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Getting started in 2014-2020: Ex-ante assessment for Financial Instruments

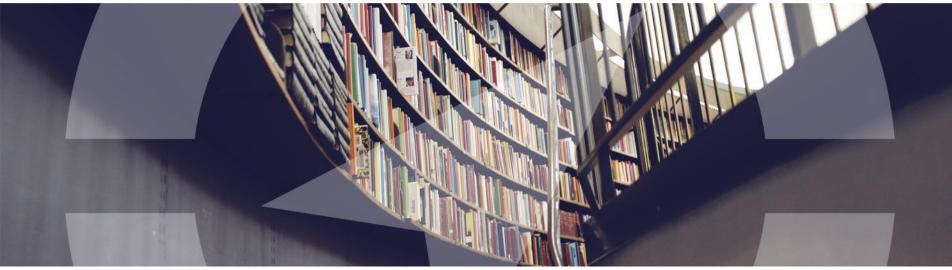
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# Getting started in 2014-2020: Ex-ante assessment for Financial Instruments

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## Financial Instruments 2014-2020

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

### Objectives:

- assess 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.
- help to avoid overlaps and inconsistencies between instruments implemented at different levels.
- to be completed before the MA decides to make Programme contributions to a Financial Instrument







# Ex-ante assessment – CPR art. 37 requirements

Article 37(2) of the Common Provisions Regulation (CPR) articulates the required content of an ex-ante assessment around seven main elements, namely:

- a) Analysis of market failures, suboptimal investment situations and investment needs;
- b) Assessment of the added value of the FI;
- Estimate of additional public and private resources to be potentially raised by the FI;
- d) Assessment of lessons learned from similar instruments and ex-ante assessments carried out in the past;
- e) Proposed investment strategy;
- f) Specification of expected results;
- g) Provisions allowing the Ex ante assessment to be reviewed and updated.





## Building Blocks of the Ex-ante assessment

#### Building block 1: Market assessment



Article 37(2)(a)

Market failure, suboptimal investment situations and investment needs



Article 37(2)(b)

Value added



Article 37(2)(c)

Additional resources to be potentially raised



Article 37(2)(d)

Lessons learnt



Market conditions can change and may need to be revised during the ex-ante assessment and during the implementation of the FI.



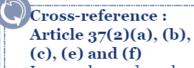
#### Cross-reference: Article 37(2)(c)

State aid implications refer to other components including market failure, suboptimal investment situation, investment need, mechanism of preferential remuneration.



#### Cross-reference: Article 37(2)(b)

The capacity to attract additional resources is part of the value added of a FI.



Lessons learned can be drawn from different types of experiences and can therefore refer to both market assessment and delivery and management.







## Building Blocks of the Ex-ante assessment

#### Building block 2: Delivery and management



Article 37(2)(e)

Proposed investment strategy



Article 37(2)(f)

Expected results



Article 37(2)(g)

Provisions for the update and review



Proposed investment strategy has to be consistent with the results of the market assessment and value added assessment. This will have already narrowed the options for the envisaged FI.



Cross-reference to: Article 37(2)(a) and (e)

Expected results are directly linked to the investment needs identified in the market assessment and to the proposed investment strategy Cross-reference to: Article 37(2)(a), (b), (c), (d), (e) and (f)

The context may evolve during the implementation of the FI. These changes can affect all components of the ex-ante assessment.







## Ex-ante assessment – Considerations

- Ex-ante assessment to be carried out before launch of FI
- Can be performed in stages
- Must cover each FI
- Can justify contributions from more than one ESI Fund to the same FI
- Can be funded by OP Technical Assistance
- Must be submitted to the PMC for information
- Summary findings and conclusions must be published within 3 months from the date of finalisation







## Factors for successful implementation

- Realistic time scale required
- Need relevant stakeholder engagement
- Managing expectations may be required
- Identification of project pipeline needs proper consideration
- Developing robust Ex-ante assessments







# Thank you

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