

FI4INN

Combined
Instruments

ReFI4INN- Pulsatio Meridiana (Regenerative Finance Platform)

DETAILS:

COUNTRY: Hungary
REGIONAL COVERAGE: CEE
PERIOD: Under construction 2024

GOALS, RECIPIENTS, BENEFICIARIES

Pulsatio Meridiana - the Sound of Oikophilia (PM) is an entrepreneurial (business) ecosystem enabling organization/platform that aims to connect the innovative and regenerative initiatives of the academy/research institutions/companies and civil society, the need for environmentally and socially regenerative economic practices with the empowerment of socially disadvantaged youth (and young people in general) by leveraging the stock markets and emerging financial innovations, such as Regenerative Finance, ReFi. The organizational form of PM facilitates connecting the innovative activities with the markets by organizing an entrepreneurial ecosystem that includes participants and stakeholders of both types and reduces friction among them.

The platform can be considered as an “DNA Sequence” of the “Trans-generative innovation Genome”. Because: no step can be skipped, and no step can be taken out of the following order:

- Education: The roots.
- Innovation: Creativity, Ingenuity, and development of technology.
- Entrepreneurship: Social/entrepreneurial empowerment of the youth, definition and development of entrepreneurial (business) ecosystem.
- Ecosystem Micro-Community (EMC): Concept is born to facilitate collaboration and value co-creation between the micro enterprises.
- Regenerative, innovative finance, organization growth by external and internal funding for platform development.
- Market: Sustainable farming, green energy.

Regenerative Finance involves identifying prospects for impact investment and channelling resources toward projects that promote sustainable farming, green energy, environmental rehabilitation, and the welfare of communities and peaceful cooperation among them.

ELIGIBLE PROJECTS / EXPENSES

The objective is experiment with new financial instruments that facilitate the scaling of PM by fostering synergies between innovative, regenerative, and restorative businesses connected with the education and social/entrepreneurial empowerment of the youth. By leveraging ReFi, Central Bank Digital Currencies (CBDC), along with blockchain technology, ReFi aims to counteract the negative impacts of industrialization, unleash cooperative creativity, and resilience and rectify imbalances in the financial system.

Exampler organization NIÜ as a project management provider.

The beneficiary of the Fund Pulsatio Meridiana ZRT, Budapest, Hungary.

The final recipients are SMEs (active and registered; that carry out an activity included among those eligible for Reg 1407/13 (“de minimis”); not the subject of protests and/or prejudicial registrations; not “undertaking in difficulty” (art. 2 par. 18 of Reg. EU 651/2014)) participating as consumers, producers, and partners of the platform.

SUPPORT

Beneficiaries are supported by such a special scheme (e.g. guarantees, equity, in-kind) which are generated on the following eligible ways.

1. Redesign for Resilience and Regeneration: <https://www.r3-0.org/projects/>. This model based on the **Sustainable Finance (SF)**. It refers to any form of financial service in targeting environmental, social and governance (ESG) criteria into business of investment decisions for the lasting benefit of both clients and society at large. Finance products like loans, equity and insurance are during these deliberations, and their design can have a major impact on how they can push and benefit from any such conditions. Both short- and long-term sustainability risks are measured, priced and managed with respect to specific transactions and systematically. For the transition risks to be eliminated on the one hand we would have provide equity finance (max. 150 M HUF) to pre-seed beneficiaries - financial technology (fintech) and other mechanism of financial innovations) - in the form of soft loans applied in Israel’s incubators to find innovative approaches, on the other hand we focused on removing barriers to SF.
2. A 3EO [funding model](#): “True to the spirit of self-organization, members can form a micro-enterprise by entrepreneurial approaches. They can in effect petition the company to access the equivalent of venture funding. To gain such funding, the members would have to be able to demonstrate demand, such as customer orders for a new product, or investment from a partner company. Alternatively, the company might run a competitive challenge for proposals to undertake a new product and select the best proposal.”

Startups have the potential to create infinite value, and as we create more value, we should be able to create more shares. That's an approach that works and is proven around the world to work. Our suggestion is to make convertible notes and SAFEs and ESOP ("Employee Stock Options") legal so that we can align the interests of the founders with those of their initial angel investors and with the needs of their future investors as a result of a great public-private collaboration opportunity going forward. However, it is very important we've made a comprehensive education as a part of our process. (ESOP, SAFE and other innovative form of financing) We have a government VC, and it has funds, so instead of having it led investment deals and dictate the terms, we would prefer to see it choose which private deals it wants to co-invest in and then match the terms set by the private investors. The financial support model should be more risk sharing, to encourage more risk taking on the side of firms especially. The academy and start-ups would require more support than firms, and that while pay-back may be waived for generic research and for failure to reach the market, it should not be so for successful projects that had positive commercial results (conditional loan).

3. EoF Finance principles: <https://francescoeconomy.org/finance-and-humanity/>. Successful applicants will have the possibility to benefit from the new mentoring pool of the National Innovation Agency (NIÜ) for the implementation of their projects.

PROCEDURES

More detailed procedures would have been defined after the setting up partnership between NIÜ and a major financial entity in Hungary.

NIÜ as an exemplar organization - Making the innovation ecosystem dynamic:

- a) Validation of innovative projects
- b) Linking/channelling in the ecosystem (with professional, financial backers and funding opportunities)
- c) Provision of services to innovative businesses (e.g. project development services, international market entry facilitation, technology, industry, legal, business development, etc. advice).
- d) Education and training

A major Hungarian financial entity is providing scholars with special Research Program in different areas in connection with sustainability in an interdisciplinary intellectual community, (e.g. digital transformation and innovation).

Test bed (Chief Digital Officer of a main financial authority) is a pioneering initiative aimed at revolutionizing skill-building programs in PM. By leveraging and implementing blockchain technologies, this project seeks to provide a secure, transparent, and efficient platform for tracking and validating the targeting social group' skills besides fostering innovation, collaboration, and personalized learning.

Status / Results:

The Pulsatio Meridiana regenerative economy platform is under setting-up as well as the partnership with entities working on financial innovation (including Fintech) and regulation.

CONTACTS

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