



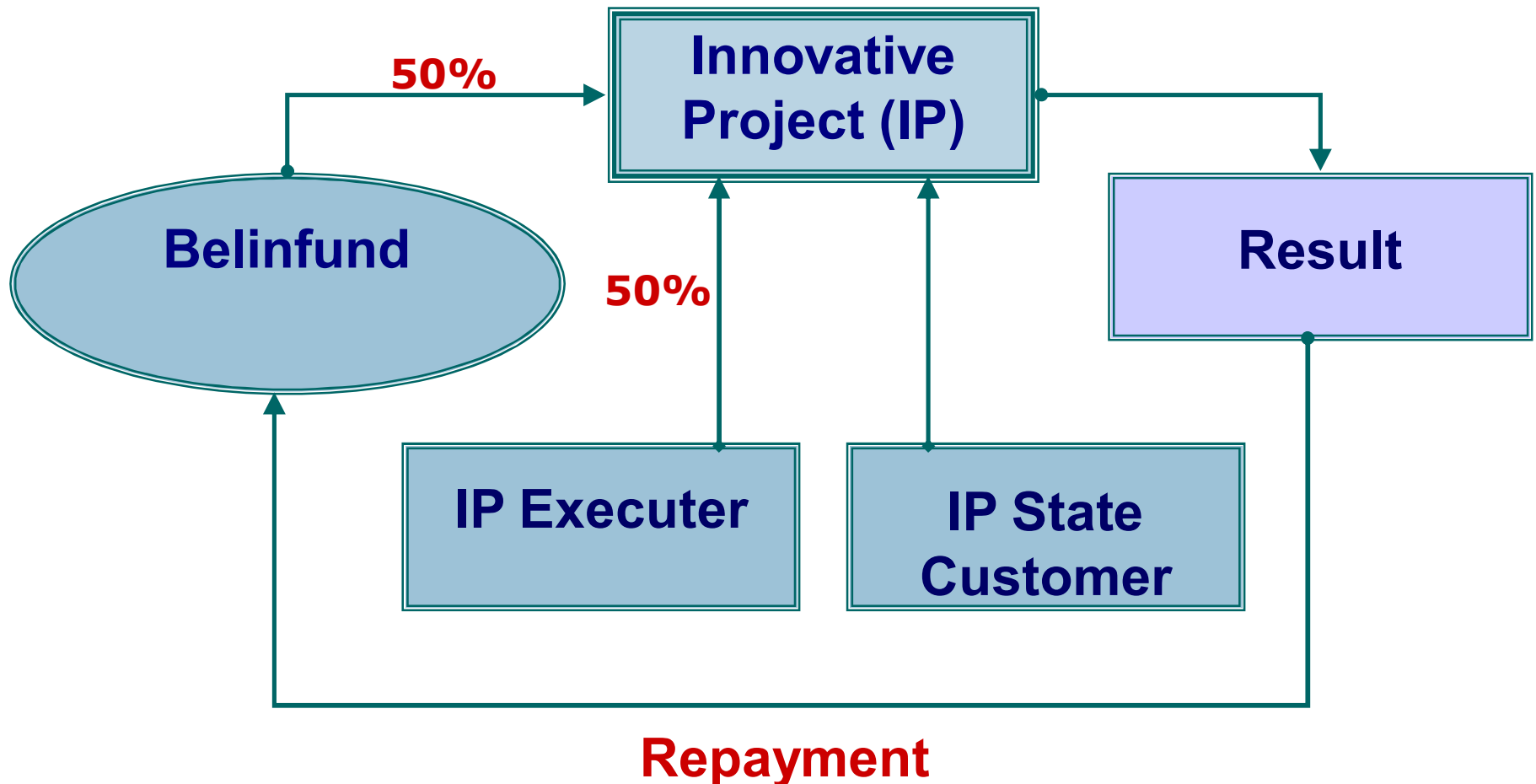
Support for innovation activities by the Belarusian Innovation Fund



Belinfund: Setting up

- The task of establishing a new funding mechanism and developing of an integrated system of measures to encourage and support domestic producers has been was solved partly through the setting up of a national fund for special purposes – the Belarusian Innovation Fund. Its main goal is to provide a support for innovative productions.
- Belinfund was founded in 1998, by the Regulation of the Council of Ministers of the Republic of Belarus №1739 to strengthen the public support for innovation. It is a public non-profit organization.
- The activities are carried out in the form of financial support to implementation of innovative projects, analysis of the results of S&T programs, selection of best and promising developments. BelInFund presents just one of the forms of the public support to innovation activities in Belarus.

Belinfund: the order of providing a financial support



Transition towards activities on mastering of the innovative productions

САВЕТ МІНІСТРАЎ
РЭСПУБЛІКІ БЕЛАРУСЬ



СОВЕТ МИНИСТРОВ
РЕСПУБЛИКИ БЕЛАРУСЬ

ПАСТАНОВА ПОСТАНОВЛЕНИЕ

10 октября 2006 г. № 1329

Об утверждении Положения о порядке конкурсного отбора и реализации инновационных проектов, финансируемых из республиканского бюджета, научно-исследовательских, опытно-конструкторских и опытно-технологических работ и работ по организации и освоению производства научно-технической продукции, финансируемых за счет средств инновационных фондов

Совет Министров Республики Беларусь ПОСТАНОВЛЯЕТ:

1. Утвердить прилагаемое Положение о порядке конкурсного отбора и реализации инновационных проектов, финансируемых из республиканского бюджета, научно-исследовательских, опытно-конструкторских и опытно-технологических работ и работ по организации и освоению производства научно-технической продукции, финансируемых за счет средств инновационных фондов.

2. Признать утратившими силу постановления Совета Министров Республики Беларусь согласно приложению.

3. Настоящее постановление вступает в силу со дня его официального опубликования.

Первый заместитель
Премьер-министра
Республики Беларусь



В.Семашко

05



Указ

Президента Республики Беларусь

25 марта 2008 г.

№ 174

г. Минск

О совершенствовании деятельности
Белорусского инновационного фонда

The transition period lasted from 2005 to 2008

В целях совершенствования инновационной деятельности, создания дополнительных условий для развития высокотехнологичных производств и повышения инновационной активности организаций:

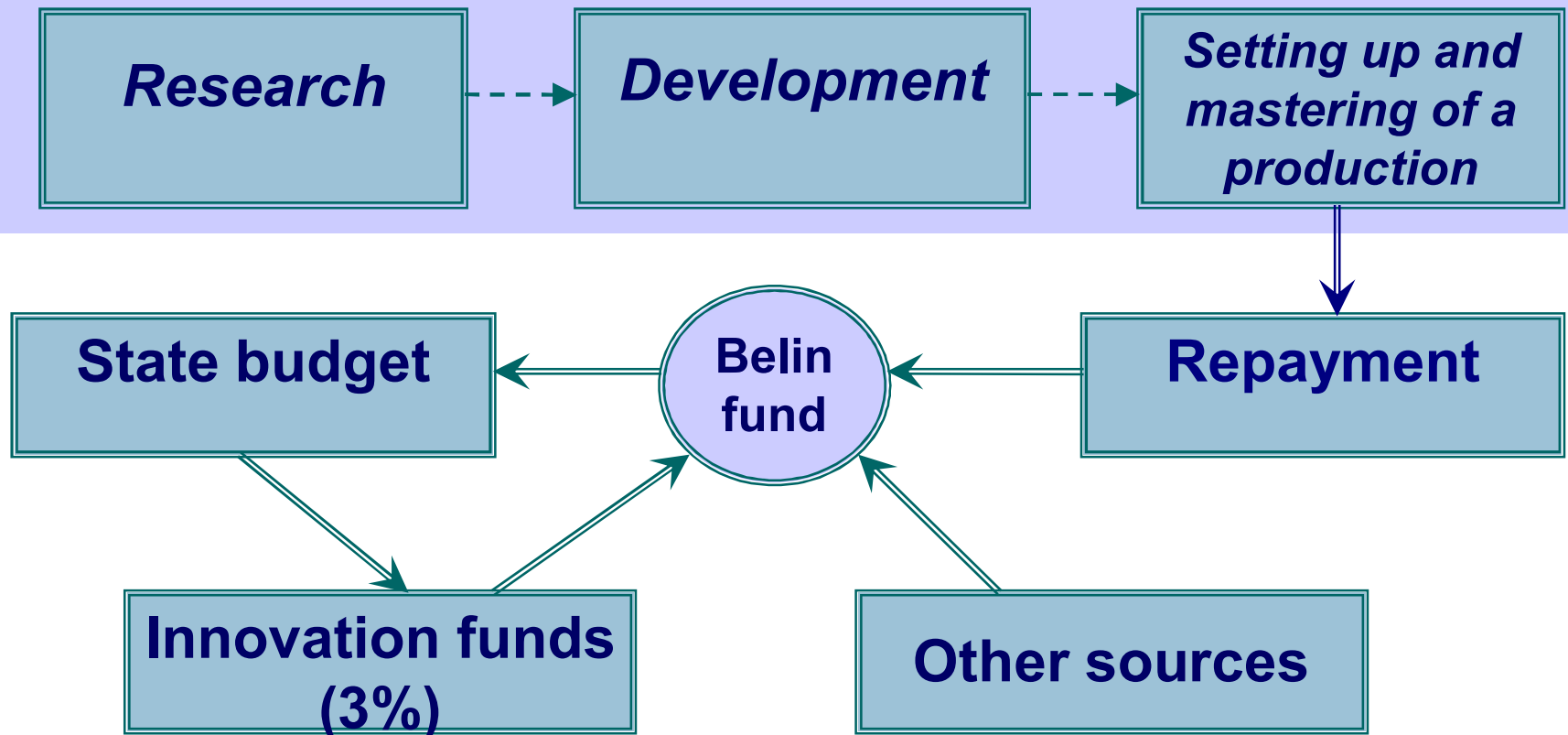
1. Установить, что:

1.1. Белорусский инновационный фонд (далее – Белинфонд) в соответствии с законодательством осуществляет финансирование научно-исследовательских, опытно-конструкторских и опытно-технологических работ, выполняемых в рамках реализации инновационных проектов (далее – проекты), работ по организации и освоению производства научно-технической продукции, полученной в результате выполнения инновационных проектов и заданий государственных научно-технических программ (далее – работы по организации и освоению производства), за счет направляемых на эти цели Белинфонду средств инновационных фондов, образуемых республиканскими органами государственного управления, иными государственными организациями, подчиненными Правительству Республики Беларусь, Белорусским республиканским союзом потребителей обществ, Национальной академией наук Беларуси (далее – инновационные фонды);

1.2. финансирование проектов и работ по организации и освоению производства за счет средств инновационных фондов, направляемых на эти цели Белинфонду, осуществляется на основании договоров, заключаемых Белинфондом с организациями – исполнителями проектов и работ по организации и освоению производства, на условиях платности, срочности и возвратности, если иное не установлено Президентом Республики Беларусь или Правительством Республики Беларусь по согласованию с Президентом Республики Беларусь. Проекты и работы по организации и освоению производства финансируются после

The new financing scheme

STATE PROGRAMS, INNOVATIVE PROJECTS





Public Corporation “Gorizont”

Setting up a production of house-hold technique “Gorizont-midea”

Funding:

- 7,0 mln \$ Belinfund
- 3,5 mln \$ Innovation Fund of the Ministry of Industry
- 3,0 mln \$ Public Corporation “Gorizont”

A new production of house-hold technique has been set up (46 varieties of microwave ovens). More than 360 thous ovens for over 23,0 mln \$ produced. 269 new jobs created. The ratio of Belinfund spendings to the is 1:3.2 (for 2008-2010).

Production of house-hold technique “Gorizont-midea” (microwave ovens)





Scientific Production Republican Unitary Enterprise “UNIHIMPROM BSU”

Developing a technology for producing the biodiesel
from rapeseed oil, creating an installation for
producing the biofuels

Funding-

- ❑ 0,5 mln \$ Belinfund
- ❑ 0,5 mln \$ own funds

By the end of 2009, the Public Corporation “Grodno-Azot” produced 10.14 thous tons of fatty acids methyl esters and 247.73 thous tons of mixed fuel using the installation.

At the installation at the Public Corporation “Khimvolokno”, Mogilev developed by “Unihimprom BSU” 8.8 thous tons of fatty acids methyl esters and 264.0 thous tons of mixed fuel have been produced.

Installation for industrial producing of biofuels from rapeseed oil (PC “Grodno-Azot”, Grodno)



Scientific Production Private Unitary Enterprise “ADANI”, Minsk Digital x-ray mammography





Advantages of being supported by Belinfund

- Time frame to use the financial support – up to 5 years
- Repayment is calculated using 0,5 refinancing rate
- Delay in the payment of interest and principal debt;
- The absence of mortgage and insurance



Challenges

- Lack of opportunities to support high-risk projects;
- Complicated system of selection and approval of innovative projects; state customer is obligatory;
- Belinfund is not able to form its own funds;
- The only source of funding is the budget

Decree № 252 of 17.05.2010 “On amendments and changes in some decrees of the President of the Republic of Belarus”

- The Decree regulates the activities of venture capital organizations, gives a definition of a "venture project" and "venture capital organization", establishes a system of incentives to encourage venture businesses.
- The developing of initial stages of the venture investment system in Belarus is carried out by Belinfund. It has been entrusted additionally with a function of a venture capital firm in terms of supporting financially the venture projects.
- Belinfund supports the venture projects in high technology and knowledge-intensive industries. Projects must have a high economic and innovation efficiency and sustainable competitive advantages ensured by the techno-economic parameters of the created products and technologies compared to the analogues.



Venture capital financial mechanism

- The difference between Belinfund and the existing world practice is that the financing of the projects is not shared but is carried out in the form of a discounted loan.
- Belinfund may buy shares of an innovative company as a collateral for a loan.
- After the repayment of a loan, an innovative company can buy the embodied shares from BellnFund.



Venture financing scheme

- Providing the budget funds on the basis of repayment
- Buying the shares of an innovative company (using the other sources than the budget)



Criteria for selection of venture projects

- Demand for the product in the internal and/or external market;
- Protected intellectual property rights;
- Possibility for commercialization and the start of a production and sales (services) in a relatively short time-not more than 3 years;
- Possibility to split the financing of a project into stages and define intervals in which decision about the further funding is to be taken;
- Potential target market should be 300 bln BYR/year (ar 100 mln USD/Year)
- Opportunity to exit a project (to sell Belinfund's /venture capital organization's shares in the innovative company) in a few years;
- IRR no less than 40% during the funding period;
- The investment/project - up to 5 bln BYR (ar 1.5 mln USD);
- Organizational and manufacturing capacity and qualified team for the needs of a project;
- The co-funding of a project from own funds and other sources for at least 50% of the project cost.

Tax benefits within venture projects implementation

- Venture organizations and Belinfund are exempted from payment of interest tax on the income they have received from innovative organizations as an interest generated from the use of venture funds, as well as dividends and similar income.
- Obtained additional funds will be used for financing the new venture capital projects, creating the new innovative companies and other activities.



Venture Company “EurAsEC Center of Innovative Technologies”, Limited Liability Corporation

- Russian Venture Company, Russia
- National Agency for Technological Development, Kazakhstan
- Belinfund, Belarus

Venture Company “EurAsEC Center of Innovative Technologies”, Limited Liability Corporation (VC CIT EurAsEC)

Rules for setting up:

- Registration of VC CIT EurAsEC in Russian jurisdiction
- Management: Board of Directors, Management Board of the company;
- Contributions by Parties - 30.0 mln RUB each;
- Definition of Parties' shares and face value;
- Development of internal documents:
 - ❖ final version of the Charter;
 - ❖ regulations on the Board of Directors and Investment Committee;
 - ❖ other



Thank you for attention!

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BELARUS

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