

# Land Degradation Neutrality Fund Project

## Supporting sustainable land use



### 1- Land degradation neutrality: a global target that needs more financing

#### Land degradation as a global challenge

Poor land management practices have led to the loss of more than 25% of the world's arable land in the last two decades. The UN has defined SDG target 15.3, which aims to achieve a land-degradation neutral world by 2030.

Land Degradation Neutrality could be defined as **“a state where the amount and quality of land resources necessary to support ecosystem functions and services and enhance food security, remains stable or increases.”**

#### Introducing the LDN Fund

The Land Degradation Neutrality (LDN) Fund, co-promoted by the Global Mechanism of the UN Convention to Combat Desertification (UNCCD) and sustainable investment firm Mirova, promises to be a **first-of-its-kind investment fund** investing in profit-generating sustainable land management (SLM) and land restoration projects worldwide. It is expected that the Fund will invest in the following key sectors: (i) sustainable agriculture, (ii) sustainable forestry and (iii) other LDN-related sectors, such as green infrastructure and ecotourism.

### 2- Expected benefits and beneficiaries

Beneficiaries are expected to be smallholder farmers and agriculture/forestry workers in developing countries, who will benefit from the Fund's investments in SLM projects.

#### Socio-economic benefits



- Job and income creation through an emerging restoration economy
- Wood and non-wood forest products
- Resilience of livelihoods of local communities
- Cultural/recreational benefits
- Better public health

#### Environmental benefits



- Increase in soil organic carbon content
- Reduced soil erosion
- Restoration of degraded landscape
- Climate change mitigation and adaptation
- Improved habitats and biodiversity
- Enhanced freshwater supplies

### 3- Investment opportunities and expected outcomes

The Fund will invest in projects that can demonstrate : (i) competitive financial returns, (ii) significant contribution to LDN and strict compliance with environmental and social standards, and (iii) additionality (i.e. projects that would otherwise not be able to obtain suitable financing).

#### Examples of investment opportunities:

##### Rubber - South-East Asia



Large reforestation program with sustainable rubber tree plantation and conservation areas.

Impacts include increased productivity, job creation, reduced deforestation.

##### Coffee - South America



Climate resilient coffee landscape restoration and productivity enhancement program on degraded area.

#### Expected outcomes during the Fund's lifetime (15 years):

- **Carbon sequestration: > 35 million tons of CO<sub>2</sub>**
- **Directly impacted area: ~ 500,000 hectares**
- **Directly supported jobs : ~ 100,000 jobs**

#### Positive demonstration effect:

The LDN Fund should help develop the nascent LDN market and demonstrate the long-term investment case.

#### Innovative public-private collaboration:

The success of the LDN Fund should encourage more partnerships between the public and private sector.

#### Contact

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