

# CEPS ACTIVITIES

Review 2012 · Preview 2013



Thinking ahead for Europe

## About CEPS

Founded in Brussels in 1983, the Centre for European Policy Studies (CEPS) is widely recognised as the most experienced and authoritative think tank operating in the European Union today. CEPS acts as a leading forum for debate on EU affairs, distinguished by its strong in-house research capacity, complemented by an extensive network of partner institutes throughout the world.

## GOALS

- Carry out state-of-the-art policy research leading to innovative solutions to the challenges facing Europe today
- Maintain the highest standards of academic excellence and unqualified independence
- Act as a forum for discussion among all stakeholders in the European policy process
- Produce a regular flow of authoritative publications offering sound analysis and constructive policy recommendations.

## ASSETS

- Multidisciplinary, multinational and multicultural research team of analysts
- Participation in several research networks, comprising other highly reputable research institutes from throughout Europe, to complement and consolidate CEPS' expertise and extend its outreach
- Extensive membership base of some 132 Corporate Members and 118 Institutional Members, which provide expertise and practical experience.

## PROGRAMME STRUCTURE

### In-house Research Programmes

- Economic and Social Welfare Policies
- Financial Institutions and Markets
- Energy and Climate Change
- EU Foreign Policy
- Justice and Home Affairs
- Politics and Institutions
- Regulatory Affairs
- Food Security and Development

### Independent Research Institutes managed by CEPS

- European Capital Markets Institute (ECMI)
- European Credit Research Institute (ECRI)

### Research Networks organised by CEPS

- European Climate Platform (ECP)
- European Network for Better Regulation (ENBR)
- European Network of Economic Policy Research Institutes (ENEPRI)
- European Policy Institutes Network (EPIN)

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H. Onno Ruding

## MESSAGE FROM THE CHAIRMAN

The euro crisis has inflicted severe financial, economic and political damage in all countries of the eurozone and beyond. Progress was made in 2012 to address these problems and to reduce the risk of repetition but they are by far not yet fully overcome. The good news is that this crisis has forced agreement on policy measures towards more centralised, European decision-making, which was unthinkable only a few years ago, and towards more European integration in those policy areas where this is needed.

The recent positions taken by member countries in the European Council testify to the need as well as the difficulties of making real progress, requiring a combination of substantial solidarity and tough discipline on the part of all countries leading to further transfer of national sovereignty.

The threats arising from the contagious effects of the dual financial weaknesses of governments and banks in several euro area countries have led in 2012 to political agreement in principle to significantly deepen financial integration. A European banking union will be established with three components: European bank supervision, (probably sometime later) a European deposit guarantee system and a European bank resolution mechanism. However, the issue of financial burden-sharing between the participating countries on the latter two measures has not yet been resolved. This relates, inter alia, to the awkward question whether 'legacy assets' – that is, the losses of insolvent banks resulting from wrong policies in the past – should be covered by taxpayers in other countries.

What many do not (or want to) realise is that a banking union is a necessary but not sufficient step to achieve a credible and genuine Economic and Monetary Union with a common currency. This will also require a high degree of fiscal union and serious measures towards an economic union.

The negotiations on the EU 2014-20 budget – suspended in late 2012 – revealed, as expected, substantial differences of view (and of national interests!) on its overall size and composition. The Commission's proposals rightly met severe criticism on both counts. The EU budget should become more forward-looking in promoting economic growth in Europe and less focused on maintaining entitlements of past years. This means more spending on research, innovation, education and infrastructure (inside the EU budget and no tricks to shift these items off-budget). It also requires further reductions in the still-dominant agricultural subsidies as well as regional and structural funds. These fundamental changes in the composition of EU spending should be facilitated first by termination of subsidies to the poor regions in 'rich' countries and, second, by sunset clauses that automatically terminate certain cohesion subsidies at a predetermined moment in the not-too-distant future.

These EU budget negotiations form some of the policy areas where disagreements have regrettably intensified calls in the UK for exit from the EU. Many Brits assume or hope that their country can exit the EU, but retain full participation in the EU single market. Such an outcome, however, is not at all certain. The prevailing situation of a two-speed Europe is, likely and unfortunately, to become more pronounced.

As the oldest and largest Brussels-based European think-tank, CEPS is proud in 2012 to have stimulated, and participated in, constructive but critical debates on most aspects of European integration. It continues to base its activities and policy recommendations on its independence, its strong in-house research and extensive expertise by its highly qualified staff.



## HIGH PROFILE EVENTS 2012

### ■ 31 JANUARY

#### **Solidarity and Austerity: The State of the European Union in 2012**

**3rd Annual Think Tanks Dialogue** – In cooperation with the Bertelsmann Stiftung, Bruegel, Confrontations Europe, Egmont Institute, European Policy Centre, Friends of Europe – Les amis de l'Europe, Institut français des relations internationales, Madariaga, College of Europe Foundation and the Stiftung Wissenschaft und Politik

**Martin Schulz**, Member of the European Parliament

**Danuta Hübner**, Member of the European Parliament

**Daniel Gros**, Director, CEPS

**Jean Pisani-Ferry**, Director, Bruegel

CHAIR: **Paul Taylor**, EU Editor, Reuters

### ■ 3 FEBRUARY

#### **The Priorities of the Danish Presidency of the Council of the EU**

**Jepp Tranholm-Mikkelsen**, Permanent Representative of Denmark to the EU

CHAIR: **Karel Lannoo**, CEO of CEPS



### ■ 9 FEBRUARY

#### **Investing where it matters: An EU Budget for Long-Term Growth**

*Launch of a CEPS Task Force Report*

**Daniel Tarschys**, Professor Emeritus in Political Science and Public Administration, Stockholm University and Chairman of the Board of the Bank of Sweden Tercentenary Foundation

**Jorge Núñez Ferrer**, Associate Research Fellow, CEPS

**Sinne Conan**, Director for European Affairs, Confederation of Danish Industry

**Danuta Hübner**, Member of the European Parliament

**Göran Färm**, Member of the European Parliament

**Sidonia Elzbieta Jedrzejewska**, Member of the European Parliament

CHAIR: **Staffan Jerneck**, Director of Corporate Relations, CEPS



### ■ 24 FEBRUARY

#### **Restructuring EU banks – The Role of State Aid Control**

**Joaquín Almunia**, Vice-President of the European Commission

Comments by **Andrea Renda**, CEPS

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



### ■ 29 FEBRUARY

#### **CEPS Annual Conference 2012 Opening Dinner**

SPEAKER: **Helle Thorning-Schmidt**, Prime Minister of Denmark

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

VENUE: Cercle Royal Gaulois





Yves Leterme

■ 1 MARCH

**CEPS Annual Conference**

**Giuliano Amato**, former Prime Minister of Italy and former Vice-Chair of the Convention on the Future of Europe

**Yves Leterme**, Deputy Secretary General, OECD

**Beatrice Weder di Mauro**, Council of Economic Experts, Germany

**Philippe Gudin de Vallerin**, Ministry of Finance, France

**William E. Kennard**, Ambassador of the US to the EU

**Ricardo Neiva Tavares**, Ambassador of Brazil to the EU

**Izzet Selim Yenel**, Ambassador of Turkey to the EU

**Jan Zahradil**, Member of the European Parliament

VENUE: Residence Palace



■ 16 MARCH

**Fighting Organised Crime – Going for the money**

**Cecilia Malmström**, European Commissioner for Home Affairs

CHAIR: **Staffan Jerneck**, Director of Corporate Relations, CEPS



■ 8 MAY

**European Government and Innovation Summit**

*Joint CEPS-Ernst & Young event*

**José Manuel Barroso**, President of the European Commission

**Jim Wales**, Founder, Wikipedia

**Andrea Renda**, Senior Research Fellow, CEPS

**Ilaria Rosso**, Co-founder Electro Power Systems and winner of the first EU Prize for Women Innovators

VENUE: Bozar Conference Center



■ 12 JULY

**The Priorities of the Cyprus Presidency of the Council of the EU**

**Kornelios Korneliou**, Permanent Representative of Cyprus to the EU

CHAIR: **Daniel Gros**, Director, CEPS



■ 7 NOVEMBER

**European Copyright: Fit for Purpose in the Internet Age** *Launch event of the CEPS Digital Forum on Copyright in the EU Digital Single Market*

**Michel Barnier**, European Commissioner for Internal Market and Services

**Giuseppe Mazziotti**, Research Fellow, CEPS and Co-Manager of the Digital Forum

CHAIR: **Staffan Jerneck**, Director of Corporate Relations, CEPS



■ 20 DECEMBER

**The International Climate Change Regime after Doha**

**Jos Delbeke**, Director General, DG Climate Action, European Commission

CHAIR: **Andrei Marcu**, Senior Adviser and Head of the Carbon Market Forum, CEPS





**Karel Lannoo**

## MESSAGE FROM THE CHIEF EXECUTIVE

CEPS can look back with satisfaction on a successful 2012, and at the same time look forward with optimism to 2013, when we will celebrate our 30th anniversary. We continue to advance on the basis of our reputation and the strength of our in-house research team. Some record figures may suffice: monthly website visitors reached a high of 244,461 in November; average monthly publication downloads stood at 60,915, or over 2,000 publications a day, up from 53,457 in 2011. And with the ECMI conference on Capital Markets for Growth in October 2012, we attracted one of the largest audiences ever, with 535 registered participants.

We published nearly 150 studies in 2012 plus another 65 commentaries. We also hosted 136 events. This reflects the extensive depth and breadth of our work.

As the euro crisis becomes a less existential threat to the European project, we can be proud of having never abandoned our relentless thinking ahead for Europe. Even at the most difficult moments for the EU and the eurozone, we continued to search for constructive solutions for Europe. Realising that there was no way back for Europe, as also acknowledged by some policy-

makers, as a think tank worthy of the name, we had to be creative, and will continue to be in 2013.

At the same time, 2013 will be a year of important changes for CEPS at the governance level. Several long-serving board members will be stepping down, some of whom have been with CEPS since its earliest days. I would like to thank them warmly for their continued support and belief in CEPS, even in sometimes very difficult circumstances. Their insights and endorsement have helped us greatly to be where we are today.

I would furthermore like to thank Staffan Jerneck for 16 years of energetic work for CEPS as Director of Corporate Relations. In this period, Staffan more than doubled the number of CEPS Corporate Members, and extended the CEPS network throughout Europe and elsewhere. Forging a successful relationship with the corporate sector, where CEPS is nearly unique among its European peers, is one of Staffan's key accomplishments and one that sets a challenging benchmark for his successor Kerstin Born-Sirkel (see short profile, p. 30). We wish Staffan all the best and many new adventures as he enters a much-deserved retirement.



**Daniel Gros**

## MESSAGE FROM THE DIRECTOR

As 2012 drew to a close and the new year began, the European Union seemed bent on confirming the widely held prejudice that it is incapable of decisive action. Decisions were delayed in two key areas: the EU budget and reinforcement of the euro area's framework.

No agreement is in sight concerning the medium-term financial planning for the entire EU-27, also known as the 'multi-annual financial framework'. One member state has openly threatened a veto and the various official proposals on the table are not particularly promising. If adopted, they would lead to little change: most of the EU budget would continue to be spent on a declining sector (agriculture) and on aid of questionable efficiency to poorer regions. The funding for R&D and for key external EU policies is likely to remain marginal and might even be cut further. Little progress is thus to be expected on this front.

The other big dossier that awaits fundamental decisions – under the heading 'creating a genuine monetary union' – has seen important initial progress with the agreement to create a Single Supervisory Mechanism (SSM) within the European Central Bank. A first important milestone has been successfully passed with a political agreement on the institutional structure of the SSM, including a compromise on the extent of its reach. But this political agreement means little until it has been translated into legal texts and then applied in practice. Moreover, it remains to be seen whether this first step will be followed in 2013 by further action on bank resolution and deposit insurance. Without these latter two elements, the SSM is unlikely to work effectively.

Some delay is understandable given the legal, institutional and political complexity of the issue. But it is a pity that not more progress has been achieved, given that the euro area seemed last summer to have

found a strategy to end the self-destructive phase of ever-higher risk premia for both banks and sovereigns. The risk premia have now come down to levels that no longer threaten the sustainability of the public debt of Italy or Spain, but the turnaround, which started in the summer of 2012, is still fragile and the political 'noise' coming from Italy shows that there is no lack of potential problems going forward into the new year.

We at CEPS (as many others) have for years argued that the euro crisis was not just, or even mainly, a fiscal crisis, but reflected an inherent instability in the financial system, which needed institutional action, and not just general declarations by the European Council that financial stability was a 'collective responsibility'. The need to take concrete steps to ensure systemic stability was finally recognised in June 2012 when the European Council called for the establishment of a 'Single Supervisory Mechanism' to be headed by the ECB. The challenge for the EU institutional machinery is now to translate this lofty declaration at the highest political level into concrete legal and institutional provisions that actually deliver a mechanism that works. The initial deadlines might have been too ambitious, but what is missing is not so much a tight timetable as a clearer indication of the willingness to implement the political agreements reached even if the pressure from financial markets abates and how the conflicting interests of the ECB and the national supervisors can be reconciled.

The euro area's financial markets are starting 2013 in a much better shape than they were last year, but this gain rests on the promise that adjustment at the national level continues and that real progress at the EU level towards a true banking union will be achieved in the coming year.

## RESEARCH PROGRAMMES

### Economic and Social Welfare Policies

For the third year in a row, the activity of this research unit has been heavily influenced by the unresolved crisis in the euro area. During the first months of the year, the sequence of events in Greece, which ended in one of the largest debt restructurings in history and the first in a western European country since World War II, as well as the worsening of the economic situation in Spain and Italy have attracted significant research effort. In their contributions, Daniel Gros and Cinzia Alcidi have stressed the inevitability of the adjustment, both fiscal and external, in Spain and other countries with binding constraints on financial resources, while Paul De Grauwe has warned of the risks associated with synchronised fiscal policy tightening all across Europe.

In June, the promise by the European Central Bank to undertake conditional purchases of government bonds of distressed countries, through the Outright Monetary Transactions (OMT) programme, acted as a game changer in the crisis and financial instability began to decline significantly. Paul De Grauwe had long predicted the need for such intervention to help resolve the crisis and his prescription has turned out to be effective.

Yet, the most relevant policy contributions of the unit related to the (then) nascent project of a European banking union. This has been viewed as a crucial step forward not only in the framework of a solution to the crisis but to ensure the future of a functioning monetary union. The proposal to set up a European deposit insurance and resolution fund by Gros together with Dirk Schoenmaker (Duisenberg School of Finance, Amsterdam) has been given serious consideration by policy-makers.

Besides the activity related to current events in the euro area, this unit has been deeply

involved in research related to specific projects. BEL-DEBT, a project funded by the Belgian Science Policy Office and carried out in collaboration with the University of Leuven (KUL) and the University of Liege on the sustainability of public finances in Belgium concluded its second year of operation. It saw the finalisation of several contributions, empirical and theoretical, ranging from a model on sovereign default to the analysis of determinants of sovereign spreads in the euro area. It also began a new strand of research focusing on the effect of an ageing population on savings in Belgium.

Two occasional and specific research analyses were commissioned of the unit by the European Parliament. The first one on the external representation of the euro area delivered a strong and controversial message for Europe: in the context of international financial organisations, the euro area is over-represented in terms of the weight of its member states while being under-represented institutionally as a major monetary union. The second study describes the status of existing macro-financial stability instruments and how their use impinges on the EU budget and provides an assessment of how EU assistance could evolve in the future and what could be its impact on EU public finances.

In December 2012, CEPS, in collaboration with the Centre d'Information et de Recherche sur l'Économie Mondiale (CI-REM), Istituto di Studi per l'Integrazione dei Sistemi (ISIS) and Società Europea d'Economia, was awarded a research project by the Bureau of Economic Policy Advisers (BEPA) of the European Commission on trends and strategies for Europe in the global economy in 2030.

**Daniel Gros**, Director and Senior Research Fellow

**Miroslav Bevlavý**, Associate Senior Research Fellow

**Paul De Grauwe**, Associate Senior Research Fellow

**Jørgen Mortensen**, Associate Senior Research Fellow

**Cinzia Alcidi**, Head of Unit and LUISS Research Fellow

**Mikkel Barslund**, Research Fellow

**Jorge Núñez Ferrer**, Associate Research Fellow

**Yonghyup Oh**, Visiting Research Fellow

**Z. Güldem Ökem**, Research Fellow

**Felix Roth**, Research Fellow

**Anna-Elisabeth Thum**, Research Fellow

**Ilaria Maselli**, Researcher

**Simon Toubeau**, Researcher

**Matthias Busse**, Research Assistant

**Elisa Martellucci**, Research Assistant

**Galina Potjagailo**, Research Assistant

**Raf Van Gestel**, Research Assistant

**Alessandro Giovannini**, Associate Research Assistant



In 2013, the work under the large-scale FP7 project MOPACT (MOBilising the Potential of ACTive ageing in Europe) will commence. CEPS is a main partner and the Economic Policy unit will be active in research related to the broader economic consequences of ageing in Europe, the labour market implications and the wider societal impacts.

The FP7 research project INDICSER (on indicators and the measurement of international performance in services sectors) ran in its final year in 2012. Research on educational attainment and EUROPE2020 targets financed under the project was published in the National Institute Economic Review, the peer-reviewed, quarterly journal of the National Institute of Economic and Social Research in the UK.

This year also saw several activities carried out by the CEPS-managed European Network of Economic Policy Research Institutes (ENEPRI). In cooperation with network partners, CEPS organised a well-attended conference on the theme of Economic Growth in the Shadow of the Crisis, featuring presentations by network members and DG ECFIN representatives. A number of research proposals centred on network partner institutes were prepared or are in preparation.

Since 2009, Felix Roth has served as Editor of *Inter-economics*, a bi-monthly journal that attempts to combine serious academic work with timely policy publication by hosting reputed commentators and academic researchers on dedicated fora. In addition to focusing on the impact of the crisis at large, the journal has tackled other, more long-term issues this year, including: i) the challenges facing European labour markets, ii) the financial transaction tax, iii) green growth and iv) citizens' Europe being crowded out by economic concerns. Its annual conference, entitled "The Welfare State after the Great Recession", featured distinguished speakers from the Universities of Amsterdam, Kent and Aarhus, the European Trade Union Institute and the European Commission.





## Titles Published in 2012

### ◆ CEPS Paperbacks

*The Europe 2020 Strategy: Can it maintain the EU's competitiveness in the world?*, Daniel Gros and Felix Roth, July

*Sovereign Debt Crisis: Placing a curb on growth*, Anton Brender, Florence Pisani and Emile Gagna, May

### ◆ CEPS Task Force Report

*Investing where it matters: An EU Budget for Long-Term Growth*, Jorge Núñez Ferrer, February

### ◆ CEPS Working Documents

*"What Germany should fear most is its own fear: An analysis of Target2 and current account imbalances"*, Paul De Grauwe and Yuemei Ji, September

*"Self-Fulfilling Crises in the Eurozone: An Empirical Test"*, Paul De Grauwe and Yuemei Ji, June

*"A Simple Model of Multiple Equilibria and Default"*, Daniel Gros, July

*"A European Deposit Insurance and Resolution Fund"*, Dirk Schoenmaker and Daniel Gros, May

*"Mispricing of Sovereign Risk and Multiple Equilibria in the Eurozone"*, Paul De Grauwe and Yuemei Ji, January

### ◆ CEPS Policy Briefs

*"Commission v. Gazprom: The antitrust clash of the decade?"*, Alan Riley, October

*"A European Deposit Insurance and Resolution Fund – An Update"*, Dirk Schoenmaker and Daniel Gros, September

*"A Sovereign Wealth Fund to Lift Germany's Curse of Excess Savings"*, Daniel Gros and Thomas Mayer, August

*"Can Italy and Spain survive rates of 6-7%?"*, Daniel Gros, July

*"Unholy compromise in the eurozone and how to right it"*, Stefano Micossi, July

*"Central Banks in Times of Crisis: The FED vs. the ECB"*, Daniel Gros, Cinzia Alcidi and Alessandro Giovanni, July

*"An agenda for the European Council: Feasible steps to bring the eurozone back from the precipice"*, Stefano Micossi, June

*"'Grexit' and the Eurozone"*, Cinzia Alcidi, Alessandro Giovannini and Daniel Gros, May

*"Europe's Recurrent Employment Problems"*, Daniel Gros, May

*"The Euro Crisis: Implications for the Internal Market and Harmonisation of Corporate Taxes"*, H. Onno Ruding, April

*"In search of symmetry in the eurozone"*, Paul De Grauwe, April

*"The Spanish 'hang over'"*, Cinzia Alcidi and Daniel Gros, April

*"Macroeconomic Imbalances in the Euro Area: Symptom or cause of the crisis?"*, Daniel Gros, April

*"Liquidity in times of crisis: Even the ESM needs it"*, Daniel Gros and Thomas Mayer, March

*"Stepping up Growth Policies"*, Stefano Micossi, March

### ◆ CEPS Special Reports

*"How to deal with macroeconomic imbalances?"*, Daniel Gros, November

*"The Use of Innovative Financial Instruments for Financing EU Policies and Objectives: Implications for EU and National Budgets"*, Jorge Núñez Ferrer, Axel Volkery, Sirini Withana and Keti Medarova-Bergstrom, October

*"Women's Labour Market Performance in Europe: Trends and Shaping Factors"*, Angela Cipollone, Eleonora Patacchini and Giovanna Vallanti, September

*"Workplace Innovation and Technological Change"*, Miroslav Beblavý, Ilaria Maselli and Elisa Martellucci, September

*"The Implications for the EU and National Budgets of the Use of EU Instruments for Macro-Financial Stability"*, Alessandra Casale, Alessandro Giovannini, Daniel Gros, Paul Ivan, Jorge Núñez Ferrer and Fabrizia Pearce, September



### ◆ CEPS Commentaries

**“Why is the Greek economy collapsing? A simple tale of high multipliers and low exports”**, Cinzia Alcidi and Daniel Gros, 21 December

**“The False Promise of a Eurozone Budget”**, Daniel Gros, 7 December

**“EU budget becomes politically more explosive”**, H. Onno Ruding, 3 December

**“Chronicles of a Disagreement Foretold”**, Jorge Núñez Ferrer, 28 November

**“How to avoid a double-dip recession in the eurozone”**, Paul De Grauwe, 15 November

**“What distinguishes the euro crisis from a ‘normal’ financial crisis?”**, Daniel Gros, 6 November

**“Banking Union: Ireland vs. Nevada, an illustration of the importance of an integrated banking system”**, Daniel Gros, 18 October

**“The Policy Mix and the Macroeconomic Adjustment”**, Jørgen Mortensen and Cinzia Alcidi, 15 October

**“Should Europe be fracking?”**, Daniel Gros, 5 October

**“European Deposit Insurance: Financing the transition”**, Daniel Gros and Dirk Schoenmaker, 6 September

**“This Recovery is Different”**, Daniel Gros, 6 September

**“Adjusting to a credit cycle bust: The role of fiscal policy”**, Daniel Gros, 27 July

**“An incomplete step towards a banking union”**, Daniel Gros, 5 July

**“Why an ESM programme could be a kiss of death: Recovery Values and Subordination”**, Daniel Gros, 27 June

**“CAP Reform: Will the European Parliament take the bull by the horns?”**, Louise Knops, 7 June

**“Cleaning up the mess: Bank resolution in a systemic crisis”**, Daniel Gros and Dirk Schoenmaker, 7 June

**“Democracy vs. the Eurozone”**, Daniel Gros, 4 June 2012

**“Implications of the Eurozone Crisis for EU Foreign Policy: Costs and Opportunities”**, Michael Emerson, 1 June

**“The Fiscal Economics of a Greek Exit”**, Daniel Gros, 1 June

**“After the Euro Crisis: The President of Europe – A new paradigm for increasing legitimacy and effectiveness in the EU”**, Sergio Fabbrini, EuropEos Commentary, 1 June

**“A self-inflicted crisis”**, Paul De Grauwe, 31 May

**“Between a rock and the Multiannual Financial Framework”**, Jorge Núñez Ferrer, 27 April

**“The Big Easing”**, Daniel Gros, 12 April

**“How high the firewall? Potential Peripheral financing needs”**, Alessandro Giovannini and Daniel Gros, 30 March

**“How not to be a lender of last resort”**, Paul De Grauwe, 23 March

**“The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (aka Fiscal Compact)”**, Daniel Gros, 8 March

**“Greece’s Soft Budgets in Hard Times”**, Daniel Gros, 7 March

**“Greece and Portugal: Similar fundamentals but different outcomes?”**, Daniel Gros, 17 February

**“The decline and fall of the euro?”**, Daniel Gros, 12 January

## Financial Markets and Institutions

The completion in the coming year of two major projects – the G-20 programme and a European banking union – will heavily influence this research unit's priorities for 2013. The new financial regulatory architecture, agreed in the G-20 summits in the wake of the financial crisis, will guide the restructuring of financial markets for years to come. But 2013 has also unexpectedly become the target date for the European banking union, a new project that only emerged in June 2012, and which has generated great momentum. We have been working intensively in the former area since the start of the crisis, whereas our study of the implementation of a banking union builds on CEPS' earlier work dating back to the first days of EMU, when we devoted considerable attention to the question of the ECB's mandate.

The banking union proposal has created high expectations, which will need to be met in 2013. Its consequences are still difficult to fully anticipate, and will be felt far beyond banking supervision alone. Although not explicitly covered by the proposal so far, it will imply further harmonisation of deposit insurance and bank liquidation, consumer protection, conduct regulation and taxation as well as other sectors of financial regulation. It has been suggested that the Treaty basis for creating a banking union, namely Art. 127.6, is not sufficient, and that a Treaty change will be needed, implicating other sectors as well.

CEPS' work in financial markets has traditionally been structured along three lines: i) capital markets, ii) retail finance and iii) financial institutions and prudential policy.

### European Capital Markets

As CEPS' in-house unit focusing on European capital markets, the European Capital Markets Institute (ECMI) had a successful year in 2012 in developing and disseminating new ideas to advance the policy debate, through our publications and events and in completing important research projects for European institutions. CEPS, through the intense work of ECMI, continued to promote debate in the upcoming regulatory discussions with its publications and Task Forces, from the MiFID Review to UCITS V and VI. The unit also contributed to promoting fact-based research in corporate governance with the publication of its economic impact assessment of the Takeover Bids Directive by the European Commission. European financial markets infrastructure and asset management, in particular, have been two important aspects of the research programme in 2012.

In 2013, research activities will focus on the impact of on-going bank deleveraging and new collateral management policies on capital markets, as well as on new ways for European capital markets to finance economic growth and job creation. To increase its visibility and outreach, the unit will develop a series of roundtables and 'webinars' on key topics on the policy agenda targeting the interest of members involved in capital markets. In particular, the unit will follow the ambitious implementation process of upcoming legislation, which will reach a significant peak during next year. As financial markets have become 'global' in nature, ECMI will also follow issues affecting financial flows between European financial markets and other regional financial systems.

**Karel Lannoo**, Chief Executive Officer and Senior Research Fellow

**Rym Ayadi**, Senior Research Fellow and Head of Financial Institution and Prudential Policy

**Elina Pyykkö**, Research Fellow, ECRI

**Diego Valiante**, Research Fellow, ECMI

**Emrah Arbak**, Researcher

**Mirzha J. de Manuel Armendía**, Researcher, ECMI

**Willem Pieter de Groen**, Researcher

**Ales Chmelar**, Research Assistant, ECRI

**Angelo Fiorante**, Research Assistant, ECRI

**Salim Gadi**, Research Assistant



## Retail Finance

CEPS continues to extend its reach also in the field of retail financial markets through its European Credit Research Institute (ECRI), which has had a successful year of active policy discussions. With a special focus on retail credit markets, credit data usage and retail payment systems, the institute has actively contributed in these field through statistical and analytical publications as well as through extensive newsletters and by hosting events. The annual ECRI Statistical Package was launched in August, after conducting additional in-depth analyses to improve the comparability of EU member states' retail credit markets. The Institute welcomed the European Commission's consultation on market integration and technological developments in electronic payments, and brought together authorities and industry representatives on two occasions to discuss how to benefit from the rapid technological developments in retail payments. In 2012, ECRI also launched a Task Force on the future usage of consumer credit data to assess the next steps in this field to promote more efficient retail financial services, in light of EU legislators' current reform efforts in data protection regulation.

In 2013, ECRI will continue to be an important provider of high-quality and robust statistics and analyses in retail credit markets, aiming to bring forward recommendations as to how different types of European economies can achieve sustainable credit growth that promotes economic growth in the post-financial crisis period. The development of payment systems, banking regulation and the sharing of credit data are all important support systems for this development, and will also therefore remain an important focus of ECRI's research activities. Following the overall opening of the EU financial and growth prospects towards more globalised markets, ECRI also aims to follow the developments in financial access and sustainable credit growth in emerging financial markets outside the EU.

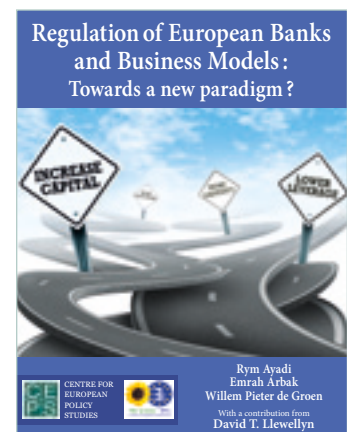
## Financial Institutions and Prudential Policy

In 2013, members of this unit concerned with Financial Institutions and Prudential Policy (FIPP) will continue their state-of-the-art research on the redesign of the regulatory framework for financial institutions in

Europe. In recent years, FIPP researchers have produced several important studies on diversity and business models in the banking sector, which have made a significant contribution to the policy debate on structural reforms in EU banking. The research focused on the consequences of differences in ownership structures and business models for the industry, financial stability and the economy as a whole. In 2013, the unit will continue its close monitoring of evolving business models in the EU financial sector and their implications.

The unit will also continue its successful series of high-level financial roundtables on the future of financial regulation and crisis management. During these meetings, academics, policy-makers and financial industry experts share their views on new financial legislative proposals and initiatives. The debates at these meetings serve to inform our research and ultimately allow us to produce well-grounded policy recommendations. In 2013, we will continue the high-level roundtables, covering the following topics: banking union, systemic risk, macro-prudential policy, banking structures, financial conglomerates and Solvency II.

In 2013, FIPP researchers will also consolidate their partnerships with top-ranking EU and US universities and research centres by launching joint projects on new business models in finance, determinants of systemic risk and the impact on macro-prudential policy and the role of financial cooperatives in the post-financial crisis period. As part of the research programme, they will continue work on financial regulatory convergence, access to finance for micro, small and medium enterprises (MSMEs) and crisis management in neighbouring countries, mainly in the South Mediterranean and Gulf States.



## Titles Published in 2012

### ◆ CEPS Paperbacks

*A Legal and Economic Assessment of European Takeover Regulation*, Christophe Clerc, Fabrice Demarigny, Diego Valiante and Mirzha de Manuel Aramendía, December

*Regulation of European Banks and Business Models: Towards a new paradigm?*, Rym Ayadi, Emrah Arbak and Willem Pieter de Groen, June

*Setting Banking Regulation Right*, Jacopo Carmossi and Stefano Micossi, March

### ◆ CEPS Task Force Report

*Rethinking Asset Management: From Resilience to Investor Protection and Economic Growth*, Mirzha de Manuel Aramendía and Karel Lannoo, April

### ◆ CEPS Policy Brief

*"Banking Union: A federal model for the European Union with prompt corrective action"*, Jacopo Carmassi, Carmine Di Noia and Stefano Micossi, September

*"Implementing Basel III in Europe: Diagnosis and avenues for improvement"*, Rym Ayadi, Emrah Arbak and Willem Pieter De Groen, June

### ◆ CEPS Commentaries

*"The Contents and Timing of a European Banking Union: Reflections on the differing views"*, H. Onno Ruding, CEPS Essay, 30 November

*"The Roadmap to Banking Union: A call for consistency"*, Karel Lannoo, 30 August

*"The Eurozone as Home Country of Banks"*, Karel Lannoo, 2 July

*"Countercyclical Regulation in Solvency II: Merits and Flaws"*, Rym Ayadi, Jon Danielsson, Roger Laeven, Antoon Pelsser, Enrico Perotti and Mario Wüthrich, 25 June

*"Banking Union in Three Steps"*, Karel Lannoo, 12 June

*"Banking Union in the Eurozone and the European Union"*, Jacopo Carmassi, Carmine Di Noia and Stefano Micossi, 12 June

*"The Commission's CRD IV requires a deeper reading"*, Karel Lannoo, 31 January

### ◆ ECMI Research Report

*"Setting the Institutional and Regulatory Framework for Trading Platforms: Does the MiFID definition of OTF make sense?"*, Diego Valiante, April

### ◆ ECMI Policy Briefs

*"Europe's New Post-Trade Infrastructure"*, Karel Lannoo and Diego Valiante, November

*"Pending issues in the review of the European market abuse rules"*, Carmine Di Noia, February

*"NYSE Euronext-Deutsche Börse Merger"*, Diego Valiante, January

### ◆ ECMI Commentaries

*"Will the PRIPs' KID live up to its promise to protect investors?"*, Mirzha de Manuel Aramendía, 7 July

*"The Euro Prisoner's Dilemma"*, Diego Valiante, 24 February

### ◆ ECRI Commentaries

*"Household Debt in Europe's Periphery: The dangers of a prolonged recession"*, Ales Chmelar, 22 November

*"Data protection at the cost of economic growth?"*, Elina Pyykkö, November

*"Where is the European household sector in the deleveraging cycle?"*, Angelo Fiorante, 11 May

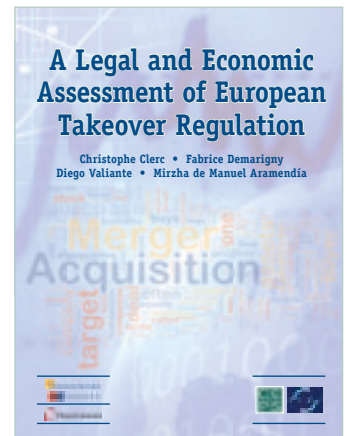
*"Credit reporting: Towards better access to credit and protection for consumers"*, Elina Pyykkö, March

### ◆ Statistical Packages

*"Lending to Households in Europe (1995-2011)"*, ECRI, August

*"Consumer Credit in Europe (1995-2011)"*, ECRI, August

*"2012 ECMI Statistical Package"*, ECMI, October



**Christian Egenhofer,**  
Senior Research Fellow

**Andrei Marcu,** Senior  
Advisor and Head of the  
CEPS Carbon Market  
Forum

**Arno Behrens,** Head of  
Energy and Research  
Fellow

**Noriko Fujiwara,** Head  
of Climate Change and  
Research Fellow

**Monica Alessi,** Research  
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**Vasileios Rizos,**  
Research Assistant

## Energy and Climate Change

EU energy and climate policies continue to interact even more closely than before. In 2012, this has been most visible in the discussions on the post-2020 EU climate change policy, which touches on many energy and climate issues. However the overriding question for the EU is whether it will need firm targets for 2030 and if so, which ones and how will they relate to each other. A closely linked question is which instruments will prove the most effective: regulation, pricing, technology support, government funding or targets only? The outcome of this debate will be crucial not only for the future of EU climate change policy but also for energy, notably electricity and gas markets. Already we can witness the strains that the 'energy transition' – that is, the transition to a low-carbon energy system – puts on the integrity and efficiency of the EU energy market.

National energy choices create market distortions and spill-over effects, such as loop flows or negative prices, which in turn undermine EU efforts to optimise electricity (and gas) networks. Blackouts are looming and if solutions cannot be found at the EU level, a costly renationalisation of energy policy will take place. All this must be seen in the context of an equally important transition of international climate change policy from top-down, internationally-legally binding targets and commitments to voluntary pledges, essentially based on the 'enlightened' self-interest of nations. To date, efforts concentrate on developing common views on how the pledges could be embedded into a global framework that gives assurance that global long-term goals in GHG reduction can be met.

Regardless of the outcome and speed of these developments, the EU has started to put additional emphasis on long-term industrial competitiveness by strengthening innovation policies. The logic is one of a transformation of EU industrial sectors towards new low-carbon value chains. Such transitions have been observed and continue to emerge in other sectors. The novelty here is that they are driven by government policy instead of market demand.

EU challenges for 2013 and beyond is to gradually develop a European framework

that can accommodate the different national preferences and approaches for the energy transition. Internationally, the EU will need to identify what it wants from a 2015 climate change agreement that allows it to complete its low-carbon transition while remaining competitive. The essential link will be to devise a strategy that can deal with competitiveness from a forward-looking perspective, while reinforcing EU innovation and welfare.

### FLAGSHIP – Forward-Looking Analysis of Grand Societal Challenges and Innovative Policies

CEPS is a partner in an exciting new FP project called FLAGSHIP, under the European Commission's Framework Programme (FP), which aims to assess the state of the art of forward-looking methodologies in relation to grand societal challenges and developing tools and modelling frameworks beyond the state of the art. The project will apply an enhanced set of forward-looking methods and tools to support EU policies, by analysing reference and alternative scenarios of long-term demographic, legal, economic, social and political evolutions in Europe in a global context and assessing potential progress in technological and social innovation. As a project partner, CEPS is responsible for stakeholder engagement and dissemination. The kick-off meeting took place in January 2013.

### Climate Change

The unit contributed to several FP7 projects within CEPS calling for multi-disciplinary efforts. For the MEDPRO project (see p. 26), researchers in the unit produced a technical paper exploring options to tap into carbon market opportunities in Southern Mediterranean countries and contributed to a policy brief (forthcoming) synthesising results of energy-related studies and providing recommendations. In the so-called 'FUME' project, CEPS presented an overview of EU policies targeted at forest fire risks in an annual project meeting in November with the aim of building a more comprehensive review of EU policies and developing recommendations.

In the second half of 2012, the unit also hosted or co-hosted a series of informal workshops on post-2020 climate change policy. These included a one-day brainstorming session with specialists drawn from upstream and downstream European oil industry associations (OGD and Europa) and another such event by European Commission officials, jointly facilitated with the Paris-based IDDRI. A joint workshop between CEPS and CCAP Europe focused on the state of sectoral low-carbon roadmaps of European industry sectors with insights gained from Europe 2020.

For 2013, additional and more formalised workshops are planned. The focus will be on the interactions between different climate-related targets, notably those of GHG emissions and renewables. Another area of interest will be the role of targets for climate change policy in general and how they interact.

### European Climate Platform

The European Climate Platform (ECP) aims at developing the interface between policy and science: negotiators at the United Nations Framework Convention on Climate Change (UNFCCC) can meet researchers and other stakeholders and exchange views in an informal setting for structured discussions. This forum has received financial support from the Mistra Foundation in Sweden and advice from the Steering Group members, which mainly consist of EU and member state officials as well as researchers. After its initial success in Phase I (2005-11) in collaboration with Mistra's Climate Policy Research Programme (CLIPORE), the ECP entered into Phase II in 2012, in a new collaboration with Instrument Design for Global Climate Mitigation (INDIGO). In October 2012, the ECP organised a workshop on "Short-Lived Climate Pollutants and Green Growth" in the context of the UNFCCC, and a meeting on linking emissions trading systems. The findings have been published by CEPS.

### Energy

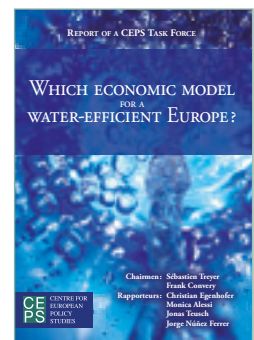
CEPS' work on energy infrastructure continued in 2012 and helped to inform the debate on the Energy Infrastructure Package. In particular, CEPS published a Special Report on electricity infrastructure in northern Europe and organised a joint CEPS/ECN workshop on technological and regulatory options to optimise electricity transmission in Europe. CEPS also served as a knowledge partner to a high-level conference on energy infrastructure featuring Member of the European Parliament Antonio Correia de Campos. In 2013, this unit will continue to work on infrastructure in the framework of projects funded under the European Commission's 7th Framework Programme for Re-

search, the Intelligent Energy Europe Programme as well in a new project on the energy transition funded by energy market participants.

On energy poverty and international development, CEPS led a study for the European Parliament in the context of the 2012 International Year of Sustainable Energy for All, which examined access to energy in developing countries. This study provided useful background to the EP's Development Committee on EU development cooperation in support of the objective to ensure universal energy access by 2030. CEPS' work was discussed with experts and policy-makers at various conferences, including an international workshop organised by FEEM (Fondazione Eni Enrico Mattei) in Venice and a preparatory conference for the Rio+20 summit organised by the Friedrich-Ebert-Foundation in Shanghai. In 2013, CEPS will intensify its work on the post-2015 development framework with a particular focus on the future of the Millennium Development Goals.

### Water

In 2012, this unit expanded its activities to focus on water, in light of the trend towards a more elaborated EU policy on resource efficiency. A Task Force on "Which economic model for a water-efficient Europe?" attempted to provide an industrial and economic perspective on EU water policy before and after publication of the "Blueprint to Safeguard Europe's Water" in



November 2012. Tensions between the availability of water resources and increases in water demand are growing rapidly, not only endangering minimum flows for ecosystems, but also rapidly exacerbating competition between users. Water is a central element in the 'Europe 2020 Strategy', notably of the Resource Efficiency Roadmap, and the EU climate change mitigation and adaptation policy. The CEPS report concentrates on how to improve water efficiency, notably in public supply, households, agriculture, energy and manufacturing as well as across sectors.

In 2013, CEPS will launch a European Water Forum bringing together all stakeholders from policy-making, industry, civil society and research communities to introduce sound evidence and data to the 'water efficiency' debate. The objective is to develop 'politically feasible next steps' to improve water efficiency in those cases in which – recognising the coupling between water use and other environmental, economic and societal dimensions – it may be appropriate to seek improved water-use efficiency.



### CEPS Carbon Market Forum

2012 saw the launch of an ambitious umbrella programme for carbon market-related activities, under the leadership of Andrei Marcu. The CEPS Carbon Market Forum (CMF) provides a neutral space where policy-makers and regulators can meet carbon market stakeholders to discuss carbon market regulation and general policy issues. The initiative allows CEPS to contribute its intellectual analysis and original ideas to the climate debate. Much of its work in 2012 was carried out in the context of three Task Forces – New Market Mechanisms, Policy Dialogue on the CDM and Review of the EU ETS – resulting in publication of four CEPS Special Reports (see titles in list below).

The CEPS CMF proposes to tackle the following four themes in the course of 2013 :

- **EU ETS Review, in the context of climate and energy policies.** This work stream will continue the effort made in preparing a submission on ‘back-loading’ to the European Commission and the report on options for the ETS review that was released by CEPS in November 2012. The structural review of the EU ETS will form the core of this work. This will be examined in light of both the internal EU ETS architecture, as well as other climate and energy policies that need to accompany the EU ETS in order to provide a market signal in line with the EU roadmaps on climate and energy.
- **New Market Mechanisms under the UNFCCC.** The CEPS CMF has put forward very substantive and innovative work in the area of New Market Mechanisms and Framework under the UNFCCC. The COP in Doha provided direction for the more technical bodies of the COP to continue work in 2013. The CEPS CMF will strive to provide original thinking with input from the Brussels stakeholders.
- **Post-COP 18 CDM review.** Following from the Marrakech Accords, the COP initiated a review of the CDM at the UNFCCC meetings in Doha. The CDM is the one mechanism that is currently functioning, where stakeholders from business, government and civil society have acquired experience and many of the lessons learned will be passed on to the new carbon markets architecture under the UNFCCC. The CEPS CMF will provide its input based on the views from EU stakeholders in order to shape the decision at the 2013 COP.

- **The EU’s stake in the Green Climate Fund (GCF).**

Climate finance and carbon markets are closely interlinked subjects. One of the roles of carbon markets is to direct financial flows into new investment areas. The GCF, which is in the process of defining a more concrete way of operation, will be one of the important elements in reaching the stated target of mobilising \$100 billion by 2020. The CEPS CMF will research and review the options and provide its own input based on discussions with stakeholders in Brussels and in the EU in general.

### Smart Cities Stakeholder Platform

As a member of a consortium, CEPS has been awarded a contract by DG Energy of the European Commission to set up the Smart Cities Stakeholder Platform as part of the Smart Cities and Communities European Innovation Partnership (EIP). The Platform, made up of senior representatives from industry, cities, civil society, is a governance body that advises the European Commission.

The Stakeholder Platform focuses on technology, with a view to identifying solutions and needs for practitioners, i.e. developers of technologies and specialists in the implementation of technical solutions. It is a bottom-up platform designed to develop integrated technology approaches and to develop a practical ‘vision’ to accelerate Smart City development in the areas of energy and transport and related ICT.

The emphasis will be on technology integration in the areas of energy, transport and ICT, which is a key challenge for all SET-Plan technologies, and particularly for Smart Cities’ technologies.

To achieve its goal, the Smart Cities Stakeholder Platform will set up Working Groups on energy supply networks, energy efficiency in buildings and mobility and transport.



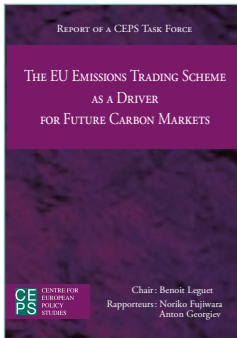
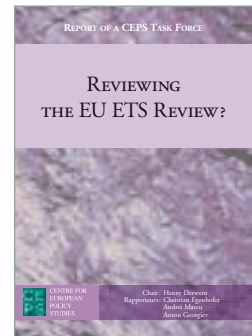
## Titles Published in 2012

### ◆ CEPS Task Force Reports

***Which economic model for a water-efficient Europe?***, Christian Egenhofer, Monica Alessi, Jonas Teusch and Jorge Núñez Ferrer, November

***Reviewing the ETS Review***, Christian Egenhofer, Andrei Marcu and Anton Georgiev, November

***The EU Emissions Trading Scheme as a Driver for Future Carbon Markets***, Noriko Fujiwara and Anton Georgiev, February



### ◆ CEPS Working Documents

***"Shale Gas and the EU Internal Gas Market: Beyond the Hype and Hysteria"***, Jonas Teusch, September

***"Escaping the Vicious Cycle of Poverty: Towards Universal Access to Energy in Developing Countries"***, Arno Behrens, Glada Lahn, Eike Dreblow, Jorge Núñez Ferrer, Mathilde Carraro and Sebastian Veit, March

### ◆ CEPS Policy Briefs

***"Renewables and the EU Internal Electricity Market: The case for an arranged marriage"***, Jonas Teusch, March

***"Sector-specific Activities as the Driving Force towards a Low-Carbon Economy: From the Asia-Pacific Partnership to a Global Partnership"***, Noriko Fujiwara, January

### ◆ CEPS Special Reports

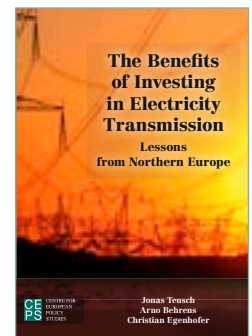
***"Backloading: A necessary, but not sufficient first step?"***, Andrei Marcu, November

***"The Future of the Clean Development Mechanism: A Note on the report 'A Call to Action' of the High-Level Panel on CDM Policy Dialogue?"***, Andrei Marcu, November

***"A Framework for Various Approaches under the UNFCCC: Necessity or luxury?"***, Andrei Marcu, November

***"Expanding Carbon Markets through New Market-based Mechanisms: A synthesis of discussions and submissions to the UNFCCC"***, Andrei Marcu, May

***"The Benefits of Investing in Electricity Transmission: Lessons from Northern Europe"***, Jonas Teusch, Arno Behrens and Christian Egenhofer, January



### ◆ CEPS Commentary

***"Doha/COP 18: Gateway to a New Climate Change Agreement"***, Andrei Marcu, 13 December

### ◆ European Climate Platform Paper

***"An Assessment of US Progress towards its Pledge on Climate Change Mitigation"***, Dallas Burtraw and Matt Woerman, October

### ◆ External studies

***"Energy Efficiency and the ETS"***, Briefing and policy recommendation for ITRE Committee of the European Parliament on interactions between member state, EU and international policies for energy efficiency and the ETS, forthcoming

***"The Millennium Development Goals and beyond 2015: A strong EU engagement"***, Arno Behrens and Monica Alessi, study commissioned by the European Parliament, forthcoming

***"European Renewable Energy Network Study"***, C. Egenhofer, A. Behrens, J. Nuñez Ferrer, M. Alessi, A. Georgiev and J. Teusch, commissioned by the Committee on Industry, Research and Energy, European Parliament, Brussels

**Andrea Renda**, Senior Research Fellow and Co-Manager of the Digital Forum

**Jacques Pelkmans**, Senior Research Fellow

**Lorna Schrefler**, Research Fellow and Head of Unit

**Anabela Correia de Brito**, Associate Research Fellow

**Giuseppe Mazziotti**, Research Fellow and Co-Manager of the Digital Forum

**Giacomo Luchetta**, Researcher

**Philipp Böhler**, Research Assistant

**Federica Mustilli**, Research Assistant

**Adam Robinson**, Research Assistant

**Can Selçuki**, Research Assistant

## Regulatory Policy

### Review of 2012

Several activities carried out by the Regulatory Policy unit in 2012 had a direct impact on policy and regulatory debates at the EU level. Notably, Andrea Renda and Lorna Schrefler co-authored a paper with Claudio Radaelli and Oliver Fritsch of the University of Exeter on the quality of EU and UK impact assessments, and were invited to present their findings at the European University Institute in Florence and in a meeting of the High-Level Group of Independent Stakeholders on Administrative Burdens. This paper was quoted in the Commission's Communication on Regulatory Fitness of 12 December 2012. Researchers in the unit also continued providing expert advice on impact assessment and policy evaluation to the European Commission on different policy areas such as green public procurement and tourism. Andrea Renda was also involved in the first series of training sessions on impact assessment for the recently created Directorate on Impact Assessment and European Added Value of the European Parliament.

On innovation, Andrea Renda co-authored a book entitled *Innovation Policy in the European Union: Towards Horizon 2020* and published by Springer. He also wrote "The power of simplicity", a joint CEPS-Ernst & Young report on the future architecture of innovation policy in the European Union. The report was presented in a panel debate with European Commission President José Manuel Barroso.

On the EU internal market front, Jacques Pelkmans and Philipp Böhler are finalising a study for the government of Liechtenstein on European integration options for the future, with an emphasis on the EEA. They also published with Can Selçuki an article on voxEU evaluating Turkey's bid for membership of the EU. An extended version of this contri-

bution is available as a CEPS Special Report, "Who remembers Turkish pre-accession?". Can Selçuki also co-authored a paper with CEPS Director Daniel Gros, entitled "The Changing Structure of Turkey's Trade and Industrial Competitiveness", in the context of the IAI-Istanbul Policy Center-Mercator Foundation project on Turkey, Europe and the World.

During the Danish Presidency in the first half of 2012, Jacques Pelkmans and Anabela Correia de Brito, in cooperation with Copenhagen Economics, performed an in-depth analysis of the mechanisms available at EU level to promote enforcement and compliance with

EU law. This project led to a CEPS paperback *Enforcement in the EU Single Market*, which was presented to DG Markt of the European Commission. Jacques Pelkmans and Federica Mustilli also published a CEPS Special Report on how to secure EU growth from the service sector, and presented their findings to DG Markt.

Andrea Renda was appointed to be the Morris Tabaksblat Visiting Chair on Private Actors and Globalization, funded by the Hague Institute for the Internationalization of Law and based at the European University Institute in Florence. Lorna Schrefler is now visiting fellow and guest lecturer at the Université Libre de Bruxelles, Centre D'Etudes Européennes. Giacomo Luchetta received an honourable mention for the Majone Prize for his co-authored paper on regulatory impact assessment at the fourth biannual conference of the Standing Group on Regulatory Governance of the European Consortium for Political Research (ECPR).





### CEPS Digital Forum

The Regulatory Policy unit is also responsible for the creation and management of the CEPS Digital Forum, a permanent platform aimed at raising the level of debate about policy challenges that follow from the European Commission's Digital Agenda for Europe. Chaired by Staffan Jerneck, the Forum brings together academics, telecommunications operators, broadcasters, equipment manufacturers, content providers, application producers, internet champions, national regulators and European institutions to enable a constructive dialogue about how to achieve a successful transition to an information society for all. Giuseppe Mazziotti recently joined the team and launched a Task Force on Copyright in the EU Digital Single Market. Michel Barnier, European Commissioner for the Internal Market and Services, gave a keynote speech at the opening event of this initiative.

A second Task Force, under the leadership of Kristina Irion, Central European University, and CEPS Researcher Giacomo Luchetta, will debate Online Data Processing in the context of the EU data protection reform. Both Task Forces aim to publish a report in the spring of 2013. The CEPS Digital Forum organised, together with the European Commission, a successful workshop on "Media Pluralism and Freedom of Expression in the Internet Age" at the Internet Governance Forum 2012, held in Baku, Azerbaijan, November 6th-9th.

### Preview for 2013

The Regulatory Policy unit will actively continue providing publications, conference contributions and training activities on smart regulation and impact assessment. In particular, it is about to start a project on the revision of the EU Impact Assessment Guidelines for the European Commission, in cooperation with Economisti Associati. Andrea Renda will also organise a second training session on European Added Value to officials of the European Parliament. The team will provide a preparatory study for an impact assessment on the possibility of merging the Outdoor Equipment Noise Directive and the Machinery Directive and a report on Business-to-Business unfair trading practices across the EU.

Jacques Pelkmans and Federica Mustilli will be actively involved in the final part of the FP7 SERVICEGAP project, including the organisation of a final two-day workshop at CEPS on the policy implications of the project and the publication of two SERVICEGAP papers. They will also present the CEPS Special Report on securing EU growth from services in a major conference in the EU Joint Research Centre in February. Among the trade-related activities next year, CEPS has been commissioned to carry out a study on the EU trade strategy vis-à-vis ASEAN, which will be presented in February in the European Parliament.

The CEPS Digital Forum will launch additional Task Forces on Smart Grids, Media Pluralism and Competition in High-Tech Markets. Renda and Schrefler will also be working on a forthcoming book project for Edward Elgar on "The Net and the Internet", to appear in an edited volume with Mario Girasole.

## Titles Published in 2012

### ◆ CEPS Paperback

***Enforcement in the EU Single Market***, Jacques Pelkmans and Anabela Correia de Brito, September

### ◆ CEPS Working Documents

***"Public and Private Regulation; Mapping the Labyrinth"***, Fabrizio Cafaggi and Andrea Renda, October

***"Regulatory Quality in the European Commission and the UK: Old questions and new findings"***, Oliver Fritsch, Claudio M. Radaelli, Lorna Schrefler and Andrea Renda, January

### ◆ CEPS Policy Briefs

***"Unleashing Competition in EU Business Services"***, Henk L.M. Kox, September

***"Pre-empting Technical Barriers in the Single Market"***, Anabela Correia de Brito and Jacques Pelkmans, July

### ◆ CEPS Special Reports

***"Who remembers Turkey's pre-accession?"***, Philipp Böhler, Jacques Pelkmans and Can Selçuki, December

***"Securing EU Growth from Services"***, Federica Mustilli and Jacques Pelkmans, October

***"The Power of Simplicity: Towards a Smarter and Streamlined Innovation Policy in the EU"***, Andrea Renda (published jointly with Ernst & Young), May

**Steven Blockmans,**  
Senior Research Fellow

**Michael Emerson,**  
Associate Senior  
Research Fellow

**Erwan Fouéré,**  
Associate Senior  
Research Fellow

**Giovanni Faleg,**  
Visiting Researcher

**Hrant Kostanyan,**  
Visiting Researcher

## EU Foreign Policy

The unit's research agenda hinges on two variables. Firstly, the Lisbon Treaty's cosmopolitan worldview, demand for more integrated EU foreign policy and institutional innovations in the field of EU external action. Secondly, the impact of the relative decline of the European Union's position in the world, as a result of its own economic and financial crisis, the rise of the BRICS (Brazil, Russia, India, China and South Africa) and the strategic re-orientation of the United States towards the Asia-Pacific region.



Key publications have focused on *An Arab Springboard for EU Foreign Policy?* (in cooperation with Egmont and EPC). A research project was carried out for the Eurasian Economic Commission on the potential and limits of economic integration between Russia, Belarus and Kazakhstan, with a view to the creation of a Eurasian Economic Union by 2015. The findings produced in a CEPS Special Report were discussed

by representatives of the Eurasian Economic Commission and the European Commission's DG Trade. The unit's researchers also contributed to a study conducted for the European Parliament's Civil Liberties Committee on the current state of affairs in the development of the Common Space on Freedom, Security and Justice between the EU and Russia, and to the MEDPRO (Prospective Analysis for the Mediterranean Region) project carried out by a CEPS-led consortium under the 7th Framework Programme of the European Commission.

In terms of strategic thinking, the unit participates in the European Global Strategy (EGS) project, a think tank-driven process designed to stimulate debate on the future direction of the EU's external relations. Initiated by the Foreign Ministers of Sweden, Spain, Poland and Italy, and based on the premise that new strategic thinking is needed in times of flux, the EGS project hopes to spur political debate and to forge the foundations of a com-

mon European strategic culture. The research team will deliver its final report in May 2013.

In the same vein, researchers of the unit are involved in a forecast study for the Bureau of European Policy Advisers (BEPA), the European Commission's internal think tank, on strategies and trends for Europe in the global economy in 2030 (STRATEC 2030).

Finally, Michael Emerson is leading a team of European and Brazilian analysts who examine how the EU-Brazil strategic partnership might be deepened. Issues being researched are the proposed free trade agreement, macroeconomic issues at the global level, climate change, comparative regionalism and the normative foundations of foreign policy. The project, which is supported by the Gulbenkian Foundation, will be completed in 2013.

Several activities carried out by the EU Foreign Policy unit in 2012 had a direct impact on policy and regulatory debates at the EU and member state level as well as in third countries. For instance, Steven Blockmans' paper on the question whether the EU can offer a diplomatic way out of the entrenchment over Iran led to invitations to present his findings to the European Parliament's Delegation for Relations with Iran and to participate in the US National Defense University's Near East and South Asia programme working group on Iran. His work on EU enlargement and the European External Action Service led to invitations to give evidence at two separate inquiries organised by the House of Lords EU Select Committee, to a briefing at the Committee of the Regions on the Western Balkans, and to informal think tank meetings with Commissioner Stefan Füle and Lady Ashton's Head of Cabinet James Morrison.

Researchers in the unit continued to provide expert opinions to the press, and were quoted in media as diverse as Agence France Press, ARTE, Bloomberg, BTV, Business New Europe, CCTV, Deutsche Presse-Agentur, EuroNews, Financial Times, Radio Free Europe, M6n Empresarial, The Star and Xinhua. They contributed op-eds to EU Ob-

server, EurActiv, European Voice, New Europe, and the European Parliament's Former Members Association newsletter.

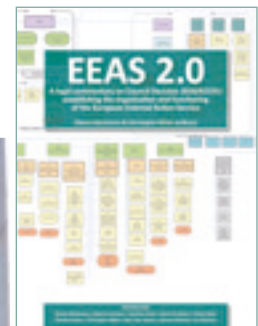
The unit is also responsible for the CEPS European Neighbourhood Watch newsletter, which focuses on the EU's relations with its geographical neighbours. Each month the newsletter offers a chronological round-up of the previous month's major developments with links to the full text of each corresponding news item, analysis or official document. This overview is complemented by an editorial note that focuses on a current development or a more long-term trend pertaining to the EU's relations with its neighbours. CEPS European Neighbourhood Watch is distributed electronically to more than 10,000 subscribers.

### What is in the pipeline for 2013?

The EU Foreign Policy unit will continue to provide publications, conferences and expert opinions on topical issues. In doing so, the research agenda will increasingly pay attention to the ways and means to join up the different strands of EU external relations policies (trade, development, justice, security and defence) so as to enhance the EU's visibility, consistency and effectiveness on the global stage.

Together with the Swedish Institute for European Policy Studies (SIEPS) and the European University Institute, CEPS is co-directing a research project named "European External Action Service 2.0", which aims at i) producing a legal commentary to the 2010 Council Decision setting up the EEAS, ii) reviewing the organisation and functioning of the EEAS and iii) formulating recommendations on both the interpretative room to accommodate changes to the organisation and functioning of the EEAS on the basis of current law and how to amend the EEAS Council Decision if there is insufficient room for interpretation. Parallel research into the EEAS, focusing on the Service's role towards the Eastern Partnership and Russia will be carried out by Hrant Kostanyan.

In the lead-up to the December 2013 European Council on EU security and defence, the unit will stage a number of events and publications on capabilities (pooling & sharing) and structures (reform of EEAS crisis management bodies), such as the "More Europe" conference, co-financed by COST and in collaboration with the Italian Ministry of Defence and the Institut de Recherche Strategique de l'Ecole Militaire. Visiting Researcher Giovanni Faleg will also activate a task force on defence economics in a multipolar world.



## Titles published in 2012

### ◆ CEPS Paperback

*An Arab Springboard for EU Foreign Policy?*, Sven Biscop, Rosa Balfour and Michael Emerson (eds), CEPS Paperback published jointly with Egmont and EPC, January 2012.

### ◆ CEPS Working Documents

*"Russian Foreign Policy: What is not seen from the Kremlin"*, Larisa Deriglazova, Andrey Makarychev and Oleg Reut, June

*"Eschewing Choice: Ukraine's Strategy on Russia and the EU"*, Elena Gnedina and Evghenia Sleptsova, January

### ◆ CEPS Policy Briefs

*"The EU's Promotion of External Democracy: In search of the plot"*, Anne Wetzel and Jan Orbie, September

*"Moving the EU from a Laggard to a Leader in Democracy Assistance: The Potential Role of the European Endowment for Democracy"*, Hrant Kostanyan and Magdalena Nasieniak, June

### ◆ CEPS Special Reports

*"When the rising dragon sees fading stars: China's view of the European Union"*, Eva Schilling, November

*"The EU between Pooling & Sharing and Smart Defence: Making a virtue of necessity?"*, Giovanni Faleg and Alessandro Giovannini, May

### ◆ CEPS Essay

*"The Political Logic of Disintegration: Seven Lessons from the Soviet Collapse"*, Ivan Krastev, September

### ◆ CEPS Commentaries

*"EEAS reloaded: Four sets of recommendations for the 2013 review"*, Steven Blockmans, 12 December

*"The Prize is more Peace: The EU should consolidate its enlargement process"*, Steven Blockmans, 8 November

*"EU Global Peace Diplomacy"*, Steven Blockmans, 15 October

*"The UK-Canada Agreement on Mutual Support of Missions Abroad: Loyalty compromised?"*, Steven Blockmans and Sergio Carrera, 18 October

*"Enlisting business to help loosen the Gordian knot around Cyprus"*, Adam Balcer, 5 October

*"Free and fair? A Challenge for the EU as Georgia and Ukraine gear up for elections"*, Hrant Kostanyan and Ievgen Vorobiov, 27 September

*"Duel between the EU and Argentina: Weapons in the EU arsenal"*, Salvador Llaudes and Piotr Maciej Kaczyński, 13 September

*"The EEAS and the Eastern Partnership: Let the blame game stop"*, Hrant Kostanyan, 4 September

*"Beyond entrenchment over Iran: Can the EU offer a framework for regional security?"* Steven Blockmans, 3 September

*"Preparing for a post-Assad Syria: What role for the European Union?"*, Steven Blockmans, 2 August

*"History does not move in a straight line"*, Michael Emerson, 5 July

*"The EU's 're-engagement' as a security actor: Fresh start or still sleepwalking?"*, Giovanni Faleg and Steven Blockmans, 12 July

*"EU Defence Policy after Chicago: Going smart?"*, Giovanni Faleg and Alessandro Giovannini, 19 May

*"The Fading Rose of Georgia's Revolution: Will elections bring fresh hope?"*, Hrant Kostanyan and Tika Tsertsvadze, 14 May

*"Do the BRICS make a bloc?"*, Michael Emerson, 30 April

*"The Ukraine Question"*, Michael Emerson, 4 April

*"A European view of Putin's foreign and security policy"*, Michael Emerson, 2 March

*"Farewell to the liberal technocrat? Reassessing Medvedev's foreign policy legacy"*, Andrey Makarychev, 2 March

*"Putin's faltering return"*, Michael Emerson, 1 February

*"Eastern Partnership: Still a missing link in EU strategy?"*, Andrey Makarychev and Andrey Deviatkov, 13 January

## Justice and Home Affairs

During 2012, the Justice and Home Affairs unit at CEPS produced timely research contributions on a variety of EU debates related to the internal and external dimensions of the EU Area of Freedom, Security and Justice (AFSJ). The unit consolidated its long-standing role in providing external expertise and independent research on AFSJ policies to EU institutions and as a network of scholars drawn from across Europe specialised in the AFSJ. The work conducted in research projects funded under the 7th Framework Programme of the European Commission constituted another key front of research.

A number of studies were carried out for the European Parliament dealing with EU policies on anti-terrorism, serious transnational crime, data protection and external border controls, where research-based recommendations were put forward. Of significance was the impact that CEPS research had in the EP report on alleged transportation and illegal detention of prisoners in European countries by the CIA, which quoted and took account of the findings outlined in a CEPS study dedicated to the issue.

Another contribution related to the future EU Home Affairs financial framework 2014-2020. The JHA unit co-organised with the EP a hearing on this matter where the results of the CEPS Report "Integration as a Two-Way Process in the EU" were presented. This report was quoted in a letter sent by the Court of Auditors to the President of the European Council resulting from an audit of the current EU funding schemes. CEPS also provided expertise in the drafting of the Opinion by the European Economic and Social Committee on these topics.

Questions related to EU migration and borders policies were also at the heart of the JHA unit's focus in 2012. In the aftermath of the Arab spring, CEPS research evaluated EU policies addressing the 2011 controversies on member states' reintroduction of internal border checks in the Schengen area. Its researchers also examined the dilemmas in EU migration policies in the Mediterranean and facilitated a better understanding of the EU

institutional struggles behind their nature. It highlighted the gaps in accountability and access to justice in cases of alleged fundamental rights violations in the framework of border controls.

### Highlights of 2012

2012 witnessed the kick-off of a new FP7 project called FIDUCIA (New European Crimes and Trust-Based Policy) where the JHA unit has been entrusted to study the role of EU Home Affairs agencies and the functions of knowledge and evidence in the criminalisation of irregular immigration and ethnic minorities in the EU. In the context of the ongoing FP7 research project SAPIENT (Supporting fundamental rights, Privacy and Ethics in surveillance Technologies), CEPS co-organised a high-level policy meeting with the European Data Protection Supervisor (EDPS) focused on the privacy challenges of internet monitoring for law enforcement.

A major project coordinated by CEPS on Migration and Asylum in Europe and EU-Canada Relations reached fruition in 2012 with the preparation of a new book published by Ashgate, entitled *Foreigners, Refugees or Minorities? Rethinking people in the context of border controls and visas* and edited by Didier Bigo, Sergio Carrera and Elspeth Guild.

The JHA unit was honoured to welcome various high-level presentations by key EU policy actors during 2012, including Viviane Reding, Vice-President of the European Commission, responsible for Justice, Fundamental Rights and Citizenship, and Cecilia Malmström, Commissioner for Home Affairs presented the Commission's Strategy in the fight against organised crime. A Conference on religious freedom and non-discrimination in the EU in the scope of the RELIGARE FP7 project (Religious Diversity and Secular Models in Europe) included keynote speeches by Herman Van Rompuy, President of the European Council, Thorbjørn Jagland, Secretary General of the Council of Europe and László Surján, Vice-President of the European Parliament.

**Elspeth Guild**, Associate Senior Research Fellow

**Sergio Carrera**, Senior Research Fellow and Head of Programme

**Peter Hobbing**, Associate Research Fellow

**Miriam Mir Canet**, Project Coordinator

**Katharina Eisele**, Research

**Anaís Faure Atger**, Researcher

**Joanna Parkin**, Researcher

**Nicholas Hernanz**, Research Assistant

**João Soares da Silva**, Research Assistant



### 2013 Priorities

A follow-up of the implementation of the Internal Security Strategy (ISS), in particular EU policies on anti-terrorism and prevention of crime policies as well as activities by the EU Home Affairs agencies. The current and future challenges affecting European cooperation in criminal justice. This will be accompanied by an examination of the relationship between data protection in EU law enforcement activities and policies. The JHA unit is participating in a new FP7 project in the scope of the Security Programme called SOURCE (Virtual Centre of Excellence for Research Support and Coordination on Social Security) beginning in 2013.

Schengen and EU external borders policies will be also a central research angle: Particular attention will be given to the debates around the Schengen systems, the challenges affecting external border controls and those related to the use of electronic 'smart' borders and large-scale databases in border control and surveillance.

EU migration policies will continue being amongst our research priorities. This will include an assessment of the internal and external dimensions of EU labour immigration policies and international comparisons (US and Canada). The relationship between migration and crime in Europe will continue to be a focus of study.

EU citizenship and its impact on member states' nationality legislations will be also covered. The unit has been awarded a new two-year project by DG Justice of the Commission on European Citizenship and its impact on the nationality law and practices of member states starting in 2013: The ILEC project (Involuntary Loss of European Citizenship: Exchanging Knowledge and Identifying Guidelines for Europe).

The unit will participate in the debates preceding the adoption of the post Stockholm Programme framework, 2014 – 2020, the next multi-annual EU policy programme setting the policy priorities in the AFSJ.

## Titles published in 2012

### ◆ CEPS Papers in Liberty and Security in Europe

**"EU Home Affairs Agencies and the Construction of EU Internal Security"**, Joanna Parkin, December

**"Justice and Home Affairs Databases and a Smart Borders System at EU External Borders: An Evaluation of Current and Forthcoming Proposals"**, Didier Bigo, Sergio Carrera, Ben Hayes, Nicholas Hernanz and Julien Jeandesboz, December

**"Does the Stockholm Programme matter? The Struggles over the Ownership of AFSJ Multi-Annual Programming"**, Sergio Carrera and Elspeth Guild, December

**"Trends and Gaps in the Academic Literature on EU Labour Migration Policies"**, Marie De Somer, December

**"The Court of Justice of the European Union as a Fundamental Rights Tribunal: Challenges for the Effective Delivery of Fundamental Rights in the Area of Freedom, Security and Justice"**, Sergio Carrera, Marie De Somer and Bilyana Petkova, August

**"Two boats in the Mediterranean and their unfortunate encounters with Europe's policies towards people on the move"**, Leonhard den Hertog, July

**"An Assessment of the Commission's 2011 Schengen Governance Package: Preventing abuse by EU member states of freedom of movement?"**, Sergio Carrera, March

**"Labour Migration and Unemployment: What can we learn from EU rules on the free movement of workers?"**, Elspeth Guild and Sergio Carrera, February

**"The results of inquiries into the CIA's programme of extraordinary rendition and secret prisons in European states in light of the new legal framework following the Lisbon Treaty"**, Sergio Carrera, Elspeth Guild, João Soares da Silva and Anja Wiesbrock, Study commissioned by the European Parliament



## Politics and Institutions

In 2012, the Politics and Institutions unit devoted several of its studies and activities to the role of the European Parliament and its functioning.

One study reviewed first-reading agreements under the EU's co-decision procedure, which have increased dramatically since their introduction in 1999: from 28% in the 5th EP to 77% in the current legislative period. Early agreements have been praised for their efficiency and inter-institutional compromise; at the same time, actors inside and outside Parliament have criticised their lack of transparency and visible political contestation. Intervening at a crucial moment in the review of the 2009 rules of co-legislation at first reading, CEPS organised a debate with MEP Andrew Duff to discuss the findings of a CEPS publication that critically assessed both the status quo and the suggested reforms against the benchmarks of efficient law-making, transparent legislation and visible and inclusive deliberation.

The unit also continued its monitoring activities of the European Parliament in cooperation with the London School of Economics and VoteWatch ([www.votewatch.eu](http://www.votewatch.eu)), an independent organisation set up to promote better debates and greater transparency in EU decision-making. VoteWatch provides easy access to, and analysis of, the political decisions and activities of the European Parliament and the EU Council of Ministers. In July 2012, CEPS published the "Mid-term Evaluation of the 2009-14 European Parliament: Legislative activity and decision-making dynamics".

Commissioned by the European Parliament, the unit in June 2012 published an important study outlining concrete options for improving the external representation of the euro area in international institutions such as the IMF, the World Bank and the G-20. The study proposes a two-stage process, the first of which requires the creation of a permanent subcommittee of the Eurogroup Working Group to elaborate common positions at the international level. A second step, taken in the longer term, would consist of creating a single-member position in the IMF and World Bank by merging national quotas via the European Stability Mechanism. For the

G-20, a single membership of the euro area could create inconsistencies with the European Union's membership. However, a euro area membership could be envisaged if a more economically and financially integrated euro area were to develop.

Apart from the regular presentations by Permanent Representatives of their member states' priorities for the Presidency of the Council of the EU (on 3 February by H.E. Jeppe Tranholm-Mikkelsen of Denmark, and on 12 July by H.E. Kornelios Korneliou of Cyprus), two other events stand out, both organised within the collaborative framework with the Austrian Institute for European Law and Policy, on "Open Dialogue between EU institutions and Citizens". Speakers at the events of 12 January and 14 March 2012 included P. Nikiforos Diamandouros (European Ombudsman), Margaritis Schinas (Deputy Head, Bureau of European Policy Advisors, European Commission), Prof. Johannes W. Pichler (Austrian Institute for European Law and Policy), Gerald Häfner MEP and Philippe Boulland, MEP.

In 2012, the unit was involved in EXACT and INCOOP, two PhD consortia of leading European universities in the field of political science, whereby students were hosted at CEPS to gain professional experience. EXACT ([www.exact-training.net](http://www.exact-training.net)) is coordinated by the University of Cologne and INCOOP ([www.in-coop.eu](http://www.in-coop.eu)) by the University of Maastricht.

### Plans for 2013

The current crisis is shaking the European Union in its foundations. The outcome is unclear. It could take the form of a secession of the eurozone or EU periphery (for example, Greece leaving the eurozone or the UK leaving the EU) or a situation in which the eurozone (and possibly the EU in its current form) disappears as a result of the inability or unwillingness of the centre to ensure the continued existence of monetary union or even the Union itself. Perhaps the most likely prospect is that of a differentiated Union. In any scenario, the actions and reactions of the centre – specifically Germany, or Germany in combination with France – will be critical. In his most recent state of the Union, Com-

**Steven Blockmans**,  
Senior Research Fellow

**Piotr Maciej Kaczyński**,  
Research Fellow

**Marco Incerti**, Research  
Fellow and Head of  
Communications

**Paul Ivan**, Research  
Assistant

**Bogdana Depo**, EXACT  
Research Assistant

**Miguel Haubrich  
Seco**, EXACT Research  
Assistant

**Jan Frederik Braun**,  
INCOOP Fellow

mission President Barroso called for a debate of a truly European dimension, before a new convention and an intergovernmental conference is called. In 2013, the unit will continue to inform the debate about the future of Europe, with its own publications and events, and by way of its leadership role in the European Policy Institutes Network (EPIN). Following up on last year's CEPS-EPIN seminar

on differentiated integration, the unit will start a new project on the "variable geometry of European integration", focusing on its external dimension. A call for papers has been published for a conference to be held on 6 May 2013. The confirmed keynote speaker is Jean-Claude Piris, former Director General of the Legal Service of the Council of the EU.

### European Policy Institutes Network

EPIN is a CEPS-led network of 35 research institutes from 26 countries (almost all EU member states and 2 candidate countries). It is guided by a 'steering committee' composed of seven member institutes. Since its founding in 2002, EPIN has provided a platform for researchers and policy analysts to establish personal links, exchange knowledge and collaborate on EU-related issues. Members bring their national perspectives to bear on the issues tackled and through collaboration, they contribute a 'European added-value' to the debate.

#### EPIN Events in 2012

- Barcelona, 9 July      Our Europe in Crisis: Dialogues and perceptions
- Stockholm, 15 June    Under pressure: National and European democracy in the wake of the euro-crisis
- Brussels, 24 April     Towards differentiated integration in the EU?
- Berlin, 17 February    Germany as viewed by the other member states – The EU as viewed by Germany

#### EPIN Working Papers

- **"Reviewing Member States' Commitment to the European External Action Service"**, Vivien Pertusot (IFRI), Almut Möller and Julian Rappold (Alfred von Oppenheim Centre for European Policy Studies, at GCFR), Edward Burke (FRIDE), Louise van Schaik (Clingendael Institute), Paul Ivan (Romanian Center for European Policies), Fredrik Landal (SIEPS), Maria João Seabra (Instituto de Estudos Estratégicos e Internacionais), Elina Viilup (Barcelona Centre for International Affairs), Ignacio Molina and Alicia Sorroza (Elcano Royal Institute for International and Strategic Studies) and Steven Blockmans (CEPS), November
- **"Germany as Viewed by Other EU Member States"**, Almut Möller and Roderick Parkes (eds), June
- **"Views on the Commission's Draft EU Budget: Excessively ambitious or overly timid?"**, Arnout Mijs and Adriaan Schout, January

#### EPIN Commentaries

- **"Who is afraid of the D-word? Towards the democratic European Union"**, Vit Benes (IIR, Prague), October
- **"Romanian politics: Struggling with the grass roots and digging for democracy"**, Agnes Nicolescu (IER, Bucharest), August
- **"The Image of Crisis-Ridden Europe and the Division Between Creditor and Debtor Countries: The Case of Italy"**, Michele Comelli (IAI, Rome), August
- **"From Integration to Competition: Britain, Germany and the EU's New Group Dynamics"**, Roderick Parkes (SWP, Brussels), April
- **"Why the Czechs did not sign up to the fiscal treaty"**, David Král (EUROPEUM, Prague), February

For more information, visit [www.epin.org/new/home](http://www.epin.org/new/home).

## Food Security and Development Policy

### Priorities and Developments

In a context of rising food prices, increasing market concentration and scarcity of resources, the global and European food systems are facing major challenges. Food security plays a significant role in global development and political changes. At the same time, the EU is in the midst of reforming its Common Agricultural Policy (CAP) under severe budgetary constraints and new decision-making rules.

The Food Security and Development Policy unit's research agenda focuses on three broad areas: 1) global food security and its implications for the EU as well as for global development, 2) reform of the EU's Common Agricultural Policy (CAP) and (3) competitiveness and sustainability of global and EU food systems. The unit contributes to these areas by taking part in and coordinating different EU-funded research projects, by providing high-level expertise to critical decision-making on agro-food and development policies and by publishing in high-level policy and scientific journals as illustrated below.

### Projects Underway

**Political Economy and CAP Reform.** CEPS is leading a project on how a variety of political, economic and institutional factors are influencing the decision-making on the current CAP reform discussions. One key factor is the co-decision rule, which is being applied for the first time to CAP decision-making and giving the EU Parliament a prominent role.

On this topic researcher Louise Knops wrote a commentary entitled "CAP reform: will the European Parliament take the bull by the horns?" in June 2012.

**Global Value Chains, Foreign Direct Investment, Trade and Food Security.** The unit heads a research project on how changes in global food value chains are influencing trade patterns and food security and development. The project pays special attention to the role of safety and quality standards and their interaction with FDI and trade patterns.

**TRANSFOP.** CEPS is a contributor to the FP7 project on "Transparency of Food Pricing", which is structured across a number of interrelated themes: the experience of food price inflation across the EU, theoretical and empirical approaches to price transmission, retailer-manufacturer interactions, factor market imperfections and contract enforcement issues in the food supply chain, the role and impact of small and medium enterprises in the EU food sector and mergers and acquisitions in the food sector.

**GRACE.** CEPS is a contributor to the FP7 "Genetically Modified Organisms Risk Assessment and Communication of Evidence". It aims at: 1) elaborating and sustainably implementing a transparent framework for the review of GMOs or GM food and feed effects on environment, socio-economics and health and 2) reconsidering the design, execution and interpretation of results of animal feeding trials as well as in vitro studies for assessing the safety of GM food and feed.

**Factor Markets.** CEPS coordinates the FP7 "Comparative Analysis of Factor Markets for Agriculture" project, which analyses the functioning of factor markets for agriculture in the EU-27 and the candidate countries. The research compares the different markets, their institutional framework and their impact on agricultural development and structural change. The project will allow better targeting of CAP measures with the aim of improving the competitiveness of the sector.



### Preview for 2013

In 2013, unit will investigate the challenges ahead for global and Europe's agro-food systems and food security. Moreover, the team will continue to undertake political and economic analysis of the reform of the EU's CAP. Included among the specific events planned are a high-level policy debate with the President of the Agricultural Council, Irish Agricultural Minister Simon Coveney and conference on "Agricultural Productivity and its Impacts on Global Trade" in Sevilla.

**Johan F.M. Swinnen,**  
Senior Research Fellow  
and Catholic University  
of Leuven

**Nathalie Francken,**  
Research Fellow

**Eleni Kaditi,** Associate  
Research Fellow

**Louise Knops,**  
Research Assistant

**Kristine Van Herck,**  
Research Assistant

## Cross-Disciplinary Projects

A strong tradition of intellectual debate and sharing of views across the various research units is firmly embedded at CEPS, whether at our regular in-house research seminars, in the monthly meetings of Senior Research Fellows or in the corridors. This cross-fertilisation has become a hallmark of CEPS' research, often resulting in a richer and more complex understanding of Europe's challenges. Two major projects profiled on this page have especially been the beneficiary of this tradition at CEPS.

### MEDPRO – Prospective Analysis for the Mediterranean Region

[www.medpro-foresight.eu](http://www.medpro-foresight.eu)



Funded under the European Commission's 7th Framework Programme and coordinated by CEPS Senior Fellow Rym Ayadi,

the MEDPRO project started in March 2010, a few months before the Arab spring unfurled. Drawing on the expertise of virtually every research unit at CEPS, the project aims to contribute to the reform process in the political and socio-economic agendas of Southern Mediterranean countries from Morocco to Turkey by broadening the level of knowledge on the numerous challenges faced by the region.

The research has been deeply influenced by the Arab Spring developments, giving the project an unmatched relevance in the current economic and political contexts. A key value-added of MEDPRO resides in its 'prospective' dimension: research results are integrated into a qualitative and quantitative scenario framework, to ensure a maximum relevance of the project's outcomes.

MEDPRO is now coming to completion and a strong dissemination effort is being undertaken via high-level stakeholder meetings in the Southern Mediterranean and the EU. These meetings aim at testing the research results against the views of experts, in order to fine-tune the prospective scenarios of Euro-Mediterranean relations and the corresponding policy recommendations. Meetings have been held in Barcelona, Tunis and Cairo. In February 2013, MEDPRO presented its findings at a public conference in Brussels to which experts, academics and policy-makers from the EU and the Southern Mediterranean were invited.

### NEUJOBS

[www.neujobs.eu](http://www.neujobs.eu)



NEUJOBS is another FP7 project at CEPS that draws on a broad range of cross-cutting in-house expertise. Coordinated by Associate

Senior Research Fellow Miroslav Beblavý, the four-year project analyses future developments in European labour markets in light of fundamental transitions that will have a major impact on employment in Europe.

Now in its 2nd year, the NEUJOBS project has produced interesting results on several fronts: welfare state developments, quality of jobs, employment in the public sector and the role of labour market regulation in sustaining innovation. CEPS' research, carried out in collaboration with the Slovak Governance Institute and focusing on the interplay between the labour market and skills, revealed an interesting phenomenon called 'job polarisation'. Demand is growing for both high-profile and low-skilled jobs while jobs in the middle tend to disappear either offshore or to be replaced by technology. Further analysis on the low-skilled labour force revealed the need to distinguish between a low-educated worker and one who is likely to occupy a low-skilled job, especially due to his/her immigrant status or other instances of over-educational mismatch. Research on lifelong learning also stressed that social capital is an important factor in explaining how people remain active and upgrade their skills. This is just a small sampling of the surprising research findings that have already been revealed in this far-ranging project, all of which is easily accessible on the NEUJOBS website.

The year concluded with a stimulating brainstorming session in which officials from the EU institutions were invited to debate (under Chatham House rules) the interplay between the short-term and the long-term challenges that labour markets face today.



Staffan Jerneck

## MESSAGE FROM THE DIRECTOR OF CORPORATE RELATIONS

Contrary to expectations, the economic climate in Europe got even tougher in 2012, although some of the pressure had lifted by the start of the new year. A positive development was that CEPS Corporate Members were actively involved in the many activities at CEPS. We were happy to welcome as new members: ACEA, Afore, ATKearney, Atlas Copco, BVCA, Edelman, EUCA, FTI Consult, NLI Research Institute, Nykredit, Raiffeisen Zentralbank Österreich, Samsung and Toyota. I note that CEPS now has a very solid base of some 130 Corporate Members. These companies contribute important expertise to our diverse activities such as the CEPS Annual Conference, Task Forces, workshops and conferences. It is important that we continue to strengthen our relations with the Corporate Members in 2013.

The CEPS Annual Dinner debate on February 29th featured the Danish Prime Minister Helle Thorning-Schmidt. On this occasion, CEPS Chairman H. Onno Ruding handed over the timely CEPS Task Force Report "Investing where it matters: An EU Budget for Long-Term Growth" to the Prime Minister.

The CEPS Corporate Breakfast programme has been especially active this year, featuring senior policy-makers, including European Commission Vice-President Neelie Kroes, Commissioners Günter Oettinger, Connie Hedegaard and Karel De Gucht and Director Generals Philip Lowe and Alexander Italianer.

The CEPS Carbon Market Forum, launched in December 2011, has initiated three separate Task Forces on the EU Emissions Trading System, New Market Mechanisms and the CDM Policy Dialogue. Other Task Forces are exploring such topics as "Better credit reporting in Europe" and "Supporting long-term investing and retirement savings".

The CEPS Digital Forum also has started Task Forces on online data protection/processing and copyright in the EU single market.

The CEPS and Harvard Law School's annual symposium on transatlantic financial relations was held 22-24 March at Citi's facility in Armonk, NY. The 2013 symposium will be hosted by Swiss Re in Zurich 21-23 March.

For the second year in a row CEPS was commissioned by Ernst & Young to prepare an in-depth study on innovation. This report, entitled "The power of simplicity. Toward a smarter and streamlined innovation policy in the EU" was introduced in May by Andrea Renda, CEPS, at a conference organised by Ernst & Young, at which Commission President José Manuel Barroso gave the keynote speech. Ernst & Young has recently asked CEPS to produce a third report in the series for a launch in April 2013.

With this message I conclude by saying farewell to CEPS after sixteen (16!) years as Director and Director of Corporate Relations. I will retire in March 2013 and return to Lidingö in Sweden. I am looking forward to joining my wife Ingrid, children and grandchildren. I will, however continue to do some work for CEPS. Thank you all for a very challenging, dynamic, positive and stimulating time!

## CEPS TASK FORCES 2012 AND 2013

### Aligning the EU Budget with the Europe 2020 Competitiveness and Growth Objectives

CHAIR: **Daniel Tarschys**, Professor Emeritus in Political Science and Public Administration, Stockholm University  
 RAPPORTEUR: **Jorge Núñez Ferrer**, CEPS Associate Fellow  
 Report published on 9 February 2012

### Carbon Market Forum: CDM Policy Dialogue

CHAIR: **Dirk Forrister**, incoming CEO of the International Emissions Trading Association  
 RAPPORTEUR: **Andrei Marcu**, Senior Advisor and Head of the CEPS CMF  
 MEETINGS: 4 July 2012, 17 September 2012  
 Report published November 2012

### Carbon Market Forum: New Market Mechanisms under the AWG-LCA

CHAIR: **Pedro Martins Barata**, former lead negotiator on mechanisms for the EU and a former member and vice-chair of the CDM EB  
 RAPPORTEUR: **Andrei Marcu**, Senior Advisor and Head of the CEPS CMF  
 MEETINGS: 23 February 2012, 22 March 2012, 16 May 2012 (UNFCCC Side event in Bonn), 6 September 2012 (Bangkok), 16 November 2012 (Brussels), 27 November 2012 (Side event in Doha)  
 Report under preparation

### Carbon Market Forum: Review of EU ETS Issues

CHAIR: **Teresa Ribera**, former Secretary of State for Climate Change in the Spanish Government from 2008 to 2011  
 RAPPORTEUR: **Andrei Marcu**, Senior Advisor, Head of the CEPS CMF  
 MEETINGS: 29 May 2012, 4 July 2012 (Warsaw), 10 September 2012 (Brussels), 19 October 2012 (Paris), 22 October 2012 (Berlin), 1 February 2013  
 Report under preparation



### Digital Forum: Online Personal Data Processing

RAPPORTEUR: **Kristina Irion**, Assistant Professor and Research Director at the Center for Media and Communication Studies of the Central European University  
 MEETINGS: 7 November 2012, 11 December 2012, 9 January 2013



### Digital Forum: Copyright in the EU Digital Single Market

RAPPORTEUR: **Giuseppe Mazziotti**, CEPS Research Fellow & Co-Manager of the Digital Forum  
 MEETINGS: Launch event: 7 November 2012 with keynote speaker **Michel Barnier**, Commissioner responsible for copyright, 14 November 2012, 13 December 2012, 16 January 2013

### Does the revised EU ETS market produce the 'right' price signal?

CHAIR: **Henry Derwent**, CEO & President, International Emissions Trading Association (IETA)

RAPPORTEUR: **Christian Egenhofer**, CEPS Senior Fellow

MEETING: 26 March 2012

Report published on 12 November 2012

### Investing where it matters: An EU Budget for Long-Term Growth

CHAIR: **Daniel Tarschys**, Professor Emeritus in Political Science and Public Administration, Stockholm University

RAPPORTEUR: **Jorge Núñez Ferrer**, Associate Research Fellow, CEPS

Report published and launched on 9 February 2012 at CEPS and on 21 March 2012

in the European Parliament, Brussels

### Price Formation in Commodities Spot and Futures Markets

CHAIR: **Ann Berg**, Senior Consultant to the UN - FAO

RAPPORTEURS: **Christian Egenhofer**, CEPS Senior Fellow

**Diego Valiante**, CEPS/ECMI Fellow

MEETINGS: 20 January 2012, 10 February 2012, 16 March 2012

Report under preparation



### Rethinking Asset Management

CHAIR: **Jean-Baptiste de Franssu**, CEO of Invesco Europe

RAPPORTEURS: **Jean Pierre Casey**, CEPS Associate Fellow

**Mirzha Demanuel**, CEPS/ECMI Research Assistant

**Diego Valiante**, CEPS/ECMI Fellow

Report launched on 19 April 2012 & on 7 June 2012 in Paris

### Supporting Long-term Investing and Retirement Savings

CHAIR: **Allan Polack**, CEO of Nordea Asset Management.

RAPPORTEURS: **Karel Lannoo**, CEO of CEPS

**Mirzha de Manuel**, Researcher.

MEETINGS: 29 October 2012, 7 December 2012, 17 January 2013,

7 February 2013



### The Carbon Market after Copenhagen: Challenges and the way forward for the EU

CHAIR: **Benoît Leguet**, Chair of the JI Supervisory Committee and Vice President for Research, CDC Climat

RAPPORTEURS: **Noriko Fujiwara**, CEPS Fellow

**Anton Georgiev**, CEPS Associate Researcher

**Christian Egenhofer**, CEPS Senior Fellow

Report launched on 8 March 2012

### Towards Better Use of Credit Reporting in Europe

CHAIR: **Dieter Steinbauer**, former Executive Board Member of SCHUFA

RAPPORTEUR: **Elina Pyykkö**, Researcher, ECRI

MEETINGS: 12 June 2012, 26 September 2012, 5 December 2012



### Transport and Climate Change

CHAIR: **Arie van Bleijenberg**, Manager of Business Unit Mobility and Logistics, TNO Netherlands

RAPPORTEURS: **Arno Behrens**, CEPS Fellow

**Christian Egenhofer**, CEPS Senior Fellow

Report under preparation

### Which economic model for a water-efficient Europe ?

CHAIR: **Richard Seeber**, Member of the European Parliament, EPP, Member of the EP ENVI Committee & President of the EP Water Group

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

**Monica Alessi**, Research Fellow and Programme Manager, CEPS

MEETINGS: 5 March 2012, 27 March 2012, 23 April 2012

Report published and launched in the European Parliament in January 2013



### New member of CEPS senior management team



Kerstin Born-Sirkel succeeds Staffan Jerneck as Director of Corporate and External Relations, effective 1 March 2013. Kerstin brings a wealth of relevant experience in public affairs, business development and communications to CEPS. Her professional experience ranges from business and NGOs to government service. Most recently, she was Executive Director for CSR Europe, the leading European business network for Corporate Social Responsibility based in Brussels. In previous posts she was involved in corporate communications at DaimlerChrysler Financial Services and project management at the Konrad Adenauer Foundation in South Africa. A German national, Kerstin has also worked extensively in the field of European affairs for both the Office of the Berlin Senate and the Representation of the Federal State of Berlin to the FRG.

Kerstin holds an MBA and an MA degree in modern history, French literature and public law.



## CEPS CORPORATE BREAKFAST MEETINGS 2012

Chaired by **Staffan Jerneck**, Director, Director of Corporate Relations

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### ■ 18 APRIL

#### Europe's Energy Challenge

SPEAKER: **Philip Lowe**, Director General, DG Energy, European Commission



### ■ 11 MAY

#### Developments and Challenges in EU Competition Policy

SPEAKER: **Alexander Italianer**, Director General, DG COMP, European Commission



### ■ 19 JUNE

#### Trade as a Driver of Much-Needed Growth

SPEAKER: **Karel De Gucht**, Commissioner for Trade, European Commission



### ■ 11 JULY

#### Europe's Energy Future

SPEAKER: **Günter Oettinger**, Commissioner, Energy, European Commission



### ■ 11 OCTOBER

#### Online privacy and online business?

SPEAKER: **Neelie Kroes**, Vice President, Digital Agenda, European Commission



### ■ 13 NOVEMBER

#### What is the Commission doing about climate change?

SPEAKER: **Connie Hedegaard**, Commissioner, Climate Action, European Commission



## CEPS MEMBERSHIP EVENTS 2012

- **12 JANUARY** **Assessing the Code of Conduct and Legislative Footprints: Their impact for MEPs, interest representatives and transparency**  
 Diana Wallis, MEP • Gerald Häfner, MEP • Lukas Obholzer, VoteWatch.eu & CEPS
- **25 JANUARY** **On narrow paths and through shallow waters? The Substance of EU Democracy Promotion**  
 Jan Orbie, Ghent University • Anne Wetzel, University of Mannheim • Richard Youngs, FRIDE • Balthasar Benz, European External Action Service • Chair: Karel Lannoo, CEPS
- **31 JANUARY** **Innovation in Mobile and Electronic Payments: Regulatory challenges in promoting security and efficiency** *Joint CEPS-ECRI event*  
 Gerd Heinen, DG MARKT, European Commission • Rita Wezenbeek, DG COMP, European Commission • Olutunmbi Idowu, Ericsson Money Services • Tomas Korseman, Ericsson Money Services • Thomas Lammer, European Central Bank • Fabienne Weibel, PayPal • Chair: Staffan Jerneck, CEPS
- **31 JANUARY** **Solidarity and Austerity: The State of the European Union in 2012**  
*3rd Annual Think Tanks Dialogue*  
 Martin Schulz, MEP • Danuta Hübner, MEP • Daniel Gros, CEPS • Jean Pisani-Ferry, Bruegel • Chair: Paul Taylor, Reuters
- **31 JANUARY** **Open Dialogue between EU Institutions and Non-Organised Civil Society**  
*in cooperation with the Austrian Institute for European Law and Policy*  
 Gerald Häfner, MEP • Philippe Boulland, MEP • Piotr Kaczyński, CEPS • Graeme Carter, Bureau of European Policy Advisers • Pawel Chorazy, Permanent Representation of Poland to the EU • Kenan Hadzimusic, European Citizen Action Service • Yuri Misnikov, Centre for Digital Citizenship, Leeds • Chair: Christine Leitner, Danube University, Krems  
 Venue: Representation of Saxony-Anhalt to the EU
- **3 FEBRUARY** **The Priorities of the Danish Presidency of the Council of the EU**  
 Jeppe Tranholm-Mikkelsen, Permanent Representative of Denmark to the EU
- **6-7 FEBRUARY** **European Security Economics: Lessons learnt and the way forward**  
*in cooperation with DIW*  
 Tilman Brück, DIW Berlin and Humboldt-University • Michael Brzoska, Hamburg University • Konstantinos Drakos, Athens University of Economics and Business • Jitka Malecková, Academy of Sciences of the Czech Republic • Sergio Carrera, CEPS
- **9 FEBRUARY** **Investing where it matters: An EU Budget for Long-Term Growth**  
*Launch of a CEPS Task Force Report*  
 Daniel Tarschys, Stockholm University and Board of the Bank of Sweden Tercentenary Foundation • Jorge Núñez Ferrer, CEPS • Sinne Conan, Confederation of Danish Industry • Danuta Hübner, MEP • Göran Färm, MEP • Sidonia Elzbieta Jedrzejska, MEP • Chair: Staffan Jerneck, CEPS

- **16-17 FEBRUARY Planning Workable Policies for Migrant Integration in the EU Member States**  
*in cooperation with the European Institute for Public Administration.*  
**Sergio Carrera**, CEPS • **Eva Schultz**, DG Home European Commission • **Shannon Pfohman**,  
 European Network Against Racism • **Christel Baltes-Löhr**, European Migration Network  
 Venue: European Institute of Public Administration, Maastricht
- **22 FEBRUARY How to boost the EU's competitiveness on the world stage? The role of knowledge-intensive business services** *Launch of the European Commission's Competitiveness Report 2011*  
**Konstantin Pashev**, DG ENTR, European Commission • **Mats Marcusson**, DG ENTR, European Commission •  
 Discussant: **Andrea Renda**, CEPS
- **23 FEBRUARY Linking Future Economic Development to Jobs** *NEUJOBS event*  
**Paul Zagamé**, University of Paris 1 • Discussants: **Jan Kreutz**, Party of European Socialists • **Michael Freytag**,  
 Eurociett • **Ivo Christiaens**, Siemens • **Claire Roumet**, Cecdhas
- **24 FEBRUARY Restructuring EU Banks: The role of state aid control**  
**Joaquín Almunia**, Vice-President of the European Commission
- **28 FEBRUARY The Growth Imperative: How to achieve it?**  
*5th CEPS-European Parliament pre-Council Economic Dialogue*  
**Gianni Pittella**, MEP • **Pervenche Berès**, MEP • **Sven Giegold**, MEP • **Stefano Micossi**, Assonime •  
**Daniel Gros**, CEPS  
 Venue: European Parliament, Brussels
- **29 FEBRUARY CEPS Annual Conference 2012** *Opening Dinner*  
**Helle Thorning-Schmidt**, Prime Minister of Denmark • Chair: **H. Onno Ruding**, Chairman of the CEPS  
 Board of Directors  
 Venue: Cercle Royal Gaulois, Brussels
- **1 MARCH CEPS Annual Conference**  
**Giuliano Amato**, former Prime Minister of Italy • **Yves Leterme**, OECD • **Beatrice Weder di Mauro**,  
 Council of Economic Experts, Germany • **Philippe Gudin de Vallerin**, Ministry of Finance, France •  
**William E. Kennard**, Ambassador of the US to the EU • **Izzet Selim Yenel**, Ambassador of Turkey to the EU •  
**Jan Zahradil**, MEP  
 Venue: Residence Palace, Brussels
- **6 MARCH Sovereign Bond Markets: In a state of flux?** *Joint CEPS-ECMI event*  
**Peter Grasmann**, European Commission • **Nikolas Panigirtzoglou**, JP Morgan • **Steven Major**, HSBC •  
**Daniel Gros**, CEPS • Chair: **Wim Boonstra**, Rabobank Group
- **7 MARCH EU Funding on Migration, Integration and Asylum - Testing the Added Value**  
*Joint CEPS-European Parliament cross-party hearing*  
**Sergio Carrera**, CEPS • **Shannon Pfohman**, ENAR • **Peter Verhaeghe**, Caritas • Chair: **Judith Sargentini**, MEP •  
**Jean Lambert**, MEP • Discussants: **Rui Tavares**, MEP • **Sylvie Guillaume**, MEP  
 Venue: European Parliament, Brussels
- **8 MARCH The EU ETS as a Driver for Future Carbon Markets** *Launch of a CEPS Task Force Report*  
**Artur Runge-Metzger**, DG Climate Action, European Commission • **Benoît Leguet**, CDC Climat • **Noriko**  
**Fujiwara**, CEPS • **Assar Qureshi**, Ministry of Climate & Energy, Denmark • **Jan Peter Jepsen**, Norsk Hydro

■ **14 MARCH** **Open Dialogue between Institutions and Citizens: Chances and Challenges**

*in cooperation with the Austrian Institute for European Law and Policy*

**P. Nikiforos Diamandouros**, European Ombudsman • **Margaritis Schinas**, Bureau of European Policy Advisors, European Commission • **Johannes W. Pichler**, Austrian Institute for European Law and Policy • **Marco Incerti**, CEPS

Venue: Representation of Saxony-Anhalt, Brussels

■ **16 MARCH** **Fighting Organised Crime - Going for the money**

**Cecilia Malmström**, Member of the European Commission responsible for Home Affairs • Chair: **Staffan Jerneck**, CEPS

■ **20 MARCH** **Optimising Electricity Transmission in Europe: Technological and regulatory options** *Joint CEPS-ECN Workshop*

**Kitti Nyitrai**, DG Energy, European Commission • **Gerard Doorman**, Norwegian University of Science and Technology • **Mihai Paun**, ENTSO-E • **Mats Nilsson**, Vattenfall • **Adriaan van der Welle**, ECN • **Arne Mogren**, European Climate Foundation • **Matthieu Craye**, DG Energy, European Commission • **Nicolaos Antonio Cutululis**, Technical University of Denmark • **Concetta Martens**, Amprion • **Chloé Le Coq**, Stockholm School of Economics • **Luis Costa**, Alstom • Chairs: **Arno Behrens**, CEPS • **Jaap Jansen**, ECN

■ **21 MARCH** **Investing where it matters: An EU Budget for Long-Term Growth**

*Launch of a CEPS Task Force Report in cooperation with EPP, S&D and ALDE political groups*

**Jorge Núñez-Ferrer**, CEPS • **Goran Färm**, MEP • **Danuta Hübner**, MEP • **Sidonia Jedrzejewska**, MEP • **Anne E. Jensen**, MEP • Chair: **Sinne Conan**, Confederation of Danish Industry

Venue: European Parliament, Brussels

■ **22 MARCH** **The European Parliament and CAP Reform: How will co-decision affect the outcome?**

**Bas Eickhout**, MEP • **Tomas Garcia-Azcarate**, DG AGRI, European Commission • **Christophe Crombez**, Katholieke Universiteit Leuven • **Johan Swinnen**, CEPS

■ **29 MARCH** **The Future of the European Parliament**

**Klaus Welle**, Secretary General, European Parliament • Chair: **Staffan Jerneck**, CEPS

■ **12 APRIL** **Implementation of Basel III in the EU: CRR/CRD IV**

**Thomas Broeng Jørgensen**, Danish FSA • **Adam Farkas**, European Banking Authority • **Francesco Mazzaferro**, European Systemic Risk Board • **Sven Giegold**, MEP • **Thierry Philipponnat**, Finance Watch • **Stefano Micossi**, Assonime • Chair: **Rym Ayadi**, CEPS

■ **16 APRIL** **Implementing the Charter of Fundamental Rights: The state of play** *Presentation of the European Commission's Annual Report on the Application of the EU Charter of Fundamental Rights*

**Viviane Reding**, Vice-President of the European Commission • Chair: **Elsbeth Guild**, CEPS

■ **19 APRIL** **Rethinking Asset Management** *Launch of the CEPS-ECMI Task Force Report*

**Jean Baptiste de Franssu**, former CEO, Invesco Europe • **Karel Lannoo**, CEPS • **Mirzha de Manuel**, CEPS • **Tilman Lueder**, DG Internal Market and Services, European Commission • **Marco Lamandini**, University of Bologna • **Nitin Mehta**, CFA Institute

■ **24 APRIL** **Towards differentiated integration in the EU?** *Joint CEPS-EPIN seminar*

**Poul Skytte Christoffersen**, Ambassador of Denmark to Belgium • **Derk-Jan Eppink**, MEP • **Luuk Van Middelaar**, Member of the Van Rompuy Cabinet • Chair: **Almut Möller**, German Council on Foreign Relations

- **26 APRIL** **Coping with Copper: Regulation and investment in telecoms infrastructure**  
**Robert W. Crandall**, Brookings • **Andrea Renda**, CEPS • **Eduardo Martínez Rivero**, DG COMP, European Commission • Chair: **Staffan Jerneck**, CEPS
- **27 APRIL** **Joint CEPS-European Tax Policy Forum (ETPF) Conference on Business Taxation**  
**Algirdas Šemeta**, European Commissioner • **Emrah Arbak**, CEPS • **John Vella**, Oxford University • **Jing Xing**, Oxford University • **Alfons Weichenrieder**, Goethe University Frankfurt • **Shafik Hebous**, Goethe University Frankfurt • **Giorgia Maffini**, Oxford University • **Simon Loretz**, Oxford University
- **3 MAY** **The EU-Canada Free Trade Agreement: Clearing the remaining hurdles?**  
**Mauro Petriccione**, DG TRADE, European Commission • **Catherine Dickson**, Mission of Canada to the EU • **Jason Langrish**, Canada-Europe Roundtable for Business • Chair: **Jacques Pelkmans**, CEPS
- **4 MAY** **Future Perspectives for Value Creation: Will Horizon 2020 help?** *Joint CEPS-Federation of German Industries event - Presentation of "Germany 2030 – Future perspectives for value creation"*  
**Andreas Barner**, Boehringer Ingelheim GmbH • **Reinhold Achatz**, ThyssenKrupp AG • **Jürgen Leohold**, Volkswagen AG • **Andrea Renda**, CEPS • **Dominique Ristori**, Joint Research Centre, European Commission • **Hugues-Arnaud Mayer**, Mouvement des Entreprises de France • Chair: **Staffan Jerneck**, CEPS
- **7 MAY** **The Transit Dimension of EU Energy Security - Russian gas transit across Ukraine, Belarus and Moldova**  
**Katja Yafimava**, Oxford Institute for Energy Studies • Chair: **Christian Egenhofer**, CEPS
- **8 MAY** **European Government and Innovation Summit** *Joint CEPS-Ernst & Young event*  
**José Manuel Barroso**, President of the European Commission • **Jim Wales**, Wikipedia • **Andrea Renda**, CEPS • **Ilaria Rosso**, Electro Power systems  
Venue: BOZAR Conference Centre, Centre for Fine Arts, Brussels
- **10 MAY** **Reforming Trilogues and First-Reading Agreements: How to negotiate under co-decision**  
**Christine Reh**, University College London • **Una O'Dwyerm**, European Institute of Public Administration • **Lukas Obholzer**, London School of Economics and Political Science • **Andrew Duff**, MEP
- **15 MAY** **The Sovereign Debt Crisis and its Impact on Growth** *Launch of a CEPS Paperback*  
**Anton Brender**, Dexia Asset Management and Paris-Dauphine University • **Florence Pisani**, Dexia Asset Management and Paris-Dauphine University • **Emile Gagna**, Dexia Asset Management • Chair **Daniel Gros**, CEPS
- **22 MAY** **Trust in Justice: How the European Social Survey can inform policy?**  
**Mike Hough**, University of London • **Jonathan Jackson**, London School of Economics • Co-Chairs: **Rory Fitzgerald**, European Social Survey • **Lieven Pauwels**, Ghent University
- **24 MAY** **US Elections 2012 across the Atlantic: What it means for Europe?**  
**David Mark**, Senior Editor, Politico
- **30 MAY** **Trading Peace: The EU and the Security-Business/Trade Nexus**  
*Joint CEPS- University of Nottingham workshop* **Sascha-Dominik Bachmann**, University of Portsmouth • **Mary Martin**, London School of Economics • **Jocelyn Mawdsley**, Newcastle University • **Elena Peresso**, Cabinet of Commissioner Karel De Gucht • **Patrick Simonnet**, DG Devco, European Commission • **Giovanni Faleg**, CEPS • **Benedetta Voltolini**, London School of Economics

■ **4 JUNE Armenia's European vocation ?**

**Tigran Sargsyan**, Prime Minister of the Republic of Armenia • Chair **Daniel Gros**, CEPS

■ **5 JUNE How can regulation improve EU competitiveness?**

**Simon Henry**, Royal Dutch Shell • **Diego Canga**, Head of Cabinet of Vice-President Antonio Tajani • **Corien Wortmann-Kool**, MEP • Chair **Staffan Jerneck**, CEPS

■ **5 JUNE The Future (Re)insurance Regulation in the EU: Is Solvency II under threat?**

**Gabriel Bernardino**, European Insurance and Occupational Pensions Authority • **Francesco Mazzaferro**, European Systemic Risk Board • **Sven Giegold**, MEP • **Karel Van Hulle**, DG MARKT, European Commission • Chair **Rym Ayadi**, CEPS

■ **6 JUNE Independence in Financial Services**

*Joint event of CEPS and the Institute of Chartered Accountants in England and Wales (ICAEW)*

**Steven Maijoor**, European Securities and Markets Authority • **Wolf Klinz**, MEP • **Donato Masciandaro**, Bocconi University • **Fabrice Demarigny**, Mazars • **Tony Bromell**, ICAEW • Chair **Karel Lannoo**, CEPS

■ **7 JUNE Investor Protection: Which way now?**

*Joint event of CEPS, ECMI and the Chartered Financial Analyst (CFA) Institute*

**Mirzha de Manuel**, CEPS • **Edouard Vieillefond**, Autorité des Marchés Financiers • **Jean-Baptiste de Franssu**, Incipit • **Graziella Marras**, CFA Institute • Chair **René Karsenti**, ECMI

■ **13 JUNE Understanding the Trigger: CDS credit event determination and the systemic importance of sovereign CDS** *Joint CEPS-ECMI event*

**David Geen**, International Swaps and Derivatives Association • **Andrew Byatt**, Depository Trust and Clearing Corporation • **Nicolas Gauthier**, Directorate-General for Internal Market and Services, European Commission • Chair **Karel Lannoo**, CEPS

■ **20 JUNE Smart Materials - Sustainable future**

**Torsten Woellert**, DG CLIMA, European Commission • **Peter Cartwright**, Chairman of the European Silicon Industry • **Harald Pilz**, Denkstatt • Chair **Staffan Jerneck**, CEPS

■ **20 JUNE Crisis Management and Growth in the Eurozone**

*6th CEPS-European Parliament Pre-Council Economic Dialogue*

**Diogo Feio**, MEP • **Leonardo Domenici**, MEP • **Gianni Pittella**, MEP • **Stefano Micossi**, Assonime • **Cinzia Alcidi**, CEPS

Venue: European Parliament, Brussels

■ **21 JUNE Clean Energy for the Future: How to foster cooperation between the EU and the Gulf region**

*Joint event of CEPS and the EU-Gulf Cooperation Council (GCC) Clean Energy Network*

**Michael Köhler**, Cabinet of Commissioner Oettinger • **John Psarras**, National Technical University of Athens • **Naji Abi Aad**, Senior Energy Advisor, Qatar • **John Gale**, International Energy Agency • Chair **Arno Behrens**, CEPS

■ **26 JUNE Unleashing Competition in Financial Market Structures - Discussion with Xavier Rolet**

*Joint CEPS-ECMI event*

**Xavier Rolet**, London Stock Exchange Group • Chair **Karel Lannoo**, CEPS

■ **26 JUNE Preparing for the Future: Stepping up the ambitions of climate change policy**

**Connie Hedegaard**, European Commissioner for Climate Change • **Bård Vegar Solhjell**, Minister of the Environment, Norway • **Christian Egenhofer**, CEPS • **Philippe Rosier**, Solvay Energy Services – Orbeo • **Paal Frisvold**, Bellona Europa • Chair: **Shirin Weeler**, BBC

Venue: Norway House, Brussels

■ **27 JUNE Basel III Implementation in the EU: The final negotiations**

**Guido Ravoet**, European Banking Federation • **Adrian Blundell-Wignall**, OECD • **Sony Kapoor**, EBA Banking Stakeholder Group • **Philippe Lamberts**, MEP • **Thomas Broeng Jørgensen**, Danish Presidency • **Francesco Mazzaferro**, European Systemic Risk Board • Chair **Rym Ayadi**, CEPS

■ **28 JUNE Negotiating Religious Pluralism in Europe: Between the EU and the ECHR**

**Olivier Roy**, European University Institute • **Silvio Ferrari**, University of Milan • **Juliane Kokott**, European Court of Justice • **Vladimiro Zagrebelsky**, Former Judge, ECtHR • **Matthias Kloth**, Council of Europe

Venue: European Parliament, Strasbourg

■ **2 JULY The Substance of EU International Democracy Promotion *Public Forum***

**Pierre Vimont**, European External Action Service • **Balthasar Benz**, EEAS • **Pirkka Tapiola**, EEAS • **Jan Orbie**, University of Gent • **Anne Wetzel**, Mannheim University • **Emmanuel Gyimah-Boadi**, Ghana Centre for Democratic Development • **Abdallah Helmy**, El Sadat Association for Social Development and Welfare

■ **6 JULY Lives Lost in the Mediterranean Sea: Who is responsible?**

**Tineke Strik**, Member of the Dutch Senate • **Charmaine Hili**, DG Home Affairs, European Commission • **Ana Cristina Jorge**, Frontex • **Simon Cox**, Open Society Justice Initiative • **Sergio Carrera**, CEPS • **Baldwin de Vidts**, former NATO legal adviser • Chair: **Elsbeth Guild**, CEPS

■ **10 JULY Towards a new EU crisis management framework?**

**Thorsten Beck**, Tilburg University • **Daniel Gros**, CEPS • **Henrik Bjerre-Nielsen**, Finansiell Stabilitet • **Sabino Fornies Martinez**, European Commission • **Elisa Ferreira**, Member of S&D Group • Chair: **Rym Ayadi**, CEPS

■ **12 JULY The Priorities of the Cyprus Presidency of the Council of the EU**

**Kornelios Korneliou**, Permanent Representative of Cyprus to the EU • Chair: **Daniel Gros**, CEPS

■ **10 SEPTEMBER In from the Shadow: Integrating Europe's Informal Labour**

*Launch of a World Bank report* **Katarina Mathernova**, World Bank • **Truman Packard**, World Bank • **Johannes Koettl**, World Bank

■ **19 SEPTEMBER Shadow Banking under Review**

*CEPS high-level roundtable on the future of financial regulation*

**Yasushi Shiina**, Financial Stability Board • **Lewis Webber**, Bank of England • **Philip Warland**, Fidelity • **Diego Valiante**, CEPS • **Emrah Arbak**, CEPS • **Martin Merlin**, European Commission • **Philippe Lamberts**, MEP • **Francesco Mazzaferro**, European Systemic Risk Board • Chair: **Rym Ayadi**, CEPS

■ **19 SEPTEMBER Agricultural Policies: Monitoring and evaluation *Launch of the 2012 OECD Report***

**Carmel Cahill**, OECD • **Catherine Moreddu**, OECD • Chair: **Johan Swinnen**, CEPS

■ **21 SEPTEMBER Lessons Learned from the Swedish Crisis: The way forward**

**Stefan Ingves**, Central Bank of Sweden • Chair: **Staffan Jerneck**, CEPS

■ **8 OCTOBER** **The Economic Situation in Greece: A view from the Commission**

**Horst Reichenbach**, Head of the Task Force for Greece, European Commission • Chair: **Daniel Gros**, CEPS

■ **10 OCTOBER** **Macro Prudential Policy in the EU**

*High-level roundtable on the future of financial regulation*

**Mauro Grande**, European Central Bank • **Francesco Mazzaferro**, European Systemic Risk Board • **Charles Goodhart**, London School of Economics • **Natacha Valla**, Goldman Sachs • **Sujit Kapadia**, Bank of England • **Daniel Gros**, CEPS • Chair: **Rym Ayadi**, CEPS Senior Fellow

■ **11 OCTOBER** **CEPS Digital Forum** *Event on Online Personal Data Processing*

**Jean-Marc Van Gyseghem**, University of Namur • **Kristina Irion**, Central European University, Budapest

■ **12 OCTOBER** **Renewable Electricity beyond 2020: Finding the right policy package**

**Christian Panzer**, Vienna University of Technology • **Jana Nysten**, Becker Büttner Held • **Andre Ortner**, Vienna University of Technology • Chair: **Christian Egenhofer**, CEPS

■ **15 OCTOBER** **Does education affect social inequality?** *NEUJOBS lunchtime meeting*

**Miroslav Beblavý**, CEPS • **Marcela Veselkova**, Slovak Governance Institute • **Fabrice Henard**, OECD • **Anna-Elisabeth Thum**, CEPS

■ **17 OCTOBER** **Banking Union: Losing momentum?**

*7th CEPS-European Parliament pre-Council Economic Dialogue*

**Roberto Gualtieri**, MEP • **Sven Giegold**, MEP • **Daniel Gros**, CEPS • **Stefano Micossi**, Assonime • Chair: **Gianni Pittella**, MEP

■ **18 OCTOBER** **Capital Markets for Growth 2012 ECMI Annual Conference**

**Olli Rehn**, Vice-President, European Commission • **Carlos Tavares**, European Securities and Markets Authority • **Paul De Grauwe**, CEPS • **Manmohan Singh**, International Monetary Fund • **Rodrigo Buenaventura**, European Securities and Markets Authority • **Peter Vanden Houte**, ING • **Sarah Carlson**, Moody's Investors Service • **Julian Callow**, Barclays • **John Plender**, Financial Times • **Stefano Caselli**, Bocconi University • **Daniel Gros**, CEPS • **Lindsey Rogerson**, Financial Services Authority • **Philipp Hartmann**, European Central Bank • **Guido Ferrarini**, University of Genoa

■ **22 OCTOBER** **EU Growth Prospects in the Shadow of the Crisis** *ENEPRI Conference*

**Lucio Pench**, DG ECFIN, European Commission • **Paul De Grauwe**, CEPS • **Marek Dabrowski**, CASE • **Emanuele Baldacci**, ISTAT • **Jan in 't Veld**, DG ECFIN, European Commission • **Daniel Gros**, CEPS

■ **23 OCTOBER** **Reshaping the EU Banking Sector Structure**

**Erkki Liikanen**, Governor Bank of Finland • **Mattias Levin**, Banks and Financial Conglomerates, European Commission • Chair: **Rym Ayadi**, CEPS

■ **24 OCTOBER** **The Future of Long Term Care in Europe: Challenges in the face of ageing populations**

*Final ANCIEN Conference*

**Ralf Jacob**, European Commission • **Esther Mot**, CPB • **Peter Willemé**, FPB • **Monika Riedel**, HIS • **Luc Bonneux**, NIDI • **Johanna Geerts**, FPB • **Linda Pickard**, LSE • **Angelo Rossi Mori**, CNR-ITB • **Roberto Dandi**, LUISS • **Francesca Colombo**, OECD • **Guldem Ökem**, CEPS



■ **7 NOVEMBER European Copyright: Fit for purpose in the internet age**

*Launch event of the CEPS Digital Forum Task Force on Copyright in the EU Digital Single Market*

**Michel Barnier**, Commissioner for Internal Market and Services • **Giuseppe Mazziotti**, CEPS •

Chair: **Staffan Jerneck**, CEPS

■ **16 NOVEMBER What to expect from Doha: A view from the Commission**

**Artur Runge-Metzger**, Chief Climate Negotiator, European Commission • Chair: **Andrei Marcu**, CEPS

■ **20 NOVEMBER Connecting the EU and Brazil - How to make the most of the Information Society and Media Dialogue**

**Alfredo Valladão**, EUBrasil Advisory Board • **Zoran Stancic**, DG CONNECT, European Commission •

**Mário Campolargo**, DG CONNECT, European Commission • **Rosa Maria Badia**, Coordinator, EUBrasil

OpenBio project • **Markus Taumberger**, Bemo-Cofra • **David Frautschy**, Telefónica • **Antonio Manuel Robalo**

**de Almeida**, Portugal Telecom • **Karim Lesina**, AT&T • **Carlos Beigorri**, ANATEL • Chairs: **Luigi Gambardella**,

EUBrasil • **Andrea Renda**, CEPS • **Fabio Colasanti**, International Institute of Communications

■ **23 NOVEMBER The Economic Crisis and the Re-Polarisation of the Global Economic Arena**

**Anders Ahnlid**, Sweden's Ambassador to the OECD and UNESCO • **Rym Ayadi**, CEPS • **Lars Oxelheim**,

Fudan University • **Lennart Schön**, Lund University

■ **26 NOVEMBER Liberalisation of Planting Rights: What future for the EU wine sector?**

**Davide Gaeta**, University of Verona • **Pasquale De Meo**, National confederation for voluntary consortia for

the oversight of denominations of origin, Italy • **Daniela Ida Zandonà**, European Federation of Origin Wines •

**Josè Ramon Fernandez**, Comité Européen des Entreprises Vins •

Chair: **Johan Swinnen**, CEPS

■ **26 NOVEMBER Electronic Payments in the EU: The interplay between legislation and technology**

**Sampo Terho**, MEP • **Gerd Heinen**, DG Internal Market and Services, European Commission • **Maija Haas**,

PayPal • **Olutunmbi Idowu**, Ericsson Money Services • **Wolfgang Maschek**, Western Union

■ **28 NOVEMBER Policy in Practice: How to improve effectiveness of regulation in the financial industry?**

**David Llewellyn**, Loughborough University • **Freddy Van den Spiegel**, BNP Paribas Fortis •

**John Hollows**, KBC Group • Chairs: **Rym Ayadi**, CEPS • **Johan Kestens** and **Ettore Pastore**, A.T. Kearney

Venue: Vlerick Center for Financial Excellence, Brussels

■ **30 NOVEMBER Boosting the Potential of the Single Market: The effectiveness of points of single contact**

**Florence François-Poncet**, DG MARKT, European Commission • **Luc Hendrickx**, UEAPME •

**Jeroen Hardenbol**, BusinessEurope • **Richard Doherty**, Deloitte • Chair: **Jacques Pelkmans**, CEPS

■ **30 NOVEMBER Competition and Regulation in Network Industries 5th Annual CRNI Conference**

**Johannes Bauer**, Michigan State • **Claude Ménard**, University of Paris 1

Venue: Residence Palace, Brussels

■ **3 DECEMBER Towards a Eurasian Economic Union: Integration and cooperation**

**Peter Balas**, DG Trade, European Commission • **Tatiana Valovaya**, Eurasian Economic Commission •

**Oleg Preksin**, Russian Union of Industrialists and Entrepreneurs • Chair: **Steven Blockmans**, CEPS

■ **4 – 5 DECEMBER** **Secularism and Religious Diversity in Europe: Opportunities and Perspectives**

*RELIGARE Conference*

**Thorbjørn Jagland**, General Secretary of the Council of Europe • **László Surján**, Vice-President of the European Parliament

■ **6 DECEMBER** **The Welfare State after the Great Recession**

*Special Intereconomics event co-hosted by CEPS and the German National Library for Economics*

**Felix Roth**, CEPS • **Raymond Maes**, DG Employment, Social Affairs & Inclusion, European Commission • **Philippe Pochet**, European Trade Union Institute • **Anton Hemerijck**, Free University Amsterdam • **Peter Taylor-Gooby**, University of Kent • **Torben M. Andersen**, University of Aarhus • **Thomas Leoni**, Austrian Institute for Economic Research • Chair: **Brigitte Preissl**, Intereconomics

■ **11 DECEMBER** **The EU Takeover Bids Directive: Fit for purpose?**

*Launch of "A Legal and Economic Assessment of European Takeover Regulation"*

**Ugo Bassi**, Capital and Companies, European Commission • **Paul Davies**, University of Oxford • **Christophe Clerc**, Pinset Masons • **Diego Valiante**, CEPS • **Fabrice Demarigny**, Mazars • Chair: **Karel Lannoo**, CEO, CEPS

■ **19 DECEMBER** **Georgia and the EU: What priorities for the new government?**

**Maia Panjikidze**, Foreign Minister of Georgia • Chair: **Steven Blockmans**, CEPS

■ **20 DECEMBER** **The International Climate Change Regime after Doha**

**Jos Delbeke**, DG Climate Action, European Commission • Chair: **Andrei Marcu**, CEPS



## PUBLIC OUTREACH AND THE MEDIA

Report by **Marco Incerti**, Head of Communications

CEPS introduced several improvements to its outreach channels over the last year, with the aim of more effectively and more broadly disseminating its policy analysis and recommendations. Recognition for our progress in this area came most recently through the 2012 “Global Go To Think Tanks” report released in January 2013, which ranked CEPS among the top 20 think tanks for the best use of media (print or electronic) as well as the best use of internet and social media. We were also proud to be ranked, once again for the sixth consecutive year by this comprehensive survey, among the world’s top 10 think tanks.

We attribute this recognition in part to our decision to focus on twitter as the channel increasingly used by policy actors to broadcast information to professional audiences. The number of followers of @CEPS\_thinktank has more than doubled over the last twelve months, from just below 2,000 to more than 5,200. Our Facebook page does not lag far behind, with 3,600 visitors by February 2013 who ‘like’ CEPS, several of whom offer flattering endorsements of our work, such as “Einer der wichtigsten think tanks in Europa”.



Our presence on twitter allows us to attract more traffic to our website and also to engage more (inter-)actively with the global policy-making community. The live tweets from some of our more high-profile events in particular

proved quite popular with followers outside Brussels, enabling them to get a tangible feeling for the character of the debates taking place inside our conference room.

We also introduced two other meaningful changes. First, the mobile version of the CEPS website went online in September, making it possible for our members to browse and download key CEPS information through their portable devices in a succinct and rapid way.

Second, the overhaul of our database allows us to provide CEPS stakeholders with an array of customer-friendly services, for example automatic online registration and the possibility to receive targeted mailings in specified policy areas.

We have also inaugurated a new service allowing CEPS’ contacts to sign up to receive as sectoral email updates, depending on their specified topical areas of interest. Once registered, these individuals receive select publication and event ‘alerts’ on topical issues in the policy area(s) of their choice.

Finally, with a view to increasing the visibility of each of our products and providing more flexibility for our users, the CEPS weekly email update service has been split into two separate communications, one devoted to new publications and the other to upcoming events. The improvement results in shorter lists of items to review and the possibility to elect to receive only one or both of these services.

The overall number of visitors to our website in 2012 has increased by 2%, averaging 205,000 per month (with peaks of nearly 250,000 in both April and November). Moreover, thanks to the increased use of regular email updates, the number of publication downloads has risen by 15%, to an average of nearly 61,000 per month (compared to 52,000 in 2011), and reached a peak of over 73,000 in May.

CEPS is planning further improvements to our external communications and outreach for 2013, with a view to strengthening the reputation and international recognition of our work.

## FUNDING AND EXPENDITURE

Report by **Sally Scott**, Head of Finance and Administration

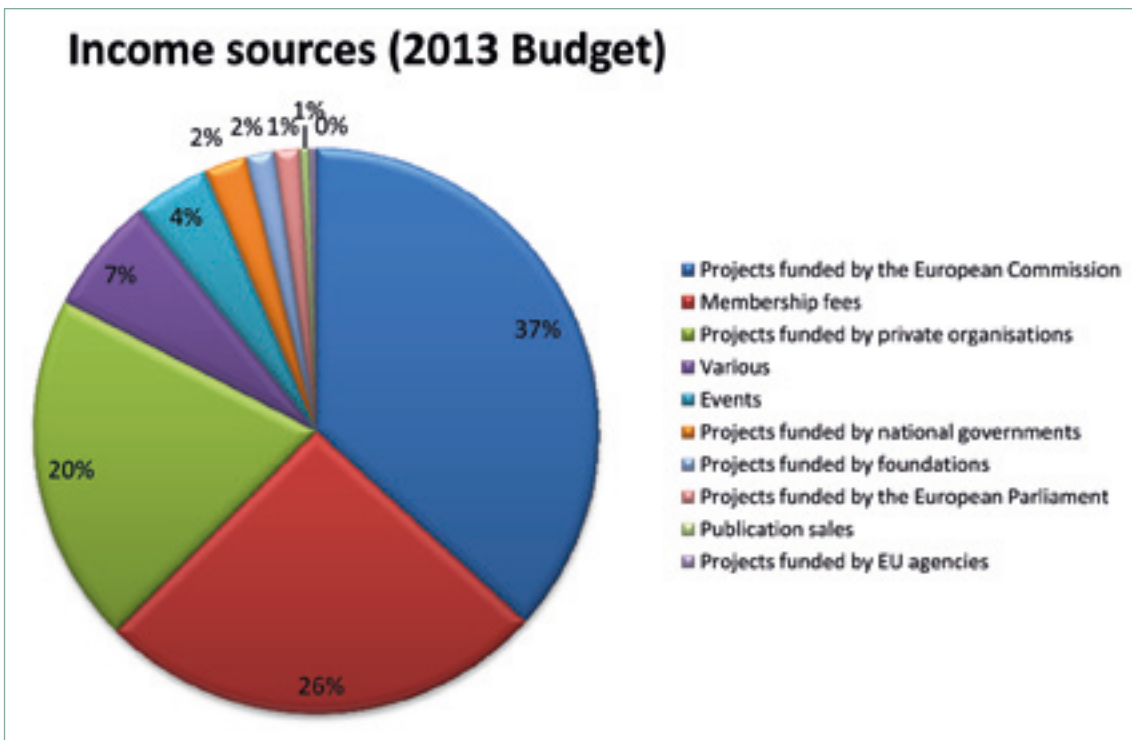
CEPS' funding comes from a wide variety of sources, which allows us to maintain our independence. In 2013, we have budgeted revenues of €7.6 million. A portion of this amount is attributable to the EU contracts that CEPS coordinates and thus represents a flow of funds into and out of our accounts. We are an active partner in 16 different FP7 projects, the European Commission's Framework Programme for research, four of which start in 2013. CEPS serves as the Coordinator for three ongoing projects: FACTOR MARKETS, MEDPRO and NEUJOBS (described elsewhere in this report).

The distribution of income sources in the 2013 budget, as shown in the pie chart below, is in line with previous years. The lion's share, 48% in the 2013 budget, comes from EU research contracts and tenders awarded to CEPS on a competitive basis by EU institutions, agencies and national governments. We budget 26% for membership fees from a wide variety of corporate and institutional sponsors (the lists of corporate and

institutional members can be found on the inside back cover of this report and the opposing page). We expect to raise most of the remaining income from funds generated through projects: 20% from private organisations and 1.5% from foundations. An additional 4.5% of CEPS' income is generated through the organisation of events. The breakdown of the 2013 budget does not include revenues earmarked for CEPS' partners in externally-funded projects.

Members of CEPS staff come from numerous countries, with 21 different nationalities currently working at CEPS, 16 of which are EU member states. The research staff is also highly qualified, with almost 60% having attained or in the process of completing a PhD degree.

CEPS gratefully acknowledges financial support received from the EU in the form of an annual grant awarded under the European Citizenship Action Programme. The European Commission has designated a sum of €145,871 for the 2012 grant.



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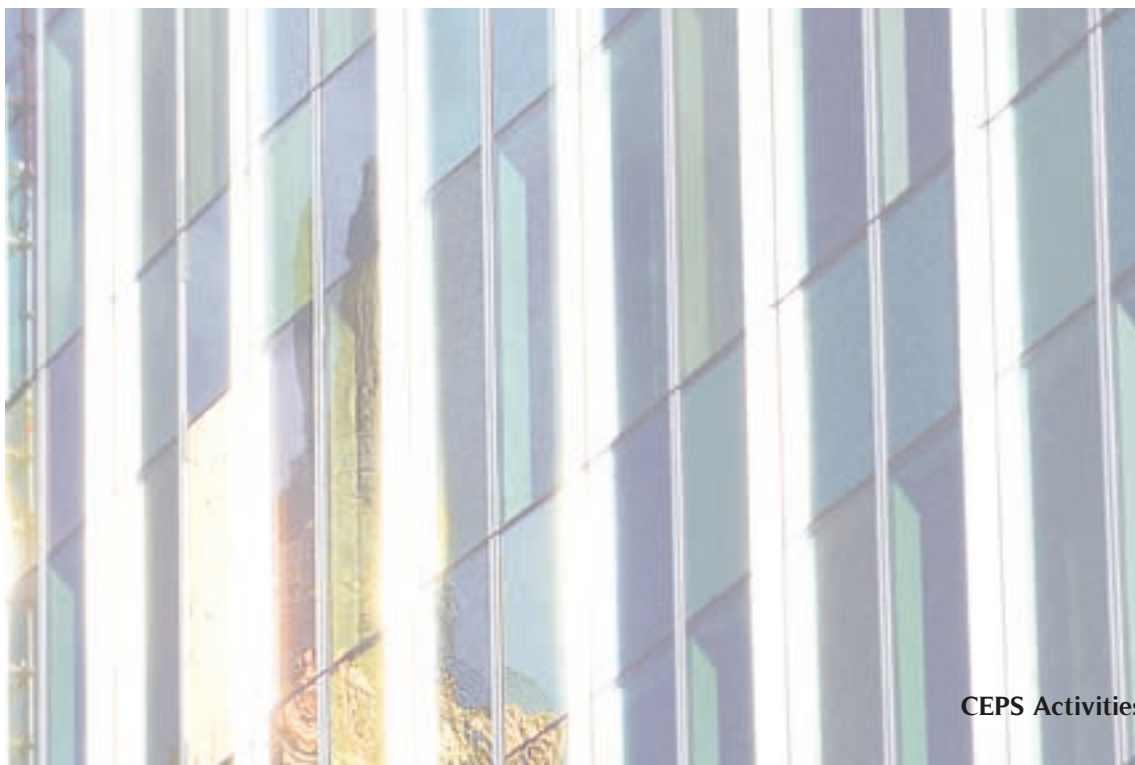
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\* Succeeded by **Kerstin Born-Sirke** as Director of Corporate and External Relations, effective March 2013



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