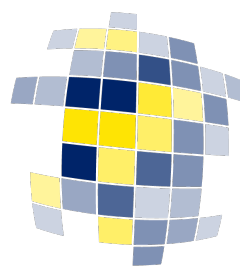


# The AECM Annual Activity Report 2020



**aecm**  
EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS

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## “2020 – A YEAR PROVING THE IMPERATIVE NEED OF GUARANTEE INSTITUTIONS”


Dear colleagues, dear friends,

2020 was marked by an amazing solidarity and impressive mutual support: When early 2020 the pandemic started to impact on global health, on the economy and on our way of living, guarantee institutions reacted in no time setting up extensive support measures for SMEs to help them more than ever before: comparing the state of play at the end of December 2019 with the end of June 2020, the guarantee volume of AECM's members rose by 135% to an outstanding guarantee volume of € 259bn, thereby supporting 4.5 million SMEs. This all-time high demonstrates clearly the vital anti-cyclical role that guarantee institutions have in supporting SMEs in getting access to finance, thereby achieving a big impact on employment, growth and innovation.

This particularly remarkable backing of the economy results also from a notable co-operation of AECM and its members with the legislators at EU and at national level informing and consulting one another. Consequently, in particular the European Commission jointly with the EIB Group as well as national and regional governments created the conditions which put guarantee institutions in the position to fight the economic and social consequences of the COVID-19 crisis to such a large and successful degree.

Since we are all in this together, 2020 is also characterized by an increased need for a worldwide knowledge sharing which was fostered by a strongly accelerated digitization. Thus, AECM moved with the times organising a large number of virtual events to facilitate the exchange of best practices and to bring its members in touch with external stakeholders from all over the world providing them with first-hand information relevant for their business. Moreover, AECM remained the primary contact for speaking about the measures undertaken by guarantee institutions in Europe.

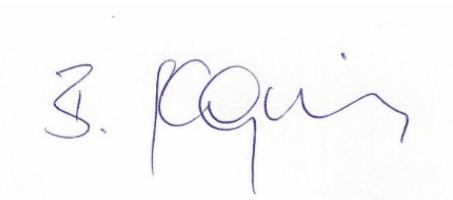
In accordance with this development that the pandemic brings us closer, it is my greatest pleasure to inform you that the AECM family has continued to grow: we warmly welcome the Malta Development Bank as new member and the SME Finance Forum as new partner, we are so proud having you!



On the other hand, it is with greatest sorrow that I have the obligation to let you know that due to the pandemic AECM had to face the enormous loss of our former Vice-President Bernard Stalter. Bernard was our Vice-President from 2014 to 2015 and we were always very much impressed by his outstanding commitment and by his tireless dedication. We do not only lose a great personality and a sincere defender of the crafts sector, but also a true friend. We reiterate our sincerest condolences to his wife and to his family.

As you will see when reading this report, which gives you a compact insight to the major activities undertaken, AECM and its members took on their responsibility and rendered amazing assistance. All these notable achievements were made possible thanks to the invaluable contributions from AECM's members and given the excellent collaboration AECM enjoys with our dear stakeholders and colleagues. Many thanks to all of you as well as to our solid and well-practiced team of the Secretariat.

Best wishes to all of you and looking forward to further strengthening and deepening our partnership – hopefully soon again at personal meetings and reunions,



Bernhard Sagmeister

– Chairman of AECM –

Brussels / Vienna, 2021

# EU FINANCIAL INSTRUMENTS AND STRUCTURAL FUNDS

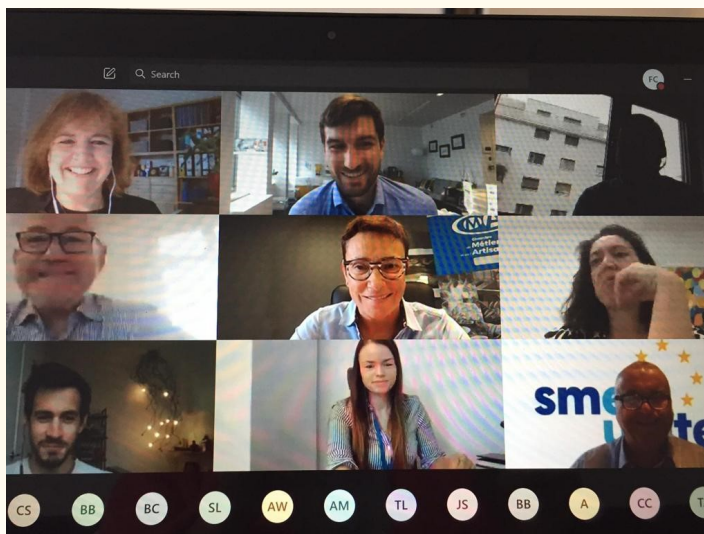
2020 was the decisive year for the EU flagship programme for financial instruments – InvestEU. Following the corona virus outbreak and the imposition of lockdown measure in almost every European country, the European Commission updated in May its proposal for the Multiannual Financial Framework 2021 to 2027 and for the sectoral programmes such as InvestEU. This revised proposal foresaw a significant increase of funds for InvestEU, among other things with the help of additional funds from the new Next Generation EU fund that was set up to finance the recovery of the European economy from the covid crisis through temporary EU debt. While the European Parliament defended the Commission proposal for an enhanced InvestEU programme and even called for a further increase, the Council was not ready to support the increase. AECM closely accompanied negotiations and constantly pushed for an appropriate budget especially for the SME window, for simple and proportional reporting requirements, privileged access for counter-guarantees and guarantees to promotional institutions etc. Our lobbying efforts throughout the year included the publication of numerous position papers (joint papers with partners or unilateral papers), replies to public and informal consultations, the organisation of (mostly virtual) events (working group meetings, task force meeting, policy meetings, etc.) as well as our ongoing informal contacts with representatives of the EU institutions and the EIB Group.

AECM's Felix Haas Vinçon also significantly contributed as officially nominated expert to the Report of the European Social and Economic Committee on InvestEU and the Solvency Support Instrument.

The final outcome of the negotiations foresees among other points:

- A total budget of € 11.2bn, of which € 10.5bn will be used for provisioning the guarantee (at the rate of 40% enabling a guarantee amount of € 26.2bn) and € 400m for the Advisory Hub. The guarantee is distributed as follows between the different policy windows:
  - Sustainable Infrastructure Window, € 9.9bn;
  - Research, Innovation and Digitisation Window, € 6.6bn;
  - SME Window, € 6.9bn;
  - Social Infrastructure and Skills Window, € 2.8bn.
- Funds from the Recovery and Resilience Facility may be channelled through the Member State compartment to serve the objectives of the Member States' Recovery and Resilience Plans.
- The overall InvestEU climate target is at least 30%.
- Capital support for SMEs that were negatively affected by the COVID-19 crisis will be possible under all four windows.
- € 375m from the MFF budget will be allocated for an EIF capital increase.
- Third countries can participate in the programme.

What remains for the year 2021 is the finalisation of the Investment Guidelines as well as of a number of work streams (approval process, governance, climate tracking, sustainability proofing, risk framework, blending, the Advisory Hub, etc.) and the launch of the Call for Expression of Interests (for financial and advisory products), which is planned right after the adoption by the Parliament scheduled for February 2021.



### **COSME and InnovFin, CCS and EaSI**

2020 was the last year of the Multiannual Financial Framework 2014-2020 and its financial instruments. Nonetheless, it was still a busy year for COSME, InnovFin and co.

On 14 January, the Commission organised on our Katrin Sturm's initiative a workshop on InnovFin with the aim to learn from the experiences made with InnovFin for the set-up of InnovFin-like products under InvestEU.

On 6 April, the EIF published updated calls including a budget increase (€ 714m for COSME and € 1.5bn for InnovFin) as well as more favourable conditions (e.g. higher counter-guarantee coverage, postponements, rescheduling and credit holidays covered for COSME and InnovFin). The deadline for application for both programmes was the 30 June 2020 but funds were not sufficient to satisfy the demand.

In July, the EIF also enhanced conditions (but did not top-up the budget) for EaSI and CCS.

### **EGF**

Another important initiative was the fast-speed establishment of the Pan-European Guarantee Fund (EGF) on the initiative of the EIB group. This programme is not funded by the EU budget but by participating member states. The initiative was launched in April 2020, the call was published in end of August and the first agreement under the EGF was signed in December.

AECM contributed to the establishment of this scheme by providing feedback on the product idea and accompanied the process closely.

The EGF has the following characteristics:

- Provisioned at 20%.
- The cost of implementation (of 20bps) is not covered by the fund and needs to be charged.
- The state aid temporary framework (TF) runs until end 2021 for EGF .
- The 70% coverage rate applies to all lines of EGF. If an intermediary is very much volume driven, it might be possible to allow for higher volumes through a lower coverage rate.



- Most but not all EU member states participate.

The EGF notably allows to bridge the gap that opened up due to the delay in the launch of InvestEU.

### SME policies

The European Commission published on 10 March 2020 its SME Strategy for a sustainable and digital Europe. In its reaction, AECM emphasised the higher efficiency of the counter-guarantee solution with respect to direct guarantees to commercial banks, called for an appropriate budget of the EU financial instruments targeted to SMEs and advocated a proportional approach when it comes to the regulation of SMEs and their financiers. In addition, Katrin Sturm, AECM's Secretary General, spoke at the I.R.C.E. event on "Should the German *Mittlestand* be copied" held on 15 January 2020. Katrin Sturm also spoke at the SME Assembly on 16 November 2020.

### Structural funds

The year 2020 started with the appointment of the new European Commission College and the presentation of the European Green Deal, which for structural funds translated into more investments in climate and environment related projects over the next MFF. In addition, the European Commission presented the Just Transition Mechanism (made up of 3 pillars i.e. Just Transition Fund, Just transition scheme under InvestEU and Public sector loan facility) aimed at helping the regions facing the biggest challenges in the transition to a low-carbon economy.

AECM closely followed these proposals and our lobbying activities included an in-person meeting with representatives of DG REGIO as well the publication of the AECM position on the Just Transition Fund. Yet, despite Commission's ambitious

programme, the sudden outbreak of coronavirus in early 2020 dramatically reset the EU agenda.

As a response, the EU Commission adopted already in March / April 2020 the COVID-19 Response Investment Initiative CRII and CRII+. The legislative acts allowed for mobilization of the remaining structural funds under the final year of the Union's 2014-2020 MFF and for 100% financial support from the EU budget. Further, a transfer between the cohesion policy funds were also made possible.

AECM strongly supported the European Commission's initiatives and on 6 May 2020, ahead of the publication of the Commission's revised proposal for the 2021-2027 MFF, sent a letter to European Commissioner for Cohesion and Reforms, Elisa Ferreira, asking for an ambitious cohesion policy budget to respond to the economic consequences of COVID-19 for SMEs fostering the use of counter-guarantees.

The Commission's updated proposal for the 2021-2027 MFF and the new instrument - Next Generation EU, foresaw the following changes to funds under shared management:

- A new **REACT-EU** initiative aiming at providing additional € 55bn of fresh money to the 2014-2020 cohesion programmes for the period 2020 to 2022. For the ERDF, the resources can be used to provide support in form of working capital or investment support to SMEs.
- Amendments to the **Just Transition Fund**, providing substantial additional funding of € 30bn for the Just Transition Fund, bringing the total budget to € 40bn.

- Amendments to the **ERDF** and **CF** allowing to support undertakings in difficulty where the Temporary State aid measures in response to specific circumstances were established.
- Amendments to the **EAFRD** aiming at reinforcing the budget for the European Agricultural Fund for Rural Development by € 15bn to support farmers and rural areas.

AECM fully supported the European Commission's Proposal for the 2021-2027 MFF and a new instrument – Next Generation EU and published its reaction to the elements regarding structural funds, calling the legislators for an immediate agreement on the 2021-2027 MFF and the sectoral instruments in order to provide for a timely financing and avoid a funding gap at the end of 2020.

On 17-21 July 2020, the European Council adopted its conclusions on the Next Generation EU and the MFF 2021-2027. The final outcome of the negotiations foresees among other points:

- **ReactEU**: € 47.5bn. The support under the ReactEU diminished by € 7.5bn comparing with the Commission's May 2020 proposal.
- **Rural Development**: € 7.5bn. The total amount allocated for the second pillar of the CAP has been reduced by € 7.5bn.
- **Just Transition Fund**: € 10bn. This is to say that the total amount diminished by € 20bn in comparison with the Commission's updated MFF proposal made in May 2020.

In the area of ESIF, AECM took the initiative and organized on 17 July 2020 a virtual exchange with the Commission's representatives on the use of shared managed funds. Later on, in August 2020 AECM together with NEFI and SMEUnited published its combined contribution for the

inter-institutional negotiations regarding Next Generation EU and the MFF.

The trilogue negotiations between the co-legislators continued throughout the year and a political agreements on the shared management funds were reached by the end of 2020, with the following improvements:

- **REACT-EU**. Operations covered by REACT-EU are eligible for funding from 1st February 2020, thus retroactively. The resources can be spent until the end of 2023, beyond the original Commission proposal of 2022.
- **Common Provisions Regulation**. Higher flexibility is given for transfers within cohesion policy funds and also between regions; Key EU co-financing rates are set at 85% for less developed regions, 60% for transition regions and 40% for more developed regions, while the de-commitment rule is fixed at n+3 also for 2021-2026.
- **The Just Transition Fund**. The fund has an overall budget of € 17.5bn and foresees voluntary transfers from the ERDF and the European Social Fund+. It offers the possibility to support investments in large enterprises in "assisted areas" pursuant to regional State aid guidelines.
- **ERDF and CF** foresee at least 30% of regional funding earmarked for climate action, tailored support for outermost regions, islands and depopulated areas as well as an increased focus on cities and sustainable urban development.

With this, all instruments related to cohesion policy have been agreed and while some are pending the final approval of the legal texts by the European Parliament Plenary and the Council, others have already been published in the Official Journal



## STATE AID

For State aid, 2020 was the year during which State aid measures took a lead role. Right upon the outbreak of the crisis it became evident that public support measures are sorely needed to mitigate economic shocks and save businesses. To this end, in March 2020, AECM published a set of policy recommendations on State aid, clearly articulating the need for a temporary framework providing guarantee institutions with enlarged possibilities to support SMEs' access to finance.

The European Commission delivered very quickly on necessary regulatory measures putting in place the most flexible State aid rules thus, allowing Member States to provide direct support for hard hit companies and SMEs. Already on 19 March 2020, the European Commission adopted the Temporary Framework for State aid measures (TF) providing for five types of aid:

- direct grants (or tax advantages) of up to € 800,000 per company;
- subsidised State guarantees on bank loans;
- public and private loans with subsidised interest rates;
- banks' existing lending capacities, and use them as a channel for support for businesses – in particular to SMEs (aid being of course directed to the banks' customers and not to the banks themselves);
- additional flexibility to enable short-term export credit insurance to be provided by the State where needed.

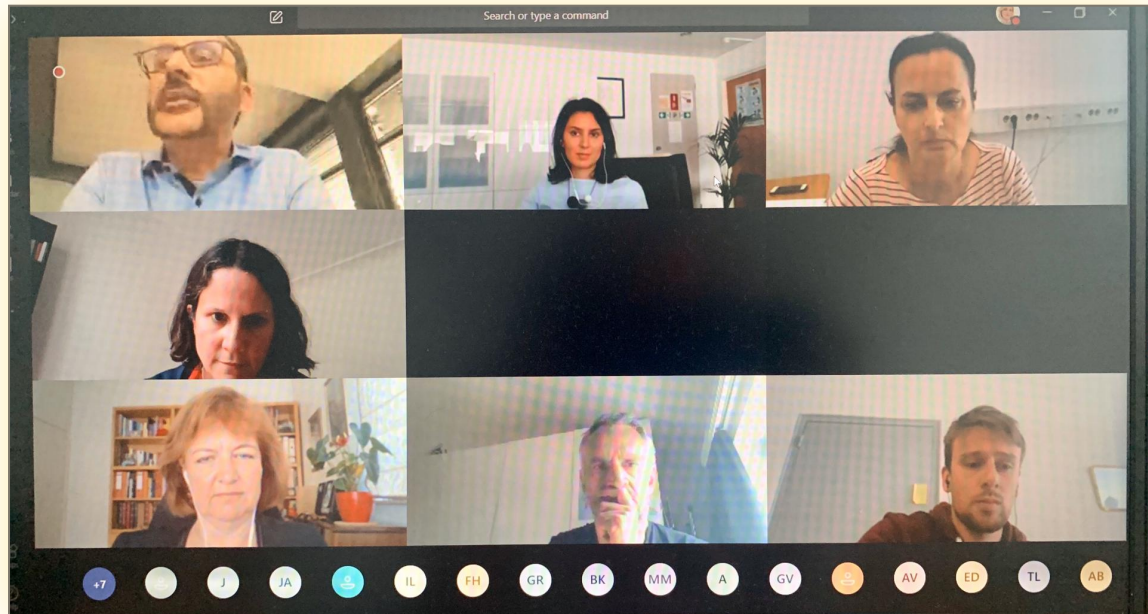
The aim of these measures is to ensure that businesses retain the means to keep operating, or to temporarily freezing activity without implicating long-term growth prospects.

AECM strongly supported the European Commission's initiative and together with NEFI published joint comments on the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak. In connection with the adoption of the new temporary measures, AECM liaised with the representatives from DG Competition, asking for clarifications on the provisions of the newly adopted regulation.

The TF was first amended on 3 April 2020 to increase possibilities for public support to research, testing and production of products relevant to fight the coronavirus outbreak, to protect jobs and to further support the economy. It was further amended on 8 May to enable recapitalisation and subordinated debt measures, and on 29 June 2020 to further support micro, small and start-up companies and to incentivise private investments. It is important to point out that the new Framework does not replace, but complements the many other possibilities already available to Member States in line with State aid rules, such as de minimis Regulation, GBER, etc.

Following these rapid developments in the area of State aid and aiming at shedding light on the implementation of the new regulatory framework, AECM organized on 19 June 2020 a virtual meeting of its State aid working group, where our members could exchange with the Commission's representatives.

The TF was initially set to expire after 31 December 2020, except for section 3.11, which would expire after 30 June 2021. Yet, the evolution of the economic situation made it clear already during the summer that there is a need to maintain the rules after 2020. To this end, AECM sent in September to DG COMP its request for an extension of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, articulating the need for a prolongation.



On 13 October, the Commission announced the prolongation and extension of the scope of the State aid Temporary Framework adopted on 19 March 2020, to support the economy in the context of the coronavirus outbreak. All sections of the Temporary Framework were prolonged for six months until 30 June 2021, and the section to enable recapitalisation (debt and capital restructuring) support was prolonged for three months until 30 September 2021. The objective is to enable Member States to support businesses in the context of the coronavirus crisis, especially where the need or ability to use the Temporary Framework has not fully materialised so far, while protecting the level playing field.

Apart from the adoption, extension and prolongation of the TF, the European Commission has also prolonged:

**By one year (until 2021):**

- Guidelines on regional State aid for 2014-2020
- Guidelines on State aid to promote risk finance investments
- Guidelines on State aid for environmental protection and energy
- Communication on the execution of important projects of common European interest
- Communication on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance.

**By three years (until 2023):**

- General Block Exemption Regulation
- De minimis (small amounts) Regulation
- Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty.

Further, following the first public consultation on the GBER proposal back in 2019, in June 2020 the EC announced the second GBER consultation {targeted review of the General Block Exemption Regulation (State aid): extended scope for national funds to be combined with certain Union programmes (2nd consultation)}. To this end, AECM strongly supported the European Commission in the GBER revising process and submitted its comments on the second GBER consultation ensuring that combination of national funding and funding from the EU budget is applied in the simplest and most effective way possible.

## LAW AND REGULATION

The year 2020 started with the submission of the AECM reply to the public consultation on the transposition of the finalised Basel III accords into EU law. It has been originally planned that the Commission publishes its legislative proposal in the summer of 2020, but due to the COVID-19 crisis, this submission was postponed. Among other positions, AECM advocates the maintenance of the SME correction factor, argues that financial guarantees need to continue to provide capital relief and opposes the increase of risk weight for equity investments into SMEs and start-ups.

Another relevant topic in the regulatory area was the revision of the non-financial reporting directive (NFRD). The Commission held a public consultation on this dossier in the second quarter of 2020 and AECM participated in it, advocating the elaboration of a simplified version of the directive, the use of which however should remain voluntary.

In March, the Commission published a roadmap and an action plan on anti-money laundering to which AECM reacted with a position paper re-emphasising its criticism of the double reporting in the area of guaranteed SME lending. AECM furthermore replied to the public consultation and will continue to accompany this topic closely when the legislative proposal will be published as planned for the beginning of 2021.

After the onset of the COVID-19 crisis, the regulators adopted numerous measures to keep the lending activity afloat. The following list shall give an overview but is not exhaustive:

- End of March: EBA calls for flexibility in the application of the prudential framework and clarifies that debt moratoria do not lead to automatic classification in default, forborne, or IFRS9 status.
- End of March: The Basel Committee deferred the implementation of its accord by one year (2023 for all standards and 2028 for the output floor)
- End of April: The Commission proposed targeted CRR quick fixes temporarily improving the treatment of publicly guaranteed loans under the NPL prudential backstop and advancing the extension of the SME correction factor. AECM strongly supported the Commission proposal and advocated for a permanent improvement of the treatment of publicly guaranteed loans. The proposal was adopted in record time and our request for permanent improvement was successful.



Furthermore, AECM was represented by its President Bernhard Sagmeister and its Secretary General Katrin Sturm at a roundtable discussion organised by DG FISMA of the European Commission that was taking place in end of May and end of June 2020 and contributed to the establishment of a [list of best practices](#) that shall provide relief to businesses under strain due to the covid crisis, such as payment moratoria and ensuring loans aimed at mitigating the impact of COVID-19 are provided swiftly, and that the fees and interest rates incurred are fair. An OTS was planned for May in Helsinki, but this was postponed due to the covid pandemic.

# AGRICULTURE

In the area of Agriculture, 2020 started with the submission of AECM comments to public consultations, namely:

- Prolongations of the block exemption regulations for agriculture, forestry, rural areas, fishery and aquaculture and of the regulation on de minimis aid for fishery and aquaculture, and
- Prolongation of the EU Guidelines for State aid in the agricultural and forestry sectors and in rural areas.

Both consultations aim to prolong the application of the current rules applicable to the agricultural sector in order to allow the regulations for the new MFF to be coherent and consistent with the future Common Agriculture Policy (CAP) as well as with the new regulation on the European Maritime and Fisheries Fund (EMFF).

Further, AECM welcomed the new Farm to Fork Strategy, proposed by the European Commission as part of the European Green Deal and tabled its comments on the Farm to Fork Strategy articulating the need to provide for a streamlined EU farming policy and for an adequate budget to meet sustainability food challenges.

Turning to the Commission's response to mitigate the impact of the COVID-19 crisis on the agricultural sector, the European Commission launched a package of exceptional measures and offered some direct support to farmers and rural areas. These measures refer but are not limited to:

- Flexibility in the use of financial instruments under rural development, where farmers and other rural development beneficiaries are able to benefit from loans or guarantees to cover operational costs of up to € 200,000 at favourable conditions, such as very low interest rates or favourable payment schedules.
- New rural development measure. A new temporary measure allows EU countries with remaining rural development funds to pay farmers and small agri-food businesses in 2020. The lump sum funding is expected to support at least 40 out of 115 RDPs.
- Higher state aid amounts for farmers and food processing companies. Under the newly adopted TF for State aid, farmers can benefit from a maximum aid of € 100,000 per farm and food processing and marketing companies can benefit from a maximum of € 800,000. In some cases, this can be complemented by an up to € 25,000, meaning that the total national support that can be granted per farm adds up to € 120,000 (or € 125,000) under the TF.

As mentioned earlier, the TF was initially set to expire in December 2020, yet the development of the crisis made it necessary to maintain the temporary rules also after 2020. To this end, AECM tabled in September 2020 its request for extension of the TF for State aid measures applicable to the agricultural sector, stressing that the Temporary Framework remains for many farmers and small agribusinesses an essential if not the only possibility to obtain the necessary funds to run and maintain their businesses.



Turning to the updated proposal of the European Commission for the 2021-2027 MFF and the new instrument Next Generation EU, it was foreseen that the total budget of the European Agricultural Fund for Rural Development (EAFRD) would increase by € 7.5bn.

Further, in mid-December 2020 the co-legislators reached a political agreement on the two-year duration of the CAP Transitional regulation that enters into force on 1 January 2021. Besides, the political agreement foresees to front load all the money made available for the EAFRD from the Next Generation EU (€7.5bn) to the years 2021 and 2022.



What remains for the year 2021 is the finalisation of the future CAP, currently being negotiated with the co-legislators and expected to have reached an agreement by spring 2021.

Last but not least, the AECM Working Group Agriculture met virtually on 18 November 2020. On this occasion, the members were updated on the discussions related to the post-2020 Common Agricultural Policy and CAP transitional regulation, State Aid rules for agriculture as well as financial instruments for agriculture under the next MFF.



## STATISTICS AND IMPACT

As every year, AECM collected in 2020 data on the developments in the guarantee sector from its members. These data were analysed and presented in the [AECM Statistical Yearbook 2019](#), published in July 2020 and the [AECM Half-yearly Statistical Report H1 2020](#), published in December 2020. The data for H2 2019 fed into the [EIF European Small Business Finance Outlook](#).

According to the latest data (H1 2020), the total outstanding guarantee volume of all AECM members together increased spectacularly by 135% to the highest ever registered amount of € 259bn. This increase reflects the dynamics of developments in the guarantee sector. Most AECM members took a counter-cyclical role and supported small businesses to bridge the COVID-19 crisis. In many cases, they were the implementing bodies of extensive public programmes rolled out by national and regional governments as well as by the European Union. The number of supported SMEs in the portfolio of AECM members increased by 57% to 4.5 million.

This amount is also a record and it illustrates the dramatic situation in which many SMEs found themselves following the lockdown and social distancing measures. 15% of EU and UK SMEs were at mid-year under the auspices of AECM members. Of course, these increases meant a huge additional workload for the staff of our member organisations. Only during the first semester they were processing almost 2.5 million new guarantees (in units).

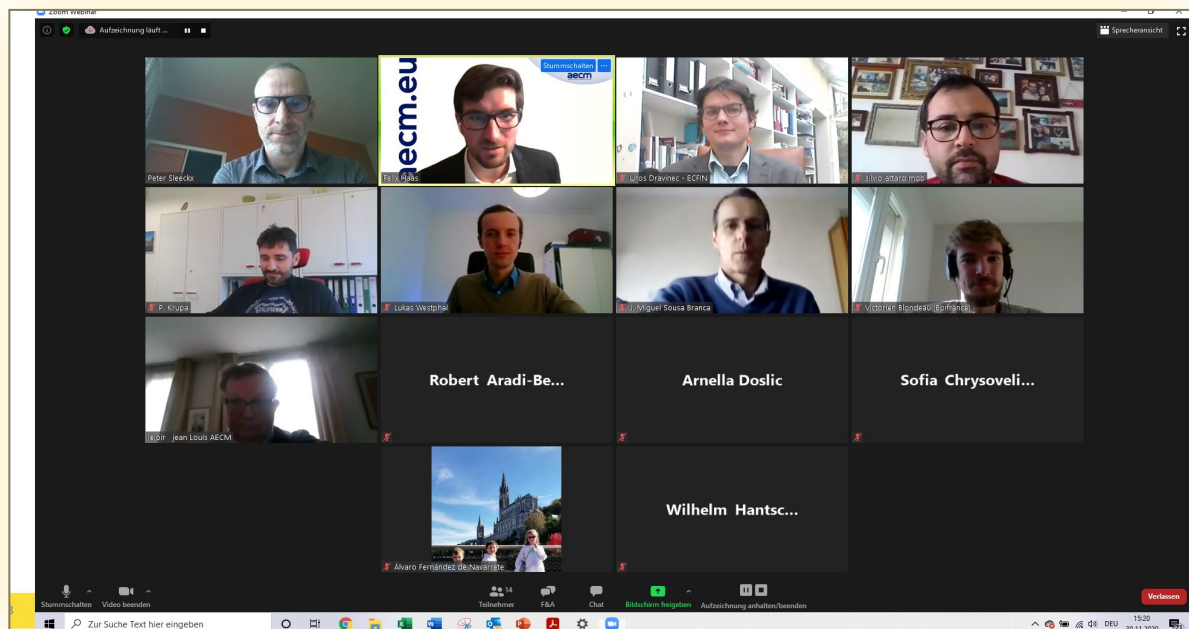
In 2020, the AECM Statistical Yearbook included for the first time a section on Impact in which we presented several impact studies undertaken on the activities of our members. We furthermore created a dedicated page on our website on impact.

The AECM Working Group Statistics and Impact met once virtually in 2020 on 30th November. At this occasion, the members were updated about climate tracking and sustainability proofing in the frame of InvestEU, they were presented two impact studies on German guarantee banks and they discussed and analysed the half-yearly Scoreboard data.

# SUSTAINABILITY POLICIES

In the area of sustainability policy, the year started with the publication of the Sustainable Europe Investment Plan by the European Commission in mid-January 2020. AECM welcomed this plan in a position paper but emphasised that also projects without primary focus on sustainability need to be supported and that reporting requirements related to sustainability need to remain manageable for small enterprises and their financiers.

Furthermore, works were advancing on the sustainability proofing and the climate tracking under InvestEU. In June and December 2020, the Commission published an interim version of its guidance documents. AECM strongly advocates for a simplified tracking system allowing for a proportionate approach that limits additional bureaucratic burdens for SMEs and their financiers.



# ANNUAL EVENT

## “Guarantee schemes beyond 2020“

5 – 6 November 2020 – Virtual Annual Event

The annual event in 2020 was slightly different to say the least. Unfortunately, due to the ongoing COVID-19 pandemic an onsite face-to-face event was not possible. Nevertheless, thanks to the understanding and support of our member in Croatia, HAMAG-BICRO, we were able to convert the meeting into the very first AECM Virtual Annual Event.

At a time of great business disruption, the event attracted approximately 200 participants from all over the world. They joined together to listen to and debate with 25 distinguished speakers on highly relevant topics such as how to shape a successful recovery plan and how to make the best use of EU support. Some clear trends emerged during the event, especially that (i) the number of topics concerning the guarantee industry keeps on increasing and (ii) speed of change, particularly in the area of digitalization, has never before been so evident as it has this year.

As per our tradition, the event also included the Public International Summit and the annual meeting of the Global Network of Guarantee Institutions (GNGI). All sessions during our 2020 Virtual Annual Event ran very smoothly under the expert guidance of AECM's Arnella Doslic. Whilst we all enjoyed the novelty of the virtual event, we sincerely hope that we shall all be able to meet again in person for the 2021 AECM Annual Event.



## WORKING GROUP MEETINGS AND WORKSHOPS

- 13 Jan 2020: Meeting of the Task Force EU Financial Instruments
- 12 Feb 2020: Meeting of the Working Group Digitization
- 18 Feb 2020: AECM Communication Workshop
- 19 Jun 2020: Virtual meeting of the Working Group State aid
- 08 Jul 2020: Virtual Exchange on the Solvency Support Instrument
- 16 Jul 2020: Virtual AECM workshop on EU Financial Instruments
- 17 Jul 2020: Virtual exchange with the Commission's representatives on the use of shared managed funds
- 01 Sep 2020: Video conference with the EIF on the EGF
- 18 Nov 2020: Virtual meeting of the Working Group Agriculture
- 30 Nov 2020: Virtual meeting of the Working Group Statistics and Impact

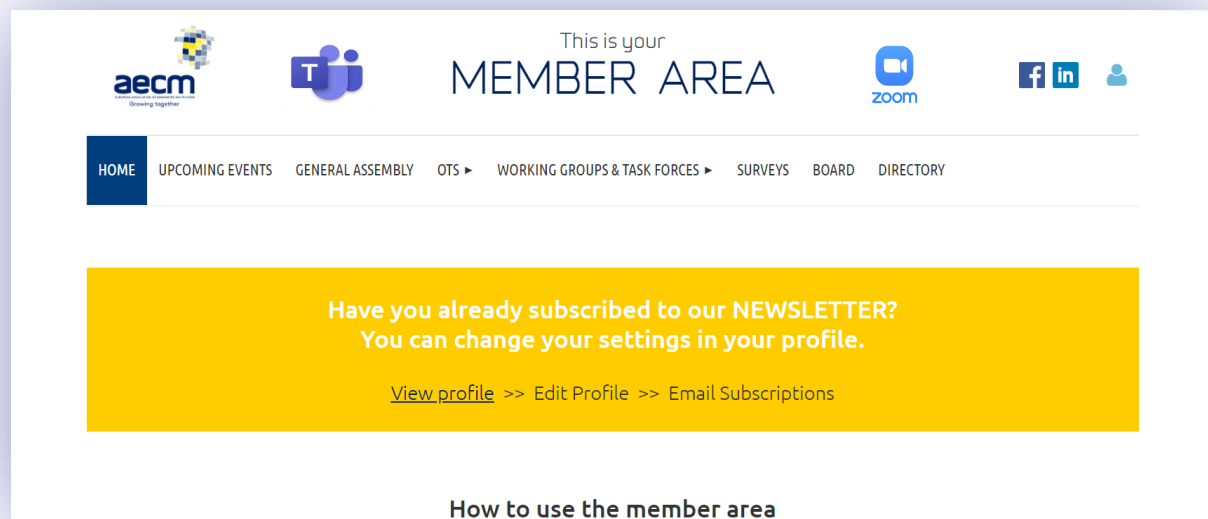


## COMMUNICATION

Amongst other things, the COVID-19 pandemic brought uncertainty and a need for clear, informed communication. AECM responded by ramping up its communication activities and providing frequent updates to our members and policy makers. Some of our initiatives included the setting up of dedicated COVID-19 and Business Impact webpages, and releasing multiple press releases regarding COVID-19 and the situation for businesses. We also incorporated new software into our communications technology platform and expanded in hosting virtual meetings. Throughout the pandemic, our aim has always been to ensure our members receive the most up-to-date information in the most efficient way.

In 2020, we have successfully organized 6 digitalization webinars and continued to produce our popular “AECM in the picture” newsletter. A virtual meetings playbook was adopted by the BoD which will help AECM organize, not only in 2020 but beyond, meetings in a more efficient and effective way. One of the outcomes of the new playbook was the confirmation that OTS events organized by AECM must be in-person meetings and not virtual. This explains why, unfortunately, no OTS events were able to be held in 2020.

We have additionally continued to make further improvements and updates to the Member Area. It is now more user friendly for our members with better navigation and thematic- and targeted-content possibilities. The feedback from our members on these developments has been very positive.



## INTERNATIONAL RELATIONS

Just like in the previous years, AECM continued to be a reference also for guarantee organizations outside of Europe. In 2020, Felix Haas met with a delegation from Afghanistan and Nigeria organised by LandT on 6 February in Berlin whereas Katrin Sturm spoke at the Iberaval staff meeting on 16 June 2020 and during the REGAR annual event that took place on 21 October 2020, reinforcing our contacts and collaborations even more.

Furthermore, among many such requests, Felicia Covalciuc had a lively exchange with representatives from Korea Credit Guarantee Fund on measures undertaken by AECM members to mitigate the economic impact of the COVID-19 outbreak.

In 2020, AECM remained very active in the OECD Working Party on SMEs and Entrepreneurship (WPSMEE). We actively participated in a row of online meetings and contributed to several OECD reports. The highlight was a presentation of AECM members COVID-19 measures by AECM Special Honorary President José Fernando Figueiredo given on 2 June 2020.

Finally, in 2020 the AECM Secretariat became part of the Agri-Finance Community of Practice organized by SME Finance Forum aimed at bringing an open space for knowledge sharing, learning, idea capture, innovations, and capacity development in the agricultural sector. And of course the virtual annual seminar of AECM on 6 November 2020 was attended by many participants from outside of Europe. During the AECM Annual Event our very own AECM Special Honorary President José Fernando Figueiredo was re-elected as coordinator of the GNGI together with Dr. Mohammed Al Jafari, Director General of the Jordan Loan Guarantee Corporation (JLGC).

During the first lockdown, on 23 April 2020, Katrin Sturm was one of the speakers during the webinar for the Virtual Roundtable Series on COVID-19 Mitigation Efforts. Later in the year, Katrin Sturm joined Mahmut Sahin from KGF (Turkey) in speaking at the International Finance Corporation's 19 November 2020 virtual meeting on Unlocking SME Finance through Credit Guarantee Schemes.



# POSITION PAPERS

## October 2020

- AECM-EAPB-ELTI letter to the institutions on InvestEU
- AECM comments on the latest version of the InvestEU Investment Guidelines

## September 2020

- AECM request for extension of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak

## August 2020

- AECM, NEFI and SMEUnited position paper on the inter-institutional negotiations on MFF and Next Generation EU

## July 2020

- AECM Comments on the second GBER consultation

## June 2020

- AECM Comments on the NFRD Revision
- AECM's and SMEUnited's questions on the updated InvestEU proposal
- AECM's reaction to the elements regarding Structural funds of the European Commission Proposal for the 2021-2027 MFF

## May 2020

- AECM's first reaction to the updated MFF
- AECM input to the OECD report on trade finance in the digital era
- Letter to Commissioner Ferreira calling for an ambitious cohesion policy budget to respond to the economic consequences of COVID-19 for SMEs fostering the use of counter-guarantee

## April 2020

- AECM on CRR amendments following the covid outbreak
- Letter to Commissioner Hahn calling for an ambitious InvestEU budget
- Press release on the top-ups for COSME and InnovFin in response to the COVID-19 pandemic

## March 2020

- AECM NEFI comments on the TF to enable Member States to further support the economy in the COVID-19 outbreak
- AECM ELTI NEFI members actions to mitigate economic effects of the corona outbreak 16 June
- AECM comments on the SME Strategy
- Press release on AECM members' action to fight economic consequences of the COVID-19 outbreak
- AECM comments on mitigating economic effects of the corona outbreak
- AECM Position on Anti-Money-Laundering
- AECM Position on the Sustainable Europe Investment Plan
- AECM Position on the Just Transition Fund

## January 2020

- AECM Position on the transposition of the finalised Basel III rules into EU law

## REPORTS AND STUDIES

- AECM Annual Activity Report 2019
- Financing SMEs and Entrepreneurs 2020 : An OECD Scoreboard
- OECD Report: SME Policy responses to COVID-19 outbreak

### Annual Report 2019



## THE BOARD

<b>Bernhard Sagmeister</b>	Austria	AECM President	aws
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<b>László Tóth</b>	Hungary	AECM Member of the Board	Rural Credit Guarantee Foundation (AVHGA)
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<b>Gheorghe Lapadat ***</b>	Romania	AECM Member of the Board	FNGCIMM
<b>A. Kadir Akgül</b>	Turkey	AECM Member of the Board	TESKOMB

\* replaced in 2020 by Zenón Vázquez Irizar (CESGAR, Spain)

\*\* replaced in 2020 by Jēkabs Krievins (ALTUM, Latvia)

\*\*\* replaced in 2020 by Dumitru Nancu (FNGCIMM, Romania)

Founding President AECM: Pablo Pombo

Special Honorary President with the special mandate for international relations as well as for the recognition and defense of mutual guarantee systems : José Fernando Figueiredo.



## THE TEAM

In 2020 the AECM team remained unchanged:

### **Katrin Sturm - Secretary General**

Katrin has been working in Brussels since 2001. At AECM since November 2013, Katrin has worked for the Confederation of German Employers' Associations (BDA), for the German Savings Banks Association (DSGV) as well as for the German Confederation of Skilled Crafts and Small Businesses (ZDH) being at the same time the EU Representative of the Association of German Guarantee Banks (VDB).

She graduated from the University of Passau (Germany) in Law, was at the University of Angers (France) for the Erasmus project, then passed the second state exam in law in Potsdam (Germany), and finally acquired a Master of Law from the University of Aberdeen (Scotland) with an exchange program with the University of Cape Town (South Africa). Next to her mother tongue German Katrin speaks English,

French, Italian and Spanish, understands Dutch and reads Portuguese. Katrin is Honorary Consultant of Taiwan SMEG, a credit guarantee institution specialized in supporting SMEs in Taiwan in getting access to finance. She is married and has three children.

### **Arnella Doslic – Event and Communication Manager**

Arnella is the head of AECM Events and Communication Management. She brings an enthusiastic, hard-working discipline with great member service skills. A natural linguist, she speaks English, Dutch, Italian, Spanish and Croatian fluently. Previously, Arnella has delivered communications and event management for business across continents and sectors including healthcare, automotive and logistics.

### **Felicia Covalciuc - Senior Policy Officer Agriculture, State Aid, Structural Funds**

Felicia, who has the Moldavian and Romanian nationality, studied European Law at Alexandru Ioan Cuza University, Romania, as well as Political Science at Bologna University, Italy. She complemented her professional profile with a traineeship at the European Commission, Directorate-General for Migration and Home Affairs, and used to work for the Ministry of Education of the Republic of Moldova. At AECM, Felicia is responsible for Agriculture, State Aid and Structural Funds policy dossiers including the responsibilities for the corresponding AECM working groups. Next to her mother tongue Romanian, Felicia also speaks English, Italian, French and Russian.

### **Felix Haas - Head of Unit EU Financial Instruments, SME Policy, Financial Regulation, Statistics**

Felix holds a master's degree of Strasbourg University in Economics and European Policies. He has been working in project finance and in the EU political representation of small and medium-sized enterprises. Before joining AECM, he was working for the German AECM-member VDB as a permanent representative to the EU. At AECM, Felix is responsible for EU Financial Instruments, SME Policy, Financial Regulation and Statistics. Besides his mother tongue German, he speaks English, French and Italian.

### **Jean-Louis Leloir - Special Adviser to the Board of Directors**

Jean-Louis Leloir graduated from the French High Business School ESCP in 1975. He has filled over a period of 40 years various management responsibilities, mostly in the field of loan guarantee schemes, in the French public development institution supporting SME financing, called Bpifrance (formerly OSEO), which is a leading benchmark in the area of public guarantee schemes. Formerly Area Manager, then Credit Department Manager and Chief Auditor, he was for 12 years Head of Technical Assistance and Consulting, addressing acquired expertise to foreign guarantee institutions, in assignments from Donors and International Institutions (World Bank Group, AFD, OECD, and European Commission). His missions took place in Morocco, Algeria, Tunisia, Lebanon, Egypt, Djibouti, Madagascar, Saudi Arabia, South Africa, Belgium, Russia, Romania, Bulgaria, Turkey, Kazakhstan, Latvia. Since 2015 he is Special Adviser to the Board of Directors of the European Association of Guarantee Institutions.

### **OUR INTERNS**

In 2020 two people did an internship at AECM and wonderfully supported the Secretariat in the everyday and extra-ordinary work: Niklas Konig and Jonathan Brouwer. Many thanks to all of you!





## OUR MEMBERS


# OUR 48 MEMBERS

### Our 2 Partners:

- Association of Guarantee Institutions in Ibero-America (REGAR)
- SME Finance Forum


 **AUSTRIA**  
• aws  
• NÖBEG

 **AZERBAIJAN**  
• Azerbaijan Mortgage and Credit Guarantee Fund

 **BELGIUM**  
• Fonds Bruxellois de Garantie –Brussels Waarborgfonds  
• PMV/z Waarborgen  
• SOWALFIN

 **BOSNIA AND HERZEGOVINA**  
• Guarantee Fund of the Republic of Srpska

 **BULGARIA**  
• Municipal Guarantee Fund for SMEs of Sofia  
• National Guarantee Fund

 **CROATIA**  
• HAMAG-BICRO

 **CZECH REPUBLIC**  
• CMZRB

 **ESTONIA**  
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 **FINLAND**  
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• SOCAMA  
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 **GERMANY**  
• Verband Deutscher Bürgschaftsbanken

 **GREECE**  
• HDB  
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 **HUNGARY**  
• AVHGA  
• Garantiqa  
• MVA

 **IRELAND**  
• SBCI

 **ITALY**  
• Assoconfidi  
• ISMEA

 **KOSOVO**  
• Kosovo Credit Guarantee Fund

 **LATVIA**  
• ALTUM

 **LITHUANIA**  
• Garfondas  
• INVEGA

 **LUXEMBOURG**  
• Mutualité de Cautionnement  
• Mutualité desp.m.e.


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• MDB

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• BPF  
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 **SERBIA**  
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 **SLOVENIA**  
• Slovene Enterprise Fund  
• Slovenian Regional Development Fund

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