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MOTION FOR A RESOLUTION

to wind up the debate on the European Council report and Commission statement

pursuant to Rule 103(2) of the Rules of Procedure

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on behalf of the ALDE Group

on the European Council meeting of 15-16 October 2008

European Parliament resolution on the European Council meeting of 15-16 October 2008

The European Parliament,

- having regard to the Brussels European Council of 15 and 16 October 2008,
 - having regard to the Brussels European Council of 19 and 20 June 2008,
 - having regard to the extraordinary European Council of 1 September 2008,
 - having regard to Rule 103(2) of its Rules of Procedure,
- A. whereas the EU is in a demanding situation concerning the financial crisis, the challenge of climate change and the need to establish a clear institutional settlement,
- B. whereas 24 Member States have completed their parliamentary procedures for the approval of the Lisbon Treaty and whereas there are important electoral and political dates in the course of the next year,
- C. whereas the EU plays a major role on the world stage in terms of combating climate change through both our leadership in international negotiations and the significant reductions we have committed ourselves to within the 27 Member States; whereas, in this respect, the European Council in March 2007 committed itself to achieving reductions in greenhouse gas emissions of at least 20% by 2020, increasing to 30% in the event of a comprehensive international agreement,
- D. whereas the current financial crisis is creating severe difficulties for the global markets and there is a need to differentiate between crisis management and long term management of the financial markets. The first set of actions should be continued in the swift, targeted manner currently conducted by the Member States within the European Union. The latter needs to be approached carefully in order not to offset the functioning of the financial markets by new regulation or structures whose impact has not been assessed sufficiently,
- E. whereas the existing supervisory system in the EU has shown its limits, and whereas there is a need to ensure a coherent EU level supervision of ever more integrated European financial markets; financial stability and crisis management nevertheless involves a wider range of actors than just supervisors,

Macroeconomic consequences of the global financial crisis

1. Strongly underlines the importance of European macroeconomic policies responding quickly and in a highly co-ordinated way in order to contain the fiscal burdens of the bailout schemes and help to resuscitate global economic growth; however, observes that the principles of the stability and growth pact must not be undermined and that Member States should aim for fiscal consolidation;

2. Welcomes the action undertaken by the ECB and other central banks outside the Euro area in terms of liquidity provision, especially when coordinated; is of the opinion that coordination of policy actions of the central banks should be enhanced globally to ensure financial stability and avoid building-up macroeconomic imbalances;
3. Calls on Member States to come forward with a comprehensive policy plan relevant to national conditions and which shall be coordinated at EU level to contain the impact of negative spillovers of the financial crisis on the EU real economy;

Exit strategy from the financial crisis

4. Welcomes the European Council Conclusions which ratified the measures decided by the Eurogroup on 12 October; considers this concerted response to the financial crisis a first important step to restore the confidence in the markets, to boost inter-bank loans and to enhance banks' own funds so that they can continue to lend to companies and to households;
5. Recalls the paramount importance of on-going access to credit for citizens and SMEs and investments in EU infrastructures to avoid a dramatic downturn in economic growth and employment; stresses the potential role to be played by the EIB in this respect;
6. Underlines that the current financial crisis demonstrates the crucial importance of financial education and literacy for consumers; stresses that consumer education and protection help to foster competition, quality and innovation within the banking and financial services sector and contribute to an effective supervision;
7. Is concerned about moral hazard in the financial markets created by the size of state support packages and points out that taxpayers must witness changes in governance and remuneration schemes as well as restructuring of unfeasible business models and investment strategies in return for the investment of public money into the rescue plans for the financial system; notes that these objectives become more achievable with the current mood for similar action globally;
8. Warns against effective suspension of competition rules; welcomes the Commission's proposal to scrutinise rescue operations in detail and ensure they are in conformity with the Treaty provisions;
9. Understands and agrees that it was necessary to act rapidly on the principle of fair value accounting (IAS 39 and IFRS 7) to allow for a certain degree of flexibility in accounting standards in this crisis time without undermining the regulation itself;
10. Underlines that regulatory initiatives must be coordinated at least at EU-level and be counter-cyclical in terms of capital charges; observes that comprehensive and legally binding arrangements for the winding up of financial institutions in cross-border situations are necessary, both within the EU and where possible with third countries;

Improving regulation and supervision of financial markets

11. Reiterates the need to strengthen the Lamfalussy process, as requested in the recent

Parliament report on the Future Structure of Supervision (A6-0359/2008), including the supervision of the largest cross-border financial groups by colleges and the provision of a clear legal status and stronger prerogatives for the level 3 Committees, as a means to improve supervision in the EU and help international dialogue and policy coordination in this field. Strengthening the ECB's role in this respect is necessary. Procedures for cooperation and information-sharing between the Lamfalussy Level 3 Committees and the ESCB/BSC should be developed (§ 16 + second part of § 18);

12. Appreciates the decision of the Commission to set up a high level group in order to elaborate a supervisory architecture that is solid and sustainable and which provides for a better cross-sector and cross-border integration and coordination; stresses the importance of it being given a precise mandate, within a short time frame, and reporting to the Council, Commission and EP; approves the creation of a 'financial crisis unit' and asks the Council to agree in shorter terms on the modalities of its functioning and its cooperation with the established high level group;
13. Stresses the need to carefully analyse the causes of the current financial crisis, in particular the adequacy of supervision and compliance with the existing rules; reiterates its call for balanced legislative measures in particular: banks regulation and supervision, role of credit rating agencies, securitization and oversight of securitization, hedge funds and other types of new institutions, role of leverage, transparency requirements, winding up rules, clearing of over-the-counter (OTC) markets and crisis prevention mechanisms; welcomes the Commission's proposal to increase the minimum protection for bank deposits and reiterates its commitment to analyse the proposal rapidly; asks the Member States to commit themselves along the same lines;
14. Asks the Commission to timetable a revised version of the EU Financial Services Action Plan to reflect the latest developments on the financial markets to ensure continuity of initiatives for integration and enhancement of the EU financial market;
15. Welcomes the initiative for a reform of the international financial system based on principles of transparency, responsibility, banking sector stability, global governance and integrity; calls for a rapid and coherent action of the European Union to take initiatives with its international partners and the international financial institutions in restoring confidence in the global financial system;

The Lisbon Treaty

16. Notes that the European Council was unable to make substantive progress on solving the problems surrounding the ratification of the Lisbon Treaty; notes the statement by the Irish Taoiseach; stands ready to offer the Irish government and parliament any assistance they may require in order to present a set of proposals which will forge a larger, more informed consensus in Irish public opinion about Ireland's future within a reformed and strengthened European Union and which will be acceptable to Ireland's EU partners; insists that, on the basis of such proposals, the European Council in December takes a definitive decision about how and when the Member States are to bring the Treaty into force;
17. Urges Sweden to ratify the Treaty in the nearest possible future; looks forward to the

publication of the judgment of the German Federal Constitutional Court; insists that the Polish President now fulfils his constitutional duty and signs the ratification instrument as passed by the Polish parliament; notes that the Czech presidency of the European Union will hardly be credible if the Czech Republic has not honoured its obligations to ratify the Treaty;

18. Would deplore, meanwhile, the elections to the European Parliament and the appointment of the new Commission having to take place according to the provisions of the Treaty of Nice;

Energy and Climate Change

19. Fully support the determination of the Council presidency and the Commission to maintain the ambitious goals the Union has set itself concerning the climate change and energy package despite the current financial crisis; recalls, however, that the European Parliament is an integral party to any agreement;
20. Welcomes the climate change package brought forward by the Commission in January 2008 and the work done by the Council and Parliament to secure agreement on these dossiers by the end of the year;
21. Recalls the firm commitment by the European Council in March 2007 to reduce GHG emissions by 20% by 2020, irrespective of any international agreement. Notes the endorsement by the same European Council to move towards a 30% reduction in the event of an international agreement provided that other developed countries commit themselves to comparable emission reductions and economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities;
22. Underlines that energy efficiency is not only the most cost-effective means of reducing greenhouse-gas emissions but also has a direct positive impact on the economy, through lower fuel bills and increased consumer spending power on other goods and services; calls on Member States to implement energy-efficiency policies to the full;
23. Reiterates its support for its ITRE committee on the *Promotion of the use of energy from renewable sources* Directive and especially for the binding 20% energy efficiency target for the transport sector; notes that a reduction in energy demand in the transport sector will make it easier to attain the 10% renewable energy target in transport and therefore calls on the Council to consider and support this proposal;
24. Is nevertheless concerned that the appropriate responses to the specific situation of certain Member States and industries required for a decision in December 2008 could lead to a weakening of the commitment to attain the goals by 2020;
25. Emphasises the importance of transposing our commitments into binding legislation at the EU level in order to ensure a safe and sustainable environment for future generations;
26. Notes the importance of finalising the climate change package without delay in order to provide greater certainty and transparency for our industry and to reassure our citizens that the EU is playing an active and leading role by using its powers and responsibilities to

provide for a cleaner, more sustainable future;

27. Recalls that the EU ETS is the world's largest cap-and-trade scheme and as such has become one of the key factors in long-term investment planning as industry strives to develop innovative technologies and reduce its overall carbon footprint;
28. Draws attention to the fact that the potential for CCS to assist in the major abatement of CO₂ in the power sector and industrial installations has been recognised, among others, by the IPCC; calls therefore on the Council to ensure that adequate funding is made available so that the 12 demonstration projects it has called for can begin operations by 2015;
29. Acknowledges the need for much greater investment in infrastructure combined with new, low carbon technology if we are to adequately adapt to, and mitigate, the effects of climate change;
30. Welcomes the new Commission proposal on Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss (COM(2008)645), but finds it weak in measures to tackle deforestation and biodiversity loss, both in European territories and in fighting the European marketing of illegally logged timber in third countries;

Energy Security

31. Calls upon the Member States for a strong political commitment to develop a European energy policy securing affordable energy as far as possible from low carbon sources in the short term and carbon free sources in the medium term and mainly from renewable sources by respecting the market mechanism, whilst protecting the environment, combating climate change and promoting energy efficiency;
32. Believes that the development of a common EU stance in the dialogue with third countries will increase the EU's ability to negotiate with energy producing and consuming countries and that the Commissioner responsible for energy should be provided with a well defined mandate which sets out a European long term energy planning vision;
33. Advocates strengthening the European Neighbourhood policy and placing special emphasis on cooperation with neighbouring countries in the energy field, including transportation infrastructure, to which special financial assistance should be provided;
34. Notes the importance and urgency of the Commission finalising by the end of this year the relevant proposals and schedule of work in order to speed up the interconnections of the most isolated European countries. Particularly welcomes the Commission initiative to draw up an action plan by December 2008 in order to speed up the implementation of interconnections in the Baltic region;

European Pact on Immigration and Asylum

35. Welcomes the adoption of a European Pact on Immigration and Asylum in as far as it promotes a coherent and balanced approach to migration in its two-fold objective: providing legal channels of migration while at the same time tackling illegal migration;

insists that the commitments taken in this framework must be transposed into measures by the Member States; notes the continued need to develop a common immigration policy and the launching of a European asylum policy on the basis of proposals to be presented by the Commission before the end of the year;

36. In this context, urges the Council to show political courage and translate its ambitious statements into concrete political action through support for the Commission in promoting Europe's forward looking strategy on:

- legal migration: the forthcoming legal migration package (Blue Card, Single Application procedure, seasonal workers, and the Intra-Corporate Transferees and remunerated trainees proposal, as well as others),
- illegal migration: proposals including sanctions against employers and an EU resettlement scheme,
- on asylum: implementation of Phase II, including revision of the directive on minimum standards on procedures in Member States for granting and withdrawing refugee status as well as the directive on minimum standards for the qualification and status of third country nationals or stateless persons as refugees or as persons who otherwise need international protection and the content of the protection granted, and the establishment of a European Asylum Support Office,
- development of a Community policy on migration and asylum based on the opening up of channels for legal migration and on the definition of common standards for the protection of migrants and asylum seekers' fundamental rights in the EU;

External relations

37. Underlines that the European Union must insist on full compliance by Russia with the agreements of 12 August and 8 September and make further efforts to get the parties to take full and constructive part in the Geneva talks; reaffirms that the negotiations on a new Partnership and Cooperation Agreement cannot resume until Russia has lived up to these commitments;

38. Calls on the Council and the Member States to show unity and resolve in relations with Russia and in the on-going evaluation of EU-Russia relations;

39. Welcomes the support given by the European Council to the 'eastern partnership' that is currently being drawn up in the Commission in order to strengthen relations between the Union and its eastern neighbours; underlines that this partnership must have a concrete and tangible content, notably as regards freedom of movement and free trade, but also sufficient financial resources within the EU budget;

Reflection Group

40. Takes note of the composition of the Reflection Group; insists that the Group should stick strictly to its terms of reference agreed by the European Council in December 2007;

41. Instructs its President to forward this resolution to the Council, the Commission and the Parliaments of the Member States.