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EIB IN SUPPORT OF THE BIO-BASED INDUSTRIES AND THE BLUE BIOECONOMY

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Agribusiness and Rural Development

The EIB: the EU bank investing in Europe's growth



- ▶ **Natural financing partner for the EU institutions since 1958**
- ▶ **Around 90% of lending is within the EU**
- ▶ **Shareholders: the EU Member States**

The EIB at a glance

- ▶ **Largest multilateral lender and borrower in the world**, with 60 years of experience in financing projects
- ▶ **Some 450 projects each year** in over 160 countries
- ▶ Headquartered in Luxembourg with **40 local offices**
- ▶ **Around 3 000 staff**, including finance professionals, engineers, sector economists and socio-environmental experts

EIB Group financing in 2017



European Investment Bank *The EIB bank* EUROPEAN INVESTMENT FUND

EUR **78.2bn**



European Investment Bank *The EIB bank* EUROPEAN INVESTMENT FUND

EUR **250bn**

Total investment supported

EIB priorities

Environment



EUR



16.7bn

Infrastructure



EUR



18bn

Innovation



EUR



13.8bn

SMEs



EUR



29.6bn

Climate finance pioneer and key supporter of the Paris Climate Agreement

EUR **19** bn
for climate
in 2017

USD **100** bn
2016-2020

EIB products

We help catalyse investment

LENDING	BLENDING	ADVISING
Loans But also:	Combining EIB finance with EU budget	Prepare, evaluate and support the implementation of projects (JASPERS)
Guarantees	Higher risk projects for innovation (InnovFin)	Support for public/private partnerships (EPEC)
Equity participation		

Attracting FUNDING for long-term growth

European Fund for Strategic Investment (EFSI)



Mobilise finance for investment

European Fund for Strategic Investments

Cooperation with National Promotional Banks



Give investment advice

European Investment Advisory Hub

European Investment Project Portal



Create an investment friendly environment

Improving the regulatory environment

Structural reforms

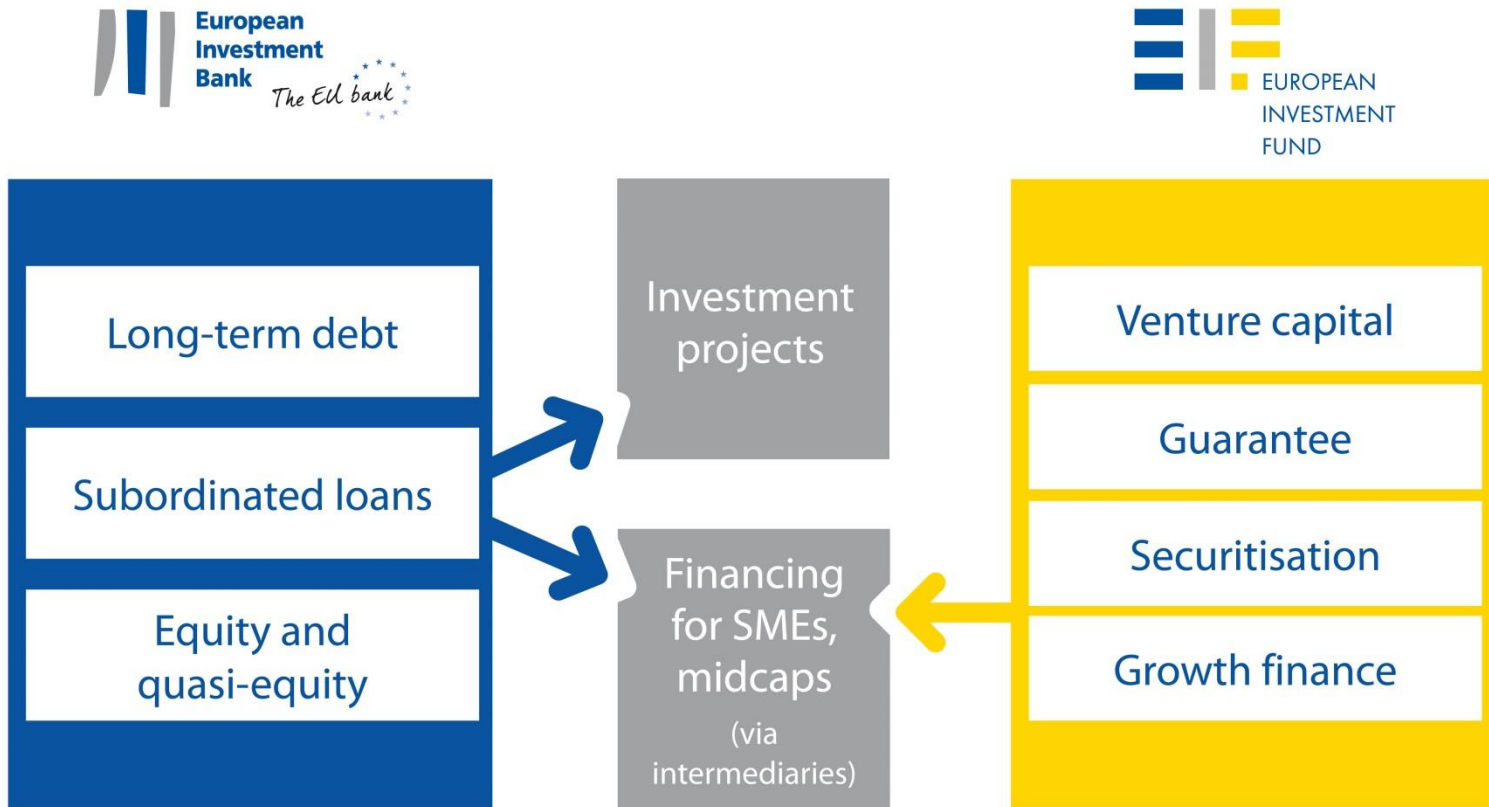


Aim: to mobilise now at least €500 billion in investment across the EU



With EFSI II, the eligibility was widened to include Bioeconomy

EFSI types of products



Continuously adapting to market needs – development of new products to support intermediaries (e.g. Risk-sharing instruments) and new equity strategy

No Green without Blue: the increasing momentum of the Blue Economy

- **The ocean's importance has never been greater.** Oceans sustain the lives and livelihoods of coastal and island communities in 183 coastal and island nations, and 4 billion people rely on them to meet their nutritional needs.
- **The Blue Economy is growing rapidly** and the international community is increasingly engaged towards achieving a sustainable future for the ocean.
- **Oceans are central in the discussion on climate change.** The link between them and climate is very high on the political agenda at global, regional, and national levels and there is a great political mobilisation.
- **Investors are increasingly turning to the ocean for new opportunities and resources.**

EIB in support of a sustainable Blue Economy

Financing (~2 billion euro per year*)

- Business and science dimensions, private and public side, wide range of financial products
- Water and Climate Change Adaptation, also in the Blue Economy
- Risk financing and RDI, including ramp-up to full commercialization. Ex. InnovFin and EFSI
- Development and commercialization of innovative solutions
- EIF and EIB equity funds investments

Strategic, policy driven

- Close collaboration with DG MARE
- Sustainable Blue Economy Finance Principles for a framework for ocean-related investment and development policy
- EIB Advisory Hub in support of investment development



EIB hopes to increase its support to the Blue Economy and further develop innovative targeted financing instruments

Investments supported by EIB

- Public and private research infrastructures
- Pilot plants up to first industrial scale up
- Onshore and offshore fixed and mobile equipment
- Local to international production and logistics
- Research programs directly, indirectly and co-financing (for private sector, universities and research organisations, including research assets and research salaries)

Sustainable Blue Economy Finance Principles

- The **Sustainable Blue Economy Finance Principles** will guide EIB's future investment in the Blue economy
- The **Declaration was launched publically at the World Ocean Summit 2018** in Mexico last week and early signatories, including EIB, were announced.
- These **principles are voluntary and complementary to existing principles and commitments** on sustainable financing and to existing corporate responsibilities by which signatories may be bound.

EIB's press release at: <http://www.eib.org/infocentre/press/releases/all/2018/2018-060-blue-finance-principles-unveiled-to-support-ocean-health-and-investment.htm>



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SUSTAINABILITY UNIT



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The EIB bank



DECLARATION OF THE SUSTAINABLE BLUE ECONOMY FINANCE PRINCIPLES

THE OCEAN IS A BIOLOGICALLY DIVERSE AND HIGHLY PRODUCTIVE SYSTEM. IT IS AN IMMENSE SOURCE OF MATERIALS, FOOD, ENERGY AND ECOSYSTEM SERVICES.

According to OECD projections¹, by 2030, the 'Blue Economy' – defined as all economic sectors which have a direct or indirect link to the ocean – could outperform the growth of the global economy as a whole, both in terms of value added and employment. In the coming decade, marine energy, marine biotechnology, coastal tourism, transport and food production sectors could offer unprecedented development and investment opportunities. However, there is increasing evidence that losses in the ocean's natural capital resulting from unsustainable economic activity is eroding the resource base on which such growth depends.

As such, there is a growing recognition that following a "business as usual" trajectory, that neglects the impacts on marine ecosystems, entails great risk, not only to business, but also to our planet and our future wellbeing. By contrast, investment decisions that incorporate sustainability elements to ensure environmentally, economically and socially sustainable outcomes will help to secure the long-term health and integrity of our ocean, and the shared social, ecological and economic functions that are dependent upon it. Financial markets and institutions can therefore play a pivotal role in driving the ocean sustainability agenda.

The international community has recently reaffirmed its strong commitment to conserve and sustainably use the ocean and its resources² and to reduce the adverse impacts of land-based activities. The G7, the G20, other countries and markets acknowledge that scaling up finance and ensuring the sustainability of such investments are fundamental to achieving sustainable development and climate goals³. Investment capital, both public and private,

is therefore fundamental to unlocking a sustainable approach to the development of the Blue Economy.

This is why we, the organizations that have agreed to adopt these principles, commit to support the development of a sustainable 'Blue Economy'⁴, through our interaction with other economic agents and consumers and through our own financing and investment activities.

In this spirit, we commit to applying the following sustainable Blue Economy Finance Principles. The Principles are intended to complement existing frameworks governing responsible investment in aspects of the Blue Economy. They are expressly intended to further the implementation of the Sustainable Development Goals (SDGs), especially those which contribute to the management of the ocean, in particular Goal 14 ("Conserve and sustainably use the oceans, seas and marine resources for sustainable development"⁵). They are also intended to be compliant with IFC Performance Standards and EIB Environmental and Social Principles and Standards.

WE COMMIT TO APPLYING THE FOLLOWING PRINCIPLES ACROSS OUR PORTFOLIOS, REGARDLESS OF WHETHER WE ARE MAJORITY OR MINORITY INVESTORS.

- 1 Protective:** We will support investments, activities and projects that take all possible measures to restore, protect or maintain the diversity, productivity, resilience, core functions, value and the overall health of marine ecosystems, as well as the livelihoods and communities dependent upon them.
- 2 Compliant:** We will support investments, activities and projects that are compliant with international, regional, national legal and other relevant frameworks which underpin sustainable development and ocean health.
- 3 Risk-aware:** We will endeavour to base our investment decisions on holistic and long-term assessments that account for economic, social and environmental values, quantified risks and systemic impacts and will adapt our decision-making processes and activities to reflect new knowledge of the potential risks, cumulative impacts and opportunities associated with our business activities.
- 4 Systemic:** We will endeavour to identify the systemic and cumulative impacts of our investments, activities and projects across value chains.
- 5 Inclusive:** We will support investments, activities and projects that include, support and enhance local livelihoods, and engage effectively with relevant stakeholders, identifying, responding to, and mitigating any issues arising from affected parties.
- 6 Cooperative:** We will cooperate with other financial institutions and relevant stakeholders to promote and implement these principles through sharing of knowledge about the ocean, best practices for a sustainable Blue Economy, lessons learned, perspectives and ideas.
- 7 Transparent:** We will make information available on our investments and their social, environmental and economic impacts (positive and negative), with due respect to confidentiality. We will endeavour to report on progress in terms of implementation of these Principles⁶.
- 8 Purposeful:** We will endeavour to direct investment to projects and activities that contribute directly to the achievement of Sustainable Development Goal 14 ("Conserve and sustainably use the oceans, seas and marine resources for sustainable development") and other Sustainable Development Goals especially those which contribute to good governance of the ocean.
- 9 Impactful:** We will support investments, projects and activities that go beyond the avoidance of harm to provide social, environmental and economic benefits from our ocean for both current and future generations.
- 10 Precautionary:** We will support investments, activities and projects in our ocean that have assessed the environmental and social risks and impacts of their activities based on sound scientific evidence. The precautionary principle will prevail, especially when scientific data is not available.
- 11 Diversified:** Recognising the importance of small to medium enterprises in the Blue Economy, we will endeavour to diversify our investment instruments to reach a wider range of sustainable development projects, for example in traditional and non-traditional maritime sectors, and in small and large-scale projects.
- 12 Solution-driven:** We will endeavour to direct investments to innovative commercial solutions to maritime issues (both land- and ocean-based), that have a positive impact on marine ecosystems and ocean-dependent livelihoods. We will work to identify and to foster the business case for such projects, and to encourage the spread of best practice thus developed.
- 13 Partnering:** We will partner with public, private and non-government sector entities to accelerate progress towards a sustainable Blue Economy, including in the establishment and implementation of coastal and maritime spatial planning approaches.
- 14 Science-led:** We will actively seek to develop knowledge and data on the potential risks and impacts associated with our investments, as well as encouraging sustainable investment opportunities in the Blue Economy. More broadly, we will endeavour to share scientific information and data on the marine environment.

We, the organizations that have agreed to adopt these principles, believe that delivering on these principles will contribute to the conservation and sustainable use of the ocean and to de-risking investments in the 'Blue Economy'.

These principles are complementary to existing principles and commitments on sustainable financing and to existing corporate responsibilities by which signatories may be bound.

These principles are voluntary: they do not create any rights or liabilities; and the sole responsibility for investment decisions remains with the institutions who are signing up to these finance principles.

1. The Ocean economy in 2030 © OECD 2016
 2. See 'Our Ocean, Our future: Call for Action' United Nations Conference to support the implementation of Sustainable Development Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development, New York, 5-9 June 2017
 3. G7 Bologna Environment Ministers' Meeting, Bologna, 11-12 June 2017 and G20 Leaders' Declaration 'Shaping an interconnected world', Hamburg, 08 July 2017
 4. According to the World Bank Group, the 'Blue Economy' concept seeks to promote economic growth, social inclusion, and preservation or improvement of livelihoods while at the same time ensuring environmental sustainability. World Bank Group (2017) The Potential of the Blue Economy, Available [online] at: <https://openknowledge.worldbank.org/handle/10986/25843>
 5. In accordance with industry good practice, we will endeavour to identify an appropriate reporting mechanism for these Principles.

Caribbean Development Bank (CDB)



- ▶ USD 110 m EIB loan
- ▶ to finance climate change mitigation, adaptation and resilience projects across the Caribbean.

The dam on St. Lucia



The Sustainable Ocean Fund (SOF)

- ▶ USD 20m EIB investment
- ▶ a pioneering impact investment vehicle
- ▶ initial portfolio of investments has been identified in Latin America, Africa and Asia.



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CONSERVATION
INTERNATIONAL



EDF
ENVIRONMENTAL
DEFENSE FUND
Finding the ways that work

Marine Biotechnology



- ▶ EUR 30m million loan agreement with Amadéite (Olmix), a mid-cap company pioneer in the field of marine biotechnology
- ▶ The loan is backed by the European Fund for Strategic Investments (EFSI), an initiative to help overcome the current investment gap in the EU

EIB's Bioeconomy access-to-finance study

- DG RTD mandated Innovation Finance Advisory to explore **access-to-finance conditions and potential funding gaps in the Bioeconomy** (focusing on Bio-Based Industries and the Blue Economy)
- The study was **published and presented by the EIB and the EC on 1 June 2017** at the “Innovative Enterprise Week – Access to Finance for Research, Innovation and SMEs” conference in Malta

<http://www.eib.org/infocentre/publications/all/access-to-finance-conditions-for-financing-the-bioeconomy.htm>

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Access-to-finance conditions for Investments in Bio-Based Industries and the Blue Economy

Release date: 31 May 2017



This study, carried out under the InnovFin Advisory mandate, reviews the access-to-finance conditions for Bio-based Industries (BBI) and the Blue Economy (BE) and proposes potential solutions that could catalyse investments into the sector.

The Bioeconomy is a key contributor to Europe's growth, such as greening the economy and addressing climate change.

The study finds that projects and companies active in the Bioeconomy face issues accessing private capital, with the main funding gaps appearing in (i) BBI and BE projects scaling up from pilot to demonstration plants and (ii) particularly in BBI, moving from demonstration to flagship/first-of-a-kind (FOAK) and industrial-scale projects.

The study puts forth a number of recommendations to address these funding gaps, among which is the development of a new dedicated risk-sharing instrument addressing the specific needs of project promoters in this sector. The set-up of such an investment platform is currently being considered for approval by the European Investment Bank and the European Commission as part of the new InnovFin programme and shall benefit from continued InnovFin Advisory support during its implementation.

The study was carried out by InnovFin Advisory.

PDF - Available in : [EN](#)

Hard copy not available.

InnovFin advisory

Bioeconomy Study – Methodology & Findings

Methodology

- ✓ Interviews with Project Promoters (PP): 43 projects (27 BBI, 16 BE).
- ✓ Interviews with Financial Market Participants (FMP): 16 interviews conducted.
- ✓ Mapping of available Public Financial Instruments (PFI).

Findings

- ✓ BBI and BE projects face issues accessing private funding.
- ✓ PP and FMP perceive lack of regulatory support to the industry.
- ✓ High perceived industry/ market risks by PP and FMP alike.
- ✓ Sustainable nature and future growth potential of Bioeconomy attractive to investors, yet perceived as risky.
- ✓ Identified funding gaps : projects (1) from pilot to demonstration; (2) from demonstration to industrial scale.
- ✓ Need for innovative funding that supports the development of integrated value chains on top of existing PFI.

Study identified key funding gaps and proposed a number of recommendations to address them

Bioeconomy Study - the definition of Blue Economy

	Category	Sectors	Sub-sectors
1	Food, nutrition, health and ecosystem services	<ul style="list-style-type: none"> • Aquaculture • Blue bio-technology • Marine bio-refineries 	<ul style="list-style-type: none"> • Aquaculture (marine-freshwater) • Marine bio-technology (pharmaceuticals, cosmetics, enzymes, biopolymers, bioremediation) • Marine bio-refineries (micro- and macro-algae, fish residues)
2	Raw materials	<ul style="list-style-type: none"> • Marine resources (non-living) 	<ul style="list-style-type: none"> • Marine minerals
3	Marine renewable energy combined with other marine activities	<ul style="list-style-type: none"> • Multi-offshore platforms 	<ul style="list-style-type: none"> • Multi-use offshore platforms combining wind energy with other activities (aquaculture, artificial ports, leisure...)
4	Marine technologies	<ul style="list-style-type: none"> • Environmental monitoring 	<ul style="list-style-type: none"> • Sensors, robots, monitoring systems, service vessels, cabling
5	Coastal protection	<ul style="list-style-type: none"> • Environmental services 	<ul style="list-style-type: none"> • Protection against flooding and erosion • Cleaning oceans and coasts (marine debris – plastics)

Bioeconomy Study – Blue Economy sample

**10 projects in
Western
Europe**



Multi-use offshore energy project located in Western Europe currently at permission stage
Demonstration project to convert microalgae into highvalue products
Pilot/demonstration project using land unsuitable for agriculture for fish production
Demonstration project for search and rescue technologies used in sea environments
Demonstration project for deep sea mining
Full-scale project to convert micro-algae into food ingredients
Full-scale project concerning innovative algae production
Full-scale project concerning innovative algae production
Full-scale project for seaweed cultivation and harvesting
Demonstration project for aquaculture management tool

**6 projects in
Southern
Europe**



Demonstration project to improve micro-algae production
Demonstration project to produce micro-algae from contaminated water
Demonstration project producing bio-fuels from microalgae
Demonstration project to convert microalgae into biochemicals, feed and bio-fuels
Demonstration projects to develop various microalgae applications
Full-scale project for vertically integrated aquaculture

Bioeconomy Study – Key Recommendations

-  Establish an effective, stable and supportive regulatory framework for BBI and BE at the EU level, which is essential.
-  Further reinforce awareness about InnovFin and the European Fund for Strategic Investments (EFSI), which can match the funding needs of certain BBI and BE projects.
-  Develop a new EU risk-sharing financial instrument dedicated to BBI and BE, potentially taking the form of a thematic investment platform that can meet the funding needs of BBI and BE projects and mobilise private capital.
-  Explore the creation of an EU-wide contact, information exchange and knowledge sharing platform (portal or other similar channels) to facilitate relationships between BBI and BE project promoters, industry experts, public authorities and financial market participants active or seeking to become active in the Bioeconomy.

Releasing the economic potential of Marine Biotechnology

- Since Rio +20 Ocean agenda has gained increasing momentum
- International finance institutions are responding
- EU Policies are developing new structures and support strategies and instruments
- All stakeholders are invited to create additional knowledge, technologies and products to release the economic potential of the Ocean Economy

Thank you!

More information at: www.eib.org
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