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UfM Webinar on Financing innovation ecosystems for the Mediterranean Sustainable Blue Economy: Local actors, opportunities, and challenges

30 January, 2023; 10:30-12:30 CET

MAIN POINTS/OUTCOMES

On January 30, 2023, the UfM hosted a webinar on ‘Financing innovation ecosystems for the Mediterranean Sustainable Blue Economy’. Organized in the framework of the joint areas/priorities of action¹ agreed by the countries of the UfM under the *Roadmap for the implementation of the 2021 UfM Ministerial Declaration on Sustainable Blue Economy (SBE)*, the webinar brought together local and national actors (including innovative start-ups, Venture Capitalists, incubators, and policy-makers), as well as IFIs, and 100 participants and stakeholders, to exchange on their experiences and challenges in terms of harnessing sustainable finance and support at local level to foster innovation ecosystems in the sectors and activities of the Mediterranean Sustainable Blue Economy.

Focusing on the needs of the Southern and Eastern shores of the basin (i.e. in terms of financing, capacity-building, and awareness raising), the webinar also aimed to shed a light on the opportunities available at local level to scale-up innovation ecosystems as essential drivers for transformative change in Mediterranean coastal and maritime regions. Below is a summary of the key outcomes and items discussed during the webinar:

- The UfM Deputy Secretary General for WEBE emphasized the importance of the Blue Economy in the work of the UfMS. In this framework, UfMS is coordinating with EIB and EBRD to set up a Sustainable Blue Economy Partnership in the Mediterranean, under which a full ownership-based partnership is in the making to enable, in its first phase, three countries from the Southern Mediterranean to implement sustainable projects in the blue economy. The UfM DSG for WEBE also updated the participants on the scope and state-of-play of the Blue Mediterranean Partnership announced by the UfM, EIB, EBRD, and the EU in the framework of the Mediterranean Pavilion during COP27 in Sharm-El-Sheikh.
- EBRD presented progress achieved on the design, negotiation, and set up of the Blue Economy Mediterranean Partnership, especially the draft legal framework document detailing (i) the proposed new multi-donor facility, designed based on principles of full partnership, and where beneficiary countries are expected to contribute; and (ii) a multi lending facility and financing instrument which aims to foster innovative Blue Economy investments from IFIs, DCA, and the private sector in the Mediterranean basin, with a focus in non-UE countries, while tackling environmental and climate change-related challenges and harnessing the related benefits.

¹¹ Joint priority dedicated to ‘Fostering and financing innovation ecosystems for sustainable blue economy value chains in the Mediterranean’ agreed by the countries of the UfM in the framework of the UfM Working Group on Blue Economy.



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- Blue economy innovation risks are not market or technology risks, but rather operational risks, and as such should be understood by investors. There is a lack of understanding and awareness that should be addressed to raise investments.
- Promoting open innovation to accelerate the uptake of technologies and new ideas for local businesses is key.
- The role of incubators/accelerators (as 'intermediary bodies') is essential to match the needs of local businesses and the opportunities they create, with local/international investors. Incubators/accelerators also play a key role in fostering the dialogue with local/national policy-makers to strengthen the necessary enabling conditions.
- A wide range of financing opportunities (i.e. public/private, local/international) are available to Med MSMEs but barriers in accessing such opportunities persist due to administrative complexities or the lack of awareness/understanding between stakeholders. Fostering the role of 'enabling/intermediary' bodies is essential to build support and establish a dialogue in this regard.
- In some Southern Mediterranean countries, current efforts focus on supporting the sectors and activities of the sustainable blue economy through investments in nature-based solutions, such as as protected areas and Maritime Spatial Planning (MSP), in order to define priorities for the development of the blue economy (social, environmental and economic) and inform the related support required by businesses/enterprises.
- Opportunities to develop and scale-up new technologies in the sectors and activities of the Med Sustainable Blue Economy exist but there is a need to strengthen the dialogue between companies and investors. Business to business (B2B) cooperation is also essential to expand market access to more established companies outside and within the EU.
- Sustainable blue economy investments must be considered in the framework of broader sustainable financing that integrates the SDG framework. Strong due diligence from investment banks is key to be able to ensure full sustainability. There is a need to continue raising awareness among investors of the potential of the sectors and activities of the SBE in the Med.
- Building multi stakeholder processes based on cooperation and dialogue are essential to encourage greater awareness and understanding among the different relevant stakeholders (policy-makers, investors, businesses, technology providers, researchers, etc.).
- Enabling regulatory and business investment conditions are key preconditions to scale-up investments in the sustainable blue economy at local level. Enabling/intermediary actors should be further promoted in Mediterranean countries, in particular in the Southern and Eastern shores of the basin.
- Individual businesses must better understand their position in the relevant value chains so as to be able to exploit their potential and trigger interest from existing or embryonic markets developing sustainability-driven services and solutions.
- Nature-based solutions/nature-positive solutions and ecosystem restoration are increasingly relevant and appealing to investors, but there is a need to better communicate the concrete benefits and potential returns of nature-based solutions (social, environmental and economic) to investors (public and private).
- Bridging the gap between the national and regional dimension is at the core of the UfM's mandate on Sustainable Blue Economy. The importance of continuing to support at Med level the role of accelerators and incubators in bringing innovative and sustainable solutions to market was also stressed. In linking to ongoing processes and next steps, the UfM underlined the UfM Conference on



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Sustainable Blue Finance in the Mediterranean that took place in Barcelona on June 22nd, 2022, and the announcement of the Blue Mediterranean Partnership during COP27 as key milestones in the Med sustainable blue finance process.

- In terms of key upcoming dates, the first meeting of the Blue Mediterranean Partnership will take place in Brussels on 14 March back-to-back with the 13th meeting of the UfM Working Group on Blue Economy. The next UfM Blue Economy Stakeholder Conference will tentatively take place at the end of 2023/beginning 2024.