



PREP4BLUE

METHODS AND TOOLS FOR MISSION OCEAN & WATERS

Financing factsheets

Results from PREP4BLUE on financing models

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A 'Mission Restore
our Ocean and
Waters' initiative.



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Vision of how to fund scale-up solutions beyond 2025

- Objective:
Explore and apply funding models to support Mission objectives (D5.4)
- Methodology:
Building on D5.2 “Business model blueprints and de-risking recommendations”.
Reviewing the funding seascape, based on
 - desktop review
 - partner input
 - stakeholder consultations

Vision of how to fund scale-up solutions beyond 2025

- Outputs:
 - 19 funding instruments identified relevant to the Mission
 - 6 financing factsheets on targeted funding models
 - Cascade financing
 - Concessional and blended finance
 - Crowdfunding
 - Grants and donations
 - Pre-commercial procurement and public procurement of innovative solutions
 - Equity and debt
 - 1 factsheet on recommendations for funders
- Findings:
 - Non-profit-oriented funding models predominate public funding
 - Complementing those requires mobilising private funders on a large scale
 - > potential to increase the pool of funding and funding models.
 - > potential to support public policy goals and the Mission's objectives



Financing factsheets - Examples

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GRANTS AND DONATIONS

Grants and donations come in a variety of forms, sizes and conditions. A common characteristic is that the funder has no expectation of profit or financial repayment.

Grantmakers, whether governments, businesses, philanthropic organisations, or private individuals, aim to achieve social, environmental, or economic objectives, or to demonstrate commitment to a greater cause. The return on investment is measured in terms of impact on the public good rather than in financial gains.

Successfully navigating the grant lifecycle demands coordinated efforts from both grantors and grantees. Grants are generally awarded through competitive processes requiring diligent preparation of all involved. Monitoring, evaluation and reporting on awarded grants can also entail a significant workload for both funders and recipients.



CASCADE FINANCING

Cascade financing is a form of grants that facilitates their delivery (or parts of it) from large funders to smaller organisations which are innovating in fields of strategic importance.

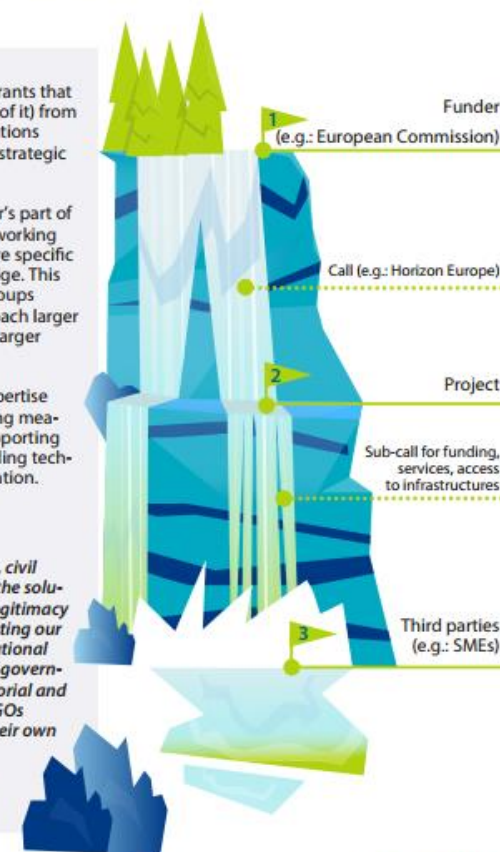
This mechanism eases the funder's part of the administration and enables working through intermediaries with more specific thematic or geographic knowledge. This way, funders can reach target groups which would not normally approach larger funders or are unable to absorb larger grants.

Intermediaries with technical expertise may also include capacity building measures for the target group by supporting the application process or providing technical support during implementation.

“

To restore our ocean and waters, civil society is crucial both in finding the solutions needed and ensuring the legitimacy of the green transition. By allocating our funds for civil society through national Fund Operators, independent of government, we can rely on strong sectorial and national expertise while local NGOs seeking funds get guidance in their own language.

Ragna, EEA and Norway Grants



Financing factsheets - Examples

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CROWDFUNDING

Crowdfunding is an approach allowing fundraisers to raise capital from a large number of people who contribute relatively small amounts via online platforms. This can be in the form of donations, loans, or equity financing, among others.

CASE STUDY 1: THE OCEAN CLEANUP

“With the support of over **38,000 funders** from 160 countries, over **2 million USD** was raised in 100 days. The money raised helped The Ocean Cleanup initiate the engineering process as well as a series of expeditions. The collected oceanographic data is used by our engineers when designing the cleanup system. Thank you to all crowdfunders, professional in-kind contributors, as well as the many volunteers and ambassadors who enthusiastically invested their time when The Ocean Cleanup was merely in the concept phase.”

The Ocean Cleanup

TYPES OF CROWDFUNDING

Peer-to-peer lending
loans repaid with interests



Profit/revenue-sharing
future profits or revenues are shared with the crowd in return for funding



Equity crowdfunding
sale of a stake in return for investment



Rewards-based crowdfunding
donations with expectations of receiving a non-financial reward



Debt-securities crowdfunding
investments in a debt security, such as a bond



Hybrid models
combinations of elements of more than one crowdfunding type



Donation-based crowdfunding
donations with no financial or material return



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CONCESSIONAL FINANCE

To support priority areas or activities, funders may offer financial assistance on more generous terms than what is otherwise available. One could say that the funder makes a concession by giving favourable terms. This is referred to as **concessional finance**. There are several types of concessional finance, including financial guarantees or loans with lower interest rates, longer repayment periods, or lower requirements for security than what is available on the market.

BLENDED FINANCE

Blended finance refers to a model where concessional finance, typically provided by public institutions, aims to leverage private capital by mitigating risks with public guarantees. It therefore combines public and private funding to catalyse additional investments, using instruments such as equity, debt, grants and guarantees.

“Sustainable ocean businesses, which are often perceived as high-risk benefit most from blended finance because they achieve commercial viability and demonstrate successful investments and exits.”

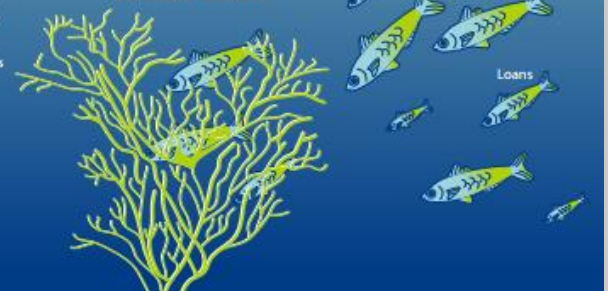
Blue Invest investor report

Concessional finance

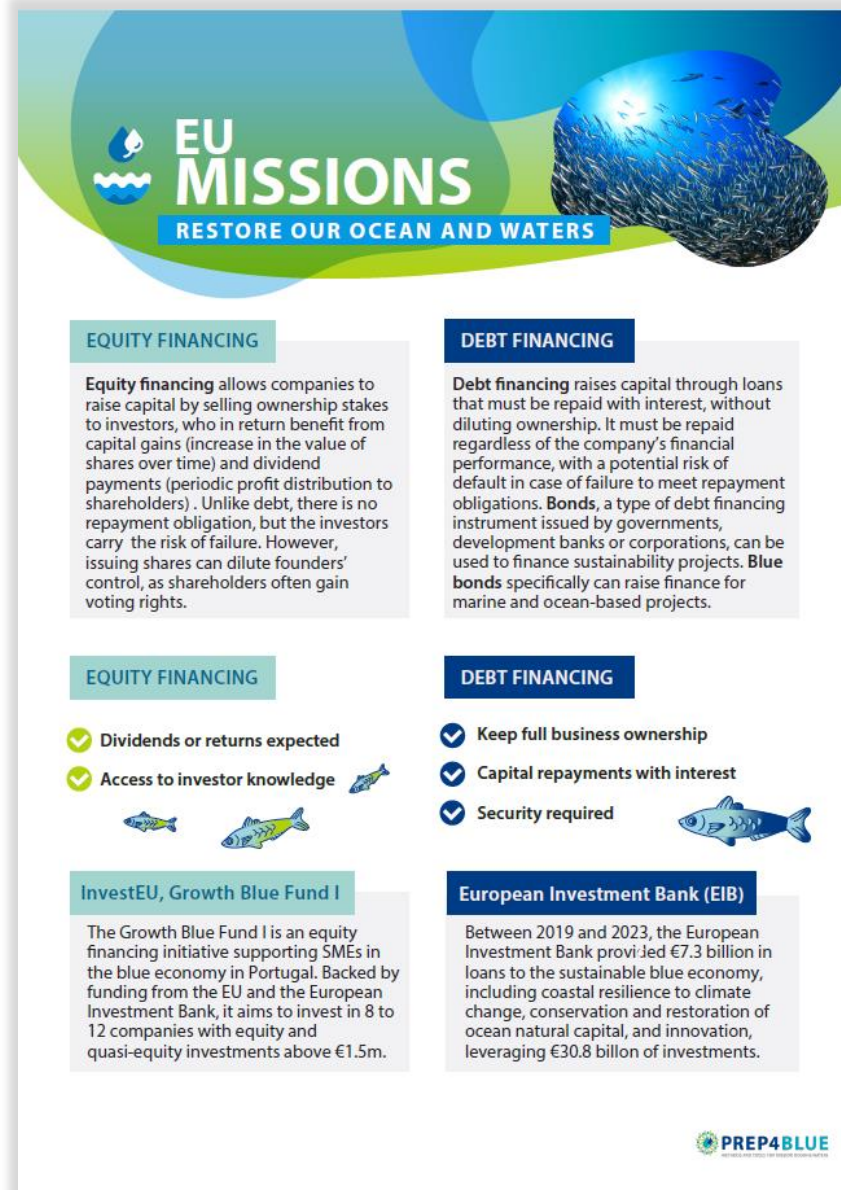
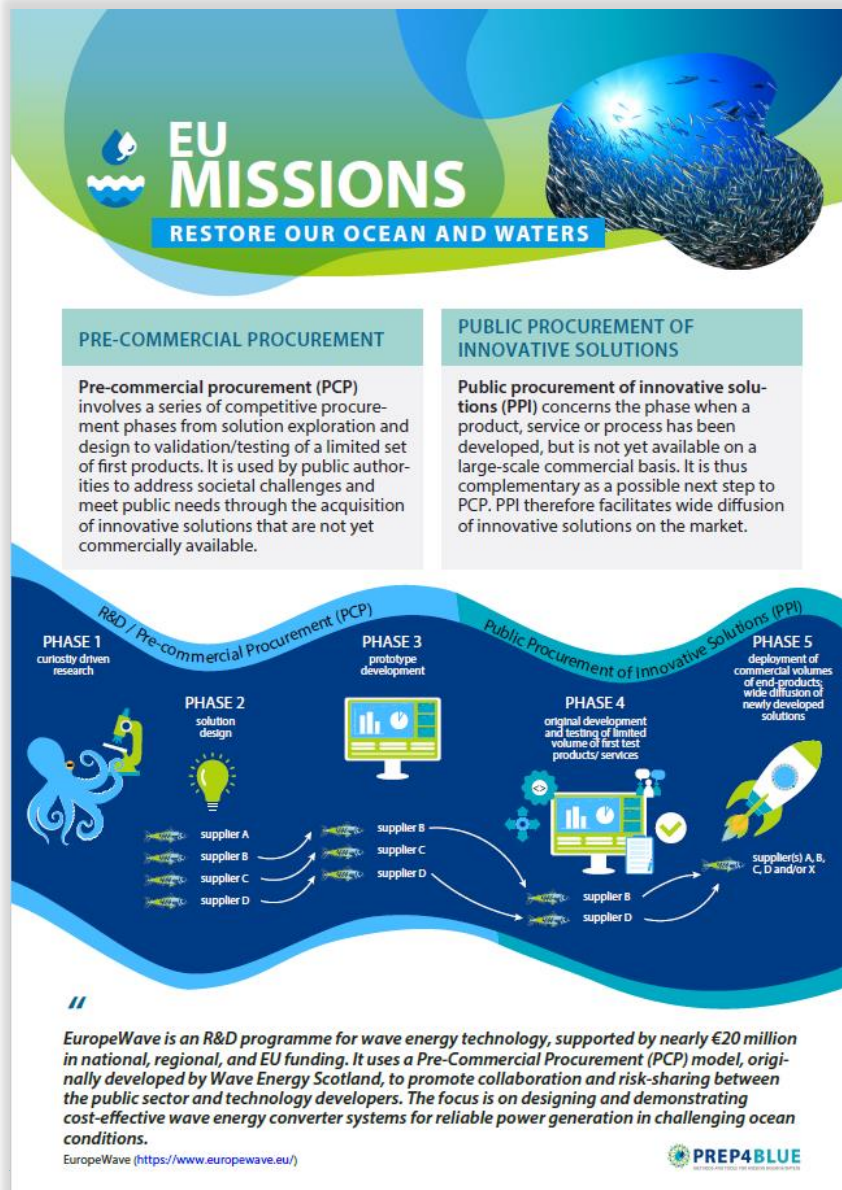


Private capital

Blended finance



Financing factsheets - Examples



Recommendations for funding scale up solutions to support Mission objectives

- Ensure coordination and alignment of funding models and business models
- Ramp-up navigation through the complex funding seascape
- Establish simpler and faster opportunities
- Explore innovative funding models



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Thank you

Thorsten Kiefer, JPI Oceans



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A 'Mission Restore
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Concrete solutions for our greatest challenges



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