



ETHICAL BANKING AND SUPPORT OF LOCAL COMMUNITIES

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PROBLEM

Role of the banks (traditional) – distribute money from those who have surplus to those who have good ideas for the creation of added value

Role today – maximization of profit for its shareholders (mostly on financial markets)

Consequences – not enough funding to support real economy, visible social impact, future savings

BANKE ARE INSTITUTIONS OF PUBLIC INTEREST

- concentration of peoples' savings in the banks,
- with their investment policies banks determine direction in which economy develops
- control of money supply,
- non-discriminatory approach to financial services
- limitation of the concentration of power
- funding the government
- support to development of areas of special interest (agriculture, energy, housing, ...)

CHARACTERISTICS OF ETHICAL BANKS

TRANSPARENT



ROBUST



DEMOCRATIC



SOLIDAIR



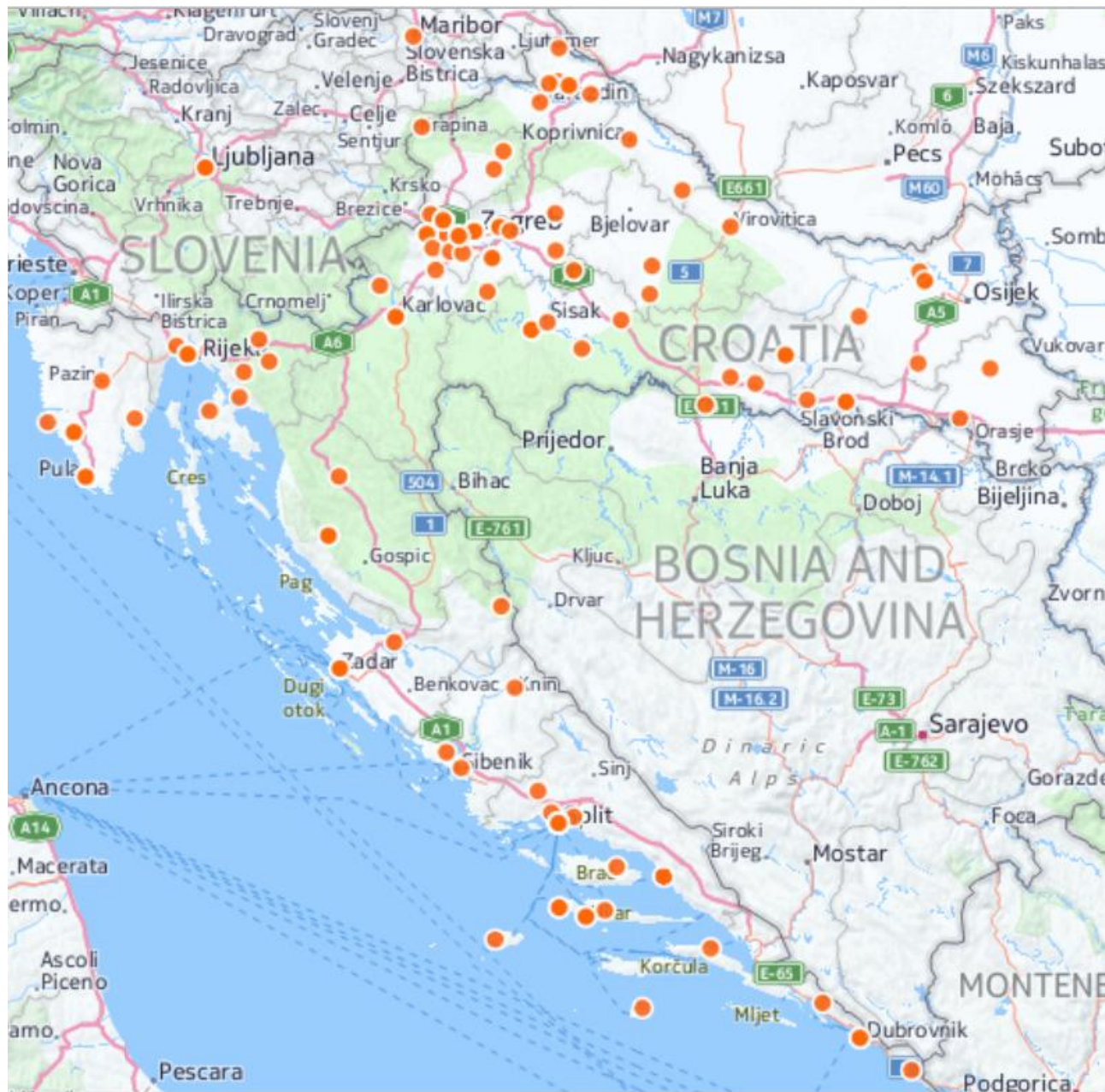
SUSTAINABLE



OPEN



MAP OF CEF MEMBERS









SUSTAINABLE ECONOMY

USE OF NATURAL
MATERIALS



TAILOR MADE PRODUCTION



LOCAL ECONOMY



RENEWABLE ENERGY



RECYCLED RESOURCES



OPENNESS



EBANK SERVICES

SUSTAINABLE CONSTRUCTION



ACCOUNTS



LOANS FOR BASIC NEEDS



INTERNET BANKING



LOANS FOR DEVELOPMENT



NON-FINANCIAL SUPPORT



ADDED VALUE: FOR CITIZENS

EXAMPLE

Advantages for people

Benefits for the FI

CROWDFUNDING PLATFORM



- Flexibility to propose projects for funding
- Opportunities to invest in projects they believe in
- Helps development of communities
- Funding with bank guarantee

- Better insight in community needs
- Access to the interesting projects and business opportunities
- Reduces risks of investments
- Increases volume of transactions
- Good for development of economy

P2P LENDING



- Quick and efficient access to the capital
- Utilizes existing social relations – more comfort
- Favorable lending terms

- Adds value to banking services
- Facilitates interaction among cooperative members
- Reduces risk
- Gives insight in social capital of the bank community

ADDED VALUE: FOR COMMUNITY

EXAMPLE

Advantages for customers

Benefits for the bank

COMPLEMENTARY CURRENCIES



- More tools to support local economy
- Increase in number of local interactions
- Higher frequency of money turnover
- Increase in social capital
- Preservation of capital in the community

- Additional service to the customers
- Mapping of local interactions
- Better knowledge of local communities
- Reduced risk due to “hedging”

BARTER ECONOMY



- Transaction doesn't depend on money supply
- Preservation of value
- Simplicity – directly satisfies needs
- Reduction of waste

- Mapping of local production and resources
- Strong relation with needs of community
- Support for reuse models
- Reduction of monetary risks

ADDED VALUE: SUSTAINABLE BANKING

EXAMPLE

Advantages for customers

Benefits for the bank

POSITIVE HOMES



- Cheaper higher quality homes
- Savings on energy
- Production of organic food
- Waste disposal and recycling
- Additional source of income
- Higher quality of life

- Reduces risks of default
- House is returning the loan, not the customer
- Additional value in the management of surpluses
- Higher value of property

GREEN ENERGY



- Sustainable form of investment
- Long term financial benefits
- Integral part of circular economy
- Benefit for the environment

- Mapping of local production and resources
- Strong relation with needs of community
- Support for reuse models
- Reduction of monetary risks

EXAMPLE: POSITIVE HOMES

Financial cooperative



Energy cooperatives



Cooperative distribution (electric, food, ...)

Food +++

Heat +++

Electricity +++

Waste +++



WHAT ARE EU FUNDS?

- Funds of EU taxpayers (960B EUR 2014-2020)
- Part of common EU budget (8B EUR for Croatia in period 2014-2020 + 2,8B EUR from Common Agricultural Policy)
- EU funds (national funds used for cofinancing)
- Targeted funds for different sectors
- Aimed to foster development of member countries and partner countries
- Funds are supporting public – not private interest

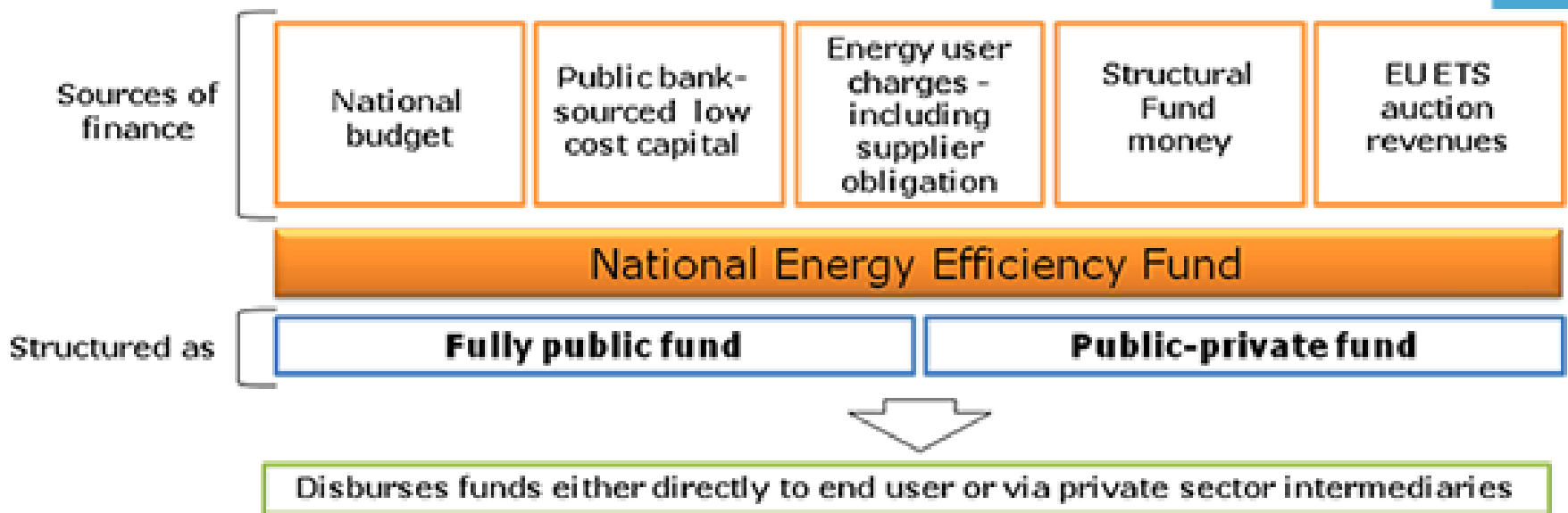
DIFFERENCE IPA – STRUCTURAL FUNDS

- Source (external budget / EU budget)
- Higher amounts
- Financial instruments
- Tied to the definition and implementation of strategies
- Deadlines for absorption
- Responsibility for management is local
- 7-year programming periods
- Creation of institutions needed for the improvement of competition of the region

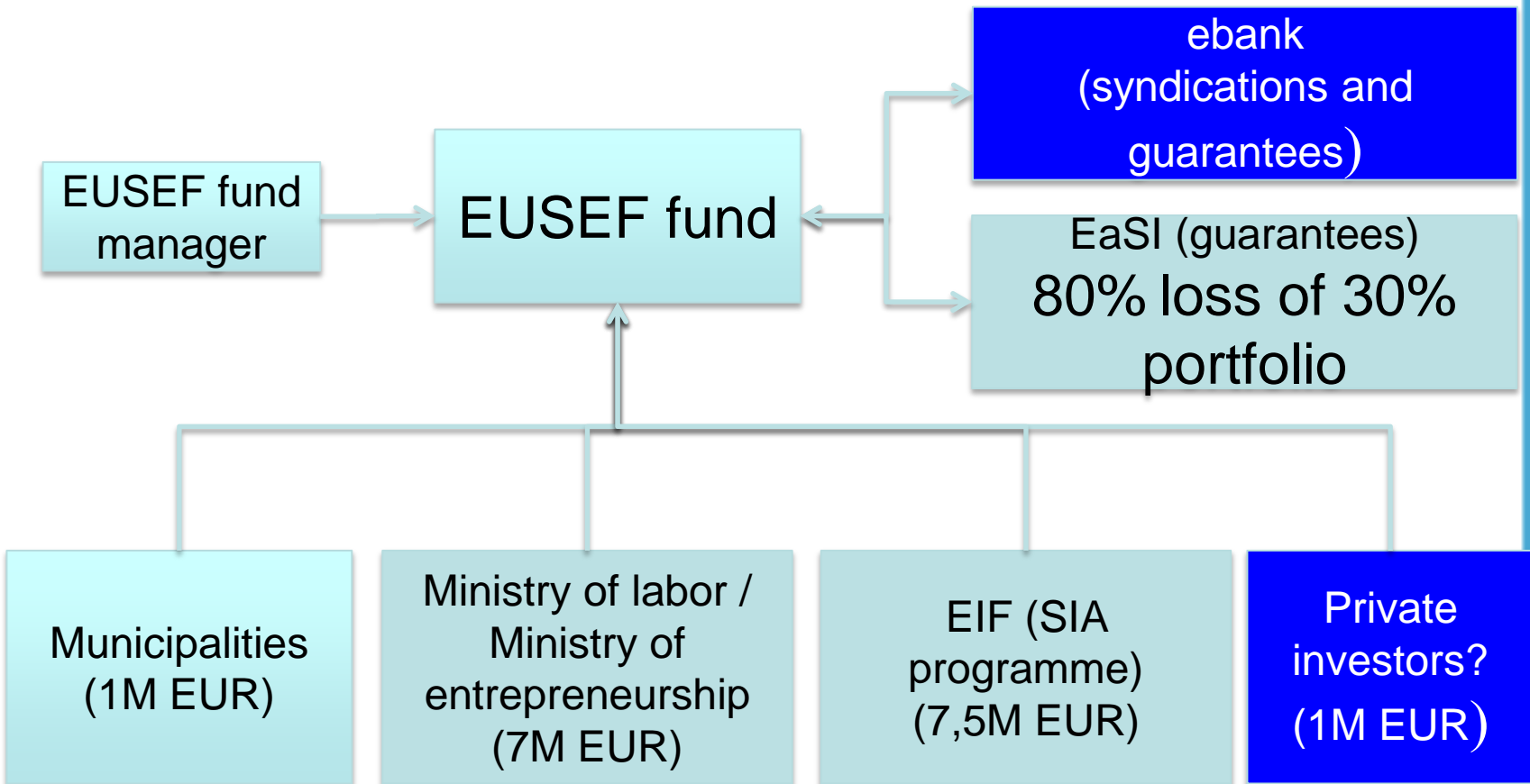
STRUCTURE OF EU FUNDS

- HORIZON 2020 (79 B€) – R&I&D
- ERASMUS PLUS (14.774 B€) – education, training, youth and sport
- COSME (264 M€) – SME competitiveness
- CREATIVE EUROPE (168,2 M€) –culture
- ERDF (183,3 B€) – reg. development
- ESF (84 B€) – social programmes
- CEF (33,242 B€) – transport, energy, telco.
- JUSTICE PROGRAMME (45,81 M€)
- EASI (920 M€) – employment and social innov.

EXAMPLE OF UTILIZATION



EXAMPLE OF FINANCIAL INSTRUMENT



2015-2016
2017

CONCLUSIONS

- Importance of strategic planning and lobbying!
- Formation of structures (cooperatives!) that would be able to absorb funding on a level interesting to European Structural Funds and Institutions
- Look for low-hanging fruits – e.g. LEADER program – the only decentralized EU funding structure (part of ERDF)
- Aim for partnership with financial institutions
- Help institutions to utilize available funds (through establishing utilization support

Q&A?



Thank you for your attention!

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