Tomorrow's Affairs

Analysis of today
Assessment of tomorrow

By: Claudio de Sanctis

New ocean financing—a condition for preserving the critical resource of the global economy

The more that humans learn about the ocean, the more we realize how little we truly understand. For example, there may be three times more marine species than we have identified. That alone should lead us to stop taking the ocean for granted.

Moreover, the ocean is critical to the global economy. In 2023, trade in ocean goods and services reached record highs of $900 billion and $1.3 trillion, respectively.

Fisheries sustain 600 million people, mostly in developing countries, and the marine biotechnology market is projected to reach $6.4 billion by 2025.

The ocean also plays a crucial role in planetary sustainability. Through multiple processes, it acts as a climate regulator, absorbing around 25% of human-caused carbon dioxide emissions, and as an essential source of biodiversity.

But there are concerning trends in both these areas. In 2024, the Global Ocean Health Index dropped sharply, with marked declines in measures of habitat, species, and iconic species. All told, scores declined for 187 of the 220 regions measured.

It is not all doom and gloom. By the end of the United Nations Ocean Conference in June, 50 countries had ratified the UN High Seas Treaty, with 19 more promising to do so this year.

With the treaty tantalizingly close to a final binding agreement (60 ratifications are needed), we could soon see significantly increased marine protections in international waters.

Still, humanity is not investing nearly enough in ocean sustainability. The Ocean Panel (comprising 18 leaders of maritime states) estimates that, over the last ten years, less than 1% of the ocean's value has been invested in sustainable projects through philanthropy or official development assistance.

Ocean-related risks

What is to be done? The Ocean Panel's own five priorities are to manage seafood production sustainably, mitigate climate change, stem biodiversity loss, seize the opportunity for economic recovery from climate and ecosystem shocks, and manage the ocean holistically.

And in recent years, there has been considerable progress toward developing frameworks to finance these aims.

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From our experience at Deutsche Bank, this has meant enhancing ocean-protection due-diligence policies by following global frameworks like the Sustainable Blue Economy Finance Principles, launched by the UN in 2018 to support Sustainable Development Goal 14, "Life Below Water," and becoming the first bank to join the Ocean Risk and Resilience Action Alliance as a full member and ORRAA's UN-backed #BackBlue commitment.

These supporting frameworks are becoming clearer. For example, the 2025 Ocean Investment Protocol – launched by the UN Global Compact and the UN Environment Program Finance Initiative – offers a practical road map for financial institutions, insurers, and development banks to manage ocean-related risks and unlock investment opportunities that support SDG 14.

Such frameworks will continue to shape internal policies, risk assessments, and investment strategies across the financial sector, helping to standardize definitions, improve transparency, and scale finance toward a sustainable ocean economy.

At the same time, financial innovation – such

as loan guarantees, blended finance, and project aggregation – will help make ocean investments more attractive to mainstream capital.

Ocean projects offer limited scalability

I do not want to downplay the remaining challenges. Many ocean projects offer limited scalability, and there is still a paucity of investment offerings and solutions.

Despite the progress noted above, some components of the current investment frameworks are rather difficult to implement, and a lack of data remains a problem.

Nonetheless, the resources are there, and the financial system is developing the tools to mobilize them in the interest of the ocean's health.

In thinking about this work, one always must be mindful of different potential investors' objectives and how sustainable ocean finance can best meet them.

As head of Deutsche Bank's Private Bank, I know that many investors – both private and institutional – have a clear appetite for sustainable ocean investment.

> Investors want a visible return, be it real-world impact (say, coral protection), financial gain, or a combination of the two

In creating innovative financing solutions for these clients, we often end up working with other partners like multinational development banks and developing-country financial institutions.

But what do investors really want from sustainable ocean investments, and what is the most effective way to meet their expectations?

Generally, they want a visible return, be it real-world impact (say, coral protection), financial gain, or a combination of the two.

While "impact" may be measurable on its own, most sustainable ocean investments do combine impact and financial returns, and therefore need to be assessable and investable in a way that makes sense in the context of an overall portfolio.

Otherwise, the universe of potential ocean investors will shrink, and with it our ability to scale up ocean investment.

Financial innovation can play a key role

Financial innovation can play a key role, and I anticipate significant developments in the coming months and years.

Notable recent efforts in the wider market include a collaboration between an environmental organization and a major global insurance provider to develop reef insurance products, and the Asian Development Bank's Blue SEA Finance Hub, designed to help Southeast Asian economies structure their blue-economy investments.

A sound investment thesis, combined with a collaborative approach between private- and public-sector bodies, is key

I would also point to the Nautilus Blue Guarantee Company. Launched in March by ORRAA and the Development Guarantee Group, it aims to unlock private capital by offering guarantees for investments in six key blue-economy sectors, including sustainable

seafood, ocean conservation, and blue infrastructure.

Nor should we overlook the importance of existing and new ocean funds that are bringing together public and private capital.

The Korean Ocean Business Corporation's successful $300 million blue-bond issuance in April demonstrated that when issuers can present a convincing rationale, investors will respond.

A sound investment thesis, combined with a collaborative approach between private- and public-sector bodies, is key.

While improving and scaling up "blue finance" will require determination, commitment, and continued innovation to create and institutionalize investable solutions, ensuring that finance goes toward supporting ocean health is nonnegotiable for the planet and humanity.

It may be a long time before humans fully understand the ocean. But it is no mystery that we urgently need to reappraise and improve ocean financing methods.

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