

## DOWNLOAD PDF REPORT FROM THE COMMISSION ON EUROPEAN GOVERNANCE.

### Chapter 1 : Download the Commission Report | Platform on Global Security, Justice & Governance Reform

*report from the commission on european governance – Improving bottom-up involvement in EU policy shaping and implementation The White Paper proposals on 'better involvement' and on consulting civil society.*

On corporate governance, the Commission has launched a public consultation on a number of issues including how to manage risk more effectively in financial institutions and how to empower shareholders. The deadline for responses is 1 September. Advertisement Why has the European Commission decided to launch a public consultation on corporate governance in financial institutions? The crisis highlighted that effective checks and balances within financial institutions did not work. Corporate governance rules were de facto stress-tested by the run-up to the crisis and the crisis itself and found wanting. Many financial institutions took risks that were not in their best long-term interests, and which society as a whole is now paying for. The crisis highlighted that there was insufficient oversight by boards of senior management. This was often due to lack of time commitment and expertise in boards. Too often, risk management functions in financial companies lacked authority and independence. In response to these numerous failings, the European Commission committed itself in its Communication to the Spring European Council "Driving European Recovery" of March to examine and report on current corporate governance practices in financial institutions, making recommendations including for legislative initiatives, where appropriate. The Green Paper is complemented by a staff working document which describes and analyses weaknesses in corporate governance revealed by the financial turmoil. These reports are completed with two staff working papers providing a detailed analysis of the measures taken by Member States. What are the main suggestions covered in the Green Paper? The Green Paper submits to public consultation the following suggested options to improve corporate governance in financial institutions: How does the Green Paper fit with other Commission initiatives in response to the financial crisis? Crisis prevention and management must start from within the company. Effective supervision and the right financial regulation can only be effective if companies themselves are the first ones to act responsibly. For example, improved oversight of risks by boards and enhanced authority and independence of the risk management function should ensure that financial institutions are able to manage more effectively their risks. Consequently, it should usefully complement stricter capital rules and the new arrangements for monitoring risk established by the new European supervisory structure. Encouraging shareholders to assume more seriously their responsibilities as owners of the financial institution in which they invest could contribute to avoid future crisis situations. This would in turn mean that shareholders would not have to be deprived of their decision-taking powers by national authorities in crisis management situations and lead to greater long-term profits. How does the Green Paper fit with the consultative document of Basel Committee on Banking Supervision on principles for enhancing corporate governance? The ideas explored in the Green Paper are consistent with the proposals of the Basel Committee to enhance corporate governance and in particular with the principles regarding board practices, risk management, conflicts of interest and the role of the supervisors. However, the Green Paper also explores the role of shareholders and of external auditors in corporate governance of financial institutions, which are not as such covered by the principles in the Basel consultative document. In addition, in some areas, the Green Paper proposes more concrete options, such as limiting the number of mandates of board members, diversifying board composition including more women on boards or separating the functions of the Chairman and the Chief Executive Officer. Does the financial crisis put in question the existing corporate governance model in financial institutions? The question of the adequacy and appropriateness of the current corporate governance framework for financial institutions is a challenging one for stakeholders and public authorities. There is no straightforward answer. The current system of checks and balances must be significantly strengthened, duly applied and enforced so that all stakeholders will have a greater awareness of their accountability and liability, without undermining the spirit of entrepreneurship and appropriate risk-taking that is necessary to economic growth. What categories of

financial institutions are covered by the Green Paper? Does the Green Paper take account of different corporate models? Why does the Green Paper not cover listed companies more generally? The solutions explored in the Green Paper are of relevance for all regulated financial institutions. Nonetheless, the primary focus of the Green Paper is on banks and life insurance companies. When the Commission brings forward specific initiatives, they will need to be applied in a proportionate manner, according to the size, nature and complexity of activities of the financial institution concerned and, where relevant, taking account of the specificities of the different corporate models existing in the European Union. Whilst lessons learnt from this crisis are probably also of relevance for corporate governance in listed companies in general, the scope of the Green Paper is essentially limited to financial institutions. Given the particular role they play in the economy and potential impact of their activities on financial stability, corporate governance in financial institutions present specific features which differentiate them from listed companies in general. In addition to their responsibilities towards shareholders, financial institutions have responsibilities towards depositors or policy holders and also to the public. However, the Commission recognises that issues relating to corporate governance of listed companies more generally also deserve to be addressed and has started work to this end. A further Green Paper will follow in the autumn. What be the follow-up to the public consultation? Will there be any legislative proposals? The consultation is open for responses until 1st September. Following the results of the public consultation which should be available in Autumn this year the Commission will decide in the first quarter of on the need for any non-legislative and legislative proposals to tackle the failures of corporate governance in financial institutions. In particular, with regard to remuneration practices, the Commission has already committed to come up with legislative proposals to regulate pay in all sectors of the financial services industry. The first legislative proposal to modify the Credit Requirements Directive was adopted by the Commission in July. Other legislative measures will follow. Why does the Green Paper include remuneration issues when the Commission has already made legislative proposals in that area for the financial services industry? The Commission Recommendations of and on remuneration of directors in listed companies also apply to directors of listed financial institutions. These Recommendations contain specific provisions, for example on disclosure of individual remuneration, which go beyond the existing legislative proposals for the financial services sector. What are the Commission reports on the Recommendations on Remuneration? The two reports of the Commission respond to this commitment. What are the main conclusions of the two Reports on Recommendations on remuneration? Under the Recommendation on remuneration policy in the financial services sector, Member States were invited to ensure that financial institutions have remuneration policies for risk-taking staff that promote sound and effective risk-management. The Recommendation set out guidelines on the structure of pay, on the process of design and implementation of remuneration policies and on the role of supervisory authorities in their review. The remaining 11 have not yet adopted any national measures, but the Czech Republic, Denmark, Estonia, Finland, Ireland and Portugal have indicated that they are in process of doing so. However, most recommendations have been implemented only by a minority of Member States. What will be the next steps on remuneration? As regards remuneration in financial services, the Commission has already adopted in July a legislative proposal to modify the Capital Requirements Directive for remuneration in credit institutions i. Other legislative measures for remaining sectors of financial services i. UCITS and insurance companies are under preparation and should be adopted by the Commission in the course of next year. As regards the remuneration of directors of listed companies, the Commission report on the implementation by Member States of measures to promote the application of existing recommendations shows that this application is neither uniform nor satisfactory. For this reason, the Commission gives consideration in this Green Paper to the need for and content of relevant legislative measures. Following the outcome of the public consultation, the Commission will decide on the need and the content of these legislative proposals.

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### Chapter 2 : The Commission White Paper and European Governance - Archive of European Integration

*On 25 July the European Commission adopted a White Paper on European governance which has been made available to the public on the Internet 2 and has also been widely distributed as a brochure.*

At the last meeting it adopted the motion for a resolution unanimously. The following were present for the vote: The explanatory statement will be presented orally in plenary sitting. The report was tabled on 15 November. The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session. Warns the Commission nonetheless against taking measures in the legislative sphere which might affect the roles of Parliament and the Council in the legislative process before Parliament has been fully consulted; 3. Welcomes the establishment of an interinstitutional working group, as proposed by President Prodi on 2 October ; 5. Reiterates its confidence in the Community method and advocates maintaining the institutional balance as the most appropriate way of moving forward in terms of integration; 6. Points out first of all that the principle of European governance cannot exist without democratically adopted own resources and without a major simplification of budgetary procedures that will ensure that they are properly understood by the general public; 7. Welcomes the efforts being made by the Commission to improve the planning of procedures; considers, however, that the strategic planning process should be reviewed in the light of the political priorities expressed by the budgetary authority and that the human resources allocated to implementing policies should be adjusted accordingly; Principles 8. Therefore attaches particular importance to the following considerations of principle being taken into account in the further debate on governance: Proposes, following on from the suggestions made by the Commission and the Economic and Social Committee 28 , that an interinstitutional agreement on democratic consultation be concluded committing all three institutions to commonly agreed consultation standards and practices at Union level; points out, however, with regard to the independent role of many non-governmental organisations, that the creation of consultation standards must not be tied to any quid pro quo on the part of organisations of civil society because independent and critical public opinion is essential for a vibrant democracy; confirms, however, that the democratic requirements placed on the Community regulatory process as regards accountability and transparency must also apply to these organisations; Points out that access to legislation is an important part of effective participation and consultation, so that legislation must be both consistent and clear, access thereto must be practical, and there must be better understanding of laws by those concerned; Emphasises the opportunity which new technologies present as regards meeting new challenges concerning communication, consultation and the direct participation of civil society; Autonomous regulatory authorities Points out, however, that the Commission must always have the necessary instruments to enable it to account to Parliament and the Council for the activities of such authorities and it goes without saying that authorities of this kind can be created only on a clear legal basis; Remains committed to the principle of autonomous enforcement of Community law by national governments and regions, because this leads to a transparent division of tasks, clear accountability and implementation of EU law that is close to the citizen; insists, however, on effective monitoring of compliance with obligations under European law, e. Regrets that the White Paper makes no reference to the institution of the petition to the European Parliament and complaints to the European Ombudsman, particularly given that the Commission makes a much appreciated and frequently decisive contribution to the processing of petitions in the interest of the European citizen; Finds it deplorable that the draft code of good administration does not serve as a point of departure when the Commission elaborates concrete actions to follow the White Paper; Regrets that the Commission does not mention the new regulations on access to documents in the White Paper, since it is evident that proper implementation of these rules and the allocation of adequate resources to that end are of paramount importance for the achievement of good governance in the EU; Involvement of regional and local authorities Points out furthermore that, on the basis of the considerations set out in paragraphs 8 and 10 above, that there is no question of the direct

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delegation of powers and tasks to bodies or authorities at regional or local level in the Member States as this would undermine the basic structure of the Union and be in breach of the principles of subsidiarity and proportionality which leaves it up to Member States to decide how to organise themselves internally; Considers that greater involvement of the regional and local authorities in Union policy 30 should rather be achieved by enlisting expertise and experience at regional and local level in the Member States at an early stage in the preparation of legislation, there being nothing to prevent the Commission from asking the Committee of the Regions, as a forum for the regions and local authorities, for appropriate surveys and opinions at an early stage, in particular with respect to the anticipated follow-up costs of legislative proposals at the relevant level 31 ; Is also of the opinion that the development of a dialogue with associations of municipalities should result in municipalities and local authorities being consulted on all Commission plans that affect their interests; Better lawmaking Points out that an intensive exchange of views has been going on between the Union institutions on this subject for years 32 ; Has fewer reservations about the open method of coordination if it is confined to the exchange of procedures that have proved their worth and the comparison of progress achieved and does not apply in the sphere of preparation of European Council meetings from which Parliament is excluded; it must under no circumstances lead to hidden parallel legislation by circumventing the legislative procedures established in the EC Treaty; Considers that any amendment to Community legislative provisions relating to the institutional and legal aspects of governance must be made by means of amending the Treaties in force and hence be placed on the agenda for the next Convention; Urges the Commission to intensify its efforts to complete its own administrative reform so as to establish a first-class, open and transparent public administration, without which it will be impossible to aspire to being the principal executive in a well-managed and accountable Union; Cooperation with the European Parliament Expects the Commission to intensify cooperation in particular with Members of the European Parliament and to support them in what is the most fundamental of their tasks, in maintaining a dialogue with the citizens, the relevant Commission departments making available all the information needed for this purpose, e. Intends to examine carefully as soon as they are submitted to it the numerous individual proposals and measures announced in the White Paper, such as: Instructs its President forward this resolution to the Commission, the Council, the Economic and Social Committee, the Committee of the Regions and the governments and parliaments of the Member States.

### Chapter 3 : European Commission report on IASB/IASCF governance

*Note: Citations are based on reference standards. However, formatting rules can vary widely between applications and fields of interest or study. The specific requirements or preferences of your reviewing publisher, classroom teacher, institution or organization should be applied.*

### Chapter 4 : Commission on Global Governance | international relations | calendrierdelascience.com

*Corporate author(s): Secretariat-General (European Commission) Themes: Activities of the institutions and bodies Subject: drafting of EU law, European Union, governance, institutional reform, interinstitutional relations (EU), operation of the Institutions, transparency in decision-making.*

### Chapter 5 : Report of the NACD Blue Ribbon Commission on Adaptive Governance

*European Commission - Press Release details page - Bruxelles, le 22 September At the beginning of its mandate, the Commission had identified the improvement of the European governance as a priority.*

### Chapter 6 : White Paper on European Governance “ calendrierdelascience.com

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## Chapter 7 : Report of the Commission on Global Security, Justice & Governance | Stimson Center

*Governance at the European Commission â€™ of the Santer Commission and in response to the report of the Committee of Inde- the governance of the Commission.*

## Chapter 8 : Special report No 27/ Governance at the European Commission â€™ best practice?

*According to the GSP Regulation the Commission has to submit, every two years, a report to the European Parliament and to the Council on the effects of the GSP covering all three preferential arrangements (Standard GSP, GSP+, EBA) during the most recent two-year period.*