

**GOVERNMENT REPORT TO PARLIAMENT ON THE OUTCOME OF THE WORK  
OF THE EUROPEAN CONVENTION AND ON THE PREPARATION FOR THE  
INTERGOVERNMENTAL CONFERENCE**

***A COMPILATION OF THE POSITIONS TAKEN***

**INTRODUCTION**

*The Finnish Government is of the opinion that the text of the draft Constitutional Treaty forms, in accordance with the conclusions of the Thessaloniki European Council, a good basis for starting the Intergovernmental Conference. Most of the Convention's proposals are acceptable as such. Particularly good results were produced by the Convention in respect of those questions where thorough and broadly-based preparation took place with full-scale application of the Convention method. As however the draft still contains issues that need to be addressed at the Intergovernmental Conference, the Government emphasises the nature of the Conference as a genuine negotiating process. Particular importance is attached by the Government to the safeguarding of the balance and functioning of the Union's institutional system, with due respect shown for the equality of the Member States, and to the revision of the provisions on structured cooperation in the field of defence and development of military capabilities. There are also certain questions relating to individual policy areas which were not adequately dealt with by the Convention and which should therefore be read-dressed at the Intergovernmental Conference.*

*The Intergovernmental Conference will also have to improve certain technical aspects of the Convention's proposals, clarify possible ambiguities and strike out some inconsistencies in the draft. Furthermore, attention will also have to be paid to the Finnish translation of the text. The result must be assessed from perspective of the treaty system as a whole. The Government would wish to see a clear, efficient and comprehensible system that contributes to the transparency of the Union and strengthens the Community method.*

*The Government also takes the view that no date should be fixed in advance for the closing of the Intergovernmental Conference. The quality of neither the content of the Constitutional Treaty nor the technical details thereof should suffer from a too ambitious time-table. However, there should be an effort to close the Conference early enough for providing European citizens with an opportunity to make themselves familiar with the Constitutional Treaty before the elections to the European Parliament in June 2004, in accordance with the conclusions of the Thessaloniki European Council.*

## **1. THE UNION'S FUNDAMENTAL NATURE**

### **1.1. General**

### **1.2. The structure of the Constitutional Treaty**

*The structure of the European Union's constitutive treaties has been clarified in line with the position of the Finnish Government.*

### **1.3. The legal nature of the Constitutional Treaty**

*The Finnish Government welcomes the legal form of the Constitutional Treaty.*

### **1.4. The Union's values, objectives and fundamental principles**

*The Finnish Government supports the inclusion of the Union's values, objectives and fundamental principles as part of the Constitutional Treaty.*

### **1.5. Legal personality and competence with regard to international agreements**

*The Finnish Government is in favour of giving the Union a legal personality.*

### **1.6. Community method and its future**

*The Finnish Government is of the opinion that broad-based adherence to the Community method is the best way to safeguard the Union's functioning, inter-institutional balance and equality between its Member States also in the future.*

### **1.7. Membership of the Union and withdrawal from the Union**

*The Finnish Government supports the withdrawal clause which underlines the voluntary nature of European Union membership. The Government considers it important that the clause be not used as a means of exerting pressure on any Member State failing to ratify a treaty that will be drawn up to amend the Constitutional Treaty. It will also be important to ensure that the legal status of individuals and enterprises is safeguarded should a Member State withdraw from the Union.*

## **2. THE UNION'S FUNDAMENTAL RIGHTS DIMENSION**

*The Finnish Government welcomes the inclusion of the Charter of Fundamental Rights in Part II of the Constitutional Treaty.*

*The Finnish Government is particularly satisfied with the creation of a legal basis whereby the Union shall actively seek accession to the European Convention for the Protection of Human Rights and Fundamental Freedoms.*

### **3. SPECIFICATION OF THE DELIMITATION OF COMPETENCE BETWEEN THE UNION AND THE MEMBER STATES**

#### **3.1. General**

#### **3.2. Categories of competence**

*The Finnish Government can largely accept the proposed system of categories of competence although the proposals do not entirely fulfil the Government's objectives. It would be more natural if all policy sectors were grouped under the three main categories. The Finnish Government is of the opinion that research and technological development and space should be placed in the category of supporting action.*

*Paragraph 6 of Article I-11 should be revised in a way that would allow also the nature of the Union's competence to be determined by the specific provisions of each area in Part III.*

*The Finnish Government can accept the rephrasing of the flexibility clause which retains the unanimity requirement in the Council of Ministers.*

#### **3.3. Principles governing the exercise of competence**

*The Finnish Government accepts the proposals on the exercise of the Union's competence and the primacy of Union law over Member States' legislation. However, it would be more logical to place the provision on the primacy of Union law in Title I of Part I.*

#### **3.4. Protocol on the principles of subsidiarity and proportionality**

*The Convention's proposal on the Protocol on the application of the principles of subsidiarity and proportionality is broadly in line with the views of the Finnish Government. The Government is in favour of improving the monitoring of compliance with the subsidiarity principle and strengthening the status of national parliaments. It is appropriate that advance monitoring is political in nature and takes place in the initial phase of the legislative process.*

*The Finnish Government is particularly satisfied with the duty imposed upon the Commission whereby the latter shall justify its proposals in a detailed statement containing an assessment of the proposals' financial and legislative implications.*

*As part of the attempt to increase the transparency of the Union's action, the Finnish Government can accept that the Committee of the Regions be granted a right to bring claims in relation to acts the adoption of which requires consultation of the Committee.*

*The Finnish Government does not consider appropriate the Protocol's provision whereby Member States could bring claims before the Court not only on their own behalf but also on behalf of their national Parliaments. Such a provision interferes with the Member States' right to organise their own constitutional structures and should, therefore, be removed.*

*As regards the early-warning system, the Finnish Government considers that the position of the Provincial Parliament of Åland must be safeguarded by domestic arrangements.*

#### **4. LEGAL ACTS AND DECISION-MAKING PROCEDURES OF THE UNION**

##### **4.1. General**

##### **4.2. Legal acts**

*The Finnish Government largely welcomes the proposed new system of legal acts. The objectives of simplification and clarification will be better obtained through the reformed system than the present one.*

*The establishment of a hierarchy between legislative and non-legislative acts contributes to the clarification of the system. The Finnish Government also accepts the distinction between delegated regulations and implementing acts.*

##### **4.3. Decision-making procedures**

*The Finnish Government broadly welcomes the proposed system of decision-making procedures. The division into the legislative procedure and the other procedures improves the clarity and acceptability of the Union's decision-making system.*

*The Finnish Government is in favour of making the legislative procedure the principal decision-making procedure. The Government supports the proposed transfer to the legislative procedure in the various fields, with the exception of certain issues relating to the Agricultural and Fisheries Policy and the Economic and Monetary Policy. The Finnish Government is of the opinion that issues regarding the Common Foreign and Security Policy as well as certain fiscal and social policy questions should also be brought within the scope of qualified majority voting.*

*The Finnish Government is not in favour of the proposed voting system to be applied in the Council of Ministers whereby a majority would consist of the majority of the Member States, representing at least three fifths of the population of the Union. The proposal highlights, in an excessive manner, the possibility of the larger Member States to block the decision-making. In order to improve the efficiency of decision-making in the Council of Ministers, the Finnish Government considers that decisions should be taken pursuant to a simple dual majority consisting of the majority of the Member States, representing at least a half of the population of the Union. As a compromise, the Finnish Government is prepared to accept the system of weighting of votes laid down by the Treaty of Nice.*

*The Finnish Government has reservations about the inclusion of new enabling clauses in regarding decision-making procedures but can accept them as part of an overall solution contributing to the flexibility of the Treaties.*

*The clarity and consistency of the provisions governing decision-making in the European Council should be improved. In the same context, the cases where the European Council may adopt formal European decisions ought to be specified.*

#### **4.4. Open method of coordination**

*The Finnish Government agrees with the Convention's decision not to define the open method of coordination. The wording of those articles in Part III which contain measures bearing resemblance to the open method of coordination should be more general and emphasise political cooperation between Member States.*

#### **4.5. Enhanced cooperation**

*The Finnish Government can, in broad terms, accept the reformed general provisions on enhanced cooperation. The Government however takes a more reserved stand towards the clause enabling the Member States participating in enhanced cooperation, among themselves, to move to qualified majority decision-making and the ordinary legislative procedure in the area covered by the cooperation.*

*The Finnish Government is of the opinion that the general provisions on enhanced cooperation should apply to all areas in which enhanced cooperation can be exercised.*

#### **4.6. The Union's finances**

*With regard to the Union's financial system, the Finnish government aims at maintaining the balance of the division of powers between the Member States and the Union on one hand, and the institutional balance on the other. Adherence to sustainable development and the ensuing budgetary discipline must be ensured. In addition, observance of the principle of sound financial management in the Union's action must be improved.*

*It is of primary importance to the Finnish Government that the principles governing the budget and finances be included in the Constitutional Treaty. If possible, these principles should also cover democratic responsibility and accountability.*

*As regards own resources, the Finnish Government is ready to accept a differentiated procedure, whereby the Union's resources will be adopted by the Council of Ministers by unanimity and subsequently ratified in the Member States, and modalities relating to the Union's resources will be adopted by the Council of Ministers by a qualified majority. The Finnish Government opposes the introduction of a euro tax and the granting of an independent right of taxation to the Union. The Government considers it indispensable that any decision on the possible introduction of a euro tax require unanimity and be ratified by the Member States also in the future.*

*The Finnish Government supports the inclusion of legally binding multiannual financial perspectives in the Constitutional Treaty. In order to safeguard the institutional balance, the Council of Ministers must have a decisive role in the adoption of the financial perspectives. The Member States' equal possibilities to influence the decision on the financial perspectives must be safeguarded.*

*The Finnish Government is in favour of simplifying the budgetary procedure. The Government supports the proposal to change the budget's legal form to a European law and considers it important that the European Parliament and the Council of Ministers be mentioned as equal exercisers of the budgetary power. Their equality as regards the whole budgetary procedure must also be safeguarded in practice.*

## **5. THE UNION AND ITS CITIZENS**

### **5.1. General**

### **5.2. The principles of European democracy**

*The Finnish Government considers it warranted that the provisions on the democratic nature of the Union's action and the possibilities of citizens to influence are clearly enshrined in the Constitutional Treaty. The Government approves of the proposed citizens' initiative.*

*The Finnish Government is of the opinion that in the title on the democratic life of the Union, also equality between Member States should be mentioned.*

### **5.3. Transparency of decision-making, access to documents and good governance**

*The Convention's proposal on the transparency of the Union proceedings corresponds to the position of the Finnish Government. It is particularly positive that transparency and good governance are placed on an equal footing with the other objectives aiming at improving the Union's democracy. The extension of the right of access to documents to cover not only the main institutions of the Union but all Union institutions, bodies and agencies is in line with Finland's objective to promote openness. The wording of the article could be further clarified at the Intergovernmental Conference.*

### **5.4. The European Ombudsman**

*The Convention's proposals on the European Ombudsman correspond to the views of the Finnish Government. It is not necessary to record all provisions governing the ombudsman institution in the Constitutional Treaty. The proposed article simplifies the present provisions and strengthens the position and importance of the European Ombudsman.*

## **6. INSTITUTIONAL ISSUES**

### **6.1. General**

*The Finnish Government is of the opinion that certain provisions regarding the Union's institutions must be revised during the Intergovernmental Conference in order to safeguard the institutional balance, the equality between Member States and a wide application of the Community method. In addition, the content of certain provisions on the Union's institutions should be clarified.*

### **6.2. The European Council**

*The Finnish Government has not seen any need for appointing a longer-term President to the European Council, as proposed by the Convention. However, the Government is ready to accept this proposal provided that the institutional balance and the equality between Member States are at the same time safeguarded in the decision-making system of the Union as a whole.*

*As to the Presidency of the European Council, the Finnish Government requires that the duties of the President be clearly defined and that he/she needs to meet similar requirements regarding impartiality and independence as the Members of the Commission. The President shall not be given responsibilities which would allow him/her to steer the work of the Council of Ministers. The President must also not be provided with preparatory structures that would rival those of the other EU institutions.*

*The Finnish Government is of the opinion that the provisions governing the other EU institutions should also cover the European Council if it is to become a Union institution. This applies, in particular, to the power of the Court of Justice to review the legality of the action taken by the European Council.*

### **6.3. The Council of Ministers**

*The Finnish Government requires that the provisions on the Council of Ministers be defined in a manner that makes it completely clear that the system of equal rotation applied to the presidency of the different Council formations will continue to be based on a strict equality between Member States. The Presidency system must be written into the Constitutional Treaty and not be left for the European Council to determine. The Government also considers that the task of the Council Presidency belongs to the Member States also in the future. With these conditions observed, the Finnish Government can also accept team Presidencies.*

*The Finnish Government emphasizes the importance of openness in the legislative work of the Council. This does not, however, require the establishment of a separate Legislative Council.*

#### **6.4. The European Parliament**

*The Convention's proposals on the European Parliament broadly correspond with the views of the Finnish Government.*

*The Finnish Government does not see any need for changing the basis for determining the distribution of seats in the European Parliament. The Government is of the opinion that it is important to determine the principle of degressive proportionality in a manner that does not fundamentally alter the present distribution of seats. Any changes in the distribution of seats must be agreed upon at an Intergovernmental Conference, not in a European decision adopted by the European Council.*

#### **6.5. The Commission**

*As regards the reforms concerning the European Commission, the Finnish Government considers it important that the functioning and impartiality of the Commission be safeguarded also in an enlarged Union. The Government is of the opinion that the functioning of the Commission must continue to be based on collegiality and equality among its members.*

*The Finnish Government can accept the Convention's proposal on the composition of the European Commission after 2009 provided that it will be changed to include a voting Commissioner from each Member State and that the division of tasks within the Commission will be based on an equal rotation.*

*The Government has also seen merit in the model on the composition of the Commission adopted in the Treaty of Nice, as the membership of a smaller Commission would be based on an equal rotation between the Member States.*

*The Government considers it important that the Commission's exclusive right of initiative under the current pillar I be retained and that its present role in the current II and III pillars be safeguarded. It is also good that the Commission's role has been developed in a more strategic direction and that it has been granted the right of initiative as regards the Union's annual and three-year programmes.*

*The Finnish Government is of the opinion that each Member State should put forward only one candidate for the post of the Commissioner coming from that Member State.*

#### **6.6. The Union Minister for Foreign Affairs**

*The Convention's proposals on the Union Minister for Foreign Affairs are broadly in line with the views of the Finnish Government.*

*The Finnish Government can accept the proposal to establish the post of a Union Minister for Foreign Affairs. The function of the Union Minister for Foreign Affairs would unite the functions of the Commissioner responsible for external relations and those of the High*

*Representative for the Common Foreign and Security Policy. The proposed solution must not, however, undermine the Commission's position in external relations nor affect the institutional balance. The Finnish Government supports technical adjustments aimed at clarifying this in the IGC. The Government stresses that the Union Minister for Foreign Affairs must, in line with the Draft Treaty, be one of the Vice-Presidents of the Commission and a full member of the college as regards issues falling under the current pillar I. The Member State from which the Union Minister for Foreign Affairs is appointed cannot have any other member in the Commission. The Commission must continue to represent the Union in matters that do not fall within the sphere of the Common Security and Defence Policy and any action in the field of the Common Security and Defence Policy must not influence action in other areas of the Union policies.*

*The Finnish Government regards the proposal to have the Foreign Minister chair the External Relations Council unfavourably. The Presidency of the Council is a task of the Member States and should continue to be based on an equal rotation.*

*The Finnish Government can accept the establishment of a European External Action Service that will work under the Union Minister for Foreign Affairs. However, this must not result in the creation of new, overlapping structures but must contribute to a more efficient and consistent use of resources. The solution must also not effect the division of labour between the institutions.*

*The Convention did not pay adequate attention to the division of labour between the President of the European Council and the Union Minister for Foreign Affairs in the external representation of the Union. Here the Finnish Government is of the opinion that the Constitutional Treaty must be further specified during the IGC.*

## **6.7. The Court of Justice**

*The Finnish Government considers it necessary that the articles on the Court of Justice be clarified and made more consistent. The Government favours the establishment of a Friends of the Presidency Group for this purpose. The consistency requirement also applies to the naming of the different bodies of the Court of Justice.*

*The Finnish Government can accept the extension of the right of action of natural and legal persons. However, the right of action must not apply to the legality of general legislative acts.*

*The Finnish Government welcomes the proposal to retain the present provisions on judges' terms of office. The equality of Member States must be guaranteed in appointing judges. The equality of Member States must also be safeguarded when deciding on the composition of the new specialised courts. The Finnish Government has reservations about the establishment of an advisory committee mandated to handle issues relating to the selection of judges and Advocates-General.*

*The Finnish Government is in favour of improving the system of sanctions in relation to judgments given in infringement proceedings. As regards the initial phases of actions, it would, for reasons of legal protection, be preferable to eliminate the phase of an official warning instead of eliminating the phase of a reasoned opinion. The Government has*

*reservations about the application of an expedited procedure in relation to the implementation of framework laws.*

*The Finnish Government can accept the competence proposed for the Court of Justice in the field of the Common Security and Defence Policy although Finland would have been prepared to go even further insofar as concerns the Court's power to review the legality of the Union decisions that have influence on the rights and responsibilities of natural and legal persons.*

*In order to avoid any ambiguity, it should be clarified that the provision on the competence of the Court of Justice to issue an opinion on a international agreement envisaged in the field of the Common Foreign and Security Policy also covers the question of constitutionality of any international agreement in the field of the Common Foreign and Security Policy.*

## **6.8. Other institutions and bodies**

*The Finnish Government considers it important that the position of the Court of Auditors in the Union's institutional system is not weakened.*

*At the Intergovernmental Conference, the Finnish Government will put forward a proposal on the amendment of the Statute of the European System of Central Banks and of the European Central Bank so that the principles of equality between Member States and equal rotation be duly respected. This could be achieved, e.g., by providing for the selection of the voting members by secret ballot in the Governing Council of the European Central Bank.*

## **7. THE ROLE OF NATIONAL PARLIAMENTS**

*The Convention's proposals on the role of national Parliaments are in line with the views of the Finnish Government. The Government supports measures that are aimed at improving democracy and citizens' confidence in the Union's action. The strengthening of the role of national Parliaments importantly contributes to this objective.*

*Cooperation and exchange of best practices play a key role in the attempts to improve influence of national Parliaments at the national level. The enlargement of the European Union adds to the urgency of this challenge. It is equally important to improve access to information and the openness of the Council's decision-making.*

## **8. THE UNION'S ACTION IN DIFFERENT POLICY AREAS**

### **8.1. General**

### **8.2. Clauses of general application, non-discrimination and citizenship**

*The Finnish Government supports the inclusion of the clauses of general application and the Titles on non-discrimination and citizenship at the beginning of Part III of the Constitutional Treaty.*

### **8.3. Justice and Home Affairs**

#### Abolishment of the pillar structure

*The proposed general provisions on justice and home affairs broadly correspond with the views of the Finnish Government.*

*The Finnish Government is of the opinion that, as regards criminal law and police cooperation, there is no need, in the Constitutional Treaty, for special provisions on the participation of national Parliaments or on the role of the European Council.*

#### Border control, asylum, immigration policy and police cooperation

*The Finnish Government broadly agrees with the Convention's proposals on home affairs.*

*The Finnish Government is of the opinion that solidarity between Member States should primarily be promoted through Community funding and voluntary common operations.*

#### Judicial cooperation in civil and criminal matters

*The Convention's proposals on judicial cooperation in civil and criminal matters do not entirely correspond with the objectives of the Finnish Government.*

*The provision on the measures to be implemented in the field of civil matters should be amended to include a reference to the internal market in line with the current Treaty provisions, in order to accurately define the Union's competence.*

*The provisions relating to the areas of particularly serious crime with cross-border dimension are as such acceptable to the Finnish Government. The Government finds it especially positive that the criminal offences governed by the provisions concerned must be both particularly serious in nature and have cross-border a dimension.*

*However, the paragraph governing crimes affecting the interests of the Union does not, in the proposed form, fulfil the requirements of clarity and preciseness required from the definition of competence in criminal matters. The competence conferred upon the Union in the field of criminal matters for the purpose of implementation of its policies shall be defined in an exhaustive list of criminal offences to which the said competence applies. Such areas of crime must be both particularly serious in nature and have a cross-border dimension. In practice, this could be achieved by including the crimes affecting the interests of the Union in the list of areas of cross-border crime.*

*The Finnish Government does not support the establishment of a European Public Prosecutor's Office.*

## 8.4. External relations

### General

*The Conventions' proposals on the objectives, legal bases and instruments of the Union's external relations correspond with the views of the Finnish Government. Combined with the single legal personality to be conferred upon the Union, they will clarify the Union's role as an international player.*

### Decision-making in the field of the Common Foreign and Security Policy

*The Finnish Government is of the opinion that the question of extending the scope of qualified majority voting in the field of the Union's Common Foreign and Security Policy should be readdressed in the Intergovernmental Conference. Qualified majority voting should be the rule for all decision-making, with the exception of security and defence policy. The provisions on the so-called "emergency brake", constructive abstention and requirement of unanimity in the defence field are in line with Finland's objectives.*

### Common Security and Defence Policy

*The Finnish Government considers it important that the Union's security and defence policy be developed as part of the Common Foreign and Security Policy and in a manner contributing to the strengthening of the Union as a whole. Finland is prepared to actively participate in the development of the Common Security and Defence Policy in all areas where there is a common agreement.*

### Crisis management

*The Finnish Government finds it useful that the Union's crisis management tasks have been specified in the Constitutional Treaty. The proposed additional tasks are of key importance and suitable for the Union to handle.*

*The Finnish Government is of the opinion that the provisions on civilian crisis management have developed in the desired direction with a more prominent position in the Constitutional Treaty. The Finnish Government will aim to further strengthen the Constitutional Treaty's provisions on civilian crisis management at the Intergovernmental Conference.*

*The proposal concerning the authorisation of individual crisis management operations is acceptable to the Finnish Government.*

### Structured Cooperation in demanding military missions

*The Finnish Government takes a favourable attitude towards the development of the Union's crisis management capabilities. The Government does not, however, approve of the Convention's proposal on the establishment of structured cooperation for the fulfilment of the most demanding missions. The development of cooperation in the areas of crisis management and military capabilities must be based on joint action of the Member States*

*and on jointly agreed objectives. Even in a situation where action not involving cooperation of all Member States is considered the option best serving the interests of the Union as a whole, the action to be taken must be based on the provisions on closer cooperation rather than the proposed Protocol model.*

### Common Defence

*The Finnish Government does not consider desirable the inclusion of the obligation of common defence in the Constitutional Treaty in any form that differs from the wording of the current EU Treaty. Even when a sufficient number of Member States wish to assume such an obligation within the Union framework, and this is considered to contribute to the strengthening of the Union as a whole, the Finnish Government still requires that the procedure fully complies with the provisions on enhanced cooperation and that no action will be taken on the basis of the proposed declaration model.*

### A European Armaments, Research and Military Capabilities Agency

*The Convention's proposals on a European Armaments, Research and Military Capabilities Agency are acceptable to the Finnish Government. However, to set the increasing of military capabilities as an objective at the same time fits ill with the general spirit of the Constitutional Treaty.*

### Solidarity clause

*The Finnish Government approves of the solidarity clause as proposed by the Convention.*

### Common Commercial Policy

*The Convention's proposals on the Common Commercial Policy are in line with the views of the Finnish Government. They make it possible for the Union to pursue an efficient Common Commercial Policy that meets the demands of the development of international trade. The Government considers it imperative that the provisions in question retain the decision-making at the national level insofar as concerns basic public services such as educational and cultural services as well as social and health services.*

*The draft Treaty lays down the general principle that where unanimity is required for the adoption of the EU's internal rules, unanimity will also be required in the area of commercial policy. In the view of the Finnish Government the wording of the draft should be clarified in manner that made unequivocal the application of the aforementioned principle to agreements in the field of commercial policy as well as their implementing measures.*

*The wording of the draft Treaty should also be revised in a manner that confined the extension of the role of the European Parliament in decision-making in the field of commercial policy to broad legislative issues, leaving out, e.g., separate cases of application.*

## Development cooperation and humanitarian aid

*The proposals on development cooperation and humanitarian aid are acceptable to the Finnish Government.*

*The Finnish Government supports the inclusion of the European Development Fund in the Union budget.*

## International agreements

*The Convention's proposal on giving the Union a legal personality is in line with the objectives of the Finnish Government.*

*The procedures proposed for the conclusion of international agreements are acceptable to the Finnish Government.*

*The Finnish Government takes the view that since the intention is not to extend the scope of the Union's exclusive competence but to codify the present case law of the European Court of Justice, the wording of paragraph 2 of Article I-12 will have to be revised at the Intergovernmental Conference.*

## **Restrictive measures**

*The proposals on restrictive measures are acceptable to the Finnish Government.*

## **8.5. Economic and Monetary Policy**

*As regards the area of Economic and Monetary Policy, the Finnish Government, while in favour of maintaining the present delimitation of competence, supports the proposals aimed at a closer coordination of economic policy.*

*The Finnish Government considers that the status and duties of the European Central bank are to be left intact.*

*The Finnish Government is of the opinion that the implementation of the Broad Economic Guidelines falls within the sphere of competence of the Member States' and affects their national economic policies. Therefore, the Government does not favour the application of the legislative procedure when adopting detailed rules and definitions for the application of the infringement procedure. Instead, a European law, adopted by the Council after consultation of the European Parliament, should be used.*

*The Finnish Government is not in favour of extending the application of the legislative procedure to the conferring of specific tasks relating to the monitoring of financial institutions to the European Central Bank or to the amendment of certain articles in the Statute of the European Central Bank. These issues should remain subject to the present decision-making procedures.*

*The Finnish Government supports measures to improve the external representation of the Union and the eurozone countries and can therefore accept the proposal on transferring the decision-making concerning the external representation of the euro countries from the Ecofin Council to a separate Council representing the euro countries only.*

*An appropriate forum for informal discussions between the euro countries' ministers, the Commission and the European Central Bank must be provided for also in the future. However, and taking into consideration the informal nature of the euro group, the Finnish Government is of the opinion that it should not be included in the Constitutional Treaty. The question of the Presidency of the Council of Ministers must be resolved as a whole, not through separate, Council-specific arrangements. This is why the Finnish Government does not support the proposal on appointing a long-term President to the euro group.*

## **8.6. Other policy areas**

### Internal market

*The Finnish Government can accept the proposed amendments.*

*The Finnish Government is of the opinion that the Intergovernmental Conference should aim for a solution which safeguards the national financing, organisation and supply of health services. This should preferably be achieved in connection with the provisions on the free movement of services.*

*The Finnish Government is of the opinion that qualified majority decision-making should be applied to environmental and energy taxation.*

### Employment

*The Finnish Government can accept the proposed amendments.*

### Social Policy

*The Finnish Government accepts the proposed amendments but considers that the scope of ordinary legislative procedure could be extended to cover the protection of employees whose work contracts draw to an end and cooperation in workplaces.*

### Economic, social and regional cohesion

*The Finnish Government can accept the proposed amendments.*

*However, the Finnish Government is of the opinion that the Constitutional Treaty should contain a provision recognising the permanent special status of the sparsely populated northern areas, and thus provide also in the future for the development of these regions, in particular through state aids and structural funds.*

*A new legal basis for border cooperation with third countries should also be included in the Constitutional Treaty.*

### Agriculture and fisheries

*The Finnish Government considers the proposed decision-making procedure to be applied to Common Agricultural and Fisheries Policy as a step in the right direction. It strengthens the role of the European Parliament but it also recognises that, due to their very nature, decisions on fixing prices, levies, aid and quantitative limitations as well as fixing and allocation of fishing opportunities should not be subject to the ordinary legislative procedure.*

*However, the Finnish Government is convinced of the need to further specify the provisions on agriculture and fisheries so that any decisions regarding producers' status, the aid they receive, restrictions on production or the development of rural areas and decisions that tie considerable amounts of the budget remain to be made solely by the Council of Ministers. Even in these matters, however, the European Parliament would be consulted.*

### Environment

*The Finnish Government can accept the proposed amendments.*

### Consumer protection

*The Finnish Government can accept the proposed amendments.*

### Transport and trans-European networks

*The Finnish Government can accept the proposed amendments.*

### Research and technological development, and space

*The Finnish Government can accept the proposed amendments as regards research and technological development. However, the Government considers that research and technological development and space should be transferred to the category of supporting action.*

### Public health

*The Finnish Government can accept the proposed amendments.*

### Industry

*The Finnish Government can accept the proposed amendments.*

## Culture

*The Finnish Government can accept the proposed amendments.*

## Education, vocational training, youth and sport

*The Finnish Government can accept the proposed amendments.*

## **8.7. New legal bases**

### Services of general economic interest

*The Finnish Government considers it important to safeguard the obligation concerning the provision of public services in the process of developing internal market legislation. This can be achieved through provisions in line with the current Article 16 TEC combined with other relevant provisions in the Constitutional Treaty. For this reason, the Finnish Government has reservations about the inclusion of new legal basis for services of general economic interest.*

### Intellectual property rights

*The Finnish Government can accept the new legal basis provided that it is technically adjusted so that it is clear that it only applies to industrial property rights and to the granting and registration of industrial property rights.*

### Space

*The Finnish Government can accept the new legal basis for space.*

### Energy

*The Finnish Government can accept the new legal basis for energy cooperation. In addition to issues regarding the choice between different energy sources and the general structure of the energy supply, issues regarding the security of energy supply fall within the scope of the Member States' competence. Therefore, the security of energy supply should be excluded from the scope of the Article.*

### Sport

*The Finnish Government can accept the new legal basis for sport.*

## Civil Protection

*The Finnish Government is in favour of the establishment of a clear legal basis for civil protection in the Constitutional Treaty, as civil protection contributes to the attainment of a high level of security and citizens' welfare. However, the Government is of the opinion that the provisions on civil protection should be extended to cover also everyday accidents, the prevention of which forms an integral part of the work carried out by the authorities responsible for the prevention of and protection against natural and man-made disasters. The compatibility of the provisions on the prevention of natural disasters and those on man-made catastrophes must be ensured.*

## Administrative cooperation

*The Government supports the inclusion of a new legal basis for administrative cooperation in the Constitutional Treaty. Administrative cooperation should be added to the list of areas of supporting, coordinating or complementary action in Article 16, Part I.*

## **9. GENERAL ISSUES REGARDING THE CONSTITUTIONAL TREATY**

### **9.1. General**

### **9.2. The relation of the Constitutional Treaty to the current Union Treaty**

#### The repeal of the earlier Treaties and legal continuity

*The Finnish Government can accept the provisions concerning the repeal of the earlier Treaties and the legal continuity in relation to the European Community and the European Union.*

*The Finnish Government expects that Member States' legal experts be allowed to participate in the work concerning the validity of the current primary law of the Union. This is particularly important to Finland in the light of Finland's accession agreement and the attached Protocols.*

#### The status of the Protocol on the Åland Islands

*The Finnish Government will ensure that the Protocol on the Åland Islands is annexed to the Constitutional Treaty if necessary and that it will only be subject to technical adjustments this may require*

### **9.3. Adoption and entry into force of the Constitutional Treaty**

*The Finnish Government supports the provisions on the adoption, ratification and entry into force of the Treaty establishing the Constitutional Treaty.*

#### **9.4. Amendments to the Constitutional Treaty**

*The Finnish Government considers that the entry into force of any amendment to the Constitutional Treaty must continue to be subject to ratification by all Member States' in accordance with their respective constitutional requirements. The Government will, however, be prepared to consider the possibilities of introducing a more simplified amendment procedure if the scope of such procedure is unambiguously defined in advance. Nevertheless, the entry into force of any amendment shall always require the approval of all Member States.*

*The Finnish Government has reservations about the new enabling clauses relating to decision-making but is ready to consider them as part of an overall solution contributing to the flexibility of the Treaties. The Government has particular reservations regarding the enabling clause on enhanced cooperation. The scope of enabling clauses should not be extended at the Intergovernmental Conference.*

*The Finnish Government can accept the application of the Convention method to the preparation of future amendments to the Constitutional Treaty. The decision on the application of the procedure must, however, be made case-by-case, and it should not be subject to the assent of the European Parliament.*