Financing Waves: Mobilising Finance in the Current Multilateral Ocean Policy Context

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ORRAA Policy Background Brief
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Financing Ocean Governance

The Ocean, Earth's largest natural asset, is an economic powerhouse, contributing USD$2.6 trillion annually to the global economy and providing food security to over three billion people[1]. Yet ocean risk from immediate onset events like extreme storms, chronic or long-term risks such as sea level rise or acidification, and risk multipliers like overfishing and pollution are all increasing. The triple planetary crisis of climate change, pollution, and biodiversity loss is placing the ocean economy and its ecology at risk. Each impacts the resilience, adaptive capacity and vital contributions of coastal communities, particularly those in the Global South and Small Island Developing States (SIDS) that are dependent on the Ocean. They also threaten global trade, supply chains, tourism and energy infrastructure.

The negotiation, adoption and implementation of multilateral climate and ocean-relevant policy instruments are not isolated efforts. They build upon and must be aligned with existing foundational international law and policy frameworks. Confirming this principle, the International Court of Justice (ICJ) delivered a landmark advisory opinion in July 2025, confirming states' obligations to tackle climate change, which clarified that international law requires states to prevent significant harm to the climate, and that failure to do so can trigger international legal responsibility.

The United Nations Convention on the Law of the Sea (UNCLOS) provides the legal bedrock for ocean governance, with its principle of the "Common Heritage of Humankind" serving as the guiding tenet for the High Seas Treaty and governing the international seabed. The UNFCCC Paris Agreement and the CBD Kunming-Montreal Global Biodiversity Framework (KMGBF) provide overarching climate and biodiversity mandates, respectively. Other international policy instruments must be coherent with their goals. The ICJ's opinion strengthens climate mandates by determining that the 1.5°C temperature target is legally binding under the Paris Agreement, obliging all states, especially major emitters, to undertake ambitious mitigation measures.[2]

The Ocean must be considered a unifying thread across these frameworks.

The Paris Agreement enables financial and technical support to countries to achieve their Nationally Determined Contributions (NDCs). Incorporating ocean-based solutions into these is crucial for enhancing climate ambition. Similarly, the KMGBF explicitly addresses the financial dimension of biodiversity loss, setting ambitious targets to mobilise at least USD$200

[1] https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/03/the-ocean-economy-to-2050_e3f6a132/a9096fb1-en.pdf
[2] https://www.iisd.org/articles/deep-dive/icj-advisory-opinion-climate-change

billion annually by 2030 (Target 19) and to phase out or reform USD$500 billion per year in harmful subsidies (Target 18). These targets have direct implications for the mechanisms currently being negotiated in the ocean space. The success of their financial elements will, therefore, be a key enabler in delivering committed global climate and biodiversity goals.

Financing the Transition to a Regenerative and Sustainable Blue Economy

The transition to a regenerative and sustainable blue economy is not merely an option but an imperative for a prosperous future[3]. **Mobilising finance for this transition is critical,** underscored by a new wave of international negotiations and agreements that are poised to reshape ocean governance. These agreements have diverse financial mechanisms, with a range of opportunities for private sector engagement. Implementing these global mandates will require political commitment as well as coherent financing approaches.

In this brief, we summarise the financing components across several ocean governance instruments in differing stages of design and implementation. They all have in common the potential to contribute to this transition:

- The **United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement.** It aims to limit global warming to 1.5°C, a target significantly supported by ocean-based climate solutions that could reduce the emissions gap by up to 35% by 2050[4].
- The **Convention on Biological Diversity (CBD) Kunming-Montreal Global Biodiversity Framework**. It commits nearly 200 countries to protect 30% of the world's land and ocean by 2030 ("30x30"). Achieving this requires an estimated USD$15.8 billion annually for ocean conservation, promising up to USD$85 billion in annual benefits from restored ecosystems and fisheries[5].
- The **Agreement on Marine Biological Diversity of Areas beyond National Jurisdiction** (**BBNJ Agreement or High Seas Treaty)**. Having reached the required 60 ratifications on September 19th, 2025, the Agreement will enter into force 120 days later on January 17th, 2026. The Agreement is crucial for protecting marine biodiversity in areas beyond national jurisdiction, where only 1.5% is currently protected[6]. Within its main pillars, the Agreement will establish a process for creating new Area-Based Management Tools (AMBTs), such as Marine Protected Areas (MPAs) in the high seas, and establish a new financial mechanism, which includes a new GEF trust fund and a new innovative Special Fund[7].

[3] https://www.unepfi.org/wordpress/wp-content/uploads/2025/05/2025-Ocean-Investment-Protocol.pdf
[4] https://oceanpanel.org/wp-content/uploads/2023/09/Ocean_Panel_Ocean_Climate_Solutions_Update_Full.pdf
[5] https://for-the-ocean.org/wp-content/uploads/2025/06/Ocean-Protection-Gap_report.pdf
[6] https://mpatlas.org/countries/HS/
[7] https://oceanpanel.org/wp-content/uploads/2025/06/25_HLP_Ocean-Finance_v4.pdf

- The **United Nations (UN) Global Plastics Treaty**. Currently under negotiation, it aims to tackle plastic pollution, including in the marine environment. A vast majority of countries are advocating for circular economy principles and addressing production, for instance, by phasing out fossil fuel subsidies that lead to plastic overproduction and underpricing[8].
- The **International Maritime Organization (IMO) Net-Zero Framework.** With a decision on its adoption postponed to 2026, it will establish a new set of international regulations aimed at reducing greenhouse gas (GHG) emissions from ships, a sector accounting for 3% of global GHG emissions[9]. Its implementation is expected to drive substantial investment in green fuels and resilient port infrastructure.[10]
- The **World Trade Organization** (**WTO) Agreement on Fisheries Subsidies.** Having just entered into force, it aims to curb harmful subsidies estimated at USD$22 billion annually[11], which drive overfishing, potentially redirecting these funds towards ocean protection and sustainable practices.

Collectively, these instruments provide the necessary frameworks and targets for a systemic shift. All also require coordinated financial action to safeguard ocean health and global prosperity.

Deep-seabed Mining (DSM) does not have a role in this transition. The negotiation of the rules, regulations and procedures to govern DSM exploitation in the international seafloor ('the Area') is another ocean-relevant international policy process taking place under the regime of the United Nations Convention on the Law of the Seas (UNCLOS) through the International Seabed Authority. Countries are also negotiating financing and benefit-sharing elements. If these rules are finalised and adopted, DSM will have the green light to start as a new industrial activity.

ORRAA echoes the concerns of a growing number of private sector actors, governments, and civil society organisations regarding the risks from a lack of understanding of the environmental, social and economic risks of DSM. Multiple perspectives lead to the conclusion that DSM is not a financially and environmentally sound decision. According to the UN Environment Programme Finance Initiative (UNEP-FI), DSM in its current form is not consistent with the UNEP-FI Sustainable Blue Economy Finance Principles[12]. Thus, ORRAA supports:

- calls on governments to support a precautionary pause on DSM in 'the Area' until at least 2030,
- financial institutions to develop policies to exclude financing or investing in companies involved in DSM; and,
- other businesses to develop procurement policies that exclude deep-sea minerals from their supply chains.

For more information, read our DSM brief.

[8] https://www.ciel.org/wp-content/uploads/2023/10/Tackling-Subsidies-for-Plastic-Production_FINAL.pdf
[9] https://globalmaritimeforum.org/article/a-climate-smart-sustainable-and-resilient-maritime-sector/
[10] https://unctad.org/news/transport-newsletter-article-no-108-net-zero-by-2050
[11] https://www.researchgate.net/publication/336104823_Updated_estimates_and_analysis_of_global_fisheries_subsidies
[12] https://www.unepfi.org/publications/harmful-marine-extractives-deep-sea-mining/

Contents

Why is this important?

Mobilising finance to fully implement the instruments covered in this brief will begin to enable a systemic shift towards a regenerative and sustainable blue economy that is also equitable. This is particularly vital for vulnerable communities and Small Island Developing States (SIDS), which are often highly dependent on ocean resources. Yet, they face significant financial, technological, and capacity constraints, limiting their access to necessary capital for sustainable development and climate resilience, often paying more to service debt than they receive in climate finance. These policy frameworks aim to ensure a just and equitable transition, often including dedicated funds and mechanisms to support these regions and their communities.

Addressing ocean risk and realizing the projected USD$5.5 trillion market value[13] of a regenerative and sustainable ocean economy by 2050 presents a significant opportunity for private sector engagement. With clear policy signals, robust regulation, and strategic public investment to de-risk opportunities, private capital is essential to scale solutions from offshore renewables and green shipping to nature-based coastal defenses and sustainable food systems. Key mechanisms enabling this engagement include blue bonds, sustainability-linked products, and innovative insurance solutions[14].

[13] https://oceanpanel.org/publication/the-ocean-as-a-solution-to-climate-change-five-opportunities-for-action/
[14] https://www.unepfi.org/wordpress/wp-content/uploads/2025/05/2025-Ocean-Investment-Protocol.pdf

Recommendations for Integrated and Actionable Ocean Finance

When it comes to the Ocean, the success of these multilateral agreements and instruments is contingent on a fundamental shift in how ocean finance is conceived as a way to help incentivise, mobilise and coordinate ocean action. The following recommendations are designed to guide governments and the private sector toward an integrated and actionable path that aligns with the broader goals of current and emerging ocean governance instruments.

Governments

Governments must provide political commitment and coherent financing to implement global climate and ocean mandates. This includes:

- Pushing for a strong and comprehensive Global Plastics Treaty addressing the full plastic lifecycle.
- Adopting and ratifying the IMO Net-Zero Framework.
- Implementing the BBNJ Agreement and the WTO Agreement on Fisheries Subsidies, both of which have recently achieved the minimum number of ratifications to enter into force.
- Supporting a precautionary pause on DSM until at least 2030, provided a full and comprehensive understanding of its environmental, social and economic risks has been developed.
- Incorporating ocean-based solutions into their NDCs. In addition, developed countries should provide reliable and accessible climate finance that supports ocean-focused climate action, consistent with their current obligations under the Paris Agreement.
- Integrating ocean capital into national accounts and development plans.

Private Sector

Across the capital stack, ocean positive solutions provide investment opportunities, ranging from early-stage grant-making to impact funds, commercial lending, leasing, as well as facilitating capital markets access, for instance, through blue bonds and insurance instruments. Financial institutions, insurers and asset managers should:

- Align their investments with six critical regenerative and sustainable blue economy sectors: Ocean Conservation, Sustainable Fisheries & Aquaculture, Circular Economy & Blue Technology, Sustainable Blue Infrastructure, Ocean-based Renewable Energy, and Ridge to Reef. This ensures consistency with the objectives of current and emerging multilateral ocean governance agreements and instruments, including the UNEP-FI Sustainable Blue Economy Finance Principles and the UN Global Compact's Ocean Investment Protocol.
- Deploy blue finance frameworks and de-risking tools (including guarantees and insurance wrappers) to make regenerative and sustainable blue investments more attractive and crowd-in financing.

- Adopt nature and climate positive frameworks such as the Task Force on Nature-Related Financial Disclosures (TNFD) and Task Force on Climate-related Financial Disclosures (TCFD) to integrate ocean-related risks and opportunities into their investment strategies, and for transparent reporting on ocean-related financing. Investing in ocean-positive solutions and committing to aligned and transparent high-integrity metrics and reporting on marine ecosystem impacts using TNFD and TCFD is essential for accelerating the transition to a healthy ocean.
- Implement circular economy principles to tackle plastic and other forms of pollution and develop procurement policies to exclude deep-sea minerals from investments and supply chains.
- Consider making voluntary financial contributions to new international funding mechanisms open for private sector participation such as the CBD Cali Fund or the BBNJ Special Fund, as part of their philanthropic initiatives and internal ESG policies.
- Endorse ORRAA and the WEF's Ocean Action Agenda's #BackBlue Ocean Finance Commitment to increase understanding and knowledge within their businesses and support the delivery of this pathway through their investments.

Our Six Sector Focus:

We focus on investments into six critical sustainable and regenerative blue economy sectors with a median potential global investment of ~USD$550 billion per annum through 2030.

Ocean Conservation **Per annum through to 2030: $34 billion** Investment into projects to improve biodiversity and resilience in coastal communities, creating business opportunities through marine protected areas, ecotourism, payments for ecosystem services and blue carbon.	**Sustainable Fisheries & Aquaculture** **Per annum through to 2030: $40 billion** Capital and technical resources for best practice aquaculture and wild-caught seafood businesses and supply chains, particularly in emerging markets and SIDS that can be certified sustainable and access high-value markets globally.	**Circular Economy & Blue Technology** **Per annum through to 2030: $47 billion** Businesses that leverage ocean assets or directly prevent ocean degradation by using innovative new techniques or technologies such as plastic upcycling and waste management.
Sustainable Blue Infrastructure **Per annum through to 2030: $154-195 billion** Technologies and efficiencies, including green/blue solutions to freight and passenger shipping and green ports.	**Ocean-based Renewable Energy** **Per annum through to 2030: $43 -139 billion** Small-scale wave, solar and tidal power where the investment provides innovation or uniquely leverages the Ocean without detriment to biodiversity.	**Ridge to Reef** **Per annum through to 2030: $80-245 billion** (50% in APAC region) Investment into integrated solutions including agriculture, sustainable forestry and land use, recognising the importance of watersheds and coastal management.

"A **Regenerative Blue Economy** is an economic model that combines rigorous and effective regeneration and protection of the Ocean and marine and coastal ecosystems with sustainable, low, or no carbon economic activities, and fair prosperity for people and the planet, now and in the future" (IUCN, 2024).

IUCN Motion 30 "Definition and Principles of the Regenerative Blue Economy", adopted at the 2025 IUCN World Conservation Congress, encourages IUCN State Members and organisations to adopt this definition.

The Current State of Ocean Finance and the Remaining Funding Gap

The Ocean is living capital and a highly undervalued asset class. The cost of inaction far outweighs the price of progress. To turn away from the Ocean is to abandon more than USD$8 trillion in potential value.[15] To embrace its promise is to unlock USD$15.5 trillion in benefits, create 12 million jobs by 2030, and bring greater resilience to nations most in need.[16]

The working paper 'Ocean Finance for the Sustainable Ocean Economy' (Ocean Panel)[17] presents a critical assessment of the state of global ocean finance and the transformative actions needed to align financial flows with a sustainable ocean economy. The analysis reveals that current investments fall significantly short of the estimated USD$550 billion annually required to secure long-term ocean health. Despite the Ocean's vital role in climate regulation, food security, and livelihoods, less than 1% of official development assistance and philanthropic funding is directed toward ocean sustainability, and Sustainable Development Goal (SDG) 14 (Life Below Water) receives the least amount of investment of all the SDGs. Fragmented financial structures across sectors and agendas—such as biodiversity and climate—further undermine impact and coherence.

Current funding for ocean protection efforts is estimated at only USD$1.2 billion per year, creating an annual funding gap of over USD$14.6 billion against the projected need of USD$15.8 billion to achieve "30x30".[18] This shortfall is particularly striking when juxtaposed with the over USD$35.4 billion in fishing subsidies given by governments in 2019, of which USD$22 billion was given to industrial fleets that accelerate overfishing.[19]

The potential for a regenerative and sustainable blue economy is immense, with studies indicating that every dollar invested in sustainable ocean solutions can generate at least five dollars in global benefits by 2050[20]. However, to unlock this potential, a fundamental shift from business-as-usual is required. This paradigm shift necessitates effective multilateral financial frameworks that can mobilise and align public and private capital towards ocean stewardship.

[15] https://value-at-risk.panda.org/assets/file/BlueEconomy_SummaryReport_v06_MSG_compressed.pdf
[16] https://oceanpanel.org/wp-content/uploads/2022/06/executive-summary-ocean-solutions-report-eng.pdf
[17] https://oceanpanel.org/wp-content/uploads/2025/06/25_HLP_Ocean-Finance_v4.pdf
[18] https://www.systemiq.earth/wp-content/uploads/2025/06/The-Ocean-Protection-Gap-Final.pdf
[19] https://oceanpanel.org/wp-content/uploads/2025/06/25_HLP_Ocean-Finance_v4.pdf
[20] https://oceanpanel.org/publication/a-sustainable-ocean-economy-for-2050-approximating-its-benefits-and-costs/

A Deeper Dive on Ocean-focused Policies and Finance Mobilisation Strategies

1. Convention on Biological Diversity (CBD) and the Kunming-Montreal Global Biodiversity Framework (KMGBF)

At the 1992 Earth Summit in Rio de Janeiro, world leaders agreed on a comprehensive strategy for "sustainable development" - meeting our needs while ensuring that we leave a healthy and viable world for future generations. One of the key agreements adopted at Rio was the Convention on Biological Diversity (CBD). The Convention establishes three main goals: the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits from the use of genetic resources.[21]

The Kunming-Montreal Global Biodiversity Framework (KMGBF) was adopted during the fifteenth meeting of the Conference of the Parties (COP 15) to the CBD in 2023. This historic Framework established a pathway to reach the global vision of a world living in harmony with nature by 2050 by setting 4 goals for 2050 and 23 targets for 2030. Target 19 sets the overall ambition for biodiversity finance under the CBD. Parties have committed to mobilising at least USD$200 billion per year by 2030 from a mix of public and private sources, including USD$30 billion through international finance. The Framework's implementation is supported through a package of decisions also adopted at COP 15. After 2 years, key outcomes of COP16 (February 2025) included:

- A resource mobilisation strategy that will establish the permanent arrangements for the financial mechanism of the CBD and will mobilise the mixture of financial instruments needed to close the biodiversity finance gap.
- Enhanced planning, monitoring, reporting and review mechanisms required to measure implementation of the KMGBF.
- Launch of the Cali Fund on the sharing of benefits from digital sequence information (DSI) on genetic resources, opening a new chapter in mobilising private finance for biodiversity.[22]

The seventeenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP17) is scheduled to take place in October 2026 in Yerevan, Armenia. Parties are expected to submit mandatory national reports under the CBD by February 2026. These national reports will feed into the global stocktake of the KMGBF that is scheduled at COP17.

[21] https://www.cbd.int/convention/guide/default.shtml
[22] https://www.cbd.int/doc/press/2025/pr-2025-02-27-cop16-en.pdf

Finance Mobilisation

From a private sector perspective, the KMGBF provides a range of challenges and opportunities. National implementation of biodiversity standards creates constraints to some traditional business practices while offering investment opportunities both directly and along corporate value chains. Offering services to help public sector implementation and guiding finance towards nature-aligned solutions is a significant task. The EU, for example, has issued a Nature Restoration Regulation that establishes objectives and targets to restore Europe's biodiversity by 2050. To do so, both public and private sources of funding need to be mobilised. Additionally, under the KMGBF, the EU has committed to increasing the level of financial resources dedicated to biodiversity, including by stimulating innovative finance instruments and by developing high-integrity nature credits.[23]

Multilateral development finance institutions will need to play a critical role in structuring transactions that deliver biodiversity finance to developing countries and can use concessional and blended finance approaches to attract private sector participation. **Multilateral Development Banks (MDBs) as a group are uniquely positioned to contribute**[24]. Risk mitigation, including through insurance, and reliable metrics for potential nature markets will also be key to de-risk nature investments and attract larger pools of capital into natural capital, including in the marine and coastal space. Such capital is crucial for biodiversity protection and for building the resilience and adaptation for local communities.

Phasing out harmful subsidies is particularly important to financial flows. This is a critical objective under Target 18 of the KMGBF. Not only would this free up large amounts of money for other purposes, but it would also significantly reduce pressures on ecosystems, including the Ocean, where illegal, unreported and unregulated (IUU) fishing as well as industrial overfishing and destructive fishing, are significant contributors to ecosystem degradation.

The **Global Environment Facility (GEF) serves as the CBD's primary financial mechanism** and has long been a central source of funding for ocean-related biodiversity projects. Through its biodiversity focal area and its International Waters programme, the GEF has supported the creation and management of marine protected areas, sustainable fisheries, and initiatives to reduce land-based sources of marine pollution. The GEF has invested almost USD$2 billion in over 325 projects related to ocean health. [25]

The Cali Fund

One specific funding mechanism adopted at the CBD COP16 is the "Cali Fund", which operationalises the fair and equitable sharing of benefits from the use of digital sequence information (DSI) on genetic resources. Administered by the United Nations Multi-Partner Trust Fund Office (UN MPTF)[26], it will collect payments from large entities and distribute them to developing countries and economies in transition.[27]

[23] EUnCommission Ref. Ares(2025)5437180 - 07/07/2025
[24] https://coebank.org/media/documents/MDBs_Comparison_Report_2025.pdf
[25] https://www.thegef.org/sites/default/files/documents/2025-06/GEF%20Oceans%20web%20v2.pdf
[26] https://mptf.undp.org/fund/cal00
[27] https://www.cbd.int/dsi-gr/califund.guide.pdf

2. United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement

Signed in 1992 as one of the Rio Conventions, and ratified by 197 states, the United Nations Framework Convention on Climate Change (UNFCCC) is the foundational treaty that has provided the basis for international climate negotiations. To assist in exercising its functions in relation to the financial mechanism of the Convention, the Conference of the Parties (COP) decided to establish the Standing Committee on Finance in 2010 (COP 16). The UNFCCC includes landmark agreements such as the Kyoto Protocol (1997) and the Paris Agreement (2015), a legally binding treaty with the overarching goal of holding "the increase in the global average temperature to well below 2°C above pre-industrial levels".

Parties have explicitly recognised the crucial role of the ocean and its ecosystems in both the Convention and the Paris Agreement. In the Convention (Article 2), Parties agreed to protect the climate system, defined as the totality of the atmosphere, hydrosphere, biosphere and geosphere and their interactions (Article 1.3). Further, Article 4(d) specifically calls for the promotion of sustainable management practices for these vital carbon sinks. In the Preamble of the Paris Agreement, Parties noted the importance of ensuring the integrity of all ecosystems, including oceans. At COP 27 in 2022, Parties were encouraged to integrate ocean-based actions into their national climate goals, including the NDCs[28]. A key outcome was the establishment of a facilitated annual Ocean and Climate Change Dialogue, which takes place along with the June meetings of the UNFCCC Subsidiary Body for Scientific and Technological Advice (SBSTA)[29] in Bonn, Germany.

A key outcome of COP29 in 2024 was securing a new collective quantified goal on climate finance (NCQG) of at least USD$300 billion annually by 2035 for developing countries and calling for a broader mobilisation of finance of USD$1.3 trillion annually by 2035, including private sector investments. COP29 also focused on the next round of NDCs, ensuring these bolder, fully implementable and investable strategies and targets are economy-wide, and focus on transitioning away from fossil fuels to keep the world on track to a 1.5-degree limit of warming.[30]

The 62nd session of the UN Climate Change Subsidiary Bodies (SB62), held in Bonn in June 2025, was tasked with laying the foundations for COP30. Technical progress was made on the Global Goal on Adaptation (GGA) and the United Arab Emirates Just Transition Work Programme (UAE JTWP) on just transition pathways to achieving the goals of the Paris Agreement. However, an overarching political framework seems to still be missing for a common vision for COP30 in Brazil. Climate finance remains a debated issue[31]. All Parties are called upon to submit their third generation of NDCs.

[28] Decision 1/CP.27 para. 50 and Decision 1/CMA.4 para. 79; https://unfccc.int/sites/default/files/resource/Decisions_1CMA4_1COP27.pdf
[29] The SBSTA is one of two permanent subsidiary bodies to the UNFCCC. It provides timely information and advice on scientific and technological matters as they relate to the Convention, its Kyoto Protocol and the Paris Agreement.
[30] https://unfccc.int/cop29/about-cop29
[31] https://www.germanwatch.org/en/blog/sb-debrief-0

Finance Mobilisation

The UNFCCC established a **Financial Mechanism to provide funds to developing country Parties**, serving the Kyoto Protocol and the Paris Agreement. It operates under COP guidance and is entrusted to entities like the Global Environment Facility (GEF) and the Green Climate Fund (GCF).[32] The **GCF, designated at COP 17, was intended to be the main fund for global climate finance** to mobilise USD$100 billion by 2020 [33] (finance mobilisation goal before COP29). Paris Agreement Article 9 mandates developed country Parties to provide financial resources for mitigation and adaptation, encouraging others to do so voluntarily. However, in its "Second report on progress towards the USD$100 billion per year goal" [34] the Standing Committee on Finance (SCF) notes that "while progress has been made in mobilising climate finance for developing countries, challenges remain".

To guide implementation of the New Collective Quantified Goal (NCQG), Azerbaijan and Brazil launched the "Baku to Belém Roadmap to 1.3T" to be released by COP30. This roadmap aims at scaling up climate finance to developing country Parties to support low GHG emissions and climate-resilient development pathways. This offers funding opportunities for further mitigation action and for more adaptation finance. Climate finance will need to address increased storm and flood risk, as well as loss and damage, and managed retreat, using Nature-based Solutions where appropriate.

In addition, progress on Paris Agreement Article 6 implementation is vital to facilitate further financial flows to support developing countries, including **Article 6.4 (**a new mechanism which can be used to trade high-quality carbon credits), and **Article 6.8 (**opportunities for non-market-based cooperation for enhancing climate action).

Financial mechanisms include:

- The **Standing Committee on Finance** which plays a crucial role in assisting the COP in exercising its functions related to the financial mechanism of the Convention, thereby **improving coherence and coordination** in the delivery of climate change financing through different mechanisms.
- Key special funds under the UNFCCC regime include the **GEF-managed Special Climate Change Fund (SCCF)** and the **Least Developed Countries Fund (LDCF)**, both serving the Paris Agreement.
- The **Adaptation Fund (AF)**, under the Kyoto Protocol, finances concrete adaptation projects. The new **Fund for Responding to Loss and Damage (FRLD)** assists vulnerable developing countries with climate-related loss and damage.

The Standing Committee on Finance is preparing to hold its 2026 Forum on "Financing Climate Action in Water Systems and Ocean" to facilitate exchange and promote linkages and coherence among bodies and entities dealing with climate change finance. This Forum will be a unique opportunity to mainstream ocean-finance for climate action.

[32] https://unfccc.int/topics/climate-finance/the-big-picture/climate-finance-in-the-negotiations
[33] https://unfccc.int/process-and-meetings/bodies/funds-and-financial-entities
[34] https://unfccc.int/sites/default/files/resource/UNFCCC_100bn_ES_Web_FINAL.pdf

3. The Agreement on Marine Biological Diversity of Areas beyond National Jurisdiction

Also known as the BBNJ Agreement or High Seas Treaty[35], this is a legally binding international treaty adopted on June 19, 2023, as an implementing agreement to the UN Convention on the Law of the Sea (UNCLOS). Its objective is "the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction, for the present and in the long term[36]". The Treaty directly references that the polluter-pays principle, common heritage of humankind, the fair and equitable sharing of benefits, precautionary principle and ecosystem approach shall guide efforts to achieve its objectives. It also includes using approaches that build ecosystem resilience to climate change and that restore ecosystem integrity, the use of best available science and traditional knowledge.

Key components include area-based management tools, such as marine protected areas, environmental impact assessments, the fair sharing of benefits from marine genetic resources, and mechanisms for capacity building and technology transfer. With 145 signatures and 75 ratifications, the High Seas Treaty will enter into force in early January 2026. The Treaty will become legally effective on January 17, 2026. Two Preparatory Commission sessions took place this year to provide supportive input to the first BBNJ COP, which is expected in the 2nd half of 2026 and must be within 365 days of entry into force. State parties are considering common approaches to designating relevant marine protected areas and to assessing future activities in international waters, in coordination with other formats. The BBNJ COP will be the decision-making body of the Agreement, supported by a secretariat and several subsidiary bodies.

Finance Mobilisation

The BBNJ Agreement assumes that each Party "shall provide, within its capabilities, resources in respect of those activities that are intended to achieve the objectives of this Agreement", taking into account its national policies, priorities, plans and programmes. The institutions established under the Agreement shall be funded through assessed contributions of the Parties.

To fund the Agreement's objectives, the financial mechanism will consist of three new funds, to provide adequate, accessible, new and additional and predictable financial resources to assist developing States Parties in implementing this Agreement[37]:

- **A voluntary trust fund established by the COP** to facilitate the participation of representatives from developing states parties in meetings of the Treaty's institutions.
- **A trust fund hosted by the GEF,** and
- **A Special Fund.**

[35] https://www.un.org/bbnjagreement/sites/default/files/2024-08/Text of the Agreement in English.pdf
[36] Ibid.
[37] https://bbnj-mgr.fas.harvard.edu/financial-resources

Under the Agreement, both the GEF trust fund and the Special Fund are initially provided with the same purpose, namely to: fund capacity building projects, including training related to the transfer of marine technology; assist developing States Parties in implementing the Agreement; support conservation and sustainable use programmes by Indigenous Peoples and local communities as holders of traditional knowledge; support public consultations; and finally, fund the undertaking of any other activities as decided by the COP.[38] It will be up to the COP to delineate between the two funds and establish which fund will support what types of projects.

The modalities of the Special Fund are still in discussion with a number of innovative elements. It is different to the GEF trust fund due to its planned funding contributions. Initial contributions are mandated by developed states, who must provide annual contributions equal to 50 per cent of that Party's assessed contribution to the budget. Further funding will be received from new modalities around the sharing of monetary benefits from the utilisation of marine genetic resources and digital sequence information found in areas beyond national jurisdiction[39]. Additionally, the fund will seek to be funded by innovative private sector contributions and resource mobilisation from additional voluntary contributions.

Additional support could be provided through the engagement of International Financial Institutions, including MDBs and through public-private partnership approaches. A combination of these opens opportunities for private sector engagement, both through offering support to the special fund and in helping to shape BBNJ implementation, including monitoring and verification. Traditional open ocean users, such as shipping, fishing, and their finance, insurance, technology, and services partners, can play a critical role.

[38] https://www.un.org/bbnjagreement/sites/default/files/2024-08/Text of the Agreement in English.pdf
[39] https://www.un.org/bbnjagreement/sites/default/files/2024-08/Text of the Agreement in English.pdf

4. The Global Plastics Treaty

The Global Plastics Treaty is a planned international, legally binding instrument mandated by the United Nations Environment Assembly (UNEA) in 2022 to address plastic pollution across its full life cycle. The Intergovernmental Negotiating Committee (INC) was formed with the ambitious goal of completing negotiations by the end of 2024, a target that was not met. Had it been agreed in Geneva, it would have been the fastest ever-negotiated environmental treaty.

Progress so far has been marked by significant challenges, as the fifth and supposedly final round of negotiations (INC-5.2) concluded in August 2025 without an agreement. The current situation of the negotiations reflects a draft text that lacks core regulatory elements, including global measures for plastic production reduction, mandatory rules for chemicals of concern, and a voting mechanism for future actions, despite a majority of countries supporting such provisions. [40] What has been made clear by the majority of countries, particularly from the Global South, is that strong action is needed. They rejected the idea that solving the plastics problem should only be done through recycling/downstream actions. The current situation underlines the geopolitical clash over the future of plastics production, with external influence by several stakeholders, particularly the fossil fuel and chemical industries[41]. Contentious topics and current disagreements are structural to the Treaty's scope: whether to include upstream measures (production) or limit to downstream measures (waste management), the inclusion of chemicals of concern, and the nature of the measures (mandatory versus voluntary, and globally versus nationally applied).

To break the deadlock caused by the lack of consensus during INC 5.2, future negotiations need to address procedural hurdles. Suggestions that have emerged include removing the veto power consensus brings, allowing votes within the existing INC process, or seeking stronger leadership from the chair. Alternatively, a structural shift could move the process outside direct UN control (e.g. under the Basel Convention on the transboundary movement of hazardous wastes and other wastes) and/or spur a breakaway treaty led by influential coalitions of the willing like Europe and California. As a trading bloc, these parties could create market incentives for producer states[42].

Finance Mobilisation

During negotiations, the need for a **dedicated financial mechanism** has been a key demand from developing countries, linking their treaty obligations to financial commitments from developed nations.[43] Currently, a potential financial mechanism under discussion includes a **remediation fund** combining both public and private contributions, specifically addressing existing and legacy plastic pollution in the marine environment[44]. Proposed structures for this financial mechanism include[45]:

[40] https://planet-tracker.org/global-plastics-treaty-talks-end-without-an-agreement-and-investors-are-taking-note/
[41] https://www.ciel.org/news/inc-5-2-lobbyist-analysis/
[42] https://www.reuters.com/sustainability/climate-energy/analysis-what-can-break-global-deadlock-over-plastics-2025-08-20/
[43] https://www.sprep.org/news/who-pays-and-who-receives-finance-talks-dominate-the-final-stretch-of-plastics-treaty-negotiations
[44] https://www.switch-asia.eu/site/assets/files/4063/financing_options.pdf
[45] https://www.sprep.org/news/who-pays-and-who-receives-finance-talks-dominate-the-final-stretch-of-plastics-treaty-negotiations

- A **new, dedicated, independent multilateral fund** under the Treaty.
- Designating the **Global Environment Facility (GEF) Trust Fund** as the mechanism.
- **Hybrid options** include running the GEF alongside a new fund or using it as an interim step before establishing a new independent fund.

Beyond these core mechanisms, broader financing options being considered include[46]:

- **Fees and levies**, designed to disincentivise certain products or behaviours by increasing their price, with collected funds often earmarked for specific purposes, such as waste management or sustainable alternatives.
- **Public Funding**, including through International Financial Institutions and Official Development Aid (ODA), to provide direct financial support through bilateral or multilateral channels. This support could be directed towards promoting sustainable actions or discouraging harmful ones across the plastics lifecycle.

- **National Policy Measures**, including extended producer responsibility (EPR) schemes to hold producers accountable for their plastic products' entire lifecycle; taxation to influence plastic-consumption behaviours; and subsidies to incentivise plastic alternatives or disincentivise harmful practices by removing existing subsidies for fossil fuel plastic feedstocks.

These options aim to fund efforts across the entire plastic lifecycle, from controlling production to waste management and remediation. Developing countries, particularly Pacific SIDS, emphasise that nations with historical responsibility, and based on the polluter-pays principle, should contribute the most in addressing this crisis.

5. World Trade Organization (WTO) Agreement on Fisheries Subsidies

The World Trade Organization (WTO) Agreement on Fisheries Subsidies, also known as Fish 1, was adopted in June 2022 following over two decades of negotiations. After three years and two-thirds of WTO members ratifying it, it entered into force on September 15th 2025[47], marking a historic milestone for promoting sustainable development in the fisheries sector. This Agreement is the first WTO agreement to pursue a sustainability objective and directly responds to Target 14.6 of the UN Sustainable Development Goals (SDGs). Its primary goal is to curb the most harmful forms of government subsidies to the fishing sector. Specifically, the treaty prohibits subsidies that benefit three situations[48]:

[46] https://www.switch-asia.eu/site/assets/files/4063/financing_options.pdf
[47] https://www.iisd.org/articles/statement/milestone-reached-wto-global-agreement-fisheries-subsidies-enters-force#:~:text=On%20September%2015%2C%202025%2C%20the,effect%20%5B...%5D.
[48] https://www.iisd.org/articles/policy-analysis/wto-fisheries-subsidies

- Illegal, unreported, and unregulated (IUU) fishing activities;
- Fishing of stocks that are in an overfished condition without recovery measures;
- Fishing that occurs on the high seas outside of any collective management arrangement.

With the Agreement entering into force, the new rules are legally enforceable, and WTO members must prepare to implement their new legal obligations. Tools such as IISD's Self-Assessment Tool are available to assist with this process, and a dedicated fund at the WTO has been established to provide financial assistance to developing country members for implementation.

This Agreement is a major milestone on a longer road. WTO members are still negotiating additional, broader rules (often referred to as Fish 2) to prevent subsidies from contributing to overcapacity and overfishing more generally, aiming to address the root cause of the problem[49]. At its core, this is about governments providing billions in harmful financial support to expand and intensify the scale and reach of global fishing fleets to fish beyond sustainable limits (called 'overcapacity'). Global fisheries subsidies amounted to USD$35.4 billion in 2018, of which USD$22.2 billion tended to increase fishing capacity[50].

Finance Mobilisation

This Agreement includes a **dedicated fund established at the WTO** that accepts voluntary contributions to provide financial support and technical assistance to developing country members and Least Developed Countries (LDCs) to help them meet their legal obligations. [51] The WTO operates the Fund with partner organisations, the UN Food and Agriculture Organisation (FAO), the World Bank Group, and the International Fund for Agricultural Development, to tap relevant expertise in a way that fills gaps and avoids duplication. In early June 2025, this "Fish Fund" launched a call for proposals, inviting eligible developing economies and LDCs that have ratified the Agreement to submit requests for project grants aimed at implementing the Agreement.[52]

For "Fish 2", the ongoing negotiations aim to address broader financial aspects related to subsidies contributing to overcapacity and overfishing. The draft rules include significant "special and differential treatment" provisions, offering financial flexibilities such as permanent exemptions from subsidy prohibitions for LDCs and small developing fishing nations, and for small-scale and artisanal fishing subsidies provided by developing countries. These flexibilities are balanced by transparency obligations to determine their aggregate level of fisheries subsidies, allowing for monitoring of financial support[53].

[49] https://www.iisd.org/articles/policy-analysis/wto-fisheries-subsidies-negotiations
[50] https://www.researchgate.net/publication/336104823_Updated_estimates_and_analysis_of_global_fisheries_subsidies
[51] https://www.iisd.org/articles/policy-analysis/wto-fisheries-subsidies
[52] https://www.wto.org/english/news_e/news25_e/fish_18aug25_e.htm
[53] https://www.iisd.org/publications/report/wto-talks-additional-fisheries-subsidy-rules

6. International Maritime Organization (IMO) Net-Zero Strategy

The IMO Net-Zero Framework is a new set of international regulations designed to reduce GHG emissions from ships, aligning with the IMO's 2023 GHG Strategy. These measures apply to oceangoing ships over 5,000 gross tonnage, which contribute over 85% of global shipping emissions.[54] The Framework comprises:

- **A global fuel standard**, which mandates ships to progressively reduce the polluting intensity of their fuels, and
- **A pricing mechanism** for GHG emissions to incentivise the industry to lower emissions.

The proposed agreement is widely viewed as a political compromise, drawing criticism from certain governments who think it goes too far, and from environmental groups and climate-vulnerable nations who deem it "too little, too late" and insufficient to meet the 1.5°C temperature limit or the IMO 2023 Strategy targets.[55] Still others, such as the World Shipping Council[56], view it as a breakthrough solution.

In April 2025, the IMO's Marine Environment Protection Committee (MEPC 83) approved the Net-Zero Framework. The original implementation schedule anticipated that the draft legal text would proceed to formal adoption at the special MEPC session in October 2025 (MEPC/ES.2). However, during this session, governments decided to **postpone adoption for one year.** The motion to delay the planned adoption was called to a vote, resulting in 57 countries in favour of the delay, 49 countries against, and 21 abstentions. Leading up to and throughout the meeting, delegates from developing countries reported facing "unprecedented" and "undiplomatic" pressure due to threats of retaliatory tariffs and sanctions if they supported the Framework.[57]

Due to this delay in adoption, the original entry into force timeline, which targeted March 2027 with practical operation to begin in 2028, will now need to be reviewed. Once adoption has happened, a 10-month period will follow for "tacit acceptance" by Member States, making them legally binding for the 110 parties of Annex VI (Prevention of air from ships) to the International Convention for the Prevention of Pollution from Ships (MARPOL).[58]

Member States, acting as flag, port, or coastal states, are responsible for enforcing these regulations. The IMO also plans to review the framework every five years to assess its effectiveness and make necessary adjustments.

Finance Mobilisation

The IMO Net-Zero Framework establishes a **global fuel standard** and a **pricing mechanism** to reduce GHG emissions from oceangoing ships over 5,000 gross tonnage. The Framework

[54] https://www.imo.org/en/mediacentre/hottopics/pages/faqs-the-imo-net-zero-framework.aspx
[55] https://earth.org/high-stakes-low-ambition-a-look-into-imos-fragile-shipping-deal/
[56] https://www.worldshipping.org/news/global-shipping-industry-reaffirms-support-for-the-imo-net-zero-framework
[57] https://safety4sea.com/imo-decides-to-postpone-adoption-of-net-zero-framework/
[58] https://www.imo.org/en/mediacentre/hottopics/pages/faqs-the-imo-net-zero-framework.aspx

introduces a two-tier pricing system for GHG emissions. Ships that do not meet a less stringent "Base Target" will face higher penalties of USD$380 per metric ton of CO2 equivalent, while those falling between the Base Target and a more ambitious "Direct Compliance Target" will incur a USD$100 per ton fee.[59] The collected revenues will feed into a Net-Zero Fund, which aims to reward low-emission ships, support innovation and research, facilitate a just transition in developing countries, and mitigate negative impacts on vulnerable states, like SIDS and LDCs.[60]

Ships can balance emissions deficits by acquiring "remedial units" through payments into the Net-Zero Fund or by using "surplus units" banked from previous years or transferred from over-compliant ships. The Fund has an estimated annual disbursement potential of USD$10-15 billion. However, concerns exist that the Fund's revenues might be insufficient to address the needs of climate-vulnerable nations adequately and could prioritise rewards for shipping companies over broader just transition objectives.[61]

[59] https://cornerstonebarristers.com/deep-dive-unpacking-the-new-international-matine-organisation-net-zero-framework/
[60] https://www.imo.org/en/mediacentre/hottopics/pages/faqs-the-imo-net-zero-framework.aspx
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Learn More About ORRAA here.

The Ocean Risk and Resilience Action Alliance (ORRAA) is the only multi-sector collaboration connecting the finance and insurance sectors, governments, multilateral organisations, civil society, and local partners, to pioneer finance and insurance products that incentivise investment into coastal and ocean resilience, and through Nature-based Solutions.

The mission, by 2030, is to activate at least USD$500 million of investment to build the resilience of 250 million climate-vulnerable coastal people in the Global South.

ORRAA is delivering system-wide change by growing an investable product pipeline and generating the transformative investment instruments, vehicles and policies that contribute to a regenerative and sustainable blue economy. These solutions enable coastal communities and the Ocean to adapt and thrive, creating greater economic, social and cultural resilience.

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