

SUSTAINABLE EUROPE – SUSTAINABLE FUTURE

Finland's Presidency Programme

Presidency of the Council of the European Union
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1. INTRODUCTION

The priorities for Finland's Presidency are to strengthen common values and the rule of law, to make the EU more competitive and socially inclusive, to strengthen the EU's position as a global leader in climate action and to protect the security of citizens comprehensively.

Finland is taking over the Presidency of the Council of the European Union at a crucial moment. The European leaders have just agreed on an ambitious and far-sighted strategic agenda for the years 2019–2024 to take the EU forward and address its internal and external challenges.

The European Union faces an increasingly complex and unpredictable global environment: great power competition and assertive unilateralism are on the rise, and the international rules-based system and its norms and principles are being challenged. We have also seen the EU's common values being called into question.

Moreover, one Member State is about to leave the EU: we are preparing for the United Kingdom to withdraw with or without an agreement. Our aim is to defend the EU's unity and interests. Brexit should not dominate the EU agenda at the expense of other major items.

The unity of the European Union is more important than ever. The cornerstones of European integration – peace, security, stability, democracy and prosperity – need to be protected. It is only by acting together and defending our common values that the EU can tackle the major challenges of our time while promoting the wellbeing and prosperity of its citizens.

The European success story is anchored in democratic institutions, human rights and the rule of law. We need to strengthen the rule of law to enable the EU to credibly defend a rules-based multilateral system and international human rights institutions and to allow its citizens to enjoy peace and equal rights.

We should concentrate our efforts on areas where the EU is best placed to generate European added value. To respond to citizens' expectations, we need to do more to promote sustainable growth and combat climate change.

Our objective should be a competitive and socially inclusive EU. The single market, rules-based free trade and up-to-date regulation of a high standard are the elements that make the EU collectively competitive. Our emphasis must be on taking full advantage of research, development, innovation and digitalisation. By fostering skills, education and training, regional and social fairness, and gender equality, the EU will create sustainable growth and wellbeing for its citizens.

The common denominator for all EU action should be sustainability, which includes implementation both within and beyond the EU of the 2030 Agenda for Sustainable Development. The EU should raise its profile as a global leader in climate action by adopting a long-term climate strategy aimed at making the EU carbon neutral by 2050.

Finland advocates an EU policy that respects the need to protect the Arctic region's stability and particularly its fragile natural environment, and to safeguard the region's economic potential and employment prospects. The focus should be on efforts to mitigate climate change, which are being financed with EU funds for research, development and innovation. Finland will assume a leading role in strengthening the EU's Arctic policy.

To protect the security of citizens comprehensively, it is essential to strengthen the EU's internal and external security and its defence cooperation, including measures to counter hybrid threats.

The EU can prove its worth by creating wellbeing and prosperity that is socially, ecologically and economically sustainable. Public acceptance of the EU depends on efficient decision-making and the ability to carry out what has been agreed. Europe can only exert global influence if it is strong and effective.

Transparency, better regulation, involvement of citizens and respect for the principles of subsidiarity and proportionality are crucial to strengthening trust in the EU. We intend to communicate openly, actively and clearly during our Presidency, striving to make the actions and achievements of the EU better understood throughout Europe. We will also promote more effective use of digital tools in the Council's work.

Finland will be the first presidency to integrate the new priorities of the Strategic Agenda 2019–2024 into the Council's work. As emphasised in the Trio Programme, we are committed to ensuring a smooth transition to the next legislative cycle and to building up close and constructive relations with the new institutional actors.



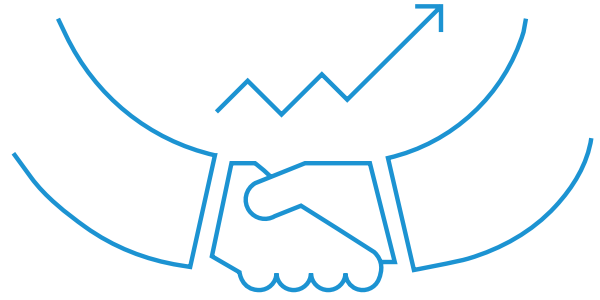
2. COMMON VALUES AND THE RULE OF LAW: CORNERSTONES OF EU ACTION

The European Union is first and foremost a community of values. Membership of the EU therefore means committing to its core values. These values – human dignity, freedom, democracy, equality, rule of law and human rights, including those of minorities – must be respected if the EU is to function properly while maintaining its acceptability and credibility. We must comprehensively protect and enhance these common values. This is not only a matter of protecting European citizens but also has implications concerning, for example, the functioning of Europe's economy. At the core of the rule of law principle are autonomous and independent courts.

During its Presidency, Finland will strive to improve and strengthen the EU's rule of law toolbox. The aim is to find better and more efficient ways to ensure respect for the EU's common values in the Member States and to forestall potential problems. The rule of law dialogue in the Council will be evaluated, with the aim of taking it in a more structured and result-oriented direction. Work on establishing a peer review mechanism will continue, as well as the negotiations on making the receipt of EU funds conditional on respect for the rule of law. The aim is to set up a well-balanced and effective mechanism tying EU funding to compliance with the rule of law.

It is also essential to fight corruption, which undermines the EU's foundation of shared values and rules, public confidence in the authorities, and sound financial management.

The EU should take steps to promote equality and inclusiveness in all policy sectors. Inequalities cause significant loss of human and economic potential, both nationally and within the EU. We therefore need a gender equality strategy combining specific actions and mainstreaming.



3. A COMPETITIVE AND SOCIALLY INCLUSIVE EU

The European economy is still growing, though the pace of growth has slowed. Challenges remain, especially for the labour market to adjust to rapid technological developments and the global redistribution of labour. General government finances have improved, budgetary positions have converged and employment rates have risen, but efforts still need to be made to enhance the economic opportunities available to citizens. Although youth unemployment is falling, there is more work to be done: we cannot afford to lose a generation. We need to better enforce the rules and implement the policy measures agreed on.

Tensions in global trade, Brexit and mounting uncertainty in the political landscape all highlight the need to carry on with national reforms. Europe must address the challenges of ageing populations and relentless global competition with sustainable measures to boost productivity and competitiveness.

In the new legislative term, the EU should focus even more intently on the policy sectors crucial to growth, competitiveness and job creation. The EU needs a comprehensive long-term strategy for sustainable growth and competitiveness that specifically includes measures to improve the functioning of the single market and promote an ambitious, rules-based trade policy. The long-term objective should be to make the EU the world's most competitive and socially inclusive low-carbon economy.

3.1 A comprehensive, future-oriented single market

The EU single market is among the world's largest economies, with a GDP of EUR 15 trillion. It includes 500 million consumers and 21 million small and medium-sized enterprises. The economic benefits of the single market amount to 8.5 per cent of the EU's GDP.

A well-functioning single market, rules-based free trade and up-to-date regulation of a high standard will guarantee the EU's competitiveness. The European model of wellbeing is based on economic growth. The most important means to promote growth and wellbeing is to increase the effectiveness of the single market. Deepening the single market requires an increasingly holistic and forward-looking approach bringing together single market policy, the digital revolution and modern competition, industrial and trade policy. At the same time, we need to adopt a coherent approach to further development of the European Pillar of Social Rights. This will allow the single market to deliver results that are visible to our citizens. We must ensure that the single market benefits all Europeans fairly. We should therefore ensure compliance with modern employment and social standards across the EU. We should also assess the need to update employment legislation and social protection systems in order to address new forms of employment. It is particularly important to safeguard the terms and conditions of employment of posted workers in the country of employment and

to monitor compliance effectively in both the country of origin and the country of employment. Special attention should be paid to the full implementation of existing legislation and to boosting cooperation between the various authorities. The new European Labour Authority (ELA) has a key role to play here.

We will promote an active industrial policy for the EU, and draw up a plan for the sustainable development of the European economy within the global process of change.

Europe's growth potential is strongly linked to the service sector. The digital and data-driven economy, innovations, new technologies and business models, and the functioning of different value chains are particularly dependent on the service economy. To improve the single market for services, we must focus particularly on promoting digital services and eliminating the barriers to cross-border trade in services.

Our goal should be to make Europe the global leader of the digital economy. Digitalisation, artificial intelligence and the data and platform economy are all key drivers of European productivity, growth, employment, prosperity and wellbeing. In the long term, maintaining economic growth and employment will depend on the ability of business and industry to make full use of the potential offered by digital technologies. Digitalisation of sectors like health and mobility, for example, will generate significant business opportunities. We should also exploit the growth potential of the cultural and creative industries. Horizon Europe, our strong framework programme for research and innovation, can serve to give a major boost to digitalisation, innovation and technological development.

More work is needed to achieve a competitive, human-driven data economy by promoting the availability, interoperability and use of data, while also respecting the rights and privacy of individuals. Progress in this area is crucial, since the data economy provides the basis for developing digital services, digital business and new technologies, such as artificial intelligence. With this in mind, we will address areas requiring further work, favouring a horizontal approach that takes into account the cross-sectoral role and needs of the data economy.

The transport sector offers major potential for boosting growth and sustainability through new business opportunities and services and through emissions reductions. Besides making progress with the open files in the field of transport, our work will focus especially on the framework for developing high-quality digital services and on promoting Mobility as a Service (MaaS), well-functioning transport networks and carbon-free transport. We will also promote digitalisation and automation, as they will help not only in improving safety and efficiency but also in meeting the environmental and climate goals for all modes of transport.

3.2 Wellbeing and skills: the foundation of inclusive growth

With the European economy expanding and employment increasing, we are facing a new challenge: shortages of skilled workers. The EU policies under the Social Dimension are key to increasing the availability of skilled workers in the single market. This will also benefit those who are outside the labour market, since increases in the employment rate contribute to strengthening the financial base and stability of the welfare state. It is worth bearing in mind that one of the EU's central aims is to promote the wellbeing of its citizens. We should work

towards achieving an 'economy of wellbeing', a new holistic approach that will increase our understanding of how people's wellbeing enhances productivity, generates economic growth and reduces public expenditure in the long term.

Our aim should be to make European education, training and research the best in the world. The EU needs a future-oriented, wide-ranging strategy for continuous learning that takes into account the transformation of work and digitalisation. To promote education, skills and mobility and strengthen European universities, we also need a much stronger Erasmus programme. We should set a long-term objective of creating a networked European 'super-university' model. In addition, the emergence of new forms of work calls for an assessment of whether our labour legislation and social protection systems are up to date. Labour mobility within the EU and recruitment of top talent from third countries should be encouraged through EU actions. We need to remove the remaining barriers to mobility and deepen the European labour market. In EU migration policy, setting up a system of legal entry routes would contribute to the goal of increasing the availability of labour.

Another key measure for maximising the availability of skilled workers is to increase the labour market participation of women. The EU and Member States should continue actions to promote gender equality in working life, reconciliation of work and family life, and equal pay. We also need to promote longer working careers in Europe through improvements in occupational health and safety, public health policies and part-time work schemes.

Europe cannot afford to waste any of its human capital. This is why the social inclusion of young people needs special attention. All young people should have equal opportunities to enhance their digital competences, regardless of their background.

3.3 An ambitious, open and rules-based trade policy

Growing international trade tensions and increasing protectionism are causing uncertainty for Europe's economies. In this context, it is essential for the EU to defend multilateralism and common rules and to resist inward-looking approaches and new trade barriers.

The EU is the largest trading bloc in the world and the world's largest exporter of manufactured goods and services. International trade brings immense economic benefits to the citizens of Europe, enhancing their wellbeing. Since Finland's first Presidency in 1999, EU trade with the rest of the world has more than doubled and now accounts for a third of the EU's GDP. EU exports to the world support over 36 million jobs across Europe and generate EUR 2.3 trillion of value added in the EU. Supporting economic growth and employment in the EU requires opening new markets and strengthening common rules. The EU's competitiveness and attractiveness as a trading partner are best enhanced with an ambitious, open and rules-based trade policy.

The EU is a strong global actor in trade policy and plays an essential role in preserving and strengthening the multilateral trading system. Modernising the World Trade Organization (WTO) and strengthening its functioning and credibility are key objectives. In particular, upholding the WTO's binding dispute settlement system is a priority.

The EU's trade agreements level the competitive playing field and make it easier for EU businesses to access global value and supply chains. During the Finnish Presidency, the EU will continue negotiations on ambitious and balanced trade agreements with key partners. It is essential to reinforce the binding nature of the sustainable development goals contained in EU trade agreements. The swift entry into force of negotiated agreements and their full and effective implementation is also important to ensure that European consumers and businesses reap the maximum benefit.

Discussions on strengthening the EU's trade relations with the United States will continue, based on the joint statement issued by Commission President Juncker and President Trump in July 2018. Advancing trade and investment relations with China will also be a priority. The EU is pursuing a more balanced economic relationship with China. European companies need better access to the Chinese market, and efforts should be made to create a more level global playing field.

3.4 Towards an inclusive economic union

Sustainable economic growth requires sound and focused policies. A well-functioning financial single market requires more resilient capital markets, a fully-fledged banking union and a robust crisis management framework. More transparency and simplicity is needed in economic policy coordination. The ultimate responsibility for economic policies, however, rests with the Member States.

Only a healthy banking sector can finance the investments needed in technological development and in actions to combat climate change. Determined efforts to reduce risks are therefore needed. Completing the banking union demands an ambitious approach. Discussions will continue on the basis of the agreed roadmap, including the issue of regulatory treatment of sovereign exposures. The Finnish Presidency will take forward the technical discussions on common deposit insurance.

Sustainable finance and diversification of risks in capital markets are other key focus areas in strengthening the Economic and Monetary Union. In this respect, a solution needs to be found to break the vicious circle between banks and sovereigns. Green finance is also needed to complement sustainable climate policy measures.

A budgetary instrument for convergence and competitiveness is being created within the EU budget to cater for the specific needs of the euro area, and the European Stability Mechanism is being strengthened to ensure financial stability.

The ongoing discussions in the OECD on digital taxation will continue. We need to work harder to prevent harmful tax competition and tax evasion. Close cooperation within the EU should make it possible to take effective action in tackling aggressive tax planning and tax evasion and reducing harmful tax competition. These policy measures will make for a fairer and more predictable business environment. Finally, we must make sure that supervisors have sufficient powers and capacities to combat money laundering and terrorist financing.



4. THE EU AS A GLOBAL LEADER IN CLIMATE ACTION

The European Union has taken the lead in combating climate change and in advancing global climate action under the Paris Agreement. Under the Agreement, the increase in average global temperatures is to be held to below two degrees Celsius, and efforts will be pursued to limit the increase even further to 1.5 degrees Celsius. In order to accomplish this, a global balance between greenhouse gas emissions and sinks must be achieved as soon as possible. We must work hard to reach the objectives laid down in the Paris Agreement and to prevent the serious impacts of climate change. The transition to a climate-neutral Europe, made possible through an effective combination of policy measures, will also promote economic growth and competitiveness in Europe in the coming decades.

To achieve the Paris Agreement target, the parties to the Agreement have pledged to update their Nationally Determined Contributions for 2030 and to formulate and submit to the UN their long-term emissions reduction strategies, and to do so by 2020, in practice during 2020 at the latest. A debate on how Europe should prepare for the submission of its long-term strategy to the UN was launched with the publication of the Commission communication *A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy*. Finland's Presidency will continue to facilitate the process in order to define the key elements of the EU's long-term climate strategy in the European Council by the end of 2019.

Integrating climate policy in all sectors is a key objective and includes implementing the Energy Union and promoting opportunities for further emissions reductions.

The transition to the bioeconomy and circular economy will have a central role in reducing greenhouse gas emissions and in improving Europe's competitiveness. At the same time, it will help in modernising our economy and industry, creating jobs, generating sustainable growth and protecting the environment. We will support effective implementation of the Commission's updated bioeconomy strategy. As regards the circular economy, the work has so far focused especially on plastics, waste, consumer empowerment and stakeholder engagement. While continuing this work, it is necessary to provide guidance on the next steps, such as extending the measures into new sectors. The move to the circular use of materials is central to cutting greenhouse gas emissions and halting the loss of biodiversity.

The strategic and economic value of clean water and food and sustainable agriculture and forestry is increasing. We will promote a Common Agricultural Policy that can better respond to climate change. We will also move forward with actions to implement the UN Convention on Biological Diversity and to promote the sustainable use of natural resources and foster animal welfare.

5. PROTECTING THE SECURITY OF CITIZENS COMPREHENSIVELY



Europe feels the security impact of violence and conflicts taking place in its neighbouring regions and resulting from violations of international law and human rights and the negative impacts of climate change.

It is important for the EU to use all of its external action instruments, such as diplomacy, crisis management operations, trade policy and development aid, in a comprehensive and coherent manner. The EU must champion multilateral solutions and step up its contribution to conflict prevention and mediation, with a special focus on the valuable roles which can be played by women and young people.

To protect Europe, we need to harness the instruments we already have and prepare together for the potential threats of tomorrow.

The EU has a key role in promoting a comprehensive approach to security in Europe. By combating cross-border crime and terrorism, and by efficient border management, the EU and its Member States can make the EU a safer place to live. This calls for a reduction in inequalities.

The overall internal security of the EU should be approached on a broad front, combining crime prevention with law-enforcement cooperation, judicial cooperation, border management, civil protection and other relevant sectors.

The EU Internal Security Strategy has provided a sustainable framework for concrete cooperation. Now is the time to evaluate its strengths and weaknesses. We need to identify possible threats to internal security in order to strengthen our response, keeping in mind the ever stronger nexus between internal and external security.

5.1 Strong, united and effective EU external action

Strong EU external action is essential for Europe's wellbeing, prosperity and security. During its Presidency, Finland will fully support the High Representative of the Union for Foreign Affairs and Security Policy in strengthening the EU as a global actor, as envisaged in the EU Global Strategy.

The current complex international environment makes it particularly important to enhance the unity, coherence and effectiveness of EU external action. To strengthen unity will require Member States to show more willingness to compromise and to commit to common action. Better coherence means using all EU external action instruments in a concerted way. Swifter decision-making is needed to increase the EU's influence and effectiveness. The possibility of using qualified majority voting in some areas of the Common Foreign and Security Policy (CFSP), as established in the Treaty of Lisbon, merits further discussion.

Reform of financing for EU external action in the next multiannual financial framework (2021–2027) is also important for EU policy coherence. Reaching agreement on a simplified and more flexible system in which political priorities and cost-effective financing are better linked is a high priority.

The EU has a key role to play in shaping global governance. This includes strengthening, and when necessary, reforming the rules-based multilateral system, with the United Nations at its core. Respect for international law and the promotion of universal human rights, democracy and the rule of law need to be at the core of all EU external action. Equally important are maintaining the EU's leading role in development policy and humanitarian aid and implementing the 2030 Agenda for Sustainable Development and the Paris Agreement in the EU and globally. Cross-cutting attention must also be given to mainstreaming gender equality and promoting the rights of women and girls.

The EU's strong global role requires active dialogue around the world. Another significant theme during our Presidency is pursuing a more equitable, mutually beneficial and comprehensive EU-Africa partnership. A common objective should be an ecologically, economically and socially sustainable transformation to manage the external dimensions of climate change, population growth and migration. It is important to have Africa as the geographical focus of the EU's development financing. Priorities include promoting trade and investment, which create jobs, with particular focus on women and young people. It is also important to support peace and security, sustainable development and climate action on the African continent.

Constant efforts are needed to foster the transatlantic partnership with the United States, which remains a cornerstone of security and prosperity on both sides of the Atlantic. During Finland's Presidency, the EU will continue a strategic and comprehensive reflection on its approach to China. The EU will also maintain its consistent and united policy on Russia, including on restrictive measures. Selective engagement, people-to-people contacts and regional cooperation, for instance on environmental issues, continue to be in the EU's best interests. The Northern Dimension policy provides useful instruments for these purposes.

The stability of the EU neighbourhood remains a vital EU interest. The EU's Eastern Partnership promotes closer cooperation and reform in the six partner countries. Finland will focus on building more resilient societies during its Presidency. In the EU's Southern Neighbourhood, it is important to step up the EU's support for UN-led mediation of conflicts in the Middle East and North Africa that continue to cause grave human suffering.

Enlargement policy is a strategic investment in peace, stability and development in Europe. Committing to core European values is essential for all partners aspiring to gain EU membership. Finland will take forward work on a credible enlargement perspective for the Western Balkans, which is a region of high strategic value for the EU. Turkey as a candidate country remains a key partner for the EU in many areas.

The relevance of the Arctic region has grown as a result of climate change, the increasing level of economic activity, the opening up of new transport connections, and the region's growing geopolitical significance. The importance of the Arctic region for prosperity and security in the EU is therefore growing.

Owing to climate change, the Arctic is warming more than twice as fast as the rest of the globe. This has a significant impact not only on the region but also on the whole world. Mitigation of climate change must be at the heart of our Arctic policy. New opportunities in the use of Arctic natural resources and greater potential for connectivity are making the region strategically more important and attracting the interest of key global players. The EU can make valuable contributions to the Arctic region in research and innovation, environmental and climate actions, including tackling black carbon emissions, and sustainable economic activity in the infrastructure, transport and energy sectors. It is important to ensure that the views and rights of the Arctic indigenous peoples and local communities are respected and promoted.

5.2 Protecting Europe and providing security through cooperation in security and defence

The EU promotes peace and stability. In a challenging geopolitical environment, the EU needs to do more to strengthen European security and defence cooperation in order to protect its citizens and strengthen the EU's role as a security provider. The EU must be a viable partner for other regions and organisations, in line with the EU Global Strategy. Effective cooperation in security and defence also strengthens solidarity between the Member States.

In the past few years, we have achieved significant progress in the field of European security and defence cooperation. The launch of the Permanent Structured Cooperation (PESCO), together with the European Defence Fund (EDF) and the Coordinated Annual Review on Defence (CARD), and the establishment of the Military Planning and Conduct Capability (MPCC) are important steps towards deeper security and defence cooperation. During our Presidency we want to ensure efficient implementation of existing goals and targets. We will also pursue an active strategic debate on security and defence within the EU.

We will also promote discussion on artificial intelligence and digitalisation with a view to developing the capabilities of tomorrow. The economic potential of digitalisation and AI applications is expected to be enormous, and Europeans need to be frontrunners in tapping into these developments.

Strong partnerships are at the core of developing our security and defence cooperation. We need to further enhance EU-NATO cooperation, notably in areas such as military mobility and in countering hybrid and cyber threats. Good transatlantic relations with the United States remain a key priority for us.

5.3 Building resilience to hybrid and cyber threats

The Member States and institutions continue to face multidimensional hybrid threats designed to be difficult to detect and attribute. We must be prepared for the long-term challenge of rapidly changing hybrid threats.

Hybrid threats are a combination of various conventional and unconventional activities and tools used in a coordinated manner by state or non-state actors to achieve specific political objectives. These hybrid activities, such as cyber attacks, election interference and disinformation campaigns, aim to influence our policy-making, weaken our societies and undermine the unity of the EU.

In this context, we will place special emphasis on strengthening the EU's capabilities in countering hybrid threats and building resilience at the level of both the EU and the Member States. We need to act together in a structured and coordinated way in order to tackle these challenges.

It is important to ensure that we have the right kind of organisational structure in order to fulfil the policy objectives set by the European Council. Together, we need to further develop institutional mechanisms and tools. It is also essential to continue developing partnerships, especially EU-NATO cooperation. The European Centre of Excellence for Countering Hybrid Threats plays a central role in fostering cooperation on hybrid threats.

To develop our awareness of and resilience to hybrid threats, the Finnish Presidency will organise scenario-based policy discussions at different levels.

Maintaining a high level of cybersecurity is vital for the security of citizens, businesses and Member States and for the functioning of the EU as a whole. The adoption of 5G technology brings tremendous new opportunities, but also requires a new emphasis on cybersecurity. In order to enhance the cybersecurity of critical infrastructure, EU common action is also needed. The closely intertwined economies of Member States benefit from common measures that aim at a higher level of cybersecurity. We will promote cybersecurity knowledge and capacities. The EU must also fight against attempts to exert hostile influence, prevent conflicts, reduce cybersecurity risks and promote stability in international relations.

6. OTHER KEY ISSUES DURING FINLAND'S PRESIDENCY

6.1 Comprehensive management of migration

Migration is a global phenomenon. To manage migration effectively, we need a comprehensive approach that takes into account both internal and external dimensions. The European Union with its wide range of tools and strong international role is clearly better equipped to address migration than a Member State alone.

The human rights-based asylum and migration policies are rooted in international treaties and conventions, cooperation between public authorities and effective control of the EU's external borders, as well as appropriate and swift asylum procedures that are of a high standard in terms of legal protection.

Adopting the Common European Asylum System (CEAS) as a package would have been the most effective EU-level outcome, but despite strong common efforts, the package has turned out to be unachievable. One way out of the impasse could be to adopt, one at a time, proposals on which agreement can be found. In this way, the EU could take vital steps forward in managing migration and delivering concrete results.

Resettlement has been one of the most effective ways to help those in the most vulnerable position in migration crises. By establishing an EU-wide resettlement system with sufficient financial incentives, the EU could create a more controlled way to ease migration pressures that would also demonstrate solidarity towards countries receiving large numbers of migrants.

There has been no progress in establishing the controlled centres within the EU referred to in European Council conclusions. A more immediately beneficial initiative would be to establish a temporary relocation mechanism for migrants rescued at sea. Such a mechanism could help solve challenges related to internal relocation within the EU, which so far have been tackled case by case.

As part of the comprehensive approach and the securing of the Schengen area, there is a need to closely monitor migration routes and maintain situational awareness. It is crucial to remain vigilant in regard to all current and new routes towards Europe.

To make return policy effective and sustainable, the EU must use all means at its disposal, including positive and negative incentives in trade, development and visa policy. We need to direct more effort and resources to the reintegration of returned migrants.

Strengthening the European Border and Coast Guard Agency will help Member States to better control their borders and make the return of illegal immigrants more effective. The Agency therefore has a key role to play in securing both the Schengen area and the free movement of people.

6.2 Multiannual financial framework for 2021–2027: implementing the EU's priorities

Finland's Presidency will seek to finalise the Council negotiations on the next multiannual financial framework (MFF) in autumn 2019. The aim is a balanced financial framework that reflects both new priorities and traditional policies that contribute to the common European objectives, and within the jointly agreed ceilings. In addition, the Presidency will seek the greatest possible progress in the MFF-related sectoral proposals.

The future modernised MFF should effectively deliver on the political priorities of the EU. Enhanced conditionalities strengthen the effectiveness of EU funding. Funding should therefore be allocated on the basis of preconditions concerning, for example, respect for the rule of law and managing migration.

Europe needs to stay at the forefront of research, development and innovation. The Horizon Europe framework programme, based on open competition and excellence-based research, is an essential tool in this connection. At the same time, cohesion policy should have a stronger focus on promoting growth and competitiveness throughout Europe. Here, social cohesion will be of particular importance. The need for common cohesion funding from the EU will diminish as regional cohesion progresses. When allocating funding, attention should also be given to country-specific special characteristics of a more permanent nature, such as sparsely populated areas.

Conditions must be safeguarded for agriculture to be practised in a profitable way in all EU Member States. A reformed and modernised Common Agricultural Policy must respond to the challenges of food safety, food security, climate change and environmental protection. Rural development funding in particular plays a crucial role in this regard.

Managing migration requires a comprehensive approach. By ensuring sufficient funding and using different MFF headings, it will be possible to respond as effectively as possible both to internal and external dimensions of migration.

Strengthening European defence cooperation is another new priority with clear added value for the EU and must be taken into account in the next MFF.

In addition, because climate change is affecting our way of life, the future MFF programmes should clearly contribute to our common climate targets. The proposal to raise climate-related funding to a level of 25 per cent of the EU budget supports this goal. The EU Arctic policy and Arctic projects funded through various EU instruments need to be used to combat climate change as well.

The overall system of own resources in the next MFF should be simple, transparent and fair. With regard to the revenue side of the next MFF, the Presidency aims to facilitate the reaching of a balanced solution among Member States in the negotiations.

The Finnish Presidency also aims to reach an agreement between the Council and the European Parliament on the 2020 budget. Both the implementation of the 2019 budget and the 2020 budget need to comply with the principles of sound financial management.



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