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Editorial: No good solutions for the Euro Zone crisis and bank crisis in sight

The Euro crisis has become more turbulent during the last two months, has created a new bank crisis and is challenging the entire European architecture. Political leaders are blamed for inaction, but the EU instruments for swift decision making are lacking as the EU was built on the neo-liberal idea that governments should not intervene in the market. The gigantic speculative and irrational moves of the financial markets are making politicians focus on resolving the debt and bank crises, while delaying decisions on structural reforms to control those markets as described in the previous Newsletter.

This short newsletter describes the latest initiatives and decisions that have been taken - or not - at EU level to deal with the Euro crisis, the economic governance package (see also last newsletter), and to reform the banks.

Decisions have been taken in July for a new rescue package for Greece. However, they will probably not be able to weather the upcoming storm:

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1. The disbursement of the new package is questioned, since Greece is unlikely to comply with its conditionalities, nor to meet the targets set for 2011.
2. In 2012, Italy will have to reschedule debts of €259.7 bn, which is almost the double of 2011 (€137.9 bn). Spain has to deal with a debt of €116.6 bn in 2012, compared to €60.8 bn in 2011. The EU cannot afford the situation to run out of control because Italy and Spain are too big to be bailed out.
3. The prospects for growth in all major economies have turned gloomy.
4. At stock exchanges, excessive speculation continues resulting in roller coaster, volatile and general downward movements. Reforms to control financial markets are blocked, watered down or still to be proposed in the next months (e.g. MiFID), and the EU countries cannot reach any agreements regarding joint short term action. For example in August 2011 some governments refused to join other countries in banning short selling.

The lack of major bank reforms has left banks vulnerable to shocks from the sovereign debt crisis, the Euro crisis and stock market volatility. This newsletter explains a major bank reform that the European Commission (EC) has proposed in July 2011. It will be an important political process in the coming year. This bank reform, known as the 4th review of the Capital Requirement Directive (CRD IV), should improve banks' capital buffers, bank governance and supervision. However, many doubts remain whether this new EU legislation – planned to be fully implemented only by 2019! – comprises the appropriate measures to deal with the problematic behaviour and instability of the European banks. The independent 'Vickers' commission in the UK has published stricter regulation, including more protection for citizens' savings, but stopped short of calling for full separation of 'dull' retail banking and risky speculative investment banking. The EC has indeed already proposed how to improve citizens access to bank accounts but is unlikely to propose to split up banks when it publishes its planned legislative proposals on how to deal with failing banks. Banks have been protesting and warning that reform proposals are too strict and will result in less loans being provided, leading to more economic problems, a claim refuted by many but indicating banks' wrong business model.

The coming year will be crucial to ensure that reforms will really prevent banks from having to be rescued with tax payers' money and engaging in activities harmful for society.

Summaries of the articles in this newsletter

EU-Crisis Management - More Europe or more Germany?

As a new wave of the financial, economic and debt crisis is raising, the Euro-Zone is hectic with crisis management and prevention. The EU Council on 21 July 2011 had to establish a second rescue package for Greece, as the first one had failed. The new package for Greece foresees not only a fresh loan over approx. €110 bn. For the first time, it also involves the private sector that should accept to reduce the Greek debt it holds by 25%. As the market value of Greek sovereign debt, i.e. bonds, is at 50% of the nominal value, the banks got a good deal by still getting 75% out of Greek bonds.

A French-German summit on 16 August 2011 further developed how to solve the sovereign debt crisis in the medium term and to prevent new ones. The French-German agreed proposals to improve economic governance were inspired by the

German model: automatic limits to fiscal policy and budget deficits, austerity, deregulating labour, raising the age of retirement and adjusting tax levels. Some analysts talk about "more Europe," but at the moment it is only "more Germany." It is more than doubtful whether this will be implemented and whether this is a sustainable solution, writes Peter Wahl.

For the full detailed article see below.

photo from Flickr by Luigi Rosa

The Battle for Big EU Bank Reforms

A major EU bank reform was proposed by the European Commission in July 2011 to be decided in the coming year by the European Parliament and the Council of Finance Ministers. This review of the Capital Requirement Directive, called CRD IV, comprises different elements based on the Basle agreement on banking regulation ("Basel III") as agreed also by the G20 at the end of 2010.

First, banks and investment firms will need to hold more and better quality capital reserves to absorb financial losses and to deal with losses in bad economic times. In addition, banks will need to build up reserves to have enough cash ('liquidity') at their disposal in turbulent times and for long term loans. Banks will have to limit the amount they are borrowing themselves to finance their activities through the regulation of a ´leverage ratio´. The bank reform also prescribes how to improve risk assessments and the management (governance) of banks and investment firms. Supervisors should impose sanctions when EU bank rules are breached and must require risky and large financial institutions (SIFIs) to hold extra financial reserves.
Governments, academics, experts and civil society have already raised their arguments for stricter rules while banks are lobbying to weaken the rules. Myriam Vander Stichele has made a short overview of the critic´s arguments.

For the full detailed article see below.

Crisis management in the Euro Zone - More Europe or more Germany?

By Peter Wahl, WEED

photo from Flickr by Luigi Rosa

The second rescue Package for Greece

In spring 2011 it became more and more obvious that Greece would not be able to comply with the conditionalities of the 2010 rescue package of €120 bn. Targets were not reached since the budget cuts and austerity measures had stalled growth, and the recession was deeper than calculated. Spending for unemployment went up while tax revenues fell. Also progress in privatisation was sluggish. As a consequence, interest rates for Greek bonds went up again and speculation with credit default swaps revived. The report of the *'Troika'* (the surveillance committee for the implementation of the rescue package, composed of the EU Commission, the ECB and the IMF) on 8 June 2011 made the failure of the first programme official.

Therefore, the EU-Council meeting of heads of state decided on 21 July 2011 to release a second financial rescue package, which amounts to €109 bn. The package is not a grant, but a loan, which will be reimbursed through the European Financial Stability Facility (EFSF) that was established in May 2010 (see Newsletter N° 7). The interest rates of the loans in the new package have been lowered from 5% to 3.5%. The maturity, i.e. the end date of the loans, has been extended from currently 7.5 years to a minimum of 15 years and maximum of 30 years with a grace period of 10 years. These interest rates and maturities for Greece will also apply for loans to Portugal and Ireland.

How much will the banks actually contribute?

The participation of the finance industry in the rescue has been heavily pushed by the German government. France was initially opposed, because French banks hold a large number of Greek assets. For long there has been a fear that non-repayment of Greek bonds would bring down banks who are holding many Greek bonds, especially banks in Germany, France and the US.

The involvement of the private sector is a new element. It is only on a 'voluntary basis'' and through a menu of options:

1. Bonds can be changed at face value to bonds with a maturity of 30 years and an interest rate of 4.5% on average. It is guaranteed that the bonds are paid back after the 30 years.
2. Investors can keep their bonds until the initial date of maturity, but have a guarantee to get their money back. This option does not contain a 'haircut', i.e. a reduction in the value of the bonds.
3. Bonds can be changed at 80% of the face value with a maturity of 30 years. In this case the interest rate is 6.42%.
4. The bonds can be changed at 80% of the face value with a maturity of 15 years. The interest rate is 5.9%. However, only 80% pay back is guaranteed after 15 years.

The contribution of the private sector is estimated at €37 bn for the period 2011-2014, which corresponds to a 'haircut' of approx. 25%. Given that the present market value of Greek bonds is at 50% of the nominal price, this is a good deal for the private sector. In addition, a debt buy-back programme could contribute to €12.6 bn, bringing the total of the private sector contribution to €50 bn. For the period 2011-2019, the total net contribution of the private sector involvement is estimated at €106 bn.

Will the new rescue package work?

The rescue package is, like its predecessor, tied to strict conditionality, such as privatisation of public property (over €50 bn), tax increase and reforms of the tax system, cuts in the budget, austerity measures and measures to increase competitiveness.

However, in the meantime, the Greek government has had to admit that it will not be able to meet the requirements for 2011. The decisive reason is that the austerity measures tied to the first rescue package have led to a deepening of the recession. Whereas the Greek economy was shrinking by 2.3% in 2009, the shrinking rate for 2010 was 4.3% and the latest forecasts for 2011 speak of 5.3%. Under these circumstances it becomes clear that it will not be possible for Greece to recover. Additional austerity policies and budget cuts only increase the problems and move towards financial, economic and social disaster.

In addition, the disbursement of the new package is questioned since the conditionalities of the previous programme were not fulfilled. The *Troika* left Greece in anger in August 2011 and wil make a new assessment by the end of September 2011. Other problems with the new rescue package are:

- As the private sector participation is voluntary, it is unsure whether the expectations will be fulfilled.

- Some member countries of the Euro zone hesitate to contribute to the rescue package, for instance Slovakia. The Slovak parliament will decide only in December 2011. This increases uncertainty and might trigger additional speculation.
- Finland wants, under pressure of the right populist party, a bilateral guarantee for its contribution. Otherwise the country would not participate in the rescue package.
- Also in Germany the voices that expect a default of Greece and consider making the country leave the Euro, are becoming louder and louder. Among them the minister of economy and vice-chancellor Rösler. Merkel still excludes this option and there might be a good deal of domestic interests and psychological warfare vis à vis Greece. But the taboo on extreme options has been lifted.

At present, mid September 2011, the situation was still open with dramatic turns every day, politicians making hectic statements, holding meetings and taking emergency actions to "calm the markets." Obviously the political decision makers, not only in Greece, seem to have lost control over the situation. At the same time, 'the markets' require political leaders them to take resolute decisions. The European crisis management seems to be at the brink of failure while big challenges are still awaiting, such as new governmental debt repayment obligations in 2012 by Italy and Spain.

While trying to not further 'upset the markets', the European Parliament and Council finally came to an agreement on 15 September 2011 on the so-called 'Six Pack' of legislative measures that would allow the European Commission to keep budget deficits in check with somewhat less autonomous powers than explained in the previous Newsletter N° 7. The decision on the Six Pack is expected to become final with a vote at the plenary of the European Parliament at the end of September 2011.

Improved governance to rescue the Euro enforces the 'Debt Break'

A French-German summit on 16 August further developed the concept of economic governance which aims at solving the debt and Euro crises in the medium term and preventing new ones. In a joint letter to the president of the European Council, van Rompuy, Sarkozy and Merkel outlined the consensus they reached at the bilateral summit on the economic governance of the Euro zone. Most principles had been articulated already in the months before (see the previous Newsletter N° 7), but its core element – the establishment of a ceiling for public debt, called the 'debt break' by the Germans and 'the golden rule' (règle d'or) by the French – has been made concrete: Based on the figures from the Maastricht Treaty, the limit for public debt is set at 60% of GDP, and the public deficit at 3%. The rule should be anchored in the constitution of each country in the Euro zone by summer 2012. This should have binding power also in the long run and make the decision irreversible, irrespective of who or which party will be in government in the future.

Germany introduced its own 'debt break' in 2009 already. Spain has also decided to amend its constitution and Italy has announced plans to do the same. The final goal of the project is to have 'balanced budgets in the medium term'. In order to strengthen budgetary discipline, the structural funds of the EU should be used as an instrument of enforcement. They should be targeted at improving competiveness and reduction of imbalances in the Member States. The European Commission should automatically control that the funds provide the optimum support for the macroeconomic adjustment programme.

Sarkozy and Merkel also proposed regular meetings of the Euro area Heads of State and Government twice a year and when necessary in extraordinary session. The heads of state mandate would be to check the proper implementation of the *Stability and Growth Pact* by Euro Member States, to discuss the problems facing individual

Member States of the Euro area and to take basic decisions on crisis prevention. These summits should also assess the evolution of competitiveness in the Euro area and define the main orientations of the economic policy.

The Heads of State and Government of the Euro area should elect a chairman as a rule for a term of two and half years. Sarkozy and Merkel suggest van Rompuy, who is already president of the Council, to be first to take over this job.

At the informal meeting of the EU Ministers of Finance on 16 September in Wrocław (Poland), the Eurozone crisis and governance will be further discussed, also with US Treasury Geithner who is worried about the situation.

Structural adjustment, also called the silent coup

Apart from fiscal consolidation Merkel and Sarkozy also want structural reforms, in particular in the areas of labour market, competition in services and pensions policy. In practice this means deregulation of labour markets, wage moderation, further liberalisation and privatisation of the service sector and raising the age of retirement as in Germany.

However, it is unclear at the moment if they can impose their proposal on the other members of the Euro group. In particular in Southern Europe and France the further dismantling of the social welfare state might encounter mass opposition. Trade unions, many NGOs and other critics are opposing this type of structural adjustment. Resistance has started to organise. The European Trade Unions Confederation (ETUC) has announced a demonstration on 17 September in Wrocław (Poland) at the occasion of the informal EU Finance Ministers' meeting. Social movements have a called for a European day of action against austerity on 15th October. A debate between the EC and civil society will take place 12 October organised by TNI and ATTAC Europe. and the entire civil society is preparing actions around the G20 summit in France the first days of November 2011.

The Battle for Big Bank Reforms

By Myriam Vander Stichele, SOMO

The Euro crisis and budget deficit crisis in Greece, Ireland, Portugal, Italy and Spain are again demonstrating the instability of European banks and the enormous volume of money in financial markets that is controlled by investors and speculators. Many banks in Europe, particularly French and German banks, are holding bonds of those countries that financial markets consider to be liable to default on bond repayment obligations, which would result in banks enduring losses. The 'voluntary' contribution to rescheduling the Greek debt (see previous article *Crisis management in the Euro Zone - More Europe or more Germany?*) also results in some losses for the banks. In addition, real estate problems and bad economic conditions are adding to the woes of the European banks. As a result, the value of bank shares have seen huge downfalls and swings on the stock markets in August and as of mid September 2011. The French banks Crédit Agricole and Société Générale (SocGen) have seen their rating being downgraded on 14 September. One of the reasons of the lack of confidence and the European banks' fragility is the dependence on short term interbank lending, which is drying up, and lack of capital reserves to absorb the losses. If banks will need rescuing, no governmental money is left to do so.

The recent proposals made by the European Commission (EC) to increase the quality and quantity of the banks' capital reserves are adding to the perceived banks' fragility. Indeed many banks will need to raise additional capital to meet these new "capital requirements" by issuing shares on the stock market … which has already shown to lose confidence in banks because they are undercapitalized, a vicious circle.

How the EC proposes to increase banks' capital reserves

On 20 July 2011, the EC has presented its legal proposals to improve the quality and quantity of capital reserves and governance of all European banks. These EC proposals have to transpose into EU law the new international capital requirement standards that were agreed at the end of 2010 by the Basel Committee of Banking Supervision and the G20, called 'Basel III'. They will complement the existing and reviewed Capital Requirement Directives (CRD: more information about CRD II and CRD III is given in previous newsletters). The current EC bank reform proposal is referred to as CRD IV. The European Parliament has planned to have its first discussion about CRD IV on 19 September 2011, to present its first proposals for final law making beginning of January 2012 so as to have a plenary vote in June or July 2012.

The CRD IV proposals exist of a set of two different EU laws:

1. a **Regulation** on stricter capital reserves ("Regulation on prudential requirements for credit institutions and investment firms"). A regulation needs to be implemented immediately and with little variation by each member state once agreed by the European Parliament (EP) and the Council of Ministers of Finance (ECOFIN).
2. a **Directive** to improve the supervision and governance (especially regarding risk assessment) of credit institutions and investment firms. A directive decided at EU level first needs to be transposed into the national legislation of EU member states, which are allowed to make slight national variations in the directive, before it is being implemented.

(1) The Regulation on stricter capital requirements:

The proposed regulation covers what kind and how much capital reserves banks or investment firms need to maintain, and how to calculate the amount of reserves needed, based on assessing, or weighing, the risks of their activities (resulting in 'risk weighted capital'). The most important elements of the Regulation can be described as follows:

- **Improvement of the quality** of the capital reserves: The aim is to ensure that the value of the capital reserves is not diminished at the time that they need to absorb losses and in times of financial turbulence. Therefore, the core capital reserves (called 'Core Tier 1 capital') are subject to 14 stringent conditions (see Art. 26) and need to consist of ordinary shares (or equivalent under EU law; also referred to as 'common equity') and retained earnings. In addition, the **definitions of other risk weighted capital** that can be considered as additional capital reserves (additional 'Tier 1, and Tier 2 capital') are stricter.
- The **quantity** of the newly defined high quality risk weighted capital reserves that financial institutions need to hold **increases** to 7%: The increase of the highest quality reserves is done through two instruments. The 'Core Tier 1 capital' is increased to 4.5% from the current 2%. In addition, banks need to create a new '**conservation buffer' of 2.5%**. However, the conservation buffer can be used in times of financial turmoil but when it is then below 2.5%, dividends and remunerations (bonuses) need to be diminished. To ensure that enough buffers are held, all capital reserves cannot go below 80% of the capital reserves that were set in the Basel I. The total Tier 1 and Tier 2 capital reserves (which includes the other than high quality risk weighted

capital but not the new conservation buffer) remain 8% as they currently are (Basel II).

- Procedures to improve **liquidity reserves and management**: In order to withstand sudden huge demands of cash in a short time period, banks have to improve the amount and availability of cash and capital that can easily be converted to cash (liquidity reserves). After having observed this liquidity coverage by the banks, a 'liquidity coverage requirement' will be set by the EC in 2015. In order to avoid that banks or investment firms themselves have no access to needed credit at short term notice, they need to improve their access to 'stable' and long term funding. The EC will set a 'stable funding requirement' in 2018.
- **Improved risk management:** The regulation has made a more stringent prescription of how banks and investment firms need to calculate and mitigate the risks of their activities, so as to define how much capital reserve to hold. For instance more capital reserves have to be held when trading in over-the-counter derivatives. Hedging is only allowed for protecting against risk of trading in derivatives, not long term investments, and the amount of lending risk that is transferred to others (securitization) is somewhat limited. When investing in, or being otherwise exposed to, private equity funds, hedge funds, etc., banks need to assign a 150% risk weigh to these investments.

The implementation of higher quality and quantity capital reserves and the liquidity measures will need to happen gradually so that most of the requirements are only fully implemented by the end of 2018.

(2) The new Directive to improve the supervision and governance, proposed in parallel with the new Regulation, includes the following main elements:

- Supervisors may require banks to hold **additional capital buffers:** Supervisors may ask banks to create 'a countercyclical buffer' in booming economic times to be used in bad economic times. Supervisors can also require additional capital reserves to be held by large financial institutions that are potentially risky for the financial system (systematically important financial institutions: 'SIFIs') for whom standards of extra capital buffers still have to be decided at an international level.
- **Improvement of corporate governance of banks and investment institutes:** New criteria are introduced on how banks and investment institutes are managed (corporate governance). Especially their risk management and risk assessment processes need to be improved by adhering to stricter criteria and by reducing their dependence on credit rating agencies. Also, supervisors will have to apply **sanctions** in case of violation of EU banking laws.
- **Lowering bank borrowing:** In order to avoid that banks themselves borrow (leverage) too much to finance their lending or other activities and to protect them against incorrect risk calculations, a borrowing limit, or leverage ratio, will become binding in 2018 after banks have disclosed their own leverage ratio by 2015 and this is being review since 2016.

Not fully according to Basel III

There are a few differences between the Basel III standards and what the EC proposes. For instance, the EC proposes that CRD IV applies to all 8,300 EU banks and not only to the internationally active banks as proposed by Basel III since the EC wants to maintain a level playing field. The definition of the 'Core Tier 1 capital' is not the same as in Basel III since the EC claims that the EU has different characteristics and instruments of equal high quality (e.g. 'silent partnerships' are included). There is also the controversy that Basel III requires not to count investment in financial entities, e.g. insurance companies, as Core Tier 1 capital but the EC proposes another system according to EU laws on financial institutions that cover banking and insurances businesses (the Financial Conglomerate Directive).

Member states make other bank reform proposals

The proposed CRD IV Regulation and Directive come at a time when some member states have started or wish to implement higher capital requirements. In a letter dated 19 May 2011, a number of EU finance ministers (Bulgaria, Estonia, Lithuania, Slovakia, Spain, Sweden and the UK) stressed that CRD IV should be closely following Basel III but that countries should have the possibility to increase the prescribed levels of capital and liquidity, and have a shorter implementation date. The EC argues that more than 7% capital reserves can be required using some of the instruments in Regulation and the Directive (see above: the counter cyclical buffer, extra buffers by SIFIs, additional capital requirements by supervisors based on a bank's risk profile).

In the UK, the Independent Commission on Banking (known as the 'Vickers Commission') published its final report after a long investigation. It proposed that banks should hold at least 10% risk weighted assets of the highest quality and a total of all kind of loss absorbing capital reserves of 17% to 20%. The Commission also proposes to ring fence or protect a bank's activities that relate to citizens and SME's savings and bank access, while the non-ringfenced investment banking activities should not be bailed out by tax payers' money. The Vickers Commission did not propose to separate retail and investment banking, as argued for by [the New Economics Foundation]

Many comments and criticisms

The banking sector has again lobbied heavily over the recent weeks arguing that these additional capital requirements will result in them providing less lending, especially to SMEs. Supervisors, academics and regulators, including the EC, have been showing through different impact assessments (see one example by the EC) that these claims can be totally refuted and that these problems can be avoided by changing banking business models. As before the financial crisis, banks argue how they will lose competitiveness due to the new rules while unfettered competition led them to take too many risks.

On the other side of the spectrum, the EC's bank reform proposals are considered to be far from sufficient not only because the use of capital buffers as a major instrument of banking regulation is problematic, or because the introduction of a leverage ratio and liquidity requirements is being delayed, but also because the EC proposals amongst others:

- Do not fully reform the use by financial institutions of their own risks assessment models. They still allow banks to use wrong assumptions (e.g. Greek bonds have 0% risk !?) and engage in too complex and risky activities and products with too little capital reserves;
- Fail to integrate measures so that banks contribute to macro-economic stability and focus on micro level management and supervision;
- Do not tackle the money creation by banks nor limit the total balance sheet of banks;
- Do not reform to what (useful) activities banks are allocating their financing and services;
- Do not separate retail/commercial banking from investment banking nor limit their interlinkage with capital markets since banks can still engage in derivatives trading; banks and financial conglomerates can still be too big to fail;
- Fail to forbid that banks speculate with their own capital ('propriety trade' forbidden according to the Volcker rule).

photo above from Flickr by Cesar Pics

Calendar of official events

For more background to the official agenda of European institutions, see the following websites:

The European Commission (EC)

The Economic and Financial Affairs Council (ECOFIN)

The Economics and Monetary Affairs Committee (ECON) of the European Parliament

2011

September

- **15 September, Madrid (IOSCO):** publication of recommendations on Commodity Derivatives Markets Supervisory Principles
- **16, Wrocław (Poland) (ECOFIN):** informal meeting of EU Ministers of Finance and finance official
- **17-19, Wrocław (Poland) (ECOFIN):** informal meeting of Chairpersons of Council Finance Committees
- **19, Brussels (ECON):** meeting and first exchange of views on CRD IV
- **20, Brussels (EP, Greens/EFA):** conference "Beyond Basel III - Towards a resilient EU banking sector"
- **22, Brussels (ECON):** meeting
- **23, Paris:** deadline for registering your activities at the G20 People's Forum
- **23, Washington:** Joint Finance and Development Ministers meeting during IMF and World Bank Annual Meetings
- **25 -27, France (G20):** Ministers of Labour meet on "Work and Employment"
- **29-30, ? (G20):** meeting by Sherpa's to prepare G20 summit

October

- **4, Luxembourg (ECOFIN):** meeting on EU Ministers of Finance
- **11, Brussels (ECON):** hearing on CRD IV
- **12, Brussels (TNI/ATTAC):** debate on 'Economic governance for people or for the banks?'
- 1**4-15, Paris (G20):** meeting of the G20 Finance Ministers and Central Bankers
- **Mid October, Brussels (EC):** publication expected of the review of the Markets in Financial Instruments Directive (MiFID) and the Market Abuse Directive (MAD)
- **17-18, Brussels (European Council):** meeting of the Heads of State and Government
- **17, Brussels (ECON):** meeting

November

- **?, Brussels (EC):** publication of an impact assessment on potential new financial sector taxes
- **?, Brussels (EC):** publication on proposal to reform credit rating agencies
- **2-3, Cannes, France (NGOs):** scheduled alternative People's Forum with NGO activities
- **2, Nice, France (G20):** social G20 conference
- **2-4, Cannes, France (G20):** G20 heads of state summit
- **5 November (G20):** Mexico takes over G20 presidency
- **7, Brussels (ECON)**: meeting
- **8, Brussels (ECOFN):** meeting
- **18, Brussels (ECOFIN):** meeting
- **29, Brussels (ECON):** meeting
- **30, Brussels (ECOFIN):** meeting
-

December

- **9, Brussels (European Council):** meeting

2012

January

- Danish Presidency starts six-month Council Presidency
- **23-24, Brussels (ECON):** planned consideration of draft CRD IV report

February

- **27, Brussels (ECON):** planned deadline for amendments on CRD IV report

March

- **20-21 and 26-27, Brussels (ECON):** planned discussion about CRD IV report amendments

April

- **21-26, Doha (Quatar):** UNCTAD XIII
- **24-25, Brussels (ECON):** planned vote on CRD IV

June

- **4-6, Rio (UN):** Rio +20 conference
- **10-11, Mexico (G20):** G20 heads of state summit
- **?, Strasbourg or Brussels (EP)**: planned plenary vote on CRD IV

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This newsletter is produced by SOMO and WEED and is intended for wide circulation to interested parties. We appreciate receiving feedback as well as announcements of research reports, campaign actions, and meetings, which can be sent to m.vander.stichele@somo.nl.

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