


Procedure file

Basic information		
RSP - Resolutions on topical subjects	2009/2615(RSP)	Procedure completed
Preparation of the European Council, 10-11 December 2009		
See also 2009/2618(RSP)		
Subject 8.40.14 European Council		

Key players			
European Parliament			
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	2984	07/12/2009
	Economic and Financial Affairs ECOFIN	2981	02/12/2009
	General Affairs	2973	16/11/2009
European Commission	Commission DG	Commissioner	
	Secretariat-General	BARROSO José Manuel	

Key events			
16/11/2009	Debate in Council	2973	Summary
25/11/2009	Debate in Parliament		Summary
25/11/2009	End of procedure in Parliament		
02/12/2009	Debate in Council	2981	Summary
07/12/2009	Resolution/conclusions adopted by Council		Summary

Technical information	
Procedure reference	2009/2615(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Resolution on statement
	See also 2009/2618(RSP)
Legal basis	Rules of Procedure EP 132-p2
Stage reached in procedure	Procedure completed

The Council examined an annotated draft agenda prepared by the presidency for the European Council meeting to be held on 10 and 11 December 2009. It will serve as the basis for draft European Council conclusions to be prepared by the presidency and submitted to the Permanent Representatives Committee in the run-up to the Council meeting on 7 and 8 December.

The Presidency intends to restrict the agenda for the European Council to the items which will actually be examined by the Heads of State and Government. The conclusions of the meeting will be brief and will focus principally on the decisions and general policies approved by the European Council.

Issues to be addressed by the European Council include:

- institutional issues;
- the economic, financial and employment situation: the European Council will take stock of efforts underway in response to the economic and financial crisis. It will assess the state of play and set orientations for future work in particular as regards the development of coordinated exit strategies and where appropriate for the implementation of the [European Economic Recovery Plan](#). As a follow up to the Council's work, it will also discuss the complete package setting up a structure for financial supervision in order to ensure that the new supervisory framework is put in place in the course of 2010. Looking to the longer run, the European Council will lay the ground as regards the future of the Lisbon Strategy for Jobs and Growth, with a view to decisions being taken in Spring 2010. The European Council will review the implementation of the Union's Sustainable Development Strategy and will be invited to approve orientations for its future development;
- justice and home affairs (Stockholm programme): the European Council will be invited to adopt the new multi-annual programme in the field of Freedom, Security and Justice ("Stockholm Programme");
- climate change: Working towards an agreement at the Copenhagen conference on climate change: the European Council will assess the state of negotiations at the Copenhagen conference on climate change and take all necessary decisions to contribute to its successful outcome.

Preparation of the European Council, 10-11 December 2009

MEPs debated the forthcoming European Summit to be held on 10 and 11 December 2009. The Copenhagen climate change summit, the financial crisis and the Stockholm programme on justice and citizenship were the main issues addressed.

Given that the Lisbon Treaty will enter into force soon, parliamentarians now call on the European Union to take up issues which preoccupy its citizens.

Several speakers welcomed the appointment of Herman Van Rompuy as the President of the European Council and Baroness Catherine Ashton as High Representative for Foreign Affairs and Security Policy.

Copenhagen Conference: President of the EPP Group stated that the Copenhagen conference not only has to come up with political objectives but also firm commitments with figures and targets. His point was echoed by several other speakers who stressed the need for binding agreement.

The leader of the S&D Group stressed the climate change deserves further discussion, while stressing the need to invest in green technologies to create jobs. The representative of the Greens regretted that climate protection is perceived as a burden whereas it could in actual fact create new opportunities.

Economic crisis: on behalf of the EU rotating Presidency, the Swedish Minister for European Affairs, Cecilia Malmström, said that the impact of the crisis would be felt for a long time. José Manuel Barroso said the European Commission was working on a new strategy and called on Parliament to work with the Council to put in place new financial authorities before the end of 2010.

In response to these remarks, the leader of the ALDE Group, echoing the majority of MEPs, emphasised the need for a single European supervisor. The representative of the GUE/NGL Group called on the EU Heads of State and Government to find a way out of the crisis which binds the development of Europe with social progress. The need to build dynamic and competitive economies as well as a strong global trading system was called for by the ECR Group.

Lisbon Treaty: while reiterating its concerns regarding the Lisbon Treaty, the representative of the EFD Group called for a referendum in the UK on British membership of the European Union.

Preparation of the European Council, 10-11 December 2009

In the context of the preparation of the European Council in December 2009, the Council examined the following issues:

Financial supervision: the Council took stock of progress on legislative proposals aimed at reforming the EU framework for the supervision of financial services in the wake of the global financial crisis. The presidency will report on progress to the European Council at its meeting on 10 and 11 December, in particular in the light of work on the establishment of three European supervisory authorities.

EU strategy for growth and jobs post-2010 - Council conclusions: the Council underlines that the EU economy is facing important structural challenges. High unemployment and weak productivity developments together with the impact of aging and the crisis-related impact on public finances pose long-term challenges. In the aftermath of the crisis it will therefore be important to focus policies away from crisis management towards a strategy of actions that aim to raise the EU growth potential, employment and ensure sustainable public finances.

Against this background, the EU post 2010 Lisbon Strategy should aim at raising the EU's growth potential and ensuring sustainable public finances in line with the Stability and Growth Pact.

With a view to increase the growth potential, the Council underlines the need to increase employment in particular through higher labour participation rates and to enhance productivity through well-functioning product and service markets, fostering entrepreneurship; promoting human capital formation, innovation and open markets.

To further improve sustainability, reforms of social security systems, such as pension systems and credible national fiscal frameworks that contribute to budget discipline will be necessary. The new strategy should also allow to take better account of the interaction between policies at EU and national levels.

Consideration should also be given to: (i) strengthening the EU dimension and harnessing EU instruments to make the most of the potential at EU level in order to provide for a genuine, concrete and coordinated policy agenda, including the Internal Market, as well as promoting the external dimension; (ii) giving greater consideration to aligning the priorities of the EU budget and the European Investment Bank lending priorities with the new strategy, without pre-empting the forthcoming discussions on the new financial perspective.

The Council also encourages the Commission and Member States to consider ways to engage further in a dialogue with citizens and stakeholders to better communicate the benefits of reforms at the national and local levels.

Exit strategies: support measures for the financial sector - Council conclusions: the Council states that Member States have implemented a wide range of extraordinary support measures in order to restore financial stability and support the economic recovery. These tools have been effective in addressing the problems caused by the financial crisis. In this context, the Council underlines that the recovery is nonetheless still fragile and that, depending on the situation of each Member State, it would be premature to initiate an exit from the support schemes at this point of time.

Banks must continue the work of cleaning up their balance sheets and strengthening of their risk-bearing capacity and Member States should ensure that there are strong incentives for doing so. Public assistance and bank profits should be used in building up capital buffers and not to increase bank dividends or compensations.

The Council calls on Member States to incorporate urgently within their national frameworks the Financial Services Board principles and calls on the financial sector to immediately implement these sound compensation practices. It invites the Commission to regularly report to the Council on the implementation of sound remuneration policies at its upcoming meetings.

Phasing out of public support schemes should be duly coordinated among Member States to avoid negative spill-over effects, taking into account country-specific specificities. In this respect, a coordinated strategy should be based on:

- facilitating adequate incentives to return to a competitive market;
- ex-ante exchange of information on the intentions to phase out; the Commission should centralize the information provided by Member States and make it available to all Member States on a regular basis;
- transparency towards the public and the financial sector;
- an assessment of the stability of the financial system.

The timing of exit should take into account a broad range of elements, including macroeconomic and financial sector stability, the functioning of credit channels, a systemic risk assessment and the pace of natural phasing out by banks. Since the crisis has affected Member States and their financial sector differently, Member States specific circumstances should be taken into account, thereby allowing Member States to exit from support schemes at different points of time, while maintaining an adequate level of competition.

Depending on individual Member State's circumstances, the phasing out of support should start with government guarantees. Action to phase out guarantee schemes would incentivise the exit of sound banks and give other banks incentives to address their weaknesses. The exit of individual measures must take into account the legal framework, including the relevant state aid decisions, which provide a coherent framework for exit. The withdrawal of state support should also take into account the legitimate interest to minimize the potential loss of public money.

Preparation of the European Council, 10-11 December 2009

The Council examined draft conclusions prepared by the presidency for the European Council meeting to be held on 10 and 11 December.

Issues to be addressed by the European Council include:

- institutional issues;
- climate change: working towards an agreement at the UN conference in Copenhagen;
- the economic, financial and employment situation, comprising in particular exit strategy with regard to measures taken during the economic and financial crisis and supervision of financial markets;
- justice and home affairs (Stockholm programme).

The draft conclusions will be reviewed by the presidency in the light of the Council's discussion.