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AECM Members' Support Products

Beyond Standard Debt Guarantees

Vienna/Brussels, September 2022


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Foreword

One could easily think that the guarantee sector in Europe is a mono-product niche sector with a homogenous product range that did not evolve a lot over the years. This is far from reality! It is true that the standard debt guarantee is a well-proven instrument that some members already offer since shortly after World War II. It is a simple product that can easily be adapted to different situations and that can quickly be deployed. Nonetheless, guarantee institutions offer nowadays an enormous range of further products that are tailored to the particular needs of small and medium-sized enterprises (SMEs) and that complement their product offers. These range from accompanying services to special purpose and non-debt guarantees. In early 2022, we asked our members in the frame of our yearly Guarantee Activity Survey which product they are offering to their SME clients beyond classical debt guarantees. According to the results of this survey, the most common “specialised product” were leasing guarantees offered by 19 AECM members, followed by advisory services. Guarantees on equity as well as guarantees on crowdfunding/-lending are still quite rare. Please have a look at the detailed results here below:





In the following, we would like to give you a better impression about which products our members are offering besides their standard debt guarantees.

We wish you a pleasant reading !

Your **AECM** team

Vienna/Brussels, September 2022



NÖBEG / Austria : Silent Participations

Silent participations (in German “stille Beteiligungen”) are a specific form of quasi-equity that is common in German-speaking countries. For this kind of product, NÖBEG (the regional guarantee institution from the Austrian region Lower Austria) offers silent participations in companies without affecting the ownership structure. This form of financing can take a volume of up to mEUR 1.5 and no collateral needs to be pledged. It can support the following financing purposes: investment projects, business expansions, business relocation within or to Lower Austria, creation of a sustainable financing structure or acquisition of shares in enterprises. The silent participation is granted at favourable conditions and for a long-term period and it can be returned at any moment.

For more information: <https://www.noebeg.at/leistung/noe-beteiligung/>

Latest update: 5th September 2022

PMV-Standaardwaarborgen / Belgium : Crowdlending/quasi-equity guarantee

Besides standard SME guarantees, PMV/z Waarborgen manages the so-called win-lending product on behalf of the Flemish region in Belgium. It is a subordinated loan of a private individual to an SME. On this loan there is a fiscal guarantee of 30% on the final loss (during the pandemic this coverage was increased to 40%). This guarantee will be calculated as a tax reduction for the private individual. In addition to the guarantee the private individual has a yearly tax reduction of 2.5% on the outstanding capital. The interest rate is fixed for the whole duration. It ranges from minimum 0.75 to maximum 1.5%.

A private individual may give this kind of loans for an amount of up to kEUR 75 in total and an SME may receive loans of a total amount of up to kEUR 300. The duration of these loans is between 5 to 10 years and there are different reimbursement schedules.

These loans are perceived as quasi-equity and are a precious component of the financing mix.

Besides this management of direct loans from private individuals to SMEs, PMV/z Waarborgen collaborates with crowdlending platforms to place this product in the market. The registration of this product is fully web based.

The programme runs since since 2006. In the beginning this product was only reserved for younger SMEs, but in 2011, it was opened up to all SMEs. In October 2020, the following adjustments were made:

- Flexible duration between 5 to 10 years (before a fix duration of 8 years);
- Increase of maximum amount:



- for private individuals from kEUR 50 to 75
- for SME: from kEUR 200 to 300
- temporary increase of the guarantee coverage during the pandemic from 30 to 40%.

The programme is very successful. In 2021, PMV/z Waarborgen registered 8,665 loans for a total loan amount of about mEUR 152.

For more information: <https://www.pmvz.eu/winwinlening>

Latest update: 16th August 2022

SOWALFIN / Belgium :

Business Transfer Support

SOWALFIN offers the dedicated portal “Pôle Transmission” to support entrepreneurs and entrepreneurs to-be that wish to cede or to take over a company. This portal is a One-Stop-Shop and a vast resource of information on every step of a business transfer in Wallonia.


The starting point of SOWALFIN Transmission are appointments to discuss the individual situation of a business transfer case with its transmission advisors. These advisors notably give support in the following areas: drafting of a sale or takeover strategy; valuation of the company; organisation before the sale; search for buyers or companies for sale; support in negotiations; drafting of transfer agreements; negotiating with financiers in the case of a takeover; and organising the closing. SOWALFIN collaborates as well with advisers “ASTE” in local development agencies and chambers of commerce, to reach out to entrepreneurs, but also to guide entrepreneurs towards specialists when they need advice that is more specific.

SOWALFIN Transmission has built a vast network of about 175 recognized private experts in business transfer (M&A advisors, accountants, lawyers,...), evaluated and certified by SOWALFIN Ethical Committee. The costs of these missions can be partly covered by the so-called transfer voucher “Cheque Transmission”. SOWALFIN advisors meet yearly about 750 potential buyers and 600 business owners planning to sell their company.

Furthermore, SOWALFIN organizes “Club Repreneurs” which are seminars organised all around the Belgian region Wallonia where entrepreneurs to-be learn the essentials about becoming an entrepreneur from accredited transfer experts.

Once a year, SOWALFIN organises during the “Business Transfer Week” multiple information events for newbie business managers, advisors and potential sellers (www.semainedelatransmission.be).

SOWALFIN Transmission hosts search platforms for companies to be transferred. This is a personalised monitoring service that matches profiles of companies for sale and candidate buyers according to their respective search criteria. During the matching process, the matching partners are accompanied by professional facilitators.



tors. Access to the SME platform is reserved for affiliated candidate buyers. The affiliation fee is EUR 300 including VAT. In the event of a transaction carried out via the platform, a commission is due calculated on the amount of the transaction.

A second platform offered by SOWALFIN is Affairesasuiivre.be (www.affairesasuiivre.be). It is a website of purchase and sale ads dedicated to SMEs with a turnover of less than kEUR 500 in the retail trade, HORECA, personal services and for self-employed and liberal professions. Access is free for buyers. For sellers, the first 3 months of publication are free of charge, EUR 90 for 3 next months.

SOWALFIN furthermore directs potential buyers to dedicated platforms for companies outside Wallonia and to the “Transeo Deal Club” which is a network of business advisors who support SMEs in their international transfer and acquisition projects. It supports Walloon companies looking for international acquisition opportunities, but also foreign investors looking for acquisition opportunities in Wallonia.

SOWALFIN main mission is also to offer loans, equity and of course guarantee products to financially accompany a business transfer. These are general products for multiple purposes that are adapted to the situation of a business transfer.

For the follow-up of a business transfer, SOWALFIN has also a partnership with the Wallonia Business Network (“Réseau Entreprendre Wallonie”) which is made up of experienced business leaders who put their skills at the service of entrepreneurs. Their mission is to contribute to the success and development of creators, growing entrepreneurs and company takeovers that create significant employment by offering them free peer-to-peer support for a period of 2 years. The support greatly increases the chances of success of the companies and favours their growth: 88% of the supported companies are still in business after 5 years, compared to 60% for the companies that did not enjoy such support.

With its global offer of services, SOWALFIN Transmission can give advises and guidance all along the selling or takeover process.

For more information: <https://www.sowalfin.be/transmission/reprise/>, transmission@sowalfin.be

Latest update: 24th August 2022

NRB / Czechia : INOSTART Guarantee

Národní rozvojová banka, the national development bank of the Czech Republic, offers a special guarantee to support innovative SMEs that are not older than three years. This INOSTART portfolio guarantee covers up to 70% of working capital or investment loans by the financing bank. The eligible guaranteed loan amount lies between kEUR 20 and 613. It has a maximum duration of five years with a maximum grace period of three years. The guarantee fee amounts to 0.1% p.a.

The guarantee supports exclusively innovative projects and may cover the following financing purposes: acquisition of inventories, acquisition of tangible and intangible fixed assets as well as other operating costs/expenses (e.g. salaries, rent, energy, etc.). The programme is implemented from national resources and under de minimis.

For more information: <https://www.nrb.cz/en/produkt/inostart/>

Latest update: 20th July 2022

Finnvera / Finland :

Export Guarantees


As an ECA (Export Credit Agency), Finnvera supports Finnish exporters by granting export guarantees to insure their export activity. The export transaction must always meet the requirement of Finnish interest to be eligible for cover. Finnvera undertakes a KYC and ESG assessments in addition to the i. a. commercial and political risk analysis when granting export guarantees.

Buyers' or borrowers' countries are classified into 8 risk categories (0-7), depending on their political stability, legislative framework and economic outlook. The classification follows OECD country categories and are reviewed regularly. These categories affect for example the guarantee premia as well as the required security or payment terms.

The European Commission has adopted a short-term export credit insurance communication which states, that Finnvera cannot guarantee risks for a maturity of under two years (manufacturing period + repayment period) in the so-called marketable risk countries in a normal market situation, but with only a few minor exceptions. With maturities of two years or longer, Finnvera follows the arrangement on officially supported export credits when granting export guarantees.

Exporters should take into account commercial risks associated with their customers and political risks associated with the countries in which the customers operate. The granting and pricing of export guarantees primarily depend on the creditworthiness of the customer and the country in which the customer operates. Finnvera offers various types of export guarantees:

1) Credit risk guarantee: The guarantee is granted to the exporter and covers risks due to cancellation of the delivery contract during the manufacturing period and/or commercial risks due to receivables from a foreign buyer. The guarantee may also cover the political risk arising from the buyer's country. It is most commonly used for continuous deliveries with a short payment terms or a one-off transaction. The coverage usually amounts to 90% in short term transactions. The terms of payment must be conform to accepted international practice. As in all of the following guarantee products, the guarantee premium is determined individually and depends on the creditworthiness of the buyer and the buyer's country, the terms of payment and the securities provided. Finnvera furthermore charges handling fees for the processing of the guarantee application.



2) Receivable purchase guarantees: This guarantee protects the bank against credit risks when the bank purchases invoice receivables from the exporter in connection with foreign trade. It is used for continuous deliveries. For the bank it covers commercial and political risks as well as the risks related to possible misconduct by the exporter. The maximum coverage rate amounts to 90%. The bank charges the exporter a guarantee premium when the exporter sells invoices to the bank. The amount of the premium depends on the payment period and the credit rating of the buyer and the buyer's country.

Finnvera moreover offers coverage to the providers of export funding and for trade finance instruments:

1. Buyer Credit Guarantee: security to the lender from the credit risk caused by a foreign buyer, the buyer's bank or country.
2. Bank Risk Guarantee: protection to the bank of a Finnish export company against risks involved in bank guarantees given to the exporter to secure payment of the purchase price.
3. Finance Guarantee: security for the credit institution granting an export credit to the exporter. It protects the bank from the risks relating to repayment of the credit. The guarantee helps exporters to arrange security for the financing needed for exports.
4. Bill of Exchange Guarantee: security to the lender against credit risks arising from the buyer when the lender purchases a bill of exchange from the exporter.
5. Letter of Credit Guarantee: protection to the bank from commercial and/or political risks related to a confirmed letter of credit.
6. Bond Guarantee: a counter-guarantee for a bid bond, an advance payment bond, a performance bond or a maintenance period bond issued by the exporters bank in favour of a foreign buyer in connection of an export transaction
7. Raw Material Guarantee: security for a loan granted to a foreign borrower in connection with a long-term contract with a Finnish company concerning the importing of raw materials.

Last but not least, Finnvera offers an investment guarantee that can be used by a Finnish investor to ensure foreign investments against political risks.

For more information: <https://www.finnvera.fi/eng/export/export-credit-guarantee-operations>

Latest update: 7th September 2022

Bpifrance / France : Equity Guarantees

A guarantee is given to equity and business angel funds that are approved by a dedicated certification committee. These funds need to be held by a majority of private shareholders and they need to present their track record, their investment policy as well as the list of their shareholders. A capped portfolio guarantee is signed with the fund on a yearly basis to cover the riskiest business cases: seed funding, creation, innovation and small business development. The investment decision is fully delegated to the fund that can invest up to mEUR 3 into companies of up to 5 years and up to kEUR 500 into companies that are older than 5 years. Both equity (shares or investment certificates) and quasi-equity (convertible bonds, current account operation, equity loans) investments can be guaranteed. The guarantee has a duration of ten years and covers 50 to 70% of the equity investment. The guarantee commission amounts to 0.3% p.a. and the participation in the value added is 10%.

For more information: <https://www.bpifrance.fr/catalogue-offres/generaliste/garantie-de-fonds-propres-relevance>

Latest update: 19th July 2022

Bpifrance / France :

Green guarantee


The Green Guarantee Fund (in French "Garantie verte") is part of the Bpifrance Climate Plan and aims to accelerate the ecological and energy transition of viable MSMEs that have been established for more than three years. Green Guarantees can cover 80% of a loan and are available as individual and portfolio guarantees. They can be provided for a period of up to 10 years and the maximum risk commitment for a single company or group of companies is set at mEUR 1.5.

The Individual Green Guarantee may cover the following business projects:

- Optimisation of processes to better control or reduce environmental impacts;
- 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 Portfolio Green Guarantee may cover the following projects:

- Environmental diagnosis and audit;
- Training to improve environmental impact;
- Equipment and facilities to promote biodiversity;
- Equipment or facilities that promote energy savings, improve carbon or envi-



ronmental impact;

- Investments to promote waste recycling and unsold goods.

For more information: <https://www.bpifrance.fr/catalogue-offres/transition-ecologique-et-energetique>

Latest update: 19th July 2022

SOCAMA / France :

Advisory service for business creation and transfer

In order to stimulate entrepreneurship in France, SOCAMA launched a programme in order to sensitise and inform young people about business creation and business transfer. They are holding info sessions for apprentices directly in their respective schools. This allows them to raise awareness and to point to key points that are important in order to make an entrepreneurial project a success. They help apprentices to identify their competences as well as potential support providers and partners. Furthermore, they give advice on the set-up of a viable business model and on the possibilities to finance the project as well as on requirements linked to such a financing.

For more information: <https://www.socama.com/>

Latest update: 22nd July 2022

VDB / Germany : Guarantee without Bank

Several German Guarantee Banks offer a so-called guarantee without bank (in German "Bürgschaft ohne Bank", BoB). This product is destined to companies that did not find a financing bank yet or where the bank assessment is ongoing and takes time. In this case, the SME can request a guarantee from the guarantee bank of its respective region.

The maximum 80% guarantee can cover commercial financing projects of all kinds, e.g. business start-ups, investments for business and company expansions, company relocations and working capital financing. The guarantee is granted for a one-off fee as well as for a yearly commission depending on the coverage rate. If the guarantee is declined, usually no commission is due. After granting, the guarantee offer is valid for a period of several weeks (depending on the Guarantee Bank) in which the beneficiary SME needs to find a financing bank.

For more information: <https://finanzierungsportal.ermoeglicher.de/>

Latest update: 19th July 2022

HDB / Greece :

Innovation Guarantee Fund

The Hellenic Development Bank (HDB) launched early June 2022 the first Innovation Guarantee Fund and for the first time, Greek SMEs, Startups and Innovative companies will benefit from an innovative financing programme aiming at strengthening the competitiveness and extroversion of Greek entrepreneurship by supporting the implementation of research and development for innovative ideas, products and practices.

Through this programme, available through Greek financial institutions, HDB offers to the market a hybrid loan that combines the provision of a loan guarantee and a grant of up to 20% of the loan capital, based on the achievement of innovation and ESG criteria (Environmental, Social and Corporate Governance criteria).

The grant rate capital rebate scheme is calculated upon success in achieving Innovation and ESG criteria in two steps as follows :

- First, a 15% capital rebate is triggered upon the success of innovation criteria as monitored/reported by the financial institutions, i.e. : innovation cost as expenditure in research and innovation represent at least 20% of the total operating costs during the past three years period after the first innovation loan disbursement.

Especially for the up to three years old start-ups, the capital rebate may be triggered upon presenting that research and innovation expenditures in the previous years is equal to or more than 20% of the amount of the total innovation loan value.

- Secondly, an extra 5% capital rebate may be triggered after the innovation criteria have been met, upon the simultaneous successful completion of minimum three criteria with at least two out of the three regarding ESG:
 - E-Reduction of energy consumption
 - E-Increased percentage of renewable energy sources compared to the total energy consumption

- S-Existence/Increase in the female employee's percentage in management positions
- S-Increase in the number of employees
- S-Increase in the amount invested in employee training
- S-Existence of customer satisfaction monitoring
- G-Existence of corporate governance
- G-Existence of data security policies

By receiving the grant capital rebate, the remaining innovation loan capital to be repaid is automatically reduced.

For the first time in a financing programme, the achievement of innovation and ESG criteria is linked to the reduction of the outstanding amount of the loan, offering a significant bonus, especially to entrepreneurs who take the risk to innovate.

Eligible companies are newly established and existing micro, small and medium-sized enterprises (SMEs), of any legal form, according to the EU definition, which present an innovative character based on their business plan. The eligibility criteria, most of them similar to the "InnovFin criteria", offer a wide selection opportunity and applicants may also be automatically eligible if they belong to the government's official innovative companies registry.

The guarantee provided by the Hellenic Development Bank is 80% on the innovation loan amount, thus significantly reducing the credit risk of the banks. This guarantee will allow to reduce the interest rate charged by the banks.

Each eligible company under the De minimis State Aid, may apply for a bank loan from kEUR 25 to 400 to cover investment plan financing needs, and also related working capital needs, by covering relevant operational costs also related to research and innovation via presenting necessary supporting documentation. Also VAT is an eligible expenditure to be covered.

The duration of the loan is up to 10 years including a potential grace period of one to three years.

An additional innovation loan benefit is that the banks may not receive any collaterals for loans up to kEUR 50, while for larger amounts there is a collateral cap of 20% of the loan value for the first time in an HDB financing product.

The Innovation Guarantee Fund will channel a total of mEUR 140 to the market through nine local banks, facilitating the financing of companies that dare to innovate.

For more information: <https://hdb.gr/en/>

Latest update: 5th September 2022

Garantiqa / Hungary : Factoring Guarantees

The factoring guarantee is one of the products that Garantiqa offers to Hungarian SMEs. It is intended to facilitate the financing of working capital. If a supplier company contracts with its customers on such terms that they only pay after the delivery of the goods or the performance of the service, then by selling (factoring) the receivables from customers, the company can obtain money immediately and thereby significantly improve its liquidity. The fundamental advantage of factoring financing compared to credit-type financing is that the risk for the factoring organisation is primarily borne by the customer, so small and medium-sized enterprises that would have difficulty accessing credit can benefit from it on the supplier side.

Garantiqa guarantees such operations with a coverage rate of maximum 80% of the value of the factoring contract concluded with banks or independent factoring houses. The guarantee is uncapped and the annual fee amounts to 1.6% of the guarantee amount for a maximum maturity of 25 years (but the individual factoring case is limited to 1 year). Garantiqa offers the guarantee only for factoring contracts with recourse.

For more information: <https://garantiqa.hu/penzugyi-intezmenyeknek/termekek/faktoring/>

Latest update: 18th July 2022



Anseo chun gnó a fhorbairt

Corparáid Baincéireachta Straitéiseach na hÉireann

Here to build business

Strategic Banking Corporation of Ireland

SBCI / Ireland :

Energy Efficiency Loan Scheme (EELS)

SBCI offers a COSME backed guarantee scheme in order to support long-term investments in energy efficiency of companies. Viable SMEs need to request an eligibility reference code from SBCI before applying for a loan from an on-lender. The programme runs until end of 2023 or until the fund is fully subscribed. Under this guarantee, companies can finance eligible energy efficiency assets as listed on the Sustainable Energy Authority of Ireland (SEAI) Triple E Register for Products.

Loans may amount to kEUR 10 to 150 with terms from one year to a maximum of ten years. Loans are only secured by the funded assets and no personal guarantees can be taken from the entrepreneur. On-lenders need to grant a minimum 1% discounted rate to beneficiaries of the scheme compared to comparable non EELS backed debt products.

For more information: <https://sbci.gov.ie/products/energy-efficiency-loan-scheme-eels>

Latest update: 19th July 2022



FONDI KOSOVAR PËR GARANCI KREDITORE
KOSOVSKI FOND ZA KREDITNO JEMSTVO
KOSOVO CREDIT GUARANTEE FUND

KCGF / Kosovo : GROW - Green Recovery + Opportunity Window

In 2022, the Kosovo Credit Guarantee Fund (KCGF) and its partners, launched a new product: 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 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 the reduce 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 underserved segments of the market.

The investments which will be supported from GROW are destined to energy efficiency (building envelope, equipment, production lines and other energy efficiency measures) and auto producers of energy from renewable sources (wind, solar, biomass or geothermal energy) up to 400 KW. Eligible loan amount range 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.

For more information : <https://growkosovo.com/> <https://fondikgk.org/en/home-2/>

Latest update: 19th July 2022

INVEGA / Lithuania : Guaranteed Leasing

INVEGA offers guarantees on leasing transactions to SMEs. For the purpose of this product, leasing is understood as a service where the leased property is chosen by the lessee and acquired by the leasing company. It is transferred under the leasing contract for use to the lessee. The leasing guarantee serves as security for the payment of part of the price specified in the leasing contract. Other services provided by leasing companies (operating lease, leaseback, etc.) do not qualify for INVEGA guarantees. Furthermore, the leased property must be used directly in the production, service provision and/or construction activities (i.e. the leased property cannot be intended for sale, re-lease or transfer for use to another undertaking). The leased property needs to be a tangible assets or tangible assets together with the associated intangible assets (such as software, licence, etc.). Leasing of vehicles does not qualify for INVEGA guarantees.

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INVEGA offers two types of leasing guarantees - individual and portfolio guarantees.

Individual guarantees:

The potential beneficiary is required to apply via the leasing company that assesses the project as well as the ability to repay and that calculate the amount of needed guarantee.

The maximum amount of the leasing guarantee is mEUR 1.5 and the lessee must pay a down payment to the leasing company for the leased property which must be at least 10 % of the price of the leased property. The amount of the leasing guarantee may not exceed 80% of the leasing amount and leasing guarantee's amount may also not exceed 60% of the price of the leased property. The guarantee fee is composed of a fixed base rate of 1 to 1.5% (for first year) plus an annual charge of 0.2% (applied from the second year until the end of leasing guarantee). INVEGA's leasing guarantees are provided under *de minimis* and therefore need to comply with the corresponding provisions.

Portfolio guarantees:

In order to receive financing, the SME has to apply directly to the financial intermediary (bank or leasing company, with whom INVEGA has a portfolio guarantee agreement for leasing) and agree on funding. The financial intermediary assesses the project, the SME's ability to repay the leasing and calculate the amount of guarantee needed. The maximum amount of the leasing guarantee is mEUR 1.5. A portfolio guarantee secures the repayment of 80% of the principal amount of leasing to a financial intermediary. Guarantee payments to financial intermediary are capped and set in agreement with the financial intermediary. The guarantee fee is fixed at 0.5% for transactions with a duration of up to 24 months (inclusive) and at 1.0% for transactions with the a duration of more than 24 months. INVEGA's portfolio guarantees for leasing are provided under *de minimis* and therefore need to comply with the corresponding provisions.

For more information: <https://invega.lt/en/financiers/guarantees/181/guaranteed-leasing-91>

Latest update: 20th July 2022

MDB / Malta :

Guaranteed Co-Lending Scheme

The Guaranteed Co-Lending Scheme (GCLS) offered by MDB is a risk-sharing facility involving co-lending of a portfolio of up to mEUR 100 between the MDB and credit institutions on a 50:50 basis. The GCLS caters for SMEs with large loan requirements that exceed kEUR 750 and up to mEUR 10. MDB provides an interest rate reduction on the loan amount granted by MDB and an uncapped guarantee of 60% on the credit institution's part of the lending. The scheme offers three types of loan tenors: with a maximum term of 10, 12 and 15 years, with a moratorium on capital repayments for a maximum of 24 months.

The programme targets viable SMEs in all economic sectors; however, preference is given to those projects focusing on innovation; digitisation; the preservation and enhancement of competitiveness; socially-oriented initiatives; investment that addresses environmental issues; as well as investments aimed at achieving a high level of sustainability or to promote the circular economy. The scheme is partially backed by the EIF's EGF programme. The purpose of the financing under GCLS covers business creation and expansion, the strengthening and/or stabilisation of an enterprise, the realisation of new projects and penetration of new markets. The GCLS will be implemented in line with the provisions of the De Minimis Regulation and the General Block Exemption Regulation (GBER). The scheme will be available until end of 2024.

For more information: <https://mdb.org.mt/en/Schemes-and-Projects/Pages/Guaranteed-Co-Lending-Scheme.aspx>

Latest update: 20th July 2022

SEF / Slovenia :

Small value incentives through vouchers


The Slovenian Enterprise Fund has with its numerous vouchers established a system that enables micro, small and medium-sized enterprises (SMEs) significantly simplified access to co-financing of individual services, through which companies can strengthen their competitiveness and competencies. The idea behind SEF's voucher programme is to provide SMEs with small value incentives to purchase different services or to collaborate with external knowledge providers in various areas. Vouchers can be obtained throughout the year (public calls are open until 2023 or until funds are used up) with a simplified and fast approval procedure. Required co-financing amounts to 60% or up to kEUR 10 per voucher. The total amount of vouchers that the company can use is kEUR 30 per year.

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Applications are to be submitted electronically to the SEF based on public calls. SEF provides free help with preparing such an application.

The following vouchers are available:

1. Voucher for quality certificates
2. Voucher for patents, models, brands
3. Voucher for market research of foreign markets
4. Voucher for participation in international fora
5. Voucher for participation in business delegations
6. Voucher for raising digital competences
7. Voucher for digital marketing
8. Voucher for preparation of a digital strategy
9. Voucher for cyber security
10. Voucher for the status transformation of companies

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11. Voucher for introduction of business excellence according to the EFQM model in small and medium-sized enterprises
 12. Voucher for transfer of ownership
 13. Voucher for prototyping
 14. Voucher for integrated evaluation of environmental impacts (Life Cycle Assessment)

For more information: <https://www.podjetniskisklad.si/en/vavcerski-sistemi/>

Latest update: 8th September 2022

CESGAR / Spain :

Securisation guarantee

AQUISGRÁN is an initiative launched by the Spanish guarantee companies (SGR). It guarantees financing to SMEs and self-employed complementary to bank lending and is financed by bonds, quoted in the Spanish Stock market subscribed by the Spanish national development bank ICO with EIF backing. It is planned that these bonds will be subscribed by institutional investors in the future.

The maximum loan amount is kEUR 250 and the maximum duration is 10 years. The conditions of this product are particularly favourable due to the fact that : 1) no financial intermediary is involved, 2) low operating costs thanks to the light structure of the product, 3) low guarantee fee thanks to a counter-guarantee from CERSA and the support of the regional governments. The total cost of financing therefore amounts to approximately 4 % p.a. with a fixed interest rate of around 3 % p.a. and a guarantee commission of 1 % p.a. The beneficiary needs to become a member of the SGR by contributing 3 to 4 % of the amount of the loan to its capital. This will be returned upon full repayment of the guaranteed loan.

For more information: <https://www.aquisgran.es/>

Latest update: 1st August 2022

BPF / Portugal : COVID-19 Social Sector Support Line

To support social economy entities, in this extraordinary socio-economic context, triggered by the COVID-19 pandemic, BPF launched in cooperation with the Social Security Financial Management Institute (IGFSS) a guarantee line focused on the support of the social sector, with a global amount of mEUR 165. The programme was open to Social Economy Entities (EES) that are Private Social Solidarity Institutions (IPSS) or similar non-profit entities, equivalent to Micro, Small and Medium Enterprises (SMEs).

The guarantee could cover up to 90 % of short and medium-term bank loans of maximum kEUR 500, intended exclusively to finance cash needs. The guarantee fee increased from 0.25 % for loans with a one-year maturity up to 1.0 % for loans with a maturity between three and six years, in the case of micro and SME entities. Bank rate spreads were restricted, so that banks could not charge above certain limits. No additional collateral or a personal guarantee could be requested.

This guarantee line closed on June 30th, 2022.

Latest update: 8th September 2022

KGF / Turkey :

Additional Employment Support Package

This guarantee is destined to private sector enterprises, registered with less than 50 insured employees and aims to encourage them to recruit new staff. The guarantee rate is 80 % and its maximum duration is 26 months (including the grace period) with a maximum of 8 months of no principal payment and a maximum interest-free period of 14 months. The one-time upfront guarantee commission, collected through lenders, amounts to 0.5 % of the guarantee amount.

As a condition, the beneficiary has to add a new employment to the average number of insured in the monthly premium and service documents. Each beneficiary can benefit from the guarantee for a maximum of 5 additional employees. The maximum guarantee amount is kTRY 400 (kEUR 22.8) with a maximum of TRY 80 (kEUR 4.6) for each additional employee.

For more information: <https://www.kgf.com.tr/index.php/en/our-products/treasury-backed-guarantees/additional-employment-support-package>

Latest update: 15th July 2022

About us

The 47 members of the **European Association of Guarantee Institutions (AECM)** are operating in 30 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. As of end-2021, AECM's members had about bEUR 312 of guarantee volume in portfolio, thereby granting guarantees to around 5.9 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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