



Outcome of the *fi-compass* survey on the use/no-use of FIs under the EMFF

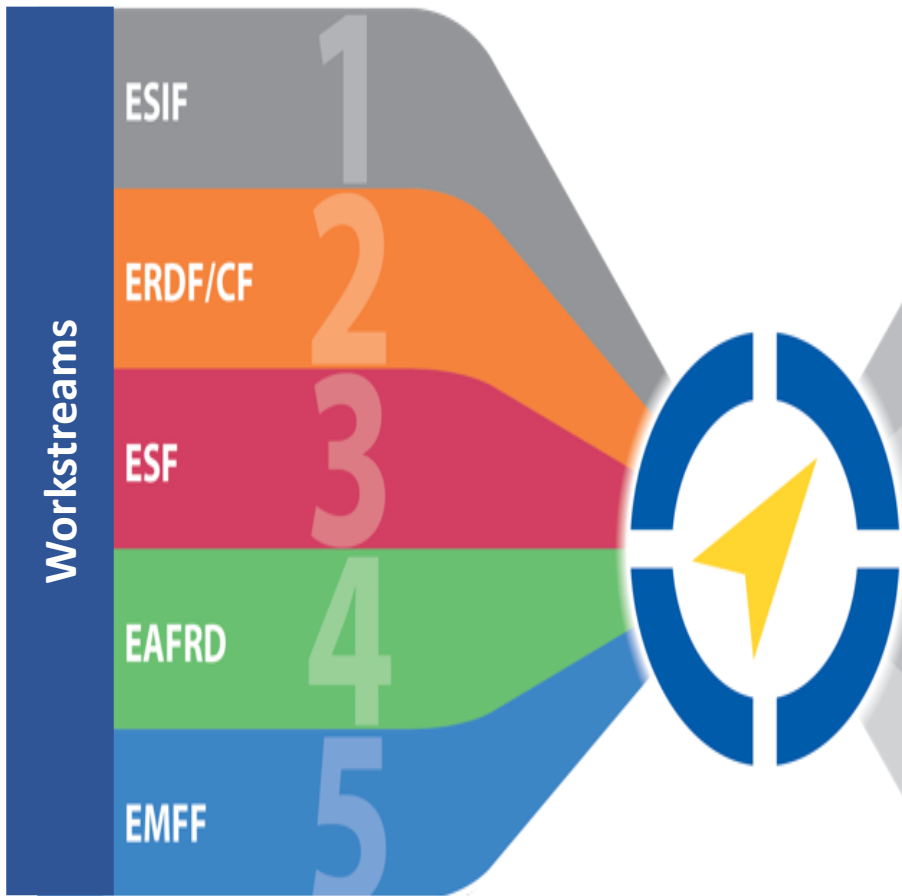
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What is *fi-compass*?



1

Step-by-step process guidance

throughout the entire FI life cycle consistent with regulatory provisions, evidence-based practice and the realities of ESIF Managing Authorities.

2

Learning opportunities

to further the necessary understanding and skills in the market.

3

Targeted awareness raising and networking

for Managing Authorities, the general public, potential bodies implementing FIs, private and public investors interested in co-investment opportunities, entrepreneurs or enterprises, or for other potential final recipients.

4

Access to a single knowledge hub

to ensure (timely and targeted) availability of information and advice.

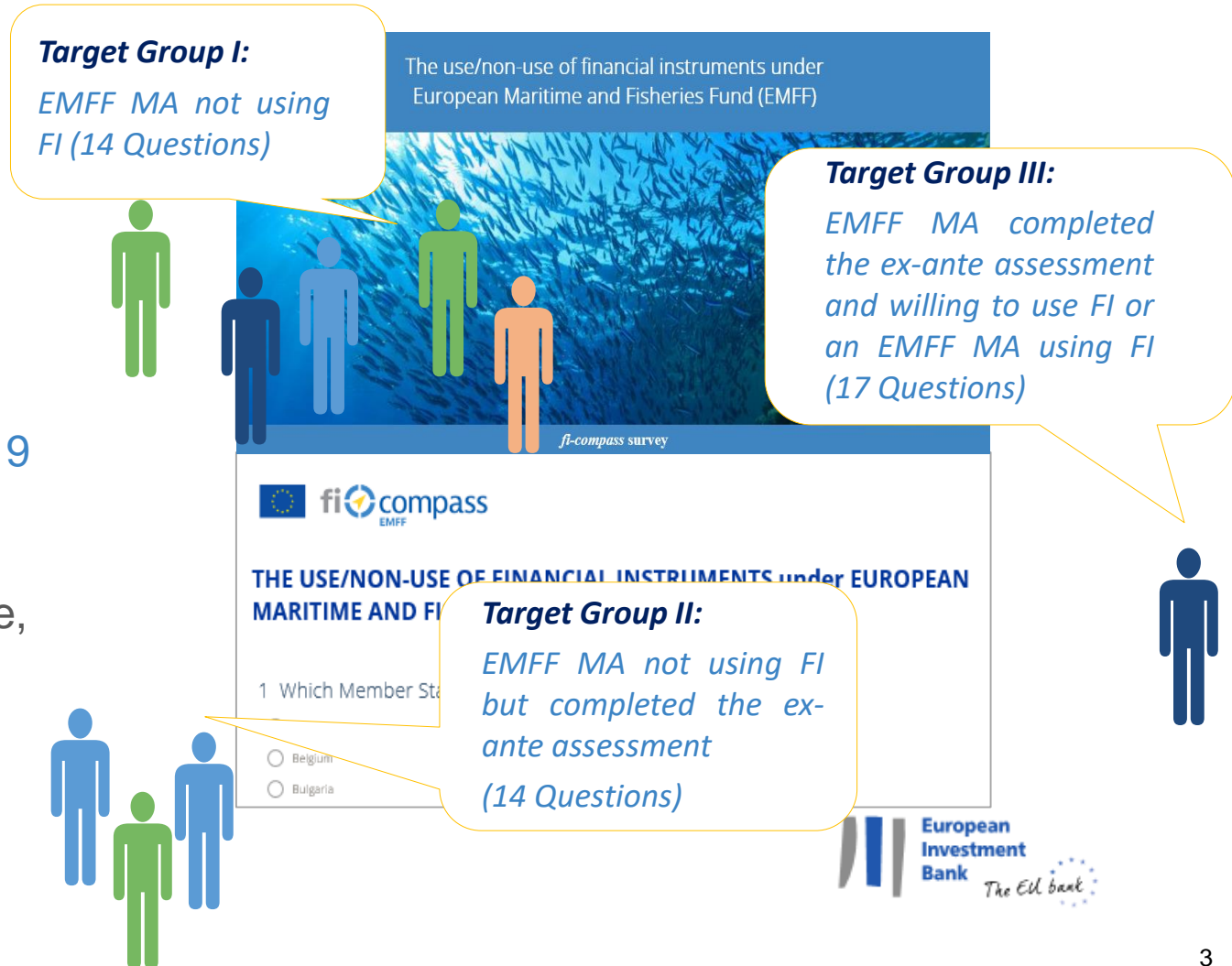


Rationale and methodological approach

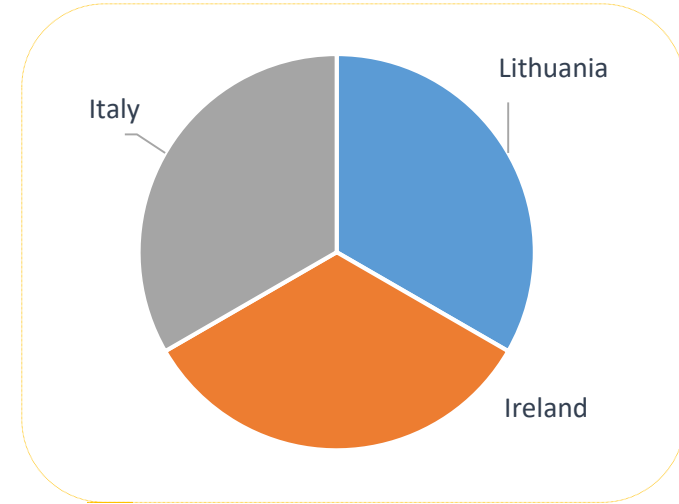
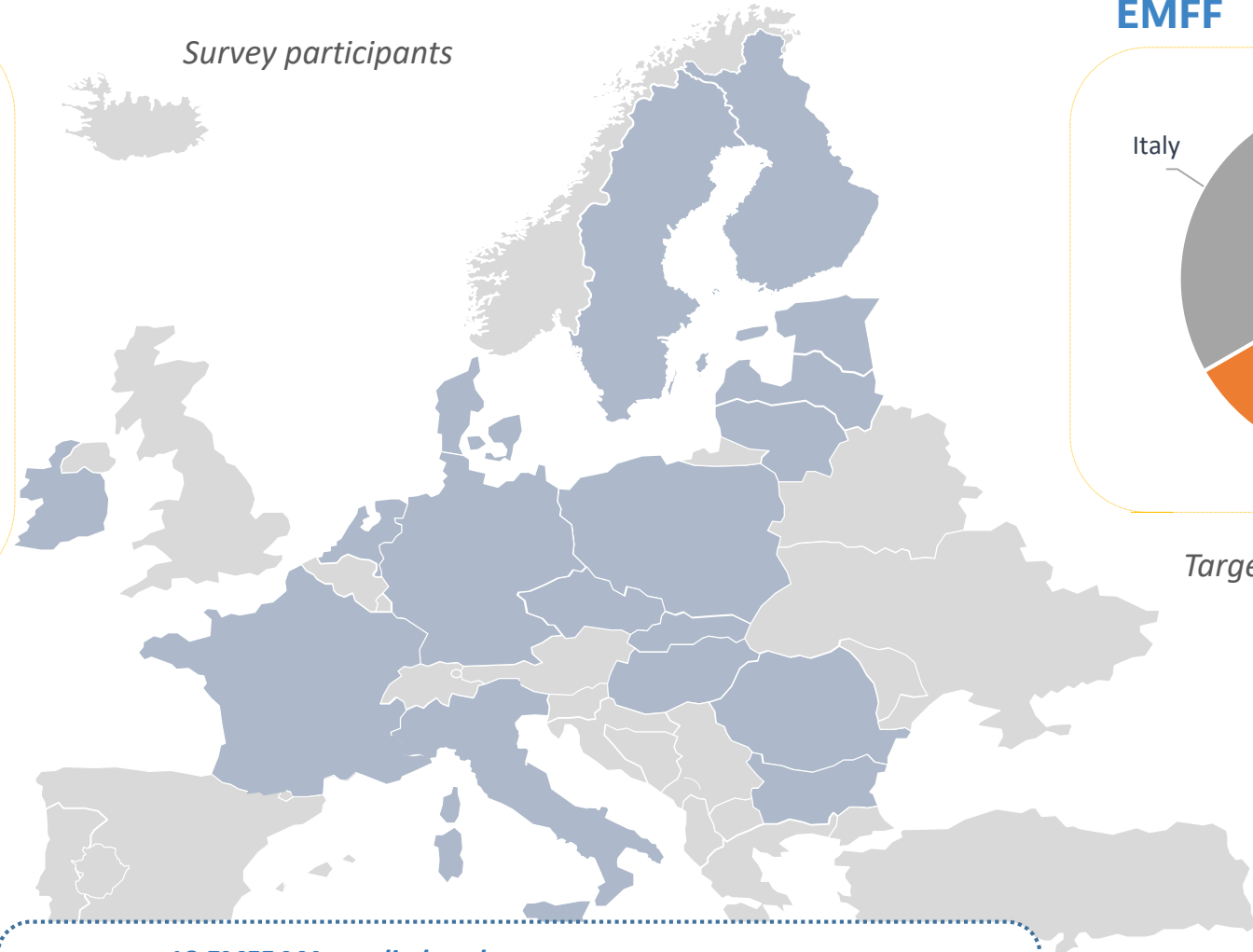
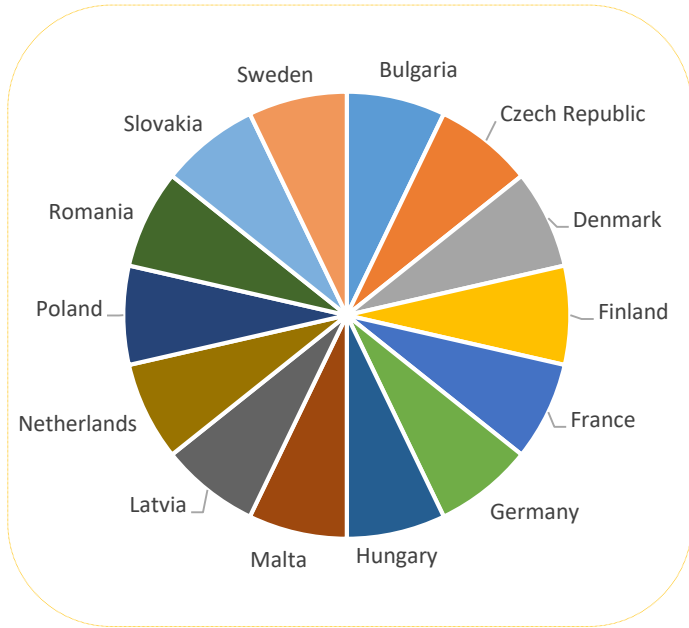


✓ Survey structured in 3 categories:

- ✓ **Rationale:** Assessing the experience of using/not using financial instruments (FIs) financed by the European Maritime and Fisheries Fund (EMFF) and exploring the potential use of FIs post-2020
- ✓ **How:**
 - Web-based questionnaire
 - Survey timescale: launched 10 May 2019
 - Target population: EMFF managing authorities of 27 Member States (MS)
 - Type of questions: mix of multiple choice, ranking and free text feedback
- ✓ **Responses received:** 18 MS replied



Responses received



Target Group II Respondents
Ex-ante and no FI

Target Group I Respondents
No ex-ante and no FI

18 EMFF MAs replied to the survey:

- ✓ 14 MAs replied to TG I survey;
- ✓ 3 MAs to the TG II survey; and
- ✓ 1 MA for the TG III survey (Estonia).



Key messages



Sectors/Areas for potential use of FI under EMFF, include:

- Modernisation / Resource and energy efficiency / Start-up support / Diversification within and outside fishing sub-sectors



Current experience with FI – although still limited - EMFF MAs are aware of this type of instruments and their benefits, as well as have considered their use

- **scope to scale up in next period** and explore synergies of possible combinations
- **debt products** – guarantees and loans, **FIs and grants** too



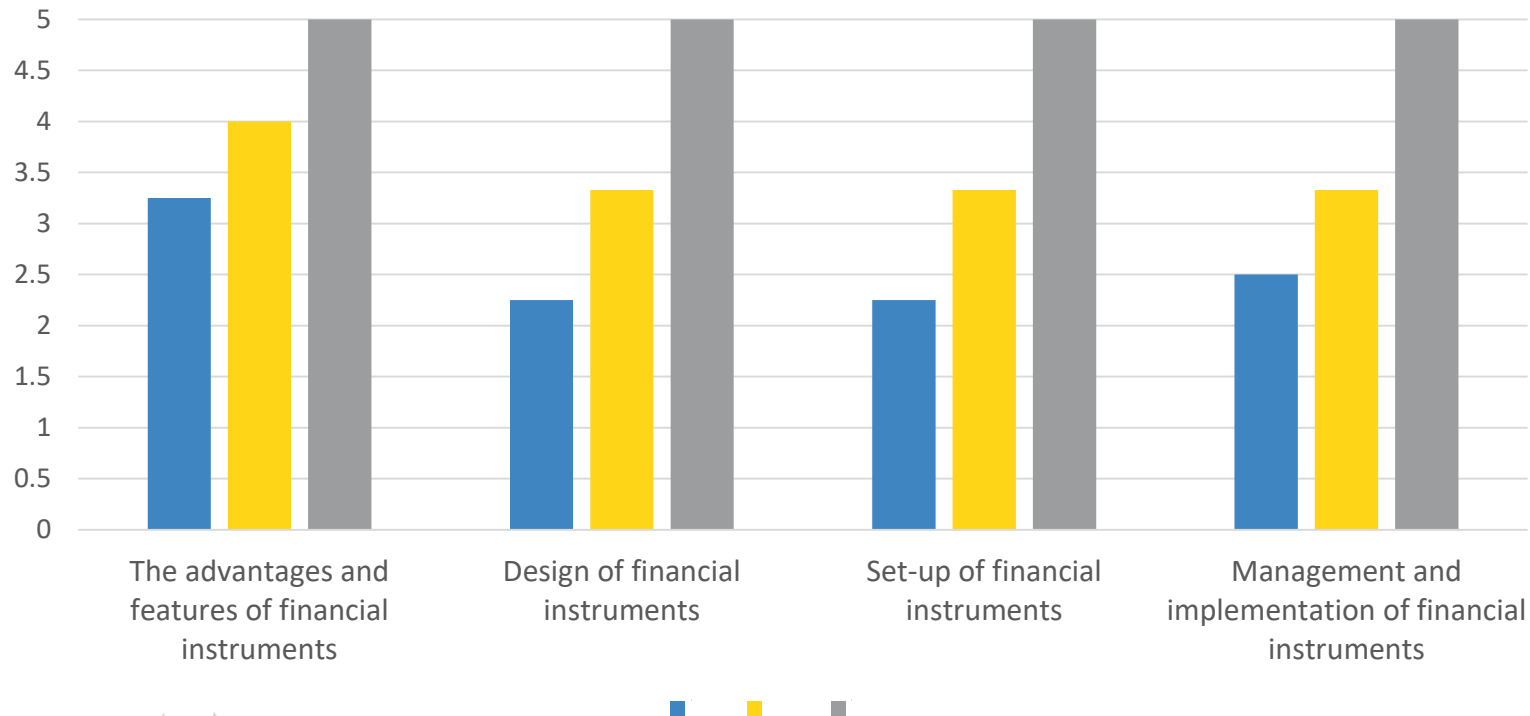
Main barriers:

- Preference for grants by the target groups.
 - Administrative burden with complexity of the mechanism. Appetite of the sector needs to be further assessed. Difficulties to carry out the ex-ante assessment.
- **Need of capacity building** and support measures in the form of written guidance, events and coaching sessions, complemented with general awareness raising – to increase knowledge.

Financial instruments - Level of knowledge



What was your knowledge about financial instruments (1=low and 5=very high)?



Target Group I
Respondents
No ex-ante and no FI

Target Group II
Respondents
Ex-ante and no FI

Target Group III
Respondent
Ex-ante and FI



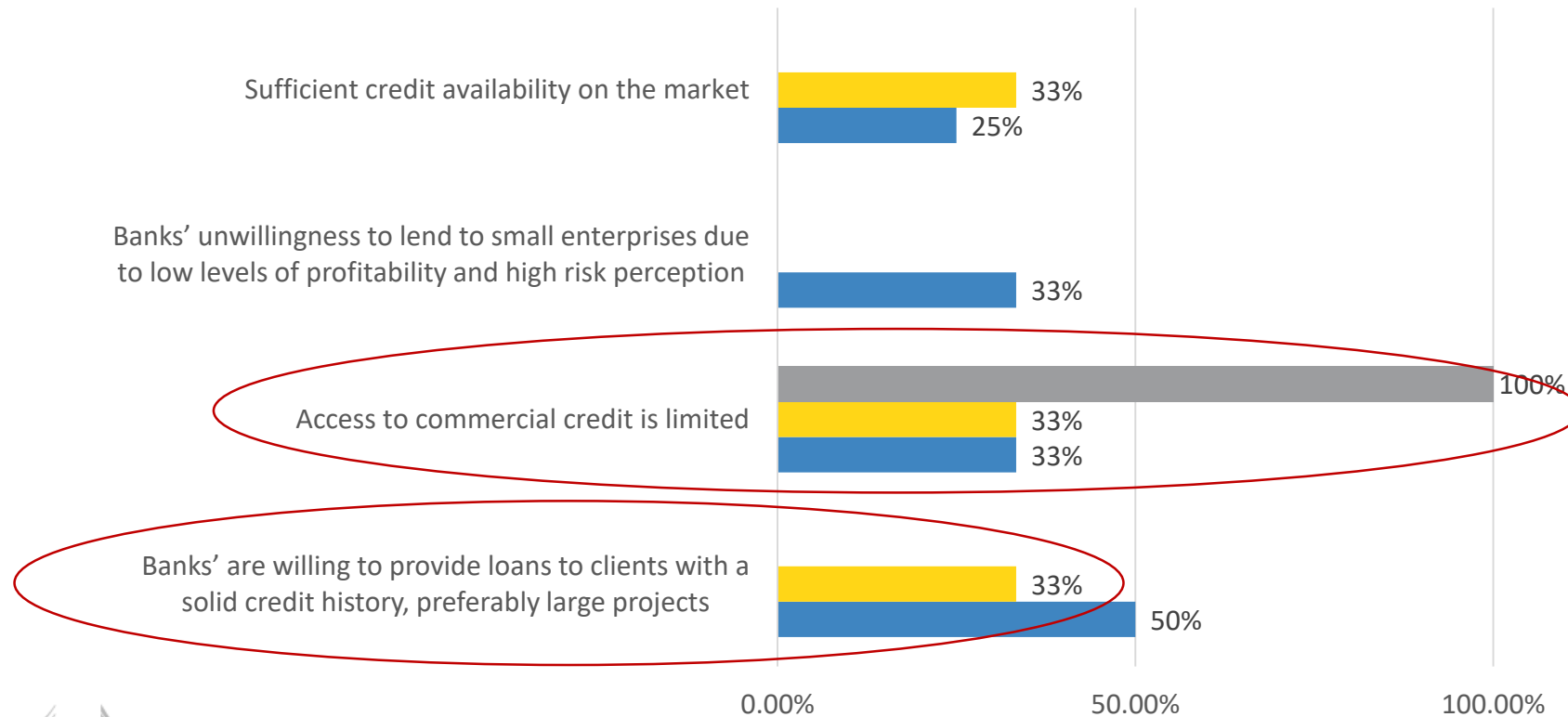
Key findings

- ✓ Level of knowledge about FIs varies among the three respondent groups and per topic
- ✓ Managing authorities (MA) from TG I who have not completed the ex-ante rated lower their knowledge regarding the design and the set-up of financial instruments
- ✓ MA from TG II who carried out an ex-ante indicated to have on average good knowledge of financial instruments, especially about the advantages

Access to finance conditions for the EMFF target groups



How do you assess the current market situation in your country related to the access to finance for your target groups? (multiple answers possible)



Target Group I Respondents
No ex-ante and no FI

Target Group II Respondents
Ex-ante and no FI

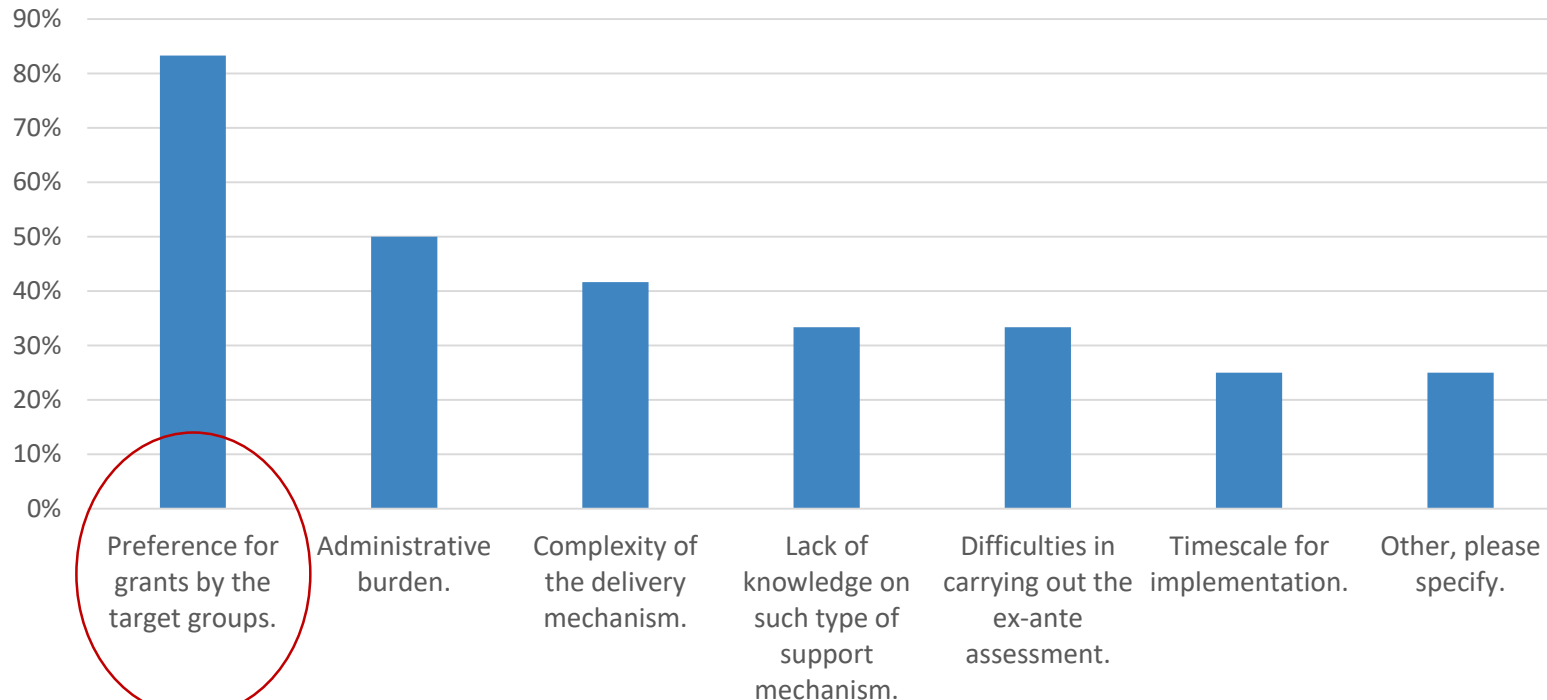
Target Group III Respondent
Ex-ante and FI



Reasons for not using FIs in the OP - Target Group I



What were the main reasons for your decision not to use FIs in your OP? (multiple answers possible)



Additional assumptions:

- ✓ Further assessment of the interest of the target beneficiaries needed;
- ✓ FI may affect absorption capacity;
- ✓ Not enough resources;
- ✓ **Administrative burden;**
- ✓ Consistency with State aid rules;
- ✓ **Grants are preferred** by stakeholders; and
- ✓ Investments and purchase of equipment needs not yet at the level required to set-up FIs.



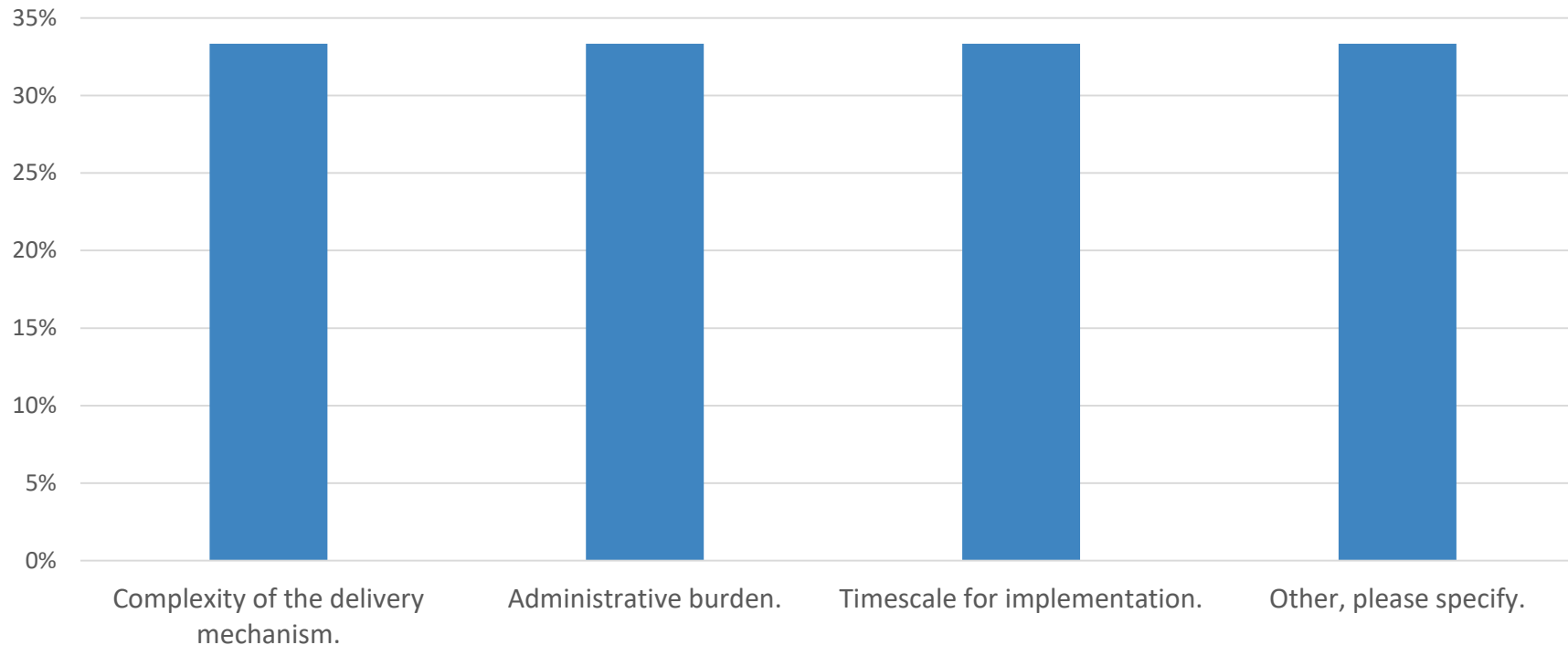
Target Group I
Respondents
No ex-ante and no FI



Reasons for not using FIs in the OP – Target Group II

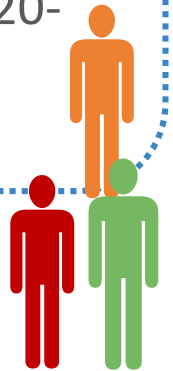


If the ex-ante assessment proposed the use of FIs as a form of support in your OP what are the reasons for not using FI?



Additional assumptions:

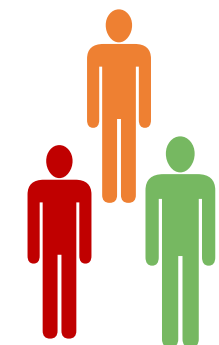
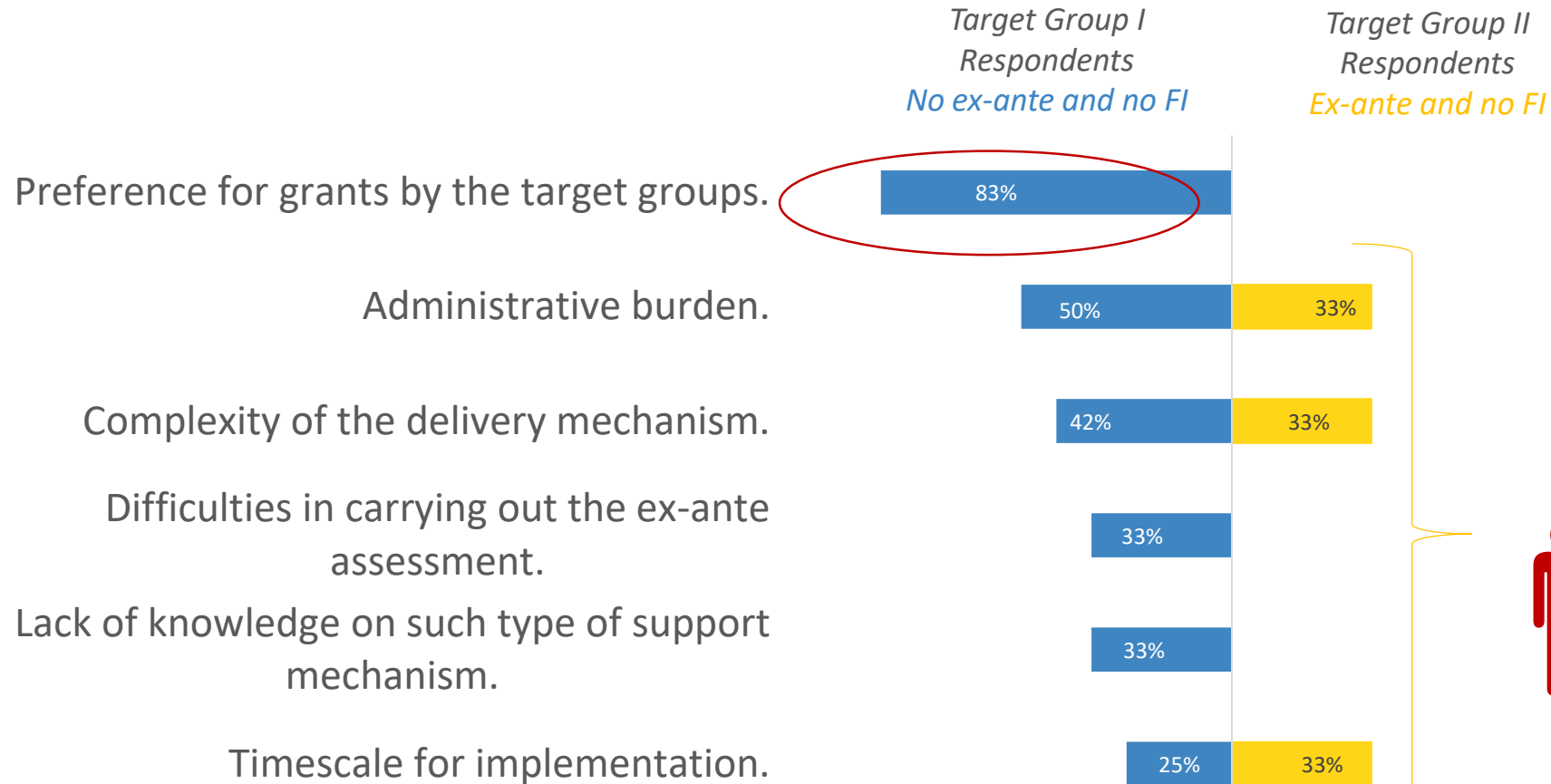
- ✓ The ex-ante study finished late 2018; or
- ✓ Planning to set-up FIs for the period 2020-2027.



*Target Group II
Respondents
Ex-ante and no FI*



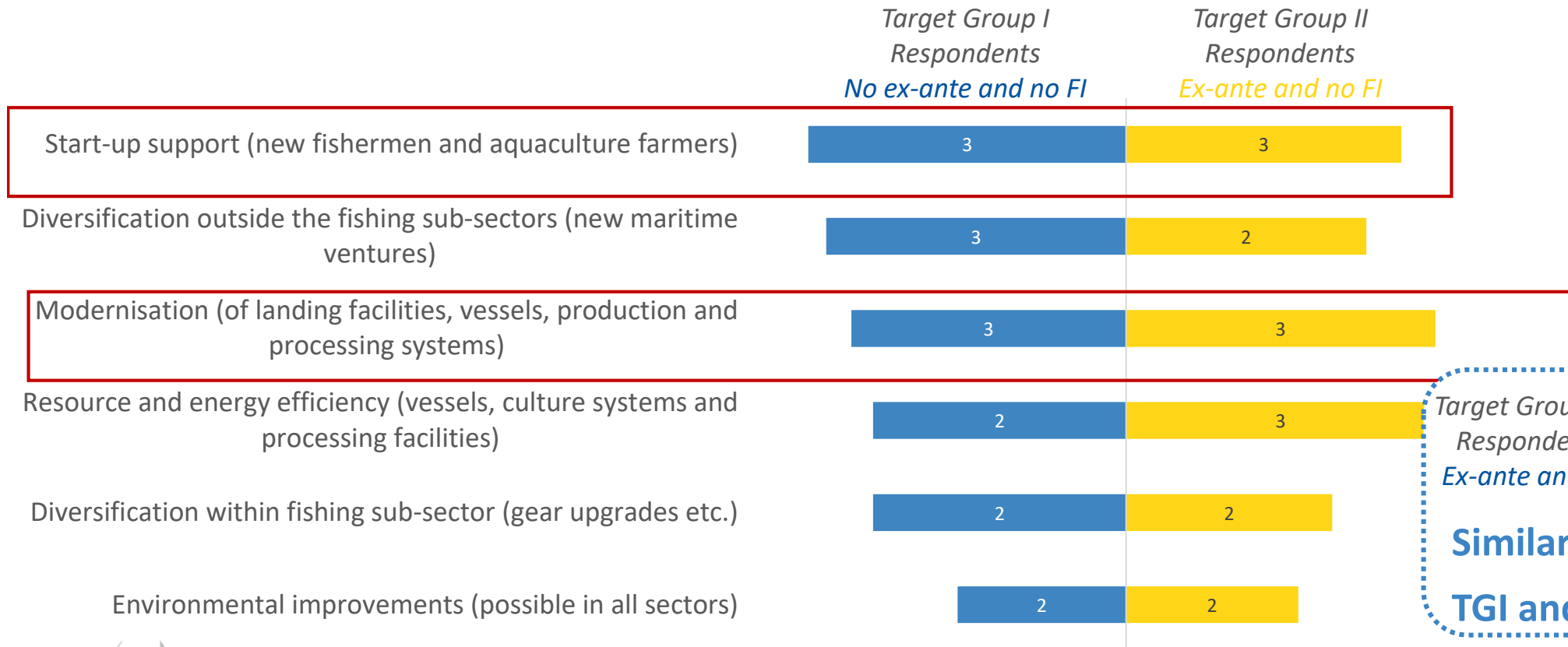
Reasons for not using FIs in the OP – Target Groups I and II



Potential areas for use of FIs – Target Group I vs Target Group II



What is the potential for FIs to be applied under the following EMFF measures (1=low and 5=very high)?



Target Group III Respondent
Ex-ante and FI

Similar to
TGI and TGII



■ TGII ■ TGI



Capacity building needs – key findings



Do you think that there is a capacity building need for EMFF Managing Authorities, Financial intermediaries, other stakeholders with regard to FIs?

- ✓ **85% of respondents** from MAs with no ex-ante and not currently using FIs highlighted that they need capacity building
- ✓ **100% of the MAs** that have done the ex-ante and either use or not use FIs also responded that **there is certainly a need for capacity building for the all the stakeholders involved**

What is the most suitable form of advice or support for you to use FIs? (multiple answers possible)

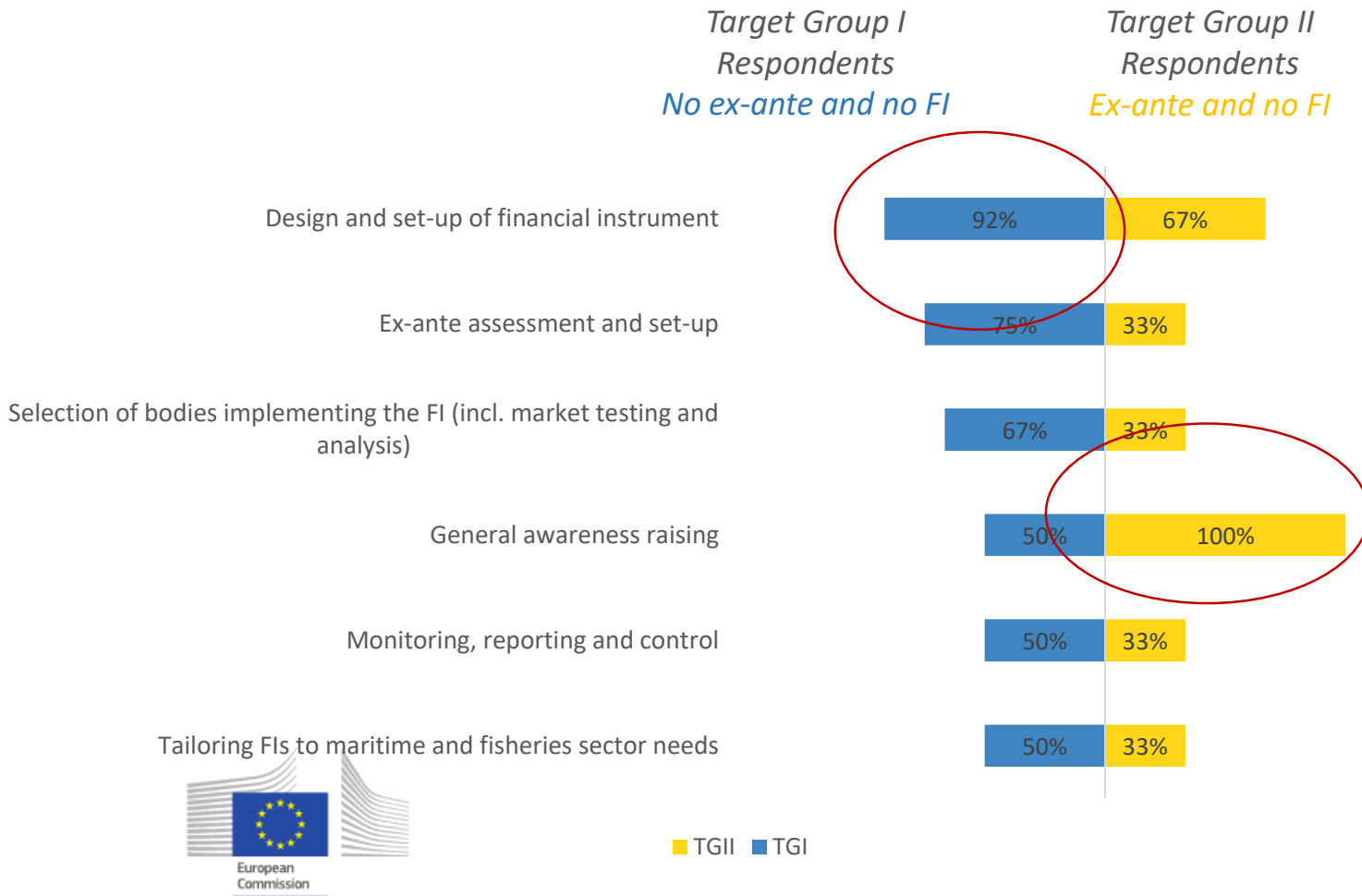
- ✓ **78% (average)** of respondents across the three target groups **chose seminars and workshops** as the **most suitable form of advice** (led by TGIII).
- ✓ **EC Guidance** was rated second highest (70%) and especially by TGIII.
- ✓ **TGII** highlighted their preference for **case studies** with practical examples to most probably help increase awareness.



Main areas where support is needed – Target Groups I and II



From the managing authority's perspective, what are the main areas/topics in which support is required when using FIs? (multiple answers possible)



Key findings:

MA's with no ex-ante and no FI indicated need for support at the early stage of the FIs life-cycle:

- ✓ 92% consider there is a need for support in the design and set-up of financial instrument;
- ✓ 75% need support with ex-ante assessment and set-up; and
- ✓ 67% need support with selection of bodies implementing FI.

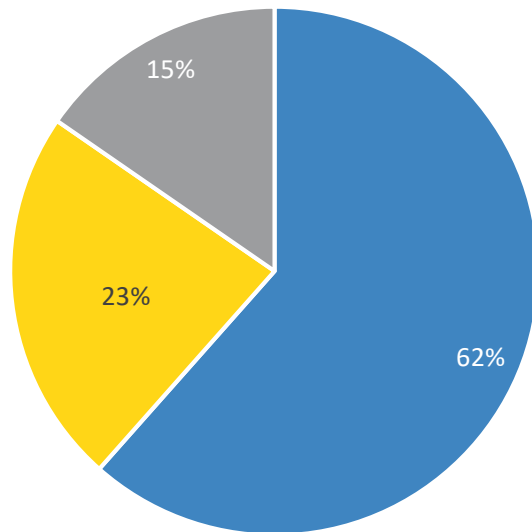
MA's that completed the ex-ante but did not use FIs also seem to have similar type of support:

- ✓ 100% of respondents need support with general awareness raising; and
- ✓ 67% need support with design and set-up of FIs.

Potential use of FIs in the OP post 2020 –Target Group I



Could FIs be potentially used in your country as a type of support in the next MFF?



■ Yes ■ No ■ Maybe



*Target Group I
Respondents
No ex-ante and no FI*

Key findings and assumptions:

- ✓ **Majority of the respondents** (62%) responded that they might potentially use FIs post 2020
- ✓ **Still need to gauge the appetite** of the sector
- ✓ Some are still in process of deciding
- ✓ **Ex-ante evaluation undertaken and on-going**
- ✓ **Difficulties to implement**
- ✓ **Under expertise** for productive investments in aquaculture (companies of a certain size), for investment related to the fishing fleet and "start-up capital" for young fishermen
- ✓ **Too costly**
- ✓ Some decided to **use only grants in the next programming period**



Conclusions



- ✓ **Potential for greater use of EMFF FIs – although limited experience in 2014-2020 programming period**
- ✓ **MAs went through ex-ante assessment process for the use of FIs but decided not to go ahead mainly because of complexity of the delivery mechanism and administrative burden.**



- ✓ **Grants remain important type of support for many Member States but results show scope combine with FIs - to leverage additional resources and face market needs**
- ✓ **Possible sectors for FIs indicated - diversification within/outside the fishing sectors, modernisation, start-up support, EE, etc.**



- ✓ **Level of knowledge varies among the representatives of the three target groups surveys - results show that majority of the MAs (not using FIs) scored lower their knowledge related to early stages of development in the FIs life-cycle, i.e. the design and set up of the FIs.**



- ✓ **Capacity building activities needed for all EMFF Managing authorities, as well as for the other stakeholders involved in the FIs implementation.**
- ✓ **Most preferred type of support indicated by the respondents includes workshops and tailored trainings, as well as guidance and practical case studies.**



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