

ESTONIAN PRIORITIES IN THE EUROPEAN UNION DURING THE PORTUGUESE PRESIDENCY

GENERAL AFFAIRS

Estonia looks forward to the drawing up and signing of the Treaty amending the existing Treaties by the end of 2007, in accordance with the mandate given by the European Council. It is important for Estonia that the main provisions of the Constitutional Treaty would be maintained as it was approved by the European Council in June.

Estonia supports the continuation of the EU enlargement process. The EU must remain committed to the promises given earlier and continue the enlargement process according to the agreed principles. The accession perspective provides potential candidates with the incentives to conduct necessary political and economic reforms. Parallel to enlargement negotiations it is important to continue with reforming the EU itself in order to guarantee effective functioning of the Union after future enlargements. It is equally important to pay more attention to the public opinion and communication of the enlargement process.

COMPETITIVENESS

Estonia supports the continuous development of the European Research Area (ERA) for enhancing the competitiveness of Europe. More effective functioning of ERA will enable to increase the mobility of researchers, strengthen the research infrastructure, facilitate international R&D co-operation, intensify knowledge-sharing between universities, academic institutions and industry. For that purpose it is important to reach an agreement on further directions for ERA development and on the need for new specific initiatives by the end of 2007.

INFORMATION SOCIETY

Estonia values highly the electronic communication between Member States in the legal system and the creation of necessary technological solutions, or enhancing the existing systems. Estonia finds that cross-border recognition of digital signatures is a prerequisite for proper functioning of the electronic systems today and tomorrow.

Estonia recognizes the importance of EU level regulation and common policy on the matters of data and network security. It is important for Estonia that different forms of cyber crime will be duly regulated. Estonia aims to reach an evaluation of whether the current EU legal regulation is sufficient to assure the security of the information society and to fight against cyber crime and whether additional measures should be developed.

CLIMATE CHANGE AND ENERGY

Estonia wishes to speed up international negotiations over climate change in order to reach an agreement on the reduction of the greenhouse gas emissions for the post 2012 period in 2009 at the latest. Estonia hopes to see all countries making their efforts in combating climate change. Estonia's objective is to reach an early and fair agreement on the principles, which determine the differentiated obligations of Member States to meet the targets approved by the European Council. It is important to review and amend the emissions trading scheme, extending it to aviation sector.

Ensuring sustainable energy supplies is the main objective of the Estonian energy policy. The continuation of the debate concerning the opening of energy markets and removal of obstacles related to the development of energy networks and cross-boarder energy trade is important. At the same time energy security and security of supply should be taken into account while discussing market regulation. Estonia supports the implementation of rules which help to prevent market distortions in energy trade with third countries. Estonia actively contributes to the implementation of the European energy policy action plan approved in the European Council in March 2007.

AGRICULTURE

Estonia's aim during the Portuguese presidency is to start the "health check" of the Common Agricultural Policy (CAP) which was reformed in 2003. During the forthcoming review of the agricultural policy, which continues during next presidencies, agreements on the amendment of CAP after the year 2013 must be fixed to assure the competitiveness and sustainability of the agricultural sector in all Member States and to consider the needs of rural development. Estonia considers important the review of the direct support schemes, the simplification of cross compliance and increased funding for rural development measures.

FINANCIAL AFFAIRS

Estonia's target is the adoption of the VAT package by the end of 2007. Estonia wishes that entrepreneurs could receive the VAT paid in other Member States faster and that they would have legal certainty, i.e. possibility to dispute inactivity or decisions of Tax Administrations, which cannot be done today. Services should be taxed in the Member State where the consumption takes place. With such amendments the operation of the internal market will increase the VAT neutrality of the choice of location of companies.

Estonia shares the views that tax evasion must be fought more effectively on the EU level and that a strategy for combating tax fraud should be elaborated. It is important to agree on the measures that would be effective yet not constitute an excessive burden to law-abiding entrepreneurs.

To assure the smooth functioning of the financial system and to strengthen the financial stability of the EU, effective measures must be adopted regarding the regulatory mechanism of the financial system, organizing financial supervision and solving cross-border financial crises. The particularities and interests of smaller Member States where the majority of the financial sector is commonly owned by foreign investors should be taken into account. The regulatory framework must provide an adequate mechanism for distribution of costs between the country of consignment and the recipient country in case of financial crises.

JUSTICE AND HOME AFFAIRS

Estonia's main target is to join the Schengen area on 31 December 2007 and to conclude the necessary preparations successfully. Estonia wishes simultaneous opening of land, sea and air borders at the end of 2007.

EXTERNAL RELATIONS

Estonia's objective is to develop a strategic partnership between the EU and Russia based on common values, through uniform implementation of all the aims agreed under the roadmaps of the four Common Spaces. It is important for Estonia to reach an agreement in the EU regarding the mandate of the negotiations of the new framework agreement and to receive a strong support to it from all Member States and to launch negotiations.

Estonia's goal is to start the implementation of the measures to strengthen the European Neighbourhood Policy (ENP), which were introduced in the presidency's progress report and adopted by the European Council. Estonia supports further strengthening of the ENP, as it is one of the most important mechanisms that influences the development of new neighbours and supports the implementation and absorption of democratic values and rights. Estonia wishes to see the consolidated ENP as flexible as possible and enabling an individual approach so that the ENP states who successfully implement the policy could take further steps irrespective of the success or failure of other ENP states

Estonia's objective within the development of European Security and Defence Policy is to strengthen the military capabilities, especially the crises management capabilities of the EU. Europe needs to take greater responsibility to ensure world peace and security and to contribute to the development of balanced co-operation with NATO and USA. Estonia contributes to the objective by increasing its capabilities and actual participation in ensuring international security and stability, amending domestic legislation in the field of sending civil experts to a mission and strengthening co-operation between different departments and other agencies.

In the relationship with third countries Estonia's aim is the further stabilisation of Western Balkans and the continuing presence of the EU in that region. Preserving the unity of the EU regarding the developments of the status of Kosovo is most important. It is equally important to intensify relations with neighbouring countries, especially with Serbia, and to enhance their EU perspective. We support maintaining good and solid relations between the EU and USA, developing further towards economic integration and political consensus. Effective co-operation between the EU and USA should increase the stability in our neighbourhood as well as in other areas. Achieving mutual visa-free travel has an important role to play in it. We wish to contribute to the development of relations between the EU and USA by extending the areas and strengthening the forms of co-operation. Estonia seeks to intensify the co-operation in energy security between the EU and USA.