



Federal Ministry
for Economic Affairs
and Climate Action

First progress report on the implementation of the Startup Strategy of the Federal Government

Imprint

Publisher

Federal Ministry for Economic Affairs and Climate Action (BMWK)
Public Relations
11019 Berlin
www.bmwk.de

Status

September 2023

This publication is available for download only.

Design

PRpetuum GmbH, 80801 Munich

Image credit

getty/shuoshu/Title, inside pages
Flaticon/all Icons

Central ordering service for publications of the Federal Government

Email: publikationen@bundesregierung.de

Phone: (+49) 30 182722721

Fax: (+49) 30 18102722721

This report has been published by the Federal Ministry for Economic Affairs and Climate Action as part of its public relations work. It is distributed free of charge and is not intended for sale. It must not be used by political parties or groups for purposes of election campaigning.

Content

I. Foreword	2
II. Introduction	4
III. Implementation of measures by fields of action	5
1. Strengthen funding for startups	8
2. Make it easier for startups to attract talent – make employee ownership schemes more attractive	12
3. Ignite the entrepreneurial spirit – make business creation easier and more digital	15
4. Strengthen female startup founders and diversity in startups	18
5. Make it easier to create startup spin-offs from science	21
6. Improve the general environment for social startups	23
7. Mobilise startup skills for public contracts	25
8. Make it easier for startups to access data	28
9. Strengthen regulatory sandboxes – make access for startups easier	30
10. Put the focus on startups	32
IV. Explanatory notes on methodology	35
Annex	36



I. Foreword



Novel additive manufacturing processes, rented solar installations, digital facility management, collection services for scrap glass with sustainable disposal, innovative teaching apps, AI-supported optimisation of transport processes, AI language models, satellite-assisted irrigation – the list of innovations produced by German startups is long, and getting longer almost every day. This benefits both the economy and many individuals as they live their lives. I am convinced that a strong innovative startup community is crucial to our efforts to master the great challenges facing us, and particularly global warming and the digital transition.

At the same time, our innovative startups are feeling the effects of the current crises. Uncertain economic prospects reduce people's willingness to go into business and take risks. Investors, too, are more hesitant, and the turnaround in interest rates is making less risky investments more attractive again.

This makes it all the more important to press ahead with vigour and discipline as we develop the projects which form the foundations of our future competitiveness and our prosperity. Establishing a good policy environment for innovative startups is one of these projects.

For this reason, the Federal Government adopted its first ever Startup Strategy in July 2022. In it, we agreed on some 130 measures to improve the environment for innovative startups in Germany and Europe during this legislative term: from new funding programmes to advisory services and new legislation.

Today, a year on, it is time to take stock: I think we can be proud that we have already rolled out more than 40% of the measures. In the financing field, these include major projects like the DeepTech & Climate Fund, which has been investing in the growth of companies with forward-looking technologies since February. Also, the Wachstumsfonds Deutschland (Growth Fund Germany) has come onto the market; in particular, it aims to leverage private-sector capital from institutional investors from Germany and Europe into financing for innovative startups. Another major milestone is the new Skilled Immigration Act, which contains important improvements for the recruitment of talented workers by startups and will make Germany even more open to talent from around the world. The new EXIST Women programme is an important step towards greater diversity in the innovative startup landscape, and the Startup Factories flagship competition launched in May 2023 aims to establish internationally visible startup forges at German higher education institutions.

I should emphasise that the Federal Government's policies for innovative startups always view Europe as a whole. For this reason, Germany and France have set up the European Tech Champion Initiative; bringing further Member States on board, it aims to facilitate more large-scale financing rounds

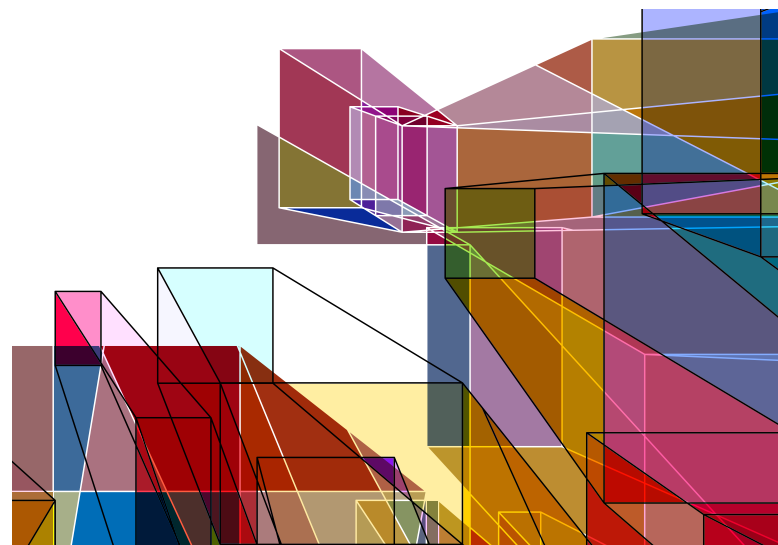
from European investment funding. In order to improve our coordination on innovative startup issues with our European partners, Germany joined the European Startup Nations Alliance in June.

Many more projects in our Startup Strategy are already developing very well: I am particularly pleased that the draft Future Financing Act provides specific proposals to resolve the dry income problem in Germany and to make employee shareholdings more attractive and practicable.

The number of innovative new startups is rising again, and this is most welcome. Together with the community, we will continue working on making Germany and Europe into an attractive place for innovative startups which ranks amongst the world's top players.

Dr. Robert Habeck

Federal Minister for Economic Affairs and Climate Action



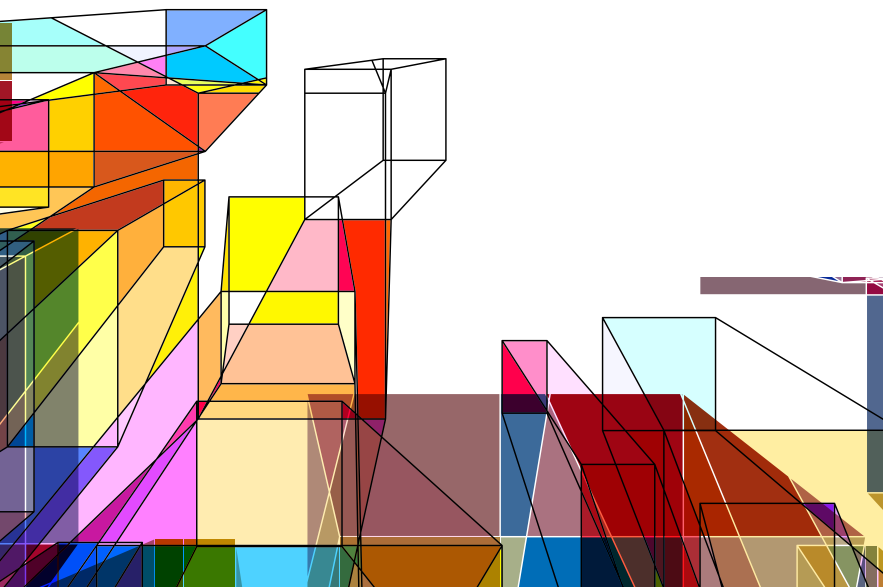
II. Introduction

The Federal Government adopted its first comprehensive Startup Strategy on 27 July 2022. The strategy groups the measures being introduced by the Federal Government to strengthen the startup ecosystem in Germany and Europe into ten fields of action: it provides the roadmap for the Federal Government's efforts to improve the policy environment for innovative startups in this legislative term. The Federal Government's aim is to implement the measures of the Startup Strategy by the end of the legislative term, using the available budget funding and the financial planning. The Strategy is based on a comprehensive stakeholder participation process, the results of which have fed into the Strategy.

In this progress report, the Federal Government depicts the current implementation status roughly one year after the adoption of the Startup Strategy. The report describes the implementation status in

the Strategy's ten fields of action and discusses selected individual measures. Chapter IV contains explanatory notes about the methodology behind the calculations. A full overview of all the individual measures can be found in the Annex to this report. The Annex also contains the information promised in the Startup Strategy on the investment activities of the Future Fund, the startup financing instruments financed by the Special Fund of the European Recovery Programme (ERP Special Fund) and the grant programmes available for funding startups.

In this first progress report, the Federal Government is aiming to comply with the high standards it sets itself in terms of the transparency and rationale of its activities. In coming years, the Federal Government will continue to report on the further progress on implementation.



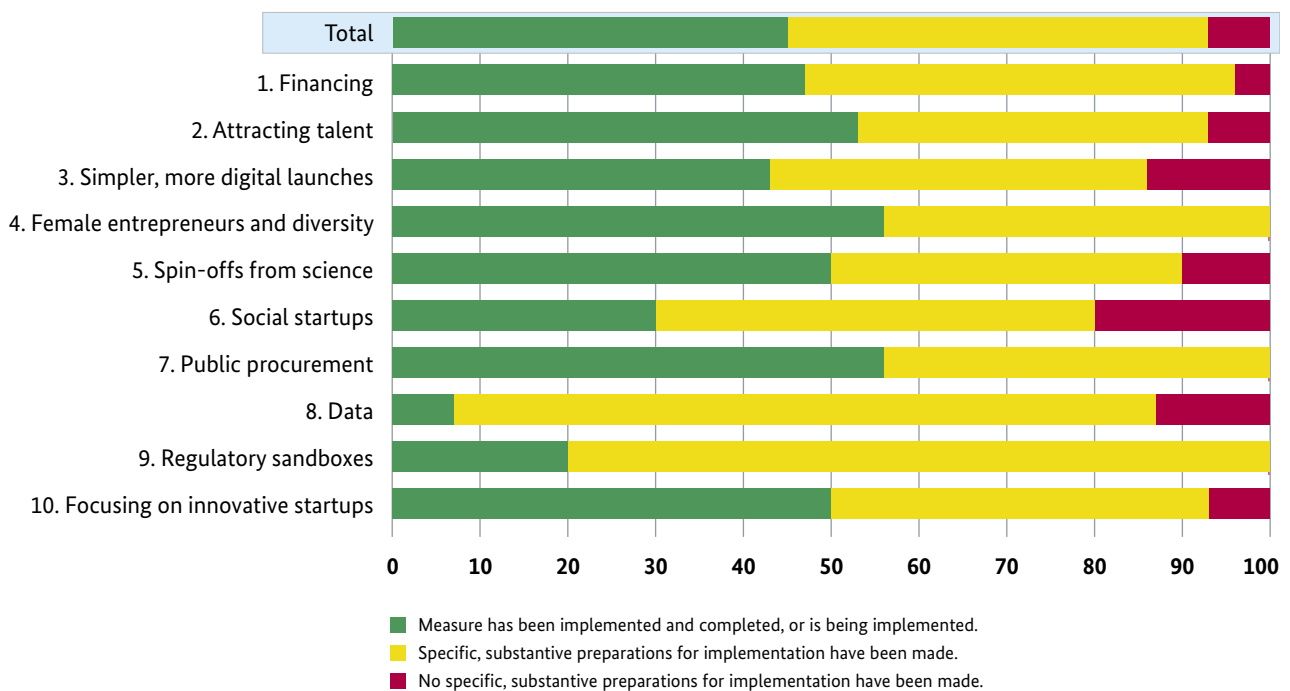
III. Implementation of measures by fields of action

The Federal Government has pressed ahead with the implementation of its Startup Strategy in the first year following its adoption. More than 40% of the measures have already been fully implemented (“green category”, cf. Fig. 1).

Further to this, the Federal Government has made specific and substantial preparations for the implementation of half of the measures (“amber cate-

gory”). Progress can be seen in all the fields of action. This means that fewer than 10% of the measures come under the “red category” in which projects have yet to be launched but conceptional preparations or internal reflections on implementation can have taken place. In the coming years, the Federal Government will continue its efforts to fully implement the remaining measures of the Startup Strategy.

Figure 1: Progress on implementation by field of action



Note on calculations: The Strategy's “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

Facts and figures on Germany's startup ecosystem

Germany's startup ecosystem is developing well, but there is still room for improvement.

The **total value of innovative German startups has more than quintupled since 2018**, and stood at \$168 billion in 2022. This amounts to 4.7% of our gross domestic product. The U.S. (16%), the UK (13.5%) and France (6.9%) are ahead of Germany.¹

Germany currently has **31 “unicorns”**, i.e. startups valued at at least one billion dollars. This means that Germany ranks fifth in the world. Countries like the U.S. and Israel have more than five times as many “unicorns” as Germany in per-capita terms.²

2,619 innovative startups were founded in Germany in 2022. This figure is 18% down on 2021. But the launch rate of startups has recently picked up again: in comparison with the second half of 2022, the number of innovative startups founded in Germany rose by 16% to nearly 1,300 in the first six months of 2023.³

But: the high level of uncertainty means that more than half of the startups are currently finding it difficult to assess their future business

development. In particular, the changing interest rate environment and inflation are posing special challenges for many innovative startups. However, the innovative startups are still more optimistic than the overall economy and the digital sector in general.⁴

The **proportion of innovative startups launched by women** has kept rising in recent years, amounting to 20.3% in 2022. If the growth trend of the last two years were to continue unabated, parity would be reached in 2030. But despite this positive development, women are still very underrepresented in the number of launches of innovative startups. This is reflected not least in the fact that more than half of startups are purely male-owned (62.6%).⁵

The **proportion of innovative green startups** clearly rose in 2022 over the preceding year, reaching a new record of 35%. Ecological sustainability is gaining further in importance for innovative startups. The main business

1 “Startup Nation Germany” Dashboard of the BVDS and McKinsey based on data from Dealroom and the International Monetary Fund; at: <https://www.startupnation-deutschland.de/>; accessed on 2 May 2023.

2 “Startup Nation Germany” Dashboard of the BVDS and McKinsey based on data from Dealroom (status: March 2023); at: <https://www.startupnation-deutschland.de/>; accessed on 2 May 2023.

3 Report from July 2023 entitled “Next Generation – Startup-Neugründungen in Deutschland” (“Next Generation – New Innovative Startups in Germany”) by BVDS and startupdetector.

4 “Sneak Peek: Deutscher Startup Monitor 2023; Geschäfts- und Investmentklima im deutschen Startup-Ökosystem” (“Business and Investment Climate in the German Startup Ecosystem”), August 2023, by BVDS and PwC.

5 Female Founders Report 2022 by BVDS.

model of innovative green startups is the development and production of technology.⁶

Total investment in venture capital in Germany has more than doubled from the 2018 level. It amounted to €10.7 billion in 2022. Despite a fall from the record set in 2021, Germany remains well on track here. However, if we look at the share of total venture capital investments in gross domestic product, Germany nevertheless continues to remain in the middle of the pack when compared with other countries.⁷

60% of innovative startups recruit **staff from other EU countries**, 32% recruit from outside the EU. These proportions are even higher in the case of larger-scale innovative startups with more than 25 employees. International talent is thus of great importance for innovative startups. At the same time, more than half of the innovative startups view the skills shortage as a big or very big problem.⁸

3,121 patents per 10 million inhabitants were registered in Germany in 2021. This is twice as many as in the U.S. in per-capita terms, and is also more than in France or the UK.⁹ At the same time, the number of **knowledge-based spin-offs** from higher education institutions and other research institutions in Germany has been declining for years.¹⁰

6 Green Startup Monitor 2023 by BVDS.

7 Dealroom.co/KfW Research.

8 "Startup Nation Germany" Dashboard of the BVDS and McKinsey based on data from Erfolgsfaktor Talent; at: <https://www.startupnation-deutschland.de>; accessed on 2 May 2023.

9 "Startup Nation Germany" Dashboard of the BVDS 02.05.2023 and McKinsey based on data from the European Patent Office and the International Monetary Fund; at: <https://www.startupnation-deutschland.de/>; accessed on 2 May 2023.

10 Bertschek, Irene et al. (2020): "Gutachten zu Forschung, Innovation und technologischer Leistungsfähigkeit Deutschlands 2020" ("Study of Germany's research, innovation and technological performance in 2020"); at: https://www.e-fi.de/fileadmin/Assets/Gutachten/EFI_Gutachten_2020.pdf; accessed on 13 June 2023.

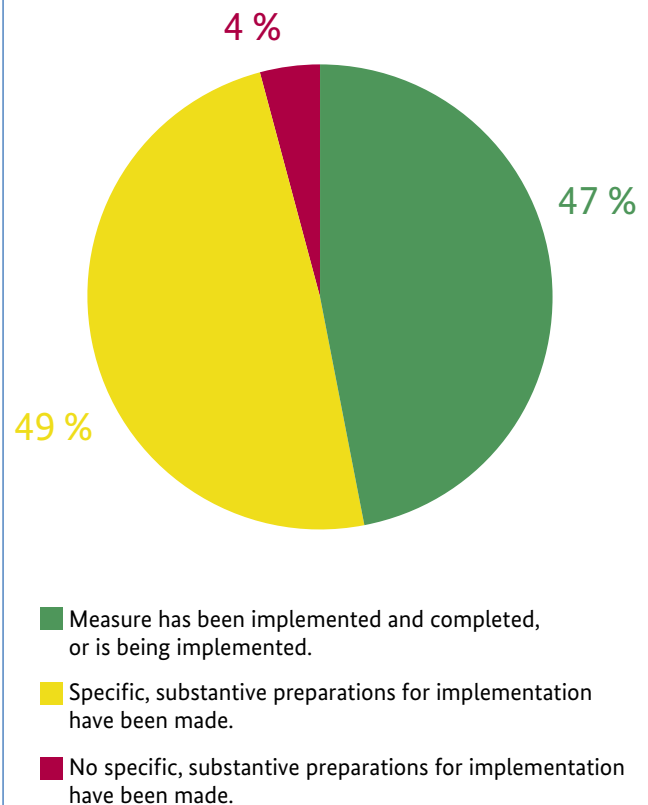
1. Strengthen funding for startups

THE AIM

The Federal Government intends to significantly expand financing opportunities for innovative startups and thus to strengthen the startups in various financing stages. A focus is placed on the capital-intensive growth and scaling-up phase. Also, IPOs of innovative startups are to be made easier and more flexible. The prospect of a subsequent IPO also plays an important role in the provision of venture capital, and helps to prevent startups from relocating outside Europe. The sustainability aspect is also important when it comes to improving financing options, since investments in the scaling-up of technical innovations make an important contribution towards the attainment of the sustainability goals.

THIS IS WHERE WE STAND

Figure 2: Progress on implementation in field of activity 1 “Strengthen funding for startups”¹¹



11 The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

1.1 The Federal Government is continuing to develop the instruments for startup financing, particularly with a view to growth financing. The central instrument is the **Future Fund**, for which the Federal Government is providing €10 billion for an investment period up to the end of 2030. The most important progress on the implementation of the Future Fund includes:

a) In February 2023, the new DeepTech & Climate Fund (DTCF) started investing. Its first two investments went into a startup developing a novel additive manufacturing process which might be used in medical technology, for example, and a supplier of control software for heavy machinery. Five other investments are currently being considered in detail. The DTCF invests together with private cooperating investors directly in deeptech companies, and it pursues a long-term investment perspective. €1 billion is available in total for investments by the DTCF. ● (no. 2)¹²

b) February 2023 also saw the launch of the **European Tech Champions Initiative** (ETCI), in which Germany is involved along with other Member States of the European Union. The ETCI is participating as a fund of funds in European growth funds, and aims to facilitate large-scale financing rounds drawing on European investment funding. So far, funding totalling around €3.75 billion has been approved for the ETCI, with €1 billion of this coming from Germany. ● (no. 1)

c) Since August 2022, updated and with increased funding, the **Venture Tech Growth Financing** module (VTGF 2.0) has been providing outside capital in the form of ‘venture debt’ for young technol-

ogy-based growth companies. This is particularly important for innovative startups in the later growth phase, since they generally still lack access to “traditional” bank loans. ● (no. 7)

d) The **Wachstumsfonds Deutschland** (Growth Fund Germany) is a new structured fund of funds for growth capital which primarily aims to leverage private-sector capital from institutional investors from Germany and Europe into startup financing. The target volume for the Growth Fund is up to €1 billion. The Growth Fund has already commenced its investment activity, and has invested in more than ten German and European venture capital funds. ● (no. 3)

e) Since August 2023, the **RegioInnoGrowth** programme has been providing startups and SMEs which have innovative business models and an annual turnover of up to €75 million with silent and open equity and subordinate and convertible loans via the Länder business promotion institutes. €450 million in federal funding is available for this new instrument, spread over several years. Alongside the Federation, the Länder business promotion institutes, their intermediaries and private-sector investors are contributing to the programme’s funding. ● (no. 8)

¹² The numbers in brackets behind the selected measures described in this report refer to the table in Annex 1, which lists all the measures of the Startup Strategy.

1.2 Innovative farming-related startups can also receive subordinate loans and supplementary advice, training and coaching sessions via the programme entitled “**Funding of innovative farming-related startups**”. The programme has an annual volume of around €8 million from the hypothecated asset of the Federation at the Landwirtschaftliche Rentenbank, and is open to innovative startups in both urban and rural areas; however, the benefits of the innovations by these startups will mainly accrue to rural areas.

1.3 The **INVEST programme** was extended for four years in February 2023. The programme provides grants towards investments by private-sector investors – in particular business angels – in young innovative companies. More recently, on the basis of a scientific analysis, the programme has been focusing more on business angels which are benefiting for the first time or with very few investments from the INVEST funding since business angels can receive up to €100,000 in INVEST grants in total. The grant has been increased from 20% to 25% of the investment total, and the minimum investment limit cut from €25,000 to €10,000. ● (no. 18)

1.4 The Federal Government launched the fourth generation of the **High-Tech Gründerfonds** (HTGF) in February 2023. At nearly €500 million, HTGF IV is providing more funding than the previous HTGF funds directly for innovative, technology-oriented companies which are not more than three years old. Roughly one-third of the funding is provided by private-sector investors. To be eligible for financing, projects must have spawned promising research findings, be based on innovative technology, and the market situation for the product must be bright. ● (no. 22)

1.5 The **ERP/EIF Facility** has directed more than 20% of its investments since July 2022 into the fields of green innovation, sustainability and social impact. This share was recorded for the first time in 2023. Future surveys will make it possible to determine a trend. ● (no. 16)

1.6 The Federal Government adopted the draft of a **Future Financing Act** in August 2023. Its aim is for the act to take effect at the beginning of January 2024. The draft legislation provides for various changes to facilitate access for innovative startups to the capital market and to the absorption of equity capital:

- The **regulatory requirements for the access to the capital market are to be simplified**. In particular, stock exchanges are to be enabled to accept applicants to the regulated market as co-applicants even without the previously required syndicate banks. ● (no. 9)
- Innovative startups and fast-growing companies in particular are to be able to design their IPO in a flexible way. In future, it is to be possible to give **registered shares multiple voting rights**. This is to be supplemented by rules to uphold the protection of minorities and investors. ● (no. 11)
- In order to **facilitate and expedite capital increases**, the limit for the simplified exclusion of subscription rights is to be raised from 10% of the capital stock to 20%. The limits for contingent capital in mergers and for the rights of employees and members of the board to purchase shares are also to be increased. Disputes over the appropriateness of the level of the issue price in the case of capital increases with an exclusion of subscription rights are to be decided in the speedier court procedure rather than the contestation procedures currently used. ● (no. 12)

- Provisions for a special legal form of a joint-stock company are to be introduced. The “**Börsenmantelaktiengesellschaft**” is to be modelled on U.S.-style Special Purpose Acquisition Companies (SPACs) to provide a modern instrument which offers innovative startups and fast-growing companies an alternative route to the capital market. Investors can also benefit from this. ● (no. 13)
- In order to create a level playing field with other EU Member States, the scope of **VAT exemption for the administration of venture capital funds** is to be extended so that it covers all alternative investment funds within the meaning of section 1(3) Investment Code. ● (no. 19)

1.7 The Federal Government will undertake a systematic stock-take of the **Federation’s funds** which could potentially or already do invest in venture capital. Also, it will look into any barriers to venture capital investments by the Federation’s funds. In parallel, the Federal Government will consider these aspects, taking particularly relevant funds as examples. ● (no. 20)

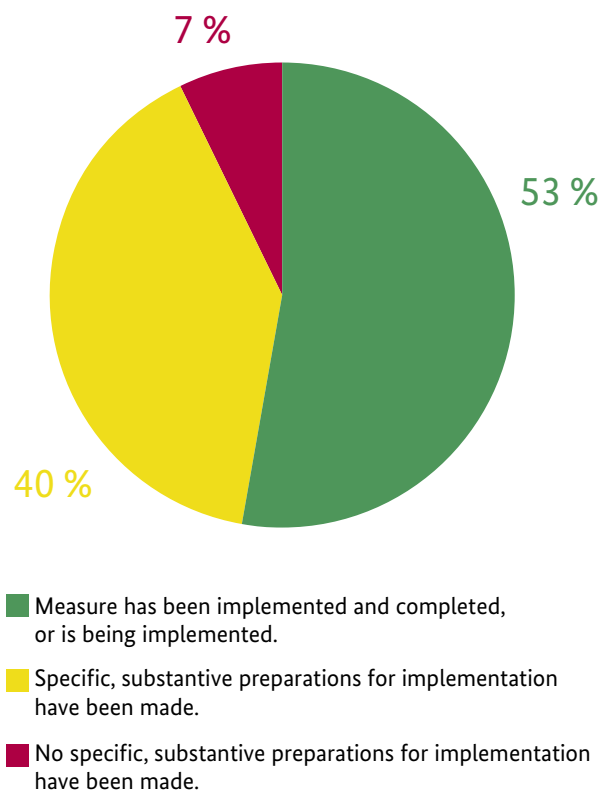
2. Make it easier for startups to attract talent – make employee ownership schemes more attractive

THE AIM

The Federal Government wants to help innovative startups to recruit skilled personnel. The skills shortage is proving to be a major obstacle to business activities, and innovative startups are also affected. The Federal Government's updated cross-sectoral Skilled Labour Strategy and the Skilled Immigration Act provide a comprehensive framework for this. Further to this, the question of employee shareholdings is also a particularly important issue for innovative startups.

THIS IS WHERE WE STAND

Figure 3: Progress on implementing field of action 2: “Make it easier for startups to attract talent – make employee ownership schemes more attractive”¹³



¹³ The Strategy's “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

2.1 The cabinet adopted a new **Skilled Labour Strategy** in October 2022 which can also benefit innovative startups ● (no. 25). Special mention should be made of the **Act and Ordinance on the Further Development of the Immigration of Skilled Workers**, which have been adopted by the Bundestag and the Bundesrat. There will be a phased entry into force of the act and the ordinance from 18 November 2023. The following improvements contained in the ordinance are of particular relevance to innovative startups: for IT staff who can already come and work without a qualification, i.e. purely on the basis of their professional experience, the necessary minimum salary is lowered to 45% of the contribution assessment ceiling for German pension insurance (from 60%), and the requirement for German language skills is dropped. Also, in future they will only have to document two rather than three years of professional experience. For all other occupations, there will be an arrangement whereby at least two years of professional experience and a qualification following a course lasting at least two years in their home country suffices for admission to the labour market. The minimum salary requirement of 45% of the contribution assessment ceiling also applies here. In certain circumstances, if they have at least three years of professional experience, IT specialists will even be able to obtain an EU Blue Card without any formal qualifications. Finally, a special residence right is to be introduced for people starting up a business for the duration of their startup grant. ● (no. 26, 27)

2.2 These legal changes are supplemented by comprehensive **accompanying measures**. In particular, these include measures to **accelerate and simplify visa and administrative procedures**. Not least, the visa issuing capacities are to be expanded and the visa staff increased, trained up and made more flexible. Also, visa procedures are to be digitised and centralised for skilled workers. Further to this, the Federal Government has set up an interministerial working group to improve the administrative procedures. ● (no. 29)

2.3 The Federal Government has enabled access via its “**Recognition in Germany**” website to a new digital application service of the Länder for the recognition of foreign professional qualifications. In a first step, foreign doctors will be able to use the website to apply for the recognition of their qualification in certain Länder. There are plans to include more of the Länder and more occupations, the aim being to cover 80% of the annual volume of applications. ● (no. 30)

2.4 In order to attract more foreign professionals, the Federal Government is continuing and intensifying its **marketing of Germany via the “Make it in Germany” website**, not least by extending the service to more target countries. The website currently promotes working in Germany in 15 foreign countries and also in Germany. ● (no. 35)

2.5 The Federal Government is facilitating **cross-border mobile working** within the European Union. To this end, Germany has signed a social security framework agreement drawn up at European level which permits cross-border commuters to apply to work remotely for up to 49.9% of working hours in their country of resi-

dence without needing to switch to a different social security system. The agreement has been signed by another 18 countries alongside Germany, and entered into force on 1 July 2023.¹⁴ If the employee's normal place of work and the residence are in the same Member State, the current rules already permit remote working in a different Member State for more than 25% of working hours, without the need to switch social security system. Further to this, the Federal Government is currently examining tax issues relating to remote working. ● (no. 34)

2.6 The draft for a **Future Financing Act** (see also section 1.6) provides for far-reaching improvements in the tax rules for **employee shareholdings** in order to make them more attractive and practicable in Germany.

- The **scope** of the arrangements for delayed taxation of employee shareholdings is to be extended in order to avoid taxation without any liquidity flow. The rules are to apply to companies which
 - have fewer than 1,000 staff and an annual turnover of less than €100 million or an annual balance sheet total of less than €86 million. This represents a doubling of the existing thresholds, and a quadrupling of the thresholds for the staff members themselves.
 - have not exceeded these thresholds at the time when the employee shareholding is granted or in one of the six previous years (previously: in the preceding year).
 - are not more than twenty years old at the time the employee shareholding is granted (previously: twelve years). ● (no. 32)
- In future, the rules on delayed taxation are also to apply if the employee shareholding is granted by a **shareholder** of the employer (previously: only by the company providing employment itself) and if **shares are granted to parent companies, affiliates or subsidiaries** (previously: only to the company providing employment). ● (no. 32)
- So far, employee shareholdings have had to be taxed after twelve years at the latest. This period is to be **extended to twenty years**. If the employer states its willingness to bear liability for the tax chargeable by the revenue authority, the taxation can be delayed even longer – at the latest until the shareholding is sold. A **change of employer** is no longer to mean the immediate taxation of the employee shareholding if the employer bears liability for the chargeable tax. ● (no. 33)
- The Federal Government is aiming to achieve a clarification of the applicability of delayed taxation under section 19e Income Tax Act to **registered shares with restricted transferability** in the course of the parliamentary procedures. This could result in a corresponding amendment to the draft legislation.
- The annual **tax-free amount** for employee shareholdings is to be raised from €1,440 to €5,000 a year. ● (no. 31)

14 Detailed information about the framework agreement and its implementation can be found on the website of the German Liaison Agency Health Insurance – International (DVKA) at https://www.dvka.de/de/arbeitgeber_arbeitnehmer/antraege_finden/abschluss_ausnahmereinbarung/telearbeit/telearbeit_1.html.

3. Ignite the entrepreneurial spirit - make business creation easier and more digital

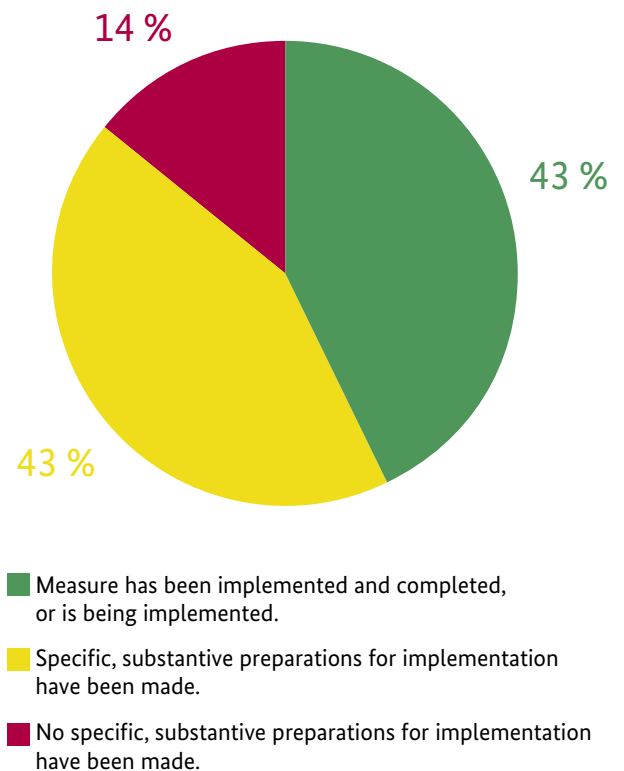
THE AIM

The Federal Government intends to help people to discover their own entrepreneurial spirit and to find the courage to follow up on this. Setting up a business in Germany is to become easier and quicker. A central role here is played by the digitisation of the startup process.



THIS IS WHERE WE STAND

Figure 4: Progress on implementing field of action 3 “Ignite the entrepreneurial spirit – make business creation easier and more digital”¹⁵



¹⁵ The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

3.1 The Federal Government has **digitised various steps in the process of business creation**.

Since August 2022 there has been an online notarising procedure via which limited liability companies based on cash subscriptions can be founded and powers of attorney issued. Also, it has been possible since then for all the reports to the commercial, cooperative and partnership registers to be certified online. Since August 2023, online certification has been possible for unanimous decisions to alter a shareholders' agreement for a limited liability company, including capital measures, and for certain limited liability companies based on contributions in kind. It is also now possible to certify reports to the register of associations online. ● (no. 45)

3.2 The Federal Government is currently developing a new digital **funding portal** via which members of the public and companies can search for, find, apply for and fully implement funding available from the Federal Government, the Länder and municipalities. The portal is to go live this year. Initially, selected funding services are to be available there, with applications being possible online. Subsequently, the portal is to be developed further in an agile manner. ● (no. 47)

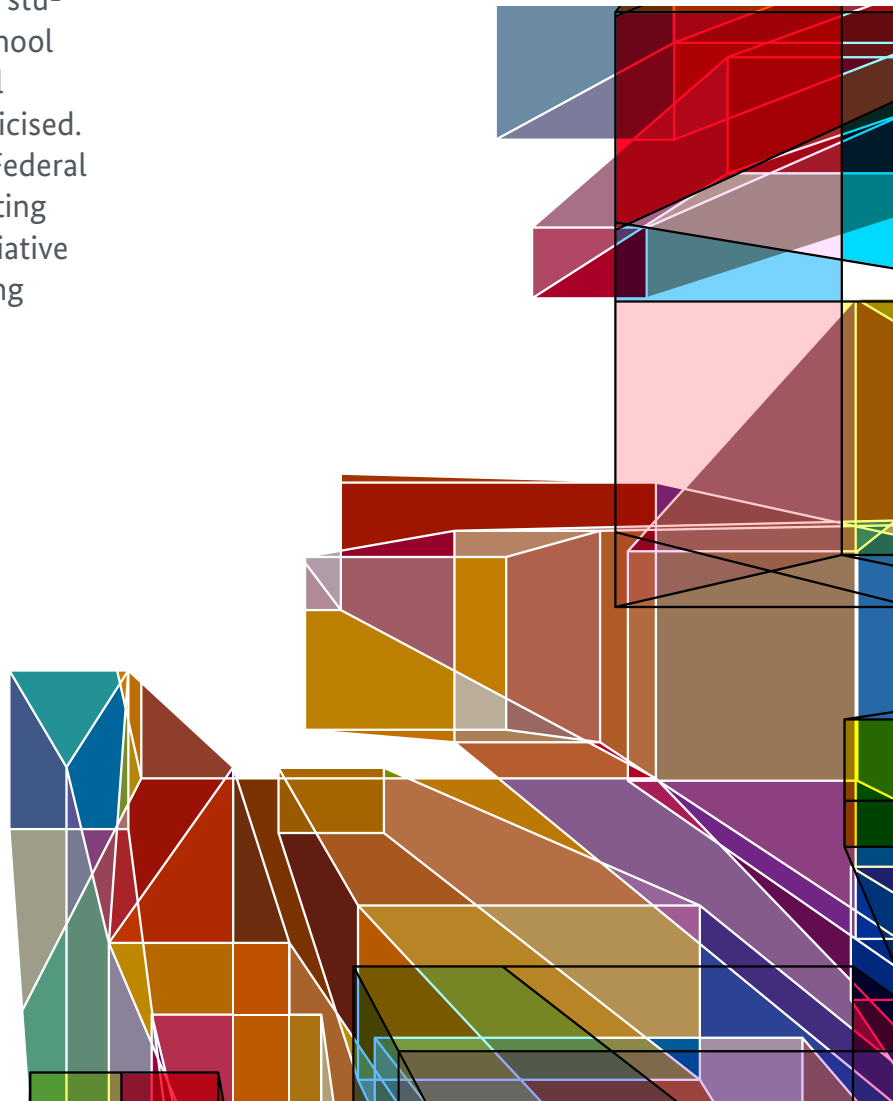
3.3 The Federal Government's "**Research and Innovation**" **advisory service** has already become well-established as the first point of contact for all matters related to the funding of research and innovation. It gives potential applicants free and personalised information about the Federation's research structure, the funding programmes, and the latest funding priorities and initiatives of research and innovation funding. Companies

engaged in research can contact the guidance and assistance service for companies offered as part of the Federation's "Research and Innovation" funding advisory service. ● (no. 48)

3.4 The Federal Government is working on an interlinking of online services related to business creation in order to come closer to the goal of a **one-stop shop** for business creation. For example, the new online notarising procedure for business creation is to be integrated into the Federation's administrative portal. The aim is an integrated fully digital solution for the entire process of business creation; solutions are currently being discussed. ● (no. 46)

3.5 In order to make it easier to launch companies in Germany, the Federal Government has begun a **project to reduce bureaucratic obstacles** in the process of business creation. On the basis of examples of startups of particularly common forms of company in selected sectors, reality checks are to identify bureaucratic obstacles at all stages of the startup process and to develop recommendations for action. In particular, the interplay between entrepreneurs and the administration, and amongst different administrative bodies, is to be studied. The Federal Statistical Office has been commissioned to carry out the work, and is currently preparing the reality checks. ● (no. 53)

3.6 In order to familiarise young people with the issue of creating sustainable companies at an early stage, the Federal Government has stepped up its activities in the field of **sustainable projects and companies for school students**. Since September 2022, it has been funding the youstartN project, in which funding is provided towards sustainability concepts for companies and initiatives for business creation run by school students and trainees. Also, the Federal Government is funding supportive workshops for school students and multipliers. Members of the “Getting entrepreneurial spirit into our schools” initiative, which is coordinated by the Federal Government, offer a wide range of projects highlighting sustainability and climate issues. The outstanding work done by teams of school students in these areas, e.g. in the JUNIOR school students’ companies funded by the Federal Government, is being highlighted and publicised. There is an intense dialogue between the Federal Government and the members of the “Getting entrepreneurial spirit into our schools” initiative with a view to developing topics and making greater use of synergies. ● (no. 52)



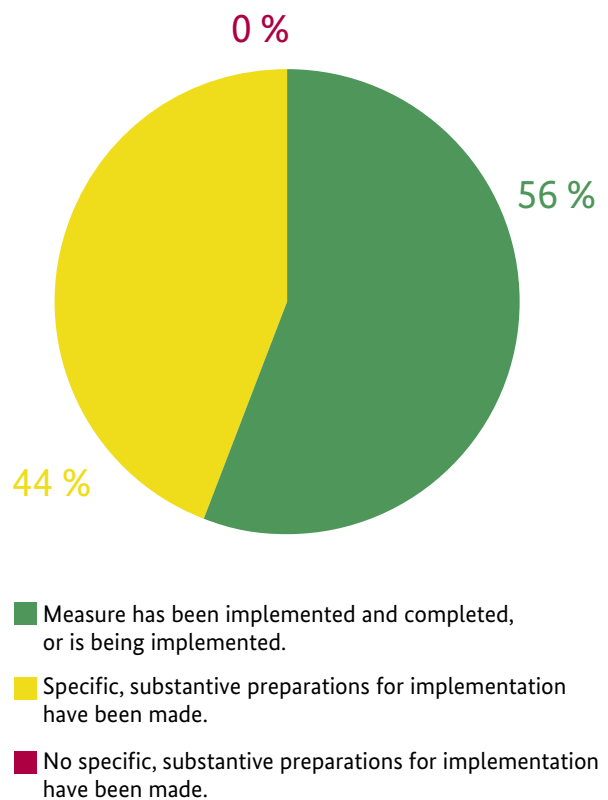
4 Strengthen female startup founders and diversity in startups

THE AIM

The Federal Government intends to make the innovative startup ecosystem more diverse. In particular, the proportion of females setting up such firms, as well as the proportion of female investors, is to be boosted further. Also, the Federal Government wishes to boost other groups that so far have been underrepresented in the startup ecosystem, such as entrepreneurs with a migrant background.

THIS IS WHERE WE STAND

Figure 5: Progress on implementation in field of action 4 “Strengthen female startup founders and diversity in startups”¹⁶



¹⁶ The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

4.1 The new “**EXIST Women**” funding programme was launched in June 2023. The aim of EXIST Women is to have more successful spin-offs from science founded by women. The programme supports female graduates and students interested in going into business as they develop their entrepreneurial mindset and their business ideas via mentoring and coaching, optional grants and a budget for in-kind expenses.

● (no. 58)

The **EXIST Business Startup Grant** and **EXIST Transfer of Research** programmes were remodelled in April 2023 to foster more diversity in spin-offs from science. Diverse membership of the startup teams applying for support is to be encouraged by new incentives. Higher education institutions which give backing to diverse teams in the spin-off process will be awarded a higher networking allowance for this. The amount rises further if the startup team selects a female professor as their mentor.

To make it easier to reconcile family life with starting out in business, **EXIST startup teams** are given a three-month funding extension should one of the team members give birth to a child. This applies not only to EXIST Business Startup Grant and EXIST Transfer of Research but also to the new EXIST Women programme.

● (no. 56, 57)

4.2 **Future Fund / Emerging Manager Facility (EMF) module**: The EMF will enter the market in 2023 and be available to new, diverse venture capital fund management teams. The EMF is managed by KfW Capital, and is addressed to selected first-time funds with a fund volume of up to €50 million, aiming to provide up to 25% of the volume of the fund. In particular, women and other groups such as founders with a migrant background, which have so far been underrepresented on the venture capital market, are to gain better access to venture capital as a result.

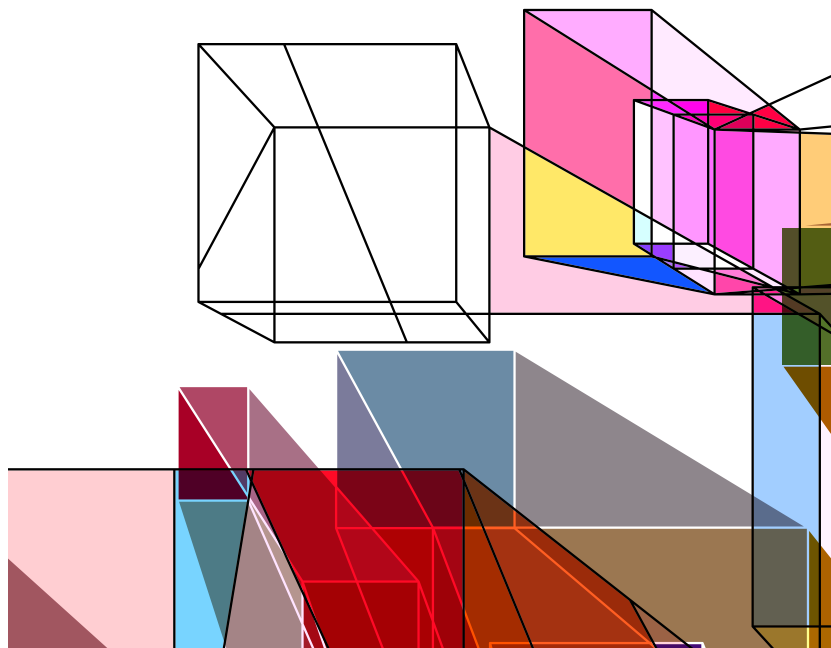
● (no. 55)

4.3 The Federal Government is pressing ahead with **gender parity in bodies** which carry out tasks of relevance to innovative startups. The representation of the Federal Ministry for Economic Affairs and Climate Action in the investors advisory council of the High-Tech Gründerfonds, a supervisory body, was again appointed on a gender-parity basis in 2022. Also, the new appointment to the representation of business investors in the investors advisory council in March 2023 resulted in overall gender parity in this body. Prior to this, the Federal Ministry for Economic Affairs and Climate Action had already appointed women to two-thirds of its posts on the investment committee of the High-Tech Gründerfonds IV, which decides on the investments made by the Fund. At least half of the management of the DeepTech & Climate Fund, which has been fully in place since February 2023, and of the advisory board constituted in June 2023, are female appointees.

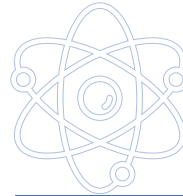
● (no. 59)

4.4 In September 2022, the Federal Government launched an ongoing dialogue with the professional associations of startup entrepreneurs regarding their needs when it comes to **improving gender equality in working life**. The Federal Government will improve the information about insurance possibilities for self-employed women during the period of protection of working mothers and collect ideas on whether and how benefits can be arranged for self-employed women in a way that is comparable to the benefits afforded to mothers who work as employees. According to the coalition agreement, the provisions on parental allowance for self-employed persons are to be updated. These measures also form part of the “More women entrepreneurs for our SMEs” action plan, which has been developed by several federal ministries with external partners like associations and academic institutions. ● (no. 61, 62)

4.5 The Federal Government is also working in the **Startup Scale Programme of the Digital Hub Initiative** to strengthen the diversity of the startup ecosystem. In 2023, the programme was targeted at entrepreneurs with a migrant background. The selected startups were given three months of support in the form of needs-based workshops, coaching sessions and networking opportunities. In 2024, the Startup Scale Programme is intending to continue its efforts to promote diversity in the startup ecosystem. ● (no. 63)



5. Make it easier to create startup spin-offs from science

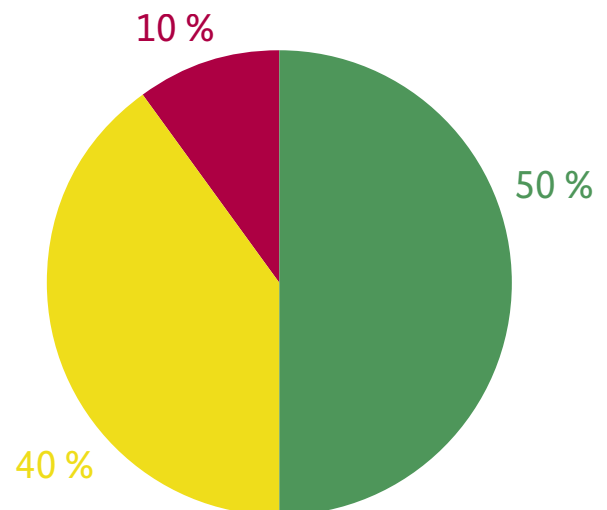


THE AIM

The Federal Government wants more innovative startups to be spun off from higher education institutions and research establishments. In this way, better use is to be made for value creation from the potential attached to Germany's and the European Union's leading position in the field of research.

THIS IS WHERE WE STAND

Figure 6: Progress on implementation in field of action 5 “Make it easier to create startup spin-offs from science”¹⁷



- Measure has been implemented and completed, or is being implemented.
- Specific, substantive preparations for implementation have been made.
- No specific, substantive preparations for implementation have been made.

¹⁷ The Strategy's “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

5.1 The first phase of the new “**Startup Factories Flagship Competition**” has been launched on the basis of recommendations from an expert commission. At present, higher education institutions and their partners are being informed about the competition at events and workshops and are undergoing qualification for participation. In the final phase, around five to ten Startup Factories are to be set up and funded for five years. The factories are to be internationally visible and attached to one or several higher education institutions or research establishments with strong startup activities. At the same time, they are to be clearly commercially oriented and to establish public-private partnership structures.

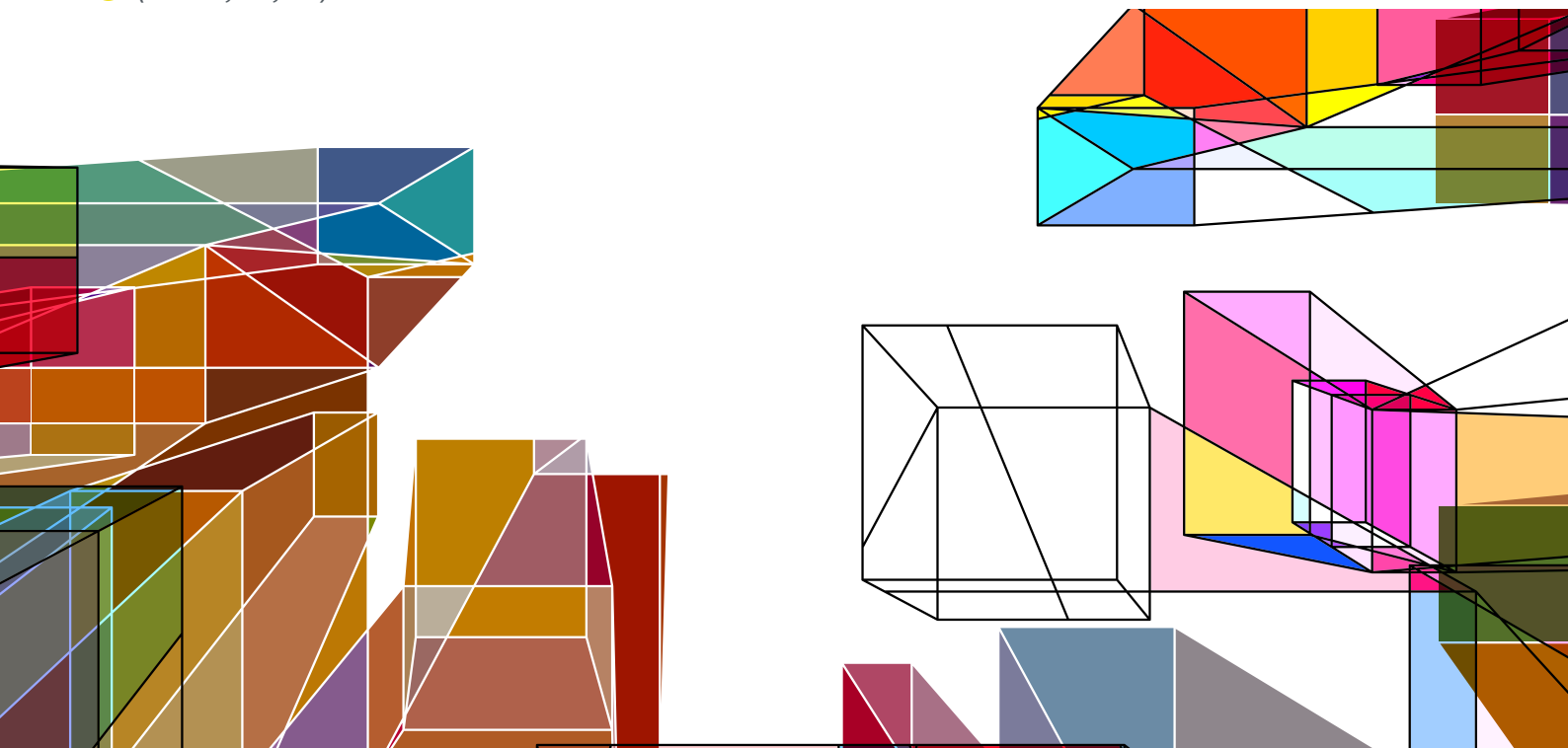
● (no. 64)

5.2 The Federal Government is **discussing start-up structures in higher education institutions with the Länder**. An important question is how the spin-off structures at the higher education institutions financed by the Länder can be put on a permanent footing. The dialogue with the Länder is being continued and expanded.

● (no. 69, 70, 71)

5.3 In order for better support to be given to startup entrepreneurs and academic institutions when **intellectual property is transferred** to spin-offs, an interministerial working group has drafted model contracts, legal opinions, practical examples and guidelines which are available via the EXIST online IP toolbox. The working group has also initiated further projects, such as a project launched in February 2023 at Technische Universität Berlin to build up a “**deal database**” containing reliable information about financial and contractual conditions for the IP transfer in the case of spin-offs from science. The Federal Agency for Disruptive Innovation **SPRIND** is trialling models with 17 higher education institutions, research establishments and research associations to develop, test and implement a more efficient transfer of IP to spin-offs.

● (no. 66, 67, 68)



6. Improve the general environment for social startups

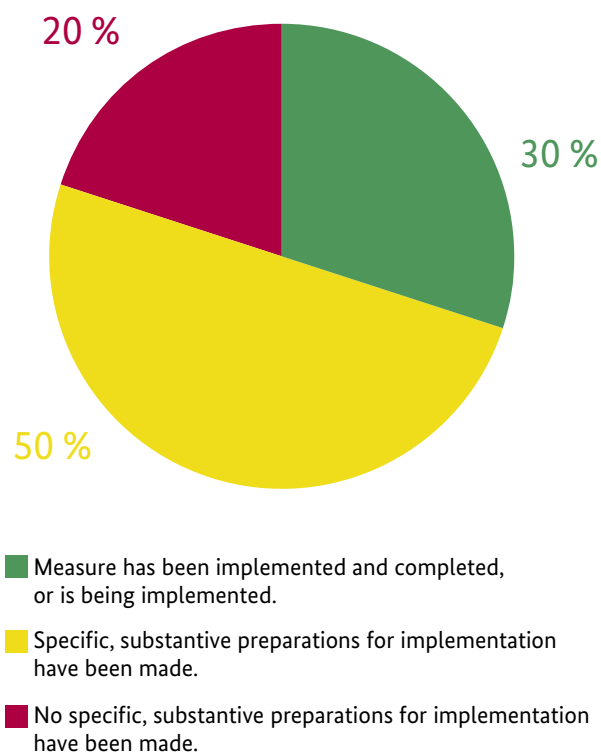
THE AIM

The Federal Government intends to improve the policy environment for companies whose business activities pursue social or environmental goals. In this way, it aims to make even better use of the potential offered by young companies to solve societal problems by commercial means.



THIS IS WHERE WE STAND

Figure 7: Progress on implementation in field of action 6 “Improve the general environment for social startups”¹⁸



¹⁸ The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

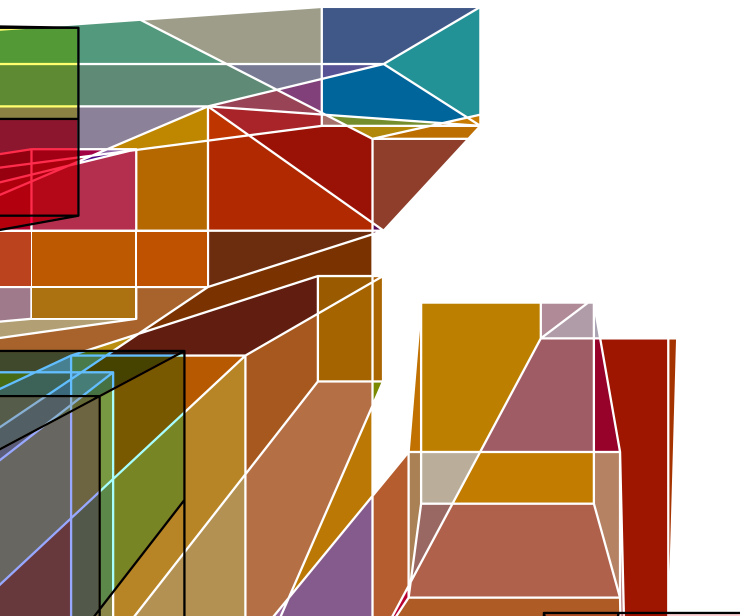
SELECTED MEASURES IN DETAIL

6.1 The Federal Government has drawn up a **National Strategy for Social Innovations and Social Enterprises** and will adopt it in the near future. The strategy sets out the Federal Government's policies in this field and packages its measures in 11 fields of action. The strategy aims to develop a suitable policy environment, to reduce structural and bureaucratic barriers for social enterprises and to create incentive and support structures in order to contribute to an accelerated development of social innovations and social enterprises. ● (no. 77)

6.2 The new **“REACT with impact”** funding programme for social SMEs and startups was launched at the beginning of February 2023. It is fully funded from REACT-EU, with total funding of €86 million. Support is granted in particular to advisory and support services from qualified consultancy companies in order to professional-

ise operations. Registered consultancy companies handle the applications for support in order to reduce the burden on the companies. In May, the programme was extended to include a **call to regional and local stakeholders like accelerators and incubators**. The stakeholders in the ecosystem are to be enabled to give better support to (social) enterprises, particularly in the startup and early growth phase, and to build up/expand their support for social enterprises. ● (no. 81)

6.3 The Federal Government has boosted the support available for social spin-offs in the **EXIST – Business startups in science and academia** programme. When the applications for support from **EXIST Business Startup Grants and EXIST Transfer of Research** are evaluated, consideration is given to the contribution by the startup project to the Sustainable Development Goals. ● (no. 78)



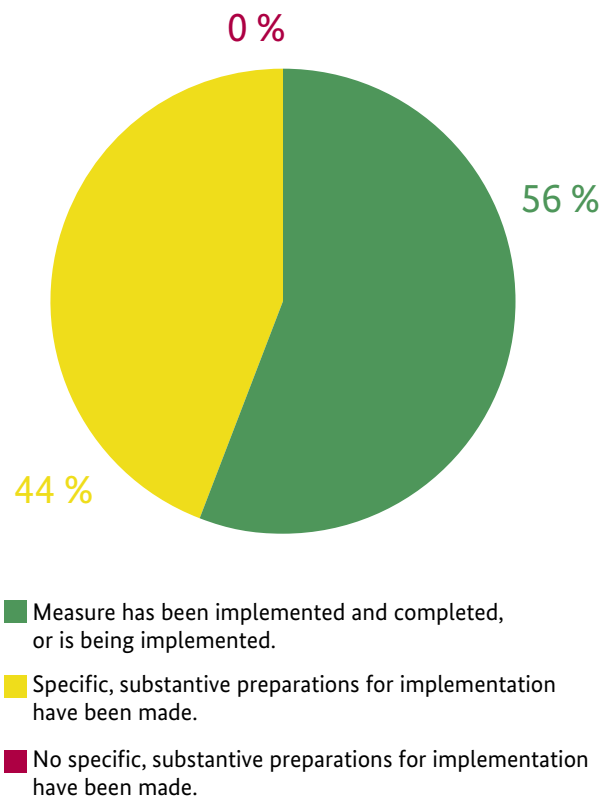
7. Mobilise startup skills for public contracts

THE AIM

The Federal Government wants innovative startups to receive far more public-sector contracts than has been the case. This boosts both demand for the products and services of innovative startups, and efficiency and innovation in the public administration. One key point is to bring both sides closer together, to provide better information, and to give better consideration in procurement law to the special features of startups.

THIS IS WHERE WE STAND

Figure 8: Progress on implementation in field of action 7 “Mobilise startup skills for public contracts”¹⁹



¹⁹ The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

7.1 The Federal Government is currently preparing a comprehensive **package to transform procurement law**. More than 450 stakeholders participated in the consultation held on this up to the end of February 2023. The first draft is scheduled for the autumn of 2023. The transformation package is to make procurement law more innovative and to promote innovation. Also, there are plans to give even greater consideration to the interests of young companies in procurement law. In this way, better use could be made of the potential of innovative startups in public-sector contracts. ● (no. 84)

7.2 Since December 2022, the **central announcement service for public procurement procedures** has been online at www.oeffentlichevergabe.de. Via this platform, the announcement data for virtually all the tender procedures in Germany will be available as open data. From October 2023, all the announcements of tenders above the EU threshold must be sent to the announcement service in standardised form. It is possible but not obligatory for tenders below the threshold to be announced on the platform. The centralisation of, if possible, all the announcements, along with various comfort and filter functions, simplify access to public procurement, particularly also for innovative startups and SMEs. ● (no. 83)

7.3 The **KOINNOvationsplatz** was established in December 2022 to strengthen the procurement of innovation (www.koinnovationsplatz.de). The platform serves as a link between contracting authorities and innovative companies and startups. Providers of innovative solutions already on the market can present them on the platform. At the same time, contracting authorities can gain a better overview of available solutions and communicate their current needs via “challenges”. An important goal for the platform is to encourage more startups to bid for public contracts and to make the public administration more innovative. The **new advisory focus of the Centre of Excellence for Innovative Procurement (KOINNO)** is also having an impact. Since the adoption of the Startup Strategy, KOINNO has launched more than 20 new advisory projects and completed 12 such projects which addressed the aspects like procurement of innovative solutions and the strategic reorientation of entire procurement offices to reinforce innovative procurement ● (no. 82, 88)

7.4 In coordination with the work being done by KOINNO, the Federal Government commissioned the GovTech Campus Germany with the “**Procurement for Government**” project in November 2022. In this project, procurement offices and officers from the Federation and the Länder are to work together with the innovative startup and tech community and with civil society. The aim is to make digital procurement solutions accessible to administrations from the federal, state and

local governments from a central source, to enable them to test legally secure models for innovative procurement of technologies, software and digital solutions, and to strengthen digital procurement expertise in administration by means of a further training curriculum. The project is scheduled to launch in the third quarter of 2023. ● (no. 89)

7.5 In order to gain an insight into the involvement of innovative startups in public-sector contracts, KOINNO has introduced a **Startup Procurement Index** (<https://www.koinno-bmwk.de/koinno/aktuelles/detail/startup-beschaffungsindex-auswertung-der-bekanntmachungen-vergebener-auftraege-auf-ted-tenders-electronic-daily/>). Procurement procedures above the EU threshold in the 2011 – 2021 period were analysed. The findings suggest that public-sector contracts are still being awarded only to a very small proportion of innovative startups. The plan is to update the index each year in order to track the development. ● (no. 90)

8. Make it easier for startups to access data

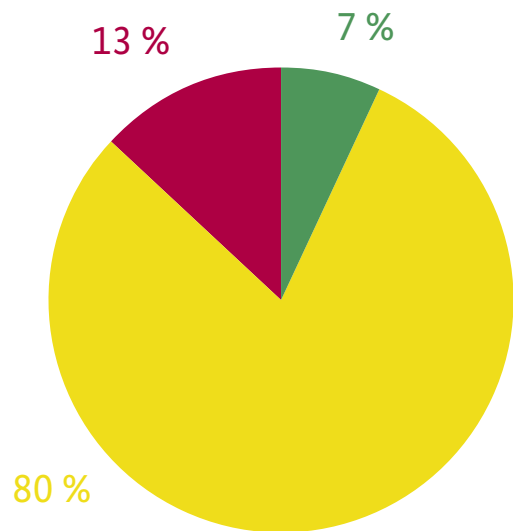
THE AIM

The Federal Government intends to give innovative startups easier, legally secure access sufficient quantities of good quality data. Also, incentives to share the data being used are to be increased. This is important for the business models of the innovative startups, but also for society in general, as the companies transform data into practical applications and make them available for the further development of new technologies and processes.



THIS IS WHERE WE STAND

Figure 9: Progress on implementation field of action 8 “Make it easier for startups to access data”²⁰



- Measure has been implemented and completed, or is being implemented.
- Specific, substantive preparations for implementation have been made.
- No specific, substantive preparations for implementation have been made.

²⁰ The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

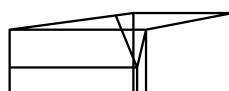
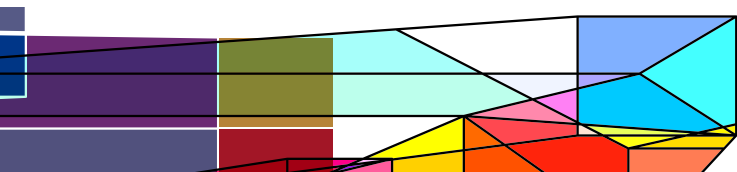
8.1 The negotiations on the European **Data Act** between the European Commission, Council and Parliament were concluded at the end of June 2023. The Data Act will probably enter into force before the end of 2023. In the negotiations, the Federal Government particularly advocated appropriate incentives for the use and sharing of data. Also, the Federal Government wanted to achieve a legally secure approach which strikes an appropriate balance between protection for investments and promotion of competition, whilst maintaining data protection standards at European and German level. In particular, SMEs and innovative startups are to be able to realise the economic opportunities deriving from data.

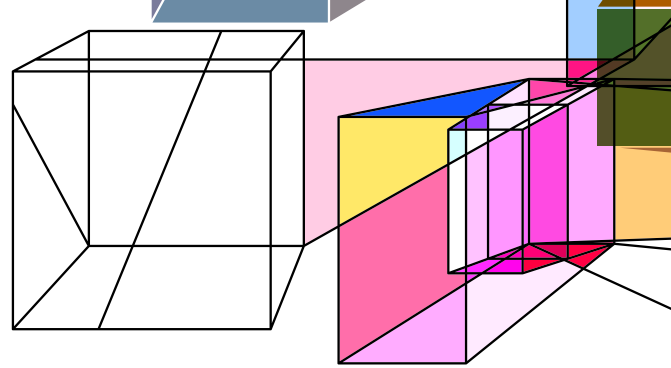
● (no. 91)

8.2 The Data Act will also form the basis for sectoral data spaces such as the **European Health Data Space (EHDS)**, which is currently being negotiated between the European Commission and the Member States. The EHDS will regulate both the cross-border use of data in the field of healthcare, and the further use of health data for research, innovation, AI training and the further development of healthcare provision. In the **Health Data Use Act**, the Federal Government is currently preparing Germany's link-up to the EHDS. Not least, there are plans for the invoicing data from the statutory health insurance funds which are used in the Health Research Data Centre to be made available on application to researching companies. ● (no. 96)

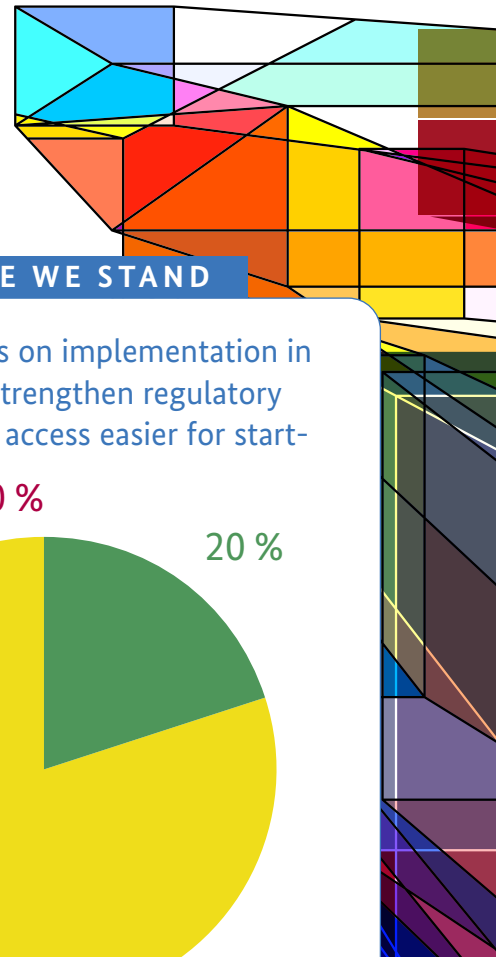
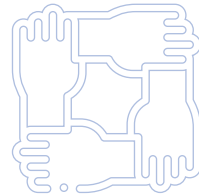
8.3 The Federal Government has presented a concept for the structure of the **Data Institute**. In May 2023, the budget committee of the Bundestag released the funding for the Data Institute, enabling work to start on establishing the Institute. As recommended by the founding commission, specific use cases are to be taken as the basis for defining the missions and structures of the Institute. A market dialogue took place in early July 2023 with individuals and organisations from civil society, administration, science and commerce who/which are in principle in a position to prepare the founding of the Data Institute. Two use cases will probably be launched in 2023, including one in the field of energy. A market dialogue on the second use case will take place in September. The Data Institute aims to make data more accessible and usable in Germany within the legal scope available. ● (no. 92)

8.4 At the Heilbronn/Stuttgart site of the **GovTech Campus**, the new “**AI for Government**” programme has been launched in cooperation with Baden-Württemberg. At the heart of the programme's infrastructure is what is probably Europe's most powerful commercial AI centre at present, alpha ONE, which was opened in December 2022. Two specific projects have already been initiated in the context of the programme: “F13” is an AI-based text assistant which has been specifically developed and successfully tested for the administration. For example, it can generate summaries, memoranda and expert research with cited sources. “Claims Intelligence” aims at AI-based verification of invoices in the government's employee health scheme. ● (no. 99)





9. Strengthen regulatory sandboxes - make access for startups easier

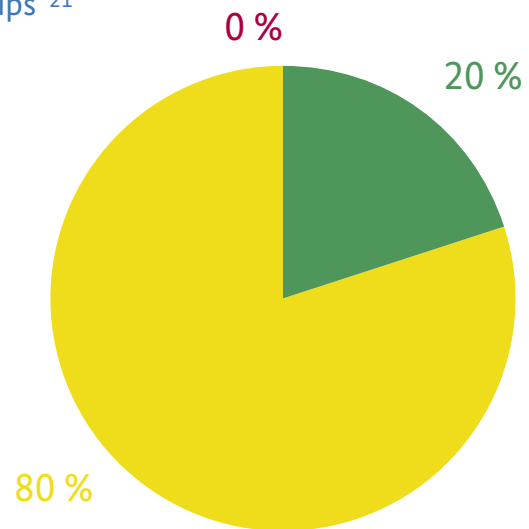


THE AIM

The Federal Government intends to create more legal leeway for testing innovative technologies and business models which are still limited by the general legal framework in a real-life environment in regulatory sandboxes. Regulatory sandboxes should also help to accelerate the digital and sustainable transition. They are particularly important for innovative startups, with their innovative business models.

THIS IS WHERE WE STAND

Figure 10: Progress on implementation in field of action 9 “Strengthen regulatory sandboxes – make access easier for startups”²¹



- Measure has been implemented and completed, or is being implemented.
- Specific, substantive preparations for implementation have been made.
- No specific, substantive preparations for implementation have been made.

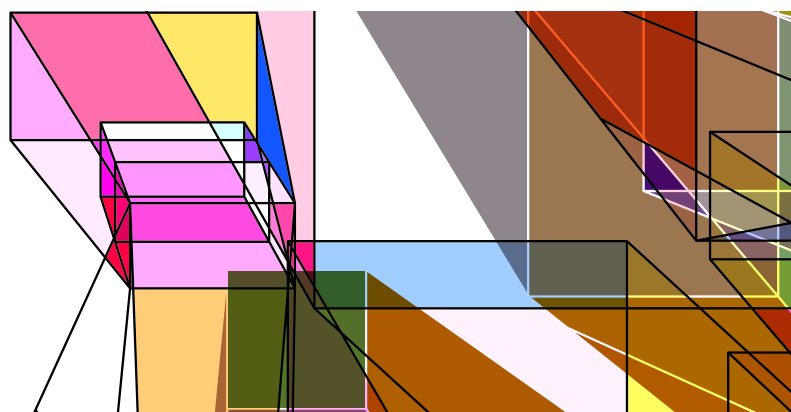
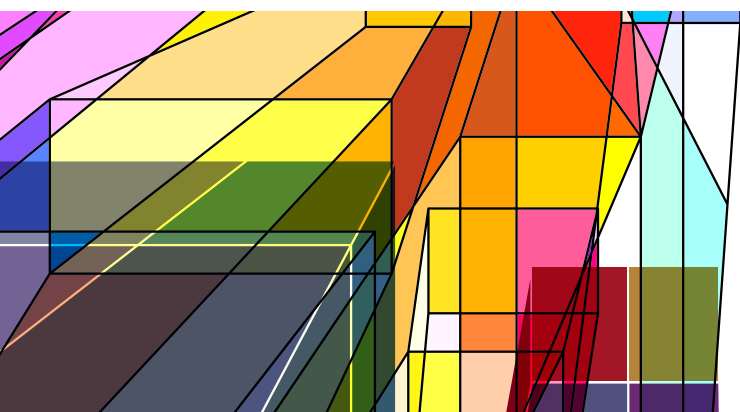
²¹ The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

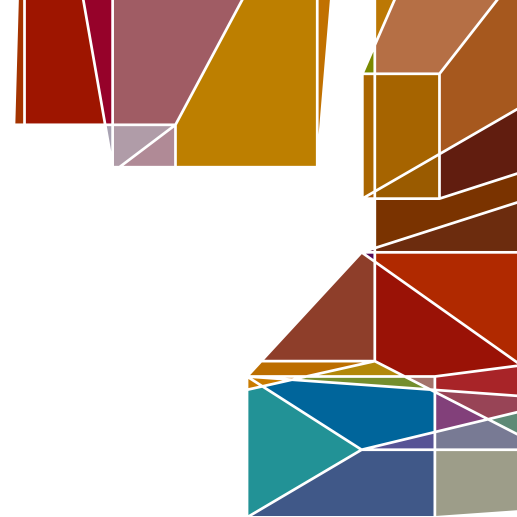
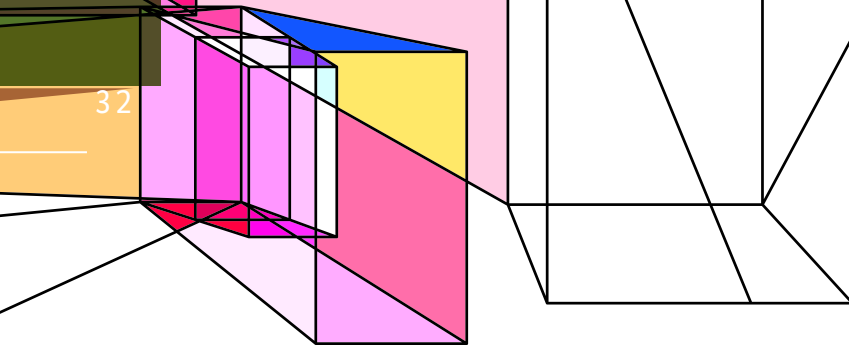
SELECTED MEASURES IN DETAIL

9.1 The Federal Government is currently preparing the **Regulatory Sandboxes Act**, which is to be adopted during this legislative term. In July 2023, a broad consultation on the design of the legislation was launched on the basis of a green paper. The stakeholders have an opportunity until the end of September 2023 to feed in their expertise on new experimental clauses in specialist legislation and an experimentation clause check in legislative procedures, uniform standards for regulatory sandboxes and a one-stop shop for regulatory sandboxes. ● (no. 100)

9.2 The Regulatory Sandboxes Act will also help the **Länder and municipalities** to implement regulatory sandboxes in practice. Further to this, the Federal Government has provided practical information like the Handbook for Regulatory Sandboxes and the Practical Guide to Data Protection. In order to strengthen the dialogue between the Federation and the Länder, and to encourage the Länder to create regulatory sandboxes, the Federal Government has set up a new Federation-Länder working group, which commenced work in May 2023. ● (no. 102)

9.3 The EU Telecommunications Council adopted a General Approach on the **EU's AI Regulation** in December 2022. The Federal Government has included pro-innovation and pro-startup rules for **regulatory sandboxes for AI**, and it will continue to advocate these in the ongoing trilogue negotiations. ● (no. 101)





10. Put the focus on startups

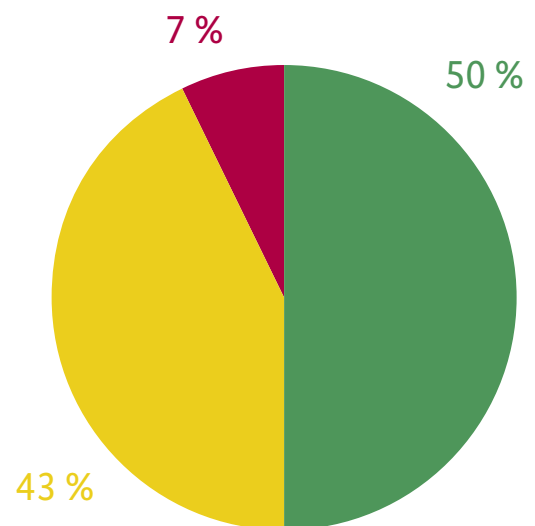
THE AIM

The Federal Government intends to press ahead with the networking of innovative startups with all the relevant stakeholders. These include well established companies, administrative organisations and civil society. To this end, it is placing innovative startups even more at the heart of its work, e.g. in the fields of energy, artificial intelligence and cyber security.



THIS IS WHERE WE STAND

Figure 11: Progress on implementation in field of action 10 “Put the focus on startups”²²



- Measure has been implemented and completed, or is being implemented.
- Specific, substantive preparations for implementation have been made.
- No specific, substantive preparations for implementation have been made.

²² The Strategy’s “priority” measures are given double weighting, the other measures single weighting. Chapter IV contains further explanatory notes about the methodology behind the calculations.

SELECTED MEASURES IN DETAIL

10.1 The Federal Government will hold a “**Startup Summit Germany**” in 2024. It is currently drawing up a concept for this, and is engaged in a dialogue with the stakeholders. The summit’s main aims are to network innovative startups and other relevant stakeholders with well established companies, to make Germany more visible as an attractive centre for innovative startups, and to draw media and political attention to the startup community. ● (no. 104)

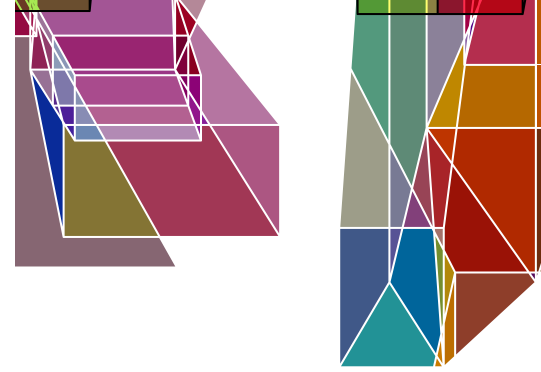
10.2 The Federal Government is enhancing the **networking of the Mittelstand-Digital Innovation Hubs startup initiatives** in order to promote cooperation between innovative startups and SMEs. So far, three such networking workshops have been held. Further workshops are planned, including a workshop with federal AI initiatives. In addition to this, joint events are taking place, such as the event entitled “Established companies and innovative startups: win-win from cooperation”, which was jointly held by Mittelstand-Digital and the Digital Hub Initiative in March 2023. The network of the Mittelstand-Digital Innovation Hubs currently consists of 29 centres with contact points at around 150 places in Germany and with more than 60 AI coaches; their impact extends to rural areas. ● (no. 111)

The network of Mittelstand-Digital Innovation Hubs is to focus on AI, the data economy and data availability from 2024. This will result not least in greater networking with AI startups in future. ● (no. 95)

10.3 The Federal Government is also focusing on the eastern German innovative startup community. In May 2023, the first **Eastern Germany Startup Forum** was held at the invitation of Carsten Schneider, Federal Government Commissioner for Eastern Germany. Also, this year’s **Eastern German Business Forum** offered innovative startups from eastern Germany access to established companies in a matchmaking session held by the Digital Hub Initiative.

10.4 The Federal Government has continued and extended the **Startup Energy Transition Hub at the German Energy Agency (dena)**, and has expanded it to include projects relating to smart meter gateway technology since 2022. The hub supports startups with information, advice and networking as they orient their business models to the energy transition. The Startup Energy Transition Hub has already reached more than 500 innovative startups; of these, 43 have taken part in the mentoring programme. The virtual dena Future Energy Lab (FEL) has also been expanded by the Federal Government in order for example to help innovative startups and established companies in the energy and digital sectors to network easily and effectively. Also, in 2022 an on-site office of the FEL was set up as a venue for cooperation at which new technologies and business models can be tested. ● (no. 119, 120, 121)

10.5 In June 2023, the Federal Government placed the pilot **Innovation Programme for Business Models and Pioneering Solutions (IGP)** on a permanent footing. The programme funds commercial projects oriented to close-to-market, non-technical innovations. The first funding call addresses business models and pioneering solu-



tions for ecological innovations like new circular economy concepts and digital solutions for resource conservation and sustainability. Further calls for funding with different thematic priorities are planned. ● (no. 126)

10.6 The **German Accelerator**, a programme which supports innovative startups as they expand internationally via dialogues with experts and workshops, has extended its service to South America. The new office in Buenos Aires, Argentina, was opened in January 2023 during a visit by the Federal Chancellor to South America. This means that the German Accelerator is now covering North and South America, south-east and east Asia, and India. ● (no. 122)

Further to this, the global AI centre of excellence of the German Accelerator was set up at the beginning of 2023, giving AI startups access to mentors and the programmes of the German Accelerator relating to AI. ● (no. 123)

10.7 The Federal Government funds **German and local innovative startups in developing and emerging economies** via a range of programmes offering cooperation with commercial players. From 2024, the funding of innovative startups is to become a greater priority in these programmes.

10.8 In the context of the EU's **European Innovation Council Accelerator**, innovative startups are provided with grants and investments to help them develop and progress key innovations. In order to accelerate the funding process, the European Commission has set up a "plug-in scheme" to certify contact points in the Member States. Companies recommended by the plug-ins benefit from shorter and simpler application

procedures at the Accelerator. Since 2022, the Federal Agency for Disruptive Innovation SPRIND has been certified as a plug-in and, since the launch of the funding programme, has been able to nominate potentially suitable innovative German startups for funding. ● (no. 114)

10.9 In March 2023, the **GovTech Campus Germany** started the beta test phase of the new **Atrium Tech/Government Community Platform**. Atrium is intended to form the virtual work and project environment for joint digital projects of the administration and the GovTech community at the GovTech campus with functions like a list of members, a project database and further training courses for tech and digital topics. The platform will be developed in cooperation with the World Economic Forum, the Federation, Länder and municipalities at the GovTech Campus. ● (no. 115)

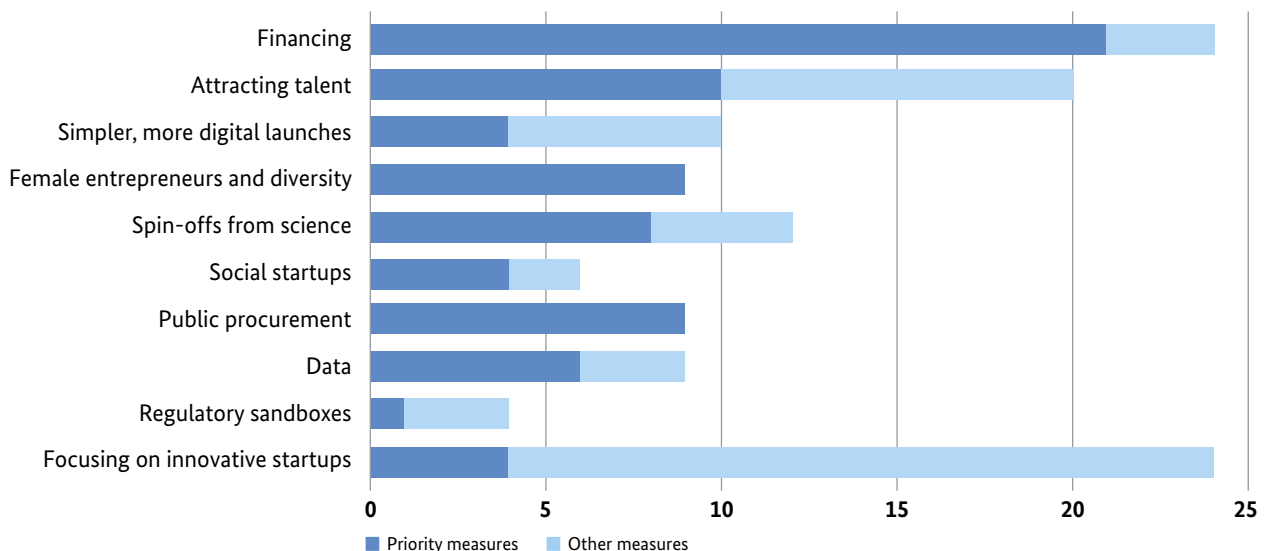
IV. Explanatory notes on methodology

This report is based on the measures to strengthen the ecosystem for innovative startups in Germany and Europe as described in the Federal Government's Startup Strategy. If all the individual measures are considered, there are basically 127 measures across the Strategy's ten fields of action. There are a particularly large number of measures in the fields of action entitled "Financing" and "Put the focus on startups" (24 each) and in the "Attracting talent" field of action (20). Almost 60% of the 127 measures in the Startup Strategy are designated "priority measures"; just over 40% are defined as "other measures" (for the distribution of the measures across fields of action by priority/other measures, see fig. 12).

This report shows what percentage of measures in each field of action falls under each category. Here, "priority measures" are weighted double in the calculation; "other measures" are weighted singly. The aim of this weighting is to map the relative significance of the various measures, as set out in the Startup Strategy, in this implementation report.

This quantitative evaluation aims to provide a transparent and easy-to-understand overview of the progress made on implementation of the Startup Strategy and to permit comparisons to be made over time in future reports. Nevertheless, it must be borne in mind that the measures differ widely in terms of their nature, their political and practical significance, and the time and effort required to implement them. The quantitative evaluation should therefore be understood in conjunction with the supplementary qualitative description of the progress on implementation.

Figure 12: Number of measures by fields of action



Annex

Annex 1 | List of individual measures under the Startup Strategy and level of implementation

- Measure has been implemented and completed, or is being implemented.
- Specific, substantive preparations for implementation have been made.
- No specific, substantive preparations for implementation have been made.

Serial number	Title/description	Measure with priority status	Level of implementation
1st field of action: Strengthen funding for startups			
1	Future Fund – European Tech Champions Initiative module	yes	■
2	Future Fund – DeepTech & Climate Fund module	yes	■
3	Future Fund – Growth Fund for Germany module	yes	■
4	Future Fund – GFF EIF Growth Facility module (under the EIF)	yes	■
5	Future Fund – ERP/Future Fund Growth Facility module (based at KfW Capital)	yes	■
6	Future Fund – High-Tech Gründerfonds (HTGF) Growth Facility	yes	■
7	Future Fund – Venture Tech Growth Financing module	yes	■
8	Future Fund – Explore potential for a new module for providing financing to young, innovative companies that have not had access to funding from venture capital funds.	yes	■
9	Future Financing Act – Revise the requirements for IPOs: national measures	yes	■
10	Revise the requirements for IPOs: ‘Listing Act’/Revision of the Listing Directive, advocacy for loosening the free float rule	yes	■
11	Future Financing Act – Improve possibilities for raising equity: Legalise ‘dual class shares’	yes	■
12	Future Financing Act – Improve possibilities for raising equity: Facilitate capital increases	yes	■
13	Future Financing Act – Explore potential improvements to the legal framework in favour of modern forms of transaction facilitating IPOs	yes	■
14	Increase capital market orientation on the part of institutional investors; make use of deliberations on Solvency II	yes	■
15	Provide funds to support the venture capital ecosystem, particularly for supporting the development of technologies for important fields of transformation (especially via KfW Capital), strengthen KfW Capital’s mandate for market development	yes	■
16	ERP/EIF facility – share of investments in companies working in the fields of green innovation, sustainability or social impact: start at an average of at least 20%	yes	■
17	ERP/EIF facility – share of investments in companies working in the fields of green innovation, sustainability or social impact: increase this share in the medium term	yes	■
18	Relaunch INVEST	yes	■
19	Widen the VAT exemption for VC funds	yes	■
20	Explore the possibility of VC investments of funds governed by public law	yes	■
21	Discuss VC investments: European-level fund governed by public law	yes	■

Serial number	Title/description	Measure with priority status	Level of implementation
22	Continue HTGF; new HTGF IV		
23	Continue the other startup financing instruments under the ERP Special Fund		
24	Provide more information about the EIF's range of products/services, such as the European Tech Champions Initiative or the Asset Management Umbrella Fund (AMUF).		
2nd field of action: Make it easier for startups to attract talent – make employee ownership schemes more attractive			
25	Improve the Skilled Workers Strategy (especially to support labour market participation, education and training and to increase migration)	yes	
26	Improve immigration law, remove obstacles, possibly also regarding the requirement of recognition of foreign educational and professional qualifications	yes	
27	Review effectiveness of the special arrangement for IT specialists	yes	
28	Provide funding to improve success rates of foreign students in higher education and their integration into the labour market (to support preparation for the course of studies, for completion of the course, and for the labour market, including opportunities for second-chance and adjustment qualifications, in addition to support for the development of language skills)	yes	
29	Streamline the administrative immigration procedure: digital and customer-oriented administration, uniform, fast and digital process of granting visas	yes	
30	Provide access to digital application processes for the recognition of foreign professional qualifications via the 'Recognition in Germany' website	yes	
31	Employee ownership: increase the tax-free allowance	yes	
32	Employee ownership: review the scope of application (amounts and time components of SME thresholds)	yes	
33	Employee ownership: explore potential for changes regarding subsequent taxation (prolongation of the 12-year-deadline, find practical solution for taxation in the case of a change of employer)	yes	
34	Explore potential simplifications regarding remote work	yes	
35	Increase marketing of Germany ('Make it in Germany')		
36	Recruit international researchers via 'Research in Germany'		
37	Recruit international students via 'Study in Germany'		
38	Foster digital and data skills and economic and financial expertise		
39	Intensify dialogue between the federation and the Länder on education: advocate an expansion of the nationwide computer skills competitions for school-age children/young people		
40	Intensify dialogue between the federation and the Länder on education: Advocate awareness of the large range of occupations in the digital and technical spheres as early as in vocational guidance in school.		
41	Intensify dialogue between the federation and the Länder on education: encourage Länder to expand initiatives to strengthen entrepreneurship among young people		
42	Intensify the dialogue between the federation and the Länder on education: find approaches to lower drop-out rates in computer science courses of study at higher education level		
43	Improve employee co-determination, especially in larger startups: review the situation regarding works councils in startups		
44	Improve employee co-determination, especially in larger startups: engage in dialogue with startups on possible scope for improvement		

Serial number	Title/description	Measure with priority status	Level of implementation
3rd field of action: Ignite the startup spirit – make business creation easier and more digital			
45	Digital startups: introduce online procedure with a notary for establishing a limited company (GmbH) based on cash subscriptions; online notarisation for the establishment of a GmbH based on contributions in kind, online certification of applications to the commercial register and the registers of cooperatives, partnerships and associations.	yes	
46	Link up online services relevant to the startup process at the level of the federation, the Länder and the notaries; one-stop shop	yes	
47	Provide access to funding via a digital funding portal (to search for, find, apply for and receive access to funding)	yes	
48	Provide information services of the federation on support for 'research and innovation'	yes	
49	Advocate a uniform Single Market in the digital sphere – better monitor obstacles for cross-border activities of European startups		
50	Advocate a uniform Single Market in the digital sphere – improve information services for startups regarding European legislation on digital affairs		
51	Win over the Getting Entrepreneurial Spirit into our Schools initiative as a patron for JUNIOR companies run by school students		
52	Strengthen activities in the field of sustainable projects for/companies run by school students		
53	Conduct project to lower bureaucratic requirements for young companies, also exploring the possibility of a low-bureaucracy year 1		
54	Ensure support from the Federal Employment Agency for unemployed persons interested in becoming self-employed (startup grant and measures for activation and professional integration)		
4th field of action: Strengthen female entrepreneurs and boost diversity			
55	Future Fund – Introduce new instrument to strengthen diversity in startups in the German VC market	yes	
56	EXIST – Give priority to mixed teams	yes	
57	EXIST – Increase fixed-rate networking allowance for diverse teams and longer funding after childbirth	yes	
58	EXIST – Introduce new funding line 'EXIST Women'	yes	
59	Strengthen participation of women on investment committees of public-sector funds and investment companies owned by the federation	yes	
60	Strengthen 'Frauen Unternehmen' (Women Entrepreneurs initiative) by increasing the number of role model entrepreneurs from the STEM sector	yes	
61	Continue measures to improve gender equality, also with regard to the needs of female and male startup entrepreneurs	yes	
62	Engage in dialogue with startup entrepreneurs regarding their needs for gender equality in working life	yes	
63	Create a forum for networking between migrant startup entrepreneurs	yes	
5th field of action: Make it easier to create startup spin-offs from science			
64	Organise flagship competition on Centres of Entrepreneurship in the context of EXIST	yes	
65	Review GO-Bio	yes	
66	Provide more help and support for IP transfers in the context of startups from science	yes	
67	Provide funding for the implementation of standard solutions for IP transfers	yes	

Serial number	Title/description	Measure with priority status	Level of implementation
68	Establish arbitration body hosting a database of deals on IP transfers (initially as a trial under EXIST)	yes	
69	Intensify dialogue between the federation and the Länder regarding startup structures at institutes of higher education and non-university research institutions; better support aspiring startup entrepreneurs and establish a more creative, less risk-averse startup culture from science	yes	
70	Work with the Länder to explore possibility of putting necessary measures and structures on a permanent and sustainable financial footing	yes	
71	Intensify dialogue between the federation and the Länder on startups from higher education institutes and research institutions: Gain an understanding of factors preventing startups from science and investigate how the incentives structures for more startups from science can be improved; make progress on best-practices exchange on funding for startups from higher education institutes	yes	
72	EXIST workshops – Intensify practitioner-led dialogue between institutes of higher education and non-university research institutions and experts; add individual formats		
73	Explore possibilities for better and earlier networking between different fields of research for the formation of startup teams		
74	Bring together stakeholders from science and industry; provide targeted funding for cooperative projects (especially under the framework programme ‘exploring the universe and matter’)		
75	Streamline public tenders and procurement processes, including for educational institutions (remove obstacles for gov and edutech startups)		
6th field of action: Improve the general environment for social startups			
76	Develop financing instruments for social startups	yes	
77	Develop a National Strategy for Social Innovations and Social Enterprises	yes	
78	EXIST Potentials programme – Continue to increase funding for social startups from science	yes	
79	Investigate and eliminate discrimination against social companies in terms of access to advice and funding and in terms of regulation	yes	
80	Increase visibility of social startups in public procurement to strengthen social innovation (bring together social enterprises and officials in charge of procurement)		
81	Fund projects designed to strengthen ecosystem for social startups		
7th field of action: Mobilise startup skills for public contracts			
82	Establish eMarketplace at Centre of Excellence for innovative procurement (KOINNO)e	yes	
83	Establish central contract notices services in procurement processes	yes	
84	Make innovation and other aspects (economic, social, ecological) more legally binding in public tenders; investigate potential for better taking into account interests of young entrepreneurs in terms of bidders’ capacity to comply with requirements	yes	
85	Stipulate open standards for public IT projects	yes	
86	As a rule, commission software development to be Open Source and publish the code	yes	
87	In dealings with the European Commission, advocate an evaluation of innovation partnerships as an instrument of user-friendliness for startups	yes	
88	KOINNO - Place greater focus of advice on instruments of innovative public procurement and on the SME clause; advocate tenders that are open to different kinds of solutions; provide targeted information for innovative suppliers	yes	
89	Work with KOINNO to support the ‘procurement for government’ programme	yes	

Serial number	Title/description	Measure with priority status	Level of implementation
90	Conduct evaluations to document the development of the consideration given to start-ups in public tenders	yes	
8th field of action: Make it easier for startups to access data			
91	In the context of the Data Act and sector-specific data spaces, work to provide suitable incentives for sharing data and for selected mandatory access to data	yes	
92	In the context of the data institute, take into account the special needs of startups and facilitate access to data	yes	
93	Create a legal entitlement to Open Data vis-à-vis the federation; facilitate access to public-sector data; provide machine-readable data free of charge and via open interfaces where it makes sense, is possible and legal	yes	
94	Provide AI vouchers to SMEs	yes	
95	Strengthen networking formats between startups in AI and SMEs	yes	
96	Advocate a pro-innovation legal framework in the healthcare sector	yes	
97	Remove lack of legal certainty in national application of the European data protection legislation/regulation and for data trustee models and donations of data		
98	Gaia-X - bring in startups ('startup ambassadors')		
99	Advocate joint development and testing of data and AI applications by the public administration and the tech scene		
9th field of action: Strengthen regulatory sandboxes - make access for startups easier			
100	Take into account particular needs of startups when developing the Regulatory Sandboxes Act	yes	
101	AI Regulation – Advocate startup-friendly rules for regulatory sandboxes for AI; ambitious implementation of regulatory sandboxes in Germany, priority access for startups		
102	Encourage municipalities and Länder to create regulatory sandboxes		
103	Deepen networking on regulatory sandboxes and place startups at the heart of the Innovation Award for Regulatory Sandboxes		
10th field of action: Put the focus on startups			
104	Encourage networking between stakeholders in the startup ecosystem: 'Startup Summit Germany'	yes	
105	Encourage networking between stakeholders in the startup ecosystem: Establish a network of contact points for startups in all federal ministries and subordinate authorities	yes	
106	Provide better access to services provided by demonstrators and testbeds (possible starting points: network of Mittelstand-Digital Innovation Hubs; Digital Hub Initiative)	yes	
107	Make it easier to find services of demonstrators and test beds (digital startup map)	yes	
108	Expand the Digital Hub Initiative in terms of subject matter and geography. Continue to foster cooperation between established companies, startups and higher education institutes within the hubs; place a special focus on networking with other regional startup ecosystems		
109	Expand the Digital Hub Initiative in terms of subject matter and geography. Use existing structures to establish sustainability hubs, so as to offer startups specific information and consultancy services related to sustainability		
110	Expand the Digital Hub Initiative in terms of subject matter and geography. Foster networking between green startups and established companies to bring green innovations to market faster		
111	In the context of Mittelstand-Digital, foster greater networking with startup initiatives (including in rural areas)		

Serial number	Title/description	Measure with priority status	Level of implementation
112	Federal Agency for Disruptive Innovation (SPRIND) – With the help of expert networks, process the interests of mostly knowledge-based startups having the potential for breakthrough innovations		
113	SPRIND – Encourage networking between startups that have good substance, but for which the evaluation by SPRIND has shown that they do not have potential for breakthrough innovations, with other programmes and providers of capital in the transfer of research		
114	SPRIND – Simplify access to the accelerator instrument of the European Innovation Council for companies supported by SPRIND		
115	Make GoVTech Campus Germany the central platform for the use and scaling of digital solutions and technologies from the tech scene by the Federal Government, the Länder and the municipalities; develop and put together an innovation and startup ecosystem		
116	‘Digital Innovations’ Competition for Business Startups and Digital Startup of the Year Award – Awards for startups		
117	Review existing activities for the greater involvement of startups; e.g. competition of ideas under the Civic Innovation Platform		
118	National Coordination Centre for Cybersecurity – Support product ideas in the field of cybersecurity, transfer outcomes into the startup ecosystem		
119	Startup Energy Transition Hub at the German Energy Agency (dena) – Continue existing services (especially information services on regulatory contexts and three-month coaching services)		
120	Startup Energy Transition Hub at the German Energy Agency (dena) – Expand existing projects (pilot projects on smart-meter gateway technology)		
121	dena Future Energy Lab – Continue to encourage network and expand pilot projects on digital forward-looking technologies; establish a physical representation in Berlin		
122	Expand the Digital Hub Initiative and German Accelerator; give foreign startups transparency regarding the German startup landscape; strengthen international networking, possibly also with stakeholders from emerging economies and developing countries		
123	Establish a global centre of excellence for AI at German Accelerator		
124	Launch an international marketing campaign showcasing Germany as a startup location; potentially develop an umbrella trademark		
125	Promotion of foreign trade and investment – Investigate better use of internationalisation by startups		
126	Put the Innovation Programme for Business Models and Pioneering Solutions (IGP) on a permanent footing (open up funding for innovations to non-technical innovations)		
127	Establish an innovation lab for digital health (investigate how ideas hatched by startups can be tested in the healthcare system at an early stage)		

Annex 2 | Report on the investment activities of the Future Fund, the startup financing instruments financed by the ERP Special Fund and the grant programmes available for funding startups

The Federal Ministry for Economic Affairs and Climate Action supports startup financing mainly via equity financing instruments, but also through grant programmes. In its VC funding activities, the Ministry relies on a number of intermediaries that invest public funding on the market. These can be funds that invest directly in startups (such as the High-Tech Gründerfonds (HTGF) or the DeepTech & Climate Fund (DTCF)) or funds of funds or fund-like structures that are managed by KfW, KfW Capital and the European Investment Fund (EIF).

A good indicator for Germany's VC funding in this context is the amount of capital commitments made to these intermediaries, as this figure equals the amount of capital that can be made available to startups. The capital commitments made by the Federal Government to the intermediaries show what funds are continuously available to the market, meaning that they can have a stabilising effect even in weaker market phases.

In the case of the funds investing directly in startups, they match the amount the fund in question can invest in companies. In this case, payments are

made step by step as milestones are reached by the company. In the case of funds of funds, the figure indicates how much the intermediary can invest in private-sector funds. The lifespan of these usually varies between ten and fifteen years, meaning that the capital made available over several years will be invested incrementally. The amount of capital that is available to intermediaries falls continuously over a given fund's lifetime. This means that, unlike with traditional grant programmes, VC financing is not about disbursing funds as quickly as possible.

In the following, you will find detailed information about the current capital commitments made under the Ministry's equity financing programmes and about the activities of the Ministry's grant programmes for startup financing. The programmes launched or to be launched during the current legislative period are printed in italics. In these cases, (most of) the capital is still available as the investment period has only just begun or is yet to begin.

Name of financing instrument	Year of (Planned) launch	Capital commitment to intermediary (in € million)	planned (additional) capital commitment to be made to intermediary	Capital still available (in € million)
European Tech Champions Initiative	2023	1,000.0	0.0	1,000.0
Emerging Managers Facility	(2023)	0.0	200.0	0.0
Growth Fund for Germany	2022	291.0	196.0	291.0
GFF EIF Growth Facility	2021	2,890.7	0.0	2,211.5
ERP/Future Fund Growth Facility	2021	2,490.9	0.0	2,442.9
ERP/EIF Growth Facility	2016	251.3	0.0	39.1
Mezzanine Funds of Funds for Germany I and II	2012 /2016	192.0	0.0	66.7
ERP-VC Fund Investments	2015		0.0	1,673.0
European Angels Fund Germany	2012	200.0	0.0	151.3
ERP/EIF Fund of Funds	2004	2,032.0	0.0	936.7
RegioInnoGrowth	(2023)		450.0	450.0
Venture Tech Growth Financing 2.0	2022	1,154.8	0.0	1,072.8
High-Tech Gründerfonds growth facility	(2023)	0.0	660.0	0.0
High-Tech Gründerfonds IV	2022	305.0	0.0	288.7
High-Tech Gründerfonds III	2017	170.0	0.0	92.7
High-Tech Gründerfonds II	2011	220.0	0.0	53.3
High-tech Gründerfonds I	2005	240.0	0.0	1.6
DeepTech & Climate Fonds	2021	745.2	254.8	737.0
coparion	2016	180.0	0.0	49.0
Grant programmes				
		Budgetary funding available in the financial year of 2023		Programme funds disbursed since launch
INVEST		45.93		211
EXIST		107.75		956.0

Data last updated: For instruments financed from the ERP Special Fund: 30 March 2022;
for instruments financed from the Future Fund: 31 December 2022;
for ERP-VC Fund Investments: 31 December 2022.

