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B7-0082/2009

## **MOTION FOR A RESOLUTION**

to wind up the debate on statements by the Council and Commission  
pursuant to Rule 110(2) of the Rules of Procedure  
on the G20 Summit in Pittsburgh on 24-25 September 2009

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on behalf of the S&D Group

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**B7-0082/2009**

**European Parliament resolution on the G20 Summit in Pittsburgh on 24-25 September 2009**

*The European Parliament,*

- having regard to the G20 leaders' statement adopted in Pittsburgh on 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<sup>1</sup>,
- having regard to the G20 Declaration issued on 15 November 2008 in Washington,
- having regard to the Conclusions of the Presidency of the European Spring Council meeting of 19 and 20 March 2009 on the European economic recovery,
- having regard to its resolution of 11 March 2009 on the European Economic Recovery Plan<sup>2</sup>,
- having regard to the Commission communication of 4 March 2009 for the Spring European Council on Driving European recovery (COM (2009)114),
- having regard to the report of the High Level Expert Group on EU Financial Supervision, chaired by Mr Jacques de Larosière, of 25 February 2009 with a view to the 2009 Spring European Council,
- 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'<sup>3</sup> 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'<sup>4</sup>,
- 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 letter of 2 September 2009 co-signed by President Nicolas Sarkozy, Chancellor Angela Merkel and Prime Minister Gordon Brown,

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<sup>1</sup> Texts adopted, P6\_TA(2009)0330.

<sup>2</sup> Texts adopted, P6\_TA(2009)0123.

<sup>3</sup> Texts adopted, P6\_TA(2009)0042.

<sup>4</sup> Texts adopted, P6\_TA(2009)0121.

- having regard to the letter of 4 September 2009 co-signed by the Finance Ministers of Sweden, the Netherlands, Luxembourg, France, Spain, Germany and Italy,
  - having regard to the meeting of G20 Finance Ministers and Central Bank Governors in London on 5-6 September 2009 and their 'Declaration on further steps to strengthen the financial system',
  - 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(2) of its Rules of Procedure,
- A. whereas 12 months after the European economies were severely hit by the crisis, after three G20 meetings and further work undertaken by many international institutions, it is more than time to follow up on the commitments given and to deliver according to the needs of our economies and the expectations of our citizens,
  - B. whereas the immediate priority must be to get the real economy moving again at full speed, to ensure the functioning of capital markets and lending, to sustain and promote employment, and to protect people from the adverse impact of the crisis, with particular attention to the poorest and most vulnerable,
  - C. whereas the current global economic crisis should be used as an opportunity to create a European strategy which makes the transition from urgent crisis management to long-term sustainable economic recovery,
  - D. whereas the European economic situation and outlook show signs of improvement but the expectation of a gradual recovery within the short to medium term remains very uncertain,
  - E. whereas tackling rising unemployment remains a matter of the utmost importance and urgency, in particular given that Europe's unemployment rate hit a ten-year high of 9.5% in July and is expected to rise further,
  - F. whereas as a result of the economic crisis between 50 and 100 million more people will be trapped in poverty, living on less than USD 1.24 a day, which will undermine access to finance for the poor as well as families' access to food, education and fuel,
  - G. whereas some donor countries have reduced their financial contribution to Official Development Assistance (ODA) to developing countries, endangering the efforts to achieve the MDGs,

### **General remarks**

1. Welcomes the statement issued by the Group of Twenty in Pittsburgh, which reinforces previous commitments and agreements; notes with satisfaction that the leaders of the G20 have not lost their motivation and ambition as regards drawing up solutions to tackle the multiple facets of the current global crisis; is concerned, however, that little progress has been achieved in some areas and that there have been some unnecessary delays in devising specific measures and implementing decisions;

2. Supports the new role of the G20 as the premier forum for global economic cooperation, as this forum involves more adequately the biggest powers in the world and may therefore ensure a better response to global issues; points out the need for further reforms of international bodies and institutions such as the IMF and World Bank; underlines that the enhanced role of the G20 does not reduce the need for urgent action for more economic coordination within the European Union and the Eurozone in order to strengthen the EU's economy and its regulatory framework;
3. 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;
4. Welcomes the commitment of the G20 leaders to strong, sustained and balanced growth in the 21st century, and to accelerate the convergence of living standards globally; deplores, however, the fact that the G20 has not integrated the vital ecological policy dimension of future global growth into the economic, financial, and employment policy agenda; regrets that no progress has been made with regard to financing the global fight against climate change;

### **Strong, sustainable and balanced growth**

5. Welcomes the G20 leaders' launch of a Framework for Sustainable and Balanced Growth with the aim of implementing responsible fiscal policies, strengthening financial supervision, promoting more balanced current accounts, supporting open trade and investment, undertaking monetary policy in line with the objective of price stability, undertaking structural reforms, improving social safety nets and promoting balanced and sustainable economic development;
6. Highlights, with a view to the above, the importance of a coordinated, cooperative and coherent approach so as to ensure sound policies and an effective use of the Framework; welcomes in this regard the call for increased macroeconomic policy cooperation, but underlines that all the general policies put forward to achieve the objectives likewise need to be coordinated; calls for a standardisation of the reporting back from the Finance Ministers and Central Bank Governors to the G20 and the International Monetary and Financial Committee so as to ensure coordination and transparency;
7. Welcomes the G20 leaders' call for sound and timely exit strategies and their dedication to not prematurely withdrawing support, which would increase the risk of a return to recessionary conditions and instability on the financial markets as well as on the labour market; recalls that the risk of a credit crunch is not over and that lending has still not been fully restored;
8. Stresses the importance of rapidly bridging the gap between the real economy and the financial sector so as to ensure a sustainable recovery;
9. Welcomes the G20 leaders' agreement to work on an international framework for a financial transaction tax, so as to ensure that the financial sector assumes a fair share of the burden of ensuring economic recovery and development; calls for quick progress on this, as so far it is only taxpayers who have footed the bill for the crisis;

10. Welcomes the progress achieved since the London G20 Summit on tax havens as well as the willingness to take timely action to eradicate tax havens; regrets however the prolonged timetable for imposing sanctions on uncooperative jurisdictions; calls for a more concrete plan for rapid action;
11. Welcomes the steps forward on banking 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;

### **Jobs, jobs, jobs**

12. 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;
13. 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;
14. 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;
15. 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 guarantee the purchasing power of minimum wages;
16. 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 a further stepping-up of cooperation among the key international organisations;
17. Supports the initiatives to promote new forms of financial services such as microfinance, aiming at improving access to financial services for the poorest;
18. 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;

### **More responsible and resilient financial markets**

19. Supports the general approach to address excessive risk-taking, anticipate and soften booms and busts and increase the accountability and responsibility of market players, and underlines that a comprehensive regulatory framework is surely the appropriate tool to avoid a return to banking as usual; regrets however a lack of assessment of the major failures of regulation and supervision identified as the roots of the financial crisis, so as to

avoid a repetition of the same regulatory and supervisory mistakes and hence another crisis of this kind;

20. 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; urges the G20 leaders to continue on the path of far-reaching reform with long-term perspectives, legislation involving a long decision-making process, especially when global convergence is to be reached; recalls the need to step up international cooperation from conception to implementation of agreed measures;
21. Supports the commitment to ensure a level playing field and avoid regulatory arbitrage on the one hand, but considers on the other hand that the EU should not limit the range of its actions to the agreed language approved at international level but should go further to achieve the full integration of the internal market from both a regulatory and a supervisory perspective;
22. Underlines the need to continue efforts to value correctly impaired assets and deal with them adequately to restore health in the financial sector as well as consumers' and investors' confidence; supports the principle of retention in the framework of securitisation and is of the opinion that mandating a significant 'skin in the game' will oblige originators and sponsors to act responsibly; welcomes further work on commodity prices and looks forward to anti-speculative measures being adopted without delay;
23. Welcomes the reaffirmed commitment to have financial institutions with stricter rules for risk-taking, 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;
24. Regrets that too often the G20 leaders simply call on banks or firms to implement the standards put forward without setting a clear regulatory framework, and pass on responsibility for compliance checks to supervisors at national level or to the Financial Stability Board; is concerned that market players are more inclined to return to previous bad practices than to follow non-binding but burdensome standards; calls therefore 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 on the part of supervisors worldwide when it comes to sanctions;
25. Deplores the fact that the issue of moral hazard is not addressed and regrets that the question of the link between prudential standards for systemic institutions and the possible costs attached to a failure of such financial institutions has been referred back to the FSB for proposals only by October 2010; likewise regrets the absence of proposals to tackle the question of necessary restructurings and to review business models in the financial sector to tackle the 'too big to fail' issue; considers that if bailouts were subject to strong conditions, financial institutions would be less prone to excessive risk-taking;

### **More representative financial institutions**

26. Welcomes the comprehensive role given to the International Monetary Fund to both provide its independent surveillance in terms of financial stability and assess global growth and economic policy frameworks so as to contribute to achieving a broad consensus on international balances; recalls the importance of avoiding pro-cyclical policies in order to find the path to recovery;
27. Approves the principle of a shift of quotas towards the under-represented countries in the IMF and calls on all over-represented countries, not only European countries, to commit themselves in this direction under the present review process; urges the EU to speak with one voice;
28. Calls on leaders to ensure the rapid implementation of the quota and voting reforms agreed in 2008 and underlines that this review is all the more urgent in view of the heavy tasks given to the IMF; stresses that the next G20 must follow up on its recognition that heads and senior staff of international financial institutions should be appointed by open, merit-based selection procedures;

### **Towards greener growth**

29. Welcomes the commitment of G20 leaders to reach an agreement in Copenhagen at COP15; urges the European Union to maintain its leading role in the negotiations, and to keep up a high level of ambition in discussions with its international partners, in order to achieve an ambitious international result, consistent with the 2°C objective;
30. Emphasises that an agreement in Copenhagen could provide the necessary stimulus for a 'Green New Deal' boosting economic growth, promoting green technologies and securing new sustainable jobs in both industrialised and developing countries;
31. Welcomes the intention of G20 leaders to provide financial and technical support for clean energy, renewables and energy efficiency in developing countries; regrets however the lack of clear financial guarantees to fund developing countries' mitigation efforts and adaptation needs; expects Finance Ministers to prepare concrete options for climate change financing before the COP15 negotiations;
32. Reiterates that the European Union should contribute its fair share to additional and new financing for mitigation and adaptation, corresponding to scientific research findings on the severity of climate change and the scale of its costs;
33. Recalls that the international agreement should ensure collective greenhouse gas emission reductions in the industrialised countries at the high end of the 25-40% range for 2020 compared to 1990, as recommended by the Fourth Assessment Report by the International Panel on Climate Change (IPCC 4AR), and that those reductions should be domestic;
34. Recalls that a long-term reduction target should be set for the EU and the other industrialised countries of at least 80% by 2050 compared to 1990;
35. Urges G20 leaders to spare no effort to secure a negotiation outcome in line with those

recommendations;

### **Recovery for all**

36. Draws attention to the persistent food crisis, which requires immediate action and reforms to ensure that agricultural production is sustainable in developing countries; welcomes the decision to endorse a World Bank food initiative and calls on donor countries to ensure transparency and accountability regarding food aid distribution;
37. Welcomes the reaffirmed commitment to meet the Millennium Development Goals and to achieve ODA pledges, including commitments on Aid for Trade, debt relief, and the Gleneagles commitments, especially to Sub-Saharan Africa;
38. Calls on all Member States to embrace the possibility of creating a mechanism to transfer some of their 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;
39. Deplores the fact that the vital issue of funds to help poor countries adapt to climate change was postponed until the UNFCCC negotiations at Copenhagen; insists that strong commitments must provide for predictable financing for mechanisms set up in the UNFCCC context which are additional to Official Development Assistance;

### **Maintaining openness and re-launching trade**

40. Welcomes the commitment to conclude an ambitious and balanced Doha Development Round and the clear deadline of 2010 set by the G20 summit; regrets, however, that leaders did not mention that the urgency of concluding the round has been accentuated by the fact that the biggest victim of the crisis is the developing world; therefore calls upon leaders not to forget the ultimate development goal of this round when meeting for the WTO ministerial conference in Geneva at the end of November;
41. Notes the G20's renewed commitment to fight protectionism, but underlines that the revival of world trade is only part of the answer geared to the recovery of global growth;
42. Instructs its President to forward this resolution to the Council, the Commission, the G20 Leaders, the European Central Bank, the parliaments of the Member States, the Committee of the Regions and the European Economic and Social Committee.