



BRILIAN
Circular Future for Rural Areas

DISCUSSION & Q&A



Webinar: Public and Private Funding Instruments: Tailored Strategies for Impact

Date: February 27, 2025

Introduction

The following document summarizes the outcomes of the discussion and Q&A session of the *Public and Private Funding Instruments: Tailored Strategies for Impact* webinar in an interactive format using the transcript of the video recording.

Funding Gaps - Combining public & private investment

QUESTION: Milena, in your presentation, you discussed funding gaps and the importance of public-private collaboration. Can you elaborate on the challenges companies face in securing investment?

Key Topics addressed

- **Public-private partnerships** as a means to de-risk investments.
- **Investor risk aversion** and the need for high-growth capital in the bioeconomy.
- **Strategic planning** (18-24 months ahead) for securing grants and investments.
- **The "valley of death"** and the challenges startups face in securing long-term funding.
- **Differences in funding environments between Europe and the U.S.**
- **The role of financial ecosystem facilitators** in guiding companies through the funding process.

Milena - TechTour, ShapingBio project

Certainly. Different industries within the bioeconomy require varying levels of capital investment. Some industries, particularly those that need infrastructure like factories, reactors, or production premises, require substantial funding, sometimes up to **50 million euros in Series A investment**. Unfortunately, investors tend to be risk-averse, especially when the return on investment is uncertain.

To address this, we are **exploring public-private partnerships** as a way to de-risk investments, especially at the commercialization stage. However, we haven't yet found a universal solution. Our focus is on creating **recommendations to blend public and private financing** effectively to support high Technology Readiness Level (TRL) projects.

Filippo - IBF

There is a necessary **blending of grants and investments** at both structural and operational levels. Grants alone are often insufficient for scaling up projects. As investment needs grow—from 1 million to 50 million euros—grant funding decreases in proportion, making private investment essential.

Companies must decide early whether to:

1. Seek investor funding to grow quickly without relying on grants.
2. Use grants first to establish a solid foundation before attracting investors.
3. Combine both strategies carefully, as some grants serve as a **quality label** that can attract investors later.

The key takeaway is **strategic planning**. Companies should **plan investment strategies 18-24 months ahead**, as both grants and investments take time to secure. Unlike smaller funding needs (below 100,000 euros), larger projects require foresight and long-term financial planning.

Jeppe - FBCD

One major issue is that **many startups fail because they lack financial planning knowledge**. Entrepreneurs are often so focused on their innovations that they **overlook the need to plan for the next funding stage**. This can lead to projects stalling due to lack of capital, commonly referred to as the **“valley of death.”**

As part of an ecosystem facilitator FBCD, we **help companies navigate funding opportunities** and provide guidance on securing both public and private capital. The key challenge is that private and public funding structures don't always align, and bridging this gap requires both **knowledge and strategic foresight**.

Additionally, **European companies face a unique challenge**—while securing late-stage investments in Europe is difficult, early-stage funding is more accessible compared to the U.S., where startups struggle to find initial investments. In contrast, U.S. investors focus on large, high-value investments. This creates a dilemma: **should companies remain in Europe for initial funding or expand to the U.S. when they scale up?**



Improving Awareness and Accessibility of Public Funding

QUESTION: One of the challenges raised is that funding bodies are often not well-informed about the sector, making it difficult for companies to secure funding. What can be done to improve this situation?

Key Topics Addressed

- **Lack of proactive promotion** from public funding bodies.
- **Difficulty in navigating funding databases**, even for widely used technologies.
- **Need for joint promotion of different funding programs** to provide a **sector-specific** overview.
- **Encouraging collaboration among funding bodies** instead of working in isolation.
- **Successful example from the textile sector**, which could be applied to agrifood and other industries.

Milena - TechTour, ShapingBio project

During our study, we found that **both investors and SMEs** believe that **public funding bodies should be more proactive** in promoting available funding options. Many startups struggle to find relevant funding opportunities, even though large programs like **Horizon Europe** exist with a budget of **€95 billion**.

To test this, we conducted an experiment last year. We searched for "fermentation" in the **Horizon Europe** database—fermentation is a widely used technology—yet no relevant calls appeared in the results. This demonstrates how difficult it can be for companies to **navigate the funding landscape** and find the right opportunities.

While both SMEs and investors understand that public money shouldn't be easily accessible without value in return, they still believe that **funding bodies should actively guide and inform businesses** about available grants and programs.

Filippo - IBF

Yes, every funding body already has a **key performance indicator (KPI)** to promote their programs, but promotion is often **fragmented**. Different funding initiatives—like **LIFE, CBE-JU, and Cluster 6**—promote themselves separately, meaning companies only discover them if they already know they exist.

One **solution** is to organize **joint funding promotion events tailored to specific sectors**. I recently saw this done successfully in the **textile sector**, where different funding bodies, including **the European Space Agency**, collaborated to showcase funding options for textile innovation. **Agrifood and other industries should adopt a similar approach**—bringing together all relevant funding bodies at European or national levels to **present funding options in a user-friendly, sector-specific way**.

The challenge is that **funding bodies tend to work in isolation**, but with effort, they can be encouraged to **collaborate and streamline the funding promotion process**. Webinars like this help, but the real impact will come when funding agencies proactively join forces to present **coordinated funding opportunities** to businesses.



Ensuring Small and Traditional Companies Have a Voice in Funding Calls

QUESTION: Many small and traditional companies struggle to have their voices heard in shaping funding calls. What strategies can they use to be more involved in this process?

Key Topics Addressed

- **Engaging in structured funding advocacy** through direct membership or intermediary organizations.
- **Challenges in accessing public funding processes**, with some being more transparent than others.
- **Cluster models as a bridge between traditional industries and new technology providers.**
- **Leveraging corporate budgets** to secure funding within large companies.
- **Exploring private foundations** (e.g., family-owned funds) as an alternative funding source.

Filippo - IBF

It depends on the specific **funding body**. Some organizations have **structured** ways for stakeholders to influence funding decisions, while others are less transparent.

For example, **CBE-JU** (Circular Bio-based Europe Joint Undertaking) is structured in a way that allows companies to become members of a private club, which then grants them a seat at the table when defining funding priorities. However, engaging in discussions directly can be **time-consuming and costly**, so an alternative is to work with **intermediary organizations** that are already members and can advocate on behalf of smaller players.

Other funding bodies, like **Cluster 6 under Horizon Europe**, are less transparent, making it harder for small businesses to engage. Overall, different pathways exist, but some are **clearer and more accessible** than others.

Milena - TechTour, ShapingBio project

Yes, during our research, we came across an **interesting case** of collaboration between **traditional farmers and technology providers**.

In this model, a **cluster organization** represents a group of farmers and other businesses. When one of its members needs a specific **technology solution**, the cluster negotiates with the **technology provider**—often at an **early stage**—and may even **invest** in the development of that technology.

This creates a **win-win situation** where traditional industries get access to the latest innovations, while tech companies gain early adopters and financial support.

Although this case didn't make it into our ShapingBio **best practices list**, it's a great example of how **traditional and innovative players can collaborate** effectively.

Jeppe - FBCD

Yes, there are also **private funding opportunities** that many businesses overlook.

In my experience working with large corporations, funding can sometimes be secured **internally** if you **attach your project to the right budget**. Even if it's difficult at first, persistence often leads to results.

What has really **surprised me in the past year** is the growing role of **private foundations**, such as **family-owned foundations**. These are often **more accessible than people realize**, but they are also **less visible**, as they don't always publicly record their funding activities.

Once you enter this space, you'll find that **these foundations are well-connected** and opportunities can emerge quickly. This is an **underexplored funding avenue** that could be highly beneficial for small businesses looking for alternative financial support.



Conclusions

On Funding and Public-Private Partnerships

- Many bioeconomy industries require significant capital, particularly at later stages (e.g., building premises or factories).
- Investors are risk-averse, making public-private partnerships crucial for de-risking commercialization.
- There is no universal funding strategy, but blending public and private financing is a key approach.
- Companies need to plan funding strategies well in advance (6-18 months), as neither grants nor investments can be improvised.
- Later-stage investments are harder to secure in Europe compared to the U.S., though early-stage funding is more accessible in Europe.

On the Role of Public Funding Bodies

- Public funding bodies need to be more proactive in promoting available funding opportunities.
- Many SMEs struggle to navigate large funding programs (e.g., Horizon Europe), often missing relevant calls.
- A sector-specific approach, where multiple funding bodies collaborate to present all relevant opportunities, could improve accessibility.
- Public funding bodies tend to work in silos rather than coordinating efforts across sectors.

On Advocating for Small and Traditional Companies

- Engaging in structured advocacy processes can help shape future funding calls, but transparency varies between funding bodies.
- SMEs can influence funding decisions through intermediary organizations that participate in advocacy efforts.
- Some clusters and industry groups negotiate with technology providers and invest in early-stage tech on behalf of their members.
- Private foundations and family funds, though less recorded in formal studies, can be significant funding sources, especially at a local level.