



**Russian Private Equity
and Venture Capital Association**



The experience of development of venture entrepreneurship infrastructure in Russia

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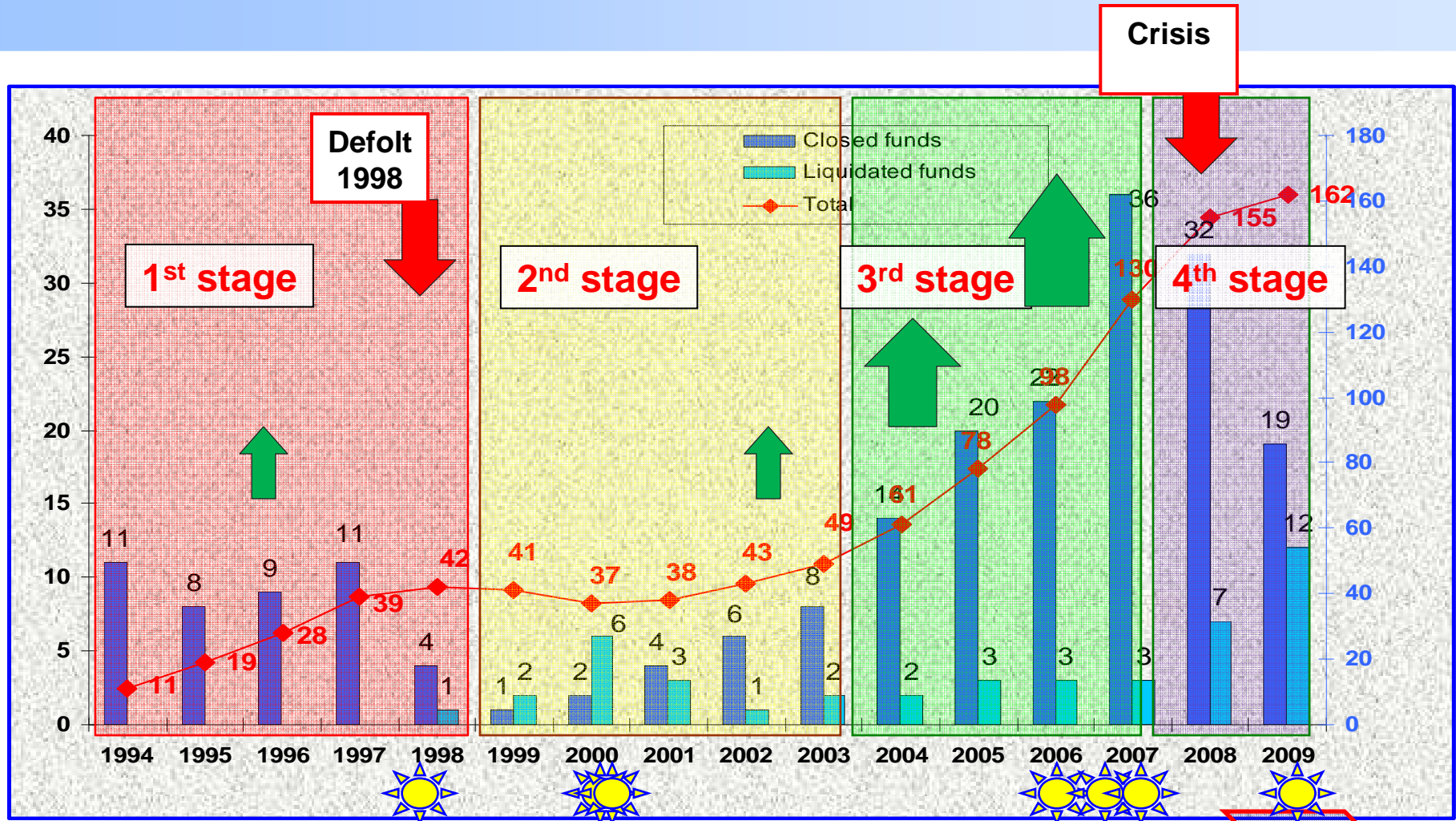
Some points for Russian Federation



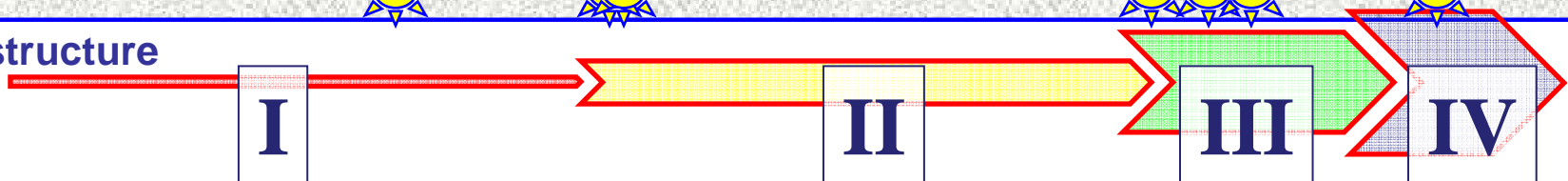
- ✓ Since early 90 - 3 waves of Innovation SMEs...
- ✓ FASIE, RFTR, Federal Programs ect.
- ✓ Political level (federal and regional) is in a strong favour of knowledge based economy, but universities are still mostly places for education not for science and innovation
- ✓ 217 law, 2009 year – permits* science and education organizations to be shareholder in SMEs
- ✓ Development of financial infrastructure: almost all known instruments for early stage/expansion financing are now in use
- ✓ “Hard” vs “Soft” infrastructure: shifting focus



Development of VC&PE market in Russia



Infrastructure





Venture entrepreneurship infrastructure



✓ **1st stage. 1990–1999**

Spontaneous formation of individual elements without participation of the state. 1997 – RVCA creation.

✓ **2nd stage. 2000–2006**

First Venture Fairs. Creation of first fund of funds with state participation (VIF). Elements of PPP.

✓ **3rd stage. 2006–2009**

Active growth of PPP instruments within the infrastructure. Programme of regional venture capital funds. Russian Venture Company. RUSNANO. Business incubators. Special economic zones.

✓ **4th stage. 2009– till now**

From «simply money» to «smart money». Expertise. New RVC conception. Seed fund. Support of business angels.



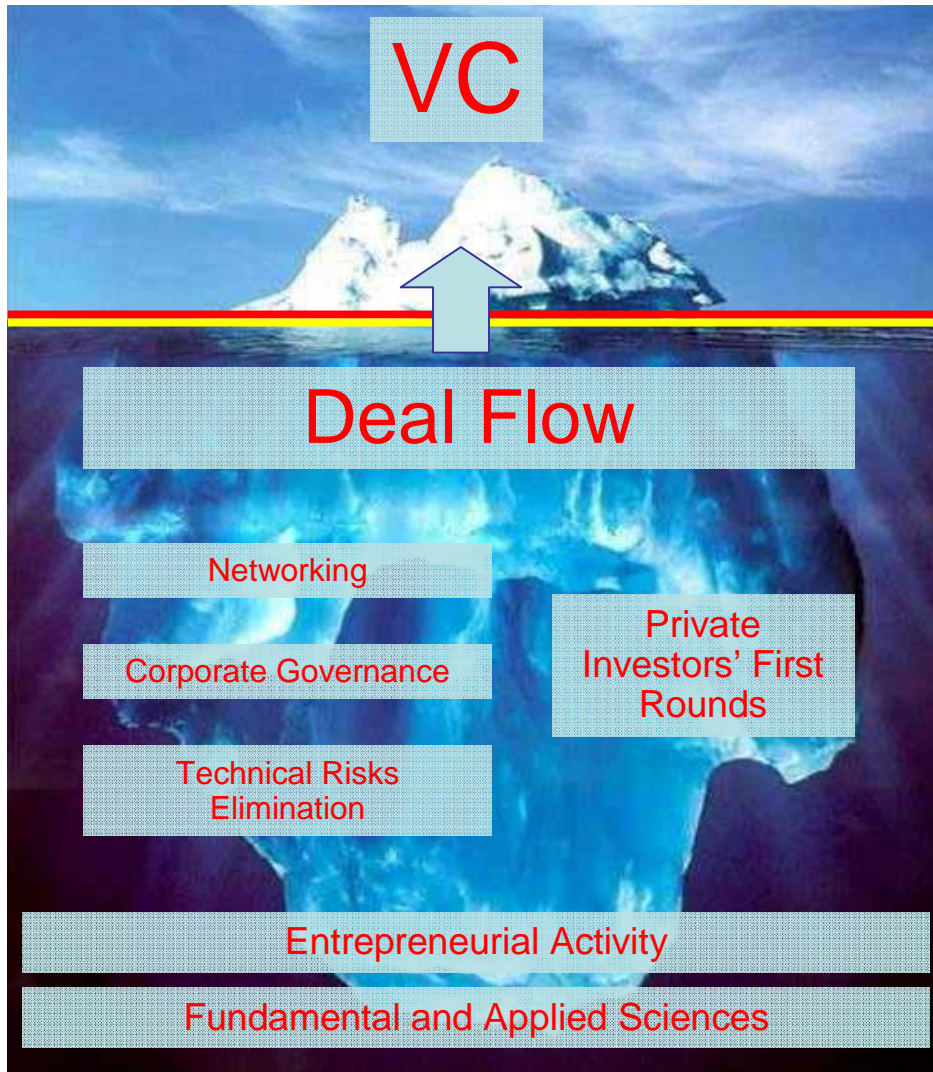
Functioning of Infrastructure



- ✓ Making up the deficiency of private capital supply for some sectors
- ✓ Creating environment for generation of deal-flow
- ✓ Development of networking of venture entrepreneurship subjects
- ✓ Increasing of entrepreneurial activity



Venture Investments – Top of Iceberg



NECESSARY

System
of financial institutes,
providing continuous financing cycle

«Soft» transition
from subsidies at preseed stage
to private capital at later stages

Development
of all infrastructure sectors
(including consulting, IPR, contacts)

Focus
On corporate governance culture
and entrepreneurial activity



Thank you for your attention!



Russian Venture Fair

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Rostov-on-Don

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