

# Financing for Innovation

## An evaluation of EBRD's Venture Capital Investment Programme (2012-2019)

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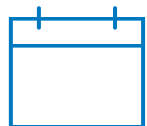


European Bank  
for Reconstruction and Development



Independent  
Evaluation

# A snapshot of VCIP I

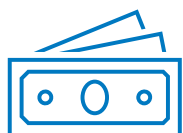


Launched in

2011

Expired in

2019



Approved

€100 million

Deployed

€68 million



15 investments

Six exits (four profitable)

Four write-off

One transfer of shares

Four in the portfolio

## Influenced the Bank's strategy:



Knowledge Economy Initiative (2014)

Approach to Accelerating Digital Transition (2021)

## Followed by



VCIP II (2018)

Venture Debt (2021)

VCIP III (2021)

Launch of other DFIs' programmes

# VCIP did not just “ride the wave” of market trends

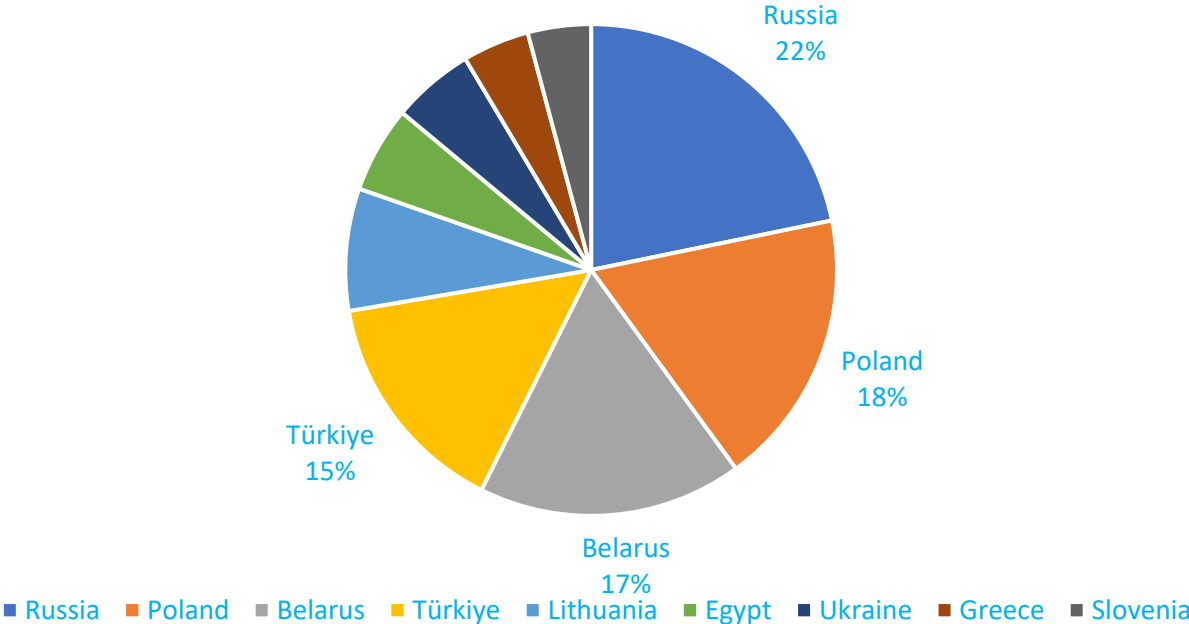


The majority of claimed financial and non-financial additionality were borne out  
VCIP contributed to the changing VC landscape in the last decade

## Invested in nine countries

Cessation of new investments in Russia post-2014 helped with geographical diversification

55 per cent of cumulative investment is in Russia, Poland and Turkey



# The VCIP model has potential for enhanced synergies

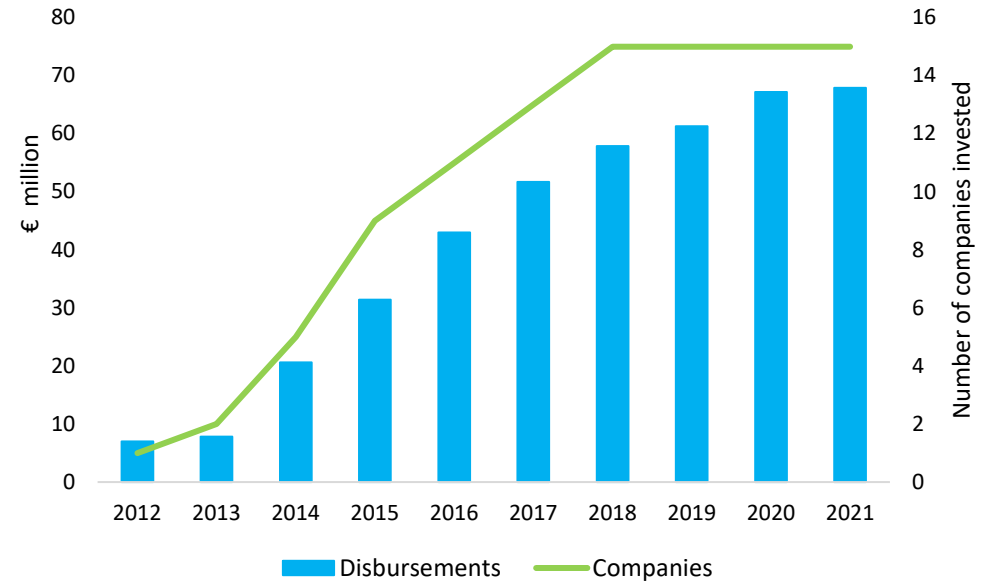


## Running an internal VC fund comes with constraints and opportunities

### Activity picked up in 2014

Between 2012-13 the Bank was not ready to run an internal VC fund

Appropriate (and leaner) legal and risk procedures put in place in 2014

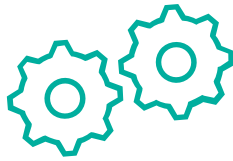


Strengthening the engagement between the VCIP team and other units of the Bank is one of the opportunities that remains to be tapped for enhanced additionality and impact



But difficulties attracting professionals with prior and hands-on VC experience and turnover of senior staff has operational and business implications

# Key messages - The Venture Capital Investment Programme ...



## Had and still has a valid rationale

Relevance

Contribution to the development of VC ecosystems

Addressing sizeable VC financing gaps

1



## Has been financially successful so far but had limited impact on innovation

Performance on par with venture funds from the same vintage years -but depends on two successful exits

Limited evidence of impact on innovation

2



## Can optimise the balance between market orientation and integration in the Bank

Difficulty to acquire and keep skills

Potential for enhanced additionality and impact through internal synergies

3

# Thank you

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