



UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE  
Standing Committee on Finance

## Submission by the Paris Committee on Capacity-building (PCCB)

*Input to the 2026 Forum of the SCF on financing climate action in water systems and the ocean*

<b>Submitted by:</b>	Paris Committee on Capacity-building (PCCB)
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### I. Introduction and mandate

The Paris Committee on Capacity-building (PCCB) was established under decision 1/CP.21 (paragraph 71) to address gaps in and enhance the implementation of capacity-building in developing country Parties and to ensure coherence in capacity-building activities under the Convention and its Paris Agreement. The PCCB reports annually to the Conference of the Parties (COP) through the Subsidiary Body for Implementation (SBI).

The PCCB recognizes that developing countries consistently report in their NDCs,<sup>1</sup> NAPs and national communications<sup>2</sup> on their needs for capacity-building to access climate finance, particularly in navigating financial mechanisms, attracting private investment and improving financial planning, resource mobilization and utilization.

In response to the call for input for 2026 Forum of the Standing Committee on Finance on financing climate action in water systems and the ocean, the PCCB submits this input in accordance with its mandate and work programme. The submission draws primarily on the PCCB 2025-2026 focus area on *“Capacity-building for holistic investment strategies, bankable projects, and stakeholder engagement to strengthen the implementation of NDCs and NAPs in developing countries.”*

<sup>1</sup> FCCC/PA/CMA/2025/8, paragraph 202.

<sup>2</sup> FCCC/SBI/2026/5



## II. Proposed sub-theme: Capacity-building as an enabler of financing climate action in water systems and the ocean

The PCCB proposes that the co-facilitators consider the topic of capacity-building both as a cross-cutting theme and as a dedicated sub-theme under **D: Financing instruments** in the list of indicative sub-themes as contained in annex I of the report of the thirty-eighth meeting of the SCF.<sup>3</sup>

Capacity-building, as a foundational enabler for scaling climate finance in water systems and the ocean, is needed to ensure that financing instruments deliver impact where it matters most and reach the communities and ecosystems most in need.

Across developing countries, and particularly in least developed countries (LDCs), small island developing states (SIDS), and climate-vulnerable communities, the barriers to accessing and deploying climate finance for water and ocean action are frequently and fundamentally capacity barriers.

In the context of its 2025–2026 focus area<sup>4</sup> on capacity-building for holistic investment strategies, bankable projects, and stakeholder engagement to strengthen the implementation of NDCs and NAPs in developing countries, the PCCB has undertaken a structured approach to understanding the capacity landscape in developing countries. This involved, first, research to identify existing capacity gaps and needs alongside an assessment of available capacity-building support. Second, the PCCB convened a series of events, culminating in the 15<sup>th</sup> Duban Forum on capacity-building in June, bringing together capacity-building providers, developing country practitioners, and other stakeholders to discuss identified gaps and the range of support available in addressing them. The insights gathered through this process are being compiled into a knowledge product<sup>5</sup> designed to serve as a practical resource for developing countries seeking to strengthen their capacity to access and deploy climate finance.

It is on the basis of this work that the PCCB has identified the following as among the most significant capacity barriers facing developing countries in relation to climate finance that may also be relevant to financing climate action in water systems and the ocean:

- Inability to maintain a sound grasp of broader macroeconomic conditions and market trends and their relationship with climate action;
- Insufficient alignment of climate policies across sectors and public institutions;
- Insufficient alignment of green projects with national NDC and NAP goals and objectives;
- Inadequate understanding of various reliable revenue models;
- Unfamiliarity with the range of financial instruments at their disposal;

<sup>3</sup> SCF/2025/38/5

<sup>4</sup> See: <https://unfccc.int/topics/capacity-building/pccb/paris-committee-on-capacity-building-focus-area>

<sup>5</sup> Update knowledge product forthcoming. For more information on the PCCB's 2025–2026 focus area, see: <https://unfccc.int/topics/capacity-building/pccb/focusarea2025-26>



- Lack of a comprehensive understanding of available financial sources and clear definition of climate finance;
- Unfamiliarity with effective stakeholder engagement strategies across multiple levels;
- Inadequate data collection, management and reporting.

Without sustained, targeted, and country-driven capacity-building support, even the most well-designed fiscal instruments, innovative financial mechanisms, and simplified access pathways risk falling short of their transformative potential. Conversely, where capacity-building has been embedded systematically, in national planning cycles, in readiness and project preparation facilities, and in the design of financing programmes themselves, it has demonstrably improved countries' ability to access, absorb, and leverage climate finance for their NAPs and NDCs.

The PCCB therefore recommends that the Forum programme treat capacity-building as a dedicated sub-theme, particularly in relation to the sub-theme D on financing instruments, while also recognizing its relevance as a cross-cutting consideration across the Forum's programme as a whole.

### III. Collaboration and further engagement

The PCCB looks forward to continued engagement with the SCF on the important nexus between capacity-building and financing climate action. It stands ready to contribute to the 2026 Forum, including by sharing findings and insights from its forthcoming knowledge product that captures the available capacity-building support available to assist developing countries to access and mobilize climate finance and implement their national climate plans. The PCCB also warmly invites the SCF and Forum participants to engage with its ongoing work programme, including its events and knowledge products, particularly the 15th Durban Forum on Capacity-building, which will serve as the closing event of the 2025–2026 focus area, and welcomes opportunities for collaboration in support of their shared objectives under the Convention and its Paris Agreement.

*End of submission*

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