



Ex-ante assessment process

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Objectives of the ex-ante assessment

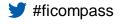


1. Is mandatory

Legislative framework: Title IV of the Common Provisions Regulation No 1303/2013 of 17 December 2013, Articles 37 – 46 (OJ L 347), Delegated and Implementing Acts adopted by the Commission

- 2. Assesses the rationale for a FI against prevalent market failure and to ensure that the FI will contribute to the achievement of the Programme and ESIF objectives
- 3. Helps to avoid overlaps and inconsistencies between instruments implemented at different levels
- 4. To be completed before the MA decides to make Programme contributions to a Financial Instrument



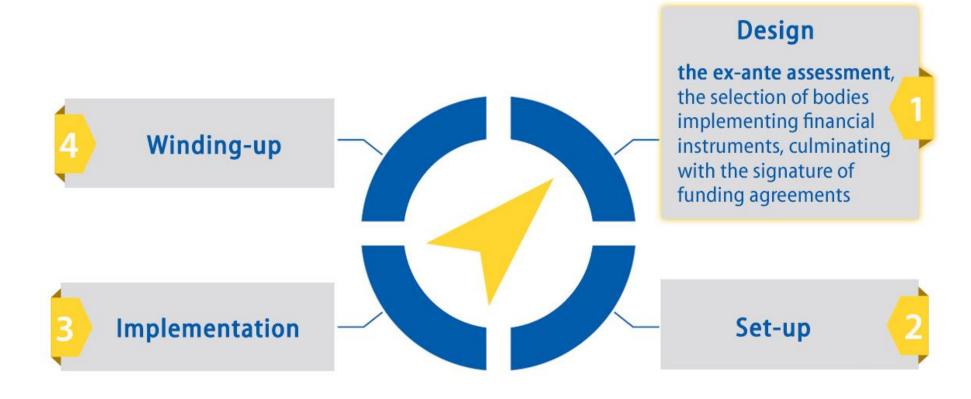




When does the ex-ante assessment happen?









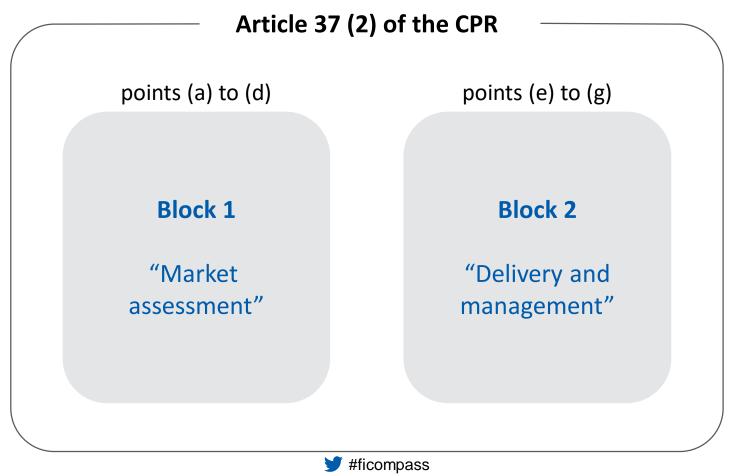




Logical structure of the ex-ante assessment









Block 1: Market assessment



Article 37(2)(a)

Market failure,
suboptimal
investment
situations and
investment needs

Size and scope of the FI

Article 37(2)(b)

Value added

ded

resources to be potentially raised

Article 37(2)(c)

Additional

Combination / policy mix and understanding of the ecosystem – State aid implication

Article 37(2)(d)

Lessons learnt

Technical feasibility, understanding of the market, business plan







What is a market failure and financial gap?





Has to be consistent with the OP/RDP objective

Unsatisfied demand

- banking policy
- lack of credit history
- lack of collateral
- · no experience

MARKET **FAILURE**

iustification to support

Financial instruments

- · lack of sustainability of business model
- · non efficient firm as final recipient

NO MARKET FAILURE

Market supply





#ficompass



How to measure a market gap?





Demand

- Level of financing needed per target or the volume of financing needed
- Potential number of applications or the potential number of projects

Tools

Literature review and data gathering

Interviews and focus groups

Estimate of financing gap, market weaknesses, suboptimal investment situations and investment needs

Online surveys

Other

Supply

- Identification of the public and finance private providers active in the market
- Analysis of the possible re-use of future resources paid back to the financial instrument







Block 2: Delivery & management





Proposed investment strategy

Choice of financial products

Article 37(2)(f)

Expected results

Article 37(2)(g)

Provisions for the update and review of the ex-ante assessment







What are the key points of the Investment Strategy?



The financial products

- Loans
- Guarantees
- Venture capital / private equity

The implementation structure

- Central management at Union level
- Shared management
- Direct Management







Ex-ante assessment – considerations





- Ex-ante assessment to be carried out before launch of FI
- Can be performed in stages
- Must cover each FI
- Could be paid by Technical Assistance budget
- Can justify contributions from more than one ESI Fund to the same FI
- Must be submitted to the MC for information
- Summary findings and conclusions must be published within three months from the date of finalisation







Factors for a successful implementation of ex-ante





- Realistic time scale required
- Need relevant stakeholder engagement
- Managing expectations may be required

Ex ante provides preliminary information

For a successful implementation a thorough market test is needed















