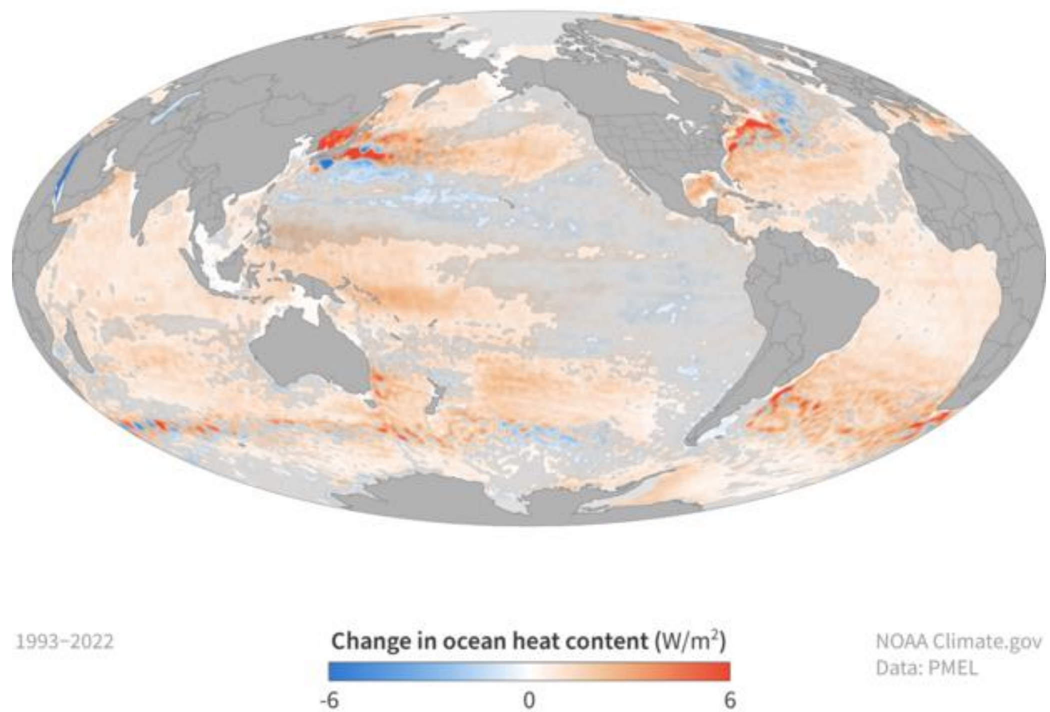
Blue Bonds as a Financing Instrument

Can They Truly Support Sustainable Ocean Use?

1. Why Blue Finance Matters

- Oceans absorb ~ 30% of CO_2 and 90% of excess heat (1,2)
- Produce almost half of our oxygen – more than the Amazon (2)
- Support 3+ billion livelihoods, especially in the Global South (1, 2)
- Threats: plastic pollution, coral loss, declining fish stocks (1)

OCEAN HEAT TRENDS (1993-2022)

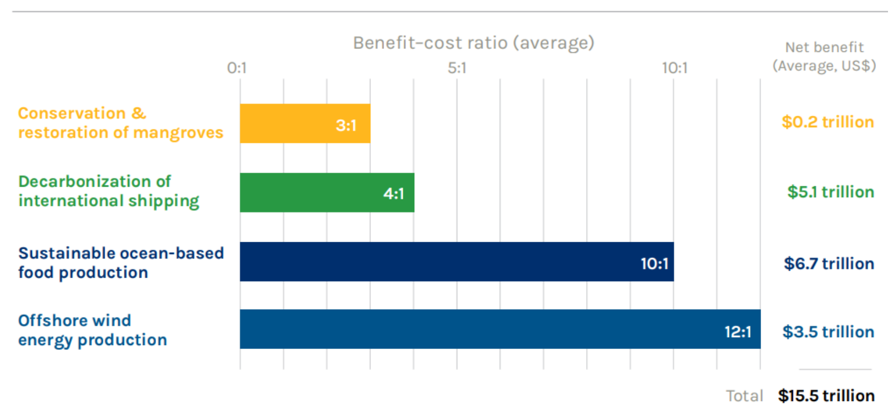


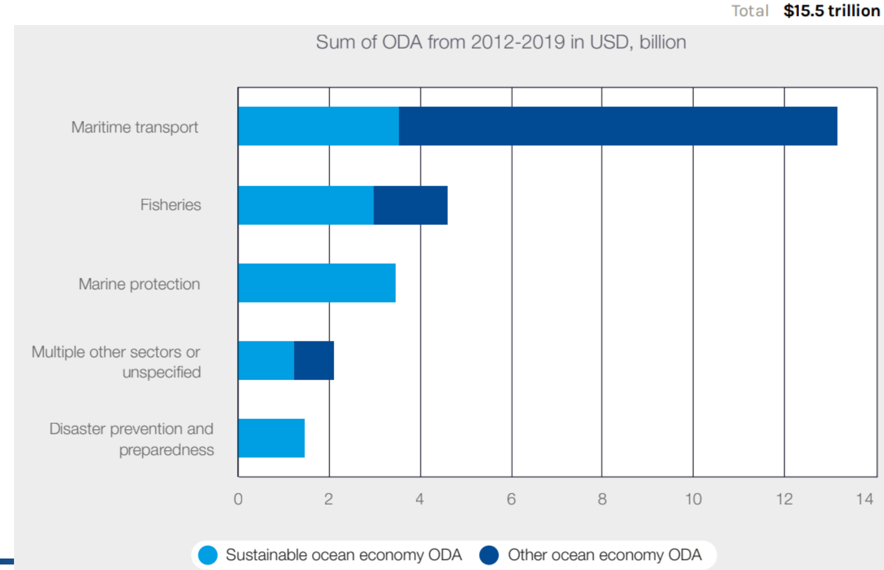
1. (Ocean Panel)
2. (Man Group)

1. The Blue Finance Gap: High Stakes, Low Investment

- Ocean economy worth ~ $3 trillion/year – 7th largest by GDP (1)
- SDG 14 receives the least financial support (2)
- Estimated funding gap: $750B (EU), up to $5T (Asia-Pacific) (3)
- Only ~ 1% of climate finance goes to oceans (4)

Figure ES-1. Benefits Significantly Outweigh Costs across Sustainable Ocean-Based Interventions, with Average B-C Ratio Ranging between 3:1 and 12:1

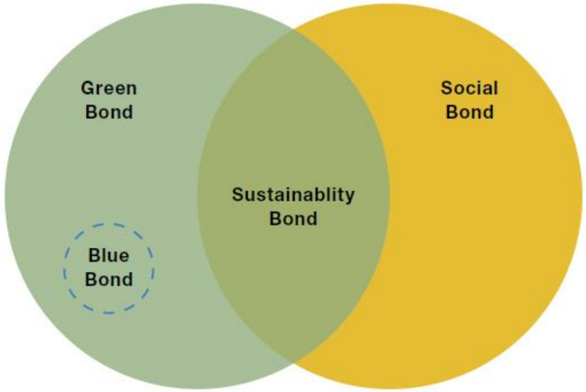


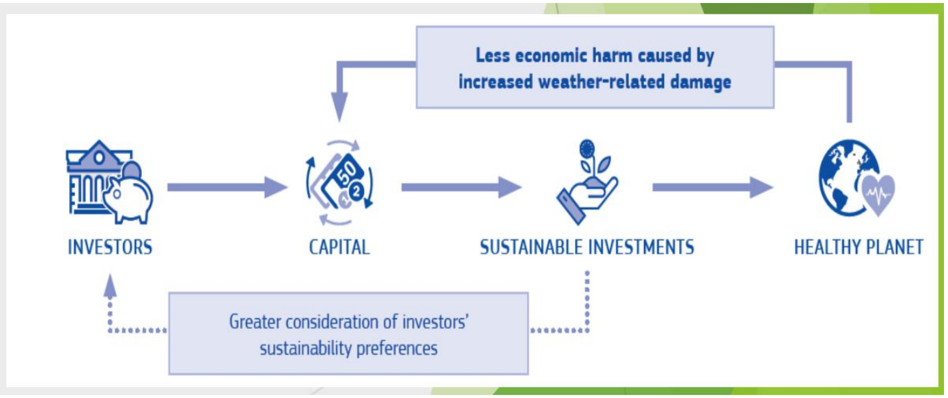


1. (T. Rowe Price, 2023)
2. (World Economic Forum)
3. (Quirici, 2023)
4. (Man Group)

2. What Are Blue Bonds?

- Bonds funding marine/ocean-based sustainable projects (1, 2)
- Modeled after green bonds, but for SDG 14 (2)
- Use of proceeds: fisheries, conservation, wastewater, resilience (Source 1,3)





1. (European Commission, 2024)
2. (Man Group)
3. (SP Unternehmerforum, 2025)

2. How They Work: Structure and Use of Proceeds

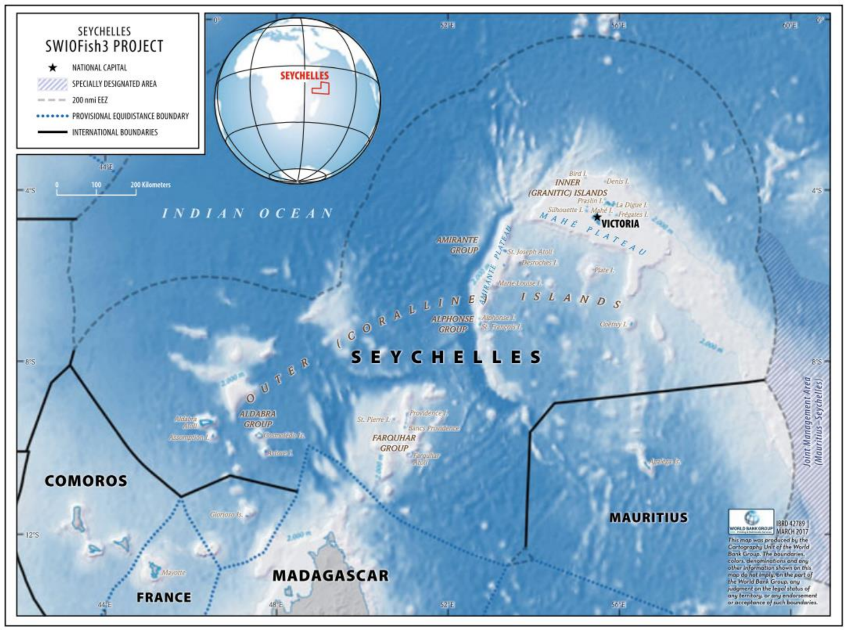
ICMA AND UN COMPACT PROMOTE ALIGNMENT WITH GREEN BOND PRINCIPLES (1)

KEY: TRANSPARENCY, USE-OF-PROCEEDS, AND MRV (1, 2)

LACK OF REGULATION INCREASES GREENWASHING RISK (2)

1. (Man Group)
2. (SP Unternehmerforum, 2025)

3. Case Study: The Seychelles Blue Bond (2018)

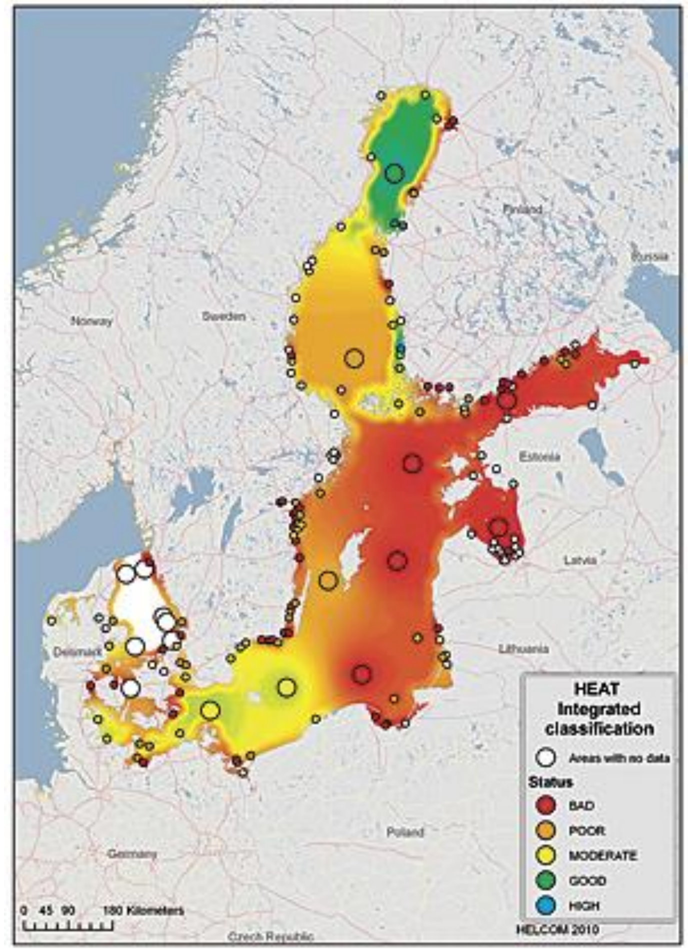


- $15M sovereign bond backed by World Bank, The Nature Conservancy (1)
- Split funding: grants (SeyCCAT) + loans (Dev. Bank)
- Supported SWIOFish: sustainable fisheries & biodiversity (2, 3)
- Also part of a debt-for-nature swap

1. (McFarland, 2020)
2. (Man Group)
3. (S&P Global Ratings, 2024)

3. NIB Blue Bond: Tackling Baltic Sea Eutrophication

- €2B program targeting nutrient runoff & wastewater (1)
- Focused on infrastructure in Finland & Baltic region
- Institutional-grade example vs. Seychelles' community model



1. (T. Rowe Price, 2023)

3. Blue Development Bond (2022): Fighting Marine Plastics

$15M bond issued by World Bank, distributed via J.P. Morgan (1)

Combats marine plastic, aligns with SDG 6 & 14

Attracted both retail and institutional investors

1. (McFarland, 2020)

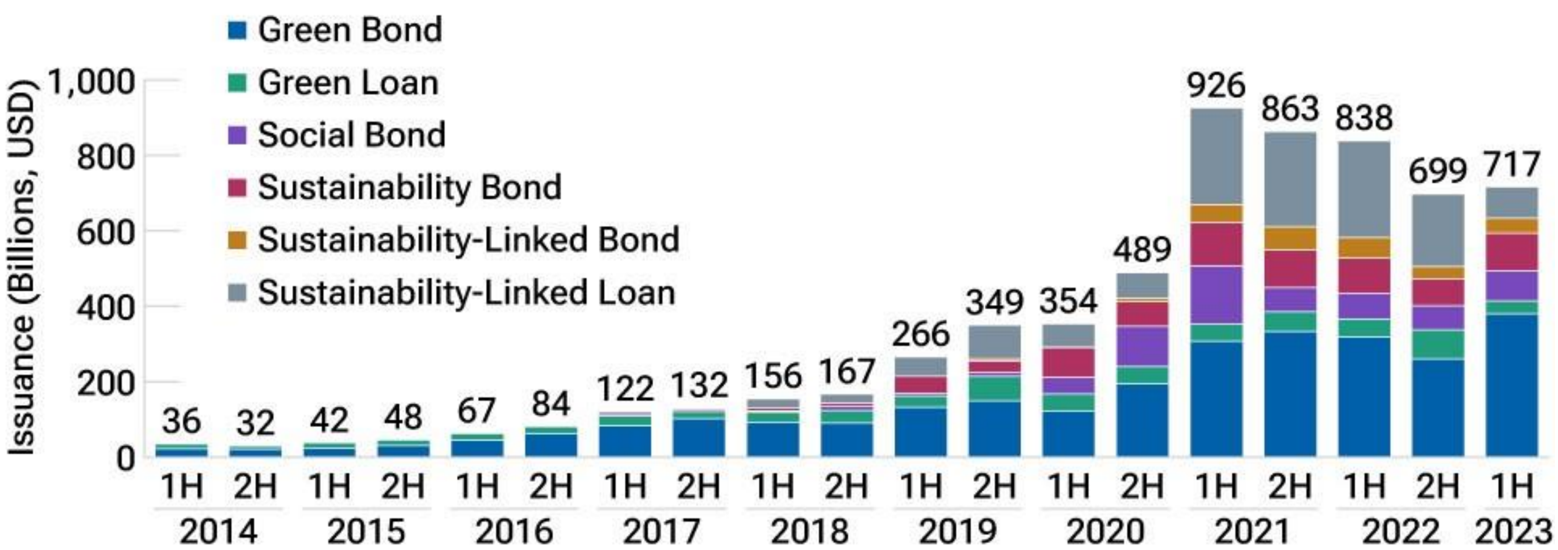
3. What's Working? Positive Impacts So Far

Opportunities	Challenges
Improved marine biodiversity (e.g. Seychelles)	Difficult impact measurement in marine ecosystems (1)
Sustainable fisheries (SWIOFish program)	Low total issuance volume: <$5 billion globally (2)
💧 Better water quality through infrastructure (e.g. NIB)	📉 Lack of regulatory standards (e.g. EU Green Bond Standard)
🤝 Strengthened public-private collaboration (e.g. J.P. Morgan)	Greenwashing risk due to weak MRV mechanisms (3)
📈 Rising investor interest and new bond issuances	💰 Uncertain returns and long project horizons

1. (McFarland, 2020)
2. (Man Group)
3. (S&P Global Ratings, 2024)

4. Where Do Blue Bonds Fit in the Sustainable Finance Landscape?

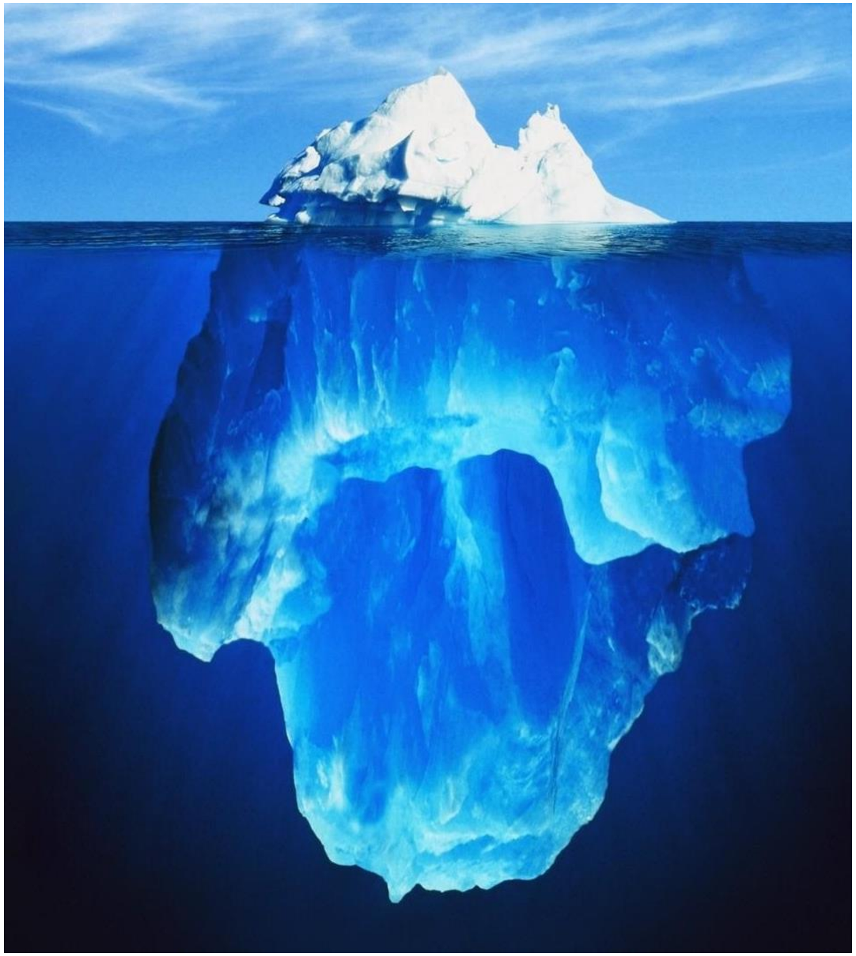
- Still niche, but growing awareness (1, 2)
- EIB emerging as a leader in blue bond issuance (1, 2)
- EU Taxonomy could provide future regulation (1, 2)



1. (McFarland, 2020)
2. (Man Group)

5. Can Blue Bonds Deliver Sustainable Ocean Use?

- Need clear standards & robust MRV to build trust (1)
- Public leadership essential (e.g., Seychelles model) (2)
- Not a silver bullet – but a crucial part of SDG 14 financing (1)



1. (Quirici, 2023)
2. (McFarland, 2020)

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