



**Brussels, 16 July 2014
(OR. en)**

EUCO 147/14

**CO EUR 9
CONCL 3**

COVER NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Special meeting of the European Council (16 July 2014)
– Conclusions

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

I. THE NEXT INSTITUTIONAL CYCLE

1. Following the election by the European Parliament of the President of the European Commission, the European Council had an exchange of views with the President-elect, Mr Jean-Claude Juncker, relating in particular to the priorities set out in the Strategic Agenda for the Union in times of change agreed on 27 June 2014. It calls on all Institutions to concentrate their activities on areas where the Union can make a real difference. The European Council reiterated its commitment to ensure regular monitoring of these strategic priorities.
2. The President of the European Council reported on the consultations he conducted, in accordance with the Treaties, on other appointments for the next institutional cycle. The European Council held a first debate in that respect and agreed to come back to it for a final decision at a special meeting on 30 August.
3. The new Commission will be appointed by the European Council following a vote of consent by the European Parliament on the President, the High Representative of the Union for Foreign Affairs and Security Policy and the other members of the Commission as a body.

II. EXTERNAL RELATIONS

Ukraine

4. Recalling the statements of the Heads of State or Government on Ukraine of 6 March and 27 May and its conclusions of 21 March and 27 June, the European Council once again stresses its support for a peaceful settlement of the crisis in Ukraine, notably the urgent need to agree on a genuine and sustainable cease-fire by all parties to create the necessary conditions for the implementation of President Poroshenko's peace plan. The European Council supports the diplomatic efforts by Ukraine, the Russian Federation, France and Germany, as well as the joint Berlin Declaration of 2 July.

5. The European Council condemns the continuation of illegal activities by armed militants in Eastern Ukraine, including the occupation of public buildings, hostage-taking and armed attacks on Ukrainian law enforcers and border guards. The European Council urges the Russian Federation to actively use its influence over the illegally armed groups and to stop the flow of weapons and militants across the border, in order to achieve a rapid de-escalation. In this context, the European Council recalls the decision of 11 July to expand the travel ban and asset freeze within the European Union to 11 new individuals for actions undermining Ukraine's territorial integrity, sovereignty and independence. Member States also agreed to discontinue the application of their agreement of 20 February 2014 on export licences.

6. The European Council regrets that the requested steps it set out in its 27 June conclusions have not been adequately taken. As a result, the European Council agrees to expand the restrictive measures, with a view to targeting entities, including from the Russian Federation, that are materially or financially supporting actions undermining or threatening Ukraine's sovereignty, territorial integrity and independence. It tasks the Council to adopt the necessary legal instruments and to decide by the end of July on a first list of entities and persons, including from the Russian Federation, to be listed under the enhanced criteria. It also asks to consider the possibility of targeting individuals or entities who actively provide material or financial support to the Russian decision-makers responsible for the annexation of Crimea or the destabilisation of Eastern-Ukraine. The European Council requests the EIB to suspend the signature of new financing operations in the Russian Federation. European Union Member States will coordinate their positions within the EBRD Board of Directors with a view to also suspending financing of new operations. Finally, the European Council invites the Commission to re-assess EU-Russia cooperation programmes with a view to taking a decision, on a case by case basis, on the suspension of the implementation of EU bilateral and regional cooperation programmes. However, projects dealing exclusively with cross-border cooperation and civil society will be maintained.

The European Council recalls that the Commission, the EEAS and the Member States have been undertaking preparatory work on targeted measures, as it requested in March, so that further steps can be taken without delay. The European Council remains committed to reconvene at any time should events so require.

In line with the policy of non-recognition of the illegal annexation of Crimea and Sevastopol, the European Council requests the Commission and the EEAS to present proposals for additional measures in particular on restricting investments in Crimea and Sevastopol. The European Council also expects the International Financial Institutions to refrain from financing any projects that explicitly or implicitly recognise the illegal annexation of Crimea and Sevastopol.

7. The European Council commends the efforts of the OSCE and its Chairmanship in Office, particularly in facilitating meetings of the Contact Group in Ukraine, and its readiness to establish a border-monitoring mission, to which the European Union and its Member States stand ready to consider a substantial contribution.
8. The European Council stresses the European Union's commitment to pursue trilateral talks on the conditions of gas supply from the Russian Federation to Ukraine and commends the efforts of the Commission in that regard. Finding a swift agreement is important for safeguarding the security of supply and transit of natural gas through Ukraine to EU Member States and for the stabilisation of Ukraine's economy.

9. The European Council stresses the importance of Ukraine ratifying the Association Agreement with a view to its early provisional application. It welcomes the holding of trilateral consultations at ministerial level between Ukraine, the Russian Federation and the European Union on 11 July on the implementation of the Association Agreement. In this context, it also welcomes the setting up of a consultation mechanism to address potential difficulties resulting from the effects of the implementation of the Deep and Comprehensive Free Trade Area on the implementation of the Free Trade Agreement of the Commonwealth of Independent States.

Gaza

10. The European Council is following with great concern the continued violence in Israel and Gaza. The European Council condemns the firing of rockets from Gaza into Israel and the indiscriminate targeting of civilians. Israel has the right to protect its population from this kind of attacks. In doing so, it must act proportionately and ensure the protection of civilians at all times. It deeply deplores the loss of innocent lives and the high number of wounded civilians in the Gaza Strip as a result of Israeli military operations and is deeply concerned about the rapid and dramatic deterioration of the humanitarian situation. The European Council calls on both sides to de-escalate the situation, to end the violence, to end the suffering of the civilian populations notably by allowing access to humanitarian assistance, and return to calm. The European Council welcomes on-going efforts by regional partners, and in particular the initiative launched by Egypt, to establish a cease-fire and calls on Hamas to agree on such cease-fire. The European Union stands ready to provide the necessary support to this end. The European Union continues to call for the full implementation of United Nations Security Council Resolution 1860 (2009).

11. The tragic events of the past days highlight the urgent need for all parties to work towards a resumption of the diplomatic process and to pursue a two-state solution to the Israeli-Palestinian conflict. The European Union reiterates its offer to both parties of a package of European political and economic support and of a Special Privileged Partnership with the European Union in the event of a final peace agreement.

 12. Israelis and Palestinians need to make the strategic choice of peace in order to allow their future generations to live lives freed from past conflicts and to enjoy the stability, security and prosperity which they are currently being denied.
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