



United Nations

Convention to Combat
Desertification

United for land

Investing in Land's Future

Financial needs assessment for UNCCD

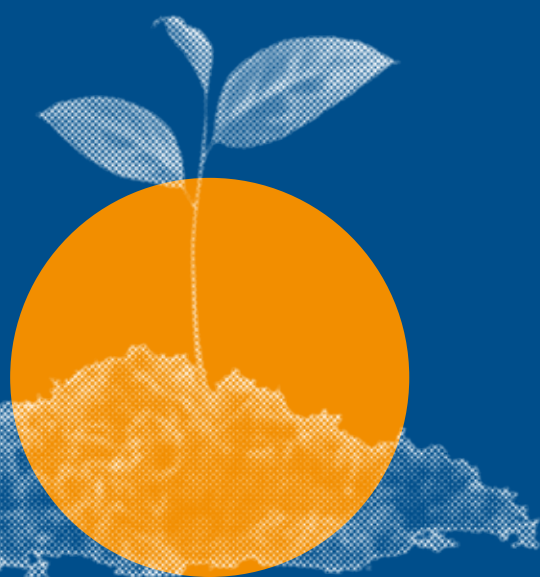
EXECUTIVE SUMMARY

Country Parties have established ambitious agendas to combat desertification/land degradation and drought (DLDD) through various policy frameworks – including land degradation neutrality (LDN) and national drought plans – and 2022 United Nations Convention to Combat Desertification (UNCCD) reporting. These frameworks outline the targets, measures and activities that countries aim to adopt in the medium to long-term to effectively realize the vision of the 2018–2030 Strategic Framework of the United Nations Convention to Combat Desertification. To identify gaps between current investment pathways and the resources required to effectively implement the Convention, decision 13/COP.15 requested the Global Mechanism (GM) to conduct a financial needs assessment (FNA).



This FNA adopts a country-driven approach to estimating the investments required to implement the Convention by assessing the envisaged results and outputs outlined in each country's DLDD-related plans. The assessment focused on 139 affected country Parties, reviewing a total of over 350 DLDD-related plans and covering more than 4,500 targets and measures. Through these policy frameworks and plans, country Parties have collectively committed to restoring more than one billion hectares of degraded land by 2030.

Overall, the FNA highlights the need to significantly scale up DLDD-related investments to meet the targets set by Parties. The key findings of the FNA are as follows:



Substantial funding gap

To achieve UNCCD targets, the required annual investments for 2025–2030 are estimated at USD 355 billion, while projected investments for the same period amount to only USD 77 billion per year. This reveals a substantial **gap of USD 278 billion that must be mobilized to meet the objectives of the UNCCD**, highlighting the urgent need for additional financial resources and alternative funding strategies to meet environmental and development objectives related to DLDD;

Growth in investment volume

Past and current investments over time in DLDD have shown a notable increase. Estimated at **approximately USD 37 billion in 2016**, the annual investments have steadily risen, reaching **nearly USD 66 billion by 2022**;

Share of investments by source

Many of the past and present investments come from **domestic resources, which constitute 72% of the total investment. Bilateral and multilateral resources account for 22%**, highlighting the important role of international cooperation and development assistance in addressing DLDD issues. The private sector remains a source of major uncertainty regarding its financial contribution. **Initial estimates report that private sector investments make up the remaining 6% of the total investment**;

Wider gap seen in stretch goals

The regional analysis reveals that **Africa faces the largest share of the financing gap, estimated at USD 191 billion per year**. This large gap is primarily due to the extensive land restoration commitments of the region, with pledges to restore over 600 million hectares, and the greater number of countries from this region assessed in this report;

Higher cumulative needs

While there are numerous targets, measures, and overarching visions, this assessment estimates that achieving the objectives outlined by country Parties will require **a total cumulative investment of at least USD 2.1 trillion for the period 2025–2030;**

Need for speedy interventions

Taking action is imperative. According to 2022 UNCCD reporting, **at least 100 million hectares are being degraded each year, affecting the livelihoods of 1.3 billion people;**

High cost of inaction

Each year, **DLDD costs selected countries and the global community approximately USD 878 billion, equivalent to 2% of their gross domestic product.** Land degradation reduces the provision of essential ecosystem services, including food availability, soil fertility, carbon sequestration, wood production, and groundwater recharge. These inefficiencies impose huge social and economic costs on countries;

Potential for high returns on investment

Comparing the required investment of USD 2.6 trillion over a 15-year period with the anticipated benefits shows that **every dollar invested in combating DLDD generates a social return of eight dollars.**

Much is left to be done

Cumulative required investments to be realized between years 2016–2030 is equivalent USD 2.6 trillion. **To date, only a minority of these investments – 18%, or USD 479 billion – have been realized.** Consequently, many of the required investments (82%) will need to be made in the coming years to meet the objectives;

Benefits of action and progress on Sustainable Development Goals (SDGs)

Deploying the necessary investments can yield considerable benefits, markedly enhancing human well-being and advancing global sustainability. **Restoring over one billion hectares through various plans is projected to generate up to USD 1.8 trillion annually.** These investments are crucial for progressing towards several SDGs, including No poverty (SDG 1), Zero hunger (SDG 2), Clean water and sanitation (SDG 6), Decent work and economic growth (SDG 8), Climate action (SDG 13) and Life on land (SDG 15);



Call for Action

Increasing the level of funding is critical to advancing the Convention's vision and objectives. With half of the time to achieve the 2030 deadline now passed, urgent action is needed. This is a call to all stakeholders – including governments, bilateral and multilateral financial institutions, the private sector and civil society – to increase the allocation of financial resources to combat DLDD through strategic planning. Significant efforts by all stakeholders at all levels are needed to resolve the current land financing gap and its implications on global SDGs. Investing in land helps address interlinked issues such as livelihoods, food security, economic growth, social stability, climate action, biodiversity, disaster risk reduction, water management, and many others. As DLDD issues continue to expand and intensify over time, the lack of adequate financing can jeopardize timely and effective action to mitigate these challenges, potentially further compromising the well-being of billions of people worldwide and imposing unbearable costs on our societies.

To explore the sources and wide range of financial instruments and mechanisms that can close the financing gap, the GM developed a resource mobilization strategy (RMS) based on the needs assessment to support Parties in achieving the objectives of the Convention, as requested by decision 13/COP.15.

The developed RMS offers practical tools for country Parties to address their financial needs by providing:

Step-by-step guidance for governments in designing and operationalizing national resource mobilization strategies, reflecting benefits and costs of suitable land-related investments and financial solutions that are feasible, effective, and cost-efficient at the country level. Formulating a domestic financing strategy provides opportunities for enhanced coordination among national authorities and agencies. Moreover, it can be an anchor for non-State stakeholders, including development partners and the private sector, to align efforts;

Recommendations to strengthen the enabling environment for land-based investments at the country level. This includes legal, regulatory, and institutional conditions around land governance; financial and economic policies related to the investment climate (including financial, fiscal, economic and regulatory incentives); and communications and stakeholder engagement to build public awareness and political support.

A wide range of financing sources and instruments, including illustrations of their practical application to complement DLDD-related investments. Guiding private investment through public finance tools will be essential in most countries. This includes using green taxes, issuing sustainability bonds and payments for ecosystem services, and repurposing harmful subsidies to be fiscally responsible and nature-positive. Public investment should leverage private capital through blended finance models and public-private partnerships. External public cash flows from multilateral banks, thematic funds, United Nations agencies and bilateral partners will complement domestic budgets, also supported by private non-commercial sources such as philanthropic organizations and non-governmental organizations;

The RMS is designed as generic guidance to be adapted to national circumstances and opportunities. Closing the financial gap towards fast-track implementation of the UNCCD Convention requires assessing suitable land-related solutions in each Country Party. This is followed by tailored resource mobilization activities by countries to support their land-related financing needs. While the UNCCD Secretariat will offer advice to members on their financial needs and funding strategies, necessary fundraising activities are owned and executed by member governments.



© 2024 United Nations Convention to Combat Desertification (UNCCD). All rights reserved.

AUTHORS

COORDINATING LEAD AUTHORS

Pablo Muñoz (UNCCD Global Mechanism) and Michael Koch (consultant).

LEAD AUTHORS

Christina Natalia Widjaja (United Nations University – Institute for Environment and Human Security (UNU-EHS)), Magdalena Peter (UNU-EHS) and Karima Oustadi (consultant).

CONTRIBUTING AUTHORS

Marcelo Villena (consultant), Florian Waldschmidt (UNU-EHS), Maxime Souvignet (UNU-EHS) and Caroline King-Okumu (The Borders Institute).

SUPPORTING AND CONTRIBUTING PARTNERS



LAYOUT AND DESIGN

Phoenix Design Aid.

SUGGESTED CITATION

UNCCD Global Mechanism, 2024. Investing in Land's Future: Financial needs assessment for UNCCD. Summary for decision makers. United Nations Convention to Combat Desertification (UNCCD). Bonn, Germany.

DISCLAIMER

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the UNCCD concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers and boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by the UNCCD in preference to others of a similar nature that are not mentioned. The views expressed in this information product are those of the authors and do not necessarily reflect the views or policies of the UNCCD. The UNCCD encourages the use, reproduction and dissemination of material in this information product. Except where otherwise indicated, material may be copied, downloaded and printed for private study, research and teaching purposes, or for use in non-commercial products or services, provided that appropriate acknowledgement of the UNCCD as the source and copyright holder is given and that the UNCCD's endorsement of users' views, products or services is not implied in any way.

Global Mechanism of the UNCCD
Platz der Vereinten Nationen 1
D-53113 Bonn, Germany
Tel: +49 (0) 228 815 2873
www.unccd.int/about-us/global-mechanism

United Nations Convention to Combat Desertification

P.O. Box 260129
D-53153 Bonn, Germany

Tel: 00 49 228 815 2800
Email: secretariat@unccd.int

www.unccd.int



United Nations
Convention to Combat
Desertification

United for land