



# THE OCEAN ENTERPRISE

Accelerators and Marine Biodiversity  
Finance

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## NOAA Ocean Enterprise Accelerators



**Purpose:** NOAA is providing a combined total of \$60M in funding over the course of ~4 years to support businesses developing and commercializing new ocean data and intelligence products and services related to NOAA's mission in support of US economic, ocean management, and security goals.

**Coordination:** NOAA-NOS is collaborating with other NOAA offices as well as DOD, DOE, and many private sector partners and financiers to identify and support US Ocean Enterprise small businesses and entrepreneurs.

**Goal:** NOAA anticipates that this program will result in U.S. businesses commercializing their products and services, directly addressing Ocean Enterprise identified needs and opportunities.



# The Blue Economy: Investing in Ocean Health and Biodiversity

- A rapidly growing sector with significant economic and environmental potential.
- Driving sustainable solutions for our planet.

## Capital Mobilization for the Blue Economy

- Historically, the sustainable ocean economy has been severely under-invested.
- However, there are signs of change, with increasing private and public investment.
- Between 2018 and the first half of 2022, a cumulative total of USD 1.7 billion in private investment has been raised or targeted for oceans.
- New funds focused on early-stage equity investment in ocean innovators are being launched annually. Presenting examples, not exhaustive....





# Recent Investment Vehicles for Marine Biodiversity

- **Dedicated "Blue" and Biodiversity Funds:**
  - S2G Ventures (Ocean Intelligence, Biodiversity)
  - Propeller Ventures- (Fund1- 117M)
  - Global Fund for Coral Reefs (GFCR): Utilizes grants and an Equity Fund (managed by Pegasus Capital Advisors) to finance coral reef conservation and sustainable ventures- UN (250M AUM- 750M target) small part of larger GCF- 52B
  - SWEN Blue Ocean: A venture capital fund investing in ocean startups- French/EU (250M AUM)
- **Impact Investment Funds and Corporate Venture Capital:**
  - Builders Vision (BV): Supports ocean ecosystems through grants and impact investments.
  - Conservation International Ventures (CI Ventures, LLC): Provides loans to SMEs in ecosystems including oceans.
  - Just Climate, EDF Pulse Ventures, Ananda Impact Ventures, BNP Paribas are also involved.
- **Public Funding and Catalytic Capital:**
  - NOAA Sea Grant (US): Supports sustainable marine aquaculture.
  - NOAA Ocean Enterprise Accelerators!
  - Schmidt Marine Technology Partners (Ocean Health).
  - BlueInvest Platform (EU): Pilot equity investment fund for the blue economy.
  - Coming Soon!: Ocean Enterprise Exchange

# New and Emerging Financial Instruments for Marine Biodiversity

- **Blue Bonds:** Sustainability-linked bonds (SLBs) that raise capital for marine biodiversity and other ocean-related ocean health. Effectively debt instruments issued by government, development banks, or other entities.
  - Specifically finance marine conservation and ocean projects, used by countries like Seychelles and Ecuador, and companies like Ørsted
    - i. Seychelles, 2018, 15M private-placed bond
    - ii. Ecuador, 2023, \$1.1B underwritten by Credit Suisse
    - iii. Ørsted- 2023, 125M private placement blue bond for marine ecosystem restoration
- **Debt-for-Nature Swaps (DNS):** Restructures debt for environmental commitments (Ecuador's 2023 Galápagos deal) effectively a way at “internalizing” environmental externalities and accounting for Galapagos marine natural resources as an investable asset.
  - i. Ecuador, 2023 DNS incorporated into \$1.1B blue bond
- **Biodiversity Credits/Offsets:** An emerging market for quantifiable biodiversity gains.
  - i. Voluntary Markets:
    - 1. Biodiversity Credit Alliance- a global initiative focused on developing a liquid market for biodiversity credits.
    - 2. Restore the Earth Foundation- financing over \$100M in US-based Mississippi delta biodiversity projects
  - ii. Compliance:
    - 1. US- Wetland and Stream Mitigation Banking (Clear Water Act)- billions annually
    - 2. Australia- NSW Biodiversity Offset Scheme- 2017-current, ~\$25M annual

# Evolving Key Performance Indicators (KPIs) for Marine Biodiversity

Measuring the impact of investments in ocean biodiversity is complicated by the vastness and complexity of marine ecosystems. However, investors are increasingly demanding robust metrics to track progress and ensure genuine impact. These KPIs often align with global frameworks like the Kunming-Montreal Global Biodiversity Framework (GBF) and the United Nations Sustainable Development Goals (SDGs).

- **Area under Restoration/Protection:** Hectares or square kilometers of marine habitats (e.g., coral reefs, mangrove forests, seagrass meadows, kelp forests) actively being restored or newly protected.
- **Mean Species Abundance (MSA):** A widely used metric that measures the "biodiversity intactness" relative to an undisturbed ecosystem. It quantifies the negative impact on biodiversity across a company's value chain.
- **Species Threat Abatement and Restoration (STAR) Metric:** Estimates potential contributions of specific actions in specific places towards reducing extinction risk for all species globally, particularly those listed on the IUCN Red List of Threatened Species.
- **Population Sizes and Health of Key Species:** Tracking the numbers and health indicators of target species (e.g., fish stocks, marine mammals, specific invertebrates).



# Considerations for Attracting Biodiversity Capital

- **Align your Value Proposition with emerging KPIs:** Investors and fund managers will not comprehend your tech the way you do. They need to understand it as a mechanism for achieving the KPIs that define their investment success.
- **Familiarize Yourself with the Ocean Impact Navigator:** This framework, designed to harmonize impact measurement for ocean innovators, is a go-to resource.
- **Shift to a Regenerative Mindset:** Investors are increasingly seeking solutions that move beyond simply minimizing harm to actively *regenerating* ocean health and creating net-positive impact. Emphasize how your solution contributes to this paradigm shift.
- **Operational KPIs Matter Too:** While impact-oriented KPIs are key, investors will also want to see strong operational metrics that indicate your business viability and potential for scalability.
- **Show Your "Results Chain":** Be clear about how your inputs lead to activities, outputs, outcomes, and ultimately, the desired impact on marine biodiversity.

