EU INSIDER

The EU Insider is a publication only for circulation amongst Eurosif's Member Affiliates and member national SIFs. It provides details on how Eurosif is involved in the latest debates and animated discussions at the European Commission and other EU decision-making bodies. It also gives insights into the most important EU initiatives that shape the European SRI market.

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1. Eurosif – EU Updates

1.1 Eurosif Participates in EU Expert Group on Non-Financial Disclosure
Between July and September 2011, the Commission held three sessions with the Expert Group on Disclosure of Non-Financial information by EU Companies. Eurosif participated in these meetings alongside other investment community representatives. The specific mandate of this Group is to provide expert advice to the Commission in the context of the Impact Assessment currently being prepared by the Commission services. A legislative proposal on the disclosure of non-financial information by companies is planned for the first half of 2012. The minutes of the meeting held on September 30th are available at: http://ec.europa.eu/internal_market/accounting/docs/news/30092011-expert-group-minutes_en.pdf

1.2 Eurosif contributes to European CSR Multi-Stakeholder Forum Coordinating Committee
Eurosif participated in the European CSR Multi-Stakeholder Forum Coordinating Committee held on November 10, 2011 in Brussels. This meeting took place with representatives of the EU Member States High-Level Group on Corporate Responsibility. The objective of the meeting was to obtain feedback from the multi-stakeholder group on the Commission’s recent communication on CSR and to discuss the working methods between the Multi-Stakeholder Forum and the High-Level Representatives. See below in section 2.4 Eurosif's response to the Commission's CSR communication.

1.3 Eurosif attends Social Economy and Social Business Conference
The Commission held a conference on November 18 on Social Business and the Social Economy. The conference followed the Commission consultation on Social Investment Funds earlier in the year. During the conference, Commission representatives outlined some of the actions being proposed in the coming months, including a regulatory framework for social investment funds, and facilitating transparency and recognition through a social investment fund label.
Social Investment Funds: http://ec.europa.eu/internal_market/investment/social_investment_funds_en.htm

2 Responses submitted by Eurosif to EC Consultations (August - December 2011)
Between August and December 2011, Eurosif responded to the following EC consultations with the overall aim of promoting sustainable and responsible investment and the integration of environmental, social and governance (ESG) issues in business and investment practices:

2.1 Corporate Governance
The Commission consultation on the EU Corporate Governance framework attracted significant attention, resulting in over 400 individual responses. Although some policy initiatives related to corporate governance have been included in the recent CSR communication and proposed reform to the functioning of audit market, the full extent of the thoughts of the Commission will not be available until summer 2012.

Eurosif response to consultation: http://www.eurosif.org/policy/positions
Audit Reform: http://ec.europa.eu/internal_market/auditing/reform/index_en.htm

2.2 EU Commission Consultation on Social Business Funds
The Commission consultation on Social Business Funds offered the possibility to provide input to an area that is of growing importance to the Commission. The Commission sees social businesses as an important source of inclusive growth, as noted by Commission President Barroso in his speech at the November 18 conference: "Social business I believe is key to a more sustainable, responsible and inclusive future for Europe."

Eurosif response to consultation: http://www.eurosif.org/policy/positions

2.3 ESMA Call for Evidence on Empty Voting
The European Securities and Markets Authority (ESMA), one of the three new regulators of the EU financial markets, published a call for evidence on empty voting with the aim of gathering information from market participants on the extent and severity of empty voting in European markets. This is an exploratory effort by ESMA which may or may not lead to action.

Eurosif response to consultation: http://www.eurosif.org/policy/positions

2.4 EU Commission CSR Communication and Eurosif Response
The long-awaited Commission communication on CSR was released on October 25. It contains numerous high-level policy statements, including the intention of the Commission to bring forward a new legislative proposal improving company disclosure of social and environmental information. Eurosif in principle welcomes the communication, with certain caveats in its response.

Eurosif response to communication: http://www.eurosif.org/policy/positions
3. Important EU Developments

3.1 Proposal for revised MIFID directive 20/10/11
http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm

3.2 Review of Transparency Directive on periodic reporting and country-by-country reporting 25/10/11
http://ec.europa.eu/internal_market/securities/transparency/index_en.htm

3.3 Proposal on rating agencies 15/11/11
http://ec.europa.eu/internal_market/securities/agencies/index_en.htm

3.4 Proposal on reform of the audit market 30/11/2011
http://ec.europa.eu/internal_market/auditing/reform/index_en.htm

3.5 External Study on the feasibility of a pan-European storage system for regulated information disclosed by issuers of securities (October 2011)
http://ec.europa.eu/internal_market/securities/transparency/index_en.htm#feasibilitystudy


3.6 New measures to stimulate funding for social businesses 07/12/11

3.7 European Commission promotes sustainable Blue Growth 07/12/11
The Commission, through DG Maritime Services is working on a Blue Growth Communication, which is expected to include sustainable finance of marine resources and ocean energy. This is expected to be followed by a consultation in 2012.

4. Other

4.1 Eurosif signed the letter of intent sent to the EC on Europe 2020 objectives
Eurosif co-signed a letter of intent produced by a group of cross-party MEPs on November 6th. This letter of intent promoted the idea of a European Covenant to mobilize private capital to finance Europe 2020 strategy objectives and has been sent to the attention of the President of the Commission and selected Commissioners. In particular, the letter highlighted the need to scale-up private initiatives and mobilize private funding supporting the transition to a carbon-low economy.

4.2 Preparatory meeting for CSR Multi-Stakeholder Forum (2/2/012)
Eurosif will participate to the next CSR Multi-Stakeholder Forum preparatory meeting organised by the European Commission on February 2, 2012.

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