

CONVENTION BETWEEN ABANCA AND RÍA DE VIGO – A GUARDA FLAG



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Problems before the existence of the agreement

The financial system did not know how FLAG subsidies worked and the requirements to obtain such financing. The project promoters that came to the offices of the banking entity were often unaware of the subsidy.



Reasons for writing this agreement

An exclusive department for the marine and fisheries sector was created at ABANCA, because this sector generates investment, employment and diverse activities within the community that ABANCA supports, mainly in Galicia. In this way, it is ensured that funding reaches the most promoters possible.

Who initiated this agreement? Who was in charge?

The functioning of the two entities was explained during several meetings and the beneficial conditions for the project promoters were negotiated. The ABANCA MAR unit (Department of ABANCA) was the representative of the financial entity. The management of the FLAG at the beginning and after its presidency represented the FLAG.

Who are the different actors?

- The financial entity granting financing on preferential terms.
- The FLAG negotiating the agreement and putting the promoters in contact with the different ABANCA offices.
- The promoters, bringing in their own funds that are complemented with the funds of the financial entity.

What is the true value of this agreement in practice?

- The FLAG and the financial entity facilitate part of the procedures in terms of documentation, information, project advice from a financial point of view.
- The financial entity offers the project promoters specialised financing for this type of project (guarantees, etc.)
- The financial institution gives much better conditions than what the promoters would get if they were not covered by the agreement.



Why is this decision smart? Can other FLAGs develop such an agreement too?

- Facilitates access to financing for project promoters;
- Familiarises the financial entity with the operations of FLAGs and of these grants;
- The financial entity supports the FLAG in the distribution of EMFF grants;
- Avoids many errors in the application and payment procedure that may lead to the loss of funding.