Draft minutes of the meeting of the Board of Directors in Paris / France on 23 September 2016



**Present:**

* Bernhard **SAGMEISTER** AWS Austria ***(President)***
* Kurt **LEUTGEB** AWS Austria
* Bernard **JEHIN** SOWALFIN Belgium
* Samuil **SHIDEROV** NGF Bulgaria Bulgaria
* Jean-Claude **DEPOISIER** SOCAMA France ***(Vice-President)***
* Daniel **GOUPILLAT** SOCAMA France
* Jean-Louis **LELOIR** AECM France
* Virginie **PONCET**  Bpifrance France
* Stefan **SCHNEIDER** VDB Germany
* Guy **SELBHERR** VDB Germany ***(Vice-President)***
* Adelio **FERRARI** ASSOCONFIDI Italy (***Vice-President)***
* Halina **WISNIEWSKA** BGK Poland
* Carmen **RADU**  FRC Romania
* Jaime **DE** **RÁBAGO MARÍN** CESGAR Spain
* Pedro **PISONERO PÉREZ** CESGAR Spain ***(Vice-President)***
* Marta **CEA SORIANO** CESGAR Spain
* Ana **VIZCAINO** CERSA/CESGAR Spain
* Bahri **SARLI** TESKOMB Turkey
* Ahmet **BAKIR SAHIN** TESKOMB Turkey
* Marc **BASEL**  AECM

**Time:** Foreseen: 9:00 to 13:00

In fact: 9:19 to 13:00

**Venue:** BPI France Headquarters

 6/8, Boulevard Haussmann

75009 Paris, France

**Welcome by the Chairman**

The Chairman, Bernard SAGMEISTER, warmly thanks the host BPI France, in particular Virginie PONCET and Isabelle BEBEAR who unfortunately cannot open the meeting.

Bernhard SAGMEISTER starts by expressing apologies on behalf of Katrin STURM, who could not take part in the meeting for medical reasons and who has the strict medical advice to rest for at least the upcoming 14 days. The President conveys his best wishes for her recovery on his and the entire Board’s behalf and asks Marc BASEL to send her flowers on behalf of the Board.

1. **Verification of the existence of the required quorum**

Bernhard SAGMEISTER states that the Board has a quorum in accordance with the statutes (cf. article 11 a).

1. **Adoption of the agenda – decision**

The members of the Board of Directors unanimously adopt the agenda without any changes.

**3. Adoption of the minutes of the last meeting in Porto / Portugal on 22 June 2016 (cf. attachments) – decision**

Bernhard SAGMEISTER thanks Katrin STURM for all the work she put into preparing the Minutes of the last BoD meeting in Porto. Bernard JEHIN mentions a French translation mistake in the minutes of that meeting, that should be corrected. The Board adopts the minutes unanimously.

1. **Report of the Chairman and open issues – information**

Bernhard SAGMEISTER thanks all the participants of the Workshop “Increasing the added value of AECM membership” on 22 June 2016 in Porto for their valuable contributions and the fruitful discussions and interesting outcomes of the meeting, which will later be analysed in full detail.

In setting up a Global Network of Guarantee Institutions (GNGI) Bernhard SAGMEISTER reminds the Board that the initiator of this project José FIGUEIREDO would currently be staying in Beijing where he met with some of the Asian colleagues and will report on the development in 2 weeks during the REGAR Seminar, where he will take this matter further.

Bernhard SAGMEISTER then talks about the meeting with M. GAMSER of the SME Finance Forum, of which further discussions will be held under 10b of today’s agenda.

The very interesting informal meeting of Bernhard SAGMEISTER with Pierluigi GILIBERT, CEO of EIF in Vienna, was characterised by a positive atmosphere. The discussions took place in light of the very good relation the EIF has with AECM and the fact that we invited Pierluigi GILIBERT as key note speaker for next year's 25th anniversary/Annual Event of our organisation. Also the KPMG study was discussed.

Pierluigi GILIBERT informed Bernhard SAGMEISTER that the Court of Auditors facilitates an impact assessment on the economic additionality of EIF counter-guarantee schemes with a focus on countries such as the UK, Romania or Bulgaria.

Also Bernhard SAGMEISTER mentions EIF's idea to become a partner of AECM. This matter should be discussed in the next BoD-meetings in order to have a suggestion for the General Assembly in June 2017.

In a remark of Bernard JEHIN, he noted that pro’s and con’s regarding a partnership with the EIF needed to be discussed somewhat further and should be a question with open result. Virginie PONCET noted that some of AECM´s members are on the Board of EIF. Bernhard SAGMEISTER mentions that he has already arranged a meeting with Pierluigi GILIBERT in November to discuss this matter further.

Jaime DE RÁBAGO MARÍN points out that in contrast to an earlier position of the EIF, and due to efforts of the President of CESGAR, the EIF had already acknowledged that the SME initiative did not seem like such a good idea after all. He mentions that the key issue would be to analyse the effects of additionality.

Ana VIZCAINO explains that she had already informed Katrin STURM about a potential reduction of the COSME budget for guarantees. Because COSME is arguably one of the best instruments that Guarantee Institutions can rely on, the fact that the European Commission wants to shift part of the budget to venture capital in order to support more non-banking instruments is of course not good news. AECM should use all its capacity to make this point of view clear to EU institutions. Bernhard SAGMEISTER fully agrees. He says that some of the mentioned shifts have also been seen in the light of the currently discussed increase of the Juncker-Plan-Budget.

Bernhard SAGMEISTER further mentions his and Katrin STURMs visit to Assoconfidi in Rome which was of utmost importance and gave him very revealing insights into the functioning of AECM’s biggest member. Topics of discussion were among others the Study, the Annual Survey and the new Statutes.

Bernhard SAGMEISTER cordially thanks Halina WISNIEWSKA and BGK one more time for their perfectly hosted OTS in Warsaw in early September and notes that the bar for future events was set very high.

On a final note, Bernhard SAGMEISTER mentions that the initiative to have the open BoD-member spot filled by a Portuguese Board member might need more time on the side of the Portuguese member and would not be concluded before Q4, but that the efforts have been well received by our Portuguese colleagues.

1. **Report from the Secretariat General (cf. attachment) – information**

For reasons of absence of Katrin STURM this point on the agenda was referred to the information in the annexe of today’s meeting.

1. **Execution of the working plan**

In the next point of the agenda, the execution of the working plan, Bernhard SAGMEISTER points out that the green highlighted items on the presented slides are the ones that are in the process of being executed in 2016, without neglecting the importance of the other ones.

**a) Study project 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” conducted by KPMG: presentation of the final study and decision on next steps for publication / use of the study (cf. attachments) - decision**

Bernhard SAGMEISTER thanks the members who contributed to the study and mentions that AWS already did their part in wiring the pledged amounts encouraging cordially all those that haven’t done so to do the same.

He then stresses the importance of the data delivered by AECM´s members for the quality of the study and apologizes for getting back on information requests several times.

Bernhard SAGMEISTER also mentions the executive summary that has been added to the documents of today’s meeting, which captures well the essence of the study’s outcome.

Lara TOGNI, who leads the project, provided AECM with the slides on the study results and is invited by the President to join the meeting to present them to the Board.

After the presentation of Lara TOGNI Guy SELBHERR opens the Q&A session by raising the issue of the deadweight effect, where banks in Germany are currently substituting the financing measures of SMEs they would have also done without the EIF, by completing them with the additional backing of the EIF, without any guarantee surplus, meaning that there are not more granted guarantee loans than before. Empirical data for these effects is of course difficult to obtain, but these scenarios could be included in the study, even if they are not backed by further empirical evidence.

Marta CEA SORIANO and Jaime DE RÁBAGO MARÍN raised the issue of the country-specific leverage-effects that Lara TOGNI presented. It seems that they have provided slightly different numbers with regards to that effect on the Spanish economy. This is confirmed by Lara TOGNI, who said that the team of KPMG needed to adapt certain criteria of the sent data for the sake of being able to make meaningful comparisons of the countries and draw better conclusions from this data.

Samuil SHIDEROV remarks a pattern that for some portfolios that are uncollateralised, the SMEs are willing to pay higher interest rates instead. Samuil SHIDEROV explains that in the end the banks benefit because the risk premium (of for ex. 20%) in such cases will be covered and for some cases even exceeded by the high interest rates a bank can charge. Bernhard SAGMEISTER asks Samuil SHIDEROV to hand on this information in detail to KPMG.

Halina WISNIEWSKA points out that the study under KPMG guidance reveals a lot of advantages to Guarantee Institutions as such but disregards a bit the advantages it presents for SMEs.

Samuil SHIDEROV remarks that for Guarantee Institutions being non-profit oriented organisations the effect of EIF-guarantees to SMEs via Guarantee Institutions is higher than in the case of profit-oriented banks.

Bernard JEHIN points out that the policy recommendations seem to be too general and politically oriented. Since it is those recommendations that Guarantee Institutions and AECM will make use of when lobbying for their case-by-case goals, these recommendations should go more into detail and discuss practical actions to be taken.

Guy SELBHERR comments that next to merely quantitative leverage effects, Guarantee Institutions can also prove qualitative leverage effect due to their know-how in the respective markets (in sectors like craftsmanship etc..) and their on–the-ground experience that the EIF/EIB do not have.

Bernhard SAGMEISTER warmly thanks the participants and most of all KPMG for the meaningful contribution acknowledging explicitly the scarcity of data for the case at hand. Further Bernhard SAGMEISTER sums up the necessary actions to be taken in the next steps of the study:

1. Samuil SHIDEROV should provide AECM / KPMG with the data specified in his remarks
2. The study should also include a closer look into the impact of EU guarantees on SMEs since they are our primary customers and hence our major argument to create a greater impact to foster growth and innovation.
3. Next to the executive summary a number of 3-4 slides should also include the detailed transmission of policy recommendations for lobbying activities. Also concrete policy recommendations should be included, e.g. because guarantee institutions typically have a higher leverage, lower deadweight, better market focus etc. the pricing for counter-guarantees could be lower than that for direct guarantees.

Bernhard SAGMEISTER expresses his sincere gratitude to Lara TOGNI and her entire team once more.

After Lara TOGNI left the room, Bernhard SAGMEISTER asks for further feedback on the study.

Jaime DE RÁBAGO MARÍN reiterates the remark of Bernhard JEHIN saying that the conclusions must be very clear and facilitate the promotion of counter-guarantees.

Bernhard SAGMEISTER absolutely agrees with this, stating that they should even be giving technical solutions such as the already mentioned better pricing.

Bernard JEHIN remarks that the study could also bring additional value for all members in terms of looking at some weaknesses and difficulties.

Bernhard SAGMEISTER suggests that the WG Statistics of which Bernard JEHIN is the leader could invite Lara TOGNI to compare the data for a better outcome.

Bernhard SAGMEISTER finishes this topic with proposals to go further in the study project that are included in the slides. These proposals are agreed upon by the Board members.

**b) Action plan on lobbying and follow-up of the workshop “increasing the added value of AECM membership” (cf. attachments) - decision**

Bernhard SAGMEISTER points out that out of the many measures that were developed on the occasion of the Workshop in Porto Katrin STURM had already made a priority catalogue that is included in the information sent out prior to the Board Meeting. He presents this priority catalogue on the basis of slides and asks the Board Members for their opinion.

Guy SELBHERR stresses that the suggested newsletter to present innovative products or programmes should not only be used internally but also for lobbying reasons. The same could be true for the meeting with EIB & OECD for the working group of Statistics. The newsletter should also comprise companies that are supported and who benefit from AECM members’ activities in order to make the figures more tangible to external readers.

Bernard JEHIN picks up this idea and argues for more discipline in the creation of the newsletter and suggests to use external partners for the proper preparation of such a newsletter.

Jean-Louis LELOIR mentions that periodicity is the key in the creation of a newsletter and that he finished the summarizing document for the OTS in Vilnius and is finishing the document for the OTS in Warsaw.

Finally, it is decided to move forward with the 5 measures as presented by Bernhard SAGMEISTER.

1. **Working group “financial and budget monitoring”**
2. **Financial situation per 30 June 2016 (cf. attachment) – information**

Bernard JEHIN presents the Financial situation per 30 June 2016 and states that the structure and comprehension of the table were improved. The difference is that the figures are now split into ordinary and exceptional results.

Kurt LEUTGEB intervenes on behalf of Peter SLEECKX to ask why the comparison of the costs of the budget for 2016 was half of the actual forecast for interpretation services and gift expenditures.

Bernard JEHIN replies that Budget for 2016 had been very conservatively drafted. Another explanation is the recruitment procedure that was the main reason for the increase in expenditures. The full team will also be the main difference between the years 2016 and 2017.

1. **Draft budget 2017 (cf. attachment) – information and discussion**

The global result of + €19.280,82 proves that AECM is on track. Bernard JEHIN also mentions the change in fee contribution structure for the upcoming year.

The budget for 2017 needs to be adopted for the next year during the BoD meeting in November.

**8. Report on working groups**

1. **Working group “strategic plan and political guidelines 2015 – 2018” – information**

Bernhard SAGMEISTER states that this WG has already been dealt with under other topics of the agenda. Important next steps are the monitoring of the implementation of the measures and the identification of new topics.

1. **Report of the Chairmen of other working groups – information**

Every working group is invited to present the latest developments by the respective group responsible.

* WG on Financial and Budget Monitoring

The Budget was already explained to a large extent by Bernard JEHIN under 7a.

Bernard JEHIN adds that while the costs are balanced further estimation of the costs of extra-budgetary expenditures will be needed for 2017.

* WG on Public and Private Guarantee Institutions

Pedro PISONERO mentions that the outline for that working group was to think outside the box, where Jaime DE RÁBAGO MARÍN will present the results on the next occasion.

Virginie PONCET remarks that further work with the Commission and the Innovation Council is necessary in order to bring credit and Guarantee Institutions closer together.

* WG on Agriculture

The update for this working group can be found in the annexed BoD documents, as the chair of this group Laszlo TOTH could not take part in today’s meeting.

* WG on Banking Supervision

Adelio FERRARI states that the problems that the EU faces on a European level are the same as the ones that Italy faces on a national level, which is the general sustainability of the banking system as such. European banking groups face evermore financial constraints that result in less resources to be allocated to investments and more dismissals.

As a consequence, Adelio FERRARI would like to see more efforts made on AECM side and remarks an inconsistency of lobbying activities in that regard.

On another example Adelio FERRARI names the Basel-criteria to be too stringent on Italian companies and much softer on other countries. He suggests to conduct a study on the effects of Basel for SMEs.

Bernhard SAGMEISTER thanks Adelio FERRARI for his remarks on the situation in banking and welcomes the fact that the Working group is remaining active under his guidance. Further the President also mentions that other criteria such as Basel III and IV are already in full process and asks Adelio FERRARI if he could give a brief overview of the events within EUROFIDI at the end of the meeting in ‘OTHER ISSUES’.

Virginie PONCET adds that BASEL III is far from being satisfying also for French institutions.

Bernhard SAGMEISTER suggests Adelio FERRARI should make a study proposal on the Basel-topic including also a suggestion for the financing of the study.

* WG on State Aid

Guy SELBHERR reports that the State Aid survey had been finalised in Porto already and the results were presented also on that occasion. As there are no current issues and no meeting of the group is necessary.

* WG on Statistical Data

Bernard JEHIN explains that this working group has been treated with previously. The main topics here are the meeting of the working group at the end of October and the report on that meeting during the next BoD meeting.

* WG on Structural Funds

Bernhard SAGMEISTER intervenes for Audrius ZABOTKA who apologised for not being able to join us today and expresses his wish to put this working group on hold until further developments can be made and integrated in a meaningful way.

* WG on SME policy

Pedro PISONERO remarks a change in the point of view with regard to that working group and proposes to exclude it as there is no specific group needed on this issue momentarily.

1. **Evaluation of existing working groups (cf. attachment) – discussion and as the case may be decision**

Bernhard SAGMEISTER summarizes the evaluation presented by the Chairmen and Chairwomen of the working groups in the preparation of the Board Meeting and refers to the PPT-slide that also shows the status of all working groups.

**Extension of goal/topic of the working group on public and private guarantee institutions for technical exchange / assistance**

In a foreword Virginie Poncet would like to extend this working group’s subjects and change the name. She refers to the information sent out. The goal of the extension is to install a paid counselling activity that should be co-financed with EU-funding. If co-financing is not possible then this extension of activity should not be realised. If co-financing is possible the Board decides to include this topic in the working group on public and private guarantee institutions.

Virginie PONCET and Jean-Louis LELOIR will act jointly to try and make this project possible. In case of realisation of the programme all members (not only the BoD) would be invited to join in.

**9. Operational Training Sessions (OTS)**

Bernhard SAGMEISTER expresses his sincere gratitude to Halina WISNIEWSKA and the team at BGK for hosting what has been a perfectly organised and well received event.

Bernhard SAGMEISTER mentioned that because of feedback he received by some participants it should be discussed whether it was beneficial to have external parties constantly present at an internal seminar. This should be discussed with Inga BALZEKAITE prior to the next Board Meeting.

Bernhard SAGMEISTER mentions that our next OTS event will be held in Manchester, UK with the kind organisation of our UK member the British Business Bank.

**10. Membership development**

1. **Broadening of the membership basis: outcome of survey and setting of priorities (cf. attachment) – decision**

**Referring to the slides Bernhard SAGMEISTER prepared for this topic**

* **European Level**

Bernhard SAGMEISTER says that the focus for broadening our membership base should be on European countries, where AECM doesn’t have any members yet, and then those countries, where AECM used to have a member, before any other interested organizations will be targeted.

Adelio FERRARI is in principle in favor of the development of the membership base of AECM. However, Adelio FERRARI would have two objections regarding the adhesion of potential new members: The “Sistema Credito” and “PT Group Salute” are two banks whose activities are said to be not transparent enough, which is why the Assoconfidi would exert their veto right on these two occasions.

The Board decides to follow the suggested prioritization.

* **International Level**

Bernhard SAGMEISTER invites the participants to discuss on the three countries of Marocco (Caisse Centrale de Garantie), India (National Credit Guarantee Trustee Company) and Mongolia (Credit Guarantee Fund) that would have interest to enter an associate partnership with AECM. He suggests to refer these institutions to the newly created Global Network of Guarantee Institutions (GNGI).

Bernard JEHIN remarks that there should be a distinction between the two countries of India and Morocco, because the latter has a Guarantee Institution in place that is very similar to the French system of guarantees and more advanced than the other two.

This argument is reiterated by Jean-Louis LELOIR, who suggests to maybe invite these countries to Europe to one of the next OTS Training sessions in order not only to know them a bit better but further compare their activities with ours. This of course should always subject to budget scrutiny.

Bernhard SAGMEISTER thanks all the Board members for their comments and notes the decision of the Board to refer India and Mongolia to the GNGI but to leave the issue of Marocco for further discussion in our November Board meeting.

1. **SME Finance Forum**

The suggestion of Matthew GAMSER for a free membership of AECM within the SME Finance Forum would hence AECM not having to pay a membership fees for the first 2 years, before having three members of AECM becoming a member of the SME Finance Forum.

Jean-Claude DEPOISIER suggests to watch how the trail membership develops for two years and see if members want to subscribe, and in any other case to decline the offer and leave.

Bernard JEHIN agrees that we have to be coherent in our position towards the General Assembly.

Adelio FERRARI remarks that we are constantly mentioning scarce financial and human resources and should use the resources of AECM differently.

Pedro PISONERO adds that more and more activities demand more and more resources so he would agree if it was interesting for our members at no additional costs with the focus on our main subjects.

Bernard JEHIN agrees that no financial nor HR resources should be involved.

Bernhard SAGMEISTER suggests to postpone the decision on the next BoD meeting including also the position of the General Secretariat and set as a rule that the General Secretariat should take on a passive role.

He further adds that it should be investigated how much manpower and time can be invested in this act and come back with a proposal in our next BoD meeting coming November.

1. **Proposal of ALIGA**

Bernhard SAGMEISTER starts this point on the agenda by mentioning that because of limited resources bilateral contacts or contacts within the GNGI are preferable. He therefore suggests to write a polite letter to ALIGA mentioning that AECM does not enter in such agreements and to refer to the newly created Global Network of Guarantee Institutions (GNGI). This suggestion is adopted by the Board.

Virginie Poncet adds that we should do the same on the subject of Mongolia and India.

**11.** **AECM Website: Launch of a Product List**

Virginie PONCET presents the slides and refers to the work already done. The Secretariat should contact the remaining members to include everybody in the product list by November and have it monitored on numbers of visits to see if it is useful for our members or not.

Bernard JEHIN replies that his colleague looked at it and it seemed a bit too long and complicated. A suggestion would be to simplify it and make it easier to handle.

1. **Annual Events**

Bernhard SAGMEISTER gladly announces the annual event in Madrid to be hosted by CESGAR and gives the word to Pedro PISONERO.

Pedro PISONERO thanks Bernhard SAGMEISTER for the introduction and says that it will be taking place on the 1st and 2nd of June 2017. He still wants to improve some things with regards to the accommodation and will get back to the Board during the next meeting.

Bernhard SAGMEISTER thanks Pedro PISONERO for his and his team’s efforts in preparing the event.

1. **Next dates of meetings of the Board of Directors**

Bernhard SAGMEISTER says that Bernard JEHIN mentioned the idea of hosting the next BoD in Liege instead of Brussels. Bernard JEHIN states that the premises would be of high quality, exhibitions would always take place in the city and his Chairman had already agreed to move forward with the idea. Where transport might be a bit of a challenge, Bernard JEHIN offers to organize busses and arrange transportation to his facilities. He encourages the Board to start with the travel plans and mentions Charleroi as a recommendable airport in proximity.

Adelio FERRARI remarks that he has reservations in travelling too much.

Bernard JEHIN kindly offers to take care of his transportation to his offices.

1. **Tour de Table**

Bernhard SAGMEISTER mentions a new Start-up Package in Austria that will go live from January 2017 within aws.

He gives the word to Adelio FERRARI to speak a bit more about the Eurofidi bankruptcy that had been announced in the news.

Adelio FERRARI states that Eurofidi is a bit of an ‘unusual’ Confidi. The Piemonte Region owns the group by 90%, and Unicredit and Banque Populaire own the rest of the shares.

Because of bad management and due to a lack of political oversight these results in his view were a logical consequence. The amount of guarantees that is at stake is €2,6Bn with €1,3Bn being managed by banks. Also 95% of Eurofidi guarantees are not related to SMEs.

Currently the group is still waiting for proposals from the Piemonte Region on the next steps to be taken. But it is clear that a negative image of one of the biggest Confidi has spill-over effects on all the other Confidis in the group.

Virginie PONCET mentions that BPI France are in the process of taking over the COFACE group.

Bernard JEHIN mentions that the frequency of Emails and the time of day that they are sometimes sent has to be improved. They should be sent in bundles regrouping the most important facts in one mail and maybe sent only on 2-3 days in a week to avoid getting lost in the crowd.

Bernhard SAGMEISTER cordially thanks the Secretariat and the participants as well as the interpreters and closes the meeting on time (13h).