the FAC. Examination of the Presidency agenda and activities in the foreign affairs in the context of the FAC meeting for the period reveals one striking mismatch – the Common Security and Defence Policy. The logic behind the Mali issue is inapplicable in this case, because data shows a systematic and persistent Presidency activity in the area of CSDP, while the FAC barely touches this topic in its 19 November meeting (again there is a solid ground for assuming that if it was not for the Mali conflict, the issue would not have been included in the Council agenda). The Presidency organized 4 seminars and workshops on the CSDP and even published a non-paper with measures for strengthening the EU military capabilities.<sup>24</sup>

---

<sup>24</sup> CY Non-paper EU Military Capabilities Development, Nicosia, 14 November 2012, <http://www.cy2012.eu/index.php/tr/file/geaO9tVPzGX2nxXo9+AUZw==>

Considering the largest foreign affairs problem of Cyprus since 1974 – the Turkish occupation of 38% the island territory, there is no evidence for attempts to push this issue on neither the Presidency nor the FAC agenda (Adamczyk, 2013). Despite the facts that Turkey does not recognize Cyprus as a subject of international law and immediately before the Presidency inauguration Turkey declared that they freeze their relations with the EU for the period of Cyprus Presidency, the authorities of the small island did not use the Presidency as a tool for exerting pressure on Turkey. On the contrary, the progress on the Turkey's EU negotiations was highlighted in the Enlargement agenda of the Presidency. On her first visit to the EP on 10 July 2012 the Cypriot Foreign Affairs Minister Erato Kozakou-Marcoullis stated: *"We are ready to work with Turkey, if Turkey respects the Cyprus Presidency"*<sup>25</sup>. As the Turkish part remained firm in its boycott, there were no further contacts between both sides, although in the context of the Syrian war the EC representatives and heads of EU member states initiated forms of communication with Turkey.

The Report of the Cyprus Presidency indicates that Mrs Kozakou-Marcoullis represented the High Commissioner on a total of 15 occasions, of which only 5 were on listenings before the EP. The rest were cases in which Kozakou-Marcoullis chaired different meetings, mostly Association Councils. In comparative perspective this is a significant number because the previous three Presidencies (Hungary, Poland and Denmark) represented Baroness Ashton respectively 12, 16 and 10 times. Another evidence for the cooperation and coordination of both institutions is the publicly stated readiness of Cyprus to provide assistance and resources in case of a need for evacuation of Third country nationals from Syria, a few days before the first FAC meeting under the Presidency<sup>26</sup>, which was focused explicitly on the situation in Syria and a possible evacuation was among the discussion points.

Despite the few minor differences in the agendas of the Presidency and the FAC, there are no signs that the former was managed in a contradictory manner. On the contrary, the analysis shows that there was not only considerable agenda correspondence but an extensive cooperation on different levels as well. That is why the level of coordination between the Cyprus Presidency and the FAC can be assessed to substantive.

If the hypothesis is correct, expectations are that substantive coordination with FAC would suggest a successful Presidency. The results of the success measurement revealed that it had been achieved to exactly this level, which comes as a solid confirmation of the hypothesis.

### *H3: The more successful the Council is in negotiations with EP, the more successful the Presidency.*

In order to assess the success of the Cyprus Presidency in the negotiations with the EP, the analysis should concentrate on trilogue negotiations of a top priority issue for reasons explained in the Research

---

<sup>25</sup> Press Release - The Cyprus Presidency to move enlargement process and the humanitarian aid objectives of the EU forward, 10 July 2012, <http://www.cy2012.eu/en/news/press-release---the-cyprus-presidency-to-move-enlargement-process-and-the-humanitarian-aid-objective>

<sup>26</sup> Press Release - Foreign Minister Marcoullis participates in the first Foreign Affairs Council during the Cyprus Presidency, 22 July 2012, <http://www.cy2012.eu/en/news/press-release---foreign-minister-marcoullis-participates-in-the-first-foreign-affairs-council-during>

design chapter. The data from the Results of the Cyprus Presidency of the Council of the EU, issued by the MFAC reveal that the Presidency managed to reach an agreement with EP on very few existing legislative dossiers – 8. From them only the Credit Rating Agencies (CRA III) and the Venture Capital Funds (VCF) regulations answer the criterion of being a top priority of the Presidency (table 13, Annex III). That is why the negotiations on these dossiers are to be used as a basis of generalization for the score of the Cyprus Presidency on this independent variable, while progress on other dossiers will also be taken into account.

Both pieces of legislation regard the financial services in the EU and the Cyprus Presidency inherited a common Council position on them mainly due to the intensive efforts of the Danish Presidency. The compromised text on CRA proposed by the Presidency on the 6<sup>th</sup> trilogue meeting, which was finally agreed by EP, contains concessions from both decision-making actors. Table 14 in Annex III summarizes the differences on the main disputable issue, from which is seen that the Presidency negotiated a middle ground position on the rotation principle making it applicable too only new re-securitizations. The final text reflects more fully the Council position regarding the civil liability, but is clearly closer to the EP demands as far as the overreliance on credit rating and the conflict of interest articles are concerned. When it comes to the VCF regulation, the data on lawmakers initial positions presented in Table 15 in Annex III reveals that the provisions concerning the definitions, scope and conditions of VCF differed only in the technical details. The adopted piece of law is less restrictive than the EP demands in terms of the period of the first capital investment made, but more specific than the Council aspirations in the field of the percentage of total capital of the fund that may be used for acquisition of assets. However, only the text about the single depositary, which is practically removed from the proposal, might turn the overall balance of the regulation slightly in favour of the Council position.

However, except for the already mentioned 8 dossiers on which agreement with EP was achieved by the Cyprus Presidency, it should be taken into account the significant number of dossiers that were expected to be led to a successful end by the end of its term. While the categorical rejection of the NB on the MFF proposed by the Presidency might not have been the main reason for the delay of the deal, there are several other important pieces of legislation where the Presidency failed to achieve compromise with the EP – the two-pack, the Transparency Directive, the Capital Requirements Directive.

In this perspective it may be argued that the Cyprus Presidency did not achieve more than medium success in its negotiations with the EP.

Provided that the assumption behind the hypothesis is precise, the medium negotiating success of a Presidency vis-à-vis the EP suggests a relatively low overall success of the Presidency. However, although hardly determined the Cyprus Presidency was measured as slightly more successful than unsuccessful, which contrasts to the expectations. Thus, the hypothesis does not hold the test for the Cyprus case.

#### *H4: The greater the consistency with other trio members, the more successful the Presidency.*

An examination of the Programme of the Cyprus Presidency in a comparative perspective with the programmes of the other trio-members shows that the Cypriot agenda was consistent with the work of the others and stuck to the greatest extent to dossiers highlighted as trio priorities in the Joint

Programme. While the Polish Presidency tried to promote the Eastern Partnership, and the Danish accentuated heavily on the green measures, in the Cyprus Presidency programme there is no trace of issues that have the specific national imprint and cannot be found in the programmes of fellow trio members. The fact is that the last Presidency of the trio was preoccupied with wrapping up the work done by its predecessors on dossiers like the MFF, economic governance and financial regulation. In all these case the negotiations were urgent and a prompt deal was expected, which further limited the opportunities of the Presidency to push forward any other dossiers.

However, when it comes to prioritization there are several differences from the Joint trio programme. First of all, the Presidency put a strong stress on the negotiations of the Cohesion policy and gave relatively low priority to the Europe 2020 issues, while the latter was on top of the Joint Programme. While this is easily explained by the participation of Cyprus in the informal group 'Friends of Cohesion' (Romanska, 2012) and the fact that the country was a major beneficiary from the programme, it reduces the consistency of the Presidency with the Joint Programme and the Danish Presidency. In the JHA area the Trio programme was explicitly dedicated to the Stockholm programme, while the Cyprus Presidency showed engagement only as far as the Common Asylum System is concerned, which is only one part of the Stockholm agenda. Furthermore, a clear mismatch between the Presidency and the Joint trio programme is the prioritization of the Neighbourhood policy from the former at the expense of the Enlargement policy, which was a top issue in the 18-month agenda.

When assessing the overall consistency with other trio members, not only agenda and implementation should be taken into account but also other forms of cooperation. As already mentioned in the analysis for the Polish and Danish presidencies there were no symbolic forms of trio cooperation like common logo, slogan or website. However, 3 of the 9 coordination meetings at ministerial level before the 18-month Presidency were held in Cyprus (1 in Denmark, 2 in Poland). The geographical remoteness of the country and the fact that the Presidency was Brussels-based make this choice quite impractical unless it is considered as a deliberate attempt by Cyprus Presidency to ensure the coherence and continuity of its performance with that of the preceding trio members.

The above analysis gives enough ground for the claim that the Cyprus Presidency managed to achieve better consistency with its trio partners than they had done. Partly this can be explained by the fact that it is easier to be consistent with something that has already passed than with something that lies ahead, which was the Polish and Danish presidencies perspective, but the efforts of the Cyprus Presidency to coordinate with its partners before the 18-month term and eventually stick to the Joint programme provide solid ground to assess its overall consistency with them as substantive.

Following the logic of the hypothesis if it turns correct, the substantive level of consistency with trio-members would suggest a relatively high level of Presidency success. Although at first glance, the findings about the success of the Cyprus Presidency confirm this hypothesis, we have reasons to doubt the level of the independent variable in this case as being considerably influenced by the institutional factors. As already mentioned it is easier for the last member of a trio to be consistent with the behavior of its predecessors because the terms of the other two members have passed, while this is not the case in their situations. Furthermore, the consistency of the last member is suggested to be higher due to the length and the characteristics of the EU decision-making process making dossiers follow their own



progress path after certain point. That is why the chance that the last trio member has a workload consistent to that of its predecessors is bigger just because these dossiers have been promoted by them. That is why we do not have enough evidence to confirm fully the hypothesis.

## Case conclusion

In this chapter an analysis of the Cyprus Presidency and a test of our hypotheses based on its performance were done. Table 7 presents in a summarized and systematized manner the results of the Cyprus Presidency case analysis.

Dependent variable value	Independent variable	Score	Hypothesis test result
Substantive	No causal relations between any of the independent variables and the dependent one	-	Incorrect
	Agenda implementation	Limited	Incorrect
	Coordination with European Council	High	Correct
	Coordination with FAC	Substantive	Correct
	Success in negotiations with EP	Medium	Incorrect
	Consistency with other trio members	Substantive	Uncertain

**Table 7. Summary of the results of the hypotheses test (Cyprus)**

Only the second hypothesis with its both sub-assumptions can be validly proved correct. Although there is room for speculation whether these high score on the coordination with the European Council variable is not implication of the Cyprus financial problems and its subsequent dependence on EU loans, this concerns only the independent variable but not the dependent and thus is somewhat irrelevant for our analysis. Data from this case suggest that the first and the third hypotheses are not correct. This can possibly be given to the interaction effect between the variables because as mentioned in the formulation of the hypotheses section, the failure in negotiations with EP prevents the adoption of legislation and thus hinders the agenda implementation. However, this is not the case because the low level of the Cyprus Presidency on the EP variable is due to inability of the Presidency to impose the Council position in the negotiations with EP. Furthermore, the Presidency achieved relatively few agreements in the Council on prioritized dossiers, which suggests that the agenda implementation would have been low even in the Council was the only legislator. However, no reliable inferences can be made regarding the fourth hypothesis because of possible strong influence of context variables such as consecutive order within a trio. These findings suggest that the null hypothesis assuming no causal relationship between the independent variables and the dependent one can be claimed incorrect because the analysis proved such covariation between some of the variables.

As Cyprus was the last member of the trio, its Presidency was examined last. The next chapter a cross-case analysis of the findings of all three cases is conducted. Eventually, inferences about the correctness of each hypothesis are made followed by evaluation of the general validity for the whole population of each of them.

## Cross case analysis

After all three cases were analysed separately and the hypotheses were tested for each of them, this chapter presents reflections about the findings in a cross case analysis aimed at reaching general conclusions about the correctness of the hypotheses and the extent to which they can be generalized to the entire population.

However, first an overview of the scores of all the indicators for each variable and the overall score of the variable is presented in table 9. This graphical presentation facilitates inferences about the significance and appropriateness of each indicator.

Indicators	Poland	Denmark	Cyprus	Overall
Opinion of analysts, scholars, experts	Limited/medium	Substantive	Substantive	-
Surveys among stakeholders	Medium	Substantive/High	Medium/Substantive	
Overall for the variable	Medium	Substantive/High	Substantive	Substantive
Number of Council Acts adopted	Substantive	Substantive	Limited	-
Salience for the Presidency	Substantive	Limited	Medium	
Overall for the variable	Substantive	Medium	Limited	Medium
Agenda 'upload'	Medium	Medium	Medium	-
Agenda 'download'	Limited	Substantive	High	
Contacts and interaction	Medium	Medium	High	
Overall for the variable	Limited	Substantive	High	Substantive
Agenda 'upload'	Medium	Medium	Limited	-
Number of representations	Substantive	High	Substantive	
Public communication	Medium	High	Substantive	
Overall for the variable	Medium	High	Substantive	Substantive
Match between the initial position and the final outcome	Medium	High	Medium	Medium
Agenda 'download' from the Trio Programme	Limited	Medium	Substantive	-
Interaction with trio members	Limited	Limited	Medium	
Overall for the variable	Limited	Medium	Substantive	Medium

**Table 9. Overview of indicators scores**

Several findings deserve further explanation. First, it appears that the number of adopted Council acts measures the overall level of the agenda implementation variable more precisely than the salience of these acts for the Presidency and thus is the more appropriate of both indicators. This can be explained

by the adjusting behavior of the Presidency, which means that even if a given dossier is of low salience for it, after it has been adopted (even without the active participation of the Presidency), it is in the interest of the Presidency to claim that it was of great salience and thus earn the credits. As far as the two sub-variables 'coordination with the European Council' and 'coordination with FAC' are concerned, results show that the presumed as important indicator 'agenda upload' turns to be of almost no significance. The analysis of the cooperation mechanisms between the Presidency and these actors showed that in practice agenda upload from the Presidency to them happens in limited and almost constant amounts, making no difference which member-state holds the Presidency. There is a chance that this indicator is of greater significance in cases when the biggest member-states (France, Germany, UK, Italy) hold the Presidency, because their heads of states are believed to be more influential in the European Council and in informal meetings where Foreign affairs are discussed, but this is a matter of further research. Considering the variable 'consistency with other trio members' the analysis reveals that the first indicator measuring agenda download from the Common programme turns out of greater significance for the overall level of the variable than the second one assessing the interactions with trio partners. Partially this can be explained by the fact that the second indicator should be of more or less equal levels for all trio members as if a certain interaction occur and all of them take part, it should be included in the measurement in all three Presidencies. On the other hand, agenda consistency is much more individual indicator and thus allowing to measure trio members independently. Generally, these findings about the significance of the indicators should be taken into account in further research on Council Presidencies.

### *H1: The greater the implementation of agenda priorities, the more successful the Presidency.*

The scores of the agenda implementation independent variable were different in all three cases. The Polish Presidency achieved substantive agenda implementation mostly due to the huge progress on its top priorities even though the rest received less legislative attention. The overall progress on the Danish Presidency agenda at first glance is also relatively high. However, due to the Danish opt-outs from important policy areas like the monetary union, the SDP and JHA, it may be argued that the Danish Presidency did not contribute significantly to the progress on issues from those areas. In this context the analysis showed that the agenda implementation of the Danish presidency can be more accurately defined as medium. On the other hand, the Cyprus Presidency failed to achieve substantive progress on any priority (probably except the Common Asylum System) and on top of that led the negotiations on its top issues nowhere, which results in rather limited agenda implementation.

However, the hypothesis tests in the three separate cases lead to consistent results. According to the theoretical based expectations the relatively low levels of agenda implementation of the Danish and Cypriot presidencies should have resulted in low levels of overall success, which was not the case in reality because both of them were praised for success, though to a different extent. On the other hand, the relatively high agenda implementation of the Polish Presidency suggested a successful Presidency. Again the evidence from the measurement indicators of success revealed a different outcome from the expected and the Polish Presidency was claimed more of an unsuccessful one. This means that the first hypothesis turns incorrect in all three cases examined, which means that no evidence proving causal relationship between the independent and the dependent variables was found. This triple confirmed

finding provides solid grounds for claiming that the assumption that a high level of agenda implementation leads to a successful Council Presidency in the post-Lisbon era is disconfirmed.

### *H2.1: The closer the coordination with European Council, the more successful the Presidency*

Like the first independent variable, the levels of the second one are also diverse in the three cases. The Polish Presidency achieved a low level of coordination with the European Council. Although evidence was found that the willingness for cooperation was present, the Presidency proved unable to stick to the informal agenda set by the European Council due to its aspiration to perform a leadership type of Presidency. The expectations from the hypothesis that a Presidency with low level of coordination with the European Council would be relatively unsuccessful were met. The findings from the other two cases show that in both of them the coordination was relatively high and the measurement of both Presidencies presented them as successful. This means that the hypothesis is confirmed by the Danish and the Cyprus presidencies as well. However, it should be noted that although the Cyprus Presidency achieved higher coordination with European Council level, the overall success of the Danish turned to be more successful. This comes to show that coordination with the European Council is not the only determinant for success of the Presidency and obviously other factors influence it as well. However, in general terms we found solid evidence in all three cases confirming the validity of this hypothesis.

### *H2.2: The closer the coordination with FAC, the more successful the Presidency.*

In terms of coordination with the FAC and its chair the High Representative, the scores of the three presidencies are also diverse. The Polish Presidency experienced medium level of coordination mainly because it chose to pursue its own agenda in the area of foreign affairs and prioritize and actively promote the EaP instead the Southern Neighborhood which was the highlighted issue of the FAC. As the success of the Polish Presidency is also relatively low, then the expectations from the hypothesis are met. Having an opt-out in the SDP area and keeping historical line of unambitious foreign policy the Danish Presidency managed to fulfill its supportive functions regarding the FAC and the High Representative extremely well. As it was proved in administrative terms the Presidency performed quite effective, which helped to achieve a high level of coordination with the FAC and the EEAS. As the Danish Presidency overall level of success is high this case also meets the theoretical expectations of the hypothesis. The Cyprus Presidency also achieved a relatively high level of coordination, though lower than the Danish, and been measured as successful on the dependent variables, this case also confirms the hypothesis. All in all, the findings of the three separate cases are consistent with the expectations and allow confirmation of the hypothesis. What is more, in all cases the relative score of the independent variable on the four-score scale coincide with the level of the dependent variable, which suggests a strong causal correlation between the coordination with the FAC and the Presidency success.

### *H3: The more successful the Council is in negotiations with EP, the more successful the Presidency.*

The qualitative data analysis the Polish Presidency showed that it achieved medium success in the negotiations with the EP mainly because the Presidency was pursuing a high agenda implementation. Thus it was ready to make considerable compromises in the final texts with the objective to close a deal

during its terms and eventually take the credits for it. The success measurement defined the Polish Presidency as relatively unsuccessful, which confirms the hypothesis that high negotiations success with the EP is associated with high Presidency overall success and respectively a low level of the former results in a low level of the latter. The Danish Presidency proved much better negotiator and managed to ensure that in almost all texts agreed with the EP the position of the Council was properly reflected. Partial explanation for this may be found in the experience of the Danish representatives, which were the only from the trio with previous experience at the helm of the EU, but the analysis revealed that the main reason for this success was the realistic agenda of the Danes and the lack of pressure and over ambition to strike deals at all costs. Considering the fact that the overall success of the Presidency was measured to be high and the bargaining success against the EP was also high, then the hypothesis is confirmed from the second case as well.

The Cyprus Presidency performed much like the Polish one with the difference that the former did not even achieve agreements with the EP on many issues. However, although both Presidencies are characterized with relatively low level of success in the negotiations with the EP, the results of their overall success are different. The Cyprus Presidency was categorized as successful, though slightly, which contradicts to the expectations that low success in the negotiations with EP would be associated with low overall success. This means that in the Cypriot case the hypothesis cannot be confirmed. However, a possible explanation of the relatively low negotiation success of the Cyprus Presidency might be in constant factors such as the lack of previous Presidency experience and the limited administrative capacity. Although the first factor might be referred to Poland as well, it should be taken into account the experience that Poland has in chairing different formal and informal interstate meetings like the Visegrad group or the Eastern Partnership summits. Furthermore, as a large country, Poland possesses administration large enough to manage a 6-month institutional burden like the Presidency properly, while for the 35 times smaller in terms of population and possessing no relevant experience Cyprus this task was definitely tougher. While these circumstances cannot explain completely the Cyprus Presidency low success in the EP negotiations, they decrease the significance of the absence of causal correlation between the variables in this case. All in all, as two of the cases confirm the hypothesis soundly and the third does not provide evidence for its correctness, it may be generalized that the hypothesis is correct, though the success in the negotiations with the EP might not be as clear determinant of Presidency success as other factors.

#### *H4: The greater the consistency with other trio members, the more successful the Presidency.*

The results of the tests of this hypothesis are to some extent ambiguous. First, the Polish Presidency was characterized with very low level of consistency with its trio partners, while its success was measured as low, but yet much more positively nuanced than the consistency would have implied if it was the only determinant of the success. This comes to show that for the Polish case the covariation relationship between these two variables is not as strong as it is with other independent variables. The Danish Presidency performed better in terms of consistency but still in the negative half of the scale. On the other hand, the success of the Danish Presidency was relatively high, which contradicts the expectations from the hypothesis, which suggest that low consistency is associated with low success. Thus the Danish case proves the hypothesis incorrect. As far as the Cyprus Presidency is concerned the consistency with

trio members is relatively high and the evaluation of the Presidency success is also slightly in the positive spectrum of the scale. However, it was explained that the level of the independent variable might be influenced in a positive direction by constant institutional factors typical for the last of the trio members, which are beyond the control of a Presidency. As this assumption is beyond the goals of this thesis, the latter is not equipped to test it empirically. That is why, as there is no evidence for this potential influence, it cannot overturn the covariation between the independent variable consistency with trio members and the dependent one for this case, but it can decrease its strength. Overall, two of the cases confirm the hypothesis but neither of them does this in a convincing and unequivocal manner, while at the same time the third case proves the hypothesis incorrect. In this context, no inferences about its general correctness can be made with certainty and thus this analysis remains inconclusive about the causality between the consistency with trio partners and the Presidency success.

***H0 (null hypothesis): The success of the Presidency is not influenced by any of the independent variables.***

As the results confirm the existence of causal covariation between some of the independent variables and the dependent one (summarized in table 8 below) it is obvious that the null hypothesis turns to be incorrect and thus disconfirmed.

### ***Cross case analysis conclusion***

In table 8 are present the findings of the cross-case analysis of the hypothesis test results in the three cases. The conclusion about the correctness of each theory based hypothesis and the level of certainty of whether the respective conclusion may be claimed valid are given.

<b>Hypothesis</b>	<b>Conclusion</b>	<b>Certainty of the conclusion</b>
Null hypothesis	Incorrect	Strong
Agenda implementation	Incorrect	Strong
Coordination with the European Council	Correct	Strong
Coordination with the FAC	Correct	Strong
Success in the negotiations with EP	Correct	Weak
Consistency with other trio members	Inconclusive	Strong

**Table 8. Conclusions about the hypotheses**

Only inferences concerning the third hypothesis cannot be characterized with strong level of certainty. Further elaboration and generalization of the results is presented at the beginning of the next chapter so that they can be explained in the context of the process of answering the sub-questions and the central research question.

## Conclusion

### Answering the research question

In the previous chapter discussion about the correctness of the expectations was presented on the basis of the results of the hypotheses tests in the three cases. Proceeding from that discussion, a homogenous answer of the central research question of this thesis and brief reflection on it are provided in this section. We found strong support for the validity of the expectations that a Presidency is associated with greater success, if it has achieved high levels of coordination with both the European Council and the FAC and their respective chairpersons. While all three cases suggest the strong correlation between these two variables, this is not the case with the success in negotiations with the EP. The analyses of the Polish and Danish Presidencies show a positive correlation between success in the negotiations with the EP and the overall success of a Presidency, but the Cypriot cases does not confirm this hypothesis. However, there are reasons to take the success vis-à-vis the EP as a determinant of Presidency success, though it proves weaker factor than the above mentioned. The research comes up findings about the significance of agenda implementation that contradict strongly the expectations. The results provide no support for the claim that this independent variable determines the dependent one. The lack of causal correlation between the level of agenda implementation and the overall success of a Presidency cannot be attributed to data analysis or measurement error because the finding is backed by all cases. However, no definite generalizations can be made regarding the determining effect of consistency with trio partners on the Presidency success. Although two of the cases suggest some causality between these variables, neither of them does it in an unambiguous manner. Furthermore, several external for the Presidency factors, for which this thesis cannot account for, are suspected to affect the correlation between consistency with trio partners and the Presidency success and thus a potential causality cannot be defined with enough certainty. As it will be mentioned in the last section of this chapter, further research dedicated explicitly to trio consistency might provide more clarity about it.

Having all this in mind, we can provide answers to the central research question *“What determines success of the rotating Presidency of the Council of the EU in the post-Lisbon era?”*. However, before that the sub-questions should be referred to.

The first sub-question was *“What changes did the Lisbon Treaty introduce regarding the Presidency office?”*. Generally the provisions of the Lisbon Treaty concerning the Presidency were four. First, the European Council was established as a separate institution from the Council of the EU. Second, the Foreign Affairs Council configuration was set up independently from GAC. Third, The Presidents of the European Council and the FAC became permanent and independent from the Presidency. Fourth, new form of cooperation between three consecutive Presidencies was introduced – the trio.

The answer of the second sub-question *“What kind of theories account for Council Presidency performance?”* is more unequivocal. From all kind of international relations, regional integration or behavior theories the literature review outlined the new institutionalism as predominantly used approach in scientific attempts to explain Presidency of the Council of the EU phenomena. More specifically, the rational choice and the sociological institutionalism were used by scholars. However, the



results of this thesis proved that the sociological approach provides better explanatory power concerning the Presidency institution.

The answer of the third sub-question *“How should Council Presidency success be conceptualized?”* was challenging not in terms of defining Presidency success but of measuring it. The success of the Presidency is perceived to indicate the aggregate level of attainment of all goals of the Presidency. Thus it becomes a matter of defining these goals, for which the theoretical framework is used. However, as far as the measurement of success is concerned it became clear that both public opinion and expert analyses should be taken into account. Both factors were important because the sociological approach outlined the Presidency behavior as identity driven, which includes the public image as well.

The fourth sub-question was *“Is Presidency alone responsible for its success or it is dependent on external actors?”*. As the second and the third hypotheses were confirmed (though to a different extent) it may be argued that the Presidency success is not a matter only of the Presidency but of coordination with other institutions and EU actors like the European Council, the High Representative and the EP.

As it is argued in the following section, the answer of the sub-question *“To what extent the findings of the analysis can be generalized to all member-states holding the Presidency office?”* is not absolutely positive. Despite the great representative power of the selected cases for the population as a whole, there are 4 cases (UK, France, Germany, Italy) for which the findings of the research may not be completely applicable. This decreases slightly the external validity of the analysis.

Overall, the central research question might be answered that it turns that, first and foremost, it is the coordination between the Presidency and the post-Lisbon actors European Council and the FAC determines whether a rotating Presidency will be perceived as successful or not. The success in negotiations with the European Parliament, which is further empowered after the Lisbon Treaty, proves also significant but to a slightly less extent than coordination with the abovementioned actors.

## Reflections and limitations

The most important determinants of Presidency success according to the results of this thesis are variables that help the Presidency create an identity of honest broker promoting the common EU interest in coordination with the other institutions perceived as pro-EU like the European Council and the FAC and their respective Presidents. As the findings are in lines with the sociological institutionalist approach, and no substantial evidence back the explanatory power of the other competing theoretical perspective – the rational choice institutionalism, it may be concluded that the choice of theoretical framework is justified.

As far as the research design is concerned, the fact that the analysis resulted in relatively consistent results from the three cases with no major flaws during the process indicates that the selected research design was proper. However, it should be noted that it has some limitations, which although acknowledged throughout the whole process of preparing the thesis, could not be removed completely. First of all, the relatively abstract nature of the variables means that their measurement is as close to reality as the subjectivity (not only of the author of this thesis but of the data sources as well) can put it.



This presents limitation in the sense that if other methods of inquiry were used, the likelihood that some of the results might have been different is not negligible. However, an extensive literature review resulted in selection of the most appropriate measurement indicators (though eventually some of them turned out of little significance, neither was proved flawed or leading to wrong results) with most of the variables being measured with both qualitative and quantitative indicators so that their level is determined as accurately as possible.

Another limitation of this research concerns its external validity. The results probably cannot be generalized to the whole population (EU member-states) to the same extent. Although the case selection was made in a way ensuring coverage of variations on as many country-specific characteristics as possible, there is still chance that some of the attributes of the biggest and most influential EU member-states like Germany, France, UK and Italy is not present in any of the three examined cases and thus the results of the research might not be valid to the same extent for them. However, the main goal of this thesis is to analyse the determinants for Presidency success in the post-Lisbon conditions and not one of the above mentioned countries had had a Presidency since the entry into force of the Lisbon treaty. Furthermore, the theory indicated the trio cooperation as a possible determinant, so the case selection was made in order it was also included, which means that the cases analysed were to be from the same trio.

## Recommendations and further research

This research has found which of the potential factors determining Presidency success outlined in literature appear to be of utmost significance in the post-Lisbon environment. As it was stated earlier all member-states are willing to be deemed successful (Lempp and Altenschmidt, 2008). That is why the implication for the member-states holding the rotating Presidency of the EU is that they would be able to concentrate their efforts on these factors influencing the eventual success of their office to the greatest extent. Presidencies are recommended that they achieve excellent coordination with the European Council as it turns that following the informal agenda set by the heads of states is of greater significance to the Presidency success than pursuing implementation of the preset Presidency agenda. Besides, coordinating actions in the foreign affairs area with the FAC and the High Representative should be aimed by Presidencies more than attempting to upload their national foreign policy preferences into the EU agenda. An important aspect of the Presidency behavior that can bolster its successful image is standing firmly behind the mandate given by the Council in the negotiations with the EP. Nowadays, the perception that reaching agreement with the EP at all costs in order to have dossiers finalized and thus ensuring the success of the Presidency is still quite common (Niemann and Mak, 2010). The results of this research suggest that this is more likely not to be the case and future Presidencies may be recommended to prepare to defend more rigorously the Council positions.

The results of this thesis naturally outlined the areas where further research should concentrate. First, the fact that no general conclusions could be made about the existence of causal relationship between one of the independent variables (consistency with trio members) and the dependent one means that more narrowly scoped research, examining the effect of only this independent variable on the Presidency success is needed. It is recommended that the consistency with other trio members is put

under scientific examination considering data from more than the here present three cases in order to determine the influence of this factor on the Presidency performance. More precisely, attention should be paid to whether institutional rules such as the order of the Presidency in a trio, can influence the consistency between members and how this in turn affect the Presidency success.

Another field where further research is needed is the already mentioned in the limitations section concern about the extent to which results of this thesis can be generalized to the biggest member-states. An examination on the Italian Council Presidency commencing in July 2014 may provide further insight on this question.

## References

- Adler-Nissen, R., Nielsen, J.H. and Sørensen, C. (2012), 'The Danish EU Presidency 2012: A Midterm Report', *Swedish Institute for European Policy Studies*, 2012:10p.
- Agh, A. (2012). 'The Hungarian Rhapsodies: The Conflict of Adventurism and Professionalism in the European Union Presidency', *Journal of Common Market Studies* 50: 68-75.
- Alexandrova, P. and Timmermans, A. (2013). 'National interest versus the common good: The Presidency in European Council agenda setting', *European Journal of Political Research* 52: 316–338.
- Batory, A. and Puetter, U. (2013). 'Consistency and diversity? The EU's rotating trio Council Presidency after the Lisbon Treaty', *Journal of European Public Policy*, 20(1), 95-112
- Bulmer, S. J. (2011). New institutionalism and the governance of the Single European Market, *Journal of European Public Policy*, 5:3, 365-386.
- CAP Reform Blog (2012), *Danish Presidency CAP reform progress report*, 13 June 2012, <http://capreform.eu/danish-presidency-cap-reform-progress-report/>
- Christensen, M.B. & Nielsen, J.H. (2013), 'Can a Small Non-euro Member State Holding the EU Presidency Make a Difference in Times of EU Economic Crisis'. In Dabrowska-Klosinska, P., *Polish Yearbook of European Studies* 15/2012.
- Closa, C. (2012). 'Institutional Innovation in the EU: The "Permanent" Presidency of the European Council', in F. Laursen (ed.), *The EU's Lisbon Treaty: Institutional Choices and Implementation*. Farnham: Ashgate, 119–40.
- Copsey, N. and Pomorska, K (2010) 'Poland's Power and Influence in the European Union'. *Comparative European Politics*, 8 (3): 304–26.
- Costello, R. and Thomson, R. (2013). 'The distribution of power among EU institutions: who wins under codecision and why?', *Journal of European Public Policy*, 20(7), 1025-1039,
- Council of the European Union (2001). Document № 9518/01, "*Preparing the Council for enlargement – Overall assessment and evaluation of implementation of the Helsinki recommendations*" [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/misc/09518.en1.html](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/misc/09518.en1.html)
- Council of the European Union, (2006). Council Decision 2006/683/EC adopting the Council's Rules of Procedure, published in OJ L285/47.
- Council of the European Union (2009). '*Programme of preparation of the Republic of Poland to take up and carry out the Presidency of the EU Council*'.
- Council of the European Union (2012). Monthly Summaries of Council Acts (January, February, March, April, May, June) 2012, [http://register.consilium.europa.eu/content/out?PUB\\_DOC=%3E0&DOC\\_SUBJECT\\_PRIM=PUBLI](http://register.consilium.europa.eu/content/out?PUB_DOC=%3E0&DOC_SUBJECT_PRIM=PUBLI)

C&lang=EN&i=ACT&ROWSPP=25&DOC\_LANCD=EN&ORDERBY=DOC\_DATE+DESC&typ=SET&NRR  
OWS=500&RESULTSET=1&DOC\_TITLE=2012

Crum, B. (2009). 'Accountability and personalisation of the European Council presidency', *European Integration* 31(6): 685–701.

Cyprus Presidency of the EU (2012). "Multiannual Financial Framework 2014-2020", Issues paper from the Informal Meeting of Ministers and Secretaries of State for European Affairs, Nicosia, 30 August 2012, <http://www.cy2012.eu/index.php/de/file/t4OXQzwQKPz2nxXo9+AUZw=>

Cyprus Presidency of the EU (2012). *CY Non-paper EU Military Capabilities Development*, Nicosia, 14 November 2012, <http://www.cy2012.eu/index.php/tr/file/geaO9tVPzGX2nxXo9+AUZw==>

Cyprus Presidency of the EU (2012). *The Cyprus Presidency to move enlargement process and the humanitarian aid objectives of the EU forward*, 10 July 2012, <http://www.cy2012.eu/en/news/press-release---the-cyprus-presidency-to-move-enlargement-process-and-the-humanitarian-aid-objective>

Cyprus Presidency of the EU (2012). *Foreign Minister Marcoullis participates in the first Foreign Affairs Council during the Cyprus Presidency*, 22 July 2012, <http://www.cy2012.eu/en/news/press-release---foreign-minister-marcoullis-participates-in-the-first-foreign-affairs-council-during>

Danish Presidency of the EU (2012). *The Presidency in numbers*, 29 June 2012, <http://eu2012.dk/en/NewsList/Juni/Uge-26/Presidency-in-numbers>

Dinan, D. (2013). 'The Post-Lisbon European Council Presidency: An Interim Assessment', *West European Politics*, 36(6): 1256-1273

Ebels, P. (2011). 'Poland sees praise for EU Presidency in turbulent times', *EUobserver*, 14 December 2011. <http://euobserver.com/institutional/114640>

Egeberg, M., Gornitzka, A., Trondal, J. and Johannessen, M. (2012), 'Parliament staff: unpacking the behaviour of officials in the European Parliament', *Journal of European Public Policy* 20 (4): 495-514.

Elgström, O. (2003). 'European Union Council Presidencies: A Comparative Perspective' (London: Routledge).

EU Information Center of the Parliament of Denmark, 2006. *Danish EU Referenda*, [http://www.eu-oplysningen.dk/euo\\_en/dkeu/referenda/](http://www.eu-oplysningen.dk/euo_en/dkeu/referenda/)

EUinside (2012). *The MFF negotiating box has been changed but not the positions*, 27 September, 2012, <http://www.euinside.eu/en/news/the-mff-negotiating-box-has-been-changed-but-not-the-positions>

EUObserver (2011). *Polish Minister pledges loyalty to EU's Ashton*, 2 July 2011, <http://euobserver.com/pl2011/32580>

- European Commission (2013). *Council adopts the MFF 2014-2020*, [http://ec.europa.eu/budget/mff/index\\_en.cfm](http://ec.europa.eu/budget/mff/index_en.cfm)
- European Commission (2014). *EU member countries*, [http://europa.eu/about-eu/countries/member-countries/index\\_en.htm](http://europa.eu/about-eu/countries/member-countries/index_en.htm)
- European Council (2012). *Invitation Letter of the President of the European Council Herman van Rompuy to the Informal meeting of members of the European Council*, Brussels, 28 January 2012, [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/127625.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/127625.pdf)
- European Parliament's Budget Committee (2012). *Presidency MFF Proposal puts EU policies in jeopardy*, <http://www.europarl.europa.eu/news/en/pressroom/content/20121030IPR54802/html/EPPresidency-MFF-proposal-puts-EU-policies-in-jeopardy>, accessed 31/10/2012
- Farrell, H. and Héritier, A. (2004). 'Inter-organizational Negotiation and Intra-organizational Power in Shared Decision-making: Early agreements under co-decision and their impact on the European Parliament and the Council of Ministers', *Comparative Political Studies*, 37(10): 1184-1212.
- Financial times (2012). *Cyprus requests Eurozone bailout*, 25 June 2012, <http://www.ft.com/cms/s/0/80320e0e-bed0-11e1-b24b-00144feabdc0.html#axzz33x9PK2Ty>
- Hall, P. and Taylor, R. (1996). 'Political science and the three new institutionalisms', *Political Studies* 44(5): 936–57.
- Hayes-Renshaw, F. & Wallace, H. (2006). *The Council of Ministers*. Basingstoke: Palgrave Macmillan.
- Hillebrandt, M., Curtin D. and Meijer A. (2012). 'Transparency in the Council of ministers of the EU. An institutional approach', *Amsterdam Centre for European Law and Governance Working Paper Series*, 4.
- Immergut, E.M. (1998). 'The Theoretical Core of the New Institutionalism', *Politics Society* 28: 5-34.
- Jensen, C.S. (2012) 'The Danish EU Presidency 2012', presentation, 30 June.
- Jensen, M.D. and Nedergaard, P. (2012) 'Erfolgreiche Koordination in turbulenten Zeiten: die dänische Ratspräsidentschaft im ersten Halbjahr 2012'. *Integration*, 35(4): 258–73.
- Jyllands-Posten (2002). *Meningsmåling: Jubel over dansk EU-formandskab*, 26 November 2002, <http://jyllands-posten.dk/indland/ECE3424587/meningsmaling-jubel-over-dansk-eu-formandskab/>
- Kaczynski, P.M. (2011). 'Polish Council Presidency 2011. Ambitions and Limitations.' *Swedish Institute for European Policy Studies*, 2011:3.
- Lempp, J. and Altenschmidt, J. (2008). 'The prevention of deadlock through informal processes of "supranationalization": the case of Coreper', *Journal of European Integration* 30(4): 511–526.

- Lempp, J. and Altenschmidt J. (2007). 'Supranationalization through Socialization in the Council of the European Union' *European Union Studies Association*, University of Pittsburgh.
- Lo Schiavo, G. (2013). 'The New EU Directive on Energy Efficiency: A Critical View', *The Maastricht Journal* (2): 320-326.
- Niemann, A. and Mak, J. (2010). '(How) do norms guide Presidency behaviour in EU negotiations?', *Journal of European Public Policy* 17(5): 727–742.
- Nowak, B. (2012) 'Ostatnia prezydencja duży'ch oczekiwan' – refleksje po Prezydencji Polski w Radzie UE'. In *Raporty i Analizy Centrum Stosunków Międzynarodowych* (Warsaw: CSM).
- Manners, I. (2013), The 2012 Danish Presidency of the Council of the European Union: Bridging Exclusion, *Journal of Common Market Studies*, (51): 70-79.
- March, J. and Olsen, J. (1989). 'Rediscovering Institutions: The Organizational Basis of Politics', New York: The Free Press
- March, J. and Olsen, J. (1998). 'The institutional dynamics of international political orders', *International Organization* 52(4): 943-969.
- Ministry of Agriculture, natural resources and environment of Cyprus (2011), <http://www.euroqualityfiles.net/Documents%20EUAM%20and%20CEECAP/Cyprus/Ministry%20of%20Agriculture,%20Natural%20Resources%20and%20Environment%20-%20Information%20Brochure.pdf>
- Ministry of Foreign Affairs of Denmark (MFAD) (2012a) *Europe at Work: Programme of the Danish Presidency of the Council of the European Union 2012*, Copenhagen.
- Ministry of Foreign Affairs of Denmark (MFAD) (2012b) *Europe at Work: The Results of the Danish Presidency of the Council of the European Union 2012*, Copenhagen.
- Ministry of Foreign Affairs of Poland (MFAP) (2011a) *Programme of the Polish Presidency of the Council of the European Union*, Warsaw.
- Ministry of Foreign Affairs of Poland (MFAP) (2011b) *Towards a European Consensus on Growth: Report of the Polish Presidency of the Council of the European Union*, Warsaw.
- Passas, A. and Katakalous, E. (2012). 'The Cyprus EU Presidency. Riders on the storm.' *Swedish Institute for European Policy Studies*, 2012:3.
- Politiken, Thorning's EU-formandskab er slået fejl, 17 May 2012, <http://politiken.dk/debat/profiler/kristianmadsen/ECE1627793/thornings-eu-formandskab-er-slaet-fejl/>
- Pomorska, K. and Vanhoonacker, S. (2012). 'Poland in the Driving Seat: A Mature Presidency in Turbulent Times', *Journal of Common Market Studies*, 50: 76-84.

- Princen, S. (2009). *Agenda-setting in the European Union*, Basingstoke: Palgrave Macmillan.
- Princen, S. (2011). 'Agenda-setting strategies in EU policy processes', *Journal of European Public Policy*, 18(7): 927-943.
- Quaglia, L. and Moxon-Browne, E. (2006). 'What makes a good EU Presidency? Italy and Ireland compared', *Journal of Common Market Studies* 44(2): 349-368.
- Riley, B. and Hope, E. (2012). 'Council must rethink its position on the Energy Efficiency Directive', *EurActiv*, 7 May 2012, <http://efficiency1st.blogactiv.eu/2012/05/07/council-must-rethink-its-position-on-the-energy-efficiency-directive/>
- Romanska, U. (2012). 'Effectiveness of the trio Presidencies – Negotiations of the Legislative Package for the Cohesion Policy 2014-2020', *Yearbook of Polish European Studies* 15/2012, 195-222.
- Skrzydło, A. (2012). 'The Danish EU Presidency 2012: a good model for a Presidency in a time of crisis?', *Yearbook of Polish European Studies* 15/2012, 177-194.
- Søvndal, V. (2012). 'Europe must be a strong global actor', speech at the EP Plenary session in February 2012, <http://eu2012.dk/en/NewsList/Marts/Uge-10/sovndal>
- Tallberg, J. (2003). 'The Agenda-Shaping Powers of the EU Council Presidency'. *Journal of European Public Policy* 10(1): 1-19.
- Tallberg, J. (2004). 'The Power of the Presidency: Brokerage, Efficiency and Distribution in EU Negotiations'. *JCMS*, 42(5): 999-1022.
- The Guardian (2013). *Cyprus bailout deal: at a glance*, , 25 March 2013, <http://www.theguardian.com/business/2013/mar/25/cyprus-bailout-deal-at-a-glance>
- Thomson, R. (2008). 'The Council Presidency in the European Union: Responsibility with Power', *Journal of Common Market Studies* 46(3): 593-617.
- Tokarski, P. (2011), 'Priorities of the Polish Presidency of the Council of the European Union', Polish Institute of International Affairs, presentation.
- Verdun, A. (2013). 'Decision-Making before and after Lisbon: The Impact of Changes in Decision-Making Rules', *West European Politics*, 36:6, 1128-1142.
- Wallace, H. (2002). 'The Council: an institutional chameleon?', *Governance* 15(3):325-44.
- Warntjen, A. (2013). 'The Elusive Goal of Continuity? Legislative Decision-Making and the Council Presidency before and after Lisbon', *West European Politics*, 36(6): 1239-1255.
- Wec, J. J. (2012). 'An Assessment of the Polish Presidency of the Council of European Union', *Przegląd Zachodni* 2/2012, Instytut Zachodni w Poznaniu, Poland.

## Annex I – Poland

**Table 10. Polish Presidency Data**

Priorities	Agenda	Council Acts	Implementation (progress)	European Council agenda correspondence	Trio programme correspondence
EU integration as a source of growth	MFF (I phase)	1 conclusion	High	Medium	High
	Budget 2012	1 position	High	High	High
	Implementation of the Single Market Act	1 directive, 1 regulation, 1 position, 3 conclusions	Limited	Substantive	Substantive
	SME access to capital	1 position, 1 conclusion	Limited	Low	Medium
	Patent system	-	Medium	No	Low
	Intellectual capital	2 conclusions	Limited	No	Low
	Youth mobility	-	No	No	Low
Secure Europe	Economic governance	1 directive, 5 regulations, 3 decisions, 2 conclusions	Substantive	High	High
	External energy policy	1 regulation, 3 decisions	Limited	Low	Low
	Frontex Regulation	1 directive, 1 regulation, 1 decision	Medium	Medium	Medium
	CAP reform	1 directive, 3 regulations	Limited	Low	Medium
	Security and Defence policy	2 conclusions, 1 declaration	No	Substantive	No
Europe benefiting from openness	Eastern Partnership	3 decisions, 3 conclusions, 1 declaration	Limited	Low	No
	Southern cooperation	2 regulations, 36 decisions, 7 conclusions, 1 cooperation agreement	Medium	Medium	No
	Enlargement	Accession treaty of Croatia, 2 decisions, 3 conclusions	Substantive	High	Substantive
	Relations with Russia	1 position	No	No	No
	Trade policy (WTO)	4 decisions, 1	Limited	Substantive	Medium



	conference)	position			
	UN conference contribution	-	No	Low	Low
No	No	3 conclusions	Medium	Climate change	-
No	No	1 directive	Limited	Nuclear security	-
No	No	1 conclusion, 1 decision	No	Schengen area	-

***Table 11. List of official trio ministerial meetings***

1	February 2008 – Copenhagen (Denmark)
2	May 2008 – Warsaw (Poland)
3	November 2008 – Nicosia (Cyprus)
4	May 2009 – Warsaw (Poland)
5	November 2009 – Brussels (Belgium)
6	April 2010 – Ayia Napa (Cyprus)
7	November 2010 – Brussels (Belgium)
8	March 2011 – Brussels (Belgium)
9	May 2011 – Nicosia (Cyprus)

## Annex II – Denmark

**Table 12. Danish Presidency Data**

Priorities	Agenda	Council Acts	Implementation (progress)	European Council agenda correspondence	Trio programme correspondence
Responsible Europe	Economic governance	3 regulations, 2 decisions, 4 conclusions	Substantive	High	High
	Fiscal regulation	2 regulations, 5 decisions, 6 conclusions, 3 reports	Substantive	Medium	Medium
	MFF (Phase II)	2 conclusions	Limited	High	Substantive
Dynamic Europe	Single Market	3 directives, 5 regulations, 7 decisions, 5 conclusions, 3 reports	Substantive	High	High
	Single Market on Knowledge	2 decisions, 4 conclusions, 1 report	Medium	Limited	Medium
	Sustainable growth	2 decisions	Limited	Medium	Substantive
	Labour market and health	1 directive, 1 regulation, 6 decisions, 5 conclusions, 4 reports	No	Limited	Limited
	Trade policy	3 regulations, 13 decisions, 5 conclusions, 1 report, signature of ACTA	Limited	Medium	Substantive
Green Europe	Green development and growth	3 directives, 1 regulation, 3 decisions, 5 conclusions	Medium	Limited	Medium
	Energy efficiency and climate policy	4 decisions, 8 conclusions	Substantive	Substantive	Substantive
	Internal energy market	4 decisions, 6 conclusions, 3 reports	Limited	Substantive	Substantive

	Sustainable CAP and fisheries	4 regulations, 8 decisions, 11 conclusions, 4 partnership agreements	Limited	Medium	Substantive
	Transport system and air pollution	4 decisions, 4 conclusions,	Limited	Substantive	Medium
	Chemical regulation	3 regulations,	High	No	Limited
Safe Europe	Citizens' security	1 directive, 4 decisions, 5 conclusions, 1 declaration, 1 action plan	Medium	Limited	Medium
	Migration policy	1 directive, 2 regulations, 3 conclusions	Substantive	Medium	Substantive
	Food safety	1 decision	Limited	No	Medium
	Disaster response capacity	-	No	No	limited
	Enlargement and Neighborhood policy	17 decisions, 7 conclusions	Substantive	Limited	Limited
	Strong common EU action	3 conclusions	Limited	Medium	Medium

**Table 13. Negotiations on the Energy Efficiency Directive**

Issue	EP position <sup>27</sup>	Council position <sup>28</sup>	Final outcome (Directive 2011/0172) <sup>29</sup>
National energy efficiency targets	Member States shall set a binding national energy saving target expressed as an absolute level of primary energy consumption in 2020, which shall be notified to the Commission by the date of entry into force of this Directive; By 30 June 2013, the Commission shall assess whether Member States are on track to achieve the national targets referred to in paragraph 1 and required to achieve the Union's target of 20 % primary energy savings	-a two-step assessment of progress achieved, to be carried out in 2013 and 2015; -the Commission comes forward with a draft delegated act by 31 December 2014 for a method to compare Member States' progress; -a methodology should include a projection for absolute energy consumption in the EU	Each Member State will be obliged to set an indicative national energy efficiency target, based on either primary or final energy consumption, primary or final energy savings or energy intensity; By 30 June 2014, the Commission will assess the progress achieved and whether the Union is likely to achieve energy consumption of no more than 1474 Mtoe of primary energy and/or no more than 1078 Mtoe of final energy in 2020

<sup>27</sup> <http://www.europarl.europa.eu/oeil/popups/summary.do?id=1218120&t=e&l=en>

<sup>28</sup> <http://www.europarl.europa.eu/oeil/popups/summary.do?id=1179355&t=e&l=en>

<sup>29</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:315:0001:0056:EN:PDF>

	by 2020, requiring a reduction of EU primary energy consumption of 368 Mtoe in 2020, which amounts to a maximum primary energy consumption of 1474 Mtoe in 2020.		
Energy efficiency obligation schemes	<ul style="list-style-type: none"> <li>-This scheme shall ensure that energy distributors and/or retail energy sales companies operating on the Member State's territory achieve cumulative annual end-use energy savings equal to at least 1.5% of their annual energy sales, by volume, averaged over the most recent three-year period for that state;</li> <li>-Energy used in transport is not excluded.</li> <li>-Each Member State shall ensure that the 1.5% savings achieved each year are new and additional to the savings achieved in each previous year.</li> </ul>	<ul style="list-style-type: none"> <li>-a time horizon for the scheme to run until the end of 2020 and suggests higher thresholds for possible exemptions;</li> <li>-A gradual increase of the target: 1.0% in 2014 and 2015, 1.25% in 2016 and 2017 and 1.5% in 2018, 2019 and 2020;</li> <li>-leave flexibility for Member States to set longer periods (e.g. three years) for a cumulative target;</li> <li>-the 1.5% target should cover only final energy – the energy used by businesses and consumers after it has been transformed into electricity, or refined into petrol or diesel;</li> <li>-exclusion of the transport sector;</li> <li>-‘early actions’ allowing member states to credit savings made before the introduction of the directive.</li> </ul>	<p>Obligated energy distributors and/or retail energy sales companies achieve a cumulative end-use energy savings target by 31 December 2020.</p> <p>That target shall be at least equivalent to achieving new savings each year from 1 January 2014 to 31 December 2020 of 1.5% of the annual energy sales to final customers of all energy distributors or all retail energy sales companies by volume, averaged over the most recent three-year period prior to 1 January 2013. The sales of energy used in transport may be partially or fully excluded from this calculation.</p>
Public bodies' buildings	<ul style="list-style-type: none"> <li>-renovate 3% of the existing building stock owned by public authorities;</li> <li>-the obligation shall apply for buildings with a total usable floor area of over 250m<sup>2</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>-3% renovation rate for public buildings should initially only apply to surface areas over 500m<sup>2</sup>;</li> <li>-the obligation should apply only for buildings owned by central government, whereby Member States could at the same time be required to incentivise the retrofitting or upgrade of the energy performance of the buildings owned by regional and local authorities and in social housing.</li> </ul>	<p>As from 1 January 2014, 3% of the total floor area of heated and/or cooled buildings owned by their central government is renovated each year to meet at least the minimum energy performance requirements that it has set in application of Directive 2010/31/EU.</p> <p>The 3% rate shall be calculated on the total floor area of buildings with a total useful floor area over 500 m2 owned and occupied by the central government of the Member State concerned that, on 1 January of each year, do not meet the national minimum energy performance requirements. That threshold shall be lowered to 250 m2 as of 9 July 2015.</p>

Energy audits	Enterprises not classified as SME are subject to an energy audit carried out in an independent and cost-effective manner by qualified and/or accredited experts at the latest by 30 June 2014 and at least every four years from the date of the previous energy audit.	<p>-no mandatory requirement for larger companies to conduct energy audits, on grounds of proportionality, administrative burden and the creation of unnecessary peak demand for auditors;</p> <p>-focus on the actual implementation of recommendations stemming from energy audits, including through energy management systems.</p> <p>-extend the deadline for the obligation to come into effect to four years after the entry into force of the Directive</p> <p>-extend the deadline for the frequency of the audits to four years.</p>	Member States shall ensure that large enterprises are subject to an energy audit carried out in an independent and cost-effective manner by qualified and/or accredited experts or implemented and supervised by independent authorities under national legislation within three years after the entry into force of this Directive and at least every four years from the date of the previous energy audit.
---------------	---	--	---

## Annex III – Cyprus

**Table 14. Cyprus Presidency Data**

Priorities	Agenda	Council Acts	Implementation (progress)	European Council agenda correspondence	Trio programme correspondence
Efficient and sustainable Europe	MFF	1 conclusions, 1 report	Limited	High	High
	Cohesion policy	1 regulation, 1 directive, 2 conclusions	Medium	Substantive	Medium
	CAP and Fisheries	5 regulations, 5 partnership agreements	Medium	Substantive	Substantive
	Research and innovation	1 regulation, 2 conclusions, 1 progress report	Limited	Substantive	Limited
	Energy policy	2 regulations, 3 decisions, 3 progress reports, 1 joint declaration	Medium	Substantive	Medium
	Sustainable development	1 regulation, 3 decisions, 3 conclusions	Medium	Medium	Limited
Better performing and growth-based Europe	Enhanced Economic governance	1 regulation, 2 decisions, 1 report	Medium	High	High
	Growth and employment	1 directive, 3 decisions, 2 conclusions	Medium	High	Substantive
	Internal market	1 directives, 2 decisions, 4 conclusions	Limited	Medium	Substantive
	Financial services regulation	2 regulation, 2 directives	Medium	Medium	Medium
Europe relevant to its citizens	Youth employment	2 conclusions, 3 decisions, 1 progress report	Limited	Limited	Medium
	Common European Asylum System	1 directive, 2 decisions, 2 conclusions	Substantive	Substantive	Substantive
	Protection of personal data	-	No	No	Limited
	Active ageing and solidarity	2 conclusions, 2 decisions	Medium	No	Medium

	between generations	1 report			
	Children well-being	2 conclusions	Limited	Limited	Medium
	Education	2 conclusions, 1 recommendation	Limited	Limited	Medium
	Culture	2 conclusions, 1 progress report	No	No	Substantive
Europe closer to its neighbours	Neighbourhood policy	3 conclusions, 1 decision, 1 framework agreement	Medium	Substantive	Limited
	External financial instruments	1 conclusions, 1 report	Limited	Limited	Substantive
	Trade policy	8 regulations, 18 decisions	Substantive	Medium	Substantive
	Enlargement	1 conclusions	Limited	Limited	Limited

**Table 15. Negotiations on Credit Rating Agencies III**

Issue	EP position <sup>30</sup>	Council position <sup>31</sup>	Final outcome <sup>32</sup>
Rotation principle	-mandatory rotation for structured finance products	-no rotation at all	Applicable only to new re-securitizations with underlying assets from the same originator
Overreliance on credit rating	- closely monitor the adequacy of undertakings' credit assessment processes, taking into account the nature, scale and complexity of those undertakings' activities; - ensure that they agree neither to contractual rules that result in the automatic sale of assets in the event of a downgrade of the creditworthiness by an external credit rating agency, nor to a rule requiring the use of a credit rating agency.	The proposals for a directive and a regulation set out to amend existing legislation on credit rating agencies (CRAs) in order to reduce investors' over-reliance on external credit ratings, mitigate the risk of conflicts of interest in credit rating activities and increase transparency and competition in the sector.	Sectorial competent authorities in charge of supervising the entities referred to in the first subparagraph of Article 4(1) shall, taking into account the nature, scale and complexity of their activities, monitor the adequacy of their credit risk assessment processes, assess the use of contractual references to credit ratings and, where appropriate, encourage them to mitigate the impact of such references, with a view to reducing sole and mechanistic reliance on credit ratings, in line with specific sectorial legislation.

<sup>30</sup> 24/08/2012 Committee report tabled for plenary, 1st reading/single reading, <http://www.europarl.europa.eu/oeil/popups/summary.do?id=1213379&t=e&l=en>

<sup>31</sup> Credit rating agencies: General approach agreed ahead of talks with EP; 21 May 2012; [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ecofin/130297.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/130297.pdf)

<sup>32</sup> Regulation No 462/2013 of the European parliament and the Council of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies; <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R0462>

Civil liability	When investors disregard intentionally or with gross negligence their due diligence and their internal risk management obligations, credit rating agencies shall not be held liable for damage or loss arising from such conduct.	Supports introduction of an EU-wide civil liability against CRAs granting issuers as well as investors to right to sue the CRAs.	Where a credit rating agency has committed, intentionally or with gross negligence, any of the infringements listed in Annex III having an impact on a credit rating, an investor or issuer may claim damages from that credit rating agency for damage caused to it due to that infringement. The civil liability of CRAs shall only be limited in advance where that limitation is: (a) reasonable and proportionate (b) allowed by the applicable national law
Conflict of interest	a shareholder or a member of a credit rating agency holding at least 5% of the capital or the voting rights in that agency shall not be shareholder or member of another credit rating agency or otherwise have a direct or indirect ownership interest in such other credit rating agency	To mitigate the risk of conflicts of interest, the proposal would require CRAs to disclose publicly if a shareholder with 25% or more of the capital or voting rights holds 25% or more of the rated entity.	A shareholder or a member of a credit rating agency holding at least 5 % of either the capital or the voting rights in that credit rating agency or in a company which has the power to exercise control or a dominant influence over that credit rating agency, shall be prohibited from: (a) holding 5 % or more of the capital of any other credit rating agency; (b) having the right or the power to exercise 5 % or more of the voting rights in other credit rating agency

**Table 16. Negotiations on Venture Capital Funds**

Issue	EP position <sup>33</sup>	Council position <sup>34</sup>	Final outcome <sup>35</sup>
Definition of “qualifying venture capital fund”	It means a collective investment undertaking the committed capital of which is not redeemable before the liquidation of the fund and that invests on average in the two years following its first investment in accordance with this Regulation at least 55% and at least 70% of its called committed capital in assets that are qualifying investments, after deduction of all relevant costs, short-	A ‘qualifying venture capital fund’ is a fund that invests at least 70% of its capital contributions and uncalled committed capital in equity or quasi equity instruments issued by a ‘qualifying portfolio undertaking’, that is, an undertaking which meets the following criteria: - It is not listed on a regulated market (note that AIM is not a regulated market; a company listed on	means a collective investment undertaking that: (i) intends to invest at least 70 % of its aggregate capital contributions and uncalled committed capital in assets that are qualifying investments, calculated on the basis of amounts investible after deduction of all relevant costs and holdings in cash and cash equivalents, within a time frame laid down in its rules

<sup>33</sup> 06/06/2012 Committee report tabled for plenary, 1st reading/single reading;

<http://www.europarl.europa.eu/oeil/popups/summary.do?id=1209698&t=e&l=en>

<sup>34</sup> 20/02/2012 Debate in Council;

<http://www.europarl.europa.eu/oeil/popups/summary.do?id=1192908&t=e&l=en>

<sup>35</sup> Regulation No 345/2013 of the European Parliament and the Council of 17 April 2013 on European venture capital funds;

<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013R0345>



	term holdings in cash and cash equivalents.	AIM could therefore fall within the definition of 'qualifying portfolio undertaking' provided it meets the other criteria.	or instruments of incorporation; (ii) does not use more than 30 % of its aggregate capital contributions and uncalled committed capital for the acquisition of assets other than qualifying investments, calculated on the basis of amounts investible after deduction of all relevant costs and holdings in cash and cash equivalents;
Conditions for the use of the designation "European Venture Capital Fund"	In order to allow venture capital fund managers a certain degree of flexibility in the investment and liquidity management of their qualifying venture capital funds, secondary trading, such as in shares or participations in non-qualifying portfolio undertakings, should be permitted up to a maximum threshold not exceeding, on average, in the two years following the first investment under this Regulation, 45% and thereafter 30 % of the fund's called committed capital, after deduction of all relevant costs.	Managers of qualifying venture capital funds shall not employ at the level of the qualifying venture capital fund any method by which the exposure of the fund will be increased beyond the level of its committed capital, whether through borrowing of cash or securities, the engagement into derivative positions or by any other means.	Managers of qualifying venture capital funds shall ensure that, when acquiring assets other than qualifying investments, no more than 30 % of the fund's aggregate capital contributions and uncalled committed capital is used for the acquisition of such assets. The 30 % threshold shall be calculated on the basis of amounts investible after the deduction of all relevant costs. Holdings in cash and cash equivalents shall not be taken into account for calculating that threshold as cash and cash equivalents are not to be considered as investments
Single depositary	for each European venture capital fund it manages, the manager shall ensure that a single depositary is appointed in accordance with the rules. The depositary: 1) shall be an institution which is subject to prudential regulation and ongoing supervision; 2) shall be responsible for verifying ownership and maintaining a record of the assets of the qualifying European venture capital funds; 3) shall be liable to the European venture capital fund and its investors for any loss suffered as a result of negligence or intentional failure.	Commission shall make further report based on survey of the functioning of the provisions of this Regulation regarding the need of inclusion of a measure establishing a single depositary.	The Commission shall review this Regulation in accordance with paragraph 2. The review shall include a general survey of the functioning of the rules in this Regulation and the experience acquired in applying them, including: ... i) the appropriateness of complementing this Regulation with a depositary regime;