Opportunities for Ethical Finance in the EU programming 2014-20

EU 2020: Smart Growth, Sustainable Growth, Inclusive Growth

5 Objectives
1. Employment: 75% of 20-64 year-olds employed
2. Innovation: 3% of EU's GDP invested in R&D/innovation
3. Climate change: greenhouse gas emissions 20% lower than 1990 + 20% of energy from renewables + 20% increase in energy efficiency
4. Education: Reducing school drop-out rates below 10% + 40% of 30-34-year-olds completing third level education
5. Poverty: 20 million fewer people in or at risk of poverty and social exclusion

The EU Budget 2014-20

EU budget is the main tool to implement the 2020 strategy.
The 75th budget, €106 billion, has been reduced by €64 billion for 2014-20.
In all policies the EU intends to do more with less funds.
- Less grants
- More financial instruments
- More financial instruments
- More financial instruments
- More financial instruments
- More financial instruments

FEBEA Conference: the crisis of the European model and the alternative solutions of Ethical Finance
Freibourg, 12 May 2014

Daniel Sorrosal
Opportunities for Ethical Finance in the EU programming 2014-20

FEBEA Conference: the crisis of the European model and the alternative solutions of Ethical Finance
Freibourg, 12 May 2014

Daniel Sorrosal
EU 2020: Smart Growth, Sustainable Growth, Inclusive Growth

5 Objectives

1. **Employment**: 75% of 20-64 year-olds employed

2. **Innovation**: 3% of EU's GDP invested in R&D/innovation

3. **Climate change**: greenhouse gas emissions 20% lower than 1990 + 20% of energy from renewables + 20% increase in energy efficiency

4. **Education**: Reducing school drop-out rates below 10% + 40% of 30-34-year-olds completing third level education

5. **Poverty**: 20 million fewer people in or at risk of poverty and social exclusion
The EU Budget 2014-20

EU budget is the main tool to implement the 2020 strategy

The EU budget, €960 Bn, has been reduced by €40 Bn for 2014-20

In all policies the **EU intends to do more with less funds**

- Less grants

- More financial instruments & revolving funds (debt, guarantees, equity)

- New opportunities for Ethical Banks as Financial Intermediaries
EU policies and Instruments

- Employment → EASI
- Enterprise → COSME
- Research → H2020
- Education and Culture → Creative Europe Erasmus+
- Environment → NCFF
- Energy → EEEF
## European Financial Instruments relevant to FEBEA

**Over € 3 Bn in EU Funds**

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>EASI</td>
<td>€ 190 MM</td>
<td>MF and Social Entrepreneurship</td>
</tr>
<tr>
<td>COSME</td>
<td>€ 1,4 Bn</td>
<td>SMEs: Loan Guarantees &amp; Equity</td>
</tr>
<tr>
<td>Creative Europe</td>
<td>€ 750 MM</td>
<td>Creative SMEs: Guarantees</td>
</tr>
<tr>
<td>Erasmus+</td>
<td>€ 540 MM</td>
<td>Master Students: Loan Guarantees</td>
</tr>
<tr>
<td>NCFF</td>
<td>€ 100 MM</td>
<td>Biodiversity: Debt &amp; Equity</td>
</tr>
<tr>
<td>EEEF</td>
<td>€ 146 MM</td>
<td>Energy Efficiency: Debt &amp; Equity</td>
</tr>
</tbody>
</table>
Why Financial Instruments

- Response to financial constraints
- Multiplier effect - attracting additional finance
- Policy impact - Fin. Intermediaries implement EU policies
- Institutional know-how - Intermediaries bring expertise and additional resources
- Efficient and effective way of implementing EU2020 strategy of smart, sustainable and inclusive growth
- Centralized implementation & management through EIF (mandate under negotiation, instruments ready Sep. 2014)
Implementation of Financial Instruments

European Commission → FEBEA Network
Supervision → Lobby, visibility

European Investment Fund (EIB) → FEBEA Network
Investment → Partnership, Negotiation

Financial Intermediary → Febea Member / SEFEA
Financing → Expertise, Leverage

Beneficiary → Febea Member / SEFEA
Social Impact → Market Knowledge, Outreach
Opportunities for FEBEA

Febea members are ideally placed to become financial intermediaries in the implementation of EU Financial Instruments

- Clear legitimacy
- Experience, know-how and market presence
- Specialized teams
- Guaranteed Social and Environmental Impact

This is a long-term strategic approach that can allow Febea and its members to:

- Increase their activity
- While reducing risks
- Raise their visibility and influence
- Increase Social and Environmental impact
How is FEBEA supporting you

- Raising visibility of Ethical Banking at EU level (EU Commission)
- Increasing Influence (Consultation, Expertise, Participation)
- Training members on EU funding opportunities
- Establishing long-term funding partnerships (EIF) and partnerships related to structural funds (REVES, SEN Network)
- Participating and involving members in EU Projects (Energy, Sustainable Agriculture - Horizon 2020)
- Identifying opportunities for your development (EIB - € 300 MM Equity Funds for Social Finance)
These are the opportunities identified by FEBEA.

Are you ready to seize yours?

Thank you, Danke, Merci, Grazie, Gracias, Dank U, Dzieki, Tak!

Daniel Sorrosal - FEBEA
daniel.sorrosal@febea.org - 0032 49744 49 53