

Small States, Big Presidencies: Three Core Competencies

The literature on Council of the EU presidencies has developed a clear typology based on state size. Large states possess rich administrative resources, but are often suspected of using the presidency to serve national interests. Small states face structural resource asymmetries – yet, as has been documented¹, they develop distinct competencies that can translate into disproportionate influence.

According to relevant analysis², the presidency “*can be converted into normative power through the ability to promote new ideas and conceptual frameworks*” – a tool particularly suited to states that favour persuasion over coercion. The relevant literature³ captured this logic in the concept of the “*smart state*”: small states that maximise their influence through procedural expertise, consensus-building, and credibility.

Ahead of assuming the presidency, the analytical assessment of Cyprus's term⁴ identified three core competencies that would determine its success:

Honest broker leverage: the ability to act as a credible, impartial intermediary on difficult files – especially the MFF – building mutual trust with both net contributors and net beneficiaries.

Representation (Euro-Med connectivity): leveraging Cyprus's geographic position as a physical bridge between Europe and the Southern Neighbourhood, to rebalance the EU agenda towards the Mediterranean and the Arab world.

Reputational transformation: Cyprus's transition from “problem-holder” – a country carrying an open occupation issue – to “solution-broker”, a state with credibility, expertise, and the capacity to offer solutions at the European level.

The assessment that follows examines the extent to which these three competencies were validated in practice.

An Exceptionally Demanding Geopolitical Environment

The Cyprus Presidency assumed office on 1 January 2026 amid one of the most turbulent landscapes the Union has experienced. Russia's invasion of Ukraine continued unabated. The transatlantic relationship remained shaken by uncertainty over US security guarantees. The conflict between Israel/the US and Iran which began in the second month of the presidency, was directly affecting energy prices and supply chains. Against this multiple, mutually reinforcing shocks, Cyprus assumed, for the second time since 2012, the helm of the rotating presidency.

¹Bunse, S., *Small States and EU Governance: Leadership through the Council Presidency* (Palgrave Macmillan, 2009); Tallberg, J., “The power of the presidency”, *Journal of Common Market Studies* 42(5), 2004, 999–1022; Tallberg, J., *Leadership and Negotiation in the European Union* (Cambridge University Press, 2006).

²Bengtsson, R., Elgström, O. & Tallberg, J., “Silencer or amplifier? The EU Presidency and the Nordic Countries”, *Scandinavian Political Studies* 27(3), 2004, 311–334.

³Grøn, C.H. & Wivel, A., “Maximizing influence in the EU after the Lisbon Treaty”, *Journal of European Integration* 33(5), 2011, 523–539.

⁴Kitti, C., “Cyprus Presidency of the Council of the European Union: Three Core Competencies”, *Cyprus Forum*, 12.2025, <https://cleopatrakitti.com/blog/cyprus-presidency-of-the-council-of-the-european-union-three-core-competencies> (accessed 30.06.2026).

Five Pillars, One Narrative of Autonomy

“From the very first moment, the Cyprus Presidency set five priority pillars and worked tirelessly, with focus, to achieve substantive and tangible results across all these priority areas: from defence and security, to competitiveness, enlargement, citizens’ rights and the multiannual financial framework. Through close cooperation with the European Commission, the European Parliament and all Member States, building consensus, and with determination, we achieved significant agreements, unblocked legislative files that had remained pending for years, and advanced complex but decisive files for the future of Europe. We delivered tangible results for our European project and for European citizens. For an “Autonomous Union. Open to the World.”¹

Cyprus Presidency of the Council of the EU, June 2026

Under the motto “An Autonomous Union. Open to the World”, the presidency built its programme around five interlinked pillars: autonomy through security and defence readiness; competitiveness; outreach; value-based cohesion; and negotiation of the new Multiannual Financial Framework (MFF) 2028–2034. This narrative was no accident: at a time when Europe cannot rely entirely on American strategic cover, the need for indigenous strength became pressing.

Key Deliverables of the Presidency

In terms of workload, the Cyprus Presidency took on the management of approximately 250 legislative and political files⁵. According to the presidency's official tally⁶, more than 120 of these reached a concrete outcome – an agreement, general approach, negotiating mandate, or Council conclusions – by the end of June, a rate that suggests notable productivity given the complexity of the moment.

Multiannual Financial Framework (MFF) 2028–2034. On 11 June 2026, the presidency circulated the first comprehensive Negotiating Box with concrete figures – unprecedented at this stage of negotiations. The proposal envisages a 2% reduction (€32.8bn) compared with the Commission's proposal, bringing the total to €1.73tn, with cuts concentrated mainly in the Competitiveness Fund and the external action strand, while Cohesion Policy is essentially preserved – with an additional €5bn top-up for member states with per capita income below 90% of the EU average⁷. This choice, while aligned with the positions of the broader group of cohesion countries to which Cyprus itself belongs, was presented by the presidency as an objective reading of the data from the previous MFF, in which Cohesion was the only heading to suffer a real-terms cut. Presidents Costa and von der Leyen described the outcome as a strong basis for a political agreement by the end of 2026.

Enlargement. The presidency achieved the formal opening of accession Clusters for Ukraine and Moldova on 16 June 2026, ending years of deadlock caused by Hungary's veto. In parallel, the process for Montenegro and Albania was set in motion. President Christodoulides described the results as “historic milestones”.

Support for Ukraine. A €90bn loan package was secured for Ukraine's needs through 2027, and the 20th sanctions package against Russia/Belarus was adopted.

Single market. The “One Europe, One Market” Roadmap was signed, aiming at completion of the single market by 2027, alongside progress on regulatory simplification files, particularly for small and medium-sized enterprises (SMEs).

⁵European Economic and Social Committee, “CURRENT AFFAIRS: Start of the Cyprus Presidency 2026”, EESC News & Media, <https://www.eesc.europa.eu/en/news-media/articles/current-affairs-start-cyprus-presidency-2026> (accessed 30.06.2026).

⁶Cyprus Presidency of the Council of the EU, *Results of the Cyprus Presidency by Council configuration (as of 26.06.2026)*, Nicosia, 2026.

⁷“MFF 2028-2034 – Cyprus Presidency unveils Negotiating Box with figures clearly leaning in favour of ‘Friends of Cohesion’”, Europe Daily Bulletin No. 13886, AGENCE EUROPE, 12.06.2026, <https://agenceurope.eu/en/bulletin/article/13886/1/...> (accessed 30.06.2026).

Declarations. On the margins of summits, the presidency secured significant joint declarations: including “One Europe, One Market” Roadmap (April) aforementioned, “Europe for Culture, Culture for Europe” (June), and the Nicosia Declaration on seafarer education and women's participation in the maritime industry – the latter notable as an example of mainstreaming gender equality into sectoral policy.

Technology and competitiveness. The presidency recorded significant deliverables in the digital and regulatory space. Negotiations concluded on the AI regulation under the Digital Omnibus – one of the presidency's most time-sensitive files – as well as three further simplification packages (defence readiness, SMEs, chemicals). The reform of the Union Customs Code was approved, the most substantial modernising move in this area in decades. In addition, agreement was reached to extend support beyond SMEs to high-growth companies (scale-ups), alongside promotion of the “digital by default” principle to reduce red tape.

Defence. The presidency spearheaded exploration of the practical application of Article 42(7) TEU (the mutual defence clause), amid a broader review of European defence commitments.

The Middle East as a Hub of the Cyprus Presidency

One of the most original achievements was the inclusion of Arab heads of state into European processes. At the informal Summit of 23–24 April 2026 in Ayia Napa and Nicosia – the first ever held on Cypriot soil – the EU's 27 leaders held a working lunch with representatives from Egypt, Jordan, Lebanon, Syria, and the Gulf Cooperation Council. The Presidency explicitly supported the implementation of UN Security Council Resolution 1701 and welcomed the Lebanese government's March 2026 decision to prohibit Hezbollah military activity - framing this as a precondition for unlocking substantive EU support for Beirut. This political stance was given concrete expression at the Ayia Napa working lunch, where Lebanon's inclusion alongside Egypt, Jordan, Syria, and the GCC, and the subsequent welcome of the Israel -Lebanon ceasefire by EU leaders, marked a step towards positioning the EU as an active partner in Lebanese stability.

This choice reflects precisely the second core competency assessed in advance. Amid the full unfolding of the Israel/US–Iran conflict, with direct effects on energy prices and shipping, Cyprus leveraged its geographic position as a natural connector. During the Presidency, Cyprus actively bridged the Indo-Pacific, the Gulf, and Europe within the IMEC framework: a landmark visit to New Delhi the launch of a EU "Friends of IMEC" group, while parallel high-level engagement with the UAE deepened Gulf-Europe connectivity ties.

Assessment: All Three Competencies Were Validated

Cyprus functioned as an honest broker on the MFF, aligning the positions of 27 member states and delivering the first Negotiating Box with real figures. It leveraged its Euro-Med connectivity through the Ayia Napa Summit, including Arab heads of state in formal European processes for the first time and . And, at the reputational level, it accomplished the transition from problem -holder to solution-broker – simultaneously strengthening its position on the Cyprus Problem through enhanced European trust.

The management of the Cyprus–Turkey–EU triangle during the presidency carries particular analytical weight. In a geopolitical environment in which Ankara was seeking closer association with the SAFE defence program, Nicosia chose a carefully calibrated course: it kept channels of communication with Turkey open, inviting President Erdoğan and Foreign Minister Fidan to the April consultations, without however softening its institutional positions on the Cyprus Problem – positions that remain inextricably linked to Turkey's continuing occupation on Cyprus and violations of international law. This balance was aimed at maintaining a functional framework for dialogue (EU–Turkey) within the bounds set by European legitimacy. The result strengthened Cyprus's credibility as an honest broker within the Union, without this implying any retreat on matters of principle. This development takes on added significance at the present juncture, as the renewed effort by the UN Secretary-General to relaunch negotiations on the Cyprus Problem could benefit from a more broadly constructive climate in EU -Turkey relations, which would facilitate possible future channels of direct communication between Nicosia and Ankara, within a process in which the EU itself maintains an active role. The contrast with Turkey's concurrent decision to exclude Cyprus from COP preparatory consultations is instructive: rather than retaliating in kind, Nicosia chose to maintain its broader European posture - a restraint that further strengthened its credibility within the Union and reinforced the case for EU involvement as an indispensable guarantor in any future settlement process.

Limits and Challenges

The overall picture, however, is not without reservations. In terms of domestic resilience, Cyprus itself found itself exposed to the consequences of the conflict in the Middle East – among other things, through incidents that revealed gaps in civil protection and early warning - a reminder of the island's geographic exposure. European solidarity at these moments drew contrasting assessments: while some observers judged the Union's response as measured - raising broader questions about how effectively the EU supports member states in geographically exposed positions, even when they hold its institutional core - others pointed to the speed and agility with which European institutions coordinated their response, noting the substantive character of the support extended. In the same context, the region once again highlighted the institutional particularity entailed by the presence of the British Sovereign Base Areas on the territory of the Republic – an issue that, while not directly concerning the presidency's work, once again exposed the limits of coordination between national, EU, and bilateral jurisdiction at moments of regional tension. The sum of these pressures – national exposure to an ongoing war, sovereignty issues on its own territory, and the simultaneous exercise of the honest broker role at the European level – amounted to an unprecedentedly demanding balancing test for the Cyprus Presidency, which was called upon to manage the European agenda while its own national territorial and institutional reality was being tested. That Nicosia managed to maintain credibility and coherence in this environment reinforces, rather than undermines, the case for smart-state management.

At the policy-agenda level, the climate dimension presents a more nuanced picture. While the presidency's programme remained relatively silent on the forthcoming review of the Emissions Trading System and on the coherence of CBAM with the broader industrial decarbonisation policy - an institutional gap that is ultimately for the Commission rather than the presidency to address - Cyprus made a distinctive contribution through its water security and hydrodiplomacy agenda. The informal meeting of EU Water and Marine Directors in Paphos in June 2026, which advanced discussions on desalination, water reuse, and a Water Academy initiative, reflected a presidentially-driven effort to elevate water resilience as a strategic European priority - one particularly suited to Cyprus's geographic reality and to the broader Mediterranean region increasingly exposed to climate-driven water scarcity.

It is also worth noting that the Cyprus Presidency benefited on enlargement from exogenous political developments, in particular the outcome of the April 2026 Hungarian elections, which facilitated the lifting of the long-standing deadlock in the Ukraine and Moldova accession processes – a favourable convergence of circumstance and strategy that further reinforced the presidency's results.

Strategic Synthesis

The Cypriot Presidency 2026 demonstrated that the honest broker role does not presuppose silence on matters of national significance, but rather the ability to bring them to the fore in a manner that is concrete, diplomatically restrained, and consistent with institutional impartiality – exactly as occurred with the choice of partly-occupied Ayia Napa as the venue for the first informal Summit ever held on Cypriot soil. Euro-Med connectivity, likewise, did not remain a geographic abstraction but was transformed into an institutional acquis, through the inclusion of Arab heads of state in European processes. And the transition from problem-holder to solution-broker was tested severely – from the war in the Middle East to sovereignty issues on its own territory – without, however, being reversed.

For a small country with major geostrategic reach, in this particular geopolitical juncture, the Cyprus Presidency 2026 represented perhaps its most substantive institutional contribution since its EU accession in 2004 – and a compelling confirmation of the Union's foundational principle: that a country's institutional role is determined not by its territorial or demographic size, but by the strategic clarity, diplomatic persuasion, and institutional credibility with which it exercises the responsibility entrusted to it.