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COMMISSION DECISION

of 28.10.2016

**on the creation of a High-Level Expert Group on Sustainable Finance in the context of
the Capital Markets Union**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Whereas:

- (1) The Paris Agreement on climate change includes the commitment to align financial flows with a pathway towards low-carbon and climate-resilient development. This commitment and growing awareness of the urgency to address climate change, other environmental degradation and sustainability risks calls for an effective and overarching EU strategy on integration of effective policy provisions in the EU financial policy framework. In the light of this political commitment and taking into account the implementation of the UN Sustainable Development Goals as well as the importance of long-term and sustainable investment to maintain the EU's competitiveness, the current financial system needs to be better aligned with EU policies in support of sustainable growth and investments.
- (2) As set out in the Communication from the Commission entitled Capital Markets Union – Accelerating Reform of 14 September 2016¹, reforms for sustainable finance are necessary to support investment in clean technologies and their deployment, ensure that the financial system can finance growth in a sustainable manner over the long term and contribute to the creation of a low-carbon, climate resilient and circular economy.
- (3) As part of this Communication on Capital Markets Union, the Commission announced that it will establish an expert group to provide advice on developing an overarching and comprehensive EU strategy on sustainable finance. The group should have particular regard to the challenges posed by climate and environmental risk to the financial system and the need to harness financial markets in responding to these challenges. Drawing on its work in respect of the integration of challenges in the EU financial regulatory framework, the group shall reflect on how pertinent recommendations can be extended to other dimensions of sustainability.
- (4) As part of its legislative proposal to extend the European Fund for Strategic Investment, the Commission proposed to enhance the focus of the Fund and of the European Investment Advisory Hub on operations supporting climate action in line with COP21 commitments.
- (5) The group should be composed of up to 20 highly qualified senior experts coming from civil society, the business community and other non-public sector institutions.
- (6) Rules on disclosure of information by members of the group should be laid down.

¹ COM(2016)601

- (7) Personal data should be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council².

HAS DECIDED AS FOLLOWS:

Article 1

Subject matter

The High-Level Expert Group on sustainable finance, (“the group”), is set up.

Article 2

Tasks

The group’s tasks shall be:

1. to submit to the Commission a set of policy recommendations that:
 - (a) sets out the scale and dimensions of the challenges and opportunities that sustainable finance presents; and
 - (b) recommends a comprehensive programme of reforms to the EU financial policy framework, including a clear prioritisation and sequencing, that will:
 - i) Facilitate the flow of public and private capital towards sustainable investments, with particular focus on environmental sustainability but also considering other dimensions of sustainability in ways that allow the EU to promote sustainable growth and a high level of protection of the environment;
 - ii) Explore effective and operational steps that financial institutions and supervisors should take to protect the stability of the financial system from risks related to the environment and its sustainability in particular but also, where relevant, social and governance risks ;
 - iii) Deploy these policies on a pan-European scale so as to ensure their maximum effectiveness and the integrity of the single market for investors and capital-raisers alike;
 - iv) Allow the EU to maintain its international leadership in the development of sustainable markets and shape supporting public policies.
2. to engage in structured communication and advocacy towards interested parties - representing the various relevant stakeholder interests - about its work in respect of sustainable finance during its mandate.

Article 3

Consultation

1. The Commission may consult the group on any matter relating to sustainable finance.
2. The Chairperson of the group may advise the Commission to consult the group on a specific question.

² Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

Article 4

Membership

1. The group shall be composed of up to 20 members.
2. Members shall be individuals appointed to represent a common interest of the following groups of stakeholders:
 - (a) NGOs representing civil society and which play a leading role in contributing to public and policy debate on shaping the sustainable financial market framework;
 - (b) insurance companies, pension funds, asset managers, banks, operators of financial infrastructures as well as other categories of financial institutions active in intermediating investments in sustainable or green finance or in managing risks linked to sustainable development;
 - (c) institutions and organisations providing analysis, data or methodologies that facilitate sustainable or green finance.
3. Members shall not represent an individual stakeholder, but a policy orientation common to several stakeholder organisations.
4. Members who are no longer capable of contributing effectively to the expert group's deliberations, who, in the opinion of the Commission department concerned, do not comply with the conditions set out in Article 339 of the Treaty on the Functioning of the European Union or who resign, shall no longer be invited to participate in any meetings of the group and may be replaced for the remainder of their term of office.

Article 5

Selection process

1. The selection of the group's members shall be carried out *via* a public call for applications, to be published on the Register of Commission expert groups and other similar entities ('the Register of expert groups'). In addition, the call for applications may be published through other means, including on dedicated websites. The call for applications shall clearly outline the selection criteria, including the required expertise and the interests to be represented in relation to the work to be performed. The deadline for applications shall be three weeks.
2. Registration in the Transparency Register is required in order for individuals representing a common interest to be appointed as members of the group.
3. The members of the group shall be appointed by DG FISMA from specialists with competence in the areas referred to in Article 2 and Article 4.1 and who have responded to the call for applications.
4. Members shall be appointed for 12 months. They shall remain in office until the end of their term of office. DG FISMA may extend the term of office of the members of the group by up to 4 months (up to a maximum term of 16 months) if deemed necessary for the completion of the groups's mandate and tasks.

Article 6

Chair

DG FISMA shall appoint the Chairperson from among members of the group.

Article 7

Operation

1. The group shall act at the request of its chairman with the agreement of DG FISMA, in compliance with the horizontal rules.
2. Meetings of the group shall, in principle, be held on Commission premises.
3. DG FISMA shall provide secretarial services. Commission officials from other departments with an interest in the proceedings may attend meetings of the group .
4. In agreement with DG FISMA, the group may, by simple majority of its members, decide that deliberations shall be public.
5. Minutes on the discussion on each point on the agenda and on the opinions delivered by the group shall be meaningful and complete. Minutes shall be drafted by the secretariat under the responsibility of the Chair.
6. The group shall adopt its opinions, recommendations or reports by consensus. In the event of a vote, the outcome of the vote shall be decided by simple majority of the members. Members who have voted against shall have the right to have a document summarising the reasons for their position annexed to the opinions, recommendations or reports.

Article 8

Invited experts

DG FISMA or the Chairperson, in agreement with DG FISMA, may invite experts with specific expertise with respect to a subject matter on the agenda to take part in the work of the group on an ad hoc basis.

Article 9

Observers

1. Organisations or public entities may be granted an observer status, in compliance with the horizontal rules.
2. Organisations or public entities appointed as observers shall nominate their representatives.
3. Observers and their representatives may be permitted by the Chair to take part in the discussions of the group and provide expertise. However, they shall not have voting rights and shall not participate in the formulation of recommendations or advice of the group.

Article 10

Rules of procedure

On a proposal by and in agreement with DG FISMA, the group shall adopt its rules of procedure by simple majority of its members, on the basis of the standard rules of procedure for expert groups, in compliance with the horizontal rules.

Article 11

Professional secrecy and handling of classified information

The members of the group, as well as invited experts and observers, are subject to the obligation of professional secrecy, which by virtue of the Treaties and the rules implementing them applies to all members of the institutions and their staff, as well as to the Commission's rules on security regarding the protection of Union classified information, laid down in Commission Decisions (EU, Euratom) 2015/443³ and 2015/444⁴. Should they fail to respect these obligations, the Commission may take all appropriate measures.

Article 12

Transparency

1. The group shall be registered in the Register of expert groups.
2. As concerns the group composition, the following data shall be published on the Register of expert groups:
 - (a) the name of individual members appointed to represent a common interest; the interest represented shall be disclosed;
 - (b) the name of observers.
3. All relevant documents, including the agendas, the minutes and the participants' submissions, shall be made available either on the Register of expert groups or *via* a link from the Register to a dedicated website, where this information can be found. Access to dedicated websites shall not be submitted to user registration or any other restriction. In particular, the agenda and other relevant background documents shall be published in due time ahead of the meeting, followed by timely publication of minutes. Exceptions to publication shall only be foreseen where it is deemed that disclosure of a document would undermine the protection of a public or private interest as defined in Article 4 of Regulation (EC) No 1049/2001 of the European Parliament and of the Council⁵.

³ Commission Decision (EU, Euratom) 2015/443 of 13 March 2015 on Security in the Commission (OJ L 72, 17.3.2015, p. 41).

⁴ Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

⁵ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

Article 13

Meeting expenses

1. Participants in the activities of the group shall not be remunerated for the services they offer.
2. Travel and subsistence expenses incurred by participants in the activities of the group shall be reimbursed by the Commission. Reimbursement shall be made in accordance with the provisions in force within the Commission and within the limits of the available appropriations allocated to the Commission departments under the annual procedure for the allocation of resources.

Done at Brussels, 28.10.2016

For the Commission
Valdis DOMBROVSKIS
Vice-President