Belgium’s Permanent Representative to the EU, H.E. Jean De Ruyt, presented the priorities of the Belgian EU presidency at CEPS on July 20th. The main challenge for the EU and the Council presidency, underlined De Ruyt, is to develop an effective exit strategy from the economic and financial crisis. The Belgian term will also prioritise stronger institutional relations with the European Parliament and European Council, adding that the increase of co-decision making with the European Parliament creates a new responsibility for the rotating presidency. Addressing ambiguities in the Lisbon Treaty, building up the European External Action Service and developing an EU foreign policy are other issues that feature high on the Belgian presidency agenda.

Propects and challenges for the EU single market

At a CEPS lunchtime meeting chaired by H. Onno Ruding (Chairman, CEPS Board of Directors) on July 1st, Mario Monti, President of Bocconi University, presented the key messages of his recent Report on the Single Market. Sharing a panel with Jacques Pelkmans (CEPS and College of Europe) and Monique Goyens (Director General of BEUC), Monti explained how current shortcomings in the single market are concentrated in the areas of services, the digital single market and public procurement. Goyens welcomed the report’s strong focus on consumers, while noting how the single market still needs to become a reality for consumers who are not yet reaping its benefits. Finally, Pelkmans offered some food for thought to the audience by highlighting sensitive issues of Monti’s internal market strategy and entering the third year of the crisis, we have seen too much fighting and too few positive results. Such tensions can be creative and stimulating – yet for the moment, nine months into Lisbon EU crisis – and between the member states and supranational institutions triggered yet another conflict, another is a clear delimitation of competences between the two presidents.

The problem of the tenuous trust among the member states – exacerbated by the ongoing economic crisis – and between the member states and supranational institutions triggered yet another conflict, this time between the member states (Council) and the European Commission over external representation in international negotiations in areas of shared competences. The European Court of Justice will probably have to step in to solve this argument.

Such tensions can be creative and stimulating – yet for the moment, nine months into Lisbon EU and entering the third year of the crisis, we have seen too much fighting and too few positive results. For several months CEPS has been collaborating on a project with two other Brussels think tanks to explore the implementation processes of the Lisbon Treaty. Our findings, to be presented in a book published this month, underline the necessity of implementing an effective joint management system – yet with newly delimited territories – for all the European institutions.

Lisbon nine months on: Delivery time?

Piotr Maciej Kaczyński, CEPS Research Fellow

Over to Belgium

CEPS welcomes a new Corporate Member: Veolia

Recent CEPS Publications - Free Download at www.ceps.eu/books

Policy Briefs

Looking a fresht at the external representation of the EU in the international arena, post-Lisbon, Michael Emerson & Piotr Maciej Kaczyński, July 2010 (No. 212)

Europe 2020 and the Financial System: Smaller is beautiful, Karel Lannoo, July 2010 (No. 211)

Working Documents

Do the European Union’s bilateral investment treaties matter? The way forward after Lisbon, Selen Sarisoy Guerin, August 2010 (No. 333)

Product Market Reforms in EU Countries: Are the methodology and evidence sufficiently robust?, Jacques Pelkmans, July 2010 (No. 332)
A recent CEPS membership meeting on June 29th, organised jointly with APCO Worldwide, René Smits (University of Amsterdam), Kay Swinburne (MEP, ECON Committee) and David Wright (DG MARKT, European Commission) discussed financial services regulation. Smits welcomed the proposals for a single rule book and changes to supervisory structures, but he called for further tightening and criticised the ‘segmented approach’ in the EU, which left many legal gaps, such as insufficient exchange of information between supervisors and the lack of a common EU definition for credit institutions. Swinburne highlighted similarities between EU and US regulatory approaches, for instance towards capital requirements. In her view, all financial services should be regulated, yet the question is to what extent. Referring to the recent G20 meeting, Wright fully supported the accord reached, but noted that compliance by all participants is crucial to success. Supervision should remain at member state level, applying high standards also for corporate governance. The Commission’s proposal on cross-border crisis management is expected in early 2011.

**Service gap**

CEPS Fellow Felix Roth participated in the kick-off meeting on June 14-15 in Birmingham of a new FP7 project, called SERVICEGAP, concerned with the Impact of Service Sector Innovation and Internationalisation on Growth and Productivity. Led by the University of Birmingham, the project will consider the academic and policy concerns that arise from the increasing importance of the service sector and the role it appears to play in the differential in economic performance between industrialised countries. CEPS Senior Fellow Jacques Pelkmans is also involved in the project, mainly as a contributor to the EU policy aspects of the results of the empirical analyses.

Info: www.servicegap.org; felix.roth@ceps.eu

**European dialogue on energy and climate change**

A high-level meeting of the European Energy and Climate Change – an initiative of CEPS, l’Institut du Développement Durable et des Relations Internationales (IDDRI) and Fondazione Eni Enrico Mattei (FEEM) – convened in Warsaw on June 23-24, hosted by the national Polish Administration of the Emissions Trading Scheme. The Polish Minister of Environment’s welcome address followed several sessions on the financial aspects of climate change, co-chaired by CEPS Senior Fellow Christian Egenhofer, Emanuele Massetti of FEEM, Laurence Tubiana & Matthieu Wemaere of IDDRI.

Info: www.microconflict.eu; michael.emerson@ceps.eu

**CEPS workshop explores Europe’s search for an intercultural model**

CEPS hosted a ‘Microcon’ project workshop, on July 5th, which is concerned with problems of ethno-religious conflict in the EU and the search for solutions. The event was chaired by CEPS Senior Fellow Michael Emerson. Participants reviewed preliminary case studies of the divergent approaches taken in Belgium, the Netherlands, the UK, Germany and Spain towards their Muslim communities. The latter have mainly been formed from immigration from North Africa and South Asia in the post-World War II period.

These approaches ranged from the assimilationist to the communitarian, but none of the models has proved adequate. The project is investigating the proposition that a third, hybrid intermediate way, which may be called ‘intercultural’, is developing in a complex process of trial and error. The project, funded by the European Commission’s 6th Framework Programme, will conclude with the publication of its findings in a CEPS book early next year.

Info: www.microconflict.eu; michael.emerson@ceps.eu
Housing loans in the EU were the major item of discussion at the second meeting on July 6th of the CEPS/ECRI Task Force on “A New Retail Credit Regime for Europe – Setting the Right Priorities”. To shed light on the differences in national EU markets, experts from the UK, Denmark and Spain presented their views on both the advantages and challenges posed by the Commission’s attempt to strengthen mortgage market integration. After Keith Hale (Financial Services Authority, UK) and Jesper Berg (Nykredit, Denmark) elaborated on their home markets, financial services and mortgage expert Achim Dübel (Finpolconsult.de, Germany) presented an overview of the lessons learned from an international comparison of mortgage regulation.

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**CEPS presents report on benchmarking in the EU**

A new CEPS report, *Benchmarking in the EU: Lessons from the EU Emissions Trading System for the Global Climate Change Agenda*, was launched on June 22nd at the Committee of the Regions, hosted by Jo Leinen, Chair of the EP Environment Committee. The result of a multi-stakeholder CEPS Task Force, the study identifies the major issues arising from the current benchmarking exercise under the EU ETS and analyses the most controversial aspects of benchmark-based allocation, leading to a number of recommendations. Task Force Chair Anna Törner of Sweden’s Ministry of Enterprise, Energy and Communications and Rapporteur Christian Egenhofer of CEPS presented the key findings. Panellists Hans Bergman (DG CLIMA, European Commission), Maarten Neelis (Ecofys) and Nick Campbell (Arkema and BUSINESSEUROPE) commented on the policy recommendations.

*Download full report at www.ceps.eu/books.*

**MiFID group looks at transparency regime**

**Members of the Task Force on the MiFID Review met on July 16th to discuss the post-trade transparency regime for equity markets and the potential extension to non-equity markets. The session began with a presentation by the European Commission on its priorities for improving the regime. The debate then split into two main parts: the transparency regime for equities and for non-equities. The participants agreed on the need for action to improve the transparency of equity markets through better solutions for consolidated data. In considering the possibility of extending the trade reporting regime to non-equity markets, the group agreed on the need for a case-by-case approach according to liquidity indicators.**

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**TASK FORCE News**

**Strengthening mortgage market integration**

Pierre Francotte (Chair), Valerie Ledure (DG MARKT, European Commission), K. Lanno& & D. Valiante (ECMI/CEPS)

**New CEPS Task Force on the carbon market**

A CEPS Task Force on the carbon market after Copenhagen was launched on July 2nd. Chaired by Benoît Leguet, Chair of the Joint Implementation Supervisory Committee and Vice President for Research, CDC Climat, the first meeting set out the key challenges ahead for the carbon market. Peter Zapfel (DG Climate Action) and Mark Hayden (DG ECFIN) looked, respectively, at how to move beyond the current greenhouse gas emissions target and finance climate actions. Stig Schijolset (Point Carbon) presented an analysis of the demand and supply balance in the carbon market and Ulrika Raab (Swedish Energy Agency) explained progress in reforming the existing carbon market based on insights gleaned from the Clean Development Mechanism.

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www.ceps.eu/taskforce/carbon-market-after-copenhagen-challenges-and-way-forward-eu
An informal sandwich lunch is served at 12.30 (or half an hour) before lunchtime meetings (€6). For organisational reasons, we cannot accept telephone registrations.

13.15-14.30
30 SEPT
7 SEPT
17.00-18.30
Jean-Louis De Brouwer and Henrik Nielsen, DG Home Affairs, European Commission

CEPS MEMBERSHIP MEETINGS

□ 6 SEPT
9.00-16.00
The Future of the Integrated Border Management Strategy - INEX workshop (Registration: miriam.mir@ceps.eu)

□ 7 SEPT
17.00-18.30
Towards Low-Carbon Energy: Lithuania’s Strategy and the New EU Energy Policy
Arvydas Sekmokas, Minister for Energy, Lithuania

□ 14 SEPT
17.00-18.30
Investigating Diversity in the Banking Sector in Europe: The Role of Co-operative Banks
Rym Ayadi, CEPS Senior Fellow; Hervé Guidier, Secretary General, European Association of Co-operative Banks

□ 30 SEPT
13.00-14.30
Understanding Euroscepticism?
Cécile Leconte, Associate Professor, Sciences Po (Paris)

□ 12 OCT
13.15-14.30
The Role of the European Parliament. How does it function in reality?
Klaus Welle, Secretary General, European Parliament

Daniel Gros has been invited to join the Group of Experts in Banking Issues (GEBI), which advises the European Commission. The Group met in June to discuss various issues related to the design and implementation of the Capital Requirements (CRD IV) directive.

On July 18th, Gros spoke as an expert to an annual meeting of the Economics Ministers of the 17 German Länder, giving a presentation on the situation of the eurozone and the prospects for recovery in Germany and Europe.

The EU budget’s role in renewables RTD

The Climate Parliament, a worldwide community of parliamentarians concerned with climate change, organised a roundtable meeting in Seville on June 18-20, at which Jorge Núñez Ferrer of CEPS presented the potential and problems of the EU budget and the European Investment Bank regarding the financing of Research and Technical Development (RTD) in renewable energies.

Núñez Ferrer suggested that the budget could potentially finance the necessary infrastructure for a European super grid and low carbon zones, as well as specific actions in rural areas for smaller power generation.

CEPS Director tapped for expertise

MedPRO – Mediterranean Prospects – is a European research project run by a consortium of 18 institutions from throughout the Mediterranean region, funded under the EU’s 7th Framework Programme and coordinated by CEPS. MEDPRO recognises two challenges that the Southern Mediterranean countries will have to face in the coming decades: how to build enduring democratic states, and how to ensure sustainable development.

On 29-30 June, the Faculty of Economics and Political Sciences of Cairo University (FEPS) hosted MEDPRO’s first implementation workshop on demography, human capital inequalities and migration in Cairo. Speakers presented the demographic situation and state of education in selected Maghreb and Mashrek countries, highlighting their commonalities and divergences. The project website has now been launched.

Info: www.medpro-foresight.eu

On June 24th, CEPS hosted the launch of the book Towards a European Demos? A Polish Perspective on the 2009 European Parliamentary Elections. Jacek Kucharczyk, co-author and Director of the Institute of Public Affairs in Warsaw, outlined his main ideas and discussed the possibility of forming a European political community through the mechanism of European elections. Taking Poland as a case study, his research showed the paradox of a country featuring strong EU support in parallel with low voter turnout for EP elections. In his view, the main challenge lies with the media and civil society in maintaining a constant flow of information to the citizens. MEP Andrew Duff proposed some changes that could facilitate increased public knowledge, e.g. lowering the voting age to 16, strengthening the transnational campaign by having one election date, electing a few EU-wide MEPs and breaking up bigger member states into smaller constituencies.

Doru Frantescu of VoteWatch.eu added that better communication strategies for European institutions are necessary to keep citizens well informed and that transparency in decision-making could bring voters closer to the political debate.

First MEDPRO Workshop in Cairo

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Nurturing political culture at the EU level

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