

European Council Commentaries

EUROPEUM Institute for European Policy

Christian Kvorning Lassen: General Assessment of the EUCO: Not Great, Not Terrible... But mostly good.

It is a testament to the German presidency's leadership, strength and cunning that both rule of law, the budget as well as the 55% emissions reduction targets were salvaged despite the considerable obstacles each of these points faced. Furthermore, it is a monument to the triumph of European compromise, the bedrock of the Union. However, while everyone emerges as self-proclaimed victors of this EUCO, one has to wonder whether some of these victories will be hollow.

The 55% emissions reduction targets met little resistance from the usual laggards in the V4, while countries more cognizant of the urgency to acutely tackle climate change, such as the Northern member states, will be disappointed of the lack of ambition; they advocated strongly for 65%. Furthermore, the 55% target is insufficient to help keep emissions below the Paris Agreement goals, making this another case of 'too little too late' for climate. Hope now rests on other factors, such as ETS allowance prices and financial markets, to spur heightened levels of ambition – at least for now.

As for Rule of Law, EU money has finally been linked to respect for it. While inherently positive, it will for many, Northern and Western citizens included, amount to too little too late; for years their taxpayer money has been used to finance two authoritarian regimes, corruption and cronyism, who are now in the process of consolidating their rule. Hungary and Poland's audacity to hold the rest of the Union hostage in the middle of the pandemic under threat of obstructing the budget, particularly not given that the context of authoritarian consolidation, will not be forgotten. One has to wonder whether this was not a missed opportunity for the EU to clearly set boundaries against member states who fundamentally signal that they only want the European project insofar that it benefits them.

Despite these misgivings, one can only appreciate that a tumultuous year ended on a positive note, at least in terms of European politics. Hopefully the momentum gained, particularly in terms of pandemic recovery and green transformation, can be sustained in 2021 and beyond.

Zuzana Stuchlíková: Rule of Law – Can Everyone Truly be Happy about it?

European leaders have finally succeeded in sealing a compromise on tying the use of EU money to respecting the rule of law - at the very last minute and in a way that can one day serve as an example of the European art of compromise. Based on the leaders' reactions, everyone seems satisfied - and not just because the new MFF and the Recovery Plan now need only the European Parliament's approval to be available from January 1. Proponents of stricter rules appreciate that the text of the original legislation has not changed and that, after years of debate, the EU has finally managed to link the use of the EU money to the rule of law. Viktor Orbán, on the other hand, congratulated himself on successful handling of the situation. In a long run, the final compromise is clearly in favour of the European majority - Commissioner Věra Jourová said that possible judicial review should be a matter of months, rather than years, and then the measure will be fully enforceable. However, every month of postponement is a victory for Viktor Orbán and Mateusz Morawiecki, who have been given the opportunity to prepare for the upcoming legal battle and at the same time will surely manage to use their "success" on the domestic scene - which is crucial especially in Hungary, which will hold parliamentary elections in less than a year and a half, in spring 2022.

Vít Havelka: Budget Agreed – now the onus is on Member States to utilize it properly.

The MFF and NGEU saga is finally over, at least with regard to European politics. The European Council approved the latest compromise with the European Parliament, meaning that preparations of the future EU budget can move to national level. The same applies for the large Next Generation EU Fund that will help European economies recover from the recession caused by COVID-19 pandemic.

Due to the delays in negotiations, the MFF 2021-27 will not be implemented starting January 1st, but we can expect first projects getting funding around summer 2021. The member states must sign partnership agreement with the European Commission and submit National Recovery Plans. Until then, no euro will be disbursed to help member states overcome the economic slump.

Both partnership agreement and National Recovery plans will be crucial for effective utilization of EU funding. The EU economy as well as the rest of the world are undergoing structural changes in form of digitalization, automatization and decarbonization. EU funding means that national states will have sufficient amount of funding at their disposal, however, it will also put more responsibility on their shoulders so that the available money does not end up in useless projects.

Kateřina Davidová: Higher climate target is agreed, but the real work begins now

After more than ten hours of negotiations, the European leaders have agreed to increase the EU's emission reduction target from the current 40% to at least 55% by 2030, compared to 1990 levels.

This is a step forwards to reaching EU's goal of becoming climate neutral by mid-century. However, the inclusion of emission offsets waters it down and is insufficient to limit the global temperature rise to 1,5°C. From a geopolitical perspective, the EU only just managed to keep its face by adopting this target, as it advocates for other states to follow its suit and reduce their domestic emissions (which many of them are already doing). It is now important that the EU follows through and prepares a strong legislative framework to deliver this emission reduction.

Tough discussions among the Member States on how the effort should be distributed can be expected. Central and Eastern European states managed to get many concessions included in the Council conclusions (e.g. inclusion of gas a transition fuel), but they will nonetheless have to step up and start reducing their emissions. The increasing price of the EU ETS allowances and the unprecedented volume of available EU funds should catalyse swift decarbonisation in all Member States.

Danielle Piatkiewicz: EU leadership, like the US are reaffirming commitment to tackle global challenges

The European Council met this week to discuss the most pressing issues, most notably the COVID-19 recovery but with the bonus of agreeing on the Next Generation EU budget and setting Climate goals and objectives. These accomplishments, while under internal political divisions and a pandemic - highlights the EUs ambition to remain a force for tackling global issues - especially when dealing with a disengaged US over the last 4 years.

Notably, there was a reassuring tone reflected in the meetings on the upcoming US administration and recommitment towards our shared values and interests including efforts to tackle COVID-19, climate change, enhance economic recovery, cooperate on digital and technology matters, strengthen mutual trade, reform the WTO and coordinate on security and defence matters. While the EU acknowledges that the US will be "back at the table", there are still domestic security dimensions that need to be addressed including counter terrorism efforts, information sharing, securing external borders, managing migration and dealing with external challengers such as Russia and China.

While EU- US relations will certainly be more in sync, external and internal threats will continue to plague both sides of the Atlantic but a recommitment towards their shared values are vital in tackling the challenges awaiting us in 2021.

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