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Priorities for the legislative period 2024-2029



Focus on Financial Instruments for SMEs



Europe is facing unprecedented challenges in terms of economic growth and employment. It therefore must do **more with less** and this can be achieved through financial instruments. During past legislative periods, we witnessed the obvious benefits of the financial instruments, especially in form of **guarantees**, such as the advantage of **leveraging additional resources**, recycling funds over the long term as well as the repayable nature of financial instruments. Making this smarter use of EU resources through financial instruments as a more efficient and sustainable alternative to complement grant-based support must be a priority for the next legislative period. Further, the SME window and other funding / financing tools for SMEs have to be **less bureaucratic** while the EU funded programmes should be **better aligned** in terms of financing areas.



Proportionality for the benefit of SMEs

Small entities often face the problem that they cannot take advantage of economies of scale and therefore face a comparative disadvantage vis-à-vis larger entities. This is notably true in the **areas of access to finance and regulation**. In order to preserve the diversity of the European economy, the aim of European legislation should be to provide for a **level-playing-field**. This requires that the **principle of proportionality** is systemically applied to any legislation. We expressly support the **think-small-first principle** and the **one-in-one-out principle** in order to keep the bureaucratic burden for SMEs at a manageable level.





Sustainability: no net zero without SMEs



As climate change becomes a more and more pressing topic, sustainability is on top of the political agenda in the EU. Many legislative texts require the **disclosure of information on the (degree of) sustainability** of a project or action. This is justified in order to **avoid greenwashing**. Nonetheless, it is of utmost importance to keep these requirements especially for smaller entities as **easy-to-handle** as possible. Investments in sustainability should not be discouraged by overburdening reporting requirements.

SMEs are noteworthy drivers of the green and digital transitions and their role is fundamental in reaching the EU target of climate neutrality by 2050. For this reason, easing the transition of SMEs towards net-zero economy should be a priority of the next legislative period. The European Commission should consider a more flexible application of State aid rules in the context of the green and digital transition, while ensuring fair competition and the integrity of the internal market.





Digitisation as a chance for SMEs

Guarantee institutions are ready to make best use of the opportunities that digitisation offers and to support our SME clients to do alike. In order to do so, it is necessary that EU legislation provides for an environment that favours the build-up of **digital infrastructure, the financing of digital projects, and the development of digital skills**. On the other side, an **appropriate regulatory framework** (especially as to data protection) and a **high level of standardisation** need to ensure the **prevention of fraud**.



Promoting entrepreneurship



AECM and its members believe that there can be no economic growth in Europe without a prosperous SME environment. Moreover, SMEs are noteworthy drivers of the green and digital transitions that are essential to ensure that Europe remains globally competitive and innovative. As the access to finance remains one of the key issues of European SMEs, the EU must, on one hand provide for **counter-guarantees** / for **guarantees to promotional institutions** that will in their turn reassure financial institutions in their risk-taking and, on the other hand, incentivise Member States to increase public guarantees.



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