

Spanish EU Council Presidency Guide Over To You Spain: Make or Break Time



Key insights to understand the Presidency

A heated kickoff

The Spanish Presidency of the Council of the European Union kicks off with a heated domestic environment for the government lead by Pedro Sánchez. In the months leading up to the Presidency, everything seemed to be on the right track for the socialist-led coalition government, as it managed to overcome the COVID-19 pandemic, lower unemployment rates, and take effective measures, such as the gas price cap example, to help Spaniards overcome the inflation crisis. These favorable winds helped the government prioritise their international and European commitments, with much emphasis placed on raising the international profile of the President. Despite these successes, the government experienced a major setback in the May 28th local and regional elections which were more negative than expected, triggering a call for snap elections on July 23rd. It remains to be seen how this political climate will affect the Spanish government's ability to push - as a "honest broker"- the Presidency's priorities, which include the reform of fiscal rules, digital transformation, the reform of the energy market and relations between the EU and Latin America.



The results from the 28th of May elections were not what Pedro Sánchez's Socialist Party would have hoped for, having lost ground across multiple regions and faced defeat in key mayoral contests to the Popular Party, the main opposition party. These results were the consequence of President Sánchez's loss of support among left-wing voters, alongside the proliferation of left-wing parties and their failure to unite. Additionally, the liberal party Ciudadanos's vote has collapsed – with its supporters mostly turning to the Popular Party. President Sánchez understood these results as calling his political leadership into question, and so unexpectedly called for snap general elections, bringing them forward from December to July 23rd. His intention was to avoid months of political attrition, to force the Popular Party to damage its reputation by making regional pacts with the far-right party Vox, and to counteract internal pressures from regional socialist leaders who blamed the national leadership for their electoral losses. Bringing the elections forward also forces the parties to the left of the Socialist Party to accelerate the process of joining forces under the Sumar umbrella, a project led by current Vice-President Yolanda Díaz, laying the ground for the centre-left and far-left to continue to govern in coalition.

The domestic context

The Socialist Party's losses in the regional and municipal elections is unprecedented in recent decades, whereas the Popular Party has succeeded in winning many regions across the country from the Socialist Party.

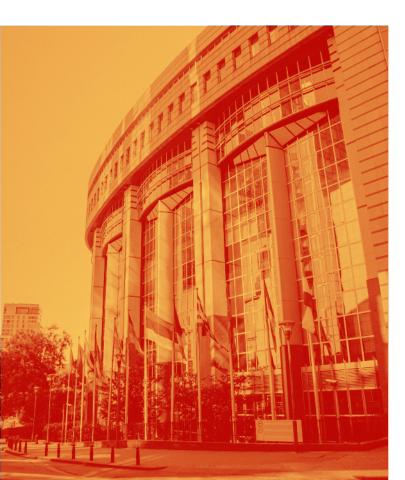
Tensions will likely run high between the main parties during the election campaign, with particularly polarised relationships between Pedro Sánchez and Popular Party candidate Núñez Feijoo as well as Yolanda Díaz (Sumar) and Santiago Abascal (Vox).

Spanish domestic politics seems to be in the midst of a change of leadership. It is difficult to imagine, in the current scenario, a change in the electoral behaviour of Spanish society between the local/regional elections and July 23rd. As such, all signs point to an upcoming change of government in Spain.

What this means for the Spanish Presidency

Political dynamics tend to have a variable impact on the success of an EU Council Presidency. On the one hand, there is no obvious correlation between stability and/or inter-party cohesion at home and getting things done and having visibility in Brussels. However, it is obvious that minimising media and political issues at home prevents them from distracting the Presidency team in Brussels and diverting precious time away from policy negotiations. The political context in Spain has rapidly evolved in recent weeks, and, with it, the expectations of Spanish political stakeholders of the Spanish Presidency.

As previously mentioned, prior to 24 May, everyone expected the Presidency to serve as a platform for President Sánchez's pitch to remain in government. Events such as the Granada extraordinary meeting of the European Council, scheduled for October, were regarded as key opportunities to build the image of Sánchez as a leader with a strong international agenda.



However, following the snap elections announcement, expectations over the Presidency have become much more technical: although there will be little political fanfare, there is trust that the team at the Spanish Permanent Representation and back in Madrid will handle dossiers without too much impact from the electoral process.

On the political side, there will be a significant shift in the tone and approach of the Presidency as of the end of July, particularly if the current government fails to secure a solid majority. If so, two scenarios are likely: the first, a right-wing government formed by the centre-right Popular Party and the far-right Vox, either in a coalition or with the latter granting parliamentary support to the former. The second, an interim government while parties get on with negotiations and, potentially, a second election round if it proves impossible to form a government.



Each scenario would have a different impact on the Spanish Presidency from a political perspective.

The first scenario would entail a substantial

change of approach towards all political matters –

a government of the PP or PP+Vox would approach matters in a very different way than the current executive. It would also give right wing parties a boost in the run-up to the European elections: those hoping for a centreright/far-right coalition in the next European Parliament would point to the Spanish results as part of a trend (alongside the current Italian government). Additionally, success in Spain for the PP could represent a turnaround in the European People's Party's fortunes – having lost, among others, control of the government in Germany - at the start of a new political cycle. The second scenario would not produce a radical shift in the political direction of the Presidency, as there would still be a progressive executive in power.

However, the Sánchez government would be under severe pressure at home, where opposing groups would keep a close eye on him and his Ministers in complying with the limitations of caretaker government status. Therefore, symbolic milestones such as the Granada leaders' meeting, or the Presidency priorities speech at the European Parliament Plenary, moved back from July to September not to coincide with the electoral campaign, would lose their political impact.

We expect domestic political developments to have a minimal impact on technical Presidency preparations, for three reasons:

Firstly, preparatory work has been ongoing throughout the last year and the Spanish Permanent Representation to the EU has reinforced its staff capacity to handle the additional burden of the Presidency.

Secondly, the PSOE and PP traditionally tend not to engage in political debate with each other about EU-related issues.

Thirdly, the Spanish Presidency is the last full presidency before the European elections, scheduled for June 2024. There will be increased pressure to finalise key dossiers before the end of the year, as the Belgian Presidency will have a greater focus on the elections.



Bodies created specifically for the management of the Presidency attached to the Ministry of the Presidency

Organizing Committee of the Spanish Presidency of the Council of the EU.

Chaired by José Manuel Albares, Minister of Foreign Affairs, European Union and Cooperation, since January it has been overseeing the preparations for the Presidency and the necessary interdepartmental coordination. The Committee is made up of members and representatives of the following organisations:

- State Secretariat for the European Union
 - State Secretariat for Communication

State Secretariat for Budget and Expenditure

State Secretariat for Security

Permanent Representation of Spain to the European Union

Deputy Permanent Representation of Spain to the European Union

General Secretariat of the Presidency of the Government

Undersecretariats of all Ministerial Departments

General Secretariat for the European Union

Coordination Office for the Spanish Presidency of the European Union Prospective and Strategy Office

A series of public bodies and management positions have been set up in order to develop the activities of the Spanish Presidency of the EU. These may change depending on the outcome of the general election in July, but these are the people and organisations to watch for now.





Led by Aurora Mejía Errasquín. Its main functions revolve around the preparation, planning, coordination, monitoring and promotion of the necessary activities for the organisation and development of events related to the Spanish Presidency. The Office reports directly to Óscar López Águeda, head of the Cabinet of the Spanish President.

Foresight and Strategy Office

Led by **Diego Rubio Rodríguez**. This General Directorate of the Presidency of the Government of Spain has been reinforced since the establishment of the Open Strategic Autonomy as the core priority of the Spanish Presidency. One of its main functions will be to carry out a study on Europe's vulnerabilities and design its strategic autonomy.

Bodies involved in the management of the Presidency attached to the Ministry of Foreign Affairs, European Union and Cooperation

Secretary of State for the European Union.

Pascual Ignacio Navarro Ríos. This person carries out active coordination work with all the Ministries in the identification of the content of the Presidency and the legislative forecasts, the follow-up of files and the establishment of positions in close contact with the Permanent Representation of Spain to the EU and the Spanish Embassies in the Member States.

General Secretariat for the European Union.

María Dolores Lledó Laredo. Recently created position to reinforce Presidency activities. She collaborates with the Secretary of State to assist the Minister of Foreign Affairs in the formulation and execution of the foreign policy of Spain in the field of the European Union.







Other organizations of interest

There are other organizations that may be useful due to their multidisciplinary approach and for bringing the institutions closer to the citizen:

In Brussels

Permanent Representation in Brussels (REPER):

Led by Marcos Alonso Alonso (REPER & COREPER II) and Raúl Fuentes Milani (COREPER I). The Permanent Representation in Brussels is increasing its functions. The Deputy Permanent Representative and the Counsellors will oversee the preparation and chairing of meetings, the negotiation of texts and the proposal of agreements. In addition, they can represent all national ministries and develop all types of policies.

In Madrid

Representation of the European Commission in Spain:

Chaired by María Ángeles Benítez. It has responsibility for supporting relations between the European Commission and Spain, as well as the duty to create political dialogue in Spain and to disseminate communications on European priorities.

Office of the European Parliament in Spain. Headed by María Andrés Marín. It will organise events to publicise legislative decisions and the coordination of educational programs.



EU Context: what Brussels expects from the Presidency

The Spanish presidency, at the start of a new trio, faces the same myriad of competing priorities that its predecessors did. What's more, it also has a variety of political matters to address. Some of these are all-too-familiar, having persisted throughout this Commission mandate, while others are new challenges.

The question of how to solve a problem like Victor Orbán has persisted throughout this Parliament, with Members of the European Parliament pushing for the Commission and Council to take stronger action on rule of law deficiencies in Hungary. In Brussels, there is growing concern about the prospect of the only EU Member State to be classified as 'Partly Free' by Freedom House managing the agenda of the entire bloc.

Spain will oversee the interpretation of the European Parliament's call for 'a proper solution' to this issue. If, as is likely, Spain chooses not to support an amendment to the Presidency schedule, it – alongside Belgium – will be perceived as responsible for reining in the Hungarian Government through the Trio Programme. Spain's room for manoeuvre is confined to which files it chooses to prioritise.

However, the timing of the Hungarian Presidency may also limit the amount of disruption it could cause. If it were to take until 1 December 2024 for the new European Commission to take office, as was the case in 2019, there would be a substantially reduced opportunity for Hungary to influence the EU's agenda in the final months of its Presidency.

Additionally, the electoral calendar may reduce Spain's political influence and compound the Hungary issue. There is a perception in the Brussels bubble that little progress will be made until after the European elections on some files, such as the recently published reforms to the EU's pharmaceutical legislation. On the other hand, the Spanish Presidency is the last full Presidency before the European elections – and this oversight of the wash-up period means they choose what to prioritise and what to let slide.

According to the Work Programme of the Spanish Presidency, it plans to prioritise the Regulation on AI, cybersecurity files, and ethical and human-rights-related issues in the EU's digitalisation, as well as developing relationships with Latin America and the Caribbean. The current government has also vowed to prioritize the ecological transition, continuing with files related to the European Green Deal and closing the few remaining Fit-For-55 legislations. However, it remains to be seen whether a new centre-right government will mean those environmental priorities will no longer be centre-stage.

Following the elections, no substantial activity is likely until the Hungarian Presidency at the earliest, although, as noted above, it may take until the subsequent Polish Presidency for the EU's work to restart in earnest. Spain's room for manoeuvre is confined to which files it chooses to prioritise.

Brexit has presented an opportunity for Spain to play a larger role and have a louder voice within the European institutions. The success of its first Council Presidency for thirteen years depends on its internal politics and its capacity to remain steady at the helm. If it cannot, the legacy of this Presidency may be limited to a continued European electoral swing to the European People's Party.



Map of Informal Council Meetings

1) Madrid

15-16 June Conference of Presidents of the European Parliament

1-2 July Inaugural Ceremony and handover of the Swedish Presidency

6-7 July College of Commissioners of the Commission

13-14 July Council Meeting in its Employment, Social Policy, Health and Consumer Affairs (EPSCO) formation

2) Vigo

10-11 July Informal Meeting of the Agriculture and Fisheries Council (Agrifish)

3) Valladolid

17-18 July Informal Meeting of the Transportation, Telecommunications and Energy Council (TTE)

18-19 July Informal Meeting of the Environment Council (ENV)

4) Logroño 19-21 July Justice and Home Affairs Council (JHA)

5) Tarragona

20-22 July Permanent Representatives Committee (Coreper) I

6) Bilbao 24-25 July

7

7) Las Palmas

27-28 July

formation.

27-28 July

(COMPET)

9) Toledo

29-30 August

Council (FAC)

30-31 August

Council in its

de Gran Canaria

Employment, Social

Consumer Affairs (EPSCO)

Competitiveness Council

Defense Foreign Affairs

Council of Foreign Affairs

(CAE) of Foreign Affairs

Policy, Health and

8) Santander

Competitiveness Council (COMPET) on internal market and industry

10) Cádiz 3-5 September

24

20

16

23

10

Development Foreign Affairs Council (FAC)

1-22

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15) Barcelona 121-22 September Transportation, Telecommunications and Energy Council (TTE)

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20) León 23-24 October Transportation, Telecommunications and Energy Council (TTE)

21) Palma 30-31 October Informal Interministerial Council on Tourism

22) Alcalá de Henares 1-2 November Meeting of «sherpas» or advisors

23) Sevilla 6-7 November Informal Interministerial Space Council

24) Gijón 13-14 November Informal Interministerial Space Council

25) Albacete 16-18 November Political and Security Committee

26) Pamplona 23-24 November Informal Interministerial Council on Equality

11) Córdoba 3-5 September Agrifish Council Meeting

18

12) Santiago

de Compostela 15-15 September Informal meeting of the Economic and Financial Affairs Council (ECOFIN)

13) Zaragoza 18-19 September Education, Youth, Culture and Sports Council (EJCD)

14) San Sebastián 20-22 September PermanentRepresentatives Committee (Coreper) II **16) Cáceres** 25-26 September EJCS Council (Culture and Sports)

17) Murcia 28-29 September General Affairs Committee

18) Granada 5 October European Political Community

5 October Informal European Council¹

1) It is expected for this event to revolve around the issue of Open Strategic Autonomy. An event with private companies should take place on September 25 also on this issue, in order to gather information on OSA from the business sector. Attending companies will mostly be Spanish and European In an increasingly complex and fastpaced environment, APCO and Harmon can help companies and organisations understand and navigate the dynamics of the public agenda and shifting political priorities.

More than ever, intelligence and access will be critical to ensure that companies are heard, and their issues put on the agenda.

What does this mean for companies and organisations?

Intelligence and analysis: Leverage our insights and proprietary tools and help understand and assess key theses and identify relevant engagement opportunities as well as associated risks.

Positioning: Align objectives, proposals, and arguments with the ambitions of the Spanish EU Council Presidency.

Narratives: Leverage communication opportunities with new/refocused narratives and p<mark>ro</mark>-active outreach.

Outre<mark>ac</mark>h and engagement: Identify and engage with relevant stakeholders and decisi<mark>on</mark>-makers.

Training and coaching: Prepare experts and spokespeople to master the pitfalls and oppor<mark>tu</mark>nities of stakeholder engagement.

Camp<mark>ai</mark>gning: Implement a digital first approach and drive the agenda through digital engagement.

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Useful links and resources



https://twitter.com/eu2023es

https://www.youtube.com/@ EU2023ES

https://www.linkedin.com/ company/eu2023es