ORRAA Submission: Ocean and Climate Change Dialogue 2026

The Ocean Risk and Resilience Action Alliance (ORRAA) welcomed the opportunity to attend and participate in the Ocean and Climate Change Dialogue, held in Bonn in 10-11 June during SB64. We appreciated the open and constructive exchange among Parties and observers, and the opportunity to contribute perspectives from our Alliance's work to scale capital for ocean and coastal resilience.

This submission focuses on selected discussion questions that are core to ORRAA's work: 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. We offer the following reflections to support the Dialogue's outcomes and to help inform continued work towards stronger ocean-based climate action. Additionally, the annex provides case studies and examples of ocean-based solutions that are scalable and replicable.

About ORRAA

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 academia to pioneer finance and insurance products that incentivise investment into coastal and ocean resilience, and a regenerating ocean through Nature-based Solutions.

The mission, by 2030, is to activate at least $500 million of investment through finance and insurance products 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.

Submission

What specific implementation opportunities and barriers exist in translating NDC commitments into on-the-ground action across the identified ocean-based priority areas (protecting and restoring marine ecosystems, sustainable food production, ocean-based renewables and transitioning away from fossil fuels, sustainable tourism, coastal resilience and tackling emissions from marine transport)? How can Parties address other challenges such as in relation to Loss and Damage?

Translating ocean-related NDC commitments into on-the-ground action requires moving from local proof-of-concepts to scalable and replicable investment pathways. The opportunity is not simply to mobilise more ocean finance, but to ensure that finance is structured and deployed in ways that can replicate and scale solutions already proving their value on the ground. Across the identified priority areas, many locally led solutions are already emerging across the Global South, including community-

driven conservation and adaptation, reef and mangrove restoration, sustainable fisheries, and blue finance innovations. These initiatives are proving what works on the ground. Yet too many remain trapped at the pilot scale due to gaps and fragmentation in the ocean finance landscape, weak or misaligned policy, mandates and incentives, access and capacity challenges, and underdeveloped metrics and data for ocean finance investments.

ORRAA's experience shows that replicating and scaling efforts to build ocean and coastal resilience through finance and insurance products depends on a systemic approach. It must work from the ground up, and from the top down. It also requires enabling policies and catalytic capital that shorten the distance between locally led solutions and the forms of finance needed to replicate and scale them, including return-seeking investment where viable. The challenge is not a lack of capital, but of equitable access and fit-for-purpose financing pathways connecting local solutions to opportunities for replication and scale. This is relevant across protecting and restoring marine ecosystems, sustainable food production, ocean-based renewables, resilient tourism, coastal resilience, and efforts to reduce emissions from marine transport.

For developing countries, especially SIDS and coastal LDCs, the barriers are more acute. Finance often arrives late, access can be complex and costly, and small transaction sizes and limited capacity make it hard to build and aggregate investable pipelines. Adaptation, resilience, and Loss and Damage remain particularly underfunded, even though these investments are critical to protect assets, reduce losses, and maintain long-term economic value. Parties should therefore take a grant-first, debt-sensitive, and shock-responsive approach for adaptation and Loss and Damage. This means prioritising grants for outcomes that do not generate financial returns, offering concessional terms where loans are used, building in payment flexibility after climate shocks, and applying insurance, pooled risk mechanisms, and resilience-linked finance deals to reduce fiscal exposure.

More broadly, Parties should integrate ocean and coastal resilience into national planning frameworks, align finance with government-identified priorities, and treat ocean ecosystems as productive and protective assets that reduce risk, protect livelihoods, and support sustainable growth. Development finance institutions and donors should invest in project preparation, technical assistance, and catalytic capital to help translate NDC commitments into concrete, finance-ready projects. Private investors, banks, and insurers should engage early in the investment lifecycle and develop risk transfer and insurance solutions that improve resilience and bankability. Intermediaries should bridge local innovation and global capital, support aggregation, and strengthen the shared infrastructure needed to move from pilot projects to replication and scale.

What enabling conditions - regulatory, technical, institutional, and financial - are still needed to accelerate implementation and scaling of ocean-based climate action in the NDCs?

The enabling conditions required are clear. First, Parties need strong policy signals and regulatory frameworks that unlock investment. Short-term, weak, or inconsistent policy and regulatory frameworks undermine investor confidence and raise the cost of capital. Clear, integrated, and long-term policy signals, such as integrating ocean and coastal resilience into development plans, NDCs, NAPs, fiscal frameworks, and blue economy strategies, are essential to provide the policy clarity

needed to shape pipeline development. Parties should also strengthen marine spatial planning, fiscal incentives, and regulatory clarity that reduce uncertainty and transaction costs and improve risk-return profiles.

Second, Parties need stronger institutional, technical, and market infrastructure. In many coastal contexts, particularly SIDS, limited institutional, technical, and financial capacity hinder bankability and pipeline development. Development partners should focus on targeted investment in project preparation, financial structuring, governance, data systems, and long-term technical assistance is therefore essential. Technology, data, institutional systems, and local capacity should be treated as essential financing infrastructure that enables countries to build investable pipelines, implement effectively, and manage finance sustainably over time. Donors and financiers should work through local and regional systems, including local banks, funds, community organisations, and regional platforms, so that implementation is aligned with local priorities and strengthens locally owned delivery systems.

Third, Parties need fit-for-purpose financial conditions. A persistent financing gap exists for projects that outgrow grant funding but remain too small or risky for commercial investment. Addressing this "missing middle" requires catalytic finance, de-risking mechanisms, aggregation strategies, and enabling policy frameworks that reduce uncertainty, improve the risk-return profile, and enable investors to commit for the long term. Donors, financial institutions, and other financiers should simplify access by reducing transaction and compliance costs and harmonising reporting and monitoring requirements. Finance actors should also deploy grants, concessional finance, guarantees, first-loss capital, insurance, and blended finance strategically within structures that reduce risk, crowd in additional capital, and support the development of bankable projects.

What good practices or early-mover experience can Parties and observers share that others could replicate or adapt, and how can the Dialogue support the development of NDCs guidance to accelerate implementation of the ocean-related commitments? How can the Global Climate Action agenda, the Blue NDC Challenge, NDC Partnership, and the Global Implementation Accelerator be leveraged?

There is already a strong body of early-mover experience that others can replicate and adapt – a few examples are included in the annex. ORRAA's experience across finance, insurance, and policy projects shows that local ownership is essential, and that flexible and risk-tolerant capital can unlock innovation. It also highlights persistent bottlenecks, including the "missing middle" between grant and commercial investment, limited market infrastructure, and the need for aggregation to achieve scale. Just as importantly, proof of concept must evolve into replication, supported by de-risking mechanisms, insurance, strong policy signals, integration of ocean commitments into national planning frameworks, and long-term finance. These are not abstract lessons. They point to practical actions Parties can take to move from isolated pilot projects to scalable, investable opportunities. Detailed lessons learned based on ORRAA's practical experience over the last five years can be found here.

The Dialogue can support the development of NDC guidance by translating these lessons into concrete implementation guidance. Guidance should also encourage Parties to engage early with the

finance and insurance sectors so that public priorities are matched with financing structures best suited to deliver them.

The Global Climate Action agenda, the Blue NDC Challenge, the NDC Partnership, and the Global Implementation Accelerator should be leveraged to help operationalise ambition. Concretely, they can help countries build investable pipelines, improve coordination among donors and financiers, support peer learning on what has worked in practice, and connect locally led solutions to the forms of finance needed to replicate and scale them. Their value will be greatest if they reinforce sovereign, country- and community-led finance, reduce duplication and fragmentation, and help shift from experimental pilots to the replication and scaling of proven models aligned with national priorities.

To what extent is existing climate finance accessible and fit-for-purpose for ocean-based action, particularly for developing countries, SIDS, and LDCs? What are the key financing instruments and sources available to support the implementation of ocean-based action in the NDCs and NAPs?

Existing climate finance is not yet accessible or fit-for-purpose for ocean-based action, particularly for SIDS and LDCs. For SIDS, complex application and approval processes, high transaction costs, small project sizes, and limited institutional capacity combine to make the global finance system disproportionately costly and difficult to navigate. Eligibility criteria for concessional finance also remain too heavily anchored to income per capita rather than climate vulnerability, debt distress, or the structural constraints of small island economies.

The key financing instruments are available, but they need to be deployed more strategically and on fit-for-purpose terms. These include grants for adaptation, resilience, and Loss and Damage; concessional finance with longer maturities and grace periods to reduce debt burden; guarantees, first-loss capital, and blended finance to crowd in investment; insurance and pooled risk mechanisms to reduce exposure to shocks; debt swaps, refinancing, and resilience-linked finance to free fiscal space; technical assistance and project preparation facilities to support investment-readiness; and structures such as blue bonds, conservation trust funds, and resilience-linked finance designed for smaller deal sizes and long-term investment. Public finance, philanthropy, and private investors all have different mandates and risk parameters, so effective implementation depends on matching projects with the right type of capital at the right stage rather than assuming a one-size-fits-all pathway.

The issue is therefore not simply how much finance is available, but whether it is structured in ways that can deliver ocean and coastal resilience in practice. For example, there are many emerging ocean sectors that need patient and catalytic capital. On the other hand, many urgent activities that are required to adapt to existential threats are fundamentally not viable for return-seeking capital and require ongoing grant and concessional support. Ocean finance will remain inaccessible until processes are simplified, transaction costs are reduced, risk is shared more fairly, and finance is delivered through structures suited to small, vulnerable, and climate-exposed economies.

Which guiding elements could be usefully integrated in the COP31 outcome for each of the three topics above so as to strengthen integration, finance and synergies on ocean-based action and to elevate their political importance? How can key meetings, dialogues and processes, including

pre-COP and the Global Climate Action Agenda, enable the uptake of the Dialogue's messages and outcomes at COP31?

The COP31 outcome should include several guiding elements across the three themes, with particular attention to the priorities of SIDS. SIDS are sovereign rights-holders and stewards of some of the world's most significant marine territories. Collectively, SIDS exercise sovereign jurisdiction over more than 30% of the global ocean under national jurisdiction, and their communities are custodians of coastal and marine ecosystems of extraordinary ecological, cultural, and economic value.

For **ocean-based priorities in NDCs**, the outcome should encourage Parties to integrate ocean and coastal resilience into national planning frameworks, including NDCs, NAPs, biodiversity strategies, development plans, fiscal frameworks, and investment strategies. For SIDS, this integration must be grounded in their role as sovereign ocean States, rights-holders, and stewards of significant marine territories, and should reflect priorities identified through national and local planning processes. The outcome should therefore encourage Parties and non-Parties to treat adaptation and resilience, including coastal protection, reef restoration, mangrove restoration, sustainable fisheries, and other ocean-based solutions, as core risk management investments that protect asset value in the long term and reduce future losses while supporting sustainable development. It should also recognise that stronger ocean-based NDC implementation depends on locally owned delivery systems and meaningful participation of coastal communities, women, youth, and Indigenous Peoples in the design and delivery of ocean-climate action so that economic and conservation benefits flow to the communities who are custodians of marine resources being financed.

For **means of implementation**, the outcome should recognise that replicating and scaling locally proven ocean-based solutions require a systemic approach that works from the ground up and the top down. For SIDS, it means finance that takes a sovereign, country- and community-led approach by placing decision-making authority with SIDS governments and ensures capital aligns with community priorities and is delivered through locally owned structures. COP31 should call on finance providers to make finance accessible to SIDS by simplifying processes, reducing structural barriers and transaction costs, harmonising reporting requirements, and aligning finance eligibility with vulnerability and resilience needs. It should also encourage grant-first, debt-sensitive, and shock-responsive finance alongside risk-sharing and de-risking approaches that unlock investment and mobilise capital without transferring undue risk to SIDS, such as guarantees, insurance, and blended finance. It should call for multi-year programmatic financing that provides predictable finance that builds institutional capacity and aligns with long-term stewardship. Finally, the outcome should improve coordination and alignment across financing systems so capital reaches SIDS efficiently, at lower cost and greater scale.

For **ocean-climate-biodiversity synergies and international cooperation**, the outcome should encourage stronger alignment across NDCs, NAPs, biodiversity strategies, and ocean-related commitments so that policy coherence, implementation, and investment signals improve together. It should also promote international cooperation that supports country-led implementation, reduces fragmentation, strengthens coordination among finance and implementation partners, and helps connect locally led solutions to the forms of finance, technical assistance, and market infrastructure needed for replication and scale.

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Together with our nearly **150 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 $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, with the World Economic Forum (WEF) ACT Ocean, as an Anchor Partner. 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.

ORRAA-Supported Insurance and Finance Solutions

- CI-Atabey Foundation is developing the Dominican Republic's first Blue Carbon Exchange mechanism to conserve and restore mangrove forests, aligning with government efforts to protect mangroves and bringing together key national and local stakeholders. By formalising a carbon credit system and pairing it with monitoring and community training, the initiative helps translate national priorities into a durable, investable framework that can extend beyond an initial funding cycle.

- West Africa Blue is implementing a blue carbon project in Guinea. ORRAA's early-stage grant support, followed by philanthropic capital from Builders Vision, enabled West Africa Blue's project to pilot its business model, generate initial data, and build the foundation for future validation and credit issuance, which would not have been possible under traditional return expectations. The project has completed pre-sales of carbon credits and is now preparing to launch its credit issuance in 2027.

- Action for Ocean (AFO) is developing one of Tanzania's first community-driven Voluntary Carbon Markets. This innovative project was mentored through ORRAA's Ocean Resilience Innovation Challenge (ORIC) helping AFO refine its business model and attract further investment from the UK's Blue Planet Fund and the Government of Canada, thus unlocking the potential to scale this approach and expand its impact across the region. With new funding from the UK's Blue Planet Fund, AFO will bring the country's first fully community-led mangrove blue carbon initiative to credit-ready stage.

- The Mesoamerican Reef Fund (MAR Fund) has worked to develop parametric insurance for coral reefs to counter the impacts of tropical cyclones that reach pre-agreed thresholds. Payouts are immediately distributed to support reef response actions. After proving the model works covering reef sites in four areas, it has since expanded to cover 10 sites across Mexico, Belize, Guatemala, and Honduras. It is in the process of further replication across other regions as well as ensuring lessons learned are shared across communities.
- ABALOBI developed a tech platform to enable fishers to track income, access savings opportunities, and build financial resilience by diverting a portion of their earnings into savings for essentials during loan seasons. ABALOBI has also launched a life insurance product linked to responsible fisheries programme. This innovative project began with mentoring, training, and financial support from ORRAA's ORIC. ABALOBI is now working to expand its financial services, including tailored insurance products, while scaling its model across Africa and globally.

- Coast 4C is linking community-led regenerative seaweed farming to the maintenance and regulation of Marine Protected Areas (MPAs) in the Philippines, reducing dependence on dwindling fisheries, strengthening coastal ecosystems, and improving the financial resilience of coastal communities. Coast 4C's partnership with ORRAA shows how a combination of grant and investment finance can catalyse growth and accelerate investment readiness, with grant funding enabling the development and testing of more complex, higher-impact models that

may not have been feasible through investment capital alone. Coast 4C has just secured $2.5 million in funding to scale its work in the Philippines.

- Rare's Small-Scale Fisheries (SSF) Impact Bond, launched in Indonesia's Southeast Sulawesi region with the UK's Blue Planet Fund via ORRAA becoming its first outcome funder. It is the world's first impact bond tailored to the needs of fishers and ocean ecosystems. Investors provide upfront capital to establish Managed Access with Reserves, community-managed marine areas that balance sustainable fishing with conservation, while outcome funders repay investors only once governance and ecological outcomes, such as stabilised fish populations, are achieved and independently verified. These efforts are intended to build a pathway from pilot toward a larger national, and eventually regional facility, capable of attracting government outcome funding and significant private investment. Having achieved and independently verified its first outcome in Southeast Sulawesi, Rare is scaling the impact bond to 15 additional sites across North Sulawesi, Maluku, and North Maluku with support from the UK's Blue Planet Fund. ORRAA is also exploring how this outcome-based finance approach can be applied to other underinvested components of the regenerative and sustainable blue economy.

- Rare, together with Willis, a WTW business, and the Government of the Philippines, also developed the world's first weather index-based parametric insurance product tailored to small-scale fishers, protecting them against income losses and incentivising them not to fish during storms, with premiums funded through the national budget. Rare, together with Global Parametrics and AB Entheos, and with further support from the UK's Blue Planet Fund is now working to replicate the product in Kenya.

- Fundación MarViva is working with coastal communities in Costa Rica, Panama, and Colombia to strengthen the financial resilience of small-scale fishers and incentivise sustainable fishing by improving access to microinsurance products, building on successful pilots to replicate and scale the model to other vulnerable coastal populations. With support from the UK's Blue Planet Fund, MarViva is replicating its microinsurance model in Colombia, deploying community-based insurance solutions for small-scale fishing communities.

- Save the Waves is developing a bespoke parametric insurance product and a surf ecosystem resilience trust fund in El Salvador to protect surf ecosystems and the tourism revenue they support. This innovative project received mentoring, training, and financial support from ORRAA's ORIC, backed by the Swiss Re Foundation and the UK's Blue Planet Fund, and has since attracted further funding from the Government of Canada. Save The Waves aims to protect 1,000 surf ecosystems by 2030, with the insurance model designed for replication across other surfing regions through the World Surfing Reserves Network.

Examples of ORRAA-Supported Financial Instruments and Mechanisms

- **The Outrigger Impact Fund** is the first-of-its-kind impact investment fund deploying catalytic investment into small and medium-sized enterprises (SMEs) in the regenerative and sustainable blue economy in SIDS. 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 per cent of global greenhouse gas emissions, and steward over 30 per cent of our Ocean through

their Exclusive Economic Zones, meaning their blue economies and marine assets are filled with potential. The Outrigger Impact Fund has agreed a repayable grant of USD$250,000 to INVERSA, which started as an ORIC project, illustrating the potential for such projects to move along the financing continuum when the right support is in place.

- **Blue Finance Facility** has similarly graduated from ORRAA's product pipeline to becoming a SCIFF instrument. Blue Alliance's Blended Finance Facility for Marine Protected Areas shows how layered capital can match risk and function: non-recoverable grants cover technical assistance and start-up costs; recoverable grants from impact-first donors provide repayable start-up capital that absorb risk first; and a senior impact loan facility, anchored by BNP Paribas, finances capital and operating expenditure with returns linked to environmental and social outcomes.

- **Nautilus, the Blue Guarantee Company** is 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. It is expected to have leverage ratio of 1:5 and at least 20 percent of guarantee capacity allocated to SIDS and coastal LDCs.

- **The Blue Bond Accelerator (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 convenor, 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. BBA launched the Commonwealth Blue Bond Readiness Programme in April 2026 to guide participating countries through a structured country-level Blue Bond Roadmap.

- **The Deep Blue Verified Impact Facility (Deep Blue):** Deep Blue, currently in development by ORRAA in partnership with Levoca and Rare, is exploring how outcome-based financing can be applied to ocean contexts, linking payments to independently verified results. The goal is to drive measurable improvements in marine ecosystem health and biodiversity, while shifting market behaviour towards performance-based investment and catalysing systemic change in ocean finance.

Learn More About ORRAA here.