

Unlocking sustainable finance through public-private partnerships for nature based solutions and ecosystem services

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Over the past two years, the international community adopted a number of important policy frameworks that laid the foundations for national, regional and global initiatives to foster an inclusive green economy that acknowledges the value of ecosystem services, protects natural resources and promotes a sustainable future. This includes the Sendai's disaster risk reduction framework, the Addis Ababa Action Agenda on financing for development, the Agenda 2030 and the ambitious Sustainable Development Goals and targets – among which, Land Degradation Neutrality – and the Paris Climate Agreement. Without finance, all these objectives and commitments will remain on paper. The estimated funding needs to achieve the SDGs by 2030 keep skyrocketing — from billions to trillions of dollars annually. There is no shortage of capital in the global economy, most of which in the private sector. Yet, the global financial system is not channelling it effectively towards investments for sustainable development. Despite progress made since 2015, the 2017 report of the UN Task Force on Financing for Development indicates that many implementation gaps remain. One particularly underexploited instrument is a form of public-private partnerships called blended finance. Most blended finance structures have been used for infrastructure investment, as a means to share risks and rewards. But there is a large untapped potential in other sectors that require large investments, e.g. to scale-up nature-based solutions and other green infrastructures. The Land Degradation Neutrality Fund (LDN Fund) “*provides a rare case study of how the UN system can undertake meaningful, deep engagement with the private sector*”, according to an independent evaluation. This talk will conclude with an overview of the key characteristics of this innovative financial instrument, spearheaded by the UNCCD Global Mechanism since 2014. It will also illustrate the process that led to the launch of the LDN fund from its inception, highlighting some key success factors and the underlying theory of change.

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