

JOINT PRESS RELEASE

Rome/Luxembourg, 25 July 2019

## EUR 5.8 billion in new loans for Italian small and medium enterprises

- **European Investment Fund (EIF) and Cassa Depositi e Prestiti (CDP) sign guarantee agreement under the COSME (Competitiveness of Small and Medium-Sized Enterprises) Programme.**
- **Through cooperation with Italian Ministry of economic development's Guarantee Fund for SMEs, agreement aims at generating EUR 5.8 billion in new financing for around 65,000 SMEs in Italy.**
- **Project supported by the Investment Plan for Europe, or Juncker Plan.**

The EU's COSME Loan Guarantee Facility, which is managed by the EIF, has been employed by Italy's national promotional institution CDP, to support access to finance by domestic SMEs. The agreement between CDP and the EIF is expected to provide EUR 3.75 billion in counter-guarantees for Italy's Guarantee Fund for SMEs, substantially increasing its current guarantee capacity. The agreement is backed by the European Fund for Strategic Investments (EFSI), the heart of the Investment Plan for Europe, also known as the Juncker Plan. Thanks to this EU support, brought to Italy by CDP, up to EUR 5.8 billion of loans are expected to be provided to small and medium enterprises.

The initiative supports and promotes the issuance of new loans to enterprises in almost any sector, for amounts up to EUR 150,000 and maturity above 12 months. Over the next two years, the initiative will target more than 65,000 SMEs which, thanks to the counter-guarantee scheme, will benefit from about EUR 5.8 billion in new debt financing, activating new investments for an estimated overall amount of EUR 8 billion. This is the second initiative launched in favour of the SME Guarantee Fund with the support of the COSME Loan Guarantee Facility and together they represent the largest project ever accomplished with the support of the EU programme in a single country.

**Elżbieta Bieńkowska**, European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, said: *"This is excellent news and a step forward to ensure that small and medium-sized businesses have access to the financing they need to grow and innovate. Thanks to the Juncker Plan, already 291,300 SMEs are expected to benefit from improved access to finance in Italy. This latest agreement will increase their development capacity at a large scale."*

**Fabrizio Palermo**, Cassa Depositi e Prestiti Chief Executive Officer said: *"Support for small and medium-sized enterprises is one of the main objectives of the 2019 - 2021 Business Plan and the agreement signed today represents an important step in this direction. As a result of the close collaboration with all the institutions involved, CDP consolidates a decisive instrument to help with the investments of SMEs, the true engine of Italy's growth. By leveraging European resources, CDP is in fact supporting the Guarantee Fund for SMEs, an important tool for accessing credit for companies"*.

*"The initiative"* said Chief Executive of Mediocredito Centrale, **Bernardo Mattarella**. *"is part of a broader program of actions that Mediocredito Centrale, through the development of specific partnerships, carries out to increase financial resources available to the Guarantee Fund, and then to increase the number of small and medium-sized enterprises that they are helped through it, with consequent facilitation of access to credit. There is still significant room for growth in the use of public guarantee, therefore it is always essential to find new opportunities for the Fund for SMEs."*

EIF Chief Executive, **Pier Luigi Gilibert**, said: *"This collaboration with CDP is significant in terms of size and its potential economic impact. We're proud to work with our Italian partners in making credit more accessible to those Italian SMEs that need it. Creation, expansion and business transfers go hand in hand with a certain amount of risk and thanks to the Investment Plan for Europe and the EU's COSME programme, the EIF is able to cover some of the risk for the benefit of Italian businesses."*

Through the first guarantee initiative in favour of the Italian SME Guarantee Fund, launched by CDP in 2017, more than 47,000 SMEs received, in slightly more than 18 months, EUR 4.1 billion in new loans, originating new investments for an estimated amount of around EUR 5.7 billion.



This agreement falls within the “Risk-sharing Platform for SMEs” structured by CDP together with the EIF, which is supported by the European Fund for Strategic Investments under the Investment Plan for Europe.

### **How to apply**

SMEs who intend to apply for a bank loan of up to EUR 150,000, through the Guarantee Fund, to finance their investment plans and/or working capital needs, can turn to their own bank or Confidi. They will submit the application to the SME Fund on their behalf, which will be processed on average within one working week). For more information please visit: [www.fondidigaranzia.it](http://www.fondidigaranzia.it)

-----

### **About the EIF**

The European Investment Fund (EIF) is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

### **About the Investment Plan for Europe**

The [Investment Plan for Europe](#) is one of the European Commission's key priorities. It is aimed at mobilising investment to create jobs and growth by making smarter use of financial resources, removing obstacles to investment and providing visibility and technical assistance to investment projects.

The **European Fund for Strategic Investments (EFSI)** is the central pillar of the Juncker Plan and provides first-loss guarantees, which means that the EIB is able to invest in more projects that are often associated with a higher risk. It is anticipated that the [projects and agreements](#) approved for EFSI funding are expected to mobilise almost EUR 424 billion in investments, of which EUR 66.6 billion in Italy, and support 967 000 SMEs in the 28 EU countries.

### **About CDP**

Cassa depositi e prestiti (CDP) is the National Promotional Institution that has supported the Italian economy since 1850. It finances public investments and the development of the Country's infrastructure system; it backs Italian enterprises, helping them innovate and grow, while fostering their exports and international expansion. It supports international cooperation and acts as a catalyst for IPE's funds in Italy. As the primary operator in social and affordable housing, CDP contributes to the growth of the Italian real estate sector and promotes urban transformation. More info at: <http://en.cdp.it>.

### **About Italy's Guarantee Fund for SMEs**

Italy's Guarantee Fund for SMEs, managed by Mediocredito Centrale on behalf the Italian Ministry of economic development, is the major national aid instrument for enterprises, with the mission to support access to credit by SMEs through direct guarantees to banks or counter-guarantees to Confidi. The guarantee can cover up to 80% of the loan and allows banks and Confidi to improve the financial conditions applied to the borrowers (e.g. in terms of loan amount, required collateral, interest rate levels).

Operational since the year 2000, the Fund has progressively increased its activity, with a strong boost in recent years. Solely in 2018, it has approved around 130,000 guarantee applications submitted by more than 83,000 enterprises, which had access to “first demand” guarantees on EUR 19.3 billion of new financing. As of the end of June 2019, since the start of operations, the Fund has approved more than 939,000 guarantee applications in favour of around 380,000 enterprises, equalling an overall amount of EUR 90.8 billion in issued guarantees.