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**One Planet Summit on Scaling up Blended Finance
for Low Carbon and Green Transition
Theme: Adaptation Action to Deliver Benefits for the Most Vulnerable**

**Opening Remarks by Mr. Ibrahim Thiaw
Under-Secretary-General & Executive Secretary UNCCD**

Distinguished guests, friends and colleagues,

Thank you for inviting me to speak about how adaptation action can deliver benefits for the most vulnerable. Allow me to say a few words as to why adaptation action should deliver benefits not only to the most vulnerable, but to all.

Mobilizing different sources of finance is essential. One of the best options we have is to develop joined-up approaches. Integrated projects, with multiple benefits would in principle fit better to blended finance than narrowly defined projects, be they for mitigation or for adaptation.

That is exactly what Land Restoration does. Land Restoration brings degraded land back to productive land. Sustainable land management provides close to 30% of the decarbonization solutions required to achieve the ambitions of the Paris Agreement. It also generates more food, more clean water. Land restoration reduces unwanted migration and prevents conflicts. But there is much more than that….

There are four reasons why we need blended finance in sustainable land management:

First: It makes economic and financial sense. For example, studies estimate that every $1 invested in restoring degraded land can yield between $7 and $30 in economic benefits. Increasingly impact investors supporting sustainable projects can deliver financial benefits from land restoration and other climate change adaptation activities.

Second: The financing needs are simply too big -and I would add, too profitable- to be left to governments resources only, be it through national budget spending or through official development assistance. Annual flows towards adaptation are in the order of $20 Bn/year, a fraction of the $140-300 Bn/year that UNEP has estimated is required.

The private sector has been very active in climate mitigation. About $250 Bn were invested by the private sector in 2018 for climate change mitigation. Unfortunately, there have only been limited resources for adaptation from the private sector. Yet, as mentioned before, there is a strong business case for climate adaptation.

Thirdly: Considering climate risks is an essential component of risk management to ensure the long-term viability of any business. For example, global buyers of agricultural commodities know that their suppliers are having to face more extreme weather events, including droughts. If the private sector does not invest in supporting these producers to adapt and mitigate climate risks, the vulnerability of these global supply chains is jeopardizing their long term business.

Finally: Private sector stakeholders demand it. Investors, savers, and pension contributors all over the world are demanding that their resources not only deliver financial returns but that they also contribute to sustainable development. The signatories to the UN Principles for Responsible Investing are equivalent to about 80% of the global asset management industry. A recent survey of global pension funds showed that 75% of them are implementing sustainable investment strategies where issues such as climate change, land degradation and biodiversity, are paramount.

So, let's a ask ourselves: why blended finance is critical to increase the flow of private funding towards adaptation activities?

Blended finance is critical to trigger private sector investments in areas such as climate change adaptation that have a revenue-generation potential. In the UNCCD, we have spearheaded the development of a blended investment fund, the Land Degradation Neutrality (LDN) Fund, managed by Mirova. In this process we identified at least two key challenges that blended finance can address and which I think are directly relevant to today's discussion on adaptation finance:

First challenge: De-risking is needed to trigger large scale innovative approaches. While the pool of available resources for sustainable investing is large, the uncertainties associated with new areas of financing is large. For example, the limited availability of historical performance information and benchmarks for sectors such as weather-resilient agriculture make investors unwilling to make large investments that can have a transformative impact and that go beyond demonstration pilots. Blending finance can “crowd-in” investors and overcome this obstacle.

The second challenge has to do with the long-term nature of these investments. In the land sector, successful projects take time. For example, many agro-forestry projects require at least ten years before the initial investment in activities such as land restoration, planting, training of communities in sustainable practices, and certification leads to cash flows. Through blended finance, instruments such as the Land Degradation Neutrality Fund are being successful at attracting the type of long-term equity investors can make these projects successful.

I am very optimistic because resources are already flowing into this type of sustainable investments that are contributing to climate change adaptation and improving the lives of those who are most vulnerable.

These important resources will indeed need to be channeled through the right intermediaries. For instance, a project we are currently involved in enables one thousand women from Northern Ghana and Burkina Faso to be plugged into the international moringa and baobab market. Key intermediaries involve local communities and a UK-based social enterprise that aims at restoring lands and creating jobs through supply chains that start in the Sahel and finish on the shelves of trendy stores in Europe. We would need more of such partnerships.

As Secretary General Guterres said recently, we will not achieve the Sustainable Development Goals and address climate change challenges unless a fundamental shift takes place in the global financial systems towards financing sustainable activities. I am pleased that today we have an opportunity to speak to practitioners who are already effecting this change.

Thank you very much.