

De-Risking Portfolios of SMEs:

A brief review of SME BlueImpact Platform

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Role 1: De-Risking with Pipeline Partners

Partners who recommend SMEs to BlueImpact include:

- **Private** equity & debt fund managers
- **Maritime** clusters & ports
- **Industry** groups & strategic ventures
- **Governments:** national to local
- **Local Finance:** coops, banks, MFIs
- **Sustainability** and Ocean initiatives
- **Accelerators** & incubators



Each has an interest in recommending quality SMEs for:

- **Co-financing**
- **Job growth**
- **Economic growth**
- **Ecosystem protection**
- **Community support**
- **International networks**

Role 2: De-Risking with Monitoring & Verification

Pipeline Partners help verify:

- Operations
- Ownership
- Financiers
- History
- Team
- Suppliers
- Customers
- Commercial viability



Initial Verification

Pipeline Partners assist BlueImpact team by identifying & verifying SMEs, thanks to aligned interests.

Investors then conduct due diligence independently

Ongoing Monitoring

Pipeline Partners are BlueImpact Community members, sharing updates on projects they sourced

Role 3: De-Risking with Assessments

SMEs are subject to initial audit:

- **Legal** compliance (registrations, history)
- **Financial** documents (past & pro-forma)
- **Commercial** Viability (status, USP, market)
- **Technology Readiness** (Target: TRL 6-9)
- **Exogenous Risk** (Climate, Political, etc)
- **Environmental** Sustainability Metrics
- **Social** Sustainability Metrics
- **Eligibility Score:** Platform parameters
- **Quality Score:** Bankability assessment

Scoring per EU BlueInvest framework



Where to Improve?

BlueImpact Team assesses areas for improvement. A baseline score is given, with plan to achieve Readiness

Note: *SMEs register on platform to engage in this process. Approval & visibility to investors is granted when a minimum score is achieved - combining Eligibility & Quality*

Role 4: De-Risking with Investment Readiness

Start the Readiness Program

- **Tasks & Goals** agreed with management
- **Sustainability** requirements, according to:
 - Industry Standards (for the sector)
 - Financial Standards (accounting & legal)
- **Bankability** requirements, according to:
 - **Capital** structure optimisation
 - **Operations** & supply chains
 - **Team** commitment & rewards
 - **Customer** agreements
 - **Supply chain** management
 - **Investor** profile for alignment of interests



Platform Resources

- **Direct Advisory:**
Recommendations outlined by BlueImpact team (avg 100-day program)
- **Knowledge Platform:**
Standards, guidelines, term sheets, case studies
- **Community Forum:**
Mentors & consultants listed for access by SMEs
- **Approval** given with Score & Recommendations visible. Updates signaled by SMEs

Role 5: De-Risking with Investment Structures

SME Level

- **Corporate Finance:** Aligning financial plan with business realities & risk parameters
- **Offering:** Debt vs Equity, Trade, Blockchain, Acceptable terms
- **Impacts:** Integrating impact goals with financial instrument
- **Cash Flow:** Managing for known & exogenous risks.
- **Tools:** Covenants, insurance, collateral, sustainability links, industry & public partnerships



Portfolio Level

- **Aggregation:** Proposing portfolios of SMEs by risk levels, themes, countries or impacts
- **Blending:** Tools provided by catalytic funders to de-risk pooled investment structures for scale, impact, crowding-in private investors
- **Scaling:** Technical & industry assistance to leverage markets & supply chains for key blue sectors across the region

Thank you

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