



Survey on financial instruments under the European Social Fund (ESF)

Reflections at present and ideas for future

Final report
November 2019



Table of content

1. Background and methodology.....	3
2. Profile of respondents and general views about FIs.....	4
3. Feedback on current experiences with FIs	8
4. Feedback about the future of ESF FIs and needs for support.....	12
5. Findings and conclusions	18
Annex I – Survey’s questionnaire.....	20

Table of figures

Figure 1 - Geographical distribution of respondents.....	4
Figure 2 - Involvement with FIs in the current programming period	5
Figure 3 - Rating of the benefits of FIs	6
Figure 4 - Best use of grants alongside FIs.....	7
Figure 5 - Challenges in the design phase.....	8
Figure 6 - Challenges in the implementation phase	10
Figure 7 - Opinion about the potential benefit of selected initiatives to a further take-up of FIs	12
Figure 8 - Areas/topics where support is sought	13
Figure 9 - Preferred forms of support.....	14
Figure 10 - Topics where peer-to-peer support is sought	15
Figure 11 - Potential for FIs in ESF+ priorities – average value for each priority.....	16
Figure 12 - Is your organisation considering the use of FIs under the ESF+ in 2021-2027?	17



1. Background and methodology

fi-compass was set-up by the European Commission (EC) and the European Investment Bank (EIB) to support Member States (MS) in understanding and making better use of financial instruments (FIs) that utilise European Structural and Investment Funds (ESI Funds or ESIF).

In the framework of the *fi-compass* advisory platform, the EC – Directorate General for Employment, Social Affairs and Inclusion (DG EMPL) with the support of EIB, has carried out an online survey to collect feedback on on-going experiences in connection with the implementation of FIs under the European Social Fund (ESF). In addition, the survey collected views and suggestions to help shaping future technical assistance (TA) measures to better meet the needs of the practitioners. The survey targeted Managing Authorities (MAs) and Intermediate Bodies (IBs), Financial Intermediaries (F.Ints) including National Promotional Banks (NPBs) and National Promotional Institutions (NPIs), microfinance providers and social finance providers as well as other ESF stakeholders (other public authorities involved in the implementation of ESF Operational Programmes or coordinating ESF activities, associations and networks, research centres and universities, etc.) across all MS.

The survey consisted of 19 questions about the implementation of FIs under ESF. The questions divided into three main areas:

- a) profile of respondents and general views on FIs ;
- b) opinions and feedback on current/past experience of ESF FIs;
- c) future perspectives/needs for support– ideas for improving the take up of ESF FIs.

The types of questions were both qualitative and quantitative, to be answered via rating scores, multiple choice and open answers (see Annex I – Survey’s questionnaire). Respondents were encouraged to complete the survey with as much concrete information as possible. In order to encourage openness, respondents were informed that their responses would be used solely for the survey and would be reported in an aggregated and anonymised way. The experience of individual respondents could not be identified in the outputs of the survey.

The survey, which remained open throughout the period 7 May 2019 – 21 June 2019 (45 days), was advertised via multiple channels, including: *fi-compass* website; DG EMPL – ESF website; social media; internal and external events and workshops; mailing lists (including DG EMPL geographical desks); and transnational networks of ESF practitioners.

The survey collected 109 responses. Upon processing of raw data, to remove duplicates and clean incomplete questionnaires, the total number of valid replies amounted to 97. The analysis that will follow shows results based on the 97 useable responses. In addition, where relevant, the data is broken down by type of respondents. For example, Figure 3 shows data broken down for all type of respondents; while Figure 5 shows data broken down for MAs/IBs cluster only).

Sections 2 to 4 of the present document provide an analysis of the answers and feedback received; each Section refers to one of the three survey’s areas as defined in the in the list above. Section 5 includes findings and conclusions drawn on the basis of the analysis carried out in Sections 2, 3 and 4. Finally, all numbered questions (Q#) throughout the present document form the questionnaire included in Annex I.

2. Profile of respondents and general views about FIs

The breakdown of respondents per **type of organisation** (Q1) is as follows:

- 55 “Managing Authorities/Intermediate Bodies”;
- 30 “Other stakeholders” (other public authorities involved in the implementation of ESF Operational Programmes or coordinating ESF activities, associations and networks, research centres and universities, etc.);
- 12 “Financial Intermediaries”.

The **geographical distribution** of respondents (Q2) is depicted in Figure 1 and in the table below:

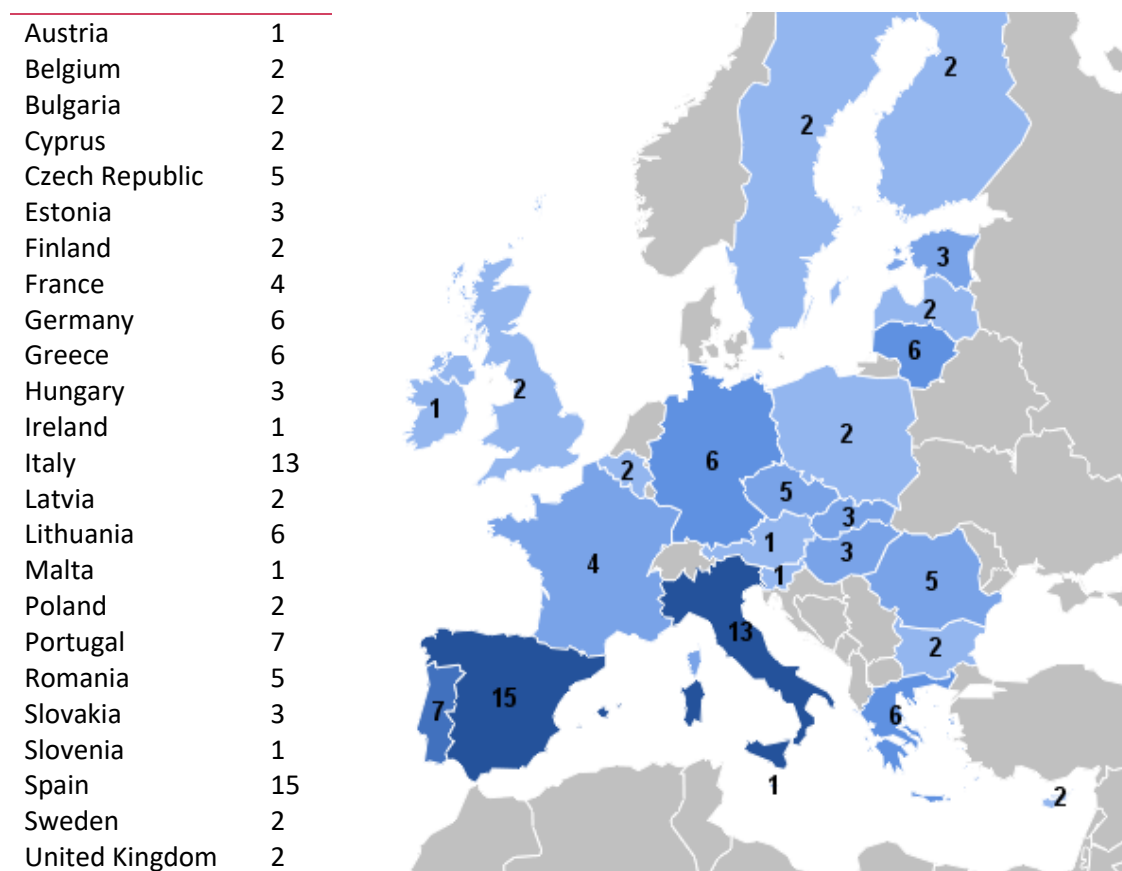
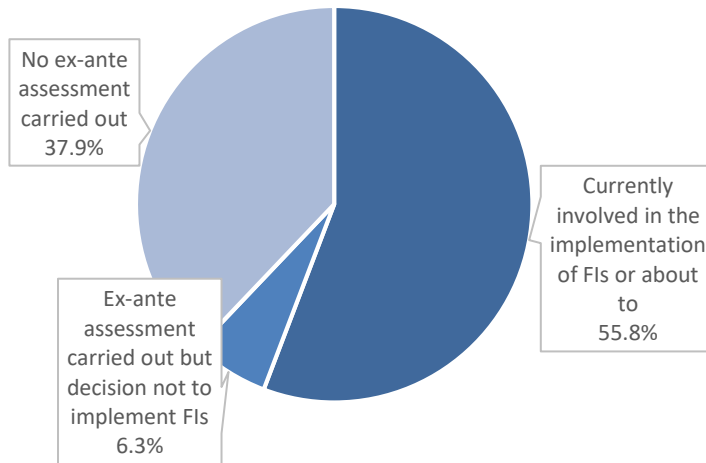


Figure 1 - Geographical distribution of respondents

59% of respondents declared that they have been actively involved with the implementation of FI the past programming periods; this percentage rises up to 74% in the MAs/IBs sub-segment (Q3).

Figure 2 - Involvement with FIs in the current programming period
(all respondents)



The involvement of respondents with FI in the current programming period (Q4) is depicted in Figure 2. Breaking down answers to Q4 for the MAs/IBs cohort only results in the following:

- 49% of MAs/IBs are currently involved in the implementation of FIs;
- 47% of MAs/IBs haven't carried out any ex-ante assessment;

- 6% of MAs/IBs have carried out an ex-ante assessment but decided not to implement FIs.

Respondents who declared to be currently involved in the implementation of FIs have also provided the following information.

The Thematic Objectives involved (Q5, multiple answer possible) are:

- Thematic Objective 8: 41% of respondents;
- Thematic Objective 9: 35% of respondents;
- Thematic Objective 10: 24% of respondents;

The type of financial products disbursed (Q6, multiple answer possible) are:

- loans, including micro-loans, ticked in 36 answers;
- guarantees, ticked in 18 answers;
- equity or quasi equity, ticked in 14 answers;

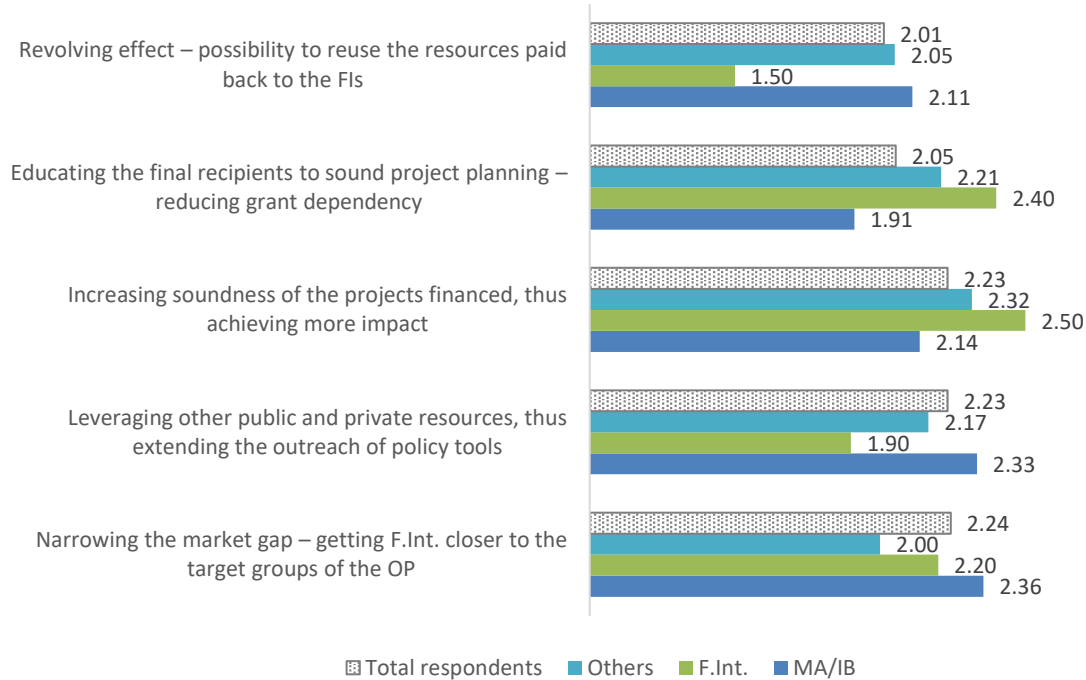
About the provision of non-financial services alongside financial products (Q7):

- 30% of respondents are involved in FIs providing non-financial services within the same operation;
- 27% of respondents are involved in FIs providing non-financial services via separate operations;
- 43% of respondents are involved in FIs which do not provide non-financial services.



Q16 was aimed to assess how much the **benefits of FIs** are valued and acknowledged by respondents. Figure 3 provides an analysis of the feedback received with a breakdown for each group of respondents.

Figure 3 - Rating of the benefits of FIs (1=very beneficial; 5= not beneficial). Average values for type of respondent

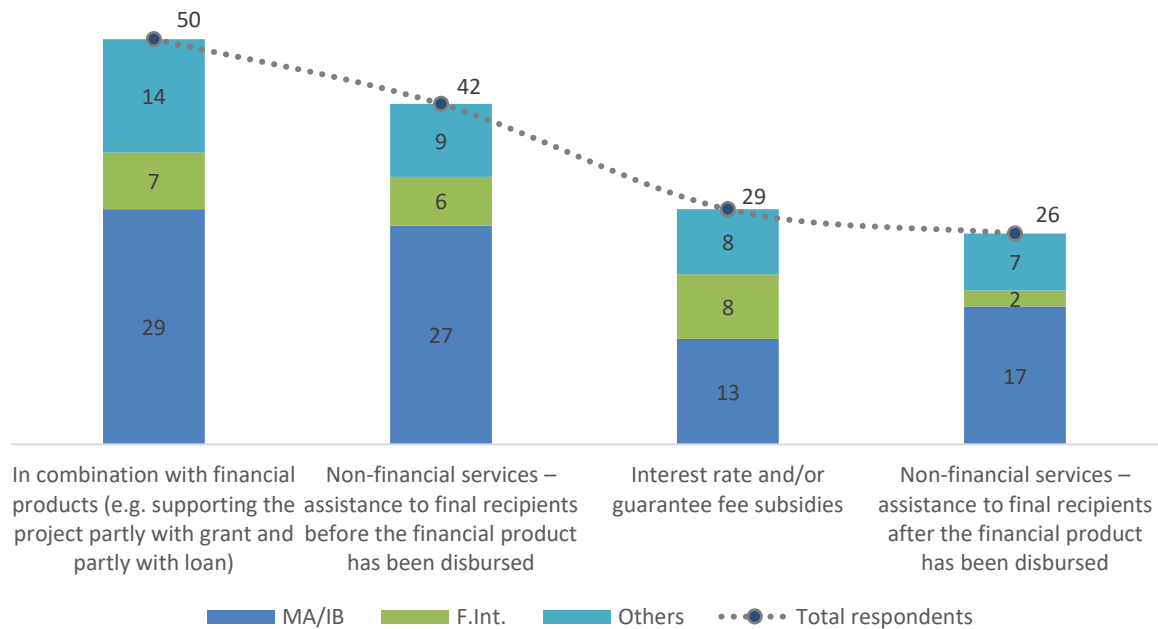


The overall positive feedback (all average values are closer to “beneficial” rather than to “not beneficial”) suggests that FIs provide actual and tangible benefits for respondents in relation to all the listed items. The category where FIs were recognised as providing the most benefit was the *revolving effect- possibility to reuse resources paid back to the FIs*. In this respect, the opinion of F.Ints is more favourable than the average, whilst the MAs/IBs value more the potential to *educate the final recipients to sound project planning – reducing grant dependency*. The other benefits received positive feedback as well, although they are seen not as beneficial as those previously mentioned. Particularly, MAs/IBs seem to value less the *leveraging of other public and private resources* and the capability to *narrow the market gap*.



Q17 focused on the **use of grants alongside FIs**, in order to capture the opinion of the ESF community about how grants should be better used (multiple answers possible). The responses are shown in the chart below.

Figure 4 - Best use of grants alongside FIs - number of preferences for each statement



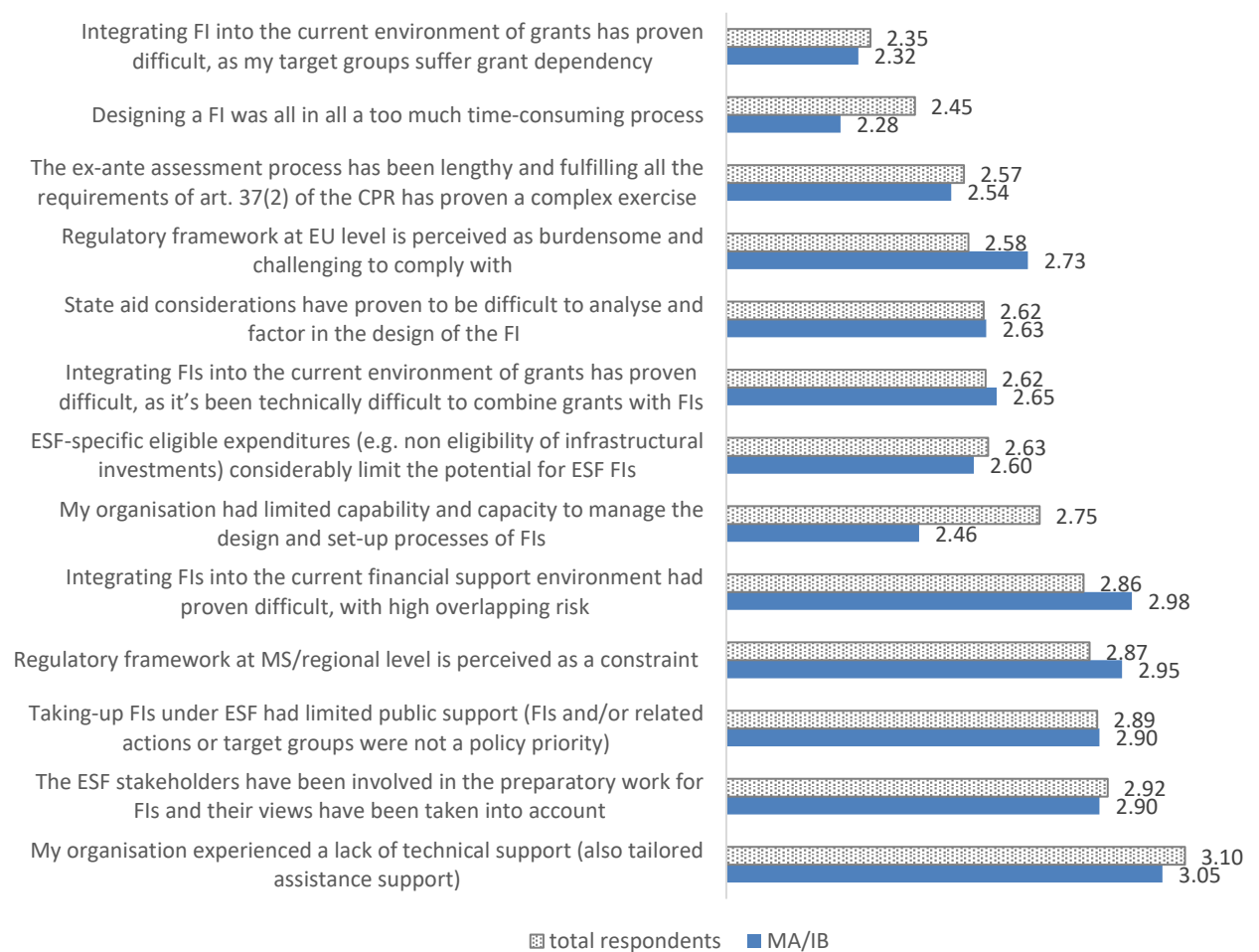
The feedback shows that the ESF community, and MAs/IBs particularly, are very positive about the opportunity for combining financial products and grants within the same project (e.g. loans with capital rebates). Non-financial services are seen as more beneficial when provided before the disbursement of the financial product, rather than after. Interest rate subsidies (and guarantee fee subsidies) are the least favoured option.

3. Feedback on current experiences with FIs

Q8, Q9, Q10 and Q11 aimed at collecting feedback about current experiences with FIs, particularly looking at the possible bottlenecks or hurdles that hinder either the take-up or a smooth implementation of FIs in the design phase and in the implementation phase.

Q8 enquired about the perception of specific bottlenecks in the **design phase**: respondents have expressed their agreement or disagreement with the statements represented in Figure 5. Respondents tended to agree (or at least not to strongly disagree) with any of the proposed statements, and all values are comprised within a short range (from 2.35 for the statement agreed the most, to 3.10 for the statement agreed the least). The chart provides the detail of the answers of MAs/IBs.

Figure 5 - Challenges in the design phase – average value for each statement (1 = strongly agree; 5 = strongly disagree)



All statements included in Q8 represent, to some extent, a bottleneck or a challenge in the design of the FIs. Analysing them more in detail, it emerges that:

- the grant dependency of the targeted final recipients is perceived as the biggest hurdle when introducing FIs (second biggest hurdle for MAs/IBs); likewise, respondents have agreed that combining FIs with grants still represents a challenge for them;



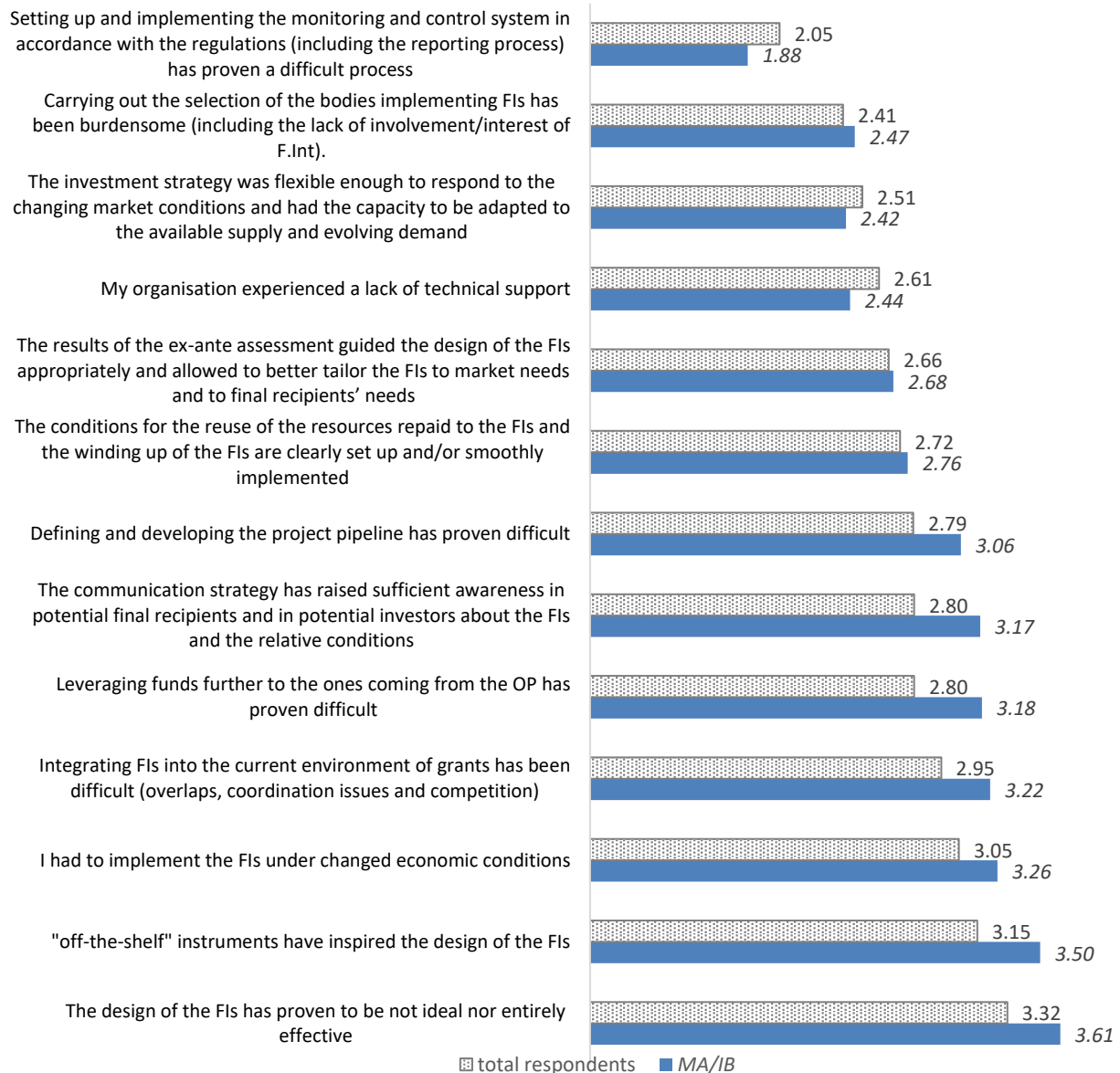
- going through a lengthy set-up process seems to be the primary source of concern for MAs/IBs (and the second one for respondents altogether); the ex-ante assessment process could account for a portion of this sentiment;
- MAs/IBs tend to agree that they have limited capacity when designing FIs (third most agreed statement), whilst respondents from other organisations do not necessarily share the same feeling (it is the eight most agreed statement for the whole respondents); however the ESF community generally agrees that the lack of technical support is not as much of a challenge as other factors (bottom bar of the chart);
- factoring state aid considerations and ESF-specific eligibility rules into the design process are seen as factors that could limit the take-up of FIs, whilst the EU regulatory framework is perceived as a burden more by the ESF community at large than by MAs/IBs alone (probably due to their deeper knowledge of the regulation);
- feedback shows a neutral approach towards regulatory constraints at national/local level (gold plating), scarce political/public support to FIs and lack of stakeholders involvement. They are all seen as not really relevant within the context respondents operate in.

On a parallel note, 33% of respondents declared to have benefitted from **TA during the design phase** (Q9), and gave the following feedback on the support received (on a scale ranging from 1 = very useful to 5 = not useful):

- TA from resources of the OP scored an average rate of 2.22;
- TA from the initiative of the EC scored an average rate of 2.44;
- TA from other resources scored an average rate 2.58.

Q10 enquired about the perception of specific bottlenecks in the **implementation phase**: respondents have expressed their agreement or disagreement with the statements represented in Figure 6. The chart provides the detail of the answers of MAs/IBs.

Figure 6 - Challenges in the implementation phase – average value for each statement (1 = strongly agree; 5 = strongly disagree)



Similar to the feedback regarding the setup phase, the feedback about the challenges in the implementation phase shows quite a balanced position, although there is a greater variance of scores on this question compared to others in the survey (particularly in relation to the MAs/IBs cohort) Analysing each item in more detail, the following conclusions can be made:

- there is a general consensus that setting up a monitoring and control system compliant with applicable regulations proves to be difficult and burdensome, particularly for MAs/IBs which retain the overall responsibility for the implementation of FIs and are audited in this respect;



- selecting the bodies implementing FIs is not an easy task for all actors involved. This applies even more in ESF FIs, where MAs/IBs often carry out directly the selection of Financial Intermediaries (limited use of a Fund of Funds structure);
- respondents believe that the FIs they are involved with are quite well designed (last bar in the chart), that their investment strategy has been flexible enough to adapt to changed market conditions (although this situation seldom occurs to respondents); linked to that is also the positive feeling about the guiding role played by the ex-ante assessment;
- combining and coordinating grants and FIs appears to be less of a burden in the implementation phase, possibly because the major issues in this topic are tackled in the design phase;
- ESF community, and MAs/IBs particularly, do not see “off the shelf FIs” as being inspirational when designing their FIs;
- respondents would use more technical support in the implementation phase than in the set-up phase, although not to a critical degree;
- leverage has not proved very difficult for MAs. Although ESF FIs usually have little leverage effect, this feedback can stem from the prudent approach that MAs/IBs have towards the leveraging goals of their FIs, which are quite modest (if not absent) from the outset and are therefore easy to meet. This interpretation can be underpinned also by the residual importance of leverage effect for ESF MAs/IBs (see comments to Figure 3);
- a very balanced opinion (neither strong agreement nor strong disagreement) can be reported for the statements *the communication strategy has raised sufficient awareness, defining and developing the project pipeline has proven difficult, and the conditions for the reuse of the resources repaid to the FIs and the winding up provisions are clearly set and/or implemented*, the latter being of little interest to the bulk of respondents (see feedback to Q15 - On which of the following topics would you seek advice and/or working modalities on a peer-to-peer level (exchanges with other managing authorities, intermediate bodies, financial intermediaries, other stakeholders) (max 4 choices), for instance).

Moreover, 28% of respondents declared to have benefited from **TA during the implementation phase** (Q11), and gave the following feedback regarding the support received (on a scale ranging from 1 = very useful to 5 = not useful)

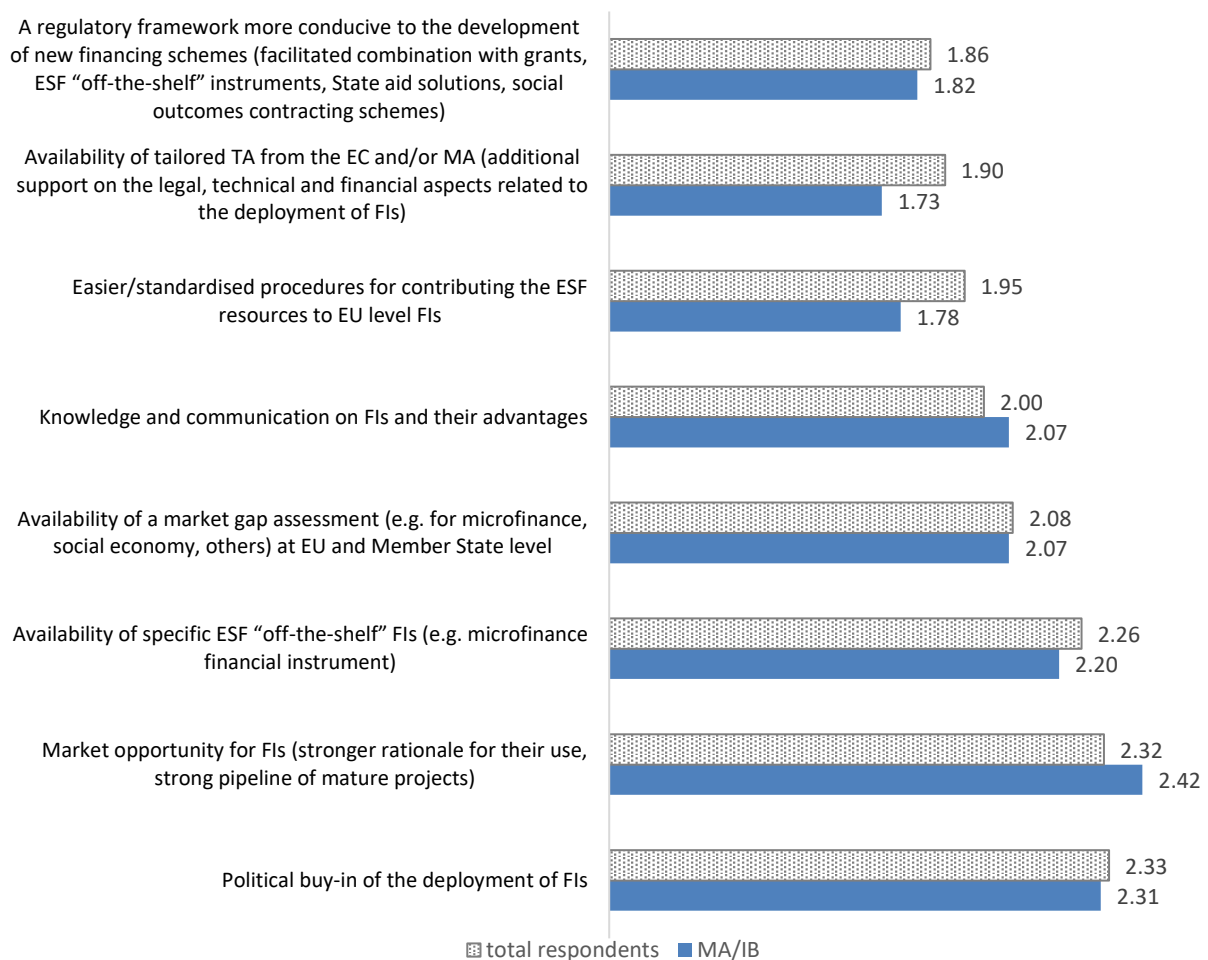
- TA from resources of the OP scored an average rate of 2;
- TA from the initiative of the EC scored an average rate of 2.9;
- TA from other resources scored an average rate 3.11.

4. Feedback about the future of ESF FIs and needs for support

The survey’s questions from Q12 to Q15 and from Q18 to Q19 were aimed at enquiring on potential actions for furthering the take-up of FIs under ESF in the future, as well as assessing the needs for support.

Q12 asked respondents to rank **how some initiatives could positively affect the take-up of FIs under ESF**. Also in this case, MAs/IBs opinion has been extracted from the total for ease of comparison and analysis (Figure 7).

Figure 7 - Opinion about the potential benefit of selected initiatives to a further take-up of FIs – average value for each statement (1 = very beneficial; 5 = not beneficial)



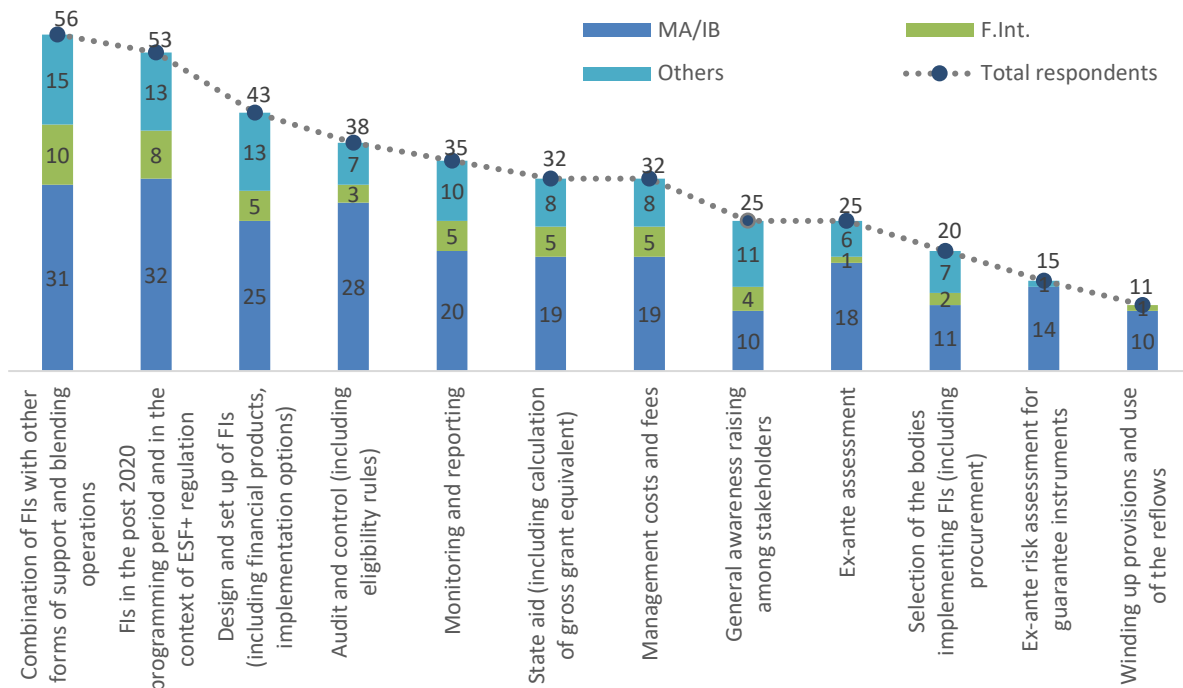
All proposed actions have been positively ranked, albeit some have been rated more favourably than others. Overall, respondents expressed a preference for a more conducive regulatory framework (including grants-FIs combinations, State aid, standard schemes for social outcome contracting, ESF specific off-the-shelf instruments). However, this preference ranked only third for MAs/IBs. It is also to be noted that the survey came at a time when the novelties of the CPR and ESF+ regulations were still not well known to the public, therefore this feedback cannot be considered to represent a mature opinion about the regulatory provisions for the 2021-2027 period.

Furthermore, the following aspects are worth highlighting:

- a need for tailored TA actions is shown at all levels, with stronger intensity for MAs/IBs;
- there is a genuine interest about the opportunity to contribute to centralised FIs with ESF resources; in the near future, this can be translated into some genuine interest for InvestEU;
- interestingly, communication and education actions have scored very well; EU or MS market-gap assessment did likewise, as they could facilitate and accelerate the set-up of FIs.

Q13 asked about the **specific areas where support is needed**. Figure 8 represents the number of preferences scored by each area/topic, with a breakdown for type of respondents.

Figure 8 - Areas/topics where support is sought – absolute values



The use of FIs in the post 2020 programming period scored highly and was the highest voted topic for MAs/IBs. As in the previous question, there is already some enthusiasm for the next programming period, and therefore it is not surprising that the ESF community is already seeking support on that topic. Also the combination of FIs and grants ranks on the top of the chart (most chosen topic for the whole group of respondents, second most for MAs/IBs only), reflecting the challenge that such topic represents in the design and implementation phases of FIs.

Mirroring the feedback from Q8 and Q10, the design and set-up phase of FIs (including the choice of the most suitable implementation option and financial products), as well as the audit and control procedures (including the eligibility rules) are a very popular topic where support is sought. Monitoring and reporting provisions, management costs and fees, State aid issues and ex-ante assessment have scored less than the above mentioned topics, but still remain popular topics when it comes to the needs for assistance, given the underlying complexities.

Ex-ante risk assessment for guarantee instruments, as well as winding up provisions and use of the reflows do not account for many preferences. However, such preferences come almost exclusively from MAs/IBs, thus identifying such topics as potential niche areas where a few, selected practitioners

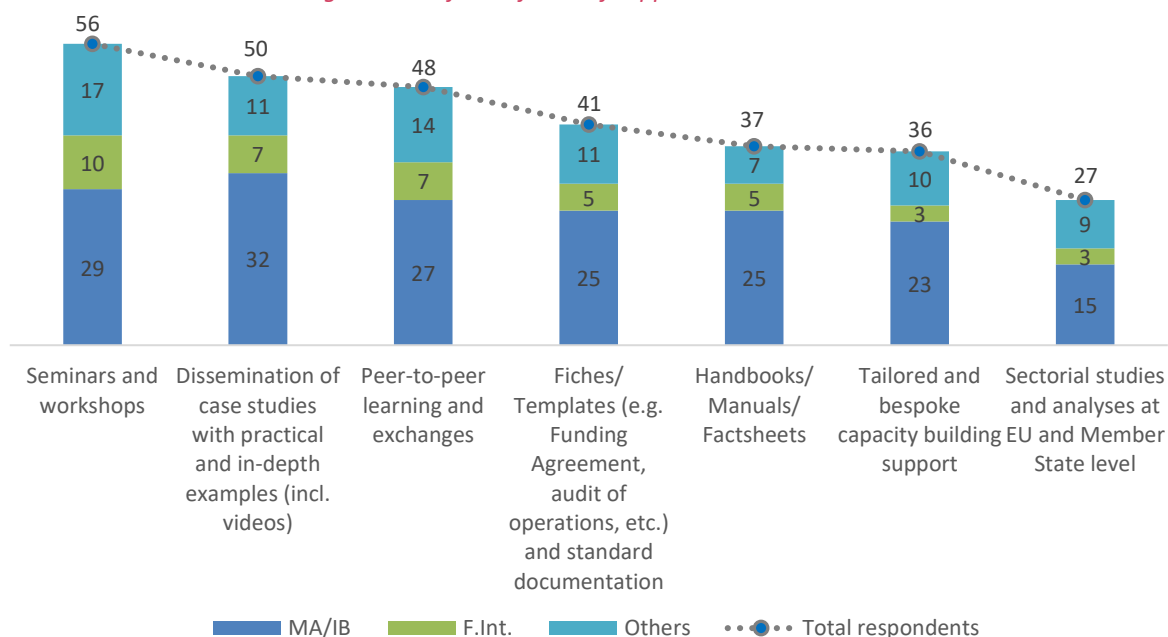
seek ad-hoc support. Moreover, the winding-up of FIs and the use of the reflows are likely to be increasingly relevant in the future.

Despite having acknowledged in Q10 that the selection of bodies implementing FIs can be a cumbersome process, the ESF community does not need as much support on this topic. This could possibly be due to the level of experience of the survey’s respondents: most of them have already been through such process and therefore are less keen to identify it as a required area for support in this survey.

Also general awareness raising is not seen as a major topic for future support, mostly by MAs/IBs. However this answer has to be viewed in the light of the fact that around half of respondents are FIs practitioners, thus being already experienced and not in need of generic awareness raising actions. Furthermore, in the previous question knowledge dissemination and communication activities were already recognised as beneficial for the whole community.

Q14 enquired about the **forms of support** that respondents prefer to receive (multiple answers were possible, values are the total number of preferences expressed for each statement). The options proposed were based on the current experience under *fi-compass*, as well as on other ideas for the future development of the *fi-compass* platform. The chart below (Figure 9) provides the overall figures, with a breakdown for each type of respondent.

Figure 9 - Preferred forms of support – absolute values

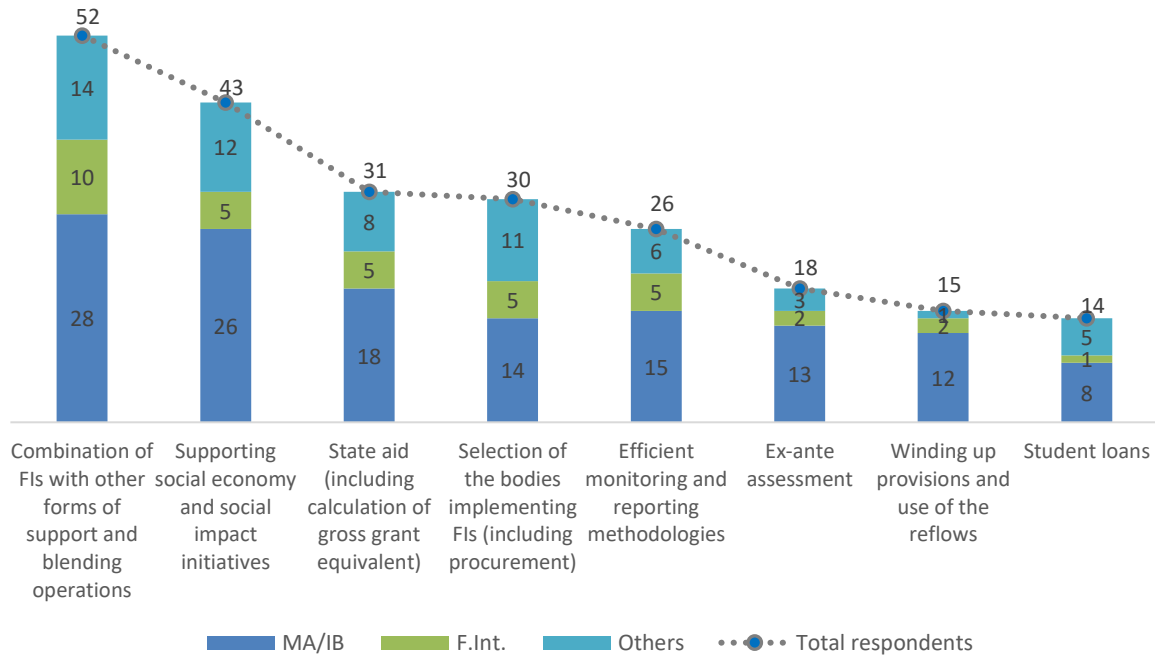


Seminars and workshops was the most-voted option by the whole respondents, with *Dissemination of case studies* following at a short distance. This ranking is inverted when considering only MAs/IBs. Furthermore, *Peer-to-peer learning and exchange* environments are seen with increasing interest; more traditional support tools like *Fiches and standard templates*, *Handbooks, manuals and factsheets* seem to be still appealing, followed by *Bespoke capacity building support* and *Sectorial studies at EU and MS level*. The feedback regarding the two last forms of support has to be tempered with feedback from Q12, where respondents have judged tailored TA (and EU/MS wide market gap assessments, to a smaller extent) as very beneficial for the further take-up of FIs under ESF. In other words, it can be

argued that respondents personally prefer other forms of support, but still see the benefit for the whole community of tailored TA initiatives and EU/MS wide gap assessment.

Q15 focused on the **peer-to-peer support**, and aimed at identifying those topics ESF practitioners would like to explore in more depth with their peers. Figure 10 shows the number of preferences awarded to each topic (up to 4 preferences were possible under this question).

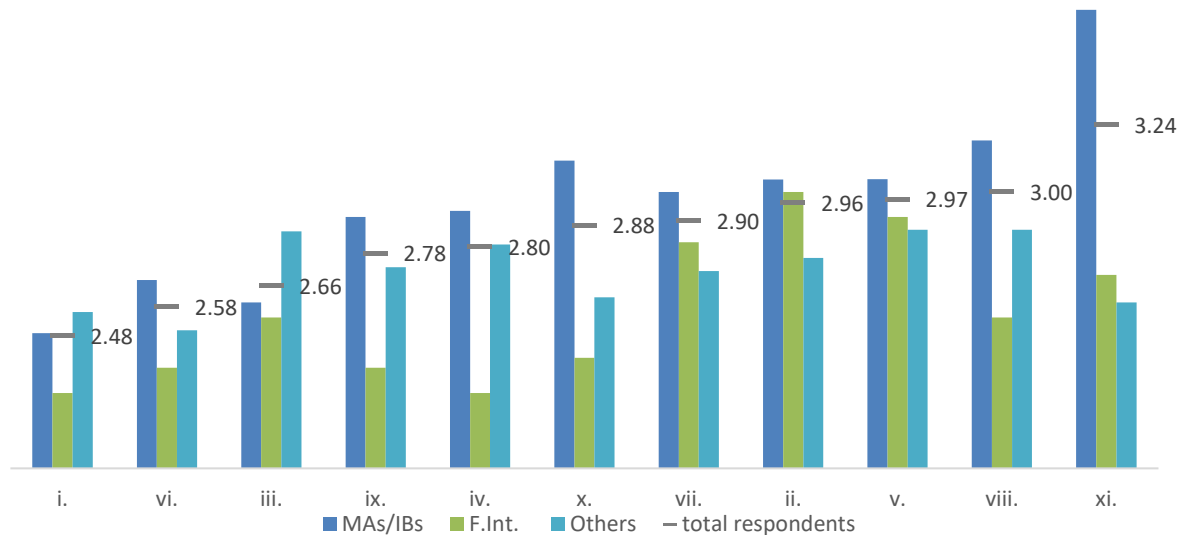
Figure 10 - Topics where peer-to-peer support is sought - absolute values



The ESF community appears to seek engagement with peers mostly around the combination of FIs with other forms of support (grants, blending) and in relation to social impact initiatives, the latter being a topic constantly on the rise in the last few months. There is also interest to learn from peers around specific issues linked with the design or set-up of FIs: State aid mainly, but also monitoring and reporting methodologies, selection of bodies implementing FIs and, to a lesser extent, ex-ante assessment and winding-up provisions and use of reflows (where preferences come almost exclusively from MAs/IBs). The low volume of preferences scored by student loans has to be measured against the limited use of this particular FI across the EU: a niche topic that is nevertheless extremely relevant for those involved in it, and gaining increasing attention over the past months.

Q18 requested responses about **which ESF+ investment priorities¹ hold more potential for FIs**. Figure 11 provides the aggregated average value scored by each investment priority (grey horizontal bar), with a breakdown for typology of respondents.

Figure 11 - Potential for FIs in ESF+ priorities – average value for each priority (1 = high potential; 5 = low potential)



Overall, the outlook provided by respondents is quite prudent, with no values standing out towards either of the extremes. However, it is interesting to note that the views of MAs/IBs and the ESF community at large differ on the potential for some priorities. For instance, the total respondents see a good potential for priority *xi*, whilst MAs/IBs see very limited scope for FIs to support that priority.

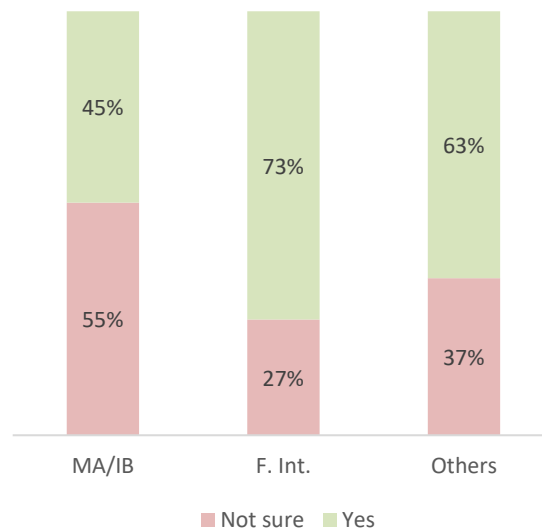
¹ According to the “Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)” - COM(2018) 382 final, ESF+ priorities are:

- i. improving access to employment of all jobseekers, in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy
- ii. modernising labour market institutions and services to assess and anticipate skills needs and ensure timely and tailor-made assistance and support to labour market matching, transitions and mobility
- iii. promoting women’s labour market participation, a better work/life balance including access to childcare, a healthy and well-adapted working environment addressing health risks, adaptation of workers, enterprises and entrepreneurs to change, and active and healthy ageing
- iv. improving the quality, effectiveness and labour market relevance of education and training systems, to support acquisition of key competences including digital skills
- v. promoting equal access to and completion of, quality and inclusive education and training, in particular for disadvantaged groups, from early childhood education and care through general and vocational education and training, and to tertiary level, as well as adult education and learning, including facilitating learning mobility for all
- vi. promoting lifelong learning, notably flexible upskilling and reskilling opportunities for all taking into account digital skills, better anticipating change and new skills requirements based on labour market needs, facilitating career transitions and promoting professional mobility
- vii. fostering active inclusion with a view to promoting equal opportunities and active participation, and improving employability
- viii. promoting socio-economic integration of third country nationals and of marginalised communities such as the Roma
- ix. enhancing the equal and timely access to quality, sustainable and affordable services; modernising social protection systems, including promoting access to social protection; improving accessibility, effectiveness and resilience of healthcare systems and long-term care services
- x. promoting social integration of people at risk of poverty or social exclusion, including the most deprived and children
- xi. addressing material deprivation through food and/or basic material assistance to the most deprived, including accompanying measures

The opposite perception applies for priority *i*. (limited potential for the whole group of respondents, good potential for MAs/IBs).

Finally, Q19 asked for feedback on **intentions to set-up FIs in the next programming period**. Figure 12 sets out an overview of the answers provided, with data broken down for each cluster of respondents.

Figure 12 - Is your organisation considering the use of FIs under the ESF+ in 2021-2027?



Respondents were requested to elaborate (and/or comment on) their position. Those who replied *Yes* justified their perspective mostly because of the revolving effect of FIs, followed by a perceived presence of a market gap in their areas of intervention and by a more generic positive past experience with FIs.

Respondents who replied *Not sure* and explained their reply can be roughly divided into three subcategories:

- a portion of them have not been exposed to FIs yet but are open to consider their adoption, even more if they can get advice (TA) through this process;
- some keep a prudent approach, as they are either testing pilot projects in the current programming period, or they operate in grant-dominated areas or they believe that a lack of skills might jeopardise their experience with FIs; and
- a (smaller) group retain a sceptical view on FIs and still see the regulatory framework as not conducive enough.

5. Findings and conclusions

The number of valid questionnaires (97) can be considered satisfactory, taking into account the total number of Operational Programmes in the EU co-financed by ESF resources (185) and of the number of ESF FIs in the current programming period (51). In total, 24 out of 28 MS took part to the survey (no respondents from Croatia, Denmark, the Netherlands and Luxembourg), therefore the feedback could be considered as representative also from a geographical point of view. The proportion of MAs/IBs (57% of respondents) and the respondents' general experience with FIs suggests that the present survey provides a valid, balanced situation of the current state of the art for ESF FIs.

Content-wise, the analysis of the survey suggests the following takeaways:

- ESF practitioners generally acknowledge the advantages of FIs (reuse of paid back resources and financial discipline of final recipients rather than leverage effect). The ESF community is more and more open to FIs, and this process needs to be supported by further FIs awareness raising activities together with **tailored TA which takes into account ESF specific features** (in terms of beneficiaries, final recipients, topics, etc.);
- there is a general consensus around the **opportunity to combine grants and FIs under ESF** (capital rebates, provision of non-financial services, etc.), and about the utility of anticipating such combination already in the design phase of FIs. The shift from competition to combination of FIs and grants requires more preparatory work by MAs/IBs (e.g. by identifying in advance the repayable portions of the supported operations) but it is likely to enhance the take-up of FIs under ESF. Still, limited know-how is available at present, and advice is highly sought in all available forms;
- the interest in initiatives that produce measurable **social impact** is on the rise, and already high on the *fi-compass* agenda. Also **student loans** - a niche area for the time being – are assuming increasing importance and are triggering valid pioneering schemes that are looked at with attention by the ESF practitioners;

Additionally, monitoring and control of ESF (including eligibility of expenditures, State aid), selection of financial intermediaries (including procurement) can be considered as recurrent topics where support is constantly needed. Moreover, a high level of interest in the opportunities of the next regulatory framework (CPR, ESF+ and InvestEU) was registered, tempered by an understandably prudent approach towards the adoption of FIs, more so by MAs and IBs. This represents both a challenge and a big opportunity, as most practitioners already seek advice and support to fully exploit the possibilities of the next programming period, including the contribution of ESF resources to centralised FIs.

Regarding how to effectively assist the ESF practitioners, the survey suggests that:

- the feedback gathered around the TA is overall positive, and it emerges that practitioners require more **tailored support** the further they go down the implementation process. The utility of tapping into the know-how of peer organisations across Europe and exploring in greater depth existing experiences is confirmed by the increasing demand of peer-to-peer working modalities and by the steady interest in case studies and video case studies;



- to some extent practitioners still feel a need for methodological assistance along the FIs lifecycle, therefore the production of **handbooks, manuals and factsheets** remains an effective tool for delivering TA.

Stemming from the survey's feedback, the *fi-compass* ESF workstream is going to take action in the next future through:

- **the creation and launch of a number of Communities of Practice**, consisting of peer-to-peer working environments where the practitioners will exchange, learn and find common solutions related to the set-up and/or implementation of FIs; content and topics to be addressed in the Communities of Practice will be announced later on, based on the survey's feedback;
- the timely introduction of activities (seminars, workshops, manuals) aimed at adequately **preparing MAs/IBs and other practitioners for the opportunities of the 2021-2027 programming period**, so favouring an early adoption and take-up of FIs.



Annex I – Survey’s questionnaire

Q1 - Which organisation do you represent?

- Managing Authority or Intermediate Body
- National Promotional Bank/Institution or Financial Intermediary
- Other (please specify)

Q2 - In which Member State do you operate?

<input type="checkbox"/> Austria	<input type="checkbox"/> Belgium	<input type="checkbox"/> Bulgaria	<input type="checkbox"/> Croatia
<input type="checkbox"/> Cyprus	<input type="checkbox"/> Czech Republic	<input type="checkbox"/> Denmark	<input type="checkbox"/> Estonia
<input type="checkbox"/> Finland	<input type="checkbox"/> France	<input type="checkbox"/> Germany	<input type="checkbox"/> Greece
<input type="checkbox"/> Hungary	<input type="checkbox"/> Ireland	<input type="checkbox"/> Italy	<input type="checkbox"/> Latvia
<input type="checkbox"/> Lithuania	<input type="checkbox"/> Luxembourg	<input type="checkbox"/> Malta	<input type="checkbox"/> Netherlands
<input type="checkbox"/> Poland	<input type="checkbox"/> Portugal	<input type="checkbox"/> Romania	<input type="checkbox"/> Slovakia
<input type="checkbox"/> Slovenia	<input type="checkbox"/> Spain	<input type="checkbox"/> Sweden	<input type="checkbox"/> United Kingdom

Q3 - Have you been involved in ESF financial instruments in previous programming periods?

- Yes
- No

Q4 - What is your involvement in ESF financial instruments in the current programming period?

- No ex-ante assessment carried out
- Ex-ante assessment carried out but decision not to implement financial instruments
- Currently involved in the implementation of financial instruments or about to

Q5 - [If you are currently involved in the implementation of financial instruments] Which are the thematic objectives (TOs) involved? (multiple answers possible)

- TO 8 – Promoting sustainable and quality employment and supporting labour mobility
- TO 9 – Promoting social inclusion, combating poverty and any discrimination
- TO 10 – Investing in education, training and vocational training for skills and lifelong learning

Q6 - [If you have been or are currently involved in the implementation of financial instruments] Which are the financial products delivered by the financial instrument(s)? (multiple answers possible)

- Loans, including microloans
- Guarantees
- Equity or quasi equity



Q7 - [If you have been or are currently involved in the implementation of financial instruments] Alongside the financial product, non-financial services² are or have been provided to final recipients (either within the same operation or in separate operations)?

- Yes, within the same operation
 Yes, via separate operations
 No

Q8 - How much do you agree with the following? (1= strongly agree; 5= strongly disagree)
 Design phase – when considered the possible use of financial instrument(s)...

	1	2	3	4	5
Regulatory framework at Member State/regional level is perceived as a constraint (legal uncertainty, specific local/ regional/ national regulations preventing an easy deployment of financial instruments)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulatory framework at EU level is perceived as burdensome (limited understanding of ESIF and ESF regulation, perceived as complex and challenging to comply with)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESF-specific eligible expenditures (e.g. non eligibility of infrastructural investments) considerably limit the potential for ESF financial instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ex-ante assessment process has been lengthy and fulfilling all the requirements of art. 37(2) of the Common Provision Regulation has proven a complex exercise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State aid considerations have proven to be difficult to analyse and factor in the design of the financial instrument (uncertainty over adequate State aid regime to apply, calculation of aid element i.e. gross grant equivalent, State aid implications at sectoral level hinder the use of financial instruments)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My organisation had limited capability and capacity to manage the design and set-up processes of financial instruments (lack of staff and/or experience within the staff, particularly in legal/technical aspects and administrative process)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My organisation experienced a lack of technical support (also tailored assistance support)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Taking-up financial instruments under ESF had limited public support (financial instruments and/or related actions or target groups were not a policy priority)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrating financial instruments into the current financial support environment had proven difficult, with high overlapping risk (financial needs of the sector already addressed by regional/ national/ EU level grants or financial instruments and private sector funding; no funding gap identified and thus no room for financial instruments)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrating financial instruments into the current environment of grants has proven difficult, as my target groups suffer grant dependency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

² e.g. coaching, mentoring, specific training and other activities addressed to recipients or potential recipients of the financial products, in the view of enhancing their readiness to receive the financial product and their ability to effectively run a sound business activity



Integrating financial instruments into the current environment of grants has proven difficult, as it's been technically difficult to combine grants with financial instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Designing a financial instrument was all in all a too much time-consuming process (conducting an ex-ante assessment, selecting bodies implementing financial instruments and related contracting process, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ESF stakeholders (microfinance institutions, associations, others) have been involved in the preparatory work for financial instruments and their views have been taken into account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q9 - Have you benefited from technical assistance in the design phase and, if so, was it useful? (1=very useful; 5=not useful)

	1	2	3	4	5
<input type="checkbox"/> No specific technical assistance					
<input type="checkbox"/> Yes, from resources of the operational programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Yes, from the Commission (e.g. <i>fi-compass</i> , <i>EaSI TA</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Yes, from other resources (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q10 - [If you have been or are currently involved in the implementation of financial instruments] How much do you agree with the following? (1= strongly agree, 5= strongly disagree)

During the implementation phase of the financial instrument(s)...

	1	2	3	4	5
Leveraging funds further to the ones coming from the operational programme has proven difficult (limited financing sources to provide co-financing, as well as lack of interest from additional public and private investors lead to challenges in mobilising a total level of investment exceeding the EU, national, regional and local contributions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrating financial instruments into the current environment of grants has been difficult (the existing grants availability did not facilitate the integration of financial instruments due to overlaps, coordination issues and competition)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The results of the ex-ante assessment guided the design of the financial instruments appropriately and allowed to better tailor the financial instruments to market needs and to final recipients' needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"off-the-shelf" instruments have inspired the design of the financial instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Defining and developing the project pipeline has proven difficult (limited assistance for technical and financial structuring of the projects to be supported, limited number of mature/viable projects, difficulties to coordinate with other organisations to define a project pipeline)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The design of the financial instruments has proven to be not ideal nor entirely effective (in terms of financial products, size of the instrument, application procedure and selection criteria for the projects, competition with other financial products available for the sector)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



I had to implement the financial instruments under changed economic conditions (market conditions have changed since the ex-ante assessment was conducted, funding gaps/market failures have changed over time due to improved/deteriorated market conditions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The investment strategy was flexible enough to respond to the changing market conditions and had the capacity to be adapted to the available supply and evolving demand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carrying out the process of selection of the bodies implementing financial instruments has been burdensome (art. 7 of the Commission Delegated Regulation 480/2014), including the lack of involvement/interest of financial intermediaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My organisation experienced a lack of technical support (also tailored assistance support) in the implementation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Setting up and implementing the monitoring and control system in accordance with the regulation (including the reporting process) has proven a difficult process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The communication strategy has raised sufficient awareness in potential final recipients and in potential investors about the financial instruments and the relative conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The conditions for the reuse of the resources repaid to the financial instruments and the winding up of the financial instruments are clearly set up and/or smoothly implemented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q11 - [If you have been or are currently involved in the implementation of financial instruments] Have you benefited from technical assistance in the implementation phase and, if so, was it useful? (1=very useful; 5=not useful)

	1	2	3	4	5
<input type="checkbox"/> No technical assistance					
<input type="checkbox"/> Yes, from resources of the operational programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Yes, from the Commission (e.g. <i>fi-compass</i> , <i>EaSI TA</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Yes, from other resources (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q12 - What's your opinion on the following initiatives? Would they be beneficial to a further take-up of financial instruments under ESF? (1=very beneficial; 5=not beneficial)

	1	2	3	4	5
Availability of tailored technical assistance from the EC and/or managing authority (additional support on the legal, technical and financial aspects related to the deployment of financial instruments)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of a market gap assessment (e.g. for microfinance, social economy, others) at EU and Member State level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Political buy-in of the deployment of financial instruments (increased awareness across economic operators potentially benefitting from the financial instruments, such as investors and final recipients, on the advantages of financial instruments)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge and communication on financial instruments (increased awareness across economic operators potentially benefitting from the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



financial instruments, such as investors and final recipients, on the advantages of financial instruments)					
Easier/standardised procedures for contributing the ESF resources to EU level financial instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of specific ESF “off-the-shelf” financial instruments (e.g. microfinance financial instrument)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market opportunity for financial instruments (stronger rationale for the use of financial instruments, i.e. better understanding of the market gap between the demand and supply of available financing and how the financial instrument could fit into the existing financing environment, strong pipeline of mature projects)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A regulatory framework more conducive to the development of new financing schemes (facilitated combination with grants, ESF “off-the-shelf” instruments, State aid solutions, social outcomes contracting schemes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q13 - What are the main areas/topics in which you would seek support? (multiple answers possible)

- General awareness raising among stakeholders
- Ex-ante assessment
- Design and set up of financial instruments (including financial products, implementation options)
- Selection of the bodies implementing financial instruments (including procurement)
- Ex-ante risk assessment for guarantee instruments
- Financial instruments in the post 2020 programming period and in the context of ESF+ regulation
- Monitoring and reporting
- Audit and control (including eligibility rules)
- State aid (including calculation of gross grant equivalent)
- Management costs and fees
- Winding up provisions and use of the reflows
- Combination of financial instruments with other forms of support (grants, interest rate and/or guarantee fee subsidies etc.) and blending operations

Q14 - What is the most suitable form of advisory support/action for you in view of using financial instruments? (multiple answers possible)

- Seminars and workshops
- Tailored and bespoke capacity building support
- Sectorial studies and analyses at EU and Member State level
- Dissemination of case studies with practical and in-depth examples (incl. videos)
- Handbooks/ Manuals/ Factsheets
- Peer-to-peer learning and exchanges
- Fiches/ Templates (e.g. Funding Agreement, audit of operations, etc.) and standard documentation
- Other (please specify):



Q15 - On which of the following topics would you seek advice and/or working modalities on a peer-to-peer level (exchanges with other managing authorities, intermediate bodies, financial intermediaries, other stakeholders) (max 4 choices)

- Ex-ante assessment
- Supporting social economy and social impact initiatives
- Selection of the bodies implementing financial instruments (including procurement)
- Student loans
- Efficient monitoring and reporting methodologies
- State aid (including calculation of gross grant equivalent)
- Winding up provisions and use of the reflows
- Combination of financial instruments with other forms of support (grants, interest rate subsidies, etc.) and blending operations
- Other (please specify)

Q16 - The following features of financial instruments are important to me (1=very beneficial; 5= not beneficial)

	1	2	3	4	5
Revolving effect – possibility to reuse the resources paid back to the financial instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leveraging other public and private resources, thus extending the outreach of policy tools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Educating the final recipients to sound project planning – reducing grant dependency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increasing soundness of the projects financed, thus achieving more impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Narrowing the market gap – getting financial intermediaries closer to the target groups of the operational programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q17 - Alongside financial instruments, in your opinion ESF grants are better to be used as (multiple answers possible)

- Non-financial services – assistance to final recipients before the financial product has been disbursed
- Non-financial services – assistance to final recipients after the financial product has been disbursed
- In combination with financial products (e.g. supporting the project partly with grant and partly with loan)
- Interest rate and/or guarantee fee subsidies
- Other (please specify):

Q18 - In your opinion, what's the potential for FIs in the following areas? (1=high potential;5=low potential)

	1	2	3	4	5
i. improving access to employment of all jobseekers, in particular youth and long-term unemployed, and of inactive people, promoting self-employment and the social economy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



ii. modernising labour market institutions and services to assess and anticipate skills needs and ensure timely and tailor-made assistance and support to labour market matching, transitions and mobility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. promoting women's labour market participation, a better work/life balance including access to childcare, a healthy and well-adapted working environment addressing health risks, adaptation of workers, enterprises and entrepreneurs to change, and active and healthy ageing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. improving the quality, effectiveness and labour market relevance of education and training systems, to support acquisition of key competences including digital skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. promoting equal access to and completion of, quality and inclusive education and training, in particular for disadvantaged groups, from early childhood education and care through general and vocational education and training, and to tertiary level, as well as adult education and learning, including facilitating learning mobility for all	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi. promoting lifelong learning, notably flexible upskilling and reskilling opportunities for all taking into account digital skills, better anticipating change and new skills requirements based on labour market needs, facilitating career transitions and promoting professional mobility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii. fostering active inclusion with a view to promoting equal opportunities and active participation, and improving employability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
viii. promoting socio-economic integration of third country nationals and of marginalised communities such as the Roma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ix. enhancing the equal and timely access to quality, sustainable and affordable services; modernising social protection systems, including promoting access to social protection; improving accessibility, effectiveness and resilience of healthcare systems and long-term care services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
x. promoting social integration of people at risk of poverty or social exclusion, including the most deprived and children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
xi. addressing material deprivation through food and/or basic material assistance to the most deprived, including accompanying measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q19 - Is your organisation considering the implementation of financial instruments under the ESF+ in the 2021-2027 programming period?

- Yes, mostly because of the (multiple answers possible):
- positive past experience with financial instruments
 - presence of financial gap in the sector, increased market demand and interest from policy level and final recipients
 - revolving character of financial instruments and need for more efficient use of public budget
 - other (please specify):
- Not sure (please briefly explain why):

