

# CEPS News

April 2010



Thinking ahead for Europe

## A small business listing for the EU?



Lagarde

The creation of a more favourable listing environment for small and medium enterprises (SMEs) in the EU was the subject of debate at a conference organised by the European

Capital Markets Institute on March 18th. The French Minister of Economy, Industry and Employment, Christine Lagarde, opened the conference with the key points of a report on this topic commissioned by her ministry to Fabrice Demarigny, former Secretary General of the Committee of European Securities Regulators (CESR).

Lagarde underlined the importance of SMEs as drivers of growth, employment and innovation, and called for a more "proportionate" approach towards regulatory and accounting requirements for SMEs. The speakers analysed the financing tools available to SMEs and confirmed the downward trend for IPOs (initial public offers) in Europe. Excessive disclosure, administrative burdens and lack of liquidity are the main obstacles to SMEs' access to capital markets. Regulators warned that a new regime for SMEs should take account of investor protection and market integrity.

Info: [www.eurocapitalmarkets.org](http://www.eurocapitalmarkets.org)  
See [www.ceps.eu/media\\_files](http://www.ceps.eu/media_files) for films of the event.

## CEPS contributions to restoring fiscal discipline in the eurozone

CEPS Director Daniel Gros and his fellow economists have been developing the idea of creating an institution that could rescue eurozone countries in trouble and enforce the rules to limit budget deficits and government debt. This idea has now been championed by key EU political leaders both in public and in behind-closed-door consultations and has been covered widely in the media, including articles in The Economist, Wall Street Journal, Financial Times, International Herald Tribune and Reuters.



See [www.ceps.eu/content/ceps-publications-emf](http://www.ceps.eu/content/ceps-publications-emf) for a full listing of CEPS publications on this issue and related press clippings.

**CEPS welcomes a new Corporate Member: Cabinet DN**

## Russia in Europe and the West

Michael Emerson, CEPS Senior Research Fellow



Two swallows don't make a summer, as the old saying goes. And so you are cautioned. But still one can catch sight of two swallows in the air, suggesting that maybe the time is coming for a new and positive turn to Russia's relations with Europe and the transatlantic community.

The first swallow is Russia's ratification of Protocol 14 of the Convention on the European Court of Human Rights. This may sound like just a technical detail, but it is more than that. Protocol 14 is about reforming some rules and procedures of the Court to make it capable of handling more easily the huge increase in cases that are being submitted to it, and foremost from Russia. Of the 47 member states of the Council of Europe, Russia has been the last to ratify, after four years of hesitation. The delay was widely interpreted as a blocking tactic, undermining the Court from functioning effectively, which would mean undermining the cause of human rights in Europe. In interpreting this successful ratification, some independent Russian lawyers are saying that this was a decision favoured at the highest level by President Medvedev in order to improve the rule of law within Russia, since the case law of the Court is mandatory upon national legal systems. Hallelujah!

The second swallow has come from Germany where Volker Rühle (former defence minister) and General Klaus Naumann (former chief of staff of the German armed forces) published an article in Der Spiegel on 8 March, recommending that the question of NATO membership for Russia be put back on the agenda. The idea is not for a regular membership action plan, but rather that the perspective of future membership would be adopted as the political frame through which to radically change the sense of thinking and debate about Russia's strategic security relationship with NATO and Europe. These authors are not naïve, and are quick to point out that the NATO alliance "is also an alliance of values and it will take some time before Russia fully satisfies these criteria".

Why should this bold proposition be taken up now? For an interesting accumulation of reasons. First, it is clear that President Medvedev's draft European Security Treaty is not going to fly. It may be subject to endless talks in the OSCE's Corfu process, but the bottom line is that this is neither technically nor politically (for most NATO member states) a plausible proposition. Second, Russia now seems understandably to be more preoccupied with its Asian flanks, given the risks of destabilisation in Central Asia and the exposure of the thinly populated Russian Far East to the rising power of China, all notwithstanding the formalities of the Shanghai Cooperation Organisation. Under the circumstances, better then tidy up its much more benign Western front (those little Abkhazia and Transnistria affairs) and regroup with the West in NATO. Third, Russia is increasingly alarmed at the failure of its 'modernisation' concept for the economy. To be successful, this is going to need a profound opening and confidence-building with the West and the EU in particular. Russia cannot conceivably become an EU member state, but it could with a big stretch of the imagination join NATO. Joining NATO as an alliance of values would go well with broad economic integration with Europe. And finally, for Russia to come really closer to Europe there has to be some strong backbone to the proposition, rather than an endless succession of woolly strategy documents that mean little. A NATO membership perspective would be a game-changing move. And is this not what all parties - Russia, the EU and the US - basically want?

## 10th Lisbon scorecard measures progress on the road to 2020

For 10 years now, the London-based Centre for European Reform (CER) has carried out an annual assessment of member states' progress in



Karel Lannoo (CEPS), Barroso, Grant & Mettler

reaching the Lisbon agenda targets of 2000. CEPS hosted the Brussels launch of the latest scorecard results by CER Director Charles Grant and Chief Economist Simon Tilford at a membership meeting on March 18th, with the participation of José Manuel Barroso, President of the European Commission, and Ann Mettler, Executive Director of the Lisbon Council. Endorsing the report, Barroso stressed the need for Europe to learn from the economic and financial crisis and take concrete action. He affirmed that smart growth is achieved by investing in human capital, sustainable growth by investing in renewables and inclusion by sharing the growth.

Download the report at [www.cer.org.uk](http://www.cer.org.uk); See [www.ceps.eu/media\\_files](http://www.ceps.eu/media_files) for films of the event.

*Open trade or protectionism? Developments since 1995*



Constanze Picking (Director, EU Corporate Representation, Daimler), Krafft, Staffan Jerneck (CEPS), Mauro Petriccione (DG Trade, European Commission) & MEP Christofer Fjellner

Participants at a CEPS meeting on March 4th examined trade developments in the EU over the last 15 years to discern whether increasing protectionist measures can be observed. In his presentation of a study, entitled *Open trade or Protectionism? Developments in trade policy since 1995*, by the Swedish National Board of Trade, Deputy Director General Johan Krafft reported that there had been much less protectionism for the period 1995-2007 than had been feared, but this was of course prior to the financial crisis. Panellists from the European Parliament, the European Commission and Daimler AG all welcomed the results of the Swedish study, but expressed the apprehension that more protectionist measures could yet be observed in the EU market, such as national bailout programmes.

Download the report at [www.kommers.se](http://www.kommers.se)

*CEPS joins new consortium in forest fires project*



FUME is the title of a new FP7 project on "Forest fires under climate, social and economic changes in Europe, the Mediterranean and other fire-affected areas of the world". CEPS will be among the 33 expert partners from four continents and

17 countries to study the interaction between land use, climate change and socio-economic change to see what this means for the increasing levels of fire devastation all over the world. Special attention will be given to the projected increases in climate and weather extremes, such as drought and heat waves. The FUME project will revise current protocols on extreme fire situations, and training activities will aim to keep research aligned with needs.

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*Intangible capital and innovation*

On 11-12 March, CEPS Fellows Felix Roth and Jørgen Mortensen participated in a workshop in Ljubljana in the framework of INNODRIVE, a research project on "Intangible Capital and Innovation: Drivers of Growth and Location in the EU" financed by the EU's Framework Programme. As part of the work programme CEPS, in collaboration with the Italian university institute, LUISS, will analyse the relationship between intangible capital and economic growth in an EU27 country sample. The project, which started in March 2008, also involves research institutes from Germany, Norway, the Czech Republic, the UK and Slovenia and is coordinated by Hannu Piekkola, University of Vaasa, Finland.

*Smart grids for intelligent delivery of electricity*



In collaboration with the Energy Research Centre of the Netherlands, CEPS convened a workshop on the future of EU electricity grids on March 8th. In order to deliver sustainable, economical and secure electricity supplies efficiently in the future, European electricity networks will need to integrate the actions of both generators and consumers in an intelligent fashion. These 'smart grids' are thus of great importance in the achievement of the EU's 20/20/20 targets, and especially for the integration of an increasing share of renewables into the grid. Issues discussed at the workshop included potential consumer responsiveness in the face of low price elasticity and regulated prices; the role of interconnections between markets; the costs and benefits of smart grids; and data protection and privacy.

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*After Copenhagen: Next steps for stakeholders*



Monica Alessi (CEPS), Kjellén & Convery

On March 5th, the European Climate Platform (ECP) organised the first in a series of post-Copenhagen events. The aim was to take stock of the

climate change debate in the aftermath of the UNFCCC Copenhagen summit of December 2009, and to find a way forward, both for the international negotiations and for the EU. Negotiators and stakeholders from the business, NGO and research communities attended the event, which was chaired by Bo Kjellén, former Chief Climate Negotiator of Sweden, and Frank Convery, Heritage Trust Professor of Environmental Policy at University College Dublin. Speakers included Anders Turesson, Head of the Swedish climate change delegation, Artur Runge-Metzger, Head of the EU International Climate Negotiations, and representatives from the Spanish, German and Belgian ministries, and from the US and the Mexican missions.

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*High-level briefings for CEPS Corporate Members*

CEPS hosted two Corporate Breakfast meetings in March. Malcolm Harbour, Chairman of the Committee on Internal Market and Consumer Protection of the European Parliament, addressed



Harbour & Jerneck

CEPS Corporate Members on March 3rd on the Role of the European Parliament in Developing the Internal Market and Consumer Protection. On March 25th, Joaquin Almunia, Vice President of the European Commission, briefed the members on Competition Policy of the New Commission. Staffan Jerneck, CEPS, chaired both events.

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*Exploring Afghanistan's political future*



Emerson, Kumar & Heisbourg

Speakers from India, Russia and the EU presented their views on the political future of Afghanistan at the 34th meeting of the CEPS/IISS/DCAF/GCSP European Security Forum on March 22nd at CEPS. François Heisbourg, Special Adviser to the Foundation for Strategic Research, chaired the meeting. The importance of regional actors such as India and Pakistan in the post-Taliban era was stressed by Radha Kumar of the Delhi Policy Group, and Fabrice Pothier of the Carnegie Endowment for International Peace, Brussels, made the point that the solution is now political rather than military, necessitating the de-militarization and integration of Taliban ranks into the post-ISAF Afghan reserve forces. A paper by Waliullah Rahmani, Kabul Centre for Strategic Studies (presented by Michael Emerson, CEPS), emphasised the problem of Pashtun-Tadjik rivalry. Ambassador Rajiv Sikri, as a discussant on the forum, spoke on the long-standing engagement of India in Afghanistan. Full contributions will be published as an ESF paper this spring.

## Implementing Lisbon: The First Steps

### CEPS Annual Conference 2010

#### Opening Dinner

24 February 2010, Cercle Royal Gaulois, Brussels

Chair: **H. Onno Ruding**, Chairman of the CEPS Board of Directors

Speaker: **Jerzy Buzek**, President of the European Parliament

CEPS was honoured to present Jerzy Buzek, President of the European Parliament, as the keynote speaker at the opening dinner of 2010



Buzek speaking at the Opening Dinner

Annual Conference. Speaking on "Energy Policy and Security in Tomorrow's EU", the distinguished MEP called for the urgent development of a European Energy Community. While acknowledging that discussions about energy policy and energy security touch directly on issues of national sovereignty and

security, he argued that in an increasingly globalised world, national sovereignty on energy matters must be subservient to the need for common EU cooperation.

President Buzek reported that the EU27 currently consumes about 15% of the world's energy resources and that figure is expected to grow by over 10% by 2030. Moreover, the EU's import dependency will increase by 14% and in 20 years time it will be importing 95% of its oil and 84% of its natural gas. He concluded, therefore, that the EU needs to continue to diversify its energy sector by investing in domestic sources, renewables as well as nuclear power, and the development of cleaner second-generation fossil fuels.

*"Europe is faced with competition from other parts of the world, competition for access to scarce resources."*

In order to build an energy infrastructure capable of dealing with future challenges, the member states will have to agree on joint decisions for investments not only in pipelines, but also in smart grids and large-scale energy interconnectors. Buzek recommended establishing the European Energy Community incrementally, starting with the formation of an oil and gas-purchasing group.

This would allow the EU to speak with one voice and member states could negotiate joint supply contracts and build shared storage and transport infrastructure. Also the EU should be encouraging regional integration among its member states in order to create cross-border energy links and connectors. But eventually, the most important step would be to take political ownership and show genuine leadership on the issue.

*"How we face these challenges, individually or as a Community, will only determine how successful we will be."*

As for the institutional arrangement, President Buzek discussed several options. He mentioned the European Energy Community as a separate entity, existing alongside the EU, or an arrangement created through enhanced cooperation provided for in Article 20 TEU. Also Article 194 TFEU could be used to give the EU some new but limited competences in the field of energy. Eventually, Buzek argued, the initiative should have an opt-in, allowing all member states to join when they are ready.

The EP President further discussed the internal and external advantages of creating a European Energy Community. Internally, the cooperation could provide for additional funds to finance R&D in areas such as green technology and renewables. It could also create incentives for energy companies to focus on long-term investments. Externally, the economies of scale offered by the initiative could allow the EU to function as a powerful trading bloc, e.g. negotiating common purchases of oil and gas.

President Buzek ended his speech by referring to the origins of EU integration in which the French Foreign Minister Robert Schuman called for a pooling of sovereignty in the core heavy industries of the mid-20th century: coal and steel. In his view, the EU now needs to start thinking about a pooling of sovereignty in the energy sector for the 21st century.

## Session I. The European Council President and the rotating presidency: A clash of powers?

Chair: **H. Onno Ruding**, Chairman of the CEPS Board of Directors

Speakers: **Jim Cloos**, Director for General Political Questions at the Council of the European Union  
**Carlos Closa Montero**, Senior Research Fellow, Consejo Superior de Investigaciones Cientificas  
**Alojz Peterle**, MEP, former Prime Minister of Slovenia, former Member of the Convention on the Future of Europe



Closa Montero, Peterle & Cloos

Following introductory remarks of welcome by the Chairman, **H. Onno Ruding**, the first session opened with a presentation by **Jim Cloos**, Director for General Political Questions at the Council of the European Union, on the dynamics between the European Council President and the rotating presidency. Cloos placed the debate immediately in perspective by highlighting the fact that the presidency of the Council in itself is not a new phenomenon. The central role of the European Council has in the last 25 years been vital for EU integration in which the presidency evolved to leading and mobilising national energies, allowing countries to take up real political leadership and creating trust, solidarity and cooperation.

Cloos observed, however, that in an EU of 27 members, the rotating presidency encountered problems with visibility and continuity. To deal with this, the Lisbon Treaty introduced a permanent President, now elected European Council President Herman Van Rompuy, who functions as chair of the European Council and as external representative of the EU. Besides, he needs to maintain a close relationship with the President of the European Commission, the High Representative for EU foreign policy and the rotating presidency.

The job description of the permanent President is not yet clearly defined and the main question, in Cloos' view, is how the permanent President of the European Council will work with the rotating presidency that chairs the majority of Council formations. Already he see the importance of the two working together.

***“We know that the best European Commission Presidents are those who closely work with the European Council.”***

**Carlos Closa Montero**, Senior Research Fellow at the Consejo Superior de Investigaciones Cientificas, next discussed the institutional arrangements of the permanent President, its design and performance. He called the creation of a permanent President an “institutional innovation”. He mentioned that the

problems with this position had been foreseen during the Convention and had not yet disappeared. The permanent President is not designed to be a voting body, which indicates that the position is seen more as a chair than a real president. Besides, the decision-making of the European Council based on consensus only stresses the role of the permanent President as mediator of the institution.

Closa Montero touched upon the different functions foreseen, i.e. agenda-setting, internal coordination and external representation. The role as agenda-setter for the permanent President could provide more continuity, but the dynamics between the permanent and rotating presidency are not clearly resolved. As for coordination, he asks what means would be available to the permanent President to manage relations between the European Commission, the Council and the High Representative, which on its own seems to be a full-time job. The main question posed by his nomination persists today: namely, will a permanent President increase the visibility of the EU with its citizens? For now, Closa Montero argued, the visibility of Angela Merkel and Nicolas Sarkozy still overshadows the first steps taken by Van Rompuy.

The final speaker of this session was the former Prime Minister of Slovenia, former Member of the Convention on the Future of Europe and current Member of the European Parliament, **Alojz Peterle**. In his view, creating the position of permanent President for the European Council was a good decision.

***“The role of President of the European Council can create more political ownership and push EU integration forward.”***

He does not see this function as a purely technical one, especially the tasks assigned to the President as chair and the driving force behind the work of the European Council. He believes that the President will strengthen coherence, consistency and long-term planning and offers the opportunity for the Union to evolve towards a more politically integrated body. Eventually, Peterle reckoned that the challenges the EU faces today call for new concepts. The European Council has to work together with the European Commission and the European Parliament in building a stronger Union. This is expected from our citizens as well as externally from the global powers.

## Session II. Coping with crises: Prospects for the European Monetary Union

Chair: **Karel Lannoo**, Chief Executive Officer, CEPS  
Speakers: **Phillippe D'Arvisenet**, Global Chief Economist, BNP Paribas  
**Daniel Gros**, CEPS Director  
**H. Onno Ruding**, Chairman of the CEPS Board of Directors



Gros, D'Arvisenet & Ruding

The second session dealt with economic questions and focused on the risks that the financial crisis, and in particular the Greek sovereign debt situation, posed to the European Monetary Union. The build-up of large imbalances within the eurozone, their importance in the development of the crisis and the need to overcome them represented the major themes of the discussion among the three panellists.

**Phillippe D'Arvisenet**, Global Chief Economist at BNP Paribas, opened the session by drawing lessons for the monetary union from the latest crisis. He stressed the well-known fact that the weakness of the euro area arises fundamentally because it is not an optimal currency union. The idea that the absence of political union could be compensated for by the Stability and Growth Pact has proven to be a big mistake. The Pact clearly failed in imposing the fiscal discipline necessary in a monetary union. Among the various options that are now on the table to deal with the crisis, D'Arvisenet felt that the creation of a euro bond could be helpful to the extent it would make the market more liquid and, ceteris paribus, push down interest rates. However it could be taken as an invitation to moral hazard and free riding and certainly could not serve as a substitute for fiscal discipline. The idea of a European Monetary Fund could help to minimise the risk of sovereign default, but the precise way in which it would work is not clear and this is not just a detail. He concluded by warning that the only way to avoid a roll back of the achievement of the monetary union would be fiscal federalism.

*“A state-driven banking industry can lead to even greater disasters than the ones we have seen up to now.”*

It was then the turn of **Daniel Gros**, CEPS Director. Before addressing the issue of the Greek crisis and how to set up new resolution mechanisms to deal with sovereign default, he made two bold statements:

*“The Lisbon Treaty is a nice thing, but it does not provide any new tools that can help to solve this crisis.”*

*“European economic governance are just empty words without the right institutional framework with which to implement it.”*

His intervention started with an analysis of the cost that the adjustment in public finances and external competitiveness would imply for the members of the eurozone and in particular for the most vulnerable countries. Crucially those costs may be so high that they would be perceived as politically impossible and could potentially lead to a country's defaulting. In the case of Greece, the actual costs can be larger than expected if the European Commission's projections of positive growth rates turn out to be too optimistic. Given this picture, Gros cautioned that the right approach would be to

*“prepare for the worst”.*

The experience of Argentina suggests that imposing a fiscal adjustment programme may be not enough to prevent its default. The only plausible solution is to pre-empt the end game. This is the fundamental idea at the core of the European Monetary Fund, proposed by Daniel Gros and Thomas Mayer. The fund would first provide financial support to the country in difficulty and, if this did not work, it would manage an 'orderly default' so as to minimise the cost of the unavoidable disruptions resulting from the default. In his view, this would be the only way to re-establish market discipline.

The last speaker, **H. Onno Ruding**, Chairman of the CEPS Board of Directors, focused on the political and systemic issues of monetary union. He talked about Greece as

*“an example of great consistency in pursuing unsustainable and irresponsible policies”*

and claimed that it was a big mistake to let the country join the Union. More than anything, he warned that this should serve as a lesson for the new applicants. Participants in a monetary union should voluntarily undertake a path of convergence, but we have learned that there is no guarantee that this will happen. In his view, at this stage we can only try to limit the damage without having the necessary instruments because the Union was not equipped to deal with national insolvency.

### Session III. The European External Action Service: A quantum leap?

Chair: **H. Onno Ruding**, Chairman of the CEPS Board of Directors

Speakers: **Ian Boag**, DG for External Relations, European Commission

**Ulrike Guérot**, Senior Research Fellow, European Council on Foreign Relations

**Alexander Graf Lambsdorff**, MEP and Member of the Committee on Foreign Affairs



Boag, Guérot & Graf Lambsdorff

This session drew out the views of the Commission, European Parliament and think tanks on the new European External Action Service (EAS). According to the Commission official in charge of creating the EAS, **Ian Boag**, the service is still a work in progress. Nevertheless, the provisions of the Lisbon Treaty have already proven advantageous: many of the 136 EC delegations abroad have been transformed into EU delegations. And as the ambassadors of the Spanish Presidency have demonstrated, many of the new EU delegations have already taken over the tasks of the Presidency, showing that the EU will increasingly be able to speak 'with one voice'.

*"The EAS can be considered as an instrument to reduce the declining importance of the EU in international relations."*

**Graf Lambsdorff**, presenting the views of the European Parliament, argued that much will depend on the region in question. For example, governments in some African countries might still attend more carefully to the views of the local French embassy than those of the EU delegation. According to Mr Boag, there is still a need to improve the infrastructure of the EU delegations. In Brussels, the EAS will be composed of desk officers dealing with both geographical and horizontal issues such as climate change and energy security.

**Ulrike Guérot**, Senior Research Fellow at the European Council on Foreign Relations, advocated a strong EAS that would cover a wide range of foreign policy issues. She argued that the service needed to find innovative policy solutions to address international challenges effectively. Furthermore, Guérot stressed the importance of creating a culture within EAS that still preserves the foreign policy traditions of the member states.

### Session IV. Safeguarding the future: Debating energy security

Chair: **Christian Egenhofer**, Senior Research Fellow, CEPS

Speakers: **Heinz Hilbrecht**, DG TREN, European Commission

**Alexandr Krestyanov**, Deputy Permanent Representative of the Russian Federation to the EU

The last session took as its point of departure the adoption of the EU climate and energy package of April 2009, which set out quantitative targets for greenhouse gas emissions, renewables and energy efficiency. The 2nd Strategic Energy Review and the Strategic Energy Technology Plan represent the first steps in delivering practical progress in these areas.

*"A prolonged tight market – already happening in oil after the crisis – might increase political tensions and possibly provoke some sort of 'resource nationalism'."*

A pro-active policy has been deemed necessary because many supplier countries seem unable to increase production due to a lack of investment. The fact that supplies are tightly controlled by governments in exporting countries raises the fear of 'excessive' leverage of supplier countries that may be hostile towards the West or politically unstable. Many reserves will take years to develop due to problems of access, investments and physical conditions.



Hilbrecht, Egenhofer & Krestyanov

The EU must realise that success in integrating Russia into a strategic energy partnership is very unlikely. Nevertheless, the relationship with Russia remains important as the country holds the world's largest gas reserves. In this context, the Lisbon Treaty is expected to have some (but modest) impact on EU energy policy. With the foundations of the new EU energy policy having been laid prior to its entry into force, the policy will resemble much of the 'old' approach, fostering the EU's internal energy market by improving cross-border infrastructure and regulatory capacity while addressing the most important security challenges with sectoral policies.

*Report on 'Green Budget' attracts large crowd*



Núñez Ferrer

Jorge Núñez Ferrer, CEPS, presented the findings of the CEPS Task Force report on adapting the EU budget to integrate the climate change objectives to an audience of over 150 people at the European Parliament on February 24th. The seminar was chaired by MEP Sirpa Pietikainen. Anders Wijkman, former MEP and chair of the Task Force, introduced the report. The Green Alliance presented in turn their latest publication on the budget and a panel of discussants aired their views on the issue. All opinions converged on the need for the EU to 'climate proof' the budget, i.e. to make it consistent with the EU's objectives on energy and climate change. There was also agreement on the importance of giving clear signals to the market and providing the appropriate support to ensure that the EU is at the forefront of green technology or it will lose its competitive edge to China and the US.

*Report on banking crisis resolution launched*



Daniel Gros (CEPS), Ferreira & Micossi

At the launch of the recently published CEPS-Assonime Task Force Report "Overcoming too-big-to-fail" on March 15th, Stefano Micossi, Director, Assonime, underlined the importance of establishing a coherent regulatory framework for the financial sector in order to limit moral hazard and free-riding. The report identifies a revised deposit guarantee system, resolution procedures for orderly bank failure and an end to supervisory forbearance as the three pillars on which to restore market discipline and build a more resilient financial system. Elisa Ferreira, MEP and Member of the Special Committee on the Financial, Economic and Social Crisis, welcomed the proposal, emphasising the significance of a common framework. Yet for this to work, Ferreira noted, regulators should be given adequate powers, and a unified procedure of triggers is needed for the decision on when to take action.

*Group on critical infrastructure advances*



The CEPS Task Force on Critical Infrastructure Protection met for the fourth time on March 23rd. Panel presentations covered various critical aspects of CIP, including the European framework for CIP risk management, large-scale simulation with CIP tests and exercises and member state approaches to CIP. A Cisco executive also gave an industry perspective. Last, chair Bernhard Haemmerli and rapporteur Andrea Renda presented an outline for the Task Force's final report, a draft of which will be discussed at the last meeting on June 3rd.

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- 1. The Treatment of Exclusionary Abuses under Article 82**  
Chair **John Temple Lang**, *Cleary Gottlieb Steen & Hamilton LLP & former Director, DG COMP, European Commission*  
Report published, available at [www.ceps.eu/books](http://www.ceps.eu/books)
- 2. CDM and post-2012 Flexible Mechanisms**  
Chair **Ulrika Raab**, *Senior Advisor, Swedish Energy Agency, former Member of the CDM Executive Board*  
Report published, available at [www.ceps.eu/books](http://www.ceps.eu/books)
- 3. A Green Budget for a Sustainable Future: Adapting the EU Budget to Climate Change**  
Chair **Anders Wijkman**, *former Member of the European Parliament*  
Report published, available at [www.ceps.eu/books](http://www.ceps.eu/books)
- 4. European Investors' Working Group** *Co-organised by ECMI & CFA*  
Chair **Fabrice Demarigny**, *Head of Capital Markets Activities, Mazars and former Secretary General, CESR*  
Report 'Restoring Investor Confidence in European Capital Markets' launched 23 February, available at [www.ceps.eu/books](http://www.ceps.eu/books)
- 5. Banking Crisis Resolution Procedures**  
Report 'Overcoming too-big-to-fail' launched 15 March, available at [www.ceps.eu/books](http://www.ceps.eu/books) (see also the event report on the left)
- 6. Benchmarking for the EU ETS and beyond**  
Chair **Anna Törner**, *Head of Section, Ministry of Enterprise, Energy and Communication, Sweden*  
Report under preparation
- 7. Securing European Energy Supplies: Making the Right Choices**  
Chair **Knud Pedersen**, *Vice President, DONG Energy*  
Report under preparation
- 8. State Aid to the Financial Sector: Fragmentation or integration?**  
Chair **Alastair Sutton**, *Partner, White & Case*  
Report under preparation
- 9. Internal Market for Retail Financial Services**  
Chair **Anton van Rossum**, *former CEO, Fortis Bank*  
Report under preparation
- 10. Innovation Policy: Boosting EU Competitiveness in a Global Economy**  
Chair **Maria Anvret**, *Senior Executive, Scientific Expert and Advisor, Confederation of Swedish Enterprise*  
6th meeting 22 April
- 11. EU and Global Climate Change Policy and the Increasing Role of Cities**  
Chair **Laurence Tubiana**, *Director, Institut du développement durable et des relations internationales, Paris*  
4th meeting 23 April
- 12. A New Retail Credit Regime for Europe - Setting the Right Priorities**  
Chair: **Rosa-Maria Gelpi**, *former Vice-President of BNP Paribas* **NEW!**  
*Personal Finance*  
1st meeting 11 May
- 13. Critical Infrastructure Protection**  
Chair **Bernard Haemmerli**, *Vice President, Information Security Society, Switzerland (ISSS)*  
5th meeting 3 June
- 14. E-communications: Regulatory Challenges for the post-Lisbon Era**  
Chair **Staffan Jerneck**, *Director & Director of Corporate Relations, CEPS*  
4th meeting June
- 15. The Solvency II Regime: A Revolution for European (Re)insurance Companies**  
Chair **Jos Streppel**, *former CFO & Member of the Executive Board, Aegon*  
3rd meeting June
- 16. Transport and Climate Change** **NEW!**  
1st meeting - date to be announced
- 17. Implementation of the Strategic Energy Technology (SET) Plan**  
1st meeting - date to be announced **NEW!**

"Let me see if I have some small change..."



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1/758

### Striking the right balance with the AIFM Directive

Following the decision by EU ministers to postpone a vote on the EU's proposed Alternative Investment Fund Managers (AIFM) Directive, attention has now turned to the European Parliament. Since MEPs are due to vote on its first draft report this month, the think tank Open Europe organised a debate in Brussels on March 25th on the best way forward for this controversial piece of legislation. **Karel Lannoo**, CEPS CEO, contributed to the discussion on *Striking the right balance between protection and growth?* along with members of the EP's Committee on Economic and Monetary Affairs, **Gunnar Hökmark**, MEP for Sweden (EPP) and **Othmar Karas**, MEP for Austria (EPP), **Uwe Eiteljoerge**, European Commission, DG Internal Market, and **Mats Persson**, Director, Open Europe.

### VoteWatch.eu at CEPS



VoteWatch.eu is an independent organisation promoting debate and greater transparency in EU decision-making. It provides easy access to, and analysis of, the political decisions and activities of the European Parliament and the EU Council of Ministers. The project leader of VoteWatch.eu, **Doru Frantescu**, has maintained an office at CEPS' premises since February. Collaboration with CEPS researchers is foreseen in the near future.

Info: [www.votewatch.eu](http://www.votewatch.eu)

### Assuring rights for undocumented migrants



Panellists Massimo Merlino & Sergio Carrera (CEPS), Michele Levy

On March 9th, CEPS hosted the final conference of a project on Undocumented Migration and the Stockholm Programme, which the Justice and Home Affairs unit at CEPS carried out with the support of Zennström Philanthropies. The event was structured around the presentation of CEPS final report on the status of undocumented migrants in Europe and their access to rights. Jointly organised with the Platform for International Cooperation on Undocumented Migrants, the European Trade Union Confederation and EUROCITIES, the conference was attended by representatives of the Spanish Presidency, the European Commission and practitioners from NGOs, trade unions and local authorities across Europe. The event sparked a pluralistic dialogue on the conditions of undocumented migrants in the EU, who are increasingly criminalised across Europe and whose access to basic socio-economic rights remains limited. The presentations and ensuing debate stressed the need to enhance the human rights dimension of EU policies dealing with undocumented migration, particularly in light of the implementation of the Stockholm Programme.

Download report: [www.ceps.eu/books](http://www.ceps.eu/books); Info: [massimo.merlino@ceps.eu](mailto:massimo.merlino@ceps.eu)

### Due Process & Innovation in EU Competition Law

Conference jointly organised by CEPS and the Competition Law Scholars Forum

16 April, 9:15 – 18:00 at CEPS

Keynote Speaker:

**Wouter Wils**, Legal Service of the European Commission, Visiting Professor, Kings College

Info & registration: [barry.j.rodger@strath.ac.uk](mailto:barry.j.rodger@strath.ac.uk) & [www.ceps.eu/events\\_upcoming](http://www.ceps.eu/events_upcoming)

### From worse to worst? How Late Payments Squeeze SMEs' Liquidity

ECRI breakfast meeting, jointly organised with Intrum Justitia

11 May, 8:30 – 11:15 at CEPS

Among the speakers::

**Barbara Weiler** & **Othmar Karas**, MEPs

**Lars Wollung**, CEO, Intrum Justitia

Info: [marc.rothemund@ceps.eu](mailto:marc.rothemund@ceps.eu)  
Registration: [www.ceps.eu/events\\_upcoming](http://www.ceps.eu/events_upcoming)

### Applied RIA Training Course

5-day courses in Regulatory Impact Analysis, jointly organised by CEPS, Jacobs and Associates & LUISS

3-7 May & 18-22 October, Rome

Among the teachers:

**Andrea Renda**, Senior Fellow, CEPS

Info: [www.luiss.edu/academics/lifelong-learning/ria-training-course](http://www.luiss.edu/academics/lifelong-learning/ria-training-course)

## CEPS MEMBERSHIP MEETING

Additional meetings are in planning. Please consult [www.ceps.eu/events\\_upcoming](http://www.ceps.eu/events_upcoming) for updates.

☐ 26 APR  
13.30-15.00

CEPS Post-Electoral Briefings 2010: The Hungarian Parliamentary Elections 2010 - In cooperation with the Hungarian Institute of International Affairs (More info: [www.ceps.eu/events\\_upcoming](http://www.ceps.eu/events_upcoming))

**H.E. Terényi János**, Ambassador, Director of the Hungarian Institute of International Affairs

**Csaba Törö**, Senior Research Fellow, Hungarian Institute of International Affairs

**György Schöpflin**, MEP, former Jean Monnet Professor at University College, London

Attendance at CEPS Membership Meetings is a benefit of membership. Non-members may be admitted for €50 per session, paid in cash at registration. An informal sandwich lunch is served at 12.30 before lunchtime meetings (€6). For organisational reasons, we cannot accept telephone registrations.

Registration: Please contact Anne-Marie Boudou, per e-mail: [amboudou@ceps.eu](mailto:amboudou@ceps.eu) or fax: +32 (0)2 201.46.89.

Feedback or comments on CEPS News? Please send to: [katharina.mueller@ceps.eu](mailto:katharina.mueller@ceps.eu)