

The Indian Ocean Cannot Afford a Climate Finance Gap

Dr Bhavna Mahadew

Law Lecturer, University of Technology, Mauritius & IORAG ECPN Steering Committee

Member: Internal Stakeholders

25th August 2026

Climate change is often discussed as a global problem. But in the Indian Ocean, it is increasingly a question of survival, economic security and development.

For the countries of the Indian Ocean Rim, climate change is no longer a distant environmental concern. Rising sea levels, stronger and more unpredictable weather events, coastal erosion, ocean warming, changing rainfall patterns and pressure on marine ecosystems are already affecting communities and economies. For many small island developing states, the consequences are particularly severe. They are among the countries least responsible for global emissions, yet they are among those facing some of the greatest climate risks.

This reality gives the Indian Ocean Rim Association a critical role to play. IORA's adoption of a Climate Change Strategic Agenda is an important development. The agenda seeks to mainstream climate action across the Association's priority areas rather than treating climate change as a separate issue. That is the right approach. Climate change is not simply about the environment. It affects disaster risk management, food security, fisheries, tourism, maritime trade, infrastructure, energy, health and ultimately economic development.

But the question now is whether IORA can turn this strategic ambition into a more forceful regional climate agenda. The contemporary debate around climate change has increasingly moved beyond mitigation towards a more difficult question: who pays for adaptation? This is particularly relevant for the Indian Ocean. A country can reduce its emissions, invest in renewable energy and strengthen environmental protection, but it cannot independently stop global sea levels from rising or prevent extreme weather systems from becoming more damaging. Adaptation requires enormous investment in coastal protection, resilient infrastructure, water security, agriculture, disaster preparedness and ecosystem restoration.

For small island states, this creates a dangerous paradox. They are expected to invest more in becoming resilient precisely at a time when climate shocks are placing additional pressure on public finances. This is why climate finance should become one of the central pillars of IORA's climate agenda. The challenge is not simply the amount of finance available. It is also whether vulnerable countries can actually access it. Climate finance mechanisms can be complex, slow and administratively demanding. Countries with limited technical and institutional capacity can struggle to prepare the proposals, feasibility studies and documentation required to access international funds.

IORA can help change this. Instead of viewing climate finance as something that individual member states must pursue separately, IORA could become a platform for developing regional expertise, preparing bankable projects and sharing technical capacity. A regional approach could help smaller states overcome some of the administrative barriers that currently prevent them from accessing available resources. This could be particularly powerful in areas where countries face common challenges.

Consider coastal resilience. Mauritius, Seychelles, Maldives, Comoros, Madagascar and other Indian Ocean countries have different circumstances, but all face interconnected risks to coastal communities, marine ecosystems and economic activity. Rather than developing entirely separate solutions, IORA could facilitate regional programmes focused on mangrove restoration, coral reef protection, climate-resilient ports, early-warning systems, sustainable fisheries and coastal adaptation.

Such initiatives would also reinforce IORA's Blue Economy agenda. The Indian Ocean is not merely a geographical space connecting its member states. It is an economic system. Millions of livelihoods depend upon its fisheries, tourism, shipping and marine resources. Climate change threatens all of these sectors simultaneously. This means that climate action must not be framed as a choice between environmental protection and economic development. Properly designed, it can be an investment in economic resilience.

There is also a compelling argument for greater cooperation on renewable energy. Many Indian Ocean island economies remain heavily dependent on imported fossil fuels, leaving them exposed not only to climate pressures but also to fluctuations in global energy prices and geopolitical disruptions. Accelerating renewable energy, energy efficiency and clean technologies could therefore deliver a double dividend: reducing emissions while strengthening energy security.

But climate resilience must ultimately be measured at the community level. A regional climate strategy will have little meaning if it does not reach the fisherman whose catch is declining, the coastal family facing erosion, the farmer dealing with changing rainfall, the tourism operator whose infrastructure is increasingly exposed, or the young person wondering whether there will be a viable livelihood in the community where they grew up.

This is why IORA should place people at the centre of its climate agenda. Women, young people, coastal communities and small-scale producers should not be seen merely as beneficiaries of climate programmes. They should be participants in designing them. Local knowledge, traditional practices and community-level innovation can complement scientific and technological solutions.

The Indian Ocean also has an opportunity to make its voice stronger internationally. Individually, small island states may struggle to influence the global climate finance architecture. Collectively, the Indian Ocean Rim represents a significant economic, demographic and

geopolitical constituency. IORA can use this collective weight to advocate for easier access to adaptation finance, greater support for vulnerable countries, investment in nature-based solutions and financing mechanisms that recognise the particular circumstances of island and developing economies.

The world is entering a period in which climate resilience will increasingly determine economic competitiveness. Countries that invest early will be better positioned to protect infrastructure, attract investment and maintain stable livelihoods. Those that delay will face rising costs. IORA therefore has an opportunity to redefine what regional cooperation means in the climate era.

The Climate Change Strategic Agenda should not become another policy document that sits alongside other regional commitments. It should become a framework through which climate considerations are embedded in everything IORA does—from the Blue Economy and disaster risk management to trade, investment, tourism, fisheries and maritime cooperation.

The Indian Ocean cannot solve the global climate crisis by itself. But it can demonstrate what regional climate leadership looks like. The real test of IORA's climate agenda will not be the strength of its language. It will be whether it can help turn vulnerability into resilience, climate finance into investment, and regional cooperation into tangible benefits for communities. The Indian Ocean has spent decades connecting economies and peoples across continents. In the age of climate change, it must now become a region that connects knowledge, finance, technology and political will. The time for another climate declaration is not over. But the time for implementation has certainly arrived.