

# Public funding for projects on bio-based products

**October 2011**

# Public Funding, Loans and Private Equity

## ● The big differences !

- You **”sell”** part of your business in order to get private equity financing
  - The investor **try to understand if ”he can get rich”** by making the investment !
- You **apply** for a loan or for public funding
  - The decisionmaker **decides** if you fulfill the criteria for obtaining the loan or the public funding

# Basic principles of public funding

## ● General

- Governments operate with policy objectives
- Policy objectives are translated into public funding programmes (grants and subsidies)
- Various government agencies launch various funding programmes, with particular work programmes:
  - Priority areas and activities to be funded
  - Who can apply under which conditions and when
  - Funding rates
  - Programme lifetime
  - etc.
- Often regular invitations to submit proposals for projects (calls)

# Basic principles of public funding

## ● General

- Proposals describe a methodological plan:
  - Proposed activities
  - Expected results
  - Timeline
  - Budget
  - Policy impact
- Proposals are evaluated and scored by the funding agency
- Often, multiple proposals compete for fund allocation
- After a proposal is awarded a grant:
  - Applicants execute proposed work, justify activities
  - Costs are reimbursed

# Basic principles of public funding

## ● Types of funding agencies

- A multitude of government agencies provide public funding for projects
- Regional, national, or European agencies
- Numerous programmes, each with its own conditions and characteristics

## ● Funded domains and activities

- Many different domains, major ones include:
  - Research and Development
  - The environment
  - Education and training
  - Investments

# Basic principles of public funding

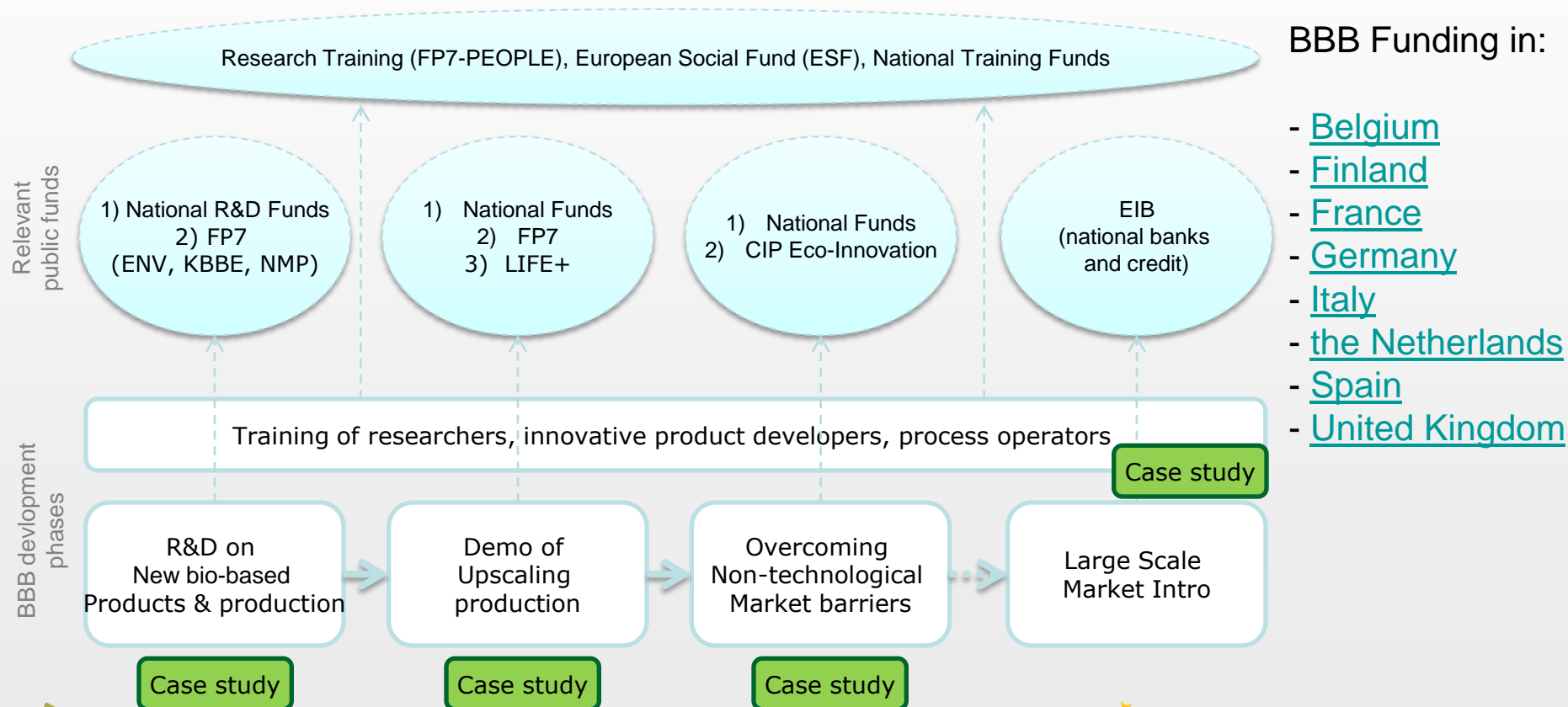
## ● **Funded domains and activities**

- Many different activities:
  - R&D, demonstration,...
  - Dictated top-down or determined bottom-up
  - Should always align with policy objectives
  - Should always match pre-existing company objectives

## ● **Cofinancing**

- Government typically funds fixed percentage of project budget
- Remainder must be paid by applicant (often in kind, e.g. through staff time), for example:
  - €1.000 project activities
  - Funding rate of 40% = €400
  - Remaining €600 covered by applicant company

# Funding vs. product development cycle



BBB Funding in:

- [Belgium](#)
- [Finland](#)
- [France](#)
- [Germany](#)
- [Italy](#)
- [the Netherlands](#)
- [Spain](#)
- [United Kingdom](#)

# Case study: FP7-Cooperation-KBBE

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- Project Acronym: ICON
- Project Title: **Industrial crops producing added value oils for novel chemicals**
- 25 partners (Belgium, France, Germany, the Netherlands, United Kingdom, etc)
- Duration: 5 years
- Project budget: €11.206.426
- Project funding: €5.791.183





# Case study: LIFE+

- Project Acronym: GREEN FOOTPRINT
- Project Title: **Demonstrating the introduction of novel renewable Polyurethane materials for high quality, top design and sustainable shoes**
- Coordinator: DOW Italia
- 1 additional partner
- Duration: 3 years
- Project budget: €1.046.447
- Project funding: €496.100

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# Case study: CIP Eco-Innovation

- Project Acronym: PYRICE II
- Project Title: **Techno-economical Design and Pilot Production of Advanced and High-added Value Materials from Rice Husk Ash**
- Coordinator: Agrino, Greece
- 3 additional partner
- Duration: 3 years
- Project budget: €1.190.050
- Project funding: €702.130 (59%)

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# Case study: FP7-People-IAPP

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- Project Acronym: BLUE4GLUE
- Project Title: **Reinforcing capacity towards industrially relevant research on bio-inspired materials and delivery mechanisms**
- Coordinator: Procter & Gamble Italia
- 5 partners
- Duration: 4 years
- Project funding: €674.364



## More ...

- **Get a free BIOCHEM assessment on funding opportunities for your project idea**
- **Find partners for your project**
- **Get hands-on support to develop a proposal**

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