



European Council

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COVER NOTE

From: General Secretariat of the Council
To: Delegations
Subject: European Council meeting (19 and 20 March 2015)
– Conclusions

Delegations will find attached the conclusions adopted by the European Council at the above meeting.

I. **ENERGY UNION**

1. The EU is committed to building an Energy Union with a forward-looking climate policy on the basis of the Commission's framework strategy, whose five dimensions are closely interrelated and mutually reinforcing (energy security, solidarity and trust; a fully integrated European energy market; energy efficiency contributing to moderation of demand; decarbonising the economy; and research, innovation and competitiveness). The EU institutions and the Member States will take work forward and the Council will report to the European Council before December. The European Council will continue to give guidance.
2. While emphasising the importance of all dimensions of the Energy Union, today, the European Council focused on some of the aspects and called for:
 - a) accelerating infrastructure projects, including interconnections in particular to peripheral regions, for electricity and gas¹ to ensure energy security and a well-functioning internal energy market;
 - b) fully implementing and rigorously enforcing existing energy legislation;
 - c) reinforcing the legislative framework for the security of supply for electricity and gas; energy security can also be strengthened by robust grids, increased energy efficiency and having recourse to indigenous resources as well as safe and sustainable low carbon technologies;

¹ The recent agreement by France, Portugal, Spain, the Commission and the EIB is a welcome step towards achieving the 10% electricity interconnections objective by 2020; the agreement by the Baltic States to proceed towards synchronous operation of Member States within the Continental European Network contributes also to the increase of energy security, as does the work of the Central East South Europe Gas Connectivity High Level Group. In this context, the setting up by the Commission of Regional High Level Groups composed by all relevant key players to ensure regular monitoring of progress in the selection and financing of Projects of Common Interest is encouraged.

- d) ensuring full compliance with EU law of all agreements related to the buying of gas from external suppliers, notably by reinforcing transparency of such agreements and compatibility with EU energy security provisions. As regards commercial gas supply contracts, the confidentiality of commercially sensitive information needs to be guaranteed;
- e) assessing options for voluntary demand aggregation mechanisms in full compliance with WTO and EU competition rules;
- f) developing a more effective, flexible market design which should go together with enhanced regional cooperation, including with neighbouring countries, and help integrate renewables, while ensuring that public intervention is compatible with the internal market and that the right of Member States to decide on their own energy mix is respected. This will help provide affordable energy to households and industry;
- g) reviewing and developing legislation related to emissions reduction, energy-efficiency and renewables to underpin the agreed 2030 targets; developing a reliable and transparent governance system;
- h) developing an energy and climate-related technology and innovation strategy, including for example on the next generation of renewables, on electricity storage and carbon capture and storage, on improving energy efficiency in the housing sector as well as on sustainable transport;
- i) using all external policy instruments to establish strategic energy partnerships with increasingly important producing and transit countries, notably with a view to promoting energy security, while ensuring that the sovereignty and sovereign rights of Member States to explore and develop their natural resources are safeguarded.

3. The European Council supports a strong coordinated action through an active European climate diplomacy ahead of the COP21 in Paris, in line with the ambitious objective fixed by the October 2014 European Council, as reflected in the contribution submitted recently by the EU and its Member States. It urges all Parties in a position to do so, including major economies, to submit their contributions by the end of March. It is also necessary to intensify work on solutions on financing, technology transfer and capacity-building, which are key issues in view of an ambitious agreement in Paris.

II. EUROPEAN SEMESTER / GROWTH AND JOBS

4. The European Council held an exchange of views on the economic situation in Europe and on the implementation of key structural reforms undertaken by Member States. It endorsed the three main pillars of the Annual Growth Survey (investment, structural reforms and growth-friendly fiscal consolidation) and invited Member States to reflect these priorities in their forthcoming National Reform Programmes and Stability or Convergence Programmes.
5. The general approach reached by the Council on the European Fund for Strategic Investments (EFSI) is an important step towards an agreement by the co-legislators on the legislative act by June, so that the EFSI can be fully deployed from mid-2015. Cooperation between the EIB Group and national promotional banks needs to be strengthened and the EFSI should complement and be additional to ongoing EU programmes and traditional EIB Group activities.
6. The European Council discussed the state of play in the negotiations with the US on TTIP. The EU and the US should make every effort to conclude negotiations on an ambitious, comprehensive and mutually beneficial agreement by the end of the year. Member States and the Commission should step up efforts to communicate the benefits of the agreement and to enhance dialogue with civil society.

III. EXTERNAL RELATIONS

European Neighbourhood Policy

7. The ongoing review of the European Neighbourhood Policy should ensure the continued deep involvement of the EU with both Eastern and Southern partners. The European Council will have a broader discussion on the Southern Neighbourhood in October. In this context, the European Council welcomed the ministerial meeting to be held in Barcelona on 13 April which will provide a unique opportunity to hear our southern partners' views.

Eastern Partnership Summit in Riga

8. The EU is fully committed to the Eastern Partnership. It will strengthen, in a differentiated way, relations with each of its six partners. Particular efforts should be devoted to advance cooperation in state building, mobility and people-to-people contacts, market opportunities and interconnections. The European Council looks forward to the earliest possible ratification by all Member States of the Association Agreements/Deep and Comprehensive Free Trade Areas (AAs/DCFTAs) with Georgia, Republic of Moldova and Ukraine.

Russia/Ukraine

9. The European Council called on all parties to swiftly and fully implement the Minsk agreements and honour their commitments, and underlined the Russian authorities' responsibility in this regard. The EU stands ready to support the process, notably as regards the OSCE's ability and capacity to monitor and verify the implementation of the Minsk agreements, and will continue efforts in the trilateral processes on energy and EU-Ukraine DCFTA implementation.
10. The European Council agreed that the duration of the restrictive measures against the Russian Federation, adopted on 31 July 2014 and enhanced on 8 September 2014, should be clearly linked to the complete implementation of the Minsk agreements, bearing in mind that this is only foreseen by 31 December 2015. The necessary decisions will be taken in the coming months. The European Council stands ready to take further measures if necessary.

11. The European Council does not recognize and continues to condemn the illegal annexation of Crimea and Sevastopol by the Russian Federation and will remain committed to fully implement its non-recognition policy.
12. The EU will continue to support Ukraine's reform process, together with other donors and in line with IMF conditionality. The European Council called for the third Macro-Financial Assistance package for Ukraine to be adopted as a matter of urgency. It acknowledged the Ukrainian government's reform efforts so far and called on it to further intensify its work.
13. The European Council stressed the need to challenge Russia's ongoing disinformation campaigns and invited the High Representative, in cooperation with Member States and EU institutions, to prepare by June an action plan on strategic communication. The establishment of a communication team is a first step in this regard.

Libya

14. The crisis in Libya is a serious challenge to international peace and security requiring the EU's full attention. The European Council called for an immediate and unconditional ceasefire and for Libyan parties to rapidly agree on a Government of National Unity. Only a political solution can provide a sustainable way towards a democratic transition. The EU is committed to ongoing UN efforts and will reinforce its current support to UNSMIL and the unity process. It commends the work of the Special Representative of the UN Secretary General.
15. As soon as agreement to form a Government of National Unity is found, the EU stands ready, with countries in the region and international partners, to contribute to its implementation by making full use of all its instruments. The High Representative will present proposals as agreed at the Council on 16 March 2015. The EU will step up its engagement on counter-terrorism in the region, with relevant partners.

16. The European Council deplores the continuing loss of migrants' lives at sea, greatly increased by organised people smugglers and human traffickers. Implementation of the actions, agreed by the Council in October 2014 to better manage migratory flows, should now be stepped up, including by strengthening Triton, the Frontex Operation in the Central Mediterranean. A more concerted effort is needed to increase the EU's support to the countries of origin and transit. The need to manage migration properly concerns the EU as a whole. Hence the European Council welcomes the Commission's initiative to submit in May a European Agenda for Migration built around the objectives of an effective asylum policy, well-managed regular migration, the fight against and the prevention of illegal migration and securing the external borders.

17. The European Union will continue to monitor the situation on the ground very closely over the coming months.

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Heads of State or Government endorsed the proposal of President Tusk that Mr Jeppe TRANHOLM-MIKKELSEN will be the next Secretary-General of the Council, and invited the Council to proceed as soon as possible with the formal appointment.
