



ALLIANCE OF SMALL ISLAND STATES

SUBMISSION

TOPIC: **STANDING COMMITTEE ON FINANCE (SCF) FORUM 2026
'FINANCING CLIMATE ACTION IN WATER SYSTEMS AND
THE OCEAN'**

MANDATE(S)

Decision -/CP.30: 'Welcomes the topic for the 2026 Forum of the Standing Committee on Finance, namely financing climate action for water systems and the ocean, and reiterates the importance of engaging all relevant Party and non-Party stakeholders in preparations for the Forum' (Para 8)

02 FEBRUARY 2026

Introduction

The Alliance of Small Island States (AOSIS) welcomes the opportunity to contribute to the agenda-setting process for the Standing Committee on Finance's 2026 Forum on "Financing Climate Action in Water Systems and the Ocean." This submission proposes a programme structure and thematic priorities for the Forum.

Climate impacts on the ocean and water security are of particular concern to small island developing States (SIDS). SIDS' paucity of land and limited self-sufficiency in freshwater leaves little margin for resilience in the face of aberrant rainfall that drives cycles of inland flooding; heat and drought that deplete surface and groundwater supplies; and rising seas and storm surges that contaminate atoll islands' freshwater lenses. In parallel, rising ocean temperatures trigger mass coral bleaching events, ocean acidification weakens marine ecosystems, and

changing current patterns disrupt the fisheries upon which SIDS economies and food security depend. Simultaneously, SIDS are custodians of vast ocean spaces as part of their Exclusive Economic Zones (EEZ), therefore, offering opportunities for ocean-related climate action.

The ocean is critical to addressing climate change¹. In a 2023 report by the High-Level Panel on Sustainable Ocean Economy, it was identified that ocean-related climate solutions could deliver as much as **35 per cent of the emissions reductions** needed by 2050 on a 1.5°C pathway.² However, this is no substitution to the urgent deep emissions cuts required. The 2025 UNFCCC's NDC Synthesis Report,³ albeit a synthesis of only 64 NDCs, confirms this growing recognition: **78 per cent of Parties** now include at least one explicit ocean reference in their NDCs, predominantly for adaptation measures, with an increasing number addressing mitigation, and loss and damage.

Small Island Developing States and 'Blue' Nationally Determined Contributions (NDCs)

Ocean

SIDS have consistently demonstrated leadership in integrating ocean considerations into their climate commitments. Analysis of SIDS NDCs reveals substantive ocean-related targets and measures, including: marine protected area establishment and expansion; blue carbon ecosystem conservation and restoration; sustainable fisheries management and climate-resilient aquaculture; ocean renewable energy deployment; and coastal infrastructure resilience through nature-based solutions.

A 2024 UNCTAD Report on ocean-related measures in SIDS NDCs⁴ outlined a number of key findings. This included adaptation measures, which accounted for 77% of these ocean-related measures. Mitigation efforts covered 20% of these measures, and responses to climate-induced loss and damage covered 3%. In the 2025 NDCs, SIDS further demonstrated significant

¹ United Nations Framework Convention on Climate Change 1992, art 4(1); Paris Agreement 2015, preamble; UNFCCC, 'Decision 1/CP.25: Chile Madrid Time for Action' (2019) FCCC/CP/2019/13/Add.1, paras 30-31; UNFCCC, 'Decision 1/CP.27: Sharm El-Sheikh Implementation Plan' (2022) FCCC/CP/2022/10/Add.1, preamble & paras 49-50; UNFCCC, 'Decision 1/CMA.5: Outcome of the First Global Stocktake' (2023) FCCC/PA/CMA/2023/16/Add.1, preamble & paras 33, 35, 55-56, 63, 180.

² Hoegh-Guldberg, O., Northrop, E. et al. 2023. "The Ocean as a Solution to Climate Change: Updated Opportunities for Action." Special Report. Washington, DC: World Resources Institute <<https://oceanpanel.org/publication/ocean-solutions-to-climate-change/>> accessed 21 January 2026

³ UNFCCC Secretariat, 'Nationally Determined Contributions under the Paris Agreement: Synthesis Report by the Secretariat' (2025) FCCC/PA/CMA/2025/8 <<https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs/2025-ndc-synthesis-report>> accessed 21 January 2026.

⁴ UNCTAD, 'A Deep Dive into Ocean-Related Measures in the Nationally Determined Contributions of Small Island Developing States' (United Nations 2024) <<https://unctad.org/publication/deep-dive-ocean-related-measures-nationally-determined-contributions-small-island>> accessed 21 January 2026.

ocean-related targets and measures. This included adaptation, mitigation, and loss and damage responses. Examples include:

- The Marshall Islands is seeking to transition to a low-carbon domestic fleet through the Low Carbon Sea Transport Project (Marshall Islands, 2025) and launched the pioneering low-emissions transport vessel the Juren Ae in 2024.
- Saint Lucia is seeking to develop mitigation co-benefits through “reduced emissions from implementing fuel-efficient technologies for aquaculture and fishing operations.” (Saint Lucia, 2025).
- Several SIDS have included the conservation and/or restoration of critical blue carbon ecosystems, such as seagrasses and mangroves (Antigua and Barbuda, Bahamas, Barbados, Belize, Cabo Verde, Dominica, Guyana, Jamaica, Mauritius, Samoa, Sao Tome and Principe, Solomon Islands, St Vincent and the Grenadines, Suriname, Timor-Leste, Tonga, Vanuatu)
- Some examples of loss and damage response contributions under SIDS’ NDCs include Vanuatu seeking to mainstream climate displacement and migration considerations into national fisheries policies and technical and vocational education and training initiatives, (Vanuatu, 2025) as well as Antigua and Barbuda endeavouring to ensure by 2030 that their fisherfolk have access to comprehensive and tailored national insurance programmes that allow them to affordably manage climate-related loss and damage (Antigua & Barbuda, 2021).
- Further, the financing of sustainable and climate resilient fisheries should be a critical component of the broader agenda of Financing of Climate Action in Water Systems and the Ocean.⁵ Experts have identified two important ways the fisheries sector intersects with the climate crisis: overfishing reduces both the resilience of ocean ecosystems to climate change and its capacity to sequester carbon; and rising temperatures, acidification, deoxygenation and sea level rise cause fish species to migrate and/or perish.⁶ Considering fisheries’ crucial importance as a source of protein and economic driver in developing countries, particularly for SIDS, the Pacific Islands Forum Fisheries Agency’s Climate Change Strategy includes accessing climate finance as an integral objective.⁷

Notably, the UNFCCC 2025 Synthesis Report highlights that SIDS reported significant **finance needs for ocean-related climate action**. Simultaneously, SIDS have also been at the forefront of innovative financing mechanisms for ocean-related climate action, including debt-for-nature swaps and blue bonds (Seychelles, Belize, Barbados), climate-resilient debt clauses (Barbados)

⁵ Sumaila, U.R. (2024). *Fisheries – Trade, Climate, and Net Zero Pathways: Scenarios and Implications for Developing Countries and Climate-Resilient Development*. Forum on Trade, Environment, & the SDGs (TESS).

<https://tessforum.org/latest/fisheries-trade-climate-and-net-zero-pathways-scenarios-and-implications-for-developing-countries-and-climate-resilient-development-2>

⁶ Johnson J.E. and Wabnitz C.C.C. (Eds). (2025) *Climate change implications for fisheries and aquaculture in the Pacific Islands region*. Noumea, New Caledonia, Pacific Community (SPC). 626 pp. <https://www.spc.int/digitallibrary/get/aj7sx>; See Chapter 10.

⁷ Pacific Islands Forum Fisheries Agency (2023) *Climate Change Strategy - August 2023* <<https://www.ffa.int/download/ffa-climate-change-strategy-august-2023/>> as accessed 31/01/2026

and the use of conservation trust funds (Niue). These examples demonstrate what is possible, but they remain exceptions rather than systemic approaches. Implementation of ocean-related climate action remains contingent upon adequate, accessible, affordable, and appropriately structured finance. This has also been reflected in the 2024 and 2025 Ocean and Climate Change Dialogue reports.

The ocean's demonstrated potential presents a compelling case for scaled-up climate finance flows to ocean-related climate action. SIDS, despite their leadership in articulating such priorities and pioneering innovative instruments, continue to face significant barriers in accessing finance at the scale and speed required. The Forum presents a critical opportunity to move beyond diagnosis toward resource mobilisation by garnering commitments from multilateral climate funds, development finance institutions, philanthropy, and private investors to close the financing gap. Especially given the fact that one of the SCF's main functions is to assist the COP in its role of financial resources mobilization.⁸

Freshwater

Ninety per cent of SIDS' NDCs cite concerns about freshwater scarcity and say they are taking or planning to take imminent action to address this.⁹ More than two-thirds say they are concerned and taking action on the risks to water security posed by specific climatic events.¹⁰

An analysis of SIDS' NDCs and their National Adaptation Plans (NAPs) reflects a strong cross-cutting theme of integrated water resources management. This includes holistic watershed management, sometimes called 'ridge to reef' approaches, for optimising the predictability and quality of water delivery to households, agriculture, business and industrial users, along with adequate wastewater treatment.

The Forum could showcase good practices in financing ridge-to-reef approaches, whether for full combinations of ecosystem-based and built water/wastewater infrastructure (green/grey) or the former (green) only. Examples from SIDS include:

- Several SIDS have included ridge-to-reef approaches, including Barbados, Seychelles, Saint Kitts and Nevis, and Vanuatu.
- The Maldives has "subsidised the provision of safe drinking water and promoted integrated water resource management through safe rainwater harvesting, groundwater use and desalination" (Maldives, 2025).

AOSIS strongly recommends that the connectivity between freshwater and wastewater management systems and coastal-marine ecosystem health is well reflected in the SCF

⁸ UNFCCC, 'Decision 2/CP.17: Outcome of the Work of the Ad Hoc Working Group on Long-Term Cooperative Action under the Convention' (2011) FCCC/CP/2011/9/Add.1, para 121.

⁹ ODI Global: How Small Island Developing States' (SIDS) adaptation priorities align with the UAE Framework on Global Climate Resilience. London: ODI Global (limited circulation).

¹⁰ Ibid.

Forum's agenda; specifically, the need for reliable finance for data gathering, risk assessment and climate action across the chain.

Recommendations for the Forum Agenda

The 2026 Forum provides an opportunity to showcase climate action priorities in water systems and the ocean drawn from NDCs and other planning documents, exchange lessons on proven financing approaches, and generate momentum for scaled-up climate finance flows to these actions. As highlighted above, there are significant opportunities for representation of SIDS government officials and other stakeholders. AOSIS proposes the following sessions and panels:

Panel/Sessions
<p>Session 1: This session showcases concrete ocean-related measures drawn from NDCs and related planning documents, presenting them as opportunities for scaled-up climate finance support across a broad range of thematic areas.</p>
<p>Session 2: This session examines financing instruments and approaches that have demonstrated results in mobilising resources for ocean-related climate action, including but not limited to vertical funds. The objective is to extract replicable lessons and identify conditions for scaling.</p>
<p>Session 3: Toward self-sustaining systems: how financing modalities and supporting institutions can be developed for resilient water management systems in the long term</p> <p>Panel 1: Sustainable finance models for Ecosystem-based catchment management systems (green infrastructure)</p> <p>Panel 2: Sustainable finance models for built and hybrid water infrastructure (grey/green) Panel featuring SIDS finance and environment ministers and implementing partners</p>

**In the context of the [Belem Gender Action Plan](#), the Forum should incorporate a gender equality and social inclusion lens on all sessions.*

Participation

To maximise impact and ensure actionable outcomes, AOSIS recommends broad participation including: government representatives from finance, environment, and ocean/maritime ministries, with emphasis on SIDS participation; Board members and Secretariat staff from Green Climate Fund (GCF), Global Environment Facility (GEF), Adaptation Fund (AF), Fund for Responding to Loss and Damage (FLRD) and bilateral funds; MDB representatives; regional organizations of SIDS; private sector blue economy investors and sustainable finance

practitioners; philanthropy representatives, ocean-climate researchers; and coastal community and Indigenous Peoples' representatives.

AOSIS stands ready to support the SCF in identifying speakers from SIDS.

Expected Outcomes

AOSIS anticipates the Forum will generate momentum for scaled-up climate finance flows for ocean- & freshwater-related climate action . Improved visibility of financing for climate action in water and ocean systems will further understanding of current flows and inform future mobilisation efforts.

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