



EMFF financial instruments in shared management

Richard Croft, Policy Officer, CFP and Structural Support, Policy Development & Coordination Unit, Directorate-General for Maritime Affairs and Fisheries, European Commission



 #ficompass



Shared management (MS' daily responsibility) – the rules

- Regulation 1303/2013, as amended (the Common Provisions Regulation) – covers areas of common interest (e.g. audit and accounts, financial management, control systems, horizontal programming, monitoring, main eligibility rules)
- Financial instruments (FIs) covered by Articles 37-46 (i.a. implementation, management and control, payment applications, reporting)
- Condensed and simplified in 2021-2027 legislative proposal (Article 52ff.)
- 1 reference in EMFF regulation (R.508/2014 – Article 69): processing of fishery and aquaculture products). If applicant not an SME, support granted only via FIs
- Approach continued in EMFF legislative proposal: **FIs only for productive aquaculture investments** (construction/extension/modernisation/equipment of facilities for aquaculture production - Article 23); and **processing** (Article 25 - processing sector is healthy, so grants not needed)

Results of recent survey on reasons for lack of takeup – MS' views

- Type I

- **No ex-ante assessment and no takeup (13/17 respondents).** Reasons:
 - Too costly for the MA to set up and manage FIs
 - Grants are more attractive for stakeholders
 - But over 60% of these respondents did not rule out future use
 - Most FI potential: diversification within/outside fishing sub-sectors; and start-up supports.

- Type II

- **Ex-ante assessment but no takeup (3/17 respondents).** In common with type I:
 - Possible FI potential seen for modernisation and start-ups;
 - Strong need for capacity building (including support in FI design/set up of FIs and awareness raising, via workshops and EU guidance);
 - Main FI types envisaged - debts (guarantees/loans) and a combination of these with grants

Other considerations

- Some scepticism about the use of FIs (issues had already been discussed)
- Suggested partnership with another Fund (EMFF too small)
- EE - banks' interest in real estate is much greater than in aquaculture
- EMFF rules do not encourage FI use
- Issues with access to credit in the EMFF (beneficiaries prefer grants)
- Scope for FI use will feature in the upcoming programme negotiation process



State of play

- *1 MS using Financial Instruments under the EMFF 2014-2020 (Estonia)*
 - **Ex-ante assessment concluded that a financial instrument would be useful for the processing and aquaculture sectors**
 - **Total planned amount of the FI - €15 million (75% from EMFF; 25% national)**
 - **3 types of support: growth loan (SMEs) and long-term investment (LTI) for processors; LTI also for aquaculture producers. "Launching or engaged"**
 - **EE is broadly positive about its FI experience – but has built know-how/expertise over a longer period (was using FIs in the 2007-13 period)**

