

PRESS RELEASE

PUBLICATION OF CMU PROPOSALS, A MILESTONE REINFORCING SUSTAINABLE FINANCE



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One year after the publication of the 2020 Capital Market Union Action Plan, the European Commission [released](#) today a set of four awaited legislative proposals¹.

Eurosif is very supportive of this package, offering a significant opportunity to foster much needed long-term investment to underpin recovery and growth in Europe after the Covid-19 crisis and plan for the long road towards a carbon neutral economy aligned with the objectives of the Paris Agreement.

Efforts to improve financial literacy must be combined with sustainability literacy if we want the CMU to contribute to the EU Green Deal

An integrated green capital market will contribute significantly to a sustained recovery, sustainable growth, and cost-efficient green transition. To achieve this goal, the EU must put retail investor's interests centre-stage. **To increase the participation of retail investors in capital markets, it is vital that measures are adopted to promote and enhance financial literacy amongst citizens.** However, if we want to ensure that capital markets also contribute to the transition to a more sustainable economy, **financial literacy needs to go hand in hand with improving sustainability literacy.** Informing, understanding, and explaining the challenge of ensuring a sustainable transition through financial markets is of utmost importance, even more so after outcomes of the COP26 meeting show the magnitude of the task ahead.

European Single Access Point (ESAP) for financial and sustainability data of companies is key to reap all the benefits from the EU Sustainable Finance Agenda for the EU Green Deal

Eurosif welcomes the proposal for a regulation establishing a centralized EU access to financial and sustainability data. **Helping investors access sustainability-related data in an easy, cost-effective, and machine-readable way is crucial to ensure they can take better investment decisions,** while also complying with their transparency obligations under the SFDR and Taxonomy regulations. **The ESAP will save precious time and resources for investors in finding the accurate information.** In addition, it will make investment opportunities more visible and facilitate the assessment of sustainability risks and impacts in financial decisions, given that also disclosures under the SFDR and EU Taxonomy will be accessible through the ESAP.

¹ The European Single Access Point (ESAP), the European Long-Term Investment Funds (ELTIFs), the Alternative Investment Fund Managers Directive (AIFMD) and the Markets in Financial Instruments Regulation (MiFIR).

Furthermore, the European Commission has been working on linking this regulation with other EU sustainable finance policies. Eurosif welcomes this effort. This will encourage investors to steer their portfolios towards sustainability objectives in line with the Paris Agreement and the European Green Deal. However, the information available must be robust, comparable, and reliable.

The transition to a low-carbon economy requires significant amounts of long-term capital needed to decarbonise our infrastructures – a working ELTIF could help

Following its introduction in 2015, and despite clear needs for long-term patient capital sources, the ELTIF regime has not yet achieved its full potential. Eurosif welcomes the proposal to remove some of the barriers preventing retail investors from accessing ELTIFs and making the ELTIF regime generally more attractive to investors. Facilitating and increasing long-term investments, also by retail investors, in turn helps to promote the development of green and energy infrastructure projects, needed for achieving the climate-neutrality by 2050.

Victor van Hoorn, Executive Director of Eurosif

“The ESAP provides a great opportunity for Europe to improve structurally investors' access to ESG data and ensure a wider dissemination of improved data that will be reported by companies under the new CSRD, and the EFRAG sustainability reporting standards currently being developed. This will allow for example financial institutions to deliver much more tangibly and convincingly on their net-zero commitments announced at COP26.”

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ABOUT EUROSIF

Eurosif is the leading European association for the promotion and advancement of sustainable and responsible investment making a measurable impact in meeting long-term sustainability goals of the EU and the UN.