



aecm

**Guarantee Institutions
Promoters of the
Sustainable Transition**

Brussels, September 2023

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Foreword

As climate change is a more and more pressing topic, economic actors need to take action and to make their business more sustainable. This applies of course also to SMEs as well as to the financial sector. Guarantee institutions' mission is to promote access to finance for SMEs. This mission encompasses evidently the financing of the sustainable transition. Depending on the situation in the individual countries, guarantee institutions are responding to market demand for financing of sustainable projects, or they are mandated by their respective government to stimulate market demand by offering attractive conditions for such financings.

AECM Members offer a large variety of dedicated products supporting SMEs' sustainable transition. This range does not only include (counter-)guarantees, but also advisory services, grants, direct loans and (quasi-)equity products. We found that at least 24 members offer dedicated products on sustainability. The other members support sustainable projects via their standard products. The reason for offering dedicated programmes in the area of sustainability is that this allows them to offer favourable conditions that are meant to incentivise businesses to invest in green, social and/or governance-related projects. These favourable conditions may take the form of one or more of the following features:

- A higher coverage rate
- A lower fee or a cap on the interest rate that is charged by on-lenders
- A waiver of the requirement to bring in a personal guarantee and/or the interdiction for on-lenders to request supplementary collateral
- A grant that is conferred upon achievement of pre-defined goals

Nonetheless, the introduction of dedicated products for sustainable projects brings huge challenges with it : classification and reporting which are necessary in order to prevent green-washing. Our members therefore need to find a delicate balance between ensuring that only genuinely sustainable projects benefit from favourable conditions while not rendering the programme unattractive due to the bureaucratic burden that comes with it.

In the following, we will first present you sustainable guarantee products offered by our members, a table with all types of sustainable products offered by guarantee institutions in Europe, followed by a few best practice sustainable guarantee cases.

We wish you a pleasant reading !

Your AECM Team

Brussels, September 2023

AECM members' Guarantee Products for Sustainability





Finnvera/FI

Finnvera's **Climate and Environmental Loan** is intended for Finnish SMEs and Small Mid-Caps that promote, for example, the use of renewable energy sources, energy efficiency, the use of sustainable materials, or the transition to a circular economy or a low-emission economy.

The objective of the loan is to promote the green and sustainable transition of Finnish companies. The loan has been implemented in cooperation with the European Investment Fund and the European Commission with the support of the InvestEU Guarantee Programme.

The loan amount is kEUR 150 and mEUR 2 per project and it has a 60% guarantee from the European Investment Fund (EIF). Otherwise, the loan does not require collateral. Loan maturity can be from twelve months to ten years.

The advantages provided by the European Investment Fund's (EIF) guarantee are taken into account in the loan margin as a reduced price. The pricing is risk-based. The customer-specific margin is set during the credit negotiations.

[Check here](#) for more information.



Bpifrance/FR

The **Green Guarantee Fund**, also known as "**La Garantie Verte**", is part of the Climate Plan and aims to accelerate the ecological and energy transition of SMEs and VSEs. It meets the need for financing adapted to the green investments of these companies. Bpifrance is thus putting in place a solution for all banks wishing to support their client companies in the Ecological Transition.

In order to be eligible for the Green Guarantee, companies must be located in France (Metropolitan France, Overseas Departments and Collectivities and New Caledonia), meet the European definition of an SME, have been established for more than 3 years and not be in financial difficulty.

There are two types of Green Guarantees:

- The **Notified Green Guarantee**: the bank applies directly to Bpifrance to obtain, after study, a notification of agreement on each loan.
- The **Green Guarantee in Guarantee Contract**: Bpifrance signs a partnership with the banks for loans up to kEUR 80. This allows them to grant a loan immediately without having to make the request to Bpifrance, provided that the criteria set out in the contract are met.

Both types of guarantees provide for a loan-to-value ratio of 80% and apply to new amortising financings of minimum two years, with the difference that the **Notified Green Guarantee** covers longer-term financing (except for transmission operations) for a period of up to ten years - as opposed to seven years for the **Green Guarantee under a Guarantee Contract**. The Notified Guarantee is reserved for bank loans that accompany a loan from Bpifrance's Climate Plan range. The maximum risk commitment for a single company or group of companies is set at mEUR 1.5.

The **Notified Green Guarantee** covers financing that contributes to

- the optimisation of processes in order to better control or reduce the impact on the environment;
- improving the energy and material performance of production sites and tools;
- the promotion of "zero carbon" mobility for employees, goods and products;
- innovation to market products or services that protect the environment and/or reduce energy (including de-dieselisation) or material consumption;
- the production of renewable energy;
- the acquisition of a company to achieve the above objectives;

- investments made by (a) companies positioned in the energy and environmental value chain, and (b) companies that provide technological and process innovations to meet the climate and environmental objectives of the European taxonomy are also eligible;
- tangible investments eligible for energy saving certificates (CEE).

The **Green Guarantee Guarantee Contract** covers the financing of

- environmental diagnosis & audit ;
- training to improve environmental impact;
- equipment and facilities to promote biodiversity;
- equipment or facilities that promote energy savings, improve carbon or environmental impact;
- investments to promote waste recycling and unsold goods.

[Check here](#) for more information.



VDB/DE

Creation and Growth Financing with Sustainability Bonus by the Guarantee Bank of Baden-Württemberg

The Guarantee Bank of Baden-Württemberg, member of VDB, cooperates with the regional promotional institution L-Bank for the implementation of the so-called **Creation and Growth Financing with Sustainability Bonus (GuW)**. This programme offers promotional loan extended by house banks and guaranteed by the Guarantee Bank of Baden-Württemberg and L-Bank. It supports small and medium-sized companies as well as start-ups for business creations and transfers, for expansion and modernisation, for working and investment capital financing.

The promotional **GuW** loans have the following characteristics:

- Loan amount between kEUR 10 and mEUR 5
- Duration of up to 20 years with a maximum grace period of 3 years

In addition to that, companies can benefit from an interest rate reduction if climate targets are met:

- Phase I: 15 bps reduction if the company measures its CO2 footprint
- Phase II: 15 bps reduction if the company defines CO2 reduction targets and draws up a roadmap to get there

Applicants for financing under this programme are supported by a network of experienced experts. Start-ups and young companies even receive an additional interest rate bonus and start-ups in the skilled crafts sector receive a Master craftsman ("Meister") start-up bonus.

The Guarantee Bank of Baden-Württemberg and L-Bank offer combined guarantees for the **GuW** loans. These are standardised default guarantees granted via a simplified procedure offering favourable conditions. They cover 50% of the promotional loan.

[Check here](#) for more information.

BBBsocial by the Guarantee Bank of Berlin

In recent times, Berlin has positioned itself as a hotspot for social entrepreneurs and impact startups and is gaining increasing attention throughout Germany. These

positive developments are strongly supported by the state of Berlin through improvements of the general conditions for the social economy. Since August 2020, the Senate Department for Economics, Energy and Public Enterprises has been funding the “Social Economy Berlin” project. This involves organising networking meetings and providing advisory and support structures for very different social enterprises. With the new guarantee programme of the Guarantee Bank of Berlin which was launched in June 2022, the economic support for social enterprises has increased. Thus the Guarantee Bank of Berlin is getting closer to our goal of establishing and developing Berlin as the “capital of social economy”.

BBBsocial has the following goals:

- Promoting the social economy in Berlin by facilitating access to financing
- Integration of social enterprises into classical financing structures (banks)
- Future viability of a social, inclusive and ecologically sustainable business location

The programme is open to the following beneficiaries:

- Craftsmen and craftswomen
- Small and medium-sized enterprises and start-ups with a social impact
- Founders, self-employed entrepreneurs and members of liberal professions with social impact orientation
- Also non-profit legal forms (e. g. gGmbH, e. V.)
- Each with an operating site and/or financing project in Berlin
- Public companies and housing construction companies are excluded.

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BBBsocial can be used for the following funding purposes:

- Financing of working capital, machinery, production lines, vehicle fleet, etc.
- Foundations/start-ups
- Business acquisitions
- Modernisation, expansion and replacement investments
- Expansions into new markets
- Reconstruction and restructuring financing are excluded.

The conditions of the BBBsocial guarantee are set out in the table below:

Overview of conditions	
Maximum guarantee amount	max. 1.25 million
Guarantee quota	max. 80 % of the loan amount
Amount of financing (Financing examples)	2.0 million € with a guarantee ratio of 62.5 % = guarantee in the amount of € 1.25 million
	1.562 million € with guarantee quota of 80 % = guarantee in the amount of € 1.25 million
	1.0 million € with guarantee quota of 80 % = guarantee in the amount of € 800,000
Duration	Up to 8 years for working capital
	Up to 15 years for investments
	Up to 23 years for investments in real estate
Processing fee	one-time 1.5 % on the loan amount
Guarantee commission	1.75 % p.a. on the value-dated loan amount

[Check here](#) for more information.

SBCI/IE

The **Energy Efficiency Loan Scheme (EELS)** is established and offered by the Strategic Banking Corporation of Ireland (SBCI) and benefits from a guarantee provided by COSME and the European Fund for Strategic Investment (EFSI) set up under the Investment Plan for Europe. The purpose of EFSI is to help support financing and implementing productive investments in the European Union and to ensure increased access to financing.

The level of investment in energy efficiency by Irish SMEs is lower when compared to their European counterparts. The **Energy Efficiency Loan Scheme** supports qualifying viable Irish businesses and primary producers (farmers/fishers) by providing access to affordable long-term finance, enabling them to invest in the energy efficiency of their enterprise.

The **Energy Efficiency Loan Scheme** will operate until 31 December 2023 or until the scheme has been fully subscribed.

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Supported loans have the following characteristics:

- Loan amounts from kEUR 10 to a maximum of kEUR 150 per borrower (loan amounts are dependent on aid intensity and State aid thresholds)
- Loan terms of one year up to ten years (loan terms are dependent on the purpose of the loan)
- Loans may be secured only by the asset being funded. Personal guarantees are not permitted security
- Allowable loan types include term loans, hire purchase and asset finance products
- The scheme's on-lenders will apply a minimum discount of 1% on their standard comparable rate for a non-EELS debt product.

Loans may only be used for the purposes of upgrading the energy efficiency of the enterprise. To be eligible for inclusion, the asset to be financed must be listed on the SEAI Triple E Register for Products.

[Check here](#) for more information.



KCGF/XK

In 2022, the Kosovo Credit Guarantee Fund (KCGF) and its partners, launched a new product : the **GROW - Green Recovery and Opportunity Window**. This launch will crowd in much needed local and regional investment in Kosovo's small-scale renewable energy production and energy efficiency projects, enabling the private sector and MSMEs, by saving energy, to increase their competitiveness and as a result promote national economic growth hence provide greater energy security, and reduce the carbon footprint in the atmosphere. Furthermore, the final beneficiaries, through a credit risk facility under the **GROW** project, will be able to access finance with better lending terms at the appropriate time, as well as open new opportunities for under-served segments of the market.

The investments which will be supported by **GROW** are destined to energy efficiency (building envelope, equipment, productions lines and other energy efficiency measures) and auto producers of energy from renewable sources (wind, solar, biomass or geothermal energy) up to 400 KW. The eligible loan amount ranges from kEUR 3 to mEUR 3.

The **GROW** project has been designed and financed by the Kosovo Millennium Foundation (MFK) and supported by the Millennium Challenge Corporation (MCC). Furthermore, capital was donated by the German government through the German Development Bank KfW. The programme is implemented by KCGF.

[Check here](#) for more information.

KCGF furthermore offers the so-called **Women in Business Window** which aims to facilitate access to finance for women entrepreneurs. This window is offered with favourable conditions in terms of credit risk, to increase the confidence of Registered Financial Institutions in lending to this important segment of the market, which through financial support, will ensure market positioning, international market expansion, generate employment as well as supporting the economic development of our country.

The special feature of this particular window is that, in addition to the financial component, it will also provide the non-financial component or the technical assistance programme for Women in Business, which will be supported in terms of:

- Capacity building (financial education and formalisation),
- Networking,

- Mentoring.

MSMEs that qualify for guarantee financing include, but are not limited to the following:

- Privately owned MSMEs, without any Government ownership during the loan coverage period from the guarantee
- MSMEs owned or co-owned by at least one woman or led by at least one woman in an executive position
- MSMEs that have business registration,
- A qualified borrower must be a business owned/co-owned by a women and by at least one private citizen or permanent resident of Kosovo,
- MSMEs with less than 250 employees.

Qualified Loans fulfilling the following criteria will be eligible for the benefits of the Women in Business Window:

- The minimum loan amount is kEUR 3
- The maximum loan amount is kEUR 50
- The maximum amount of the guarantee is kEUR 35
- The maximum repayment period of the guaranteed loan is up to 84 months
- The purpose of the loan can be for long-term investments as well as for working capital

Moreover, the guarantees will be provided for the amount of up to 70% of the principal of the loan with a maximum loss cap of 30%.

[Check here](#) for more information.

BPF/PT

BPF offers several guarantee products to support sustainable objectives (green and social):

Credit line for Decarbonisation and Circular Economy

This programme with a budget of mEUR 100 aims to making industrial SMEs and the tourism sector more competitive, supporting the financing of projects to reduce energy consumption, measures that allow the shift from fossil to renewable energy sources, or accelerating the transition process to a circular economy. The objective is to contribute to the goals defined in the 2030 National Energy-Climate Plan and to accelerate the process of transition to a circular economy, contributing to the re-design of processes, products and new business models.

Eligible operations aim at financing projects within the energy efficiency and circular economy categories :

- Replacement of existing equipment with more innovative, modern and efficient ones;
- Investments in renewable sources for self-consumption in the production process or in circular strategies for any phase of the product/service life cycle;
- Implementation of monitoring, control and actuation devices that allow optimising conditions of energy consumption and consumption of raw materials;
- Reformulation and integration of processes, with a view to increasing efficiency in the use of resources;
- Reinforcement of thermal insulation and improving energy efficiency of buildings belonging to the tourism infrastructure.

The **credit line for Decarbonisation and Circular Economy** has the following characteristics:

- Maximum financing amount of mEUR 2 per company
- Maximum financing term of ten years with a maximum grace period of 24 months
- Guarantee coverage of up to 80% of the outstanding capital by the Mutual Guarantee Societies¹
- Subsidised guarantee commission up to 1%
- The interest rate spread is capped at 3.5% and the bank commission at 1%.
- Companies benefitting from loans with a guarantee issued by a Mutual Guarantee Society (SGM) under this Line must acquire, by the date of provision of the same, shares in the SGM, thus adhering to mutualism, in the amount of 2% of the

¹ These are counter-guaranteed by the Mutual Counter-Guarantee Fund at 80%.

value of the guarantee to be provided. These shares may be resold to the SGM, once the guarantee has expired.

[Check here](#) for more information.

Social Sector Financing Line

This programme with a budget of mEUR 120 aims to support Social Economy Entities (EES), given the extraordinary socio-economic context resulting from the increase in energy costs.

Eligible operations aim at financing investment needs, either within the scope of the environmental transition, or within the scope of the implementation of new projects or the requalification of social facilities.

The **Social Sector Financing Line** has the following characteristics:

- Maximum financing amount of mEUR 1.5 per company
- Maximum financing term of ten years with a maximum grace period of 36 months
- Guarantee coverage of up to 80% of the outstanding capital by the Mutual Guarantee Societies²
- Guarantee commission up to 1%
- The interest rate spread is capped at maximum 1.75%

[Check here](#) for more information.

Entrepreneurship and Self-Employment Support Line

This programme aims to make it easier for the unemployed, young people looking for their first job and independent workers with low incomes, to create their own company/job through subsidised bank loans with subsidies.

This line provides a global allocation of 141 million euros, spread over two specific lines:

- "MICROINVEST" line : allocation of mEUR 33, for credit operations up to a maximum financing amount of kEUR 20 per operation;
- "INVEST+" line : allocation of mEUR 108, for credit operations up to a maximum financing amount of kEUR 100 per operation, with a limit of 95% of the total investment and kEUR 50 per full time job created.

Eligible beneficiaries are private companies, which have in their constitution at least 50% of unemployed people registered in the Employment Centers, which have not yet started their respective activity on the date of the credit application (with the exception of the project that includes, in the investment to be carried out, the

² These are counter-guaranteed by the Mutual Counter-Guarantee Fund at 90%.

purchase of social capital), for profit, regardless of their legal form, including cooperatives, which lead to the creation of jobs and contribute to the dynamisation of the local economy, under the Support Programme for Entrepreneurship and the Creation of Own Employment, and that meet the requirements defined in the line protocol and in the legislation and regulations.

The **Entrepreneurship and Self-Employment Support Line** has the following characteristics:

- Maximum financing term of 84 months with a maximum grace period of 24 months
- Subsidised interest rate
- Guarantee fee of 0.75% under MICROCREDIT and 2.5% under INVEST+

[Check here](#) for more information.

Social Invest

This programme with a budget of mEUR 12.5 aims to encourage the development of activities of a social and solidarity nature by entities operating in the social sector.

Eligible beneficiaries include private institutions of social solidarity, mutualities, charities, cooperatives, local development associations and other non-profit social economy entities that belong and develop activity within the scope of the social economy.

Eligible operations have the following purposes:

- investment in strengthening activity in existing areas or areas of intervention (axis I);
- modernisation of services provided to communities (axis I);
- modernisation of management and reinforcement of treasury (axis II)

The **Social Invest line** has the following characteristics:

- Maximum financing amount of kEUR 100
- Maximum financing term of 7 years with a maximum grace period of 24 months
- Guarantee coverage of up to 80% of the outstanding capital
- Guarantee commission of 2% p.a (axis I) resp. 2.75% (axis II) with full bonus
- The interest rate spread is 3.75% (axis I) resp. 3.85% (axis II)
- Entities benefitting from loans with a guarantee issued by a Mutual Guarantee Society (SGM) under this Line must acquire, by the date of provision of the same, shares in the SGM, thus adhering to mutualism, in the amount of 2% of the value of the guarantee to be provided. These shares may be resold to the SGM, once the guarantee has expired.

[Check here](#) for more information.



FNGC/RO and FRC/RO

The **GARANT CONSTRUCT Programme** is a guarantee programme that aims to provide government guarantees for projects on energy efficiency improvement, green energy investments and alignment with environmental objectives implemented by SMEs, by small enterprises with medium market capitalisation in the construction sector and by administrative-territorial units.

Under the **GARANT CONSTRUCT Programme**, FNGC/RO, as trustee of the state, grants guarantees in the name and on behalf of the State for one or more loans to finance investments and/or one or more loans to finance working capital.

The programme has the following characteristics:

- The guarantee covers up to 90% of the value of the loan granted by the bank
- Grant from the state budget, consisting of 1) full amount of the risk fee; 2) full amount of the management fee; 3) the interest related to the credits, granted for a maximum period of 12 months; the grant shall be awarded up to the equivalent in lei of kEUR 500 per undertaking.
- For investment loans, the maximum amount of each financing granted to a beneficiary may not exceed mRON 10 (mEUR 2), and mRON 5 lei for working capital loans.
- The maximum duration is 72 months for investment loans and 36 months for working capital loans

The programme has a total budget of bRON 3 (mEUR 608). This ceiling is equally splitted between FNGC/RO and FRC. It ran until end of 2022.

The following expenditure is eligible for funding under the **GARANT CONSTRUCT Programme**:

1. the purchase of construction equipment and machinery, industrial logistics, including for starting new activities in the construction sector necessary for construction projects
2. construction, acquisition, fitting out of halls for own use, including for starting new activities in the construction sector
3. the purchase of equipment, software, consultancy for the digital transformation of the beneficiaries who carry out contracts in the construction sector

4. the purchase of equipment in order to align with the environmental objectives that generate the efficiency of own consumption, solar panels, biogas stations, recycling stations
5. financing of working capital for the purchase of construction materials, fuel, energy for SMEs and small enterprises with medium market capitalisation that carry out contracts in the construction sector
6. payment of salaries for SMEs and small enterprises with medium market capitalisation that carry out contracts in the construction sector
7. acquisition of shares and social shares

[Check here](#) for more information.



GF Vojvodina/RS

The Guarantee Fund of the Autonomous Province of Vojvodina offers the so-called **Energy Efficiency and Renewable Energy Guarantee** which allows to support the financing of the following projects:

1. Buildings:

- Replacing the heating system
- Replacing the cooling system
- Insulation of external walls and roofs
- Replacement of external windows
- Replacement of external doors
- Replacement of unregulated central heating pumps with new, electronically regulated pumps

2. Use of renewable energy sources:

- Solar-thermal systems for hot sanitary water
- Replacing the conventional heating system with a heat pump
- Installation of networked photovoltaic system

3. Lighting:

- Replacement of incandescent (classic) bulbs with new CFL bulbs
- Replacement of old fluorescent lamps with modern T5 lamps with electronic ballast

4. Agricultural equipment:

- Agricultural machinery (tractors, combines) with a Tier III or Euro 3A engine, as well as multifunctional machines with at least three functions
- Agricultural tools
- Heat recovery in dairies
- Harvester with Tier III or Euro 3A engine
- Replacing the irrigation system

5. Other equipment that complies with Article 3 of the Competition

For the procurement of energy-efficient equipment and equipment necessary for the use of renewable energy sources, the bank can, in accordance with its business policy, agree that up to 25% of the loan funds can be used for additional costs.

By energy-efficient equipment, the GF Vojvodina means equipment that reduces energy consumption by at least 20% and that leads to a reduction of CO2 emissions by at least 20%.

Eligible beneficiaries are SMEs, agricultural cooperatives and entrepreneurs, as well as natural persons and holders of registered family agricultural holdings.

[Check here](#) for more information.

List of AECM members' Sustainable Programmes

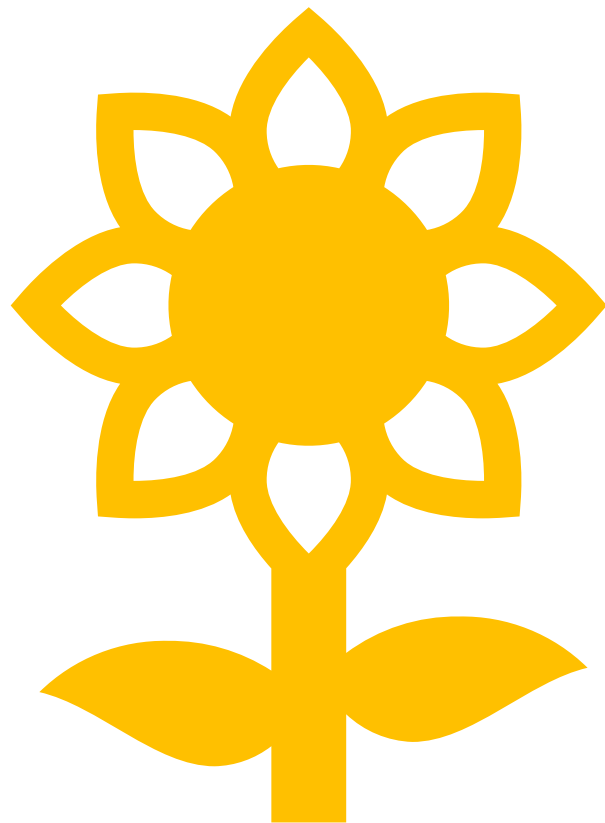
The previous section presented only sustainable guarantee programmes. However, AECM members support the sustainable transition also with quite some further instruments such as grants, loans, (quasi-)equity or advisory services. The following table gives an overview:

Organisation	Type	Name and Link
aws/AT	Grant	aws Energy & Climate
PMV Standaard- waarborgen/BE		Energy transition Social real estate
WE/BE	Quasi-equity	Easy'Green
	Advisory	Energetic and circular transition Manage your energetic transition
NRB/CZ	Loan	Transformation loans New Energy Savings Energy Savings S-Enterprise Energy
	Advisory	ELENA for energy savings S-advisory for social enterprises
Finnvera/FI	Loan	Climate and Environmental Loan
Bpifrance/FR	Guarantee	Green Guarantee
	Loan	Several loan programmes for the ecological and energetical transition
	Grant	Oversees Investment Grant
	Advisory	Several advisory services for the ecological and energetical transition
SIAGI/FR	Guarantee	Green Guarantee (upcoming)

VDB/DE	Guarantee	Creation and Growth Financing with Sustainability Bonus BBBsocial
HDB/GR	Loan Advisory	Green Co-Financing Loans ESG tracker
SBCI/IE	Guarantee	Energy Efficiency Loan Scheme
KCGF/XK	Guarantee	GROW - Green Recovery + Opportunity Window
ALTUM/LV	Loan Bond Grant	Loan for energy efficiency and sustainability of companies Loan for Energy efficiency with capital discount Green bonds Social entrepreneurship programme
INVEGA/LT	Loan	Direct Loans for renewable energy projects
ODA/MD	Guarantee Grant, Advisory	Guarantee for businesses founded or managed by female entrepreneurs Guarantee for enterprises holding the status of eligible producers of renewable energy Programme for the greening of SMEs Programme for women in business
RVO/NL	Grant	Several grant programmes, e.g.: Subsidy for energy advice Renewable Energy Transition (HER+) Energy investment allowance (EIA) for entrepreneurs
BGK/PL	Loan and Grant	Several loan and grant programmes
BPF/PT	Guarantee Equity	Social Sector Financing Line Credit line for Decarbonisation and Circular Economy Entrepreneurship and Self-Employment Support Line Social Invest Fund for Social Innovation

FNGCIMM/RO and FRC/RO	(Counter-) Guarantee	Garant Construct Programme
GF Vojvo- dina/RS	Guarantee	Energy Efficiency Guarantee
SEF/SI	Grant	Social enterprise digital marketing voucher (closed) Voucher for integrated environmental impact assessment
SRDF/SI	Loan	Energetics MSVP
NSGI/CH	Guarantee	SAFFA Guarantee for women entrepreneurs
BBB/UK	Advisory	What is sustainability ?

Examples of Sustainable Guarantee Cases



aws/AT : Bage Plastics - Supporting a closed loop economy

Tackling climate change and ensuring environmental sustainability are two public policy objectives that can be considered to have marked our times. Beyond public policy, however, integrating these objectives into a viable business plan is a challenge. Bage plastics do exactly that.

Established in 2014, bage plastics is an innovative company that specialises in recycling shredded fridge plastics and processing them into high-value plastic granules and compounds which can entirely replace primary raw materials in a wide variety of plastics products, such as plant containers, office trays, electrical equipment or new fridges.

This translates into reduced costs but also a production process that is more environmentally friendly and sustainable. As Ms. Luisa Bernardi, Head of Marketing, explains, “the company’s vision is that plastic recycling is acting on behalf of the environment. That’s why we see our mission in supporting a closed loop economy, by maximising recycling and recovery of materials and by minimising waste and reducing the environmental footprint.”

Bage plastics’ business is growing rapidly, ranking them among the largest European fridge recycling companies. Their two production sites in Upper Austria are already running at full capacity, working with plastic from around 1.5 million old fridges per year sourced from Austria, Germany, Italy and France, and a third one is being planned.

But the company’s young age and fast growth worked against them when they went to local banks to ask for a loan to finance the purchase of new machinery. “Despite our strong performance, the banks were not willing to take any risks. At the end of the day, they told us that a guarantee was a precondition for the loan” Ms. Bernardi explains. Bage plastics turned to aws, who offered to guarantee the loan with the backing of EIF and the EU. This unlocked the necessary financing and has since allowed the company to buy the new machinery they needed to keep up with the high demand.

[Website of the supporting member aws/AT](#)

[Website of the beneficiary](#)



NÖBEG/AT : Compact Milling Systems: Strengthening local food production

Working in industrial flour mills in South Africa Mr. Peter Dyk, an educated mechanical engineer and grain miller, became aware of the fact, that one day in Austria big capacity flour mills will dominate the market and that a small mill, like his family owned company (DykMill), will not be able to succeed on the market with just ordinary flour. The only possibility to survive would be to specialise!

So, when he returned from overseas, he wanted to produce wholemeal flour in Austria, but with the common conventional roller-milling system, the germ bud got rancid and therefore the shelf life of the flour was very short. Together with an engineering company and the Research Institute for Nutritional Science research for another milling system was carried out. During this project, they found the solution in stabilising the enzymes by means of a mechanical bashing process, through which the shelf life of the flour remains for more than nine months. Finally the research process led to a new milling system by means of a pin-mill which was patented and made it possible to produce high quality extraction flour (= white flour).

The milling system is so simple and short, that it is installed in 20-foot container frames. Therefore an own company was founded, called Compact Milling Systems (CMS) Austria. These CMS-Mills can mill almost all grain types, are easy to operate and require much less infrastructure than conventional milling systems. With these decentralised CMS-Mills it is possible to reduce post-harvest loss, to add local value, create independency on food supply, decrease food import, strengthen local production and create safe jobs. All effects that are particularly important in regions with weak infrastructure. The CMS-Mills are produced in Austria and are delivered turn-key ready to the customers around the globe.

Through a loan from the house bank backed by a guarantee of NÖBEG (NÖ Bürgschaften und Beteiligungen GmbH) Compact Milling Systems Austria was enabled to carry out the first order from Nigeria.

[Website of the supporting member NÖBEG/AT](#)

[Website of the beneficiary](#)

WE/BE : Javry - The coffee solution for your office

Coffee is essential to a very special category of the population: office workers. This is precisely the target chosen by the young Javry brand which, since 2015, has good arguments towards the competition.

Ethical, supportive and innovative, the Javry coffee is above all of high quality. According to its managers, this would be the fruit of their sustainable approach: a better paid farmer will cultivate a better product and in larger quantities. As in luxury craftsmanship, Javry has therefore moved closer to its producers and gets supplies directly from agricultural cooperatives. That is one, two, even three echelons lower than the other brands.

Whether the beans come from Guatemala, Costa Rica, Africa, India or Indonesia, they are always roasted in Belgium. This benefits the freshness of the product and adds a local approach to the business model of the company.

In short, these cafes are excellent, and the client companies are more and more numerous and faithful. Especially since the order and delivery system is as simple as that of Amazon. Web marketing and e-commerce are decisive in the business model.

To anticipate its development, Javry had to make certain investments that were financed by a bank credit of kEUR 140 over 4 years. WE (former SOWALFIN) guaranteed 75% of this credit and shared its risk at 50/50 with the EIF.

This mixture of youth, energy and daring has already won over 300 companies, for a retention rate close to 100%.

[Website of the supporting member WE/BE](#)

[Website of the beneficiary](#)

Finnvera/FI : Aarreranta

Henna Raiski started her own business five years ago, as years in social and health care had brought her the necessary experience. She has a degree in social work and has worked extensively in child protection and adult social work.

“We started building Aarreranta because my friends, who were working in the same field, also had the dream to start their own service to support children”, Raiski tells. The trio began sketching out a business plan with the help of the Kuudestaan Association, which supports local business. A small unit for 7 children, focused on child welfare especially for under 15-year-olds, was built in Ähtäri in 2015.

Finnvera's guarantee was introduced to the start-up entrepreneurs as the business plan and financing options were discussed with a consultant specializing in social enterprises. For Aarreranta, Finnvera's help was needed especially for running the day-to-day business when there were only a few children in the unit. The loan from the initial guarantee was used to cover upfront essential expenses such as salary payments and furnishing the unit. “We were especially helped by the fact that we were able to focus on providing help instead of thinking about money”, Raiski praises Finnvera's guarantee.

According to Henna Raiski, Aarreranta's strengths include a homely and truly caring atmosphere. Children arriving to foster care from difficult conditions will receive support for growth when care is invested with high quality and time. As Aarreranta's operations deepen, the company strives to invest in quality: making the same employees stay longer and giving children a sense of permanence.

However, after a successful start-up, the need for another identical child welfare unit has already arisen and Aarreranta has already received a loan for the operation. “Hopefully, we will be running these two units with the same enthusiasm as this first one in the near future”, Raiski envisions.

Henna Raiski recommends an initial guarantee to other first-time start-ups because of the ease of service. Finnvera's guarantee enabled Aarreranta to consider another child protection unit at all.

[Website of the supporting member Finnvera/FI](#)

[Website of the beneficiary](#)

VDB/DE : Creapaper: Hay Instead of Wood

Uwe D’Agnone has been successfully manufacturing innovative paper products for a long time. A few years ago, he was inspired to raise an important question: How can we produce paper in a sustainable way?

Despite digitisation, the demand for paper increases for example in the form of packaging for online trade. Raw materials for this form of packaging are wood and wastepaper. However, wastepaper cannot be recycled infinitely, and huge quantities of water and chemistry are used in the processing cycle, paired with a high level of energy consumption and the resulting CO₂ emissions.

In paper making, lignin, the reason that trees grow upward, must be removed in a complex way. Only for this step, 6,000 litres of water are needed per ton of paper. “If everything that grows in height contains lignin, then let’s take something that grows in a flat way” was the reasoning of Uwe D’Agnone, Founder and Managing Director of Creapaper GmbH. He started producing paper from grass or hay and developed an environmentally friendly procedure for the use in the paper industry. “Grass is especially suitable for this, as it can be grown anywhere, it grows faster than wood, can be procured at short notice and when processing it into paper it does not require any chemicals and consumes less energy”, underlines D’Agnone.

The success proves him right: In collaboration with the paper industry, he has produced a wide range of paper products and some well-known food manufacturers and retailers are on the customer list of Creapaper. In addition, the production of paper from grass is internationally patented.

As of today, up to 50 percent of currently used wood pulp could be replaced. This would mean a CO₂-reduction by 75 percent in the production process. In 2017, the idea of a sustainable paper alternative made of grass prevailed as the national winner of the KfW Award. “Thanks to the support of the Guarantee Bank Baden-Württemberg in the acquisition of a modern production plant, we are able to continue expanding our activities and to meet the demand of our customers for ‘green’ paper”, says D’Agnone.

[Website of the supporting member Guarantee Bank of Baden-Württemberg/DE](#)

[Website of the beneficiary](#)



**AGRÁR-VÁLLALKOZÁSI
HITELGARANCIA ALAPÍTVÁNY**

A vidékért kezeskedünk

AVHGA/HU : György Juhász

The family farm of György Juhász was founded in 2002 and operates mainly around Szolnok, Tószeg and Tiszavárkony in Hungary. Sixteen years later, the business is still expanding: in 2017, the farm cultivated sunflowers, corn, coleseed, winter wheat and other cereal grains on almost 200 hectares of land.

György received help from the COSME and EFSI programmes through Agrár-Vállalkozási Hitelgarancia Alapítvány (AVHGA). The 2016 agreement signed between AVHGA and the European Investment Fund (EIF) allows more agricultural and rural micro, small and medium-sized enterprises (SMEs) to access financing than before, because the EIF provides AVHGA with a counter-guarantee backed under the EU's COSME and EFSI programmes." As AVHGA CEO András Herczegh explains: "The mission of AVHGA is to facilitate credit availability for SMEs that other financial institutions find too risky to finance."

The guarantee underpinning the AVHGA loan was essential for financing our project," says owner, private farmer, agriculture engineer and plant health specialist György Juhász. The mHUF 12 loan enabled the farm to use environmentally friendly, sustainable fertilisers in a more precise way, based on and adjusted to the special needs of the crops. The project, which should pay-off in three to four years, also helped involve the younger members of the family in the business.

[Website of the supporting member AVHGA/HU](#)



INVEGA/LT : Elektrociklas - Inventing a bicycle in the 21st century

Karolis Atkočiūnas and Rokas Zabulionis, the cycling enthusiasts, started the e-bike business together with their families. According to the proprietors of ZBIKE trademark, this type of vehicle and its manufacturing technology is the first of its kind in the world - this bicycle allows the speed of up to 100 km/h. These environmentally friendly vehicles are preferred by both the extreme sport fans and parents choosing active leisure for their children. Zabulionis shared that ZBIKE is not a product of a spontaneous idea. As a child, he was observing his father's work and ideas, and had an opportunity to contribute to them.

"I truly value my father's experience in business and production, and his creativity; he was the one to come up with the idea to create ZBIKE e-bike. It did not take long to convert this idea into a reality. We started producing the carbon fibre and glass composite frames requiring utmost thoroughness and care", emphasised one of the company founders.

Up until now, the men took all matters into their own hands: from the idea and drawings, to the manufacturing of an actual electronic bicycle soaring at a speed of nearly 100 km/h, which can run 220 km on one full battery charge.

Karolis Atkočiūnas found out about the e-bikes manufactured by Zabulionis and his father from his own dad and was very impressed by their work.

"The electric bicycle is a very powerful transport and sport vehicle. We have some unconventional ideas for its use and one specific secret project we have been concentrating our forces on. This required bringing both families together, which lead to creation of Elektrociklas company in December of last year", said Atkočiūnas.

The launch of business was made possible with the funds of both families. They decided not to involve large investors in order to retain control over their business and its targets. ZBIKE is now offering several e-bike models designed both for traditional or speed and power cycling. Even though ZBIKE is not a well-known brand for most Lithuanians, these men are planning to change this situation by attending exhibitions and focusing on selection of target markets for this unique product.

[Website of the supporting member INVEGA/LT](#)

[Website of the beneficiary](#)

CESGAR/ES : NutriPeople - Affordable local solutions against malnutrition

Nutripeople is a socially responsible company that was created in 2015 in Murcia (Spain). Nutripeople is a pioneer in the use of food surpluses in order to produce foods and nutritious solutions.

They have developed three products, taking fruit puree as a base and adding different proteins and vitamins with great utility to alleviate the chronic famine or the malnutrition. These foods can be the livelihood of millions of people and also serve to balance out the extra production of fruits and vegetables. Furthermore, they are packaged with a durability of 18 months without the need to refrigerate.

Because of the guarantees of Avalam, Nutripeople has opened a facility with a manufacturing capacity of 42 million containers a year. Therefore, they are able to provide very agile service in situations of natural disasters, emergencies, famines and malnutrition in general.

Nutripeople has already collaborated with non-governmental organizations such as 'Save the Children' or 'Feel Gambia'.

[Website of the supporting member Avalam/ES](#)



BBB/UK : Euro Recycling Brokers

Euro Recycling Brokers Ltd is a waste broker that provides sustainable and environmentally friendly waste management solutions to their clients, primarily arranging for the collection and disposal of various waste streams. As a team of waste specialists, they encompass over 30 years' experience. In addition to this they also facilitate site, plant and liability insurances, staff training and plant/recycling equipment finance solutions.

Since being established in 2015, Euro Recycling has experienced rapid year on year growth. In order to accelerate the business even further, the team required new funding for working capital and to expand their existing workforce and realise their growth ambitions.

After being referred to ABN AMRO Commercial Finance, the team secured a creative funding solution to meet their growth requirements, comprised of £1.35m Receivables Finance and a £150k revolving loan facility under the British Business Bank's Enterprise Finance Guarantee (EFG) programme.

Launched in January 2009, the EFG programme provides its accredited lenders with a Government-backed guarantee for 75% of the outstanding balance of eligible facilities, potentially enabling a 'no' credit decision from a lender to become a 'yes'. EFG enables funders to provide facilities of between £1,000 and £1.2 million to smaller businesses that are viable but unable to obtain finance from their lender due to having insufficient security to meet the lender's normal credit requirements.

In October 2018, the British Business Bank announced that Blackpool-based Euro Recycling was the recipient of the 30,000th Enterprise Finance Guarantee-backed facility. To date, the EFG programme has supported smaller UK businesses with 30,097 facilities totaling more than £3.2 billion.

Ben Essien, Financial Director at Euro Recycling said: "The team at ABN AMRO was able to provide us with a flexible funding solution and the additional headroom provided by the EFG will support us in achieving continued growth. We were particularly impressed with ABN's transparency throughout the on-boarding process and look forward to working with them as our preferred partner for growth."

[Website of the supporting member BBB/UK](#)

[Website of the beneficiary](#)

About us

The 46 members of the **European Association of Guarantee Institutions (AECM)** are operating in 31 countries in Europe. They are either private/mutual sector guarantee schemes or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. This so-called SME financing gap is recognised as market failure. By guaranteeing for these enterprises, guarantee institutions help to address this market failure and facilitate SMEs' access to finance. The broader social and economic impact of this activity includes the following:

- Job creation and preservation of jobs by guaranteed companies
- Innovation and competition: crowding-in of new ideas leading to healthy competition with established market participants
- Structure and risk diversification of the European economy
- Regional development since many rural projects are supported
- Counter-cyclical role during crises

SME guarantees generally pursue a long-term objective and our members, if public, private, mutual or with mixed ownership structure, have a promotional mission.

AECM's members operate with counter-guarantees from regional, national and European level. At the end of the year 2022, AECM's members had about bEUR 267 of guarantee volume in portfolio, thereby granting guarantees to around 5.2 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, handling EU (counter-)guarantees from the very beginning in 1998.

Have a look at our [AECM brochure](#) and at our most recent publications:

[AECM brochure on Ukraine measures](#)

[AECM Statistical Yearbook 2022](#)

[AECM members' support programmes beyond standard debt guarantees](#)

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