



The 2009 Swedish Presidency of the EU

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Author: Brigid Fowler

Section International Affairs and Defence Section

This Note looks at the Swedish European Union Presidency programme, its priorities and some of the issues and events that have dominated the first half of the Presidency. It also considers matters that are likely to occupy the Presidency until the end of 2009.

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1 Introduction

Sweden took over the rotating six-monthly Presidency of the EU Council on 1 July 2009. This is the second time that Sweden has held the Presidency since it joined the EU in 1995; its previous Presidency was in the first half of 2001.

Sweden's Presidency concludes the 18-month 'Trio Presidency' with France and the Czech Republic. Trio Presidencies are informal arrangements, involving a joint 18-month Presidency programme, which aim to achieve greater continuity than a six-monthly Presidency alone. In following France and the Czech Republic, Sweden is following two very different Presidencies: the 2008 French Presidency is widely seen as one of the most activist and high-profile of recent years, whereas the Czech Presidency was weaker, owing partly to the country's lack of international experience, and partly to its combative politics and the collapse of the government in March 2009, amid domestic rows in part surrounding the country's continuing failure to complete ratification of the EU's Lisbon Treaty.¹ (For the four Member States which have not completed ratification of the Lisbon Treaty, see below and Standard Note SN/IA/4943 "The Lisbon Treaty: the final four".. A new 18-month 'Trio Presidency', comprising Spain, Belgium and Hungary, will start in January 2010.

¹ Centre for European Reform briefing note, "The Swedish EU Presidency", July 2009

Sweden took over the Presidency at a time of institutional uncertainty for the EU: Stockholm will have to deal with the consequences of Ireland's second referendum on the Lisbon Treaty, which is to be held on 2 October 2009. If Ireland votes to ratify the Lisbon Treaty, and the three further remaining states which have not completed ratification do so relatively speedily, Sweden will oversee preparations at the least for the implementation of the new Treaty. In that case, Sweden's will be the last Council Presidency in the current format. If Ireland votes against ratification of the Lisbon Treaty, or if Ireland votes in favour but the Czech Republic delays ratification for another few months, Sweden could be at the helm as the EU enters another period of institutional uncertainty.

Sweden itself ratified the Lisbon Treaty by parliamentary vote in November 2008. There were 243 votes in favour of ratification; 39 MPs wanted to refer the Treaty to the Constitutional Affairs Committee; 13 abstained and 54 were absent. Of the major parliamentary parties, five backed ratification and two (the Greens and the Left Party) were against.²

Whether or not the Lisbon Treaty is ratified, the Swedish Presidency must in any case deal with the uncertainty and disruption that arises from the start of a new five-year cycle in the life of the permanent Brussels institutions. A new European Parliament was elected in June 2009 and a new European Commission is due to take office during the autumn. The run-up to Germany's federal elections on 27 September 2009 also cast a shadow over some EU business but the success of Angela Merkel's CDU will have restored some sense of continuity and confidence amid political and economic uncertainty.

According to the Centre for European Reform, the outgoing Commission "already looks somewhat tired and timid, with many commissioners more focused on looking for new jobs than pushing through courageous EU initiatives."³ Two Commissioners have taken up seats in the new European Parliament, taking to six the number of Commissioners who have left the 2004-09 Commission. The two new Commissioners will take up their posts in the outgoing Commission possibly for only a few weeks.

The Swedish Government is currently a four-party centrist/centre-right coalition, led by the Moderates under Prime Minister Fredrik Reinfeldt. The Social Democrats are the main opposition party. In the June 2009 EP elections, the Social Democrats were the largest single party, but the combined government parties outpolled them. The elections were notable for the breakthrough of the Pirate Party, which campaigns for online file-sharing and privacy rights, but has been seen as unlikely to have major domestic political implications. An analysis by Nicholas Aylott and Malena Rosén Sundström concluded that for the government parties "a successful Swedish Presidency of the EU Council [...] was more important" than the European polls, as both government and opposition look ahead to parliamentary elections due in September 2010.⁴

Aylott and Sundström agreed with what they identified as the most common conclusion drawn from the European elections by Swedish observers, namely that Swedish voters are becoming somewhat more favourable towards the EU.⁵ Giving evidence on the Swedish

² European Policy Centre, "Treaty ratification: state of play", table at http://www.epc.eu/TEWN/pdf/498850404_Treaty%20ratification%20-%20state%20of%20play%20-02.03.2009.pdf

³ Centre for European Reform briefing note, "The Swedish EU Presidency", July 2009

⁴ European Parties Elections and Referendums Network (EPERN) European Parliament election briefing No.37 "The European Parliament Election in Sweden June 2009", 13 July 2009 at http://www.sussex.ac.uk/sei/documents/no_37_epern-ep09-sweden.pdf

⁵ Nicholas Aylott and Malena Rosén Sundström, *ibid*

Presidency, Sweden's Ambassador to London, Staffan Carlsson, told the House of Lords EU Committee on 21 July that: "Ten years ago one in three Swedes thought membership of the EU was good for Sweden and one in three thought it was bad. Today, almost two in three Swedes think that EU membership is good for Sweden."⁶

Although Sweden's Finance Minister, Anders Borg, was optimistic in 2008 that "Sweden will manage this recession better than most other countries, primarily thanks to our large budget surplus",⁷ Fredrik Reinfeldt, who had earlier advocated adopting the euro, believes that removing links to the euro is not a long-term solution for the Swedish economy. In February 2009 Reinfeldt said "the Swedes' views towards the single currency were 'affected by what is happening' and cast doubt on the established political consensus that the euro issue should not be revisited until 2012".⁸ *EurActiv* reported in September:

The Swedish crown has firmed in recent weeks, re-approaching ten to the euro from levels above 11 in late July, but it is still nearly 9% weaker than it was towards the end of the third quarter of 2008 before the financial crisis deepened.

The financial crisis has rekindled debate about joining the euro in several countries that remain outside the single currency bloc, including neighbouring Denmark, an important trading partner for Sweden.⁹

2 Swedish Presidency priorities

The Swedish Presidency has two main priorities:

- the economy, including employment, in the midst of the financial crisis and economic slowdown; and
- climate change, in the run-up to the UN climate change conference in Copenhagen in December 2009.

Among further areas of work, the Swedish Presidency programme highlights justice and home affairs (JHA), EU enlargement, some external relations issues, and the planned adoption of an EU strategy for the Baltic Sea region.

The Swedish Presidency will oversee the two customary European Council meetings (of EU Heads of State or Government), in October and December. It also called a special European Council meeting on 17 September 2009 to coordinate the EU's position ahead of the G20 meeting in Pittsburgh on 24-25 September, especially as regards financial sector reform and regulation.¹⁰

In terms of major new EU legislation, the Swedish Presidency programme is relatively light. This is owing to the Presidency's coincidence with the changeover of the European Commission and Parliament: much EU legislative work was concluded before the EP elections in June 2009, although Sweden inherited a few unfinished legislative dossiers, such as on telecoms and consumer rights. The full Swedish Presidency work programme is at

⁶ Uncorrected evidence, House of Lords Select Committee on the European Union, 21 July 2009, Q 1

⁷ *Sweden.se* 21 November 2008 "Soft landing for Sweden in financial crisis", Jonas Fredén at <http://www.sweden.se/eng/Home/Business/Economy/Reading/Soft-landing-for-Sweden-in-financial-crisis/>

⁸ *EurActiv* 27 February 2009 at <http://www.euractiv.com/en/euro/nordics-debate-need-euro-shelter-crisis/article-179825>

⁹ 1 September 2009 at <http://www.euractiv.com/en/euro/swedish-pm-reignites-euro-debate/article-184984>

¹⁰ "EU to hold special summit on financial reform", euobserver.com, 26 August 2009

http://www.se2009.eu/en/the_presidency/work_programme/work_programme_for_the_swedish_presidency_of_the_eu.

The Centre for European Reform,, referring to the second Irish referendum on the Lisbon Treaty, the state of the European economy and prospects for an international climate change deal at Copenhagen, has judged that overall “the success of [the Swedes’] Presidency will be judged mainly by developments over which they have little or no influence”.¹¹

2.1 Economic issues (by Ian Townsend)

G20

As holders of the EU Presidency, Sweden attended the G20 Leaders’ summit in Pittsburgh on 24-25 September 2009.¹² Sweden is not a G20 member directly, but attended through the EU’s membership of the Group.

Sweden stated that it would work under its Presidency for a joint EU position ahead of the G20 meetings,¹³ and at an informal meeting on 17 September the Presidency and Member States agreed an EU mandate for the G20 meeting.¹⁴ Returning from the G20 summit the Prime Minister said:

Our message was clear in Pittsburgh. We do not want to support our banks with taxpayers’ money - but as banks have a central role in our economic system, we are, to a certain extent, forced to do this. If we do, we have to ensure that they follow the established rules so that they are no longer able to risk the functioning of the system. We must ensure that the risks associated with reward systems are carefully monitored. The risks are far too great when the mistakes of a handful of people can affect the whole of our society.

We arrived in Pittsburgh with a clear mandate from the EU, well prepared and united. We left with an agreement on binding rules on bonuses. And so we are sending a clear signal to the financial system: The bonus culture must come to an end. The supervision of financial markets must be strengthened.”

The climate issue too, was discussed at the meeting. The EU has expressed strong concerns that the international climate negotiations are proceeding too slowly and that there is a risk that the negotiations will stall in Copenhagen.

Despite this, the G20 meeting has constituted a step forward. The leaders of the world agreed on the main features in the common regulations of the financial markets. And so the first strides towards a more sustainable financial systems were taken. It does not resolve the problems and challenges we are facing, but is an important foundation to build on. It gives us the opportunity to fight the unemployment that has followed in the wake of the financial crisis. And it also removes one of the obstacles for the world to unite and take action on the climate issue.¹⁵

¹¹ Centre for European Reform briefing note, “The Swedish EU Presidency”, July 2009

¹² See Library note SN/EP/5028 for more details

¹³ Swedish Government, “[Work programme for the Swedish Presidency of the EU, 1 Jul - 31 Dec 2009](#)”, June 2009

¹⁴ Swedish Presidency website at

¹⁵ See Swedish Presidency website 26 September 2009 at http://www.se2009.eu/en/meetings_news/2009/9/18/unity_ahead_of_g20_when_eu_leaders_met_in_brussels http://www.se2009.eu/en/meetings_news/2009/9/26/the_g20_meeting_is_a_step_on_the_way

The economic crisis & an EU fiscal stimulus

During the French EU Presidency, in November 2008 the European Commission announced the European Economic Recovery Plan (EERP) valued at €200 billion, equivalent to 1.5% of total EU economic output.¹⁶

Some €170 billion (85%) of the package was to come from the budgets of Member States through national stimulus packages.¹⁷ The remaining €30 billion would come from the European Commission via the EU budget and the European Investment Bank, which would include increased annual financing of €15 billion a year in 2009 and 2010. The European Bank for Reconstruction & Development (EBRD) would also increase financing for new EU member states by €500 million a year. The Commission would bring forward up to €6.4 billion of EU regional funding. The plan also included some 'priority actions' based on the Lisbon Strategy reform agenda to boost long-term economic growth.

The package included:¹⁸

- €5 billion for green automotive technology (from national governments, the EIB and the EU);
- €5 billion for EU energy links and broadband access;
- €1 billion for energy-efficient houses €1.2 billion for energy-efficient factories;
- €1.8 billion of EU funding for job training to be made more easy to access.

With fears that Member States could breach the 3% budget deficit limit, the EERP made it clear that larger budget deficits would be permitted, with deficits reduced below 3% following recovery.

The Commission said that the "combination of national and EU resources and actions will be vital to boost falling demand, prevent knock-on effects on investments and employment, and protect growth and jobs."¹⁹

The plan was formally adopted at the 11-12 December 2008 European Council, which concluded that it would "provide a coherent framework for action to be taken at the level of the Union as well as for measures adopted by each Member State, taking account of their individual circumstances."²⁰ An EERP progress report was issued for the July 2009 European Council.²¹

The European Commission's Spring 2009 forecast was for both the EU and the euro area economies to contract by 4% this year.²² It noted that "growth prospects would have been substantially worse in the absence of [the EERP] fiscal measures".²³ However, partly due to these measures, the EU's projected general government deficit was expected to reach 6% of

¹⁶ This followed an October 2008 Commission Communication on recovering from the financial crisis: http://ec.europa.eu/commission_barroso/president/pdf/COMM_20081029.pdf

¹⁷ For more on national packages, see "[Estimating the size of the European stimulus packages for 2009: An Update](#)", Bruegel, 20 February 2009

¹⁸ Based on "[EU unveils €200bn plan for recovery](#)", *The Independent*, 27 November 2009

¹⁹ "[Commission adopts European Economic Recovery Plan](#)", European Commission, 26 November 2008, and Commission Communication, "[A European Economic Recovery Plan](#)" [COM(2008) 800], 26 November 2008

²⁰ [European Council conclusions](#), 11-12 December 2008

²¹ Council (Ecofin) contribution to the 18-19 June 2009 European Council: [Report on European Economic Recovery](#), 9 June 2009

²² http://ec.europa.eu/economy_finance/publications/publication15048_en.pdf, p1

²³ *ibid.*, p27

GDP in 2009 (5¼% in the euro area), “significantly worse” than predicted in October 2008 and January 2009.²⁴

An [interim update forecast](#) was published on 14 September:

The underlying message is that signs for an economic recovery are apparent, also thanks to strong policy interventions, but the sustainability of the recovery remains to be tested.

The Commission sees signs of an imminent economic recovery and fears of a prolonged and deep recession are fading. GDP growth is set to turn positive in the second half of the year. However, the forecast for 2009 as a whole remains unchanged as the previous estimates for 2008 and the first quarter of 2009 proved weaker. GDP is expected to fall by 4% in both the EU and the euro area this year.

The improved economic outlook reflects external conditions being increasingly favourable. Recent data for trade and industrial production, as well as business and consumer confidence, are generally encouraging. The resilient private and public consumption and advancements in the inventory cycle will also support growth in Europe.

Out-turn GDP data for the second quarter of 2009 suggest that for countries where data are available, the Czech Republic, France, Germany, Greece, Portugal and the Slovak Republic have emerged from recession, although the euro area as whole was still in recession (contracting by 0.1% in Q2 2009), as was the EU as a whole (contracting 0.2%).²⁵ The UK economy contracted by 0.7%.

The Swedish EU Presidency is likely to work on an ‘exit strategy’ from Member States’ stimulus packages, including the timing of removing measures and reducing deficits caused by them.²⁶ As the Presidency’s Work Programme states:

Times of crisis entail major challenges for public finances. Good budgetary discipline promotes sound economic development. A key issue is therefore to discuss how Member States can regain order in public finances.²⁷

Sweden will also prioritise “action regarding measures on the labour market that limit unemployment, reduce exclusion and return people to work at the same time as the foundation is laid for a high level of long-term, sustainable employment.”²⁸

The Presidency will also look to “lay the foundation” for a successor to the Lisbon Strategy, although the final decision on this will not be taken until Spring 2010, under the Presidency of Spain.²⁹

2.2 Climate change (by Elena Ares)

The Swedish Government made climate change one of its priorities in its Presidency work programme:

²⁴ *ibid.*, p40

²⁵ OECD, “Quarterly National Accounts : Quarterly Growth Rates of GDP, volume”, from *OECD.Stat database*, accessed 3 September 2009

²⁶ “[Factbox: Main issues during Swedish EU presidency](#)”, *Reuters*, 26 June 2009

²⁷ Swedish Government, “[Work programme](#)”, 23 June 2009

²⁸ Swedish Government, “[Work programme](#)”, *op. cit.*

²⁹ Swedish Government, “[Work programme](#)”, *op. cit.*

The EU must continue to take responsibility for the climate threat. The great challenge of our time is to avert the climate threat and combat global climate change. Climate change has a major impact on societies, individuals and coming generations. The EU will continue to pursue global climate efforts. The task of the Presidency, together with other parties, is to work for the adoption of a new climate agreement during the international climate negotiations in Copenhagen in December.³⁰

It also set out how it viewed the EU and the Presidency's role within the ongoing negotiations:

Continued agreement in the EU is necessary in order to move the negotiations forward. The adoption of the EU climate and energy package means that the EU has agreed on an ambitious climate policy. Development of EU policy must continue with regard to issues such as financing, not least to respond to the expectations that the developing countries place on the EU. We need a broad agreement for the period after 2012. The EU also needs to get other industrialised countries to commit to ambitious emission reductions. New positions within the EU are necessary in order to be able to act in the international negotiations. The basic premise of the Presidency is, in consensus and with respect for national conditions, to promote unity in the EU and to uphold the EU's responsibility as a positive force in the climate negotiations.

The EU has an important role to play in relation to the developing countries, which are often particularly at risk and vulnerable to climate change. A central issue, both ahead of the Copenhagen Summit and in the longer term, is the need of effective support to facilitate adjustment of countries and people to the effects of climate change. The Commission on Climate Change and Development initiated by the Swedish Government is an important contribution. The Presidency will move the EU forward in these issues, which are also important to the design of future development cooperation from the Member States and the European Commission.

Further, the Presidency's ambition is that strong political leadership by the EU will promote the transition to an eco-efficient economy where opportunities for growth are strengthened and environmental and climate considerations are utilised. The Presidency will initiate a discussion so as to allow this development.

Presidency wants deal within EU at October European Council – mainly on financial offer to developing countries.³¹

A recent article in the Economist highlighted the many tasks ahead for the Presidency, together with the added authority Sweden has on climate change due to its own domestic record:

Sweden, in short, is an exceptional place. On July 1st the Swedes took over the rotating presidency of the European Union for six months. They will oversee the writing of new EU rules on financial supervision and regulation. They must craft a common EU position to take to the Copenhagen climate-change conference in December. And their presidency will be filled with institutional chores. The coming months will see the appointment of a new European Commission, and—if Irish voters say yes to the Lisbon treaty in a referendum in October—two new jobs will need filling: a foreign-policy chief and a full-time president of the European Council, representing the 27 national governments. Swedish exceptionalism will shape all of these dossiers.³²

And:

³⁰ EU Presidency Website, [Climate – a new climate agreement in place](#), 30 September 2009

³¹ [Work programme for the Swedish Presidency of the EU](#), 1 July --- 31 December 2009, 23 June 2009

³² The Economist, *Those exceptional Swedes*, 4 July 2009

Swedes often draw lessons from past success (this can make them sound smug). In climate-change talks, it will make them rather tough. Sweden has cut carbon emissions by a tenth since 1990, even as its economy grew by 50%, Mr Reinfeldt said this week. He calls his country “an interesting example” for others.³³

During the latest talks climate change talks held in Thailand in September the EU negotiating position was set out by the Swedish Presidency:

The EU is pressing for an ambitious and comprehensive deal that will prevent global warming from reaching the dangerous levels – more than 2°C above the pre-industrial temperature - projected by the scientific community. Scientific evidence shows that keeping within this ceiling will require industrialised countries to cut their greenhouse gas emissions to 25-40% below 1990 levels by 2020 and developing countries to limit their rapid emissions growth to around 15-30% below business as usual levels in 2020.

The EU has committed unconditionally to cut its emissions to at least 20% below 1990 levels by 2020 and is implementing this goal through the climate and energy package (IP/09/628). It has also committed to scale up its emission cut to 30% provided other industrialised countries agree to make comparable reductions and economically more advanced developing countries contribute adequately to a global deal.

On 10 September the Commission proposed a global blueprint for increasing international finance to help developing countries mitigate their emissions and adapt to climate change ([IP/09/1297](#)). This gives a basis for the European Council to take an EU position on financing at the end of October.³⁴

Press release IP/09/1297 summarised the proposals for financing put forward for approval to the EU Council and the EP as follows:

The European Commission today put forward a blueprint for scaling up international finance to help developing countries combat climate change. This initiative aims to maximise the chances of concluding an ambitious global climate change agreement at the December U.N. climate conference in Copenhagen. By 2020 developing countries are likely to face annual costs of around €100 billion to mitigate their greenhouse gas emissions and adapt to the impacts of climate change. Much of the finance needed will have to come from domestic sources and an expanded international carbon market, but international public financing of some €22-50 billion a year is also likely to be necessary. The Commission proposes that industrialised nations and economically more advanced developing countries should provide this public financing in line with their responsibility for emissions and ability to pay. This could mean an EU contribution of some €2-15 billion a year by 2020, assuming an ambitious agreement is reached in Copenhagen.³⁵

2.3 Justice and home affairs

Under its Presidency, Stockholm aims to see the EU adopt a new programme for the whole field of justice and home affairs (JHA), to be known as the “Stockholm Programme”. The Stockholm Programme will be the EU’s third overall programme for JHA, following the

³³ *ibid*

³⁴ Swedish Presidency [Press Release](#), *Climate change: Bangkok meeting must make decisive progress towards ambitious global deal*, 25 September 2009

³⁵ EU Commission IP/09/1297, *Climate change: Commission sets out global finance blueprint for ambitious action by developing nations*, 10 September 2009.

Tampere Programme (1999-2004) and the Hague Programme (2005-2010). The Commission presented its proposals for the Stockholm Programme in June 2009.³⁶

Among JHA priorities, the Swedish Presidency has identified:

- A need for greater clarity in the civil law governing citizens' cross-border movements and relationships, so as to encourage free movement. For example, the Presidency wants to begin negotiations on an EU regulation on succession and wills.
- Further improvement in cross-border cooperation in the fight against crime, including with respect to the rights of both victims of crime and those suspected of committing it. The Presidency plans proposals on information exchange, the accreditation of forensic laboratories, the transfer of criminal proceedings between Member States, the sexual exploitation of children and human trafficking.

In asylum and immigration, the Swedish Presidency aims to promote the further harmonisation of EU asylum policies and practices, including through the draft directive on the reception of asylum-seekers. On 2 September the Commission published proposals for an EU resettlement scheme for refugees. Despite the current economic downturn, the Swedish Presidency also wants to pursue measures to encourage increased labour migration to the EU. Apart from the issue of financial sector regulation, these plans on asylum and immigration could become the most contentious policy issue of the Swedish Presidency.

Giving evidence on the Presidency's JHA plans to the House of Lords EU Committee in July 2009, the Swedish Ambassador said:

In the previous five-year programme there was an emphasis on security and physical protection and so forth, and this programme was adopted, if I remember correctly, more or less immediately after the terrible events in Madrid in the spring of 2004. Of course we will continue to combat terrorism, it goes without saying, but we also have to have a better balance in relation to civil liberties so the rights of citizens have to be protected, the rights of families in criminal cases for example. We think there is also a need for a balance not only when it comes to the justice side but also the migration side. On the one hand we have a need for strengthened border control and, on the other hand, there is a need for easy access to the asylum system. If you look ahead, Europe will have a labour shortage problem and opening up legal channels of immigration is the other side of that, so well-managed migration should be the key.³⁷

According to the Centre for European Reform:

There are two main stumbling blocks to Swedish ambitions in this area [i.e. JHA]. First, as long as the fate of the Lisbon Treaty hangs in the balance, the EU will struggle to set meaningful priorities. The Lisbon Treaty would move large areas of the EU's JHA cooperation to qualified majority voting and therefore change the political dynamics in this area. It may have been better for the EU to leave a new JHA programme until 2010. Second, the recession – with heightened fears of job losses and low-cost competition – will probably foil

³⁶ European Commission Communication, An area of freedom, security and justice serving the citizen, COM (2009) 262 final, 10 June 2009

³⁷ Uncorrected evidence taken by the House of Lords Select Committee on the European Union, 21 July 2009, Q 16

the kind of enlightened debate that the Swedes had been hoping to have about migration policies.³⁸

2.4 Enlargement

Like the UK, Sweden has traditionally been a leading supporter of EU enlargement, including to Turkey. French President Sarkozy, who opposes EU membership for Turkey, cancelled a planned pre-Presidency trip to Sweden in June, reportedly as a result of barely-veiled criticism of his position voiced by Swedish Foreign Minister Carl Bildt.³⁹ In its Work Programme, the Swedish Presidency says that “it is [...] of central importance that the EU stands by its commitments and the established principles in the area of enlargement.”

In some respects, Sweden is holding the Presidency at a time when EU accession appears to be retaining its attraction: three states have applied to join the EU since December 2008. However, at the same time, the enlargement process is widely seen to have lost momentum. This is partly due to ‘enlargement fatigue’ resulting from the enlargements of 2004 and 2007 and the widespread view that Bulgaria and Romania were admitted before they were fully ready; partly to the way in which some EU actors are making further enlargement conditional on ratification of the Lisbon Treaty; and partly to a series of bilateral disputes and difficulties involving potential Member States.

The state of the enlargement process by country as of the start of September 2009 was as follows:

Countries in accession negotiations

- Croatia. Of the 35 accession negotiation ‘chapters’, Croatia has opened 22, of which it has closed 7.⁴⁰ The Swedish Presidency programme states that Croatia’s accession negotiations “could enter a final stage during the autumn.” The European Commission previously presented a timetable which could see the talks concluded by the end of 2009, possibly opening the way to accession in late 2010 or 2011, depending on the speed of ratification. However, the process has been blocked since December 2008 by a Slovenian veto, because of a bilateral Slovenian-Croatian maritime border dispute. Efforts by Enlargement Commissioner Olli Rehn to unblock the process ran into the ground shortly before the summer break. Carl Bildt has said explicitly that Stockholm does not plan to try to broker a resolution, commenting that the two sides needed “a period of reflection”.⁴¹ In his evidence to the House of Lords EU Committee on 21 July, the Swedish Ambassador said that he thought that this situation would not change “for perhaps the coming months”.⁴² Commissioner Rehn told the European Parliament’s Foreign Affairs Committee on 2 September 2009 that if Croatia met outstanding requirements on time and the border dispute were resolved soon, the accession negotiations could be concluded in the first half of 2010.⁴³

³⁸ Centre for European Reform briefing note, “The Swedish EU Presidency”, July 2009

³⁹ “Sarkozy cancels Sweden visit over Turkey”, euobserver.com, 29 May 2009

⁴⁰ Croatian Ministry of Foreign Affairs, “Progress in EU-Croatia accession negotiations at a glance”, http://www.mvpei.hr/CustomPages/Static/HRV/Files/Tabelarni_pregled_stanja_pregovora_srpanj_09-eng.pdf

⁴¹ “Sweden declines EU trouble-shooting role”, euractiv.com, 23 June 2009

⁴² Uncorrected evidence taken by the House of Lords Select Committee on the European Union, 21 July 2009, Q 44

⁴³ Commissioner Olli Rehn, “A Balance Sheet and Way Forward”, presentation to the European Parliament Foreign Affairs Committee, 2 September 2009

- Turkey. Of the 35 negotiating chapters, Turkey has opened 11, of which it has closed only one. Negotiators on both sides have expressed hopes that a further five chapters could be opened during the Swedish Presidency. However, some observers, such as the Centre for European Reform, have warned of a possible “looming ‘train crash’” over Turkish accession during the Swedish Presidency. According to some interpretations of Council conclusions from December 2006, the Member States set Turkey an implicit deadline of the end of 2009 to implement fully the Ankara Protocol, under which it should extend its customs union with the EU to Cyprus. Assuming that Turkey remains in non-compliance with the Ankara Protocol, the Centre for European Reform says that “some European leaders that are not keen on seeing Turkey in the EU could use the December [2009] summit to call for a complete suspension of bilateral talks, triggering a deep crisis in EU-Turkey relations.”⁴⁴ The Swedish Presidency’s prospects as regards progress on Turkish accession are thus closely connected with the ongoing talks on a Cyprus settlement, which are being mediated by the UN.

Official candidate countries

- Former Yugoslav Republic of Macedonia (FYROM). FYROM was granted candidate state status in 2005 and is disappointed not to have been invited to open accession negotiations already. The Swedish Presidency programme says that “any decisions on additional steps in the country’s EU integration progress” will be based on the European Commission’s next annual ‘progress report’ on the country, which is due later in autumn 2009. Commissioner Rehn said on 2 September that the Commission may be able to recommend the start of accession talks before the end of 2009.⁴⁵ However, given that the launch of accession negotiations requires a unanimous decision of the Member States, any such recommendation from the Commission would bring into the open the implications of the bilateral dispute between Greece and FYROM over the latter’s official name. That dispute continues to block FYROM’s accession to NATO, and the Greek Foreign Minister indicated in July that Athens would similarly block the start of any EU negotiations with the country.⁴⁶

Potential candidate countries which have submitted membership applications

- Montenegro. Montenegro submitted a membership application in December 2008. Member States asked the Commission in April 2009 to prepare its formal ‘Opinion’ (*avis*) on the application – the first step in any enlargement process. The Commission has begun work on its assessment but is seen as unlikely to complete it during the Swedish Presidency.
- Albania. Albania submitted a membership application in April 2009. Member States have not yet requested the Commission’s Opinion on the application, but there have been indications that they may do so during the Swedish Presidency. The Swedish Presidency noted that parliamentary elections in June generally “met most OSCE commitments, even if the elections did not fully realise Albania’s potential to adhere to

⁴⁴ Centre for European Reform briefing note, “The Swedish EU Presidency”, July 2009

⁴⁵ Commissioner Olli Rehn, “A Balance Sheet and Way Forward”, presentation to the European Parliament Foreign Affairs Committee, 2 September 2009

⁴⁶ “EU wary of diplomatic fallout from Iceland move”, euobserver.com, 28 July 2009

the highest standards for democratic elections”.⁴⁷ The EU Enlargement Commissioner, Olli Rehn, said that Albania had to “do better when staging future elections, citing campaign violence and procedural violations this time around”.⁴⁸

- Iceland. Iceland submitted a membership application on 23 July 2009, after the country’s economic and financial crisis transformed the context for attitudes to the EU and brought a pro-membership Government to power. Member States asked the Commission to prepare its opinion on Iceland’s application four days after it had been submitted. It is not clear whether the Commission will complete its assessment before the end of the Swedish Presidency, although replies to the Commission questionnaire, which are used to prepare the Opinion, are due to be returned on 16 November 2009. Icelandic officials have expressed hopes that the country could complete membership negotiations by the end of 2010 and be an EU Member by 2012.⁴⁹ Iceland already implements much of the EU *acquis* as a member of the European Economic Area (EEA).

Potential candidate countries which have not submitted membership applications

- Serbia. After Montenegro and Albania submitted membership applications, Serbia is believed to be keen to do likewise. However, the EU has not ratified Serbia’s Stabilisation and Association Agreement (SAA), nor implemented the Interim Agreement liberalising trade, owing to the Netherlands’ insistence that Serbia first demonstrate greater cooperation with the International Criminal Tribunal for the Former Yugoslavia.
- Bosnia-Herzegovina. Since Bosnia-Herzegovina signed an SAA with the EU in 2008, international concerns about prospects for the country’s political stability and European integration have been growing. On 2 September 2009 Commissioner Rehn said that he saw “few signs” in Bosnia of the leadership which he said was necessary for a transition “from Dayton stabilisation to European integration”, which he said would in turn open the way to an EU membership application.⁵⁰

Iceland’s sudden application to join the EU has introduced a new element into the dynamics of the enlargement process, which had previously been focused on the Western Balkans and Turkey. Some supporters of enlargement to all these countries, such as Commissioner Rehn, argue that Iceland’s application will inject new energy into the enlargement process as a whole. Other supporters specifically of the EU accession of the Western Balkan states fear that the possibility of Iceland ‘leapfrogging’ countries which in theory have been in a pre-accession process for much longer might further demoralise pro-EU forces in the region. Given the stalled state of Croatia’s accession talks, the possibility of a speedy Icelandic accession process has been given added significance because of EU leaders’ agreement at

⁴⁷ 17 September 2009 at http://www.delvie.ec.europa.eu/en/eu_osce/eu_statements/2009/September/PC%20no.774%20-%20EU%20declaration%20on%20ALB%20elections.pdf

⁴⁸ *EurActiv* 30 June 2009 at <http://www.euractiv.com/en/enlargement/tensions-rise-following-albanian-elections/article-183620>

⁴⁹ “Iceland says ready to complete EU talks by 2011”, *euractiv.com*, 20 July 2009; “Iceland ‘unwilling to share fishing resources’ in EU”, *euobserver.com*, 23 July 2009. The Commission’s Opinion is presented to the European Parliament and the Council and then the decision to open accession negotiations lies with the EU Member States.

⁵⁰ Commissioner Olli Rehn, “A Balance Sheet and Way Forward”, presentation to the European Parliament Foreign Affairs Committee, 2 September 2009

the European Council meeting in June 2009 that the 'Irish guarantees' on the Lisbon Treaty will be given Treaty status as a Protocol attached to the next accession treaty (see below).

There have been suggestions that Iceland's accession process may not be as smooth or speedy as sometimes seems to be assumed. Commissioner Rehn said on 2 September that there is "no fast-track procedure for Iceland, and no shortcut to EU membership".⁵¹ Iceland's Foreign Minister Ossur Skarpheoinsson has indicated that Reykjavik is not willing to share its fishing resources with other Member States, as would currently be required under the Common Fisheries Policy,⁵² so Iceland's accession negotiations could become linked to the planned reform of that policy.⁵³ The Netherlands has suggested that it might link Iceland's accession process to the refund of monies lost by Dutch citizens in failed Icelandic banks. Furthermore, Iceland plans to hold a referendum on EU membership if it completes accession negotiations. The legislature voted to submit a membership application only by 33 votes to 28; and in a poll published in the largest daily on 5 August 2009, 48.5% of respondents were opposed to membership, 34.7% were in favour and 16.9% were undecided.⁵⁴

2.5 External relations

Among the range of EU external relations issues, the Swedish Presidency says that it will give priority to developing the European Neighbourhood Policy (ENP), and in particular the 'Eastern Partnership'. The Eastern Partnership is aimed at encouraging reforms in, and intensifying the EU's relations with, six states to the EU's east: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The Partnership also includes an element of multilateral cooperation among the partner states. The Eastern Partnership is separate from the EU enlargement process and does not officially prejudice either way the possibility of the Eastern Partnership states at some point becoming EU members.

The Eastern Partnership originates in a Polish-Swedish initiative put forward in May 2008, and was launched officially at a summit in Prague in May 2009 under the Czech Presidency. The initiative was widely seen as an attempt to counterbalance geographically the Union for the Mediterranean, which was initiated by France and formally launched under the French Presidency in July 2008. The Eastern Partnership received additional impetus from the Russia-Georgia crisis in August 2008, which for many in the EU highlighted the risks involved in the eastern states' geopolitical position and internal weaknesses. Sweden says that during its Presidency it will "work to ensure that the implementation of the Eastern Partnership gathers momentum and is consolidated via, among other things, the new multilateral cooperation, negotiations on association agreements and free trade, and steps to facilitate the mobility of people".

There will be an EU-Ukraine summit during the Swedish Presidency at which Stockholm hopes for progress in the negotiations on an EU-Ukraine association agreement, including a significant free trade element. Concerns have been expressed that the Swedish Presidency could see another Ukraine-Russia (or Belarus-Russia) gas crisis that could disrupt EU supplies in the winter.⁵⁵ The Swedish Ambassador told the House of Lords EU Committee in

⁵¹ Commissioner Olli Rehn, "A Balance Sheet and Way Forward", presentation to the European Parliament Foreign Affairs Committee, 2 September 2009

⁵² "Iceland 'unwilling to share fishing resources' in EU", euobserver.com, 23 July 2009

⁵³ European Commission, "Common Fisheries Policy: Commission launches a mid-term review", press release, 17 September 2008

⁵⁴ "Most Icelanders opposed to EU membership", euobserver.com, 5 August 2009

⁵⁵ Centre for European Reform briefing note, "The Swedish EU Presidency", July 2009

July that “there are great risks [...] of a new cut-off”, that “it is not an energy supply problem as much as it is a payments problem”, and that the Presidency was participating in meetings involving Ukraine, the Commission and financial institutions aimed at finding a solution, but that it would “take time”.⁵⁶

Other summits during the Swedish Presidency are due to be held with Brazil (6 October), China (26-28 October 2009), India (6 November 2009), Russia (18-19 November), South Africa (10-11 September) and the US (2-3 November 2009). At several of these summits, the Presidency is hoping for progress in ongoing sets of negotiations: on a new framework agreement with China, a replacement for the current partnership and Cooperation Agreement with Russia, and a free trade and investment agreement with India.

As regards other countries and regions, the Presidency says that it is “very important that the EU further strengthens and consolidates its commitment” regarding Afghanistan and Pakistan, “including from a regional perspective”. The Presidency also highlights the implementation of the EU-Africa Strategy, and Iran and the Middle East peace process. The latter two issues are increasingly linked and could come to dominate the Presidency’s foreign policy agenda, as – facing calls for tougher action from Israel - the international community is expected to decide during the autumn whether to impose further sanctions on Iran if it does not halt its enrichment activities. As regards the Middle East peace process, the Centre for European Reform has suggested that “Stockholm is likely to take a firmer line towards Israel than Prague did during its Presidency”.⁵⁷

With respect to cross-country external relations issues, the Presidency programme refers to disarmament and non-proliferation; the continued development of the EU’s civilian and military crisis management capabilities; the integration of climate adaptation into the EU’s development cooperation work; and an ambition to “create a coherent and uniform framework to make EU support for democracy-building throughout the world more effective”.

2.6 Baltic Sea Strategy

The Swedish Presidency aims to see the adoption of an EU Strategy for the Baltic Sea. On the request of the Member States, the Commission presented a communication and action plan to this end in June 2009 which now await approval.⁵⁸ They are on the provisional agenda for the GAERC Council on 26-27 October 2009.

The idea of an EU Baltic Sea Strategy first surfaced in a 2006 European Parliament report by the then-MEP, Alexander Stubb, who is now Finnish Foreign Minister. Advocates of an EU Baltic Sea Strategy were motivated largely by the changed situation brought about by the EU’s 2004 enlargement: as a result of the accession of the three Baltic states and Poland, the Baltic became an EU ‘internal sea’, surrounded by eight EU Member States and only one non-member (Russia) - but the eight EU States encompass both some of the most developed in the Union and some of the least.

The Baltic Sea Strategy would aim to encourage greater cooperation among Baltic EU Member States in order to: improve the region’s severely degraded environment, especially the quality of the Baltic Sea itself; boost the region’s economic prospects (for example,

⁵⁶ Uncorrected evidence taken by the House of Lords Select Committee on the European Union, 21 July 2009, Q 25

⁵⁷ Centre for European Reform briefing note, “The Swedish EU Presidency”, July 2009

⁵⁸ European Commission, Communication concerning the European Union Strategy for the Baltic Sea Region, COM(2009) 248 final, 10 June 2009

through the development of regional links between transport and energy networks, which are currently often poorly connected); and enhance efforts against cross-border crime. The Swedish Presidency also sees the Baltic Sea plans as a test-bed for regional cooperation initiatives elsewhere in the EU. The Strategy would involve the more coordinated use of existing EU legislation and funding rather than the introduction of new instruments.

The Baltic Sea Strategy is to sit alongside the EU's 'Northern Dimension', which is the Union's framework for cooperation with non-Member States to the EU's north and north-east - Iceland, Norway and Russia. There are also already a number of Baltic and/or Arctic regional cooperation forums involving different combinations of EU and non-EU states.

Further information on the Baltic Sea Strategy can be found at http://ec.europa.eu/regional_policy/cooperation/baltic.

3 Institutional issues

3.1 Lisbon Treaty

The Lisbon Treaty will come into force only if it is ratified by all 27 Member States. As of early September 2009, 23 Member States had completed ratification of the Lisbon Treaty. Four Member States had not:

- Ireland. Following the Irish electorate's vote against ratification in a referendum in June 2008, Ireland is holding a second referendum on 2 October 2009. Ahead of the second Irish vote, the EU Heads of State or Government, meeting in the European Council in June 2009, agreed a Decision which is aimed at addressing the concerns about the Lisbon Treaty which were identified by Dublin following the first referendum, concerning neutrality, taxation and social issues. The Heads of State or Government said that their Decision would become legally binding if and when the Lisbon Treaty comes into effect. They also decided that their Decision would be appended as a Protocol to the next accession treaty, in order to give it "full Treaty status". If the Irish electorate votes in favour of ratification on 2 October, Ireland is expected to be able to deposit its instrument of ratification within a week.
- Germany. The legislature has completed ratification of the Lisbon Treaty but President Köhler withheld his signature from the instrument of ratification until the Constitutional Court had completed its consideration of a number of legal challenges. In a 30 June judgement, the Court ruled that the Lisbon Treaty was compatible with the German constitution, but that Germany's instrument of ratification could only be deposited once the law governing the national legislature's involvement in EU matters had been amended - to give the *Bundestag* and *Bundesrat* greater powers – and the amendments put into effect. The *Bundestag* considered the proposed amendments in first reading on 26 August 2009, began its second reading consideration on 3 September and is due to hold a second reading vote on 8 September; the *Bundesrat* adopted the legislation on 18 September and Germany's ratification process was all but completed on 23 September when President Köhler signed the ratification instrument, just days ahead of the 27 September federal elections.
- Poland. Parliamentary ratification has been completed but the President's signature is awaited. President Kaczynski has indicated that if the Irish vote in favour of ratification, he will sign the legislation.

- Czech Republic. Parliamentary ratification has been completed but the signature is awaited of President Klaus, who opposes the Lisbon Treaty. If President Klaus signs the legislation, he intends to do so only after ratification has been completed in all other Member States. In July, President Klaus joined anti-Lisbon Senators in announcing plans to request a second Constitutional Court ruling on the Lisbon Treaty. Anti-Lisbon Senators have also said that they will mount a further legal challenge to the legislation governing Parliament's powers over the government's authority to transfer sovereignty to the EU. The second constitutional challenge was launched on 29 September. Supporters of the Lisbon Treaty are reportedly concerned that, even if the Irish vote in favour of ratification, President Klaus could delay Czech ratification until after a change of government in the UK.

Standard Note SN/IA/4943 "The Lisbon Treaty: the final four" gives detailed information on the Lisbon Treaty ratification processes in these four states.

The Lisbon Treaty specifies that it will come into force on the 1st of the month following that in which the 27th Member State deposits its instrument of ratification. At its December 2008 meeting, when it set out how it wished to proceed given the Irish vote against ratification of the Treaty, the European Council said that it was doing so "with a view to enabling the Treaty to enter into force by the end of 2009". The European Council reaffirmed this wish at its meeting in June 2009. It has therefore been suggested that, if the Irish vote in favour of ratification, and Germany, Poland and the Czech Republic complete ratification quickly, the Lisbon Treaty could come into force as early as 1 November 2009, although 1 December 2009 and especially 1 January 2010 are also mentioned as possible dates. With the Czech court case, these dates look increasingly unlikely.

3.2 New European Commission

The European Commission's five-year term expires on 31 October 2009. Under normal circumstances, the process of the new Commission's nomination by the Member States and approval by the European Parliament would be completed either side of the summer break, allowing the new body to take office by 1 November. However, in 2009 the process has become subject to uncertainty and delay because of the possible prospect of the Lisbon Treaty coming into force. The Lisbon Treaty would change both the number of Commissioners and the appointment procedure for the Commission President:

- Number of Commissioners. The current Treaties stipulate that, from the Commission appointed in 2009, there will be fewer Commissioners than Member States.⁵⁹ The Lisbon Treaty stipulates that a Commission appointed between it coming into force and 31 October 2014 will have one Commissioner per Member State.⁶⁰ The Lisbon Treaty would also provide that the new High Representative for Foreign Affairs and Security Policy would automatically also become Commissioner for External Relations, thus already taking one Member State's Commission seat (see next sub-section). Given the political difficulties which would be involved in nominating Commissioners without knowing the eventual number of Commission seats available, the European Council decided at its June 2009 meeting that "the process of nomination of the other persons who will be appointed as members of the

⁵⁹ Article 214, Treaty establishing the European Community

⁶⁰ Under the amended text of Article 17 of the Treaty on European Union, the Lisbon Treaty would allow the Member States to retain the 'one Commission per Member State' arrangement in perpetuity. They have already decided to do so, as part of the deal aimed at assuaging Ireland's concerns about the Lisbon Treaty.

Commission [i.e. apart from the Commission President] can only be initiated when the legal basis for the nomination procedure has become clear.”⁶¹ As of early September 2009, only Romania appeared to have ignored this provision, with the Foreign Minister announcing the name of Bucharest’s nominee⁶² (although Finland’s Prime Minister confirmed already in February 2009 that he would be re-nominating current Enlargement Commissioner Rehn). Most Member States appear likely to announce their nominations following the second Irish referendum on 2 October at the earliest.

Commission President appointment. The Member States agreed at the June 2009 European Council meeting to nominate current Commission President José Manuel Barroso for a second term. However, the European Parliament decided in July not to vote then on his nomination, but to delay until the autumn. This went against the wishes of the Member States and especially Sweden, which did not want to see the Commission without clear leadership for much of its Presidency. The European Parliament decided to delay partly to try to push the vote until after the second Irish referendum on the Lisbon Treaty on 2 October. The Parliament has already formally expressed its wish that the 2009 Commission appointment process should take place under Lisbon Treaty procedures.⁶³ Under the Lisbon Treaty, the European Council is obliged to take the views of the European Parliament into account in nominating a Commission President, and the Parliament votes on his nomination by a majority of all MEPs, rather than a majority of votes cast (as under the current Treaties). The European Parliament decided to delay the vote also as a result of the political opposition of Socialist, some Liberal and Green MEPs to Mr Barroso’s reappointment, at least without assurances on his policy plans. Mr Barroso published a set of “political guidelines” for a second term on 3 September. The EP endorsed the Barroso nomination by secret ballot on 16 September by a vote of 382 in favour to 219 against and 117 abstentions, out of 718 MEPs present. Supporters of Mr Barroso’s speedy appointment argued that, given the situation in the Czech Republic, even delaying the vote until the Parliament’s mid-October session might not guarantee certainty about the fate of the Lisbon Treaty. Moreover, supporters of the mid-September approval of Mr Barroso argued that having a Commission President in place would put the EU in a stronger position ahead of both the G20 summit in Pittsburgh and the second Irish referendum.⁶⁴ The Centre for European Reform judged that, given the need for the EP to hold hearings and vote again on the Commission as a whole, “the new Commission may not [...] take office until December 1st, or possibly later.”⁶⁵

A number of Commission figures have indicated that the current body is preparing to remain in office beyond 31 October in a caretaker role, until the new Commission can take office. There is some argument about the legality of this procedure. There is a precedent from 2004, when EP opposition to some nominated Commissioners prevented the new European Commission from taking office until the last week of November.⁶⁶

Whenever it takes office, the new Commission is likely to include a relatively large number of new faces. Several 2004-09 Commissioners, including Vice-Presidents Margot Wallström and Günter Verheugen, are standing down; the political complexion of national governments has changed in some Member States; and replacement Commissioners appointed during the

⁶¹ Presidency Conclusions, Brussels European Council, 18-19 June 2009

⁶² “Romania to lobby for agriculture commissioner”, euractiv.com, 1 September 2009

⁶³ “MEPs seek control over EU commission president nomination”, euobserver.com, 8 May 2009

⁶⁴ Tony Barber, “Circle in a spiral”, *Financial Times*, 2 September 2009

⁶⁵ Centre for European Reform briefing note, “The Swedish EU Presidency”, July 2009

⁶⁶ http://www.euoparl.europa.eu/hearings/commission/2004_comm/dates_en.htm

life of the 2004-09 Commission may not be seen as sufficiently heavyweight to retain their seats.⁶⁷

3.3 Possible new Council appointments

The five-year term of the High Representative for the Common Foreign and Security Policy (CFSP), Javier Solana, expires on 18 October 2009. Dr Solana has held the post since its inception in 1999. He confirmed in July 2009 that he would not be seeking reappointment.

The Lisbon Treaty would remake the current High Representative post as a 'double-hatted' one, combining the functions and institutional seats of the current CFSP High Representative and the current Commissioner for External Relations.⁶⁸ Given the enhanced role of the new High Representative under the Lisbon Treaty, especially his or her *ex officio* position as a Vice-President of the European Commission, Member States would prefer to know the Treaty basis for the appointment before deciding on the new post-holder.

Figures who have been mentioned as possible appointees as the EU's new High Representative include Swedish Foreign Minister Carl Bildt, former German Foreign Minister Joschka Fischer, former NATO Secretary-General Jaap de Hoop Scheffer, former External Relations Commissioner Chris Patten and current Enlargement Commissioner Olli Rehn.⁶⁹

If it comes into force, the Lisbon Treaty will also create the new post of semi-permanent, full-time President of the European Council. The European Council would elect its President, by qualified majority if necessary, for a term of two-and-a-half years, renewable once.

In July the new British Minister for Europe Baroness Kinnock confirmed – apparently spontaneously – that the British Government was backing former Prime Minister Tony Blair for the position of European Council President if he wished to be considered for it.⁷⁰ Mr Blair – currently the Representative of the Middle East Quartet - has never stated publicly that he would like the position, instead adopting the same position as the Government did previously, namely to refrain from discussing possible appointees on the grounds that the post does not exist as long as the Lisbon Treaty is not ratified by all Member States.

Given the new President's role of chairing a body comprising heads of state and government, it is normally assumed that the new European Council President will need to be someone who has him- or herself held such a position. Apart from Mr Blair, other figures who have been mentioned in connection with the post include Luxembourg Prime Minister Jean-Claude Juncker and former Spanish Prime Minister Felipe González.

Speaking in the European Parliament on 1 September 2009, Sweden's Europe Minister Cecilia Malmström confirmed that, if the Lisbon Treaty were to be ratified in the four remaining Member States by the time of the European Council meeting on 29-30 October, the Swedish Presidency would like to see that gathering agree on the new European Council President, new High Representative and new Commission line-up.⁷¹ Observers of the EU have long expected that any appointments to the new Lisbon Treaty posts would be made as

⁶⁷ "The new European Commission", table at <http://www.euractiv.com/en/opinion/new-european-commission/article-180216>, updated 27 August 2009

⁶⁸ See Foreign Affairs Committee, Third Report of Session 2007-08, *Foreign Policy Aspects of the Lisbon Treaty*, HC 120-I and II, Chapter 5.

⁶⁹ "Who will answer the EU phone? Superman or superwoman is needed as Europe's voice", *Financial Times*, 5 August 2009

⁷⁰ "Blair named in EU presidency race", *Financial Times*, 16 July 2009

⁷¹ "Swedes plan big bang institutional summit in October", euobserver.com, 1 September 2009

part of a 'package deal', with Member States keen to ensure representation of different types of Member States, different political families, and women as well as men in the EU's top positions. Thus it has been suggested, for example, that Chris Patten's emergence as a contender for the new High Representative position could conflict with Tony Blair's prospects of becoming European Council President.⁷² In advance of the second Irish referendum, the Centre for European Reform commented that the Swedish Presidency must "play a delicate diplomatic game: it must discretely prepare short-lists of acceptable candidates and define the roles of the new positions, without seeming to pre-judge the outcome of the referendum."⁷³

3.4 New European Parliament

The new European Parliament has 7 political groups, the same as its predecessor. The group of the centre-right European People's Party (EPP) remains the largest group. However, the right of the Parliament's political spectrum has seen the biggest shake-up compared to the previous term, with the formation of a sizeable new group, the European Conservatives and Reformists (ECR).

Full details of the June 2009 European Parliament election results can be found in Research Paper 09/53, *European Parliament Elections 2009*.

Under the EU's current Treaties, the number of MEPs elected in 2009 was reduced to 736, from 785 in the previous Parliament. Under the Lisbon Treaty, the number of MEPs would rise again, to 751, but only from the election of the first Parliament after the Treaty came into force. However, the European Council agreed transitional measures that would increase the number of MEPs to 754 if the Lisbon Treaty were to come into effect, until the end of the 2009-2014 term. The figure of 754 represents the 'Lisbon' 751, plus three German European Parliament seats which have been filled in the 2009 elections, under the terms of the current Treaties, but which Germany is set to lose under the Lisbon arrangements. The UK will gain one additional EP seat, taking its total to 73, if the Lisbon arrangements come into force.

The make-up of the Parliament elected in 2009 compared to its 2004-09 predecessor is as follows:

Political group	2009			2004-09
	Group leader	No. of seats	% of seats	% of seats
Group of the European People's Party (Christian Democrats) (EPP)	Joseph Daul (France)*	265	36	36.6
Group of the Progressive Alliance of Socialists and Democrats (PASD)	Martin Schulz (Germany)*	184	25	27.6

⁷² "Blair and Patten jostle for top jobs in Brussels", *Financial Times*, 6 August 2009

⁷³ Centre for European Reform briefing note, "The Swedish EU Presidency", July 2009

Group of the Alliance of Liberals and Democrats for Europe (ALDE)	Guy Verhofstadt (Belgium)	84	11.4	12.7
Group of the Greens/ European Free Alliance (Greens/EFA)	Rebecca Harms (Germany) and Daniel Cohn-Bendit (France)	55	7.5	5.4
European Conservatives and Reformists Group (ECR)	Michał Kamiński (Poland)	54	7.3	**
Confederal Group of the European United Left – Nordic Green Left (GUE/NGL)	Lothar Bisky (Germany)	35	4.8	5.2
Europe of Freedom and Democracy Group (EFD)	Nigel Farage (UK) and Enrico Speroni (Italy)	32	4.3	**
Non-aligned Members		27	3.7	

* No change from previous Parliament

**Not in previous Parliament

One consequence of the formation of the ECR Group is that the EPP Group no longer has MEPs from all 27 Member States. Whereas the EPP Group was the only Group in that position in the previous Parliament, the PASD Group is the only such Group in the new one.

At its constituent session in July 2009, the new European Parliament elected former Polish Prime Minister Jerzy Buzek of the EPP as its President. Mr Buzek is the first figure from one of the post-2004 Member States to lead one of the major EU institutions. For the purposes of the likely forthcoming 'package deal' sharing out the EU's top jobs among different types of Member States, Mr Buzek's position will probably be counted as giving representation to the post-2004 EU Members.

The UK provides two of the 14 Vice-Presidents of the new EP: Edward McMillan-Scott and Diana Wallis (ALDE). Then a British Conservative MEP, Mr McMillan-Scott stood successfully for a Vice-Presidency as an independent candidate while being a member of the ECR Group, and against the official ECR candidate, Michał Kamiński, who failed to be elected. Mr McMillan-Scott has subsequently been expelled from the Conservative group, and British MEP Timothy Kirkhope stood aside as leader of the ECR Group to allow Mr Kamiński to take the position, as compensation for failing to take a Parliament Vice-Presidency.

Among Committee Chairpersons in the new European Parliament, the UK provides two – Sharon Bowles of ALDE chairing the Committee on Economic and Monetary Affairs, and Malcolm Harbour of ECR chairing the Committee on the Internal Market and Consumer Protection.

3.5 EU budget reform

As part of the deal on the EU's seven-year budget ('financial perspective') for 2007-2013 which was reached under the UK Presidency in December 2005, it was agreed that the Commission would conduct a mid-term review of the EU budget in 2008-09, which would help to lay the foundations for the 2014-2020 financial perspective. The Commission is expected to publish its response to the consultation on EU Budget Reform in the latter half of the Swedish Presidency and the Presidency will possibly open the debate as soon as possible after the Commission has published its report.

4 Appendix: Selected remaining Presidency meetings & events

The following planned meetings are in addition to scheduled formal meetings of the Council in its various configurations. The Swedish Presidency has yet to announce dates for several of the planned summits with third countries. A full calendar of meetings during the Swedish Presidency which have been scheduled so far is available at http://www.se2009.eu/en/meetings_news .

October

- 1-2 Informal Economic and Finance Ministers (with participation of central bank governors) (Göteborg)
- 6 EU-Brazil summit
- 14-16 Informal Competitiveness Ministers (Umeå)
- 22-24 European Development Days (with participation of International Development Ministers) (Stockholm)
- 29-30 European Council (Brussels)

November

- 18-20 Informal meeting of ministers responsible for e-government (Malmö)
- 23-25 Union for the Mediterranean ministerial meeting

December

- 7-18 UN Climate Change Conference (Copenhagen)
- 10-11 European Council (Brussels)