

## EFSI Equity Instrument

### Guidance for funds investing in the Blue Economy (“BE”)

#### *Important Disclaimer*

This document is for information purposes only. This document is an outline of the principal operational guidelines for the product described herein, which are subject to change and non-exhaustive.

This document is intended to provide a basis for discussions and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the European Investment Fund (the “EIF”) and/or or any other person to enter into one or more transaction(s). Any finance commitment by the EIF can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The EIF does not act as adviser to you or owe you any fiduciary duty. The EIF does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document.

The capitalised terms and expressions below shall have the meaning attributed to them in this document and as defined in any of the listed documents, forming part of the Call for Expression of Interest (Call for Expression of Interest, Annex I: Expression of Interest, Annex II: Investment guidelines for the Expansion & Growth Stage window, Annex III: Investment guidelines for the Early Stage window, Annex IV: Summary reporting requirements for the financial intermediaries).

## 1. Strengthening the Blue Economy market under EFSI

This document aims to describe the context and conditions for Blue Economy investments that European Investment Fund ("EIF") will be seeking as part of the [EFSI Equity Instrument](#), as well as to provide additional elements of considerations for investors operating in this space. It therefore does not replace the terms and conditions provided in the Call for Expression of Interest ("[the Call](#)"), which shall remain valid.

The EU's Blue Economy encompasses all sectorial and cross-sectorial economic activities related to oceans, seas and coasts. It is defined, in the context of this Call, as all economic activities that take place in the marine environment or that use sea resources as an input, as well as economic activities outside the marine environment that are involved in the production of goods or the provision of services that will contribute to those activities. They can also be land-based activities such as, for instance, micro-algae production and processing, land-based aquaculture, or similar. They should aim at contributing to one or more EU political objectives including lower greenhouse gas emissions, a more circular economy, energy security, adaptation to climate change, inclusion of coastal communities, creation of high-value blue economy jobs, better coastal protection, sustainable use of natural or cultural capital.

This sector is of significant importance for the EU as it will make a substantial contribution to meeting the goals of the European Green Deal. Offshore renewable energy, a sector that hardly existed 10 years ago, now employs more than fishing and plans are in place to quadruple capacity by 2030. The Commission's Chief Scientific Advisors have determined that food from the ocean can relieve pressure on land and freshwater resources. The maritime transport sector must reduce emissions. Battery-powered ferries are already in operation.

To this end, the EIF, in cooperation with the European Commission, has launched a dedicated thematic allocation of €75m, to be invested into equity funds which investment strategies target, partially or fully, the Blue Economy sector as well as co-investments alongside equity funds into companies operating in the Blue Economy sector. The programme shall aim to cover a broad range of blue economy-related activities in various geographies, in an attempt to foster the emergence of a self-sufficient Blue Economy Venture Capital ecosystem that attracts successfully private investment.

The resource allocation to potential funds and / or co-investments into companies will be made on first-come-first-served basis of the expressions of interest, until the exhaustion of the investment capacity of the product.

## 2. Investment criteria, terms and main requirements<sup>1</sup>

To receive financing, Financial Intermediaries shall, inter alia, comply with certain criteria, such as:

- The maximum size of a single EIF's investment is limited to EUR 50m, representing at least 7.5% and up to 50% of the aggregate commitments made to the financial intermediary;
- Target to invest into SMEs, established or operating in one or more EU Member States the lower of: (i) 2 times the amount drawn down from the relevant Blue Economy thematic allocation to the fund (ii) or two thirds of the aggregate amount drawn down by the applicant from its investors for the purpose of the investment.

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<sup>1</sup> As further set out in Annex II of the Call

- Undertake to invest at least an amount equal to the amount drawn down for investments from EIF's commitment in eligible final recipients, i.e. a SME established or operating in EU and:
  - active in research, development or operations of the BE-related activities, or
  - exploiting marine environment data or information in order to research, develop or manufacture products and/or services, or
  - transferring non-BE sectors technologies and/or data to BE-related activities, or
  - otherwise pursuing digitalisation in BE technologies, products or services.
- Except for co-investments, if the applicant is established (or is to be established) in the EU, its strategy should be to invest more than 50% of its invested amounts into SMEs established or operating in one or more EU Member States. Otherwise, its strategy should target for more than 75% of its invested amounts in SMEs, established or operating in one or more EU Member States.

The timeframe for selection of intermediaries: until 31 December 2022, provided that the EIF Board of Directors has approved the EFSI Investment on or before 31 December 2020. Applications will be considered if received before 30th September 2020 or such other date as announced officially in the EFSI Equity Instrument's section on the EIF's website.

EIF investments into applicants investing in the Blue Economy sector are only allowed under the terms, further outlined in Annex II to the Call.

### 3. How to apply

Interested parties seeking financing under EFSI Equity and undertaking Blue Economy investments shall apply, following the procedures outlined in the Call.

In the selection process, EIF's investment decisions will follow these general steps:

- Desktop Screening
- In-person Screening
- Due Diligence
- Approval in accordance with EIF's decision making rules
- Negotiation and signature

For further information, please send an email to [efsi\\_equity@eif.org](mailto:efsi_equity@eif.org) specifying that the query relates to the EFSI Equity Blue Economy thematic allocation.