



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

This submission is provided in response to the Standing Committee on Finance's (SCF) call for inputs for its 2026 Forum on Financing Climate Action in Water Systems and the Ocean, which seeks evidence, examples and case studies, and suggestions for additional sub-themes to inform the Forum programme. With momentum from the third UN Ocean Conference (UNOC3) and the thirtieth session of the Conference of the Parties to the UNFCCC (COP30), and in the lead-up to the thirty-first session of the Conference of the Parties (COP31), ORRAA welcomes the focus of the UNFCCC Standing Committee on Finance on the Ocean and shares practical considerations, evidence and case examples from our work to support the Forum's objective of promoting linkages and coherence across climate finance actors and initiatives.

About the Ocean Risk and Resilience Action Alliance

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.

Our 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.

Together with our over 130 members, ORRAA takes a beachfront to boardroom approach, connecting frontline actors to philanthropies, governments, multilateral organisations, banks, asset managers, insurers, and institutional investors to create a capital market for the Ocean that has high integrity and works for our common future. Our work proceeds along three core pathways:

1. **On the beachfront**, our [Innovation Pipeline](#) is providing Global South market and mission-driven organisations with the backing they need to thrive, and in the process, incubating, innovating, and accelerating the development of finance and insurance products that invest in coastal and ocean nature-based solutions. **The perceived lack of an investable product pipeline is the single most cited issue deterring potential private sector investors from engaging.** ORRAA makes grants of up to USD\$ 500,000 to help turn early-stage locally led ideas from the Global South into structured, "investment-ready" finance and insurance products that are nature, climate, and gender-positive. This ensures that innovative solutions already emerging on the ground can be replicated and scaled into bankable propositions.

2. Our [Sea Change Impact Financing Facility \(SCIFF\)](#) complements ORRAA's work to grow an investable product pipeline, by developing financial instruments and platforms that **tackle the missing middle—bridging the gaps between grant funding and investment finance**. SCIFF is pioneering the application of established business models from green and social finance into the regenerative and sustainable blue economy with a senior team of internationally recognised finance leaders to spearhead the next phase of capital mobilisation. From **fast-tracking blue bond issuances** to offering **guarantees** that de-risk emerging markets and sectors, to **matchmaking** and addressing **financing for blue nature (30x30)** initiatives, SCIFF's financial instruments and platforms are designed to mutually re-enforce each other, building investor confidence and the critical market infrastructure for capital to flow at scale. This missing middle work also includes integrating sustainable blue finance into broader climate and biodiversity finance and building an enabling environment for investments to flourish.
3. In the **boardroom**, the [#BackBlue Ocean Finance Commitment](#) is ensuring that a **regenerating and sustainable ocean has a seat at the table in finance and insurance decisions**. ORRAA is driving this initiative focused on institutional investors and asset managers in partnership with the [World Economic Forum \(WEF\)](#), with support from the [United Nations \(UN\) Race to Resilience](#), [International Union for Conservation of Nature \(IUCN\)](#), and [UN Environment Programme Finance Initiative \(UNEP FI\)](#). Financial and insurance institutions supporting #BackBlue commit to taking specific actions including adopting robust net zero commitments, disclosing ocean-related financing, driving financial system policy change that is nature-positive with a particular focus on coastal resilience, accelerating the transition towards a healthy and sustainable ocean, and joining ORRAA and/or the Sustainable Finance Community at the WEF.

Key considerations for the Standing Committee on Finance

As the world looks toward COP31 in 2026, this is a defining moment for the ocean–climate agenda. Building on the momentum generated through COP30 and UNOC3, and with the Pacific pre-COP placing ocean and coastal priorities firmly at the centre of global climate discussions, the **focus must now shift decisively to delivery at scale**. Achieving this will require **finance that is fit for purpose combining public and concessional resources with significantly greater mobilisation of private capital** to translate policy ambition into investable action, particularly for Small Island Developing States (SIDS) and **coastal developing countries**.

ORRAA's experience shows that scaling ocean and coastal resilience depends on **system-wide alignment**: from preparing locally led, investment-ready projects, deploying innovative blended finance instruments that address the missing middle, to embedding ocean considerations in financial institution decision-making. When these elements align, ocean and coastal resilience can move beyond isolated pilot projects and emerge as a credible and scalable component of climate and nature finance. ORRAA will continue working with governments, financial institutions, investors, and communities to help bridge these gaps and accelerate ocean-based solutions that strengthen resilience, protect nature, and support inclusive, sustainable blue economies.

Drawing on ORRAA's experience mobilising finance and insurance for coastal and ocean resilience in the Global South, the following considerations are offered to inform the SCF programme on Financing Climate Action in Water Systems and the Ocean:

1. Strengthen alignment between national climate frameworks and investable product pipelines:

Experience shows that while ocean and coastal priorities are increasingly reflected in NDCs, NAPs and sectoral strategies, these priorities are not consistently translated into finance-ready project pipelines. Greater support is needed for project preparation, technical assistance and early-stage capital to bridge this gap and accelerate deployment and scale.

2. Address the “missing middle” through blended finance and de-risking instruments:

A persistent barrier to scaling ocean and water-related climate action is the gap between grant funding and return-seeking investment. Blended finance structures, guarantees and other de-risking instruments can play a catalytic role in bridging this “missing middle”, particularly for early and emerging ocean sectors and in contexts where transaction costs and risk premia remain high.

3. Improve system-wide coherence across finance, policy and delivery:

Greater coherence across project preparation, financing instruments, policy frameworks and financial sector commitments is needed to enable ocean and coastal resilience to move beyond pilot initiatives and scale as part of mainstream climate and nature finance. Improved coordination can reduce fragmentation and improve the efficiency and impact of capital deployed.

4. Mobilise diverse finance and insurance actors through action-oriented partnerships:

Coordinated engagement across governments, multilateral development banks, philanthropies, commercial banks, asset managers, insurers and institutional investors is essential to mobilise capital at scale and reduce fragmentation. Embedding ocean and coastal resilience within core finance and insurance practices (including risk management, disclosure frameworks, underwriting and investment strategies) can further enhance scale and impact.

5. Prioritise inclusive, locally-led and country-driven approaches:

Financing mechanisms should support locally-led, gender-responsive and community-based solutions, ensuring equitable participation and benefits for women, youth, Indigenous Peoples and local communities. Country-driven approaches improve ownership, relevance and long-term sustainability of climate action in water systems and the Ocean.

6. Simplify access to finance through trusted intermediaries:

Complex access processes and eligibility requirements remain a significant barrier to scaling climate finance for the Ocean. Simplifying access and channelling finance through trusted intermediaries can reduce transaction costs, aggregate demand, and better align global finance with national systems and local delivery capacity, particularly in SIDS and coastal Least Developed Countries (LDCs), where capacity constraints, small project sizes and high transaction costs can inhibit access to finance.

7. Strengthening Enabling Conditions to deploy Blue Finance in SIDS

To translate blue finance commitments into investable action, SIDS and coastal LDCs require a stronger suite of fit-for-purpose financial and insurance instruments that match long-term stewardship and resilience needs. Priorities include structures that enable longer tenors and predictable capital, reduce hard-currency exposure, and use risk-sharing mechanisms to crowd in investment in small, higher-risk markets while reinforcing country ownership and long-term resilience outcomes.

Context

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, while employing over 100 million people¹. But the Ocean is changing faster than at any time in human history, with profound consequences for people, nature, and economies. Coastal populations in developing countries, particularly women and girls, are on the front line of intensifying storms, sea-level rise, food insecurity, and biodiversity loss.

At the same time, the Ocean is our best ally in the fight against climate change. The Ocean is the planet's largest carbon sink, having absorbed the vast majority (over 90 per cent) of the heat from our emissions, and the Ocean supports a diverse and expanding array of future-facing economic sectors, including renewable energy, food, technology, and resilient natural infrastructure². Ocean-based solutions are integral to the three primary pillars of the global climate response: mitigation, adaptation, and addressing loss and damage. Through its capacity to absorb up to 35 per cent of anthropogenic CO₂ emissions and over 90 per cent of excess heat³, the ocean plays a central role in climate mitigation, while resilient marine and coastal ecosystems underpin adaptation and help limit climate-related loss and damage.⁴ Rebuilding and restoring "blue nature" means protecting the critical impact buffers and biodiversity reservoirs that provide food, social and economic security to billions of people and to businesses around the world, especially climate vulnerable coastal populations – including women and girls – and small and medium-sized enterprises (SMEs).

ORRAA's Coastal Risk Index (CRI) estimates that USD\$363 billion worth of coastal assets could be at risk of flooding without the protective benefits of mangroves and coral reefs, and 14.2 million more people would be flooded annually, illustrating the value of blue nature on our doorstep. Conversely, embracing the Ocean's potential could mitigate over USD\$5 trillion in economic losses to businesses while generating jobs, sustaining biodiversity, and protecting the livelihoods of more than three billion people.

Yet the share of climate finance allocated to ocean-based solutions has been insufficient, limiting the potential to fully leverage these solutions.⁵ Less than one per cent of global climate finance reaches this sector, and even less flows to those most vulnerable. ORRAA aims to increase the amount and efficacy of financing flowing towards locally led climate adaptation solutions which currently remain scarce, fragmented, and risk averse.⁶

¹ https://brill.com/view/journals/ocvo/38/1/article-p323_12.xml

² Transformative Ocean Investment Opportunities

³ https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/03/the-ocean-economy-to-2050_e3f6a132/a9096fb1-en.pdf

⁴ [Unpacking Ocean Finance For Climate Action](#)

⁵ [Unpacking Ocean Finance For Climate Action](#)

Key opportunities

As Parties look towards COP31, the ocean–climate agenda has reached a critical juncture. While clear policy signals, robust regulatory frameworks and strategic public investment are essential to de-risk ocean-based opportunities, mobilising private sector engagement at scale remains a persistent challenge. Private capital will be indispensable to delivering the scale of finance required to advance ocean-related mitigation, adaptation and resilience outcomes, complementing public and grant-based resources.

The persistent challenges preventing greater capital flow into a regenerative and sustainable blue economy include:⁷

1. The perceived **lack of investable project pipelines**: Private sector actors often struggle to see viable financing opportunities in coastal and ocean Nature-based Solutions (NBS).
2. A **lack of knowledge and clarity** around what constitutes the regenerative and sustainable ocean economy, and how it intersects with core financial risk and return considerations.

Addressing this gap will require targeted financial mechanisms that can translate policy ambition into investable opportunities and support implementation across ocean-based sectors. ORRAA, together with the World Economic Forum, Builders Vision and Katapult Ocean, has produced [*Making Waves in the Regenerative & Sustainable Ocean Economy: Transformative Ocean Investment Opportunities*](#) to help demonstrate the business and financial case for ocean-positive investment. These real-world examples are intended to inspire confidence among capital providers, demonstrating that they are viable and essential to drive long-term resilience and economic prosperity, particularly in emerging and developing economies.

The report showcases both blue finance vehicles and investment platforms designed to aggregate capital and deploy it efficiently into high-impact ocean-positive solutions and highlights projects, initiatives and SMEs that have already demonstrated financial viability and delivered meaningful nature and economic outcomes. The report makes the case that the ocean economy is not a distant and niche market; it is a rapidly growing, high-impact sector where financial returns align with tangible nature-positive outcomes with the potential to drive vital global change.

ORRAA's approach

In this context, ORRAA and its members are well positioned to support delivery. Linking the beachfront to the boardroom, ORRAA works to connect local, ocean-dependent communities with global capital markets.

ORRAA's experience demonstrates that the private sector is ready to engage in ocean and coastal resilience, but capital does not flow at scale without targeted interventions that reduce risk, aggregate opportunities, and translate local solutions into investable propositions. The challenge is not a lack of capital, but rather a lack of market-ready pathways that connect frontline action to finance and insurance decision-making.

⁷ Transformative Ocean Investment Opportunities

Building capacity for scalable product pipeline

ORRAA's Product Pipeline incubates, innovates, and accelerates the development of finance and insurance products that invest in coastal and ocean natural capital in the Global South, with grants up to USD\$500,000. These are locally-led, replicable and scalable to deliver systematic change – seeding the development of investment grade projects that can be applied across different sectors and regions.⁸ These products include the development of micro, parametric and indemnity-based insurance tools; blue carbon, biodiversity, and resilience credits; outcome-based financial instruments; funds; and tech applications that open the way to low interest loans and savings account. Some of the products and projects ORRAA supported include:

- **Scaling coral reef insurance in the Caribbean:** ORRAA supported the Mesoamerican Reef Fund (MAR Fund) to develop insurance policies for coral reefs, a parametric insurance product in the Mesoamerican reef region which is triggered by the wind-speed of a hurricane. After proving the model works in the Mesoamerican Reef region, where this insurance solution now protects eleven reef sites in four countries,⁹ ORRAA is now expanding this model to four new sites in the Caribbean through the Caribbean Biodiversity Fund.
- **Establishing a voluntary carbon market in Tanzania:** ORRAA is working with Tanzania NGO Action for Ocean (AFO) to develop one of the country's first community-driven Voluntary Carbon Markets. This innovation project began with mentoring and visibility through ORRAA's Ocean Resilience Innovation Challenge (ORIC) to help AFO refine its business model and attract further investment from the UK's Blue Planet Fund and the Government of Canada, unlocking the potential to scale this approach and expand its impact across region. AFO is now working to verify its estimates and establish a voluntary carbon market project, and expanding the initiative to two more mangrove forests in North Tanzania by 2030.¹⁰
- **Powering sustainable fishing through community-led technology:** ORRAA is working with ABALOBI to develop its tech platform that enables fishers to track income, access savings opportunities, and build financial resilience by diverting a portion of their earnings into savings for essentials during lean seasons. ABALOBI also launched a life insurance product linked to a responsible fisheries programme. This innovative project began with monitoring, training and financial support from ORRAA's ORIC. ABALOBI is now working with ORRAA to expand its financial services, including tailored insurance products, while scaling its model across Africa and globally.¹¹

ORRAA's Product Pipeline identifies, accelerates and scales innovative finance and insurance products that incentivise investment into coastal and ocean resilience and through Nature-based Solutions in the Global South. Dedicated grant-based incubation and acceleration is critical to converting these locally led ideas into bankable projects that can absorb private finance. ORRAA's full list of product pipeline can be found [here](#).

⁸ ORRAA 5 year progress report

⁹ <https://oceanriskalliance.org/project/scaling-coral-reef-insurance-in-the-caribbean/>

¹⁰ <https://oceanriskalliance.org/project/establishing-a-voluntary-carbon-market-in-tanzania/>

¹¹ <https://oceanriskalliance.org/project/powering-sustainable-fishing-through-community-led-technology/>

Developing innovative financial instruments

The [SCIFF](#) complements ORRAA's work to grow an investable product pipeline from the ground-up, by developing investment vehicles to finance a regenerative and sustainable blue economy that bridge the space between grant funding and investment finance. Through the SCIFF, ORRAA has developed six financial instruments, working together to deliver the cornerstone elements of a capital market for the ocean which is regenerative and sustainable. Each SCIFF instrument and platform is carefully designed to support replication and scale and to deliver high-quality investment for coastal and ocean ecosystems and communities across the capital stack (i.e. philanthropic funding, bilateral and multilateral aid, and concessional private sector capital). Some of these instruments are:

- **[Nautilus, the Blue Guarantee Company](#)**: The first guarantee facility designed to de-risk investments focused on the regenerative and sustainable blue economy. Guarantees are the most critical instrument to get right: they de-risk capital flows and unlock investor confidence. While guarantees are proven in climate finance, it is largely missing in the regenerative and sustainable blue economy. Nautilus fills this structural gap by offering investment-grade guarantees in both local and hard currency and supporting innovative blended finance structures to unlock larger volumes of capital from private and institutional investors that would typically be possible via direct investment models.
- **[Outrigger Impact](#)**: The first-of-its-kind impact investment fund deploying catalytic investment into SMEs in the regenerative and sustainable blue economy in SIDS. The fund aims to generate returns through originating, structuring, and providing finance via targeted project lending and equity investments into sustainable and impactful business models. The fund is supported by a technical assistance facility that provides investment readiness and early-stage grant funding to island projects that have the potential over time to graduate to an investment from the fund. SIDS are recognised as being particularly at risk from climate change despite being responsible for less than one percent of global greenhouse gas emissions. SIDS steward over 30 per cent of our Ocean through their Exclusive Economic Zones meaning their blue economies and marine assets are filled with potential.¹²
- **[The Blue Bond Accelerator \(BBA\)](#)**: The BBA aims to build a high-quality blue bond market that will future-proof economies and societies by incorporating the Ocean into balance sheets. As a market builder, a technical advisor and a convener,¹³ the BBA aims to support governments and partners in the Global South to structure high-quality blue bond transactions linked to both international best practice and local priorities, such as those enumerated in NAPs, NDCs, and National Biodiversity Strategies and Action Plans (NBSAPs). In partnership with the Commonwealth, ORRAA and the BBA have supported the development of [The Commonwealth Guide to Blue Bond Issuance](#) to help governments assess, design and implement credible sovereign blue bond programmes, and to support informed, practical decisions that balance sustainability goals with fiscal realities.

A key lesson from ORRAA's experience is that addressing the “missing middle” between grants and investment is essential for building a regenerative and sustainable blue economy. Ocean-based activities that deliver long-term ecosystem health, coastal resilience, and community livelihoods often generate high social and environmental value but lower or delayed financial returns, making them poorly suited to either pure grant finance or commercial investment. Blended

¹² Transformative Ocean Investment Opportunities

¹³ Transformative Ocean Investment Opportunities



finance instruments - such as guarantees, structured vehicles, and bond platforms – play a catalytic role in overcoming this misalignment, by de-risking early and emerging ocean sectors, crowding in private capital, building investor confidence, and creating scalable models that establish the market infrastructure needed for a regenerative and sustainable blue economy.

International cooperation of financial actors for scale and impact

Through the [#BackBlue Ocean Finance Commitment](#), we intend to focus on systemic change at the boardroom-level, mobilising institutional investors, asset managers and development banks to invest across the capital stack toward a regenerative and sustainable blue economy. The current cumulative value of the Assets Under Management by endorsers of #BackBlue sits at USD\$3.45 trillion. AXA, Deutsche Bank, Standard Chartered, BNP Paribas, Eurazeo, Mirova, WTW and Palladium have all joined in the past few years. #BackBlue bridges global guidance from UNEP FI's Sustainable Blue Economy Finance Initiative (SBE FI) and the Ocean Investment Protocol to real-economy investments supporting NAPs, NDCs, NBSAPs. The commitment provides a practical mechanism to mobilise and align diverse finance actors – including asset owners, asset managers, banks and insurers – behind high-integrity, inclusive ocean and water-related climate action, with particular emphasis on SIDS and coastal developing countries where vulnerability is highest and capital is most scarce.

ORRAA's experience through #BackBlue underscores the importance of integrating ocean and coastal resilience into mainstream climate and biodiversity finance frameworks, rather than treating ocean finance as a standalone niche. When ocean considerations are embedded within broader climate adaptation, nature, and resilience strategies – e.g. through institutional commitments and disclosures – financial institutions are better able to align capital flows, reduce fragmentation across the system, and deploy public and private finance more efficiently and at scale.