



EUROPEAN CLIMATE, INFRASTRUCTURE AND ENVIRONMENT EXECUTIVE AGENCY (CINEA)

CINEA.D - Natural resources, climate, sustainable blue economy and clean energy  
D.3 - Sustainable Blue Economy

## **Synergies and Clustering between Maritime Projects (EASME/EMFF/2020/3.1.12) – SI2.850620**

### **Workshop Report: “Financial Engineering”**



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**Credits:** Lead Contractor: [Cogea](#). Report written by lead workshop organiser and consortia member [Poseidon](#).

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## Executive Summary

CINEA, the European Climate, Infrastructure and Environment Executive Agency is implementing an initiative titled “**Synergies and clustering between maritime projects**” with the aim to provide a platform for exchange of information, best practices and synergies between EMFF funded projects as well as with other funding programmes in support of the Integrated Maritime Policy’s goals. Running from June 2021 for two years and supported via a consortium of consultants through a tender contract, a key component of the initiative is to run a series of workshops to facilitate and foster networking, cooperation, sharing of experiences and to maximise the impact of relevant thematic clusters of EMFF funded projects.

The third workshop, on “**Financial Engineering**” took place on Thursday, 5<sup>th</sup> May 2022 (10:00-13:00 CET). The aim of this cross-thematic workshop was to address a shortcoming identified in many projects, namely: what happens when the grant support ends? There is often limited forethought and/or financial literacy to consider how to further develop projects following grant funding.

A total of 68 attendees participated in the workshop, representing European Commission funding mechanisms as well as beneficiaries from both EMFF projects and projects from other funding mechanisms. A mixed methodological approach was used to drive engagement and participation in the virtual setting.

Over the three hours the presentations and break-out sessions helped to:

- a) **Raise awareness** among project beneficiaries of the EU policy and financial services landscape established to progress a sustainable blue economy.
- b) **Identify** what information is needed to make projects attractive to investors.
- c) **Encourage** project beneficiaries to carry out financial planning themselves or seek assistance to do so.
- d) **Create synergies** between the EU’s existing financial engineering platforms and initiatives.

The information and discussion generated during this workshop will provide grant beneficiaries and authorities with valuable insights and connections to the various investment support services available for Blue Economy projects. It also highlighted the information that investors are looking for from project managers, which can lead to improved financial sustainability in existing and future projects.

## 1. Introduction

This was the third in a series of thematic workshops being held under the “Synergies and Clustering between Maritime Projects” initiative. The ‘Financial Engineering’ workshop, subtitled “Life after grants” took place via Zoom on the morning of Thursday, 5 May 2022.

The workshop presented success stories, information and investment options for project managers to consider, with the objective of making existing and future projects more sustainable.

## 2. Workshop Objectives

The aim of the workshop was to raise awareness of the investment opportunities available to Blue Economy projects; to encourage financial planning and increase financial literacy among EMFF grant beneficiaries to consider how to further develop projects following grant funding.

## 3. Target Participants

Given that the cross-thematic nature of the topic, we propose the **participants** are as follows;

- a) Financial engineering expertise – e.g. within certain DGs, the EIF or investment platform providers?
- b) Projects identified by CINEA as showing good or innovative financial engineering (e.g. Selected EMFF Blue Economy projects + H2020 and others
- c) Project co-ordinators of ongoing or recently closed projects.
- d) Coherence panel covering EC funding mechanisms

A total of 68 participants attended the workshop (105 of which registered for the workshop in advance)\*. Attendance consisted of members of the coherence panel, representatives from other EU funding programmes, and beneficiaries from both EMFF funded projects and other funding mechanisms.

### Breakdown:

<b>Total Registered: 105</b>
Coherence Panel Members: 9
Project Beneficiaries: 33
Other: 26

\*Some participants did not register for the workshop and accessed the call using a Zoom link directly provided to them by CINEA

## 4. Workshop Methodology

The three-hour workshop took place online via Zoom. Participation was free and open to all relevant stakeholders. The event was advertised via multiple social media channels with EMFF grant beneficiaries and coherence panel members informed directly via email.

To engage all participants and encourage participation, the methodology included a mix of presentations, success stories, plenary discussions and breakout sessions. The agenda for this workshop can be found in **Annex 1 – Event Agenda**.

The workshop began with an introduction from CINEA and the Synergies & Clustering project team lead acting as the chairperson. It was then separated into two main parts:

### **Part 1: Setting the scene**

The workshop began with a series of brief presentations from DG MARE, Blue Economy investment service providers (EIB, Blue Invest, DigiCirc); and a project success story (CorPower Ocean). There followed a moderated panel discussion involving the head of CINEA's financial engineering team and a private venture capital fund provider, Blue Forward Fund to explain their services and discuss what makes a project attractive to potential investors.

### **Part 2: Breakout rooms.**

Part 2 consisted of three breakout rooms to allow more specific discussions with moderated discussion between project beneficiaries (coordinators and partners) and financial service providers. The rooms were distinguished by where a project is in terms of commercialisation and investment readiness. At registration attendees were asked which room best reflects their situation (to enable allocation to breakout rooms prior to the event). Additional participants initially allocated rooms to balance numbers and all were able to move into other breakout rooms if they wished. The three rooms were described as follows:

#### **1. No current plans to commercialise project outputs (Moderator: Anna Kęsicka, Cogea)**

This may be due to the nature of the project (e.g. knowledge-based) or no experience of what is needed to commercialise outputs

*The scope of this discussion group was to discover the challenges that beneficiaries may face when trying to put their products/services on the market after the conclusion of the grant period. The session was split into two parts. In the first part, the moderator outlined the key steps to commercialise a new product/service (tips for writing a business plan, attract investors and get funding other than public grants). The second part was a discussion on the challenges and barriers suggested by participants when trying to commercialise.*

#### **2. Getting 'market-ready' (Moderator: María Bernabé, CT Naval / DigiCirc)**

Some thinking has gone into commercial development, but further investment, such as venture capital, is needed to do so.

*This involved project presentations by the 5 successful Blue Economy call beneficiaries (that were selected for further development at Blue Economy Demo Day 27<sup>th</sup> April) on their 'development journey', followed by a panel discussion with these successful projects on experiences and lessons learned.*

#### **3. Project is already on the market (Moderator: Renata Peloso, BlueInvest)**

This room was targeted at projects seeking additional investment, such as equity funding, that is needed to further develop projects/products that are already on the market e.g. scaling up production/expansion into new markets.

*The session described the various strategies that can be adopted to attract private equity investment and had a moderated discussion on experiences and lessons learned.*

Following the breakout room sessions, participants reconvened in plenary to hear brief rapporteur summaries of each room. This allowed participants to get a flavour of the two other rooms they were not involved in.

The chair thanked all presenters and participants before closing the meeting.

## 5. Workshop Outputs

The workshop took place as scheduled on Thursday, 5th May from 10.00-13.00 CET. The workshop had two parts - Part 1 focused on setting the scene in terms of policy and available financial services, while Part 2 sought to inform EMFF project beneficiaries at different stages of project maturity.

### 5.1: Part 1: Setting the Scene

A short summary of the presentations delivered during Part 1 of the workshop is provided below. A recording of the whole workshop and copies of each presentation are available on the [Maritime Forum](#).

Workshop item	Presenter	Summary
1. <a href="#">Welcome &amp; Introduction</a>	Charlotte Jagot, CINEA	Introduced the Synergies & Clustering project Explained the objective of the workshop was to inform beneficiaries of grants about options afterwards. Described the various types of EMFF projects on the Blue Economy.
2. Setting the scene	Alessandro Pititto, Cogea (chair)	Described the format of the workshop and ground rules for participation.
2.a <a href="#">Policy context &amp; investment landscape</a>	Claus Schultze, DG MARE	Described the journey towards BlueInvest: Since 2016 developed different grant call formats. Now framed within the EU Green Deal, a new approach to Transforming blue economy value chains was adopted. Study in 2018 found SMEs lead the way, but there is a funding gap and SMEs face difficulties in obtaining finance – hence need for Blue Invest, which provides coaching and connects SMEs with investors. Blue Invest Fund established with EIF and quickly allocated €300m, with a new round of €500m just launched.
2.b EIB investment advice ( <a href="#">1</a> , <a href="#">2</a> )	Antonella Calvia, EIB; Alberto Casorati, EIB	In 2018 EIB developed financing principles and Clean Ocean Initiative with a target of €4bn. Offshore wind has received strong support from EIB, as well as Blue SOS for other blue economy sectors. Found uptake of ocean innovation is slower than elsewhere as difficult to deploy. Also found strong competition from US and Asia investment in start-ups and e.g. NOAA can fund up to 60%. EIB is therefore building an ‘integrated financial ocean eco-system’ through a Blue Innovation roadmap: Grants > Blue Invest > EIB investment. Action for Climate Thematic Impact Finance (ACTIF) at EIB now expanding focus on blue economy and bio-economy e.g. ocean observation technologies. Main instrument is Venture Debt (quasi-equity) up to 50% from 7.5m (so min company investment of 15m) for companies beyond the seed stage from commercial demonstration to large scale deployment.

Workshop item	Presenter	Summary
2.c <a href="#">BlueInvest</a>	Renata Peloso, PwC Luxembourg	<p>Blue Invest is here to support projects in tapping into the various investment opportunities by developing a path to market for each project. Blue Invest community (1,300+) is useful for all the different stakeholders to connect through events and B2B meetings. The first call supported 202 beneficiaries and involved a range of different investors, leading to 26 companies receiving investment. Several lessons learned relating to the needs of beneficiaries.</p> <p>Now launching the second programme for another 120 companies: <a href="https://webgate.ec.europa.eu/maritimeforum/en/frontpage/1451">https://webgate.ec.europa.eu/maritimeforum/en/frontpage/1451</a></p>
2.d <a href="#">Funding engineering through TRLs</a>	Enric Villarín, Corpower Ocean	<p>Described CorPower Ocean's wave energy converters (WEC). 4<sup>th</sup> generation WEC is now being deployed as an array by 2024. Worked in over 20 projects amounting to over €30m.</p> <p>He described a structured product verification process that they followed. Supported TRL development through a mix of grants and private investment.</p> <p>Received BlueInvest mentoring related to accessing the US market and now have links with a potential project developer &amp; potential US investors.</p> <p>Funding in Sweden and Portugal of land-based facilities that helps de-risk deployment and create a complete device development and deployment.</p> <p><a href="https://www.corpowerocean.com/">https://www.corpowerocean.com/</a></p>
2.e <a href="#">DigiCirc: Blue Economy Call</a>	María Bernabé, CT Naval	<p>Introduction to CTN – a non-profit organisation to increase competitiveness of SMEs, part of several international projects. Coordinates a Blue Economy call and accelerator programme.</p> <p>Described the process and services provided to selected consortia. Led to a Blue Economy demo day where 5 consortia were selected for additional funding and a further 6 months of support.</p> <p><a href="https://digiCirc.eu/">https://digiCirc.eu/</a></p>

Workshop item	Presenter	Summary
3. Moderated discussion	<p>Alessandro Pititto, Cogea (chair)</p> <p>Gauthier Clar, CINEA Financial Engineering Team</p> <p>Pierre Erwes, Blue Forward Fund</p>	<p><b>1. CINEA support (innovation fund and green assist) and catalytic impact of grants.</b></p> <p>CINEA team tries to anticipate what to do after grants by designing calls for grants and requiring applicants to plan ahead. Connecting Europe Facility (CEF) funds infrastructure including Transport and Energy, which are relevant to maritime activities such as sustainable shipping and alternative fuels (electricity, hydrogen). Also Innovation Fund: can finance a range of start-up projects.</p> <p>CINEA will provide a technical assistance service called Green Assist acting for DG Environment.</p> <p>In awarding grants CINEA first looks at innovation, project maturity and scalability. The financial maturity shown through the business model and plan is key to illustrating how the project can progress after the grant.</p> <p>It is crucial to try and estimate the amount of grant needed so that the project can progress without the need for more grants.</p> <p><b>2. Example of private equity support: Blue Forward Fund</b></p> <p>Seventure (a venture capitalist) linked with Biomarine (network of stakeholders) to create the Blue Forward Fund. Now deploying the capital. Generally, it's an active form of investment, as Blue Forward want to sit in the board of the companies they invest in. Look at CEO's vision and the team. If looks successful then get into the numbers – iterative process to find what would work. Example: mobile seaweed biorefinery is now being supported.</p> <p><b>3. Discussions around what makes a project bankable</b></p> <p>Funders need to see a clear vision</p> <p>Need to sit with the company to discuss how to optimise the grant money and ensure the numbers make sense.</p> <p>The company board is a very important component – a lot of SMEs only have an idea. Need active people that have useful skills.</p> <p>CINEA likes projects where venture funds or lenders directly contribute, as having financial partners from the onset helps gaining financial literacy, and gives comfort to the grant funder as well. It's a sort of a "chicken &amp; egg" situation – a project promoter might need a grant to attract investors, but the grant funder might feel reassured if an investor is already onboard. Teaming up with financial partners as early as possible helps break the "chicken &amp; egg" loop.</p> <p><b>4. Are grants still needed?</b></p> <p>Yes – if they address a market failure and are needed to develop a market/emerging sector. If used well, they can help de-risk a project and accelerate sector development. Grants need to be used with the right vision and planning.</p> <p>Companies also need coaching/mentoring to develop in the way that is needed to make it attractive to investors.</p> <p>From the point of view of a policy maker, it might be wiser to spend resources on revolving instruments to build a healthy financial ecosystem that supports investors in choosing the winners and investing mature enough project teams, rather than funding individual projects and to rely on a project pool from submissions at a particular time, when the call is published.</p>



## 5.2: Part 2: Knowledge sharing & networking

Workshop item	Presenter	Notes
4. Introduction to PART 2	AP, Cogea	Plenary
5. Moderated discussions	3 moderators: (Cogea, DigiCirc, BlueInvest) 3 rapporteurs (Poseidon/Cogea)	Participants were allocated to one of 3 breakout rooms, based their project's maturity and/or the preference they expressed when registering for the event. 1. Introduction to post-grant business planning (Anna Kęsicka, Cogea) 2. Getting market ready (María Bernabé, DigiCirc) 3. Business valuation and equity investment (Renata Peloso, BlueInvest)
6. Reporting back	Rapporteurs (Poseidon)	In plenary the rapporteurs summarised discussions in each of the three break out rooms (see below)  It was commented by a fund provider that platforms need to work with investors as well as beneficiaries to provide a learning path and sector insight.
7. Formal meeting close	AP, Cogea	Thanking participants & post event reporting

## 5.3: Key Points from Part 2: Breakout room 1 – introduction to post-grant business planning

Rapporteur notes:

1. The importance of planning and having a (good) **business plan**
  - Beneficial for companies of **all sizes** and at **any stage of operation**
  - Business plans useful for **internal** & external purposes as it helps keep track
  - EMFF grant should be used during the 'valley of death' when the likelihood of success is the lowest; **need to plan for what is next (the post-grant phase)**
  - **Goal-setting** for both during the grant and post-grant
  - What is the **objective** of the grant versus the **final goal** of the project?
    - e.g., using the grant to develop a product and having a post-grant plan to work on commercialising that product and promoting its uptake

Each group used the Google Jamboard to identify the objective of the grant and formulate an ultimate goal for their project

The three invaluable components of any business plan:

1. **Product** (what is the product and who does it cater to?)
2. **Marketing** (how will you promote the product?)
3. **Finances** (how will you generate revenue?)

4. If you can answer each of these questions, you will be much more likely to attract further funding

Each project then practiced creating a business plan for their projects

- How to write a winning business plan
  - Accurate reflection of different **viewpoints** (the market, investors & the producer)

#### 5.4: Key points from Part 2 Breakout room 2 – Getting market ready

Rapporteur notes:

The 5 DigiCirc Blue Economy successful consortia (involving 11 SMEs) were introduced:

[AlongRoute](#): weather forecasting for maritime transport. Researched demand/need and benefits of the Project and clear view of customer base.

Blockchain e-BoL: blockchain software for shipping industry to digitize Bill of Ladings documentation and so reduce shipping losses.

[N-Bunker](#): maritime decarbonisation via smarter ship bunker operations.

SOx-CAP: hardware and software for monitoring sulphur levels in fuel.

[ZIDAY](#): satellite observation for marine pollution monitoring.

They will have a further 6 months with €100,000 per consortia to deliver:

- Business development success: 1<sup>st</sup> partnership, 1<sup>st</sup> customer or a strong community of users, depending on the solution & target market
- Prototype/MVP developed and validated in a real environment

This diverse range of projects all showed:

- Identification of problems and inefficiencies in current practice
- Demonstrating & quantifying economic and environmental benefits (Value Proposition)
- Good knowledge of potential customers (market need and size)
- Clear plan for how to develop
- Strategic partnering & team cover all the skills needed – including technical, market and financial.

A project manager commented that help from DigiCirc prepared them to go to market, including by knowing that investors are likely to expect prospective clients to be identified and showing clear interest in the project/product.

#### 5.5: Key points from Part 2 Breakout Room 3 – Business valuation and equity investment

Rapporteur notes:

##### 1. Fundraising strategies with private capital:

- Identifying the types of investors: diversity - variation from pre-incubation, incubation to growth-acceleration-M&A
- Good signs of a future reliable investor: investor coaching your idea
- No 'one size fits all' solution. Corporate partner can be a key investor – risk to be absorbed to mitigate by a strict selection process and having a relevant company board in your company.

2. **Investment decisions can be quicker in regions outside the EU (more appealing).** Effort is required to increase this attraction in the EU to have a full financial integrated ecosystem. Public – private collaboration is one of the solutions; project and initiatives are getting into this direction too.

3. **Lack of technical assistance for investors and Sector Awareness and knowledge** - many opportunities are missed because investors cannot see the opportunity.

(Pre-seed and seed stages in particular: discussed briefly at the end of the breakout session).

## 6 Conclusions

The workshop brought together a mix of stakeholders including funders, project beneficiaries and other stakeholders. Over 3 hours the two sessions helped to:

- ✓ **Raise awareness** among project beneficiaries of the EU policy and financial services landscape established to progress a sustainable blue economy.
- ✓ **Identify** what information is needed to make projects attractive to investors.
- ✓ **Encourage** project beneficiaries to carry out financial planning themselves or seek assistance to do so.
- ✓ **Create synergies** between the EU's existing financial engineering platforms & initiatives.

## 7 Follow Up

A recording of the workshop and PDF copy of all presentations delivered on the day is available on the [Maritime Forum](#).

## Annex 1 – Event Agenda

### Synergies and Clustering between Maritime Projects (EASME/EMFF/2020/3.1.12) – SI2.850620

#### *“Workshop on Financial engineering”*

**Location:** Online (Zoom).

Link provided separately to registered participants.

**Format:** The workshop will take place in two parts, with the second being exclusively for networking

**Timing:** 10:00 – 13:00 CET, 5 May 2022

**Moderator:** Cogea

**Registration link:** [https://ec.europa.eu/eusurvey/runner/financial\\_engineering](https://ec.europa.eu/eusurvey/runner/financial_engineering)

#### **Workshop Objective:**

The workshop seeks to address a shortcoming identified in many EMFF-funded projects, namely: what happens when the grant support ends?

Ideally, grants are awarded to innovative projects, products, and / or services that hold great potential, but are not yet sufficiently developed to enter the market or to raise capital from private investors. The purpose of a grant is to "nurture" these ideas until they grow mature and are ready to stand on their own feet.

However, for a number of reasons, several EMFF-funded projects often end up finishing with the grant itself. There is often limited consideration of sustaining or developing projects following grant funding.

# Agenda

Chair: Alessandro PITITTO, Cogea

## Part 1: Financial engineering challenges and options

- 10:00-10:05**    **Welcome and introduction**  
*Charlotte JAGOT, CINEA*
- 10:05-10:10**    **Policy context and investment landscape**  
*Claus SCHULTZE, DG MARE*
- 10:10-10:20**    **New technologies: funding opportunities and eligibility conditions**  
*Antonella CALVIA-GÖTZ / Alberto CASORATI, European Investment Bank*
- 10:20-10:30**    **[BlueInvest](#)**  
*Renata ALMEIDA PELOSO, PwC Luxembourg*
- 10:30-10:40**    **Funding engineering through TRLs**  
*Enric VILLARÍN, CorPower Ocean*
- 10:40-10:50**    **[DigiCirc](#): Blue Economy Call**  
*María BERNABÉ, Centro Tecnológico Naval y del Mar*
- 10:50-11:20**    **Panel discussion**  
*Gauthier CLAR, CINEA and Pierre ERWES, [Blue Forward Fund](#); Chair: Alessandro PITITTO, Cogea*
- 11:20-11:35**    **Comfort Break**

## Part 2: Knowledge sharing and networking

- 11:35-11:40**    **Introduction to Part 2**  
*Alessandro PITITTO, Cogea*
- 11:40-12:25**    **Parallel breakout rooms\***  
*1. Introduction to post-grant business planning (Moderator: Anna KĘSICKA, Cogea)*  
*2. Getting market ready (Moderator: María BERNABÉ, Centro Tecnológico Naval y del Mar)*  
*3. Business valuation and equity investment (Moderator: Renata ALMEIDA PELOSO, PwC Luxembourg)*
- 12:25-12:40**    **In plenary – Summary of discussions**  
*Reporting back from rapporteurs (Rod CAPPELL/Vincent DEFAUX/Wasseem EMAM, Poseidon)*
- 12:40-12:45**    **Formal meeting close**

\* Project-beneficiaries will be assigned to breakout rooms, based on what reported on their registration forms.