



Европейски фонд  
за регионално развитие  
ЕВРОПЕЙСКИ СЪЮЗ  
*Инвестираме във вашето бъдеще*



Оперативна програма „Развитие на  
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# National Policy for Innovation

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The World Bank

# WHY SPEND TAX PAYER MONEY TO SUPPORT INNOVATION?

Efficient Way of “Job Creation”

High Return on The Investment

Building Modern Flexible Economy

Market Failure

Best way to establish National Advantage

Effective Spillover

Looks Good

# GOVERNMENT ROLE

## Infrastructure

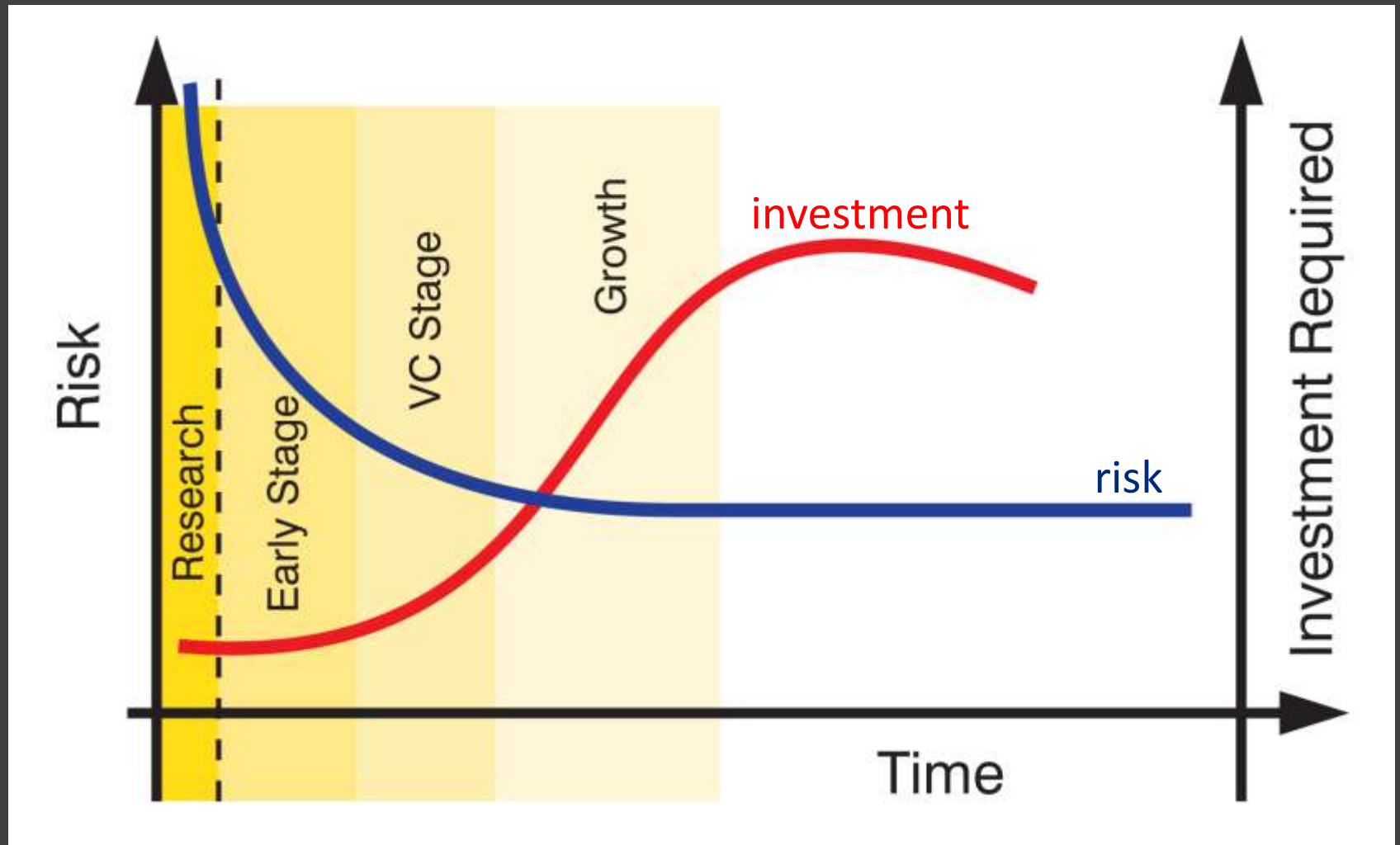
Technology: education, basic/applied R&D

Financial: direct involvement, investment tools

Business: ease of doing business

## Balanced Systems

## Risk Mitigation



# GOVERNMENT/ PRIVATE INVESTOR

Government - Job Creation (sustainable, with  
high added value)

VC - Short Term Financial Profit

**Different Risk Structure:**

Government – LOW VC - HIGH

# SOME ISSUES

Targeting / Neutrality

Intellectual Property

Level of Support

Government Equity

Large / SME

Ownership – local / foreign

IPO/Sell of the company out of country

National Agenda - less developed zones  
- minority groups

# PRACTICAL ISSUES

Due Diligence

Attitude

Time To Decision

Schedule of Payment

Royalties Payments/Loans/Tax Exemption

Reporting System

Impact Evaluation

# FINDINGS

Government support induces “creation” of new R&D:

Additionality 2- 3 times the amount of grant given

This Additionality of R&D Creates High Return:

5- 6 Times For Medium Firms

1.5 – 2 Times for Very Large Firms

4.7 Multiple for High Technology Branches



# KEY SUCCESS FACTORS

Education

Basic Science Infrastructure

National “DNA”

High In National Priorities

Well Balanced System

Execution

Long Time – PATIENCE

Thank You