

The United Kingdom of Great Britain and Northern Ireland's submission to the United Nations Framework Convention on Climate Change on the 2026 Forum of the Standing Committee on Finance on financing climate action in water systems and the ocean

Introduction

The United Kingdom of Great Britain and Northern Ireland ('the UK') welcomes the opportunity to make this submission in response to the call for input on the 2026 Forum of the Standing Committee on Finance¹ (SCF) on financing climate action in water systems and the ocean. With the United Nations Sustainable Development Goal (SDG) 14: Life Below Water being one of the least funded of all the SDGs, and a large funding gap for SDG 6: Clean Water and Sanitation², we appreciate the topic of the 2026 Forum.

Multilateral fora, including the UNFCCC, have recognised how freshwater, coastal and ocean ecosystems are deeply interconnected components of a single global water system. There is strong evidence for how that system is breaking down, driven by climate change and other pressures. Sustainable management of these ecosystems together, where possible, is essential for climate resilience, biodiversity, and human security.

Various international fora, including the UNFCCC Ocean and Climate Change Dialogue, the Third United Nations Ocean Conference and Tenth Our Ocean Conference, have broadly agreed that existing financial institutions should be adapted to better serve ocean-climate priorities, rather than creating new institutions. The COP29 Declaration on Water for Climate Action recognised that water is at the heart of climate change and committed to enhance water-related climate policy actions, including through expanding the use of integrated and source-to-sea approaches.

The UK is committed to mobilising high-quality and accessible finance from all sources and aligning financial flows to support delivery of the SDGs, Paris Agreement and Kunming-Montreal Global Biodiversity Framework. Through the UK's Official Development Assistance (ODA) and International Climate Finance portfolio, we pilot and aim to scale accessible financial solutions that protect the ocean, coastal and freshwater ecosystems, support climate-resilient WASH systems, reduce poverty, and promote gender equality and inclusion. However, to unlock the full potential of blue finance for marine and freshwater ecosystems, we must invest in strong governance, legal frameworks, and reliable data, to mobilise greater volumes of finance from all sources, build investor confidence and create sustained private-sector engagement with long-lasting national ownership and implementation of finance mechanisms. The 2026 SCF Forum is a key moment to advance this work, through evidence-based engagement.

UK 2026 SCF Forum Suggested Priorities

In line with the guide for contributors and the indicative sub themes prepared by the co-facilitators³, the UK proposes the forum covers the following priority areas across its programme.

¹ https://unfccc.int/sites/default/files/resource/Call%20for%20inputs_2026SCFForum.pdf

² Current estimates suggest that up to \$170 billion annually is needed to deliver the targets under SDG14, and an additional \$131-141 billion annually to deliver targets on universal access to safe water and sanitation under SDG6.

³ As contained in Annex 1 of SCF/2025/38/5.

1. SCALING FINANCE FROM ALL SOURCES

The UK is committed to expanding ocean and water finance towards directly supporting the prosperity and resilience of local communities and the health of marine and freshwater ecosystems in developing countries. Mobilising resources from public, private, and philanthropic sources is essential to ensure ocean and water action is adequately funded and sustainable.

The UK recognises the priorities that developing countries have set for accessible, predictable, and effective finance for sustainable blue economies. In line with our commitments under Article 9 of the Paris Agreement, Article 20 under the Convention on Biological Diversity and the New Collective Quantified Goal (NCQG), we remain committed to supporting approaches that strengthen local ownership and deliver real impact. To achieve these outcomes effectively, we must ensure that public resources, including ODA, are used in ways that maximise impact and can mobilise finance from all sources, and, through equitable partnerships, support the priorities identified by developing countries.

This requires innovative finance models that blend public, private, and philanthropic capital, creating investible systems rather than isolated projects. By designing and structuring blended finance mechanisms, strengthening early-stage enterprises, and creating enabling conditions for private investment, significant additional flows of capital can be unlocked to complement public investment.

Proposed Forum objectives: Identify opportunities and effective practices for scaling finance from all sources for resilient and sustainable blue economies, including through innovative financial models and instruments. Amplify existing bankable SDGs 6 and 14 investment projects and financial frameworks that are ready, or have high potential for, capital investment.

This priority links with sub-themes 2, 7 and 9 from the call for input.

2. INCLUSIVE AND ACCESSIBLE FINANCE

Integrating inclusion into blue finance is critical to ensuring that investments deliver benefits for those most affected by ocean degradation and climate change, with due regard for Gender, Equality, Disability and Social Inclusion (GEDSI) and intersecting inequalities that exacerbate inaccessibility to finance. Sustainable blue finance mechanisms must respect local communities and the rights of Indigenous Peoples as set out in the UNDRIP, uphold gender equality, and guarantee fairness for marginalised groups.

Access to finance remains challenging for developing countries most vulnerable to the impacts of climate change including the Least Developed Countries and Small Island Developing States (SIDS) (Big Ocean States) whose significant barriers include high climate vulnerability, capacity constraints and limited finance flows.

Scaling blue finance must be grounded in the Principles for Inclusive Nature action, prioritising inclusive access and co-design with governments and communities to ensure local ownership, cultural relevance, and long-term sustainability. Building locally appropriate, innovative models that mobilise accessible funding is essential to strengthen resilience for vulnerable coastal communities.

Proposed Forum objectives: Identify opportunities and effective practices for integrating access and inclusion at the heart of blue finance, aligned with SDGs 5, 6, 10, and 14 and scaling to

accelerate funding for integrated approaches to climate resilience, social inclusion, equality, water security and ocean protection for vulnerable coastal and SIDS communities.

This priority links with sub-themes 1, 4 and 5 from the call for input.

3. INTERNATIONAL COOPERATION AND PARTNERSHIPS

International cooperation and partnerships are critical for mobilising blue finance from all sources and delivering shared commitments on the ocean and water security. The UK is committed to integrating and elevating ocean and water objectives across the international architecture, including through Global Financial System reform and at the three Rio Convention COPs and UN Water Conference later this year.

Scaling blue climate finance solutions requires a shared global vision. Both public and private sectors must commit to the exploration, use and scaling up of innovative sources and instruments of finance. System wide change is essential to deliver impact at scale.

Multilateral leadership plays a critical role in forging partnerships that advance sustainable blue finance aligned with national priorities. Blue finance approaches can create shared outcomes by combining local needs with global impact to build a unified vision for ocean, coastal and water resilience. Partnerships with scientific institutions and civil society organisations (CSOs) are also vital to ensure decisions are grounded in evidence and are inclusive and responsive to community needs. These collaborations strengthen transparency, accountability, and innovation across blue finance initiatives.

Long-term, holistic strategies that integrate marine, freshwater and terrestrial priorities within national frameworks will be key to ensuring blue finance contributes meaningfully to climate goals, biodiversity protection, and sustainable development.

Proposed Forum objective: Highlight international partnerships that have implemented/facilitated effective blue finance mechanisms, including through using innovative technological or AI-enabled approaches to increase climate resilience and adaptation.

This priority links with sub-themes 3, 6, and 10 from the call for input.

Examples and case studies related to financing climate action in water systems and the ocean

The UK welcomes the opportunity to both share and learn from the experiences of others in financing climate action in water systems and the ocean. This section highlights case studies from the UK's experience, for which more details can be provided as part of the forum.

SALTMARSH CODE

- The UK has funded the UK Centre for Ecology and Hydrology to first pilot and then produce a Beta version of a UK Saltmarsh Code. This will provide the necessary assurance to private investors looking to invest in saltmarsh habitat restoration that benefits are quantifiable, additional, and permanent.
- It will initially function solely as a carbon code, enabling saltmarsh carbon to be marketed and traded as a carbon offset.

BLUE PLANET FUND

- The UK is accelerating accessible finance for sustainable ocean outcomes through the UK's Blue Planet Fund (BPF), focusing on climate resilience, biodiversity protection, poverty reduction, and gender equality, while aligning with global frameworks (GBF, SDGs, Paris Agreement, UNCLOS).
- The BPF works with international partners and multilateral development banks to pilot and scale sustainable blue finance mechanisms, leverage additional funding from all sources, and reform global financial systems to ensure the ocean and coastal communities are not left behind in efforts to meet global goals on climate, nature and development.
- BPF programmes include:
 - The **Global Fund for Coral Reefs (GFCR)**: a blended finance instrument integrating public and private finance to mobilise action and resources to protect, restore and safeguard coral reef ecosystems and the communities that depend on them. The GFCR successfully combines grants and investment capital to de-risk projects, mobilise large-scale funding, and deliver sustainable development for reef-dependent communities.
 - **Climate and Ocean Adaptation and Sustainable Transition (COAST)**: the UK's flagship initiative to support vulnerable coastal communities in adapting to climate change, restoring marine ecosystems, and building sustainable blue economies. By working at both national and local levels, the programme supports policy reform, strengthens community resilience, and unlocks innovative financing solutions such as blue carbon markets.

JUST TRANSITIONS FOR WATER SECURITY PROGRAMME

- The UK's Just Transitions For Water Security (JTWS) programme is working in partnership with developing countries to build resilience to climate change and nature loss through strengthening the sustainable management and use of water resources.
- The programme seeks to strengthen institutions, technical capacity, and governance; build the market conditions and incentives for investment in water; and ensure delivery of sustainable water stewardship through global trade and supply chains.

CLIMATE-RESILIENT WASH SYSTEMS

- The UK's WASH systems for Health programme works in six countries in Africa and Asia, where it supports governments to strengthen the delivery of climate resilient WASH services.
- £6.5m of support to UNICEF resulted in proposals worth over \$1bn submitted to GCF and other climate funds for climate resilient water and sanitation services between 2001 and 2025.