Conclusions of the European Council meeting (28-29 October 2010) and economic governance

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The European Council of 28 and 29 October 2010 adopted the following conclusions:

Task force on economic governance: in order to address the challenges revealed by the recent financial crisis, a fundamental shift in European economic governance is required. To that end, the European Council endorsed the report of the Task Force on economic governance. The implementation of this report will constitute a major step forward in strengthening the economic pillar of EMU: it will increase fiscal discipline, broaden economic surveillance and deepen coordination. The report also sets out the guiding principles for a robust framework for crisis management and stronger institutions.

The European Council agreed on the way forward concerning the follow-up to the Task Force:

- it calls for a "fast track" approach to be followed on the adoption of secondary legislation needed for the implementation of many of the recommendations. The objective is for the Council and the European Parliament to reach agreement by summer 2011 on the Commission's legislative proposals;
- it invites the Council to speed up work on how the impact of pension reform is accounted for in the implementation of the Stability and Growth Pact and report back to the European Council in December;
- lastly, it agrees on the need for Member States to establish a permanent crisis mechanism to safeguard the financial stability of the euro area as a whole. It invites the President of the European Council to undertake consultations with the members of the European Council on a limited treaty change required to that effect, not modifying article 125 TFEU ("no bail-out" clause).

Heads of State or Government stressed that, at the same time as fiscal discipline is reinforced in the European Union, it is essential that the European Union budget and the forthcoming Multi-annual Financial Framework reflect the consolidation efforts being made by Member States to bring deficit and debt onto a more sustainable path.

Seoul G201 summit: the summit must send an ambitious signal as regards the concrete and timely implementation of measures agreed in the Framework for strong, sustainable and balanced growth, notably concerning fiscal consolidation plans, financial regulatory reform, social cohesion, job creation and the need for further structural reforms.The issue of the rebalancing of world growth also requires particular attention.

Furthermore, the European Union :

- looks forward to the confirmation by the G20 Summit of the Basel agreement, which is an important step in strengthening global financial stability ;
- -emphasises the need to continue keeping markets open, to inject momentum into the Doha negotiations and to adopt a growth-oriented development agenda;
- stresses the need to avoid all forms of protectionism and to avoid engaging in exchange-rate moves aimed at gaining short-term competitive advantages;
- emphasises the need for further work on levies and taxes on financial institutions, at both the international and internal levels.

Cancún conference on climate change: the Cancún Conference must deliver a significant intermediate step, building on the Kyoto Protocol and paving the way towards a global and comprehensive legally binding framework, integrating the political guidance given in the Copenhagen Accord.It is crucial that the European Union and its Member States deliver a single message.

The European Union will submit a comprehensive and transparent report on the implementation of its commitment on fast-start financing in Cancún and yearly thereafter and will underline the importance of further increasing transparency of climate change financing. It will reassess the situation after the Cancún Conference, including the examination of options to move beyond 20% greenhouse gas emission reductions. The Council is invited to report back on this issue by spring 2011.

Lastly, the European Council discussed the key political messages which the President of the European Council and the President of the Commission will promote at the forthcoming summits with the United States, Russia, Ukraine, India and Africa.