# Impact Studies & Research

## Studies on credit guarantee schemes (1/3) :

"[...] guaranteed firms receive an **additional amount of credit equal to 7-8 percent** of their total banking exposure. We also estimate a **reduction of about 50 basis points in interest rates** applied to term loans granted to guaranteed firms."

*Ciani, E., Gallo, M., & Rotondi, Z. (2020). Public credit guarantee and financial additionalities across SME risk classes . Bank of Italy.*

"[...] credit guarantees are **positive for company access to debt finance**, [...]. Less is known about the **financial sustainability** of these programmes. Results are mixed, however, with respect to economic additionality. There is some evidence that CGS have **positive effects on employment levels** while there is a **lack of evidence for improved company performance** [...]."

*Schich, S., Cariboni, J., Naszodi, A., & Maccaferri, S. (2017). Evaluating publicly supported Credit Guarantee Programmes for SMEs.*

# Impact Studies & Research

## Studies on credit guarantee schemes (2/3) :

"In many countries, Credit Guarantee Schemes represent a **key policy tool to address the SME financing gap**, while limiting the burden on public finances. [...] The credit guarantee mechanism is a commonly used **response to this market failure.**"
*OECD. (2013). SME and entrepreneurship financing: The role of credit guarantee schemes and mutual guar antee societies in supporting finance for small and medium-sized enterprises.*

"The findings confirm the presence of a **causal relationship between the public guarantee and the higher debt leverage** of guaranteed firms, as well as their **lower debt cost**. "
"The cost reduction is evaluated as being in the range of 16–20%, while the additional supply of credit by banks is estimated at 12.4% at the median."
*Zecchini, S., & Ventura, M. (2009). The impact of public guarantees on credit to SMEs. Small Business Economics.*

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## Studies on credit guarantee schemes (3/3) :

"[…] each [MGI] member [of a Mutual Guarantee Institution] contributes to the guarantee fund that is then posted as collateral to loans granted to MGI members. As a consequence, MGI willingness to post collateral signals firms credit-worthiness to banks. The econometric analysis supports the hypothesis that these consortia **improve lending conditions for small firms**."

*Columba, F., Leonardo, G., & Paolo Emilio, M. (2008). Firms as monitor of other firms: mutual guarantee institutions and SME finance.*

"[…] small firms supported by MGIs **less likely experienced financial tensions** even at that time of utmost financial stress. Second, our empirical evidence shows that **MGIs played a signaling role beyond the simple provision of collateral**. This […] suggests that the information provided by MGIs turned out to be key for bank-firm relations as scoring and rating systems – being typically based on pro-cyclical indicators – had become less informative during the crisis."

*Bartoli, F., Ferri, G., Murro, P., & Rotondi, Z. (2013). Bank–firm relations and the role of Mutual Guarantee Institutions at the peak of the crisis. Journal of Financial Stability.*