

11 December 2019

Charles Michel
President of the European Council

Dear Mr Michel,

The Finnish Presidency has been the first to integrate the priorities of the EU Strategic Agenda 2019–2024 into the Council's work. My predecessor highlighted some examples of the progress made at the October European Council. At our next meeting, I will take up a few key issues that the new Commission needs to focus on urgently and which merit the European Council's continued attention.

Regular follow-up of the Strategic Agenda is important. For this reason, I would like to give in this letter a more comprehensive overview on what has been done in different policy areas during the Finnish Presidency of the Council of the EU. I feel that it is important to communicate this information to citizens, too.

Protecting citizens and freedoms

The Strategic Agenda makes it clear that our common values are the foundation of European freedom, security and prosperity. The rule of law is a key guarantor that these values are well protected; it must be fully respected by all Member States and the EU. During our Presidency, we have succeeded in developing the EU's rule of law instruments and strengthening their synergies.

On the basis of discussions at the General Affairs Council (GAC) and the answers given to a written questionnaire, the Finnish Presidency conducted an evaluation of the Council's rule of law dialogue and issued presidency conclusions. We have also sought for a solution designed to protect the EU's budget against Rule of Law problems. There is now a broad consensus that such an instrument would be a part of the future MFF deal.

The Finnish Presidency concluded discussions on the future of the EU's internal security and the way forward for EU migration and asylum policy at the Justice and Home Affairs (JHA) Council in December.

The ministers have addressed the issue of how to deal with migrants rescued in the Mediterranean as a result of search-and-rescue operations, as well as the issue of their disembarkation and relocation. Attention has also been drawn to the situation on the other routes. Whilst there have been numerous calls for progress to be made on the Common European Asylum System, this can only happen once the new Commission puts forward fresh ideas on how to unblock the file.

In line with the Strategic Agenda, we must protect our societies from malicious cyber activities, hybrid threats and disinformation, and do so in a coordinated manner. On this basis, a Horizontal Working Party on Enhancing Resilience and Countering Hybrid Threats was established in July. Scenario-based policy discussions on hybrid threats were held at the informal JHA ministers meeting in July. In addition, the foreign and defence ministers jointly addressed the topic in August. On both occasions, the need for an EU-level response and for mutual assistance in the event of a hybrid threat was highlighted (with reference to the solidarity clause or the mutual assistance clause under the Treaties). In September, the ministers of finance considered the resilience of financial markets and the role of the financial sector in countering hybrid threats. The December GAC adopted conclusions on further steps towards a comprehensive approach to hybrid threats.

Developing our economic base: the European model for the future

The Presidency work has aimed at sustainable growth in an economic, environmental and social sense. The EU needs a comprehensive, ambitious and forward-looking growth agenda with effective and well-targeted policy measures to improve its productivity and competitiveness on the global market.

The competitiveness ministers' discussion on a long-term vision for sustainable growth took forward the March and June European Council guidance on a more integrated approach that connects all relevant policies and dimensions.

The Member States identified the main elements of a well-functioning single market, forward-looking industrial policy, research and innovation, digitalisation, skills and external dimension. The ministers stressed the need to remove existing barriers and to create a better business environment where vigorous competition policy should remain a key factor. The Council had also a more focused discussion on the external dimension of the EU's competitiveness and efforts to promote a level playing field both inside and outside the EU.

Furthermore, the competitiveness ministers stressed the need to promote innovative solutions, to use 'missions' as strategic tools, to simplify the Horizon Europe package and to improve its synergies with other programmes. A partial general approach was agreed on certain parts of the Horizon Europe package. Emphasis was placed on the role of space solutions in promoting sustainable growth. In addition, innovation potential and the global competitiveness of the European cultural, creative and audiovisual industries were discussed at the Education, Youth, Culture and Sport (EYCS) Council.

Digital transformation has been on the agenda of several Council configurations. The telecommunications ministers discussed ethical data use, promotion of data sharing and bottlenecks for data economy. The discussion showed that to have a thriving data economy, we need a clear vision and a roadmap. Data is the fuel for digital economy, and the development must be in line with our societal and economic goals as well as with our values.

The Transport Council exchanged views on the development of sustainable, digital transport services throughout Europe. The EU Member States are well positioned to develop and adopt sustainable digital transport and mobility services, yet barriers to development must be identified and removed.

During the Finnish Presidency, we have made progress on the European approach to the cyber security of 5G networks. The risk assessment has been finalised, and a tool box of measures is being developed. The telecommunications ministers emphasised that a swift and secure roll-out of the 5G networks is essential in enhancing the competitiveness of the Union. It requires a coordinated approach within the EU.

As regards the completion of the Economic and Monetary Union, at the informal meeting in September, the finance ministers and central bank governors expressed a shared desire to develop a roadmap for the next stages of the Capital Markets Union. As a follow-up to this, the ECOFIN Council adopted conclusions last week on completing the Capital Markets Union. Also conclusions on strategic priorities as regards anti-money laundering and countering the financing of terrorism were adopted.

The Finnish Presidency also took forward discussions on the euro area budgetary instrument for convergence and competitiveness (BICC), with regard to the administrative aspect and the design of the instrument. We hope that a political agreement can be reached soon on these files. Moreover, as part of the MFF NegoBox, we provided a proposal with figures on the size and use of the BICC.

As for stepping up investment in education and training, the ministers of finance and education held a first ever joint policy debate. Their joint meeting gave a strong message: investing in education, skills and competences is a necessity for all Member States and it should also be a strategic priority for the Union. Human capital is an essential factor in promoting long-term economic growth, competitiveness, employment, social inclusion and the resilience of our societies. As we transform our societies towards carbon-neutrality and respond to rapid technological change, we cannot afford the costs of non-education. At the same time, public spending in education has to be efficient in terms of quality, quantity and inclusiveness. There is a need for stronger EU cooperation in this regard.

The education ministers agreed on updating the Lifelong Learning policies and further developing the European Education Area. The potential of Artificial Intelligence in education was also addressed.

Building a climate-neutral, green, fair and social Europe

As regards the horizontal priority of building a climate-neutral, green, fair and social Europe, the Finnish Presidency has proceeded in line with the European Council guidance. In so doing, it has aimed to clarify cross-cutting and sectorial enablers, incentives and conditions for the transition to a climate-neutral EU. We have put the issue on the agenda of almost all Council configurations: the Agriculture and Fisheries, Transport, Energy, Competitiveness, Environment, Youth and Employment

Councils, and informal meetings of ministers of finance, defence and agriculture, as well as ministers responsible for competitiveness and ministers for the environment.

Debates have covered a wide range of issues, such as ways in which to make the post-2020 Common Agricultural Policy more ambitious environmentally, the role of farmers in climate action and best practices on soil carbon sequestration and emission reduction in land transport, aviation and shipping. Furthermore, the achievement of the EU's common 2030 energy targets, decarbonisation of the energy sector beyond 2030, energy taxes as an instrument of climate policy and the central role of policy measures relevant for or available to finance ministers (such as carbon pricing, emission trading, sustainable budgeting and investments) were touched upon.

The exchange of views also covered the employment aspects of a climate-neutral economy and ways in which the EU could be both competitive and climate-neutral, and how research and innovation could help achieve our climate targets. The ministers took note of the initiatives and commitment demonstrated by young people in climate policy and discussed how to reflect this in youth work and policy. In addition, the ministers discussed how the armed forces could reduce their ecological footprint and adapt to new climate-related threats.

A stocktaking debate on the work regarding the EU's long-term strategy was held at the October Environment Council, and we have been aiming – together with you – at an agreement on the EU 2050 vision at our next European Council meeting.

The competitiveness ministers adopted conclusions on the bio-economy. In addition, the ministers for the environment adopted conclusions on the circular economy, which is an important driver for cutting greenhouse gases, respecting planetary needs and reaching the UN Sustainable Development Goals. Next week, the Environment (ENVI) Council will adopt the conclusions on the Post-2020 Global Biodiversity Framework and the Agriculture and Fisheries (AGRIFISH) Council will adopt conclusions on the Communication on stepping up EU action to protect and restore world's forests.

In the ECOFIN sector, the Council agreed on a general approach on the taxonomy package as regards sustainable finance, and the discussions with the European Parliament have advanced quite well. In addition, the Council adopted conclusions on climate finance and on energy taxation.

Building a fair and social Europe has also been high on our Presidency agenda. In October, the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council adopted conclusions on the Economy of Wellbeing, aiming to bring together elements needed to achieve a higher level of prosperity and well-being for Europeans. This week, the Ministers of Health discussed the health aspects of the Economy of Wellbeing.

The EPSCO Council adopted conclusions on the future of work and held a policy debate on matching skills and labour market needs in the changing world of work. The future of the EU social acquis relating to employment and industrial relations was discussed at the December EPSCO Council. The Council conclusions on inclusive labour markets and on a new EU Strategic Framework on Health and Safety at Work were also adopted.

The October EPSCO Council held a policy debate on enhancing anti-discrimination in the EU, and in December, the future of gender equality policies and gender mainstreaming was addressed. The December EPSCO Council also adopted conclusions on promoting gender-equal economies, inviting the Commission to set gender equality as a political priority and to adopt a Communication setting out a stand-alone high-level EU gender equality strategy for the period post-2019.

Promoting Europe's interests and values in the world

While the Foreign Affairs Council chaired by the High Representative for Foreign Affairs and Security Policy has been taking care of implementation of the priority of promoting Europe's interests and values in the world, the Finnish Presidency has played its part. The Finnish Presidency has supported the High Representative in strengthening the EU's global role, for instance in promoting the EU's comprehensive partnership with Africa. The Presidency has also contributed to cohesion between the Union's internal and external policies and has worked closely with the European External Action Service and the Commission.

One example where action both inside and outside the EU is essential is the implementation of the 2030 Agenda for Sustainable Development. The December GAC adopted conclusions on the topic, thus contributing to the goal set in the Strategic Agenda for the EU to lead the response to global

challenges, including through the promotion of sustainable development and the implementation of the 2030 Agenda. Development finance is key in terms of our goals. The December ECOFIN adopted conclusions on strengthening the European financial architecture for development. The Foreign Affairs Council adopted conclusions prepared by the Presidency on humanitarian assistance and law, on addressing inequality and on strengthening gender equality and women's empowerment in EU external action.

Another example connecting both internal and external dimensions is the EU's integrated Arctic Policy. The Council adopted conclusions on the EU Arctic Policy, as well as on space solutions for a sustainable Arctic and on oceans and seas. The Council looks forward to the Commission and the High Representative updating the EU Arctic Policy, in view of the new challenges and opportunities, and growing international interest.

Regarding the objective set in the Strategic Agenda to uphold the European perspective for European States able and willing to join, the GAC discussed enlargement on several occasions. There was no consensus on the Commission's recommendations to open accession negotiations with the Republic of North Macedonia and Albania. The October European Council concluded that it will *"revert to the issue of enlargement before the EU-Western Balkans Summit in Zagreb in May 2020"*.

At the November GAC, the Presidency took note of Member States' shared commitment to the European perspective of the Western Balkans and to active engagement with the region, encouraging the countries to continue reforms. The Presidency also noted wide support for examining the effectiveness of the accession negotiation process based on proposals by the new Commission. The discussions during our Presidency have clarified the positions of the Member States and prepared the ground for the Council to return to the issue next spring.

The Strategic Agenda highlights the importance of an ambitious and robust trade policy both for promoting the EU's interests and values in the world and for the EU's sustainable growth. The focus has been on efforts to strengthen the multilateral trading system, including the WTO, and on preserving the WTO's dispute settlement system, the implementation of free trade agreements, EU-US trade relations and the next steps regarding the EU-Mercosur agreement. The trade ministers also examined the question of how to develop EU-China trade relations.

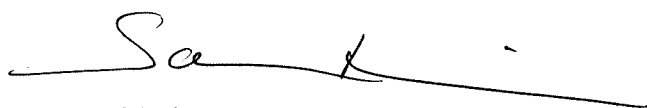
Delivering on our priorities

According to the Strategic Agenda, each institution should revisit its working methods and reflect on the best way to fulfil its role under the Treaties. Within the Council, discussions on working methods have been taken forward, at the level of Coreper, on a number of themes related to Council configurations, preparatory bodies and working methods, external relations, economic and financial affairs, security environment and links with the European Council. Reflecting these discussions, the Finnish Presidency will present a synthesis report with recommendations for concrete measures to be taken. Potential adjustments to the list of Council configurations would require a decision by the European Council. The Finnish Presidency has also worked to find pragmatic ways to make the Council's work more open and understandable to citizens.

The Council has a strong interest in ensuring that the Council, the Commission and the European Parliament, each acting within their own powers and prerogatives, work effectively together to deliver on the Strategic Agenda. The Finnish Presidency has started to build up close and constructive relations with the new institutional actors.

I look forward to our meeting this week and active follow up of the Strategic Agenda in the future.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sanna', followed by a long horizontal line extending to the right.

Sanna Marin
Prime Minister