Preparation for the European Council meeting, 19-20 March 2009

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In the presence of the Czech Deputy Prime Minister Alexandr Vondra, whose country currently holds the Presidency of the Council, MEPs discussed the preparations for the forthcoming European Council of 19 and 20 March 2009 devoted to the financial crisis, energy security and climate change.

Council: stressing the need for strong institutions in times of economic and financial crisis, the President of the Council recalled that a wide range of measures had already been made in particular to restore the credit flows to the economy. He felt however that the EU should continue its efforts to swiftly adopt legislation such as the Solvency II Directive (on insurance) or the UCITS Directive (the funds). He also stressed the need for Member States to give clear commitment to sound public finances in accordance with the Stability and Growth Pact.

In order to maximize synergies, the President stressed that the recovery packages implemented by each Member State should be implemented in a coordinated manner at European level. Recalling the urgency of structural reforms, he noted that opportunities for the Union to mitigate the social impact of the crisis would be discussed, while rejecting the use of protectionism to preserve jobs.

Energy security would be another priority for the Summit as would the development of guidelines for the Copenhagen conference on climate change climate, with the aim of reaching a comprehensive agreement in December, and lastly the launch of a partnership with the Eastern European countries.

Commission: the President of the Commission recalled that the recovery plan agreed by EU Ministers in December 2008 provides an unprecedented budget stimulus, equivalent to 3.3% of GDP. However, the European Council aims to make further progress in the following areas: (i) financial market reform; (ii) investing in the real economy; (iii) supporting employment; (iv) and working through the G-20 forum to strengthen the international financial architecture.

The priorities expressed by the different political groups can be summarised as follows:

- the President of the **EPP** Group focused on four key words to solve the economic crisis - strength, unity, efficiency and solidarity - whilst reiterating his commitment to an regulated market economy;
- the **PES** Group called for further concrete actions from the EU as well as increased solidarity. Stressing that taxpayers should not be the only ones to bear the consequences of the crisis, he stressed the need for transparency and oversight in the financial sector, calling for action against tax havens;
- the leader of the **ALDE** group said that unemployment was a priority issue for the Parliament. He asked Member States to commit resources to address the crisis and expressed concern that the stimulus package was insufficient;
- whilst welcoming the Commission's initiative to clean up the banking system, the representative of the **UEN** Group stressed the need to support SMEs and to protect European consumers and European manufactured products;
- the **Greens/EFA** stressed that the Lisbon strategy had not achieved its objectives. It recalled that requests already made by the Parliament to the Commission to ensure financial market stability had not been followed up. As regards climate change, the Group deplored the gap between the declared ambitions and actions;
- the representative of the **GUE/NGL** Group called for the EU to sanction businesses that relocate;
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- the **IND/DEM** Group challenged the legitimacy of the EU to act in the financial field and objected to the idea of the oldest Member States paying for the hardest hit eastern European countries;
- lastly, the member who spoke on behalf of the **NI** Group hoped that Member States were opposed to protectionism and urged them to act against excessive regulation.