



Investing in the Blue Economy

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Ocean Assets Institute

Blue Economy



Financial Markets

- **Non-profit** financial research & advisory for healthy oceans
- **Sustainable** seafood, shipping, ports, energy, biotech, digital
- **Expert network** in finance, industry, policy & marine science

Investment Mandates

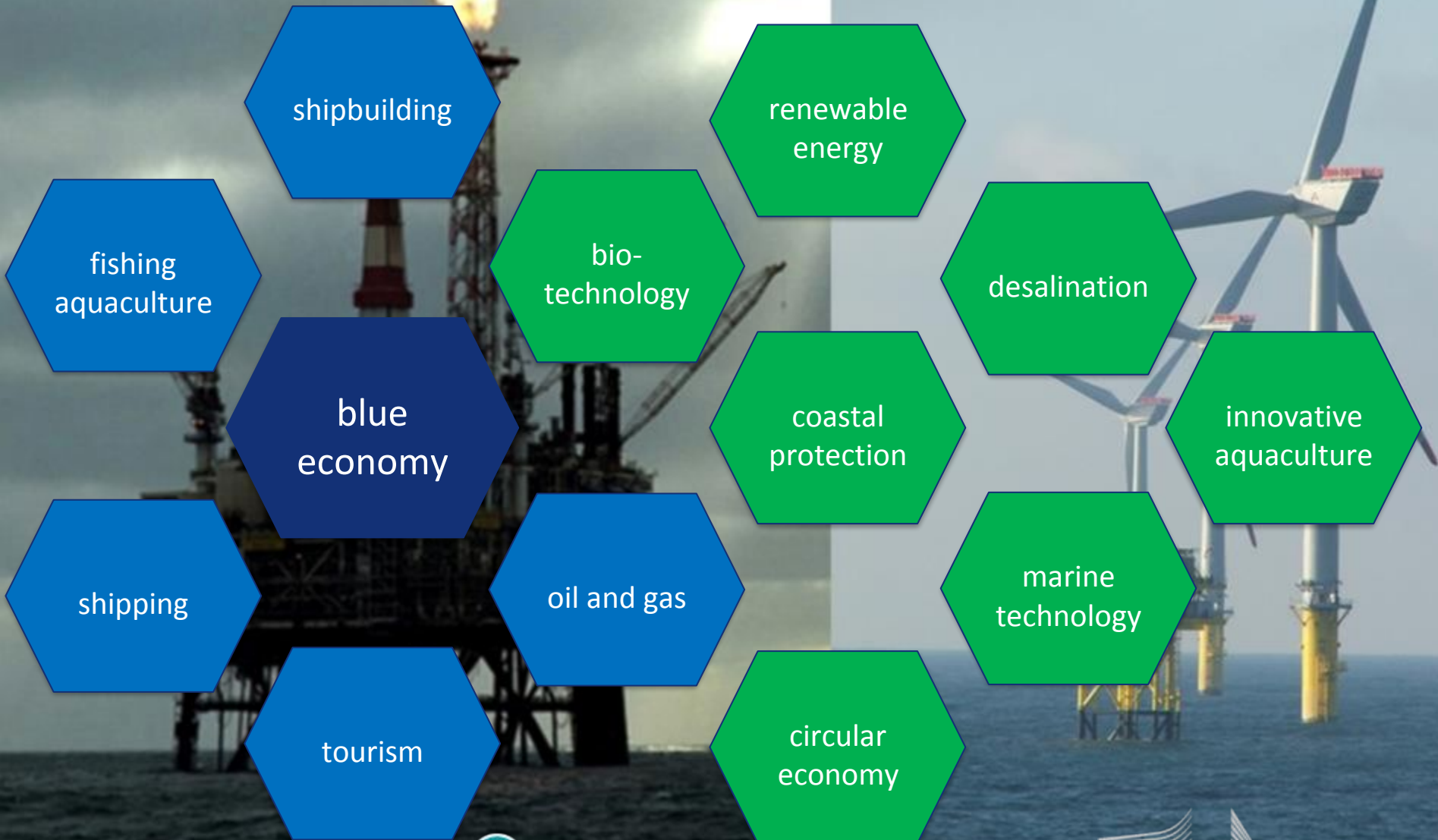
- EC Blue Economy Investment
 - Pacific Ocean Finance
- Green Bonds - Marine Assets

Engagement Mandates

- Sustainable Fishing Finance
- Clean Seas Finance: *Plastics, Fuels, Ports, Water Treatment*

Blue Economy at a glance

Traditional & Emerging Sectors



ESTABLISHED SECTORS

Between 2009 & 2016
**BLUE ECONOMY
HAS GROWN 9.7% (GVA)**

+22%
LIVING
RESOURCES

+9%
COSTAL TOURISM

+12%
PORTS

+20%
TRANSPORT

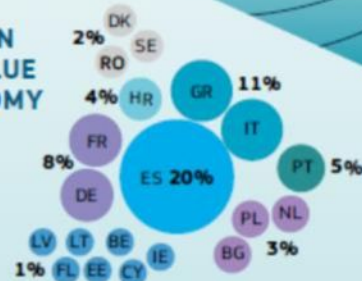
+11%
SHIP BUILDING

-6%
OIL & GAS

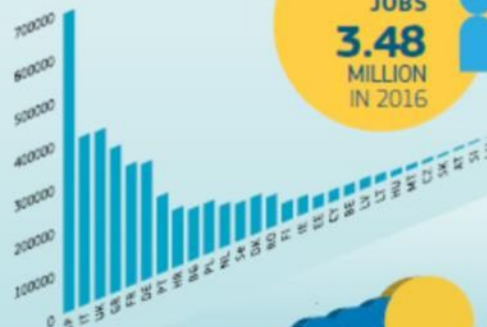
**BLUE ECONOMY
ESTABLISHED SECTORS**

€174.2BN
GROSS VALUE ADDED

**JOBS IN
THE BLUE
ECONOMY**



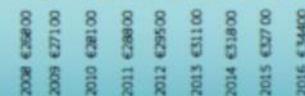
**BLUE
ECONOMY
JOBS**
3.48
MILLION
IN 2016



**BLUE ECONOMY
WAGES (FTE)**

Average wage
increased by

+14.2%



Average wage per
employed

INVESTMENT



+72%

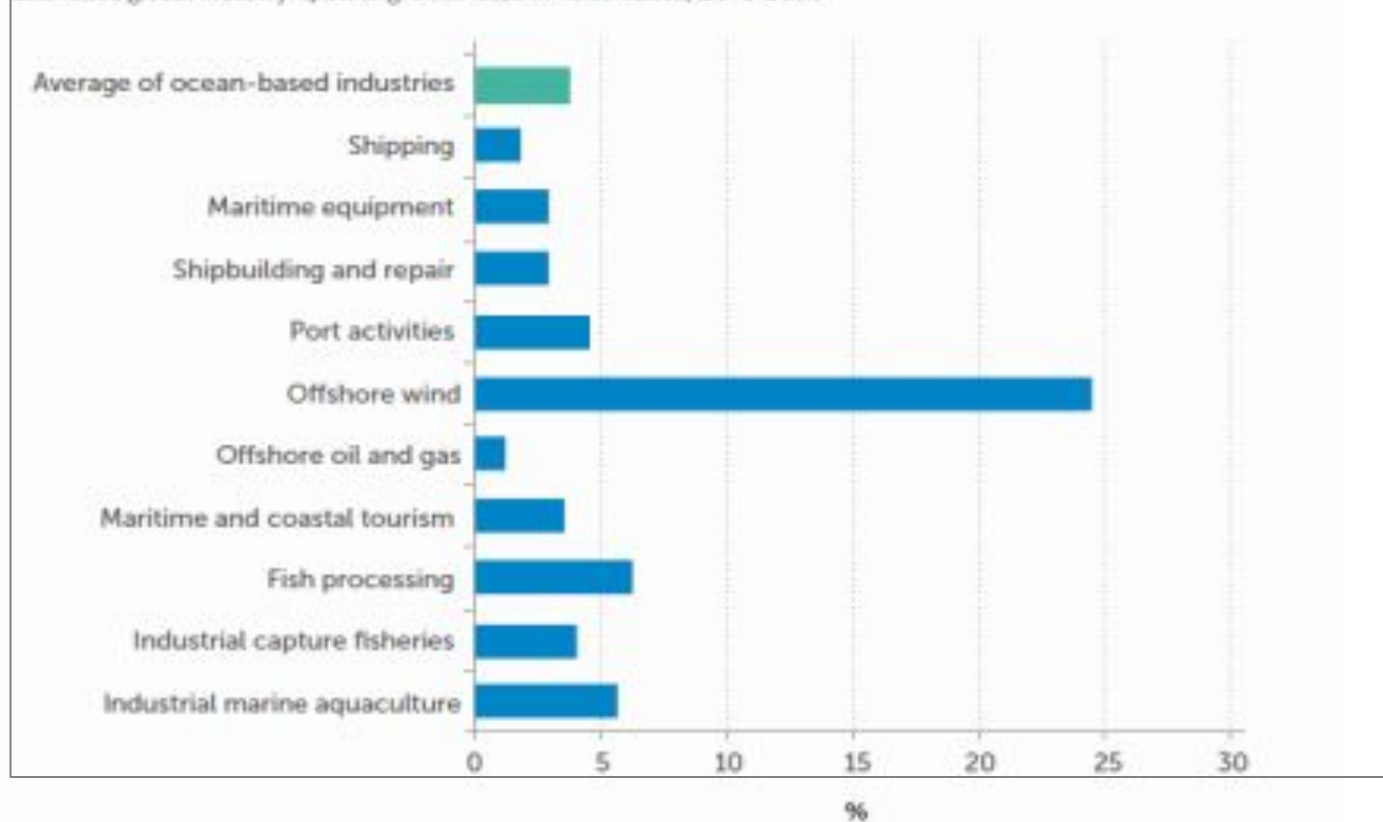
Since 2014, the EU blue economy
has recorded **positive net investments**.

Growth opportunities

The real potential comes from innovative emerging sectors:
Economic growth without environmental damage

FIGURE 5

Estimated global industry-specific growth rates in value added, 2010-2030



Blue Economy Investment Platform: Phase 1 - 2018

- **Phase1 Market Study:** EU Blue Economy Trends & Stakeholders
- **500 Projects** Evaluated, All Maritime Sectors, All EU Members
- **90 Passed** Our Sustainability & Financial Criteria
- **35 Selected** for consideration by EIF & EIB
- **6 Pitch Events:** SMEs to Investors across EU
- **Ocean Assets Institute:** Southern Europe (incl France)
- **Success:** *Blue Investment Case agreed by EIF, EIB & Private Funds*

Eligibility Criteria

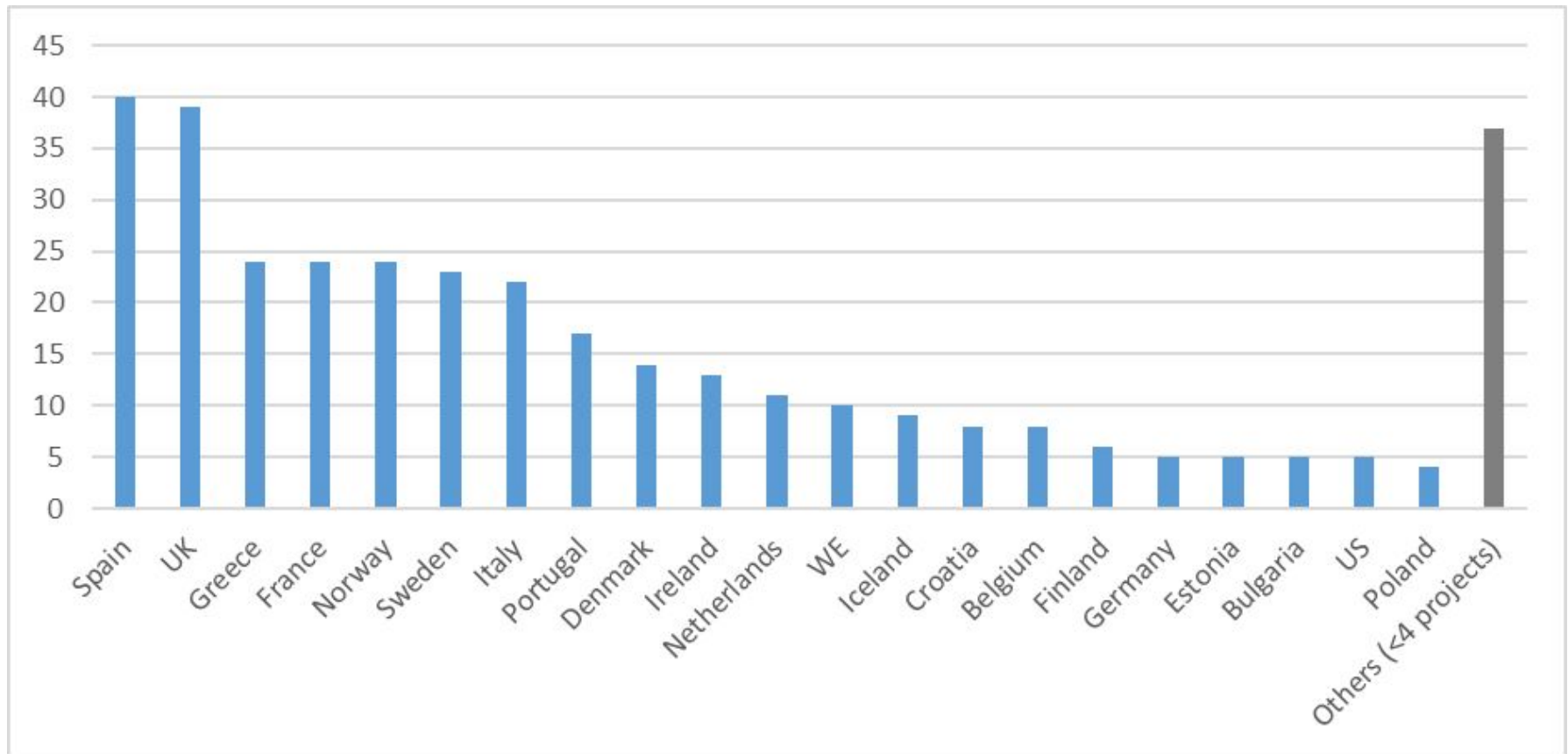
- ☐ Contribute to blue economy?
- ☐ Sustainable best practice?
- ☐ Innovative product/approach?
- ☐ Ready for business?



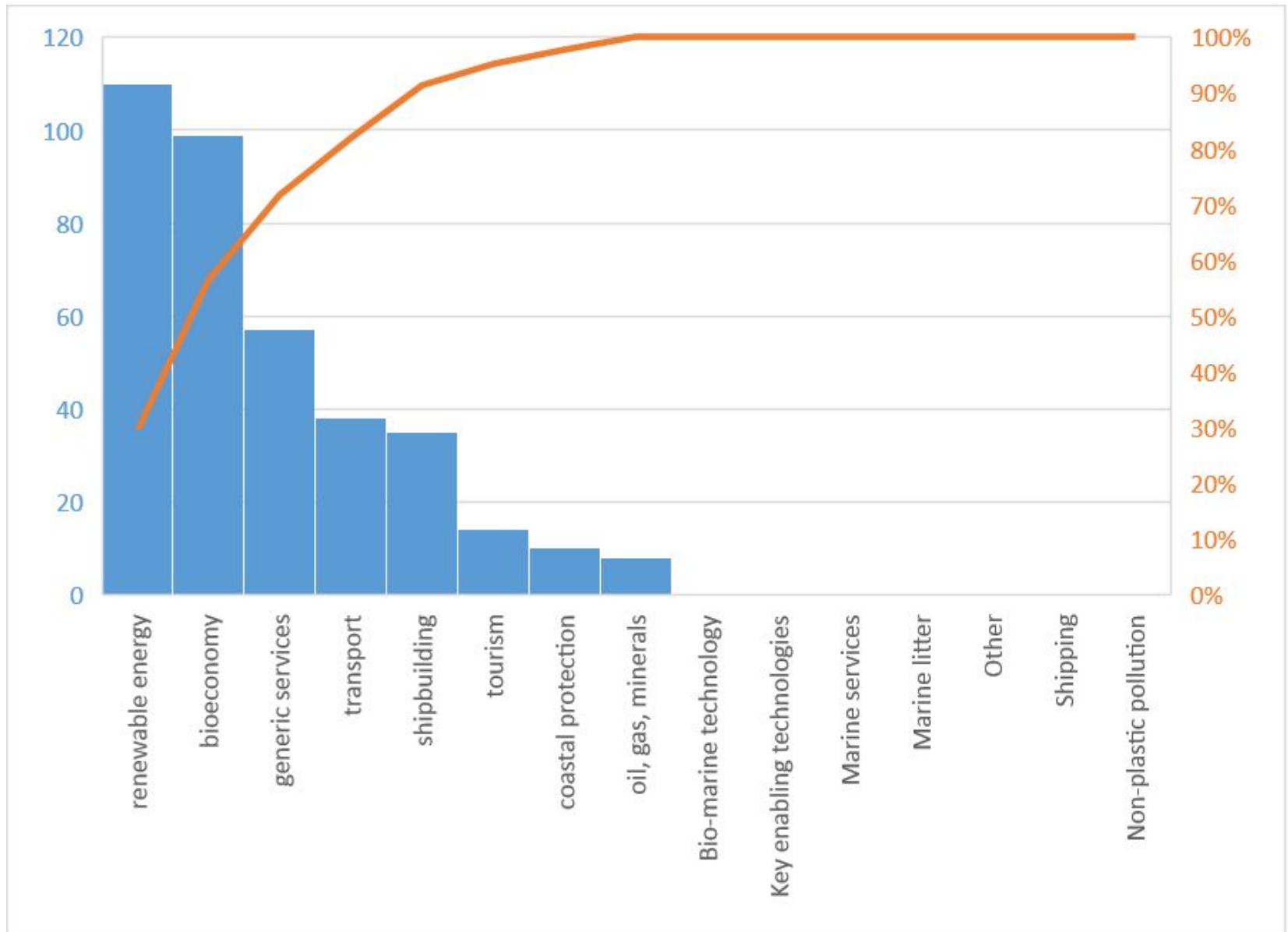
Quality Criteria

- ☐ Partners & Customers?
- ☐ Reliable supply chain?
- ☐ Patents or IP protection?
- ☐ Robust Financials?

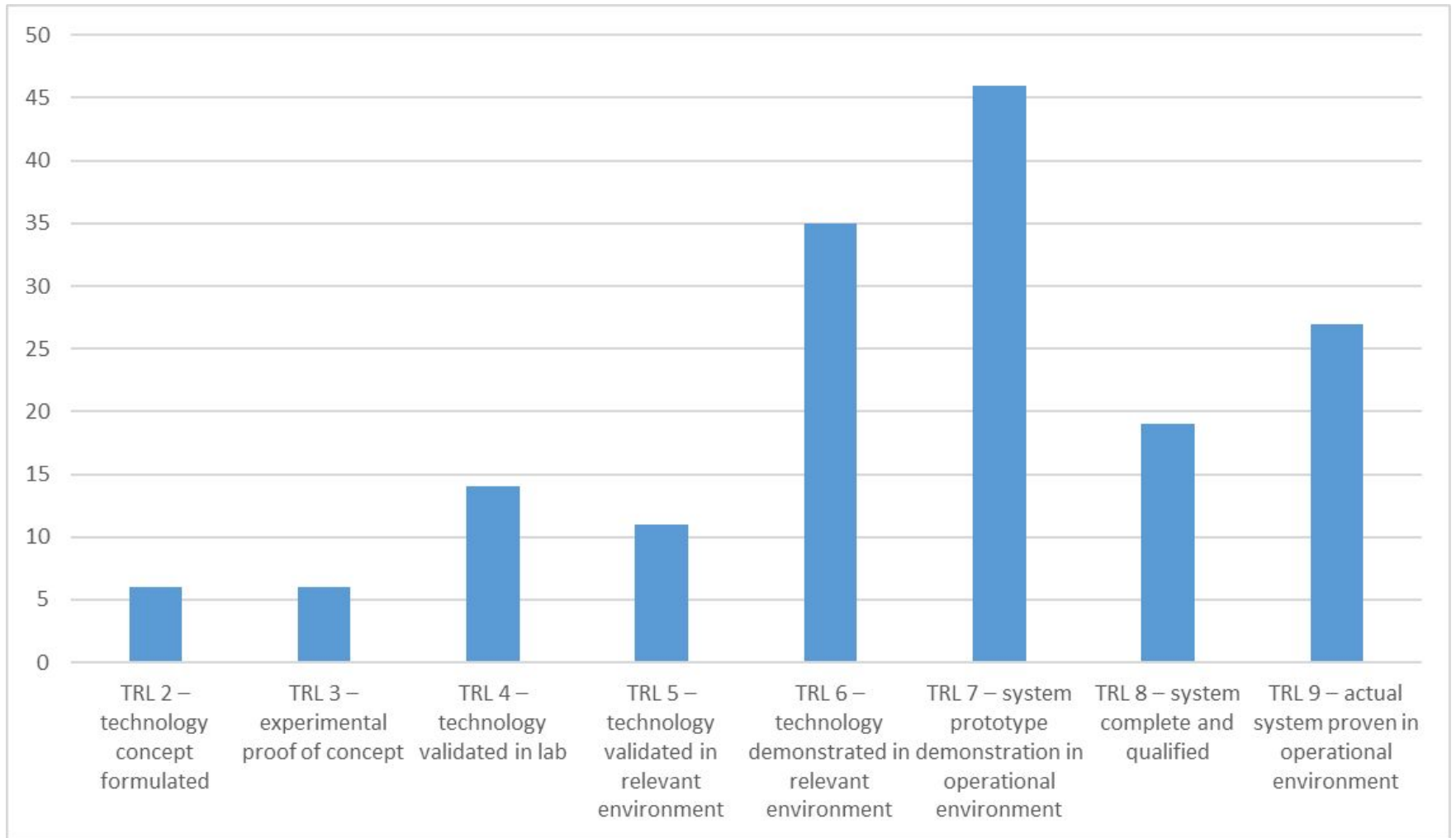
Countries



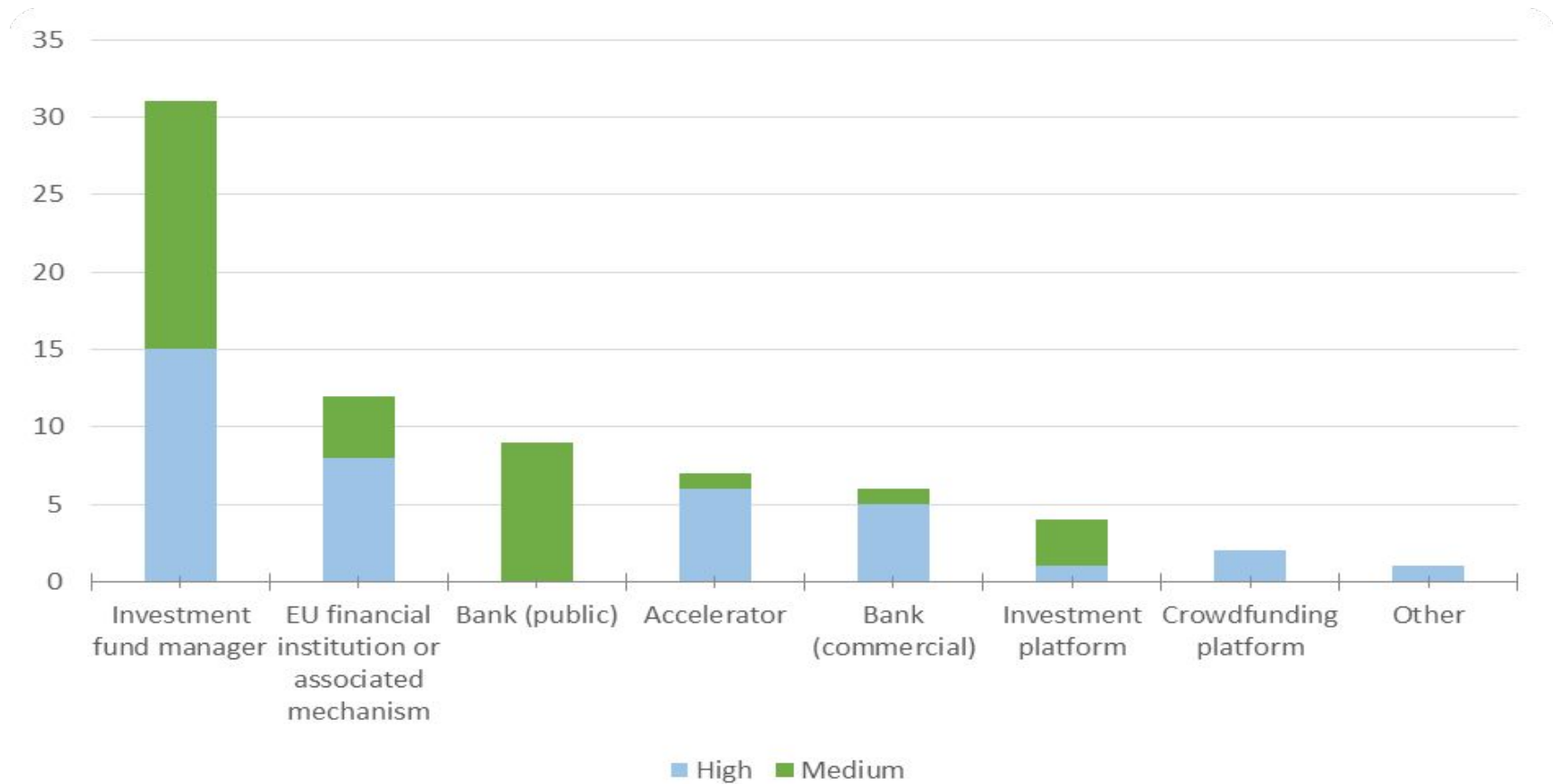
Sectors



Technology Readiness Levels (TRL)



Existing Blue Finance Sources



Blue = High Relevance to Blue
Green = Medium Relevance

Financing Sources by Size & Sector

		Blue Economy sectors						
		Coastal protection	Extractives	Renewable Energy		Seafood	Tourism	Transport
				Offshore Wind	Ocean Energy			
	Notes							
Size of annual investment need	1,2,3,4,5	Medium	Low	Very High	Low	N/A	N/A	Medium
Annual investment need (Range €bn)		3.1 to 7.8	1	22.5 to 30.8	0.8			5
Typical investment need (€bn)		4.7	1	8.3	0.8			5
No of market actors	6	Medium	Medium	High	Low	High	Medium	High
Total actors mapped		17	17	38		26	14	35
Highly relevant actors		14	12	25		22	12	21
Medium relevant actors		3	5	13		4	2	14
General availability of funding	7,8	Limited	Uncertain	Good	Poor	Good	Limited	Good
Total Investment need / market actor (€m)		276	59	218	21	Uncertain	Uncertain	143
Scale of supply deficiency vs investment need	9	High	Low	High	High	Uncertain	Uncertain	Medium
Scale of allocation implied through BEIP	10,11	High	Low	Medium	High	Medium	Medium	Low

Notes: (1) Investment needs defined as Low (1bn or less p.a.); Medium (1-5bn p.a.); High (5-10bn p.a.); Very High (10bn+ p.a.)

(2) Estimates of investment need were not found for Seafood or Tourism

(3) Total coastal protection investment costs of €100-250bn annualised through to 2050 (from 2018, i.e. 32 years): note will cover much climate resilience rather than pollution control

(4) Total offshore wind investment needs of €90-123bn to €250bn annualised through to 2020 (from 2017, i.e. 4 years including base year)

(5) Total offshore wind investment needs of €9.4bn annualised through to 2030 (from 2018, i.e. 12 years)

(6) No of market actors defined as Low (<10); Medium (10-20); High (>20); Indicative figures for ocean energy funding providers based on market knowledge of study team

(7) General availability of funding based on sectoral overviews in D14 report; Typical fund sizes from mapping are €25m to €100m, but some e.g. for Transport are very large

(8) Indicative figures for ocean energy funding provision based on market knowledge of study team; Seafood: exception is lack of credit finance for aquaculture in Mediterranean countries

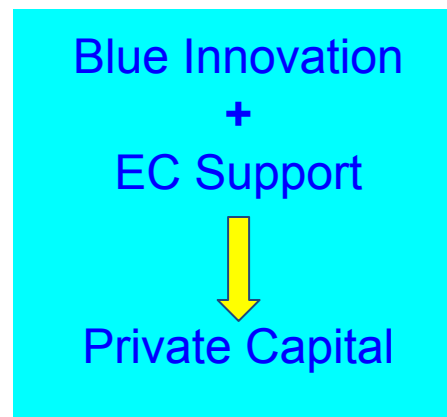
(9) Scale of deficiency in supply of finance vs implied need based on alignment of average investment need per typical fund sizes

(10) Scale of allocation implied through BEIP indicates the indicative level of additional funding required based on ability of actors to meet investment needs

(11) New innovations in the offshore wind market such as floating wind implies additional risk capital finance

Blue Economy Investment Platform: Phase 2 - 2019-2021

- **EIF & EIB** evaluate 35 SMEs for investment
- **Phase2 Market Study:** Blue Investment Structures
- **Continue Pitch Events:** Collaborate with National Groups
- **Support Partners:** Maritime Clusters, Accelerators, Fund Managers
- **Structure** EU Blue Investment Vehicle with Partners
- **Blended Finance** reduces risk with Public & Private Capital
- ***Achieve Sustainability & Financial Goals for EU Blue Economy***



The European Maritime and Fisheries Fund (EMFF)

The EMFF aims to support the diversification and sustainable development of maritime economies. Specific objectives include the following:

- ✓ Helping fishermen to transition to sustainable fishing
- ✓ Helping coastal communities to diversify their economies
- ✓ Financing projects that create new jobs and improve quality of life along European coasts
- ✓ Making it easier for applicants to access financing

● Methods of implementation

Shared management:

- **Funding:** 90% of the total EMFF budget is spent under shared management
- **Managed by:** European Commission and Member States through Implementation of Operational Programmes
- **Focus:** The sustainable development of fisheries, aquaculture and the areas where these activities take place

Direct management:

- **Funding:** 10% of the total EMFF budget is spent under direct management
- **Managed by:** European Commission and EASME through grants and procurements
- **Focus:** The development and implementation of the EU's maritime policy through integrated governance, cross-sectoral initiatives and support for sustainable economic growth



● Focus on Blue Economy Call for 2018

Objective:

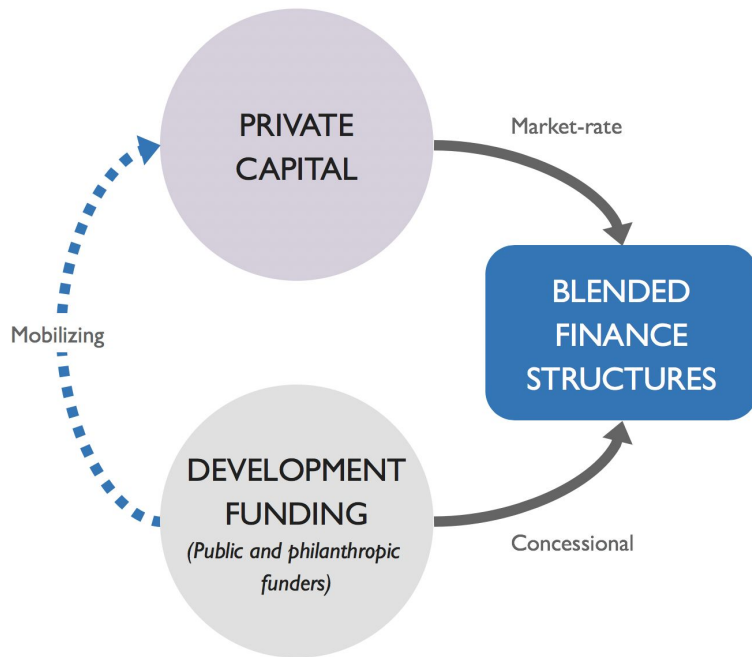
To enhance the development and implementation of the Integrated Maritime Policy by awarding grants within three specific funding strands

Budget:

€18.5 million

Strand	About	Budget	Launch date
Blue Labs	Grants will support projects that leverage the skills, creativity, knowledge and competences of young people, local stakeholders, businesses and research institutions to develop innovative solutions for maritime/marine challenges	€5 million	Q4 2018
Blue Careers	Grants will support projects that develop responses to the needs of the blue economy labour market through collaboration between industry and educational institutions	€6 million	Q4 2018
Grants for the blue economy	Grants will support innovative blue economy projects that build on research and development, and require some support to establish themselves in the market	€7.5 million	Q4 2018

Blended Finance



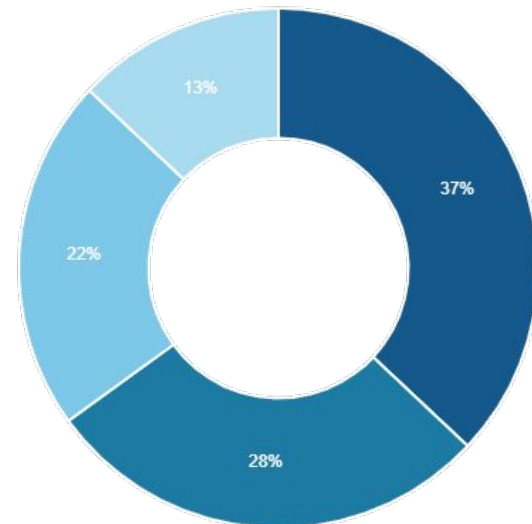
Characteristics:

- Positive financial return
- Supports sustainability
- Reduces risk for Private Investors

Strategies

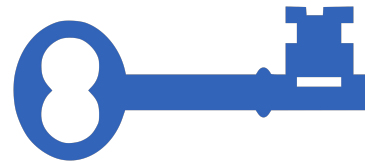
- Concessional Capital & Technical Assistance Funds are the most common
- Design-stage grants and guarantees/risk insurance are less common

Concessional Capital Technical Assistance Funds Guarantee / Risk Insurance Design-Stage Grant





Partners = Key to Success



Let's Work Together...

Thank you!

