

European Parliament Committee on Budgets

A Public hearing on new financial
instruments and the role of national
promotional banks for the benefit of SMEs

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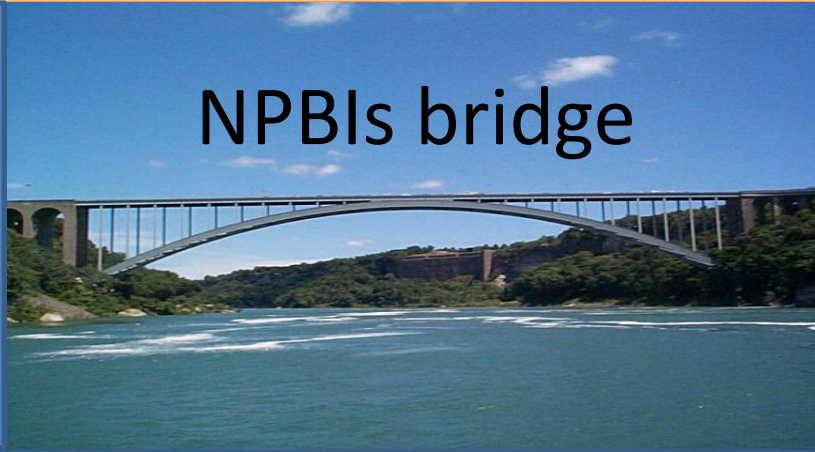
The role of financial instruments

Public value	financial return/Risk/Term	Funding instruments
n.a.	<i>Higher return Lower risk Shorter term</i>	Commercial finance
Technical Economic Environmental Social Governance	<i>Normal risk/return Longer Term</i>	EIB/NPBs finance
	Lower return Higher risk Longer term	Joint EIB-NPBIs and budget Instruments
	<i>Very low or negative return Very high risks n.a.</i>	Budget grants

Role of NPBIs

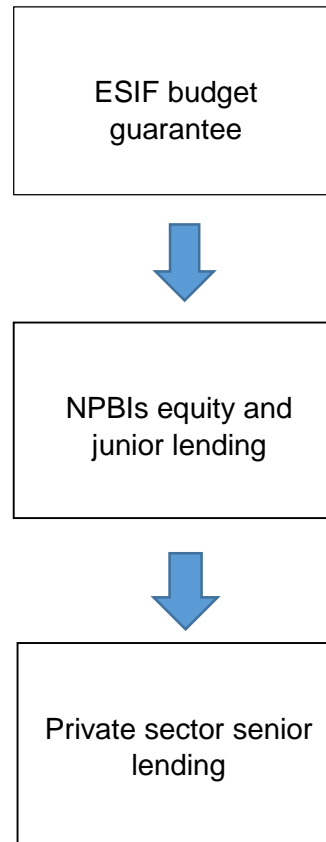
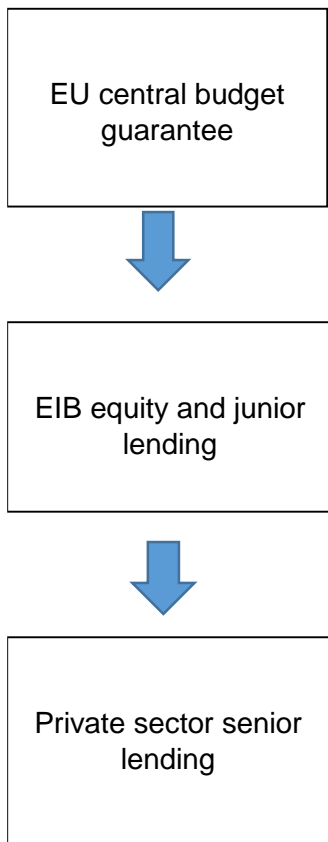
Public
administration
budget/grant
culture

NPBIs bridge



Private
sector/markets
financial
instruments
culture

- Publicly owned and controlled
- Promote public policy
- Capacity to assess the public value
- Advisory role
- Commercially run on sound banking principles
- Not for profit
- Political independence
- Proximity and knowledge of local clients



Enterprises in Europe

Type	Employees/ Turnover		Numer of Enterprises		Number of Employees		GDP* (in Mio. €)	
Micro	< 10	< 2m	19.143.000	92,2 %	38.400.000	29,6%	1.307.000	21 %
Smal	< 50	< 10m	1.357.000	6,5 %	26.800.000	20,6%	1.143.000	18,5 %
Medium	< 250	< 50	226.000	1,1 %	22.300.000	17,2%	1.136.000	18,5 %
Total SME			20.726.000	99,8 %	87.500.000	67,4%	3.586.000	58,0 %
Large			43.000	0,2 %	42.300.000	32,6%	2.591.000	42,0 %
Total			20.769.000	100,0 %	129.800.000	100%	6.179.000	100,0 %

Source: Eurostat 2011 / National Statistics Offices of Member States/Cambridge Econometrics/Ecorys

GVA = a measure in economics of the value of goods and services produced in an area. It is output minus intermediate consumption without taxes, including subsidies

EU Financial Regulations

Main messages for possible changes:

- Treat grants and financial instruments differently
- Ensure enough flexibility and lean procedures
- Make use of NPBIs