



Eurosif welcomes the Capital Markets Mid-Term Review 2017

Brussels, 8th June 2017 - Today, the European Commission published the Communication on the Mid-Term Review of the Capital Markets Union Action Plan. The document reiterates the intention to strengthen the third pillar of the Investment Plan for Europe and the role of capital markets in addressing the financial needs of Member States economies.

Good progress has been made to address some of the most pressing issues around the key players, particularly interesting are the amendments on Solvency II to encourage insurance companies to invest in 'qualifying infrastructure projects', opening up further the ability of private investors in an asset class with so much potential for sustainability.

Similarly, the Consumer Financial Service Action Plan opens up a greater choice and better access to retail financial services across the EU.

The Mid-Term Review confirms the will for a re-engineering of the financial systems as a necessity for investments to become more sustainable. Integrating sustainability in the EU regulatory's policy framework allows for private capital to be mobilised and directed toward sustainable investment and to ultimately fit in with the SDGs as part of the UN 2030 Agenda. The challenge of the Commission's High Level Expert Group on Sustainable Finance (HLEG) is to capture precisely those elements which are present in the financial system of today that can be re-engineered to deliver sustainable value.

Eurosif is particularly happy about the clear commitment to strengthen the EU's leadership on sustainable investment. The recognition that long-term investment decisions have to integrate wider risks and returns linked to environmental and social externalities is key to a more sustainable financial system. Acknowledging the evident need to integrate ESG considerations in investors' governance is part of this recipe for sustainability which also needs to be reflected in companies.

There is much the European Commission has already been doing and that goes beyond what is acknowledged in the Mid-Term Review. We recognise that and we look forward to the road ahead and the opportunities for a strategic and sustainable European financial system.

***EUROSIF** is the leading pan-European sustainable and responsible investment (SRI) membership organisation whose mission is to promote sustainability through European financial markets. Eurosif works as a partnership of Europe-based national Sustainable Investment Fora (SIFs) with the direct support of their network which spans over 400 Europe-based organisations drawn from the sustainable investment industry value chain. These organisations include institutional investors, asset managers, financial services, index providers and ESG research and analysis firms totalling over €8 trillion in total assets.*

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