

Arab Group Submission on the 2026 Forum of the Standing Committee on Finance on Financing Climate Action in Water Systems and the Ocean

Introduction:

Arab countries are among the most water scarce worldwide, with nearly 430 million people living in water scarcity and absolute water scarce conditions.¹ As a regional group consisting of developing countries, Arab states are vulnerable to the impacts of climate change in particular ways, with issues such as droughts, desertification, extreme temperatures, and water scarcity, and insecurity being exacerbated by the increase in the average regional temperatures. With sub-regions characterized by a hot desert climate across the Arab region, accounting for less than 100 mm/yr of rainfall², significant challenges are faced not only in the context of water insecurity, but even food security, land degradation and desertification.

Today, some sub-regions house the warmest seas on the planet during the summer, with sea surface temperatures regularly exceeding 35 degrees Celsius in August. An increase in sea surface temperatures by 0.7°C/decade is observed, a rate that substantially exceeds the annual global warming since pre-industrial times.

The IPCC's 6th Assessment Report outlines that adaptation to water-related risks and impacts makes up the majority – around 60% - of all document adaptation cases.³ This exemplifies the importance of the topic of water and oceans for our region and further highlights the role of water systems in achieving sustainable development, poverty eradication and resilience. The Arab Group remains committed to engaging in discussions ahead of, and during the 2026 Forum of the SCF and is prepared to significantly enhance adaptation efforts for our region.

Evidence and information relevant to the possible sub-themes identified by the co-facilitators to further explore and develop the programme of the forum:

The Arab region faces various challenges as it relates to water systems. The water sector is vital to achieving sustainable development poverty eradication, and related objectives such as food security.

In 2009, the agricultural sector accounted for nearly 83% of all water consumption in the region.⁴ This number continues to grow as in 2024 estimates indicate that the

¹ [UNESCWA | Water challenges in the Arab Region](#)

² [RICCAR Arab Climate Change Assessment Report](#)

³ [IPCC | AR6 Synthesis Report](#)

⁴ [IFAD | Fighting water scarcity](#)

agricultural sector accounted for 84% of water consumption.⁵ Coupled with depleting water aquifers, such challenges call for effective and comprehensive solutions which remain costly in a region comprised of developing countries.

The Arab region is highly dependent on water desalination for subsistence. Falling below the absolute water scarcity threshold, different sub-regions are further challenged by a rise in the cost of water resource mobilization, leaving countries highly indebted to water financing.⁶ According to the UNFCCC Needs-Based Finance Report for the Arab region, the estimated needs for water in the region amount to nearly USD 127.46 billion, making water the highest-need sector in the region.⁷ Such numbers are unprecedented, emphasizing the importance of the delivery of support by developed countries to our region to enable its efforts to address these challenges.

The water sector yields low financial returns, remaining unattractive to the private sector. These variables necessitate international support from developed countries, coupled with generous financing modalities through concessional and grant form instruments⁸. While private sector support remains key in supporting such efforts, highly concessional and grant form support from developed countries must comprise the bulk of support to ensure most favorable terms for developing countries, in line with what has been set out across our national plans and priorities. Furthermore, the Arab Group emphasizes that financial instruments should not place a burden on developing countries.

Examples and case studies related to financing climate action in water systems and the ocean:

Examples and case studies related to water are vast across the region with best practices exhibited across various sub-regions. Facing similar challenges, the Mediterranean, North Africa and Gulf regions are expending resources to ensure that challenges related to water are addressed. Included below are three relevant case studies highlighting the region's efforts and needs across the water sector. These examples are non-exhaustive, and all 22 member states of the Arab Group are developing and adopting tailored approaches for dealing with water and oceans.

The Green Climate Fund recently approved a funding proposal for the Hashemite Kingdom of Jordan (FP288) titled *Jordan Aqaba-Amman Water Desalination and*

⁵ [UNESCWA | Water challenges in the Arab Region](#)

⁶ [UNESCWA | Water challenges in the Arab Region](#)

⁷ [UNFCCC | Technical Assessment of Climate Finance in the Arab States](#)

⁸ [UNESCWA | Water challenges in the Arab Region](#)

*Conveyance Project*⁹, consolidating a total 9 investors to support a USD 6 billion project through syndicated loans. The total number of people expected to benefit from this project is 14 million beneficiaries, both direct and indirect. This project will significantly reduce the cost of water and food supplies, greatly benefiting the people of Jordan and having wider benefits within the region. This project exemplifies the scale of finance needed to ensure water and food security in the region contribute to national sustainable development priorities, poverty eradication and resilience.

As mentioned previously, adaptation to water-related risks and impacts makes up around 60% of all document adaptation cases. In this regard, it is crucial to ensure that financing for water systems and oceans remains predominantly an adaptation-oriented activity.¹⁰

Fostering resilience to floods, rainfall and sea-level rise remains a priority for the region. In a region that faces minimal rainfall throughout the year, investments in drainage systems remain costly. Due to the limited coverage of existing resilient civil infrastructure to prevent flooding, the region often stands to be among the most prone to flooding when minimal rain occurs. In 2019, a flash flood in the Sultanate of Oman recorded 41.2 mm of rain in 24 hours, where the average amount of rainfall in a nearby city and during the same month stood at 2.9mm.¹¹ Similarly, in 2024, a flash flood caused by 64 mm of rainfall in 24 hours struck the north-western part of Oman, resulting in significant damages.¹² To raise resilience to the impacts of such events, significant international support from developed countries should be directed towards Early-Warning Systems, drainage systems and resilient infrastructure across the region. Attracting the private sector to engage in such investments remains to be a challenge as there is no perceived benefit or return on investment to incentivize their support.

Yemen is experiencing acute climate driven water stress, with rising temperatures, prolonged droughts, increasing rainfall variability, and sea level rise significantly reducing water availability and quality and intensifying water insecurity across the country. Despite this, Yemen has not gained access to climate finance until very recently¹³.

⁹ [GCF | Jordan Aqaba-Amman Water Desalination and Conveyance Project](#)

¹⁰ Article 4, paragraph 7 of the Paris Agreement

¹¹ [FloodList | Oman Flash Flood](#)

¹² [Oman – Dozens Rescued, 12 Dead After Heavy Rain Triggers Flash Floods – FloodList](#)

¹³ [World Bank Water Diagnostics, 2023 Yemen Water Security Diagnostic](#)

The Adaptation Fund project “Increase the Climate Change Resilience to Water Scarcity and Sea Level Rise Related Challenges in the Tuban Delta, USD 9,998,560” was the first project approved for Yemen by the Adaptation Fund. The intervention was approved in April 2025 aiming at adapting to climate stress, accelerating groundwater depletion, increasing salinity intrusion, and raising coastal flood risks, undermining water availability and service reliability.¹⁴

For downstream countries in shared water basins such as Iraq, integrated, basin-wide, and ecosystem-based approaches to climate finance, including financing water-use systems, climate-resilient infrastructure, wetland restoration, early warning systems, and nature-based solutions remain a necessity. The GCF project SAP060 on Promoting Climate Resilient Livelihoods for Food Insecure People in Southern Iraq¹⁵ aims to introduce efficient irrigation and water harvesting techniques, including drip systems, pump installations, and rooftop rainwater harvesting to address severe water scarcity. In doing so, the project will ultimately contribute to achieving Climate-Resilient Livelihoods for Food Insecure People, showcasing the co-benefits between addressing water and food insecurity.

Our region faces challenges accessing appropriate water technologies and capacity building programmes, especially as it relates to developing solutions fit for our diverse and challenging contexts. Climate finance programming must overcome skepticism and take an active role to propagate solutions such as desalination, water reuse, and water treatment, and provide appropriate support to remove barriers to adopting these technologies at scale.

International climate finance should support joint and cross-border projects and foster international climate cooperation. Dedicated funding windows, simplified access procedures, and increased grant-based finance are essential to enable effective adaptation in water systems. The Arab Group further emphasizes that water scarcity should be explicitly recognized as a key criterion for prioritization within international climate finance frameworks, alongside exposure to drought, desertification, and land degradation.

Possible additional sub-themes for the co-facilitators to consider in the programme:

¹⁴ [Adaptation Fund Tuban Delta Proposal Increase the Climate Change Resilience to Water Scarcity and Sea Level Rise Related Challenges in the Tuban Delta](#)

¹⁵ [Green Climate Fund | SAP060 Promoting Climate Resilient Livelihoods for Food Insecure People in Southern Iraq](#)

Adaptation should guide the bulk of sub-themes considered and discussions. Access to finance is of high importance and the forum should address ways to ensure that all developing countries are able to access finance from the operating entities of the financial mechanism of the United Nations Framework Convention on Climate Change and build resilience to different environmental challenges relating to water and oceans. This includes ensuring the adequate provision of support from developed countries to address these needs.

In this regard, the Arab Group believes that a high number of sub-themes would fragment discussions and emphasizes the importance of streamlining the number of sub-themes to a minimum to ensure adequate time for discussions, addressing the forum topics thoroughly.

Possible titles for sub-themes include:

1. The nexus between food and water security
2. Raising resilience against flooding and sea-level rise
3. Public support to adapt to water scarcity
4. Enhancing access to finance in water-stressed regions

Additional Input:

The group would wish to take this opportunity to emphasize the importance of developing country participation during the forum and of ensuring a balance between panelists from developed and developing countries in the selection process.