



## AECM and UEAPME joint press release

FOR IMMEDIATE RELEASE

### Improving the EU financial instruments: AECM and UEAPME present their proposals for the EU mid-term review

**Brussels, 26 January 2017** – Today, on the occasion of the upcoming mid-term review of COSME and InnovFin, UEAPME, the European Association of Craft and SMEs, and AECM, the umbrella organisation of guarantee institutions in Europe, publish a joint position paper detailing their requests for improving the guarantee instrument. At the joint press breakfast on the topic, **UEAPME President Ulrike Rabmer-Koller** stated that *“access to finance remains one of the biggest challenges for SMEs. A lack of collateral is the often cause and this is why we need these guarantee institutions”*. **AECM President Bernhard Sagmeister** explained that *“national guarantee institutions have a higher coverage of the market regarding start-ups and innovation and growth orientated companies, which is the relevant target group. The guarantee institutions are very close to their customers and know the local market conditions and the local financial sector. National guarantee institutions can therefore create further added value by offering consultant services as well as network services”*.

Access to finance is recognised as one of the major challenges which SMEs face, mostly caused by a lack of collateral. Guarantee institutions are there to address this problem by providing guarantees for economically viable projects. The European Union supports guarantee institutions with EU financial instruments in form of counter-guarantees. The most widely used programmes are COSME (i.e. Programme for the Competitiveness of Enterprises and small and medium-sized enterprises) and InnovFin (i.e. EU Finance for Innovators programme). In addition, SMEs are supported by financial instruments from the European Fund for Strategic Investments (EFSI) and accordingly, UEAPME and AECM fully support the prolongation and extension of EFSI.

The main request of UEAPME and AECM is that counter-guarantees (i.e. with the involvement of guarantee institutions) should be provided under more favourable conditions than direct guarantees (i.e. without the involvement of guarantee institutions). A counter-guarantee has higher positive macroeconomic effects on innovation, growth and employment. In addition, the involvement of guarantee institutions results in an increased efficiency in the use of public money due to higher leverage effects generated when using counter-guarantees. This is also in line with the findings of a study undertaken by KPMG Rome on “the importance of Financial Intermediaries in SME financing and assessment of different economic effects especially of EU Financial Instruments in light of direct guarantee vs. counter-guarantee contracts” (2017).



Another core request for UEAPME and AECM is that the European legislator should ensure sufficient financial resources for COSME and InnovFin. The guarantee sector estimates a demand for COSME alone of at least 6 bn EUR till the end of 2020.

Compared to the initial funding envisaged for COSME, the financial resources have been more than doubled also thanks to the funding under EFSI.

Link to the position papers webpage: <http://www.ueapme.com/spip.php?rubrique13>

#### **About AECM:**

AECM's 41 members, who are mutual / private sector guarantee schemes, public institutions or mixed, all have in common the mission of supporting SMEs in getting access to finance by providing guarantees to SMEs who have an economically sound project but do not dispose of sufficient bankable collateral. AECM's members, who at the end of 2015 had around 81 Bn EUR of outstanding guarantee volume, in turn receive a counter-guarantee from regional, national and European level.

#### **About UEAPME:**

UEAPME is the employers' organisation representing crafts, trades and small and medium-sized enterprises (SMEs) from the EU and accession countries at European level. UEAPME has 65 member organisations, which represent crafts and SMEs across Europe, covering over 12 million enterprises with 55 million employees.

More information is available on the AECM website at: [www.aecm.eu](http://www.aecm.eu) and at the UEAPME website at: [www.ueapme.com/](http://www.ueapme.com/)

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