

# Towards a European Investment Platform for the Blue Economy



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# Developing the blue economy

Over the past six years the EU has developed a substantial track record on blue growth. We are continuing to invest substantial funds, energy and vision into promoting sustainable blue growth:

- Streamlined research efforts and investment in R&I – more than 800 million euros over the past three years
- 275 million euros for maritime policy in the EMFF
- new macro-regional strategies and sea basin initiatives with a focus on blue growth.
- stakeholder-led groups like the Ocean Energy Forum and the Blue Bioeconomy Forum
- Investments in ocean energy demonstration projects, ports infrastructure, green shipping, blue biotechnology, etc.
- Data-sharing (EMODNET), MSP Directive, etc.
- Business and Investor matchmaking: Blue Invest

# Developing the blue economy

The OECD predicts that looking to 2030, many ocean-based industries have the potential to outperform the global economy as a whole

To fully realise its potential and deliver sustainable economic growth, we need significant investment in innovation.

Key enabling technologies and technology transfer Important open up new opportunities. They promise breakthrough innovations as well as improvements in efficiency, productivity and cost structures in many ocean activities.

We also need to harness more sustainable ocean resources to contribute to our clean energy transition or grow more food to relieve pressure on land.

# EMFF support to Blue Growth

- Helps fishermen to transition to sustainable fishing
- Helps coastal communities to diversify their economies
- Supports sustainable aquaculture
- Finances projects and activities to support IMP and Blue Growth

# EU funding for blue economy

The **EMFF Blue Economy call** (2018) is providing grants on three specific topics:

- Blue Labs (innovative solutions for maritime challenges),
- Blue Careers (innovative teaching and learning approaches)
- Grants for the Blue Economy (investing in innovation);

**Innovation financing:** Mainly Horizon 2020, Life+, Cosme, InnovFin, NER300 (low-carbon demo projects), CEF Motorways of the Sea Policy, Green Shipping Guarantee Programme

**Risk financing** through the Investment Plan for Europe: EIB + EFSI

# The European Commission to invest €15,1 million in new maritime projects

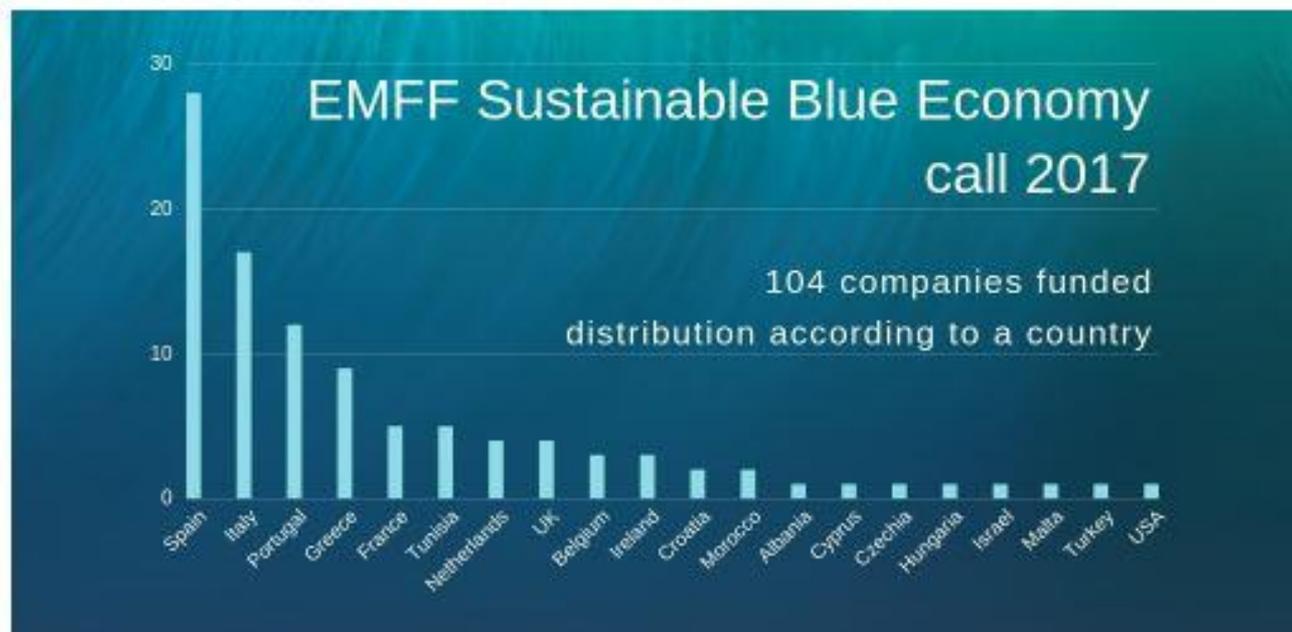


22 new sustainable blue projects have been selected for funding by the European Commission under the European Maritime and Fisheries Fund (EMFF). 104 companies from 22 countries will share €15.1 million.

The call was divided into 4 strands. The biggest share goes to Demonstration and market projects (almost 9 million). Blue networks and Fighting marine litter will share € 2.3 million for each strand. One project was selected in the strand Restoring ecosystems and will receive €1.5 million.

These projects are the results of a selection made under a [call for proposal](#) launched to accelerate the deployment of a sustainable blue economy across the EU and the Mediterranean.

They will work on the following topics: innovation (de-risking investment in demonstration projects), environment (fighting marine litter and restoring ecosystems), cooperation for a sustainable blue economy and better ocean governance in the Mediterranean sea basin.





North Sea Solutions for Innovation in Corrosion for Energy

# What is NeSSIE?

NeSSIE project will tap into the existing knowledge of anti-corrosion technology / novel materials solutions in the maritime sector supply chain to develop demonstration projects for offshore renewables in the North Sea. The corrosion solutions, when developed and commercialised, will provide global growth and job creation opportunities in remote regions in the EU.

Aiming to:

- Develop and scope 3 **offshore renewables** demonstration projects relating to corrosion issues by drawing on existing maritime supply chain expertise
- Accelerate the deployment and cost reduction of wave, tidal and offshore wind devices
- Support the demonstration project developed to access public and private investment
- Impact the North Sea Basin economy significantly

8 PARTNERS, 5 COUNTRIES  
[GO TO PARTNERS >](#)

3 DEMONSTRATION PROJECTS  
[GO TO DEMO CASES >](#)

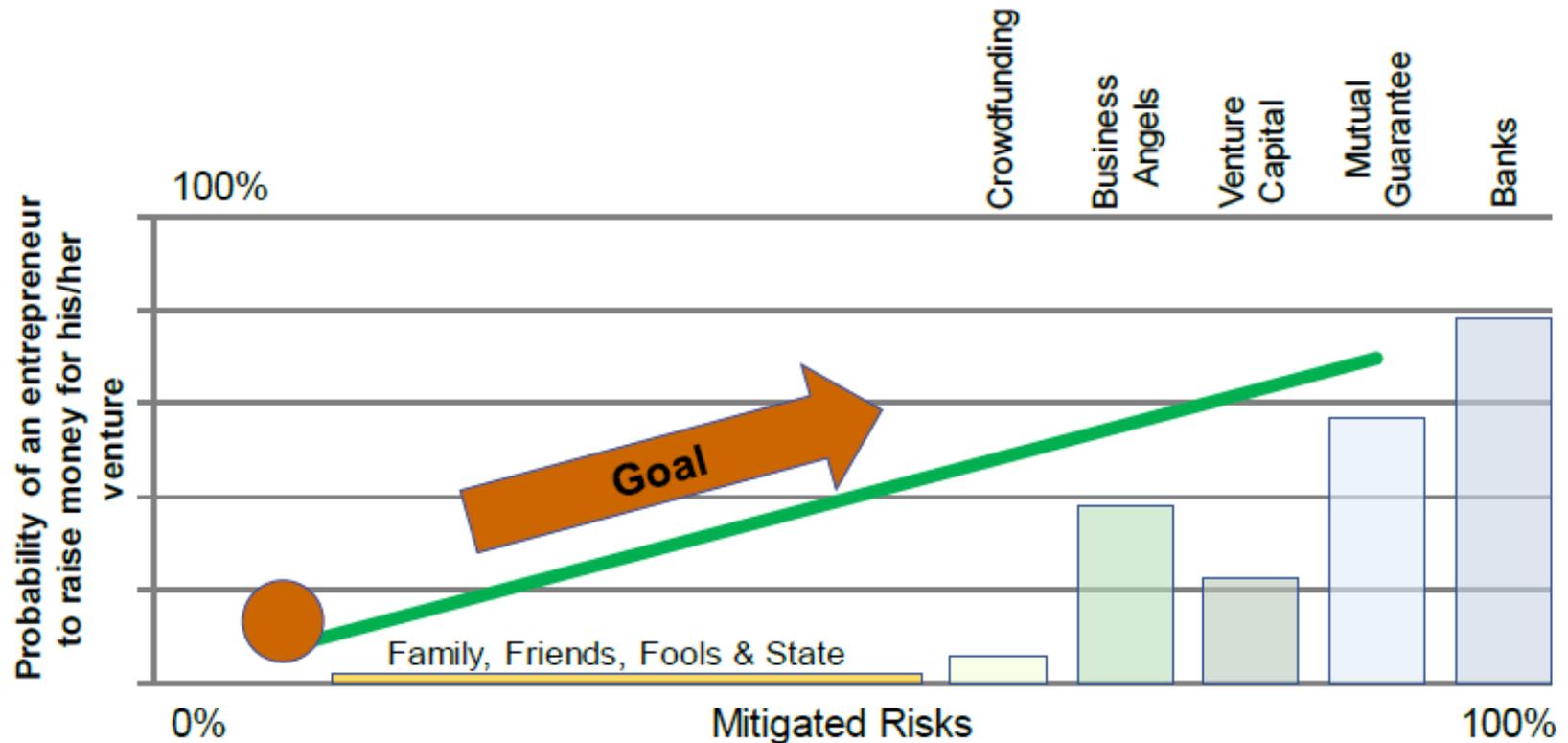
TOTAL BUDGET  
~ 860.000 €

DURATION  
24 MONTHS (2017 - 2019)

## Demonstration projects

<u>Project</u>	<u>Short description</u>	<u>Countries</u>
<u>VPSTTG: VPS for Tidal Turbine Generators</u>	VPSTTG will design, manufacture and test an improved tidal turbine's pitch system – an important component enabling technology for more cost-effective tidal energy turbines.	UK and Spain
<u>OCEANMET: Cost-efficient oceanic-meteorological data service for reliable real-time information and marine forecast</u>	OCEANMET will demonstrate the technical and commercial feasibility of a service of wave data generated by a network of buoys equipped with optimised inertial sensors.	Spain, Portugal and France
<u>EASY FEED: Eco-aquaponics systems – 100% sustainable and profitable EU fish-farming</u>	EASY FEED will validate the use of an innovative aquaculture organic feed formula, based on locally grown quinoa and spirulina, to reduce the aquaculture sector's dependence on marine resources.	Spain and Portugal
<u>DiveSafe: Integrated system for scientific and environmental underwater surveys, with advanced health &amp; safety features</u>	DiveSafe will integrate a number of diving-related technologies, equipment and apps into a comprehensive solution allowing for more efficient and safe professional diving missions.	Greece, Italy, Israel, Malta and Turkey
<u>SpaceTech4Sea: Implementing Aerospace Technology on Marine LNG Applications Promoting Sustainable Blue Economy</u>	SpaceTech4Sea will demonstrate, validate and commercialise an innovative ultralight LNG fuel tank in the maritime sector, by utilising cutting-edge aerospace technologies and novel shipbuilding techniques.	Greece and USA
<u>SpecTUNA: Automated modular system for cutting and classifying frozen tuna using hyperspectral characterization</u>	SpecTUNA will automate the tuna preparation step prior to canning and provide information on the quality characterisation of each of the pieces by using hyperspectral image analysis and robotics.	Spain and Portugal
<u>DEMO-BLUESMARTFEED: Demonstration project of a smart technology for monitoring the delivery of feed for a sustainable aquaculture</u>	DEMO-BLUESMARTFEED will validate the SICA technology (Smart System for Feeding Control, in English) to monitor and optimise aquaculture feed supply, hence reducing feed waste.	Spain and Greece
<u>LEAPWind: Leading Edge Advanced Protection using novel thermoplastic materials and processes for offshore Wind turbine blades</u>	LEAPWind aims to commercialise a novel component that tackles offshore wind turbine blade erosion at manufacturing stage, to increase productivity of turbines and reduce maintenance and repair costs.	Ireland and The Netherlands
<u>AlgaeDemo: Demonstration of large scale seaweed cultivation at open sea and the positive effects thereof on the ocean</u>	AlgaeDemo aims to demonstrate the sustainable, large-scale (1.4 ha) industrial cultivation of selected seaweed species at open sea, with automated seeding, harvesting and monitoring.	Belgium and The Netherlands
<u>GREENing the BLUE: bound4blue wingsail demonstration project</u>	GREENing the BLUE presents the full-scale demonstration of a foldable wingsail solution based on aeronautical design, which reduces fuel use and pollutant emissions in maritime transport through wind energy co-propulsion.	Spain and Germany
<u>FTL-FISH: Follow The Light – LED devices to lower non-target catch in retail supply chain</u>	FTL-FISH will demonstrate the commercial viability of introducing light-emitting devices into fishing gear to lower non-target bycatch in fishing activities.	UK and France

# Difficulty to obtain finance for high-risk innovation



Source: Paulo Andrez: European Experience developing Business Angel Ecosystem, 2013.



# Towards an EU Blue Economy Investment Platform

## Phase I 2018

- Blue Invest event -> May 2018
- Blue Economy market study -> by August 2018
- Assessment of projects pipeline -> 600 projects so far
- Blue Invest Atlantic -> October 2018

## Phase II 2019

- Blue Invest Med -> January 2019
- Assistance platform -> Q1-2019
- Conditional grants -> Q1-2019

Blue Economy Investment Platform

## EU priorities

Digital transformation  
Industrial leadership  
Energy transition  
Security  
Stronger Global Actor

## SDGs 2030

SDG 14/Oceans  
Circular economy  
Lower emissions  
Ecosystem protection  
Food security  
Climate change adaptation

- ✓ Aquaculture
- ✓ Clean shipping
- ✓ Pharmaceuticals
- ✓ Coastal protection
- ✓ Renewable energy
- ✓ Blue bio technology
- ✓ IT and innovative services

# DG MARE Investment Market Study (2018)

<https://webgate.ec.europa.eu/maritimforum/en/node/4226>

## Stage 1

- *Market assessment*
- *Financial participants*
- *Pipeline: Initial long list of qualifying companies: 600*
- *35 investment dossiers with detailed information*

## Stage 2

- *Shortlist of credible sustainable businesses / projects reduced to 35*
- *Investment dossiers prepared on 35*
- *Specification of investment platform for EU Blue Economy sector based on final list*

# DG MARE Investment Study: Market Gaps Identified

## Sectors:

- bio-economy: food, feed, fuel
- high technology: IT, shipbuilding, equipment, materials
- ocean energy (separate study): ancillary services
- natural resources: circular economy, working with nature

## Geographical:

- Southern Europe
- Baltic States
- Eastern Europe

## Stage requiring further support:

- companies moving to commercialisation and growth
- amounts between €2m and €15m

# Key findings on the finance

## Funding gap

SMEs in the Blue Economy face limited access to private funding, with a funding gap identified of about EUR 60 to 70 bn.

## High risks

SMEs face major obstacles in obtaining finance which are related to idiosyncratic risks linked to operations on, under or near the sea. Firms in innovative sectors face higher risks.

## Diversification

The majority of investors investing in blue firms do not specifically target the Blue Economy, but includes this segment to diversify the investment portfolio.

## Competition

Thus project promoters within and outside the Blue Economy compete for funding. The idiosyncratic risk reduces their chances.

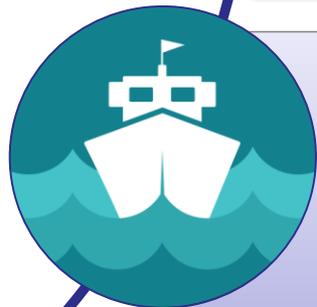
# Investors approach to the Blue Economy



Stable, legally certain regulatory environment required  
Public authorities can facilitate investment by creating catalytic risk sharing mechanisms such as first loss capital



Do not specifically target Blue Economy  
Do not invest in small Blue Economy firms  
Start-up accelerator programmes, providing a mix of funding opportunities, mentoring, and networking  
Few existing private investment platforms focus on the Blue Economy  
Financing landscape relatively immature but dynamic



Decisions on a project by project basis  
Decisions based on marketability, potential to scale up, and innovativeness  
Investments in large, capital-intensive maritime assets - to diversify investment portfolio

# Key findings on Investment platform

## BEIP

The recommendation for overcoming the funding gap is a Blue Economy Platform (BEIP) as a single contact point for funding.

## Amount

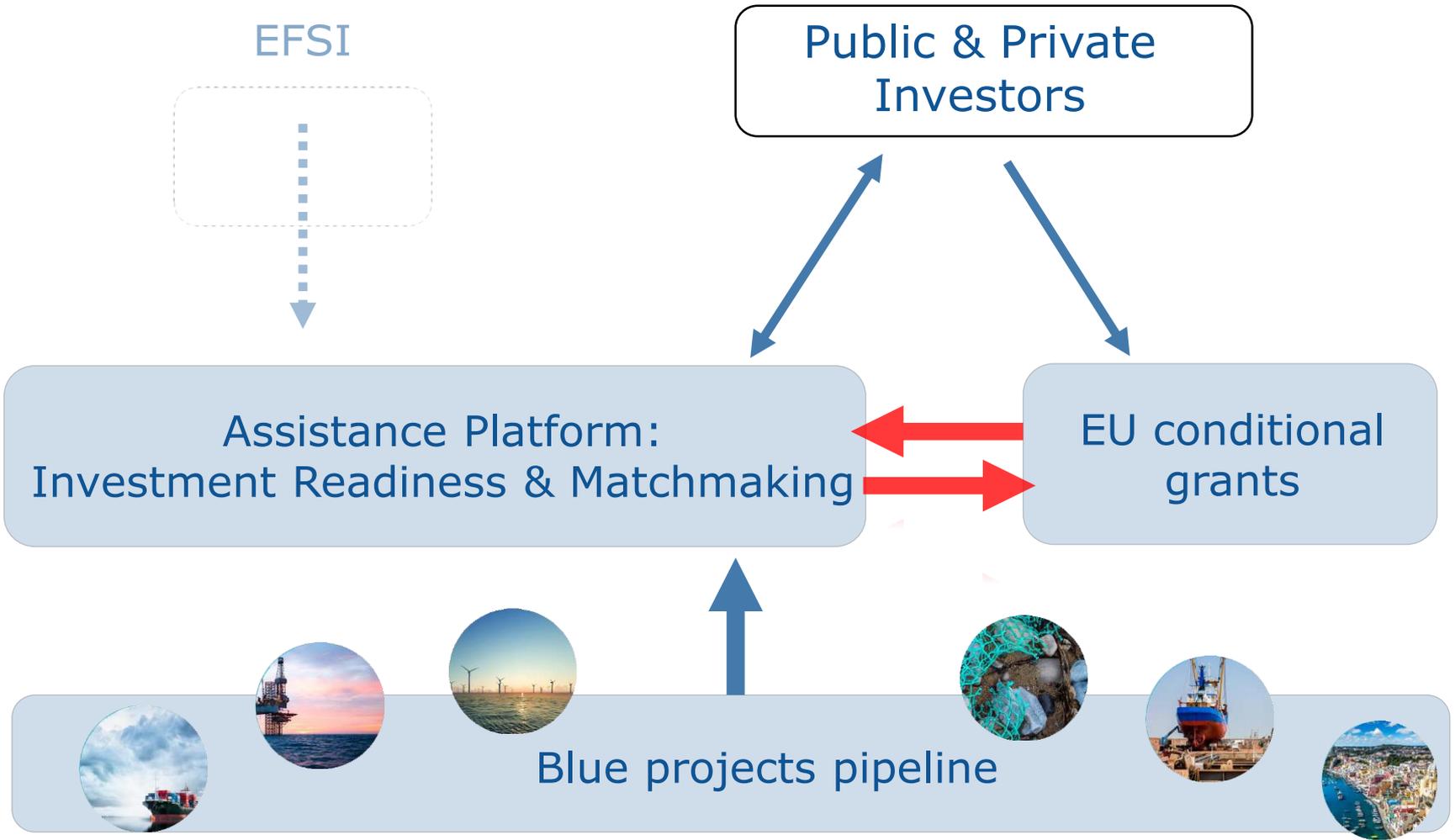
This should help to ensure that funding reaches the innovative, young businesses contributing to a sustainable Blue Economy. The major funding gaps occurs for amounts between EUR 3 mio to EUR 15 mio.

## Single platform

The BEIP should gather funds from public and private sources into a single financing platform.

## Platform options

There are various options for such a platform (direct, indirect and co-investment structures). Key requirements are a reasonably short implementation time, leveraging financial resources of the European Commission, avoidance of duplication and competition with existing players, attractiveness for investors, as well as the right kind of funding for investees.



EFSI

Public & Private Investors

Assistance Platform:  
Investment Readiness & Matchmaking

EU conditional grants

Blue projects pipeline

# Assistance Platform (Spring 2019)

This mechanism will:

- operate a blue "**investment and innovation community**" virtual and physical (BI events + workshops) allowing the constant interaction between companies and investors and pro-actively
- help SMEs to become **investment-ready** through assistance packages
- expand project pipeline and help with the **deal-flow/close business deals**.
- through an '**investor jury**' support EASME in the evaluation of proposals for DG MARE BE calls (towards 'blending')
- help/lay groundwork for a specifically dedicated European Blue Economy financial instrument



**BLUE INVEST**  
**BRUSSELS, 17 MAY 2018**

#BlueInvest, an #InvestEU event

OPPORTUNITIES START HERE.



**BLUE INVEST**  
**MEDITERRANEAN**

#BlueInvest opportunities start here

MALTA





# European Maritime Day

Lisbon, 16-17 May 2019

**SAVE THE DATE!**



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