EIB SUPPORT TO A SUSTAINABLE BLUE ECONOMY

European Investment Bank

28 November 2023

EIB: STRONG SUPPORTER OF A SUSTAINABLE BLUE ECONOMY

2018-2022

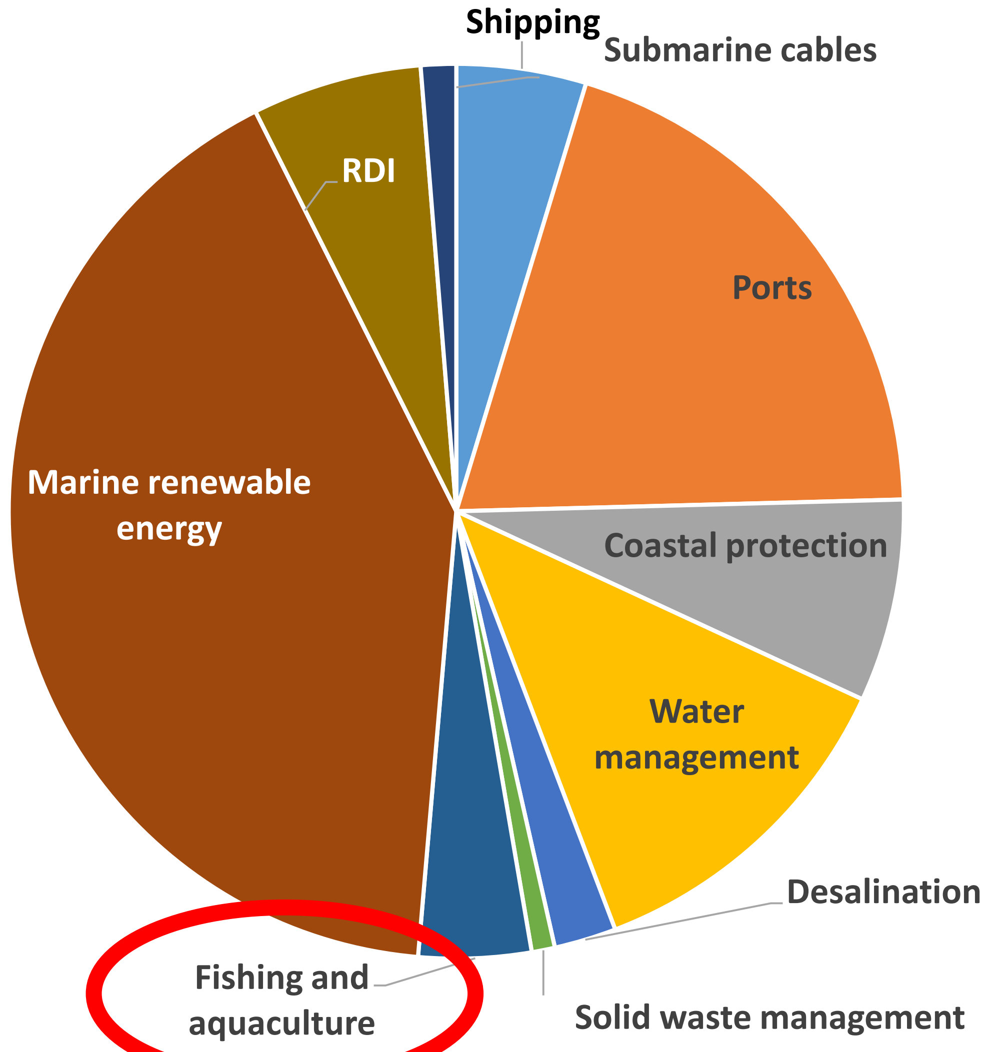
~€7 billion investment

€24 billion leveraged

85% contributing to climate and environmental goals

EIB support to blue economy by sector 2018-2022

EIB signed amount (million EUR)



European Investment Bank

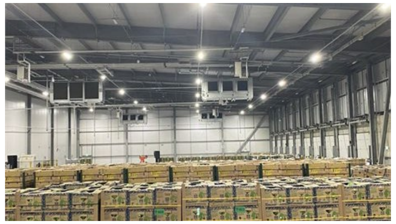
No EIB operations on energy transition for fisheries and aquaculture

Sustainability	• Many investment : risk increasing levels of fishing • Sustainability-oriented projects may not provide sufficient benefits to engage fishers
Scale	• There is limited potential for sufficiently large investments to meet EIB requirements (€15-20m+) • Naturally, fishers have a preference for any available grant funding and loans without conditions
Complexity	• Energy transition and sustainability requires coordinated stakeholder action • Complex and time-consuming due diligence and transaction design, especially relative to final deal size
Intermediaries	• There are limited intermediaries with sufficient expertise and capacity to deliver fisheries investments • Seasonality and variable income streams within the industry do not align well with the monthly payment structure of most loans
Counterparties	• Many fisheries comprise large numbers of small companies or independent fishers, with many lacking structures suitable for taking on larger scale finance • Small-scale fishers are often profitable, but lack sufficient collateral for traditional finance and may not own the vessel and equipment they use • Economic, social, and environmental due diligence

... NO LACK OF INTEREST

- EIB ready to consider energy transition investments in fisheries and aquaculture (*meeting EIB economic, social and environmental criteria)*

Examples of areas that could be considered:



- Port infrastructures supporting low-carbon solutions for fishers (low carbon energy, logistics)
- Low-carbon solutions for fisheries or aquaculture production, provided these operations are certified sustainable or committed to be
- Low-carbon, energy efficient seafood processing solutions
- Holistic approaches (supply chain, stock rebuilding)

European Investment Bank

Ex: Vessel sustainability upgrades

Summary of Investment Opportunity

- Most fishing vessels use diesel fuel, which has negative environmental impacts through air pollution and carbon emissions.
- The EU CFP supports the transition to low emission energy sources (e.g. hydrogen, biofuel, solar, electric), but technological and financial barriers prevent broader/faster uptake.
- Investment could be provided to either ports to enable upgrades (e.g. electric vessel charging stations) and/or to engine/vessel manufacturers.

Indicative Structure

- Investee: Port authority or engine/vessel manufacturer
- Indicative investment amount: Variable depending on approach
- Possible grant support: ?

EU fishing port to install technology for low-emission vessels (e.g. charging stations, battery storage, solar generation, green-hydrogen facilities, etc.), with repayment through fees paid by vessel owners.

Engine/vessel manufacturer to enable investment in technology that reduces production costs for more environmentally beneficial models, improving uptake. Repayment would be through increases in sales revenues from increased uptake.

Advantages & Challenges

Advantages

- Highly capital intensive for ports or larger vessels
- Alignment with EC Energy Transition strategy
- Benefits to fishers in reducing costs

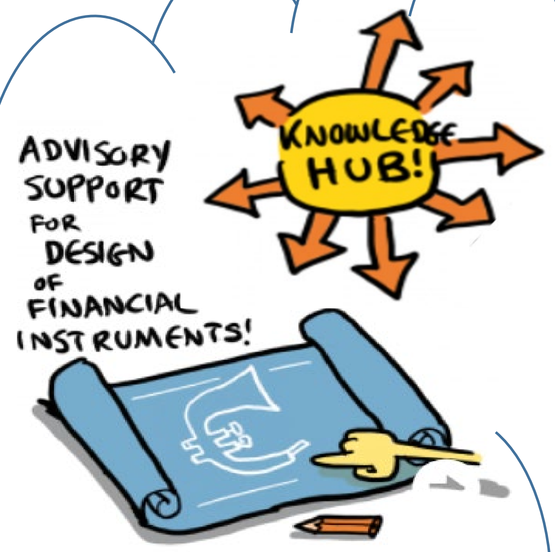
Challenges

- Sustainability & Gears
- Enough Clients? Incentives?
- National banks to finance clients?

ADVISORY SUPPORT

Technical assistance and financial advisory via fi-compass or other mandates

Providing capacity-building activities and financial advisory services to EMFAF Managing authorities in order to support set-up and implementation of EMFAF financial instruments



1

Access to a single knowledge hub

- A-Z information about EU Shared management financial instruments at www.fi-compass.eu

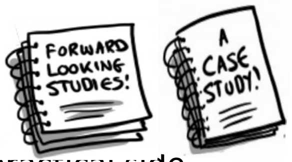
2

Capacity building training sessions for Managing authorities and relevant stakeholders in view of EMFAF Financial instruments, based on:

- Level of knowledge/experience
- Specific areas of interest

3

Learning opportunities



- fi-compass market analysis and publications
- Content with focus on the FI regulatory and practical side

fi compass EMFAF

European Investment Bank