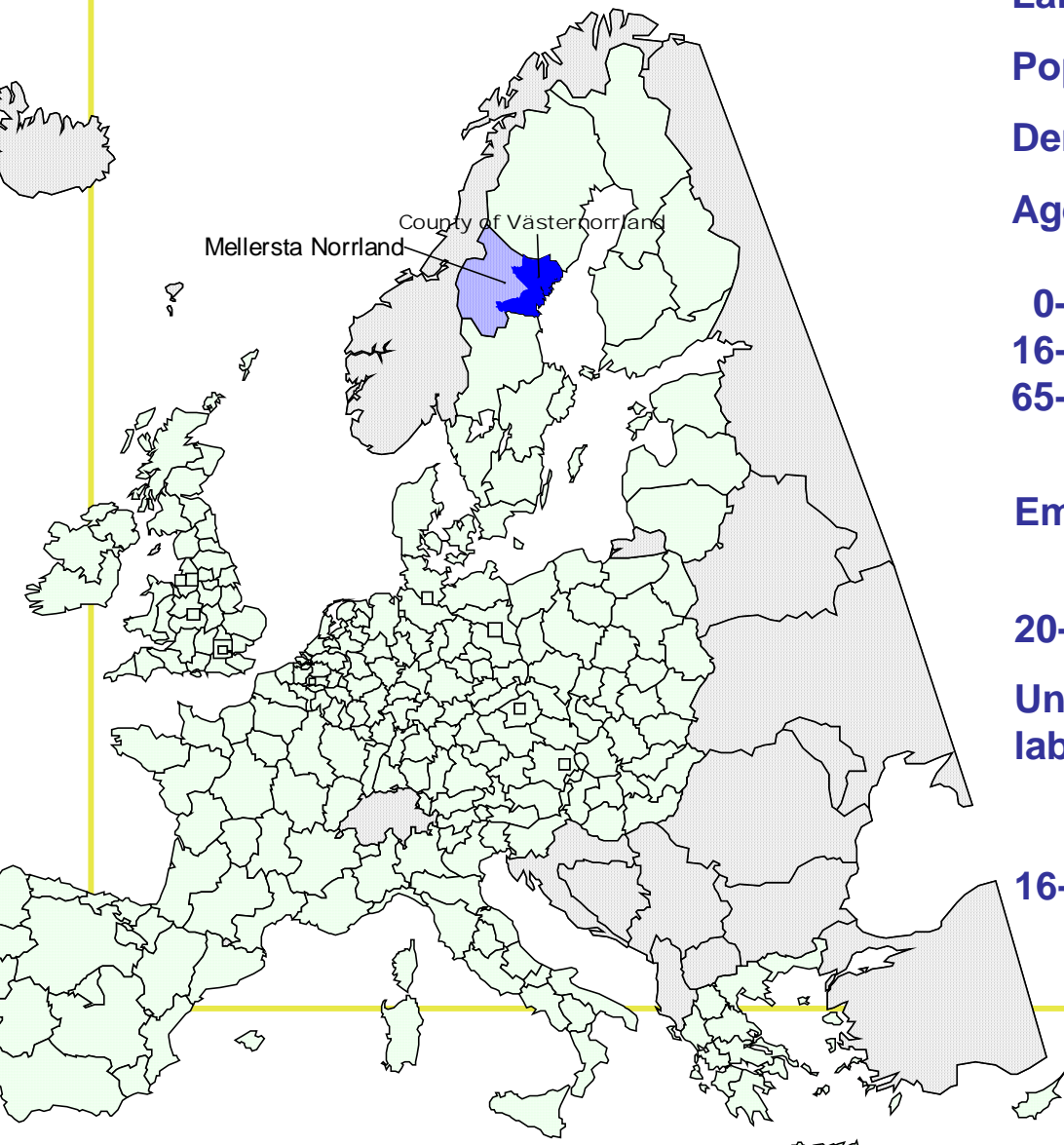


# Innovative finance in sparsely populated areas

“Regions for economic change”

Erik Network Conference

Ms Beatrice Einarsson



# County of Västernorrland

Land area 21 684 km<sup>2</sup>

Population 243 978

Density 11 inhab. km<sup>2</sup>

## Age structure by sex, %

	males	females
0-15	17.9	16.9
16-64	64.1	60.3
65-	18.0	22.8

## Employment ratio by age and sex, %

	males	females
20-64	79.2	76.2

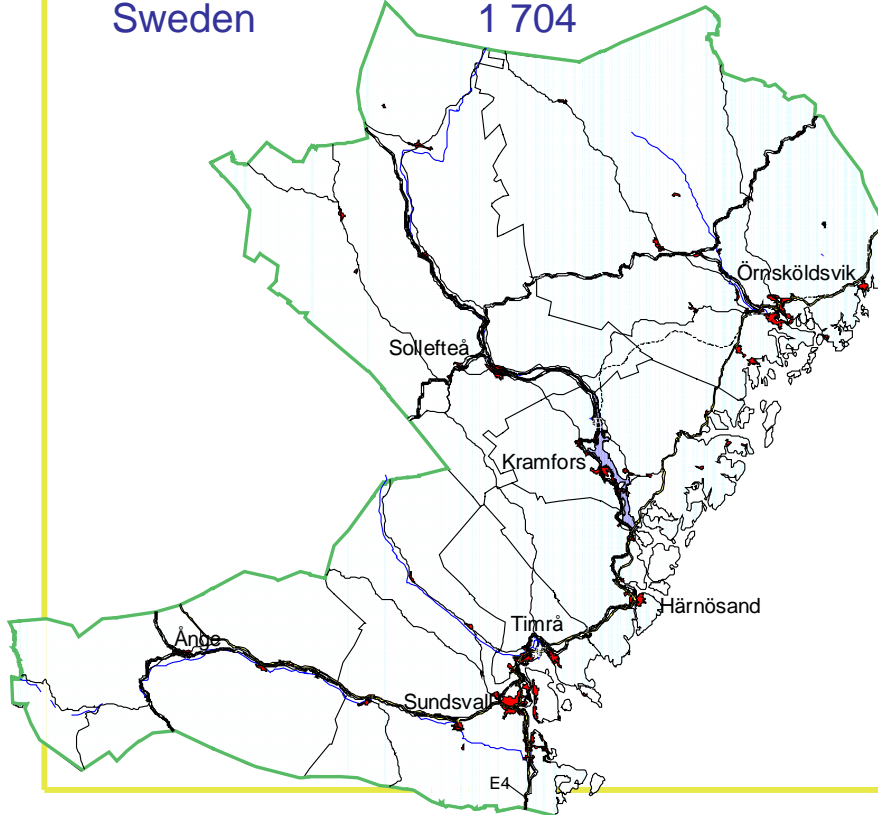
## Unemployd persons, per cent of the labour force. Mars 2006

	males	females
16-64	6.2	4.6

## County of Västernorrland

### Prices of real estate 1th quarter 2007, one- and two-dwelling buildings. Values in SEK thousands.

Västernorrland 796  
Sweden 1 704



## Regional Gross Domestic Product, current market prices, Euro per inhabitant, 2004

Västernorrland	29 464
EU 27	21 503

## Regional Gross Domestic Product, change in volume, %

2001	2002	2003	2004
2.2	-1.5	1.7	3.2

## Employed persons by sector, %

Municipality & County council	30.4
Public administration & service enterprise	6.5
Commercial & industrial life	58.6
Remaining organisation & public institutions	4.5

## OBJECTIVES AND ACTIVITIES

The action line included the following activities:

1. Strengthening of the region's attractiveness in order to invite and encourage venture capital and loan institutes to invest in regional companies

2. Development of methods to increase the number of venture capital

operators and the total availability of venture capital in the region

3. Investigation and development of models for local ownership

4. Empowerment of the demand side of the market for venture capital and credits

## PILOT ACTIONS

## RESULTS/TODAY

- The first regional VC fund in Västernorrland, INVESTA Business capital started 2005 with a capital of 100 million SEK.
- Västernorrlandsfonden, an insurance company with a unique strategy to invest both in local growth companies and big companies on the stock market. Morningstar gives the fund the highest score in Sweden.
- Y-Network
- Saminvest, a pilot fund in Sweden with finance from the European Regional Development Fund ERDF. The funds objective is to increase the amount of VC capital in the region. It works as a catalyst between the private VC capital and the growth companies, through co-financing the private VC capital with up to 50% of the total investment

# Future strategy

- Continue the collaboration in the regional grouping for financial infrastructure.
- Continued efforts to build bridges in the financial structure including looking at joint management for seed- and venture capital initiatives.

# Hurdles & Challenges

- Population stagnation
- Geographical conditions
- Legal obstacles – prohibition to use public funds for supply of capital or capital procurement.
- Value of realstates in relations to loans (unique problem for sparsely populated areas esp. In the north of Sweden)
- Centralised venture capital system.