



Trend Chart on Innovation in Europe

DE 13

General presentation of the measure/scheme/action/regulation

Country

Germany

Geographical coverage, national or regional (state region)

(National)

Title of the measure

KfW - Venture Capital Programme

Information Source/Reference

http://www.kfw.de/DE_kfw/invest/foerder/f_foerder.htm

Overview (nature, main goals)

The KfW Venture Capital Programme provides re-financing of venture capital invested in private banks in SMEs. KfW provides VC investors with long-term financing at favourable conditions. The funds are invested as a capital holding, a dormant holding or a subordinate loan in an enterprise seeking capital and is thus transformed into equity. KfW assumes part of the default risk, thus improving equity investors' propensity to take risks.

Action Plan objective addressed by measure

II.5. Financing
III.2. Strengthening Company Research
III.3. Start-up of technology-based companies

Administering agency

Kreditanstalt für Wiederaufbau - KfW
Palmengartenstraße 5-9, Germany
Phone: 49 69 7431-0
Fax: 49 69 7431-2944
Web Site: <http://www.kfw.de>

Name of the manager(s) responsible for the implementation of this measure with address, fax, phone

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Description of Scheme

General Information

Reference to legal basis (e.g. act, public document, ...)

sheet of the KfW, March 2001

Does the measure receive central funding or regional funding?

Central

Start date

1995

Expected date of completion

indefinite

Previous measure (name, date, links with the current measure)

No previous measure

Reasons for launching/modifying the new measure

Technology-based and innovative enterprises particularly need equity, as they operate in markets characterized by short product life cycles and intense competition. Other enterprises also encounter situations in which equity capital can be a suitable instrument of financing (growth, consolidation, succession). KfW addresses major financing constraints which hamper SMEs in innovation activities and growth.

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Have any of the main features of the measure/scheme/action/regulation changed during its implementation

The programme was slightly modified and extended.

What is the predominant role of the government?

Funding source

Target Group

Who are the target groups of the measure?

SMEs/Industrial SMEs

Other

Organisation and Implementation

Organisation and Structure

The programme is managed by the state-owned bank Kreditanstalt für Wiederaufbau ar contains:- Opening of new markets- Successor proceedings- Temporary financing till introduction to stock market.Applications are made at local banks or directly at Kreditanstalt für Wiederaufbau.

What are the criteria for eligibility?

annual turnover of receiving company of venture capital may not exceed □ 500 mill.; the investing company should have an own capital of min. □ 1 mill. Promotion under the KfI venture capital programme may not be combined with other VC programmes.

What is the mode of delivery of the measure?

KfW is taking over the risk of venture capital investment of max. 40 % (new Laender: 50 %) of the investment. The commission depends on the level of risk and on the size of the company and ranges between 0.45 % and 2.2 % per year.

Financing : Overall budget allocated to the measure

not available yet

Financing : expenditure per year

not available yet

Financing : other budgetary sources (additional financing)

Alternatively, the BTU-programme (DE_12) offers refinancing of equity investment in young, technology-based SMEs.

Results

Result Measurement

What are the main indicators for the measurement of the results ?

no indicators mentioned in the programme

Where an evaluation has taken place, what were the main results achieved?

no evaluation so far

If no official evaluation has been undertaken, have there been any indicators of success?

not available yet

Observations

Which mechanisms seem to function well in the measure?

not available yet

Which mechanisms seem to be less successful in the measure?

not available yet

Are there any other measures planned or in operation as a follow up to this measure? Direction of the planned measures? Objectives? Target groups?

not available yet

