Joint Statement AECM-EAPB-ELTI-NEFI

Shared priorities for accelerating efficient investment under the next Multiannual Financial Framework 2028-2034

The European Association of Guarantee Institutions (AECM), the European Association of Public Banks (EAPB), the European Association of Long-Term Investors (ELTI) and the Network of the European Financial Institutions for SMEs (NEFI) welcome the European Commission's proposal for the 2028–2034 Multiannual Financial Framework (MFF), which recognises the role of promotional institutions and confirms the importance of financial instruments as key tools to multiply the impact of EU funding.

Together, the four associations represent 89 promotional institutions, combining public national and regional institutions, guarantee institutions, and national associations, committed to supporting the real economy through long-term investments and SME financing aligned with EU objectives.

To ensure the next long-term EU budget fully meets its ambitions and addresses the substantial investment gap impacting on EU competitiveness, the four associations defined their shared priorities for the design of the EU's investment framework in the context of the 2028-2034 MFF. Building on this common position, the associations have also agreed on a comprehensive set of joint legislative amendments across the relevant regulations to translate these priorities into operational provisions.

NRPPs Regulation: strengthening the role of financial instruments

Under the future National and Regional Partnership Plans (NRPPs), financial instruments will be essential to using EU resources more efficiently, especially as the Union faces increasing demands with limited funding. To this end, our amendments aim to:

- Ensure that financial instruments are included at the programming stage, with any justification for their use limited to the identification of market failures and assessed at Plan level, and with National and Regional Promotional Banks and Institutions and Financial Institutions with a public service or promotional mission involved from the outset of the programming process.
- Require Member States to justify the non-use of financial instruments in areas where such investments have proven, or are expected to be, effective as a main delivery tool.
- Strengthen provisions on the involvement of National and Regional Promotional Banks and Institutions, as well as financial institutions with a public service or promotional mission, in both, the preparation and the implementation of NRPPs whenever financial instruments, guarantees or blended finance solutions are envisaged.

ECF Regulation: strengthening the ECF InvestEU Instrument

The ECF InvestEU Instrument should be reinforced as the main delivering tool for financial instruments and budgetary guarantees under the future European Competitiveness Fund (ECF), and across the whole MFF. To this end, our amendments aim to:

- Increase the minimum Union support delivered through the ECF InvestEU Instrument to at least EUR 40 billion compared to the EUR 17 billion foreseen in the current proposal.
- Safeguard the open architecture allowing only pillar-assessed institutions with a public service or promotional mission to implement EU funds.
- Ensure predictability through multiannual programming of contribution coming from ECF thematic windows and continuity with existing contractual agreements.
- Adopt a simplified performance framework when the EU budget is implemented through budgetary guarantees and financial instruments under the ECF InvestEU Instrument.

Horizon Europe

The establishment of a stand-alone Horizon Europe Programme supported by a strengthened budget, should feature a more streamlined and coherent approach to EU-level support for start-ups and scale-ups. To this end, our amendments aim to:

- Ensure that support for scale-up activities falls under the exclusive remit of the European Competitiveness Fund.
- Ensure that Horizon Europe/FP10 focuses on providing grants, while innovation support through equity and blended finance instruments is channelled via the European Competitiveness Fund. This approach should be applied consistently, without exceptions for the EIC.
- Facilitate matchmaking between start-ups awarded the Competitiveness Seal and financial institutions capable of supporting their growth.

Connecting Europe Facility (CEF)

A new CEF with a reinforced budget to invest in transport and energy infrastructures should systematically include financing mechanism that multiply the impact of EU resources. To this end, our amendment aims to:

- Promote the combination of EU grants with loans and other forms of financing provided by public or private institutions, even when such instruments do not rely on the EU budget.

Performance Regulation

The four associations also propose the application of a simplified performance framework whenever the EU budget is implemented through budgetary guarantees and financial instruments. Such an approach would substantially reduce administrative burdens for implementing partners and final beneficiaries, increasing the efficiency and effectiveness of implementation.

The four associations will work closely with EU Institutions to ensure that the next MFF reflects these priorities and stand ready to share their specific amendments with all interested stakeholders.

About AECM: The European Association of Guarantee Institutions (AECM) represents 50 members operating in 32 countries in Europe, and 6 international partners (including the European Investment Fund). 32 members are public promotional institutions/banks, 8 are public-private mixed, and 10 are private/mutual guarantee institutions. 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 loans for these enterprises, guarantee institutions help to address this market failure and facilitate SMEs' access to finance in a budget-efficient way. At the end of 2024, AECM members had EUR 218 billion of guarantees in portfolio, supporting more than 6 million SMEs across Europe.

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About EAPB: The European Association of Public Banks (EAPB) gathers member organisations (financial institutions, funding agencies, promotional and public banks, associations of public banks and banks with similar interests) from 17 European Member States and countries, representing directly and indirectly the interests of over 90 financial institutions towards the EU and other European stakeholders. With a combined balance sheet total of about EUR 3.4 trillion and a market share of around 15%, EAPB members constitute an essential part of the European financial sector.

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About ELTI: The European Association of Long-Term Investors (ELTI) represents a European-wide network of National Promotional Banks and Institutions (NPBIs) who offer financial solutions tailored to the specific needs of their respective country and economy. The association gathers 33 European long-term investors from 23 Member States across the European Union as well as candidate countries. With a combined balance sheet of € 2.9 trillion, ELTI's goal is to promote long-term investment in close alignment with the objectives and initiatives developed by the European Union in order to foster sustainable, smart and inclusive growth and job creation.

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About NEFI: The Network of European Financial Institutions for Small and Medium Sized Enterprises (NEFI) represent 19 financial institutions from 18 European Union member states as well as the UK. NEFI pursues the objective of following the financial, political and legal developments in the fields of European economic and financial policies and all measures adopted by the EU institutions which are relevant for promotional financial institutions focusing on the facilitation of SMEs' access to finance. NEFI members act complementary to and in cooperation with the national banking system through co-financing, risk-sharing, expertise and advisory services in order to address shortcomings in the SME financial markets. In 2024, NEFI members actively supported and financed more than 220.000 SMEs all over Europe with more than EUR 64,6 billion of financing, mainly in the form of loans and guarantees.

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