



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2015) 2114 final

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

Brussels, 18 February 2015.

TEXTE EN

MINUTES

of the 2114th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 4 February 2015

(morning)

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Single sitting: Wednesday 4 February 2015 (morning)

The sitting was opened at 9:05 by Mr TIMMERMANS, the PRESIDENT being absent.

Present:

Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	
Ms GEORGIEVA	Vice-President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	
Mr HAHN	Member	Items 9 (in part) and 10
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	Items 1 to 10 (in part)
Mr STYLIANIDES	Member	
Mr HOGAN	Member	Items 9 (in part) and 10
Lord HILL	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms VESTAGER	Member	Items 9 and 10
Mr MOEDAS	Member	

Absent:

Mr JUNCKER

President

Mr MOSCOVICI

Member

Ms CREȚU

Member

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

Mr FELKE	Deputy Chef de cabinet to Mr MOSCOVICI
Mr LANDABASO	Chef de cabinet to Ms CREȚU

The following also sat in:

Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Deputy Director-General, DG Communication	
Ms ANDREEVA	Commission Spokesperson Service	
Ms METTLER	Head of the European Strategic Policy Centre	
Mr BALTAZAR	A member of the PRESIDENT's staff	
Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS	
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Items 1 to 9 (in part)
Mr VAN KEMSEKE	Expert from Mr ŠEFČOVIČ's cabinet	Items 1 to 9
Ms JUUL-JØRGENSEN	Chef de cabinet to Ms VESTAGER	Items 1 to 8
Ms WEYAND	Secretariat-General	Item 9
Mr RISTORI	Director-General, DG Energy	Items 1 to 9
Mr DELBEKE	Director-General, DG Climate Action	Items 1 to 9

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

1. AGENDAS

(OJ(2015) 2114/FINAL; SEC(2015) 71/2)

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(2015) 2114)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 2 February.

3. MINUTES OF 2113TH MEETING OF THE COMMISSION (28 JANUARY)

The Commission held over approval of the minutes of its 2113th meeting for the following week.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2015) 5)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 30 January (RCC(2015) 5).

It paid particular attention to the following points.

4.1. LEGISLATIVE DOSSIERS

i) Trilogue

(point 3.1 of the IRG record)

- Animal health (Regulation) – PAULSEN report – 2013/0136 (COD)

The Commission approved the line set out in SI(2015) 22.

ii) Parliament dossier

(point 3.2 of the IRG record)

Ordinary legislative procedure – First reading

- Cross-border exchange of information on road safety related traffic offences (Directive) – AYALA SENDER report – 2014/0218 (COD)

The Commission took note of the compromise text in SP(2015) 40, further to notes SI(2014) 493 and /3, which it had already approved on Tuesday 16 December 2014.

iii) Council dossier

(point 3.3 of the IRG record)

- Measures to ensure a high common level of network and information security across the Union (Directive) – SCHWAB report – 2013/0027 (COD)

The Commission approved the line set out in SI(2015) 19/2.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2015) 27)

The Commission took note of the information in SI(2015) 27 on the Council meetings between 5 and 18 February.

4.3. RELATIONS WITH PARLIAMENT

v) Action taken on the non-legislative resolutions adopted by Parliament at its October 2014 part-session

(point 5.6.1 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2015) 27/2 on the action taken on the non-legislative resolutions adopted by Parliament at its October 2014 part-session.

vi) Action taken on the non-legislative resolutions adopted by Parliament at its November I 2014 part-session

(point 5.6.2 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2015) 42 on the action taken on the non-legislative resolutions adopted by Parliament at its November I 2014 part-session.

vii) Results of the January II mini part-session of Parliament

The Commission took note of the information on the proceedings of the mini part-session of Parliament held in Strasbourg on 28 January, as set out in SP(2015) 55.

4.4. RELATIONS WITH NATIONAL PARLIAMENTS, THE OTHER INSTITUTIONS AND BODIES, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

**viii) Statement to the Irish Parliament's Joint Committee of Inquiry
(Dublin, 18 February)
(point 6.1.2 of the IRG record)**

The Commission authorised Mr Marco BUTI, Director-General of DG Economic and Financial Affairs, to deliver a statement to the Irish Parliament's Joint Committee of Inquiry, following the line set out in documents SNP(2015) 7 and /2.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

**5.1. WRITTEN PROCEDURES APPROVED
(SEC(2015) 72 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 and 30 January.

**5.2. EMPOWERMENT
(SEC(2015) 73 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 and 30 January.

5.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2015) 74 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 26 and 30 January, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2015) 75 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 2 and 6 February and of the finalisation written procedure initiated following the weekly meeting of Chefs de cabinet on 2 February.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2015) 76)

ADMINISTRATIVE MATTERS

(PERS(2015) 9)

ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE

(C(2015) 612)

The Commission adopted the Decision set out in C(2015) 612.

The Commission:

- decided that the activity planned by former Vice-President Ms Neelie KROES as Special Adviser to Bank of America Merrill Lynch was compatible with

Article 245(2) of the Treaty on the Functioning of the European Union (TFEU), provided that Ms KROES fulfilled, in all circumstances, her obligations under Articles 245(2) and 339 TFEU and the Code of Conduct for Commissioners, including protection of collective responsibility and confidentiality in respect of matters covered by the Commission during her two terms of office, and refrained from lobbying the Commission or its departments on behalf of Bank of America Merrill Lynch within eighteen months of leaving office;

- instructed the Secretary-General to inform Ms KROES of this decision and the conditions applicable.

7. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 1304/2013 OF THE EUROPEAN PARLIAMENT AND THE COUNCIL ON THE EUROPEAN SOCIAL FUND, AS REGARDS AN INCREASE OF THE INITIAL PRE-FINANCING AMOUNT PAID TO OPERATIONAL PROGRAMMES SUPPORTED BY THE YOUTH EMPLOYMENT INITIATIVE

(COM(2015) 46 TO /3; RCC(2015) 7)

The Commission adopted the proposal for a Regulation in COM(2015) 46/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments.

8. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE AGREEMENT ON THE EUROPEAN ECONOMIC AREA (CASE AT.39861 – YEN INTEREST RATE DERIVATIVES) (C(2015) 432 TO /8; RCC(2015) 10)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 30 January in C(2015) 432/5;
- took note of the final report of the Hearing Officer of 30 January in C(2015) 432/6;
- adopted in the authentic language (English) the decision in C(2015) 432/8 finding that the company 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 it to put an end to the infringements immediately and imposing on it fines totalling EUR 14 960 000;
- decided that the decision in C(2015) 432/8 would be notified to the company 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 publish the decision on the internet (with business secrets and other confidential information removed).

9. POLICY DEBATE ON ENERGY UNION (SEC(2015) 91; RCC(2015) 8)

Mr ŠEFČOVIČ opened the policy debate by setting out the strategic framework encompassing the proposed Energy Union, as described in the background note to which he referred. He explained that the document was the result of many internal and external consultations and that it summarised the main questions to be answered by the proposed Energy Union in order to set a general direction. The document was accompanied by an action plan of specific measures to be taken at European level over the years ahead.

Mr ŠEFČOVIČ pointed out that the purpose of the policy debate was to determine which aspects of the strategic framework should, where appropriate, be given greater emphasis, on account of their real added value, and merited ambitious proposals by the Commission.

Given the expectations generated by the Energy Union, he took the view that the Commission should be ambitious when drawing up its strategy to make current energy policies viable in the long term. He explained that the challenges to be tackled were (i) the Union's energy dependence on third countries, since it imported 53% of its energy consumption at an annual cost of 400 billion euros, (ii) the creation of a more integrated, coordinated and connected internal energy market, which would remedy the fragmentation of the 28 current national energy markets, (iii) the social challenge of energy poverty, which affected 10% of European households, (iv) the problem of competitiveness posed by gas prices that

were three times higher for European companies than for their American counterparts, and (v) insufficient implementation by Member States of the initiatives proposed by the Commission in recent years.

Mr ŠEFČOVIČ emphasised the close interrelation between the five main dimensions highlighted in the strategic framework. Although energy security involved the diversification of supply routes and countries supplying gas, it also entailed greater efforts in terms of energy efficiency, completing the internal energy market and making better use of energy sources within the Union, without forgetting that EU policy on climate change was an integral part of the Energy Union.

For each of these dimensions, Mr ŠEFČOVIČ went into more detail on several aspects which, in his view, merited a policy debate.

With regard, first, to security of supply, he felt that the Commission had to be very ambitious by creating conditions that were conducive to greater transparency in gas supply contracts, by extending these conditions beyond intergovernmental agreements to commercial contracts, and by enhancing its own role in the negotiation of these contracts, because the context and the political climate were more propitious now than previously. He also referred to the option of liquefied natural gas (LNG), whose potential should be better exploited.

Second, in relation to the internal energy market, he called for existing legislation to be applied more effectively by using the incentives and sanctions available to the Union, but also for the architecture of the electricity market to be reviewed and for the regulatory framework to be strengthened and even, ideally, for a move towards a European regulator.

Third, with regard to the top priority, energy efficiency, he suggested focusing efforts on the field with the greatest potential for progress, i.e. the construction and housing sector.

Fourth, Mr ŠEFČOVIČ mentioned the reduction in greenhouse gas emissions, underlining its coherence with the EU's climate policy, the need for more ambitious transport policies, but also the route to Europe becoming number one in renewables.

He finished his presentation with a fifth dimension, research and innovation, where again he felt that the EU could set itself more ambitious objectives, for example by changing current research practices and models, at the same time as implementing an industrial strategy.

He concluded by noting first that the question of energy taxation remained delicate in that, on the one hand, the Commission was withdrawing a Directive on the matter because of the deadlock in the interinstitutional negotiations and, on the other, the Commission had to consider what it could do on taxation in the framework of the Energy Union.

He added that citizens had to be at the heart of energy policy, as was the case with all EU policies. He stressed the strict respect for the principle of subsidiarity and the initiatives that were a matter for the Member States and local authorities, which did not prevent the Commission from playing the role of facilitator where possible in the five policy dimensions referred to.

Lastly, Mr ŠEFČOVIČ noted that he would take into account the observations made by the Members of the Commission during the debate on the version of the Energy Union strategy to be presented to the College on 25 February.

Mr ARIAS CAÑETE, for his part, welcomed the constructive collective preparation of the initiative, which was one of the key strategic priorities of the new Commission. He pointed out the complementarity between the Energy Union and EU policy on climate change, emphasising the convergence of their main objectives, whether it be ensuring lower prices for consumers or encouraging investment. He felt that this convergence could feature more prominently in the political narrative of the communication.

He was also in favour of drawing up a strategic framework which, in addition to the actual implementation of existing tools, would also propose innovative approaches for discussion and action. He took the example of energy efficiency, on which Member States and regional authorities were the best placed to act, while arguing that the Commission could make a real contribution by laying the foundations of a joint regulatory framework and promoting a more stable environment for investment.

As for the Union's security of supply, he thought that it would be useful to consider concrete measures to end the energy dependence of certain Member States on a single external energy supplier. For that reason, he suggested giving a certain degree of priority to implementing measures aimed at harnessing the full potential of liquefied natural gas in south-east Europe in particular, and to investing in that region's infrastructure to turn it into a fully blown hub for the Union's gas supplies. At the same time, he emphasised the need for flexible, competitive gas markets involving a number of suppliers.

With respect to completing the internal market for energy, Mr ARIAS CAÑETE agreed fully that it was advisable for the Commission to make use of all the available instruments in order to ensure that Member States implemented the third 'energy package' in particular. He referred to the significant advantages that would flow from the existence of equal operating and competitive conditions for energy service operators in the Union as a whole. Against this backdrop, he also supported the idea of increasing the powers and the independence of the Agency for the Cooperation of Energy Regulators (ACER) in order to promote consistent regulation throughout the Union and to assist national regulatory authorities in their role of monitoring and enforcing the rules in force.

He then turned to the objectives for electricity interconnection set by the European Council of October 2014, targeting a minimum level of 10 % by 2020 for Member States which had yet to attain the minimum integration level within the

internal energy market. He would put to the Commission a communication taking stock of the progress made by the Union in this area on 25 February 2015, the same day that the Strategic Framework for Energy Union was to be debated.

With respect to the concrete measures planned within the scope of the Union's policy for combating climate change, Mr ARIAS CAÑETE dwelt on the important role that renewable energy sources had to play. He noted that the Union remained among the world leaders for next-generation renewables technologies and he called for a smart investment strategy that would give rise to real production and manufacturing applications, which, he emphasised, were vehicles for growth and job creation. He mentioned, moreover, a number of technical fields in which the Union had every interest in increasing its capacity as rapidly as possible, such as storage installations for energy derived from renewable sources.

To conclude, he spoke of the measures planned under the EU's commitment to reduce its greenhouse gas emissions significantly and permanently and those that would be put forward in view of the 21st UN Climate Summit in Paris in December 2015. He announced that, on 25 February, he would put to the College for approval a second communication on the preparation for these international negotiations, which would, *inter alia*, include estimates of the Union's contribution in terms of Intended Nationally Determined Contributions (INDCs).

During the ensuing debate, the Commission raised the following main points:

On the overall strategy

- the unanimous support of the Commissioners for the proposed strategy, which provided a good balance between the various aspects involved in drawing up the Energy Union and was a fair reflection of the approach adopted on a collegial basis to the work of the project group headed by Mr ŠEFČOVIČ;
- the vital importance of energy efficiency in the Union's strategy, given its

impact on job creation, competitiveness and the reduction of greenhouse gas emissions, in addition to that on energy demand, as well as its direct effect on the everyday life of Europeans;

- the political need, in reference to the very last point, to take account, when drawing up the Union's energy strategy, of the use of energy as a foreign policy tool by certain third countries and, consequently, the suggestion of bolstering the political argument on the external aspect to justify the creation of an energy union;
- the acknowledgement of the fact that the proposed Energy Union lay at the crossroads of several of the EU's policy priorities in the fields of growth, employment, competitiveness, combating climate change, consumer protection, innovation, taxation, trade and security; hence the importance of coordinating Energy Union with the present Commission's other major initiatives, in particular the creation of a Digital Single Market and the European Fund for Strategic Investments (EFSI);
- the importance of fully integrating the Union's environmental objectives in order to ensure that its energy policy was viable, while at the same time enabling European industry to gain competitiveness in the field of combating climate change; in this context, the considerable impact that modernisation of industry could have on reducing greenhouse gas emissions;
- the question of what progress was likely to be made in the short term in the process of developing the Energy Union;
- the need to make maximum use of the Structural Funds to support the objectives of the Union's strategy, particularly for infrastructure and renewable energies;
- on the question of renewables, the desire for greater technological neutrality when referring to alternative energies; in the transport sector, support for the

emphasis placed on developing alternative fuels, but also the importance of taking into account alternative modes of transport;

- a few drafting suggestions, in particular to spell out more explicitly the link between the development of the Energy Union and the creation of jobs, by showing for example how incentives to insulate buildings benefited local small and medium-sized businesses;

On completion of the single energy market

- the need to complete the single market, in particular by improving the interconnection of Member States' energy networks to pursue the target of 10% interconnection of national networks by 2020 and 15% in 2030; the need for action on the regulatory framework in order to unlock the potential for investment in the energy sector, which was currently held back by the fragmentation of national markets;
- the crucial importance of gas and electricity infrastructure in the creation of the Energy Union and the key role which the Union could play in financing new networks alongside the increase in the rate of interconnection;
- the importance of grasping the complexity of the structure of energy prices across the EU, which often reflected the different policies pursued by the Member States, and of taking into account the social impact of energy prices, with growing numbers of Europeans suffering from energy poverty;
- the difficulty in implementing a common policy on gas procurement; the lack of flexibility that might result; a call for greater transparency regarding the medium and long-term contracts concluded for the supply of gas to EU Member States and the terms of those contracts;
- the need to take into account the tax aspects of Member States' energy policies

through greater energy price transparency and to avoid the distortions of competition caused by significant differences in energy prices both within the Union and compared with international competitors;

On research and innovation

- as part of the review of Europe’s ‘Horizon 2020’ programme, the importance of basing the Union’s energy strategy on an active research and development policy focusing on the commercial applications of innovation; in this regard, the need to draw on all available expertise, whether it be in the Commission – in particular the Joint Research Centre – or, for example, at the European Institute of Innovation and Technology (EIT);

On governance of the Energy Union

- the advantages of having a common energy regulator in future, although in the short term there was little prospect of obtaining support for such an initiative from all the Member States; in this context, the need to consider strengthening ACER’s coordination role in order to offset the lack of a common regulator;
- in the short term, the case for promoting better governance of energy infrastructure in the Member States through the exchange of good practice and regular monitoring of the performance of the various networks;

On the external dimension of the Energy Union

- the importance of integrating more closely the external aspects of developing the Energy Union, in particular trade policy and, more specifically, aspects relating to preferential access, energy market transparency, energy dependence and climate change reduction targets;
- on foreign policy, the need to define a political strategy towards Russia that was supported by all 28 Member States; in this respect, the suggestion that energy

matters be placed on the agenda of one of the forthcoming meetings of the Foreign Affairs Council in order to examine in particular the security aspects of energy supply and to consider the scope for diversifying the sources of supply to Southern and Eastern Europe, in particular from Central Asia, the Mediterranean, Turkey and Africa;

- the energy dependence of some of the countries that were candidates for accession;
- the importance of extending the Energy Community beyond Ukraine, Georgia and the western Balkans to include countries in the southern Mediterranean, i.e. Cyprus, Israel, Tunisia or Libya, by adapting the existing instruments;
- the need for the strategy to factor in the falling oil price and the availability of reserves for a longer period than initially estimated; the importance too of taking into account the impact of falling oil prices on the international political situation of producer countries such as Iran and Venezuela, the shift in energy demand towards India and China, and the opening of new trade routes, particularly in the Arctic Ocean.

Mr ŠEFČOVIČ thanked the Commission Members for their support and their constructive contributions to the day's discussion. Generally speaking, he was willing to heed the calls to place greater political emphasis on the direct effects which the Strategic Framework currently being drawn up would have on growth, jobs and the competitiveness of the European economy, as well as on climate change and Europe's world ranking in associated sectors with potential.

He then replied in more detail to certain contributions. As regards facilitating investment to improve the energy efficiency of buildings, he referred to discussions in progress with the European Investment Bank (EIB) with a view to examining possible channels of cooperation in this area.

In terms of governance at European level, he pointed to the increasingly closer coordination of network codes and the methodologies applied by national regulators, plus the technical efforts being made to consolidate cross-border flows. As for the key question of smart networks, he confirmed the need to have competitive markets driven by non-regulated prices in order to unlock their potential.

Major work had already been carried out by ACER to facilitate cooperation between the national regulators and also to prevent the manipulation of wholesale energy prices. While introducing a single European regulator could be a medium-term objective, it would be wise to adopt a gradual approach to strengthening cooperation between national regulators and ACER at this stage.

Turning to the question of energy taxation, Mr ŠEFČOVIČ approved the idea of examining elements of price formation such as levies and feed-in tariffs. Once some light had been shed on the sometimes significant discrepancy between the wholesale price and the price paid by final consumers, the Commission could then look into the possibility of adopting measures in the context of Union guidelines or under the policy on state aid granted to renewable energy.

At international level, recent signals would seem to suggest that the current geopolitical upheavals could well affect the Union's energy outlook for some time to come. Mr ŠEFČOVIČ reminded the meeting of the forthcoming launching of an energy master plan for south-east Europe and the Union's solid support for Europe's Southern Gas Corridor, which he would confirm during his visit to Azerbaijan in a few days' time.

In relation to the progress in combating climate change at international level, he referred to Mr ARIAS CAÑETE's ongoing work on the proposals to reform the European emissions trading system (ETS), which would be submitted to the Commission shortly. Mr ŠEFČOVIČ underlined the strategic importance of these

measures, which could have a knock-on effect on the Union's international partners and militate in favour of a very ambitious approach at the Paris climate change conference at the end of 2015.

Finally, Mr ŠEFČOVIČ asked the Commission Members to send him their suggestions in writing by the end of the week so that they could be taken into account in the three documents to be submitted to them on 25 February, namely the strategic framework for the Energy Union and its annex, the communication on the 10% electricity interconnection target in Europe and the communication on a Union roadmap for the Paris 2015 conference.

Mr TIMMERMANS concluded the policy debate by noting first the broad support by the Commission Members for the proposed framework, which was a good basis for the next stage in the process. He was eager to maintain the strategic, targeted nature of the document.

He then took note of the Commission's support for ensuring that the Union's energy strategy was driven by demand and focused on investment in growth and job creation, while at the same time establishing targets that were consistent with the Union's objectives for climate protection and reduction of greenhouse gas emissions, all of which would benefit European consumers. The Commission also welcomed the fact that the energy efficiency measures were not the remit of the Union alone but that national and local authorities were also responsible for them. He had three main points to make concerning the internal energy market: (i) there was a need to ensure that the legislation already adopted at European level was applied and enforced, if necessary by initiating infringement proceedings; (ii) the regulatory framework permitting the development of energy network interconnectivity should be examined; and (iii) long-term energy supply contracts should be made more transparent.

He asked the Commission Members who had made suggestions during the policy

debate to send their comments in writing to Mr ŠEFČOVIČ and Mr ARIAS CAÑETE by Friday 6 February. The documents to be submitted to the Commission for approval on 25 February would be used to prepare the European Council meeting in March.

Ending the discussion, he urged the Commission to exhibit determination in relation to this project, which was arousing considerable expectations, while at the same time remaining within its remit and offering the Member States constructive cooperation in line with the Treaties.

The Commission took note of the results of this debate and of the background note distributed under the authority of Mr ŠEFČOVIČ as SEC(2015) 91.

10. RELATIONS WITH NON-MEMBER COUNTRIES

RECENT DEVELOPMENTS IN EXTERNAL POLICY

Ms MOGHERINI referred to the very worrying recent events in Ukraine resulting in a marked deterioration in security and living conditions in the east of the country. In view of the particularly serious humanitarian situation faced by civilians living in the region, the Union had joined the Organisation for Security and Cooperation in Europe (OSCE) in calling for a three-day ceasefire to allow the evacuation of civilians. While political and diplomatic channels between the Ukrainian President, Mr Petro Poroshenko, and his Russian counterpart, Mr Vladimir Putin, remained open, they were not producing results at present, in particular as regards implementation of the Minsk agreement.

She went on to refer to recent discussions on Ukraine, including at the extraordinary meeting of the Foreign Affairs Council on 29 January focusing on the situation in the country following the events in Mariupol. She mentioned a number of other

upcoming meetings where important political decisions would be taken, focusing on two in particular: first, the decision to extend until September the validity of the list of Russian people or entities subject to the restrictive measures adopted by the Union in March 2014 and to add new names to it, a matter on which COREPER would be taking a position that day with a view to the next meeting of the Foreign Affairs Council on 9 February; and second, the decision on preparing other appropriate measures to ensure implementation of the Minsk agreement, which would be examined at the informal meeting of Heads of State or Government scheduled for 12 February.

On the substance, Ms MOGHERINI stressed the need for unity between the Member States in relation to ongoing diplomatic efforts and the strategy to be followed towards Russia. On the latter point, she suggested proposing at the March European Council the creation of an interinstitutional working group to examine ways of developing Russian language capacity within the EU institutions and to draw up a communication strategy with a view to ensuring free and equitable information.

Debate followed, in the course of which the Commission referred primarily to the alarming escalation of violence in eastern Ukraine and the severity of the humanitarian situation facing the civilian population in the region; the importance for the EU of presenting a united front in its response to Russian involvement in the turmoil in Ukraine; condemnation of the threats to freedom of expression in Russia; the suggestion to give some thought to ways in which the EU might cooperate with Russian civil society; and, the spiral of violence taking hold in the Middle East following recent events in the region.

In response to some of these comments, Ms MOGHERINI stressed the complexity of the current international situation. She reaffirmed the Union's support for implementation of the Minsk agreement between Ukraine and Russia and referred to the European aid, particularly financial aid, afforded to Ukraine, while stressing the

need for continued efforts to reform the country, despite the current difficulties. She also referred to Russia's position in a number of international policy matters, in particular the peace process in the Middle East, relations with Iran and terrorism. As regards the issue of freedom in Russia, she cited the work of the Council of Europe in support of the development of civil society.

Lastly, as regards the assassination of a Jordanian hostage by Da'esh and the execution by the Jordanian authorities of two convicted prisoners belonging to that organisation, she reaffirmed the Union's determination to make every effort to combat terrorism and to support Jordan in combating the terrorism perpetrated by Da'esh and in accepting on its territory numerous refugees from the region. At the same time, she affirmed Europe's opposition to the death penalty and the shared values of justice, human rights and respect for international humanitarian law that underpinned its action.

The Commission took note of this information.

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The meeting closed at 11.47.