

Building Economic Opportunities for Sargassum Value chain Development

What seems to be the problem?

Since 2011, countries within the Caribbean Basin have wrestled with the growing inundations of sargassum on their coasts. This phenomenon, linked to climate change, rising sea temperatures, changes in sea currents, and ocean eutrophication, has created significant challenges. While floating sargassum provides a habitat for marine species, its excessive accumulation on coastlines negatively impacts critical coastal ecosystems, like coral reefs, as well as human health, coastal activities, and major economic sectors in the Caribbean (including EU outermost regions and OCTs), Central America, and Mexico. More than a



decade on, the region continues to see record volumes of sargassum, with over 24 million tons covering the Atlantic in June 2022. This influx is expected to persist, necessitating a deeper understanding and development of response strategies that can effectively address the challenge at scale.

The Sargassum Effect

The impact has been severe and costly, halting hotel and fisheries operations, rendering some coastal areas unusable, fouling water intake pipes, and posing public health concerns. The substantial economic and public health impacts have burdened national governments and local municipalities, which are primarily responsible for its removal and disposal. At the national and regional levels, the need for progressive action has become a priority, considering the impacts on developing economies.

European Partnership in Action

Through the Global Gateway Investment the European Union and its Member States, together with its financial institutions and private sector, are at the forefront of responding to this need. Shifting the perspective on sargassum from a challenge to an opportunity for innovative commercial enterprises, Team Europe has put at the centre of the solution the exploration of viable valorisation pathways, built on a regional and long-term perspective and ensuring continued investment in the Caribbean.

The ambition is to drive innovation and investment through public-private collaboration. Developing commercial uses for sargassum can be transformative but will require a regional approach with actions on a scale that address the magnitude of the challenge and that can ensure simultaneous benefits to multiple countries. This approach will help to reduce the

impact of sargassum on coastal areas, as well as generate new economic opportunities and job creation, relieving some of the fiscal burden on national governments.

The EU offer - Moving Towards Value Chain Development

With the Global Gateway Investment Agenda, the European Union offers a structured approach to generate a single conversation around a sustainable sargassum value chain, focussing on three main components:

Research & Innovation: Enhanced research provides valuable analysis, data, and satellite imagery for evidence-based action. Using Copernicus and other technical frameworks, the EU proposes to strengthen research facilities to expand forecasting capabilities, product testing, validate commercial uses, develop business models, support solutions to manage the influx, advise on sargassum mapping, and leverage investment for continued R&D.

Enabling Environment: A critical component of a sargassum value chain is collection and storage of sargassum, which requires suitable regional policy frameworks and models. The EU will support the mobilisation of technologies and expertise for collection and safe extraction, identifying storage solutions, developing local capacities and regulations that facilitate investment and development of sustainable business models.

Transformation: Recent studies and private sector experiences can guide the commercial transformation of sargassum and help leverage funds to attract investment and local benefits. Commercial prospects include biorefining, biofuel, biogas, and the manufacture of agriproducts, building materials and cosmetics amongst others. De-risking investments for proof-of-concept business and facilitating innovative start-up commercial processes will catalyse the value chain development.

Multi-stakeholder Dialogue

The development of a value chains for potential viable commercial use of sargassum is an ambitious goal that requires constant dialogue and collaboration between all stakeholders. The EU in partnership with the OECS will organise the **Second EU-Caribbean Global Gateway Conference on Sargassum** to take place in Grenada from **1st to 2nd October 2024**. This conference will build on the momentum from the first Regional Sargassum Conference in the Dominican Republic in 2023 and the Sargassum Symposium in Mexico in July 2024.