



EMFF ex-ante assessment

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About the process



- Offers were asked from five different consulting agencies. Three replied → Gaia Consulting Oy selected.
- Ministry formed a steering group for the project. Group gathered five times and final approval of the assessment was made by written procedure.
- Work started in February and finished in October (9 months). Timeline was flexible from the beginning.



Maa- ja metsätalousministeriö
Jord- och skogsbruksministeriet
Ministry of Agriculture and Forestry



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Market analysis



- The assessment framework is well structured by legislation and guidelines.
- The assessment studied the whole value chain (fishing and aquaculture and processing).
- Market analyse was based on literature review, interviews and a query.
- Stakeholders were involved in the steering group, interviews and in the query.



Market analysis



- The situation is very different for different parts of the value chain.
- Clear bottlenecks can be found at guarantees required by debt capital financiers. Specially in small-scale fisheries.
- Current and future EMFF regulation makes it almost impossible to use FIs on fishing due to comprehensive eligibility rules concerning costs. Even though there is a clear market cap.
- The regulation framework promotes to use FIs in processing however there's no market failure.



Market analysis



“Market analysis concludes that there are several significant uncertainties in the fisheries sector in Finland that justify recommending financial instruments financed from public funds to gradually eliminate market disturbances, to bring about the necessary changes in the different parts of the sector's value chain and, as a whole, to ensure sustainable fisheries in the future.”



Identified most suitable instruments



A capped portfolio guarantee

- Micro and small-size enterprises.
- Based on regulation (EU) No 964/2014.
- Helping to solve bottlenecks in debt financing.

Collective investment instrument

- Developing SME's with increased risk profile.
- Strengthening of capital financing.
- Attracting other investors.
- Developing profitable business in the long term.



Identified most suitable instruments



Loan instrument

- To facilitate access to finance.
- Based on regulation 964/2014.



Inland water trawler

Photo: Petri Suuronen (Natural resources institute Finland)



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Recommendations



→ To implement the investment strategy step by step already in 2019-2020

- By instruments given in the general provisions or by a national fund.
- Need on clarifications to the interpretation of the EMFF regulation.
- Intermediate body could possibly grant guarantees.
- Ministry of agriculture and forestry should negotiate with Ministry of economic affairs and employment on supporting the SME's.
- More in depth planning of the risk-sharing loan instrument and collective investment instrument should start targeting the 2021-2027 period.



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Next steps and open questions



Focus on the 2021-2027 period.

- 1) Negotiations with other authorities.
 - 2) Forming of a group to prepare financial instruments.
- Are the volumes big enough?
 - What is possible by the new EMF(A)F?
 - Effects of the renewal of state aid rules?



