



MARITIME FORUM

BlueInvest Fund FAQs

Published on: Wed, 22/07/2020 - 14:35



EUROPEAN FUND FOR STRATEGIC INVESTMENTS

EFSI Equity Instrument

BlueInvest Fund

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FREQUENTLY ASKED QUESTIONS

In accordance with the provisions of the [Call for Expression of Interest](#) [1] updated on the EIF's website on 18 June 2020 to select financial intermediaries under the EFSI Equity Instrument – Expansion and Growth Window, you will find here below a list of some of the most commonly asked questions. Please read through these FAQs before contacting the EIF.

If your question is not answered below and you believe it would be a good addition to the FAQ list, please send your suggestions via e-mail to efsi_equity@eif.org [2].

Unless defined otherwise in this FAQ, all capitalised terms used in this document shall have the meaning attributed to them in the above mentioned Call for Expression of Interest.

General clarifications

1. What is the BlueInvest Fund?

The BlueInvest Fund is a new equity initiative supporting the EU policy objective to stimulate investments in the innovative blue economy. This sector can play an important role in the transformation to a carbon-neutral economy by 2050, an ambition announced in the [European Green Deal](#) [3].

The BlueInvest Fund will be managed by the European Investment Fund and will provide financing to underlying equity funds that strategically target and support companies in the blue economy sector. This initiative is part of the [EFSI Equity Programme](#) [4] under the Expansion and Growth Window. The Programme is backed by the European Fund for Strategic Investments, the financial pillar of the [Investment Plan for Europe](#) [5], and the European Investment Fund.

2. How does the BlueInvest Fund work?

The functioning of the BlueInvest Fund could be described as a three-fold relationship having the following layers:

European Commission - European Investment Fund

The European Commission has allocated €75m to the BlueInvest Fund out of the overall budget of the European Fund for Strategic Investments and has entrusted the management of the BlueInvest Fund to the European Investment Fund.

European Investment Fund - financial intermediaries

In its capacity as manager of the BlueInvest Fund, the EIF deploys the dedicated budget under a delegated model through financial intermediaries. The deployment is made in the form of (quasi-) equity investment.

More precisely, the EIF provides equity investments to or alongside funds or other entities focusing directly or indirectly in the marine and maritime sectors. The scope is to attract additional private investment and catalyse the development of this sector. Through this initiative, the EIF shall invest in equity funds whose investment strategies target partially or fully economic activities including natural or cultural capital, ocean energy, climate action, inclusion of coastal communities and better coastal protection amongst others.

Financial intermediaries - companies

Thanks to the financing offered by the EIF, financial intermediaries are able to invest into eligible final recipients, enhancing their expansion and sustainable growth.

3. Until when will the Open Call for Expression of Interest of the BlueInvest Fund be open for applications?

The BlueInvest Fund open call for expression of interest will be open for applications until 31st December 2020 or an earlier date as may be announced officially on the EIF's [website](#) [4].

4. Will the BlueInvest Fund be included in the future InvestEU?

The BlueInvest Fund is an initiative developed under the EFSI Equity Instrument, supported by the Investment Plan for Europe. The Investment Plan for Europe (2014-2020) focuses on boosting investment to generate jobs and growth by making smarter use of financial resources, removing obstacles to investment, and providing visibility and technical assistance to investment projects.

The InvestEU Programme will take over starting from 2021 and will build on the successful model of the Investment Plan for Europe. The BlueInvest Fund will allow the European Commission and the EIF to understand the needs of the blue economy sector to develop efficient dedicated financing tools also in the coming years. Lessons learned from the experience of BlueInvest will be critical to the formulation of the future initiatives.

5. What other support is provided to EU companies?

The BlueInvest Fund is part of the [BlueInvest](#) [6], which aims to boost innovation and investment in sustainable technologies for the blue economy, by supporting readiness and access to finance for early-stage businesses, SMEs and scale-ups. It is enabled by the European Maritime and Fisheries Fund, managed by the European Commission DG MARE.

In this context, portfolio companies of EIF-backed funds under BlueInvest may

simultaneously benefit from a grant schemes available under DG MARE Call for proposals and managed by EASME [7]. By these means, the objective is to support innovative technologies and/or maritime services improve their market readiness and advance towards market entry, at the same time fund manager would benefit from a de-risking component to their investment. To this scope, the [Blue Economy Window](#) [8] [call](#) was launched with a total budget of €22.5 million. By this means, DG MARE, EASME and EIF aim at providing different financial tools to support the growth of EU early-stage businesses, SMEs and scale-ups active in the blue economy sector.

Final Recipients

1. How can Final Recipients benefit from the BlueInvest Fund?

The financing support under the BlueInvest Fund is made available through a fully delegated model by EIF to financial intermediaries. More specifically, the EIF sets the framework under which the equity investments under the BlueInvest Fund shall be made available, and this framework needs to be adopted and adhered by the financial intermediaries when performing financing operations under the BlueInvest Fund.

Final recipients shall address themselves to selected financial intermediaries to request financing and benefit from the BlueInvest Fund. The EIF will publish and update the list of selected financial intermediaries at the dedicated [EFSI Equity Instrument](#) [4] webpage on a continuous basis.

Please note that final the selection of portfolio companies and funding approval lie solely with the financial intermediary, according to their investment strategy and the rules of the BlueInvest Fund. Therefore, companies looking for financing are invited to enter into direct contact with the selected financial intermediaries, continuously updated in [this link](#). [9]

2. What enterprises can be considered an (eligible) target final recipient under the BlueInvest Fund?

As outlined in [Annex II](#) [10] of the Call, target final recipients are SMEs, Small Mid-caps, Social Enterprises or Social Sector Organisations, which are established or operating in the EU, in each case as at the time of the first investment by the financial (sub-)intermediary[1].

For avoidance of doubt, the term *operating* shall mean that the enterprise has either staff, or conducts research & development, sales, marketing or any other type of business operations in the country. Mere having a legal address in a country shall not be considered as operating in that country.

Financial intermediaries

1. How can a fund become a financial intermediary under the BlueInvest Fund?

A fund proposal may be selected under the BlueInvest Fund provided that:

- It complies and submits to the EIF the [Expression of Interest](#) [11] with accompanying documentation with criteria as described in the [Call](#) [12].
- The fund manager completes according to the provisions of the Call before the deadline.
- The investment proposal is appraised by the investment team and proposed for formal approval by the governing bodies of the EIF.
- The contractual negotiations are satisfactorily completed.

The EIF shall normally commit in the fund manager at the first closing of the fund, i.e. the first time that investors commit to making their investment in the fund. However, a commitment is possible at a subsequent closing if the added value is duly demonstrated by the EIF or if the first closing did not occur at terms acceptable to the EIF.

2. What amount can EIF invest through the BlueInvest Fund into selected financial intermediaries?

Through the BlueInvest Fund, the Investment in selected funds shall:

- not exceed fifty million euros (EUR 50,000,000) or its EUR equivalent at time of commitment;
- represent at least 7.5% of the commitments made at the closing at which the EIF is admitted (excluding any amount committed to the financial intermediary in previous closings, if any);
- not exceed 50% of the aggregate commitments made to the financial intermediary, unless EIF participate at first closing in the context of Blue Economy.

3. What is the minimum amount the fund manager has to commit to invest in target final recipients?

The financial intermediary shall include in its investment strategy to invest directly or indirectly in target final recipients at least the lower of:

- 2 times of the aggregate amounts drawn down under the Fund Agreement for the purpose of investments in Final Recipients and
- two-thirds of the total amount drawn down by the financial intermediary from its investors for the purpose of investments.

Additionally, financial intermediaries established in the EU shall allocate at least 50% of invested amounts EU Target Final Recipients, should the financial intermediary be established outside the EU, the floor amount to be invested in EU

companies would correspond to 75%.

4. What is the minimum/maximum amount a fund can invest into an eligible company?

There is no requirement on the investable amounts into eligible companies from selected financial intermediaries. Please note that the funding decision rely solely on the fund.

5. What is the investment time limit for the current BlueInvest Fund?

The lifetime of the investment shall be in line with market standards and in any case shall not exceed 15 years (or 20 years in case of investments in a Fund-of-Funds or Technology Transfer Funds), plus up to 3 years extension.

6. Can a fund investing in portfolio companies at different stages of development apply for the BlueInvest Fund?

Funds under the BlueInvest Fund will typically target in their investment strategy investments in EU companies at Early and/or Expansion and Growth Stage.

In the context of the BlueInvest Fund, selected financial intermediaries are expected to pursue investments in companies which are:

- active in research, development or operations of the blue economy-related activities, or
- exploiting marine environment data or information in order to research, develop or manufacture products and/or services, or
- transferring non-blue economy sectors technologies and/or data to BE-related activities, or
- otherwise pursuing digitalisation in blue economy technologies, products or services.

7. What does the requirement to have 30% of total fund commitments coming from private investors mean?

At the time of the EIF's closing, the final intermediary shall attempt to have at least 30% of total investor commitments made by independent private investment sources, as further set out in [Annex II](#) [10] - Investment Guidelines. This quota shall include commitments from earlier closings, if any, but excluding BlueInvest Fund's commitment.

In case EIF participates at the first closing in the context of the BlueInvest Fund, EIF preserves its right to deviate and apply other conditions, subject to EIF's analysis.

[1] Final Recipients shall not be excluded if at the of the first investment they: (i) include in their business any activity which would make such investment not compatible with the Guidelines on the EIF Restricted Sectors; and/or (ii) are incorporated in Non-Compliant Jurisdictions, unless the operation is physically implemented in the relevant Non-Compliant Jurisdiction and does not present any indication that it supports actions that contribute to targeted activities.

Published on *Maritime Forum* (<https://webgate.ec.europa.eu/maritimeforum>)

Source URL: <https://webgate.ec.europa.eu/maritimeforum/en/node/4847>

Links

[1] http://www.eif.europa.eu/what_we_do/equity/single_eu_equity_instrument/index.htm

[2] mailto:efsi_equity@eif.org

[3] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

[4] https://www.eif.org/what_we_do/equity/efsi/index.htm

[5] https://ec.europa.eu/commission/priorities/jobs-growth-and-investment/investment-plan_en

[6] <https://webgate.ec.europa.eu/maritimeforum/en/frontpage/1451>

[7] https://ec.europa.eu/fisheries/press/call-proposals-mare202008-strengthening-regional-cooperation-area-fisheries-data-collection_en

[8] <https://ec.europa.eu/easme/en/news/blue-economy-window-call-just-launched>

[9] https://www.eif.org/what_we_do/where/index.htm

[10] https://www.eif.org/what_we_do/equity/efsi/call/Annex_II-investment_guidelines_for_the_expansion_and_growth_stage_window.pdf

[11] https://www.eif.org/what_we_do/equity/efsi/call/Annex_I-Expression_of_interest_with_representations.pdf

[12] https://www.eif.org/what_we_do/equity/efsi/call/Call_for_expression_of_interest.pdf