



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

Maritime Policy and Blue Economy
Marine Knowledge, Innovation and Investment

Ms. Antje Biber
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Per email

Brussels, 14 June 2024
MARE.A.1/CS

Dear Antje,

I would like to thank you and your team as well as of course FERI and the FERI Cognitive Finance Institute on behalf of the European Commission's DG MARE for organising the first Global Asset Owner Summit on Sustainable Investments in Biodiversity with a focus on Sustainable Blue Economy (Ocean) and Sustainable Landuse (Soil) in Frankfurt on 4-6 May 2024 as well as for highlighting our BlueInvest initiative in your excellent study on "[The Biodiversity Advantage - Business Solutions and Investment Opportunities for Nature](#)".

In the following, I would like to share with you some of impressions as well as key take-aways and suggest some points for the follow-up from our side.

The event was perfectly organised, prepared and facilitated by you and the team involved and we appreciated the strong focus of stimulating interactive and outcome-focused conversations among the participants as well as your careful curation of the invitees/attendants.

Thanks to your excellent leadership on this issue and your incredible network our involvement in your event turned out to be excellent opportunity to enlarge our network of investors beyond the VC and PE sector towards large asset owners and to raise their awareness on ocean related investment opportunities. In this context I would also like to thank you again for your valuable contribution as a panel member at our BlueInvest Days in Brussels this March as well as last year.

We were extremely happy to be able to share in a dedicated session the EC's work on ocean health and a sustainable blue economy and to highlight the activities and achievements of the BlueInvest initiative in supporting blue economy SMEs and start-ups with ocean technologies that can make a difference in tackling climate and biodiversity challenges.

It was very encouraging to see the strong interest and good practices among the invited asset owners to not only analyse actively the nature and biodiversity-related risks in their portfolio and dedication to advancing more of their portfolios towards contributing to halting and reversing biodiversity loss and learn how this impacts down to the company level, in particular when asset owners demand credible transition plans from companies.

Among our key take-aways I would like to highlight the following:

- Sustainable Finance is already more mainstream but for biodiversity investments we are still at beginning and more investor capacity building is needed, in particular on risk assessment for biodiversity, measuring biodiversity impact and on how to integrate/manage the value chain.
- The seminar showcased some excellent good practices among funds (NL and CH), which are a good basis for inspiration and wider adoption.
- Among the institutional investors worth mentioning was the EIB's commitment, presented by EIB VP Fayolle, to put biodiversity on par with climate and to shift lending standards from no net-biodiversity loss to no loss.
- A core reflection was how to make asset owners to commit capital to biodiversity related investments. Regulatory pressure, e.g. through the EU GD and in particular its sustainable finance legislation was seen as key.
- However, monitoring was still seen as a challenge. In this respect alignment with EU standards/taxonomy as well as international standards (e.g. IFRSF) is of course important.
- Standard setting in this area could also benefit from proactive and practical self-regulation advanced by some asset owners and based on good practice presented at the seminar.
- A need for regulatory change of fiduciary duties of asset owners to incorporate nature. In the meantime regulators could possibly enable regulatory sandboxes.
- The continued high importance of blending and de-risking through EU/EIB and multi-lateral development banks given the massive financing needs for achieving the SDGs with regard to oceans and soil biodiversity. However, mandate negotiation should be speeded up. It can take up to a year to negotiate a mandate which in some cases can lead to a loss of momentum.
- Also, the need for more financial innovation was seen as important. Some examples include:
 - Grouping projects (e.g. seaweed and shellfish projects) into industrial scale platforms, which could include producers, processing and distribution and/or the selling of (blue) bonds on existing VC portfolios to address lack of critical mass issues.
 - 'Fish futures' solutions, whereby an investor buys fisheries, which are then set aside for a certain period, with the investor paying fishers to protect the asset until the fishery is recovered and can be sustainably harvested again.
 - The role of biodiversity credits or water credits to enhance carbon credits for better nature outcomes, as a business driver to demonstrably improve the environmental impact of products, and as a corporate commitment.

As a follow-up action I suggest that we include a dedicated capacity building seminar on biodiversity and related innovative financing instruments for the blue economy, possibly back-to-back with next BlueInvest Day.

We could also envisage that you present the report at the next BlueInvest Day, possibly at the traditional high-level investor breakfast.

Once the draft action report is available, we will also follow-up with DG FISMA and ENV who already indicated they were very interested in the results with a view to possibly also presenting this in sustainable finance event in Brussels. I look forward to further collaboration.

Yours kindly

Claus Schultze
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