

Ten principles for Spain's Presidency of the Council of the European Union 2023

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Elcano Royal Institute

Written by the expert's team, this Principles reviews our country's priorities for this presidency through the main topics of the Elcano's research agenda.

- 1. Develop **the strategic autonomy** of the EU with an open approach that respects multilateral rules, integrating new voices from the Global South and embodying a commitment to orderly, balanced cooperation for development.
- 2. To provide **security both within Europe and beyond**, it is necessary to complete the Strategic Compass, intensify alignment with allies of the EU and make progress towards constructing a secure future.
- Expand the scope of the Pact on Migration and Asylum, with a view to providing training at origin for the legal immigration that Europe needs for the future and advancing the agenda for Human Rights and gender equality both within the EU and externally.
- 4. The Presidency must finalise key dossiers of the European Green Deal, define reform of the electricity market, strengthen the development of interconnections, and reorient energy and climate diplomacy towards Latin America and Europe's Southern Neighbourhood.
- Develop the EU's economic security, promoting a technologically-based industrial
 policy which respects the internal market, and finalising strategic dossiers such as
 artificial intelligence. Reform fiscal rules, combining debt sustainability with a capacity
 for investment.
- Maintain the unity of Member States around Ukraine, address the debate on the
 future of Europe, with greater emphasis on differentiated integration than on the
 problematic process of treaty reform, and achieve consensus on key dossiers to
 prepare the EU to respond to strategic challenges.
- 7. Latin America represents an excellent opportunity for the EU, and one that it would be unforgiveable to overlook at this time. It is essential to complete the agreement with Mercosur and create the conditions to put the bi-regional relationship on an institutional footing.
- 8. Reduce friction at the heart of the EU in order to define and effectively manage a coherent European position in response to **the rivalry between the US and China**, particularly in the face of a possible deterioration of the geopolitical panorama.

- 9. Remember the importance of the Southern Neighbourhood and the challenges it presents. At the same time, maintain support for Ukraine and strengthen the EU's presence in the western Balkans and in Eastern Europe. In this respect, it is essential to progress the EU's expansion policy in an honest and realistic manner.
- 10. Approach the Presidency as a national project, preserving Spain's traditional national consensus in European policy, ensuring that the general election does not undermine the potential of Spain's Presidency to confirm the country's increased influence and improved image in the EU.

1. Globalisation, development and governance

Develop the strategic autonomy of the EU with an open approach that respects multilateral rules, integrating new voices from the Global South and embodying a commitment to orderly, balanced cooperation for development.

The basis of international economic cooperation at the start of the 21st century is being transformed by rivalry between the great powers, the Russian invasion of Ukraine, and the rise of neo-mercantilist ideas, which stress the importance of economic security over considerations of efficiency. At the same time, some of the measures to combat climate change and strengthen industrial policy (through grants and duties) also act as trade protection measures, while some global supply chains –primarily those linked to vital minerals, semi-conductors and electric vehicles– are being redefined.

The world economy is fragmenting in the context of a growing need for funding for emerging and developing countries, many of which face increasing difficulties in meeting Sustainable Development Goals (SDGs) in the post-pandemic environment.

All of this places further pressure on the system for the governance of globalisation, which was designed for a world in which free trade was dominant. These limitations are evidenced by the way the G20 and the World Trade Organisation have struggled to reach agreements. But it also reinforces the importance of different spaces for regional integration and the likelihood of increased productive, trade and financial interdependencies between their members.

Spain must use the European Presidency to stress the importance of respect for rules and multilateral organisations, and must work to adapt these to the new geopolitical reality, so that they are effective. And this means it must continue to defend the strategic autonomy of an EU that is open to cooperation with other key partners to guarantee European peace, growth and prosperity. Moreover, these partners are essential to the collective construction of global public goods –starting with climate security– and to achieving the objectives of this strategic autonomy.

The six-month Presidency is a great opportunity for Spain to promote its initiatives – particularly with respect to energy, health, technology and food— and its leadership in large areas of the world to which Europe does not pay as much attention as it should. In particular, Latin America is growing in strategic importance due to its role in the fight against climate change, its abundant natural resources, and the increasing importance

of some of the continent's countries in the Global South, with which the EU wishes to establish closer ties.

The Presidency must also serve to align Spanish priorities with European ones in the field of cooperation, as these do not always coincide, whether geographically (with the emphasis on Latin America), thematically (asserting Spanish progress in gender issues and their importance in the Agenda 2030) or instrumentally.

In this last regard, Spain can actively participate in the process of profoundly reconfiguring the instruments for cooperation for development promoted by European institutions (Global Europe, Global Gateway and Team Europe). In particular, the country's extensive experience of technical cooperation and political dialogue are a valuable resource for the necessary process of rebalancing economic, political, social, environmental and geostrategic objectives in a more assertive European cooperation for development.

With respect to development policy, the Latin American agenda promoted during the Presidency must incorporate the different European visions and interests in its approach to the region.

2. Challenges to peace and international security

In order to provide security both within Europe and beyond, it is necessary to complete the Strategic Compass, intensify alignment with allies of the EU and make progress towards constructing a secure future.

The war in Ukraine has distracted from implementation of the EU's Common Security and Defence Policy designed in the Strategic Compass, and it is thus important to complete the roadmap for this under the Spanish Presidency. This should prioritise granting the EU greater freedom of military action, ensuring access to shared global spaces, advancing the future agenda, intensifying alignment with NATO and strengthening links with Latin America.

To achieve the first of these objectives, it is important to continue to support the development of Rapid Deployment Capacity, analysing action scenarios, and conducting joint military exercises. In addition to operational aspects, efforts must be devoted to achieving greater participation by Member States, increasing joint funding, and enhancing coordination between military and industrial planning to contribute the capacities necessary to ensure the common security and defence of the EU.

With respect to the second priority, Spain must promote the implementation of the EU Space Strategy for Security and Defence in 2023, and review the level of ambition and the capacities of the EU Satellite Centre in Torrejón (Spain). With regard to maritime power, the imminent publication of the EU's new Maritime Security Strategy provides an important opportunity to study its application in the Indo-Pacific scenario. It is also important to promote coordinated joint action in cyberspace (including disinformation).

Making progress with the new security agenda requires analysis of the operational challenges of climate change, including the use of sustainable energy, and applying a gender focus in military operations.

With respect to partnerships, it is important to continue to align NATO and EU positions in order to improve complementarity and avoid duplication and incompatibility. Another objective of the Presidency should be to promote the participation of Latin American countries in EU missions and operations.

The Presidency also represents an opportunity to include some of the internal security challenges shared by Member States on the working agenda. Of particular importance is the use of new technologies by violent extremist groups and terrorists, requiring political actors and industry to continue to develop mechanisms to improve the transparency of algorithms to amplify messages, or to identify and neutralise profiles dedicated to online radicalisation and recruitment, particularly of minors.

Another important point is the rehabilitation and reintegration of individuals convicted of activities related to violent extremism, or radicalised during their time in prison. This includes foreign terrorists, both male and female, who have returned from conflict zones. To do this, it is vital to establish structures in coordination with all stakeholders. In addition to security measures, it is crucial to design social reintegration programmes, involving civil society organisations, adapted to the needs of different profiles, and applying a gender perspective.

3. Democracy, rights and citizenship

Expand the scope of the Pact on Migration and Asylum with a view to shaping the future legal immigration that Europe needs at origin and advancing the agenda for Human Rights and gender equality both within the EU and externally.

The legislative roadmap for the Pact on Migration and Asylum has required the attention of all the rotating presidencies since the Commission launched its proposal in 2020, based on two key ideas: greater solidarity between Member States with respect to reception and distribution in exchange for more responsibility in the control of external borders.

The Swedish Presidency reached a majority agreement in the Council over the Regulation on Asylum and Migration Management and the Common Asylum Procedure of the Pact, which assigns responsibility for asylum applications to the countries of entry for two years, and provides for payments of €20,000 per refugee by Member States that refuse to host them. Now it is Spain's turn to lead negotiations with the European Parliament, and the regulation on Crisis Management also has to be defined.

Although political attention will be focused on these topics, Spain must seek to expand attention to take in other aspects of migration policy, such as demographic projections in sub-Saharan Africa, the European need for young people and the benefits of training at origin, enabling legal immigration of people with the capacity to integrate into European labour markets.

With respect to the Rule of Law, democracy and the protection of minorities, Spain will have to deal with persistent concerns about Hungary and Poland, which have given rise to the application of the procedure of Article 7 of the Treaty, for violations of fundamental rights and values. The Presidency must engage in a firm defence of these rights and values, ensuring that governments are held responsible for any failings identified while the wider Polish and Hungarian society support the integration process.

The Presidency must also accelerate the development of European legislation against forced labour. The proposed directive, which is moving slowly, seeks to ensure that Member States use audit mechanisms to combat forced labour in the global value chains in which European businesses are involved.

The Presidency also faces the challenge of locating the defence of Human Rights at the centre of European foreign policy, something that is particularly important following the invasion of Ukraine. Successive UN resolutions have shown that there is a solid transatlantic block that condemns Moscow, but also a Global South which resents the apparent double standards under which responses are conditioned by whether or not the offending party is a rival of the West.

European diplomacy will be more effective if it makes it clear that its relationships with third parties are always guided by respect for international legality and Human Rights. The EU-CELAC summit in July will offer a good opportunity to explain Spanish and European commitments in this area, which should not be restricted to Latin America but should also apply in the Southern Neighbourhood, sub-Saharan Africa, the Middle East and other regions.

Finally, one of Spain's priorities must be to emphasise its leadership in gender equality issues, achieving tangible progress in the areas of pay and parental leave. It should also advance the EU's commitment to gender equality as part of its global projection, promoting the idea of gender equality as a global public good.

4. Climate and energy transition

The Presidency must finalise key dossiers of the European Green Deal, define reform of the electricity market, strengthen the development of interconnections, and reorient energy and climate diplomacy towards Latin America and Europe's Southern Neighbourhood.

During the Spanish Presidency of the Council, the energy and climate agenda are expected to continue to be important issues in the context of the energy crisis. As this is the last full Presidency before the European Parliament elections in 2024, there should be progress in the pending dossiers related to the European Green Deal, with a technical emphasis on energy and the climate, although this will be affected by the pre-electoral atmosphere.

As a result of the impact of the natural gas crisis, one of the key issues will be reform of the electricity market. In the last two years Spain has presented the most ambitious positions in the EU, proposing a comprehensive reform of the current margin-pricing system. However, the European Commission's preference for a moderate reform which maintains margin-pricing has been strengthened by the recent fall in gas prices. The need to address the failings of the market over the last two years will enable progress in long-term contracts for decarbonised energy, the joint gas purchasing platform, and new grant systems, particularly in capacity and storage.

The Spanish Presidency will also include the negotiation of other politically-complex key dossiers, with approval of the Nature Restoration Law. With respect to the Renewable Energy Directive, which was expected to be adopted during the Swedish Presidency, the Industry, Research and Energy Commission of the European Parliament has reached an agreement with the Council which will be put to a vote in Strasbourg in September. Other policies required for the implementation of the Green Deal Industrial Plan (such as the Net-Zero Industry Act and the Critical Raw Materials Act) are still pending approval.

In this context, the second half of 2023 is a great opportunity to raise traditional Spanish demands in the sphere of energy and climate change: improving interconnections with the European market, and reorienting energy diplomacy towards Latin America and the Southern Neighbourhood. It also provides an opportunity to promote technical cooperation initiatives, such as the Ibero-American Network of Climate Change Offices (RIOCC), the Conference of Directors of Ibero-American Meteorology and Hydrology Services (CIMHET), and the Conference of Ibero-American Water Directors (CODIA). These initiatives could be extended to other regions of the world. The EU-CELAC summit will enable the strengthening of bi-regional relationships with respect to the diversification of strategic raw materials. There is also hope of progress in negotiations on the EU-Mercosur trade agreement, which has a significant environmental component.

A major Spanish contribution to the European project would entail a Presidency that successfully acted as an honest broker, unblocking approval of the key legislative packets of the European Green Deal. The recommendation of the European Scientific Advisory Board on Climate Change —consisting in significantly raising the EU's decarbonisation goals, reducing greenhouse gas emissions by between 90% and 95% in 2040, with respect to emissions in 1990— gives Spain an opportunity to provide clear leadership in seeking to limit the impact of the recent call for a regulatory pause which could halt the European Green Deal and send contradictory signals to industry and society with regard to the transition process.

Finally, it is important to note that the end of the Presidency will coincide with COP28, and the first global evaluation of progress in tackling climate change (Global Stocktake, GST). Both in the months leading up to COP28 and during the climate summit itself, Spain needs to work on issues that are critical to a successful outcome to the biggest climate event of the year. These issues include progress in funding, evaluation, mitigation, adaptation and a just transition.

5. Technology and economic transformations

Develop the EU's economic security, promoting a technologically-based industrial policy which respects the internal market, and finalising strategic dossiers such as artificial intelligence. Reform fiscal rules, combining debt sustainability with a capacity for investment.

The pandemic and the Russian invasion of Ukraine, in a context of competition between the great powers, have revived the debate about Europe's strategic dependencies and the need for a strategy to ensure resilience in the face of external shocks and access to critical technologies, such as semiconductors, along with other strategic resources such as critical minerals and energy.

This debate is closely linked to the development of the concept of open strategic autonomy, which Spain wants to place at centre stage during its Presidency, while also promoting a technology and industrial policy that is compatible with the cohesion of the internal market and with achieving the targets established for Europe's Digital Decade.

Making progress with these priorities requires European economic governance to be redesigned, and this means that the other major challenge faced by the Presidency is to reach an agreement to enable reform of the fiscal rules, one which combines debt sustainability with investment needs, in a context in which the role of the state will be strengthened.

This debate is linked to proposals to create a European Sovereignty Fund and review the Multiannual Financial Framework (2021-27) which makes it possible to fund European public goods, along with monitoring of the Next Generation EU funds, of which Spain is one of the great beneficiaries and which could, in the long term, represent an embryonic fiscal union. And it may also be necessary to revive the debate about the EU's own resources.

Spain should support the Commission's proposal on the reform of fiscal rules, as this makes the adjustment path for individual countries more flexible, uses a primary expenditure rule as a control variable, and replaces the debt-based minimum adjustment speed with a deficit-based approach. However, it must also highlight the danger for Europe of proposing an isolated reform, in the absence of parallel discussion of mechanisms for funding major shared European investments and of creating the EU's own resources to cover such spending. This requires making progress towards banking and capital union, and internationalising the euro, including paying greater attention to the digital euro project.

Spain must ensure that the response to the Inflation Reduction Act in the US is properly coordinated at a European level, and does not degenerate into a race for state aid within the EU, harming the internal market and generating significant regional inequalities. At the same time, the absence of supranational fiscal mechanisms equivalent to those of the US forces the EU to search for ways to make investment and research incentives more flexible in order to ensure the competitiveness of European companies, regardless of their location.

Moreover, in so far as technology is one of the key areas in the move towards greater open strategic autonomy –and one in which Spain lags behind in comparison to other areas such as the energy transition– it is important the Spanish Presidency does a good job in the Council of handling the issue of the EU's significant regulatory capacity. The Spanish Presidency will also have to supervise the progress and completion of several legislative procedures that are key to the economic and industrial competitiveness of the EU, and for the security and protection of fundamental rights, such as the Artificial Intelligence Act, the proposed digital identity, or the cyber-resilience of strategic sectors.

Finally, the Presidency is particularly important as a warning to Spain itself, given the country's lack of an external technology policy that is cohesive and speaks with a single voice, one which goes beyond legislative and industrial measures, of the kind that a growing number of European countries are developing.

6. The future of Europe

Maintain the unity of Member States around Ukraine, address the debate on the future of Europe, with greater emphasis on differentiated integration than on the problematic process of treaty reform, and achieve consensus on key dossiers to prepare the EU to respond to strategic challenges.

During its Presidency, Spain must pursue three objectives related to the future of the integration process. Firstly, it must maintain unity within the Council, in light of the war in Ukraine and an international context of growing competition between powers, with many areas of potential disagreement between Member States. Secondly, there is a need to introduce a long-term approach, given that the constitutional architecture of the EU will have to evolve to take account of the expansion to which the 27 members have committed, if the EU is to function effectively and to achieve these ambitions. Finally, there are a large number of legislative issues that remain open and where progress is vital during what will be the last complete Presidency of the current institutional cycle, and bearing in mind that Hungary and then Poland will hold the Presidency following the elections of June 2024.

Many of these issues involve far-reaching political debate in order to prepare the EU to tackle strategic challenges. These debates should be approached with pragmatism, ensuring the adaptability of the European project in an international context of uncertainty and competition between China and the US. This includes key questions such as defending economic security, reforming fiscal rules, the dual green and digital transition, industrial and technological policy, reform of the electricity market, the migration pact, and more streamlined decision-making in external affairs.

However, opening debate around the possibility of treaty reform or in the devolution of competencies may only heighten disagreement in an already tense situation. The capacity of European institutions and Member States to adapt to the wide range of recent crises shows that the treaties provide a framework within which it is possible to provide innovative and ambitious responses. However, the urgent need for progress in key areas such as the internal market, governance of the euro, qualified majorities in external policy, common security and migration, could be compatible with proposals for

strengthened cooperation while avoiding the danger of blockages and generating incentives for those countries most resistant to greater integration by ensuring that they would not be left behind.

In this respect, the Spanish Presidency should deploy the country's well-attested capacity to work through variable alliances, seeking consensus in areas that will be a priority for the future of Europe but where there is no unanimous strategic position, such as the question of open strategic autonomy or EU expansion.

Spain, because of its traditional pro-European stance, its status as a dependable partner, and its weight as the fourth-largest Member State, is well positioned to lead the debate on the future and, at the end of its Presidency, to use its influence to ensure that its priorities align with the European agenda in the next institutional period.

7. Latin America, a global player

Latin America represents an excellent opportunity for the EU, and one that it would be unforgiveable to overlook at this time. It is essential to complete the agreement with Mercosur and create the conditions to put the bi-regional relationship on an institutional footing.

The Spanish Presidency offers a new window of opportunity to convert the links between the EU and Latin America into a true strategic alliance. There are incentives for both parties. The Russian invasion has led to alliances being reformulated. The rise of China and of other aggressive powers such as Russia has upset the international equilibrium, creating a new geopolitical scenario.

This reshaping of alliances leads Europe to look to Latin America as a key partner in its international leadership and the promotion of multilateralism, democratic values and sustainable social and environmental development, in addition to being a reliable supplier of strategic raw materials. All of this requires that the relationship be put on an institutional footing –rather than waiting almost 15 years for the Spanish Presidency to come around– so that it can develop autonomously, with financial and EU-wide backing, and with bi-regional commitment.

The new relationship should be both bi-regional and bilateral. There should be an EU-CELAC block acting in coordination on the international stage, and there should also be bilateral initiatives aimed at those countries distinguished by their international potential (the three members of the G20: Argentina, Brazil and Mexico), their regional importance (Chile, Colombia, Peru and Uruguay) or their interest in strengthening ties with the EU.

The creation of an EU-Latin America and Caribbean Trade and Technology Council would be an excellent starting point for organising the relationship. This council would be similar to the ones that exists with the US and with India, with the purpose of coordinating and cooperating on issues such as energy security, food and water security, health, digital governance and connectivity, supply chains, clean and ecological energy technologies, migration, crime and transnational terrorism. This would be an important

milestone in the relationship, and a vital mechanism to affirm the strategic bi-regional commitment.

Of particular importance is the commercial agreement between the EU and Mercosur. If it is ratified, the EU will have agreements covering 94% of Latin American GDP, compared with a figure of 44% for the US and 14% for China, and would be the power with the greatest presence and the deepest links in the region. The agreement would be a springboard for an ambitious and far-reaching EU-Latin American integration, interconnecting the various trade treaties with Latin America through the two-way accumulation of rules of origin, the harmonisation of standards and regulations, and of customs procedures, enabling greater cross-border circulation of goods, services and investment.

Harmonisation of these agreements would create an economic space with 1.1 billion inhabitants and a GDP greater than US\$22 trillion, similar to that of the US. Trade flows between the EU and Latin America would increase by 70% and intra-regional trade in Latin America would rise by 40%.

The mutual benefits would be enormous. The economies of the EU and Latin America are complementary. Latin America has abundant energy and mineral resources, the capacity to produce abundant, cheap, clean energy, and organic food on a vast scale. The EU can provide the region with the capital, technology and know-how indispensable to Latin America's development.

8. The rise of China, the US and the new world order

Reduce friction at the heart of the EU in order to define and effectively manage a coherent European position in response to the rivalry between the US and China, particularly in the face of a possible deterioration of the geopolitical panorama.

China will not, in principle, be one of the central issues of the Spanish Presidency. However, it is very possible that the country will feature on Europe's external affairs agenda during the Presidency. This could be due to a deterioration in its strategic rivalry with the US, its role in the war in Ukraine or changes in the EU's foreign policy towards Beijing.

First, confrontation between the US and China could lead to a crisis that would require a European diplomatic response. The Taiwan Strait is a particularly sensitive area, all the more so as presidential elections are to be held on the island in January 2024.

Given the huge importance of the Russian invasion of Ukraine for European security, China's position on this is influencing the EU's policy towards Beijing, and this could harden or soften significantly if China were to decide either to consolidate its support for Moscow, particularly in the form of a military alliance, or to contribute to the Ukrainian government's peace plan.

Finally, the EU is in the process of updating its strategy towards China, increasing the weight of security and of norms and values, at the expense of purely economic

considerations. This process goes hand in hand with the development of the recently-published economic security strategy.

It is necessary to attend to these three issues with great care, as a coherent response by the EU to any of these would be a major success for the Spanish Presidency.

It will need to be balanced with maintaining transatlantic unity, which has reached an intensity not previously seen during this century, in the wake of Russia's invasion of Ukraine. Moreover, the European relationship with Washington is a potential key to progress in other areas, as it is essential to ensuring the continent's security, responding to technological challenges, and offering a successful response to climate change and the energy transition.

Despite its currently healthy state, it should not be assumed that the transatlantic relationship will remain solid in the future. Indeed, it is possible that there will be disruptions during the Spanish Presidency that will expose weak points in this relationship. First, the Biden Administration's legislative initiatives –IRA, Chips Act, Infrastructure Investment and Jobs Act– have already reflected an economic protectionism that is not viewed favourably on this side of the Atlantic. Secondly, the EU has recently implemented new regulations on strategic minerals and the US has expressed its concern at the implications in terms of competition and access to resources.

During the Spanish Presidency, it will be important to sustain dialogue and coordination to avoid generating additional friction, by identifying and overcoming obstacles. These factors could have more impact on the transatlantic relationship than other issues, such as Russian aggression or the relationship with China, where it is to be expected that the two parties will remain aligned. However, the issue of differing levels of support for Ukraine and conflicting visions of the future of the war could cause deterioration during the Ukrainian offensive.

Finally, Latin America offers an opportunity to promote joint interests with the Biden administration. The EU and the US share values and objectives with respect to strengthening democratic governance, promoting human rights, and the fight against inequality.

9. Challenges and opportunities in the Southern Neighbourhood

Remember the importance of the Southern Neighbourhood and the challenges it presents. At the same time, maintain support for Ukraine and strengthen the EU's presence in the western Balkans and in eastern Europe. In this respect, it is essential to advance the EU's expansion policy in an honest and realistic manner.

Although the focus of the EU is on its eastern borders, the Spanish Presidency provides an opportunity to remind our European and Atlantic partners that the Mediterranean neighbourhood requires attention, resources, and political willpower to ensure regional stability and enable greater human development. During the past decade, in many countries of the southern Mediterranean, socioeconomic challenges have been

multiplying far more quickly than the solutions they require. This is leading to alarming levels of debt, increasing the risk of economic collapse in some of the EU's neighbours.

Faced with the risk of greater instability and failed states around the Mediterranean, it would be sensible to advance proposals of regional projects designed to provide solutions to shared problems and to build trust. One possible such initiative would be the proposal for a Mediterranean Water and Energy Community, following the highly successful precedent of the European Coal and Steel Community. At the same time, Spain should capitalise on its Presidency to abandon the zero-sum logic of its relationship with its two closest North African neighbours, Morocco and Algerian, and seek a new equilibrium in its relations with them.

With respect to the EU's eastern neighbours, the Presidency must maintain support for Ukraine and, as far as possible, make progress with efforts to bring the war to an end on the basis of respect for the sovereignty and territorial integrity of the country invaded. Special attention must be paid to the need to maintain unity between allies, as there is likely to be a lack of consensus between Member States with respect to the exports of Ukrainian grain, free of duties, to EU countries or through them. In addition, the war has emphasised the fundamental role of the Atlantic Alliance in the security and defence of EU Member States, and this means that coordination between the EU and NATO will continue to be essential.

The invasion of Ukraine has destabilised countries in the post-Soviet space, particularly the other five states that lie between Russia and the EU: Belarus, Armenia, Azerbaijan, Georgia and Moldova. The EU should deepen relations with these countries while avoiding potential escalation and overspill of the conflict. In this regard, the Spanish Presidency needs to find ways to convert major economic investment into political influence in its neighbourhood, particularly in the western Balkans and eastern Europe.

The expansion policy is a central tool in the management of relations with the countries of the western Balkans and Ukraine, Moldova and Georgia –all of which are candidates or potential candidates for EU membership—. During the Spanish Presidency, the progress made by each of these towards membership will be evaluated, and it would be a major achievement of the Presidency if momentum were to be sustained in the expansion policy, which has regained importance as a result of the war in Ukraine, and in order to avoid a repeat of the scenario of frustration and destabilisation that occurred in the western Balkans after decades of logiams in the negotiations.

This needs to be done on a realistic basis, taking into account the situation and progress made by each country in the negotiations, without generating harmful comparisons between candidates or putting the European project itself under stress. Spain needs to define its own position, one that takes a positive approach to the issue, without neglecting the implications of expansion to the east for its own priorities: the Southern Neighbourhood, cohesion funds, agricultural policy etc.

10. Spain's influence and image

Approach the Presidency as a national project, preserving Spain's traditional national consensus in European policy, ensuring that the general election does not undermine the potential of Spain's Presidency to confirm the country's increased influence and improved image in the EU.

Preparations for the rotating Presidency of the Council of the EU began in 2021, with the triple objective of conducting the leadership of such an important institution with professional excellence, using the pro-European impetus of the fourth largest Member State to strengthen the momentum for integration of recent years, and using the occasion to raise Spain's profile and –in so far as this is compatible with the neutrality that is inherent to the position– promote some of the country's traditional priorities within the EU.

With respect to Brussels and the other capitals, success in these three spheres would bring a further significant political benefit, bringing to a definitive end the difficult period that began in 2008 (including a deep recession and debt crisis, the territorial conflict in Catalonia, and the loss in legitimacy of the political system in general) that for around a decade undermined Spain's influence and detracted from its image. What is more, Spain's current aspirations are reflected by the desire of the majority of Member States for greater Spanish involvement in EU leadership.

The fact that the Presidency will begin with a general election that had not been expected to take place until December, and with the government polling badly, undoubtedly weakens Spain's attempts to leave troubled times behind and consolidate its position as a powerful player within the EU. Dissolving the Spanish parliament ahead of schedule and subordinating carefully prepared plans to a polarised political context contradicts the narrative of prosperity, a stable democratic system, and the ambition to satisfy the demand for greater Spanish involvement.

This is why it is essential, whatever the election's outcome, that the Presidency's potential to improve Spain's position abroad is not squandered. This depends on the ability of the two main parties to ensure that EU issues, including the success of the Presidency itself, are not dragged into the bitterness of the campaign. In the past, the tense relations between the governing party and the opposition in almost all spheres of domestic debate had not spilled over into the major issues of European policy, but now there is a risk of contamination if there is no shared commitment to ensure that the Presidency is a success.

However, and even though the first two months of the Presidency will necessarily be constrained, there are also positive aspects to the decision to bring the election forward to July. If there is a change of government, the responsibility will force the new administration to involve itself in international issues without delay. It may also provide an incentive to approach the Presidency as a national project, with more attention to the regions, experts, civil society and culture, as there will be less of a role for party-political calculations when judging the outcome in December.

In the cultural sphere –which traditionally plays a prominent role in the rotating presidencies and is of particular importance to Spain's external image– there will be an intense agenda of activities to project both Spain's rich cultural heritage and its contemporary creativity.

There will also be a European cultural policy programme in Brussels. Although the EU does not have extensive competencies in this area, it promotes a number of initiatives, such as Creative Europe, and it strives to create awareness of culture as a means of promoting peace and as an element of European external policy, in addition to working for the technological convergence of the cultural sector in the context of the digital transition.