

Upcoming Evaluation: Venture Capital Investment Programme



Information sheet
October 2022

The Independent Evaluation Department (EvD) of the European Bank for Reconstruction and Development (EBRD) is conducting an evaluation of the EBRD's Venture Capital Investment Programme. This document outlines its main aspects.

What does EvD do?

EvD is an independent department within the EBRD charged with assessing whether the Bank's products and services are achieving the results expected of them – in short, what worked, what didn't and why?

The Department reports directly to the Executive Board of Directors to ensure objectivity in its work. It assesses performance, identifies lessons and makes recommendations to improve future performance.

Each evaluation carried out by EvD is guided by an Approach Paper, which spells out the scope of the evaluation, the questions it proposes to answer, methods to be employed, and sources of information.

For further information please see:
<http://www.ebrd.com/evaluation>

The rationale and scope of the evaluation

Venture Capital Investment Programme (VCIP, <https://www.ebrdvcip.com/>) is one of the several instruments that the Bank put in place to promote innovation in its countries of operation. The distinctive element of the VCIP is provision of *direct* equity to early and growth stage companies in software and web services, semiconductors and materials, communications, mobility and media, and cleantech.

VCIP I and VCIP II are the first and second frameworks of this programme. The Bank gave green light to VCIP I and VCIP II in September 2011 and May 2018, respectively. The principal objective of these frameworks are to support *the development of technology innovation and its commercialisation and promote venture capital investments* into the EBRD Region where there are scarce financing companies.

The objective of the evaluation is to assess the merits of the VCIP including the achievement of objectives and results, and to gather insights contributing to improvements of the Programme in the future.

This evaluation will cover all investments that the Bank made under VCIP I. For a limited number of evaluation questions, and where possible and relevant, the evaluation might look at projects financed under the VCIP II.

Evaluation questions and methodology

The evaluation will answer the overarching question of the Programme's progress towards its main objective:

To what extent did the VCIP support the development of technology innovation and its commercialisation and promote venture capital investments?

The evaluation will focus on three questions:

- ▶ To what extent did the objectives and design of VCIP respond to the needs and priorities of local companies, its stakeholders and venture capital ecosystem more broadly?
- ▶ To what extent was the VCIP design and delivery efficiently?
- ▶ To what extent did the VCIP contribute to development of technology companies via successful exits and increased availability of venture capital financing in the EBRD region?

It is a mixed-methods evaluation and will draw on both quantitative data analysis, and qualitative methods.

Timeline

EvD issued the Approach Paper in September 2022. It is available on request as well as on the EBRD website under the Evaluation Department section.

A draft Final Report is expected in Q1 2023 with the Final Report (including Management Comments) to be presented to the Audit Committee of the Executive Board of Directors for discussion in Q1/Q2 2023. Publication on the EBRD website is expected by the end of Q2 2023. EvD welcomes inputs from interested parties at any stage of the evaluation.

The evaluation is launched at the time when EBRD's regions of operations are going through major security and economic crisis. The evaluation team will employ flexible approach that is mindful of the various challenges and constraints faced by the Bank and its countries of operations.

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