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GIZ is pleased to submit the following to the SCF's Call for Input - **2026 Forum of the Standing Committee on Finance on financing climate action in water systems and the ocean.**

GIZ considers water and oceanic systems an integral part of the climate system. Adequate financing for climate mitigation, adaptation, and resilience in climate solutions related to water systems and the ocean are crucial elements of a global, comprehensive approach to addressing the climate crisis.

GIZ holds an extensive programmatic and project portfolio as well as long-standing partnerships related to climate finance, water and ocean systems. Drawing on this experience, GIZ is pleased to offer **key considerations and project examples**, for the proposed 11 sub-themes, and could provide direct contributions during the Forum. As an implementing organisation, GIZ is keen to learn from other experiences, especially how available climate finance approaches can be tailored and strengthened for application in the water and ocean sectors.

**GIZ contributions to the 11 sub-themes:**

**(1) Key enablers and opportunities for financing climate mitigation, adaptation, and resilience in support of climate action in water systems and the ocean.**

Healthy water and ocean systems are critical for preserving our livelihoods and economic foundations. But like all other ecosystems, they are under severe stress from climate change and other human-induced impacts including pollution. Solutions to global water and ocean issues sit at the **intersection of multiple international agendas**, including climate (Paris Agreement), biodiversity (Kunming-Montreal GBF) and SDGs (6, 13, 14).

GIZ experiences in this field have shown that the following activities act as key enablers for financing climate action, and can thus be considered in the climate-water-ocean nexus as well:

- As finance often follows policy certainty, there is a crucial need to strengthen **policy, legal and institutional frameworks**. On the climate side this includes NDCs and NAPs, on the water and ocean side this includes national legal certainty on Integrated Water Resources Management (IWRM); Integrated Coastal Zone Management (ICZM) as well as Marine Spatial Planning (MSP).
- **Ecosystem-Based and Nature-Based Solutions (NbS)** have shown to be win-win opportunities in terrestrial landscapes, primary related to tropical rainforest and natural resources management activities. They are equally relevant for seascapes, including conservation and restoration activities in and around mangroves, seagrass and wetlands (blue carbon). Coral reef protection plays an important role for coastal defence as does watershed restoration for flood and drought resilience, to just name a few.
- The notion that public finance alone is insufficient to tackle climate finance needs is well established. Opportunities to work with **blended finance and risk-sharing instruments** also exist in the climate-water-ocean nexus. A crucial step here will be to make the use of public funds more strategic and effective. This requires more orchestrated and synergized finance ecosystems, and not isolated funding streams.
- There continues to be a need for turning “good ideas” (e.g. coastal adaptation, water reuse) into fundable projects and investable businesses. Developing as well as matching credible pipelines with adequate funding and finance sources would turn a current bottle neck into a major enabler.
- NbS and resilience projects take longer to show results on the ground. Creating **long-term, predictable finance** for resilience rather than short project cycles consists of a great opportunity.
- **Simplifying access to finance** (see Subtheme 8 for details) clearly remains a crucial enabler.
- **Data** is a key enabler as finance relies on evidence. Provision and strengthening of climate, water and ocean data systems, MRV frameworks, digital tools for water management and early warning and transparent reporting on impacts and co-benefits are some examples. Furthermore, practical tools are needed for better economic and financial risk assessment which will in turn allow to better understand how economic impacts due to water, ocean or climate related factors can transmit into financial risks.
- And last but not least, **strong local ownership and inclusive governance** reduce implementation risk and increases long-term sustainability of investments, especially in coastal and island contexts.

## **(2) Role of different finance actors to enhance scale and impact.**

Isolated funding streams reach individual projects, businesses and communities, yet don't **maximize synergies** and the potential for prompting broader, system-wide change and impacts.

The suite of actors is well known. Yet, they do not play in sync for water-ocean-climate finance:

- **National governments and public authorities** as the strategic anchor and system enabler, to, amongst others, set policy directions, create legal certainty, allocate public budgets and set incentives.
- **International Climate and Biodiversity Funds (GCF, Adaptation Fund, GEF, IKI)** as risk-taking catalytic capital and cornerstone financiers, especially for adaptation and NbS (concessional finance, absorb first mover risk, readiness support).
- **Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs, including KfW)** and their critical role for scaling and mainstreaming (e.g. finance for larger infrastructure projects, mainstream climate, water and ocean issues into core lending).
- **Central banks** can be positioned as systemic risk monitors that integrate water- and climate-related risks into macro-financial and safeguard financial stability. Furthermore, credit rating agencies also play a role in assessing systemic risks of countries.
- **Bilateral Development Cooperation (including GIZ)** as connectors and system integrator between policy, finance and implementation (e.g. build institutional and technical capacity, coordinate across actors and funding streams)
- **Private sector and institutional investors** as key actors to invest in revenue-generating activities at scale, such as water utilities, nature-based tourism, sustainable and climate resilient aquaculture and ports
- **Local Financial Institutions** and their crucial role in the domestic financial system. They constitute the last-mile finance for Small and Medium Enterprises and can adapt financial products to climate risk profiles
- **Philanthropy and impact investors** can fill the role of strategic risk capital and drive innovation. They can fund early-stage businesses or high impact projects with a lower or no financial return
- **Indigenous Peoples and local communities** as right holders and implementors of climate action as well as water system and ocean protection on the ground, but with limited access to funding and financial services.

### **(3) Strategies for integrating water and ocean financing into national and sectoral policies, NDCs, NAPs, and investment plans.**

GIZ works across different projects to ensure that climate finance strategies be integrated into national and sectoral planning instruments, including NDCs, NAPs, NBSAPs, development strategies, and investment plans.

There is a need to align finance with policies that support water security and ecosystem protection as financial flows should be directed towards water-resilient and nature-positive investment. Regulatory frameworks should also incentivize sustainable water use.

Climate finance remains as a strategic tool to implement climate mitigation and adaptation goals effectively across different sectors, not as a standalone activity.

A project in [Brazil's "Amazônia Azul" \(TerraMar II\)](#) is enhancing **integrated coastal and marine ecosystem management**. It supports marine spatial planning, strengthens the protection of mangroves and coral reefs, and addresses key threats like climate change and plastic pollution. It also aims to strengthen financing mechanisms for implementing relevant policies, as well as to improve access to finance and inclusive Blue Economy strategies, primarily for vulnerable groups, such as local coastal communities and women.

#### **(4) Inclusive financing to ensure equitable participation and benefits for women, youth, Indigenous Peoples, and local communities.**

Across its climate, water and ocean portfolio, GIZ treats inclusion not as an add-on, but as a core design and financing criteria.

Inclusive climate finance for oceans and water is finance that is locally accessible, rights-based, gender-responsive, community-anchored, and designed to deliver fair and lasting benefits to those most affected by climate change.

Projects and programmes are co-designed with stakeholders at the regional, national, and local levels, directly including IP&LC, women, and youth. GIZ has implemented multiple projects for the conservation of marine and coastal biodiversity in co-design with IP&LC, women, and youth.

The GIZ [MACBLUE](#) project supports **Pacific Island Countries** in creating an enabling environment for accessing climate finance by developing national-level emissions data on coastal ecosystems, including country-specific emission factors, and by supporting national enabling policies for blue carbon. At the local level, the project **tests inclusive management approaches together with coastal communities**, recognising their role in conserving and restoring mangrove and seagrass ecosystems. In doing so, MACBLUE helps link community-based stewardship with national climate finance readiness and equitable benefit-sharing.

#### **(5) Country-driven approaches and lessons learned in designing, implementing, and financing locally and regionally tailored projects.**

GIZ highlights the importance of national specificities and priorities, recognizing the necessity of fostering **country-driven and tailored projects and approaches** to individual contexts and needs. Climate action in ocean and water systems play important roles in national strategies and priorities. Expanding on point 4, co-design of

projects and programmes with both vulnerable communities and officials at all levels increases the chances of success and adoption of said efforts.

The **Save the Blue Five Project** focuses on the protection and conservation of five megafauna species (whales, manta rays, sharks, dolphins, sea turtles) in the **South-East Pacific**. Adaptation goals are embedded into its objectives and activities. The project enables regional cooperation and financing dialogue to, amongst others, **respond to climate impacts**, while fostering public-private engagement. The project is advancing financial mechanisms with private, public and national development banks that support partner countries in **strengthening resilience of ocean biodiversity and facilitate transition into a sustainable blue economy**. Moreover, the project builds capacities in private sector and local communities to enhance protection, conservation and sustainable use of the Blue Five.

#### **(6) Integrating science, data, and innovation to inform investments**

Integrating science, data, and innovation helps ensure climate finance is grounded in evidence, thus reducing risk and improving decision-making. Reliable data – paired with monitoring efforts – also **enables targeted allocation** of resources by identifying what works, what doesn't, and where the greatest impact can be achieved.

The **MACBLUE** Project is a GIZ-implemented project in the Pacific focusing on the **evaluation of blue carbon** in **Fiji, Papua New Guinea, Solomon Islands**, and Vanuatu. It utilizes innovative remote-sensing approaches to map the extent of **seagrass and mangrove ecosystems**. The results help governments in their efforts to strategically develop and implement conservation, management and rehabilitation efforts, such as Papua New Guinea's Blue Carbon Policy Roadmap.

#### **(7) Relevant fiscal instruments and policy coherence**

As described under sub-theme 3, integrating aspects of climate finance into national and sectoral planning and policy instruments is a well-established approach. Policy coherence as well as the right interplay of fiscal instruments are crucial for achieving efficient use of public funding as well as for developing and strengthening an adequate enabling environment for private investments.

The **GIZ project**, **Establishment of sustainable financing systems for marine protected areas in Caribbean SIDS**, aims to provide long-term financing solutions to MPAs in the region to safeguard ecosystem services and economic livelihoods. One of its methods of action is the development of non-discriminatory fee scales collecting appropriate access and usage fees for MPAs, thus improving fiscal policy use in the region.

## (8) Simplifying access to finance

Simplifying access to finance is, and remains, a crucial enabler for financing climate mitigation, adaptation, and resilience.

GIZ supports the **Republic of Maldives** in implementing a **GCF Readiness grant** targeted at strengthening capacities in the country's water sector and enabling peer learning and exchange with other island states in the region. Activities are focused on increasing local water utilities' ability to deal with climate change impacts and the country's Ministry of Environment to access funding for adaptation of the water sector. Another key component is fostering exchange with other SIDS to strengthen collaborative approaches and learn from each other's successful interventions in the water sector, creating synergies and enabling implementation of tried and tested technologies.

GIZ assists NDC partner countries in implementing their NDCs, through four main activities: providing technical and economic advice on how to integrate the implementation of NDCs into economic policy, overseeing the **Pacific NDC Hub** (now taken over by SPC), [promoting and scaling SME business models](#), and improving strategic capacities to better utilise international market mechanisms

## (9) Innovative financial instruments

Innovative climate finance instruments — such as green and blue bonds, blended finance mechanisms, results-based financing, and other sustainable financial products — are essential to close the investment gap for climate mitigation and adaptation — including for those activities related to ocean and water systems. Conventional domestic and international funding remains crucial and can be supported through **mobilising private capital** and designing market-ready, climate-aligned financial products that are key to redirecting global financial flows toward low-carbon and climate-resilient development. GIZ supports partner countries in creating enabling frameworks, regulatory incentives, and financial sector capacities to develop, certify and scale these instruments, while also advising on policy and institutional reforms that attract commercial finance into climate solutions.

The [Land and Seascape Solutions for Indonesia \(LASSO\)](#) project establishes climate-resilient livelihoods by effectively integrating ecosystem approaches into the management of land- and seascapes, such as through mangrove restoration. It develops impact investment strategies and innovative financing models that utilise an ecosystem-based approach with partnerships across public, private, and community entities.

The developPPP project **Financing Nature-based Solutions for a Just Transition** works in Kenya, Mexico, and Peru with Triodos Investment Management to identify holistic and bankable NbS projects, build capacity amongst local financial institutions and disseminate learnings on financing NbS. While focused primarily on terrestrial ecosystems, the effort is capturing valuable lessons learned to be applied in coastal and marine NbS, such as the need for clarity on land-user rights, business opportunities including but going beyond carbon, avoidance of perverse incentives, the need for local expertise as well as to improve the efficiency of blended finance instruments.

The **Programme for Infrastructure Development in Africa (PIDA)** (established 2012) has demonstrated how crucial the development of a pipeline of standard, bankable infrastructure projects is. In this context, bankable projects refer to large-scale regional and national infrastructure investments, particularly in the water, energy, transport and digital sectors, typically requiring DFI and private sector financing at scale.

PIDA has been able to use blended finance instruments to de-risk early project stages, strengthen project preparation and improve investment readiness, thereby attracting larger development finance institutions (DFIs) and private investors. Investment commitments reached USD 82 billion in the first 10 years of PIDA.

Through the project's work on developing standardised monitoring, reporting and verification (MRV) approaches, building on emerging frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD), the programme has helped to improve the transparency of climate- and nature-related risks and impacts, supporting more informed investment decisions and facilitating access to finance.

## **(10) International cooperation and partnerships**

**International cooperation is essential to effective climate action**, recognizing that global climate targets — including those of the Paris Agreement — can only be achieved through *collaborative, multilateral efforts* that bring together governments, civil society, the private sector and international institutions to share knowledge, strengthen dialogue and align strategies across borders. GIZ supports country partnerships to help implement ambitious climate commitments in partner countries.

The [ProsperBlue Programme](#) (formerly known as the Western Indian Ocean Governance Initiative) is a new initiative set out by the GIZ in partnership with the Nairobi Convention aiming to improve regional dialogue and sustainable blue economy governance in **Madagascar, Mozambique, Somalia and Tanzania**. Through technical and institutional capacity strengthening, the

programme improves collaboration between private sector, public sector, and civil society for the conservation and sustainable use of marine and coastal biodiversity.

The Global Shield against Climate Risks (formerly [InsuResilience Global Partnership](#)) organized pre-arranged finance for disasters, enabling rapid and efficient implementation, making vulnerable countries' economies more resilient and effectively support protecting the lives and livelihoods of poor and vulnerable people. The Partnership has supported a variety of Programmes around the world, including in SIDS, where multiple initiatives were implemented, such as the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI).

The [Natural Resources Stewardship Programme \(NatuReS\)](#) enables private-public-civil society partnerships for the sustainable use and management of water and other natural resources for a socio-ecological transformation to support a sustainable economic development and climate resilience. The programme's vision is a world where all stakeholders collaborate effectively to sustainably utilise and manage the planet's natural resources for inclusive and resilient economic development.

## (11) Capacity-building

Capacity building is a corner stone for advancing the **upscaling and replication of climate finance efforts** in the water and ocean sectors. Capacity building efforts are present in most GIZ activities across the globe. Naming one example:

With its new [ProsperBlue Programme](#), GIZ strives to provide technical and financial capacity-building training to climate resilient MSMEs in the region, offering financial literacy training, pipeline creation and bankability support, as well as matchmaking and strengthening the Blue Economy policy and promoting a stakeholder enabling environment. The capacity-building component will also consist of an important gender aspect, working especially with women-led enterprises in this realm.