



Press Release: EACB asks Commission to set measures that facilitate rather than hamper co-operative banks' local sustainable financing

Brussels, 30 November 2017 – Sustainable finance was at the heart of today's lunch debate organised by the EACB (European Association of Co-operative Banks) at the European Parliament and hosted by MEP Sirpa Pietikäinen - in the context of the forthcoming report of the High Level Expert Group on Sustainable Finance (HLEGSF) and the announced EU Commission's Action Plan (Q1 2018). The EACB also released a **Policy Paper** with views and suggestions on possible regulatory and supervisory changes and incentives.

As **local** and **regional** banks – with 58.000 outlets and 209 million clients across the EU - **co-operatives banks play a key role in sustainable financing** (via sustainable investments or savings products, energy transition project financing, green financing to SMEs and energy efficiency financing of private and public buildings or via their social mission: reinvesting significant portions of available profits back into the community). Some co-operative banks are leaders in green bonds.

However, the **current complexity and continuous motion** of the regulatory framework is heavily **affecting the local co-operative banks and their economic and social role**. Additionally, maintaining **diversity** in terms of ownership structure, organisational settings or risk profiles in the banking sector is essential to sustainability, beside systemic resilience.

'Acting in favour of sustainable financing is in the very nature of co-operative banks whose mission is to accompany members and clients, as well as their communities, in the long term. Households, local communities and local entrepreneurs are mobilising in favour of climate. Co-operative banks are on their side' **stated Mr Pflimlin, Chairman of the EACB Task Force on Sustainable Finance** *"However the European Commission's and the international initiatives are often too focused on the capital and asset management side. We believe that a greater emphasis shall be put on the retail side of sustainable financing by providing a series of tools and policies that are conducive of green growth in the regions via SMEs, households and local actors. This should be a priority in the final recommendations of the HLEGSF and in the further steps of the European Institutions. Co-operative banks shall be closely involved."*

Ms Sirpa Pietikäinen, MEP, rapporteur circular economy and former Finnish Minister of Environment, commented: *"Sustainable finance initiatives are crucial for the long-term growth and competitiveness of the EU. Resource scarcity and environmental risks should be incorporated in financial legislation inter alia concerning credit ratings, capital requirements, insurances, financial product information, accounting and auditing. Capital markets can also be reoriented towards long-term sustainability through the integration of environmental factors. These are aspects that I look forward to emphasising as the Parliament, beginning with the ECON Committee, starts its deliberations on the Capital Requirements Directive. Co-*



operative banks, with their local focus, play an important role in this and we must preserve it, for example with proportionality. I look forward to continuing this discussion with EACB."

Notes

- EACB Policy Paper "[Towards a Sustainable Finance Framework in EU: the views of Co-operative Banks](#)" can be downloaded on-line on the EACB website.
- For more information and data on the "[The co-operative banks engagement to green and sustainable finance](#)" download the on-line brochure on the EACB website.
- A [webpage dedicated to sustainable initiatives of co-operative banks](#) can be found at www.eacb.coop
- The EACB Comments on EU Commission High Level Expert Group Interim Report on Sustainable Finance are also on-line at www.eacb.coop .

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About the EACB:

The **European Association of Co-operative Banks** ([EACB](#)) is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 27 member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks' business model. With **3,135 locally operating banks and about 58,000 outlets** co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving **209 million customers**, mainly consumers, retailers and communities. The co-operative banks in Europe **represent 80,5 million members** and 733,000 employees and have a **total average market share of about 20%**.

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