
ESTONIA'S PRIORITIES IN THE EUROPEAN UNION DURING THE FRENCH PRESIDENCY

GENERAL AFFAIRS

It is important for Estonia and for the EU to find a constructive and satisfying solution on how to proceed with the **Lisbon Treaty** after the negative result of the Irish referendum. We are looking forward to the proposals of the Irish Government to find a common way forward and we support the continuation of the ratification process by the member states which have not yet ratified the Treaty.

Estonia supports active continuation of the **EU enlargement process** according to previously agreed principles. Estonia underlines the importance of complete fulfilment of the current enlargement criteria which will ensure sufficient attention of candidate countries to their expected homework, and will raise the quality of the enlargement process itself. Estonia supports Croatia's aim to reach the final stage of enlargement negotiations by the end of 2008. Estonia considers it important that Turkey would continue implementation of the necessary reforms in order to pursue with the enlargement negotiations. It is also vital that Macedonia would meet the set criteria by the end of 2008 that would enable to start enlargement negotiations with the EU accordingly.

Estonia will actively participate in the drafting of the European Union's **Baltic Sea Strategy**. An ambitious strategy which concentrates on specific issues will promote smooth functioning of the single market and will improve the state of environment of the Baltic Sea.

COMPETITIVENESS

In order to further strengthen growth and competitiveness of small and medium-sized enterprises (SMEs) it is important to agree on essential elements of "**Small Business Act**" for Europe.

Estonia's goal is to reach an agreement in principle on an EU-wide **Community patent system**. The new Community patent system should be simpler and more cost-effective in comparison with the existing system (both in the stages of applying for and issuing of a patent and in solving related litigations) and accessible to innovative SMEs in Europe.

Estonia supports the EU measures in the field of health services, in order to enable the provision of safe, high-quality and efficient **cross-border health services**. Estonia wants to clarify the regulation regarding the reimbursement of cross-border health services and improve the availability of these services to citizens.

CLIMATE CHANGE AND ENERGY

Estonia believes that EU policies of energy and climate change must contribute to the **energy security of member states**. It is our aim to achieve greater coherence and synergy between these issues. Estonia hopes that agreements related to legislative packages of internal energy

market and of climate change and energy will be achieved during the French presidency and those agreements would enable sustainable power production in Estonia.

AGRICULTURE

Estonia's objective is the completion of **the Common Agricultural Policy's (CAP)** health check together with necessary adaptations to the measures of the policy for the period 2009 – 2013. In the future, the CAP must ensure the competitiveness and sustainability of the sector in all Member States and consider the needs of rural development. In longer term, Estonia finds it important that all EU agricultural producers are treated on equal terms. We also wish the specification of **less favoured areas** and compensation for agricultural activities to be based on objective criteria in the future.

FINANCIAL AFFAIRS

In order to assure **stability of the financial sector** and prevent crisis situations, Estonia wishes to reach principal agreement on the directive on capital adequacy, also insurance and reinsurance directive (Solvency II), which would preserve the role and status of financial supervisory authority in a home country. Estonia is interested in harmonisation of basic rules of deposit guarantee schemes at EU level.

Estonia supports EU's decisions which enable a functioning, **simple and competitive tax system**. As regards to the common consolidated corporate tax base, Estonia supports the objective of reduced costs and administrative burden for enterprises conducting cross-border economic activities. Estonia also supports comparable tax base throughout the EU. Estonia is against setting minimum tax rates and does not support expanding the scope of reduced VAT rates.

JUSTICE AND HOME AFFAIRS

Developing legal **migration policy**, which is based on labour market needs of the member states and ensures effective instruments to control entry and exit of third country nationals, is essential for Estonia. Estonia supports minimum harmonisation of rules at EU level regarding the migration of highly qualified workers from third countries. It is also important that flexibility and a degree of opening of labour markets to third country nationals should remain a decision of individual member states. Estonia also supports the establishment of sanctions at EU level against employers of illegal third-country nationals.

EXTERNAL RELATIONS

Estonia aims for more unified **European security and defence policy**, further development of EU military and civilian crisis management capabilities, more efficient use of assets and resources in guaranteeing stability, also crisis prevention and management. Continued attention should be paid to comprehensive approach in crisis management and reduction of security risks, also to further development of military and civilian capabilities. Acknowledgement of threats stemming from cyberspace and effective management of those risks is another priority for Estonia.

Supplementation of the **European Security Strategy**, so that the objectives of the Strategy can be achieved in a more efficient manner, thus making rational use of all the means at the disposal of the EU is also essential for Estonia. More attention should be paid to unresolved regional conflicts in the EU's neighbourhood, to a common external policy to ensure energy security, to issues dealing with cyber security, and further enhancement of EU-NATO cooperation.

Estonia supports maintaining good and solid relations between **the EU and the US** in developing further towards bigger concordance in achieving of economic and political goals. Effective cooperation between the EU and the US should increase the stability in the neighbourhood and especially in the east of the EU. Estonia supports coordinated efforts of the US and the EU towards widening the security cooperation to include new countries into the security framework. Estonia continues to stress the need for more effective cooperation in energy security in the trans-Atlantic relationship. Estonia's target is to join the US Visa Waiver Program by the end of 2008.

Estonia's goal is further development and implementation of strengthening measures of the **European Neighbourhood Policy (ENP)**. Estonia places particular importance on developing the eastern dimension of the ENP which would allow for further political impetus and impulse to target countries in the East and bring them closer to the EU.

Estonia's objective is to develop a strategic partnership between **the EU and Russia** based on common values. It is important for Estonia that the negotiations for the new partnership and cooperation agreement would be conducted in a transparent and friendly atmosphere.

Ensuring continuous convergence of the **Western Balkan countries** to the EU, and continued stability in the region is a priority for Estonia. The European perspective can be reached through further consolidation of achieved success, also through consolidation of the process of stabilisation and association and strengthening of economic ties.