

European Investment Fund  
Annual General Meeting 2009

Speech by  
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## **Introduction**

President Maystadt, Ladies and Gentlemen,

It is my great pleasure to address this General Meeting of the Fund on behalf of Commissioner Almunia as we take stock of another successful year, both in financial terms and in delivering on policy goals.

2008 and the first few months of 2009 have been a particularly challenging period for the Fund. In this context, the results for 2008 are reassuringly positive and a credit to the new management in the face of a volatile operating environment.

## **Governance and Control**

We are particularly pleased to see how well the new team of Richard Pelly and Jean-Marie Magnette is working together. It is clear that they have already created a much improved working atmosphere in the Fund, which can only be good for staff, shareholders and, ultimately, SMEs.

They have undertaken a comprehensive stock-taking of the Fund's operations and moved quickly to make improvements where these were considered necessary. In particular, given the serious deterioration of conditions in the financial markets, and the corresponding increase in risk, we very much welcome the efforts to enhance the Fund's control and risk framework. This is absolutely the right approach and will ensure that the Fund is better prepared for the challenges yet to come.

## **The CIP financial instruments**

Despite challenging market conditions, implementation of the Commission's CIP financial instruments is progressing well and the full budget is being used.

The GIF venture capital facility is proving its worth, with 13 deals already signed for around 150m euros and an impressive pipeline. Given our desire to achieve added value, it is particularly satisfying to know that most of these funds would probably not have

been closed without the GIF investment. It is also pleasing to see that it has been possible to support several funds with a focus on eco-innovation, which is a major policy priority. GIF has even been able to absorb additional budgetary resources, transferred from the SME Guarantee Facility, which underlines the flexibility built into the CIP and its ability to respond to market demand.

Although the SME Guarantee Facility (SMEG) has had a slower start, over 100m euros has been committed and it is already adding beneficiaries at a rate of about 12,000 per quarter. At a time when SMEs face such serious problems in accessing finance, this is a significant contribution. We therefore hope that the EIF will continue to work hard to expand the number of SMEG intermediaries throughout 2009, especially to countries where interest has been low, such as the UK and Ireland.

In the light of these achievements, I would like to take this opportunity to thank all the EIF staff who have worked so hard to get the programme up, running and delivering on its promises.

## **Conclusion**

To conclude, the Commission believes that current economic and financial conditions make the EIF more relevant than ever. As the climate for SMEs gets harsher, the potential added value of the Fund's operations can only increase. There is clearly significant uncertainty ahead but we believe that the Fund is now a resilient institution, well capable of dealing with and responding to such uncertainty.

It is uniquely placed to help the EU achieve its policy goals and deliver real benefits to Europe's SMEs. It has firmly established itself in the market as a top-level professional organisation and will hopefully build further on this reputation. To do this, it must continue to apply the highest standards internally and encourage such standards from its customers, thus helping to raise standards across Europe as a whole.

Sound financial performance is also an important part of its mission but, as we have often stressed, should flow from a firm focus on policy objectives, which are its *raison d'être*. It has already shown that it can be innovative and should continue to seek out parts of the market where it can add real value.

We are confident that it can respond effectively to the challenges and uncertainty ahead and look forward to another year of success in 2009.

Thank you.