

**Joint input by The Borders Institute (TBI), RIPOSTES ASERGMV/FAOSN, and the Islamic Development Bank (IsDB)<sup>1</sup>, on Financing climate action in water systems and the ocean to address droughts as a sub-theme**

This submission provides input for consideration by the Standing Committee on Finance (SCF) in preparation for its 2026 Forum on financing climate action in water systems and the ocean. It is submitted jointly from The Borders Institute (TBI), RIPOSTES ASERGMV/FAOSN and the Islamic Development Bank (IsDB) following up on a series of submissions made previously to the SCF by different Parties and TBI with respect to the global challenge of aligning flows of finance to deliver low carbon and drought resilient development globally.

The report of the thirty-eighth meeting of the SCF<sup>2</sup> already ends with the observation that:

*The theme and scope of the 2026 SCF Forum on “Financing Climate Action in Water Systems and Ocean” is broad in nature. Given the importance of the theme, the proposal is to cover the scope of the Forum over two years (2026 and 2027).*

This statement appears well-judged as the deepening phenomena of droughts and water scarcity are observable across growing areas of the world. Furthermore, their impacts, policy implications and solutions merited are also increasingly global in scope, requiring collective action to reach the most-affected communities and ecosystems. These could in fact justify an entire Forum to be dedicated solely to consideration of the drought resilience financing challenge in light of the feasibility and considerable rewards to be gained by definitively securing resilience to this global risk driver in the near term (see attached further case for the necessity of this approach as provided by RIPOSTES ASERGMV/FAOSN).

In case of a more concerted focus on enabling resilience to droughts, a brief review of financing options available and underway would suggest that we could soon beat this climate risk #1.01. This collective success in securing resilience to droughts could be achieved imminently through a focused evaluation and acceleration of the effective financing solutions. The global community could then proceed systematically also to identify those (similar and/or different) finance solutions that could also address floods and other climate-related risks. In this way the remaining financing challenges could each be more comprehensively addressed by order of their prominence and urgency in the National Adaptation Plans of all countries, including the Least Developed Countries (LDCs), feeding into the intended Global Stocktake under the Paris Agreement.

This submission briefly revisits inputs previously submitted by various Parties and TBI for the consideration of SCF<sup>3</sup>. Furthermore, it is informed by the following new insights that have emerged over the past year with particular relevance to the drought resilience financing challenge:

- Launch of OECD Global Drought Outlook [https://www.oecd.org/en/publications/global-drought-outlook\\_d492583a-en.html](https://www.oecd.org/en/publications/global-drought-outlook_d492583a-en.html)

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<sup>2</sup> As contained in annex I of the report of the thirty-eighth meeting of the SCF.1: 1 SCF/2025/38/5. <https://unfccc.int/documents/650478>

<sup>3</sup> See: <https://unfccc.int/sites/default/files/resource/Updated%20Submission%20SCF%20references%20corr%20numbering.pdf>

- G20-level recognition of the practical cases for financing Nature-based Solutions to transform drought risks

- Launch of the Riyadh Global Drought Resilience Partnership: <https://www.unccd.int/our-work/flagship-initiatives/riyadh-global-drought-resilience-partnership> and [2nd session of the Ministerial Council Meeting of the Middle East Green Initiative \(MGI\)](#), which is proposed to be the world's largest ecosystem restoration and drought resilience building program.

Supporting this submission are two short briefings published by the T20 (G20 Think-Tank) under the 2025 South African Presidency on:

- **Right Finance, Right People, Right Time: A Framework for Sustainable Dryland Development:** <https://t20southafrica.org/publications/right-finance-right-people-right-time/>. The publication presents an innovative finance framework for sustainable dryland development that integrates climate and non-climate shock events into long-term resilience strategies to ensure the right finance reaches the right people at the right time.
- **Accelerating Adaptation to Deepening Drought Risks:** <https://t20southafrica.org/publications/accelerating-adaptation-to-deepening-drought-risks-by-scaling-adaptation-finance/>. The brief argues that scaling adaptation finance, especially for nature- and land-based solutions, is essential to strengthen resilience against deepening drought risks, support economic stability, and enable more equitable, locally accessible climate adaptation systems through the G20 platform.

Also attached is an input from RIPOSTES ASERGMV/FAOSN on: Unlocking public and private funding for land restoration and improved water systems to build resilience to climate change

The remainder of this submission briefly considers the following:

1. Evidence and information relevant to droughts as identified in the listing of possible sub-themes identified by the cofacilitators<sup>4</sup> to further explore and develop the programme of the Forum (while still also addressing other possible sub-themes still to be identified);
2. Examples and case studies related to financing climate action in water systems and the ocean which would be expected to include some consideration of droughts and water scarcity;
3. Possible additional sub-themes for the co-facilitators to consider in the programme reflecting on experience gained in the design and delivery of finance addressing drought risks.

### **1. Evidence and information relevant to the possible sub-themes**

The integrated approach foreseen by the SCF – working across local to national, regional and global scales and back again is important – not only in light of the effects of the ongoing intensification of the global hydrological cycle on intensifying drought risks, but also due to the global economic processes and global security threats driven by droughts affecting social discord and exclusion. The impacts of droughts -if inadequately addressed- can reverberate through economies, supply chains, and societies. In cases where marginal groups cannot cope and are excluded from wider cooperative solutions during droughts, they cascade threats that destabilize security at broader scales.

The scope for regional cooperation is also relevant, noting the regional specificities and dynamics, particularly in regions that are already arid and/or water-scarce. However, this should not detract from the fact that following three decades of climate talks and actions, drought still remains as a global challenge. It is a familiar challenge that has proved tractable in many countries, yet still remains without global agreement on a common protocol to define how it can be financed and

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<sup>4</sup> As contained in annex I of the report of the thirty-eighth meeting of the SCF.1: 1 SCF/2025/38/5. <https://unfccc.int/documents/650478>.

addressed most effectively. With so many tried and tested financing solutions ongoing or well within reach, a cohesive global alignment of efforts could make the world of transformational difference. This option is well within the means of the international community to ensure improved resilience to drought risks, globally, if the world leaders collectively choose to do so.

Cross-cutting themes identified by the SCF for the 2026 Forum<sup>5</sup> so far include: 1. Human mobility and displacement due to climate-related water issues: this is frequently highly related to drought risk and vulnerabilities. However, the intended holistic framing of the proposed cross-cutting themes 2-4 would inevitably continue to detract necessary focus from getting to grips with the needs and opportunities for available finance to secure resilience to droughts. For example, the required nature-based solutions for drought resilience would need to be larger in scope and more holistic (i.e. including land and watershed management – rather than settling for a focus only on managing in more limited areas of wetlands).

Economic solutions identified under the intended broader remit for the forum (Blue economy: sustainable fisheries, offshore energy, coastal livelihoods) in isolation may not be sufficient to build multi-faceted resilience for communities most vulnerable to drought risks. Concerted action on land would also be needed. Synergies between the three Rio Conventions (4) is a highly relevant theme, as droughts currently undermine progress across all three Convention indicators as well as toward the Sustainable Development Goals more broadly. Progress towards all of these will remain only patchy and piecemeal until drought risks are more comprehensively addressed across all 3 Conventions.

## **2. Examples and case studies related to financing climate action in water systems and the ocean;**

There are many relevant case studies of financing actions to address vulnerability to droughts in those communities and locations that are facing the most rapid acceleration of deepening drought risks due to climate change in conjunction with other vulnerability-inducing factors. The private sector is a key enabler and financier of climate mitigation, adaptation, and resilience that emerges from our review of case studies collected so far. In contrast, access to finance from public funds and international climate finance remains a concern<sup>6</sup> (see commentaries from Malian Government and CSO representative including review of the case of the Green Climate Funds where access issues have been discussed amongst Board members including Co-Chair from Mali).

A selection of relevant cases collected by TBI were presented to SCF previously in: <https://unfccc.int/sites/default/files/resource/Updated%20Submission%20SCF%20references%20corrr%20numbering.pdf>. These include cases from the Sahel, Kenya, India and Central American Dry Corridor. In preparation for the September Forum, over the coming months these could be updated for presentation of emerging finance-relevant aspects and issues for consideration identified in the SCFs latest call.

The Riyadh Global Drought Resilience Partnership Fund has been launched and may be activated at the UNCCD CoP17 in August. The Middle East Green Initiative, which will span from Africa through to Central Asia, may become operational during 2026. Luxembourg's Drought Resilience Investment Facility<sup>7</sup> was also already established. These could therefore provide additional case studies of interest for discussion at the Forum in September. Other innovative financial instruments that may

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<sup>5</sup> See p6-7 (annex I) of the report of the thirty-eighth meeting of the SCF.1: 1 SCF/2025/38/5. <https://unfccc.int/documents/650478>

<sup>6</sup> See commentaries from Malian Government and CSO representative in: <https://t20southafrica.org/publications/accelerating-adaptation-to-deepening-drought-risks-by-scaling-adaptation-finance/> including review of the case of the Green Climate Funds. Access issues have been discussed amongst Board members including Co-Chair from Mali.

<sup>7</sup> <https://www.unccd.int/sites/default/files/2025-09/DRIF%20press%20release%20EN.pdf>

continue to emerge over the coming year may relate to value chains, trading systems, markets (including debt instruments such as bonds and carbon markets), and standards.

### **3. Possible additional sub-themes for the co-facilitators to consider in the programme.**

Due to the breadth of its proposed scope, a proliferation of other diverse sub-themes could also be introduced during the 2026 forum. This could further dilute the focus and possible effectiveness of its possible outcomes and recommendations. Notwithstanding this, please note that Senegal includes 4 interconnected ecosystems where protected areas have been created with co-management by their populations. At national and regional levels, the proposed theme on access to international climate finance remains a particular concern and priority, alongside other issues already listed by the SCF in its call. Clarifying and tightening the effective focus of the forum, its programme of sessions on particular themes, and its intended outcomes and recommendations could be desirable over the coming months.

## **APPENDIX**

### **Theme: Unlocking public and private funding for land restoration and improved water systems to build resilience to climate change:**

#### **Ibra Sounkarou NDIAYE), RIPOSTES ASERGMV/FAOSN**

In most developing countries, populations, particularly those in rural areas, bear the brunt of the impacts of climate change, from drought to economic, social and health issues, with soil degradation, land salinisation and a drastic reduction in arable land. This vulnerable group is heavily dependent on ecosystem services and on production from fishing, agriculture and livestock farming. Tens of millions of people are affected by drought in Africa. This phenomenon is exacerbated by the adverse effects of climate change, causing a major food crisis. For example, between 2024 and 2025, more than 55 million people suffered from extreme hunger in eight countries, with up to 80% of crops destroyed in some areas.

The issue of financing is of paramount importance in containing and curbing these phenomena. Indeed, public and private financing for land restoration and drought resilience are major challenges today in supporting the countries that are party to the agreement and the African continent in the fight against climate change. Africa is a low-emission continent that is suffering the repercussions of this phenomenon.

In Senegal, drought combined with climate change has a recurring impact on hundreds of thousands of people, particularly in rural areas, with 300,000 to 485,000 people affected during a poor agricultural season (Africa RiskView (ARC), 2025), which uses the Water Requirement Satisfaction Index (WRSI) as an indicator of drought and risk coverage analysis, particularly in the northern regions and the Groundnut Belt. The aim of modelling is to improve the capacity of leaders to manage climate risks and natural disasters. These populations are increasingly facing a situation of vulnerability that translates into a precarious standard of living. To support them, sufficient financial resources need to be mobilised.

This forum should agree on substantial funding and sufficient mobilisation of resources from financial and private partners to accelerate and implement the additional actions needed on the ground to ensure that the objectives aimed at improving people's living conditions are achieved.

Senegal, as co-chair with Spain of the International Drought Resilience Alliance (IDRA), and the countries involved in this partnership have high hopes for this forum, which aims, among other things, to strengthen the commitment to solutions for new and additional public and private funding new and additional funding to scale up good practices in land restoration and drought resilience. Clear recommendations are expected in this regard for the adoption of protocols, strategies and highly flexible

and accessible mechanisms for financing actions to combat and prepare for drought. These major options will need to be reflected in public policies and national strategies.

With a view to ensuring inclusive and sustainable growth, Senegal's Sovereign Strategic Investment Fund (FONSIS), the African Development Bank (AfDB) and the Global Green Growth Institute (GGGI) set up the Renewable Energy and Energy Efficiency Fund in 2017. The objective of the Renewable and Efficient Energy Fund (REEF) is to contribute to the achievement of national CO2 emission reduction targets. Twenty-four projects have already been identified for this purpose. Ultimately, this mechanism aims to mobilise 370 billion CFA francs to finance renewable energy projects.

This is a commitment to accelerating green growth based on comprehensive and inclusive approaches capable of driving strong and inclusive economic development that respects environmental sustainability. The implementation of this fund goes beyond the financial aspect and also contributes to Senegal's responses to the international community, in particular its commitments, including its Nationally Determined Contribution (NDC). Such mechanisms help reduce emissions through sustainable watershed management, particularly of interconnected land and hydrological systems, and the strengthening of carbon sinks.

With the support of technical and financial partners such as the European Union, Ireland, Canadian Cooperation and the FAO, smaller-scale mechanisms are being implemented to support the Great Green Wall initiative through direct subsidies to producers under MS 703 and the Resilience and Reforestation Window (G2R) administered by the National Fund for Agrosylvo-Pastoral Development (FNDASP) for community adaptation and resilience actions to climate change in the sylvo-pastoral zone and the Groundnut Basin. More than half a billion CFA francs are to be injected into this framework over five years from 2021, following the commitments made at the One Planet Summit in Paris in 2021.

Among the priority areas for action, we can mention in particular:

- The operationalisation of the intervention framework constituted by land degradation neutrality. The strengthening of international exchange and collaboration frameworks and the implementation of regional and national programmes such as the Great Green Wall Initiative
- Improving additional and potentially promising funding opportunities for combating desertification and land degradation, particularly with the Agricultural Bank and decentralised financial systems;
- Interventions by local authorities and civil society; capitalising on good practices in the management of protected areas, the creation of community nature reserves, and the Great Green Wall initiative, which will ultimately lead to the creation of green jobs;
- Public-private partnerships for large-scale investment in this area, taking operational measures;
- More substantial funding from national budgets and through the Global Environment Facility and the Green Climate Fund with dedicated windows.

Such initiatives must be accompanied by innovative and accessible financing aimed at improving the living conditions of populations, especially in rural areas, due to constraints related to land management.

We hope that this meeting will serve as a catalyst for further strengthening collaboration and dialogue with the Global Environment Facility (GEF) and the Green Climate Fund, as well as advocacy, through the Designated National Authorities, Focal Points and other accredited entities, for the creation of specific funding windows dedicated to the restoration of interconnected hydrological systems.

**Thème : Débloquent des financements publics et privés pour la restauration des terres et la l'amélioration des systèmes hydrauliques en vue de la résilience aux Changements climatiques :**

**Ibra Sounkarou NDIAYE**

Dans la plupart des pays en développement, les populations, notamment celles du milieu rural subissent de plein fouet les impacts des changements climatiques, de la sécheresse aux plans, économique, social, sanitaire avec la dégradation des sols, la salinisation des terres avec une réduction drastique de la superficie des terres arables.

En effet cette frange vulnérable est fortement tributaire des services écosystémiques ainsi que de la production issue des activités de la pêche, de l'agriculture, de l'élevage.

Des dizaines de millions de personnes sont touchées par la sécheresse en Afrique. Ce phénomène est exacerbé par les effets néfastes des changements climatiques provoquant une crise alimentaire majeure. A titre d'illustration, entre 2024-2025, plus de 55 millions de personnes ont souffert de faim extrême dans huit pays, avec des récoltes détruites jusqu'à 80 % par endroits.

La thématique relative au financement est d'une importance capitale pour contenir et juguler ces phénomènes. En effet, les financements publics et privés pour la restauration des terres et la résilience à la sécheresse constituent de nos jours des défis majeurs, pour soutenir les pays parties, et le continent Africain en matière de lutte contre le changement. L'Afrique est un continent faiblement émetteur qui subit les contrecoups de ce phénomène.

Au Sénégal la sécheresse combinée au changement climatique impacte de manière récurrente des centaines de milliers de personnes, particulièrement en milieu rural avec 300 000 à 485 000 personnes durant une saison agricole déficitaire (Africa RiskView (ARC), 2025), qui s'appuie sur l'indice de satisfaction des besoins en eau (WRSI) comme indicateur de sécheresse et l'analyse de la couverture risque notamment dans les régions nord et dans le Bassin arachidier. Le but de la modélisation est d'améliorer les capacités des dirigeants à gérer les risques climatiques et les catastrophes naturelles. Ces populations font de plus en plus face à une situation de vulnérabilité qui se traduit par un niveau de vie précaire. Pour les accompagner la mobilisation de ressources financières suffisante est nécessaire

Ce forum devrait se mettre d'accord sur un financement conséquent et une mobilisation suffisante des ressources des partenaires financiers et privé pour accélérer et mettre en oeuvre les actions supplémentaires nécessaires sur le terrain afin de garantir la réalisation des objectifs devant améliorer les conditions de vie des populations.

Le Sénégal en sa qualité de co-président avec l'Espagne, de l'Alliance sur la résilience à la sécheresse (IDRA) ainsi que les pays engagés dans ce partenariat fondent beaucoup d'espoir sur ce forum qui a pour entre autres enjeux, le renforcement de l'engagement en faveur de solutions pour financements publics et privés, nouveaux et additionnels en vue de la mise à l'échelle des bonnes pratiques de restauration des terres et la résilience à la sécheresse. Des recommandations claires sont attendues

à cet effet pour l'adoption de protocoles, de stratégies et des mécanismes très souples et accessibles pour le financement des actions de lutte contre et de préparation à la sécheresse.

Ces options majeures devront être reflétées dans les politiques public et les stratégies nationales.

Dans le souci d'assurer une croissance inclusive et durable, le Fonds souverain d'investissements stratégiques (FONSIS) au Sénégal, la Banque africaine de développement (BAD) et l'Institut mondial pour la croissance verte (GGGI, en anglais), ont mis en place en 2017, le Fonds pour les énergies renouvelables et l'efficacité énergétique. L'objectif du «Renewable and Efficient Energy Fund» (REEF) est de contribuer à l'atteinte des objectifs nationaux de réduction des émissions de CO2. Pour celle-ci, 24 projets ont été déjà identifiés. A terme, ce mécanisme compte mobiliser 370 milliards de FCFA pour financer des projets d'énergie renouvelable.

Il s'agit là d'un engagement vers l'accélération de la croissance verte s'appuyant sur des approches globales et inclusives capables d'impulser un développement économique fort et inclusif respectant les durabilités environnementales La mise en œuvre de ce fonds va au-delà de l'aspect financier et contribue également aux réponses du Sénégal à la communauté internationale, notamment ses engagements dont la Contribution déterminée au niveau national (CDN).

De tels mécanismes permettent de réduire les émissions à travers une gestion durable des bassins versants, notamment des terres et des systèmes hydrologiques interconnectés et le renforcement des puits de carbone.

Avec l'appui de partenaires techniques et financiers tels que l'union européenne, l'Irlande, la coopération canadienne et la FAO, des mécanismes à plus faibles échelles sont en cours de mise en oeuvre pour soutenir l'initiative Grande muraille verte à travers des subventions directes aux producteurs suivant la modalité MS 703 et le Guichet Résilience et Reforestation (G2R) administré par le Fonds National de Développement Agrosylvopastoral (FNDASP) pour des actions d'adaptation et de résilience des communautés au changement climatique dans la zone sylvopastorale et le Bassin arachidier. Plus d'un demi milliards de FCFA sont à injecter dans ce cadre durant cinq ans à partir de 2021 suite aux engagement du One planet Summit de Paris de 2021.

Parmi les axes d'intervention à privilégier, nous pouvons citer notamment :

L'opérationnalisation du cadre d'intervention que constitue la neutralité de la dégradation des terres. Le renforcement des cadres d'échange et de collaboration au niveau international ainsi que la mise en œuvre des programmes régionaux et nationaux tels que l'Initiative d'édification de la Grande Muraille verte

L'amélioration des créneaux de financements additionnels et potentiellement porteurs pour lutte contre la désertification et la dégradation des terres notamment avec la Banque agricole et les systèmes financiers décentralisés ;

Les interventions des Collectivités Locales et de la société civile ; la capitalisation des bonnes pratiques en matière d'aménagement des aires protégées, de création de

réserves naturelles communautaires, l'initiative de la grande muraille verte, qui permettent à terme la Création d'emplois verts ;  
Le Partenariat public- privé, pour un investissement à grande échelle sur la question en prenant des mesures opérationnelles ;  
Des financements plus conséquents à partir des budgets nationaux et à travers le Fonds pour l'Environnement mondial et le Fonds Vert Climat avec des guichets dédiés.

De telles initiatives doivent être accompagnées par des financements innovants et accessibles visant l'amélioration des conditions de vie des populations surtout au niveau rural en raison des contraintes liées à la gestion foncière.

Nous pouvons espérer que cette présente rencontre serait un catalyseur pour renforcer davantage la collaboration, le dialogue avec le Fonds de l'environnement mondial (FEM) le Fonds Vert pour le Climat ainsi que le plaidoyer, à travers les Autorités nationale Désignées, Points focaux et autres entités accréditées pour la création de guichets de financement spécifiques dédiés à la restauration des bases interconnectées des systèmes hydrologiques.

Merci.