



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

**PV(2014) 2077 final**

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

Strasbourg, 11 March 2014

# TEXTE EN

## MINUTES

**of the 2077<sup>th</sup> meeting of the Commission**

**held in Brussels**

**(Berlaymont)**

**on Wednesday 5 March 2014**

**(morning)**

—

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**Single sitting: Wednesday 5 March 2014 (morning)**

The sitting opened at 9.08 with Mr BARROSO, President, in the chair.

**Present:**

|                    |                                        |                         |
|--------------------|----------------------------------------|-------------------------|
| Mr BARROSO         | President                              |                         |
| Baroness ASHTON    | High Representative/<br>Vice-President |                         |
| Ms REDING          | Vice-President                         |                         |
| Mr ALMUNIA         | Vice-President                         |                         |
| Mr KALLAS          | Vice-President                         |                         |
| Ms KROES           | Vice-President                         |                         |
| Mr TAJANI          | Vice-President                         |                         |
| Mr REHN            | Vice-President                         |                         |
| Mr POTOČNIK        | Member                                 |                         |
| Mr BARNIER         | Member                                 | Items 1 to 13 (in part) |
| Ms VASSILIOU       | Member                                 |                         |
| Mr ŠEMETA          | Member                                 |                         |
| Mr DE GUCHT        | Member                                 |                         |
| Ms GEOGHEGAN-QUINN | Member                                 | Items 1 to 13 (in part) |
| Mr LEWANDOWSKI     | Member                                 |                         |
| Ms DAMANAKI        | Member                                 |                         |
| Ms GEORGIEVA       | Member                                 |                         |
| Mr OETTINGER       | Member                                 |                         |
| Mr HAHN            | Member                                 |                         |
| Ms HEDEGAARD       | Member                                 |                         |
| Mr FÜLE            | Member                                 | Item 13 (in part)       |
| Mr ANDOR           | Member                                 |                         |
| Ms MALMSTRÖM       | Member                                 |                         |
| Mr CIOLOŞ          | Member                                 |                         |
| Mr BORG            | Member                                 |                         |
| Mr MIMICA          | Member                                 |                         |

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Absent:

Mr ŠEFČOVIČ

Vice-President

Mr PIEBALGS

Member

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

|             |                                          |
|-------------|------------------------------------------|
| Mr NOCIAR   | Chef de cabinet to Mr ŠEFČOVIČ           |
| Mr KARHUNEN | Deputy Chef de cabinet to<br>Mr PIEBALGS |

The following also sat in:

|                      |                                                    |                                 |
|----------------------|----------------------------------------------------|---------------------------------|
| Mr LAITENBERGER      | Chef de cabinet to the PRESIDENT                   | Items 1 to 12, and 13 (in part) |
| Mr SOBRAL            | Deputy Chef de cabinet to the PRESIDENT            |                                 |
| Mr ROMERO REQUENA    | Director-General, Legal Service                    |                                 |
| Mr VANDERSTEEN       | Deputy Director-General (acting), DG Communication |                                 |
| Mr DOENS             | Head of the Commission Spokesperson Service        |                                 |
| Ms AHRENKILDE HANSEN | Commission Spokeswoman                             |                                 |
| Mr THEBAULT          | Head of the Bureau of European Policy Advisers     |                                 |
| Mr CABRAL            | Adviser hors classe in the PRESIDENT's office      | Items 1 to 13 (in part)         |
| Mr MORRISON          | Chef de cabinet to Baroness ASHTON                 |                                 |
| Mr PESONEN           | Chef de cabinet to Mr REHN                         |                                 |
| Mr VANHEUKELEN       | Chef de cabinet to Mr DE GUCHT                     | Items 1 to 12                   |
| Mr FORBES            | Deputy Chef de cabinet to Ms GEOGHEGAN-QUINN       | Item 13 (in part)               |
| Mr MORDUE            | Chef de cabinet to Mr FÜLE                         |                                 |

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

**1. AGENDAS**

**(OJ(2014) 2077/FINAL; SEC(2014) 172/2)**

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) 2077)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 3 March.

**3. MINUTES AND SPECIAL MINUTES OF 2076<sup>TH</sup> MEETING (25 FEBRUARY)**

**(PV(2014) 2076; PV(2014) 2076, PART II)**

The Commission approved the minutes of its 2076<sup>th</sup> meeting.

**4. INTERINSTITUTIONAL RELATIONS**

**4.1. LEGISLATIVE MATTERS**

- i) Amendment of Regulation (EC) 1013/2006 on shipments of waste  
(Regulation) – STAES report – 2013/0239 (COD)  
(SI(2014) 80 and /2)**

The Commission approved the line set out in SI(2014) 80/2.

- ii) Prevention and management of the introduction and spread of invasive alien species (Regulation) – POC report – 2013/0307 (COD)**  
(SI(2014) 81)

The Commission approved the line set out in SI(2014) 81.

- iii) Protection of species of wild fauna and flora by regulating trade therein (Regulation – Recast) – GROOTE report – 2012/0196 (COD)**  
(SI(2014) 99 and /2)

The Commission approved the line set out in SI(2014) 99/2.

- iv) Amendment of Council Directives 78/660/EEC and 83/349/EEC as regards disclosure of non-financial and diversity information by certain large companies and groups (Directive) – BALDASSARRE report – 2013/0110 (COD)**  
(SI(2014) 100)

The Commission approved the line set out in SI(2014) 100.

- v) Amendment of Council Directive 2001/110/EC relating to honey (Directive) – GIRLING report – 2012/0260 (COD)**  
(SI(2014) 101)

The Commission approved the line set out in SI(2014) 101.

- vi) Amendment of Council Regulation (EC) 2012/2002 establishing the European Union Solidarity Fund (Regulation) – ESTARÀS FERRAGUT report – 2013/0248 (COD)**  
(SI(2014) 105)

The Commission approved the line set out in SI(2014) 105.

**vii) Key information documents for investment products (Regulation) –  
BERÈS report – 2012/0169 (COD)**  
(SI(2014) 109 to /3)

The Commission approved the line set out in SI(2014) 109/3.

**4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL**

**viii) Programming of Council business**  
(SI(2014) 106; (SI(2014) 113)

The Commission took note of the information in SI(2014) 106 and SI(2014) 113 on the Council meetings between 6 and 26 March.

**4.3. RELATIONS WITH PARLIAMENT**

**ix) Results of the February II part-session of Parliament**  
(SP(2014) 181; SP(2014) 182)

The Commission took note of the information in SP(2014) 181 and SP(2014) 182 on the proceedings of the part-session of Parliament held in Strasbourg from 24 to 27 February.

**x) Action to be taken on Parliament's legislative resolutions and other  
resolutions of a legal nature**  
(SP(2014) 209)

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) 209, drawn up following the February II part-session of Parliament, the contents of which were noted.

**xi) Participation of Members of Parliament in international conferences**  
(SP(2014) 213)

- 25<sup>th</sup> Session of the United Nations Human Rights Council (Geneva, 3 to 28 March 2014)

The Commission agreed to the request to the PRESIDENT from Mr Martin Schulz, President of Parliament, concerning the attendance of two Members of the European Parliament at the above-mentioned meeting on 24 and 25 March 2014 as observers in the EU delegation, with a reminder about the procedure to be followed.

**5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS**

**5.1. WRITTEN PROCEDURES APPROVED**  
(SEC(2014) 173 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 February.

**5.2. EMPOWERMENT**  
(SEC(2014) 174 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 February.

**5.3. DELEGATION AND SUBDELEGATION OF POWERS**  
(SEC(2014) 175 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 24 and 28 February, as archived in e-Greffe.

**5.4. SENSITIVE WRITTEN PROCEDURES**  
**(SEC(2014) 176)**

The Commission took note of the sensitive written procedures for which the time limit expired between 3 and 7 March.

**5.5. DELEGATION OF POWERS IN THE FIELD OF MARITIME**  
**TRANSPORT (MARITIME SECURITY)**  
**(C(2014) 1407)**

The Commission decided to delegate to the Director-General of the Directorate-General for Mobility and Transport the power to adopt, on the Commission's behalf and under its responsibility, certain management measures concerning the conducting of inspections by the Commission in the field of maritime security, in accordance with the terms set out in C(2014) 1407.

**6. ADMINISTRATIVE AND BUDGETARY MATTERS**  
**(SEC(2014) 177)**

**ADMINISTRATIVE MATTERS**  
**(PERS(2014) 40)**

**6.1. DG TRANSLATION – INTERNAL PUBLICATION OF A VACANCY**  
**NOTICE FOR AN AD 15/16 DEPUTY DIRECTOR-GENERAL**  
**(PERS(2014) 41)**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms VASSILIOU, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2014) 41 for the post of Deputy Director-General of DG Translation.

This decision would take effect immediately.

**6.2. JOINT RESEARCH CENTRE – INTERNAL PUBLICATION OF A VACANCY NOTICE FOR AN AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2014) 39)**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms GEOGHEGAN-QUINN, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2014) 39 for the post of Deputy Director-General of the Joint Research Centre.

This decision would take effect immediately.

**6.3. DG HEALTH AND CONSUMERS – CHANGES TO ORGANISATION CHART**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, Mr BORG and Mr MIMICA, the Commission decided to create a post of principal adviser to permit the secondment of an official to the post of Director of the Consumer, Health and Food Executive Agency (CHAFEA) from 1 March 2015.

This decision would take effect immediately.

**6.4. DG HUMAN RESOURCES AND SECURITY – SECOND REPORT ON  
ADMINISTRATIVE PREPARATIONS IN THE COMMISSION FOR  
THE ACCESSION OF CROATIA  
(SEC(2014) 169 AND /2)**

The Commission took note of SEC(2014) 169/2.

**7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND  
SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS –  
TAKING STOCK OF THE EUROPE 2020 STRATEGY FOR SMART,  
SUSTAINABLE AND INCLUSIVE GROWTH  
(COM(2014) 130 TO /3; RCC(2014) 23**

The Commission approved the communication in COM(2014) 130/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the European Central Bank, the European Investment Bank, and the national parliaments.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL AND THE EUROGROUP – RESULTS OF  
IN-DEPTH REVIEWS UNDER REGULATION (EU) 1176/2011 ON THE  
PREVENTION AND CORRECTION OF MACROECONOMIC  
IMBALANCES  
(COM(2014) 150 AND /2; SWD(2014) 75; SWD(2014) 76; SWD(2014) 77;  
SWD(2014) 78; SWD(2014) 79; SWD(2014) 80; SWD(2014) 81; SWD(2014) 82;**

**SWD(2014) 83; SWD(2014) 84; SWD(2014) 85; SWD(2014) 86; SWD(2014) 87;  
SWD(2014) 88; SWD(2014) 89; SWD(2014) 90; SWD(2014) 91; RCC(2014) 23)**

The Commission approved the communication in COM(2014) 150/2 for transmission to the European Parliament, the Council and the Eurogroup, and, for information, to the national parliaments.

It also took note of the staff working documents in SWD(2014) 75 to SWD(2014) 91.

**9. 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.39952 – POWER  
EXCHANGES)  
(C(2014) 1204 TO /6; RCC(2014) 26)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 3 March in C(2014) 1204/3;
- took note of the final report of the Hearing Officer of 3 March in C(2014) 1204/4;
- adopted in the authentic language (English) the decision in C(2014) 1204/6 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 them fines totalling € 5 979 000;

- decided that the decision in C(2014) 1204/6 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 (minus any business secrets and other confidential information) also accessible on the Internet.

**10. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 102 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION (CASE AT.39984 – ROMANIAN POWER EXCHANGE / OPCOM) (C(2014) 1342 TO /7; RCC(2014) 26)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 24 February 2014 in C(2014) 1342/3;
- took note of the final report of the Hearing Officer of 26 February in C(2014) 1342/4;
- adopted, in the authentic language (Romanian), the decision in C(2014) 1342/7 finding that the companies to which the decision was addressed had infringed Article 102 of the Treaty on the Functioning of the European Union, requiring the parties to put an end to the infringements immediately and imposing on them fines totalling €1 031 000;

- decided that the decision in C(2014) 1342/7 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 (minus any business secrets and other confidential information) also accessible on the Internet.

**11. JOINT COMMUNICATION FROM THE COMMISSION AND THE HIGH REPRESENTATIVE OF THE EUROPEAN UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – RESPONSIBLE SOURCING OF MINERALS ORIGINATING IN CONFLICT-AFFECTED AND HIGH-RISK AREAS TOWARDS AN INTEGRATED EU APPROACH  
(COM(2014) 8 AND /2; RCC(2014) 22)**

**12. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL SETTING UP A UNION SYSTEM FOR SUPPLY CHAIN DUE DILIGENCE SELF-CERTIFICATION OF RESPONSIBLE IMPORTERS OF TIN, TANTALUM AND TUNGSTEN, THEIR ORES, AND GOLD ORIGINATING IN CONFLICT-AFFECTED AND HIGH-RISK AREAS  
(COM(2014) 111 AND /2; SWD(2014) 53 (PARTS 1 TO 7); SWD(2014) 52; SEC(2014) 178; RCC(2014) 22)**

Mr BARNIER noted the main objective of the proposal for a regulation, which

involved breaking the link between proceeds from tin, tantalum and tungsten, their ores, and gold originating in conflict-affected or high-risk areas throughout the world and the financing of armed groups by improving supply chain transparency. He wondered, accordingly, why the self-certification system proposed for importers of ores alone was to be voluntary. In view of the significant impact of the current trading conditions for these ores on political instability, conflicts and poverty in Africa and other regions of the world, and in the light of the expectations and wishes of a number of concerned parties, he felt that a binding approach which included all supply chain parties would be more appropriate while not generating additional costs for European companies. He would have a statement to that effect recorded in the special minutes of this meeting.

Mr DE GUCHT said that the proposed system had been meticulously developed by way of a lengthy process of preparation and wide-ranging consultations. The proposal in its current form was balanced and met all the objectives by setting up a framework which, although not binding, clearly laid down strict limits. He invoked the experience of other countries, such as the United States, which had set up a binding system and had encountered problems with implementation. Lastly, he noted that an operational review of the proposed system would be carried out no later than three years after the Regulation entered into force, at which point the possibility of setting up a binding system could be examined if appropriate.

At the end of this presentation, the Commission:

- approved the joint communication in JOIN(2014) 8/2, for transmission to the European Parliament and the Council and, for information, to the national parliaments;
- adopted the proposal for a Regulation in COM(2014) 111/2, for transmission to the European Parliament, the Council and, for information, to the national parliaments, together with the impact assessment and the summary thereof in

staff working documents SWD(2014) 53 (parts 1 to 7) and SWD(2014) 52, the contents of which were noted;

- also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2014) 178.

### **13. RELATIONS WITH NON-EU COUNTRIES**

#### ***COMMUNICATION FROM THE COMMISSION ON THE PACKAGE OF SUPPORT MEASURES FOR UKRAINE***

***(SEC(2014) 200)***

The PRESIDENT opened the debate by referring to the gravity of Ukraine's political and financial situation and the recent escalation of tension with Russia, which had violated its sovereignty and territorial integrity by deploying troops a few days previously in the Crimean peninsula and by holding military exercises near to its borders. The international community had reacted strongly to these actions and had condemned them unreservedly. The PRESIDENT evoked the statement to that effect that he had signed with Herman van Rompuy, the President of the European Council, and the G7 leaders, which had alluded to the possible consequences for Russia of these violations. In particular, preparations for the G8 summit scheduled to take place in Sochi in June had been put on hold. He thanked Baroness ASHTON for convening an extraordinary Foreign Affairs Council meeting on 3 March, which had adopted unambiguous conclusions, and welcomed the efforts she had undertaken to coordinate the EU's joint position and bring the crisis to an end.

The Commission's immediate priority was to contribute, in accordance with international law, to a peaceful solution which entailed the withdrawal of Russian armed forces from Crimea. There was another important aspect to the European response, namely rapid assistance to stabilise Ukraine's economic and financial

situation. It was with this dual objective in view that he had asked his cabinet and the Secretariat-General of the Commission, working closely with the cabinets and departments of Baroness ASHTON, Mr FÜLE and Mr REHN, to put in place a raft of aid measures for trade and development and an economic and financial assistance package for Ukraine and its population in the very short and medium term.

The PRESIDENT presented the communication that he was submitting to the Commission for approval that day, referring to this aid. First, he mentioned the substantial envelope of €11 billion that he would propose, on the Commission's behalf, to the Heads of State or Government meeting in an extraordinary European Council on the following day, 6 March. This amount, which would be raised from the EU budget and associated financial institutions over the coming years, would have a significant impact if it formed part of a broader European and international effort involving the Member States and the EU's international partners, the International Monetary Fund (IMF) and the World Bank, and if it financed, or helped to finance, a programme of reform in Ukraine.

He mentioned the various components of the aid planned, namely (i) loans of €1.6 billion for macro-financial assistance, and (ii) economic development aid in the form of grants of some €1.4 billion, i.e. a total of €3 billion raised from the EU budget over the coming years, which could be complemented by €3 billion raised by the European Investment Bank (EIB) and €5 billion by the European Bank for Reconstruction and Development (EBRD), possibly even more if the situation allowed. He thanked Baroness ASHTON, Mr REHN and Mr FÜLE for continuing to work on a coordination mechanism for international donors to ensure that this European aid was as effective as possible.

Leaving aside the strictly financial aspect, trade and investment were also essential if Ukraine was to be provided with a basis for long-term economic development. The Commission would announce in the very near future that it was ready to take measures to enable the provisional application of the Association Agreement once it

had been signed. Pending the conclusion of this agreement, the Commission could propose the unilateral application of its provisions concerning imports of goods by putting forward a draft Regulation of the Council and European Parliament on autonomous trade measures, as in the case of Moldova. This draft Regulation would have to be tabled before the end of the current parliamentary term if it were to be approved by both institutions. At the same time, Baroness ASHTON could instruct an investment forum or high level task force to examine the potential for investment and cooperation in Ukraine.

The PRESIDENT went on to review the other aspects referred to in the communication, particularly energy and transport, which were vital for Ukraine's stability and security. It was especially important to continue work on reverse flows and modernisation of the transit system.

Mobility was an area where the Commission wanted meaningful and visible, short-term steps to be taken and, even though a good number of them depended on decisions by the Member States, it was willing to pro-actively facilitate swift and specific coordination in this area. He then referred to the other sectors in which the Union could provide support to Ukraine, from technical assistance, through humanitarian assistance and civil protection to measures involving people-to-people contacts.

In conclusion, the PRESIDENT welcomed the fact that the Commission was able to present such an ambitious proposal, thereby also demonstrating to the Heads of State and Government of the Union its determination to help find a lasting solution to the current difficulties and the challenges facing Ukraine. Nonetheless, he did not underestimate the seriousness of the situation confronting the European continent, which was why he called on the Commission to do everything within its power to support the democratic choices of the Ukrainian people and ensure peace and stability in Europe.

Baroness ASHTON thanked the Members of the Commission and their departments for their active cooperation, which had enabled the package of assistance measures for Ukraine presented today to be drawn up quickly. Referring to the central role consequently played by the Commission in mobilising the support of the Union, she welcomed the unanimous wish expressed by all those concerned, in the Commission and at the extraordinary Foreign Affairs Council held on 3 March, to pool their efforts in order to provide unequivocal and constructive support to Ukraine, and a firm response to Russia's current attitude.

First, she took stock of the situation on the ground at that time, with the deployment of Russian armed forces in the Autonomous Republic of Crimea, on Ukrainian territory, in breach of international law, the United Nations Charter and the bilateral Treaty on Friendship, Cooperation and Partnership of 1997 between Ukraine and Russia, which she denounced in the strongest possible terms. Echoing the conclusions of the extraordinary Foreign Affairs Council held that week, she particularly welcomed the measured response by Ukraine to the situation and noted the call by the Union to Russia to immediately withdraw its armed forces to the areas of their permanent stationing, in accordance with the 1997 agreement, in order to contribute to a peaceful solution to the crisis.

She also reported on her meeting in Madrid the day before with Sergei Lavrov, the Russian Foreign Minister, and pointed out that the dialogue between the international community and Russia was continuing that very day in Paris in the presence of the Foreign Ministers of a number of EU Member States and John Kerry, the US Secretary of State, in particular. She also stressed the fundamental importance of these exchanges in de-escalating the mounting tensions and enabling discussions between Ukraine and Russia to continue. In addition, she reiterated her support for the possibility of a fact-finding visit to Crimea by the Organisation for Security and Cooperation in Europe (OSCE), within the context of the proposals put forward for international observation and mediation.

Baroness ASHTON then moved on to the conditions surrounding the formation of the Ukrainian interim government on 27 February. She pointed out that the vote by the parliament to appoint its president as acting President of the Republic of Ukraine after Viktor Yanukovich was deposed did comply with the country's constitution, adding that his legitimacy was recognised by all the Ukrainian political parties, including the Party of Regions, even though it had not wanted to take part in the interim government.

From an economic perspective, she confirmed the contribution proposed by the Commission to the series of international aid measures to respond to Ukraine's pressing needs in exchange for a clear commitment by the country to undertake reforms. There was also a need for the Ukrainian government to address all regions and the country's entire population, but also to settle a number of questions relating to the political situation resulting from the demonstrations in Maidan Square, which was still complex.

Mr REHN, in turn, noted that although the firm response by the European Union and the United States immediately following the deployment of Russian troops in Crimea had helped to ease tensions for the time being, the situation nonetheless remained serious because there was a continuing threat to peace and security in Europe. Given Ukraine's very vulnerable economic and financial situation, he highlighted the fact that if the current escalation were to continue, the European economy might also be affected. He therefore took the view that it was essential to act quickly to restore Ukraine's financial stability, as the Union was currently doing with the IMF and its international partners, and through a needs assessment mission that was currently on the ground. Discussions were also under way with other Commission departments.

From his personal contacts, he noted the current Ukrainian government's stated intention to implement reforms, which would involve difficult decisions, in particular in a context where it would have to deal with the substantial increase in

energy prices that would face the country from 1 April, as Russia had already announced, and its commitment to take effective measures to fight against corruption.

In general terms, Mr REHN felt it was too early to assess Ukraine's financing needs relating to its sovereign debt. In any event, he argued that the European assistance referred to by the PRESIDENT should be provided as rapidly as possible to Ukraine, given the urgency of its financial situation. Accordingly, he raised the possibility of recourse to the procedure under Article 213 of the Treaty on the Functioning of the European Union (TFEU).

In addition to the need for the Union not to disappoint the hopes of 'Maidan Square', Mr FÜLE also reiterated the importance for the interim Ukrainian government of addressing the whole country to avoid exacerbating the current tensions between the different sections of the population.

He added to previous comments by referring to his visit to Georgia, from where he had just returned that morning, reporting on the perception there of recent events in Ukraine and the response by Russia. He underlined the high expectations among both the Georgian political class and civil society in relation to the European Union in this tense situation. Given the current context, both Georgia and Moldova attached tremendous importance to the date of signing of their association agreements with the Union. In addition to the symbolic importance, he stressed the real challenge of these agreements, which resided in the implementation of reforms and which assumed that the population would support the conditions laid down, hence the need to encourage full and wholehearted ownership by the respective governments of all aspects of the association agreements.

More generally, he reported on his discussions in Georgia with both the authorities and the representatives of civil society, which revealed that there was very broad support for the European aspirations among the Georgian people. Nonetheless, he

highlighted the need, once again, for better information on all the implications of an association agreement. Mr FÜLE confirmed that the Georgian Prime Minister, Irakli Garibashvili, had warmly welcomed the PRESIDENT's intention to visit Georgia in June, and noted that the opposition also wished to meet him on this occasion. Lastly, Mr FÜLE raised the possibility of a visit to Brussels by the Georgian Prime Minister in order to continue and deepen the question of relations between Georgia and the European Union.

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

### ***Relations with Ukraine***

- the importance of highlighting the support for European values reflected by the Ukrainian political crisis; the testing of the European Union's determination to defend its values and principles by Russia's deployment of its troops in Crimea; the urgent need to maintain both peace and security in Ukraine and its territorial integrity by a holistic and realistic approach; for all that, the acknowledgement of the deep divisions in Ukrainian society; the call for vigilance in relation to certain extremist political forces in the country's political landscape;
- the need for swift, firm, credible and balanced action by Europe to prevent Ukraine going bankrupt; the full support of the College for the package proposed, which was felt to be robust and sound, not least in the light of the level of aid announced by the United States; the need to press home this message and stress that the aid from the European Union was for the whole of Ukraine and for all its citizens;
- in addition to the symbolic link which the Ukrainians had made between the Association Agreement and embracing European values, the need for the European Union to inform the Ukrainian people about the full contents of the agreement in question, to highlight the political significance of signing it and to

stress the political commitment it would entail on Ukraine's part; in particular, the need to point out and explain clearly what Europe expected of Ukraine in terms of political, economic and other reforms, including in the priority area of tackling corruption, in exchange for this agreement and for the European economic and financial aid that had been discussed that day;

- the importance of making the macro-financial assistance instrument as flexible as possible; a request for clarification of the question of making rapid payment of the first tranche of the European support package, consisting of loans worth €610 million, conditional on the signature of an agreement between the Ukrainian government and the IMF; the suggestion by some Members that Europe should not wait for the IMF before acting; the mention of the risk of hyperinflation that threatened the Ukrainian economy;
- the insistence by some Members that the Union should now clearly reaffirm its willingness to sign the Deep and Comprehensive Free Trade Agreement (DCFTA) with Ukraine without delay, as soon as a new government was appointed after elections; support for possibly applying the Association Agreement on a provisional basis, if the conditions were met; support for possible early, unilateral implementation of the trade measures under the free-trade agreement, if required; a reminder of the special nature of association agreements, which brought long-term benefits but required short-term sacrifices; a call for emphasis to be placed on fulfilling commitments and a warning against making promises that were too vague; the need for credible, factual communication by the Commission about the support package being presented;
- the importance of being aware of the important example which the signature of the Association Agreement with Ukraine would set, particularly for Moldova and Georgia; the knock-on effect that signature of the agreement could have on public opinion in the countries concerned;

- a reference to Ukraine's vulnerability vis-à-vis Russia from the point of view of its energy supplies, the level of its debt to Russia, its system of subsidised prices and the likely deterioration of its financial situation after 1 April, when Russian gas prices were due to rise; the need for further examination of the question of reverse flows;
- the fact that it was now more important than ever for the European Union to pursue the development of a genuine internal energy market;
- the suggestion to send a clear signal to Ukraine to the effect that the European Union had the capacity, in terms of infrastructure and volumes, to help it to access sources of energy supplies if Russia tried to deprive it of such access; the idea of thinking about possible gas supplies for the European Union from the United States, or about the future of the Nabucco gas pipeline;
- questions about the speed of interventions by the EIB and the EBRD; a call for the tensions between the funds allocated to humanitarian aid and the resources of the new European Neighbourhood Policy to be taken into account;

### ***Relations with Russia***

- a reminder of the historical dimension of the link between Russia and Crimea and the geopolitical and regional implications of the current crisis, particularly as regards Moldova and Georgia;
- the need for the Union to act decisively in response to the deployment of Russian troops in Crimea and to defend the integrity of the state of Ukraine and its territory, democracy and human rights; at the same time, the importance of keeping open the dialogue with Russia in order to find a way out of the current impasse, and of demonstrating the Union's ability to act or respond; the need for a common European position on relations with Russia;
- support for the principle of sanctions expressed by the Foreign Affairs Council

on 3 March; the importance attached by some Members to promoting a common position among the Member States on this matter; a reminder that significant pressure could be exerted via the dialogue between the European Union and Russia on matters relating to visas; warnings by some Members against applying economic sanctions which might cause Russia to retaliate with measures in the energy sector that would harm the Union's interests; the recommendation by some Members that consideration be given to Gazprom's access to the Opal gas pipeline; a reference to the risks of market disequilibrium which trade restrictions might entail;

- the serious pressure which Russia could potentially exert on its non-EU neighbours in the area of energy; the consequent need to develop a gas transit system through Ukraine.

The PRESIDENT thanked the Members of the Commission for their contributions to this important debate. He particularly thanked Baroness ASHTON for her review of the current situation and political developments in Ukraine, Mr FÜLE for his briefing on the attitude of certain countries in the Eastern Partnership, and Mr REHN and the other Members of the Commission for having mobilised their teams so quickly to prepare the package of support measures for Ukraine under discussion that day. He noted the Commissioners' full support for giving priority to stabilising the situation in Ukraine and for the measures envisaged in the support package. He would present these measures as the Commission's input to the discussions of the extraordinary European Council on Thursday 6 March. He would be writing that day to the Heads of State or Government of the Member States to inform them of the approach proposed by the Commission.

Events in Ukraine would of course be constantly monitored, and the PRESIDENT underlined the important role of the High Representative of the Union for Foreign Affairs and Security Policy in the ongoing discussions. In the current crisis he stressed the importance, in general, of all parties being circumspect in their

communications.

The current crisis had shown that peace and security could not necessarily be taken for granted, and there was a growing awareness, both within the Union and among the countries of the Eastern Partnership, of the fundamental values of the Union in the areas of freedom, security and respect for the principles of the rule of law. As regards specific measures aimed at other countries of the Eastern Partnership, he joined Baroness ASHTON and Mr FÜLE in expressing the Commission's willingness to prepare for the signature of association agreements with Georgia and Moldova as soon as the situation allowed.

The PRESIDENT concluded by noting the support of the Members of the Commission for the package of measures proposed and their agreement to the introduction of the following changes in the English language version of the communication distributed as SEC(2014) 200:

- **on page 2, the first sentence of the first paragraph is amended to read as follows:**

*'This paper sets out the main concrete measures that the Commission is proposing for the short and medium term to help stabilise the economic and financial situation in Ukraine, assist with the transition, encourage political and economic reforms and support inclusive development for the benefit of all Ukrainians.'*

- **on page 2, after the third paragraph, the following text box is introduced, summarising the main measures referred to in the communication:**

**Highlights:**

- €3 billion from the EU budget in the coming years, €1.6 billion in macro financial assistance loans (MFA) and an assistance package of grants of €1.4 billion;
- Up to €8 billion from the European Investment Bank and the European Bank for Reconstruction and Development;
- Potential €3.5 billion leveraged through the Neighbourhood Investment Facility;
- Setting up of a donor coordination platform;
- Provisional application of the Deep and Comprehensive Free Trade Area when Association Agreement is signed and, if need be, by autonomous frontloading of trade measures;
- Organisation of a High Level Investment Forum/Task Force;
- Modernisation of the Ukraine Gas Transit System and work on reverse flows, notably via Slovakia;
- Acceleration of Visa Liberalisation Action Plan within the established framework; Offer of a Mobility Partnership;
- Technical assistance on a number of areas from constitutional to judicial reform and preparation of elections.

- on page 3, the first sentence of the first paragraph under the heading '*Development assistance*' is amended to read as follows:

*'For the remaining period of 2015-2020, a yearly bilateral envelope of approximately €130 million is currently foreseen as part of the ENI with an additional €40-50 million per year from the afore-mentioned umbrella programme ("more-for-more") subject to proven progress in deepening democracy and respect of human rights and further significant funding from the Neighbourhood Investment Facility (NIF) described below. ';*

- an annex is added to the communication in the form of the following table summarising the amounts of support envisaged under the different headings:

## ANNEX

### SUPPORT TO UKRAINE: INDICATIVE ASSISTANCE PACKAGE

| Source                                                     | Indicative amounts/ranges (in € million) |
|------------------------------------------------------------|------------------------------------------|
| <b>I. EUROPEAN COMMISSION (2014-2020)</b>                  |                                          |
| <b><i>I.1. Overall development assistance (grants)</i></b> | <b>1,565</b>                             |
| Bilateral envelope, where:                                 |                                          |
| => Annual Action Programme (AAP) for 2014                  | 140-200                                  |
| => AAPs (average) - for 2015-2020                          | 780                                      |
| => Umbrella programme ("more for more") for 2015-2020      | 240-300                                  |
| Neighbourhood Investment Facility                          | 200-250                                  |
| Instrument contributing to Stability and Peace (IcSP)      | 20                                       |
| CFSP                                                       | 15                                       |
| <b><i>I.2. Macro financial assistance (loans)</i></b>      | <b>1,610</b>                             |
|                                                            |                                          |
| <b>II. EUROPEAN FINANCIAL INSTITUTIONS</b>                 |                                          |
| EIB                                                        | up to 3,000                              |
| EBRD                                                       | 5000                                     |
|                                                            |                                          |
| <b>GRAND TOTAL</b>                                         | <b>€11,175</b>                           |
|                                                            |                                          |
| <b><i>p.m : previous programming period</i></b>            |                                          |
| <i>AAP for 2013 (committed)</i>                            | 199                                      |
| <i>AAPs for 2011-2012 (on-going)</i>                       | 201                                      |
| <i>Instrument for Nuclear Safety Cooperation</i>           |                                          |
| (i) on-going                                               | 50                                       |
| (ii) committed                                             | 36.5                                     |
| <b>TOTAL</b>                                               | <b>€ 486.5</b>                           |

At the end of the discussion, the Commission approved the communication distributed as SEC(2014) 200, subject to the inclusion of the changes referred to above and a final general clean-up of the text.

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

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 11.44.