



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2014) 2079 final

- English language version of the French text which is authentic -

Brussels, 27 March 2014

TEXTE EN

MINUTES

of the 2079th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 19 March 2014

(morning)

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PV(2014) 2079 final

- English language version of the French text which is authentic -

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Single sitting: Wednesday 19 March 2014 (morning)

The sitting opened at 9.10 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	Item 9 (in part)
Mr ŠEFČOVIČ	Vice-President	Items 1 to 9 (in part)
Mr REHN	Vice-President	
Mr POTOČNIK	Member	
Mr PIEBALGS	Member	Items 1 to 9 (in part)
Mr BARNIER	Member	Items 1 to 9 (in part)
Ms VASSILIOU	Member	Items 1 to 9 (in part)
Mr ŠEMETA	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	Item 9
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	
Mr BORG	Member	
Mr MIMICA	Member	

Absent:

Baroness ASHTON

High Representative/
Vice-President

Ms KROES

Vice-President

Mr DE GUCHT

Member

Mr OETTINGER

Member

Mr HAHN

Member

The following sat in to represent absent Members of the Commission:

Mr BANNERMAN	Adviser in Baroness ASHTON's Office	
Mr VAN ORANJE-NASSAU	Chef de cabinet to Ms KROES	
Mr VANHEUKELEN	Chef de cabinet to Mr DE GUCHT	Item 9 (in part)
Mr SPRIET	A member of Mr DE GUCHT's staff	Items 1 to 9 (in part)
Mr HAGER	Chef de cabinet to Mr OETTINGER	
Mr CHARALAMBOUS	A member of Mr HAHN's staff	Items 1 to 9 (in part)

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	Item 9 (in part)
Mr CABRAL	Adviser hors classe in the PRESIDENT's office	Items 1 to 9 (in part)
M. ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	Items 1 to 9 (in part)
Mr DOENS	Head of the Commission Spokesperson Service	Items 1 to 9 (in part)
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Item 9 (in part)
Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	Item 9 (in part)
Ms SUTTON	A member of the PRESIDENT's staff	Items 1 to 9 (in part)
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Item 9 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	Items 1 to 9 (in part)

Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2014) 2079/FINAL; SEC(2014) 199/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2014) 2079)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 17 March.

3. MINUTES AND SPECIAL MINUTES OF 2078TH MEETING (11 MARCH)

(PV(2014) 2078; PV(2014) 2078, PART II)

The Commission approved the minutes of its 2078th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2014) 201 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 14 March.

4.2. EMPOWERMENT

(SEC(2014) 202 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 14 March.

4.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2014) 203 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 10 and 14 March, as archived in e-Greffe.

4.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2014) 204)

The Commission took note of the sensitive written procedures for which the time limit expired between 17 and 21 March and of the 'finalisation' written procedure initiated following the weekly meeting of Chefs de cabinet on Monday 10 March.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2014) 205)

ADMINISTRATIVE MATTERS

(PERS(2014) 50)

DG HUMAN RESOURCES AND SECURITY – SPECIAL ADVISERS TO MEMBERS OF THE COMMISSION FROM 1 APRIL 2014

(PERS(2014) 51)

The Commission took note of the information in PERS(2014) 50 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided:

- to adopt the list of special advisers to Members of the Commission set out in PERS(2014) 51;
- to empower Mr ŠEFČOVIČ, the Member of the Commission in charge of administration, by way of derogation from point 6(2) of the Commission Decision of 19 December 2007 (C(2007) 6655), to amend the existing contracts, in agreement with the PRESIDENT, should urgent, unforeseen and duly justified needs arise between the first and second wave of appointments of special advisers, provided sufficient budgetary resources were available;
- to authorise the Director-General for Human Resources and Security to implement that decision by signing contracts of employment on behalf of the authority empowered to conclude contracts of employment.

These decisions would take effect immediately.

6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE EEA AGREEMENT (CASE AT.39922 – BEARINGS) (C(2014) 1788 TO /7; RCC(2014) 32)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 17 March in C(2014) 1788/3;
- took note of the final report of the Hearing Officer of 17 March in C(2014) 1788/5;
- adopted in the authentic language (English) the decision in C(2014) 1788/7 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union and Article 53 of the Agreement on the European Economic Area, requiring the parties to put an end to the infringements immediately and imposing on some of these companies fines totalling €953 306 000;
- decided that the decision in C(2014) 1788/7 would be notified to the companies concerned, together with the final report of the Hearing Officer;
- decided that the key parts of the decision, together with the Advisory Committee’s opinion and the Hearing Officer’s final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided to make the decision (with business secrets and other confidential information removed) also accessible on the Internet.

**7. COMMUNICATION FROM THE COMMISSION ON THE EUROPEAN CITIZENS' INITIATIVE 'WATER AND SANITATION ARE A HUMAN RIGHT! WATER IS A PUBLIC GOOD, NOT A COMMODITY! '
(COM(2014) 177 AND /2)**

The Commission decided:

- to approve the communication in COM(2014) 177/2;
- to notify the communication to the organisers of the citizens' initiative in line with Article 10(2) of Regulation (EU) 211/2011;
- to transmit the communication to the European Parliament and the Council, and, for information, to the European Economic and Social Committee, the Committee of the Regions and the national parliaments.

**8. PROPOSAL FOR A COUNCIL DECISION PROVIDING MACRO-FINANCIAL ASSISTANCE TO UKRAINE
(COM(2014) 182; SWD(2014) 112)**

The Commission approved the proposal for a Council Decision in COM(2014) 182, for transmission to the Council and, for information, to Parliament and the national parliaments, together with the staff working document distributed as SWD(2014) 112, the contents of which were noted.

9. INTERINSTITUTIONAL RELATIONS

9.1. LEGISLATIVE MATTERS

- i) Amendment of Regulation (EC) 638/2004 on Community statistics relating to trading of goods between Member States as regards conferring of delegated and implementing powers upon the Commission for the adoption of certain measures, the communication of information by the customs administration, the exchange of confidential data between Member States and the definition of statistical value (Regulation) – MARTIN report – 2013/0278 (COD)**
(SI(2014) 110)

The Commission approved the line set out in SI(2014) 110.

- ii) Signing, on behalf of the European Union, of the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or otherwise Print Disabled (Council Decision) – 2013/0444 (NLE)**
(SI(2014) 136 and /2)

The Commission approved the line set out in SI(2014) 136/2.

- iii) Signing, on behalf of the European Union, and provisional application of the Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part (Council Decision) – 2013/0155 (NLE)**
(SI(2014) 137 to /3)

The Commission approved the line set out in SI(2014) 137/3.

- iv) Amendment of Directive 2003/48/EC on taxation of savings income in the form of interest payments (Council Directive) – 2008/0215 (CNS)**
(SI(2014) 139)

The Commission approved the line set out in SI(2014) 139.

- v) Deployment of alternative fuels infrastructure (Directive) – FIDANZA report – 2013/0012 (COD)**
(SI(2014) 140; RCC(2014) 2079)

The Commission approved the line set out in SI(2014) 140, supplemented by the text on page 6 of the minutes of the weekly meeting of Chefs de cabinet distributed as RCC(2014) 2079.

- vi) Comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (Directive) – KLUTE report – 2013/0139 (COD)**
(SI(2014) 141 and /2)

The Commission approved the line set out in SI(2014) 141/2.

9.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

- vii) Programming of Council business**
(SI(2014) 142)

The Commission took note of the information in SI(2014) 142 on the Council meetings between 27 March and 16 April.

viii) Preparation for European Council (Brussels, 20 and 21 March)

The PRESIDENT reported on preparations for the European Council on 20 and 21 March in Brussels. He said that he would speak first about the economic issues that were traditionally on the agenda for the spring summit before turning to the subject that, for obvious reasons, would dominate the meeting of Heads of State and Government of the Union, namely the situation in Ukraine and its manifold implications.

With regard to economic matters – the European semester, the results of the Europe 2020 strategy, European industrial competitiveness, and energy and climate policies – he was confident that the discussions on all these issues would lead to a positive outcome. He referred to the Commission's substantial contribution to these discussions, for example its Annual Growth Survey (AGS), its communication aimed at promoting an industrial renaissance in the EU and its proposed 2030 policy framework for climate and energy.

The PRESIDENT turned first to the 2014 **European semester**, which he would be presenting at the opening of the summit at the request of the President of the European Council, Herman van Rompuy, against a general backdrop of real, if still fragile, recovery in the EU. He pointed out that this cycle of coordination of European economic and social policy, which was now running smoothly, had won praise for (i) the satisfactory operation of the partnership set up between the Member States and the Commission, (ii) the broadening of the scope of analysis of national performances and (iii) the relevance of the priorities set by the Commission in the AGS and in the country-specific recommendations. However, he noted that there was still debate concerning the speed of implementation of the recommended structural reforms.

Summarising the key message to be sent to the European Council, he explained that while encouraging progress had been made, the Member States would have to keep up their efforts and focus their energy on growth, combating unemployment and financing the real economy. The Member States should take all these issues into account in the national reform programmes they were to submit to the Commission in mid-April and on which the Commission would give its opinion in the country-specific recommendations it was presenting in June.

With regard to another item on the agenda, the mid-term review of the implementation of the **Europe 2020 strategy**, the PRESIDENT highlighted the effects of the crisis on the results secured so far. Although the Member States had made satisfactory progress in achieving the objectives in terms of education, energy and the fight against climate change, a lot remained to be done in the areas of employment, poverty reduction and investment in research. In addition, significant long-term challenges were posed by debt levels, an ageing population, dwindling natural resources and environmental degradation. Even if it were not possible to reexamine the objectives per se at the European Council, he was expecting a favourable response by the Heads of State and Government to the idea of preparing the ground for an in-depth review of the Europe 2020 strategy next spring, which could draw on the results of a public consultation that the Commission intended to launch.

The PRESIDENT was also satisfied by the positive reaction from the Member States to the Commission's recent communication calling for an '**industrial renaissance**' in Europe, which they had considered to be well-structured and balanced. He would therefore encourage them to set up a framework to foster this renaissance, emphasising the need to prioritise certain determining factors highlighted by the Commission, such as qualifications, smart regulation and

trade facilitation. He also cited restoring credit to small and medium-sized enterprises and reforming the financial system as key factors for restoring industrial competitiveness, while recommending more decisive action on that front. This was why he welcomed the action plan to be tabled the following week, aimed at encouraging long-term financing of the real economy.

In this connection, last week an in-depth analysis had been sent to the EU Heads of State and Government on two of the main prerequisites for stimulating industrial competitiveness, namely investment in research and innovation and the growing interdependence between manufacturing and services. He observed, too, that the 2014-2020 multiannual financial framework mobilised resources to reinforce European capacities in this area, pointing out that better exploitation of the internal market for services could help European businesses to take part in value-creating chains worldwide.

Apart from these three items on the agenda of the spring European Council (European semester, Europe 2020 strategy and industrial competitiveness), the PRESIDENT hoped that the Member States would reach agreement on adoption of the Savings Tax Directive. In addition – if the result of the decisive trilogue to be held that day was positive – he trusted that the Heads of State and Government would be able to welcome the setting up of the last pillar of banking union, namely the single bank resolution mechanism.

The PRESIDENT then turned to the issue of **energy and climate change policies**, which would also be discussed by EU leaders on 20-21 March. These talks would focus on the proposed 2030 framework adopted by the Commission in January. With regard to the substance of the proposal, he stressed that the overall reaction of the Member States to this framework had been positive, despite their different expectations and interests against an unstable international backdrop. They should now put their cards on the table

by setting an ambitious schedule to enable the Union to agree in good time, in other words by the end of 2014, on the broad guidelines for its future contribution to the conference of the parties to the United Nations Framework Convention on Climate Change in spring 2015. He hoped that the European Council would give a mandate to the Commission and to the relevant sectoral Council formations to carry out the necessary work in the coming months. Be that as it may, he felt that it was unrealistic to expect an immediate agreement on the level of the quantified targets and on the precise overall architecture.

As regards the items on the European Council agenda in the field of **external relations**, he dwelt in particular on the preparations for the EU-Africa summit on 2-3 April in Brussels. He wanted to encourage the Member States to develop trade and investment links with Africa, not just to boost development, sustainable growth and poverty reduction but also to maintain the momentum needed to achieve the UN millennium development goals and to draw up an ambitious post-2015 development programme.

Lastly, the PRESIDENT turned to the main issue of the day which was certain to dominate the discussions on external relations: **Ukraine**. Recalling his joint statement on 16 March with the President of the European Council, he confirmed the Union's condemnation of the holding of a referendum in Crimea on the future status of this Ukrainian region. He stated once again that, since holding this referendum was a clear violation of the Ukrainian Constitution, against a background of Russian military intimidation, the Union would not recognise either the ballot or the intention of annexing Crimea to Russia, which had now been endorsed by the Russian parliament, two moves which he, like most of the G7 member countries, regarded as illegal.

In response to these serious and worrying developments, he referred to the

consequences of the decision taken by the External Relations Council of 17 March to embark on a second round of sanctions against Russia, decided on at the extraordinary meeting of European leaders on 6 March, namely targeted sanctions against a number of people responsible for undermining the sovereignty and territorial integrity of Ukraine. He then described in detail the potential additional measures that would be discussed on 20 and 21 March, from the cancellation of the EU-Russia summit scheduled for Sochi in June to the examination of a number of aspects likely to trigger a third stage involving economic sanctions.

With a view to contributing to the debate by the Heads of State or Government, the Commission had already supplied the information needed for an in-depth assessment of the various possible measures. As for the Commission itself, he asked the various departments to examine and anticipate carefully the possible scenarios and options, including the consequences they would have for the Union, in order to allow the Heads of State or Government to take their decisions in full knowledge of the facts. A firm, resolute and responsible response by the Union was necessary; the immediate priority was to de-escalate the current situation in Crimea and eastern Ukraine, where manoeuvres were being held aimed at destabilising the unity of the country.

As regards overall Union support for Ukraine, the PRESIDENT referred not only to the unilateral trade measures proposed by the Commission the previous week, but also the proposal tabled that day concerning the granting of further macro-financial assistance to Ukraine in the form of loans amounting to one billion euros (see point 8 of these minutes). This assistance would be added to the macro-financial budget of €610 million which had already been approved. The PRESIDENT thanked all the Commission

departments for having taken every step possible to speed up the preparation of this proposal given the serious financial risks facing Ukraine. He justified the use of this exceptional procedure envisaged in Article 213 of the Treaty on the Functioning of the European Union (TFEU), which permitted the adoption of decisions by the Council of the Union rather than by following the ordinary legislative procedure.

As for the coming days and weeks, the PRESIDENT confirmed that the political provisions of the Association Agreement with Ukraine would be signed on Friday 21 March on the margins of the European Council. While this important step would be an opportunity to ensure that Ukraine's future was linked more closely to the Union on the basis of political association and economic integration, the most pressing matter at the moment was to preserve the independence, sovereignty and viability of the country, and over and above that, the peace and stability of the European continent. Clearly, the Union and the international community would endeavour to permanently monitor developments, starting with an informal meeting of the G7 on the margins of the Nuclear Security Summit in The Hague on 24 and 25 March, and at the EU-US summit in Brussels the next day.

Mr FÜLE underlined the fact that the events of the past few days undermined the principles set out in the Helsinki Accords concerning respect for the sovereignty and territorial integrity of European countries and compliance with international legal obligations, not to mention the fact that they struck at the very core of the democratic model on which European integration was based. He regretted that Russia had not responded to calls from the Union and other actors in the international community to de-escalate tension and keep to its international commitments. He also deplored Russia's clear intention of annexing Crimea following the illegal referendum on 16 March. This was, in

his view, a regrettable development, the consequences of which might well be felt for many years to come and would require political and strategic reflection on the part of the Union.

As for relations with Ukraine, he referred to his meeting with the acting Ukrainian Foreign Minister, Andriy Deshchytsia, on the eve of the External Affairs Council meeting the previous Monday, which had confirmed that the political provisions of the Association Agreement between the European Union and Ukraine would be signed on 21 March. On this point, he explained that, while the Association Agreement would be signed in two stages, it was nevertheless a single instrument which contained, among other things, a Deep and Comprehensive Free Trade Agreement.

Turning to the need for the interim government to take every possible step to promote union during this critical period for the future of Ukraine, Mr FÜLE detailed the progress made in the various support measures proposed by the Commission, which included a new budget support programme (State Building Contract). This programme was intended to provide swift financing in situations of political transition, in this particular case a maximum of €350 million, the first instalment of which should be paid shortly. Mr FÜLE went on to confirm the preparation by the European Anti-Fraud Office (OLAF) of a proposal addressed to the Ukrainian authorities to help them step up the fight against corruption.

Once the political chapters of the Association Agreement had been signed, it would be a good idea to schedule a series of working meetings in Ukraine between a small delegation of Commission Members and representatives of the Ukrainian authorities, starting the following week, to signal not only the support of the European Union but also the importance it attached to thorough preparations for the deployment of the various measures proposed, such as the

provisional application of the Association Agreement, the implementation of the macro-financial assistance and the practical arrangements for the autonomous trade measures.

In the same vein, he recommended examining the possibility of synchronising the signature of the rest of the Association Agreement with Ukraine, after the presidential election of 25 May, with the signature of the planned Association Agreements with Georgia and the Republic of Moldova, and the free trade agreements with these countries. As well as being politically symbolic, this gesture would have a powerful knock-on effect on the preparations for implementing the agreements and provide a welcome means of conveying information to the citizens on the ground.

The Commission then held an in-depth discussion in which the following main points were raised:

General aspects connected with the European Council meeting

- the hope that the situation in Ukraine would not overshadow other important items on the external relations agenda; in particular, the need to impress upon the Heads of State and Government the importance of actually providing the aid which they had promised as part of the operation to assist the Central African Republic, where the situation was absolutely desperate;
- in the light of international developments in recent weeks, the pressing need for the European Union to enhance its energy security and the integration of its energy market to rise above the sometimes divergent interests of the Member States in this sector; the case for the Commission to push harder than ever for the adoption and implementation of the third energy package;

The European position on Ukraine

- the Commission's full and wholehearted support for the initiatives and efforts by the PRESIDENT, Baroness ASHTON and Mr FÜLE in this matter; the need for the European Union to form a united front and to ensure the credibility of its foreign policy and its status as influential player on the world stage; the importance of investing in the short-term stabilisation of the country and in its long-term success, which would also redound to Europe's credit; a call from some Members to examine ways of ensuring a stable, long-term European mobilisation to support Ukraine; the importance to others of giving the Ukrainians hope but without excluding, a priori, the theoretical possibility in the long term of a closer relationship with the Union than that offered by the signature of the Association Agreement, including the Deep and Comprehensive Free Trade Agreement (DCFTA);
- in view of the recent events relating to the fate of Crimea, unequivocal support for the need to help Ukraine to find a way out of its current political crisis and to accelerate its stabilisation process, given the rapid deterioration of the country's financial and economic situation;
- a reminder, however, of the deep divisions between the Ukrainian political forces both within the interim government and in society as a whole, of the significant influence of extremist movements and the lack of support for the current government among the people of eastern Ukraine;
- on the economic front, support for the proposal for macro-financial assistance adopted by the Commission that day (see item 8 of the minutes), which had been drafted in close cooperation with the International Monetary Fund (IMF); support for the fast-track procedure

chosen for adopting this proposal, based on Article 213 TFEU; similarly, a call for the proposal on unilateral trade concessions adopted by the Commission on 11 March to be implemented as quickly as possible; the importance of ensuring that the Ukrainian population felt the tangible effects of all the European aid measures, and at the same time the need for the authorities to do everything possible to prevent oligarchs benefiting in any way from the money provided;

- for all of these political, economic and geo-strategic reasons, the need for a full, open and frank political dialogue with the Ukrainian authorities;
- in particular, the importance of fully exploring what was expected of Ukraine in exchange for European aid, in terms of structural reforms, particularly in the management of public finances, energy policy, the rule of law and anti-corruption measures; the need to insist on pre-conditions for the payment of European and international aid in coordinated instalments; a warning of the political cost to Ukraine, and indirectly the European Union, of some of the conditions imposed by the IMF for releasing various tranches of finance, particularly as regards the liberalisation of gas prices;
- the suggestion that a permanent task force be set up in Ukraine, consisting of representatives of the European institutions and the Member States, to provide advice, technical assistance and expertise; the news that the European Anti-Fraud Office (OLAF) had, for example, expressed a willingness to provide advice on tackling corruption;
- a call for every effort to be made to prevent the fall-out from the crisis in Crimea becoming a frozen conflict on the European Union's borders and encouraging other similar movements elsewhere; the case for a political

gesture by the European Union towards the Republic of Moldova and Georgia;

Consequences of Russia's annexation of Crimea

- condemnation of the Russian authorities' intention of annexing Crimea following a referendum contrary to the fundamental principles of international law; a reminder of unpleasant historical precedents in the same vein; the observation of a clear Russian strategy to re-establish lost international power and shaken national pride by means of recaptured territory and a new pivotal diplomatic role, particularly in the management of recent crises challenging the world order and international security; the grave concern aroused by Russia's planned territorial annexation and its geopolitical reach, mention of the threats it would pose to the security of the region and the serious potential consequences; its impact on the perception of the European Union beyond its borders;
- the fact that the Union should not contribute to escalating the conflict surrounding Ukraine and Russia; the need for a clear European political strategy to counter the Russian strategy, based on the unity of the Member States and the institutions, to face up to the long-term repercussions of the situation resulting from Russia's annexation of Crimea; the call to resist Russian attempts to divide (Europeans) in order to impose its rule; the need for Europe to adopt a vigilant, firm and pragmatic attitude towards Russia in order to find the means of dialogue and assert its credibility; the importance for the Union of making clear the difference between its diplomatic action and that of the United States;
- a warning against the pernicious effects of the Russian authorities' propaganda aimed at Russian-speaking peoples in general and at public

opinion and the press, even in Europe – propaganda aiming to elicit sympathy for the possible annexation of Crimea by Russia; the invitation to counter this with a political communication suited in particular to the Europeans in central and eastern Europe who are very concerned by Russia's hegemonic inclinations, but also to citizens of neighbouring countries, such as Georgia and the Republic of Moldova, who are sensitive to Russian rhetoric;

- the merits of making serious threats to isolate Russia politically, diplomatically and financially; the suggestion to insist very clearly on the real consequences of EU sanctions against Russia, particularly if the third, much more serious phase is set in motion; the suggestion of extending second-phase sanctions to people linked to the government and very much in the public eye in Russia; the recommendation by some that the third phase of sanctions should begin, even if this involved political and economic costs for the Union; the suggestion of looking into and invoking the application of sanctions against Russian banking establishments;
- in terms of the effectiveness of a European threat to isolate Russia commercially, discussion of the substantial trade links between Russia and the EU; the regret that even now, businesses in some Member States were selling arms to Russia – inconsistencies that weakened the dissuasive effect of any trade sanctions; along the same lines, condemnation of contracts recently signed by European businesses that go against the energy security objectives of the Union;
- the value of the Union preparing for the possible consequences of applying sanctions and of the Commission analysing the possible scenarios, including Russian reprisals, with all its departments; the case for taking account in these scenarios the sharing amongst the Member

States of the losses that could result from any sanctions and reprisals; the suggestion of undertaking some sort of internal monitoring within the European institutions to track the development of Russian influence in Europe in a careful and systematic way.

The PRESIDENT closed the discussion by highlighting two points that he considered to be key aspects of the Union's response to the sequence of significant events in recent weeks. Firstly, he said that the Union should consolidate its measures to assist Ukraine to recover, to make the running of its institutions more democratic, and to get back on a path towards economic viability. Given that trade with the Union within the framework of the Association Agreement is an essential factor in these developments, he mentioned the substantial investment that the Union would have to devote to this end, particularly with the new macro-finance assistance proposed that same day.

In this context, he welcomed the presence of high-level EU representatives in Ukraine, whilst indicating that the possibility of holding a summit in Kiev in the near future was under consideration with Mr Herman Van Rompuy. He also welcomed the suggestion of proposing to the Ukrainian authorities the establishment of a task force responsible for supporting implementation of the expected structural reforms and payment of the financial resources made available, indicating his intention to look into the details rapidly in agreement with Baroness ASHTON. He also approved Mr FÜLE's suggestion of bringing forward the signing of Association Agreements with Georgia and the Republic of Moldova, once the conditions were right.

The PRESIDENT's second key point was that the Union should maintain a united front to demonstrate very strongly the serious political, diplomatic and financial consequences of Russia's behaviour towards Ukraine and Crimea in

particular. He further noted that the Union's current and future sanctions were echoed by the condemnation by most of the international community of Russia's violation of Ukraine's sovereignty. He reaffirmed the Union's will to maintain a space for dialogue in order to remove a source of extreme tensions that would inevitably have an impact on the current strategic balance.

Finally, he confirmed the Commission's intention to produce a report and proposals on the question of energy security for the European Council in June. He noted that the current geopolitical upheavals could accelerate the integration of European energy policy and the achievement of a real internal energy market as desired by the Commission.

He closed the meeting by warmly thanking the Members of the Commission and their departments for their contribution to the discussions and the work under way in the complex and sensitive areas referred to that day.

The Commission took note of this information.

9.3. RELATIONS WITH PARLIAMENT

ix) Results of the March part-session of Parliament

(SP(2014) 265; SP(2014) 266)

The Commission took note of the information in SP(2014) 265 and SP(2014) 266 on the proceedings of the part-session of Parliament held in Strasbourg from 10 to 13 March.

x) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature

(SP(2014) 281)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Mr ŠEFČOVIČ and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2014) 281, drawn up following the March part-session of Parliament, the contents of which were noted.

9.4. RELATIONS WITH THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND NATIONAL PARLIAMENTS

**xi) Follow-up to Committee of the Regions opinions – Fifty-sixth report
(October 2013 plenary session)**

(SR(2014) 6 and /2)

The Commission approved the replies to the opinions adopted by the Committee of the Regions during the October 2013 plenary session, contained in the document distributed as SR(2013) 6/2, for transmission to that Committee.

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The meeting closed at 11.58.