



Guarantee institutions: Updated MFF is fit for fight against covid – the focus must be on SMEs

Small and medium-sized enterprises (SMEs) are suffering most from the current covid-19 crisis. Lockdown measures taken by almost all European governments forced many SMEs to substantially reduce or even to completely shut down their activity. Consequently, many of them have gotten into difficulties through no fault of their own.

Guarantee institutions are in first line to support those SMEs. Thanks to the strong support of national governments and of the European Commission / EIB Group, our members significantly increased their guarantee activities in order to help SMEs to bridge these difficult times. You can find an extensive [list of our members actions under this link](#).

The repercussions and secondary effects of the crisis are expected to keep promotional institutions very busy for still quite a while. The recovery of the European economy will take several months or years.

It is important that recovery measures are coordinated at European level and this coordination needs to be accompanied by a strong community budget.

Financial instruments under shared and under central management are the most budget efficient means of support. We, therefore, **welcome the strong increase in allocations to the InvestEU programme** as well as the **introduction of the new Solvency Support Instrument** that shall already be available through the EIB group this year. **It is of utmost importance for a lasting and stable recovery of the EU economy that a sufficiently important share of these funds will be quickly available for SME guarantees.**

Similarly, AECM **strongly supports the Commission's new REACT-EU initiative** aimed at providing additional cohesion policy funding for the period 2020-2022 to support the current cohesion programmes. The same goes for the **additional funding for the Just Transition Fund as well as the reinforced budget for the European Agricultural Fund for Rural Development** to support farmers and rural areas.

We call on the co-legislators to swiftly come to an agreement in order to allow urgently needed funds to be available in time avoiding any funding gap. Guarantee institutions stand ready to bring funds down to where they are needed and to thereby contribute to the fight against the economic and social consequences of the current crisis.

Brussels, 27th May 2020

About us

The 48 members of the **European Association of Guarantee Institutions (AECM)** are operating in 30 countries in Europe. They are either private 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. AECM's members operate with counter-guarantees from regional, national and European level. At the end of 2018 AECM's members had more than EUR 112 billion of guarantee volume in portfolio, thereby granting guarantees to almost EUR 3 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, handling EU guarantees from the very beginning in 1998.

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