

Notice of implementation of the SME Guarantee Facility under the Competitiveness and Innovation Framework Programme (2007-2013)

(Text with EEA relevance)

(2007/C 226/02)

This notice is addressed to financial intermediaries for SMEs, such as banks and institutions operating guarantee schemes. It outlines a financial instrument, the SME Guarantee Facility that aims to improve the financial environment for SMEs by facilitating their access to debt and equity finance.

The SME Guarantee Facility is operated by the European Investment Fund (EIF) on behalf of the European Commission under Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 on a Competitiveness and Innovation Framework Programme (2007-2013).

This programme is open to the Member States of the European Union and those Member States of the European Free Trade Association ('EFTA') which are members of the European Economic Area ('EEA'), accession countries and candidate countries benefiting from a relevant pre-accession strategy, countries of the Western Balkans in accordance with the relevant framework agreements and any other country included in the list of Participating Countries as published from time to time in the Official Journal.

The total indicative budgetary appropriations for the financial instruments under Competitiveness and Innovation Framework Programme are EUR 1,1 billion and about half of this is foreseen for SME Guarantee Facility for the period 2007-2013.

The Facility will provide counter-guarantees or, where appropriate, co-guarantees for guarantee schemes operating in participating countries, as well as direct guarantees in the case of any other appropriate financial intermediary.

The following four windows are available under the Facility:

1. Guarantees for debt financing via loans or leasing to support SMEs with growth potential. Under this window, the EIF issues partial guarantees (directly or indirectly) to cover portfolios of debt finance.
2. Guarantees for portfolios of micro-loans for very small enterprises with up to 9 employees, to encourage financial institutions to play a greater role in the provision of loans of a smaller amount which involve proportionally higher handling costs. Financial intermediaries may also receive grants in the form of technical support to partially offset the high administrative costs inherent in microcredit financing.
3. Guarantees to financial intermediaries to cover equity or quasi-equity investments in SMEs which involve investment in seed capital and/or capital in the start-up phase, mezzanine financing and/or risk capital operations.
4. Guarantees to support securitisation structures with a view to assisting financial institutions to mobilise debt financing for SMEs, conditional upon an undertaking by the relevant financial intermediary to use a significant part of the resources mobilised as a result of the securitisation transaction for new SME financing.

Prospective financial intermediaries can obtain detailed information on the Facility from:

European Investment Fund
43, avenue J. F. Kennedy
L-2968 Luxembourg
E-mail: info@eif.org

or from the EIF's website at: www.eif.org

The contact details of all financial intermediaries with whom the EIF has signed a contract will be published on the EIF's website in order to allow SMEs to make direct contact with these intermediaries.

Proposals from financial intermediaries will be examined by the EIF on a continuous basis, within the constraints of the available Community budget allocations. The EIF will endeavour to achieve an overall geographic balance.
