

How ambitious are EU Policymakers to make finance serve society?

A Finance Watch analysis of the financial reform proposals made by the political parties ahead of the European Parliament election campaigns 2019

(Version 3, 24th of May 2019)

Finance Watch would like to see financial regulation as an important topic in the elections campaigns of the political parties, because finance is linked to many of the urgent societal, environmental, political challenges the EU currently faces. This is why European citizens need to be informed about the ambitions each political group has to make finance serve society to be able to cast an informed vote.

Finance Watch has therefore collected in this document the pledges made by the eight political groups of the current European Parliament ahead of the European Parliament elections between 23 and 26 May 2019. In addition, these commitments have been checked against a set of key demands that Finance Watch asks EU Policy makers to put it into practice during their next mandate to make finance serve society. The ratings are based on how far the different commitments meet the Finance Watch demands.

To know which national political party belongs to which European political group, please check this table:

https://en.wikipedia.org/wiki/Table_of_political_parties_in_Europe_by_pancontinental_organisation

As not all European political groups have published a manifesto for the upcoming elections, Finance Watch has also analysed the political groups' policy papers/ resolutions to complete missing information. Each head of the political groups or, if existing, campaign leader and Spitzenkandidat(en), has also been informed about the results of the analysis and ratings before their publication to give them the opportunity to add additional commitments.

The manifestos and political groups policy papers/resolutions are all available online and input from the political parties sent to Finance Watch has been included in the table:

Group of the European People's Party (EPP)

Manifesto: <https://www.epp.eu/our-commitments/manifesto/>

Policy Paper/Resolution: <https://www.epp.eu/our-commitments/commitments/>, <https://www.epp.eu/our-commitments/papers/>,

Group of the Progressive Alliance of Socialists and Democrats in the European Parliament (S&D)

Manifesto: <https://www.pes.eu/en/manifesto2019/>

Policy Paper/Resolution: <https://www.pes.eu/en/about-us/documents/>, https://www.pes.eu/export/sites/default/galleries/Documents-gallery/Resolution_International_MR_NoCrops.pdf_2063069299.pdf, https://www.progressivesociety.eu/sites/default/files/2018-12/S%26D_ProgressiveSociety-SustainableEqualityReport_pbp_0.pdf,

Transparency on the sustainability of investments: <https://www.socialistsanddemocrats.eu/newsroom/sd-group-achieved-binding-transparency-rules-financial-industry-sustainability-investments#>,

Low carbon benchmark: <https://www.socialistsanddemocrats.eu/newsroom/european-financial-system-must-throw-its-weight-behind-fight-against-climate-change-say>,

SBBS: <https://www.socialistsanddemocrats.eu/newsroom/sds-succeeded-today-define-european-parliaments-position-new-tool-reduce-financial-risks>,

SDGs: <https://www.socialistsanddemocrats.eu/newsroom/sds-welcome-councils-commitment-put-sdgs-core-eu>,

<https://www.socialistsanddemocrats.eu/newsroom/sds-push-deep-reform-eu-governance-achieve-sustainable-development-goals>,

PEPP: <https://www.socialistsanddemocrats.eu/newsroom/european-personal-pension-product-painted-wall-was-badly-constructed-despite-number>,

ESM: <https://www.socialistsanddemocrats.eu/newsroom/sds-push-make-eurozone-governance-more-stable-and-democratic>,

Fiscal Compact: <https://www.socialistsanddemocrats.eu/newsroom/sds-lead-majority-oppose-right-wings-efforts-legalise-austerity-eu>,

Taxonomy: <https://www.socialistsanddemocrats.eu/newsroom/sustainable-investments-should-benefit-citizens-not-big-industries-say-sds>,

Invest EU: <https://www.socialistsanddemocrats.eu/newsroom/investing-eu650-billion-booming-future-sds-lead-positive-change-europe>

European Conservatives and Reformists Group (ECR)

Manifesto: <https://www.acreurope.eu/files/acre-system/jz/JZ-Programme.pdf>

Policy Paper/Resolution: N/A

Group of the Alliance of Liberals and Democrats for Europe (ALDE)

Manifesto: https://www.aldeparty.eu/sites/alde/files/40-Resolutions/2019_freedom_opportunity_prosperity_the_liberal_vision_for_the_future_of_europe_0.pdf

Policy Paper/Resolution: N/A

Group of the Greens/European Free Alliance (Greens/ EFA)

Manifesto: <https://europeangreens.eu/priorities-2019-what-european-greens-fight#manifesto>

Policy Paper/Resolution: Greens/EFA - Eurozone policy paper (EMU paper):

<https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwiG0o6zqvXhAhVN16QKHWLIDnEQFjAAegQIBBAC&url=https%3A%2F%2Fwww.greens-efa.eu%2Ffiles%2Fdoc%2Fdocs%2F97c4df8e1f3d676e554c52f3ad6aeaf.pdf&usq=AOvVaw0kQevAsZSdUKcz1p-Q0L32>,

Press release on Eurogroup decisions December 2018: <https://www.greens-efa.eu/en/article/press/reforms-too-little-to-avert-the-next-crisis/>,

Press release INI report sustainable finance: <https://www.greens-efa.eu/en/article/press/parliament-backs-greens-efa-plans-on-sustainable-finance/>,

Press release Sustainable Finance Taxonomy: <https://www.greens-efa.eu/en/article/press/a-step-towards-greener-financial-markets/>,

Sustainable Finance Green draft report (Scott Cato):

<http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&mode=XML&language=EN&reference=PE618.012>,

Press release Bank resolution: <https://www.greens-efa.eu/en/article/press/stress-test-for-banks/>,

Press release Shadow Banking: <https://www.greens-efa.eu/en/article/press/eu-fails-to-regulate-the-shadow-banking-sector/>,

Press release Banking package: <https://sven-giegold.de/new-rules-for-european-banks/>,

Press release Green AMs banking package (in German) <https://sven-giegold.de/entlastungen-fuer-kleine-banken-bei-regeln/>,

Press release NPLs: <https://sven-giegold.de/non-performing-loans/>,

Press release Transparency: <https://www.greens-efa.eu/en/article/news/european-parliament-negotiators-admit-failure-to-improve-the-eu-lobby-register/>,

EIOPA / ESMA letter lobby: <https://sven-giegold.de/wp-content/uploads/2016/04/Joint-EIOPA-ESMA-Letter-to-MEP-Giegold.pdf>,

Press release disclosure: <https://www.greens-efa.eu/en/article/press/sustainable-investments-agreement-reached/>,

TAX3 Amendments: <http://www.europarl.europa.eu/committees/en/tax3/amendments.html>,

Press release investment firms review: <https://sven-giegold.de/investment-firms-joint-european-supervision/>

Confederal Group of the European United Left - Nordic Green Left (GUE/ NGL)

Manifesto: No group manifesto, but give their support to the positions in the European Left manifesto - https://www.european-left.org/wp-content/uploads/2019/01/7392-01_EL_Wahlpr19_A6_EN_V02_190321.pdf

Policy Paper/Resolution: http://www.europarl.europa.eu/doceo/document/B-8-2016-1226-AM-001-004_EN.pdf,

http://www.europarl.europa.eu/doceo/document/A-8-2018-0419-AM-008-013_EN.pdf, http://www.europarl.europa.eu/doceo/document/B-8-2015-0039_EN.html,

http://www.europarl.europa.eu/doceo/document/B-8-2016-0886_EN.html, http://www.europarl.europa.eu/doceo/document/B-8-2015-0664_EN.html,

http://www.europarl.europa.eu/doceo/document/A-8-2016-0387-AM-002-002_EN.pdf,

https://www.quengl.eu/content/uploads/2019/04/Manifesto_Climate_EN.pdf

Europe of Freedom and Direct Democracy Group (EFDD) - No available manifesto or response to provide input.

Europe of Nations and Freedom (ENF) - No available manifesto or response to provide input.

Scoring system: 0 = no commitment, 1 = topic mentioned but poor or inadequate commitments, 2 = significant commitments, 3 = fully meet demands or equivalent measures. -1 = negative or deregulatory measures proposed.

Where no manifesto exists political groups will be asked to commit to addressing the demands and rated on their response. If they do not respond they will automatically be scored at 0 (no commitment).

Colour code: Black text = political group manifestos, blue text = political group policy papers/ resolutions, orange text = additional commitments communicated.

Topic	Demand	EPP	S&D	ECR	ALDE	Greens/ EFA	GUE/ NGL
STABILIZE	Ensure that no financial firm is too big to fail including by proposing legislation to separate traditional banking and investment banking activities.		<p>We will strengthen the rules of the financial and banking sectors because citizens should not bear the cost of mistakes made by banks or see their deposits at risk.</p> <p>Establishing adequate firewalls between commercial and investment banking remains one of our key objectives to better protect citizens.</p>			To ensure financial stability and prevent future crises, we must address systemic risks and stop financial institutions getting too big to fail. Banks need higher capital requirements and banking crucial to the real economy must be separated from trading.	<p>Reiterates the need to separate investment banking from retail banking and to reinforce the public control of the financial sector. Regrets that the too-big-to-fail and too-interconnected-to-fail problems, including the separation of investment and commercial banking, remain largely unaddressed; believes therefore that a fundamental overhaul of the European banking landscape is long overdue in order to ensure that banks fulfil their primary</p>

							objective of serving the real economy; Stresses that any revision [of Basel III] should address first and foremost the too-big-to-fail and too-interconnected-to-fail problems in order to prevent the socialisation of losses.
Analysis & Score	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> General commitment to regulate, but specific commitment on how. <i>Update:</i> Commitment fully meets demands. <i>Updated Score:</i> 4.5 3	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Commitment fully meets demands. <i>Score:</i> 3	<i>Analysis:</i> Commitment fully meets demands. <i>Score:</i> 3	
Regulate governance of financial firms so that risks and stranded assets from social and environmental damage are avoided.		Europe's new economic model must combine social progress, economic development and environmental stability, based on the Environmental, Social and Governance (ESG) criteria. The			We fully support this and were the Political Group that proposed and obtained (in IORP2), not only that ESG risks (including but not limited to those linked to stranded assets) be integrated into		

			<p>financial sector must contribute to the transition to low-carbon and resource-efficient economy with more transparency and better financial products (PES Congress Resolution, Lisbon 2018)</p>			<p>occupational pension fund management and disclosed, but that a fund manager be protected if he forgoes a higher economic return on the grounds that it breaches ESG investment criteria.</p> <p>Additionally, we proposed strong amendments to CRR/CRD and the investment firms review that were partially reflected in the final legal texts, including</p> <ul style="list-style-type: none"> • disclosure of ESG risks • EBA to issue guidelines on the inclusion of ESG risks in the SREP (Pillar 2) • EBA report on different prudential treatment of brown and green assets 	
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							<p>We made more far-reaching demands in this respect which can be found under further sources, in particular the legislative work on the sustainable taxonomy, the disclosure and the Green INI report on Sustainable Finance by MEP Molly Scott Cato:</p> <p>https://www.greens-efa.eu/en/article/press/parliament-backs-greens-efa-plans-on-sustainable-finance/ https://www.greens-efa.eu/en/article/press/a-step-towards-greener-financial-markets/ http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&mode=XML&language=EN&reference=PE618.012</p>			
	Analysis & Score	Analysis: commitment Score: 0	No	Analysis: Update: General positive commitment, but not	Analysis: commitment Score: 0	No	Analysis: Update: Full commitment	No	Analysis: commitment Score: 0	No

			<p>specific detail linked to stranded assets. Updated Score: 0 1.5</p>			<p>including supporting evidence. Updated Score: 0 3</p>	
	<p>Introduce regulation to discourage harmful speculation and credit-fuelled bubbles.</p> <p>Implement proposals to reduce the amount of shadow banking activity by curbing the re-use of collateral and set minimum haircuts in securities financing transactions.</p> <p>Introduce an EU-wide Financial Transaction Tax.</p> <p>Bring an end to tranching of securities and prevent securitisation in infrastructure.</p>		<p>Taxing financial transactions would help curb financial speculation and ensure that stock market trading contributes its fair share to society.</p>			<p>We must introduce stronger measures to combat market manipulation, abusive speculation and insider trading and improve transparency on the financial markets. We propose a financial transaction tax to limit speculation and to finance sustainable investments</p> <p>We tabled more than ten amendments to the banking package (CRRII and CRD V) aiming at setting aggregate limits on exposures to shadow banking entities, increasing transparency on non-cash collateral re-use as well as on</p>	<p>A financial transaction tax has to be imposed.</p> <p>Securitisation has never affected the funding of SMEs, as consumption generates the need for the majority of securitised loans (house purchases, car purchases, higher education, etc.); by securitising non-performing loans, securitisation has served, above all, to 'clean up' the balance sheets of financial institutions; so-called financial products created as a result of securitisation are – by their very nature – highly complex and opaque, as they are still subject to all manner of default</p>

						<p>synthetic leverage and empowering competent authorities to monitor credit institutions' exposures to shadow banking entities. Unfortunately, none of these measures were supported by the the other political Groups. SEE in particular our AMs 695, 971, and 972 to CRR II:</p> <p>https://sven-giegold.de/entlastungen-fuer-kleine-banken-bei-regeln/</p> <p>We have been long standing advocates of an EU wide FTT and critics of the slow process of implementing even the “enhanced cooperation” version. The Greens have for years been championing a strong FTT, with a</p>	<p>and can entail wide-ranging and serious risks; the true objective of the Commission proposal is to revive the European securitisation markets, which, owing to the fact that they were a major contributing factor to the 2007/2008 financial crisis, have recorded moderate growth since then; securitisation will never be the solution to job creation or fostering sustainable growth, but rather will serve to swell the profits of financial institutions and stimulate financial speculation.</p>
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						<p>large base and no exemption, as part of our plans for tax justice and the regulation of the financial sector. [see EMU paper] and see: https://www.greens-efa.eu/en/article/news/eu-financial-transaction-tax-6072/</p> <p>We fought to have more stringent limits on commodity speculation and MIFID2.</p> <p>We were successful in the past in ensuring that securities pledged to an institution by another cannot be used towards liquidity buffers and have also opposed rehypothication in the SFTR (although the compromise at the end was to allow only with written a priori consent)</p>	
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	<p>accountable for the impact of their lending and investments on the UN Sustainable Development Goals, starting by implementing mandatory reporting of such impacts.</p>		<p>with social and ecological targets to ensure that economic interests do not trump the environment. A Just Transition Fund will help to implement the UN's Sustainable Development Agenda and Goals by 2030 in a socially fair way. We will raise the EU's climate ambition in line with the Paris Agreement and the latest science on climate change.</p> <p>We will take measures against greenwashing, false and misleading environmental marketing claims. Consumers should have no doubts about the eco-friendliness of the products and services they Buy.</p>			<p>that the financial sector fully contributes to a resilient and sustainable economy.</p> <p>The Greens/EFA group had a rapporteurship on the taxonomy file (where we fought (partially successfully) to have a clear definition of "green investment" for investor transparency and (unsuccessfully) for a definition of "brown investments" that push against</p> <p>Source: https://www.greens-efa.eu/en/article/press/a-step-towards-greener-financial-markets/ https://www.greens-efa.eu/en/article/press/parliament-backs-greens-efa-</p>	<p>ESG risks. Consumers need to be aware of these risks. Transparency is key. We also want to see more powers for NCAs to ban products that will partake in fuel speculation and entail high risks.</p>
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			<p>In order to achieve a breakthrough in corporate responsibility towards sustainability and to ensure strong accountability, clear enforcement, easy monitoring and proper transparency, key responsibilities could ultimately be defined for larger corporations within a single law which links rights and obligations, if soft law approaches fail, including the proposed Responsible Business label corporations with more than 500 million euros in annual revenue would be required under European Single Market law to obtain a corporate responsibility passport requiring</p>		<p>plans-on-sustainable-finance/ http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&mode=XML&language=EN&reference=PE618.012 Greens/EFA managed to subject investment firms with a balance sheet value of over €100 million to disclosure requirements concerning their investment policies, such as a description of voting behaviour in general meetings of companies whose shares they hold. Source: Article 52 Investment Firms Regulation: http://www.europarl.europa.eu/doceo/document/TA-8-2019-0378_EN.html</p>	
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			<p>them to respect a set of corporate governance, social and environmental exigencies. A European regulation would define the relevant conditions and would, in several areas, fix these conditions beyond general law applicable to the private sector as a whole.</p> <p>Such requirements should include:</p> <ul style="list-style-type: none"> - Obligations in terms of worker representation on boards, social dialogue and labour contracts - Obligations in terms of gender equality (such as on equal pay, the share of women on the company board, valid harassment procedures and work-life balance company policy) - Obligations in terms of wage gap 			<p>Compare with Greens/EFA amendments 248-57 here: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-623.631+01+DOC+PDF+V0//EN&language=EN</p>	
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			<p>limits and management bonus practices, including transparency on wage levels and gaps, and meaningful employee representation on remuneration boards</p> <ul style="list-style-type: none"> - Chain responsibilities with regard to subsidiaries and sub-contractors; - Restrictions on the sale of company shares by company management - Full country-by-country reporting information on where they make their profits and where they pay tax (EU and worldwide) <p>Obligation not to hold any financial or non-financial wealth in non-cooperative jurisdictions for tax purposes as included in the EU list</p>			
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			<p>- Obligations in terms of the company's impact on the environment (obligations such as carbon and water footprint limitation, waste and resource management, environmental impact of company activity on immediate surroundings (noise, water, air or soil pollution). By making these requirements legally binding, they become enforceable and companies run the risk of having their CRP revoked. In order for companies to reasonably adjust to such legislation and avoid a disruption in economic activity, a transitional period to move towards full conformity should be included in the law by a set of obligations (some</p>				
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			<p>could enter into force without delay, and others following specific transition periods).</p> <p>https://www.socialistsanddemocrats.eu/newsroom/sd-group-achieved-binding-transparency-rules-financial-industry-sustainability-investments</p> <p>https://www.socialistsanddemocrats.eu/newsroom/european-financial-system-must-throw-its-weight-behind-fight-against-climate-change-say</p>				
Analysis & Score	<p><i>Analysis:</i> No commitment</p> <p><i>Score:</i> 0</p>	<p><i>Analysis:</i> General commitment, but not specifically on reporting.</p> <p><i>Update:</i> Additional layer of equivalent commitment.</p> <p><i>Update:</i> Fully matching commitments and track record submitted.</p>	<p><i>Analysis:</i> No commitment</p> <p><i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment</p> <p><i>Score:</i> 0</p>	<p><i>Analysis:</i> General commitment, but not specifically on reporting.</p> <p><i>Update:</i> Additional evidence of concrete commitment and action to improve reporting and disclosure.</p> <p><i>Updated Score:</i> 4 3</p>	<p><i>Analysis:</i> Fully matching equivalent commitment.</p> <p><i>Score:</i> 3</p>	

			Updated Score: 4 4.5 3				
	Ensure a diverse banking sector by promoting small, local, community and ethical banks , different ownership structures and the representation of a broad range of stakeholders.		<p>The financial sector needs greater corporate transparency and accountability to fight against fraud and money laundering and promote better consumer protection. It also needs to become more user-friendly; access to information and services must reach everyone.</p> <p>With investEU we are shaping the future of the EU towards more investments to support small and medium-sized enterprises (SMEs), as well as local projects. The programme is a key partnership between the European Commission, the</p>			<p>Communities throughout Europe should be encouraged to develop sustainable and accessible alternatives to the current dominant roles of the market economy and its lobbies.</p> <p>We have always strongly supported a simpler, and therefore less burdensome, regime for simpler, smaller banks that offer basic services to households and smaller firms (and not just tighter requirements for GSIBs). Many Greens/EFA amendments to the recent “risk reduction package” went along these lines.</p>	<p>We strongly favour small scale local banking. We have been very critical about large banks and we do not think that they can be controlled in an adequate manner. We strongly favour a strong public banking sector.</p>

			<p>European Investment Bank (EIB) and the national promotional banks.</p> <p>“The S&D Group was the frontrunner to link the investEU tool with a strong incentive to support Environmental, Social and Governance (ESG) projects, promoting culture, and in ensuring ethical and sustainable finance.</p> <p>https://www.socialistsanddemocrats.eu/newsroom/investing-eu650-billion-booming-future-sds-lead-positive-change-europe</p>			<p>We have strongly been advocating the Commission proposal in the banking package to introduce objective and strict criteria for excluding credit unions and promotional and development banks.</p> <p>Following broad consultation with small institutions, independent scientists and supervisors, we Greens tabled far-reaching amendments regarding proportionality in the Banking Package, many of which have been incorporated into the final legislative text.</p> <p>Source: https://sven-giegold.de/new-rules-for-european-banks/</p>	
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						https://sven-giegold.de/entlastungen-fuer-kleine-banken-bei-regeln/ https://sven-giegold.de/wp-content/uploads/2018/02/Green-AMs-Enhance-proportionality-in-the-European-banking-market.pdf	
Analysis & Score	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Positive commitment, but not directly matching and without specific detail. <i>Update:</i> Further linked commitments and track record provided. <i>Updated Score:</i> 0.5/2	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Not directly related commitment, but still potentially related and positive. <i>Update:</i> Fully matching commitment and track record <i>Updated Score:</i> 0.5/3	<i>Analysis:</i> Fully matching commitment. <i>Score:</i> 3	
Free up public investment capacity by adapting deficit rules, changing spending priorities and/or strengthening tax revenues.	This means modernising our economies and reducing bureaucracy as well as strengthening fiscal and economic governance at the EU level.	We will not bow to uncontrolled market forces and we will finally put an end to austerity policies. Europe must create economic opportunity for all, and ensure that		We will work for better control mechanism and more automatic sanctions on countries when the stability and growth pact is broken.	Rejecting failed austerity policies, we want social and environmental objectives on an equal footing with the budgetary targets of an updated and	Urges the Commission to allow –until the definitive repeal of the Fiscal Stability Treaty –fiscal space for manoeuvre in order to provide further liquidity for	

		<p>The key aims of the Stability and Growth Pact must be kept at the centre of all reforms: namely, that fiscal policies remain responsible and that Member States work towards lowering their debt levels to under 60% of GDP.</p>	<p>prosperity is sustainable and shared fairly by all Europeans.</p> <p>European fiscal rules must be reviewed to make sure that they foster sustainable growth and Employment.</p> <p>Today, investment is still below the pre-crisis levels. Europe must aim at closing this investment gap. Specific instruments, such as the 'golden rule', whereby productive public investment is not calculated in Member States' budget deficits, are needed to increase public investment.</p> <p>Investment needs for a multitude of areas that are required to</p>			<p>reformulated Stability and Growth Pact. This Pact should also be complemented with a Sustainability and Prosperity Pact that defines social, economic and environmental targets based on indicators for the European Monetary Union (EMU) and its member states.</p> <p>The Group adopted a specific proposal to spread the impact of debt on debt and deficit over the lifetime of a project if the debt is linked to sustainable projects. This is a sensible compromise between rigidity that makes crises worse and accepting that not all debt is equal, even in a crisis.</p> <p>The Group also was extremely active in</p>	<p>investment, for development in education, culture and health, and for a holistic social development, which will facilitate quality and safe employment, and strengthen the welfare state.</p>
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			<p>transform our production and consumption models amount to hundreds of billions of euros. With persistently low growth levels and the need to reduce public debt levels, many countries do not have enough budgetary space to consolidate and invest at the same time at such levels. If a new recession were to emerge, the current rules would further prevent public investment from reaching sufficient levels. The stability and growth pact needs to be revised to exclude public investment for transition from the public deficit calculation, but within a precise framework in order to avoid abusive practices. This framework should</p>			<p>the various tax EP investigations and sees closing the hundreds of billions tax gap as a major priority (requiring a change to the way the council and the parliament are involved in tax matters).</p>	
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			<p>be used to characterise transition investments so as to foster this type of investment, in particular. In addition, some level of mutualisation of public debt within the eurozone (Eurobonds) could further support necessary public investment at national levels.</p> <p>https://www.socialistsanddemocrats.eu/newsroom/sds-lead-majority-oppose-right-wings-efforts-legalise-austerity-eu</p>			
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	<p>Analysis & Score</p>	<p><i>Analysis:</i> Vague but potentially counterproductive commitment. <i>Update:</i> More detail on explicitly restricting potential public spending capacity. <i>Score:</i> -0.5 -1</p>	<p><i>Analysis:</i> Good commitments. Capacity. <i>Update:</i> Extra detail to add to bring the commitment full in line with demand. <i>Update:</i> Further arguments to support and justify a full score and track record provided. <i>Updated Score:</i> 2 3</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> A counterproductive tightening and intrenching of the status quo, rather than a positive commitment for change. <i>Score:</i> -1</p>	<p><i>Analysis:</i> Fully matching commitment. <i>Update:</i> Additional supporting track record provided. <i>Score:</i> 3</p>	<p><i>Analysis:</i> Fully matching commitment. <i>Score:</i> 3</p>
	<p>Investigate State aid rules and fiscal accounting in order to remove potential barriers to public banking.</p>		<p>European fiscal rules must be reviewed to make sure that they foster sustainable growth and Employment.</p>			<p>We call for redefining State aid rules in order to remove potential barriers to public banking: https://www.e3g.org/docs/The_Role_of_State_Aid_in_Creating_a_Green_Economy.pdf</p> <p>Given the percentage of expenditure for the gross fixed capital formation is on average currently low in the EU, we</p>	<p>Abolition of the fiscal pact and ending austerity plans in order to prevent social and economic catastrophes. To implement this, a public investment program in socially important areas shall be prioritised.</p> <p>Calls on the Commission to revise the rules on state aid in order to enable state intervention to enhance socially</p>

						<p>demand that expenditures made in a year can be amortised for public accounting purposes so as to remove barriers to public spending.</p>	<p>and environmentally beneficial projects, and to help SMEs and industries in difficulties by contributing to reconstructing their production capacities, which have been heavily hit by the crisis;</p>
Analysis & Score	<p>Analysis: commitment Score: 0</p>	No	<p>Analysis: Linked but no direct reference to public banking. Score: 1</p>	<p>Analysis: commitment Score: 0</p>	No	<p>Analysis: Update: Fully matching commitment. Updated Score: 3</p>	<p>Analysis: Linked good, but not exactly matching commitments and no reference to public banking specifically. Score: 2</p>
<p>Increase the accountability of the ECB to the European Parliament as regards the effects of their policy on inequality, climate change and sustainable development of the EU economies and societies.</p>			<p>Economic governance has to be more balanced. It is unsustainable for budget rules to recognise only cuts, and not spending, as an economic driver. Currently Europe is in an exceptional juncture. Interest rates are purposefully very</p>			<p>We want to radically increase transparency in European institutions, including the European Central Bank. Citizens have the right to know how decisions are made and how their money is spent. All</p>	<p>We consider it necessary, to change the mission of the European Central Bank (ECB) including employment goals and override its autonomy towards a real democratic accountability.</p>

			<p>low. With a combination of progressive reforms, increased investment and the ECB's monetary policy, we can transform the economy, open up new growth opportunities and further develop existing ones.</p>			<p>positions taken by Member States in the Council should be made public.</p> <p>This is why we have tabled several amendments to the ECB annual report 2017 calling on the ECB to : (i) report on the side effects of its monetary policy measures and its impact on inequality; (ii) reduce its holding of bonds linked to fossil fuel industries and increase its holdings of bonds linked with sustainable investments; (iii) provide a comprehensive assessment of the impact of quantitative easing on growth and employment;</p> <p>Source: http://www.europarl.europa.eu/sides/get</p>	
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Analysis & Score	<i>Analysis:</i> commitment Score: 0	No	<i>Analysis:</i> A related but not directly relevant or targeted commitment. Score: 0.5	<i>Analysis:</i> commitment Score: 0	No	<i>Analysis:</i> Fully equivalent commitment. Update: Evidence supporting commitment track record submitted Score: 3	<i>Analysis:</i> Good commitment, but without detail of accountability being towards the EP. Score: 2
Ensure that all citizens have access to a set of basic financial services that are needed to fully and equally participate in society.			The right to quality healthcare, education and decent pensions is universal and must be defended. People of all ages have a right to work and to live in dignity. Unemployment and social exclusion must be tackled collectively, not dismissed as individual failings.	In order to create jobs, growth, and for businesses to flourish, we need to help create the right regulatory and economic conditions. After all, the EU is a trading block, not a social security scheme.		Everyone should be guaranteed access to basic financial services. Not only do we favor universal access to financial services but we have also strived in order to ensure that consumer protection rules are in place across financial services regulation. First, we have ensured in the context of the	We had the rapporteurship for this dossier in the previous parliamentary mandate. (Klute report: http://www.europarl.europa.eu/news/en/press-room/20131206IPR30037/basic-bank-accounts-for-all). We fought very hard to ensure a universal access to basic banking services.

			<p>Small and medium-sized firms, micro-firms and millions of consumers, especially if they cannot provide adequate guarantees or collateral, are deprived of access to finance at affordable rates. Similarly, many young Europeans who want to start their own company or pursue creative activities cannot do so because of lack of credit. Innovative financial instruments such as micro-credits, crowd-funding, venture capital funds and supply-chain financing are important instruments for promoting financial inclusion. They can be promoted through the development of appropriate</p>			<p>BRRD-SRMR revision that MREL instruments are considered complex as provided for in MIFID II and that their sale is subject both to a suitability assessment and quantitative limitations in order to protect retail investors. Secondly, the insistence of our group led to the adoption of a 1% cap on fees and costs for the basic PEPP. Thirdly, our group played an instrumental role in enhancing both the ESAs and MIFIR provisions as regards product intervention powers, supervisory tools such as mystery shopping and comparability of cost effectiveness of financial products.</p>	
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			<p>guarantee mechanisms and/or the creation of “Social Entrepreneurship Funds” at the EU and national levels to enhance financial inclusion and social entrepreneurship. S&Ds will keep prioritising the further development and enhancement of the first and second pillar to provide a secure and substantive social protection for all citizens in old age.</p> <p>https://www.socialistsanddemocrats.eu/newsroom/european-personal-pension-product-painted-wall-was-badly-constructed-despite-number</p>				
	Analysis & Score	<p><i>Analysis:</i> commitment <i>Score:</i> 0</p>	<p>No</p> <p><i>Analysis:</i> A related but not directly relevant or targeted commitment</p>	<p><i>Analysis:</i> Suggests that the group may actively block progress in the area <i>Score:</i> -0.5</p>	<p><i>Analysis:</i> commitment <i>Score:</i> 0</p>	<p>No</p> <p><i>Analysis:</i> Fully matching commitment <i>Update:</i> Evidence supporting</p>	<p><i>Analysis:</i> Proven previous commitment on some services, but no detail on others.</p>

			<p>Update: Positive commitment that addresses an important part of the problem.</p> <p>Further update: Important additional commitment on specific area and track record provided.</p> <p>Updated Score: 0.5 \geq 2.5</p>			<p>commitment track record submitted</p> <p>Score: 3</p>	<p>Score: 1.5</p>
	<p>Ensure that the public interest in properly represented in the regulating of the financial system, through sufficient representation of civil society organisations in expert and stakeholder groups and the transparency of the legislative process.</p>		<p>We encourage transparent decision-making processes from a multidimensional point of view, encompassing EU institutions, NGOs, Trade Unions and civil society organisations. We must ensure stakeholders and NGOs have adequate funding in order to carry out their work.</p> <p>Democratic</p>			<p>We have strongly supported the making public of documents used in negotiations (eg trilogues) and the publication of meetings with lobbyists in the EP and commission and continue striving for more transparency in the legislative process.</p> <p>Source: https://www.greens-efa.eu/en/article/news/european-parliament-negotiators-admit- </p>	<p>Take back power from finance capital by respecting popular sovereignty and by promoting citizens' involvement in EU decision-making</p>

			<p>accountability and responsibility are crucial for Europe's integrity. This is true in financial and economic policy-making as well as elsewhere. Civil dialogue must be strengthened and democracy in the workplace must be supported. European institutions must be given a key role in these areas to ensure that they work to the benefit of all European citizens. The role of the European Parliament must be strengthened to promote more democratic accountability. The Eurogroup can no longer be left as an informal</p>			<p>failure-to-improve-the-eu-lobby-register/</p> <p>We deplore the under-representation of civil society groups in consultations (which is why we were strong supporters of FW)</p>	
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			institution without parliamentary oversight. It must be given a permanent President, double hatted as member of the European Commission, fully accountable to the European Parliament.					
Analysis & Score	<i>Analysis:</i> No commitment <i>Score:</i> 0	No	<i>Analysis:</i> No commitment <i>Update:</i> Positive directly related commitment and additional positive indirectly related commitment. <i>Updated Score:</i> 0 2	<i>Analysis:</i> No commitment <i>Score:</i> 0	No	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Update: Fully matching commitment and track record. <i>Updated Score:</i> 0 3	<i>Analysis:</i> Vague and not directly matching commitment <i>Score:</i> 0.5
Reduce the influence of the financial lobby by setting limits on access to policymakers, regulators, supervisors and politicians.						We want a mandatory legislative footprint for EU laws, a binding lobby register for all EU institutions and to close the revolving doors between politics and big business by cooling-off phases. These transparency	We think that the financial lobby is too strong. Revolving doors problems (e.g. Barroso to Goldman) need to be avoided. Long cooling-off periods for policy makers and decision makers are necessary.	

						<p>and ethics rules should be supervised by an independent body at the EU level. Decisions must be based on best available evidence and genuine consultation with stakeholders.</p> <p>Due to our initiative, Financial supervisory agencies introduced rules to publish lobby meetings themselves, see letter by EIOPA and ESMA:</p> <p>We have tabled amendments to the TAX3 report to ensure that tax advisers caught in tax evasion / tax avoidance scandals cannot be part of expert groups advising EU institutions.</p> <p>Sources:</p>	
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						https://sven-giegold.de/wp-content/uploads/2016/04/Joint-EIOPA-ESMA-Letter-to-MEP-Giegold.pdf http://www.europarl.europa.eu/committees/en/tax3/amendments.html	
	Analysis & Score	<i>Analysis:</i> No commitment Score: 0	<i>Analysis:</i> No commitment Score: 0	<i>Analysis:</i> No commitment Score: 0	<i>Analysis:</i> No commitment Score: 0	<i>Analysis:</i> Good equivalent commitment on different parts of the issue. <i>Update:</i> Further detailed commitments and track record submitted. <i>Updated Score:</i> 2.5 3	<i>Analysis:</i> Good commitment to address an important part of the issue. Score: 2
DEMOCRATIZE TOTAL SCORES:		-0.5 -1	4.5 12.5 14	-0.5	-1	13 24	7.5 17
REDIRECT	Ensure that the EU Action Plan on Financing Sustainable Growth takes clear steps towards meeting	We have to effectively combat climate change and strengthen biodiversity. This means not only	The EU must adopt a Sustainable Development Pact with social and ecological targets to ensure that		The transition to a resource-efficient circular economy has a huge potential to foster jobs, growth, and	We fully support and have worked towards all these priorities.	Regrets the fact that the COP21 commitments, on the one hand, do not guarantee the reduction of GHG

	<p>the Paris climate objectives and the UN Sustainable Development Goals, by properly addressing environmental, social and governance factors.</p> <p>Ensure an ambitious and mandatory EU Taxonomy that fully integrates all social and environmental criteria.</p> <p>Ensure that EU eco-labels for financial products will only be awarded to environmentally performing financial products beyond doing no harm.</p> <p>Ensure that the reporting of non-financial information is subject to a mandatory, common and harmonised reporting framework.</p>	<p>working relentlessly towards binding international agreements but also creating incentives for more efficiency and renewable energy through emission trading as well as more sustainable consumption in general. It also means that all countries, and especially the richest, will have to constantly adapt their lifestyles and use of resources to the demands of smart green growth.</p> <p>As the protection of the environment cannot be done by individual states alone, the European Union needs to tackle water supply challenges and stop environmental degradation in general, and</p>	<p>economic interests do not trump the environment. A Just Transition Fund will help to implement the UN's Sustainable Development Agenda and Goals by 2030 in a socially fair way. We will raise the EU's climate ambition in line with the Paris Agreement and the latest science on climate change.</p> <p>We want an economy that is sustainable. Europe's new economic model must combine social progress, economic development and environmental stability, based on the Environmental, Social and Governance (ESG) criteria. The financial sector must contribute to</p>		<p>competitiveness. The Paris Agreement and the decarbonisation objective help avoid costly lock-ins to high-carbon investments. The role of private actors is therefore crucial, and we need a stable framework for sustainable investments and finance.</p> <p>We believe that increased international climate and environmental cooperation is crucial to meet the Paris Agreement targets and the Sustainable Development Goals (SDGs) [2030 Agenda], and that the EU must take global leadership in setting global ambitious targets.</p> <p>Nature does not see borders; therefore, it</p>	<p>Europe has to lead the way on climate action, making the Paris Agreement a reality. We want the EU to pursue all possible efforts to limit the temperature increase to 1.5 degrees above pre-industrial levels.</p> <p>The 2030 Agenda for Sustainable Development highlights that the challenges we face are universal and interconnected. The Sustainable Development Goals must be implemented across all EU internal and external policies. The Union should adopt a high-level implementation strategy which identifies and addresses the gaps in current policies.</p>	<p>emissions –and, therefore, do not ensure a decrease in the concentration of GHGs in the atmosphere to a level considered compatible with an increase in average temperatures of no more than 2°C and, on the other hand, kept and strengthened market mechanisms that translate into a form of private appropriation of nature and its resources.</p> <p>Calls on the European Commission to integrate climate policy and climate change policy into all its policies; regrets the lack of ambition as regards binding targets shown to date by the Commission.</p>
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	<p>Ensure that the scope of the set of legislations incorporates not only climate-related, but also environment-related, social and human rights risks and metrics.</p>	<p>especially the loss of biodiversity, while contributing to the conservation and regeneration of natural resources (air, water and soil).</p>	<p>the transition to low-carbon and resource-efficient economy with more transparency and better financial products. But this is not enough. We need new public issuances of green financial instruments at EU level to cater this transition.</p> <p>A European taxonomy framework should bring together environmental factors including climate change risks, biodiversity risks, waste, pollution, water security and deforestation, and more generally the concept of planetary boundaries; social factors including human rights (Free, Prior and Informed Consent of local</p>		<p>is only logical that we work on protecting nature and the environment together. The EU must be a driver for an international Paris Agreement on biodiversity and establish an economic value for natural capital and ecosystem services.</p>	<p>Making the necessary transition to a sustainable economy will require large investments. We propose a sizeable Green New Deal to finance and leverage investments into areas such as cross-border train connections, renewable energy, sustainable innovation and just transition, particularly in the poorer Member States.</p> <p>To preserve our valuable nature, we want to expand protected areas significantly, ensure they cover key ecosystems, and guarantee that the protection really works. Greater ambition must be coupled with more funding. The EU</p>	
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			<p>communities), customary rights, workers' rights, women's and children's' rights, health and safety; governance factors – corporate governance, tax strategies, remuneration and measures to tackle corruption, data protection, tax avoidance and evasion and money laundering.</p> <p>We want the EU to lead the transition to a low-carbon, climate-neutral economy that promotes biodiversity and makes an efficient use of resources. To counter neo-liberal trends that increase inequalities and over-exploit natural resources we must put in place new consumption and production models,</p>			<p>should play a role in enforcing basic measures for healthy environments. Infrastructure and other projects supported with European public money should not endanger biodiversity, but rather should help save and restore it globally.</p> <p>Concerning alignment of financial sector regulation with Paris Climate Agreement as well as the reliability of EU eco- labels: in negotiations over the Carbon Benchmarks file we successfully introduced amendments that connect the two types of carbon benchmarks clearly to the Paris Goals.</p>	
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			<p>with the Circular Economy package negotiated by our Group as a good first example</p> <p>https://www.socialistsanddemocrats.eu/newsroom/sd-group-achieved-binding-transparency-rules-financial-industry-sustainability-investments</p> <p>https://www.socialistsanddemocrats.eu/newsroom/european-financial-system-must-throw-its-weight-behind-fight-against-climate-change-say</p> <p>https://www.socialistsanddemocrats.eu/newsroom/sds-welcome-councils-commitment-put-sdgs-core-eu</p> <p>https://www.socialistsanddemocrats.eu/newsroom/sds-push-deep-reform-eu-governance-achieve-</p>			<p>Source: www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-629.650+01+DOC+PDF+V0//EN&language=EN , e.g. AMs 51, 55, 74, 90, 96, 112</p> <p>On EU taxonomy and disclosure of ESG risks we have had concrete impact in legislation in the revision of IORP (see above) and recently through having co-rapporteurship on the sustainable investment taxonomy file and contributing to the disclosures file. Concerning the Disclosures file, we contributed strongly to broadening the scope by introducing disclosure requirements that</p>	
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			<p>sustainable-development-goals https://www.socialistsanddemocrats.eu/newsroom/sustainable-investments-should-benefit-citizens-not-big-industries-say-sds</p>			<p>go beyond ESG risks in a purely financial sense, i.e. the risks to the value of a financial product that arise from negative ESG events. The requirements now also comprise the real-world sustainability impacts, i.e. the potential negative consequences for people and planet. (Articles 3gamma and 4gamma of the Disclosures Regulation.)</p> <p>We also opposed the introduction of a Green Supporting Factor in banking legislation, as we have done with similar arbitrary risk weight reductions for SMEs and infrastructure, on the grounds that stimulus of certain activities is a fiscal,</p>	
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						<p>not a prudential matter.</p> <p>The Greens were co-rapporteurship of the sustainable finance taxonomy for defining what can be considered as sustainable economic activities and sustainable investments. Such standards will provide transparency and security for investors who wish to invest in green financial market products, and will help financial flows to be directed towards investments that are needed for the European economy to move towards net-zero emissions. Negotiations with the Council should begin in the new legislature.</p>	
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						<p>Although the adopted EP report was less ambitious than the initial draft report, it still represents a step closer to greener financial markets, which will provide standards for green investments and more transparency for pension funds, insurance companies and private investors. The European Parliament has improved on the European Commission's proposal, making sure that such standards do not allow for greenwashing and that minimum social standards are respected.</p> <p>The EP has made it clear that coal, nuclear and gas infrastructure cannot be</p>	
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						<p>considered sustainable investments. Unfortunately, a majority of conservatives and liberals prevented the introduction of a 'brown list', which would have allowed investors to identify and take action against the most environmentally harmful investments.</p> <p>Sources: https://www.greens-efa.eu/en/article/press/a-step-towards-greener-financial-markets/ https://www.greens-efa.eu/en/article/press/parliament-backs-greens-efa-plans-on-sustainable-finance/ http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&mode=XML&language=EN&reference=PE618.012</p>	
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<p>Analysis & Score</p>	<p><i>Analysis:</i> Very general and vague commitment. <i>Update:</i> More detail to include environment-related concerns. <i>Updated Score:</i> 0.5 1</p>	<p><i>Analysis:</i> General commitment, but no detail on specific action. <i>Update:</i> Positive commitment, although not specifically addressing all points. <i>Update:</i> Further detail adding specific matching commitment. Further update: additional matching commitment and track record provided. <i>Updated Score:</i> 1.5 2 2.5 3</p>	<p><i>Analysis:</i> No commitment Score: 0</p>	<p><i>Analysis:</i> General commitment, but no detail on specific action. Score: 1.5</p>	<p><i>Analysis:</i> A series of related positive commitments, but not specifically addressing all points. <i>Update:</i> Fully matching commitment and track record submitted. <i>Updated Score:</i> 2 3</p>	<p><i>Analysis:</i> Very general and vague commitment, even if stronger position on the problem. Score: 1</p>
<p>Ensure that central banks integrate climate and environment-related risks and impacts in the conduct of their monetary policy and prudential supervision tasks.</p>					<p>Reinhard Bütikofer, Co-Chair of the European Green Party, and Sven Giegold (MEP) wrote a letter to European Central Bank President Mario Draghi with regards to the growing concern of</p>	<p>We agree.</p>

						<p>a potential risk for an EU financial carbon bubble. Bütikofer and Giegold, along other Green MEPs urge to investigate how the exposure to high carbon investments might pose a systemic risk to our financial system: https://sven-giegold.de/letter-to-ecb-president-draghi-on-carbon-bubble/</p> <p>Furthermore, the Greens have tabled several amendments to the ECB annual report 2017 calling on the ECB to: (i) explicitly take into account the Paris Agreement and ESG goals in its guidelines orienting its purchase programmes; (ii) reduce its holding of bonds linked to fossil fuel industries and increase its holdings of bonds</p>	
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						<p>linked with sustainable investments; (iii) carry out a research exploring the legal feasibility of channelling newly created money towards sustainable investments;</p> <p>Source: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-627.861+01+DOC+PDF+V0//EN&language=EN</p>	
Analysis & Score	<p><i>Analysis:</i> No specific commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> Update: Fully matching commitment with supporting track record. <i>Updated Score:</i> 3</p>	<p><i>Analysis:</i> Fully support the commitment <i>Score:</i> 3</p>
Ensure that regulators properly take into account climate, social and environment - related risks and		<p>The financial sector must contribute to the transition to low-carbon and resource-efficient economy with more transparency and</p>				<p>Banks need higher capital requirements and banking crucial to the real economy must be separated from</p>	<p>We agree.</p>

	<p>make full use of their micro- and macro-prudential tools – such as additional capital requirements, capital buffers, sectoral leverage ratios, credit ceilings, large exposure limits and stress tests.</p>		<p>better financial products. But this is not enough. We need new public issuances of green financial instruments at EU level to cater this transition.</p> <p>A better calibration of prudential incentives and disincentives would contribute to the adjustment to a low-carbon economy: banks' investments and credits shape our society, but the incentives and the disincentives are not calibrated in a way to take into account sustainability.</p> <p>Specific capital surcharges for 'brown investments' and specific capital discounts for 'green investments' would shape the way credit flows to business and households. Moreover, as a</p>			<p>trading. Europe needs stronger financial regulation to ensure that the financial sector fully contributes to a resilient and sustainable economy.</p> <p>European economic rules must encourage, not hinder, responsible social investments.</p> <p>Making the necessary transition to a sustainable economy will require large investments. We propose a sizeable Green New Deal to finance and leverage investments into areas such as cross-border train connections, renewable energy, sustainable innovation and just transition, particularly in the</p>	
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			<p>gradual dismissal of brown assets is needed to tackle the massive systemic risk they are associated with, a sustainability stress test for banks can make these risks visible, and help to accelerate the gradual dismissal of stranded assets. Supervisors should be responsible for running these stress tests.</p>			<p>poorer Member States.</p> <p>Greens/EFA has pushed consistently for more, and more coordinated, use of macroprudential tools and stronger powers for EU authorities to act when systemic risks threaten.</p> <p>While we have focused on getting obligations for firms to assess and disclose ESG risks, we would welcome an EU framework for regulators to tackle them.</p> <p>It has long been our position that leverage ratios (differentiated by business model) should be set at meaningfully high levels e.g. 10-15% for the most systemic banks) and that the over-</p>	
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						<p>reliance on subjective and hard to police risk weights from internal models must stop. We also strongly support robust annual stress tests that are designed to discover circumstances to which the system is especially vulnerable</p> <p>We proposed strong amendments to CRR/CRD and the investment firms review that were partially reflected in the final legal texts, including</p> <ul style="list-style-type: none"> • disclosure of ESG risks • EBA to issue guidelines on the inclusion of ESG risks in the SREP (Pillar 2) • EBA report on different prudential treatment 	
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						<p>of brown and green assets</p> <p>We made more far-reaching demands in this respect which can be found under further sources, in particular the legislative work on the sustainable taxonomy, the disclosure and the Green INI report on Sustainable Finance by MEP Molly Scott Cato:</p> <p>https://www.greens-efa.eu/en/article/press/parliament-backs-greens-efa-plans-on-sustainable-finance/ https://www.greens-efa.eu/en/article/press/a-step-towards-greener-financial-markets/ http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&mode=XML&language=EN&reference=PE618.012</p>	
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						Other sources: https://sven-giegold.de/entlastungen-fuer-kleine-banken-bei-regeln/	
	Analysis & Score	<i>Analysis:</i> No specific commitment <i>Score:</i> 0	<i>Analysis:</i> Fully matching commitments. <i>Score:</i> 3	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Not directly relevant or specific commitments. <i>Update:</i> Further detail on good commitments and track record provided, but not directly related to specific commitment <i>Updated Score:</i> 4 1.5	<i>Analysis:</i> Fully support the commitment <i>Score:</i> 3
REDIRECT TOTAL SCORES:		0.5 1	1.5 5.5 6	0	1.5	3 7.5	4 7
PREPARE	Set up contingency plans to deal with another financial/economic crisis.		Establishing adequate firewalls between commercial and investment banking remains one of our key objectives to better protect citizens. From the financial crisis in 2008, we learnt that we needed to work hard	We need rules that incentivize a continual pursuit of market stability.		The European Central Bank statutes must be revised to allow it to act as a last-resort lender for Member States and to provide temporary relief from crisis in government bond markets, and to foster full employment,	We stand for a fundamental overhaul of the current economic governance framework. The ECB should act as a lender of last resort and its mandate should include employment and social indicators.

			<p>in order to make the financial system more stable and less risky. Backed by a diversified portfolio of euro area central government bonds, the introduction of SBBS would represent a small, but useful, progress in this direction since they are financial instruments that can be used by banks for diversification and risk sharing across the euro area, with only private investors bearing potential losses.</p> <p>https://www.socialistsanddemocrats.eu/newsroom/sds-succeeded-today-define-european-parliaments-position-new-tool-reduce-financial-risks</p>			<p>besides price stability. The conditions for relief need to be defined by democratically accountable legislators at the relevant levels.</p> <p>The Eurozone needs a properly funded crisis fund of a few percent of its annual GDP - a "European Monetary Fund". We do not agree with recent proposals that wish to keep the decision making outside the Treaty itself (the framework should be negotiated and implemented according to the community method and closely involving the EP) and strongly believe that the conditionality and repayment schedules for any</p>	
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						<p>assistance should not be inspired by the existing procyclical budgeting rules used in the Economic Governance framework</p> <p>Source: EMU paper</p>	
	<p>Analysis & Score</p>	<p><i>Analysis:</i> No specific commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> Positive commitment but not directly relevant or sufficient. <i>Update:</i> Relevant commitment on risk reduction and track record submitted. <i>Score:</i> 0.5 1.5</p>	<p><i>Analysis:</i> General commitment and not clear how far it is directly relevant <i>Score:</i> 0.5</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> Commitment on a relevant area, but not sufficient. <i>Update:</i> Strong matching commitment <i>Updated Score:</i> 4.5 2.5</p>	<p><i>Analysis:</i> Strong matching commitment <i>Score:</i> 2.5</p>
	<p>Review the current regulatory instruments and ensure they are operational in the event of a major crisis.</p>		<p>The EU has put in place mechanisms, such as the European Stability Mechanism, to support economies hit by a significant crisis. This should be extended to provide guarantees that depositors will not have to suffer from a bank failure.</p>			<p>We have been strongly critical of the SRMs slowness in identifying and removing barriers to resolution under BRRD/SRMR. This is where we believe one of the biggest weaknesses in regulation persists.</p>	<p>Need to abandon SGP and Fiscal Compact.</p>

			<p>https://www.socialistsanddemocrats.eu/newsroom/sds-push-make-eurozone-governance-more-stable-and-democratic</p>			<p>In addition we believe that the resolution fund should be significantly bigger than current 55 billion maximum in order to be of real use if several big banks fail during a crisis. In particular, we believe that the common fiscal backstop for the Single Resolution Fund should be made operational rather sooner than later.</p> <p>We also believe that the ability for one country's supervisor/government to unilaterally refuse to abide by a decision of the board of an ESA on the grounds of potential fiscal damage, should be restricted to cases where the putative fiscal damage significantly</p>	
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						<p>outweighs the damage to other countries in case of non-compliance (put forward by Greens during the BRRD negotiations).</p> <p>We also continue to hold that supervisors must have the right to impose the separation of real economy from capital markets activities in banks where, in the supervisors judgement, this is not in the public interest.</p> <p>Source: partly included in the EMU paper</p>	
Analysis & Score	<p><i>Analysis:</i> No specific commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> Positive, if vague commitment, also not directly relevant or sufficient. <i>Update:</i> Positive track record relating</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> Update: Strong commitments matching commitments <i>Updated Score:</i> 2.5</p>	<p><i>Analysis:</i> Good commitments on specific related points. <i>Score:</i> 1.5</p>	

			to commitment provided. Score: 0.5				
	Build up national deposit guarantee schemes to sufficient levels and reduce the levels of non-performing loans to be able to eventually phase in the European Deposit Insurance Scheme.	It is only through a sound Banking Union that we can fully protect national budgets from being forced to bail out financial institutions. We need a European deposit guarantee. This is only possible when the risks in the European banking system have been significantly reduced. Part of this is the reduction of non-performing loans and of the regulatory privilege of government bonds.	<p>The EU has put in place mechanisms, such as the European Stability Mechanism, to support economies hit by a significant crisis. This should be extended to provide guarantees that depositors will not have to suffer from a bank failure.</p> <p>This means stronger financial regulation, greater guarantees that the banking sector will foot the bill for failing banks, and stronger safeguards for depositors and their savings no matter where their bank is located.</p>			<p>The banking union must be completed with a workable EU deposit insurance scheme.</p> <p>This includes ensuring fully funded national schemes at all times and a credible insurance scheme to step in when a national scheme is over-depleted</p> <p>Source: EMU paper - page 16</p> <p>More precisely, in the negotiations on EDIS, the Greens have advocated in favour of the establishment of a reinsurance scheme implemented from day one (i.e. liquidity support and excess loss cover from day one), but subject to entry</p>	

						<p>conditionalities. Under such proposed framework, the distribution of contributions between DGS and EDIS as well as the level of mutualisation would depend on these entry conditionalities. Although the funding target of 0.8% of covered deposits would have to be reached by 2024, full mutualisation would be subject to a post 2024 review. Finally, under such proposed framework, moral hazard would be avoided by ensuring that national funds are always depleted first, before the DIF can be used.</p> <p>SOURCE: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-</p>	
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						assets) and not transferring them at artificially low risk premia, to capital markets and/or aggressive debt-workout agencies. Source: https://sven-giegold.de/non-performing-loans/	
Analysis & Score	<i>Analysis:</i> Commitment fully matches the overall objective <i>Score:</i> 3	<i>Analysis:</i> No commitment <i>Update:</i> Vague commitment made, without specific detail on how this will be done. <i>Update:</i> Additional commitment, but still no specific detail on how it can be achieved. <i>Updated Score:</i> 0 1.5	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Good general commitment, but lacking detail on how it can be done. <i>Update:</i> Fully matching commitment with supporting track record. <i>Score:</i> 4-5 3	<i>Analysis:</i> No specific commitment <i>Score:</i> 0	
Ensure the full and proper use of the single resolution mechanism and avoid further bail-outs at the expense of taxpayers.	In order to address this problem of 'banks and countries deadly embrace', certain policies have to be enacted. We must	We will strengthen the rules of the financial and banking sectors because citizens should not bear the cost of mistakes		We will work for the rapid implementation of a banking union in the Eurozone, based on strengthening the responsibility of	We have worked tirelessly on this in all the iterations of BRRD/SRMR by trying to limit the usability of the BRRD "capital	Rejects the idea that the Banking Union is inescapably necessary to resolve the 'too big to fail' problem and bring stability to the	

		<p>establish a fiscal backstop for the Single Resolution Fund.</p>	<p>made by banks or see their deposits at risk.</p> <p>It was taxpayers that had to pick up the bill of the financial crisis, and more has to be done to protect them. This means stronger financial regulation, greater guarantees that the banking sector will foot the bill for failing banks, and stronger safeguards for depositors and their savings no matter where their bank is located.</p>		<p>owners and creditors of banks rather than increasing the liability of either the taxpayer or competitors for the failure of a bank</p>	<p>injection without resolution” clause and the “government financialisation tools” and insisting that the SRM prioritised the “resolvability” assessments and took strong action when it found obstacles.</p> <p>The Green Coordinator repeatedly called on the ECON Banking Union Working Group to analyse the compliance of recent national state aid measures with European law and asked corresponding questions to relevant SRB, COM and SSM representatives.</p> <p>Sources: https://www.greens-efa.eu/en/article/pre</p>	<p>banking and financial sector; considers that the class-ridden nature of this project and the manner in which it is conceived will not prevent the continued use of public money to bail out major bank shareholders, let alone stop banks from engaging in self-interested financial manipulation or speculation.</p> <p>We do not support TLAC and MREL buffers. Instead we think that capital ratios need to increase significantly for systemic (both G-SIIs and O-SIIs) banks.</p> <p>Precautionary recapitalisation should be only allowed when the bank is put under</p>
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						<p>ss/stress-test-for-banks/ https://sven-giegold.de/call-to-olaf-scholz-nordlb-notification/ https://sven-giegold.de/banca-carige-investigation-needed/ https://sven-giegold.de/new-banking-subsidies-in-italy-circumvention-of-eu-law-is-a-dangerous-precedent/</p> <p>In order to avoid bail-outs at the expense of taxpayers, the timely access of authorities to institutions financial situation is key. Our group proposals in the BRRD/SRMR revision led to the establishment of reporting requirements on both MREL and bail-in able liabilities at</p>	<p>permanent public control.</p>
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						the request of the competent or resolution authorities not only on an annual basis as per the EC proposal.	
Analysis & Score	<i>Analysis:</i> No commitment <i>Update:</i> Fully matching commitment. <i>Score:</i> 0 3	<i>Analysis:</i> Commitment made, but not specific detail on how this will be done. <i>Update:</i> More detailed commitment. <i>Updated Score:</i> 4 1.5	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Good commitment that includes sense of urgency. <i>Score:</i> 2	<i>Analysis:</i> Fully matching commitment and track record <i>Update:</i> 3 <i>Score:</i> 0 3	<i>Analysis:</i> Commitment to avoid further bailouts, but no further matching detail. <i>Update:</i> Further good commitments to address key issue of precautionary recapitalisation and under-capitalised banks. <i>Score:</i> 4 2	
Reduce operational risk through strengthened governance, end the shifting of responsibility down the organisational hierarchy and ensure staff of financial firms are given the resources, time and training						<p>We fully support the principle.</p> <p>Additionally, in our amendments to CRR 2 / CRD V we called for the inclusion of conduct risk explicitly in the operational risk category to force banks to ensure</p>	

	<p>they need to properly meet necessary regulatory requirements.</p>					<p>protection of consumers, competition in the single market, protection of human rights, tax justice and the avoidance of money laundering. Unfortunately, the majority of other political groups did not support our amendments.</p> <p>Source (at the end of the document): https://sven-giegold.de/wp-content/uploads/2018/02/CRR-CRD_Green-proposals-for-a-strong-risk-reduction-package.pdf</p>	
<p>Analysis & Score</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> Update: Fully matching commitment and track record <i>Score:</i> 3</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>
	<p>Improve the current stress testing to</p>		<p>We want an economy that is</p>			<p>We tried to achieve binding publication</p>	

	<p>include not only banks, to include ESG factors and forward looking scenarios.</p>		<p>sustainable. Europe's new economic model must combine social progress, economic development and environmental stability, based on the Environmental, Social and Governance (ESG) criteria.</p> <p>Supervisors should play their part, too. ESG risks and factors should be included in the mandate of the European System of Financial Supervision - the European Supervisory Authorities should assess relevant material risks, including the ones related to the valuation of stranded assets, and should put in place the corresponding long-horizon monitoring</p>			<p>of stress testing results by EIOPA and ESMA during the review of the European Supervisory authorities. We asked in the same review for the development of dedicated carbon stress tests and achieved that ESG factors will be integrated in the current stress testing framework. https://sven-giegold.de/supervisory-authorities-conclusion/</p>	
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			systems. This should also be reflected in their use of mandatory Union-wide 'carbon stress tests' designed to measure the exposure of financial firms to climate change risk and to energy intensive sectors where assets are more subject to reprising.				
Analysis & Score	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Fully matching commitment. <i>Score:</i> 3	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> Update: Fully matching commitment and track record <i>Score:</i> 3	<i>Analysis:</i> No commitment <i>Score:</i> 0	<i>Analysis:</i> No commitment <i>Score:</i> 0
Ensure the security and integrity of financial services IT infrastructure, which is essential for the protection of critical IT infrastructures at the national and European level.	Special attention should be given to boosting the digital transformation of industry and enterprise, improving healthcare through new technology and innovation, merging urban planning, ecology, and information	The financial sector needs greater corporate transparency and accountability to fight against fraud and money laundering and promote better consumer protection.		Addressing the issues of cyber security, data protection, and privacy is self-evident for us, there can be no digital society without these base requirements	We fully support the importance of secure IT infrastructure for the security and integrity of financial services. In the negotiations on the Investment Firms Review, we endorsed amendments calling		

		<p>technology to make our cities better places to live, work and do business in, innovating in the public sector with the digitalisation of public services, addressing long-term policies for digital literacy but also ensuring that digital is rooted in our education systems, ensuring the right digital infrastructure to connect everyone, everywhere, and finally, but most importantly, ensuring security and protecting privacy to enhance confidence and trust in the online world.</p>				<p>for the inclusion of IT risks in the SREP (Pillar 2) that were included in the final legal text.</p> <p>Source: Article 33 Investment Firms Directive SREP shall include (...) “(da) the risks posed to the security of investment firms’ network and information systems to ensure confidentiality, integrity and availability of their processes and data and assets;”</p>	
	Analysis & Score	<p><i>Analysis:</i> No commitment <i>Update:</i> Vague and not directly linked to financial services, but still commits to enhanced security</p>	<p><i>Analysis:</i> A related but not directly relevant or targeted commitment. <i>Score:</i> 0.5</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>	<p><i>Analysis:</i> Not specifically linked to financial services, but still relevant general commitment <i>Score:</i> 1</p>	<p><i>Analysis:</i> Update: Fully matching commitment and track record <i>Score:</i> 3</p>	<p><i>Analysis:</i> No commitment <i>Score:</i> 0</p>

		of digital infrastructure. Updated Score: 0.5					
PREPARE TOTAL SCORES:	3 6.5	4 7.5 8.5	0.5	3	3 20	4 6	

Finance Watch is an independently funded public interest association dedicated to making finance work for the good of society. Its mission is to strengthen the voice of society in the reform of financial regulation by conducting advocacy and presenting public interest arguments to lawmakers and the public. Finance Watch’s members include consumer groups, housing associations, trade unions, NGOs, financial experts, academics and other civil society groups that collectively represent a large number of European citizens. Finance Watch’s founding principles state that finance is essential for society in bringing capital to productive use in a transparent and sustainable manner, but that the legitimate pursuit of private interests by the financial industry should not be conducted to the detriment of society. For further information, see www.finance-watch.org