



EU Civil Society Facility

Opportunities for Increased Involvement by
Banking Associations in Financial Sector Modernization
in Western Balkans and Turkey

European Banking Federation

29th Associates Meeting

Brussels, 3 December 2009

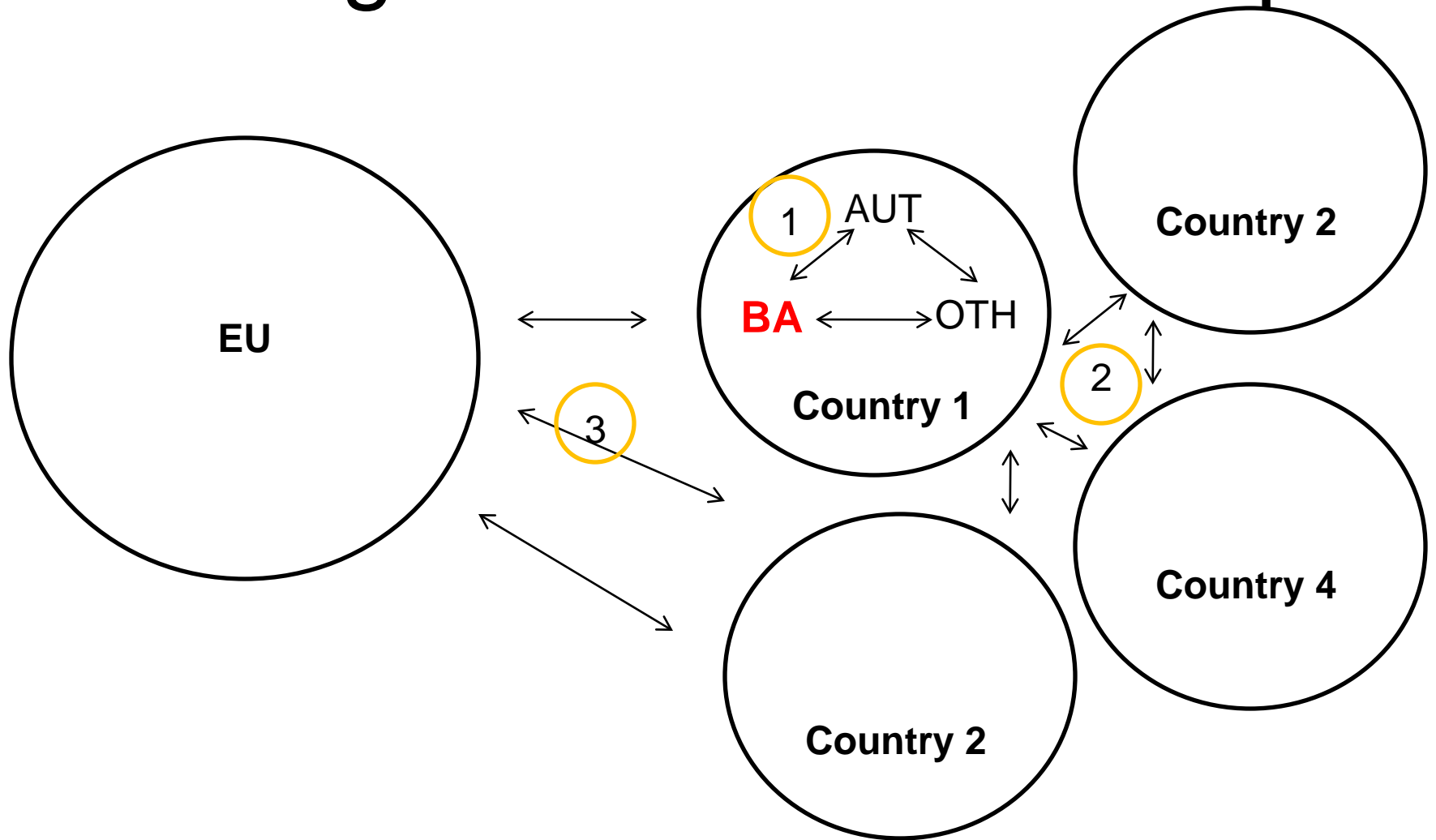
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EU Civil Society Facility

- The European Commission ^{1/} wishes to strengthen the role of Banking Associations in the Accession process reforms
 - Increased participation of Banking Associations in decision-making, policy implementation and monitoring
 - Increased cooperation between Banking Associations and other civil society organizations and between BAs and authorities
- Grant: up to €5 million for three years
 - Consortium of three BAs plus EU counterpart
 - 20% co-pay by beneficiary

Public Goal: Stronger BA Influence Through Various Partnerships



EC Will Help Involve Authorities

- DG Enlargement will invite authorities to participate in evaluation of proposals.
- It expects authorities to be closely involved in the project as an associated partner, main counterpart or participant.
- It will inform authorities on overall implementation of project.

Illustrative Activities Financed

Capabilities

Influence

Workshops
and seminars
on EU Acquis
and impact

Professional
training to BA
staff on
economic
impact of EU
Acquis

Partnership
activities
between BAs,
think-tanks,
other
associations to
influence
Acquis
implementation

**Establishment
of Platforms
to formulate
concrete
recommendati
ons and
practical
solutions
and exchange
good
practices**

Measures of Success

(within 2 years after project end)

- Number of consultations by public authorities involving **BAs**
- Number of measures taken to adopt and implement EU acquis with **BA** contribution
- Number of new joint **BA** initiatives/networks
- Number of common **BA** position papers on EU acquis
- Number of actions (workshops, trainings, campaigns, manual/guides, etc) involving **BAs** and public authorities regarding EU acquis

EU Grant: A Game-Changer for EBF Associates?

1. Funding for resources to cooperate with public authorities on reform projects
2. Funding for substantive regional cooperation to pursue similar projects
3. Funding to receive high-quality assistance from EU partner institutions

SPI Platform Toolkit – What is it?

- A new service for EBF Associates
- A tool to support EBF Associates in enhancing their contribution to financial sector modernization through structured dialogue with other private and public partners
- Detailed guide on actions and documents for implementing an SPI Platform
- Comprehensive governance framework to operate an SPI Platform
- Based on World Bank's Convergence Program experience in Albania and Romania

SPI Platform Toolkit – Structure

- What is the SPI Platform?
- Why is it important?
- How to promote it?
- How to fund it?
- How to operate it?

EBF SPI Platform Toolkit:

Strong Commitment to Public-Private Cooperation

- Very robust dialogue structure with public institutions – *as pursued by EU CSF Program*
 - BAs participate in deciding the regulatory agenda
 - They contribute to solution-design
- Evidence-based practice is enhanced
 - Helps design more market-friendly solutions
- Very high work efficiency
- Knowledge sharing with public institutions and other market participants

Conclusion

- EU Civil Society Facility can give EBF Associates generous 3-year funding to hire talent to scale up their influence
 - Stronger legitimacy with members and society
 - Deeper integration in regional and EU networks
- SPI Platform is ideal vehicle to “connect” with authorities to actively promote reforms
 - Fulfilling EU CSF ultimate objective to create a vibrant civil society in future Member States
- But these important new opportunities need to be internalized by EBF Associates Leadership.

Illustrative Project Funding Scheme

EU Civil Society Facility Funding Arrangements

EBF Associate Illustrative Example

Policy: 80% EU Grant - 20% beneficiary co-pay

SPI Platform-like analytical and consensus-building activities plus workshops and seminars

(Annual costs- € thousand)	<u>EU Grant</u>	<u>Co-Pay</u>	<u>Total</u>	<u>Nature</u>	<u>Notes</u>
SPI Committee		8,000	8,000	In-Kind	4 meetings/year times 5 members times 4 hours times €100/hour
SPI Secretariat	100,000		100,000	Cash	One full-time staff plus 3 part-time experts (avge annual cost €40k)
Project Working Groups		48,000	48,000	In-Kind	10 projects times 4 PWG meetings/project times six PWG members times €200/meeting/expert
Regional Collaboration			-	Cash	Balance assumed between services received and services provided within region
International Support	80,000		80,000	Cash	EBF and other international experts
Training Workshops	45,000		45,000	Cash	3 workshops/year
Office Services		18,000	18,000	In-Kind	Rent, administration and telephone (€1500/month)
Total	225,000	74,000	299,000		
<i>Program Funding Ratio</i>	75%	25%			
Max EU Grant Absorption	296,000				
<i>of which driven by SPI Platform co-pay</i>	224,000				SPI Platform co-pay in-kind resources unlock largest part of EU Grant
EU Grant Residual Availability	71,000				

Large EU Grant leverage by SPI Platform in-kind resources

Next Steps

- EBF Associates to communicate to EBF desire to apply for Civil Society Facility grant
 - Nature of activities to be financed
 - “Capabilities” and “Influence”
 - Nationally, regionally and with EU counterparts
- Convergence Program will help distill EBF SPI Platform toolkit information and values into content for a CSF grant application
 - Work must be completed by 28 February 2010.