



FINANCING SME SUSTAINABLE INNOVATION

JUNE 1-2, 2023

UNIVERSITY OF ANGERS, FRANCE

A workshop at University of Angers, supported by the Institute for Small Business and entrepreneurship (ISBE) Entrepreneurial Finance Special Interest Group, GreenFin Research Cluster, Middlesex University and the University of Angers, in collaboration with the Business School of Birmingham City University.

With the participation of ADEME and Bpifrance

The recent COP27 Climate Change and COP15 Biodiversity forums in late 2022 highlight the increasing requirement for rapid action to address Net Zero and the so-called UN '30 by 30' target of 30% of global land and water environmental protection by 2030. Owen et al (2018, 2020, 2021) point to the need for green and sustainable innovation finance to help to address the rapid changes required of business and society to meet these targets. Others, such as Cowling and Lui (2023) and O'Reilly et al (2023) also stress the importance of SME green innovation as a force for this, but also highlight the difficulties of financing this change. As Lerner (2010, 2012) compellingly argues, SME innovation is an essential driver of economic growth, and can be for green economic development, but it seldom succeeds without considerable amounts of financing. This appears to work best when the public sector joins forces with private investors to co-fund SME innovation and share the risks (Lerner, 2010; Owen and Mason, 2019; Owen, 2023). Furthermore, as the Task Forces for Climate Change (TFCC) and Nature-Related Climate Disclosure (TNFD), Central Bankers and supervisors (NGFS, 2022), as far as practitioners and researchers (Plihon & Rigot, 2022) argue, there is a need for public and private sector collaboration to deliver a suitable framework of science-based environmental performance targets to guide the financial sector in its investment, lending and insuring risk assessment – to avoid stranded assets, reputational damage and huge financial losses associated with environmental degradation, severe weather events and flooding.

A major task for sustainable financiers – the 'impact investors' who are interested in making a difference to environmental, social and governance (ESG) issues - is therefore to ensure that they are able to screen and assess the impact that their investments can make (Harrer and Owen, 2022) and also understand the trade-offs between ESG impacts and the amount of investment return (Deffains-Crapsky & Marie-Jeanne, 2023). For example, business Angels, as the major first external private capital provider (which may also include e.g. accelerators and seed VCs), have an important role in impact investing. Therefore, researchers need to understand both how business angels assess their impact investments and also how these processes might be improved (Ola, Deffains-Crapsky & Dumoulin, 2019, 2022; Botelho et al, 2023). A problem also arises here, since the environmental and societal impact is rarely reflected in the returns that impact investors receive (Polzin, 2017). Furthermore, disruptive 'deeptech' associated with many green/environmental innovations often requires capital intensive large investment with long horizon returns of 5-10 plus years (O'Reilly et al., 2022; Owen, 2023; Owen and Vedanthachari, 2023). The solutions to SME sustainable innovation financing are therefore complex, requiring consideration for place-based sustainable innovation ecosystem contexts and the role of public policy intervention to stimulate private investment, share risk and deliver effective long horizon commercialization of the technologies that can deliver Net Zero and 30 by 30.

This workshop encourages academic and practitioner contributions which address these issues, particularly (but not exclusively) in terms of the following:

- The role of public policy to support and finance sustainable/green innovation,
- Addressing the information asymmetries which prevent assessment of risk and reward in impact investing,
- Consideration for the co-financing initiatives required to ensure longer horizon green deeptech achieves commercialization,
- Comparisons between different place-based initiatives, their context, ecosystems and what may be transferrable best practice,
- The roles of different types of private investors in the developing impact innovation investment escalator.

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Organization Committee:

Catherine Deffains-Crapsky, Professor of Finance, Granem,
Caroline Marie-Jeanne, Associate Professor of Finance, Granem,
Robyn Owen, Associate Professor of Entrepreneurial Finance, co-Director of the GreenFin Research Cluster,
Clara Stoltz, Valorisation and Research Support Officer, Granem.

Social activities on friday afternoon:

- Guided tour of [Angers Castle](#),
- Wine tasting.

For further information to present a paper or attend, please contact:

Professor Catherine Deffains-Crapsky (catherine.deffains-crapsky@univ-angers.fr)

For prospective presentations, please send title, 150 word abstract and names of authors including those attending, before April 10th 2023.

More details regarding accommodation will be provided soon.

Keynote speakers:

Henri Souville, Industrial decarbonization engineer - Business and Industrial Transitions Department, ADEME

Louise Boero, Climate Plan Coordinator, Ile-de France Network, Bpifrance

With the participation of:



Ademe has been involved in the combat against climate change and the degradation of resources for 30 years and is determined to move the yardsticks.



Bpifrance's goal is to favour the growth of the French economy by helping entrepreneurs thrive.

