



Insight Brief:

Private Sector Engagement in NDCs

AUGUST 2025

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SECTION 1

Introduction

About Insight Briefs

Insight Briefs are analyses developed by the NDC Partnership's Support Unit, members, or partners to share insights into thematic issues based on requests received by countries and the support provided by the NDC Partnership. This Insight Brief analyzes requests for support the NDC Partnership has received from developing country members related to private sector engagement. It identifies trends related to country requests and support offerings to inform how the NDC Partnership can refine and scale up needed support for the private sector engagement-focused efforts of its member countries.



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SECTION 2

Private Sector Engagement Requests: Facts & Figures

As countries develop their NDCs 3.0 and prepare for implementation, the mobilization of finance and investments from public and private sources will become a key priority for all countries. Of the approximately USD 2.4 trillion in investment needed per year by 2030 in developing countries (excluding China), at least USD 1 trillion is expected to come from the private sector (both domestic and external sources).¹ The engagement of the private sector in NDC development, implementation planning, and investment is critical to driving transformational climate action.

¹ See p. 5 of the Independent High Level Expert Group's third report, "Raising Ambition and Accelerating Delivery of Climate Finance," (November 2024).

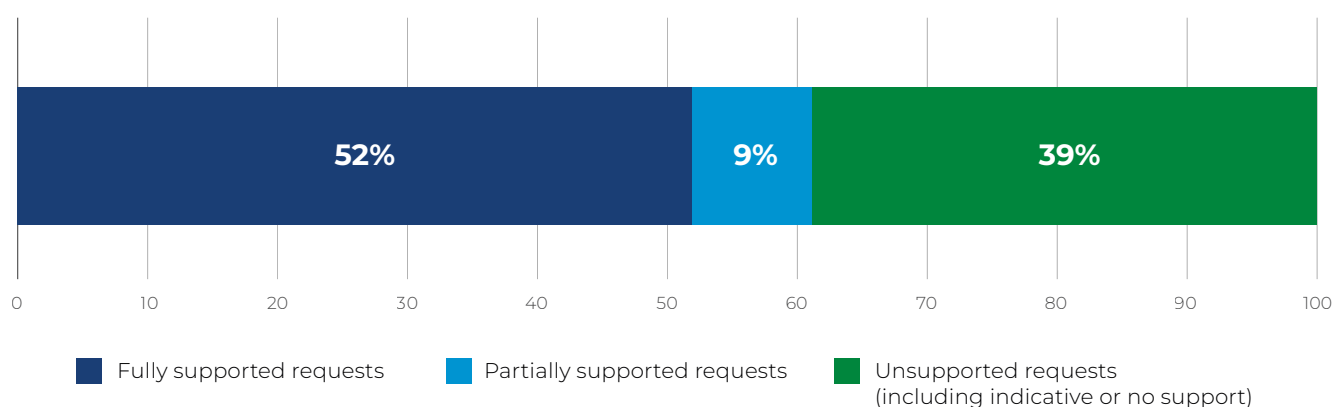
Key References

Engaging the private sector is a key topic in the NDC Partnership's [Finance Strategy](#), and steps to ensure effective engagement are detailed within the [Climate Investment Planning and Mobilization Framework \(CIPMF\)](#) developed by the NDC Partnership and the Green Climate Fund.

Private sector actors include relevant domestic and international businesses (such as multinational corporations and local small and medium-sized enterprises), financial institutions (such as commercial banks and many institutional investors), other investors (such as blended finance platforms, impact investors, private equity funds, venture capital firms, and foundations), as well as industry associations that represent these actors.²

Over three-quarters of developing countries requesting support through the NDC Partnership have requested support related to private sector engagement (77/101). As of January 2025, these countries have submitted 540 private sector focused requests (8.6% of all requests circulated through the NDC Partnership).³ Slightly more than half (52%) of all private sector engagement requests have been fully supported by partners, with the remaining requests either partially supported (9%) or unsupported (39%).

FIGURE 1



² Households and individuals are also part of the private sector, and their contributions to climate finance are tracked by stakeholders such as Climate Policy Initiative. However, the NDC Partnership does not engage with households and individuals as part of its private sector engagement work.

³ All support data is reflective of information communicated by partners and developing country members through the NDC Partnership Support Unit. For fully supported requests, partners responded with support that fully met the need the country expressed in their request. Partial support refers to support that meets a subset of the activities expressed within the country's request. For indicative support, partners expressed an interest in exploring support for the request but have not committed support. No support refers to country requests in which partners have not yet committed or indicated any support.

The Support Unit Characterizes “Private Sector Engagement” As:

Activities designed to engage the private sector in NDC development and implementation focus on the private sector as a whole rather than individual stakeholder groups (e.g., farmers), include assessments of general private sector needs, public-private partnerships, mapping of private sector partners, innovative financial mechanisms/vehicles, assessments of private capital markets, and private sector engagement.

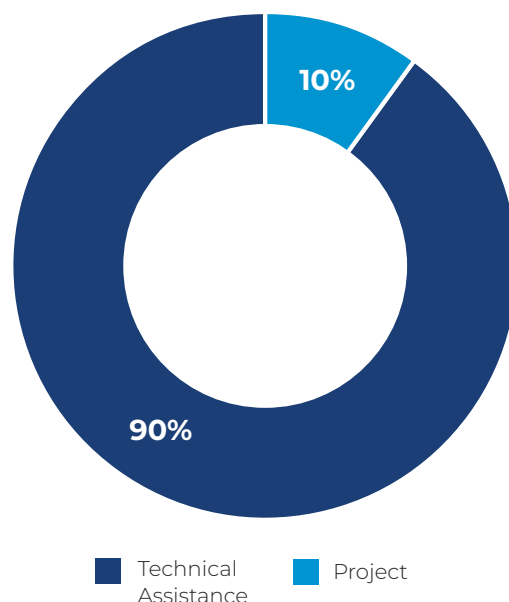
Of the 77 countries who have requested support for private sector engagement, 21 requested support related to the development of their NDCs. For example, the Kyrgyz Republic requested support in December 2024 to strengthen relevant provisions in the draft NDC 3.0 to better catalyze private sector participation, investments, and innovation in mitigation and adaptation efforts. At the time this brief was published, this request was partially supported by the Asian Development Bank, the International Renewable Energy Agency (IRENA), and the World Bank.

Breakdown of Requests

Type of Support

Ninety percent of private sector engagement requests are for technical assistance, and 10% for project support.⁴ Technical assistance requests represent a significantly higher percentage of private sector requests than the 75% they represent of total requests received by the NDC Partnership. Such technical assistance helps lay the groundwork for future project work (e.g., enabling environments, policy/strategy development, and capacity building). For example, the Kingdom of Eswatini requested support to identify inclusive policy instruments to reduce risks and incentivize private sector participation in NDC implementation. This request was supported by the Food and Agriculture Organization of the United Nations (FAO).

FIGURE 2



⁴ For the purpose of this analysis:

- “Project support” is categorized as an investment project for development and financing by partners—i.e., tangible physical or material investments directly linked to mitigation and adaptation. Examples under mitigation can include renewable energy power plants, smart grids, reforestation, agroforestry systems, etc. Examples under adaptation can include coastal protection infrastructure, resilient infrastructure (roads, buildings, electricity grids, etc.), and water infrastructure (i.e., dams, irrigation), among others.

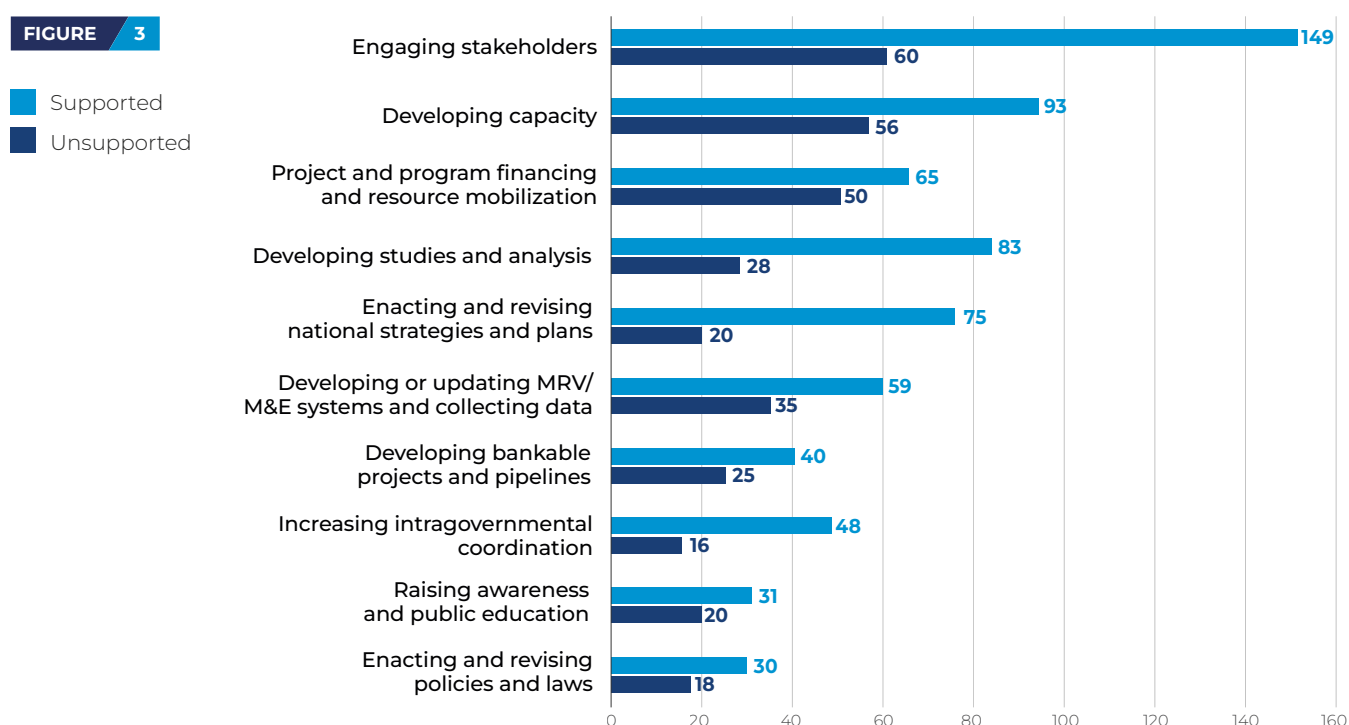
- “Technical Assistance support” is categorized as including all forms of support or activities that are not a physical tangible investment. These can range from in-kind contributions to providing services to enhancing capacities (e.g., capacity building, vulnerability assessments, and consultants hired to develop studies).

Activity Type (Top 10)

The most common types of activities across private sector engagement requests focus on engaging stakeholders (21%) and developing capacity (15%). Requests for capacity development include, but are not limited to, building the capacity of the private sector alongside other actors to promote, develop, and implement NDC compatible projects; promoting project pipelines and opportunities to support NDC implementation within the private sector and with other audiences; and building the capacity of line ministry representatives and civil servants on climate finance and private finance. For example, Liberia requested support in 2019 to build capacity among NDC-sector ministries and agencies, commercial banks, and relevant parts of the private sector to access climate finance; the request was supported by IRENA.

Requests focusing on project and program financing and resource mobilization are much more prevalent among private sector engagement requests (26%) than overall requests received by the NDC Partnership (7%), which is in line with the interest in engaging private investors to finance climate projects. For example, Thailand requested support in November 2020 for developing financial instruments, mechanisms, and approaches to engage the private sector in their NDC implementation. This was supported by FAO, Germany (via GIZ), and the United Nations Development Programme (UNDP).

Project and program financing and resource mobilization includes support to access climate finance for specific projects through blended finance mechanisms; financial mechanisms; or vehicles such as national climate funds, green bonds, revolving funds, and access to capital markets. For instance, Climate Analytics and the Commonwealth Secretariat supported Antigua and Barbuda in undertaking an investment planning exercise; identifying high-impact projects; and operationalizing the Sustainable Island Resource Framework (SIRF) Fund, a financial vehicle that recently launched a Gender-Responsive Blended Financing Window to deliver climate and environment-related projects and programs both domestically and across the Eastern Caribbean.



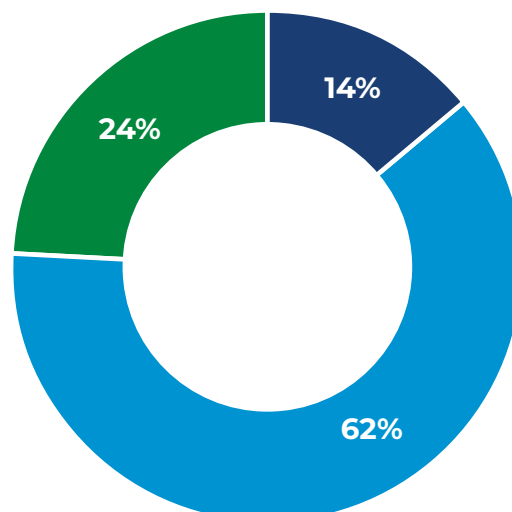


Focus Area

Most private sector engagement requests are categorized as cross-cutting—that is, they reflect both adaptation and mitigation aspects. Private sector engagement requests are significantly more likely to be cross-cutting than the overall requests received by the NDC Partnership (of which 43% are cross-cutting). For example, Antigua and Barbuda requested support in January 2023 to elaborate a private sector engagement strategy to enhance access to private sector investment for NDC implementation. This was supported by Climate Analytics through the Partnership Action Fund (PAF). Vanuatu requested support in January 2024 to develop an investment pipeline based on sector-specific priorities in line with the implementation of Vanuatu's NDC. The pipeline included project concept notes, pre-feasibility studies, and financing options, and more. This request was supported by the Global Green Growth Institute (GGGI) and PAF.

FIGURE 4

- Adaptation
- Cross-cutting
- Mitigation

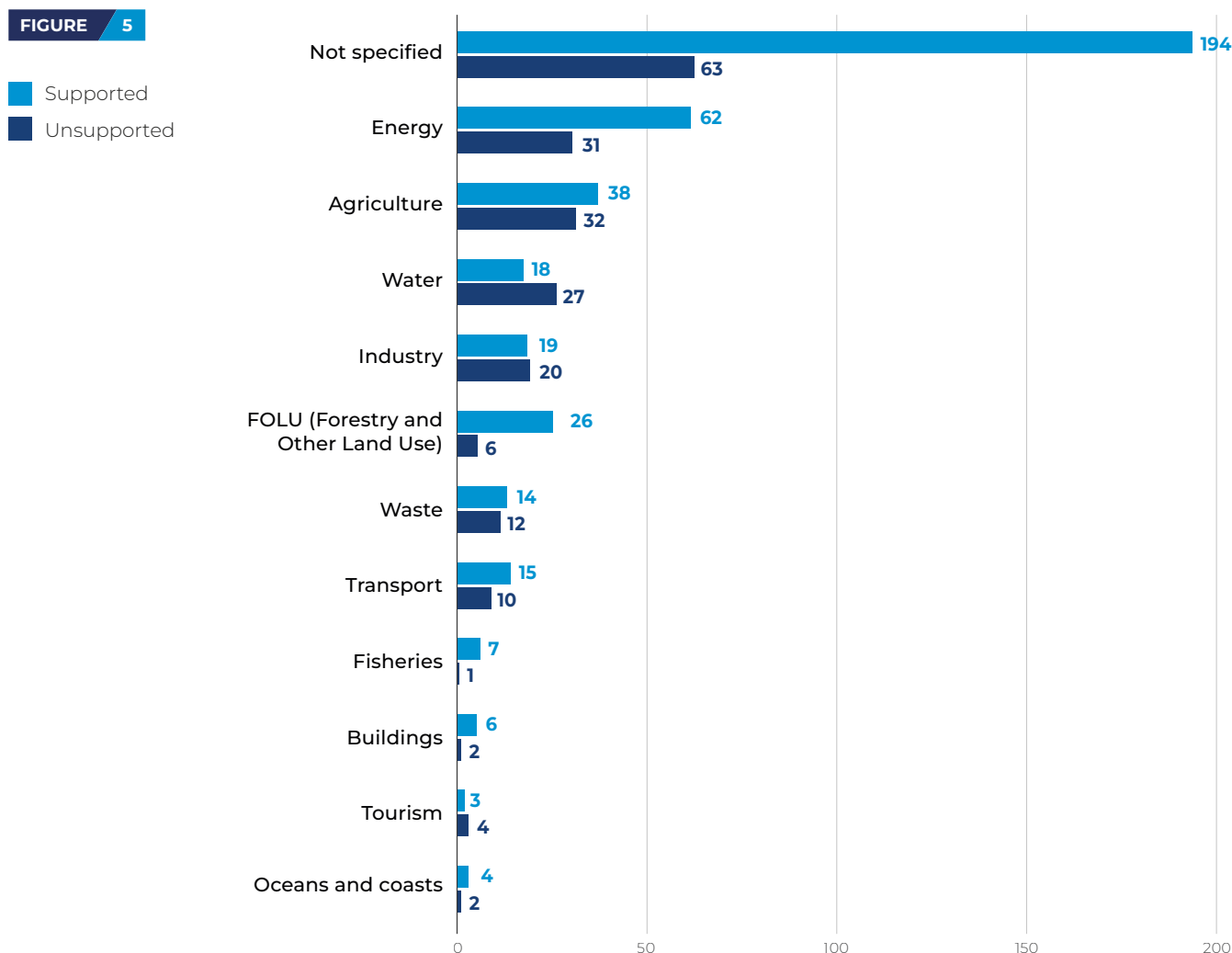


Sectors

Nearly half (48%) of all private sector engagement requests do not have a specific sectoral focus. Of those that are specific to sectoral needs, energy and agriculture are the most common, representing 17% and 13% of private sector engagement requests, respectively. For example, Bolivia requested support in December 2024 to develop pilot projects for implementing actions in the energy and water sectors of its NDC and its mitigation and adaptation plans. This request has not yet received support.

Unsupported private sector engagement requests that do not have a specific sectoral focus mainly relate to capacity development, project and program financing, and resource mobilization. For example, through Burkina Faso's NDC Implementation Plan launched in October 2023, the government requested support to mobilize investments to implement its NDC by engaging the private sector for contributions towards carbon credits generated in Burkina Faso's national register of carbon projects.

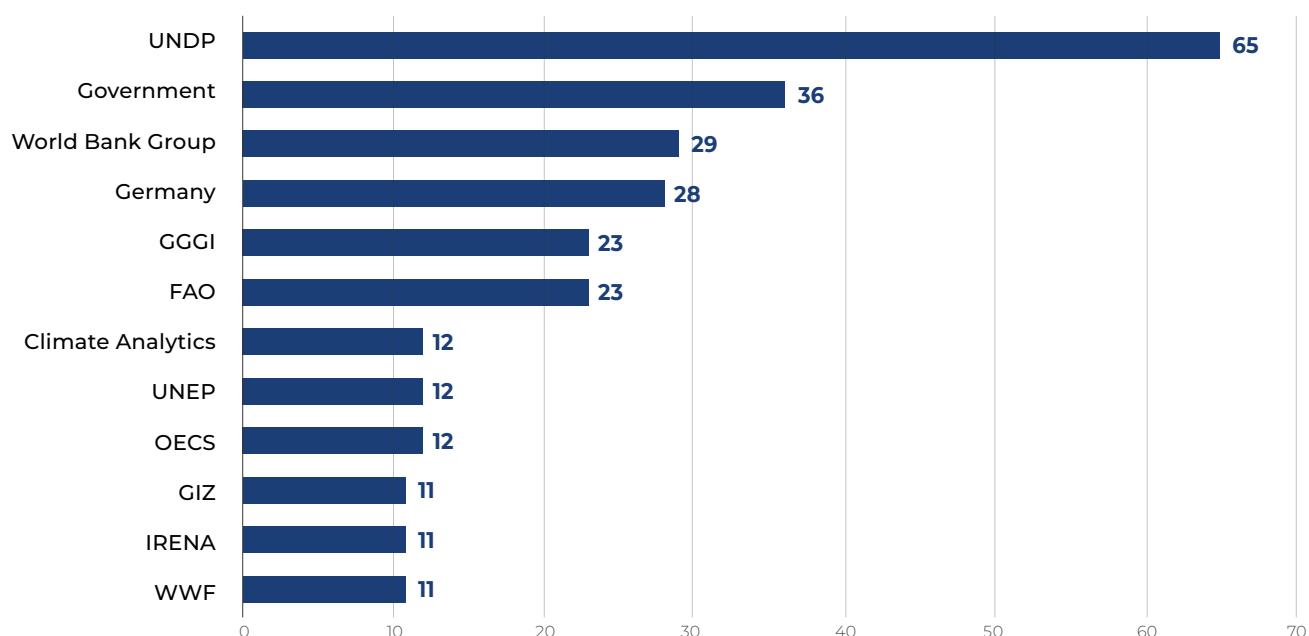
FIGURE 5



Number of Requests Supported, by Partner (Top 12)

As of January 2025, 72 out of 224 partners (32%) have provided support for at least one private sector engagement request. The top 10 partners (by number of private sector engagement requests supported) are shown above. Seven percent of all private sector engagement requests are supported by the requesting country governments themselves. For example, the Government of Nigeria, as part of their NDC Implementation Plan launched in May 2024, is providing support alongside UNDP and the Global Environment Facility (GEF) to launch a National Youth and Women in Agribusiness and PWD (persons with disabilities) Acceleration and Investment Programme. The program is backed by the Government (Federal Ministries of Agriculture, Finance, Technology, Trade & Industries) and private sector investors and agri-aggregators.

FIGURE 6



Trends in Requests on Finance and Investment-Related Activities (Beyond Private Sector Engagement)

In total, 92 countries have submitted 1,834 requests for support focusing on finance and investment-related activities beyond private sector engagement (29% of all requests circulated through the NDC Partnership). The breakdown of these requests according to the support status and the types of activities is reflected in the graph below.

Requests by Activity Type and Support Status

There are multiple entry points for the private sector to support countries with NDC planning, development, implementation, and financing—including requests for support beyond those in which private sector engagement is explicitly named by the requesting country, such as finance-and-investment-focused requests.

The most common finance-and-investment-focused activity types include: developing bankable projects and pipelines; project and program financing and resource mobilization; integrating NDCs into national planning, economic and fiscal policies, and financial regulation; and developing climate finance strategies, roadmaps, and investment plans. By working with the NDC Partnership's members and partners providing support, the private sector is well-placed to engage in support for these types of requests for support even when their engagement is not explicitly requested by the government.

Requests for support related to private sector engagement received by developing country members of the NDC Partnership underscore the nascent but growing involvement of the private sector in NDC development, implementation, and investment. Accordingly, leveraging partners' expertise and networks to enhance support for countries' private sector engagement in NDC implementation (e.g., to develop more informed climate finance strategies, address specific gaps in an enabling environment, and generate a pipeline for all relevant segments of the private sector) and building related capacity is crucial for increasing countries' readiness to attract private finance for NDCs.

FIGURE 7

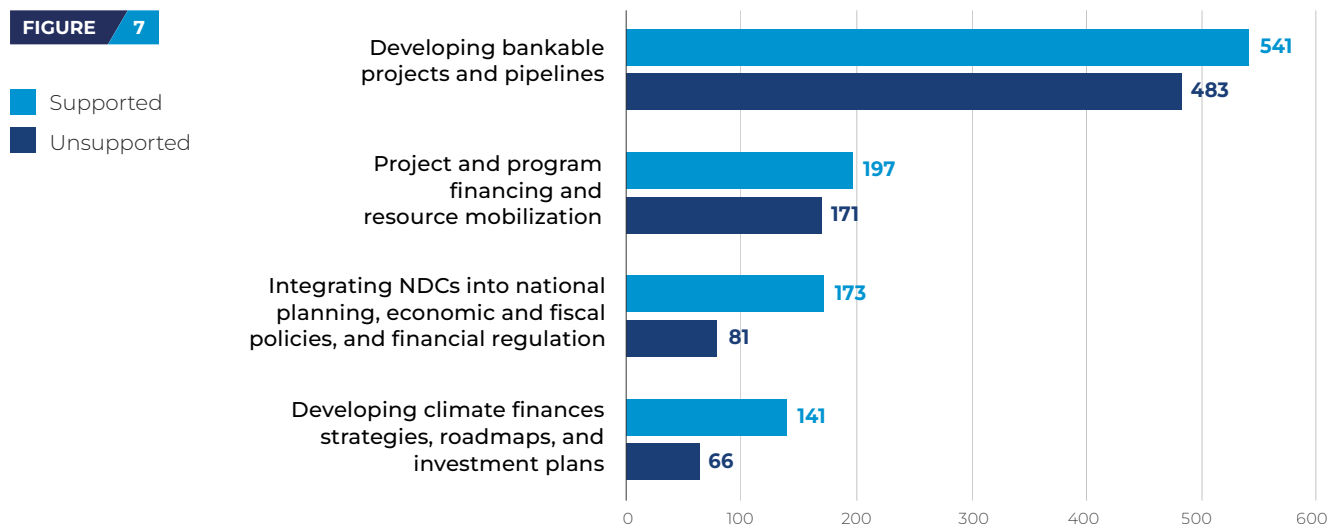


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SECTION 3

Way Forward

Drawing on discussions from a Support Unit-hosted Thematic Partner Discussion on Private Sector Engagement,⁵ the following section outlines insights and recommendations about how the NDC Partnership can increase private sector engagement support to developing country members.

1. Positioning NDCs for Investments

NDC 3.0 should inform countries' investment priorities and further their long-term development objectives. Alignment of NDCs, LT-LEDS, National Adaptation Plans (NAPs), and National Biodiversity Strategies and Action Plans (NBSAPS) and mainstreaming climate into development are critical elements and are at the core of the NDC Partnership's work.

⁵ In March 2025, the NDC Partnership hosted a Thematic Partner Discussion on Private Sector Engagement with a group of key partners (UNFCCC, WRI, GIZ, IFC, AfDB, IsDB, EIB, IFAD, IRENA, UNDP, UNEP, RMI, GGGI, ICLEI, and WWF) and conducted bilateral discussions with the GCF Private Sector Facility and EBRD.

For successful implementation, NDC commitments have to be quickly followed by robust policy, regulatory, and governance action and financing strategies in support of the commitments. Alignment of the private sector's investments with countries' NDC priorities is important. The NDC Partnership can facilitate the sharing of information on NDCs and NDC-aligned investment opportunities to inform the private sector's investments (and relevant partner efforts) for contribution to the NDC targets.

2. Consulting the Private Sector on Countries' Upstream Efforts

Private sector entities differ with respect to their investment criteria and the type of risk they can bear. The private sector needs clear plans, coherent policies and regulations, investable opportunities and financial instruments, as well as clarity on the following: risk and reward, where it can invest and with whom, the financial returns it can expect, and how it can exit investments and repatriate profits. As part of the investment planning process (e.g., guided by the CIPMF), the NDC Partnership can support countries in consulting the private sector on the commercial viability of a country's specific sector (e.g., a renewable energy) or programmatic approach (e.g., climate smart agriculture). Many investors and businesses operate globally and convening them around sector-specific engagement would be useful to multiple countries. "Investor feedback" mechanisms can help assess which opportunities can attract private capital and which would require blended finance (and the appropriate level of concessionality). The feedback can also identify key investment barriers in an enabling environment. With such feedback, more targeted upstream support can be provided to countries to reduce downstream roadblocks in mobilizing investments. Such engagement should start earlier in NDC action and should be structured and continuous to further the long-term development objectives of the country.

3. Leveraging Partners' Engagement with Different Private Sector Actors

Partners assist countries in developing their domestic private sector (e.g., by strengthening the capacities of SMEs in adaptation) and mobilizing private capital (e.g., by de-risking businesses). Partners provide support to countries on (i) capacity building for governments and the private sector; (ii) inclusive stakeholder engagement, including with the private sector, and formal structures with which the private sector can engage with decision-makers; (iii) enabling environment support and other upstream activities focused on private capital mobilization; (iv) early project preparation; and (v) private sector-led projects. Many partners are also involved in mobilizing private capital, including via thematic bonds and investments in infrastructure projects. Partners provide financial support for both revenue-generating and non-revenue-generating programs. Some partners are also investing in blended finance platforms. The NDC Partnership can leverage its partners' varied private sector engagement work in-country to support countries' needs. The NDC Partnership can leverage its in-country coordination mechanisms, its [building blocks approach](#), its wide membership, and partners' expertise and engagement with different private sector actors to facilitate the country-led initiatives on NDCs, including relevant country platforms and other initiatives.

4. Matchmaking Opportunities for Different Financing Sources and Types

Countries have challenges in articulating specific opportunities and entry points for the private sector. Support on NDC-aligned pipeline and an early-stage project preparation was highlighted by partners as a key value add of the NDC Partnership. The NDC Partnership's [Project Checklist initiative](#) enables the governments and non-government project proponents to identify NDC-aligned projects and present them to potential financiers and investors. Different financing options (e.g., sovereign bond issuances, blended finance, real economy investments, impact investments, carbon financing) require different risk-reward ratios, ticket sizes, and pools of investment opportunities. Understanding both the range of private sector actors and the optimal mix of financing options for different opportunities is advisable. The private sector's investor feedback and leveraging partners' expertise, as mentioned above, would facilitate more effective matchmaking of investment opportunities.

5. Strengthening Capacity Building for Private Sector Engagement

Partners recognize capacity building as a key value add of the NDC Partnership. Strengthening country capacity is core to the NDC Partnership's work. Many country requests for capacity development focus on enhancing technical capacity, including on finance and investments. A significant part of the NDC Partnership's capacity development work involves deploying Embedded Advisors to governments (e.g., ministries of finance and ministries of climate change or equivalent bodies) and In-Country Facilitators to support governments in engagement with the NDC Partnership. More of such on-the-ground support will be needed with the capacity to mobilize finance and investments and to engage on these topics with the private sector, partners, sectoral ministries, national development banks, intergovernmental climate finance units, subnational actors, and other stakeholders. The NDC Partnership can further leverage the partners' expertise to offer targeted capacity development support, which is specific to achieving an outcome and is time-bound.

The implementation of these recommendations requires (i) institutionalized in-country coordination mechanisms including government, partners, the private sector, and other key stakeholders; (ii) leveraging unique resources and capabilities of partners and aligning them for greater impact; and (iii) strengthening the capacity of countries to articulate country requests on private sector engagement and to engage with the private sector. At the request of countries, the NDC Partnership facilitates these efforts by strengthening in-country coordination mechanisms, sharing NDC priorities with partners, providing information to countries on partners' offerings, organizing partner-led sessions on private sector engagement, and strengthening the capacities of governments and the private sector to advance NDC implementation. The NDC Partnership will continue showcasing best practices and countries that are effectively engaging the private sector and mobilizing private finance. These recommendations are intended to increase the support of the NDC Partnership to countries with respect to private sector engagement and the mobilization of finance in general.



Insight Brief:

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