



Cabinet Committee on European Union Affairs on 24.05.06

PRELIMINARY AGENDA FOR FINLAND'S PRESIDENCY OF THE EU

Finland's six-month EU Presidency will begin on 1 July 2006. The framework for the Presidency has already been laid down by the work programme for 2006, drawn up in cooperation with Austria and published in December 2005. Since then, however, more detailed plans have been made. Final decisions on Presidency priorities will be taken once the outcome of the June 2006 European Council meeting is known.

Finland believes that public confidence in the European Union can be improved through concrete achievements in areas where the EU can clearly be more effective than the Member States acting separately. During its Presidency, Finland will concentrate on the challenges now facing Europe, such as globalisation, improving competitiveness, population ageing, climate change and security.

If the EU wants to improve its approval rating, it also needs to demonstrate openness, effective decision-making and an ability to legislate well. Finland will pursue these objectives during its Presidency.

This memorandum will outline the main themes to be dealt with during Finland's Presidency, in relation to cross-cutting issues and in individual EU policy areas. It is an updated version of the preliminary agenda for Finland's Presidency adopted by the Cabinet Committee on EU Affairs on 11 November 2005.

1. CROSS-CUTTING ISSUES

THE FUTURE OF THE EU

At its June 2006 meeting, the European Council will carry out an overall assessment of national debates in the Member States, and decide on how to proceed with the Constitutional Treaty. The Constitutional Treaty will be dealt with as part of the broader question of the EU's future. The European Council's conclusions will provide the basis for work on the Constitutional Treaty and on developing the Union's functioning during Finland's Presidency.

The aim, under Finland's Presidency, is to start preliminary work on exploring the options regarding the Constitutional Treaty. The process must be kept going. Simply extending the period of reflection is not enough to move the process on. The goal is for Finland and subsequent Presidencies to take this matter forward in consultation with the Institutions and other Member States.

However, difficulties over ratification of the Constitutional Treaty must not prevent the Union from functioning and developing. The Union must develop its functioning within the framework of the existing Treaties. In particular, Finland wants to map out ways of

developing the EU's external action, improving the effectiveness of decision-making in relation to cooperation in police and criminal matters, and making the Council more transparent.

The debate in the Member States on the future of Europe has raised a number of other issues concerning improvements to the way the Union functions. The European Council conclusions may also give the Finland's Presidency a mandate to deal with those. Examples include better implementation of the principle of subsidiarity, a bigger role for national parliaments in dealing with EU affairs, and greater visibility for the EU's action.

Finland will examine the issues relating to the future of the EU carefully and take them forwards effectively, in a constructive spirit.

ENLARGEMENT

During Finland's EU Presidency, Bulgaria and Romania's progress towards meeting the accession criteria will be monitored. In the monitoring reports on Bulgaria and Romania's preparedness for membership which the Commission published on 16 May, it expressed the view that the two countries could accede at the beginning of 2007, provided they honoured outstanding commitments and took the urgent measures highlighted in the Commission reports. The European Council will examine the matter in June on the basis of the Commission assessment. The Commission will publish new monitoring reports no later than the beginning of October 2006; these will inform the assessment of the countries' ability to join the Union at the beginning of next year.

Accession negotiations with Croatia and Turkey will continue in accordance with general enlargement principles: the same criteria apply for all candidate countries and progress in the negotiations depends on their own merits. Of crucial importance during Finland's Presidency is the handling of the Commission's screening reports which will compare Croatian and Turkish legislation with EU legislation. Depending on how much progress is made in processing the reports, benchmarks may need to be set for the closing and opening of certain negotiating chapters, and indeed the time may come to close or open certain chapters

The EU has also agreed to review Turkey's progress in implementing the Additional Protocol to the Ankara Agreement in 2006. The time for this review may well be October/November 2006. The handling of this matter may have a very significant impact on Turkey's EU-accession negotiations.

If the general enlargement debate scheduled for 2006 does not take place during the Austrian Presidency, it must be held during Finland's. Finland is willing to hold the debate. The discussions could be based on the Commission's enlargement papers.

BETTER REGULATION

Improving the quality of EU regulation will give a significant boost to European competitiveness and sustainable development. Finland welcomes the fact that the EU has taken its first steps towards better regulation over last few years. All EU institutions should give this matter their attention and, as the country holding the Presidency, Finland will try to ensure that the Council incorporates the principles that underlie better regulation in its day-to-day work. To achieve results, political commitment practical working methods will be required.

Finland will focus on implementing what has already been agreed on. The aim is for the Council to make better use of the Commission's assessments of the economic, social and environmental impact of legislative proposals and for the effect of significant amendments negotiated in the Council to be assessed before any political decisions are taken. The aim is to use impact-assessment to help determine whether new regulations are needed and for a thorough examination of the necessary measures.

Finland will also endeavour to steer simplification proposals through the Council. The purpose of simplification is to produce regulation that achieves the same political objectives but more effectively and unambiguously than in the past. It should also help to keep EU legislation up-to-date. In addition, the Council will follow the Commission's work on measuring the administrative costs generated by existing EU-regulations, and will support initiatives aimed at reducing unnecessary costs.

TRANSPARENCY

Greater transparency is important in order to increase the trust and confidence of citizens in the EU's work. Citizens should be able to find out about the background to the decisions that are made. This applies both to documents and to debates. Finland will strive to make the EU's institutions and administration simpler and more transparent, in accordance with the principles of good governance. We will strive for greater transparency in the way the Council works through access to documents and effective communication, and through more open decision-making.

In line with the Council conclusions from December 2005 and the policy guidelines adopted by the European Council in June 2006, Finland will increase the openness of Council sessions. In accordance with the guidelines that are likely to be adopted in June, ministerial deliberations on legislation to be adopted by the co-decision procedure will, as a rule, be made public. There should also be greater openness concerning ministerial discussions on legislation adopted by other procedures and on the programming of the Council's business.

Openness will also be enhanced through active communication, taking advantage of the possibilities afforded by modern technology. The Presidency is working to ensure that its website, launched on 31 May, is as clear and user-friendly as possible. If the Council's own broadcasting system is not ready by the beginning of July, Finland is ready to webcast public Council sessions on its Presidency website.

FINANCIAL PERSPECTIVE FOR 2007-13

In April 2006, the European Parliament, the Council and the Commission reached an agreement on the overall volume and breakdown by heading of the EU's Financial Perspective for 2007-13. This inter-institutional agreement provides a solution which enables the ongoing negotiations on various policy programmes to be concluded and decisions to be taken before the new programming period begins in 2007.

There are almost 40 policy programmes, including programmes covered by the Structural Funds, the Seventh Research Framework Programme, educational programmes, EU external-action instruments and programmes supporting Trans-European networks. The relevant negotiations, including talks with the European Parliament, must be brought to a conclusion during Finland's Presidency so as to avoid any unnecessary delays at the start of the new period.

The solution arrived at for the Financial Perspective will also have an impact on the EU budget for 2007, which will be the first under the new Perspective. Finland's Presidency will handle the budget process for the whole of 2006.

The aim is for the Council to reach a decision also on the EU's financial system, the "own resources" system, during Finland's Presidency.

2. POLICY AREAS

COMPETITIVENESS

Europe's ability to succeed in global competition is a core priority for the Finnish Presidency. We will keep up the political dialogue on the challenges posed by globalisation in order to explore ways of enhancing the EU's competitiveness as comprehensively as possible. In particular, Finland will promote: development of the internal markets (especially in relation to services and energy); innovation, increases in labour productivity (e.g. by improving the quality of working life); and development of an EU energy policy. Since enhancing competitiveness is a theme that will be discussed in various different Council configurations, it will be broken down into a number of different sections below.

Internal market

During its Presidency, Finland will focus on development of the internal market. It sees internal-market policy and effective markets as contributing to Europe's competitiveness. The Internal Market Policy Statement will be part of a broader debate on competitiveness. The remaining obstacles in the internal market must be removed so that the full benefit of economic integration can be felt. This will require EU legislation and effective implementation of existing legislation in all Member States. In the enlarged EU, greater cooperation between the Member States is fundamental to the proper functioning of the internal market.

The markets in services have a key role to play in the development of the internal markets generally and are crucial to improving the EU's competitiveness. The opening up of the markets in services would benefit consumers, create new jobs, strengthen competition and act as a motor for economic growth. In April 2006, the Commission presented its amended proposal for a Directive. The Services Directive is a clear priority for our Presidency, and we aim to guide the proposal as far along the road towards adoption as possible.

Innovation and research

Finland will promote the development of a broad-based innovation policy during its Presidency, drawing on the recommendations made in Esko Aho's innovation report as one source of ideas. Essentially, we want to adopt a broader approach encompassing demand for innovation. Notwithstanding the importance of joint and national measures to increase research and development spending and to put it to more effective use, innovation policy cannot make a real difference unless measures are taken to develop the markets that encourage innovation and generate new demand for it. Such measures include standards, public procurement, steps to make markets function more effectively, greater mobility of research resources and closer cooperation between universities and business.

A report on the new ideas and challenges in innovation policy is planned and, on the basis of the report, recommendations are to be made for the future of innovation policy by the end of 2006. As part of this exercise, there will be a review of best practice in the Member States with regard to effective commercialisation and the creation of new demand for innovation-generating activity.

The most important decision to be taken during Finland's Presidency in the field of research and innovation policy will be the decision on the EU's Seventh Research Framework Programme (2007-13). Finland's objective is to bring the negotiations on all aspects of the Framework Programme to a successful conclusion so that the Programme can start at the beginning of 2007.

Chemicals policy

The new proposal for a Regulation on chemicals sets out to improve risk management relating to chemicals and, at the same time, maintain the competitiveness of the European chemicals industry by setting up a new monitoring system involving registration, evaluation and authorisation of chemicals (REACH-system). The Council reached a political agreement in December 2005. Finland's objective is to have the Regulation adopted by the end of the year.

ECONOMIC AND MONETARY POLICY

The Council will continue to apply the Stability and Growth Pact in accordance with the revised code of conduct. This year, 2006, will be a critical one for a number of Member States as far as stabilisation of their economic situation is concerned. In the autumn, the national implementation of the Lisbon Strategy will be assessed for the first time.

Two countries (Slovenia and Lithuania) have stated their ambition to join the euro-zone at the beginning of 2007. The Council will carry out a basic assessment of whether they meet the convergence criteria in time for a decision to be taken on enlargement of the euro-zone by the end of 2006. The assessment process was launched in the spring, and any final decisions will be taken during Finland's Presidency.

As regards taxation, the general objective is to construct a more effective and transparent regulatory framework. We will also be looking at what needs to be done to develop EU tax regulations. In addition, we will endeavour to dismantle barriers to cross-border economic activity and remove factors that distort competition. With regard to indirect taxation, Finland's Presidency will continue with reform of the VAT system and, in the field of direct taxation, will push ahead with harmonisation of the tax base for corporate taxation. Finland also wants to increase the minimum rate of tax on alcohol, particularly spirits, throughout the EU.

We aim to continue implementation of the Financial Services Action Plan and focus on follow-up work for 2005-10. Finland will continue with work on the proposal for a Payment Services Directive, which would create a common payment services area. Rules regarding supervisory assessment of transactions in shareholdings will be reformed with regard to banking, securities and insurance. Work may also begin on the proposal for a Directive on Securities Settlement Systems during our Presidency. Work will also continue on increasing the stability of financial markets, developing crisis-management, deposit guarantee schemes and arrangements for supervising cross-border groups on the financial markets.

In the autumn of 2006, the Council will complete reform of the European Investment Bank's external lending mandate. The relevant decision will specify the geographical distribution of the bank's activities outside the Union. In addition, it will be possible to decide on what new areas loans should be granted to, taking account of enlargement and the EU new neighbourhood policy.

TRANSPORT

Transport logistics is a priority because it is crucial to European competitiveness, economic growth, sustainable development and regionally balanced development in the Community. For better logistics, we need to improve the way the logistics-services markets operate, make better use of information and communications technology and invest in infrastructure in less developed regions. The EU's regulations relating to transport should take greater account of the effect they have on economic logistics.

The Commission's logistics Communication and the accompanying impact assessment will probably be ready in June 2006, and the action programme, with proposed measures and legislative initiatives, will be published in 2007. The way the Communication is dealt with during Finland's Presidency will depend a lot on its contents. Finland will launch a debate on the subject during its Presidency with the goal at least of getting the Council to adopt conclusions or a resolution informing the Commission of its views with regard to practical measures.

Finland will take over the dossiers from the Austrian Presidency. The most significant issues are: dealings with third countries concerning air transport (e.g. charges for overflying Siberia), the third maritime safety package and negotiations with the European Parliament on the third railway package and public passenger transport services. Finland will also continue with work on Galileo, the European satellite positioning system. We will pay particular attention to the provision of services, international cooperation and issues relating to security, funding and agreements.

ELECTRONIC COMMUNICATIONS

Finland's priority is to foster European cooperation on network and data security. The Council will examine the strategy for improving European network security, to be presented by the Commission in 2006 with a view to adopting a resolution. The strategy is part of the Commission's new i2010 Information Society Strategy, the effective implementation of which Finland will seek to promote.

During its Presidency, Finland will endeavour to ensure rapid progress in the Council and Parliament on the proposal for a Regulation on roaming charges. The Commission is to present the proposal in July. The Commission is also due to publish a report on the review of the e-communications legislative package in the summer of 2006; before presenting any proposals for Directives, it will hold open consultations. Finland will organise a discussion of the legislative review at the informal dinner for Telecoms Ministers to be held in conjunction with the Council meeting in December.

ENERGY

Developing the EU's energy policy is a key issue for Finland's Presidency. On 8 March 2006, the Commission published a green paper entitled "A European Strategy for sustainable,

competitive and secure energy". The green paper itself has already been dealt with by the Austrian Presidency. In the spring of 2006, the European Council agreed that a strategy for a more comprehensive energy policy should be adopted in the spring of 2007 and that the Commission's first annual strategic energy review should be discussed at the spring 2007 meeting of the European Council. The preparations for the decisions to be taken in the spring of next year will be made during Finland's Presidency and the Commission will be informed of the Council's priorities for developing energy policy. In relation to energy policy, Finland will concentrate on relations with third countries, the internal markets in electricity and gas, energy efficiency and the use of renewable energy resources.

Expanding the range of our relations with third countries in relation to energy is an essential part of developing energy policy, since the EU is dependent on external sources of energy. Energy-policy goals and external relations should be linked to each other more closely in such a way as to ensure that energy and climate-policy objectives are given more attention in dealings with third countries. Energy issues will play a significant role in a number of the third-country meetings during Finland's Presidency.

During its Presidency, Finland will work to develop the EU-Russia dialogue and make it more open. We will seek to expand the role of the Council. One way of doing so would be through regular meetings of the Permanent Partnership Council on energy-related matters. Finland will most probably organise a meeting of the PPC on energy during its Presidency. Developing the dialogue on energy could also be linked to renewal of the Partnership and Cooperation Agreement (PCA) in 2007.

In June 2006, the European Council will discuss the strategic external-relations paper from CFSP High Representative Solana and the Commission. The work to be done under Finland's Presidency will depend on what conclusions the European Council come to.

During its Presidency, Finland will promote effective implementation of the internal markets in electricity and gas. Properly functioning markets help to make the EU more competitive and make energy supplies more secure. Enforcement and the need for any follow-up measures will be discussed on the basis of the Commission's final report on how well competition is working and its Communication on implementation of the internal markets.

The energy-efficiency strategy which the Commission is due to present in the summer of 2006 will serve as a guide to what measures are needed to promote energy efficiency. The topic is also likely to feature in the dialogue with various third countries.

With regard to renewable energy, discussions on a long-term strategy and on the possibility of new quantitative goals amongst other things may have to wait for the German Presidency since the Commission is due to publish its plans on renewable energy sources in 2007. However, during its Presidency, Finland will endeavour to ensure that the discussion on renewable energy is conducted on a sound basis, so that decisions are then made on information that is as comprehensive and as credible as possible.

EMPLOYMENT, SOCIAL AND HEALTH POLICY

Employment and social policy, equal opportunities and labour law

Responding to the challenges arising from globalisation and demographic changes is the key issue in this area. Europe's population is set to age rapidly over the coming decades while the number of working-age people will start to decline after 2010. Finland will continue the debate on Europe's changing demography. Our objective is, on the basis of the Commission

Communication, to identify the required measures in 2006-10 as part of implementation of the Lisbon strategy, and to look ahead to the future after 2010.

We will strive to meet the challenges created by globalisation by improving labour productivity through changes to the way work and working life are organised, and by taking forward debate on the balance between flexibility and security at work. The general principles for flexicurity should be approved just after Finland's Presidency comes to an end. In formulating the principles, Finland will focus on improving the quality of working life as a way of increasing the employment rate and boosting productivity. During Finland's Presidency, the Commission is to produce a green paper on the future of labour law, dealing with new forms of work and the balance between flexibility and security. On the basis of the Communication, we will endeavour to formulate a Council position on the short-term challenges for labour law, to support the Commission's ongoing work.

Finland will also push ahead with implementation of the Gender Equality Pact adopted by the European Council in March 2006 and will raise the issue of gender-equality policy and reconciling work and family life, particularly in relation to the role of men. Issues relating to legal immigration as a way of ensuring the availability of labour in an ageing Europe will be discussed as part of the demographic debate.

The European Court of Justice's judgments on working time for doctors make it essential, for the Member States' health care systems, to reach agreement on the Working Time Directive by the end of Finland's Presidency. That is Finland's priority. Negotiations on the Temporary Agency Work Directive have stalled. Finland is prepared to take the negotiations forward on the basis of a new Commission proposal in order to improve the position of temporary agency workers in Europe.

Finland would like to see a decision setting up a European Globalisation Fund in time for the Fund to start operating from 1 January 2007, the date set by the European Council at its meeting in March 2006. The purpose of the Fund will be to help workers who have lost their jobs as a result of globalisation to find new employment. Finland will continue with the debate on the social aspects of globalisation, in particular on the basis of the Commission Communication on decent work.

Finland intends to finalise arrangements on the setting up of a European Gender Equality Institute to support gender-equality work and research in the Member States; it wants to ensure that the Institute will be operational from the start of 2007. This will require final adoption of the Regulation setting up the Institute and a decision on where it is to be based.

We will promote workers' mobility by pushing ahead with negotiations on the proposal for a Directive on the portability of supplementary pensions and making as rapid progress as possible with the implementing rules for the Regulation on coordination of social security.

Health policy

Protecting health is an obligation under the Treaties which extends to all common policies. Finland wants to determine explicitly what that entails during its Presidency. Finland also hopes it can finalise the decision-making process on the EU public health programme for 2007-13.

The EU countries will continue to exchange information on arrangements in the event of a pandemic, in cooperation with the European Centre for Disease Prevention and Control. The most important issue at the moment is the setting up of a Community stockpile for influenza antivirals capable of supplementing the Member States' stocks and ensuring that medicines

could be administered quickly in the event of an outbreak. The EU is cooperating closely with the WHO on pandemic preparedness.

With regard to the legislative projects on medicines and medical devices, Finland's objective is to forge a political agreement on the Commission's proposals at the first reading. The proposals are for a Regulation on medicines for use in advanced therapies and Directives amending Directives on medical devices. A new pharmaceutical forum will hold its first meeting during Finland's Presidency. It will set out a strategic blue-print for the work of the G-10 working party on pharmaceuticals and competitiveness.

EDUCATION, CULTURE, YOUTH AND AUDIOVISUAL AFFAIRS

Finland's objective is to finalise decisions on multi-annual programmes during its Presidency. The Integrated Action Programme in Lifelong Learning, the Culture 2007, MEDIA 2007, Youth in Action, and "Citizens for Europe" programmes must be operational from the start of 2007.

During its Presidency, Finland will focus on the quality and effectiveness of education and equal opportunities in relation to education. It is likely the Presidency will use the relevant Commission Communication as the basis for discussions. The EU needs greater investment in education and in human capital to achieve the Lisbon strategy objectives.

As holder of the Presidency, Finland stresses the importance of European cooperation on the structure of higher education and in the field of vocational training as part of implementation of the Lisbon strategy. Finland will organise a Copenhagen process ministerial follow-up meeting on closer European cooperation on vocational training.

Europe needs world-class universities; it has to make more effective use of knowledge and skills, and there must be improved cooperation between higher education and business. Finland's Presidency will discuss the Commission initiative on the European Institute of Technology and its Communication on modernising Europe's universities. The projects set out to strengthen innovation policy and promote competitiveness and prosperity.

Furthermore, in the autumn of 2006, the Commission will put forward a proposal for a Recommendation on a European Qualifications Framework covering the entire education system. A common framework would make it easier to compare qualifications from different countries and promote mobility.

Finland will continue to promote the content and creative industries as key resources for creating economic growth, employment and competitiveness in Europe. We will focus particularly on creating an enabling environment for the production and distribution of online content, i.e. film, music, literature and other audiovisual content.

Finland will explore ways of facilitating the mobility of students and teachers between the EU and Russia. The Finnish Presidency will also push ahead with implementation of the cultural roadmap agreed on by the EU and Russia.

Finland's Presidency will guide preparations for ratification and implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, concluded in the autumn of 2005, at Community level and in the Member States. The EU decision declaring 2008 the European Year of Intercultural Dialogue will be finalised during our Presidency and preparations will begin in the Member States.

We will also discuss the Commission proposal to amend the Television without Frontiers Directive on audiovisual services, to bring it up to date with rapidly changing technology. Finland intends to forge actively ahead on this front in the Council.

In relation to youth matters, Finland wants to strengthen implementation of the open method of coordination and to propose concrete objectives for youth participation and information to the Council and the Member States. During our Presidency, we will also strive to consolidate the status of youth research in political decision-making and to strengthen cooperation between various actors in the youth sector (government, researchers and young people) at different stages of the decision-making process (preparation, implementation and assessment).

ENVIRONMENT

Climate change

A key issue for Finland's Presidency is curbing climate change. This will be discussed in international forums and within the EU. At international level Finland will endeavour to make progress towards the goal of achieving global agreement on how to take the UN climate regime forwards when the Kyoto commitment period comes to an end in 2012. The main tasks are to prepare actively for and participate in the meetings during Finland's Presidency for parties to the UN Convention on Climate Change and the Kyoto Protocol. Issues relating to climate change will also feature prominently in the EU's Transatlantic Dialogue and cooperation with third countries. They will be discussed in a number of third-country summits, including the ASEM 6 Summit.

Finland will also continue work aimed at fulfilling the Community's and the Member States' Kyoto commitments. This will include an evaluation of the EU's Emissions Trading Scheme, on which the Commission is due to report to the European Parliament and the Council in the summer of 2006 in accordance with the Emissions Trading Directive.

Biodiversity

In May 2006, the Commission published a Communication on biodiversity policy for 2007-13. It examines what measures are required to enable the EU to achieve the objective set by the European Council at its 2001 meeting in Göteborg on halting the decline in biodiversity by 2010, and thus contribute to meeting the global target agreed on in Johannesburg. Steering biodiversity policy at EU and global level is a key priority for Finland during its Presidency and it will actively promote efforts to achieve the biodiversity targets agreed on.

Sixth Environment Action Programme

The mid-term review of the Community's Sixth Environment Action Programme (2002-11) will start under Finland's Presidency. In July 2006, the Commission is expected to present a report on implementation on the basis of which Finland will make as much progress as possible on discussing the review. By the start of Finland's Presidency, the Commission is also likely to have put forward proposals for seven thematic strategies linked to the programme along with legislative proposals for many of them.

The strategies are concerned with air quality, the prevention and recycling of waste, sustainable management of natural resources, the marine environment, soil protection and sustainable use of pesticides. During Finland's Presidency, the Council will concentrate on proposals relating to air quality, the marine environment, waste and natural resources.

Finland will actively push ahead with work on a framework Directive on the marine environment. We consider it important that common, uniform principles be laid down for the protection of Europe's seas. It is also important that the strategy and the proposal for a Directive emphasise the need for ongoing regional cooperation under existing marine protection agreements, including cooperation with third countries.

Finland will continue with work on legislative proposals relating to air quality. These include a framework Directive on air quality and Euro 5 emission limits for vehicles. The 18th Conference of the Parties to the Montreal Protocol on protection of the ozone layer will be held in the autumn.

The Presidency will discuss the proposals on waste management. Finland will actively endeavour to make progress on the Framework Directive on waste. The main issues relate to the scope of the Directive and the definition of waste. The objective in revising the legislation will be not just to develop the content of the waste policy but also to simplify legislation. The eighth Conference of Parties to the Basel Convention on the movement of waste will be held in the autumn of 2006.

AGRICULTURE AND FISHERIES

Agriculture

During its Presidency, Finland intends to discuss the challenges ahead for an ecologically, economically and socially sustainable agricultural policy known as the European model of agriculture. After several reforms in recent years, the common agricultural policy still faces challenges for the future, arising from within the EU and from outside it.

With regard to the market organisations of the common agricultural policy, Finland will continue to work on the Communication from the Council on the reform of the wine sector and start work on the Commission proposal. Another goal will be to reach a decision on the reform of the banana market organisation.

Other important legislative projects to be dealt with during Finland's Presidency include the reforms of legislation relating to spirit drinks and organic farming. The first topic will be dealt with under the codecision procedure with the European Parliament. Finland's objective is to achieve a political agreement on both proposals during the autumn.

The Council will assess the role of renewable energy sources in the common agricultural policy on the basis of the Commission's Biomass Action Plan. Finland's goal is to achieve political agreement on the reform of the support scheme for energy crops.

Veterinary and plant health

In the veterinary sector, Finland will take forward the discussion on the Community policy on animal health and on the ways of developing it. The focus will be on the prevention of animal diseases. In cooperation with the Commission, Finland will organise a conference on the Community Animal Health Policy for 2007-13. The Council will also work on a number of animal welfare measures. For example, Finland will continue the work on a proposal for the protection of chickens kept for meat production, with a view to achieving political agreement in the Council. Finland is also eager to make progress in food safety. This matter will also be highlighted in the negotiations between the EU and third countries.

In relation to plant health, the Council will work actively on the reform of the legislation on pesticides.

Forestry

During Finland's Presidency, the Council will discuss the EU Forest Action Plan, with a view to drafting Council Conclusions on the matter. Council Conclusions will also be drawn up on the EU's preparations for the forthcoming session of the United Nations Forum on Forests (UNFF), which is hoped to approve a global forest protection instrument.

Fisheries

The Council will take decisions on Community fishing opportunities for the Baltic Sea and other waters for 2007 and fishing opportunities for deep sea species for 2007-08. These decisions include the quotas of different fish stocks for the Member States. A decision on the European Fisheries Funds may be deferred until Finland's Presidency.

AREA OF FREEDOM, SECURITY AND JUSTICE

The priority for justice and home affairs is the assessment of the Hague Programme. The objective is to lay down political guidelines on the main issues relating to the area of freedom, security and justice at the European Council meeting. The issues could include, for instance, achieving more effective decision-making on police and criminal-law (the "passerelle"), the setting up of a common European asylum system, political guidelines for the further development of a model for management of the EU's external border and implementation of the principle of mutual recognition. The assessment will be based on the three Communications which the Commission is due to present in July.

We will also strive to strengthen the external aspects of justice and home affairs during Finland's Presidency. The priority will be cooperation with Russia and the US.

Strengthening freedom

Reinforcing the area of freedom will mean working on the EU's immigration, asylum and border security policies. In the spring of 2007, the Commission will present a green paper on a common European asylum system, which should be finalised in 2010 along with the Hague programme. During Finland's Presidency, a debate will be launched on how to develop the asylum system now that the first round of legislation has been adopted. Finland will try to ensure that the minimum rules are turned into genuinely common rules and that the asylum rules are broadened out to include secondary protection. Practical cooperation between the Member States' asylum authorities should also be developed at the same time.

There will be a comprehensive examination of immigration issues during Finland's Presidency, covering both legal and illegal immigration. The Hague programme stresses the importance of legal immigration, though it acknowledges that it is for the Member States to decide on the nature of work-related immigration and on the numbers involved. The Finnish Presidency will address the Commission Communication on illegal immigration. Finland's aim is for the Council to adopt conclusions providing guidelines for future work in this field. The Presidency will also see implementation of the EU action plan on combating trafficking in human beings, which will set out a human-rights based and victim-centred approach.

In relation to border security, Finland will aim to get political guidelines adopted committing the Member States to more effective control of the EU's external border. This will mean channelling national resources and funding to the right places. Frontex, the border-security agency, will be given political guidelines and support.

Preparations will be made for Schengen enlargement during Finland's Presidency on the basis of various evaluations and reports. The aim is for the Council to adopt political conclusions in December evaluating the situation and, where necessary, specifying what measures have still to be taken before the Council can take a decision abolishing internal border controls. The project aimed at updating the Schengen Information System (SIS II) is at a critical point and must be finalised before a decision can be made.

Strengthening security

In relation to the prevention of terrorism, the strategy adopted by the EU in December 2005 will be implemented. The main focus will be on the preventing the radicalisation of terrorism and recruitment.

Better exchange of information between law-enforcement and judicial authorities is crucial in the fight against organised crime and terrorism. To that end, the principle of availability will be applied, according to which law-enforcement authorities provide information to their counterparts in other Member States on the same basis as they provide it to authorities in their own country. The principle of availability should be established as the cornerstone of information exchange from the beginning of 2008. Finland will take this project forward, paying particular attention to the data-protection issues that have to be addressed in relation to police and judicial cooperation in criminal matters, before the principle of availability can be applied.

Finland will seek to bolster operational cooperation at EU level. Cooperation between the Finnish police, customs authorities and border-control authorities has been cited as an example of best practice in the EU. The model can be used to increase the effectiveness of law-enforcement enquiries. In Finland's view, it is important for Europol and Eurojust to cooperate.

The EU crisis coordination system for cross-border crises will become operational in July 2006. The EU's rapid reaction mechanisms will also improve its ability to respond to different types of disaster. At its June meetings, the European Council will discuss EU level consular issues and Finland will proceed on the basis of those discussions.

We will develop coordination of civil protection between the Member States by reforming the emergency and information system. A funding programme will be set up in the EU for 2007—13 to support the development of civil protection. Furthermore, principles and procedures will be laid down for EU civil-protection assistance for third countries.

Strengthening justice

Finland will concentrate particularly on projects that reinforce the principle of mutual recognition in judicial cooperation. Other Member States' justice systems should be trusted so it should be possible to execute judgments and decisions without the need for further enquiries in an implementing Member State. Finland will make as much progress as circumstances allow on a framework decision laying down rules on the obtaining of evidence at the request of another Member State. More detailed plans can be made based on what has been achieved during the Austrian Presidency. In relation to the framework decision on

the transfer of prisoners serving a sentence to their home country or country of residence, Finland will seek solutions to the most pressing outstanding problems.

In relation to civil law, Finland will strive to achieve political agreement on a Regulation on small claims and a Directive on mediation in civil cases. Finland will continue with work on a Regulation determining which laws are applicable to contractual obligations (Rome I) and the Regulation on maintenance obligations. With regard to the Regulation on the legal system applicable to non-contractual obligations (Rome II), the Council will reach a common position, after which negotiations with Parliament will continue.

We will seek to ensure that the Fundamental Rights Agency is operational from the beginning of 2007. The issues yet to be resolved are: the structure of the Agency, its geographical scope and powers in cases relating to police and judicial cooperation in criminal matters. Our aim is to create an independent and effective agency. Finland would also stress the importance of transparency in relation to the Agency. The Agency should focus on EU activities and cooperate closely with other bodies (Council of Europe).

THE EU'S EXTERNAL RELATIONS

The EU's external action and its coherence can be improved within the framework provided by the existing Treaties. During its Presidency, Finland will develop EU external relations using existing structures and instruments. Measures to increase the effectiveness of external action must be taken by the Institutions and the Member States working in close cooperation with each other.

The Western Balkans will be a key external-relations issue during Finland's Presidency. In Kosovo, the EU will support the UN-led status process, and will seek to present a united front. The status process may reach its final stage during Finland's Presidency. It is also likely that decisions will have to be taken on the EU's future obligations in relation to Kosovo, e.g. ESDP operation and institutional role. In Serbia, our objective is to make effective use of the influence and instruments at the EU's disposal in support of stability. During the Presidency, the Western Balkan's European aspirations will be supported in accordance with the Stabilisation and Association Process.

Relations between the EU and Russia will feature prominently during Finland's Presidency. An EU-Russia summit meeting will be held in Helsinki on 24 November 2006. Finland will seek to push forward with implementation of the roadmaps for the "common spaces" agreed on by the EU and Russia. It will do so by increasing practical cooperation. It will endeavour to strengthen commitment to cooperation on both sides by organising meetings of the Permanent Partnership Council (PPC) at ministerial level. In Finland's view, the PPC meetings should be turned into an effective instrument for setting the political guidelines for EU-Russian cooperation and for follow-up.

Finland will convene various PPC meetings: on matters for Foreign Ministers, on justice and home affairs and on the environment, energy and transport. Other key topics during Finland's Presidency include creating more favourable conditions for trade and investment and developing customs cooperation.

The PCA agreement between the EU and Russia is due to expire in 2007. The agreement, which entered into force in 1997, does not cover the cooperation which the EU and Russia are currently engaged in. Finland's objective is to agree on a negotiating mandate for the Commission in 2006 so that a decision can be taken at the EU-Russia summit in Helsinki to

open official negotiations with Russia. The negotiations could start during the German Presidency in spring 2007 or when Russia has been confirmed as a WTO member.

The second Northern Dimension strategy will expire at the end of 2006. The Northern Dimension ministerial meeting of 21 November 2005 decided to develop the Northern Dimension into a common policy of the EU, Russia, Norway and Iceland. The time-limited strategies will be replaced by a permanent framework document. It is hoped that negotiations on the framework document will be concluded during Finland's Presidency. The aim is to obtain political approval for it in connection with the EU-Russia summit.

The document should be strategic and comprehensive and should make adequate provision for follow-up and implementation mechanisms. It should define the geographical and sectoral scope of the Northern Dimension, take the ND partnerships further and provide for future development.

Finland's objective is to increase practical cooperation between the EU and the United States in dealing with global and regional problems. In order to strengthen cooperation, we need to deepen strategic dialogue. In EU-US relations, Finland will concentrate on bilateral and international matters. Three key priority areas are: climate change; economic initiative and promoting democracy and stability; and conflict resolution and support for good governance in Eastern and South-East Europe. Strengthening unity within the EU in relation to transatlantic relations is another objective.

We want to bring the round of WTO trade negotiations launched in 2001 to a successful conclusion in 2006. Finland plans to handle its Presidency in such a way as to ensure that as much consideration as possible is given to the EU's interests and those of its Member States in the final stages of the negotiating round. We want the support which the Member States give the Commission, negotiating on behalf of the EU, to be as strong and solid as possible. To help the EU achieve its objectives, there will be an effective exchange of information between the Commission and the Member States and common positions will be formulated, where necessary at short notice.

With regard to the European Security and Defence Policy (ESDP), Finland's Presidency will conduct ongoing operations and missions. Amongst the most important matters are the civilian crisis management operation in Kosovo and the execution and winding-up of EU operations to support the UN's MONUC peace-keeping operation in the Democratic Republic of Congo.

Work will also continue on capabilities during Finland's Presidency. Activities relating to the building of military capabilities will be based on Headline Goal 2010, while Civilian Headline Goal 2008 will form the basis of work on civilian crisis management.

With regard to the rapid reaction capabilities, the EU's Battlegroups should be fully operational from 1 January 2007.

Another central theme in relation to the ESDP is the development of civil-military coordination. The funding mechanism for military crisis management operations will also be due for review during Finland's Presidency.

On 10-11 September 2006, Finland will host the ASEM Summit meeting between the EU and a number of Asian countries. The discussions will cover broad cooperation themes: strengthening multilateral relations; responding to threats to security; sustainable development, including environmental and energy-security issues; dialogue between cultures and peoples; globalisation and competitiveness.

Another objective is to implement the European Neighbourhood Policy (ENP) action plans in a coherent way, so that they complement each other, and to develop the regional dimension of the ENP with the mid-term review of the neighbourhood policy. Within the framework of Euro-Mediterranean cooperation, i.e. the Barcelona Process, we will continue the implementation of the five-year action programme adopted in the autumn of 2005. A number of ministerial meetings will be held in connection with this, including the Foreign Ministers' meeting in Tampere on 27-28 November 2006. The Presidency will strive to reinforce inter-cultural and inter-faith dialogue.

Safeguarding and promoting human rights and fundamental rights is one of the EU's core duties. During its Presidency, Finland intends to mainstream human rights policy, incorporating it into all EU policy areas, and to increase the coherence of human-rights policy with regard to both the EU's internal policies and its external relations. We will also devote our attention to the EU's human-rights dialogues and to consultations.

The EU as a global actor: Finland's Presidency comes at an important point in the UN reform process. Finland sees the UN as the centrepiece of an effective multilateral system, and supports efforts to strengthen and reform it. Finland and the EU back moves to strengthen the links between security, development and human rights in the UN, and they support its commitment to international law. Work will continue on developing international environmental management. Finland will also seek to increase the coherence of UN policy through coordination at EU level. Progress towards the Millennium Development Goals is another key objective for the Presidency.

We will focus on honouring the commitments made in 2005, such as those on the formulation of a new European Consensus on Development and on the EU's strategy for Africa. Particular priorities include the achievement of better results through development cooperation and more coherent policies in relation to development issues such as trade and development.

In addition, developments in the Middle East, Iran and Iraq will be closely monitored through the General Affairs and External Relations Council.