6.10.2009

Joint Motion for a Resolution

Pursuant to Rule 110(4) of the Rules of Procedure

Replacing the motions by the following groups:
S&D (B7-0082/2009)
ALDE (B7-0083/2009)
PPE (B7-0086/2009)

On the Pittsburgh G20 Summit of 24-25 September 2009

Jean-Paul Gauzès, Corien Wortmann-Kool
On behalf of the PPE Group
Martin Schulz, Stephen Hughes, Hannes Swoboda, Udo Bullmann
On behalf of the S&D Group
Guy Verhofstadt, Sylvie Goulard
On behalf of the ALDE Group
European Parliament resolution on the Pittsburgh G20 Summit of 24-25 September 2009

The European Parliament,

– having regard to the leaders' statement issued following the Pittsburgh Group of Twenty (G20) Summit of 25 September 2009,

– having regard to the G20 Conclusions issued on 2 April 2009 in London and its Resolution of 24 April 2009 on the London G20 Summit of 2 April\(^1\),

– having regard to the G20 Declaration issued on 15 November 2008 in Washington,

– having regard to the Commission Communication of 8 April 2009 on 'supporting developing countries in coping with the crisis' (COM(2009) 160),

– having regard to its previous resolutions regarding climate change, and in particular those of 4 February 2009 on '2050; The future begins today - Recommendations for the EU's future integrated policy on climate change'\(^2\) and of 11 March 2009 on 'an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy'\(^3\),

– having regard to the ILO's Global Jobs Pact of June 2009,

– having regard to the United Nations Millennium Development Goals and EU Member States' aid commitments to tackle hunger and poverty,

– having regard to the agreed language for the Pittsburgh G20 Summit, adopted by the EU Heads of State or Government in Brussels on 17 September 2009,

– having regard to Rule 110(4) of its Rules of Procedure,

A. whereas the process of economic recovery remains incomplete; whereas tackling rising unemployment remains a matter of the utmost importance and urgency; whereas in particular Europe's unemployment rate hit a ten-year high of 9.5% in July and is expected to rise further,

B. whereas the main challenge to be met in ensuring a return to economic growth is to restore private demand; whereas decisive progress on reforms is essential to achieve strong economic growth which is balanced and sustainable,

C. whereas the present economic difficulties should be used as an opportunity to promote the Lisbon-Göteborg goals, to reiterate the commitment to fight unemployment and climate change and to reduce energy consumption and create a European strategy which makes the transition from urgent crisis management to long-term sustainable economic recovery,

\(^1\) Texts adopted, P6_TA(2009)0330.
\(^3\) Texts adopted, P6_TA(2009)0121.
D. whereas major failures of regulation and supervision, in addition to reckless and irresponsible risk-taking by some financial institutions as well as the over-supply of liquidity due to a lax monetary policy in some parts of the world have contributed significantly to the current crisis,

E. whereas improved international coordination is essential to the economy, strong multilateral cooperation is needed to avoid any protectionist tendencies, and political inaction may tempt financial institutions to go back to do business as usual,

F. whereas the G20 has a collective responsibility to mitigate the social impact of the crisis, especially in developing countries, which have been hard hit by the side-effects of the crisis,

G. whereas offshore centres have undermined financial regulation and constitute an obstacle to the achievement of the Millennium Goals,

**General remarks. Restoring growth**

1. Welcomes the agreements reached at the G20 Summit, including the commitment to avoid any premature withdrawal of stimulus; notes, however, with concern the rapid increases in public debt and budget deficits; stresses the importance of establishing sound State finances and of ensuring long-term fiscal sustainability in order to avoid imposing too heavy a burden on future generations; urges that work start now on effective exit strategies, in order to rapidly implement them as soon as the recovery permits it;

2. Stresses that the immediate priorities must be to secure strong and sustainable growth of the real economy, to ensure that the capital markets and lending function properly, to sustain and promote employment, and to protect people from the adverse impact of the crisis, paying special attention to the poorest and most vulnerable;

3. Welcomes the fact that global imbalances, which are at the root of the financial crisis, were addressed at the G20 Summit; points out that if financial crises are to be prevented in the future, the underlying causes have to be addressed (including excessive trade deficits or surpluses), which have implications far beyond the realm of banking and financial regulation and institutional governance; considers that an effective multilateral response to the crisis must involve addressing the causes of exchange-rate imbalances and commodity price volatility within multilateral frameworks;

4. Regrets however a lack of assessment of the major failures of regulation and supervision which caused the financial crisis, so as to avoid a repetition of the same regulatory and supervisory mistakes and hence another crisis of this kind; regrets that no progress was made with regard to financing the global fight against climate change;

5. Welcomes the reaffirmed commitment to meet the Millennium Development Goals and to achieve ODA pledges, including aid for trade, debt relief and the Gleneagles commitments,

6. Welcomes the G20 leaders' agreement to work on an international framework for a financial transaction tax and calls for speedy progress, to ensure that the financial sector contributes fairly towards economic recovery and development, since the costs of the crisis so far are being borne by taxpayers, public services and citizens;
Jobs, jobs, jobs

7. Welcomes the G20 leaders' decision to put decent jobs at the heart of recovery and reform, and especially welcomes the role agreed for the ILO;

8. Welcomes the G20 commitment to tackle the employment crisis at international level and strengthen support for the most vulnerable, as they are the ones hardest hit by the crisis and in the greatest need of common action; welcomes in this respect the setting-up of the Global Impact Vulnerability Alert System;

9. Demands that the commitment of the international community be translated into concrete action and that it be implemented in particular by supporting a strong ecological jobs agenda;

10. Agrees on the importance of building an employment-oriented framework for future economic growth and of making the promotion of decent work central to the recovery plans;

11. Welcomes the ILO's Jobs Pact and calls for its urgent implementation, in particular the creation of an anti-cyclical jobs fund at international level and ambitious fiscal stimulus packages which support job creation and retention with efficient employment services and strong social policies to support vulnerable groups and ensure the purchasing power of minimum wages;

12. Insists that the ratification and implementation of ILO Conventions are crucial in this respect and demands that they be incorporated into WTO trade agreements; calls also for the further strengthening of cooperation among the key international organisations;

13. Supports the initiatives relating to new types of financial services such as microfinance, aimed at improving access to financial services for the poorest;

14. Insists on the importance of supporting social dialogue at all levels to avoid wage deflation and ensure that wage growth is in line with productivity growth;

Strengthening financial supervision and regulation

15. Welcomes the call on the Finance Ministers and Central Bank Governors of the G20 to reach agreement on an international framework of reform in the following critical areas of the financial sector:
   - building high-quality capital and mitigating pro-cyclicality,
   - reforming compensation practices to support financial stability,
   - improving over-the-counter derivatives markets,
   - addressing cross-border resolutions and systemically important financial institutions,
   - supervisory reform in the financial sector, consistent with the global framework;

16. Approves the willingness to transform the system of global financial regulation and agrees that substantial progress has been made but believes that many of the changes agreed have
not yet been fully implemented and that much more remains to be done;

17. Notes the G20's pledge of complete supervision of all systemically important institutions and financial instruments; believes that a more centralised approach to financial market supervision is needed to prevent further crises, and takes the view that the European Union needs to work towards a stronger financial supervisory architecture with a single financial supervisory authority as an objective;

18. Takes the view that international coordination must lead to the progressive upgrading of prudential rules globally to avoid regulatory arbitrage; underlines that progress made within the broader context of the G20 consists of a 'minimum harmonisation' approach that must not prevent the EU from applying higher standards; welcomes in this context the fact that the European Union is more ambitious with regard to the scope and requirements of regulation and supervision, as legislation recently adopted or under discussion demonstrates;

19. Welcomes the reaffirmed commitment to have financial institutions with stricter rules on risk-taking and governance that aligns compensation with long-term performance and overall greater transparency; warmly welcomes the commitment to adopt the Basel II framework by 2011 and to introduce a leverage ratio harmonised at international level; considers that these broad principles and objectives should be observed by all market players wherever investors', taxpayers' and consumers' protection is at stake;

20. Calls on the Commission to quickly transpose the commitments given at the G20 Summit with regard to bonuses into binding European legislation; calls on the G20 leaders to give more teeth to their proposals in terms of building capital and reforming compensation practices and ensure a consistent approach by supervisors worldwide when it comes to sanctions;

21. Takes the view that the principles of cross-border cooperation on crisis management need to be urgently implemented; calls on the Financial Stability Board to consult with the European Parliament before approving the proposals that are to be adopted by the end of October 2010 for systemically important financial institutions;

22. Recognises that achievements in fighting non-cooperative jurisdictions ('tax havens') have been substantial, but are not yet sufficient; encourages the Global Forum on Transparency and Exchange of Information to improve tax transparency and the exchange of information so that countries can fully enforce their tax law to protect their base; supports the G20 in its use of countermeasures against tax havens from March 2010 in cases of non-cooperation;

23. Welcomes the steps forward on bank secrecy: the expansion of the OECD Global Forum on Transparency and Exchange of Information; notes however that several jurisdictions that have promised to implement standards have not yet delivered; calls for an effective system to prevent, detect and pursue tax evaders; highlights the importance of creating a standardised system of reporting;

24. Regrets that the issue of moral hazard is not addressed and that the link between prudential standards for systemic institutions and the issue of the costs of a failure of such institutions is postponed to October 2010; calls for proposals to tackle the question of restructuring and a review of financial sector business models, to tackle the 'too big to fail' issue;
**Strengthening our global financial institutions**

25. Welcomes the G20's plan to reform the international financial institutions and calls for those reforms to start as soon as possible; expects a far-reaching reform of global economic and financial governance; supports the improvement of the IMF and World Bank as a core element of the effort to improve the credibility, legitimacy and effectiveness of these institutions; expects the representation of developing countries in international financial institutions to be improved; welcomes the commitment to a shift in quota share to dynamic emerging-market and developing countries; recalls the importance of avoiding pro-cyclical policies in order to find the path to recovery;

26. Calls for the creation of a mechanism to transfer some of the Member States' allotted new allocations of IMF Special Drawing Rights (SDRs) to Low Income Countries, which could double the mid-term concessional lending capacity of the IMF;

27. Welcomes the commitments given to an open global economy; considers that the revival of world trade is essential to restoring global growth; in this respect reiterates its stance against any form of protectionism and continues to press for progress in ensuring market access which does not disadvantage developing countries, by eliminating indiscriminate tariff and non-tariff barriers, as well as respect for rules for free and fair trade; remains determined to seek a global, ambitious and balanced conclusion to the Doha Development Round, consistent with its mandate, and calls upon leaders not to forget the ultimate development goal of this round;

28. Welcomes the G20's acknowledgement of the importance of a more sustainable global economy; emphasises that a binding agreement on climate change at the forthcoming Copenhagen conference is critical; stresses, however, that the G20 leaders should recognise the broad nature of global sustainability challenges; calls for G20 Finance Ministers to mobilise resources to support near-term climate action in developing countries as a key component of the collective response to the global economic crisis;

29. Stresses the fact that all the commitments entered into must be respected in full, put in place rapidly and fleshed out, at national and international level, in order to rebuild confidence and maximise the economic recovery;

30. Considers that the EU representation at the G20 meetings must be the object of an in-depth discussion between the three major EU institutions and the Member States; is convinced that the European Union has to agree on a common position in international forums, particularly with regard to the G20 meetings, and insists that there has to be a more coherent representation of the EU in international negotiations;

31. Highlights the importance of an agreement on funds to help poor countries adapt to climate change at the UNFCCC Copenhagen and of the provision of strong and predictable financing mechanisms in addition to Official Development Assistance; regrets that this issue was postponed to the UNFCCC negotiations at Copenhagen, and reiterates that the EU should contribute its fair share to financing for mitigation and adaptation, corresponding to scientific research findings on the severity of climate change and the scale of its costs;

32. Draws attention to the persistent food crisis and welcomes the decision to endorse a World
Bank food initiative; calls on donor countries to ensure transparency and accountability regarding food aid distribution;

33. Instructs its President to forward this resolution to the Council, the Commission, the European Central Bank, the governments and parliaments of the Member States, the governments and parliaments of the G20 States and the International Monetary Fund.