



Submission by Ocean Conservancy

In response to the Standing Committee on Finance Call for Inputs
2026 SCF Forum on Financing Climate Action in Water Systems
and the Ocean

Introduction and Context

Ocean Conservancy welcomes the opportunity to provide input to the Standing Committee on Finance (SCF) in preparation for its 2026 Forum on Financing Climate Action in Water Systems and the Ocean. The submission reflects outcomes and political signals emerging from COP30 in Belém, including strong calls to scale ocean-based mitigation, adaptation, and resilience finance, and to strengthen coherence between the UNFCCC Financial Mechanism and ocean-climate priorities. In addition to advancing the Glasgow Climate Pact decision to integrate and strengthen ocean-based action within the UNFCCC's existing mandates, workplans and reporting (Decision 1/CP.26).

The ocean is a foundational component of the climate system, absorbing over 90 per cent of excess heat and approximately one quarter of anthropogenic carbon dioxide emissions. It underpins food security, livelihoods, trade, and climate resilience for billions of people—particularly in Small Island Developing States (SIDS), Least Developed Countries (LDCs), and coastal developing countries. Ocean-based solutions can deliver significant mitigation, adaptation, and resilience benefits, while also supporting biodiversity and sustainable development.

Despite this central role, ocean-climate action remains structurally underfinanced. Estimates that less than 2 per cent of climate finance supports ocean-based solutions reflect not only underinvestment, but a structural failure of the climate finance architecture to prioritise, track, and scale ocean climate action, underscoring the need for more coherent financing modalities. This confusion obscures the true scale of underinvestment, making it nearly impossible for coastal nations and Small Island Developing States (SIDS) to access finance quickly and at scale. This persistent imbalance constrains countries' ability to implement ocean-related priorities reflected in Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and long-term strategies.

The 2026 SCF Forum provides a timely opportunity to examine how the UNFCCC financial architecture can better support climate action in water systems and the ocean, building on recent political momentum and growing recognition of the ocean-climate nexus.

Relevance to Indicative Sub-Themes

This submission responds directly to the indicative sub-themes identified by the SCF, including:

- Key enablers and opportunities for financing climate mitigation, adaptation, and resilience for ocean climate solutions;
- The role of different finance actors in enhancing scale and impact;

- Strategies for integrating ocean-related financing into national policies, NDCs, NAPs, and investment plans;
- Simplifying access to finance and strengthening country-driven approaches;
- Innovative financial instruments and inclusive financing modalities.

In addition, and as this submission elaborates in the priorities outline – and reflecting upon the SCF’s focus and priorities – we also recommend the following sub-themes for the Forum:

- Improving the Tracking and Monitoring, Reporting and Verification of Ocean-Climate Finance
- Exploring modalities to enhance and scale ocean-climate finance within the UNFCCC’s Financial Mechanism (in particular focusing on the role and opportunities under the AF, GCF, GEF and new FRLD).

Key Observations and Evidence

The challenge is financial design, not lack of ambition

Ocean-climate solutions are increasingly reflected in national climate plans and are technically proven¹. However, they face persistent barriers, including fragmented funding pathways, limited visibility within the climate finance architecture and systems, high transaction costs, and perceived risk—particularly for capital-intensive investments and nature-based solutions in developing country contexts.²

The estimates of what is needed to support a sustainable ocean economy range widely, from \$383 billion to \$717 billion per year³, according to analyses by the High-Level Panel for a Sustainable Ocean Economy and the OECD⁴. By contrast, current public and private finance flows directed toward ocean-related climate action remain challenging to track and poorly understood, but where indications suggest current flows address only a fraction of these estimated needs, with indicative estimates suggesting that only a small share of total climate finance can be clearly identified as directly supporting ocean-based outcomes.

¹ World Resources Institute (2025). [The State of Ocean-Based Climate Action in 2025 Nationally Determined Contributions: A Preliminary Update](#). Working Paper. Washington, DC.

² UNFCCC Standing Committee on Finance (SCF). Biennial Assessment and Overview of Climate Finance Flows (2022; 2023 update). IPCC. Sixth Assessment Report, Working Group III: Mitigation of Climate Change (2022).

³ [High Level Panel for a Sustainable Ocean Economy \(2025\)](#). Ocean Finance for the Sustainable Ocean Economy. Working Paper. World Resources Institute, Washington, DC.

⁴ OECD (2025), [Promoting Sustainable Ocean Economies: Guidance for Development Co-operation, Best Practices in Development Co-operation](#), OECD Publishing, Paris.

Within this limited financing landscape, coastal adaptation and ecosystem-based approaches, including mangroves, reefs, wetlands, and shoreline protection, remain heavily dependent on grants and small-scale public finance, with limited access to concessional lending or blended finance structures.

At the same time, ocean-based mitigation opportunities—particularly offshore wind—face high upfront capital costs, long development timelines, and elevated policy and regulatory risk, especially in emerging and developing economies. While offshore wind is expanding rapidly globally outside of China, Vietnam remains the only developing country with projects in operation, and no Green Climate Fund investments or grants have yet supported offshore wind⁵. Without access to targeted concessional capital, guarantees, or other risk-mitigation instruments, these projects continue to struggle to reach financial close despite strong long-term climate and development benefits.⁶

Together, these factors point to a systemic mismatch between the scale and importance of ocean-climate solutions and the way climate finance is currently structured, deployed, and tracked across flows and results. Addressing this mismatch requires not only increased volumes of finance but also more coherent and intentional financing modalities capable of supporting ocean-based mitigation and adaptation at scale.

Better use of existing institutions is an emerging consensus

The integration of ocean-climate action into the UNFCCC process has accelerated since the Glasgow Climate Pact (COP-26). COP-26 called for strengthened integration of ocean considerations across the UNFCCC's Constituted Bodies and Work Programmes (Decision 1/CP.26).

COP30 discussions, including the Ocean and Climate Change Dialogue at SBSTA64, ministerial roundtables, and thematic events on ocean and biodiversity, highlighted a growing convergence among Parties that existing financial institutions and instruments must be better configured to address ocean-climate needs, rather than creating new or parallel structures. This perspective reflects both political and practical considerations, including the time required to operationalize new institutions, the risks of further fragmentation, and persistent challenges related to access, predictability, and scale.

Discussions at Ocean and Climate Change Dialogue have highlighted the importance of making more strategic and coherent use of the operating entities of the Financial Mechanism by strengthening the prioritization on the ocean and coastal zones through a thematic focus, improving coordination across funds, and enhancing the visibility and

⁵ Bloomfield, Z., Selvaratnam, S. [Catalyzing Offshore Wind in Developing Nations: The Role of Concessional Finance](#). Ocean Conservancy, Washington, D.C., 2024

⁶ World Bank Group. 2023. [The Role of Concessional Climate Finance in Accelerating the Deployment of Offshore Wind in Emerging Markets](#). ESMAP, World Bank, Washington, DC

traceability of climate finance relevant to ocean-based action. In this context, the potential value of ‘Blue Finance Window(s)’ has emerged, for consideration in enhancing and scaling-up ocean finance within existing institutions as a means to address persistent financing gaps for ocean-based mitigation and adaptation while remaining within established governance frameworks.

Precedents⁷ such as results-based payment approaches, simplified access modalities, and targeted pilot programmes demonstrate how COP guidance to operating entities has previously enabled the targeting of existing funding streams or ‘windows’ creation of without establishing new institutions as is being proposed with the concept of a Blue Finance Window. These experiences suggest that a ‘Blue Finance Window’ designed as a thematic or sector-focused programming approach within existing operating entities could lower transaction costs, accelerate implementation, and enable more effective use of concessional finance, particularly for capital-intensive or system-level ocean-based interventions that require coordinated, programmatic support.

Priority Issues for Consideration by the SCF Forum

1. Improving visibility, coherence, and tracking of ocean-climate finance

The Forum could examine challenges and opportunities to enhance how ocean-related climate finance is identified, categorized, and reported within global climate finance flows and in the MRV of support provided from developed to developing countries. Improved visibility and coherence in tracking ocean-climate finance would enhance transparency and understanding of flows, financing gaps, and enable greater targeting of needs and in turn can inform future guidance.

In this regard, the Forum could consider the value and possibilities of systematic tagging and reporting of ocean-relevant finance, with a view to: informing SBSTA’s review by end-2028 of the Modalities, Procedures and Guidelines (MPGs) under the Enhanced Transparency Framework (ETF); understanding existing tracking systems and encouraging climate finance data providers and aggregators to consider enhanced ocean finance tracking, and ultimately enabling the Standing Committee on Finance to reflect such flows in its future Biennial Assessment and Overview of Climate Finance Flows. Improved reporting would help address current limitations in understanding the scale, distribution, and effectiveness of finance supporting coastal and ocean-based solutions for mitigation, adaptation and resilience.

⁷ Precedents such as results-based payment approaches (e.g., GCF’s REDD+ results-based payments pilot), enhanced direct access and other targeted pilot programmes at existing funds, and the Adaptation Fund’s simplified access modalities demonstrate how COP guidance and governing board decisions have enabled targeting of existing funding streams or creation of windows within established institutions, rather than requiring entirely new entities.

2. Exploring targeted modalities to scale ocean-climate finance within the UNFCCC's Financial Mechanism

The UNFCCC's Financial Mechanism and its operating entities, the Global Environment Facility (GEF) (including the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF)), the Green Climate Fund (GCF), Adaptation Fund (AF) and The Fund for Responding to Loss and Damage (FRLD), play a critical role in mobilizing resources for climate action. Recognizing the SCF's key role in improving the coherence and coordination of climate finance, and in providing guidance to the operating entities, we recommend the SCF's Forum focus in particular on how the GEF, GCF, AF and FRLD currently support coastal and ocean-based action, and to discuss future opportunities.

Experience with thematic and sectoral approaches demonstrates that dedicated modalities within existing institutions can accelerate pipelines⁸, reduce risk, and mobilize private capital⁹. In this context, the Forum could explore the potential role of a *Blue Finance Window* within existing UNFCCC financial mechanisms and how it could be designed as a practical way to channel concessional finance, technical assistance, and blended instruments toward ocean-based climate action, particularly in vulnerable countries.

Such an approach would not entail the creation of a new fund, but would instead emphasize the strategic use of existing institutional mandates and instruments. In this regard, the Forum may wish to note and reflect on a range of possible approaches through which the operating entities, under the guidance of the COP, could further consider how ocean-based climate action is supported within the UNFCCC financial architecture.

These considerations could include, inter alia:

- Possible options for the Green Climate Fund, including reflections on whether the concept of a “Blue Finance Window” could serve as a useful analytical framing for adapting existing GCF modalities, on a pilot or exploratory basis, to provide more targeted or programmatic support for ocean-based climate action. Such reflections could take into account allocation parameters, eligibility considerations, and the potential relevance of ocean-specific monitoring, reporting, and verification (MRV) elements aligned with the Integrated Results Management Framework (IRMF), as well as the applicability of risk-transfer, de-risking, and blended-finance instruments. Consideration may also be given to access challenges faced by small island developing States (SIDS), least developed countries (LDCs), and African States, while recognizing that any operational decisions would remain within the mandate of the GCF Board;

⁸ GCF Independent Evaluation Unit (2021). Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality.

⁹ OECD (2023). [Scaling Up the Mobilisation of Private Finance for Climate Action in Developing Countries](#)

- Possible options for the Global Environment Facility to further strengthen coherence and visibility of support for ocean-based mitigation and adaptation within relevant focal areas, including through more integrated or programmatic approaches for activities with transboundary benefits, and to consider how information on access, disbursements, and results might be reflected within existing reporting frameworks. In addition, this could explore synergies with biodiversity finance and the Global Biodiversity Framework Fund.

The Forum could also reflect on how such complementary and exploratory approaches across operating entities may contribute to improved coherence within the UNFCCC financial architecture, enhanced country access to finance, and the programmatic scaling of ocean-based climate solutions, without prejudging the specific modalities or governance decisions of those entities.

3. Strengthening country-driven, inclusive, and direct access approaches

We encourage the forum to consider the importance of country-driven approaches to climate finance that align with national priorities and enable effective implementation of ocean-based mitigation and adaptation actions. In this context, mechanisms that seek to simplify access to finance, strengthen the role of direct access entities, and support locally led ocean-climate initiatives can play an important role in addressing persistent access challenges, particularly for vulnerable coastal and island countries.

We further encourage the Forum to highlight the value of inclusive financing approaches that engage Indigenous Peoples, local communities, women, youth, and small-scale ocean-dependent actors. Experience across ocean and coastal contexts suggests that inclusive and participatory approaches contribute to more durable, equitable, and context-appropriate outcomes, and can strengthen the social and environmental integrity of ocean-climate investments.

4. Clarifying the complementary roles of finance actors

The Forum could examine how different actors contribute to effective ocean-climate finance:

- Multilateral climate funds and development banks providing scale and concessional capital;
- Philanthropy absorbing early-stage and first-loss risk;
- Private investors mobilizing capital at scale when risks are appropriately managed;
- Civil society and community actors ensuring local relevance, inclusion, and long-term impact.

Illustrative Areas for Case Studies

The SCF Forum may wish to consider case studies across a range of ocean-climate interventions, including:

- **Ocean-Based Adaptation and Mitigation through Nationally Determined Contributions**
Ocean-based mitigation and adaptation remain underrepresented in NDCs, despite their importance for coastal resilience, livelihoods, and decarbonization—particularly for SIDS and LDCs. A relevant case study could draw on the Blue NDC Challenge¹⁰, a multi-partner initiative launched by Brazil and France at the 2025 UN Ocean Conference to support countries in integrating ocean-based climate action into their NDCs, and its evolution into the Blue NDC Task Force¹¹ at COP30 to translate ambition into implementable action by mobilizing political leadership, technical expertise, and investment. Together, these initiatives help identify finance-ready demand for ocean-climate action within NDCs, while also exposing persistent barriers to implementation at scale. A Blue Finance Window could help bridge this gap by providing a dedicated entry point within existing institutions, improving project visibility, and reducing transaction costs through programmatic approaches that link country-led NDC priorities with appropriate financial instruments and delivery partners.
- **Offshore Renewable Energy in Coastal and Emerging Economies**
Offshore renewable energy offers significant mitigation potential but remains constrained in emerging and developing economies by high capital intensity, elevated risk perceptions, and limited access to affordable finance. An illustrative case study could draw on Ocean Conservancy’s work on unlocking concessional and blended finance for offshore wind¹², which identifies targeted concessional capital, guarantees, early-stage technical assistance, and policy coherence as key enabling conditions for project bankability. Drawing on Ocean Conservancy’s leadership within the Offshore Renewable Energy Breakthrough under the UNFCCC Marrakech Partnership, this case could help the SCF Forum distil lessons to inform guidance for operating entities, including how existing funds can deploy targeted concessional instruments to support pipeline development, scaling, and replication of offshore renewable energy projects.

¹⁰ https://unfccc.int/sites/default/files/resource/The_Blue_NDC_Challenge.pdf

¹¹ <https://cop30.br/en/news-about-cop30/brazil-and-france-announce-ocean-task-force-as-new-countries-join-global-ocean-effort>

¹² Bloomfield, Z., Selvaratnam, S. [Catalyzing Offshore Wind in Developing Nations: The Role of Concessional Finance](#). Ocean Conservancy, Washington, D.C., 2024

Conclusion

The 2026 SCF Forum presents a timely opportunity to advance a more practical and solutions-oriented dialogue on how the UNFCCC financial architecture can better support climate action in water systems and the ocean. As this submission has sought to illustrate, the challenge is not a lack of ambition or technical feasibility, but rather the need for financing approaches that are more coherent, accessible, and responsive to the specific characteristics of ocean-based climate action.

Ocean Conservancy welcomes the SCF's role in convening diverse perspectives and distilling lessons that can inform future guidance to the operating entities and to the COP. An evidence-based exploration of options to enhance and scale up ocean-climate finance, such as the potential role of a Blue Finance Window(s) within the UNFCCC's existing Financial mechanism, can support a more coherent and scalable approach to financing ocean-based mitigation, adaptation, and resilience, while remaining firmly within established governance frameworks.

Ocean Conservancy stands ready to support the SCF and participating stakeholders in further advancing this dialogue and contributing analytical insights that strengthen the credibility, effectiveness, and equity of climate finance for the ocean and water systems.

About Ocean Conservancy

Ocean Conservancy is a registered UNFCCC observer organization with over 50 years of experience advancing evidence-based ocean conservation. We act as the Secretariat for the Friends of the Ocean and Climate (FOOC), an informal and inclusive group of Parties focused on advancing ocean-climate action within the UNFCCC and across international fora. Since 2023, FOOC has engaged 40 Member States, including the European Union and key developed and developing countries. Ocean Conservancy is also a co-lead of the Offshore Renewable Energy Breakthrough under the UNFCCC Marrakech Partnership.