



HAL
open science

Responsible investment in Belgium

Céline Louche, Luc van Liedekerke, Herwig Peeters

► **To cite this version:**

Céline Louche, Luc van Liedekerke, Herwig Peeters. Responsible investment in Belgium. Hebb T.; Hawley J.P.; Hoepner A.G.F; Neher Q.L.; Wood D. The Routledge companion to Responsible investment, Routledge, 2015. hal-01184522

HAL Id: hal-01184522

<https://hal.science/hal-01184522>

Submitted on 27 Dec 2023

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Responsible Investment in Belgium

Authors:

Céline Louche, Audencia School of Management, clouche@audencia.com

Luc Van Liedekerke, University of Antwerp, luc.vanliedekerke@ua.ac.be

Herwig Peeters, Forum ETHIBEL herwig.peeters@ethibel.org, ARISE (Association for Responsible Investment Services)

Published in:

Louche, C., Van Liedekerke, L., & Peeters, H. (2015). Responsible investment in Belgium. In The Routledge Handbook of Responsible Investment (pp. 287-299). Routledge.

1. Introduction

In Belgium, responsible investment (RI) has developed through active partnerships between grassroots movement and non-governmental organizations (NGOs) on the one hand, and motivated financial institutions dedicated to a sustainable and solidarity economy on the other. Similar to most countries, RI in Belgium consists mostly of collective investment products such as investment or insurance funds (RI UCI's). However the RI Belgian market is also characterized by an active involvement of saving products, what we call in this chapter responsible saving (RS). The Federal Council for Sustainable Development defines RI as 'reconcile traditional financial values with ethical, social and environmental considerations when purchasing, managing and selling investment titles and exercising related rights, including the right to vote.' (Council of Ministers of Belgium, 2004).

The RI market in Belgium is supply-driven with a limited number of banks promoting and contributing to the mainstreaming of RI. Nonetheless, its market share (in respect to traditional investing) is relatively high and it remains one of the most active markets in Europe (Eurosif, 2010; Vigeo, 2011, 2013).

RI in Belgium is predominantly based on a positive and dynamic approach where positive screens are favoured and concepts of awarding improvements based on best-in-class methodologies are promoted. Moreover, Belgium has pioneered several innovations in the RI market such as: RI labels, laws, and a quality standard. 'Quality' has been an important discussion in Belgium which resulted in an active promotion of transparency and minimal norms.

Although the RI market has increased significantly since mid-2000, several challenges remain. The market showed some decline in 2012 as the regulatory environment is not yet mature for RI, and since RI has not spread to all asset classes.

2. Country overview

Belgium has a total area of 30,528 km², which makes it a rather small country. It is situated in the west of Europe, bordered with the Netherlands, Germany, Luxembourg and France. In March 2014 it's population was 11.14 million people. It had a population density of more than 360 people per square kilometer, the second highest figure in Europe.

Belgium scores well with regard to quality of life. It ranks among the top ten countries in several topics in the Better Life Index. Life expectancy in the country as of 2012 is 79.65 years; 99% literacy rate in 2011; and a school life expectancy of 17 years as of 2011. In terms of employment, the level of unemployment was 8.5% in 2013 compared to a rate of 21.2% in the Euro area (EU17). According to the World Bank, its GDP per capita was \$43,413 in 2012, ranking 21st globally.

Roman Catholicism has traditionally been Belgium's majority religion. In 2010, 75% of the population declared themselves as Roman Catholic. Despite the drop in church attendance the last decade, the catholic identity nevertheless remains an important part of Belgium's culture.

The country is characterized by its multilingualism and multiculturalism and as a culture of compromise. It has two cultural communities (Flemish and French) straddling the cultural boundary between Germanic and Latin Europe. The country has three linguistic groups Dutch-speakers, mostly Flemish (~ 60%), the French-speakers, mostly Walloons (~40%), and a small group of German-speakers (less than 1%).

With respect to internet use, Belgium ranks 43rd worldwide with 8.5 million users in 2011 or more than 81% of its population using internet.

Belgium is a federal parliamentary democracy under a constitutional monarchy whereby the King of the Belgians is Head of State, and the Prime Minister of Belgium is the head of government in a multi-party system. Its civil law system is based on the French Civil Code.

Belgium was the 18th largest trading nation in 2013 according to the CIA¹. The economy of the country has capitalized on its central location in Europe through a highly developed transport network and a diversified industrial and commercial base. Belgium has few natural resources other than fertile soils. Nonetheless, most traditional industrial sectors are represented in the economy. Its main industries include: engineering and metal products, motor vehicle assembly, transportation equipment, scientific instruments, processed food and beverages, chemicals, basic metals, textiles, glass, and petroleum. However, Belgium is mainly a service oriented economy as services accounted for 74.9% of its GDP in 2010.

3. RI market in Belgium

¹ <https://www.cia.gov/index.html>

In Belgium, RI products can be divided in three main categories: 1) responsible investment UCI's (undertaking for collective investments) such as SICAV, investment funds, insurance funds and structured products, including notes (RI UCI's), 2) responsible saving accounts (RS), and 3) other forms of RI. We will provide some insights into those three categories in the following sections but first we would like to briefly discuss the data available on the Belgium RI market.

3. 1. Sources of information about RI in Belgium

When looking for data on the Belgium RI market, several sources of information are available. However the data provided vary greatly.

There are three main sources of information in Belgium namely the Belgian Asset Managers Association (BEAMA), Mira & Forum Ethibel, and the Réseau Financité (RFA). Next to those national sources, there are two European sources, Eurosif and Vigeo.

Each of these sources collects and calculates the data using their own methodology and with different assumptions. As a result, each source provides different figures (see appendix 1). As such, we need to be careful when using and comparing RI data and it is crucial to understand the way they have been collected. In this chapter, when available, we will use data from the Mira Report. The Mira report has a long track record (since 1992) and provides data related to all asset classes. The Mira Report uses data from FSMA². Although the FSMA listed 365 RI products in 2012, Mira selected only 315 of them based on transparency and the level of RI approach (Peeters & Raeymaekers, 2013). Among the 50 rejected funds, some did not have any explicit RI criteria and critically lacked transparency, others had only a very limited number of screens (one screen for example) which was not enough to be considered a RI fund, and others were thematic funds – focusing for example on alternative energy – while not applying any RI method.

3. 2. Responsible Investing and undertakings for collective investments (RI UCI's)

Between 1995 and 2012, the RI assets under management in Belgium increased from 8.9 million euro to 8 billion euro (see the evolution in figure 1). As a result, the relative market share of RI compared to the market of traditional UCI's increased from 0,05% to 9.6% (Peeters, 2012). In 2012, 315 RI vehicles (investment funds, notes, insurance products, etc.) were offered on the Belgian market, of which 279 were specifically launched for the Belgian market (Peeters & Raeymaekers, 2013).

The RI UCIs market started in Belgium in the early 1990s (Coeckelbergh, 2011). In 1991, KBC launched the first environmental technology fund called KBC Ecofund. One year later, in 1992, Van Moer-Santerre & Co. initiated the first responsible investment fund, VMS Luxinter Ethifond. However it is not before 1996 that other RI UCI's initiatives were introduced. 1996-2001 was a period of slow growth ended by a stock market collapse in 2001. From 2002 and 2007, RI UCI's recorded

² FSMA, Financial Services and Markets Authority, www.fsma.be

an impressive growth. This was due to the increased interest of large asset managers, notably Dexia, KBC, Fortis which saw in responsible investment a growth opportunity and a lasting market segment. The financial crisis in 2008 did not stop the growth of RI UCIs in Belgium. Although the assets under management slightly decreased in 2008, their relative market share kept growing. This phenomenon was confirmed by Vigeo in its 2011 survey: *“It was clear that the financial crisis that affected the asset management industry encouraged further sustainable investing, particularly in countries where [S]RI was already prevalent”* (Vigeo, 2011). In 2011, the first signs of a slowdown were observed, a trend that was confirmed in 2012. Between 2010 and 2012, the number of RI products decreased by 21% (Peeters & Raeymaekers, 2013).

Based on the Vigeo report, Belgium represented 6% of the European market in 2012 in terms of number of funds, a decrease of 2 percent compared to 2011 (Peeters & Raeymaekers, 2013).

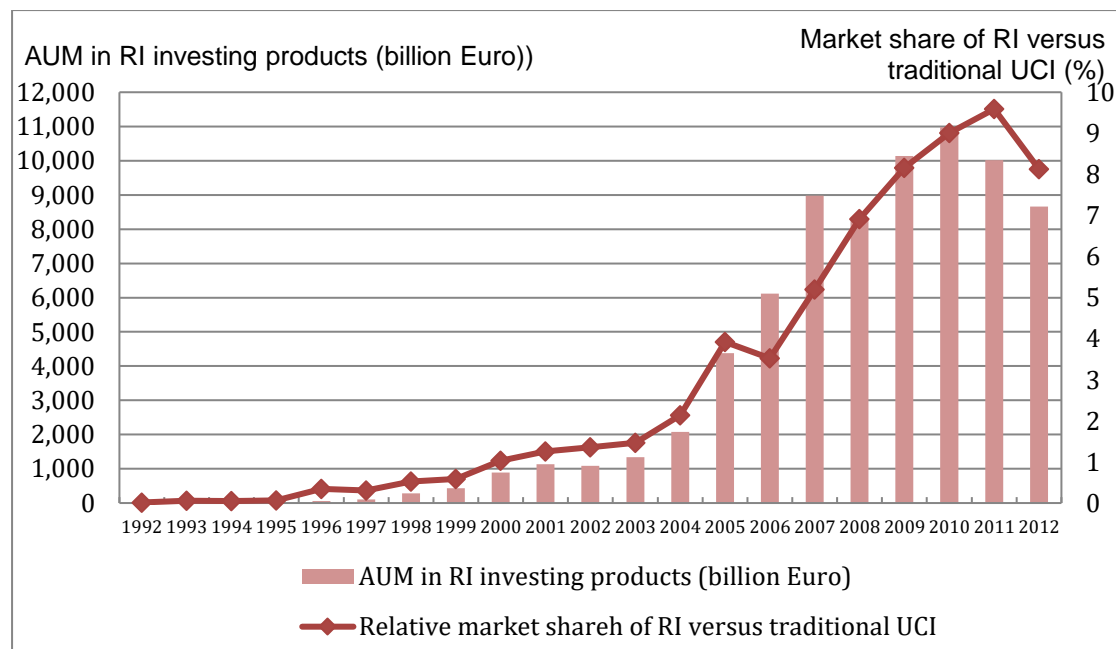


Figure 1 - Evolution of the assets invested in RI UCIs in Belgium between 1995 and 2012 (source: Peeters & Raeymaekers, 2013)

Table 1 shows the number of RI UCIs per asset manager in Belgium as well as the percentage of their market share. As of 2012, the market was led by three main players, namely KBC, BNP Paribas and Dexia. The same three asset managers have been dominating the Belgian market in terms of number of RI UCI products since 2008 although not always in the same order of importance.

Asset manager Group	# of products			
	2009	2010	2011	2012
KBC AM	146	181	187	152
BNP Paribas	55	68	69	69

Dexia AM	21	23	25	23
Crédit Agricole	21	14	14	13
Ethias	5	6	6	5
Triodos	3	4	4	4
ING	2	4	3	4
Petercam	2	2	2	2
Degroof Fund MC	1	2	2	2
Axa	1	2	2	2
oikocredit	1	1	1	1
VLADUBEL	1	1	1	1
ARGENTA	1	1	1	1
Bank Delen	1	0	0	0
Dresdner Van Moer	1	1	1	0
TOTAAL	262	310	318	279

Table 1 - The market profile for each portfolio manager, expressed in number of RI UCIs products and of market share as of December 2011 (source: (Peeters & Raeymaekers, 2013))

3. 3. Responsible Saving and saving accounts (RS)

Responsible savings (RS), also called solidarity and sustainable savings, started in Belgium in 1984. By the end of 2012, it had 2.4 billion euro of assets under management and gained a market share of 0.95% (Peeters & Raeymaekers, 2013). RS remains rather modest in terms of volume and market share. In 2012, RS represented 28% of the volume of the total responsible investment products (RI UCIs and RS) on the Belgian market. The RS market saw a growth of 1.93 billion euro between 2010 and 2011 (see figure 2). One of the key explanations of the growth is the involvement of a newcomer in RS, namely Van Lanschot Bankiers, who in 2012 had the largest market share. However a second important element of the growth was a shift which is currently happening in the financial institutions. Banks have transitioned from including responsible principles to only a very limited number saving products (some very specific products) to an inclusion in all saving products. It started with Ethias and it is expected that others will follow in the near future. Despite these initiatives the RS market saw a decline in 2012.

RS was introduced prior to RI UCIs, however it was unable to gather the same interest, and today, the RI UCI market is much larger than the RS market. The first RS product – “Cricket saving” – was launched in 1984. This product was the outcome of a partnership between three organisations: BNP Paribas (a bank), and two NGOs, Netwerk Vlaanderen (now FairFin) and Réseau Financité. Partnerships remained an important characteristic of RS in Belgium. Five other RS initiatives were launched in partnership between banks and NGOs (see Table 2).

As of December 2012, five RS products were on the market, namely Krekelsparen, Epargne Cigale, Hefboomsparen, Solidariteitsparen, Triodossparen and Spaarrekening Van Lanschot Bankiers. The activities of Ethias Bank have been stopped and partly taken over by Optima Bank. It is interesting to note that the financial institutions offering RS products are different from the institutions offering RI UCIs. Only two of the institutions active in RI UCI's have also RS products, namely BNP Paribas Fortis and Triodos Bank.

The approach adopted for RS varies greatly. It ranges from a solidarity approach, where investors directly invest a certain percentage of their assets in social projects, to using best in class criteria for positive screening, or negative screening criteria. RS can also include impact investing, microfinance and engagement policies.

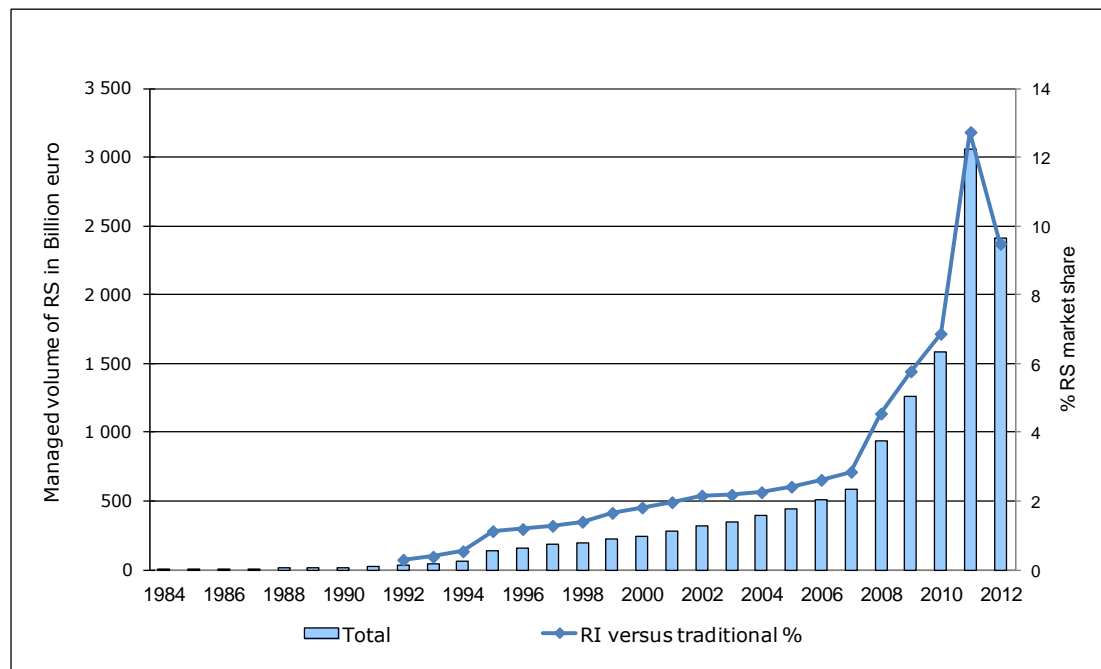


Figure 2 - Evolution of Responsible Savings in Belgium: growth of volume in the period 1984-2012 and market share versus traditional savings (‰) (source: (Peeters & Raeymaekers, 2013))

Initiation	Saving product	Partnerships	% market share (as of December 2012)
1984	Krekelsparen Épargne Cigale "Cricket savings"	BNP Paribas Fortis Netwerk Vlaanderen + Réseau Financité	5,52
1995	World savings	VDK Spaarbank Trias + Wereldsolidariteit + CPP-Incofin + Broederlijk Delen	0,51
2000	Solidarity savings	VDK Spaarbank Hefboom + Welzijnszorg	
1993	North-South savings	Triodos Bank multiple partners until 2011	45,58
2006	Saving with Ethias Bank	Ethias Bank no partner	0,00
2011	Saving account VLB	Van Lanschot Bankiers no partner	48,39

Table 2 - RS in Belgium between 1984 and 2012 (source:(Peeters & Raeymaekers, 2013))

3.3. Other forms of responsible investment

In addition to RI UCIs and RS products, other responsible investment products are available in the Belgian market. This includes credits, microcredits and risk capital that provide capital efforts to stimulate sustainability related projects.

Several organisations in Belgium provide some form of responsible investment through seed capital, credits or warranties for specific social/environmental related projects or economic activities. Depending on the size, the destination, the risk rate and the cost structure, they are classified as either: credits or micro-credits, seed capital or interest free loans. Appendix 2 provides a list of organisations (non-exhaustive) that were involved in such activities as of December 2012. Several of them are specialised in microfinance like Alterfin, Incofin, or Microstart. Others like the Credal, Hefboom or Trividend are active in the social economy that is the third sector in economies.

3.4. Institutional versus retail RI market

Compared to other European countries, the retail RI market in Belgium is rather significant. According to the Eurosif 2012 report, retail investors represented 23% of RI market (28% in 2010, (Eurosif, 2010)) compared to the 6% on average for Europe (Eurosif, 2012). The bulk of the market (77% Eurosif, 2010) remains however in the hands of institutional investors. In 2008, Belgian pension funds allocated only 15% of their total pension assets – approximately €13 billion – in RI (Investments & Pensions Europe, 2008). Note that Belgian pension funds represent only one third of the total Belgian pension assets and that the remainder is managed by insurers (Peeters, 2009; Swaegers, 2010). However, very little is known about the RI activities of institutional investors and available data may not be fully reliable. Eurosif reports provide a very partial picture of what they do. Only four players reported for the 2012 Eurosif report (Eurosif, 2011)

4. Policy environment, regulations and fiduciary duties

Belgium is showing a real political will to stimulate and promote RI. In September 2004, the Federal Plan for Sustainable Development 2004-2008 was adopted. This plan recognised the importance of RI and encouraged ‘ethically sound investment’:

“§30801. Ethically sound investments reconcile traditional financial values with ethical, social and environmental considerations when purchasing, managing and selling investment titles and exercising related rights, including the right to vote. It is a sustainable development theme par excellence” (Council of Ministers of Belgium, 2004)

A number of laws have been adopted to support RI. Similar to many other countries, the emphasis is on transparency and disclosure (Steurer, Margula, & Martinuzzi, 2008). We enlist hereafter the main initiatives.

Disclosure laws

The Law of April 2003 also known as the law on Supplementary Pensions or the “Vandenbroucke” law, requires pension funds to disclose in their annual report the degree to which social, environmental and ethical criteria are taken into account in the investment strategy (article 42 of the law).

After the adoption of the Federal Plan in 2004, a new law of 20 July 2004 was voted making transparency disclosures mandatory in both the prospectus and annual reports for Belgian Collective Investment Schemes (CIS) (article 76 of the Law of 20 July 2004). Mutual funds and the SICAVs have to report in the prospectus and in the annual report, the extent to which their investment policies take social, environmental, and ethical criteria into consideration. The way in which ESG criteria are used when exercising shareholder rights (voting rights, resolution submission) must also be disclosed in the annual report.

The objective of those two disclosure laws was to force trustees and fund managers to communicate to their clients or members their stance on ESG issues, and indirectly, to stimulate RI. However the regulations have had very limited impact as the transparency improved only to a small degree and did not effectively stimulate RI (Bayot, Cayrol, & Marcelo, 2011; Peeters, 2009; Swaegers, 2010). As of June 2012, there are no transparency measures for the insurance sector.

Prohibition laws

In March 2007, and then in June 2009, the Belgium Parliament enacted two laws prohibiting Belgium investors direct and indirect financing of the production, commercialization, use and possession of respectively anti-personnel mines, submunitions and depleted uranium weapons (European Commission, 2010)(European Commission, 2010). An amendment to the law regulating economic activities and individuals with weapons is currently under discussion. Its objective is to ban the financing of companies involved in the production or commercialization of incendiary weapons with white phosphorus (Belgian Parliament, 2009).

Code of conduct

In June 2009, the Belgian Asset Managers Association (BEAMA) adopted a code of conduct (as part of the Constitution of the Association) integrating elements of RI. The code takes the “fiduciary duty” as a starting point which is defined as any entity and/or individual who assumes responsibility for any aspect of portfolio management in the broadest sense of the term recognizes the principle of fiduciary duty and adheres to it when exercising their activities (BEAMA, 2009) . The code of conduct deals specifically with the principles arising from the general principle of fiduciary duty, which covers all the others, and the practical interpretation of this principle.

Consumer protection

Discussions are also underway to create a Consumer Protection Agency on financial products that would have as a mission, among others, to promote and monitor ethical and solidarity-based finance aspects, and to prohibit the financing of certain products as well as speculations harmful to public interest. A new bill in a similar vein has been presented in the House of Representatives on 8 November 2010 (Bayot et al., 2011). As of December 2012, no decision had been taken yet.

5. RI institutions

In Belgium six main organisations are actively promoting and supporting responsible investment. They are described in the paragraphs below.

- **Association for Responsible Investment Services (ARISE)**

ARISE is an international trade association, seated in Belgium, that owns and manages ARISTA®. ARISTA® is the Responsible Investment Research Standard, developed in response to the demands from global investors and companies for RI research groups to incorporate the key principles of quality, integrity, transparency and accountability into their research processes (www.arista-standard.org)

- **Belgian Asset Managers Association (BEAMA)**

Since 2001, BEAMA has been active in monitoring sustainable and socially responsible investment UCIs as well as in taking care of their quality control. (www.beama.be)

- ***BELSIF, 'Belgian Sustainable and Socially Responsible Investment Forum'***

BELSIF is a non-profit organization in which individual financial institutions participate along with social organizations and NGOs. BELSIF aims to stimulate, promote and support all types of sustainable and socially responsible investments, and to actively promote RI to public and private financial investors. BELSIF is the Belgian national member of Eurosif. (www.belsif.be)

- ***FairFin***

FairFin promotes an environmentally and socially responsible approach to money, and strives for a just society. FairFin is a non-profit organization which campaigns against irresponsible and detrimental investments of banks. FairFin is active at the international level as part of BankTrack. (www.fairfin.be)

- ***Forum ETHIBEL***

Ethibel, together with Van Moer-Santerre stood at the birthplace of RI in Belgium. After the merger of its research company 'Stock at Stake' with Vigeo, a new name was adopted. "Forum ETHIBEL" promotes responsible investing, encourages dialogue between stakeholders, and provides specific instruments and labels to support investors. (www.forumethibel.org)

- **RFA, le 'Réseau Financité'**

RFA is a non-profit organization consisting of a wide variety of social organizations. Its main aim is to develop and promote ethics and solidarity in dealing with money in order to contribute to a more just and humane society. Its main activities are financial education, research in the field of responsible investment, as well as developing and labelling financial products/services that meet its standards for social responsibility and solidarity. (www.financite.be)

6. RI practices

In this section we will explore the practices of RI on the Belgian market. We will look at the ESG criteria, shareholder engagement and finally RI quality. It is interesting to note that so far, very few RI actors have signed the Principles for Responsible Investment (PRI) in Belgium. In 2007-2008, the UN Principles for Responsible Investment was signed by five large financial institutions. By early 2012, all but one had withdrawn from the PRI. As of 2014, there are four signatories in Belgium, and contrary to the 2007 list, these are fairly small organisations.

In April 2010, Belsif published the 'Belsif Matrix' which is a comparison tool of various RI products in Belgium. The matrix details the methodologies and characteristics of 159 RI products available in Belgium. The following paragraphs are based on the information provided in the Matrix 2010³. Although data is from 2010 and does not cover all existing RI products, it provides an accurate picture of the 2012 RI practices in Belgium.

6.1. RI methodologies and criteria used

Table 3 provides an overview of the practices of the 159 funds studied by Belsif in 2010. We can see that most of the RI products use a combination of approaches. Almost 100% have negative screening, which can be explained by the regulation requirement with regard to controversial weapons. 93% use a best in class approach, and more than 60% have some form of engagement, mainly in terms of proxy voting. Thematic investment is also a popular approach used by 31% of the RI products. It is also interesting to note that the most important theme is the environment. Issues belonging to the social domain are less popular among RI actors in Belgium.

If we look more closely into the negative screens, divestment from weapons producing companies is the most popular. This was already the case before the 2007 and 2009 legislation prohibiting the financing of weapons; however since 2009 the use of this negative screen was almost extended to 100% of all investments in Belgium (RI and non-RI). Other popular negative screens include tobacco, gambling, and nuclear power. Less common are GMOs and oppressive regimes/countries.

³ Available at <http://www.belsif.be/default.aspx?ref=AJAG&lang=EN>

With regard to engagement practices, some Belgian asset managers, like KBC AM, Dexia AM, and BNP Paribas Investment Partners have recently complemented their 'passive' RI policies with engagement initiatives, starting in the 2007-2008 years. They actively engage by exercising their voting rights through proxy voting resolutions concerning stocks in their portfolios, or by participating in joint initiatives. Although the figures reported by the Belsif study are quite high, engagement remains a recent and emerging activity in Belgium. There is also a relative lack of transparency in reporting on engagement processes. It is often very unclear to the investor how the engagement process developed and how much energy was put into this process. This lack of transparency is often defended on efficiency grounds claiming that this would harm the trust relation between the investor and the company.

	% of products
Positive methodologies used by SRI products	
# of products using Best-in-Class	93,08%
# of products being Thematic investments	31,45%
# of products combining Best-in-Class and Thematic Investments	23,27%

Exclusions of specific issues & controversial activities	
Adult Content	20,13%
Alcohol	39,62%
Animal Testing	20,13%
Controversial Weapons	99,37%
Gambling	54,72%
GMO	19,50%
Harmful Substances For The Environment	20,75%
Nuclear Power	54,72%
Oppressive Regimes/ Countries	19,50%
Tobacco	54,72%
Weapons	78,62%
Others	10,06%

Norms Based Screening	
Anti-Corruption	77,99%
Corporate Governance	77,36%
Human Rights	77,36%
Labour Rights	78,62%
Environment	78,62%
Others	39,62%

Engagement	
Proxy Voting	63,52%
Direct Engagement Conducted Privately	62,26%
Collaborative Engagement	27,67%
Filling Shareholders Resolutions	4,40%
Co-filling Shareholders Resolutions	4,40%
Others	4,40%

Table 3 – RI methodologies and criteria used in Belgium (source: Belsif Matrix April 2010)

6.2. RI quality and Accountability

A strong characteristic of the Belgium RI market is the emphasis on quality and accountability. For this purpose, the Belgian members of the international trade association Arise (Association for Responsible Investment Services), Forum ETHIBEL and Vigeo have invested in the international quality standard ARISTA 3.0®⁴.

The objective of the standard is twofold: it aims to promote confidence in responsible investment and it serves to answer the transparency criticism. RI institutions have been criticised for their lack of transparency and accountability by both companies and investors (Coeckelbergh, 2011). Methodologies and criteria used are not always clearly stated and results are not always understandable. A number of reports such as *'Rate the Raters'* published by Sustainability⁵, and initiatives such as the Global Initiative for Sustainability Ratings (GISR)⁶ were launched around 2010 to promote transparency and work on solutions to overcome this problem. ARISTA is participating in this movement and provides key principles of quality, integrity, transparency and accountability to be incorporated into research processes.

Although the standard originated in Europe (seated in Belgium), ARISTA 3.0® is an open standard available to all RI research groups around the world that meet the certification criteria. As of December 2012, 14 RI research institutions were signatories.

7. Future challenges for responsible investment in Belgium

Responsible investment in Belgium has grown significantly between 1995 and 2011 with respect to: market share, number and type of actors involved, and the amount of investment products. The changing landscape shows the dynamism of the RI market in Belgium, however, several challenges remain.

First, RI has yet to encompass all asset classes. It remains focused on equities, as is the case in many other countries. This limits its potential growth. Expansion into the insurance sector, credits and loans, saving products and treasury is a necessity in order to further mainstream RI. Expansion should also come in the type of clients. So far the market relies mainly on institutional investors. Retail investors, although reasonably well represented in Belgium compared to other European countries, still linger at the side-line and RI is hardly present in private banking.

Secondly, despite the many initiatives with respect to the quality and accountability around RI screening and products, there is a clear need to extend the scope of the transparency and accountability requirements to the full supply chain of RI. Notably the process of engagement remains often unclear to RI investors.

Finally we should mention a number of political initiatives that might have considerable influence on the future structure of the RI market in Belgium. There is an on-going

⁴ For more information see the website: www.aristastandard.org/

⁵ www.sustainability.com/projects/rate-the-raters, accessed on 14 January 2013

⁶ <http://ratesustainability.org>, accessed on 14 January 2013

discussion to make RI the compulsory framework for all public investment and public saving pension schemes. Fiscal incentives to promote solidarity products are also on the table, as well as the introduction of a new regulation setting a minimum quality norm for RI products. This could be done by extending the principles of the Belgian law on controversial arms to other controversial or harmful activities. All these initiatives are characterised by a political battle between two groups; one pushing for legally binding regulations, the other insisting on stronger self-regulation. The first group mainly consists of NGOs and politicians while the second group is driven by the Belgian financial sector federation, Febelfin (Peeters, 2011). Both groups meet in BELSIF and despite tensions, they have managed so far to work together on a number of issues. Discussions around the legal initiatives mentioned above are not in a decisive stage yet but could determine the future growth prospects of the RI market in Belgium.

8. References

- Bayot, B., Cayrol, A., & Marcelo, C. 2011. L'investissement socialement responsable en Belgique. Rapport 2011: Réseau Financement Alternatif.
- BEAMA. 2009. BEAMA Code of Conduct for the asset management sector and related activities in Belgium, Vol. <http://www.beama.be/en/organisatie-en/codeofconduct/code-of-conduct>. Brussels, Belgium: Febelfin.
- Belgian Parliament. 2009. Loi réglant des activités économiques et individuelles avec des armes: Service Public Fédéral Justice: http://www.ejustice.just.fgov.be/cgi_loi/loi_a.pl?language=nl&caller=list&cn=2006060830&la=n&fromtab=wet&sql=dt='wet'&tri=dd+as+rank&ech=1&numero=1.
- Coeckelbergh, D. 2011. *Ethisch en duurzaam beleggen in België. Historiek, stand van zaken en kritische visie*: Garant.
- Council of Ministers of Belgium. 2004. Federal Plan for Sustainable Development 2004-2008
- European Commission. 2010. Corporate Social Responsibility, National Public Policies in the European Union: Directorate-General for Employment, Social Affairs and Inclusion bUnit C.2.
- Eurosif. 2010. European SRI Study 2010, *Eurosif*. Paris: www.eurosif.org/research/eurosif-sri-study/european-sri-study-2010 <<http://www.eurosif.org/research/eurosif-sri-study/european-sri-study-2010>, accessed on 15 October 2010.
- Eurosif. 2011. Corporate Pension Funds and Sustainable Investment.
- Eurosif. 2012. European SRI Study 2012, Vol. http://eurosif.org/images/stories/pdf/1/eurosif%20sri%20study_low-res%20v1.1.pdf: Eurosif.
- Investments & Pensions Europe. 2008. Cross-border intentions, Vol. 12: 17: IPE International Publishers Ltd
- Peeters, H. 2009. Onderzoek en evaluatie van de transparantieregeling in het kader van de aanvullende pensioenen en de instellingen voor collectieve belegging.: Forum ETHIBEL, POD DO.
- Peeters, H. 2011. Transparency, audit & control within a SRI regulatory framework. Summary report of the Febelfin/Belsif SRI Platform meetings,

aiming at de-tailing the substance and procedures regarding transparency, verifiability and control of SRI products: Forum ETHIBEL for Febelfin, http://www.febelfin.be/sites/default/files/files/PlatformSRBI_advice2_ETHIBEL.pdf.

- Peeters, H. 2012. Duurzaam Sparen en Beleggen in België in 2011: Mira, Forum Ethibel, Milieurapport Vlaanderen.
- Peeters, H., & Raeymaekers, S. 2013. Duurzaam Sparen en Beleggen in België: actualisatie tot 2012: Mira, Forum Ethibel, Milieurapport Vlaanderen; Forum ETHIBEL vzw.
- Steurer, R., Margula, S., & Martinuzzi, A. 2008. Socially Responsible Investment in EU Member States: Overview of government initiatives and SRI experts' expectations towards governments. In Commissioned by the European Commission (Ed.). Vienna, Austria: Vienna University of Economics and Business Administration.
- Swaegers, C. 2010. ***SRI disclosure : Evaluation of the transparency policy in case of Belgian pension institutions and CIS***. Catholic University of Leuven.
- Vigeo. 2011. Green, Social and Ethical Funds in Europe. 2011 Review.
- Vigeo. 2013. Green, Social and Ethical Funds in Europe. The Retail Market. 2013 Review.

Appendix 1 - RI market in Belgium

Table 1 below provides an overview of the data provided on the Belgian RI market by five different sources. Remark the large differences in absolute numbers as well as market share.

Source	Number of RI products		Share	Source
BEAMA	232 RI funds	€5,78 Billion	5.42 %	www.beama.be (2011 data)
Mira & Forum Ethibel	359 RI UCI's vehicles 5 RS initiatives	<ul style="list-style-type: none"> • RI UCI's: €8.6 billion • RS: €2,4 billion 	9,6%	Mira report 20132 (2012 data)
RFA	340 RI funds 7 RS products	€15 billion, distributed as follows: <ul style="list-style-type: none"> • RI funds: €9,9 billion • RS: €1,05 billion • 	9%	2012 report (2011 data)
Vigeo	204 RI retail funds	RI funds: €6.4 billion	NA	Annual Survey 2013 (2012 data)
Eurosif	140 RI funds 20 other RI products	<ul style="list-style-type: none"> • 1) Sustainability themes assets + 2) best in Class + 3) Norms-based screening: €26.2 billion • 1+2+3+ 4) exclusions +5) integration + 6) engagement: €129.3 billion 		2012 report

Appendix 2 - Organisations providing credits, microcredits seed capital or cheap loans. (source: Peeters, 2012)

Organisation	Objective
BIO	The mission of the Belgian Investment Company for Developing Countries is to support the private sector in developing countries by providing long-term financing for small-to-medium enterprises (SMEs) and micro-finance institutions.
FHIC	The Federal Holding and Investment Company (FHIC) centrally manages the federal government's shareholdings, cooperates with the government on specific projects and pursues its own investment policy in the interests of the Belgian economy.
Alterfin cvba	Warranties for microcredit activities in developing countries and specific advice
Crédal cvba	Support and investments in an economy of solidarity
Hefboom cvba	Advice and investment in projects for a solidarity and sustainable society; promotion of RI products
Incofin cvba	Management of microfinance funds
Microstart	Microcredit institution focusing on the Belgian market
Netwerk Rentevrij	A cooperative providing interest free loans to projects with an added societal value
Oikocredit-be	Oikocredit is one of the world's largest sources of private funding to the microfinance sector. Also provides credit to trade cooperatives, fair trade organizations and SMEs in the developing world.
Triodos	Triodos offers innovation funds to support companies active in clean energy, organic agriculture, fair trade, environmental technology and the care and services sector
Trividend cvba	Advice and participation in social economy. Risk capital, subordinated loans.