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Mr Erkki TUOMIOJA, Minister for Foreign Affairs of Finland, President-in-Office of Council Presentation on the External Policy Priorities of the Finnish Presidency 12 July 2006, European Parliament, Brussels

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Mr. Chairman, distinguished members of the Committee on Foreign Affairs,

It is a great pleasure for me to have an opportunity to address your committee on the external priorities of Finland's EU Presidency. We have already had a fruitful exchange of views during the AFET delegation's visit to Helsinki on 4 May. Before I begin with my presentation of our external priorities, allow me to take this opportunity to reaffirm the commitment of the Finnish Presidency to continuing constructive cooperation with the European Parliament and this Committee.

Mr. Chairman, Ladies and Gentlemen,

Among our key priorities in EU's external action are improving the Union's external action, Russia and the Northern Dimension, the Western Balkans, Africa, transatlantic relations and the European Security and Defence Policy (ESDP). Also enlargement will be addressed during the Finnish Presidency. This, however, does not mean that other matters will not be on our agenda as well. I would now like to highlight some of the key issues and challenges in the field of external policy during our Presidency.

THE SITUATION IN THE MIDDLE EAST

The events in Israel and the Palestinian territories dominated the first week of the Finnish Presidency. This is nothing new. Middle East has been a regular point on the agenda of Foreign Ministers', except once, in the past six years. I discussed the developments and raised our concerns both with the Foreign Minister of Israel Ms Tzipi Livni and Palestinian President Mahmoud Abbas as well as with the Egyptian Foreign Minister, Mr. Ahmed Gheit. The EU's position is clear: the abducted Israeli soldier must be unconditionally released and that the firing of rockets on Israeli territory must stop. These Palestinian assaults do not, however, give Israel the authority to use force that amounts to collective punishment of the whole population of the Gaza Strip. In the discussions with Foreign Minister Livni I raised our concern about the deteriorating situation and about the implications of the continuing Israeli military operation in Gaza. In its declaration of June 30, the Council called on Israel to exercise utmost restraint and to avoid disproportionate action. Since that the military operation has expanded causing casualties among the civilian populations. The air strikes on Gaza's only power plant have contributed to the worsening of the humanitarian situation. We have therefore emphasised that Israel must facilitate and ensure the transfer of assistance for humanitarian needs. In order to alleviate the humanitarian situation it is important that aid can be delivered and that border crossings such as Rafah and Karni are functioning. I have further stressed the urgent need to release the arrested Palestinian legislators and ministers.

The developments over the last weeks complicate also the launch of the Temporary International Mechanism that has been prepared by the European Commission in order to ensure the direct delivery of assistance to the Palestinian people.

In the present circumstances it is clearer than ever that the present crisis - like the whole question of the Middle East conflict - will be solved only through negotiations. The Finnish Presidency is committed to assisting the parties to resume contacts and to restart the peace process.

EFFECTIVENESS, COHERENCE AND VISIBILITY OF THE EU'S EXTERNAL POLICY

As agreed by the June European Council, informal consultations regarding the future Constitutional Treaty will be launched during Finland's Presidency. Nevertheless, the EU must demonstrate that it will move forward within the context of the existing treaties.

The overarching priority of the Finnish Presidency is to improve the effectiveness, coherence and visibility of the EU's external policies in accordance with the June European Council conclusions. The work will be based on practical measures that utilise the existing mechanisms and instruments more effectively. The challenge is to develop a coherent approach to using all of the EU's policy instruments - both external and internal - to ensure better international visibility of the EU. In international cooperation, Union-level action brings clear added value, compared to actions of individual Member States. The Union has significant influence when it stands united and speaks with one voice.

In the field of external policies, we need adequate assets in order to be able to respond to our commitments. We welcome the increase to the CFSP budget for 2006 which was agreed last year and the agreement within the Inter-Institutional Agreement on the substantive increase for the next financial framework.

An urgent and vital task of our Presidency is to ensure that the European Communities' development financing will continue without interruption after

this year. This means that we will do our best to conclude the talks on development financing instruments with the European Parliament by the end of this year. We have a common goal in that we endeavour to ensure support for the poor countries so that their efforts to eradicate poverty and to attain the MDGs can continue without interruption. We try to find a simpler, more transparent and thus more open system of financing, based on a mutual understanding, which ensures the full co-decision of the European Parliament. We are also committed to working in active cooperation with the European Parliament in order to finalise the human rights regulation in time.

RUSSIA

With regard to the EU's relationship with Russia, increasing concrete cooperation between the EU and Russia will be our priority. The aim is to agree within the EU on the negotiating mandate for the new framework agreement between the EU and Russia. The Finnish Presidency is preparing to launch the negotiations on the future agreement on EU-Russia relations at the EU-Russia summit in Helsinki on 24 November. We will also pursue increasing concrete cooperation between the EU and Russia in the implementation of the roadmaps for the Common Spaces, e.g. in the fields of customs cooperation, justice and home affairs and student mobility. In this regard, Permanent Partnership Council (PPC) meetings should be developed into an efficient instrument for political guidance. As Presidency, Finland will organize a PPC meeting for the Foreign Ministers as well as other PPCs (justice and home affairs, environment, transport and energy). The Presidency will emphasize the coherence in EU's policy towards Russia.

THE NORTHERN DIMENSION

The renewal of the Northern Dimension is one of our priorities. The negotiation process on a new, permanent, common ND framework document to replace the time-limited strategies has successfully started during the Austrian Presidency. Our aim is that the new framework document and the declaration accompanying it will be finalised and adopted during the Finnish Presidency. We hope that the new common document will strengthen the commitment of all parties and form a good basis for the development of concrete cooperation, including the partnerships.

We have been pleased to note that the AFET and the European Parliament are discussing and developing ideas regarding the Northern Dimension and its future. In this respect, the EP resolution of last November was a valuable contribution.

ENLARGEMENT

Enlargement will be one of the central issues during our Presidency. Finland is prepared to organize the Council's general debate on enlargement at the December European Council, on the basis of Commission documents.

The general debate will include a discussion on the Union's absorption capacity, on which the Commission is to prepare a report, as well as further ways of improving the quality of the enlargement process. It is important that the discussion will not lead to new criteria for enlargement nor to a withdrawal from the commitments previously given by the EU. Debate on the borders of Europe might send unhelpful messages to some of the neighbouring countries of the Union.

As regards Bulgaria and Romania, eventual decisions concerning the accession date and the use of remedial measures will be made on the basis of

the monitoring reports and recommendations of the Commission. The Council has promised the European Parliament to take into account its views on Bulgaria's and Romania's readiness for accession, and we will of course stick to this promise.

As for Turkey and Croatia, we will bring the accession negotiations forward in accordance with the agreed principles. The criteria are the same for all candidates and the pace of negotiations depends on each candidate's own merits. In late autumn, the Union will examine the 2006 Commission Progress Reports.

As regards Turkey, the question of the ratification and implementation of the Ankara Protocol will also become topical. It would be helpful if the EU could also progress in its ratification process. The European Parliament has a key role in this.

WESTERN BALKANS, INCL. KOSOVO

As regards the Western Balkans, it is important that the European perspective and conditionality of these countries remain credible. We will continue to support the movement of the Western Balkans countries towards the EU in the framework of the Stabilisation and Association Process, and in line with the Thessaloniki Agenda.

The Kosovo status process will be an integral part of discussions during the autumn. It is important to ensure a unified and coherent EU stance regarding the status process. In addition, the EU's future role in Kosovo, including a possible ESDP operation, will figure prominently on the agenda.

Serbia remains key for stability in the region. As Presidency, we will intensify the engagement with Serbia in order to support that country's European course and to encourage full cooperation with ICTY. As a concrete measure the Presidency is ready to organise an EU-Serbia political dialogue troika meeting in the margins of the July GAERC. Preparing for a future EU presence in post-OHR Bosnia and Herzegovina will also constitute an important task for us.

NEIGHBOURHOOD POLICY

The Union's relations with its neighbours are high on our agenda. During our Presidency, Finland will continue to promote a balanced and efficient neighbourhood policy for Europe, taking into account the needs of both EU's Eastern and Southern neighbours.

Cooperation between the Union and its neighbours, as well as among those countries, could be intensified in horizontal areas such as transportation, the environment and border security as well as energy policy.

The Presidency intends to start a discussion on the EU's comprehensive policy towards Central Asia. A discussion on the development of a comprehensive EU strategy for Central Asia will take place during our Presidency.

BARCELONA PROCESS

We will continue to implement the 5-year work programme adopted at the Barcelona Summit taking also into account the new challenges, such as the need to enhance intercultural dialogue, in which NGOs also participate. In

addition to the VIII Euro-Mediterranean Conference of Foreign Ministers, three other ministerial meetings of the Barcelona process will be organized.

TRANSATLANTIC RELATIONS

As regards transatlantic relations, Finland aims at developing the cooperation in a more action-oriented way in order to deal jointly with global challenges. Priority areas in the relationship with the United States include climate policy, the economic initiative including regulatory cooperation and promotion of stability, conflict resolution as well as good governance in Eastern and South Eastern Europe.

As far as climate policy is concerned, significant progress was made at the recent EU-US Summit in Vienna. We agreed to establish an EU-US High Level Dialogue on Climate Change, Clean Energy and Sustainable Development, which will be launched in Helsinki in the autumn. This means climate change, one of the major global challenges we are facing, is back on the transatlantic agenda.

Another topical issue in transatlantic relations is the Passenger Name Record agreement with the United States. The Presidency, assisted by the Commission, will soon open negotiations for a new PNR agreement. The European Parliament will be kept informed on the progress made in the negotiations.

EXTERNAL DIMENSION OF ENERGY POLICY

Developing the external dimension of EU energy policy is a central theme during our Presidency. The Presidency was given a mandate by the June European Council to take the work further on the external aspects of energy

policy in cooperation with the Commission and the Secretary General/High Representative. Finland welcomes this mandate.

We will focus our work on the priorities that were set by the June European Council. These include, among others, aiming at concluding negotiations of the Energy Charter Transit Protocol and securing the ratification of the Energy Charter Treaty by all signatories to the Charter. However, we will be in a better position to evaluate this situation after the G8 Summit. The June European Council also invited the Commission to set out elements for an agreement with Russia on energy within the framework of the successor to the Partnership and Cooperation Agreement.

During the Finnish Presidency, energy issues will be discussed on several occasions, including at summit level. The informal summit on 20 October in Lahti will be an opportunity to have a more informal exchange of views on external energy relations. Energy questions will be on the agendas for meetings with third countries, including producer, transit and consumer countries. President Putin is invited to attend the dinner in connection with the Lahti meeting. At the EU-Russia summit in November we can also promote energy cooperation between EU and Russia, as well as at the energy PPC meeting. This week, global energy security will be in the spotlight at the G8 Summit.

ASEM

The sixth Asia-Europe Meeting will be held in Helsinki on 10-11 September. The ASEM6 Summit will provide an opportunity for the EU and for the host of the Summit to enhance Europe's engagement with Asia. Finland will do its utmost to ensure that the ASEM6 Summit will contribute to the dynamism

and sustainability of the ASEM process as well as the broader Asia-Europe relations.

Discussions at the ASEM6 Summit will focus on topical issues of the international agenda, such as energy security and climate change, security threats including global health threats (e.g. avian flu) and intercultural dialogue. They will also cover questions related to globalisation and competitiveness and structural changes in the global economy, support for the multilateral international system and the WTO negotiations.

SUMMITS WITH THIRD COUNTRIES

During our Presidency summits with China, India and the Republic of Korea, Ukraine, Russia and Canada are planned to take place in Finland.

HUMAN RIGHTS POLICY

The European Parliament attaches great importance to human rights issues. So does the Finnish Presidency. We will continue to work for the coherence and consistency of the EU's human rights policy. A high priority will be attached to mainstreaming human rights and international humanitarian law into all relevant EU policies, including the ESDP and the EU's crisis management operations. Gender issues will also be underlined throughout the Presidency.

Finland is strongly committed to the establishment of the EU Fundamental Rights Agency. The European Council Conclusions of June 2006 give an excellent basis for further work and early agreement on this issue. Finland aims to have III pillar issues included in the mandate of the Agancy as respect for fundamental rights is particularly relevant in that sector.

The EU Annual Report on Human Rights is due to be adopted in October. As has been discussed, we will cooperate with the EP during its drafting. The Annual Human Rights Forum will be organised in Helsinki on 7-8 December with mainstreaming and human rights defenders as some of the main themes. The participation of the EP in the Forum is of course more than welcome. In the UN framework, the new Human Rights Council is of course a priority. Our aim is to ensure an effective and credible HRC.

DIALOGUE AMONG CULTURES

Like the EP, also the Finnish Presidency also wishes to advance dialogue among cultures and civilisations. EU messages on a constructive and balanced dialogue between cultures will be promoted in all relevant fora and in all relevant processes. These issues will be taken up at the United Nations General Assembly, the Human Rights Council, within the Helsinki Process and the initiative Alliance of Civilizations as well as in third country meetings, including during the VIII Euro-Mediterranean conference of Foreign Ministers in November and during the ASEM Summit in September.

ESDP

The Presidency attaches great importance to the relations with the European Parliament in ESDP. We will consult the EP on the main aspects and the basic choices of CFSP. We will seek to ensure that the views and recommendations of the EP are duly taken into consideration. The Subcommittee on Security and Defence will also be regularly informed regarding ESDP developments.

Within the ESDP, current work will continue in all areas. Enhancing the military and civilian capabilities of the Union remains high on the agenda. Particular attention will be paid to rapid reaction, with battle groups due to reach full operational capacity by January 2007 and Civilian Response Teams due to have initial capacity by the end of this year. The Presidency will also take forward work done to date on civil-military coordination (CMCO), focussing on the implementation of this approach in concrete situations. We will also take forward work on EU support to Security Sector Reform (SSR) and work to develop EU approach on Disarmament, Demobilisation and Reintegration (DDR) related activities.

Regarding ESDP operations, one of the priorities will be the Democratic Republic of Congo including the deployment of a military force at the request of the UN. EUFOR RD Congo and the reinforced police operation EUPOL Kinshasa, both in support of the election process in the DRC, are planned to begin and end during the Finnish Presidency. Preparations for a possible major civilian crisis management operation in Kosovo will also figure prominently on the agenda.

EU-AFRICA-RELATIONS

In Africa we will continue strengthening the EU-Africa relations within the framework of the comprehensive EU Strategy on Africa. The Presidency is committed to taking forward the EU agenda in supporting Africa's efforts to consolidate peace, democracy and human rights in the continent. A progress report on the implementation of the EU Strategy for Africa will be presented to the next European Council in December 2006. The Presidency is committed to continue working towards a Joint EU Africa Strategy and holding the second EU-Africa Summit as soon as feasible. Efforts will be made to enhance the coordination and cooperation with African Union, sub-

regional African organizations and other international partners. With regard to Sudan, we continue to support the Darfur Peace Agreement, AU mission in Sudan/Darfur and the intended transformation of the mission into a UN-led operation.

MIGRATION

Migration will be one of the increasingly important issues on the external relations agenda. We will pay special attention to migration and development-related issues in Africa and the Mediterranean region. The first step has been the Euro-African ministerial conference on migration and development, which took place in Rabat at the beginning of this week. The aim of the conference was to strengthen the dialogue on migration between the countries of origin, transit and destination.

In addition, the Union needs to discuss these issues with Eastern African countries, as well as to start the preparations for a pan-African ministerial conference. At the global level, the key event will be the UN High Level Dialogue on Migration and Development, which will be held in September (14-15) in New York. It is important to tackle the challenges of migration in a broad perspective, bearing in mind that Europe also needs migration.

CONFLICT AND CRISIS AREAS

In addition to the Middle East, we will be keeping a close eye on developments in conflict and crisis areas and will endeavour to ensure an appropriate and timely EU response. Of course, no amount of planning can foresee all possible issues which may arise during the Presidency, and we will have to be ready to react appropriately to events as they take place.

Maintaining EU cohesion and international unity on Iran is essential and will be a particular goal of our Presidency. The Council continues to support a negotiated solution to the Iranian nuclear issue. Efforts by France, Germany and the United Kingdom, with the support of the EU High Representative, have gained additional momentum through the active support of the US, Russia and China.

We give our full support to the cooperation initiative offered to Iran by the EU3+3 and urge Iran to give an early positive response. If Iran enters negotiations, it could expect an agreement with an attractive nuclear dimension. If Iran is not ready for cooperation, the process at the UN Security Council will be continued.

While the nuclear file will continue to demand the EU's attention, we will also continue to pay attention to other EU concerns regarding Iran, including the fight against terrorism and Iran's approach to the Middle East Peace Process. We will pay close attention to the human rights situation in Iran. We will also look into possibilities of continuing the human rights dialogue and - if a positive atmosphere develops - also the comprehensive dialogue.

With regard to Iraq, the EU will engage actively with the new Government with the aim of promoting the achievement of a secure, stable, unified, prosperous and democratic state. This will include continuing political dialogue with Iraq, launching negotiations on a TCA, and continuing the EU's comprehensive assistance programme to the country, including in the field of rule of law.

In line with the declaration adopted at the June European Council, the EU will continue to engage with Iraq especially in the following areas: National reconciliation and the constitutional review process, rule of law and human

rights, economic recovery, and administrative reform. Priorities for EU assistance to Iraq in 2006 include democracy, good governance and the improvement of basic services. We also look forward to a strengthened EU presence in Iraq, which will be achieved through the imminent appointment of the Head of the European Commission Delegation in Iraq.

As agreed at the European Council, the EU will also continue to encourage international engagement in Iraq. As Presidency, we stand ready to participate actively in efforts to organise international backing of the new Government, including in the context of the proposed International Compact for Iraq.

NON-PROLIFERATION AND DISARMAMENT

Finally, we will also attach importance to the issue of non-proliferation and disarmament during our Presidency. We will continue to actively support efforts to resolve the security issues on the Korean Peninsula in a peaceful manner.

Mr. Chairman, distinguished members of the Committee on Foreign Affairs,

In conclusion, I would like to express my gratitude for this opportunity to present to you the priorities of the Finnish Presidency. Now I am ready to answer your questions.