

**Future Financing for the Implementation of the
UNCCD
Towards Scalable and Innovative Financing Approaches**

Background Paper for the Intergovernmental Working Group
on the Future Strategic Framework (IWG-FSF)

Global Mechanism of the UNCCD
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Summary

Effective implementation of the UNCCD depends on mobilizing adequate, timely and predictable financial resources to support country Parties in implementing their national plans and, more broadly, to accelerate the transition towards sustainable land management practices and build drought resilience. Despite progress in mobilizing resources, current investment levels remain well below those needed to meet the objectives of the Convention. Business-as-usual approaches are unlikely to deliver the scale of resources required, which is estimated to be at least 2.5 times current funding levels. The cost of inaction in addressing Desertification, Land Degradation and Drought (DLDD) far exceeds the investment needed to address these challenges. Closing the growing financing gap for combating DLDD requires a fundamental shift from incremental approaches to transformational financing solutions. This paper explores approaches across different funding sources that could provide scalable solutions to closing financing gaps. It also proposes actions for consideration in the design of resource mobilization strategies¹. These actions include:

Domestic Public Resources

- Strengthen positive fiscal instruments that align with the objectives of the Convention, such as tax incentives. Tax relief for land remediation, accelerated depreciation, and targeted tax credits for sustainable land management (SLM) can reduce financial burdens and mobilize private investment.
- Introduce corrective fiscal instruments to reflect the environmental costs of land degradation and unsustainable land use. Fiscal systems can include corrective mechanisms such as environmental taxes, carbon pricing on land-use change to incorporate the costs of land degradation into economic decision-making.
- Shift from grant-based support to incentive-based expenditure mechanisms that reward measurable land restoration outcomes. This approach can enhance scalability and increase leverage.
- Incorporate performance-based and results-linked elements into the design of financial instruments and mechanisms. Such mechanisms, including concessional green credit lines contingent on SLM outcomes, SLM-linked subsidies and payments for ecosystem services (PES), align policy objectives with financial resources and provide the right incentives to catalyze sustainable land management.
- Adopt smart expenditure approaches to prioritize high-return investments in sustainable land management and natural capital. Building on emerging fiscal reform principles, “smart expenditure” approaches can further improve efficiency and impact by systematically reviewing public spending to identify inefficiencies, eliminate distortions and prioritize high-return investments in natural capital.
- Ensure policy coherence by aligning sectoral and cross-cutting policies with land management objectives. Governments should systematically assess and address inconsistencies across sectors and thematic areas to ensure that policies reinforce, rather than undermine, sustainable land management.
- Repurpose environmentally harmful subsidies to redirect resources toward sustainable land management and land restoration, and enhance positive incentives. Repurposing environmentally harmful subsidies in accordance with international agreements offers an opportunity to redirect existing

¹ It is for each country to determine, in accordance with its national priorities, circumstances and capacities, and consistent with its domestic legal and economic frameworks as well as international agreements, which of these approaches present the greatest opportunities, while giving due consideration to equity and any other relevant matters in their implementation.

resources toward greener practices, creating market conditions where sustainable land management becomes economically viable at scale.

- Prioritize financing for programmes and projects that deliver synergies across land, climate, and biodiversity outcomes. Investments that advance the objectives of the three Rio Conventions — the UNCCD, the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD) — can generate higher returns per dollar invested and reduce fragmentation across financing streams.
- Strengthen enabling regulatory frameworks to accelerate the transition towards SLMs. Well-designed regulatory frameworks can provide policy certainty, reduce information gaps, and improve the risk–return profile of land-based investments.
- Strengthen inclusive financing systems that are accessible and responsive to Indigenous Peoples and local communities, women and youth. Targeted measures can help reduce structural barriers and ensure that financial resources reach those most directly engaged in safeguarding land and ecosystems.
- Assess opportunities to integrate environmental objectives into sovereign debt restructuring frameworks to mobilize resources for land restoration and building resilience to land degradation.

Private sector

- Scale up risk management instruments to improve the bankability of land restoration projects. Parties, multilateral development banks and development finance institutions should expand the use of risk mitigation instruments to reduce investment risks and attract private capital.
- Integrate DLDD-related risks into private sector investment and risk management frameworks. Emerging disclosure frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD), provide a structured basis for pricing in environmental vulnerabilities.
- Leverage blended finance structures to mobilize private capital for sustainable land management and restoration. Combining public, philanthropic, and private capital through specialized investment funds and financing vehicles can improve the risk-return profile of land-based investments and enable land stewardship at scale.
- Develop scalable business models that integrate ecosystem services into commercial strategies and investment frameworks. Ecosystem services have often been treated as free inputs rather than the output of critical capital assets. There is however an increasing recognition of the total economic value of ecosystem services and the need to reflect this value in decision-making.
- Leverage debt-based financial instruments to finance the transition toward sustainable land management. Debt-based instruments serve as a critical pillar for mobilizing institutional capital at scale, particularly through the growing market for green bonds, and sustainability-linked bonds and loans.

International development cooperation

- Strengthen the catalytic role of international public finance to mobilize additional finance and scale up investments in sustainable land management and drought resilience.
- Maximize engagement with multilateral development funds. Deepen strategic engagement with complementary funds to mobilize additional resources for land-based climate mitigation and adaptation that support the objectives of the UNCCD.
- Scale up multilateral development bank (MDB) financing to combat DLDD. MDB resources are essential for supporting project preparation, implementation, and risk mitigation, thereby enhancing the effectiveness of interventions to combat DLDD.
- Encourage development financial institutions to develop a harmonized taxonomy for sustainable land management and drought resilience within the existing nature finance tracking framework
- Support MDBs in piloting innovative financial instruments and blended finance for DLDD to demonstrate bankability and attract institutional investors.
- Leverage policy-based financing instruments to drive systemic reform of fiscal, regulatory, and institutional frameworks, including the repurposing of potentially harmful subsidies.
- Promote enhanced scientific, technical and financial cooperation, including technology transfer and capacity-building, to support developing countries in addressing DLDD.
- Improve access to international finance by reducing the administrative and financial burdens on recipient countries.

Other enablers

- Design policies that prevent further degradation in the face of growing pressures on land. Proactive land stewardship and sustainable land management provide cost-effective ways to address the growing pressures driving land degradation.
- Strengthen implementation frameworks for land restoration finance, including project pipeline development, public-private partnerships, pilot projects and approaches for scaling up, monitoring and evaluation systems, knowledge-sharing platforms, capacity-building and technical support for projects.
- Enhance finance monitoring through forward-looking investment indicators that capture investment opportunities. This includes using tools such as ecosystem service valuation, land-based natural capital accounting, and enhanced monitoring, reporting, and verification (MRV) systems.

1. Introduction

Effective implementation of the UNCCD depends on mobilizing adequate, timely and predictable financial resources to support country Parties in the implementation of their national plans and associated targets [1] and, more broadly, accelerating the transition toward large-scale adoption of sustainable land management practices [1,2]. According to the UNCCD financial needs assessment, at least a 2.5-fold increase in annual investments is required to implement policy measures and achieve the voluntary targets set by countries for 2030. Achieving this level of investment will be challenging under business-as-usual approaches due to factors such as global geo-political instability, constrained public finances, high sovereign debt levels, political transitions, weak institutional coordination, and persistent challenges in engaging the private sector [3].

Achieving the adequate scale of financial resources will require changes across all financing sources as well as the deployment of innovative approaches that go beyond business as usual. This paper explores four key questions in the context of closing the growing financing gap for the UNCCD, including: i) Which financial solutions have the scalability and de-risking elements required to mobilize resources at the required scale? ii) Which incentive-based reforms can catalyze the transition towards sustainable land management practices? iii) Which complementary enabling environment measures can support this transition? and iv) How can development finance institutions and capital markets be further unlocked to channel significantly greater investment into sustainable land management and building drought resilience?

This background paper is part of the mandate received by the Secretariat to prepare the scoping paper that will identify options for the identification of goals and targets to be adopted as part of the UNCCD post-2030 strategic framework. This paper responds to the specific request to review the funding opportunities and challenges experienced during the current strategic framework, with a view to taking the findings of this review into consideration when the next strategic framework will be shaped after COP 17.

2. Background

2.1 Financing for the implementation of the Convention

Financial resources constitute a central means of implementing the Convention and achieving its objectives, including voluntary land degradation neutrality (LDN) targets. They support two main areas. First, the provision of financial support to Parties for the implementation of DLDD-related national plans [1]. These plans articulate targets, priority measures and operational activities to address DLDD, and include National Action Programmes, voluntary Land Degradation Neutrality (LDN) targets, drought preparedness and response plans, as well as other national commitments on land, including land-based Nationally Determined Contributions (NDCs) plans and National Biodiversity Strategies and Action Plans (NBSAPs) that incorporate land-related measures². These plans typically structure interventions along the mitigation hierarchy—avoid, reduce and restore—each requiring dedicated financing streams.

Secondly, financial resources support the wider transition towards large-scale implementation of sustainable land management (SLM) to achieve long-term objectives of the Convention. While current commitments under DLDD-related national plans are essential, they may not, when aggregated at the global level, deliver the scale of action and systemic transformation required to achieve global targets to halt and reverse land degradation as SDG Target 15.3.1 on land degradation neutrality. Further, this transition may also be necessary for businesses to manage growing environmental risks (see section 4.2) and increasing environmental pressures exerted by DLDD drivers.

2.2 UNCCD Financial Needs Assessment

To identify gaps between the financial resources required to effectively implement countries' plans to combat DLDD and current investment pathways until 2030, country Parties requested through COP decision 13/COP.15 to the Global Mechanism of the UNCCD to conduct a financial needs assessment (FNA).

The 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. *Key findings highlight Countries' aspirations do have a financial counterpart, and these are estimated at USD 2.6 trillion for the assessed plans (period 2016–2030).*

² Funding for land-based commitments under complementary frameworks to those at the core of the Convention (e.g. NDCs) is often referenced by country Parties in the context of UNCCD reporting. It should also be noted that commitments across the Rio Conventions often overlap, remain fragmented, and lack mutual reinforcement.

Progress so far? Tracking financial flows targeting DLDD has identified at least three key trends: 1) Annual investments have steadily risen, starting from approximately USD 37 billion in 2016 and reaching nearly USD 66 billion by 2022; 2) Public domestic resources are the main source of funding, accounting for 72% of the total investment; and 3) The strong growth in DLDD-related investments from bilateral and multilateral organizations, increasing their relative participation from 13% up to 30%, contributing a cumulative share equivalent to 22%. Initial estimates, subject to considerable uncertainty, suggest that private sector investments account for 6% of the total³ (See Figure 1).

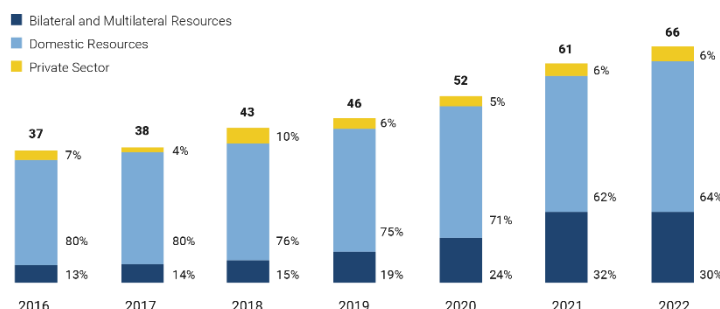


Figure 1: Trends in DLDD investments by source (2016-2022, in USD billion and percentage)

However, there is still much left to be done. Out of the USD 2.6 trillion

in planned investments to support DLDD-related plans until 2030, only a minority of these resources — 18% or USD 479 billion — have been realized by the year 2024⁴. Consequently, considerably more resources need to be mobilized in the coming years to achieve the objectives, i.e. 82% of the total cumulative required investments, which is equivalent to USD 2.1 trillion. Closing this gap will require a paradigm shift in the way financial resources are mobilized across a more diverse landscape of financing sources and approaches.

How large is the global land financing gap? To achieve the implementation of assessed plans, 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 annual financing gap of USD 278 billion that must be additionally mobilized to meet the objectives of the UNCCD⁵ until 2030, highlighting the urgent need for additional financial resources and alternative funding strategies to meet environmental and development objectives related to DLDD (see Figure 2).*

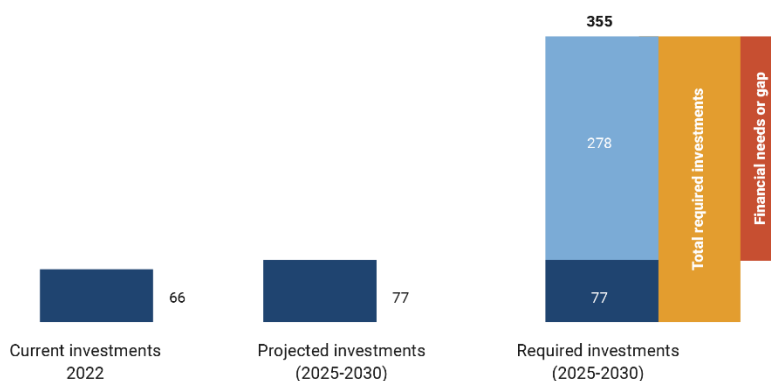


Figure 2: Estimated annual financial needs or gap for the UNCCD (202-2030 in USD billion)

³ The analysis of private sector resources to address DLDD is challenging due to factors such as the lack of global data availability and the low reporting rates on this source of finance in the context of UNCCD reporting. This limitation makes it difficult to assess the scale of private sector investment, leading to considerable uncertainty about the true magnitude of these contributions.

⁴ The years 2023-2024 consider estimates only.

⁵ It should be noted that the present financial needs assessment covers the period up to 2030, whereas the IWG-FSF concerns the post-2030 period. The 2030 assessment is used here as the most recent available basis, as its overall trajectories provide the clearest indication of the scale and direction of financing needs.

The estimated financing gap should be understood as dynamic rather than static. It is likely to evolve in line with macroeconomic conditions, the outcome of the GEF-9 replenishment process, and other external drivers, and to grow further as countries finalize their national planning processes. Twenty countries have yet to set their voluntary Land Degradation Neutrality (LDN) targets, and many others are refining their targets under the second phase of the UNCCD LDN Target Setting Programme. In parallel, countries are updating their Nationally Determined Contributions (NDCs) under the United Nations Framework Convention on Climate Change (UNFCCC) and preparing their new National Biodiversity Strategies and Action Plans (NBSAPs) to align with the Kunming-Montreal Global Biodiversity Framework, both of which are likely to translate into additional investment requirements over time.

Investment Case. Addressing desertification, land degradation and drought (DLDD) demand a major scale-up in investment, yet the cost of inaction is far higher—an estimated USD 878 billion per year through lost productivity, soil depletion, drought damages and carbon emissions. DLDD undermines ecosystem services that underpin over half of global GDP and threatens food security, livelihoods, and climate stability amid other socioeconomic impacts. Investing in the implementation of DLDD-related plans could generate annual benefits of USD 1.8 trillion—an eight-to-one return on investment—while advancing several Sustainable Development Goals (SDGs).

2.3 Limitations and challenges of current financing approaches to close the gap

Limited scalability of traditional financing models. Financing for land restoration has traditionally relied heavily on grant-dependent approaches from domestic and international sources, largely on a project basis, and to a lesser extent, on concessional loans as a form of international public finance. This offers limited scalability because domestic and international public resources alone are insufficient to close the financing gap.

Financing for addressing DLDD remains constrained by weak risk–return profiles and the public good characteristics of ecosystem services. Projects combating DLDD are typically perceived as low-yield and high-risk because they have substantial upfront capital requirements, have long payback periods, are exposed to climate and market uncertainty, and often generate revenue streams that are diffuse or difficult to monetize. Short-term project cycles are also misaligned with ecosystem restoration timelines and associated difficulties in proving the long-term efficacy of the restoration investments. Further, while land-related investments are often estimated to generate high socio-economic and environmental returns—ranging between USD 7 and USD 30 per dollar invested [4]—their financial attractiveness from a private investor perspective is considerably lower. This is often due to the failure to capture the full economic value of ecosystem services and difficulties in creating solid value-chains in agricultural and forestry activities connected to land restoration.

Equitable access to finance also remains a key challenge. Current financing instruments can place significant administrative, financial and reporting burdens on recipient countries, particularly those with

limited institutional capacity. This constraints the ability of the most affected countries to access and absorb available resources.

Other challenges to financing for combating DLDD include limited capacity, fragmented knowledge systems, scarce coordination among relevant stakeholders, weak policy coherence, the lack of solid pipeline development of scalable and bankable investment opportunities, and insufficient enabling conditions.

3. Towards Scalable and Innovative Financing Approaches for Land and Drought Resilience

Mobilizing the scale of resources required to meet the objectives of the Convention will require systemic adjustments across all major sources of funding, including the private sector, and domestic and international public resources. Forward-looking approaches must assess financial solutions based on their scalability and their ability to mitigate risk and mobilize resources at the scale required.

In parallel, incentive structures across fiscal, monetary and broader economic policy domains must be aligned to catalyze behavioral change and redirect capital flows towards sustainable land management (SLM). This includes identifying reforms that encourage the adoption of greener techniques, improve price signals and strengthen long-term transition. Complementary enabling-environment measures—such as standards, certification schemes, regulatory frameworks and strengthened institutional arrangements—are equally critical to reduce uncertainty, lower transaction costs and improve the investment case for land-based activities. Finally, unlocking the full potential of financial institutions and capital markets will be central to scaling up investment in SLM and drought resilience.

To guide the design of policies and financial solutions that can support a transformed financing approach to financing land restoration and drought resilience, the following actionable principles may be considered.

1. **Incentive-Based Mechanisms.** By aligning economic incentives with greener land-use practices, incentive-based mechanisms aim to shift producer behavior and move sustainable land management (SLM) implementation beyond traditional grant-based approaches. These mechanisms seek to create market conditions in which sustainable land management becomes the most attractive and economically viable option for rural communities whose livelihoods are largely dependent on land, landowners, businesses and investors, thereby broadening private sector engagement.
2. **Internalizing the full value of land in decision-making.** Fiscal and regulatory systems must reflect the true value of land-based natural capital and the costs of land degradation. Many existing instruments aim to address this gap by recognizing the full economic value of land in decision making.
3. **Designing catalytic and scalable finance solutions.** Financing approaches should incorporate leverage mechanisms to mobilize additional investment from diverse funding sources. Catalytic finance solutions may include consortium-based public-private partnership structures that leverage public finance to crowd in private investment at scale, while maintaining environmental and social safeguards. Building mobilization ratios and multiplier metrics into program design can strengthen accountability and amplify systemic impact.
4. **Deploying de-risking instruments strategically.** Blended finance, guarantees, insurance and risk-sharing mechanisms can mitigate policy, revenue and climate-related risks. Concessional finance

should be used strategically to crowd in private capital while maintaining environmental and social safeguards.

5. **Data-Driven Investment Accountability.** Reliable data systems related to environmental, socioeconomic, and financial aspects should be based on common and comparable indicators, allowing benchmarking, showcasing opportunities, linking investments to outcomes and impact on the ground, and facilitating the design of financial instruments, including key performance indicators. Credible data frameworks underpin accountability, investor confidence, and results-based mechanisms.

4. Action Areas

This section examines financial approaches for addressing DLDD across the following funding sources⁶: domestic public resources, private sector, and international public resources. For each financing source, it identifies key limitations and challenges while highlighting strategic opportunities to mobilize resources at scale for sustainable land management and drought resilience. It remains for each country to determine, on its own terms, in line with its national priorities and circumstances, and consistent with its domestic legal and economic frameworks, which of these approaches present the greatest opportunities, giving due consideration to equity and to measures that advance adaptation, drought resilience, and mitigation in a balanced manner. The options set out in this paper explore possible approaches, drawing on ongoing discussions on finance, to address DLDD. They are intended to inform, rather than prescribe, national choices and to identify elements that may support the development of financing frameworks and resource mobilization strategies.

4.1 Domestic Public Resources

While domestic public finance constitutes a central pillar of financing, fiscal constraints may significantly limit its scalability as the sole source of expanded action⁷. Domestic public resources are essential for the effective implementation of the Convention, accounting for 72% of the resources allocated to the implementation of voluntary LDN targets and related measures until 2030 [5]. However, scaling up current financial flows by at least two and a half times to close the financing gap until 2030 through expenditure-based measures alone may be fiscally unattainable. Many affected countries are assessed at high or distressed levels of fiscal risk [6]. In addition, governments pursue multiple development priorities that compete for scarce resources, leaving limited space to allocate additional resources to address DLDD. This challenge is further compounded by high levels of sovereign debt. Underinvestment in prevention, sustainable land management and resilience measures increases exposure to land degradation, drought and ecosystem loss. This, in turn, raises land-related risks in fiscal planning, increases long-term economic costs and places additional pressure on public finances .

Evidence also underscores the relatively limited fiscal prioritization of combating DLDD within national budgets. Based on the UNCCD Reporting data, government spending on combating DLDD is estimated at approximately 0.5% of total government expenditure [5]. This level of allocation is low compared with related environmental priorities: public expenditure on biodiversity is estimated at around 1% of total government spending [7], while expenditure under the broader Environmental Protection category typically does not exceed 2% of total government expenditures [8].

Scaling up investment to meet environmental and land-restoration objectives requires an integrated policy framework that aligns public and private financing sources in a coherent and mutually reinforcing manner. Fiscal policies to address land degradation have expanded significantly over the past two decades. As of 2025, 235 active fiscal instruments are recorded across 58 countries, compared to 76

⁶ Some financial instruments can be featured under more than one funding source, such as green bonds. To avoid duplication of content across the report, however, financial solutions are presented only once, acknowledging that their implementation can also be done under other types of stakeholders.

⁷ Fiscal constraints in donor countries may also significantly limit the scalability of international public finance.

instruments in 30 countries in 2000 [9]. This expansion reflects the progressive mainstreaming of land degradation concerns into fiscal policy frameworks and the growing use of fiscal instruments.

Government actions can be structured around four pillars, which are used throughout the remainder of this section: 1) Revenue-based measures⁸; 2) Expenditure-based measures; 3) National Development Financial Institutions; 4) enabling environments; and 5) linking sovereign debt restructuring to land restoration. The design and implementation of these actions should take into account their political and social viability, including distributional impacts, administrative feasibility, and public acceptance, to ensure their long-term effectiveness and sustainability.

4.1.1 Revenue-based measures

Revenue-based instruments account for most fiscal flows. Across a sample of 61 countries, average annual fiscal volumes over 2020–2023 amount to approximately USD 85 billion, of which USD 52.6 billion (62%) derive from taxes and fees, compared to USD 32.5 billion (38%) from expenditure-based measures. Revenue-based instruments strengthen incentives and enhance transparency by linking revenues to sustainable practices on the ground. Such incentives include land remediation tax relief, accelerated depreciation for restoration investments, and targeted tax credits or deductions for activities such as the implementation of efficient irrigation systems [9]. By reducing the fiscal burden on landowners and businesses undertaking restoration, these instruments improve project viability, mobilize private capital and create early momentum for reform. Evidence shows that 52 active tax-discount measures are currently implemented across 9 countries, signaling a growing reliance on positive fiscal incentives⁹.

Revenue mobilization also constitutes a powerful policy lever to internalize environmental externalities and correct harmful production and consumption patterns, while generating public [10] resources for land-based interventions. Well-designed tax instruments influence behavior through price signals, behavioral incentives, and flexible earmarking arrangements that align fiscal policy with sustainable land management objectives. By increasing the cost of environmentally damaging activities, such measures can incentivize greener practices and improved resource stewardship without relying solely on direct expenditure programs. Current evidence indicates that 52 tax-based policy instruments addressing land degradation are active across 28 countries [9]. These measures are predominantly designed to correct soil damage and land disturbance associated with extractive activities, particularly in the mining sector. In financial terms, corrective tax instruments account for most reported revenue-based measures: more than 99% of revenue instruments fall under taxes, while fees represent only a marginal share.

⁸ Revenue-based measures are fiscal instruments — primarily taxes and fees — applied to influence how land is used. They work in two directions: positive incentives that lower the tax burden on activities that protect or restore land (for example, through land remediation tax relief, accelerated depreciation, or targeted tax credits for sustainable land management), and corrective instruments that raise costs on activities that damage it (for example, through environmental taxes on land-use change or soil-damaging practices).

⁹ Based on the OECD PINE (Policy Instruments for the Environment) database, these tax incentives are delivered through 52 instruments across 9 countries — Australia, Canada, Colombia, Finland, France, Italy, New Zealand, Spain, and the United States — covering sectors and thematic areas such as agriculture, forestry, land use and biodiversity conservation, water, mining, land remediation, and waste management[10].

4.1.2 Expenditure-based measures: Scaling finance through incentive reform and policy coherence

Governments can scale financing for sustainable land management (SLM) through three levers: (i) performance-oriented expenditure instruments, (ii) strengthened policy coherence, and (iii) the repurposing of environmentally harmful subsidies. Expenditure-based measures remain currently concentrated in grant-based instruments, with 79 active instruments across 27 countries. Approximately 97% of expenditure-based measures take the form of grants, primarily one-off transfers, equivalent to USD 32.5 billion. Payments for ecosystem services account for only 1–2%.

Policy coherence is essential to ensure that incentives for sustainable land management are not undermined by contradictory policies. Without greater policy coherence, fiscal measures promoting sustainable land management risk being weakened by parallel policies, such as environmentally harmful subsidies, distorted price signals, and economic or trade regimes that externalize environmental costs. Strengthening inter-ministerial coordination can help reduce policy fragmentation and better align public expenditure and tax incentives with sustainable land management objectives. Policy coherence is equally important across international commitments under the three Rio Conventions. Nationally Determined Contributions (NDCs) under the UNFCCC, National Biodiversity Strategies and Action Plans (NBSAPs) under the Convention on Biological Diversity (CBD), and voluntary Land Degradation Neutrality (LDN) targets under the UNCCD should be designed and implemented in a mutually reinforcing manner. Equally important is their alignment with national sustainable development strategies and their mainstreaming into other sectoral policies and strategies. Aligning these frameworks helps identify investments that deliver synergies across land, climate and biodiversity outcomes, while avoiding trade-offs and duplication across separate financing streams.

Repurposing environmentally harmful subsidies can represent a powerful mechanism for scaling finance within a renewed financing approach. In many countries, substantial public resources continue to incentivize land-degrading practices, including excessive agrochemical use. Realigning these subsidies toward sustainable land management would strengthen price signals and behavioral incentives without necessarily requiring additional fiscal space. Such reallocation improves allocative efficiency, strengthens policy coherence, and enhances the risk–return profile of sustainable land-based investments.

The State of Finance for Nature report introduces the "Nature Transition X-Curve" framework, which illustrates how transformative change requires simultaneously phasing out the USD 7.3 trillion in annual finance that directly harms nature while phasing in and scaling up investment in nature-based solutions [11]. The report calls for governments to reform and repurpose environmentally harmful subsidies — particularly the USD 2.4 trillion in public subsidies for fossil fuels, agriculture, and water—while providing transition assistance, retraining programs, and dedicated credit lines to support workers and businesses affected by the green transition. Systematic reform of expenditure-based measures could constitute a high-impact pathway for scaling finance. Rather than expanding public budgets, subsidy reform unlocks existing fiscal resources, reduces negative externalities, and catalyzes complementary private investment. In doing so, it accelerates progress toward voluntary Land Degradation Neutrality (LDN), climate resilience, and broader natural capital restoration objectives.

Several governments are already acting on this agenda. India is using BIOFIN-supported analysis to redirect agrifood subsidies toward biodiversity, food security, and climate resilience goals [12], while Thailand has identified harmful coastal and irrigation subsidies and is redirecting support towards more sustainable alternatives [13]. The United Kingdom provides an example of phasing out its legacy area-based payments

by 2027 and rolling out new public-goods schemes under Sustainable Farming Incentives (see box 1). The repurposing of environmentally harmful subsidies may constitute a powerful policy instrument. However, realizing its full potential requires rigorous policy and programme design to drive meaningful behavioral change, achieve sustainable and equitable outcomes, avoid unintended market-distorting effects, and ensure consistency with international trade obligations, particularly the WTO Agreement on Agriculture [14]. Strong monitoring, verification, and accountability mechanisms are also essential to ensure that repurposed support delivers real environmental outcomes [15]. Linking disbursements to verified results, for example through results-based payments, can help embed accountability into programme design and reinforce the integrity of the reform.

Box 1: Repurposing Agricultural Subsidies: The UK Transition from Area-Based Payments to Public Goods

The UK is phasing out the legacy Common Agricultural Policy model, under which payments were effectively tied to land ownership and area managed rather than to food production or environmental outcomes. Through its Agricultural Transition, Defra is redirecting these funds toward schemes that pay farmers and land managers to deliver environmental and climate goods and services alongside food production. The reform is positioned as essential both to sustaining a productive agricultural sector and to meeting national environment and net zero targets.

The Sustainable Farming Incentive (SFI) anchors the new architecture by paying for standard, universal actions needed at scale across the farmed landscape, with the explicit goal of broad farmer participation. Payments cover sustainable soil and water management, integrated pest management, nutrient use efficiency, improved animal health and welfare, and on-farm productivity gains from better use of natural resources. By rewarding actions rather than outcomes alone, SFI offers farmers flexibility to apply practices to their specific context while still securing landscape-scale environmental and climate benefits.

Source:[58]

4.1.3 National Development Financial Institutions

National Development Financial Institutions (NDFIs) can help overcome market barriers and mobilize private-sector financing for green investment, including through the provision of long-term financing, as well as innovative structuring of blended finance and credit enhancements. With their substantial assets, NDFIs have the scale and influence to play a transformative role, especially in low- and middle-income countries [16]. By linking preferential credit conditions, such as lower interest rates and longer repayments

modalities, to the adoption of sustainable practices, governments can incentivize farmers to transition toward low-emissions and climate-resilient production systems. Brazil's RENOAGRO programme provides an example of how subsidized rural credit can be used to promote technological change in agriculture while supporting greenhouse-gas mitigation and land restoration. The programme illustrates how access to concessional credit, based on compliance with environmental and sustainability criteria, can help steer agricultural investment toward low-emissions pathways (see Annex 1 for further details).

For other examples of green loans contingent on sustainability criteria, see the case studies for Ecuador[17] and Colombia [18].

4.1.4 Enabling Environments

Enabling environments (EE) are a foundational pillar for accelerating finance and supporting a wider transition toward large scale implementation of SLM practices. Regulations in the form of standards, tradable permits, labels off-set and certification schemes with high environmental and social safeguards can provide market signals without relying on fiscal transfers. Such enabling environment measures should be risk-based, considering the scale and likelihood of adverse impacts. Several countries have introduced dedicated soil protection regulations. Due diligence requirements such as the EU's Deforestation Regulation, [19] are shaping global supply chains in ways that may encourage more sustainable production, and offer relevant elements for the design of regulations that address similar issues in other contexts¹⁰. When producers must demonstrate compliance with environmental standards to access major markets, private actors internalize sustainability requirements. In this way, regulation becomes a lever for transitioning towards more sustainable production systems.

Governments can also strengthen enabling environments through secure land tenure, which is considered a major lever in increasing investor confidence and enhancing the adoption of sustainable land management practices [20], transparent permitting systems, and harmonized environmental standards. Robust monitoring and verification frameworks, sustainable finance taxonomies, disclosure standards and natural capital accounting also contribute to underpin the enabling environment for addressing DLDD finance. Together, these non-fiscal instruments strengthen enabling environments by increasing legal certainty, standardizing environmental metrics, signaling policy direction, and reducing investment risks, thereby improving the bankability of sustainable land management without relying mainly on public funding.

An inclusive financing architecture is an important element of the enabling environment for sustainable land management. Financing systems should be designed to be accessible and responsive to those most directly engaged in land stewardship — including Indigenous Peoples and local communities, women and youth — who often face structural barriers in accessing finance and participating in decision-making, despite their central role in rural economies and ecosystem management. Addressing these barriers requires moving toward meaningful participation in the design, governance and delivery of financing instruments, consistent with the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the 2030 Agenda's commitment to leave no one behind[21–23][22][22]

¹⁰ While this regulation was adopted in 2023, its implementation has been delayed.

4.1.5 Linking Sovereign Debt Solutions to Environmental Outcomes

High and rising sovereign debt burdens are severely constraining fiscal space in many low-income countries, limiting their ability to finance development objectives [24]. Servicing public debt absorbs a significant share of public revenues — estimated at around 12% of total government revenues in low-income countries (LICs) — thereby reducing the scope for fiscal policies and strategic investment. Between 2019 and 2025, 18 LICs spent 20% or more of government revenues on external debt servicing, surpassing the IMF–World Bank sustainability threshold of 18%. In one fifth of LICs and emerging markets, debt service payments have exceeded combined public spending on education, health, and social protection [3]. At the same time, the average government debt in LICs rose by nine percentage points of GDP in 2023 alone, reaching 72% of GDP, the largest annual increase in over two decades, while roughly half (34 of 69) LICs are currently in, or at high risk of, debt distress.

Debt relief processes open a window of opportunities for linking debt restructuring operations to environmental objectives within the scope of negotiations between debtor, creditor countries and third parties. Greening debt restructuring operations primarily consists of alleviating the burden of the public debt of the debtor country upon the condition of supporting and implementing domestic environmental policies and activities [24]. This is often articulated in terms of redirecting a portion of the total debt to the domestic economy of the debtor country in local currency for financing environmental and conservation projects. As one of the financial mechanisms for greening debt restructuring operations, Debt-for-Nature Swaps (DNS) aim at reducing the original value of the outstanding debt in exchange for commitments to carry out in-country investments in nature using local currency.

Recent debt-for-nature swap (DNS) operations illustrate the potential of this instrument to simultaneously reduce debt burdens and mobilize long-term financing for conservation. In Belize (2021), a major “blue bond” operation reduced external debt while creating a long-term conservation fund to support marine protection and ocean governance. Ecuador implemented one of the largest DNS operations in 2023 focused on the Galápagos Islands, and followed this with a further conversion linked to Amazon conservation, generating substantial fiscal savings and dedicated funding for biodiversity protection. In El Salvador (2024), a DNS supported the restructuring of sovereign debt while establishing a long-term financing mechanism for watershed conservation and ecosystem restoration in the Río Lempa basin. Other recent initiatives in countries such as Barbados similarly link debt restructuring with marine and climate-resilience investments. While these experiences demonstrate the growing relevance of DNS as an instrument to align debt management with environmental objectives, their overall scale remains limited relative to broader sovereign debt challenges, and they typically require strong institutional arrangements.

Together, incentive reform, smarter public expenditure, fiscal policy coherence, subsidy repurposing and linking debt restructuring to environmental outcomes can create market conditions in which sustainable land management becomes financially viable and scalable.

ACTIONS

Action 1. Strengthen positive fiscal instruments that align with the objectives of the Convention, such as tax incentives. Revenue-based measures can shift incentives toward sustainable land management while

generating public revenues for restoration and resilience investments. Tax relief for land remediation, accelerated depreciation and targeted tax credits for soil conservation, agroforestry and regenerative agriculture can reduce financial burdens and mobilize private investment.

Action 2. Introduce corrective fiscal instruments to internalize the environmental costs of land degradation and unsustainable land use. Fiscal systems can incorporate corrective mechanisms, such as environmental taxes, and carbon pricing on land-use change, to internalize the costs of land degradation. These measures discourage harmful practices while generating public revenues for restoration and resilience investments.

Action 3. Shift from grant-based support to incentive-based expenditure mechanisms that reward measurable land restoration outcomes. Shifting from grant-based support to incentive-based expenditure mechanisms enhances scalability and leverage.

Action 4. Incorporate performance-based and results-linked elements into the design of financial instruments and mechanisms. Such mechanisms, including concessional green credit lines contingent on SLM outcomes, SLM-linked subsidies and payments for ecosystem services (PES), align policy objectives with financial resources, providing the right incentives to catalyze sustainable land management.

Action 5. Adopt smart expenditure approaches to prioritize high-return investments in sustainable land management and natural capital. Building on emerging fiscal reform principles, “smart expenditure” approaches can further improve efficiency and impact, ensuring that resources are directed to the most affected areas and aligned with best land-use practices [6]. This involves systematically reviewing public spending to identify inefficiencies, eliminate distortions, and prioritize high-return investments in natural capital.

Action 6. Ensure policy coherence by aligning sectoral and cross-cutting policies with land management objectives. Governments should systematically assess and address inconsistencies across sectors and thematic areas to ensure that sustainable land management objectives are not undermined by contradictory policies and to enable mutually reinforcing actions.

Action 7. Repurpose environmentally harmful subsidies to redirect resources toward sustainable land management and land restoration, and enhance positive incentives. Repurposing environmentally harmful subsidies offers a major opportunity to redirect existing resources toward greener practices, creating market conditions where sustainable land management becomes economically viable at scale.

Action 8. Prioritize financing for programmes and projects that deliver synergies across land, climate, and biodiversity outcomes. Integrated investments that simultaneously advance the objectives of the three Rio Conventions — the UNCCD, the UNFCCC and the CBD — offer higher returns per dollar invested and reduce fragmentation across financing streams. Governments, development partners, and climate and environmental funds should systematically identify and prioritize such synergistic intervention.

Action 9. Strengthen enabling regulatory frameworks to accelerate the transition towards SLMs. Well-designed regulatory frameworks, including standards, certification schemes, tenure security, disclosure requirements and market-based instruments, can provide policy certainty, reduce information asymmetries and improve the risk–return profile of land-based investments.

Action 10. Strengthen inclusive financing systems that are accessible and responsive to Indigenous Peoples and local communities, women and youth. Targeted measures, such as direct access modalities, simplified eligibility criteria, secure recognition of collective land tenure, gender-responsive design, dedicated funding windows, and microfinance programmes for smallholder farmers, can help reduce structural barriers and ensure that resources reach those most directly engaged in safeguarding land and ecosystems, including .

Action 11. Assess the potential for integrating environmental objectives into sovereign debt restructuring frameworks to mobilize resources for land restoration and building land resilience. Debt restructuring processes, through instruments such as debt-for-nature swaps, nature-performance bonds and other debt-linked environmental mechanisms¹¹ can help alleviate debt burdens while redirecting financial resources toward land restoration and ecosystem resilience.

4.2 Private Sector

Several factors underscore the role of the private sector in mobilizing resources. Domestic and international public resources may, for instance, be structurally insufficient to bridge the investment gap required for the implementation of the UNCCD. Private sector engagement is also critical because of land ownership structures. As the primary land stewards of much of the world's land, the private sector plays a central role in achieving global targets such as the Sustainable Development Goals.

In addition, firms increasingly face environmental risks that affect revenues, supply chains, and long-term business viability, creating incentives to invest in sustainable land management practices and drought resilience [25]. As physical environmental risks, such as those posed by drought and land degradation, become more pronounced, financial markets are increasingly recognizing environmental-related vulnerabilities, highlighting the importance of developing robust risk mitigation plans and mobilize the additional resources needed to implement them [26]. The growing recognition of environmental and climate risks among capital providers, including investors, banks and rating agencies, underscores the need to systematically integrate land degradation and drought risks into investment appraisal, credit assessment and portfolio management frameworks [27]. Emerging disclosure frameworks are accelerating this shift. The Taskforce on Nature-related Financial Disclosures (TNFD) provides companies and financial institutions with a structured approach to identify, assess, manage and disclose nature-related dependencies, impacts, risks and opportunities. These include risks linked to land degradation, soil health and water stress [28].

No single financial solution can close the financing gap for sustainable land management and drought resilience. A diverse and integrated toolkit, combining approaches such as mainstreaming the value of ecosystem services, innovative debt instruments, impact funds, derisking mechanisms, blended finance and market enablers, is required to attract the volume of private capital needed for transformative impact. Critically, these financial solutions must comply with robust social and environmental safeguards to ensure that investments deliver equitable outcomes and do not cause unintended harm. The remaining section outlines selected instruments and emerging approaches that can enhance scalability, mitigate risks and respond to recent market trends, thereby strengthening the mobilization of private capital. While the financial solutions showcased below have been selected on the basis of their scalability, the suitability of

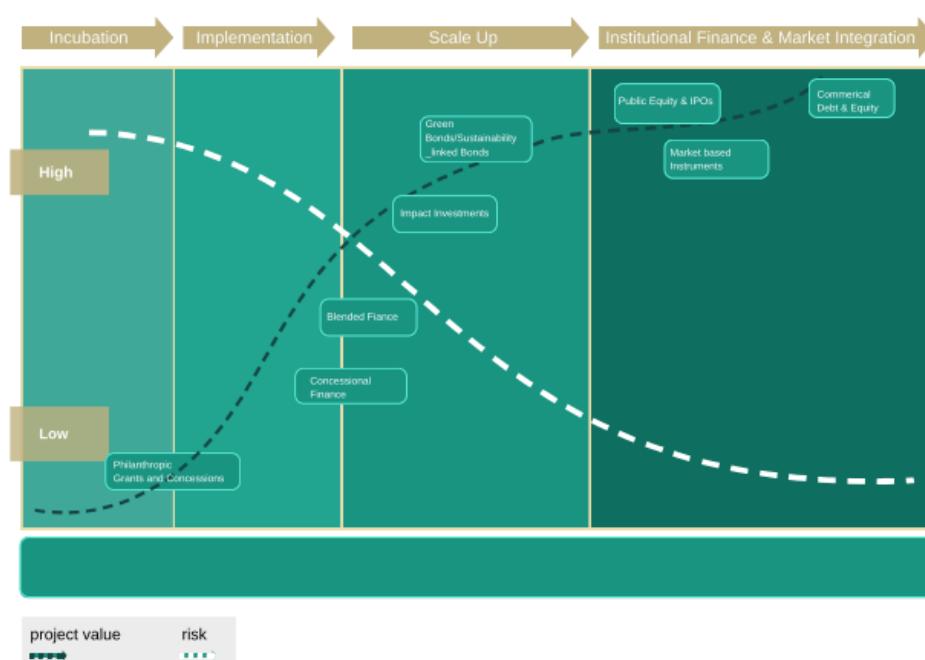
¹¹ It is acknowledged that some financial instruments can be issued by different stakeholders as sustainability-linked bonds. However, to avoid duplication of content, such instruments are primarily discussed under private sector financing.

specific instruments is often context specific¹² and also depends on the stage of project development (see Box 2).

¹² The financial solutions presented in this paper aim to provide guidance for scaling up financial resources to support the implementation of the Convention. Their application, however, will need to be adapted to country-specific realities, recognizing that diverse development contexts, institutional capacities and ecological conditions—including those of SIDS and other vulnerable landscapes—require further tailoring approaches to specific contexts.

BOX 2: The capital continuum for nature-positive investments.

This box illustrates the “capital continuum” for nature-positive investments and highlights a critical financing gap that is highly relevant for the implementation of the UNCCD. In the context of desertification, land degradation and drought (DLDD), many sustainable land management and restoration projects begin with grant-based support from governments, international public resources, or philanthropic sources during the incubation phase. However, a significant “valley of death” persists between early implementation and the scale-up stage, where projects require larger and more commercially oriented capital but still face high perceived risks, long payback periods and uncertain revenue streams. As a result, many promising land restoration and drought resilience initiatives remain underserved despite their potential to deliver environmental, economic and social benefits aligned with Land Degradation Neutrality targets. Bridging this financing gap will require innovative mechanisms—such as blended finance, guarantees, results-based instruments and MDB-supported investment platforms—that can de-risk projects and enable the transition from grant-supported pilots to scalable investment opportunities capable of attracting private capital for large-scale UNCCD implementation. Source: [59]



Financing approaches should also be aligned with the different typologies of DLDD interventions, recognizing their distinct risk-return profiles and implementation modalities. A clearer differentiation based on the level of bankability would enhance the operational relevance by distinguishing in particular between: (a) non-bankable interventions with public-good characteristics, such as large-scale land restoration and drought resilience measures, which require predominantly public and grant-based support; (b) semi-bankable activities, such as sustainable agriculture value chains, which can be advanced through concessional and blended finance; and (c) fully bankable projects with predictable revenue streams, capable of attracting private capital at scale. Such differentiation would support a more targeted deployment of financial instruments and help align expectations regarding the role of private capital across different segments of the UNCCD implementation agenda.

4.2.1 Risk mitigation instruments

Risk mitigation instruments are essential for unlocking investments. These types of instruments, including insurance mechanisms and guarantees, play a critical role in strengthening investor confidence and enhancing the bankability of land restoration projects. By reducing, transferring, and managing exposure to environmental, regulatory, financial, and social risks, they help ensure that land restoration initiatives are financially viable.

Insurance mechanisms can increase resilience for vulnerable farming communities. Parametric and index-based insurance, such as crop insurance and weather-index insurance, provide financial protection against climate-related shocks including droughts, floods, and extreme temperature events¹³. Evidence demonstrates that integrating sustainable land management practices with climate risk insurance serves as a vital safeguard for vulnerable populations [29]. However, significant protection gaps persist. For example, only 3 per cent of African smallholder farmers have access to agricultural insurance, compared to 20 per cent in other developing regions, while over USD 3.8 trillion in agricultural production has been lost to disasters over the past three decades. Addressing this gap requires expanded support for innovative delivery mechanisms, including pay-at-harvest models, satellite-based index design, and mobile platforms for community engagement [29].

Guarantees from international institutions can transform debt burdens into conservation finance. Partial credit guarantees and first-loss guarantees provided by governments, multilateral development banks, and development finance institutions reduce credit and performance risks, improve risk-return profiles, and mobilize private capital for land restoration. These instruments can also support innovative financing mechanisms such as debt-for-nature swaps, green bonds, and sustainability-linked loans. El Salvador debt-for-nature swap illustrates this transformative potential, supported by political risk insurance from the United States Development Finance Corporation.

4.2.2. Debt-based instruments

Debt-based instruments serve as a critical pillar for mobilizing institutional capital at scale, particularly through the rapidly expanding market for Green and Sustainability-linked bonds. These mechanisms allow sovereign and corporate issuers to access capital while linking financial terms directly to measurable land-related outcomes. Specifically, Sustainability-Linked Bonds (SLBs) and Loans (SLLs) use outcome-based structures where interest margins are tied to the verified achievement of Key Performance Indicators (KPIs), such as native forest expansion, soil organic carbon increases, or reductions in water footprints, thereby incentivizing transition strategies toward nature-positive business models.

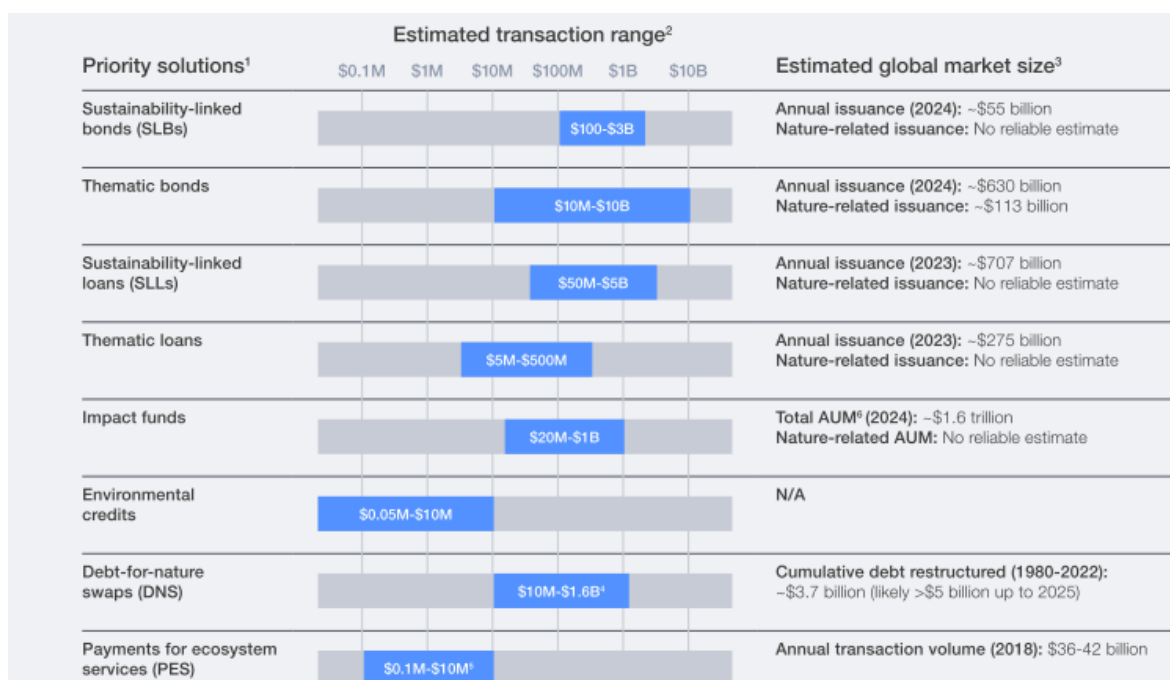
These instruments are most effective when applied to projects with predictable revenue streams, such as regenerative agriculture, certified sustainable forestry, and eco-tourism, where

¹³ Insurance programmes must also be carefully designed to avoid inadvertently incentivizing practices that contribute to land degradation, for example by subsidizing coverage for production systems on erosion-prone land; linking eligibility or premium levels to sustainable land management practices can help ensure that risk-transfer instruments reinforce the resilience outcomes they are intended to deliver.

consistent cash flows are available to service debt obligations. The market for these instruments has achieved significant maturity and scale. Individual thematic bond issuances range from USD 10 million to USD 10 billion, while SLBs typically span USD 100 million to USD 3 billion. Box 3 underscores the relevance of sustainability-linked bonds as a mature instrument capable of mobilizing resources at scale for land restoration and nature-positive outcomes.

Box 3: Nature-Positive Finance: Market Size and Transaction Ranges

This box provides a comparative overview of key nature-positive financing solutions by mapping their estimated transaction ranges alongside current global market sizes. It highlights where established instruments—such as sustainability-linked bonds and thematic loans—have reached substantial scale, and where emerging solutions—such as environmental credits and payments for ecosystem services—remain smaller but potentially high-impact. The figure underscores the diversity in both maturity and capital deployment potential across different mechanisms. Together, these insights help contextualize opportunities and gaps in scaling investment for nature and land restoration. Source: [53]



4.2.3 Mainstreaming Ecosystem Services into Business Models

The failure to reflect the total value of land-based natural capital in decision-making represents a fundamental market failure that requires urgent correction. More than 50 per cent of the global GDP depends on nature [30], Yet critical ecosystem services continue to be priced as free inputs, rather than recognized as the yield of critical capital asset. Payments for ecosystem services now encompass over 550 active programmes, facilitating USD 36–42 billion in annual transactions for watershed protection, carbon storage, and biodiversity conservation.

Some of the solutions¹⁴ that help mainstream the value of ecosystem services into commercial strategies and investment approaches, include: i) **Environmental Credits** – Carbon credits that quantify positive ecological outcomes and can be integrated into voluntary and regulated compliance markets[31]; ii) **Payments for Ecosystem Services (PES)** – Contracts that compensate landholders for delivering defined ecosystem services, such as water purification, soil carbon uptake, and biodiversity enhancement, creating direct commercial incentives for conservation and restoration; iii) **Natural Asset Companies (NACs)** – Legal entities that bundle and monetize ecosystem services as investable assets, enabling institutional capital to finance regenerative land use and ecological productivity; and iv) **Internal Nature Pricing and Accounting** – Corporate methodologies that embed the cost and value of natural capital into decision-making, improving risk management and unlocking nature-aligned performance metrics¹⁵.

4.2.4 Blended and Innovative Financing Approaches

Blended and innovative financing approaches combine public, philanthropic, and private capital to improve the risk-return profile of land-based investments and scale up financing for sustainable land management. These approaches pursue multiple objectives, including leveraging public resources to mobilize private capital through instruments such as taxes, levies, and guarantees; using market-based mechanisms, including public-private partnerships and political risk mitigation; promoting results-based financing and risk-sharing instruments; and mobilizing local capital through strengthened debt sustainability and expanded insurance innovations.

Dedicated impact funds and facilities based on blended finance aggregate capital across investors and risk profiles to finance land stewardship at scale. Impact and thematic vehicles, such as the Land Degradation Neutrality Fund, are designed to raise capital from public and private sources to invest in profit-generating land restoration projects with measurable environmental outcomes. Venture capital and private markets funds provide critical early-stage capital for innovative nature technologies, expanding investment opportunities beyond traditional land projects.

Novel vehicles such as the Global Drought Resilience Investment Facility (DRIF) demonstrate that climate-resilient land investments can move into mainstream finance. DRIF is being established with support from Luxembourg and has a target size of USD 300 - 400 million. The facility will be the first global fund of its kind dedicated to drought resilience, using concessional capital to de-risk projects and attract commercial finance for equity investments in transferable and scalable drought-resilience technologies and businesses.

¹⁴ These solutions are based on the recent work from WEF[53].

¹⁵ The deployment of these solutions should be underpinned by strong environmental and social safeguards to ensure environmental integrity and protect the rights of Indigenous Peoples, local communities, women and youth.

Philanthropic capital can play an important part within the broader development finance landscape. When tracking DLDD-related finance from philanthropic foundations using OECD methodology, it is estimated that flows between 2016 and 2023 amounted to an annual average of USD 152 million¹⁶, underscoring the relatively limited scale of philanthropic engagement in this sector. Many philanthropic entities operate in partnership with governments, businesses, and civil society to generate knowledge and strategic insights that can enhance resource mobilization.

Stronger engagement from capital providers is essential to mobilize the scale of finance required for land restoration and drought resilience. Institutional investors, commercial banks, and other public and private financiers must actively align capital allocation with land and drought resilience objectives.

ACTIONS

Action 1. Parties, multilateral development banks and development finance institutions should expand the use of risk mitigation instruments to enhance the bankability of land restoration projects.

Action 2. Integrate DLDD-related risks into private sector investment and risk management frameworks. As physical environmental risks become more pronounced, capital providers, including investors, banks, insurers and rating agencies, are increasingly pricing environmental vulnerabilities into their decisions. Land degradation and drought risks should be systematically integrated into investment appraisal, credit assessment, and portfolio management. Emerging disclosure frameworks, notably the Taskforce on Nature-related Financial Disclosures (TNFD), provide a structured basis for doing so.

Action 3. Leverage blended finance structures to mobilize private capital for sustainable land management and restoration. Combining public, philanthropic, and private capital through specialized investment funds and financing vehicles aggregates capital across investors and risk profiles, improves the risk-return profile of land-based investments and enables land stewardship at scale.

Action 4: Develop scalable business models that integrate ecosystem services into commercial strategies and investment frameworks. Critical ecosystem services have often been treated as free inputs rather than essential capital assets. However, there is a growing recognition of the total economic value of ecosystem services and the need to reflect this value in economic decision-making.

Action 5. Leverage debt-based financial instruments to finance the transition toward sustainable land management. Debt-based instruments serve as a critical pillar for mobilizing institutional capital at scale, particularly through the rapidly expanding market for green bonds, and sustainability-linked bonds and loans.

Action 6. Mobilize private capital for sustainable land management through specialized investment funds and financing vehicles. Development finance institutions and philanthropies should deploy concessional

¹⁶ These estimates are based on the latest OECD methodology on tracking financial flows for combating DLDD [54]

and first-loss capital to de-risk investments and unlock commercial finance for land restoration, drought resilience and soil health, as illustrated through the Global Drought Resilience Investment Facility (DRIF) approach.

4.3 International Development Cooperation

International development cooperation can serve as a strategic and catalytic mechanism for mobilizing the substantial financial resources required to address DLDD. International development cooperation includes the collaborative mobilization of financial and non-financial resources through Official Development Assistance (ODA), South-South cooperation, and triangular cooperation, as well as support from multilateral development banks and funds¹⁷. **Articles 6 and 20 of the UNCCD Convention text call particularly on developed country Parties to provide substantial financial resources and other forms of support** to affected developing country Parties, including grants and concessional loans, to support the implementation of programmes to combat desertification and mitigate the effects of drought, especially in Africa.

Until the past year, trends in international public resources for combating DLDD reveal a significant expansion in volume, with annual bilateral and multilateral commitments reaching USD 20 billion in 2022 (see Figure 1). This upward trajectory represents an average annual growth rate of 6.7 per cent since 2016, contributing to a total cumulative investment of approximately USD 76 billion over the last seven years. While bilateral providers remain the primary source of funding, historically accounting for roughly 80 per cent of total cumulative flows, multilateral resources are becoming an increasingly vital channel for international cooperation. Multilateral contributions specifically rose from USD 0.3 billion in 2016 to USD 4.1 billion in 2022, raising their share of annual DLDD-related funding from 7 per cent to 34 per cent over that period.

Total Official Development Assistance (ODA) also showed a generally upward trend, growing at an average annual rate of 7 per cent between 2016 and 2023 and reaching a peak of USD 226 billion in 2023. However, ODA from members of the Development Assistance Committee (DAC) fell to USD 174.3 billion in 2025, representing a **23.1 per cent decrease** compared to 2024. Current trends place ODA from DAC countries at 0.26% of their combined Gross National Income (GNI) in 2025, leaving them **well short of the long-standing commitment to allocate 0.7 per cent of their combined gross national income (GNI) to ODA [32][32,33]**. Despite the current challenging funding landscape, the gap between current ODA levels (0.26 per cent of GNI) and the 0.7 per cent of GNI commitment provides a useful benchmark for considering the mobilization of additional financial resources, including efforts to combat desertification, land degradation, and drought (DLDD)[33]. Notwithstanding the full attainment of the 0.7 per cent of GNI commitment, and assuming that DLDD-related allocations remained broadly in line with recent trends, , international public resources would still be insufficient to close the prevailing financing gap. Accordingly, the mobilization of resources across the entire spectrum of financing sources, encompassing domestic public resources, private sector investment, blended finance, and innovative financing instruments, assumes critical importance in addressing the scale of the challenge. **In summary, both increased commitment to ODA and adoption of more innovative approaches are needed.**

¹⁷ Other flows falling also under this category comprise Other Official Flows and Private Sector Instruments (PSI), which are official resources provided to or through private sector entities to promote economic development in partner countries[55]. Whereas international private foundations are considered part of development finance, in this paper they were featured in the Private Sector section.

The global development landscape is undergoing a paradigm shift away from traditional, vertical donor-recipient hierarchies toward horizontal, "win-win-win" partnership models that prioritize mutual learning, trust, and collective responsibility [34]. The effectiveness of these modern cooperative approaches depends fundamentally on the principle of country ownership, where international support is aligned with nationally owned development plans. Modalities such as triangular and South-South cooperation further exemplify this transition by challenging conventional aid dynamics and leveraging diverse innovations from across the Global South, thereby fostering the long-term economic partnerships and shared prosperity necessary to address interconnected global crises [35–38].

Bilateral official development finance serves as a strategic lever to crowd in domestic and private capital, a role grounded in the Convention itself. It is increasingly recognized as a catalytic source of finance that can be deployed to build institutional capacity, transfer technology, de-risk projects, and further mobilize private and domestic capital [37]. While international cooperation offers significant benefits, its capacity to close the financing gap may remain relatively limited, given the scale of resources required to achieve the objectives of the Convention.

Bilateral official development finance can also generate reinforcing benefits for development partners by aligning national priorities with global environmental and security objectives. For affected developing country Parties, these partnerships can strengthen food security, foster employment, and enhance resilience to drought shocks through the implementation of national DLDD-related plans. On the other hand, international partners may also benefit from stabilized global supply chains, reduced pressures from environmentally induced migration, projected to affect between 50 and 700 million people by 2050, and enhanced regional stability [39–41]. Investments in sustainable land management also generate global public goods, such as enhanced carbon sequestration and water cycle stabilization, which are critical ecosystem services (see Box 4). These cooperative approaches can therefore be viewed as strategic investments in global sustainability and stability.

Box 4: Critical Natural Assets: Powering Global Food, Water, and Climate Security

Global critical natural assets are the most important ecosystems for underpinning human well-being, with a mere **39% of global land area** providing **90% of the provision** for 12 essential nature's contributions to people (NCP). These assets serve as the Earth's "life support systems," securing **food, water, and climate security** through services that generate transboundary benefits well beyond national borders. Because these ecosystem functions underpin the global economy and provide critical global benefits, they are classified as **critical global assets**, making their restoration and protection a matter of **shared international interest** rather than a purely domestic environmental priority. Investing in **sustainable land management (SLM)** within these critical areas is a strategic necessity, as it generates vital **global public goods** such as **enhanced carbon sequestration**, stabilization of regional water cycles, and the protection of biodiversity.

Source: [39]

Multilateral Development Banks (MDBs) occupy an increasingly central role in the global financial architecture for sustainable development. MDBs play a substantial role in mobilizing resources due to their unique ability to work with governments, national and subnational development banks, and the private sector to scale up investments; provide low-cost, long-maturity financing; mitigate risks; generate and disseminate knowledge; combine affordable long-term finance with technical support and policy advice; and bring stakeholders together for transformative change [42].

With this momentum, the UNCCD and MDBs are well-positioned to expand collaboration and mobilize resources at scale. The global MDB reform process, driven by the G20 Roadmap towards Better, Bigger, and More Effective MDBs, presents an opportunity to integrate DLDD financing within a transformed multilateral financial architecture [43]. The heads of MDBs have further reaffirmed their commitment to deepening engagement and advancing an agenda focused on achieving greater impact and scale in addressing development, climate, and regional and global challenges. Their key priorities center on enhancing agility and efficiency across the MDB system, with concrete results targeted across five areas: (1) scaling up MDB financing capacity; (2) boosting joint action on climate; (3) strengthening country-level collaboration and co-financing; (4) catalyzing private sector mobilization; and (5) enhancing development effectiveness and impact [44]. These changes represent an important opportunity for the UNCCD to further expand its engagement with MDBs.

MDBs have developed common principles and a standardized taxonomy for tracking nature finance[45,46]—investments that protect, restore, or enhance biodiversity in line with the Kunming-Montreal Global Biodiversity Framework. The MDB-developed framework enables consistent tracking of nature finance across MDB portfolios. While land-related investments feature prominently in MDB nature-positive and climate adaptation portfolios, they are not tracked as a distinct category. Establishing such a category, aligned with existing principles but incorporating criteria for sustainable land management, soil health, drought resilience, and land restoration, would enhance visibility, accountability, and strategic resource allocation. This process could be an important step toward tracking financial flows by MDBs for land-related investments.

UNCCD has recently strengthened its partnerships with MDBs and International Financial Institutions (IFIs) to mobilize financing for its objectives. Recent high-level commitments include a USD 10 billion pledge from the Arab Coordination Group at UNCCD COP16, commitments of USD 1 billion each from the Islamic Development Bank (IsDB) and OPEC Fund for International Development (OFID) towards the Riyadh Global Drought Resilience Partnership (RGDRP), and a commitment of USD 6.5 billion from the African Development Bank (AfDB) towards the Great Green Wall Initiative. Beyond these high-level commitments, UNCCD has also stepped up its collaboration with MDBs to develop and implement projects on the ground. Regarding the specific work of the Global Mechanism (GM) on resource mobilization, multiple country Parties have engaged with the Partnership for Project Preparation (PPP), led by the GM, leading to the development or ongoing preparation of more than 130 project concept notes at national, regional, and global levels. Notably, 24 of these projects have successfully mobilized a total of USD 1.6 billion in financing and co-financing.

Multilateral Development Funds (MDFs) also provide essential resources to complement other financing sources in the implementation of the Convention. MDFs such as the Global Environment Facility (GEF), the Green Climate Fund (GCF), the Adaptation Fund, the Climate Investment Fund and the Loss and Damage Fund are instrumental in fostering resilient development through targeted land-based projects¹⁸. The GEF is soon expected to commence its ninth replenishment cycle (GEF-9), covering the period 2026–2030. Over the past two decades, the Global Environment Facility (GEF) has provided USD 5.2 billion to 674 land degradation projects and programs in 144 countries, leveraging an additional USD 35.4 billion in co-financing [47]. The GCF, the largest operating entity of the UNFCCC Financial Mechanism, currently manages a portfolio exceeding USD 20 billion in approved financing (approximately USD 78 billion including co-financing), with ongoing efforts to enhance institutional reforms, including the establishment of regional offices. It will enter its third replenishment period (2028–2031) following the current GCF-2 cycle. The Fund operates across several adaptation result areas related to land degradation and restoration objectives, including “Health, Food and Water Security” and “Livelihoods of People and Communities,” often in partnership with the Global Environment Facility (GEF). One example is the Great Green Wall initiative in the Sahel. As of July 2023, the GCF had approved 48 funding proposals across the eleven Great Green Wall countries, totaling approximately USD 14.4 billion in total financing, including USD 3.84 billion in GCF financing and USD 10.5 billion in co-financing.

Beyond the mechanisms outlined above, numerous multilateral organizations provide financing opportunities for governments and the private sector, with project volumes ranging from USD1 million to over USD 500 million. Annex 2 provides an overview of key multilateral and regional funding sources currently available.

Strengthening international development cooperation offers an opportunity for mobilizing resources to help close the DLDD financing gap. The following section provides potential action areas to advance this cooperation.

¹⁸ Cooperation with international financial institutions — including the Global Environment Facility (GEF), the Green Climate Fund (GCF), and Multilateral Development Banks (MDBs) — should be pursued with full respect for their respective mandates, governance structures, and established decision-making processes.

ACTIONS

Action 1. Strengthen the role of international public finance as a catalytic instrument to mobilize additional finance and scale up investments in sustainable land management and drought resilience.

Action 2. Maximize engagement with thematic funds. Deepen strategic engagement with complementary funds, including the GEF, the Green Climate Fund, the Adaptation Fund, the Loss and Damage Fund and the Least Developed Countries Fund, to mobilize additional resources for land-based climate adaptation aligned with UNCCD objectives.

Action 3. Scale up MDB resources for combating DLDD. Expanding these resources would strengthen support for project preparation, implementation, and risk mitigation, thereby enhancing the effectiveness and reach of DLDD interventions. MDB financing should also prioritize projects with high social and ecosystem value, including those that contribute to Land Degradation Neutrality and water security, alongside traditional bankability criteria. This would also help catalyze additional public and private finance by improving the overall investment environment.

Action 4. Encourage Development Finance Institutions (DFIs) to develop a harmonized taxonomy for sustainable land management and drought resilience within the existing nature finance tracking framework. Building on the MDB Common Principles for Tracking Nature Finance, the UNCCD should encourage and work with DFIs to establish a dedicated DLDD category that clearly defines eligible activities for sustainable land management, soil health restoration, drought preparedness, and land rehabilitation. This taxonomy should be compatible with existing MDB climate adaptation and nature-positive tracking systems to avoid duplication, while providing sufficient specificity to enable DLDD-specific reporting, target-setting, and resource allocation.

Action 5. Support MDBs in piloting innovative financial instruments and blended finance for DLDD to demonstrate bankability and attract institutional investors. Co-design and pilot innovative financial instruments with MDBs, including SLM-focused green and sustainability-linked bonds, blended finance instruments and facilities for land restoration, risk mitigation instruments, project preparation and structuring support, and results-based financing mechanisms.

Action 6: Leverage policy-based financing instruments to drive systemic reform of fiscal, regulatory, and institutional frameworks, including the repurposing of potentially harmful subsidies.

Action 7. Promote enhanced scientific, technical and financial cooperation, including technology transfer and capacity-building, to support developing countries in addressing DLDD, including through the establishment and strengthening of drought early warning systems, risk assessment tools, and integrated management approaches.

Action 8: Improve access to international financing by reducing administrative and financial burdens on recipient countries. International development partners and multilateral funds should work to simplify access modalities, harmonize procedures across financing windows, and align requirements with country capacities, so that mobilized resources translate into timely and effective implementation on the ground.

5. DLDD Drivers

Future financial requirements for implementing the Convention must also be considered in relation to the trajectory of underlying drivers if the objectives of the Convention are to be achieved. Land degradation is expanding in both scale and intensity. Recent UNCCD Reporting estimates that, on average, 100 million hectares of land were degraded each year during the period 2015-2019, equivalent to roughly 1% of global land annually. These trends are particularly concerning as land resources will need to support a projected global population of 9.6 billion by 2050 [48]. This implies balancing a 35–56 per cent increase in food demand with finite and increasingly stressed land and water resources [49]. Rising demand for food, fiber and biomass is expected to drive further agricultural expansion and intensification, often at the expense of natural ecosystems. In addition, the global economy is expected to more than double by 2050, potentially exacerbating pressures on land due to the increase in production, with around half of global GDP depending highly or moderately on nature [30].

Additional structural drivers, including international trade, foreign direct investment, and climate change, further compound the demographic and economic pressures on land systems highlighted above. International trade and foreign direct investment (FDI) function as drivers of land-use change. Research integrated into IPBES frameworks reveals that over 90 per cent of global net land-use change impacts are embodied in agri-food trade, with 80 per cent of these impacts associated with exports from Latin America, Africa, and Southeast Asia. As fertile land becomes an increasingly scarce strategic asset, global supply chains connect distant consumer demand with remaining natural capital. Climate change is expected to further intensify DLDD, increasing pressure on already fragile land systems through rising temperatures, changing precipitation patterns, and more frequent extreme weather events [50].

Avoiding further degradation in the face of these growing pressures is therefore critical, as proactive land stewardship and sustainable land management are more cost-effective than restoring degraded land. Promoting responsible trade and foreign direct investment, improving transparency in global supply chains, and applying environmental and social safeguards can help internalize the environmental costs that are currently externalized to producing regions. Aligning trade and investment flows with sustainable land-use practices, through due diligence frameworks, sustainability standards and stronger accountability mechanisms, will be critical to reducing the offshoring of land degradation and supporting more sustainable global production and consumption patterns.

6. Monitoring and Tracking Finance

Existing indicators provide an essential foundation for understanding financial flows and can be further strengthened through complementary forward-looking metrics. At present, three indicators (International public resources; Domestic public resources; and International and domestic private resources) track past financial flows related to DLDD, providing valuable insights into investment patterns and sources of finance¹⁹. Additional forward-looking indicators that capture investment opportunities could further strengthen the current system for tracking progress²⁰, contributing to the following areas²¹.

1. Target and allocate investments efficiently. Forward-looking investment indicators can support the effective targeting and allocation of investments by identifying priority areas, estimating potential returns, and guiding the geographic design of projects. Such indicators help assess the expected benefits and risk–return profiles of land restoration and sustainable land management investments in a robust and cost-effective manner.

2. Design appropriate financial instruments and mechanisms. Improved understanding of land-based ecosystem services (ES) can support the integration of the value of nature into economic decision-making. By quantifying the flows and economic value of ecosystem services, policymakers and investors can develop financing solutions, including both performance-based mechanisms and market-based instruments, that help mobilize resources for sustainable land management. Examples include payments for ecosystem services (PES), environmental credits, natural asset companies (NACs), and mechanisms that incorporate the intrinsic value of nature into investment decisions. These metrics can also support the development of key performance indicators (KPIs) for sustainability-linked bonds (SLBs) and sustainability-linked loans (SLLs).

3. Inform decision-makers on the economic value of land. Robust indicators can help decision-makers assess progress in maintaining and restoring land-based natural capital, demonstrate the contribution of land and ecosystems to the broader economy, and strengthen the investment case for sustainable land management. By tracking changes in land-based natural capital and the associated flows of ecosystem services, these indicators also help identify the economic costs of land degradation. Making the economic value of ecosystems more visible supports policy coherence and encourages the integration of land considerations into national development strategies.

4. Link investments to environmental outcomes on the ground. Monitoring, reporting and verification (MRV) systems are essential to track the effectiveness of financial flows, assess their impact on environmental outcomes, and ensure transparency and accountability in the use of financial resources. Current financial indicators focus primarily on historical financial trends, providing insights into past investment patterns and informing policies on resource allocation. Strengthening MRV systems through the integration of financial flows monitoring with information

¹⁹ For further information on progress indicators tracking financial flows for the implementation of the Convention, see the *Good Practice Guidance for National Reporting on UNCCD Strategic Objective 5* [56]

²⁰ It should be noted that potential methodological approaches developed should be flexible and adapted to national contexts, avoiding uniform schemes that fail to reflect national and subnational realities.

²¹ For a recent assessment of progress indicators for the Convention, see [57]

derived from existing digital tools and geospatial data, together with the development of harmonized reporting frameworks, can improve the tracking of results and support more evidence-based decision-making.

From Tracking Flows to Enabling Finance. Understanding the flows of land-based ecosystem services provides the analytical foundation for designing financial mechanisms that internalize environmental value. This requires indicators and metrics that operate at both the **project (micro) level**, where ecosystem services and restoration outcomes can be measured and linked directly to investments, and the **national (macro) level**, where aggregated data inform policy, planning and resource allocation. Bridging these two levels is critical. Project-level evidence demonstrates the viability and returns of sustainable land investments, while national-level indicators help integrate ecosystem values into economic decision-making.

Emerging indicators can complement existing financial metrics by capturing the economic value of ecosystems and the costs of land degradation. In particular, the **Gross Ecosystem Product (GEP)** provides an economic measure of land-based natural capital by estimating the total value generated by land-based ecosystems [51]. By accounting for ecosystem services such as water regulation, carbon sequestration, soil fertility, and biodiversity, GEP highlights the contribution of ecosystems to the broader economy beyond conventional GDP measures. This helps demonstrate that restoration and sustainable land management can generate tangible economic returns and should therefore be considered as productive investments rather than purely environmental expenditures.

Indicators tracking changes in land-based natural capital further strengthen the evidence base for sustainable land management. By monitoring gains and losses in natural assets and the associated ecosystem services, these indicators help identify the economic costs of land degradation, which are often incurred at the expense of other development priorities [52]. They also reveal the depreciation of natural capital that is typically not captured in traditional national accounts. By making these losses visible, such indicators reinforce the economic case for preventive policies and restoration investments, supporting more informed decision-making and long-term resource management.

7. Implementation

Scaling up finance for land restoration and sustainable land management requires practical measures to build investment-ready project pipelines, mobilize diverse partners and create the data and governance foundations needed to accelerate implementation of the Convention. Some aspects to be considered in the implementation include:

Governance: Effective implementation depends on robust governance arrangements at the national level. Clear institutional roles, coordination mechanisms, integrated land-use planning and accountability frameworks are needed to translate financing opportunities into results on the ground. National systems should anchor implementation, supported by inter-ministerial coordination across relevant line ministries. Financing approaches should also be aligned with existing national planning and budgeting frameworks.

Project pipeline development: Scaling up finance requires a strong pipeline of bankable projects, supported by capable institutions. This includes the development of national financing strategies, project preparation facilities and strengthened technical capacity.

Public–private partnership: Structured collaboration between governments, development partners, private sector actors, financial institutions and civil society can play a critical role in developing bankable pipelines of land restoration and sustainable land management projects. Such partnerships facilitate interactions between project developers and potential financiers, align incentives, mitigate risks, and mobilize long-term private capital alongside public resources. These arrangements are particularly well suited to large-scale land restoration and drought resilience programmes requiring coordinated investment and governance. Platforms such as the Partnership for Project Preparation, implemented by the UNCCD Global Mechanism, demonstrate how coordinated support—including technical assistance, project design, and capacity-building—can help countries translate national priorities into investment-ready proposals.

Pilot and scale: Begin with demonstration projects that validate incentive mechanisms across diverse contexts, and then scale up the approaches that prove successful, with the Global Mechanism facilitating knowledge exchange and technical support for country-led initiatives. These efforts should strengthen and formally recognize the role of local and intermediate actors, including community-based organizations, rural cooperatives, agricultural associations, NGOs and local associations, as key implementation partners. These actors are often better placed to integrate and target small-scale interventions, support long-term sustainability, and reduce fragmentation. From the planning phase, pilot and demonstration projects should also incorporate an exit strategy that sustains results beyond the project cycle and ensures a smooth handover to local actors.

Enhance knowledge-sharing platforms and peer learning: Strengthening mechanisms for knowledge exchange among countries facing similar DLDD challenges can accelerate policy innovation and improve implementation outcomes. Platforms that facilitate peer learning, technical dialogue, and the dissemination of best practices enable countries to share experiences on project preparation, financing instruments, policy reforms, and monitoring systems. In this context, the UNCCD Global Mechanism is developing a Resource Mobilization Toolbox to support countries in closing their financing gaps for sustainable land management. Conceived as an interactive platform, it will provide governments and other stakeholders with the guidance,

methodologies, instruments and country examples needed to identify, formulate and implement innovative financing solutions at scale.

Strengthen capacity-building for resource mobilization: Building national capacities is critical to enable countries to effectively mobilize and manage financial resources for addressing DLDD. Capacity-building efforts should prioritize skills related to financial planning, investment strategy development, project preparation, and the mobilization of public, private, and blended finance. Effective resource mobilization also requires strengthened cross-ministerial collaboration.

Strengthening finance monitoring will be central to the effective implementation of the future UNCCD Strategic Framework. Monitoring systems should integrate backward-looking expenditure tracking with forward-looking investment indicators, strengthen MRV frameworks that link financial flows to measurable land outcomes, and support incentive-based and results-oriented financing approaches. By improving the quality and scope of financial monitoring, countries will be better equipped to demonstrate the economic value of land restoration and sustainable land management, helping to mobilize finance at scale while enhancing effectiveness, transparency and accountability in achieving Land Degradation Neutrality and broader DLDD objectives.

8. Final Remarks

Closing the financing gap for desertification, land degradation and drought requires a fundamental shift from incremental approaches to transformative financing solutions. Despite progress in mobilizing resources, current investment levels remain well below the required investments to meet the objectives of the Convention. Continued reliance on fragmented grant-based funding and limited private sector engagement is unlikely to deliver the scale of resources needed. Addressing DLDD, land degradation and drought therefore requires, among other measures, scaling up financial solutions based on incentive-based approaches, designing catalytic and scalable finance solutions, ensuring policy coherence across government, and deploying de-risking instruments strategically. Scaling up impact will require sustained political commitment, innovative financing, and strong partnerships across all stakeholders. A forward-looking financing structure must mobilize private capital, and domestic and international public resources in mutually reinforcing ways to support the large-scale implementation of sustainable land management and build drought resilience.

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Annex 1: RENOVAGRO: Brazil's Sustainable Agriculture Credit Programme

RENOVAGRO. It is administered under the Brazilian Agricultural Plan and is delivered through the country's rural credit system (public banks, private banks, and credit cooperatives). The programme is organized into nine subprogrammes, each targeting a different sustainable production pathway (e.g., agroforestry, organic farming, pasture recovery, bioinputs, renewable energy integration, climate adaptation technologies, etc.). The overall goal is to finance technological transitions in both crop and livestock activities while reducing greenhouse gas (GHG) emissions and enhancing resilience.

The credit line offers interest rate subsidies (e.g., a 1 pp reduction for producers that are up to date with the Rural Environmental Registry or adopt sustainable practices). The instrument is essentially a subsidised loan whose terms are more favourable for qualifying projects. Projects are monitored for compliance.

Restoration targets for the 2020–2030 window: 72.6 million hectares covered and 1.1 billion tonnes of CO₂ equivalent emissions reduced.

Annex 2: Selected thematic Funds and MDBs

Green Climate Fund (GCF)

- **Type:** Multilateral climate finance mechanism
- **Focus:** Climate mitigation and adaptation projects, land-use change, reforestation, sustainable livelihoods
- **Volume:** USD 10–250+ million per approved project
- **Requirements:** Accredited entities (e.g., governments, UN agencies, development banks)
- **Access:** Submitting Concept Note via an accredited partner (UNDP, FAO, AfDB, etc.)

Global Environment Facility (GEF)

- **Type:** Multilateral environmental grant fund
- **Focus:** Biodiversity, land degradation, and sustainable forest management
- **Volume:** USD 1–10 million per approved project
- **Requirements:** Country focal point endorsement and alignment with GEF's focal areas
- **Access:** Country focal point or through implementing agencies (e.g., UNDP, UNEP, FAO)

IFAD – Adaptation for Smallholder Agriculture Programme (ASAP)

- **Type:** Blended finance program
- **Focus:** Land rehabilitation through smallholder adaptation activities
- **Volume:** USD 50–100 million per country program
- **Access:** Through national governments and local partners

World Bank – PROGREEN (Global Partnership for Sustainable and Resilient Landscapes)

- **Type:** Public finance & technical assistance
- **Focus:** Sustainable forest and landscape management
- **Volume:** Project-dependent (USD 10–500+ million)
- **Access:** Through national government agencies and partner networks

Africa-Focused Funds

Africa Development Bank – AFR100 Initiative

- **Type:** Regional coalition, blended financing
- **Focus:** Restore 100 million hectares of degraded land by 2030
- **Volume:** Over USD 2 billion of financial resources pledged
- **Partners:** World Resources Institute (WRI), AUDA-NEPAD, GEF, WB
- **Access:** National focal points, AfDB’s Climate Investment Facility

Biodiversity and Climate Fund for Africa (ABC Fund)

- **Type:** Impact investment fund
- **Focus:** Sustainable agriculture, ecosystem restoration, and value chains
- **Volume:** EUR 200 million fund volume
- **Access:** Through local financial intermediaries and cooperatives

Resilient Landscapes Africa Program (by CIF & AfDB)

- **Type:** Climate Investment Fund (CIF)
- **Focus:** Agroforestry, watershed management, and carbon storage
- **Volume:** USD 350 million
- **Requirements:** Coordination with local governments or implementation partners

Latin America & Caribbean (LAC)

Tropical Forest and Biodiversity Program (GEF-LAC)

- **Focus:** Land and biodiversity restoration, carbon farming
- **Volume:** USD 2–10 million grants
- **Access:** Country GEF Focal Points

EcoBusiness Fund (KfW, Conservation International)

- **Type:** Blended finance fund
- **Focus:** Financing sustainable agriculture and forestry businesses
- **Volume:** USD 400+ million
- **Access:** Partner financial institutions in Latin America

Regenera América (Natura Group)

- **Type:** Corporate compensation and restoration fund
- **Focus:** Reforestation and regenerative projects in Amazon and Cerrado biomes
- **Volume:** USD 10+ million in early-stage grants
- **Access:** NGO or cooperative-led proposals with measurable ecosystem gains

Asia-Pacific

Global Green Growth Institute (GGGI)

- **Type:** Intergovernmental green finance vehicle
- **Focus:** Sustainable land-use transition and climate-resilient agriculture
- **Volume:** Varies; acts as aggregator linking projects with GCF, ADB, or bilateral donors
- **Access:** Apply through national GGGI country coordinators

Asian Development Bank (ADB) – Nature Solutions Financing

- **Type:** Development financing
- **Focus:** Large-scale watershed and land rehabilitation investments
- **Volume:** USD 10–100 million+ per project
- **Requirements:** National or regional government partnership

**Future Financing for the
implementation of the UNCCD**

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