



Financial instrument in Estonian fishery

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FINANCIAL INSTRUMENT IN ESTONIAN FISHERY

Mart Undrest - Project leader
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Brussels



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Activities in 2015



- **Project “Possible solutions for the appraisal of low-value fish raw material in Estonia” was finalized in May 2015**
- **In June 2015 three Estonian Producer Organizations had an idea to build a fishmeal and fish oil factory**
- **By the end of 2015 they formulated Association of Estonian Fish Producer Organizations**
- **30th of June 2016 we received a building permit for construction**



May 2016



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- **First loan from the financial instrument**
- **Amount loaned: 1 077 520 EUR**
- **Date of the loan: 30th of June 2016**

- **30th of June 2016 we also received a building permit for construction**
- **Ultimate goal – to build a modern factory, that would be able to process 300 tons of raw material in 24 hours**

February 2017



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August 2017



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January 2018



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June 2018



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- **Second loan from the financial instrument**
- **Amount loaned: 1 500 000 EUR**
- **Date of the loan: 15th of July 2018**
- **Loan period: 15 years**

- **You can only pay loan interest during first 5 years**
- **The loan % is equal to the % of the bank loan**

November 2018



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Results of the project



- **25 new jobs created only in this factory**
- **Many jobs related to that factory both on sea and on land**



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First product – 28.11.18



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So why loan through the financial instrument ?



- Easier to manage than the usual grants system
- Longer period to pay it back compared to usual commercial loans
- You can apply for period, when you pay only interest rate and not the principle part of the loan. This helps new projects to kick off – cashflow issue
- Helps manage risks both for the company and also for the bank



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EMFF financial instruments in Estonia



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