

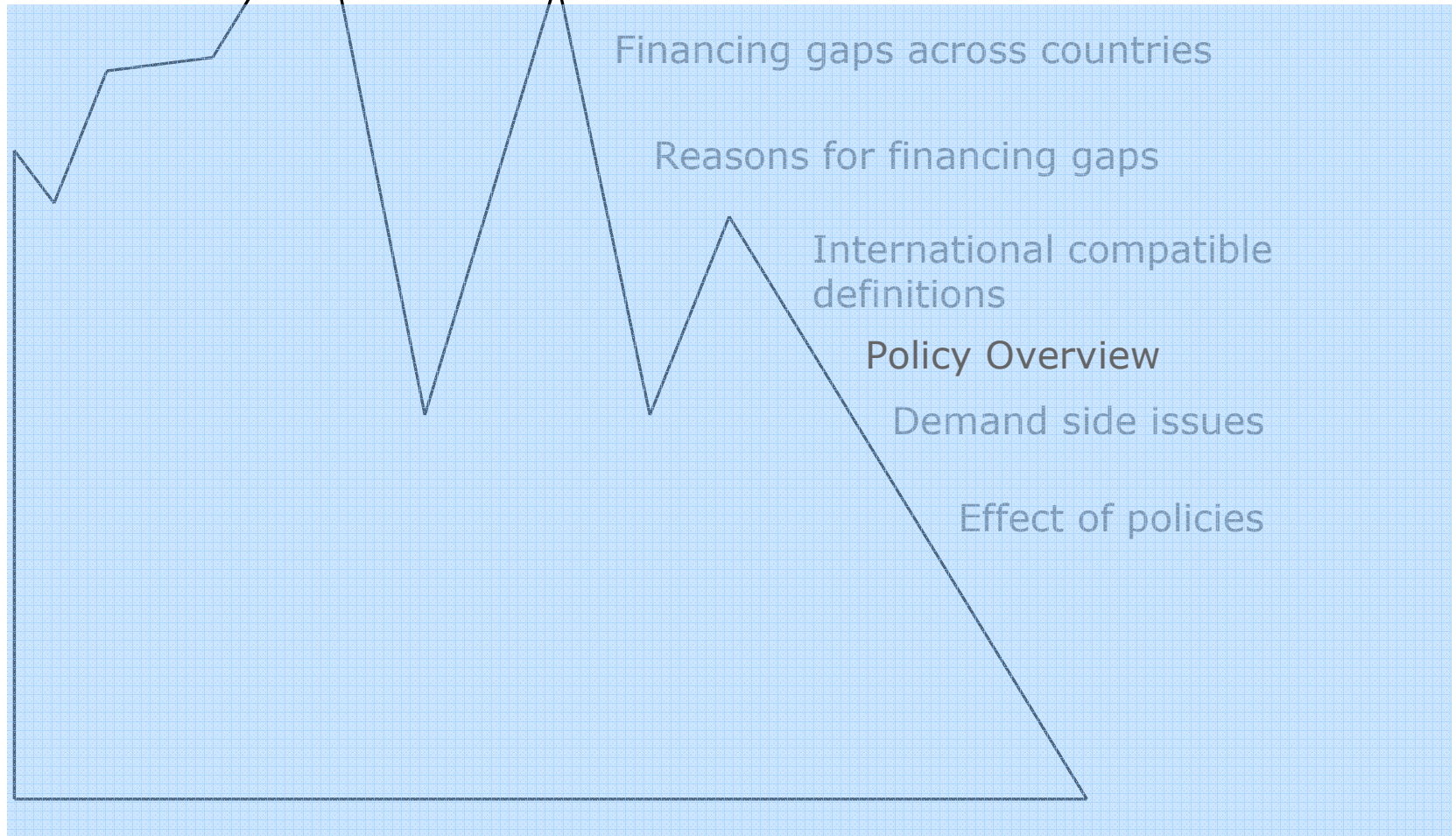
Synopsis Report and Way Forward

Glenda Napier, FORA

The top of the ICEberg...

Some definitions...

Capital under management, # investors, \$ invested
(supply side focus)



What did we set out to do?

- ❑ Provide policymakers and others with a more systematic view on risk capital policies in order to stimulate better policymaking
- ❑ Enhance the access to international comparable risk capital data and encourage the use of international standards and definitions across countries and regions

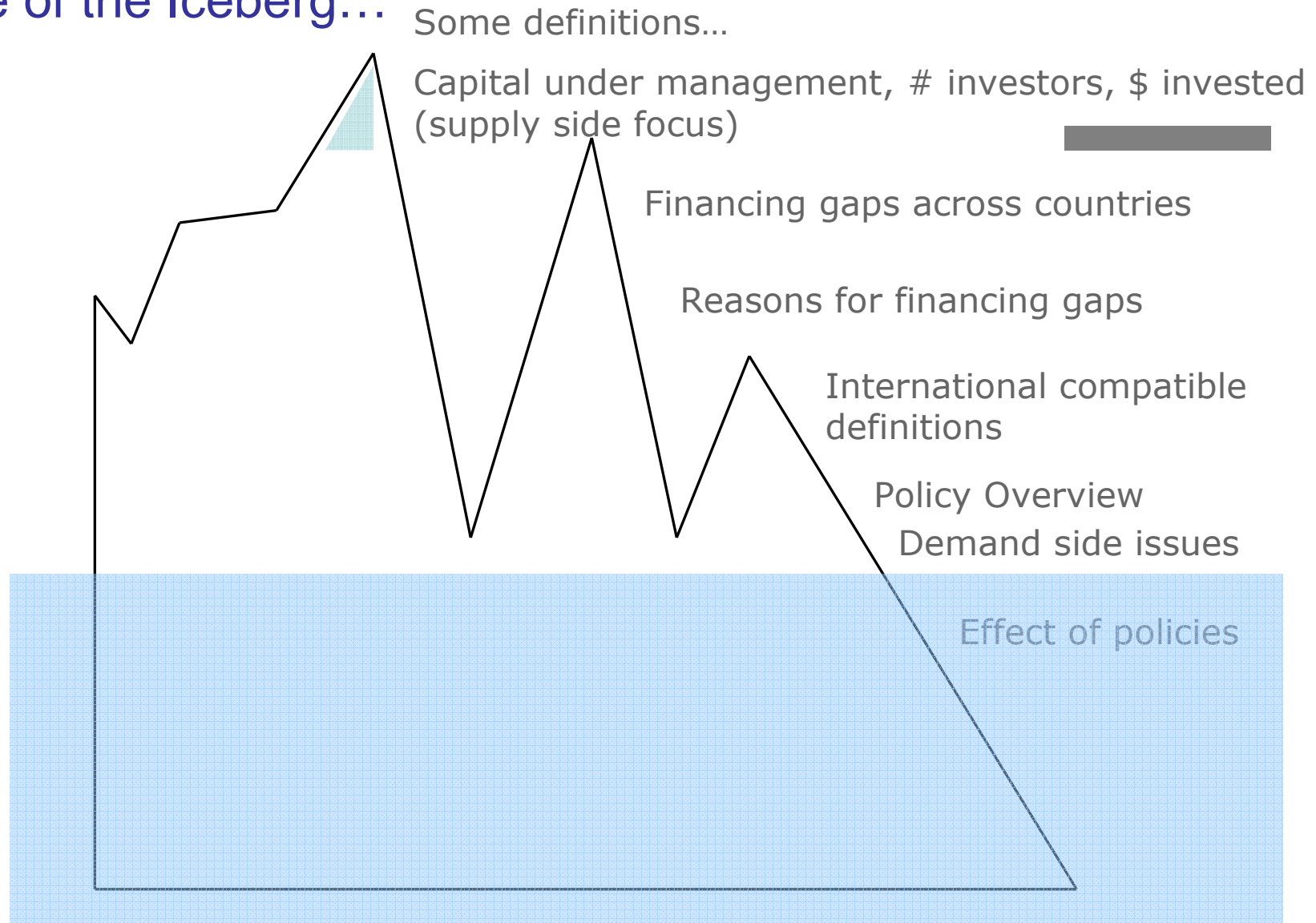
The Policy Track

- ❑ Exploring ICE countries' policy actions
- ❑ Grouping policy actions into demand/supply policies
- ❑ Mapping policy actions according to period of implementation
- ❑ Investigating relationship between country's risk capital performance and their policy priorities.
- ❑ Mapping the country's position according to the Investment Policy Model (*based on public cost pr. policy areas/initiatives*)
- ❑ Exploring perceived key challenges and country specific issues on the market for risk capital
- ❑ Carrying out an in-depth analysis/case studies of selected policies
- ❑ (*Investigating the perceived effects of some policies*)

The Data Track

- ❑ Mapping and comparing existing definitions of risk capital terms across regions.
- ❑ Create transparency in terms of available data and data sources and the Provide an overview of existing risk capital definitions comparing similarities and differences will be provided including stages, investors types and so on.

HURRAH, We can see more of the Iceberg...



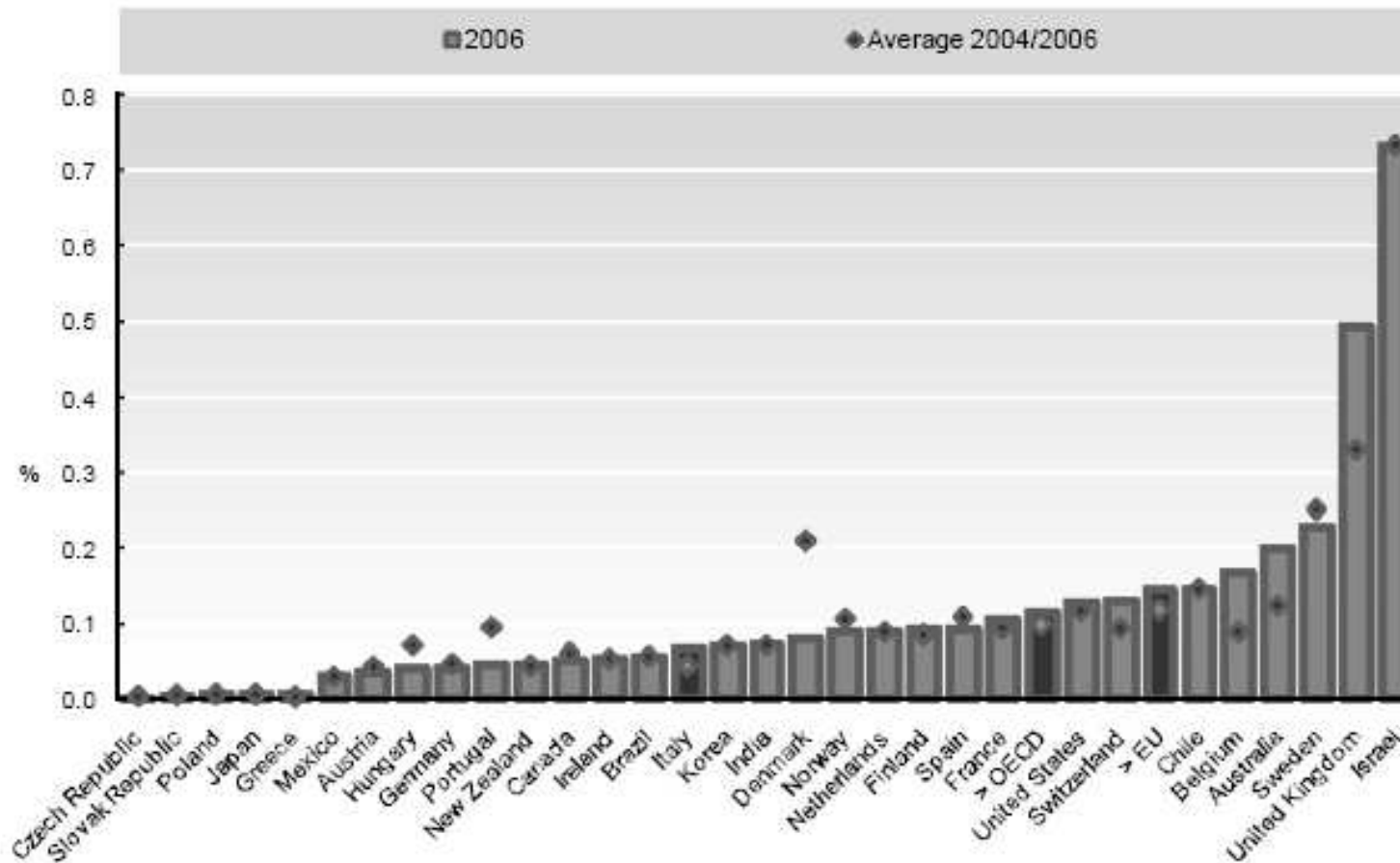
Varying Definitions...but now we know

				NVCA Private Equity Definition
EVCA Private Equity Definition				
EVCA and NVCA Venture Capital Definition				
ICE Risk Capital Definition				
BA	SEED	START-UP	EXPANSION	BUYOUT

Source: Based on conclusions from OECD 2008.

VC as % of GDP

Figure 3: Venture Capital Investment as a Percentage of GDP

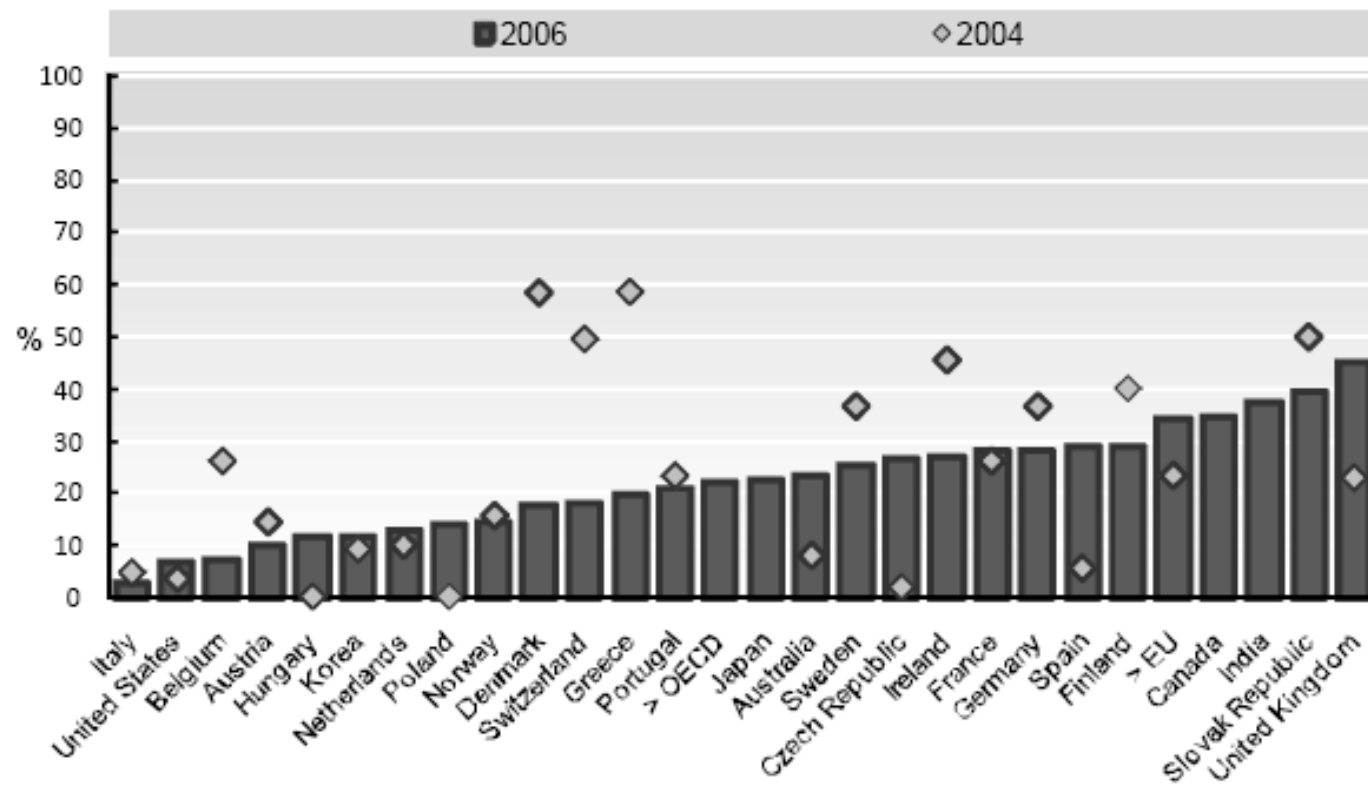


Note: Venture Capital includes Seed, Startup, Early development and Expansion stages. Later stages and Buyouts are excluded, except for Mexico, Chile and Brazil. Total OECD excludes Luxembourg, Turkey and Iceland.

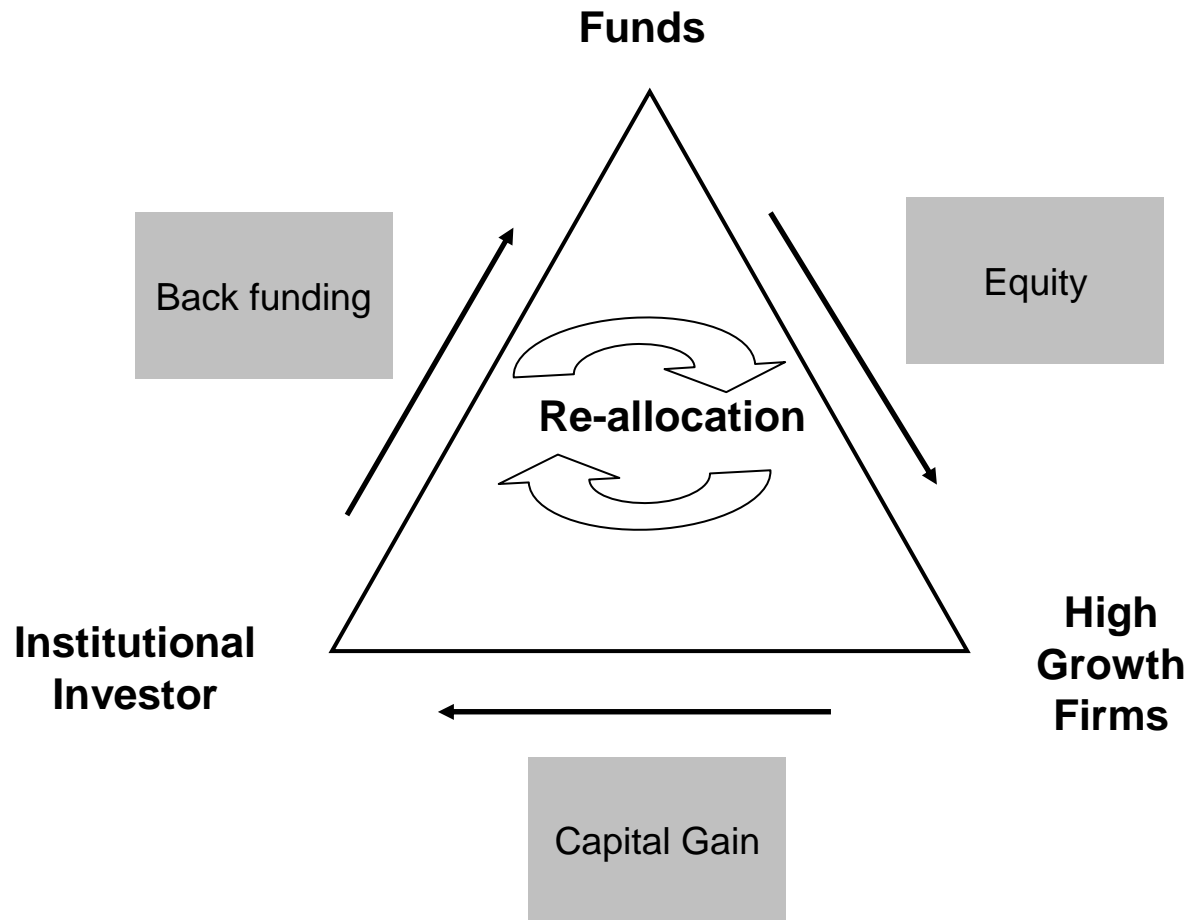
Source: OECD based on data from Thomson Financial, PwC, EVCA, LVCA and National Venture Capital Associations

Expansion still outperforming seed/start-up

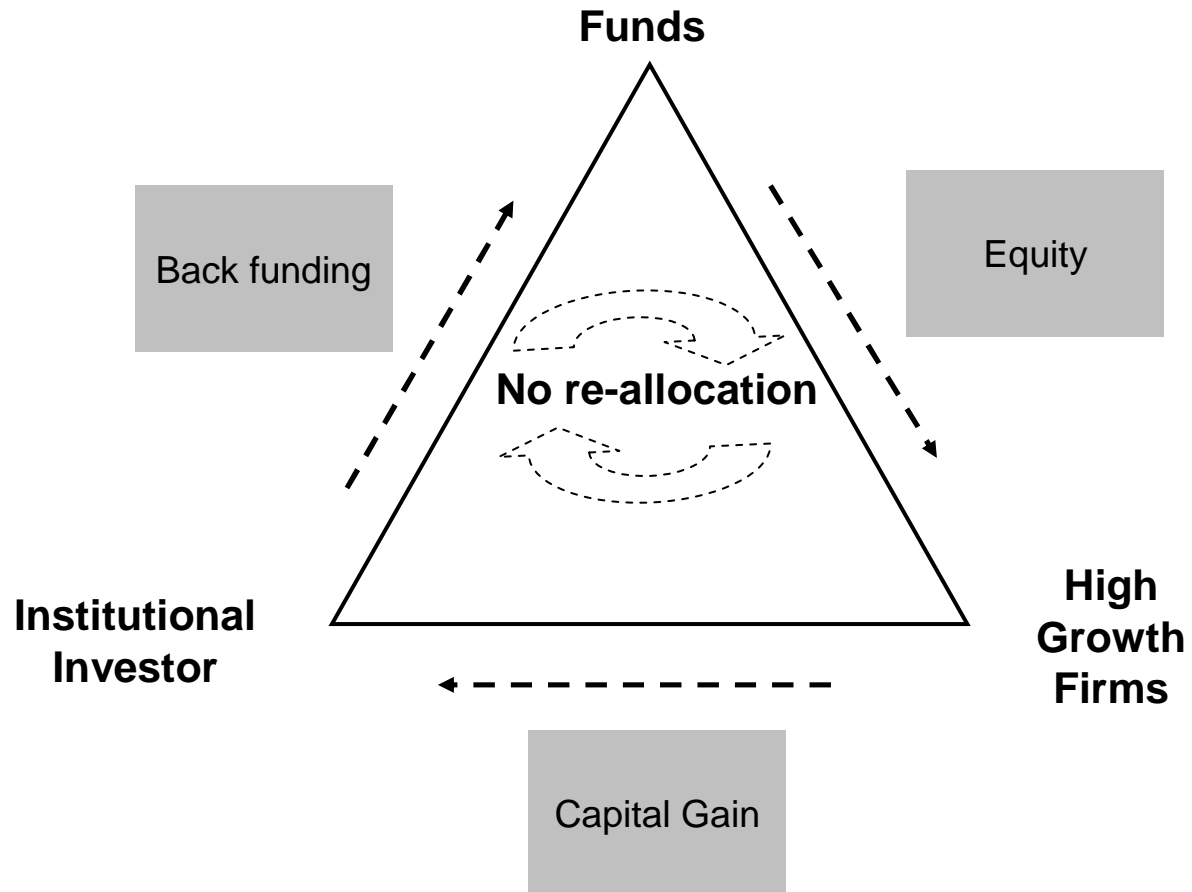
Figure 5: Seed/Start-Up Stage as a Share of Venture Capital Investments



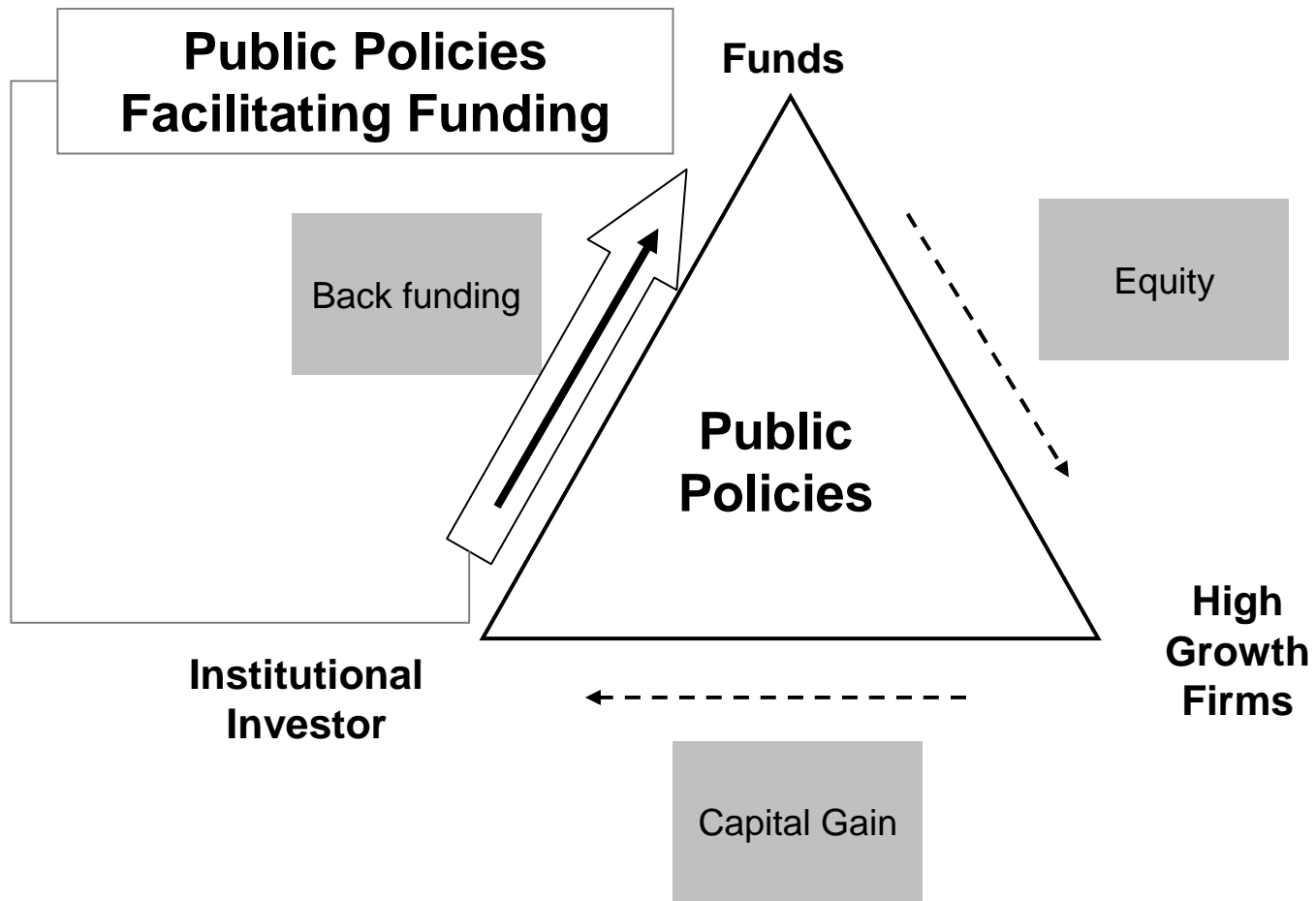
The Positive Venture Capital Cycle: Flow of Capital and Investment Proposals



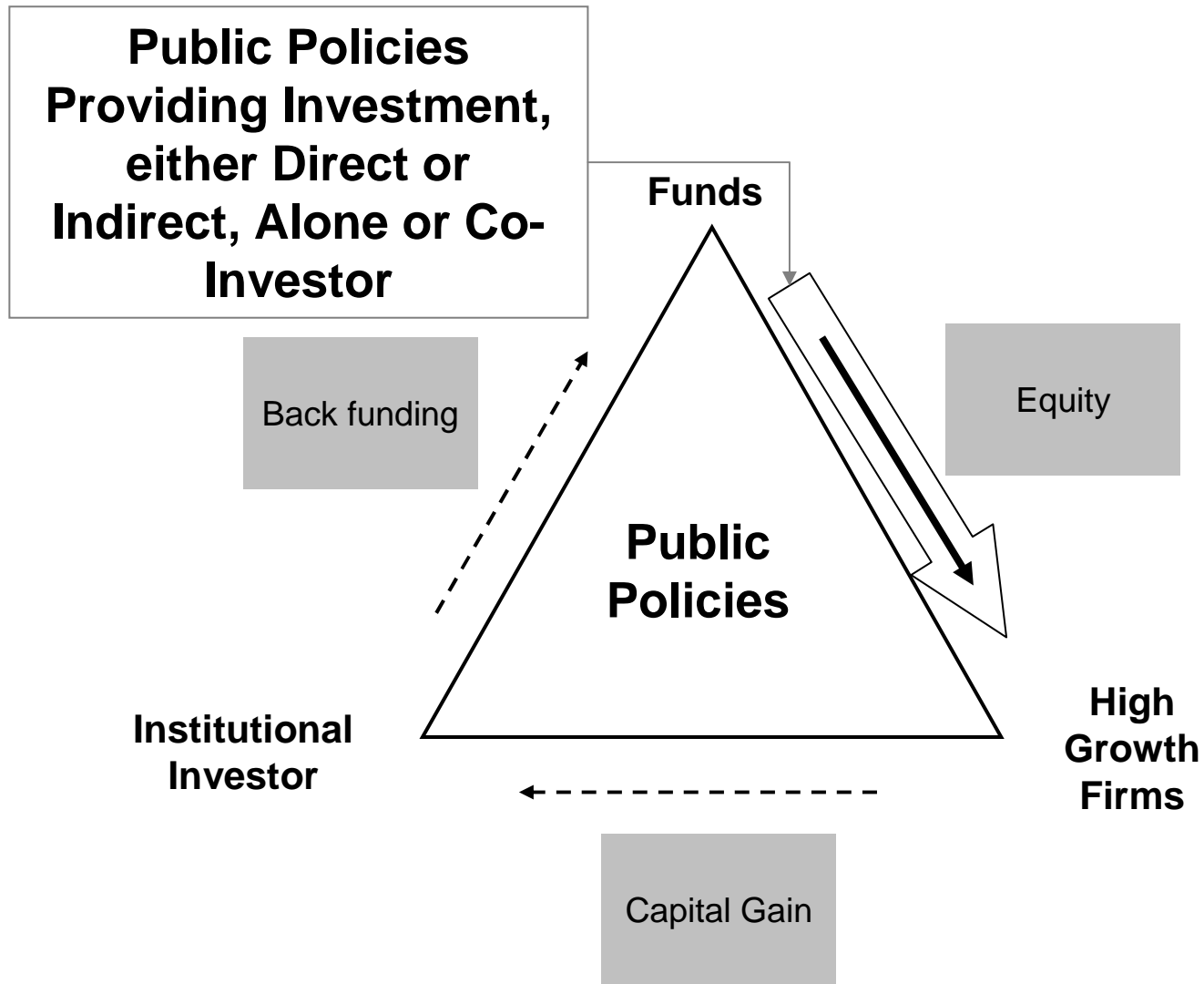
The Vicious Cycle..



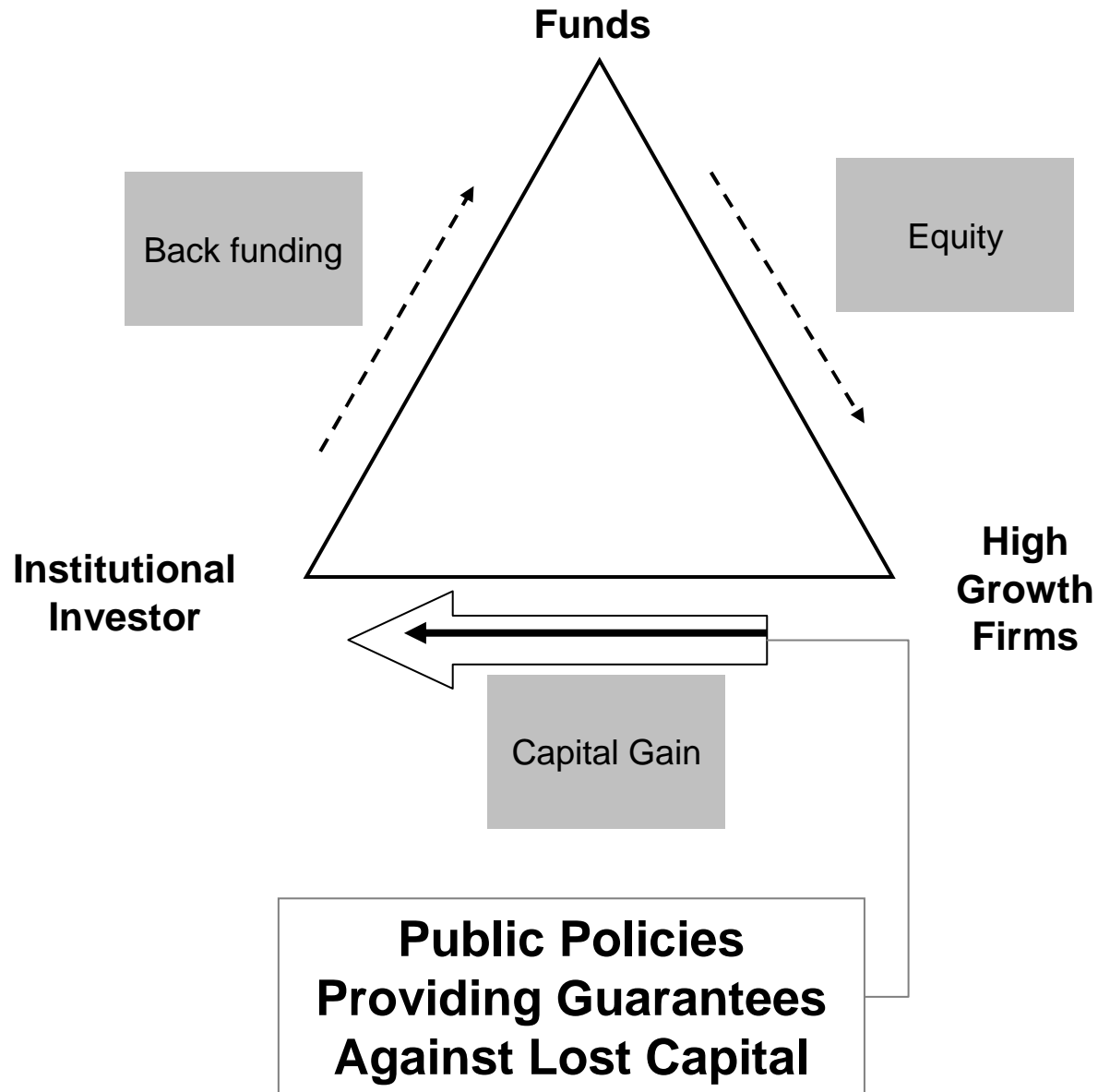
Public Intervention (Supply Side)



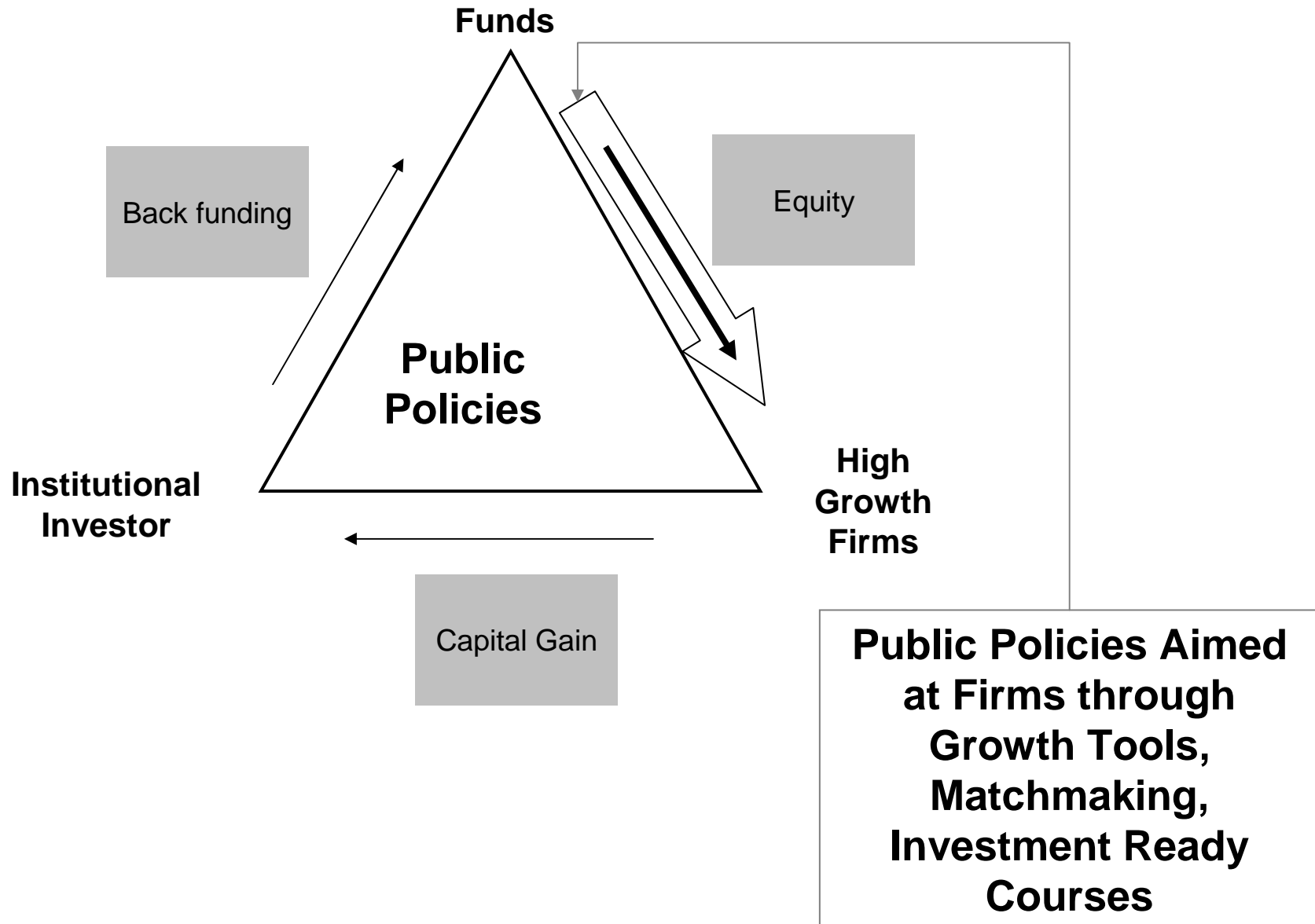
Public Intervention (Supply Side)



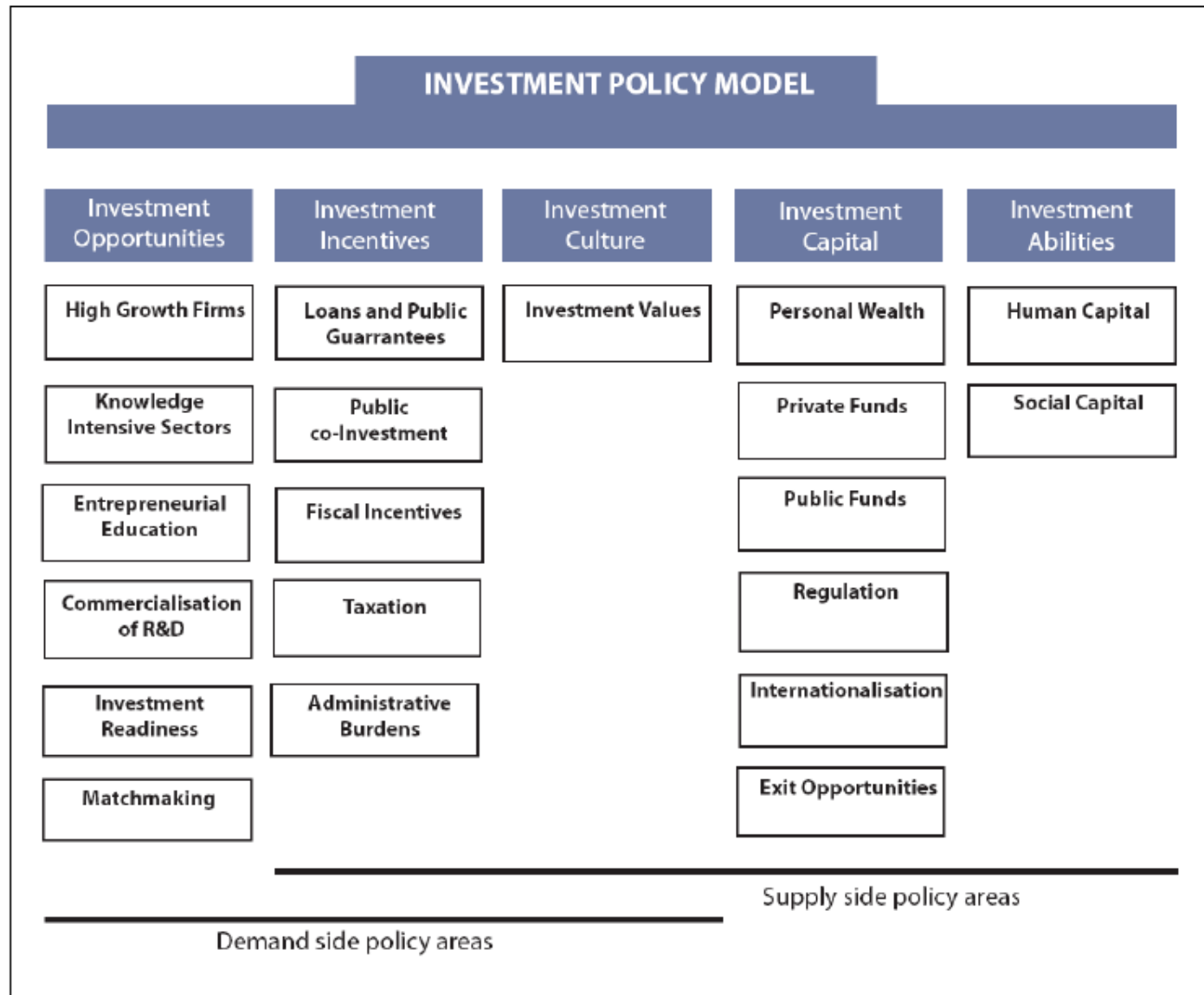
Public Intervention (Supply Side)



Public Intervention (Demand Side)



Tool for Policy Mapping



The Dutch Policy Priorities

High Attention Areas: Policy Areas with Currently Minimum 3 Policy Instruments		
<ul style="list-style-type: none"> •High Growth Firms •Investment Readiness •Loans and Public Guarantees 	Middle Attention Areas: Policy Areas with 1-2 Policy Instruments	
	<ul style="list-style-type: none"> ▪Knowledge Intensive Sectors ▪Entrepreneurial Education ▪Commercialisation of R&D ▪Matchmaking ▪Public co-investment ▪Taxation ▪Investment Values ▪Personal Wealth ▪Private Funds ▪Internationalisation ▪Social Capital 	Lower Attention Areas: Policy Areas with 0 Policy Instruments
		<ul style="list-style-type: none"> •Fiscal Incentives •Administrative Burdens** •Public Funds •Regulation •Exit Opportunities •Human Capital

The Danish Policy Priorities

Table 2.2: Prioritised Policy Areas in Denmark, 2007

High Attention: Policy Areas with Minimum 3 Policy Instruments		
<ul style="list-style-type: none"> ▪ Investment Readiness ▪ Public co-investment ▪ Public Funds 	Middle Attention: Policy Areas with 1-2 Policy Instruments	
	<ul style="list-style-type: none"> ▪ High Growth Firms ▪ Knowledge Intensive Sectors ▪ Entrepreneurial Education ▪ Commercialisation of R&D ▪ Matchmaking ▪ Loans and public Guarantees ▪ Personal Wealth ▪ Private Funds ▪ Exit Opportunities 	Low Attention: Policy Areas with 0 Policy Instruments <ul style="list-style-type: none"> ▪ Fiscal Incentives ▪ Administrative Burdens ▪ Investment Values ▪ Regulation ▪ Internationalisation ▪ Human Capital ▪ Social Capital ▪ Taxation

Policy Attention Areas in Common (any system?)

High Attention Areas: Policy Areas with Currently Minimum 3 Policy Actions		
<ul style="list-style-type: none"> Investment Readiness 	Middle Attention Areas: Policy Areas with 1-2 Policy Actions	
	<ul style="list-style-type: none"> Entrepreneurial Education Matchmaking Personal Wealth Private Funds Internationalisation 	Lower Attention Areas: Policy Areas with 0 Policy Actions
		<ul style="list-style-type: none"> Human Capital Fiscal Incentives

How do governments intervene?

- Non-intervention
- Facilitator
- Indirect Approach, Funds-of-Funds
- Investment Guarantees
- Direct Approach, State Investing

When do governments intervene?

- Jumpstarting
- Developing
- Re-Vitalizing
- Withdrawing

Way Forward...

- What would we like to know more?
- How would we like to present it?