

UNCCD COP16 calls for unlocking public and private finance for land restoration and drought resilience

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The sixteenth session of the Conference of the Parties to the Convention to Combat Desertification (UNCCD COP16) takes place in Riyadh, Saudi Arabia, from 2 to 13 December 2024 under the theme Our Land. Our Future. The UNCCD is the global voice for land and one of the three major UN treaties known as the Rio Conventions, alongside climate and biodiversity. UNCCD COP16 is a game-changer, marking a renewed global commitment to accelerate investment and action to restore land and boost drought resilience for the benefit of people and planet.

Among the central issues of the COP16 — unlocking public and private finance for land restoration and drought resilience — was the focus of the Ministerial Dialogue on 3 December. This dialogue provided a platform for ministers, stakeholders, and investors to drive transformative solutions for land restoration and drought resilience worldwide. The ministerial dialogue addressed the critical need for increased investments to combat desertification, land degradation and drought (DLDD). From the dialogue, public finance supports long-term restoration projects, while private finance introduces innovative tools like green bonds and impact investing. Together, public-private collaborations can bridge funding gaps and scale sustainable solutions. The key focus areas include; repurposing harmful subsidies into incentives for regenerative investments, adjusting regulatory frameworks to foster collaboration, and exploring innovative financial instruments like carbon credits and ecosystem services markets.

DLDD has become a serious concern due to the detrimental impacts on biodiversity and environmental sustainability. The UNCCD estimated that about 1.52 billion hectares of productive land are degraded, affecting food and water security globally. In terms of the impacts, the UNCCD's 2024 financial needs assessment revealed that DLDD cost the global economy about USD 878 billion every year. Also, a report by the Intergovernmental Panel on Climate Change (IPCC) showed that drylands are home to approximately 38.2% of the global population, that is about 3 billion people (Figure 1). These numbers are projected to continue rising over time and across all regions, if urgent actions are not taken to restore the lands and build drought resilience.

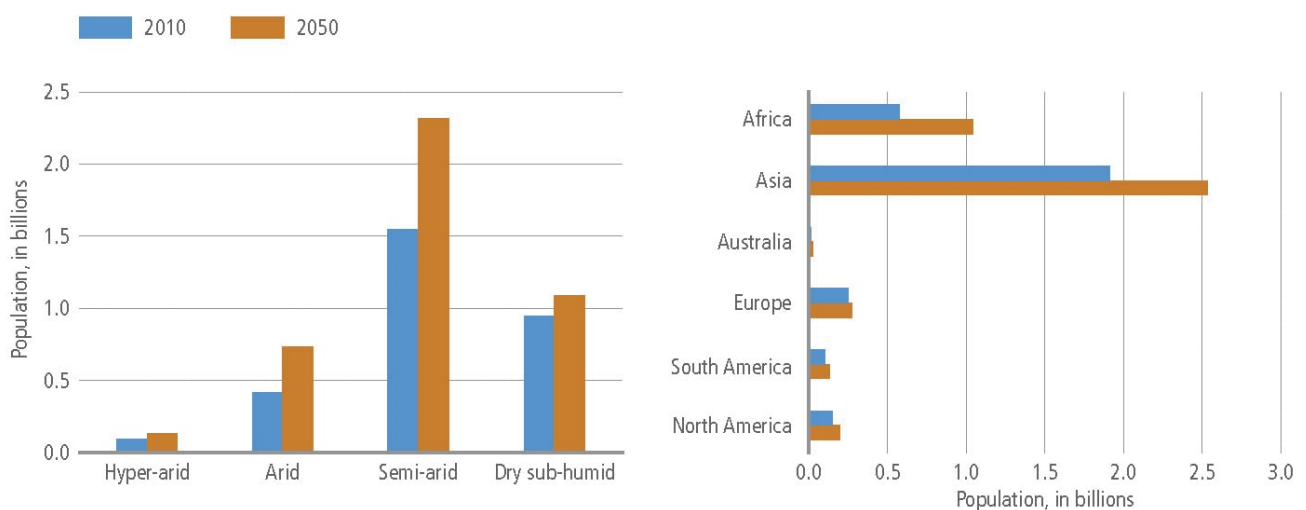


Figure 1: Change in population living in drylands, in billions (Source: IPCC)

According to the UNCCD's first-ever financial needs assessment report launched at the COP16 titled 'Investing in Land's Future: Financial needs assessment for UNCCD', a total cumulative investment of at least USD 2.6 trillion is required between years 2016–2030 to restore over one billion hectares of degraded land and build resilience to drought. This is about USD 1 billion in daily investments between now and 2030 to meet the world's land restoration targets and combat desertification and drought. To date, only USD 479 billion, representing 18% of these investments have been realized. Therefore, a large portion of these required investments (82%) will need to be made in the coming years to meet the objectives.

Given the critical role of finance to combat DLDD and safeguard the planet, 11 December is dedicated as the 'Finance Day' of the UNCCD COP16 to engage stakeholders and showcase funding innovations for land restoration and drought resilience. The Finance Day at UNCCD COP16 sets out to highlight the critical need for innovative and sustainable financing to combat land degradation, desertification and drought. Sponsored by the Saudi Environment Fund, this event brings together finance stakeholders — including ministries, financial institutions, donor agencies and investment funds — to mainstream investments in sustainable land management. The Finance Day seeks to raise awareness about financing gaps and drive new solutions for mobilizing capital to achieve Land Degradation Neutrality (LDN). Conversations on the Finance Day will also focus on the Ministerial Dialogue that convened high-level leaders and investors to explore key financial mechanisms such as incentives, taxes and subsidies that can support sustainable investments and drive a transition toward a regenerative economy. It is a platform to examine opportunities to repurpose funding toward projects that prioritize job creation, rural development and environmental resilience. The Finance Day aims to promote the role of public and private finance in enabling sustainable land management and restoration, exploring innovative mechanisms like green bonds, impact investing and public-private partnerships. By showcasing successful case studies and fostering collaboration, it will bridge funding gaps and increase investment in climate-resilient land management.

UNCCD COP16 is an avenue for think tanks and stakeholders to examine the business case for land by highlighting the economic benefits of sustainable land management exploring tax, subsidy and incentive adjustments to drive investments that prioritize environmental and social goals including job creation and rural development. Also, the discussions will explore innovative financial mechanisms and showcase solutions such as bonds, carbon credits and conservation finance that can close funding gaps for sustainable land management emphasizing how these tools mitigate risks and attract private sector capital. A critical area of interest is public-private partnerships for land restoration through discussions on collaborative frameworks where public funds de-risk private investments supporting large-scale projects with high social and environmental returns.

The overriding objectives of the Finance Day at UNCCD COP16 include raising awareness of financing needs by highlighting the scale of financing required for LDN and drought resilience emphasizing the need for public-private collaboration to drive impactful investments, promoting innovative financing tools by showcasing mechanisms like blended finance and green bonds that attract new sources of funding for land management and restoration, and encourage investment and partnership by fostering cross-sector collaboration by aligning private and public finance efforts to overcome barriers and increase financing for sustainable land initiatives. By mobilizing global finance stakeholders, Finance Day at COP16 is set out to establish robust investment pathways that support resilient ecosystems and communities empowering sustainable land management at scale.

UNCCD COP16 is a platform for action not only for negotiations. It provides the opportunity to influence global policies, as the decisions made in Riyadh will shape the trajectory of international efforts to address land degradation and build resilience to drought. Scientists have a pivotal role to play, not just in informing policy but also in ensuring its effective implementation.

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