

Procedure file

Basic information		
RSP - Resolutions on topical subjects	2008/2523(RSP)	Procedure completed
Resolution on the European Council of 15-16 October 2008		
See also 2008/2521(RSP)		
Subject 8.40.14 European Council		

Key players		
European Parliament		
European Commission	Commission DG Secretariat-General	Commissioner BARROSO José Manuel

Key events			
21/10/2008	Debate in Parliament		Summary
22/10/2008	Results of vote in Parliament		
22/10/2008	Decision by Parliament	T6-0506/2008	Summary
22/10/2008	End of procedure in Parliament		

Technical information	
Procedure reference	2008/2523(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Resolution on statement
	See also 2008/2521(RSP)
Legal basis	Rules of Procedure EP 123-p2
Stage reached in procedure	Procedure completed

Documentation gateway					
Motion for a resolution		B6-0543/2008	21/10/2008	EP	
Motion for a resolution		B6-0550/2008	21/10/2008	EP	
Motion for a resolution		B6-0551/2008	21/10/2008	EP	
Motion for a resolution		B6-0552/2008	21/10/2008	EP	
Joint motion for resolution		RC-B6-0543/2008	21/10/2008		

Text adopted by Parliament, single reading	T6-0506/2008	22/10/2008	EP	Summary
Commission response to text adopted in plenary	SP(2008)7292	12/02/2009	EC	

Resolution on the European Council of 15-16 October 2008

In the presence of French President Nicolas Sarkozy, MEPs commented on the [outcome of the EU summit](#) held on 15 and 16 October 2008, and discussed how to tackle world crises.

The President of the European Parliament congratulated the European Union, under French Presidency, for having shown its ability to act in response to the financial crisis and that the European Council, in close consultation with the European Commission and European Parliament, had ensured that the EU has emerged as a key player to effectively meet the challenges of the global economy.

The President of the European Council highlighted the unified force of the EU as regards crisis management, saying he wanted to involve the European Parliament at all stages. He also commented on the following issues:

Georgia: the EU responded quickly to the Russian reaction to the Georgian conflict. Negotiations have prevented a new Cold War from breaking out.

Financial crisis: Member States have agreed to inject at EUR 1.800 billion to reassure investors and entrepreneurs in Europe.

Reform of the financial system: in order to prevent such a crisis from recurring, the French President announced his intention, on behalf of the European Union, to create a new global financial system or a new 'Bretton Woods?', the aim being to overhaul capitalism. He pleaded for banks, working with state money, not to work with tax havens. He criticised the excessive risks taken by traders and suggested creating sovereign wealth funds (hedge funds) in each EU country. He suggested that Europe should have its own credit rating agencies.

Maintaining the goals of the energy/climate package: the Presidency rejected any idea that the world should do less to combat climate change because of the financial crisis.

Roadmap for the Lisbon Treaty: stressing that Europe was in need of institutional reform, the Presidency expressed a desire to establish a road map to find a solution to the issue of the Irish ratification of the Treaty of Lisbon.

The President of the Commission welcomed the common position reached at the European Council with a view to restoring the economic situation in times of crisis. On this issue, he outlined three areas: immediate action to address the financial crisis, reforming the international financial system and the promotion of the real economy. He said he had to make Europe a knowledge economy, investing in research and allowing more flexibility for national economic policies.

The main political groups supported the outcome of the Summit. They did however express different analyses as regards the origin of the financial crisis:

- **EPP:** the Group's President congratulated the success of the French Presidency. He welcomed measures such as recommendations on regulation and surveillance, reform and an end to golden parachutes. He spoke in favour of a free market, but called for rules and regulations. He supported measures to preserve the European model of solidarity and "social market economy". Regarding the Lisbon Treaty, he called on the Member States that have not yet ratified the Treaty to do so as soon as possible. He also stressed the difficulty, for Europe to function efficiently, with the rule on unanimity and no stable Presidency. He praised the European Pact on immigration and cited other challenges to be overcome such as climate change, energy and defence.
- **PES:** the President of the Group was impressed by the recent resolute action of both President Sarkozy and Barroso. He called for the creation of new rules, especially for hedge funds. He deplored the lack of consideration by the Council for investors and taxpayers who will suffer the consequences of the crisis. Regarding the energy-climate package, he called for the development of a sustainable economy.
- **ALDE:** the leader thanked the group for calls to work together, but he questioned why the Council conclusions - for example, in the context of climate change - referred only to the Commission and the Council, without any mention of the Parliament. He stressed that some Member States were making behind-the-scenes attempts to "unpick" agreements on CO2 emission targets for new cars (2012) and emission sharing (2013). Underlining the negative consequences of the lack of market transparency, the Group's President welcomed the fact that coordinated measures had reduced the immediate pressure. He nevertheless regretted that the Summit did not succeed in developing effective plans for a surveillance regime.
- **Greens:** the representative of the Group stressed that all crises - ecological, financial, worldwide hunger - were interdependent, and must be tackled. He called for a review on the way we live and the way we manufacture and a European recovery plan.
- **UEN:** the Group's representative congratulated the European Council for the adoption of the immigration and asylum pact. However, she asked the Commission to make specific decisions to reassure the markets. Stressing the need for a new financial system, she called for the overhaul of global capitalism and further regulate free trade. She requested that the EIB play a greater role and that the ECB be more visible.
- **GUE/NGL:** the President of the group warned that the worst was still to come and that the further debate was necessary on the crisis. In order for Europe to be more accountable to its citizens, he called to introduce regulation and do away with golden handshakes. He expressed his wish for a 'new Bretton Woods?.'
- **IND/DEM:** according to the Group's president, President Sarkozy acted primarily as the French President rather than for the EU during his visit to Georgia. Regarding the financial crisis, he praised the response of the Irish and the Greeks. He criticized the fact that there are too many regulations which failed to protect investors. He highlighted the Swiss who have a certain adaptability to weather the financial crisis better than the EU States.

Responses to MEPs: the question of the financial crisis, the President of the European Council stated that financial support to banks was intended to protect investors. He expressed the need to establish a minimum coordination of European regulators. Stressing the need for transparency, he criticized the U.S. accounting rules and the scandalous attitude of rating agencies in the crisis.

On the climate and energy package, he called for the support of the European Parliament to reach an agreement within the codecision. He called for an ambitious compromise. Lastly, he said he would fight for the Lisbon process to go through.

The President of the Commission stressed the need to address the immediate problems. Referring to the debt of the United States and the fundamental imbalances in the economy, he pointed out that financial regulation was present in Europe, but that monitoring mechanisms were essentially national. He estimated that the EU should consider adopting legislative measures in this sector.

On the climate package, he asked not to confuse respect for co-decision with the need for a strong consensus among Member States. He stressed the importance of a strong leadership to build consensus in the European Council.

Resolution on the European Council of 15-16 October 2008

The European Parliament adopted by 499 votes to 130 with 67 abstentions a resolution on the European Council of 15 and 16 October 2008.

The resolution had been tabled for consideration in plenary by the EPP-ED, PES, ALDE, and UEN groups.

The main points of this resolution are as follows:

Macroeconomic impact of the global financial crisis on the real economy: Parliament strongly underlines the importance of European macroeconomic policies responding quickly and in a highly coordinated way in order to resuscitate global economic growth. It observes, however, that the principles of the Stability and Growth Pact must not be undermined.

MEPs call for a further reinforcement of coordinated action in order to restore confidence to the markets. In this context, it welcomes the Presidency Conclusions' endorsement of the measures decided by the Eurogroup on 12 October 2008 as a first important and coordinated step to restore 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. It agrees that these measures were necessary to contain the current financial crisis.

The resolution notes that this crisis has implications beyond the financial markets, in particular in respect of business viability, jobs, personal finance and SMEs. MEPs recall the paramount importance of ongoing access to credit for citizens and SMEs and of investments in EU infrastructure in order to avoid a dramatic downturn in economic growth and employment.

Exit strategy from the financial crisis: Parliament is determined to support measures that can return liquidity to the markets so that credit facilities can be restored to businesses and individuals. It invites Member States to review the functioning of the current financial system if they are serious about their willingness to restore confidence in the financial markets and tackle the financial crisis globally.

The resolution welcomes the rapid and comprehensive reaction by the Commission regarding application of State aid rules to measures taken in relation to financial institutions. Parliament 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, but strongly criticises the absence of Parliament from the 'financial crisis unit'.

Concerned about hazard in the financial markets created by the size of State support packages, MEPs considers it important that, in the interests of taxpayers and Member States' budgets, each time that public money is spent on rescuing a financial institution, it is accompanied by public oversight, improvements in governance, limitations on remuneration, strong accountability to public authorities and investment strategies for the real economy.

Improving regulation: Parliament calls on the Council to act together with Parliament and calls on the Commission to use its power of initiative to propose measures to strengthen the EU regulatory and supervisory framework and crisis management at the EU regulatory level. Parliament reiterates its call for legislative measures regarding in particular bank regulation and supervision, the role of credit rating agencies, securitisation and oversight of securitisation, hedge funds and other types of new institution, the role of leverage, transparency requirements, winding-up rules, clearing of over-the-counter (OTC) markets and crisis prevention mechanisms.

MEPs also reiterate the need to strengthen the Lamfalussy process, 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.

The resolution points out that a crisis transcending national jurisdictions cannot be tackled only individually by national authorities and that in cross-border crises cooperation and mutual trust between supervisory authorities are crucial. It welcomes the initiative of promoting as soon as possible an international conference to discuss the regulatory and supervisory actions that must be undertaken in response to the present crisis; is convinced that the EU must play a leading role in discussions of the future of the international financial architecture and asks the European Council and the Commission to associate the European Parliament in this process.

The resolution addresses other issues examined at the European Council's meeting:

Lisbon Treaty: Parliament reiterates its respect for the result of the Irish referendum and for the results of the ratification procedures of the other Member States, and considers that it is possible to meet the concerns that have been expressed by the Irish people in order to secure a solution acceptable to all before the European elections. The European Council is asked to define at its next meeting a method and a timetable which would allow it to achieve this result.

Energy and climate change: MEPs hold the view that the EU's post-2012 climate targets should not be questioned as a consequence of the present international financial crisis. They undertake to cooperate closely with the Council and Commission to find an effective and workable agreement on the climate change and energy package in the shortest practicable time. They call on the Council to maintain the proposed ambitious targets of achieving a mandatory 20% share of sustainable renewable energies in the Community's overall final energy consumption and a mandatory 10% share of energy from sustainable renewable sources in each Member State's transport sector by 2020.

Energy security: Parliament calls for strong political commitment to moving to a low-carbon EU economy, along with increased use of indigenous sources, decentralised energy production and energy saving measures to promote renewables, energy efficiency and other low-carbon energy sources. It points out that security of energy supply is a priority for the European Union and invites Member States to speed up the implementation of energy-efficiency policies and existing legislation. It considers a fully operational internal market paramount for supply security.

Immigration and asylum: Parliament welcomes the initiative of the French Presidency on the European Pact on Immigration and Asylum in so far as it promotes a coherent and balanced approach to migration in its twofold objectives of providing legal channels of migration while at the same time tackling illegal migration. MEPs believe that a common immigration policy should be based on the assumption that migrants are

individual members of society and potential citizens; takes the view that, in addition, Member States should try to put in place clear, effective policies for social inclusion and integration. The Pact needs to be accompanied by concrete legislative proposals.

Conflicts in the Caucasus: Parliament takes the view that there cannot be a military solution to the conflicts in the Caucasus and firmly condemns of all those who resorted to force and violence in order to change the situation in the Georgian breakaway territories of South Ossetia and Abkhazia. It recalls the disproportionate military action by Russia in Georgia in early August 2008 and asks it to respect the sovereignty and territorial integrity of Georgia and the inviolability of its borders as recognised by all EU Member States.