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Procedural matters

Participation and involvement of the private sector in meetings and processes of the United Nations Convention to Combat Desertification and the business engagement strategy

Participation and involvement of the private sector in meetings and processes of the United Nations Convention to Combat Desertification

Report by the Global Mechanism

Summary

By its decision 6/COP.15, the Conference of the Parties (COP) requested the secretariat and the Global Mechanism (GM) to continue engaging with the private sector and to work with it in promoting the implementation of the Convention and to draw on the private sector engagement strategy 2021–2030 when engaging in partnerships with the private sector.

This report provides an overview of the activities undertaken by the secretariat and the GM and presents conclusions with recommendations for the consideration of Parties at the sixteenth session of the COP.



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I. Introduction

1. At its fifteenth session, the Conference of the Parties (COP) to the United Nations Convention to Combat Desertification (UNCCD) requested the secretariat and the Global Mechanism (GM), within their mandate and subject to the availability of resources, to undertake several private sector-focused initiatives. These initiatives include engaging with companies in the food, feed and fibre sector that have the potential to make positive contributions to addressing desertification/land degradation and drought. The secretariat and the GM were also tasked with continuing to promote decent land-based jobs for youth and fostering land-based youth entrepreneurship in collaboration with other partners. Moreover, the secretariat and the GM were instructed to (i) continue engaging with the private sector on introducing sustainable land use and value chain development, including for the promotion of sustainable sourcing practices; and (ii) facilitate the development of the Business for Land Initiative (B4L Initiative), ensuring the visibility of the commitments made by participating companies towards the objectives of the Convention and the future self-sustainability of the initiative.
2. Additionally, they were to facilitate the organization of the seventh Sustainable Land Management Business Forum on the sidelines of the sixteenth session of the Conference of the Parties (COP 16), in collaboration with relevant partners and private sector representatives. Furthermore, the secretariat was requested to report at COP 16 on the measures taken to facilitate and encourage private sector participation in the meetings and processes of the UNCCD.
3. This document reports on the main activities undertaken by the secretariat, the GM and the Group of 20 (G20) Global Land Restoration Initiative in implementing decision 6/COP.15. It presents conclusions with recommendations for consideration by Parties at COP 16.

II. Seventh Sustainable Land Management Business Forum

4. The seventh Sustainable Land Management Business Forum will be organized alongside COP 16 as the Business for Land Forum (B4L Forum). It will bring together chief executive officers and other business leaders, politicians, policymakers, government representatives, opinion leaders, experts and other stakeholders to exchange views on the initiatives undertaken by business and industry entities to achieve land degradation neutrality (LDN) and/or build resilience to drought. The B4L Forum seeks to leverage the private sector's expertise, skills, and resources to encourage commitments and efforts in combating desertification and land degradation.
5. The B4L Forum aims to serve as a platform and provide guidance to the private sector on seizing opportunities and managing risks associated with desertification/land degradation and drought (DLDD) by:
 - (a) Showcasing best practices for actions and reporting towards LDN, working in close collaboration with relevant disclosure frameworks and initiatives to create a level playing field regarding business impact on LDN;
 - (b) Encouraging funding (private capital and philanthropic donations) shifts from harmful land management practices to sustainable ones that will support businesses of all sizes to grasp economic opportunities related to sustainable land management (SLM) and drought resilience;
 - (c) Facilitating both peer learning and public-private dialogue to create more resilient and efficient businesses, including throughout complex supply chains.
6. Additional information will be available on the COP 16 webpage. The B4L Forum is co-organized by the host country and the UNCCD secretariat.

III. Business for Land Initiative

7. The B4L Initiative is being established in accordance with decision 6/COP.15, where Parties requested UNCCD to facilitate, in collaboration with partners, the development of the B4L Initiative, bringing visibility to the commitments made by participating companies towards the objectives of the Convention and ensuring that the initiative is self-sustained in the future.

8. The B4L Initiative is now starting to catalyse private sector actions towards LDN and drought resilience with a focus on four key objectives: (1) Improve soil health; (2) Preserve land quality by implementing sustainable management practices; (3) Restore or rehabilitate degraded land; and (4) Strengthen resilience of drought-risk ecosystems and communities through mitigation, adaptation, and management of the effects of drought.

9. The GM has been encouraging the private sector to either grasp the opportunities or manage material risks associated with DLDD and is organizing its work around three B4L Initiative pillars, namely:

(a) Environmental, social and governance (ESG) arrangements, where the GM are working towards mainstreaming land into corporate decision-making along the value chain. The GM has been closely collaborating with relevant financial disclosure frameworks and initiatives to create a level playing field that measures businesses' impacts on land, focusing on corporate targets to achieve LDN;

(b) Financing LDN through sustainable financing solutions and philanthropic contributions;

(c) Advocacy to create a positive enabling environment to leverage the private sector's expertise, skills and resources to further encourage commitments and efforts in combating DLDD.

10. The secretariat and the GM have facilitated advocacy events, online and offline consultations, workshops, and trainings at national, regional and sectoral levels in collaboration with like-minded partners and anticipate it will lead to some significant commitments by the private sector over time.

11. The secretariat and the GM have engaged with business associations, including the United Nations Global Compact, the World Economic Forum, the World Business Council for Sustainable Development, the International Chamber of Commerce, and the Business for Nature Coalition, among others.

12. The UNCCD Executive Secretary participated as a speaker in several World Economic Forum initiatives and events in 2024, namely the Forum's annual meeting in Davos, Switzerland; the first-ever special meeting in Saudi Arabia; as well as the Sustainable Development Impact Summit in New York City. In addition, the COP 15 President, the Deputy Executive Secretary of the UNCCD, and the Managing Director of the GM participated in the ChangeNOW conference in Paris in March 2024.

A. Environment, social and governance standards

13. To maximize its impact, the B4L Initiative seeks to mobilize the private sector while building on existing initiatives. Currently these efforts are largely integrated into a broader approach on assessing and ultimately improving business impact on nature. At a time where companies are facing more regulatory and investors' pressure for the sustainable use of ecosystem services and the need to become more resilient to environmental change impacts, the B4L Initiative seeks to support companies in understanding the double materiality of LDN. The B4L Initiative is therefore inviting companies to provide individual pledges to reflect on how they will specifically contribute to LDN.

14. However, to avoid duplicating current efforts on disclosure and target-setting, B4L encourages participants to track their progress and identify relevant targets by using the Taskforce on Nature-Related Financial Disclosures (TNFD) and the Science-based Targets Network (SBTN) land frameworks and resources as well as the Business for Nature policy

recommendations for SDG15. GM conducted a scoping paper on the existing mechanisms and frameworks for compliance with the reporting standards in collaboration with partners and experts.

15. Details on how B4L Initiative participants can refer to both frameworks when submitting individual pledges to the B4L Initiative ESG pillar can be found online.¹

B. Food-feed fibre Sector

16. The GM has collaborated with the World Business Council for Sustainable Development (WBCSD) on the issue of regenerative agriculture. While not explicitly addressing land degradation and drought issues, wide adoption of regenerative agriculture by the private sector and its integration into a disclosures framework would nevertheless have great value for the uptake of sustainable land management and UNCCD implementation.

17. Related to the full range of agroecological evidence and principles while drawing on both traditional knowledge and modern technology, the private sector increasingly sees regenerative agriculture as an opportunity for holistic, outcome-based farming that generates agricultural production while measurably having net-positive impacts on soil health, biodiversity, climate, water resources and farming livelihoods at the farm and landscape levels. From the private sector perspective, a regenerative agriculture approach should aim to simultaneously promote above- and below-ground carbon sequestration, reduce greenhouse gas emissions, increase crop biodiversity, improve ecological integrity, reduce pesticide and over-fertilization risk, improve soil health, reduce water pollution by improving nutrient use efficiency, improve environmental flows and significantly increase farmers' financial and social benefits and wellbeing.

18. The GM also collaborated in the organization of the Sustainable Natural Fibres Global Conference in Beijing, China (April 2024).² This international gathering is dedicated to advancing sustainability and responsible practices within the natural fibres and fashion textile sector. It is a pioneering initiative, the first of its kind in Asia, bringing together diverse stakeholders including herders, growers, manufacturers, international brands, retailers, research institutions, government bodies and non-governmental organizations. The conference serves as a nexus for collaboration, idea exchange, and relationship-building to address climate action and promote sustainable practices. It represents the convergence of sustainability and fashion, appealing to a new generation of environmentally conscious audiences. A key focus of the conference was on rangeland stewardship, including the Global Rangeland Standard, highlighting the pivotal role that sustainable rangeland management plays in preserving ecosystems and long-term environmental health. The standard will include overarching high-level principles, including LDN, to address key sustainability challenges while adhering to the 'One Health' approach. We anticipate signing a partnership agreement with private sector partners to pilot the approach.

19. The secretariat and the GM also collaborated with the Government of the Kingdom of the Netherlands and the Netherlands Food Partnership to organize a series of workshops mobilizing Dutch companies in the food and water sectors, under the B4L Initiative. The value chains of Dutch companies span continents, making them key stakeholders in the dialogue on the transition toward land-positive business practices. Despite the advances in sustainable land use research and pioneering agricultural practices, land degradation remains a challenge for the Netherlands with land lost due to intensive agriculture and urban development. The Business for Land Netherlands events aimed to foster partnerships and engagement with Dutch businesses in the food and water sectors to promote land conservation and restoration. This workshop also provided UNCCD with an opportunity to inform the Dutch private sector about the B4L Initiative and explore opportunities for collaboration.

¹ <https://forms.office.com/e/gJfR23pBVt>.

² <https://sustainablefibre.org/sustainable-natural-fibres-global-conference-2024-summary-beijing-china/>.

20. The secretariat has collaborated with partners, including the United Nations Sustainable Fashion Alliance and the United Nations Environment Programme, on a land and fashion print and digital publication analysing the full life cycle of raw materials used in the fashion industry (including cotton, wool, wood-based and agricultural waste-based fibres), their water and land footprint, and possible solutions for the greater sustainability of the fashion sector through the identification of future products in the food, feed and fibre categories that help tackle DLDD. The publication will be presented at COP 16 and serve as the background for a session on land and fashion of the B4L Forum and aims at further facilitating policymaker dialogues at the global level on the fashion sector's sustainability.

C. Value chain development and sustainable sourcing practices

21. As a pilot project in value chain development, the GM has collaborated with the Global Shea Alliance on the project Reversing Land Degradation in Shea Communities.³ This project aims to improve incomes and nutrition for 2,500 women shea collectors by restoring 150 hectares of farmland and community land through agroforestry practices and training 2,500 women shea collectors in climate smart agricultural practices in Burkina Faso and Mali.

22. The GM has also supported the Mosaic Programme⁴ to develop public-private partnerships to strengthen agri-value chains in the Great Green Wall Initiative in the Sahel. The project has benefited from the support of a consultant for project proposal preparation.

23. Upon the invitation of the Government of Qatar, the GM organized a series of events at Expo 2023 Doha with the Global Drylands Alliance to raise awareness on the existing solutions for the horticulture value chain and development of the sourcing potential in the drylands⁵. With the understanding that unlocking the potential of drylands will help increase economic status and livelihood security of horticultural farmers in arid and semi-arid regions, several solutions were proposed. These related to hot summers and year-round sustainable crop production; water preservation and sustainable energy sources; and soil, compost and desertification.

D. Youth entrepreneurship

24. The GM and the G20 Global Land Restoration Initiative have been developing programmes on youth entrepreneurship. The GM has focused on a partnership, including with Ernst & Young, to support youth entrepreneurship in Africa in the sectors of food, feed and fibre. This collaboration aims at providing online coaching and business trainings free of charge for 20 young entrepreneurs from Africa who already have a running business and are aiming to improve their land footprint to participate in the LDN efforts and seeking new financial support and access to new markets.

IV. Finance

A. Impact investment

25. The GM continues to monitor the roll-out of the Land Degradation Neutrality Fund (LDN Fund). The LDN Fund is a first-of-its-kind impact investment fund investing in profit-generating sustainable land use and ecosystem restoration projects in emerging countries. It is now fully deployed. Building on the experience of the LDN Fund, the fund manager, Mirova Natixis, will explore launching an additional Sustainable Land Management Fund (SLM Fund) of comparable size, with an accompanying technical assistance facility, to invest in commercially viable projects in sustainable agriculture and sustainable forestry. The SLM

³ <https://www.unccd.int/news-stories/stories/shea-transformation-sowing-seeds-sustainability-sahel>.

⁴ Microsoft Word - Mosaic programme conceptnote_3 May.docx (cifor-icraf.org).

⁵ Qatar Modern Agriculture | Green Tomorrow | Expo 2023 Doha (dohaexpo2023.gov.qa).

Fund will provide long-term financing, such as debt or equity, for sustainable land use projects and companies that will support certified production of food and fibre, especially through regenerative agriculture and agroforestry.

26. The GM notes the emergence of a number of similar funds that embrace restoration practices or target specific geographies, biomes and value chains and welcomes this as a positive sign that the business case for SLM is being acknowledged at least in the context of impact and climate investing with the potential to grow the market further. The GM is engaging to support their further development in different regions.

27. Working with our partners at Bankers Without Borders, the GM is also exploring the establishment and supporting the design of a blended public-private Global Drought Fund mechanism. This private sector-led funding mechanism would be a tool to support integrated drought risk reduction strategic objectives that enable firms to leverage financial resources and mobilize investments for effective and private investment in sustainable drought resilience measures. The aim is to create a return-generating fund that invests in a range of drought resilience-related projects and/or companies capable of significant positive contributions to drought resilience. The fund will utilize both concessional and commercial capital in a blended structure. The goal is to demonstrate the feasibility of a two-pronged approach to investment that can generate impact and financial returns simultaneously.

B. Insurance sector

28. With support from International Drought Resilience Alliance, the GM has been working with several partners and financial institutions to explore a new insurance model with specific links to SLM practices.

29. This SLM linked index insurance approach has a two-fold purpose: to (1) increase drought resilience (*ex-ante*); and (2) provide shock protection in case of extreme drought (*ex-post*). The parametric insurance component is designed to provide immediate financial support in the wake of extreme droughts. In parallel, the resilience component, focused on sustainable land and water management practices, aims to mitigate the impact of such droughts independently from the return period. By enhancing the ecological and community resilience to drought, this approach not only decreases the likelihood of triggering expensive insurance payouts but also contributes to lowering premium costs. Essentially, the resilience measures act as a preventive strategy, reducing the overall risk profile and therefore the financial burden on both the insurance system and the communities it serves.

30. This innovative, dual strategy exemplifies a holistic approach to drought risk financing, emphasizing the importance of prevention and preparedness alongside more effective response mechanisms. In the coming biennium, the GM would hope to test the model in collaboration with the United Nations Capital Development Fund and private sector partners to expand our engagement with the part of the insurance industry focusing on smallholders and agricultural risk. For smallholders, we are also exploring a re-insurance product.

C. Carbon credits and emerging markets

31. To further deliver on the GM's mandate to make available innovative financing vehicles, the GM has been exploring carbon and resilience credits and their potential to better address land degradation and build drought resilience. At COP 16, the GM will release a white paper that synthesizes lessons learned from a review of the literature and existing credit-based projects supported by the GM to inform guidance on the development of a UNCCD-friendly carbon model and in turn identify lessons from the carbon credits market that can be applied to the emerging resilience and biodiversity credits to enhance their effectiveness and scalability.

32. In this context, the UNCCD is undertaking a pilot project entitled "Promoting Women's Leadership in Regenerative Agriculture through Digital and Carbon Finance Inclusion", which leverages private sector partnerships with hiveonline and CYNK.

33. Hiveonline's myCoop.online platform provides digital tools for financial inclusion and market access to women smallholder farmers, while CYNK utilizes a blockchain-based system to create high-quality, traceable voluntary carbon credits. These credits are strongly linked to a social impact manifesto prioritizing gender empowerment and community resilience. The project integrates regenerative agriculture practices to sequester carbon, thus generating carbon credits. These practices are monitored through CYNK's digital monitoring, reporting and verification technology, which ensures accurate tracking of carbon dioxide sequestration.

34. In addition, the UNCCD is also supporting the Asian Forest Cooperation Organization (AFoCO) & Acorn Agroforestry Carbon Projects in Asia, which leverages public-private partnerships to promote SLM and carbon sequestration. This initiative, developed in collaboration with AFoCO's and Rabobank's Acorn platform, aims to empower smallholder farmers across Cambodia, Kyrgyzstan, the Lao People's Democratic Republic, and Viet Nam. The project will integrate agroforestry practices on 75,000 hectares of land, enabling 50,000 farmers to adopt sustainable methods that increase productivity, resilience and biodiversity while generating carbon removal units for sale on the voluntary carbon market.

D. Emerging issues

1. Trade

35. The GM has been exploring the link between agriculture for export and soil health and notes there has been little attention paid to the conservation of soil in trade agreements. Environmental provisions ensuring soil protection are sparse in preferential trade agreements worldwide. According to the World Trade Organization, soil appears in only 2 per cent (i.e. 250) out of all global trade policy reviews, whereas the mention of desertification appears in merely 0.2 per cent (i.e. 23) out of all trade policy reviews. If SLM/LDN principles were integrated into bilateral and multilateral free trade agreements and domestic regulation (elevating them to the same level of importance as the existing provisions on climate change and biodiversity), it would reduce the harmful effects of unsustainable trade practices on land and at the same time encourage cross border investments in favour of restoration. A clear opportunity is the operationalization of the African Continental Free Trade Area, which will be an essential parameter of African growth in the coming decade.

2. Restoration Industry

36. Across the world, the private sector is already active in land and ecosystem restoration, creating the nucleus of a "restoration industry". This industry provides services such as consultancy for land restoration, providing inputs such as saplings and other materials needed to revegetate or re-contour degraded ecosystems and landscapes as well as carrying out the actual implementation of restoration projects. Government agencies undertaking large-scale ecosystem restoration, coastal rehabilitation, and mine decommission and restoration are all part of this industry. The G20 Global Land Restoration Initiative has been studying the emerging restoration economy and has been engaging with private sectors already spearheading this industry.

V. Accreditation of the private sector

37. Following decision 5/COP.10, the secretariat has been facilitating the participation of representatives of business and industry entities to participate in the meetings and processes of the UNCCD. The participation of these entities at the sessions of the COP and its subsidiary bodies have been ensured in two ways:

(a) Accreditation of the entities through the procedure established in decision 5/COP.10;

(b) Integration of the representatives of the business and industry entities within the delegations of umbrella private sector organizations (World Business Council for

Sustainable Development, World Economic Forum, Sustainable Fiber Alliance) or national institutions (chambers of commerce, associations of producers).

38. To date around 20 business and industry entities have been accredited by the COP. The secretariat will be recommending the accreditation of additional entities for the consideration of the COP at its sixteenth session.

VI. Conclusions and recommendations

39. There are several clear conclusions that can be drawn from the engagement of the GM, secretariat and G20 Global Land Restoration Initiative with the private sector:

- (a) The private sector has become an increasingly important stakeholder for the GM and the G20 Global Land Restoration Initiative;**
- (b) Making the business case is difficult and beyond our usual skill set, so engagement with partners who can train GM staff, youth and UNCCD national focal points is critical;**
- (c) The B4L Initiative is proving to be a useful vehicle for rolling out private sector engagement;**
- (d) Working at pilot scale or with individual companies is a valuable contribution but it will be insufficient to move the needle towards LDN;**
- (e) ESG standards offer an important pathway for shifting the production patterns of large enterprises and embedding sustainable land and water management into the value chains of private sector stakeholders;**
- (f) Regenerative agriculture is emerging as a key theme and reaching agreement about the approach, including definitions, metrics and corporate disclosure, would support wide uptake by the private sector and could help scale out sustainable land management;**
- (g) The emergence of a vibrant restoration industry and the role of trade are areas of joint government and private action with great potential for impact.**

40. Recommendations for action by the GM, secretariat and G20 Land Restoration initiative, within their respective mandates, to further develop engagement with the private sector:

- (a) Roll out the B4L Initiative strategy with a focus on ESG standards, regenerative agriculture and value chain development;**
- (b) Strengthen the business case of UNCCD-focused initiatives and projects to enhance their attractiveness to the private sector;**
- (c) Nurture innovative financing vehicles, especially in restoration, drought resilience, and trade, but evaluate their viability and usefulness to Parties before rolling out;**
- (d) Explore creative options to scale out models developed or piloted by the GM;**
- (e) Encourage business and industry entities to become involved in the meetings and processes of the UNCCD.**