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Implementation of voluntary land degradation neutrality targets and related implementation efforts

**Implementation of voluntary land degradation neutrality
targets and related implementation efforts**

Report by the Global Mechanism

Summary

Decisions 3/COP.15, 11/COP.15, 12/COP.15 and 13/COP.15 encouraged Parties that have not yet done so to formulate voluntary land degradation neutrality (LDN) targets and Parties that have already set targets to consider reviewing and refining them with a view to ensuring voluntary LDN targets are specific, time-bound, policy-coherent, quantitative, spatially explicit, gender-responsive and adequately integrated into planning frameworks.

Decision 13/COP.15 requested the secretariat and the Global Mechanism to support country-level activities geared towards the implementation of voluntary LDN targets and strengthen partnerships to accelerate the development of a geographically balanced project preparation pipeline on both sustainable land management and drought resilience.

By decision 14/COP.15, Parties decided to include the implementation of voluntary LDN targets and related implementation efforts on the agenda of the twenty-first session of the Committee for the Review of the Implementation of the Convention (CRIC 21) for the Parties to review and discuss.

In line with these requests, this document provides an update on the status of the LDN target setting process and the progress made to support country Parties in the development of programmes and projects, including those related to innovative finance and private sector engagement which support implementation efforts. Finally, the report provides conclusions and recommendations for the consideration of Parties at CRIC 21.



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I. Introduction: Background on the setting and implementation of land degradation neutrality targets

A. Sustainable Development Goals and land degradation neutrality within the Convention

1. In September 2015, the global community agreed on the 2030 Agenda for Sustainable Development, including 17 Sustainable Development Goals (SDGs) and 169 targets. Goal 15 urges countries to “protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss”. SDG target 15.3 aims to “combat desertification, restore degraded land and soil, including land affected by desertification, drought, and floods, and strive to achieve a land degradation-neutral world”.

2. At the twelfth session of the Conference of the Parties (COP 12) to the United Nations Convention to Combat Desertification (UNCCD) in October 2015, Parties endorsed SDG target 15.3, which includes the concept of land degradation neutrality (LDN) as a strong vehicle for driving the implementation of the Convention (decision 3/COP.12).

3. In September 2017, the COP, at its thirteenth session, highlighted the importance of the LDN target setting and implementation processes for the UNCCD by:

(a) Inviting Parties to formulate voluntary targets to achieve LDN in accordance with their specific national circumstances and development priorities (decision 2/COP.13) and ensure that LDN targets and the activities to achieve these targets are directly linked to their national SDG agendas and create leverage and synergies with their countries’ climate and biodiversity agendas (decision 3/COP.13);

(b) Encouraging Parties to develop transformative projects and programmes (TPPs) to achieve national voluntary LDN targets and advance the implementation of the Convention in an effort to move from pilot projects and the proliferation of small projects to increasing scale and impact (decision 14/COP.13);

(c) Requesting the Global Mechanism (GM), within its mandates and subject to available resources, to continue to develop new and strengthen existing partnerships to support the implementation of the Convention and achievement of LDN, such as collaborating with the Peace Forest Initiative.

(d) Endorsing the Scientific Conceptual Framework for LDN summarized in document ICCD/COP(13)/CST/2 and developed by the Science-Policy Interface; and calling upon Parties pursuing LDN to consider such guidance, taking national circumstances¹ into account (decision 18/COP.13).

4. In September 2019, the COP, at its fourteenth session, provided additional guidance on the importance of the LDN process to the UNCCD through various decisions, including by:

(a) Inviting Parties that have committed to voluntary LDN targets to implement measures to accelerate their achievement by strengthening national-level coordination and cooperation based on, inter alia, integrated land-use planning, to guide implementation (decision 3/COP.14);

(b) Acknowledging the LDN target setting process as an opportunity for countries to promote synergies among the Rio conventions and other multilateral environmental agreements, and policy coherence across multiple sectors, particularly as an accelerator for national-level achievement of the SDGs (decision 12/COP.14); and

¹ <https://www.unccd.int/publications/scientific-conceptual-framework-land-degradation-neutrality-report-science-policy>.

(c) Encouraging Parties to implement specific capacity-building programmes on the themes of gender-sensitive and transformative approaches, especially, but not limited, to LDN (decision 2/COP.14).

B. Decisions taken by the Conference of the Parties at its fifteenth session

5. With that in mind, in May 2022, the COP, at its fifteenth session, provided relevant guidance on the importance of the LDN process to the UNCCD through various decisions.²

6. Regarding LDN target setting, additional guidance was provided by:

(a) Encouraging Parties that have not yet done so to formulate voluntary LDN targets, as appropriate, and Parties which have already set targets to consider reviewing and refining them, ensuring that LDN targets are specific, time-bound, policy-coherent, quantitative, spatially explicit, gender-responsive and adequately integrated into planning frameworks (decision 3/COP.15, para. 1; decision 12/COP.15, para. 1; and decision 13/COP.15, para. 1);

(b) Inviting Parties to explore complementarities between LDN targets, Nationally Determined Contributions, and National Biodiversity Strategies and Action Plans, as well as national targets under the Sendai Framework, and related planning, programming, reporting and monitoring (decision 8/COP.15, para. 2);

(c) Requesting the secretariat and the GM to continue to promote synergies and knowledge-sharing among Parties on LDN target setting efforts (decision 3/COP.15, para. 5e);

(d) Also requesting the secretariat and the GM to support Parties in reviewing and refining their voluntary LDN targets and in delineating their location and extent in order to ensure that they are quantifiable, spatially explicit and time-bound, in line with levels of national ambition (decision 11/COP.15, para. 5a and decision 12/COP.15, para. 1); and supporting the process of setting and/or refining voluntary LDN targets, streamlining it with other Convention and associated processes, and integrating these targets into (sub)national integrated land-use planning frameworks in those country Parties that may wish to engage in this process (decision 13/COP.15 para. 6c).

7. Regarding the support for UNCCD implementation efforts, the GM and the secretariat, within their respective mandates and subject to availability of financial resources, and in collaboration with relevant financial and technical partners, were respectively requested to:

(a) Develop the capacity of country Parties to improve intersectoral coordination with relevant sectors, policies and plans, such as those relating to finance and planning, among other things (decision 13/COP.15, para. 6e);

(b) Strengthen partnerships to accelerate the development of a geographically balanced project preparation pipeline and facilitate gender-responsive, large-scale integrated landscape investment programmes and flagship initiatives that support work on SLM and drought resilience (decision 13/COP.15, para. 6f); and

(c) Continue to support countries in promoting a paradigm shift in the way drought is managed and forge specific partnerships to mobilize technical and financial support for TPPs on drought (decision 13/COP.15, para. 6g).

8. Decision 9/COP.15 noted, with appreciation, the support of the Global Environment Facility (GEF) for the Great Green Wall of the Sahara and the Sahel Initiative (GGWSSI) and requested continued GEF engagement on flagship initiatives, including support for the Southern Africa Great Green Wall Initiative (GGWI) (decision 9/COP.15, para. 7).

² https://www.unccd.int/sites/default/files/2022-10/ICCD_COP%2815%29_23_Add.1-2208672E.pdf.

II. Land degradation neutrality: from targets to projects and programmes

A. Land degradation neutrality target setting

9. Following the guidance provided by country Parties at COP 15, the GM and the secretariat of the UNCCD, in collaboration with relevant partners, continued supporting voluntary LDN target setting in those country Parties that remain engaged in this process, as well as in additional countries that requested support, bringing the total number of participating countries in the target setting process to 130 as of June 2023 (see annex I).

10. Out of these participating countries, as of 15 June 2023, a total of 109 countries have set and technically validated their voluntary LDN targets and associated measures, and 107 countries have produced final national LDN reports. Of these final reports, 102 are available on the UNCCD website. A total of 73 countries have officially adopted their LDN targets and delivered a high-level LDN note signed at the highest possible level by a minister, inter-ministerial body, cabinet council or the Head of State, and 64 of these are publicly available on the UNCCD Knowledge Hub.

11. Building upon the elements previously reported in document ICCD/CRIC(20)/5, and taking into account the mandate received by country Parties at COP 15, the GM and the secretariat of the UNCCD, in collaboration with relevant partners³, officially launched the second phase of the LDN Target Setting Programme (LDN TSP 2.0) on 12 May 2023 through a “*Call for requests for support to assist countries in strengthening LDN targets and integrated land use planning*”⁴, which included the LDN TSP 2.0 concept note, a document with details on how country Parties can participate in the call and the selection criteria in all official United Nations languages. Prior to the launch, the GM delivered four online information sessions for UNCCD staff (held on 12 December 2022), for staff of the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change (held on 22 February 2023), for relevant technical partners (held on 24 April 2023), and for UNCCD national focal points and science and technology correspondents (held on 19 May 2023).

12. A total of 31 country Parties responded to the call with the following (sub)regional breakdown:

- 10 applications received from Africa (Central Africa: 1; Eastern Africa: 2; Southern Africa: 4; Western Africa: 3);
- 7 applications received from Asia (Central Asia: 1; South Asia: 3; West Asia: 3);
- 9 applications received from Latin America and the Caribbean (Andean: 4; Caribbean: 3; Mesoamerica: 1; South Cone: 1);
- 1 application received from the Northern Mediterranean; and
- 4 applications received from Central and Eastern Europe.

13. All applications were evaluated against the selection criteria established in the call and the best rated submissions were selected, also taking into consideration a balanced representation of countries at (sub)regional levels. In order to respond to the demand from country Parties, the UNCCD made an effort to mobilize resources from additional extra budgetary funding sources to be able to support more than the 15 countries that were initially foreseen.

³ The Changwon Initiative of the Republic of Korea, Global Environment Facility, International Union for Conservation of Nature, Global Affairs Canada, and the German Federal Ministry for Economic Cooperation and Development.

⁴ <https://www.unccd.int/news-stories/notifications/call-requests-support-assist-countries-strengthening-ldn-targets>.

14. Based on the above, the following 18 countries were selected⁵ for participation in the LDN TSP 2.0 and the related GEF Enabling Activity project⁶, “Integrating LDN into land use planning frameworks to strengthen national UNCCD enabling environments”: Argentina, Benin, Central African Republic, Georgia, Jordan, Kenya, Kyrgyzstan, Malawi, Namibia, Nigeria, Pakistan, Panama, Peru, Republic of Moldova, South Africa, Sri Lanka, Saint Lucia and Turkey.

15. In order to provide technical guidance for LDN TSP 2.0 participating countries, a supplementary technical guide for strengthening land restoration targets and commitments is currently under development and is expected to be published ahead of the 21st session of the Committee for the Review of the Implementation of the Convention (CRIC 21). Additionally, a three-day capacity-building workshop tentatively planned back-to-back with CRIC 21 is also being organized by the GM and the secretariat of the UNCCD in collaboration with relevant technical and institutional partners for participating country Parties. National LDN TSP 2.0 processes are expected to be initiated by the respective country Parties immediately after CRIC 21 with the aim of presenting results at COP 16. Options for the potential scaling up of the number of countries engaged in this process and the possible modalities of support are being discussed with interested financial and technical partners.

B. Support for the development of transformative projects and programmes

16. COP 15 also welcomed efforts by Parties to strengthen intersectoral collaboration at (sub)national, national and regional levels to ensure that the impacts/effects of desertification/land degradation and drought (DLDD) are prioritized in national development plans and other relevant sectoral plans.

17. The GM has been focusing on developing the capacity of country Parties to improve intersectoral coordination with relevant sectors, policies and plans, such as those relating to biodiversity, climate change, agriculture, energy, water, infrastructure development and disaster risk management, among other things, where larger pools of funding are often available.

18. As a necessary step to drive implementation, the GM has worked on strengthening internal national coordination between UNCCD focal points and those national focal points responsible for endorsing projects, such as finance and planning officials, GEF Operational Focal Points (OFP), Green Climate Fund (GCF) National Designated Authorities (NDA), as well as focal points for bilateral funding. Additional work will still be required in this area and it remains a major bottleneck in many countries.

19. Parties also decided that, for enhanced implementation, there should be a concerted effort to strengthen partnerships in order to accelerate the development of a geographically balanced project preparation pipeline. The UNCCD is approaching this through a partnership model in order to facilitate gender-responsive, large-scale integrated landscape investment programmes and flagship initiatives that support work on SLM and drought resilience.

20. Following the launch of a Partnership for Project Preparation (funded by the German Federal Ministry for Economic Cooperation and Development), the GM has worked with a range of relevant technical partners to support the preparation and funding of projects addressing DLDD, land tenure, land governance and other land-based issues, with a focus on encouraging gender-responsiveness and assisting the most vulnerable populations. All voluntary contributions focused on project preparation are currently delivered through this partnership model.

⁵ See notification at: <https://www.unccd.int/news-stories/notifications/18-countries-selected-support-strengthen-ldn-targets-and-integrated-land>.

⁶ GEFID10909 project approved on 7 June 2022. Project implementation activities expected to be initiated by the Global Mechanism during Q3–Q4 of 2023 after finalization of the project implementation agreement with the International Union for Conservation of Nature, and in collaboration with Conservation International, the Food and Agriculture Organization of the United Nations and the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ).

21. The main emphasis has been on strengthening existing partnerships with funding agencies and technically or politically mandated institutions and formalizing new strategic partnerships to support the preparation of high-quality project proposals with accredited agencies and technical partners with solid project preparation experience.

22. Significant efforts were made in formalizing and/or strengthening partnerships to support project preparation with the following:

(a) Multi-lateral and bilateral funding agencies, including the GCF, GEF, Adaptation Fund, African Development Bank (AfDB), World Bank, Inter-American Development Bank, United States Agency for International Development, European Commission and Afreximbank. The signing of a Fiduciary Principles Agreement with AfDB was a key success;

(b) Strategic partners supporting project preparation, including the United Nations Forest Forum, the Commonwealth Secretariat, the International Renewable Energy Agency and the Global Water Partnership;

(c) Strategic Partnerships on specific projects with agencies accredited with funding agencies and project developers: the United Nations Development Programme (UNDP), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Environment Programme, the World Wide Fund for Nature (WWF), the United Nations Industrial Development Organization (UNIDO), The Nature Conservancy, the DeserTech Community and the World Food Programme, Partnerships with mandated institutions: the Asian Forest Cooperation Organization (AFOCO), the Southern African Development Community (SADC), the African Union Development Agency New Partnership for Africa's Development (AUDA-NEPAD), the Intergovernmental Authority on Development in Eastern Africa, the Pacific Community and the Partnership Initiative for Sustainable Land Management (PISLM).

23. Key events were convened to strengthen inter-sectoral collaboration and capacity to prepare projects aligned with the requirements of funding sources, including workshops for UNCCD national focal points (NFP) and other sectoral focal points, such as Finance and Planning, GEF OFPs and GCF Nationally Designated Authorities for West African countries in May 2022, Southern African countries in August 2022 and East African countries in June 2023.

24. The GM is also strengthening engagement with Ministries of Finance by participating, promoting and making the case for investments in projects and programmes addressing DLDD and achieving LDN at key meetings, such as the World Bank Spring Meetings.

25. A total of 74 countries have requested support to develop national and/or regional concept notes, leading to 65 concept notes in total since 2018. As of June 2023, the project pipeline is comprised of:

(a) Fifty-nine national projects involving 55 countries (23 national project concept notes have been developed, 10 are under development and 26 are still to be developed);

(b) Six regional or multi-country projects involving 41 countries (3 regional concept notes have been developed, 2 are under development and 1 is still to be developed);

(c) The cumulative total of concept notes that have been approved and selected to access financing is 14. This is comprised of 12 national concept notes and 2 regional concept notes, involving 24 countries in total. This includes 3 projects that are now under implementation;

(d) Gender-responsiveness is one of the main criteria of the LDN TPP features checklist, as well as a key requirement of most funding sources targeted by countries. Particular attention has been paid to mainstreaming gender in the project concept notes and proposals through a Gender Project Officer supported by the Canadian Government. Furthermore, 12 TPPs (2 regional projects and 10 national projects) have benefited from additional support to prepare gender-specific studies such as Gender Gap Analysis and Gender Action Plans;

(e) Following a land-based approach, most of the project proposals have the potential to generate multiple benefits to tackle issues related to drought (6 proposals, e.g. in Bolivia, Dominican Republic, Madagascar), biodiversity loss (20 proposals, e.g. in Bolivia, Colombia, Ghana, Guinea, Nicaragua, Peru), climate change adaptation and mitigation (31 proposals, e.g. in Colombia, Eswatini, Ghana, Malawi, Peru) and proposals contributing to creating green jobs (22 projects, e.g. in Nicaragua, Nigeria, Malawi, Tunisia). This multiple-benefits approach will be a mainstay of UNCCD operations moving forward.

26. Overall, steady progress is being made in turning national plans into investable projects. There is, however, a need to show continued support to NFPs in order to strengthen collaboration with other sectors and the capacity to translate plans and targets into bankable projects and programmes suitable for either domestic or international financing at scale, including from the private sector. At the same time, the process of accessing funding from major international funders, or the design and mobilization of funding for new investments or investment vehicles, continues to take significant periods. The lack of investment-ready projects continues to slow down access to finance and the overall implementation of the Convention, affecting developing country Parties, development partners and potential private sector investors alike.

C. Flagship initiatives

27. The GM is learning that developing large-scale programmatic approaches or flagship initiatives, in close collaboration with relevant stakeholders, allows us to provide more flexible, effective and efficient support to UNCCD Parties.

28. The GGWSSI has seen increasing progress. Two years on from the One Planet Summit, 80 per cent of the USD 19 billion pledged towards the Great Green Wall (GGW) has been programmed across the 11 African nations forming part of the initiative. Further details on this progress include:

(a) In the area of governance and advocacy, the GGW Accelerator (GGWA, housed at the GM of the UNCCD) has helped to generate strong and inclusive national-level GGW coalitions, comprising governments, international donors, the private sector and civil society, to chart the way forward for implementation in countries. National GGW coalitions have been established in 9 out of 11 countries;

(b) In the area of monitoring, evaluation and reporting, the GGWA has supported the development of a harmonized results management framework – a robust quality assurance and monitoring framework that was agreed and co-designed by the countries and the financial and technical partners. This framework is used by countries for reporting and developing new integrated programmes. Further, a digital platform is currently under development to serve as a knowledge management platform for countries and partners;

(c) In the area of resource mobilization, the GGWA has promoted the establishment of a pipeline of eligible and bankable projects. The tracking of pledges has helped identify and match funding for 150 projects, covering all countries involved in the GGW, from Senegal to Djibouti. USD 2.5 billion of the funding pledged has been disbursed with the remaining USD 17.5 billion expected by the end of 2025. It should be noted that the funding available still falls short of the USD 33 billion needed to achieve the GGW vision to restore 100 million hectares of degraded lands by 2030, sequester 250 million equivalent tonnes of CO₂ and create 10 million jobs in a region marked by unemployment and migration;

29. Parties from the GGW will require additional support to develop integrated transformative programmes, sustain strong national coalitions and mobilize funding, including from the private sector.

30. The work done by the GGWA has inspired the SADC region and other countries from North Africa, the Gulf of Guinea (Cote d’Ivoire, Gambia, Guinea, Ghana, Benin, etc.) and the Horn of Africa (Kenya, Somalia, etc.) to express their willingness to join the GGWI.

31. Inspired by the GGWI in the Sahel, the SADC Secretariat and the African Union Commission (AUC) launched the inception phase for the SADC GGWI region in 2016,

following its endorsement by the SADC Ministers of Environment and Natural Resources Meeting in 2015. Through collaborative efforts by SADC member states, the SADC Secretariat, the AUC and other partners, a draft regional strategy and implementation plan for the GGWI in the region was produced in 2018. The SADC Joint Meeting of Ministers responsible for Environment, Natural Resources and Tourism approved this strategy in 2019, in Arusha, Tanzania. The SADC GGWI offers a unique opportunity to bring ongoing restoration mechanisms and other related commitments together under one umbrella.

32. Decision 13/COP.15 requests the GEF to support the Southern Africa GGWI. In this context, the UNCCD, in partnership with the SADC Secretariat, AUC, AUDA-NEPAD and the Commonwealth Secretariat, supported the SADC GGW Stakeholder Engagement and Capacity Building Workshop from 2–4 August 2022 in Pretoria, South Africa. The workshop brought together government representatives of environment, land, climate change and finance sectors, as well as technical and development partners, and agreed on six investment pillars, seven cross-cutting issues and a political and resource mobilization roadmap.

33. The investment pillars are well aligned with the SADC Regional Indicative Strategic Development Plan 2020–2030, the SADC Sub-regional Action Programme to Combat Desertification (2015–2025) and several regional undertakings based on collective decisions to end drought emergencies, in particular, the Windhoek Declaration (2016) and other SADC regional instruments of cooperation, initiatives and programmes on biodiversity, climate change, agriculture, renewable energy, transboundary water, trans-frontier conservation areas and gender, among other things.

34. In response to the COP decision for support, the GM and the AfDB have initiated the development of a GEF Medium-Sized Project to support the further development and coordination of the SADC GGWI. The design of the Medium-Sized Project proposal will respond to agreed key priorities and recommendations, including an economic and social analysis to determine the economic losses, cost of inaction and benefits of implementing the SADC GGWI, the development of a regional investment plan and project pipeline, the operational modalities and a coordination framework building on existing SADC structures, among other areas.

35. Projects and programmes supported by the GM through the partnership for project preparation, which are contributing to the implementation of the SADC GGWI, include the Programme for Integrated Development and Adaptation to Climate Change (PIDACC Zambezi Zone I) funded by the AfDB (approved), the Zambezi Programme funded by the Climate Investment Fund (funding for development of the investment plan approved), and the Gender and Drought project funded by the AfDB (pre-approved).

36. Led at the highest level nationally, the Côte d'Ivoire Abidjan Initiative and Legacy Programme announced at COP 15 is designed to be replicated. Aiming to raise more than USD 1.5 billion (approximately CFA 900 billion), it is a five-year, comprehensive and innovative approach to land management, structured around fore-sighting and the productive capacity of land and soil.

37. The goal of the Abidjan Legacy Programme is to ensure that commodity value chains are futureproof, resilient and inclusive, and thereby promote a radical transformation of the modes of production and consumption. The programme will reduce the degradation of land and forest resources to ensure more sustainable productive capacities in existing value chains, while identifying, developing and implementing alternative value chains able to withstand the impact of climate change and support a regenerative transition of productive systems.

38. Special focus is given to value chains with high value opportunities. Parallel emphasis will be placed on livelihood crops for local populations, capacity development for farmers and micro, small and medium-sized enterprises, as well as the use of scientific research.

39. At the start of 2023, the Government of Côte d'Ivoire recruited a full team based in the Prime Minister's office to implement the programme, with the support of the UNIDO, UNDP and other partners who pledged support at COP 15.

40. Building on the ongoing collaboration with the aforementioned PISLM for the development of a multi-country GCF programme to support LDN implementation in the Caribbean Small Island Developing States (SIDS), the proposal for the "*Caribbean SIDS*

Initiative on Harnessing LDN as a means to Enhance Climate Smart SLM, Climate Resilience and Sustainable Food Security” is progressing.

41. To accelerate progress, with leadership from the 12 participating country Parties⁷ and the mandate given to PISLM, and following the guidance provided by the GCF Secretariat, the proposal formulation process is now under discussion with regional GCF Direct Access Entities (the Inter-American Institute for Cooperation on Agriculture and the Government of Antigua and Barbuda).

42. It should be noted, this proposal builds on and complements the GEF-funded “*CSIDS-SOILCARE Phase1: Caribbean Small Island Developing States multicountry soil management initiative for Integrated Landscape Restoration and climate-resilient food systems*”, implemented by the FAO and executed by PISLM.⁸

43. In Mesoamerica, the UNCCD/GM and Central American Commission for Environment and Development (CCAD) jointly convened a high-level ministerial meeting and a follow-up technical meeting with representatives from the Central American Dry Corridor country Parties.⁹ This collaboration builds upon an existing memorandum of understanding between the CCAD and UNCCD.

44. An initial technical workshop for the development of a multi-country proposal was held on 29 June 2022. A second technical workshop to further define the scope of this new Dry Corridor Initiative, taking into account country priorities and building on other ongoing and planned country level implementation activities under the Rio conventions, notably related to agriculture, drought and migration, was held on 22 November 2022. In terms of next steps, once the proposal is fully designed, the CCAD and GM will be exploring collaboration with relevant bilateral and multilateral donors.

45. In the Pacific SIDS, the GM is collaborating with the South Pacific Community and other partner agencies in the region to develop a regional programme aimed at combating land degradation and drought.

46. In this context, the GM organized a workshop from 29 November to 1 December 2022 with the aim of introducing a number of Asian countries to the available funding sources for projects and programmes related to the UNCCD, and brainstorming for project ideas. The countries came up with some initial project concept ideas.

47. In follow-up, another workshop was convened back-to-back with the Pacific Summit organized by the Government of the Republic of Korea on 30 May 2023. The workshop was organized from 31 May to 2 June 2023 where the potential investment pillars of the regional programme were discussed in more detail. The findings of the workshop and proposed programme framework will be validated by Parties and shared with potential investors.

48. In preparation for the International Year of Rangelands and Pastoralists (IYRP) in 2026, the GM of the UNCCD is collaborating with key partners to design a global programme on rangelands.

49. The IYRP will be observed through activities aimed at raising awareness and visibility around the sustainable management of rangelands and pastoralism, and directing attention to its relevance and its contribution to achieving sustainable development. Global rangelands cover 79,509,421 km², over 54 per cent of the world’s terrestrial surface, the largest land use type in the world. Seventy-eight per cent of global rangelands (approximately 62,000,000 km²) are considered drylands, mainly in tropical and temperate latitudes, ranging from hyper-arid to sub-humid types according to their aridity index.

50. In order to assess the current status, a Global Land Outlook thematic report is being prepared by the secretariat which will guide the main areas of focus for the global programme.

51. Furthermore, a project proposal has already been initiated through a partnership with the WWF, the GM of the UNCCD and the United States Department of Agriculture. A

⁷ Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.

⁸ <https://www.thegef.org/projects-operations/projects/10195>.

⁹ Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama.

partners meeting is scheduled to take place during the second half of 2023 to outline the programme and project pipeline.

D. Peace Forest Initiative

52. Launched during COP 14, the Peace Forest Initiative (PFI) aims to contribute to enhanced peace and security through the management and development of natural resources such as land, water and forest in environmentally fragile and (post) conflict-affected areas, linking SDG 15 (Life on Land) and SDG 16 (Peace, Justice and Strong Institutions). The PFI provides a platform for concerned parties and communities to co-design the conservation, sustainable management, restoration and development of their natural resources in cross-border areas as a joint/common asset in order to promote sustainable development, resilience and peace building.

53. Parties requested the secretariat and the GM to continue to collaborate with partners in developing the PFI. During 2022–2023, PFI activities have been supported with the financial backing of the Government of the Republic of Korea.

54. A draft operational guideline and scoping of PFI activity has been prepared in collaboration with a number of concerned Parties, United Nations entities and other organizations. The secretariat organized the first regional workshop from 6 to 9 June 2023 in Nairobi, Kenya, with the participation of the East Africa countries.

55. The secretariat consulted with a range of governments that expressed a willingness to participate in the PFI and develop concrete concepts, ideas and action plans for collaboration and cooperation among stakeholders in three sub-regions.

III. Innovative financing and the private sector

56. Innovative finance and the involvement of the private sector will play an increasingly crucial role in the implementation of the UNCCD. To meet the gaps in financing identified in the latest reporting cycle and anticipated in the upcoming needs assessment, innovative finance mechanisms, such as impact investing, green bonds, and blended finance, may attract additional funds from private investors and financial institutions. In parallel, the private sector offers valuable expertise, technological advancements and innovative solutions to address the challenges related to land degradation. Meanwhile, through Biodiversity for Life (B4L) and other initiatives (such as the Sourcing Challenge) being co-developed and framed with private sector partners, the GM encourages businesses to adopt sustainable land use practices and reduce their land and water footprint. The private sector has the capacity to scale up initiatives and projects, enabling widespread adoption of SLM practices should a pipeline of investment ready projects be made available.

57. Since COP 15, the GM has been working to test the innovative instruments for financing options presented and profiled in Abidjan (debt for nature swaps, bonds/carbon credits, technology transfer) and worked to develop various other areas (notably related to disruptive financial innovations and technologies, and drought). We have continued our collaboration with the LDN Fund.

58. On disruptive financial innovations and technologies, it should be noted that close to one third of all adults, or around 1.7 billion people, about half of whom were women, are still without access to financial services. A new report, "*Financial and digital inclusion for last mile payments: Trends, sustainable land use and disruptive financial service options*,"¹⁰ was published on this subject. The report finds that mobile banking and payments provide affordable and convenient access to financial services, especially in rural areas, while carbon credits can create incentives for landholders and farmers adopting SLM practices to combat land degradation and desertification. The report provides successful examples of how innovative financial solutions and technologies can be scaled up to support new business

¹⁰ <https://www.unccd.int/resources/publications/financial-and-digital-inclusion-last-mile-payments-trends-sustainable-land>.

models and generate economic benefits while restoring soil health, reducing land degradation, preventing forced migration, improving food security, protecting biodiversity and supporting climate resilience.

A. Financing Instruments: debt/bonds/carbon credits

59. The GM has been exploring innovative instruments linking sovereign debt restructuring to land restoration in order to address the challenges of unsustainable debt burdens and environmental degradation. The COVID-19 pandemic and the current global economic outlook have led to higher debt levels in countries, severely restricting the fiscal capacity to pursue other development policies, such as achieving the SDGs. Mechanisms such as ‘debt-for-nature swaps’, ‘sustainability-linked bonds’ and ‘green bonds’ could contribute to a virtuous circle of debt reduction and increase the financing for sustainable development, particularly the attainment of underfunded environmental targets related to land.

60. The GM commissioned a report on this subject¹¹ and there is a high level of interest in this topic among UNCCD Parties. The GM has established a partnership with The Nature Conservancy to test implementation of this type of instrument in various countries.

61. At the same time, the carbon market holds great potential for supporting land-based climate mitigation and adaptation that could benefit smallholder farmers. By participating in the carbon market, land management and restoration projects can generate carbon credits based on the amount of carbon dioxide they sequester or the emissions they avoid. The revenue generated from the sale of these credits can be used to finance land restoration activities, including the costs associated with planting trees, implementing sustainable agriculture practices and restoring degraded ecosystems. This is an important new stream of finance that can create economic opportunities and encourage long-term investment in restoring and conserving land. However, the effectiveness and environmental integrity of carbon offset projects in the carbon market can vary. The GM is working with a number of carbon credit project developers and investment partners, currently in three countries, to test and refine elements of a carbon credit model that can also support the delivery of LDN for the benefit of Parties and land-users.

B. Technology transfer

62. At COP 15, the GM presented the UNCCD Framework for Technology Transfer.¹² Within the context of this framework, and following engagement by various Parties within Annex IV, the GM and the GGWA engaged in a partnership with DeserTech. DeserTech is an innovation community which promotes the development, adaptation and commercialization of technologies that enable sustainable living in arid climates. Based in Israel’s Negev desert, DeserTech connects entrepreneurs, innovators and investors.

63. A collaboration between DeserTech and the GGWA at the G M brought 30 young entrepreneurs and innovators from 11 GGW countries together with entrepreneurs and innovators from the Negev region, with the aim of identifying needs and co-designing and jointly writing proposals for innovative solutions. The programme, which ran from December 2022 to June 2023, consisted of various online workshops focussed on needs assessments and the evaluation of potential technical solutions, and an in-person workshop in Israel where the joint teams held writing workshops aimed at developing project proposals. The programme resulted in the development of 16 project proposals from 11 countries.

64. With the support of the GGWA, the entrepreneurs involved presented these proposals to potential private sector investors with interest in the GGW. The GM and DeserTech are evaluating the outcomes of this collaboration with the aim of presenting the results, lessons learned and analysis of the model for technology transfer by COP 16.

¹¹ <https://www.unccd.int/resources/other/debt-land-restoration-swaps>.

¹² <https://www.unccd.int/resources/other/model-framework-technology-transfer>.

C. Collaboration with the Land Degradation Neutrality Fund

65. Collaboration with the private sector-led impact investment fund (the LDN Fund and its Technical Assistance Facility (TAF)) has continued and a number of lessons learned are being documented. So far, the LDN Fund and TAF have supported 20 commodity value chains from coffee and cocoa to timber and artemisia, with 20 project partners in 15 countries across Latin America, Africa and Asia.

66. Many of the successful scale-ups supported through investments by the LDN Fund and LDN TAF are relatively new players with innovative and inclusive approaches, e.g. engaging with farmers through outgrower schemes or scaling up agroforestry systems. These projects often have not yet reached the point of breakeven or full commercial viability and therefore require a long-term investor that can afford to wait until they are cash-flow-positive.

67. Traditional land use projects often offer volatile financial returns relative to the risk and complexity involved. The projects invested in by the LDN Fund typically overcome this challenge with innovative approaches, combining different revenue streams (e.g. cash crops and carbon finance), sustainably increasing yields/quality and adding value through processing. Landscape approaches are often needed to help create stronger farmer and community links, develop clear and agreed-upon land use plans (following Free, Prior, and Informed Consent/participatory approaches) and identify opportunities to maximize impact, especially concerning restoration and conservation of land. Most successful projects exhibited some degree of landscape-type approach when selecting planting areas. Examples of investing in SLM include the financing of businesses that contribute to biodiversity and adaptation, including sustainable forestry and agriculture; green infrastructure investments; climate mitigation projects; and payment for ecosystem services.

68. The vast majority (~70%) of the monies committed to the LDN Fund have now been invested with the balance of remaining funds expected to be deployed before the end of 2023. The LDN Fund will remain operational until 2033. Options for opening a second vintage fund dedicated to supporting private sector-led SLM are being explored.

D. Innovative drought financing

69. At its fourteenth session, the COP requested the GM to identify potential and innovative financing instruments, based on clearly identified added value, for addressing drought, such as, but not limited to, insurance products, bonds and microfinance, and to make available related information and guidance for facilitating the access of Parties to these instruments (decision 23/COP.14). The GM commissioned a background paper¹³ for the consideration of the Intergovernmental Working Group (IWG 2020–2022) in this regard. This paper was made available at COP 15.

70. Since COP 15, the GM has been examining two innovative drought financing models. These models are currently under development. Firstly, in collaboration with technical partners and the insurance industry, we are exploring the evolution of drought-insurance models that would be more beneficial to the most vulnerable populations (last-mile finance) and the health of the land by introducing SLM indicators as an incentive or ‘nudge’ for action that reduces both drought vulnerability and risk and premiums. Ultimately, this should produce a viable business model for the insurance industry that becomes proactive rather than providing purely reactive coverage. Secondly, the GM will also propose the development of a multi-stakeholder financial instrument designed for blended drought finance by the public and private sector. We aim to make the business case for the sector. The objective of the drought resilience ‘fund’ is to gradually transform the water security and stewardship sector from one that is exclusively public or donor-financed to one supported by multiple investors, including commercial investors, with only first loss/junior capital coming from public funds.

¹³ <https://www.unccd.int/sites/default/files/2022-09/IWG%20task%20report%203%20Drought%20finance%20.pdf>.

IV. Resource mobilization strategy

71. As requested by decision 13/COP.15, the GM will be conducting a needs assessment to understand the scale of financial needs for the full implementation of the Convention. A consultation to agree on the methodology for the needs assessment will be undertaken under the auspices of CRIC 21.

72. Based on the voluntary LDN target setting exercise, including LDN TSP 2.0, lessons learned from efforts to mobilize funds for national and regional projects and programmes, findings from the recent national reporting and with input from this needs assessment, the GM is preparing a timebound strategy to increase fund mobilization to support Parties in the achievement of the objectives of the Convention. The resource mobilization strategy will provide a simple, easy-to-use roadmap and 'how to' guides on how resources might be leveraged to meet Party needs and assist countries in identifying the appropriate possibilities for raising funds from public, private and domestic sources, and closing any gaps. It will identify what Parties can do to be better prepared at the national level, from national coalitions and contacts to developing the business case.

V. Conclusions

73. **The LDN target setting process provides a solid foundation for establishing national land degradation baselines using best available data from multiple sources, setting voluntary national LDN targets and related measures, and defining clear priorities and action required for country Parties to continue advancing towards achieving LDN by 2030.**

74. **While a large majority of UNCCD country Parties have already engaged in this voluntary process, there are still countries that have either not engaged at all to date, or that initially engaged but have not successfully completed their respective national processes due to various country-specific circumstances. The GM continues to work with interested technical and financial partners to mobilize resources and support countries in completing their LDN target setting process.**

75. **Responding to the mandate given by Parties, the GM and the secretariat of the UNCCD have developed and launched the LDN TSP 2.0 as a second-generation programme that will provide country Parties with relevant decision support and tools to get their stock of healthy and productive land in balance by 2030. In this context, the LDN TSP 2.0 constitutes an opportunity for participating countries to strengthen their LDN targets and related measures and improve their integrated land use planning frameworks.**

76. **Regarding the LDN TSP 2.0 call, we were not able to provide support to all country Parties that expressed an interest. As evidenced from the number of Parties applying and the engagement of technical, institutional and financial partners in the preparatory phase, scale-up beyond the 18 countries initially selected could be carried out through a partnership model.**

77. **A programmatic approach delivered by a partnership model has enabled the GM to accelerate support to country Parties. The pipeline of projects under development is now more diverse and advancing more quickly. Public and private sector investors are keen to collaborate with us on developing this pipeline of projects.**

78. **Innovative approaches and private sector engagement in terms of LDN-friendly value chains and blended finance will be crucial to scaling up implementation. By working with partners, the GM is able to explore and test new financing models.**

VI. Recommendations

79. **Recalling the mandate given by country Parties to the secretariat and the GM, as contained in the various decisions referenced in the preceding sections, and taking**

into consideration the actions taken by both institutions to support the voluntary LDN target setting exercise and progress towards implementation, the results obtained from these actions, and the several conclusions contained in this report, Parties attending CRIC 21 may wish to consider the following recommendations and convey the same for the further consideration of the COP:

(a) Encourage interested country Parties that have not yet done so to undertake and/or finalize their voluntary LDN target setting processes and adopt their LDN targets at the highest political/institutional level;

(b) Request the GM and the secretariat, in collaboration with relevant partners and subject to available resources, to continue supporting an enabling environment for the setting, review and refinement of voluntary LDN targets and related measures, and for the mainstreaming of LDN in integrated land use planning frameworks at (sub)national levels;

(c) Invite country Parties to formalize their interest in engaging in the LDN TSP 2.0 by submitting their requests for support in response to the call on an open-ended basis;

(d) Request the GM to establish a waiting list of countries interested in participating in the LDN TSP 2.0 for further discussion with relevant institutional, technical and financial partners that may be interested in directly supporting the engagement of additional countries;

(e) Invite interested institutional, technical and financial partners in a position to do so to consider options for providing direct support to additional countries for LDN TSP 2.0-related activities;

(f) Encourage Parties to strengthen intersectoral collaboration at (sub)national, national and regional levels to ensure the participation of other sectors at UNCCD events and the COP, and increased UNCCD participation in other sectoral events and investment planning processes;

(g) Also encourage Parties to continue to strengthen internal coordination with NFPs responsible for endorsing projects (such as finance and planning officials, GEF OFPs, GCF National Designated Authorities, as well as focal points for bilateral funding);

(h) Request the GM and the secretariat to continue to support the development of the capacity of country Parties to improve intersectoral coordination with relevant sectors, policies and plans, particularly the engagement with focal points for project financing (such as finance and planning, biodiversity, climate change, agriculture, energy, water, infrastructure development and disaster risk management, among other things);

(i) Also request the GM and the secretariat to strengthen engagement with institutions providing project preparation and implementing financing, such as the Multilateral Development Banks, bilateral and multilateral funding agencies, philanthropic donors and the private sector;

(j) Further request the GM and the secretariat to continue strengthening partnerships to accelerate the development of a geographically balanced project preparation pipeline through a partnership model and the preparation of regional and multi-country flagship initiatives, and to facilitate the convening of relevant resource mobilization events;

(k) Request the GM and the secretariat to provide further feedback on the results of the work on target setting, pipeline development and the PFI, and to provide Parties with an analysis of the lessons learned from testing innovative financing options and private sector engagement strategies;

(l) Also request the GM to integrate the lessons learned from and implications of the target setting, pipeline development, PFI, innovative financing

options and private sector engagement strategies into the needs assessment methodology and timebound resource mobilization strategy.

Annex I

[English only]

**List of countries participating in the Land Degradation
Neutrality Target Setting Programme as of June 2023****Africa (Annex I)**

- 1 Algeria
- 2 Angola
- 3 Benin
- 4 Botswana
- 5 Burkina Faso
- 6 Burundi
- 7 Cabo Verde
- 8 Cameroon
- 9 Central African Republic
- 10 Chad
- 11 Comoros
- 12 Congo
- 13 Côte d'Ivoire
- 14 Democratic Republic of the Congo
- 15 Djibouti
- 16 Egypt
- 17 Equatorial Guinea
- 18 Eritrea
- 19 Eswatini
- 20 Ethiopia
- 21 Gabon
- 22 Gambia
- 23 Ghana
- 24 Guinea
- 25 Guinea Bissau
- 26 Kenya
- 27 Lesotho
- 28 Liberia
- 29 Madagascar
- 30 Malawi
- 31 Mali
- 32 Mauritania
- 33 Mauritius
- 34 Morocco
- 35 Mozambique
- 36 Namibia
- 37 Niger
- 38 Nigeria
- 39 Rwanda
- 40 Sao Tome and Principe
- 41 Senegal

42	Seychelles
43	Sierra Leone
44	Somalia
45	South Africa
46	South Sudan
47	Sudan
48	United Republic of Tanzania
49	Togo
50	Tunisia
51	Uganda
52	Zambia
53	Zimbabwe

Asia (Annex II)

54	Bangladesh
55	Bhutan
56	Cambodia
57	China
58	India
59	Indonesia
60	Iran (Islamic Republic of)
61	Iraq
62	Jordan
63	Kazakhstan
64	Kuwait
65	Kyrgyzstan
66	Lao People's Democratic Republic
67	Lebanon
68	Malaysia
69	Mongolia
70	Myanmar
71	Nauru
72	Nepal
73	Niue
74	Pakistan
75	Papua New Guinea
76	Philippines
77	Samoa
78	Sri Lanka
79	Syrian Arab Republic
80	Tajikistan
81	Thailand
82	Timor-Leste
83	Turkmenistan
84	Uzbekistan
85	Viet Nam

Latin America and the Caribbean (Annex III)

86	Antigua and Barbuda
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- 87 Argentina
 - 88 Barbados
 - 89 Belize
 - 90 Bolivia (Plurinational State of)
 - 91 Brazil
 - 92 Chile
 - 93 Colombia
 - 94 Costa Rica
 - 95 Cuba
 - 96 Dominica
 - 97 Dominican Republic
 - 98 Ecuador
 - 99 El Salvador
 - 100 Grenada
 - 101 Guatemala
 - 102 Guyana
 - 103 Haiti
 - 104 Honduras
 - 105 Jamaica
 - 106 Mexico
 - 107 Nicaragua
 - 108 Panama
 - 109 Paraguay
 - 110 Peru
 - 111 Saint Kitts and Nevis
 - 112 Saint Lucia
 - 113 Saint Vincent and the Grenadines
 - 114 Suriname
 - 115 Trinidad and Tobago
 - 116 Uruguay
 - 117 Venezuela (Bolivarian Republic of)

Northern Mediterranean (Annex IV) and Central and Eastern Europe (Annex V)

- 118 Armenia
- 119 Azerbaijan
- 120 Belarus
- 121 Bosnia and Herzegovina
- 122 Georgia
- 123 Italy
- 124 Montenegro
- 125 North Macedonia
- 126 Republic of Moldova
- 127 Russian Federation
- 128 Serbia
- 129 Turkey
- 130 Ukraine

Annex II

[English only]

List of countries benefiting from Global Mechanism support for the development of transformative projects and programmes as of 15 June 2023

Africa (Annex I)

1. Algeria (National)
2. Angola (Regional)
3. Benin (National and Regional)
4. Botswana (National and Regional)
5. Burkina Faso (Regional)
6. Burundi (National)
7. Cabo Verde (Regional)
8. Central African Republic (National)
9. Chad (National and Regional)
10. Côte d'Ivoire (Regional)
11. Eritrea (National)
12. Eswatini (National)
13. Ethiopia (National)
14. Gambia (Regional)
15. Ghana (Regional)
16. Guinea (National and Regional)
17. Guinea-Bissau (Regional)
18. Liberia (National)
19. Madagascar (National and Regional)
20. Malawi (National and Regional)
21. Mali (National and Regional)
22. Mauritania (National and Regional)
23. Mozambique (Regional)
24. Namibia (National and Regional)
25. Niger (Regional)
26. Nigeria (National)
27. Rwanda (National)
28. Senegal (National and Regional)
29. Sierra Leone (National)
30. Somalia (National)
31. South Africa (National and Regional)

32. Togo (National and Regional)
33. Tunisia (National)
34. Uganda (National)
35. United Republic of Tanzania (Regional)
36. Zambia (National and Regional)
37. Zimbabwe (National and Regional)

Asia (Annex II)

38. Bhutan (National)
39. India (National)
40. Mongolia (National)
41. Nepal (National)
42. Papua New Guinea (National)
43. Philippines (National)
44. Samoa (National and Regional)
45. Uzbekistan (National)
46. Viet Nam (National)

Latin America and the Caribbean (Annex III)

47. Barbados (Regional)
48. Belize (Regional)
49. Bolivia (Plurinational State of) (National)
50. Colombia (National)
51. Costa Rica (Regional)
52. Dominica (Regional)
53. Dominican Republic (National and Regional)
54. El Salvador (Regional)
55. Grenada (National and Regional)
56. Guatemala (Regional)
57. Guyana (Regional)
58. Haiti (Regional)
59. Honduras (Regional)
60. Jamaica (Regional)
61. Nicaragua (Regional)
62. Panama (Regional)
63. Peru (National)
64. Saint Kitts and Nevis (Regional)
65. Saint Lucia (Regional)
66. Saint Vincent and the Grenadines (Regional)
67. Suriname (Regional)

- 68. Trinidad and Tobago (Regional)
- 69. Venezuela (Bolivarian Republic of) (National)

Northern Mediterranean (Annex IV) and Central and Eastern Europe (Annex V)

- 70. Armenia (National)
 - 71. Belarus (National)
 - 72. Georgia (National)
 - 73. Montenegro (National)
 - 74. Turkey (National)
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