

Technical and statistical report

Leveraging foreign direct investment to advance national climate plans

Guide for policymakers



**United
Nations**

Technical and statistical report

Leveraging foreign direct investment to advance national climate plans

Guide for policymakers



**United
Nations**
Geneva, 2026

© 2026, United Nations
All rights reserved worldwide

Requests to reproduce excerpts or to photocopy should be addressed to the Copyright Clearance Center at copyright.com.

All other queries on rights and licenses, including subsidiary rights, should be addressed to:

United Nations Publications
405 East 42nd Street
New York, New York 10017
United States of America
Email: publications@un.org
Website: <https://shop.un.org>

The designations employed and the presentation of material on any map in this work do not imply the expression of any opinion whatsoever on the part of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of any firm or licensed process does not imply the endorsement of the United Nations.

This publication has not been formally edited.

United Nations publication issued by the United Nations
Conference on Trade and Development

UNCTAD/DIAE/PCB/2025/2

ISBN: 978-92-1-157583-5
eISBN: 978-92-1-154644-6
Sales No. E.26.II.D.6

Acknowledgements

This report was prepared by the UNCTAD Division on Investment and Enterprise, with overall guidance from Nan Li Collins, Director, and under the supervision of Massimo Meloni. The report team was comprised of Susan Aghajani and Mathilde Closset. Research inputs were provided by Dafina Atanasova.

Further valuable comments and suggestions were received from Ashraf Abdelaal, Stephania Bonilla, Claudia Contreras, Chantal Line Carpentier, Chantal Dupasquier, Hamed El Kady, Maha El Masri, Natalia Guerra, Yi Liu, Stephania Mageste, Ian Richards, Jose Sanchez Rodriguez, Amelia Santos Paulino, Arlette Verploegh Chabot and Anida Yupari.

Administrative support was provided by Jovan Licina. Beth Helfand undertook cover design and desktop publishing.



Table of contents

Introduction	1
I. Integrating foreign direct investment in the NDCs	4
Guideline 1. Recognize the role of FDI in achieving the NDCs.....	6
Guideline 2. Engage national investment institutions in NDC design and implementation.....	7
Guideline 3. Identify climate-strategic sectors and set targets for FDI.....	8
Guideline 4. Clarify investment pathways and support mechanisms.....	9
II. Mainstreaming climate in investment policy	13
Guideline 5. Ensure strategic openness to FDI in climate-related sectors.....	14
Guideline 6. Review rules and procedures to facilitate climate-aligned investments.....	15
Guideline 7. Address infrastructure and skills gaps for climate-aligned investment	18
Guideline 8. Align tax incentives and subsidies with climate objectives	20
Guideline 9. Align international investment agreements with climate objectives...	22
III. Promoting investment in climate-related sectors	24
Guideline 10. Align investment promotion strategies with climate priorities	25
Guideline 11. Develop a pipeline of bankable, climate-aligned investment projects	26
Guideline 12. Proactively promote and facilitate climate-aligned investments.....	33
References.....	37



Figures

Figure 1 FDI integration in the NDCs	5
---	---

Tables

Table 1 Selected international project preparation facilities	33
--	----

Boxes

Box 1 Trade policies to advance national climate plans: guide for policymakers	3
Box 2 Energy transition investment planning for NDC implementation	12
Box 3 Selected IIA provisions that can support a better alignment between IIAs and climate policies	23
Box 4 Green bonds and project pipelines	27
Box 5 Steps to build and promote a national climate investment pipeline	32



Note

Under its overall mandate on trade and development, United Nations Conference on Trade and Development (UNCTAD) serves as the focal point within the United Nations Secretariat for all matters related to foreign direct investment (FDI). Its work is carried out through intergovernmental deliberations, research and analysis, technical assistance activities, seminars, workshops and conferences.

Information about the products, frameworks, services and publications of the Division on Investment and Enterprise (DIAE) can be found free of charge at the UNCTAD website (www.unctad.org/diae) or on the institution's investment policy hub (www.investmentpolicy.unctad.org).



Abbreviations

BIP	Brazil Climate and Ecological Transformation Investment Platform
BNDES	Brazilian Development Bank
COP	Conference of the Parties
DIAE	Division on Investment and Enterprise
EV	electric vehicle
FDI	foreign direct investment
FONERWA	National Fund for Environment (Rwanda)
GCF	Green Climate Fund
GDP	gross domestic product
GHG	greenhouse gas
Hydrom	Hydrogen Oman
ICMA	International Capital Market Association
IIA	international investment agreement
IPA	investment promotion agency
ISDS	investor–State dispute settlement
KPI	key performance indicator
LT-LEDS	long-term low-emission development strategies
MDBs	multilateral development banks
NDC	nationally determined contributions
PPP	public–private partnership
PV	photovoltaic
REIPPPP	Renewable Energy Independent Power Producer Procurement Program (South Africa)
SDGs	Sustainable Development Goals
SME	small and medium-sized enterprise
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change



Summary

Part I: Integrating foreign direct investment in the NDCs



Recognize the role of FDI in achieving the NDCs



Identify climate-strategic sectors and set targets for FDI

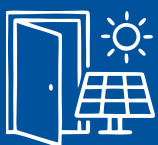


Engage national investment institutions in NDC design and implementation



Clarify investment pathways and support mechanisms

Part II: Mainstreaming climate in investment policy



Ensure strategic openness to FDI in climate-related sectors



Review rules and procedures to facilitate climate-aligned investments



Address infrastructure and skills gaps for climate-aligned investment



Align tax incentives and subsidies with climate objectives



Align international investment agreements with climate objectives

Part III: Promoting investment in climate related sectors



Align investment promotion strategies with climate priorities



Develop a pipeline of bankable, climate-aligned investment projects



Proactively promote and facilitate climate-aligned investments



Introduction

Achieving the goals of the Paris Agreement (2015) requires substantial financing to develop and implement investment projects necessary for delivering nationally determined contributions¹ (NDCs). The successful implementation of NDCs could not only limit the hazardous effects of climate change but also lift hundreds of millions of people out of poverty and increase global gross domestic product (GDP) by up to 13 per cent by 2100 (OECD and UNDP, 2025). In addition to the need

to pursue decarbonization and contribute to global climate change mitigation, developing countries face the imperative of simultaneously tackling multiple challenges, including addressing urgent development needs, such as energy access, job creation and economic diversification, and strengthening resilience to the growing impact of climate change, within the broader context of the triple planetary crisis—climate change, biodiversity loss and pollution.

¹ Article 4 of the Paris Agreement requires each Party to prepare, communicate, and maintain successive nationally determined contributions (NDCs) that it intends to achieve, and to pursue domestic mitigation measures to meet these objectives. Each successive NDC would represent a progression and reflect the Party's highest possible ambition, taking into account common but differentiated responsibilities and respective capabilities in light of national circumstances. Developed country Parties are expected to take the lead through economy-wide emission reduction targets, while developing country Parties are encouraged to enhance their efforts with support for finance, technology, and capacity-building. All Parties should communicate updated NDCs every five years, informed by the global stocktake.

Foreign direct investment (FDI) can play an important role in addressing such challenges by bringing long-term capital and technological expertise and contributing to regional and global value chain integration. When strategically directed, it can also help expand infrastructure and strengthen productive capacities in climate-strategic sectors, such as renewable energy, sustainable transport, agriculture, tourism and the blue economy. Yet, current FDI flows remain insufficient and unevenly distributed (UNCTAD, 2025a) with investment needs in the renewable energy sector alone amounting to approximately \$2.2 trillion annually, more than half of the total SDG investment gap (UNCTAD, 2023a).

This guide complements UNCTAD's *guide on trade policies to advance climate plans* (box 1). “Zero drafts” of both documents were introduced for consultation with stakeholders in November 2024 at the twenty-ninth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), held in Baku, Azerbaijan (UNCTAD, 2024).

By focusing specifically on FDI policies to support NDC implementation, this guide also complements other initiatives, including the Climate Investment Planning and Mobilization Framework of the NDC Partnership and the Green Climate Fund (GCF). As a living document, the guide reflects current country experiences and good practices and will be updated as new lessons and approaches emerge.

Drawing on UNCTAD's expertise in international and national investment policy and promotion, this guide offers policymakers a practical roadmap to integrate investment and FDI needs into NDCs (Part I), align national policy frameworks with climate objectives (Part II), and strengthen promotion efforts to attract bankable climate-aligned projects (Part III). UNCTAD stands ready to provide assistance to countries in implementing the guide.



© AdobeStock



Box 1

Trade policies to advance national climate plans: guide for policymakers

International trade is a critical tool for advancing the objectives of the Paris Agreement and the Sustainable Development Goals (SDGs). It facilitates access to environmentally preferable goods and services, technologies, and knowledge that support the design and implementation of NDCs and the development and strengthening of climate-resilient, low-carbon value chains.

UNCTAD's Trade policies to advance national climate plans: guide for policymakers sets out a six-step process to integrate trade-related measures into NDCs. The process begins with the designation of climate and trade focal points and continues with the identification and prioritization of climate-strategic trade sectors, an assessment of the key goods and services required for NDC design and implementation, as well as the formulation of policy measures such as sustainability-linked public procurement, technical regulations, market-based mechanisms and potentially selected tariff reductions. The guide also highlights the importance of broad and inclusive consultations with industry, micro-, small- and medium-sized enterprises (SMEs) and trade stakeholders to ensure that the measures support both mitigation and adaptation while creating inclusive economic opportunities.

Integrating trade policy into NDCs can lower the cost of climate technologies and other low-carbon goods unavailable locally by facilitating their import, strengthening sustainable export diversification, participation in sustainable value chains, and preserving market access as trading partners adopt carbon-related regulations. Aligning trade, industrial, climate and development strategies improves policy coherence and resilience while boosting investment attractiveness. It can also help to reduce input costs and attract private and concessional capital.

Together, UNCTAD's trade and investment guides provide a coherent framework for aligning climate, trade, investment, industrial and development strategies to foster resilient, low-carbon development.

Source: UNCTAD (2025b).





Integrating foreign direct investment in the NDCs

Why?

The first generation of NDCs (2015) primarily outlined broad political commitments, with limited identification of funding needs, sources or implementation mechanisms (Adolphsen et al., 2024; NewClimate Institute, 2018). The second generation (2020–2021) marked progress, as most NDCs included emission reduction targets and nearly half provided estimates of financial needs. However, the information remained too general to guide investment decisions (UNFCCC, 2022; 2023a). Current third-generation NDCs are encouraged to go further—not by serving as investment plans themselves, but by outlining implementation

pathways and financing frameworks that can be readily operationalized by governments, investors and financiers (Adolphsen et al., 2024). In parallel, countries are also encouraged to develop long-term low-emission development strategies (LT-LEDS), which help anchor NDC commitments in a longer-term vision for structural transformation and investment planning.

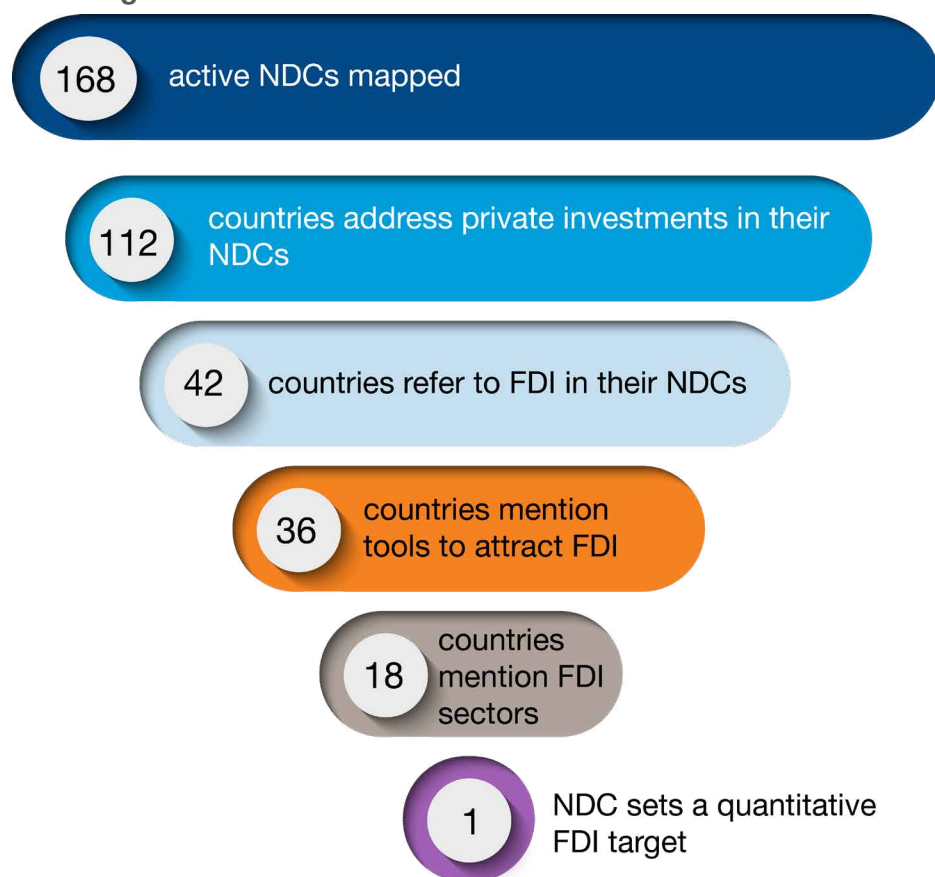
To support this evolution, several global facilities assist developing countries in enhancing the investment-readiness of their NDCs, including the GCF through its Readiness and Preparatory Support Programme.² While NDCs are not financial instruments, they can serve as a framework for mobilizing investment

² The GCF, under their Readiness and preparatory support programme, offers technical and financial assistance that supports developing countries in building institutional capacities and frameworks necessary to develop and implement their NDCs: <https://www.greenclimate.fund/readiness>.

by including information that signals investment opportunities to businesses, builds investor confidence, and articulates pathways and priorities in ways that facilitate their translation into concrete investment and financing strategies and instruments (UNCTAD, 2023).

UNCTAD's mapping of 168 active NDCs³ across all generations shows that, while investment mentions are widespread (90 per cent of NDCs), only 67 per cent mention private investment and just 25 per cent refer to FDI. Among these, 36 NDCs identify tools that can attract FDI, 18 specify priority sectors for FDI attraction, and just one sets a concrete quantitative FDI-related target (figure 1).

Figure 1
FDI integration in the NDCs



Source: UNCTAD, based on official documents.
Note: Update of World Investment Report 2023 analysis.

³ The mapping is based on active NDCs available in the UNFCCC [NDC registry](#) as at 2 October 2025.



How?

Guideline 1. Recognize the role of FDI in achieving the NDCs

Explicitly acknowledging the role of international investment, including FDI, in NDCs signals openness to international investors and contributes to building confidence in a country's commitment to climate objectives. NDCs may also refer to the country's national development plan and other existing national strategies that include the role and/or promote foreign investment in climate-related sectors, with a view to create coherence across policy frameworks. The development and publication of an investment plan or roadmap to support NDC implementation can strengthen transparency and improve coordination across institutions.

Engaging businesses and investors, including international ones familiar with the country context, during the drafting or revision process of NDCs can help ensure that investment-related provisions reflect market realities, improve clarity for potential investors, and strengthen the overall investment-readiness of the NDC.

Finally, including a reference in the NDC to the monitoring and reporting of FDI contributions during implementation can support transparency and accountability, while also facilitating coordination with investment institutions.

Implementation checklist

- 1.1. Does the NDC specify the expected role of international investment, including FDI, in achieving national climate targets (e.g. mobilising finance, supporting implementation, enabling technology transfer)?
- 1.2. Does the NDC refer to national strategies that include the role or promote foreign investment in supporting climate objectives?
- 1.3. Is there an investment plan or roadmap to support NDC implementation? If such a plan or roadmap exists, is it referenced in the NDC and is it publicly accessible?
- 1.4. Has the government engaged with national and international investors or investor associations in the drafting or revision of the NDC and/or the investment plan or roadmap (e.g. through consultations, submissions or dedicated dialogues)?
- 1.5. Does the NDC include a reference to how the contribution of FDI will be monitored and reported during implementation?





Country experiences

Cambodia incorporated international private sector input directly into its NDC design. For its 2025 NDC, the Government established a participatory process involving 17 sectoral consultations, including two dedicated sessions with the private sector, which together convened approximately 100 participants. These consultations allowed the government to identify additional avenues for private sector engagement, acknowledging its indispensable role in closing the climate-finance gap.

Nicaragua's 2025 NDC integrates investment planning into national climate strategies. The document states that mitigation measures concentrate on renewable energy and forest conservation and that national productive strategies developed under existing policies will attract foreign investment and international cooperation to achieve these goals. To operationalize this, the NDC refers to the Electricity Generation Expansion Plan 2021-2035, a detailed roadmap that envisions 57 projects requiring about \$7.42 billion in investment. The plan is described as a fundamental instrument to channel national and international investment and financial support for renewable energy projects.

Viet Nam clearly highlights the importance of the international private sector in implementing its NDC. The 2022 NDC states that unconditional contributions are made possible by resources, including the "investment of domestic and foreign enterprises," explicitly listing "loans and funding from domestic and foreign businesses" and cooperation between "domestic and foreign investors" as key financial resources for NDC implementation. Furthermore, it commits to monitoring funds mobilized from enterprises under national law to ensure efficient use for climate goals.

Source: UNCTAD based on official documents.

Guideline 2. Engage national investment institutions in NDC design and implementation

Involving ministries in charge of investment and investment promotion agencies (IPAs) in the drafting and implementation phases can enhance the integration of the investment dimension in the NDCs. Clearly defining the role of IPAs in NDC implementation helps align climate commitments with investment promotion strategies and ensures that NDCs reflect investor-relevant information. Acknowledging that IPAs may face capacity gaps, defining their role should go hand in hand with strengthening their capacities for effective engagement in climate-related issues (see Guideline 15).

Dedicated focal points strengthen coordination on resource mobilization and structured coordination mechanisms support regular dialogue and joint planning, thereby improving overall implementation capacity.

Implementation checklist

- 2.1. Are investment-related institutions (the ministry in charge of investment and/or the IPA) directly involved in the drafting or review of the NDC?
- 2.2. Has a climate focal point been designated within key investment-related institutions?
- 2.3. Is the role of national investment-related institutions in the implementation of the NDC defined (e.g. business environment reforms, investment promotion, pipeline development, advocacy)?
- 2.4. Are investment-related institutions involved in monitoring climate-related FDI?
- 2.5. Are there formal coordination mechanisms linking climate-related and investment-related institutions (e.g. memoranda of understanding, joint working groups)?





Country experiences

Chile's national IPA, InvestChile, demonstrates how IPA activities can support monitoring of NDC implementation, despite the absence of a formal mandate for FDI tracking in Chile's NDC. By systematically tracking FDI in key sectors like renewable energy and green hydrogen, InvestChile's reporting implicitly measures FDI's contribution to the country's climate goals.

Rwanda's 2020 NDC contains a monitoring, reporting and verification (MRV) framework that assigns institutional responsibilities across sectors. Within this framework, the Rwanda Development Board (RDB), the country's IPA, is designated as a key institution for monitoring indicators in the energy, waste, and industrial processes and product use sectors, as well as cross-cutting indicators on capacity building and technology transfer.

Uzbekistan's 2021 NDC was developed by an inter-agency working group that included the Ministry of Investments and Foreign Trade. Beyond its role in the NDC's preparation, the ministry was assigned an implementation role, being designated as "responsible for interaction with the GCF and attracting investments for NDC implementation", directly linking the Ministry to climate finance and project realization.

Source: UNCTAD based on official documents and governmental websites.

Guideline 3. Identify climate-strategic sectors and set targets for FDI

Highlighting climate-strategic sectors for FDI attraction and setting clear investment-related targets in the NDC provides direction for investors and reinforces policy coherence. These sectors and targets should be grounded in national development plans and aligned with national investment strategies, the promotional activities of IPAs and broader industrial or climate transition plans, including adaptation needs. They should also reflect climate and development priorities across key sectors such as energy, transport, tourism, the blue economy and agriculture.

Climate-strategic sectors for FDI may include, among others, renewable energy, sustainable agriculture, the blue economy, green hydrogen, electric mobility or resilient infrastructure, depending on the country's long-term development objectives. Explicitly mentioning these sectors in the NDC and integrating them into mitigation or adaptation outcomes or sectoral pathways reinforces clarity for investors and improves policy coherence. Linking them to comparative advantages, such as natural endowments, industrial capacity or skilled labour, can further strengthen investment signalling.

Investment targets may be quantitative (e.g., expected capital inflows, number of greenfield projects), qualitative (e.g., investor types, preferred sectors or technologies) or indicative of investment needs (e.g., financing gaps to be filled by international private capital). Ideally, targets should be time-bound, in line with NDC implementation timelines. If the NDC does not include specific FDI targets, it can still play a valuable coordination role by referencing other relevant policy documents that do so.

Implementation checklist

- 3.1. Have climate-strategic sectors for FDI been identified in the NDC?
- 3.2. Are these sectors explicitly identified and integrated into mitigation or adaptation outcomes or sectoral pathways?
- 3.3. Are they aligned with national development plans, sectoral strategies and comparative advantages?
- 3.4. Are quantitative or qualitative targets for FDI in climate sectors included in the NDC or in a relevant document referenced in it?
- 3.5. Are the targets consistent with national development plans, relevant sectoral strategies and NDC implementation periods?





Country experiences

Barbados' 2025 NDC does not set an FDI-inflows target but references two companion strategies: Barbados 2035: A Plan for Investment in Prosperity and Resilience and the Energy Transition and Investment Plan. From the former of these plans, the NDC reproduces a headline target of \$11.6 billion in investment needs by 2035, of which over \$6.6 billion is an opportunity for private investors. The latter plan adds depth by outlining sectoral pipelines and capital stacks, quantifying BBD 19 billion (approximately \$9.5 billion) through 2040 and calling for international clean-energy investment. By lifting and referencing these figures, the NDC signals concrete private-capital opportunities while maintaining alignment with national investment planning frameworks.

Cabo Verde's IPA, TradelInvest, highlighted renewable energy and the blue economy as priority sectors for investment and the country also incorporated them in the NDC, which embeds them in climate pathways under Ambition 2030. The NDC includes concrete commitments, such as developing a pumped storage plant by 2026 and piloting wave energy by 2027. It also outlines enabling measures, including marine spatial planning legislation, innovative financing tools such as blue funds and regular engagement with international investors.

Kazakhstan's 2023 NDC references a clear quantitative goal: to attract at least \$150 billion in FDI by 2029 to support the delivery of its 2030 climate targets. The document also makes its ambitious 25 per cent GHG reduction pledge conditional on "significant additional international investments". This target is anchored in national frameworks such as the Concept of Investment Policy to 2026, which prioritizes green growth and green finance, and is consistent with long-term strategies, including Strategy 2050 and the carbon neutrality strategy for 2060. By situating the FDI goal within the NDC implementation period (2021–2030), Kazakhstan ensures coherence between climate ambition, investment mobilization and national development planning.

Nepal's 2025 NDC states that the country will "leverage concessional loans, foreign direct investment and equity in productive sectors." The NDC refers to its natural endowments, including snow-covered mountains whose meltwater feeds regional rivers, and sets energy targets that include mini- and micro-hydropower alongside other renewable sources.

Source: UNCTAD based on official documents and governmental websites.

Guideline 4. Clarify investment pathways and support mechanisms

Beyond identifying priority sectors and setting targets, NDCs should set out or refer to financial strategies or investment roadmaps that explain how foreign investors can participate and what support instruments are available. In some cases, these elements may be contained directly in the NDC itself, while in others they may be presented through an accompanying

NDC investment plan, a climate roadmap, a LT-LEDS, or complementary policy or legal frameworks. In particular, the NDC can indicate the modalities through which international private capital is expected to contribute, such as greenfield investment, public–private partnerships (PPPs) or joint ventures. NDCs could also reflect existing pipelines of climate-aligned bankable projects (part III). This helps align investor expectations with government planning frameworks and sectoral needs.



A reference to enabling measures to attract investment, as well as to available financial and risk mitigation instruments, such as investment incentives, guarantees, blended finance, or concessional funds, can further support FDI mobilisation in climate-strategic sectors. The technical details of these instruments may, however, be set out in other policy and legal frameworks.

In addition, sector-specific planning information, such as infrastructure gap assessments, energy demand forecasts, strategic site mapping or anticipated regulatory reforms, can enhance transparency, facilitate investor due diligence and improve the overall coherence of investment planning (box 2).

Implementation checklist

4.1. Does the NDC or an accompanying document describe the modalities through which foreign investment can participate to meet investment needs (e.g. greenfield FDI, PPPs, joint ventures)?

4.2. Does the NDC or an accompanying document reference existing climate-aligned project pipelines?

4.3. Does the NDC or an accompanying document outline enabling policies or measures to attract investment in climate-strategic sectors?

4.4. Does the NDC or an accompanying document reference financing or risk mitigation instruments designed to support climate-aligned private investment (e.g. incentives, blended finance, sovereign guarantees, green funds)?

4.5. Has the government produced sectoral planning information for climate-strategic sectors (e.g. energy transition plan, infrastructure gap assessments, strategic location mapping or planned regulatory reforms)?





Country experiences

Brazil's 2024 NDC frames climate action through the *Ecological Transformation Plan*, described as “an investment plan for sustainable development” that repositions the economy for low-carbon growth. The NDC invites the international community and non-State actors to contribute financial, technological and capacity-building resources, and provides specific entry points for investors.

In the power sector, investment modalities include independent power producer auctions, transmission concessions, and the free energy market, as well as opportunities for PPP-style arrangements in infrastructure and mobility.

The NDC also outlines a series of financing and risk-mitigation instruments designed to support international investment. A reformed Climate Fund, replenished with proceeds from Brazil's sustainable sovereign bonds (\$4 billion raised in 2023–2024), offers concessional credit for renewable energy and clean transport. The Eco Invest Brasil programme provides mechanisms to address foreign exchange and liquidity risks through blended finance, long-term foreign-currency liquidity, exchange-rate protection and project structuring support.

To further facilitate investment, the NDC introduces the Brazil Platform for Climate Investments and Ecological Transformation (BIP), a national initiative that connects Brazilian projects to an extensive network of financiers. The BIP focuses on key sectors such as natural climate solutions, industry, mobility and energy, with the objective of building a robust pipeline of bankable projects.

To support investor due diligence and planning, the NDC references several strategic national documents, including the Ten-Year Energy Plans, the 2050 National Energy Plan, and a Technology Needs Assessment identifying technology priorities such as floating solar photovoltaics (PV), electric vehicles (EVs), and innovative low-carbon cement.

By setting out investment modalities, financial instruments, project pipelines and sectoral planning frameworks, Brazil's 2024 NDC offers international investors a comprehensive overview of how existing policies and mechanisms can support climate-aligned investment.

Source: UNCTAD based on official documents and governmental websites.





Box 2

Energy transition investment planning for NDC implementation

While many countries have active NDCs and targets for GHG emission reductions, a critical intermediate step is often missing: translating these high-level goals into detailed energy transition investment plans. This includes defining transition pathways for the energy mix, identifying required assets and infrastructure gaps, projecting energy demand, and mapping technical potential and strategic locations.

These elements are essential to provide investors with greater certainty, facilitate the development of bankable projects and improve the alignment of investment opportunities with national climate objectives. Stronger energy transition investment planning also enables more targeted and effective investment policy measures, adapted to country-specific contexts. In particular, recognising the diverse challenges faced by different types of countries is key to selecting appropriate tools to promote renewable energy investment.



Box Table 2.1

Key elements of detailed energy transition investment planning

Detailed electricity demand projections	Projections based on population growth, access to electricity, industry and residential needs, urban and rural needs, connections with industrial development plans
Renewable energy potential	Irradiation levels, wind levels and hydro potential
Energy infrastructure gaps	Gaps in adjacent infrastructure such as grids, storage, distribution and transmission lines and interconnections
Decommissioning paths for fossil fuel assets	Long-term planning for coal- and gas-fired power plants, replacement and decommissioning options
Efficiency and carbon capture and storage needs	Options such as reducing the carbon intensity of fossil fuel-based installations, lowering methane emissions and expanding electrification
Energy mix	Detailed assessment of energy sources and technologies, over time, and end-state
Locations and installation sites	Assessment of suitable locations for renewable energy installations, including expected capacity factor and environmental impact assessment
Packages of bankable projects	Bundled or individual projects that support the transition with full regulatory preparation, marketable to financiers

Source: UNCTAD (2023a).





Mainstreaming climate in investment policy

Why?

While NDCs highlight climate national priorities and financing needs, concrete investment decision-making will require legal and regulatory frameworks, administrative processes and infrastructure that enable efficient and predictable project progression. However, in many countries, investment policy frameworks are not aligned with a low development path and continue to favour high-emission industries or fossil fuels (UNCTAD, 2023b). Outdated sectoral regulations, complex permitting processes and limited land access can also distort the competitiveness and bankability of climate-aligned projects. Finally, physical constraints, such as insufficient grid capacity, inadequate digital infrastructure or weak transport connectivity, can delay implementation, increase costs, or limit the scale of climate investment (UNCTAD, 2023a).

Mainstreaming climate objectives into the investment policy framework involves ensuring that laws, regulations, strategies, incentives and institutions consistently support climate-aligned investment. It also includes addressing infrastructure and skills gaps, improving land governance, and phasing out measures that lock in high emissions. In doing so, governments should ensure that climate-aligned investment policies support a just transition, by promoting inclusive access to opportunities, addressing regional disparities and protecting livelihoods that may be affected by the shift away from carbon-intensive industries. In countries highly dependent on fossil fuels, international cooperation will be essential to support this transition through financial assistance, capacity-building and technology partnerships.



Investment policy reforms should also be aligned with international sustainability standards, including disclosure frameworks, and with national green taxonomies. Such alignment contributes to policy coherence, ensures consistent implementation and builds investor confidence by increasing transparency and reducing the risk of greenwashing. Finally, coherence between commitments under international investment agreements (IIAs) and national climate objectives is needed.

This section provides practical guidance for governments on how to remove key barriers and create an enabling environment for climate-aligned FDI.

How?

Guideline 5. Ensure strategic openness to FDI in climate-related sectors

Governments seeking to mobilize international investment to advance climate goals should maintain an open FDI regime in climate-strategic sectors as identified in line with national circumstances and development objectives (guideline 3). This enables meaningful participation by foreign investors while remaining consistent with national security and public interest considerations.

Where restrictions exist, such as foreign equity caps, local ownership requirements, limitations on land access and use, or discriminatory licensing rules, they should be regularly reviewed to ensure that they do not unnecessarily deter climate-aligned investment. Similarly, where investment screening mechanisms are in place, they should be designed and applied in a transparent, proportionate, and predictable manner, so that they do not inadvertently discourage investment in climate-aligned sectors or delay projects that support NDC implementation. This entails, for instance, adopting and publishing guidelines on which transactions are subject to review, setting predictable statutory timeframes for each stage of the screening process, and ensuring transparent decision-

making through public reporting of outcomes and clear explanations when approvals are conditioned or denied. It also requires mechanisms for recourse or appeal so investors can challenge or respond to decisions and regular evaluation of the screening regime.

Sector-specific regulations, such as those governing electricity market design, concessions, contractual arrangements or public procurement, should also enable effective and fair participation by both domestic and foreign investors. Competition policies should also encourage market access for low-carbon entrants and address anti-competitive practices, including market dominance by high-emitting incumbents, in ways that reinforce both climate and security objectives.

Implementation checklist

- 5.1. Are climate-strategic sectors identified in the NDCs or in other climate-related plans and strategies open to foreign investors?
- 5.2. When foreign equity limitations, local ownership requirements, land access restrictions or other sector-specific provisions in climate-strategic sectors exist, are they regularly reviewed to ensure they remain necessary and proportionate?
- 5.3. If an investment screening regime exists, is it transparent, proportionate and predictable, protecting national security without creating unintended barriers to climate-aligned investment?
- 5.4. Do sector-specific regulations (e.g. electricity market design, concessions, contractual arrangement and procurement rules) allow fair and effective participation of private investors in climate-strategic sectors, including foreign ones?
- 5.5. Are competition policies applied in ways that encourage market access for low-carbon entrants and address anti-competitive practices, while safeguarding broader public interest objectives?





Country experiences

Ecuador reformed regulations in 2024 to boost private and foreign investment in electricity generation. The measures expanded the size of projects open to private investors (up to 100 MW), allowed distributors to sign long-term power purchasing agreements (PPAs) with State-backed financial guarantees, and offered automatic incentives for solar, wind, hydro, and geothermal projects.

In 2022, **the Philippines** amended the Foreign Investment Negative List to allow 100 per cent foreign ownership in renewable energy, lifting the previous 40 per cent cap. This reform directly aligned investment rules with national climate targets and enabled international firms to fully participate in solar, wind, biomass, and ocean/tidal projects. In parallel, the Amended Public Service Act introduced the same year a national security screening mechanism: the President may review or block sensitive foreign investments, and foreign State-owned enterprises are barred from owning critical public utilities such as transmission, ports, and water systems. Together, these measures opened the renewable energy sector to FDI while safeguarding strategic assets, thereby accelerating the Philippines' energy transition in line with its NDC commitments.

South Africa's Electricity Regulation Amendment Act of 2023 opened the power sector to greater competition and established an independent transmission company to guarantee non-discriminatory grid access. This curbed the dominance of high-emitting incumbents and created space for renewable developers, including foreign investors. By aligning competition policy with decarbonization, the reform supported both climate targets and long-term energy security.

Source: UNCTAD based on Investment Policy Monitor database.

Guideline 6. Review rules and procedures to facilitate climate-aligned investments

Unclear, lengthy, fragmented or inconsistent administrative procedures, particularly licensing and permitting linked to environmental or social factors, are a major deterrent to investment, particularly in climate-aligned sectors such as renewable energy, clean transport and resilient infrastructure. Investors often face delays, duplication and uncertainty due to fragmented mandates, inconsistent criteria or insufficient institutional capacity.

Governments should conduct comprehensive reviews of rules and procedures to identify bottlenecks, eliminate unnecessary steps, particularly those imposed by practice, and improve coordination across responsible authorities/

agencies. Streamlining, digitalising and integrating licensing and permitting is essential to reduce transaction costs, improve predictability, accelerate project timelines, and ultimately increase efficiency. Clear rules and time-bound procedures enhance transparency while reducing administrative burden.

When land rights are unclear, record and information systems are weak, or safeguards are inadequate, for instance, investors face legal, reputational and operational risks that can deter investment decisions. Clarifying land tenure and acquisition rules, establishing clear procedures for leases, concessions, or joint ventures, and distinguishing between land ownership and land access — with transparent arrangements that respect national and community rights — helps mitigate these risks.



At the same time, permitting frameworks should be aligned with national climate objectives and incorporate climate-risk assessments (both physical and transition-related). In this regard, it is essential that streamlining does not weaken environmental, social, or safety standards, but rather ensures that due diligence processes are applied consistently, efficiently, and transparently, and that they take broader climate objectives into consideration. Safeguards should also address national interests and reduce risks linked to land use, biodiversity and community rights, while protecting the rights of women, Indigenous Peoples, persons with disabilities, smallholders and other vulnerable groups.

Strong inter-agency coordination is crucial. Some countries have designated high-level climate investment “champions” to oversee licensing and permitting reform and fast-track approvals for priority climate projects. Digital government tools, such as online submission portals, status tracking systems, and guidance platforms, can further enhance efficiency, transparency, accountability and investor confidence.

Implementation checklist

- 6.1. Are procedural bottlenecks to climate-aligned investments (e.g. delays, duplication, unclear requirements) systematically identified and addressed so that licensing, permitting and land-related processes are clearly defined, time-bound and predictable?
- 6.2. Do licensing, permitting and approval frameworks explicitly require alignment with national climate objectives and integrate climate-risk assessments (physical and transition risks)?
- 6.3. Has a high-level authority or “climate investment champion” been appointed to lead reforms and fast-track strategic projects?
- 6.4. Do permitting procedures include clear safeguards to address environmental, social and community risks, such as requirements for impact assessments, stakeholder engagement, grievance mechanisms and the protection of the rights of women, Indigenous Peoples, persons with disabilities, smallholders and other vulnerable groups within local communities?
- 6.5. Are digital tools (e.g. online permitting platforms, land information system) used to increase efficiency, transparency and accountability of approvals related to climate-aligned investments?





Country experiences

Brazil has progressively digitalised environmental licensing across different levels of government, supported by the 2025 General Environmental Licensing Law, which requires that environmental licensing processes run electronically in all phases, with a three-year deadline for system adaptation and a four-year deadline for full integration of licensing information into the national environmental information system. The National Environmental Licensing Portal aggregates procedures and guidance. For projects that fall under federal competence, licensing is handled by the Brazilian Institute of the Environment and Renewable Natural Resources through electronic systems that support application submission and tracking. Several states have introduced similar digital portals, such as São Paulo's e-Ambiente system, which have digitised key licensing workflows. At the municipal level, digitalisation remains more uneven, with larger municipalities often offering online licensing channels, while many smaller ones still rely partly on paper-based processes.

Egypt has adopted a State-led allocation model. Since 2015, desert land with strong renewable potential has been placed under the New and Renewable Energy Authority, which allocates sites through long-term usufruct agreements—20 years for wind and 25 years for solar—on standardized terms. A uniform land-use fee linked to output ensures predictability. This approach has enabled clustered projects such as the 1.8 GW Benban Solar Park and continues to underpin a large pipeline of utility-scale wind and solar projects.

Indonesia operationalized its Online Single Submission Risk-Based Approach, a national risk-based licensing system, in 2021 and updated the regulations in 2025. The platform consolidates approvals across government levels and calibrates requirements according to project risk. Integration with Amdalnet, Indonesia's online environmental impact assessment and approval system, ensures that permitting incorporates environmental safeguards and climate-risk considerations, while streamlining procedures and reducing duplication and delays.

The Philippines created a legal framework for digital permitting under the Energy Virtual One-Stop Shop Act of 2019. The act sets statutory timelines and includes a “deemed-approved” clause if agencies fail to act. Executive Order 18 of 2023 established “Green Lanes” for strategic investments, further strengthening inter-agency coordination and central oversight.

South Africa has reduced land-related risks through the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). Bidders must demonstrate proof of site control before award, ensuring projects are “land-ready”. Land access is negotiated with the landowner; on communal land, consent is required under the Interim Protection of Informal Land Rights Act of 1996. To foster social license, each project must allocate at least 2.5 per cent equity to a Local Community Trust. In parallel, Renewable Energy Development Zones were designated and pre-assessed, with projects in these zones benefiting from streamlined environmental authorisations. These measures have reduced permitting uncertainty and, by mid-2025, supported the procurement of about 7.8 GW of renewable energy capacity, with significant participation from foreign investors.

Source: UNCTAD based on official documents and government websites.



Guideline 7. Address infrastructure and skills gaps for climate-aligned investment

Climate-aligned investment depends on the availability of enabling infrastructure and skilled human capital. Without adequate grid capacity, digital infrastructure or technical expertise, projects in climate-strategic sectors face delays, higher costs and reduced bankability.

Governments should systematically identify and address these gaps. This includes expanding transmission, distribution and storage systems for renewable energy, and strengthening transport and water infrastructure for resilient development. Digital infrastructure is also critical to support clean energy technologies, system integration and smart solutions (see part 3).

On the skills side, policymakers should anticipate and close the gaps in climate-relevant sectors—such as renewable energy, electric mobility, hydrogen and resilient infrastructure — through targeted education, vocational training, reskilling and certification programmes. Preparing a climate-ready workforce is critical to ensure that investment can be absorbed effectively and contribute to long-term development.

To support a just transition, attention should also be given to making infrastructure and training accessible, affordable and responsive to the needs of all people, enabling equal participation in the low-carbon transition and ensuring that climate-aligned investments are consistent with national long-term development goals.

Implementation checklist

- 7.1. Has the government identified infrastructure gaps relevant to climate investment, particularly in electricity transmission, distribution and storage?
- 7.2. Do national infrastructure development strategies incorporate low-carbon transition and climate resilience objectives?
- 7.3. Do national investment policies identify and prioritize infrastructure projects essential for the low-carbon transition, and provide clear mechanisms, such as PPP frameworks or targeted incentives, to mobilize private capital for their development?
- 7.4. Is the digital infrastructure adequate to support the deployment of climate technologies and the digitalisation of clean energy systems (e.g. smart grids, EV charging networks), and if not, has the government developed plans to address these gaps?
- 7.5. Has the government assessed existing and projected skills gaps in climate-relevant sectors (e.g. renewable energy, electric mobility, resilient infrastructure), and introduced targeted programmes to build a climate-ready workforce?



Country experiences

Costa Rica. Through the national IPA, PROCOMER's Incentive Program for the development of Human Talent in companies under the Free Trade Zone regime, Costa Rica uses performance-based, co-investment incentives to build skills for high-demand roles. The scheme reimburses 50-70 per cent of firm-specific training and around 80 per cent for pipelines that exclusively train job candidates. Funded projects must focus on skills gaps and high-demand areas in Free Trade Zone firms, such as specialized technical skills, Industry 4.0-aligned skills, sectoral certifications, and relevant languages.

In **India**, the 2024 report Skill Gap Assessment Across Green Hydrogen Sector in India warned of a significant need for skills in electrolyser installation, pipeline-related work, and Operations and Maintenance, and flagged a very limited pool of hydrogen-specific expertise. At the same time, India's rapid solar expansion required tens of thousands of trained PV technicians. To close these gaps, the government scaled up the Suryamitra programme, training more than 50,000 solar technicians by 2022, and, through the 2024 PM Surya Ghar rooftop scheme, introduced structured and mandatory on-the-job training targeting 100,000 additional technicians and 2,000 trainers. In parallel, the Skill Council for Green Jobs began developing hydrogen-specific competency standards—building a workforce ready for both ongoing solar growth and the emerging hydrogen economy.

Namibia. A 2023 Germany-led skills needs and gap analysis revealed that the country's training system was unprepared for its planned green-hydrogen and Power-to-X projects: courses lacked hydrogen-specific content, lecturers and lab facilities were scarce, and industry placement opportunities were limited. To address shortages, Namibia, with German support, launched the Youth for Green Hydrogen scholarship programme and, with support from the European Union, the Namibia Training Authority is working to design new competency standards and curricula for hydrogen-related trades—building a workforce aligned with industry demand.

Uruguay's rapid shift to renewables exposed a practical challenge: its legacy grid communications were not designed to manage high shares of variable renewable power. Old meters and ad hoc data links could not deliver the 15-minute interval data, remote switching, or real-time visibility needed to balance supply and new EV loads—creating operational blind spots and revenue uncertainty for investors. To address this, the national utility, The National Administration of Power Plants and Electrical Transmissions, built a robust communications backbone, installing fibre (optical ground wire) along transmission corridors for high-capacity supervisory control and data acquisition and metering data, and partnering with the state telecom provider to roll out about one million smart meters. With an enterprise-grade meter-data management system now in place, Uruguay operates on 99 per cent renewable electricity and supports a growing EV-charging network, giving investors reliable operational data and much lower risk.

Source: UNCTAD based on official documents, government websites and International PtX Hub (2023).



Guideline 8. Align tax incentives and subsidies with climate objectives

Targeted fiscal and non-fiscal incentives can accelerate investment in clean technologies, energy efficiency and climate-resilient infrastructure. Given that the transformation of the energy system lies at the heart of the low-carbon transition, dedicated instruments such as feed-in tariffs, PPAs and contracts-for-difference are essential to de-risk investment and provide long-term revenue certainty (Busch et al, 2023; UNCTAD, 2023b). To be effective and fiscally responsible, such incentives should be time-bound with explicit sunset/phase-out clauses, performance-oriented and aligned with national climate strategies (Mataba, 2025; UNCTAD, 2015). Incentives should also exclude activities that lock in high emissions and sit within a broader tax framework that systematically rewards sustainable choices and avoids favouring fossil-fuel alternatives (OECD, 2023; Rentschler & Bazilian, 2016).

By contrast, tax incentives and subsidies that favour the production or consumption of fossil fuels distort markets, reduce the competitiveness of clean energy alternatives, and contribute to carbon lock-in by prolonging the economic viability of high-emission technologies and infrastructure. They can also place a significant burden on public budgets, diverting resources away from investments in low-carbon solutions. Reforming these subsidies is critical to creating a level playing field for climate-aligned investment (UNCTAD, 2023a).

Governments may consider to conduct comprehensive reviews of direct and indirect fiscal measures (e.g. tax breaks, concessional loans, price controls) to identify those that are environmentally harmful or inconsistent with NDCs and climate goals. Public funds should not support projects that lock in long-term greenhouse gas (GHG) emissions. Reforms should be supported by transparent reporting, time-bound phase-out plans, and social and economic transition measures to

protect vulnerable groups and ensure a just transition. In parallel, and depending on national context and circumstances, introducing carbon pricing instruments—such as carbon taxes or emissions trading systems—can reinforce these reforms by reflecting the true environmental cost of emissions and improving the relative competitiveness of low-carbon solutions.

Credible definitions of what constitutes a “sustainable investment” are also needed to guide policy and reduce uncertainty. A green taxonomy—a classification system defining environmentally sustainable economic activities—can serve as a foundation to align incentives and subsidy reform with climate goals. To be effective, taxonomies should exclude high-emission activities, consider international frameworks in relevant target markets (e.g. the EU taxonomy for sustainable activities, the ASEAN Taxonomy for Sustainable Finance or the Common Ground taxonomy), and be applied consistently across public finance institutions, incentive schemes and regulatory regimes.

Implementation checklist

- 8.1. Has the country adopted targeted fiscal/non-fiscal incentives for climate-strategic sectors (e.g. clean technology, energy efficiency, or climate-resilient infrastructure) that are performance based, time-bound and regularly reviewed?
- 8.2. Are incentives, subsidies or concessional finance designed to exclude carbon-intensive projects that risk long term lock-in?
- 8.3. Has the government adopted a transparent, time-bound plan to phase out environmentally harmful incentives and subsidies, with measures to mitigate potential social or economic impacts?



8.4. Has the country introduced carbon pricing instruments (e.g. carbon tax, emissions trading system) to internalize climate externalities and incentivize low-carbon investment?

8.5. Is there a national green taxonomy that defines eligible sustainable activities, excludes harmful ones, and is applied consistently across institutions, incentive schemes and regulatory regimes?



Country experiences

Chile adopted a comprehensive environmental tax package in 2014 (Law 20.780, effective 2017), including a \$5/tCO₂ carbon tax on large stationary sources, levies on local pollutants and a one-off tax on new vehicles. The scheme generated almost \$300 million in its first year, establishing fiscal credibility and supporting a national dialogue that culminated in a 2019 public-private agreement to retire all coal plants by 2040. Subsequent reforms strengthened the framework: Law 21.210 (2020) expanded coverage, and Decree No. 4/2023 operationalized offsets. In 2024, firms surrendered 4.4 MtCO₂ in domestic credits, creating a direct channel for private climate finance.

Colombia initiated a comprehensive tax and subsidy reform package. A carbon tax introduced in 2017 was deepened in 2023 with an escalating price trajectory, extended to coal and accompanied by stricter offset regulations. From 2022, Colombia began phasing out fuel subsidies, moving closer to aligning prices with the climate costs they impose. Since 2014, Law 1715 and follow-up measures have provided value added tax and import duty exemptions, as well as accelerated depreciation for renewables and efficiency investments, streamlining access. Crucially, in April 2022, Colombia launched the first national green taxonomy in the Americas—developed by a coalition including the Ministry of Finance, financial regulators, and the Ministry of Environment, with World Bank and International Finance Corporation support—which provides clear criteria for classifying sustainable investments, thus helping steer private finance toward NDC-aligned activities.

Morocco reduced its national subsidy bill from MAD 56.6 billion (\$6.5 billion) in 2012 to MAD 12.25 billion (\$1.26 billion) in 2015. While butane subsidies were retained to protect households, fossil fuel support was largely curtailed. In parallel, the laws 57-09 and 13-09 created the Moroccan Agency for Sustainable Energy and a power purchase agreement model that positioned the national utility as a creditworthy buyer. This de-risked projects for independent producers and catalysed foreign investment, including in the Noor Ouarzazate solar complex.

Source: UNCTAD based on official documents, government websites WRI (2021), GIZ and UNDP (2019).



Guideline 9. Align international investment agreements with climate objectives

IAs contribute to regulating the treatment of cross-border investment. They form a regime consisting of over 2,600 treaties that are in force, 90 per cent of which were concluded over 30 years ago. They generally contain protection standards and grant broad access to investor-State dispute settlement (ISDS) in the form of binding international arbitration available directly to investors.

These treaties were often concluded with little or no attention to host States' regulatory flexibility for environmental protection and climate action. Newer agreements signed since 2010 fare relatively better in safeguarding the States' right to regulate and in incorporating specific provisions on environmental protection, climate action and sustainable development. However, both old and most recent IAs continue to lack targeted provisions aimed at effectively supporting climate action – only a handful of recent ones are beginning to distinguish between low-carbon and high-carbon investments or contain provisions aimed at effectively supporting climate action (UNCTAD, 2022a, UNCTAD, 2023a).⁴

The current IIA regime can also constrain States when implementing measures to combat climate change. Many IAs include ISDS provisions that could be used by fossil fuel interests to challenge national legislation aimed at transitioning away from them, creating additional obstacles/difficulties for governments trying to reach their NDCs and fulfil their international obligations on climate (United Nations, 2025). Fossil fuel-related disputes, most often initiated by investors from developed economies, account for nearly 20 per cent of all known ISDS cases, making the sector the most litigious within the ISDS system (UNCTAD, 2022b).

In 2024, disputes related to extractive and energy supply activities increased to more than half of all the new cases (UNCTAD, 2025a). And the financial consequences of ISDS disputes may be significant.

In the past decade, successful ISDS claimants have been awarded an average of over \$230 million (UNCTAD, 2025a).

This underscores the urgent need to reform the IIA regime to align it with global climate and energy transition goals (UNCTAD, 2023a; UNCTAD, 2024). Three broad approaches can be considered:

- Making individual IAs climate-responsive by excluding fossil fuel investments and including provisions specifically aimed at promoting and facilitating low-carbon and sustainable investments.
- Minimizing the risk of ISDS claims against climate action by safeguarding States' right and duty to regulate for environmental protection and to adopt measures essential for the energy transition.
- Prioritizing the reform of the IIA regime by addressing outdated agreements through renegotiation, amendment, or termination, pursued via multilateral, regional and bilateral initiatives.

Implementation checklist

- 9.1. Has the country reviewed its existing IIA network to assess its alignment with NDC and climate objectives? Is there a domestic mechanism allowing inter-institutional coordination on international investment policies and climate objectives?
- 9.2. Do the country's IAs cover sustainable investment and preserve the right to regulate in the public interest for climate objectives, including with respect to ISDS litigation exposure?

⁴ See, for example, the African Continental Free Trade Area (AfCFTA) Protocol on Investment (2023) arts 1, 8, 26, 34, or the Australia-United Arab Emirates bilateral investment treaty (2024) art 1).

- 9.3. Do the countries' IIAs contain proactive provisions promoting and facilitating investment aligned with their NDC and are they supported by an institutional framework enabling lasting cooperation on these issues?
- 9.4. Do the country's IIAs include investor obligations related to responsible investment, aimed at ensuring an inclusive energy transition?
- 9.5. Has the government assessed its ISDS litigation exposure and taken appropriate mitigation measures to complement other IIA reform actions?



Box 3

Selected IIA provisions that can support a better alignment between IIAs and climate policies

Only a handful of recent IIAs are beginning to contain provisions aimed at effectively supporting climate action. See for example:

The **AfCFTA Protocol on Investment** (2023) adopts a series of provisions which support the alignment of the IIA with climate objectives, including (i) covering investments that contribute to sustainable development only, (ii) prescribing relevant flexibilities preserving the Parties' right to regulate in the public interest, (iii) providing for proactive promotion and facilitation measures for a series of climate action-friendly investments, coupled with institutional and capacity building support for their implementation, as well as (iv) investor obligations on environmental protection.

The **Australia–United Arab Emirates Bilateral Investment Treaty** (2024) excludes rights for the exploration and exploitation of fossil fuel natural resources from its scope. The agreement clarifies that renewable energy resources continue to be covered (article 1 “investment” (j)).

The **Chile–European Union Advanced Framework Agreement** (2023) contains a dedicated chapter on energy and raw materials, which requires transparent and streamlined authorization procedures, as well as the facilitation of connection to national infrastructure for renewable energy producers, among others. Under the agreement Chile has excluded lithium as a strategic critical mineral from liberalization commitments to ensure sufficient policy space for its management and local value addition.

The **European Free Trade Association–India Trade and Economic Partnership Agreement** (2024) commits the Parties to facilitate the creation of joint research excellence centres, including on renewable energy and climate technologies.

The **Moldova–United Kingdom Free Trade and Cooperation Agreement** (2020) includes a chapter dedicated to climate action deepening the Parties' cooperation on all aspects of climate change adaptation and mitigation policy, including through joint activities.

Source: UNCTAD based on IIA Navigator database, accessed 14 September 2025.





© AdobeStock

Promoting investment in climate-related sectors

Why?

Mobilizing investment for NDC implementation requires more than enabling policies. To translate climate objectives into concrete investment outcomes, countries should adopt a structured and proactive approach to investment promotion that goes beyond general outreach. IPAs, relevant ministries and project-facilitation bodies play a central role in bridging the gap between enabling frameworks and investor decision-making.

First, promotion strategies and institutional mandates should be aligned with national climate priorities, supported by targeted communication and campaigns that position the country as a destination for sustainable investment.

Second, bankable projects are key to mobilize private capital for the implementation of the NDCs. Robust project pipelines and mechanisms to advance these projects—matching them with financing instruments and effective risk-sharing arrangements—are essential in this regard.

Third, proactive outreach and promotion of both climate-aligned sectors and pipelines, combined with tailored facilitation services for investors, is key to mobilizing capital.

To deliver on these objectives, relevant institutions should also be equipped to understand and communicate climate-related investment opportunities effectively.



How?

Guideline 10. Align investment promotion strategies with climate priorities

To attract investment in climate-strategic sectors, national investment promotion strategies should be explicitly linked to NDCs, long-term development strategies and sectoral roadmaps. This alignment should be reflected not only in the content of the strategies but also in the mandates and performance indicators of IPAs and other agencies with an investment promotion remit, embedding climate objectives in institutional priorities and operations (see guideline 15).

Effective investment promotion also requires that priority sectors, target investor profiles and investment modalities are clearly identified, including through the development of specific project pipelines (see guideline 12). It is important to recognize that not all projects are suitable for private financing; while some are pure public goods, others may be viable through PPPs or concessional schemes, and some can attract private investment with adequate public support, incentives or subsidies to ensure climate compatibility (UNCTAD, 2022c).

The country branding and communication strategy should reflect national climate objectives, including climate ambitions and comparative advantages in identified strategic sectors. Regularly updated sectoral briefs and guidance on permitting

and incentive frameworks can improve visibility, lower transaction costs and enhance investor confidence.

Finally, effective alignment requires coordination across ministries and agencies engaged in investment promotion, ensuring that roles and responsibilities are clearly defined and consistently geared toward supporting national climate objectives.

Implementation checklist

- 10.1. Are national investment promotion strategies explicitly aligned with climate goals included in the NDC and long-term strategies?
- 10.2. Do investment promotion strategies identify priority sectors, types of investors and investment modalities to be targeted?
- 10.3. Does the country branding and communication strategy highlight investment opportunities and comparative advantages in climate-strategic sectors?
- 10.4. Are promotional materials available for climate-strategic sectors (e.g., renewable energy, hydrogen, blue economy), including sector data and guidance on incentive frameworks and permitting?
- 10.5. Are the roles and responsibilities of ministries and agencies involved in investment promotion clearly defined and coordinated so that climate objectives are consistently supported across government structures?





Country experiences

Chile promotes investment in climate-strategic sectors through the country's IPA, InvestChile, which publishes sector booklets on renewable energy and green hydrogen. It also offers a How to Invest in Chile guide that outlines incentive schemes and provides detailed instructions on navigating the Environmental Assessment System and sectoral permitting.

Türkiye's Foreign Direct Investment Strategy (2024–2028) identifies climate-aligned FDI as one of three categories of quality FDI, alongside digital and value chain-oriented investment. The strategy defines climate FDI as investment contributing to climate-related objectives and introduces project-based monitoring to track investment inflows in this category. Priority sectors related to climate FDI include renewable energy, the circular economy, and sustainable production. While the strategy does not reference Türkiye's NDCs, it aligns with the country's 2053 net-zero emissions target. Coordination mechanisms are established through a multi-agency implementation framework led by the Investment Office of Türkiye, with oversight from a presidential FDI Strategy Monitoring Board. The strategy also outlines plans to enhance investor outreach and promotion through the national "Invest in Türkiye" platform, including tailored messaging for climate-aligned sectors.

Source: UNCTAD based on official documents and government websites.

Guideline 11. Develop a pipeline of bankable, climate-aligned investment projects

As emphasized by the UNFCCC, the new generation NDCs (NDC 3.0) should be implementation-ready and capable of mobilizing finance at scale by ensuring that national commitments are effectively investable (UNFCCC, 2023b). Well-structured climate project pipelines are a practical way to translate high-level goals into bankable propositions that can attract public and private capital. Pipelines improve transparency, provide long-term credibility and predictability, and help investors identify opportunities (UNCTAD, 2023a; OECD, 2018). They also allow projects to be assessed within the broader context of a resilient, low-carbon transition rather than on a stand-alone basis (CPI, 2025).

A climate-related investment projects pipeline (or a set of coordinated pipelines) typically covers sectors such as energy, transport, agriculture and water, and integrates disaster-risk considerations. Projects are often grouped by financing modality—public, PPP or private—and by maturity stage (concept, preparation, bankable). While each modality has distinct characteristics, all can be complementary in mobilizing private investment. Public-led projects may be grouped into sub-pipelines for thematic instruments such as green or sustainability-linked bonds, signalling government commitment and providing the scale needed to attract institutional investors (box 4). PPPs, with their built-in risk-sharing mechanisms, are well suited to leverage large volumes of finance for infrastructure. Private-led projects, meanwhile, can be stimulated through targeted incentives and/or facilitation measures that channel strategic investment into priority sectors.





Box 4

Green bonds and project pipelines

Green bonds can be used to raise finance for climate-aligned investment. They allow access to a growing pool of international investors seeking sustainable assets, while strengthening credibility around national climate commitments. A national climate project pipeline provides the foundation for this process. From the broader pipeline of climate-related projects, governments can identify a sub-pipeline of projects suitable for green bond financing. These are projects that demonstrate clear environmental benefits and can be grouped together under a government green bond framework.

Creating this sub-pipeline does not require a separate system. Rather, it involves an additional layer of screening and preparation to ensure projects meet broadly recognized green finance principles. By doing so, governments can link their investment promotion efforts with sustainable debt markets, expanding the range of financing options available for climate priorities. Country examples illustrate this approach:

In 2015, **Indonesia**, with support from the United Nations Development Programme (UNDP), instituted a budget tagging process that later spanned across 17 ministries to identify a pipeline of projects with environmental benefits aligned to national climate goals. Building on this pipeline in 2018, the Government established a Green Bond and Green Sukuk Framework and obtained an external second party opinion confirming alignment with the International Capital Market Association (ICMA) Green Bond Principles. Under this framework, Indonesia issued the world's first sovereign Green Sukuk (Islamic green bond), committing to use all proceeds exclusively for chosen tagged climate-aligned projects. Since then, global Green Sukuk have been issued annually, and by the sixth issuance, they had raised \$6 billion.

Nigeria pioneered sovereign green bonds in Africa, issuing the first ones in 2017 and the second ones in 2019. Both were anchored in the country's NDC and supported by a government-maintained pipeline of climate-related projects in renewable energy, afforestation, and transport. The first issuance funded three projects, while the second one supported 23 projects, including continued financing for the initial three. Projects were drawn from the federal budget and screened against the ICMA Green Bond Principles to create a green-bond-eligible sub-pipeline. Ministries proposing projects had to provide clear environmental benefits, implementation schedules and reporting metrics, ensuring proceeds could be transparently allocated and tracked.

Source: UNCTAD based on official documents and government websites.



Because countries differ in size, governance structures and planning traditions, pipeline design can vary. Some countries prefer to maintain separate pipelines—by sector (e.g. energy, transport, agriculture) or by financing modality (public, PPP or private)—to reflect institutional responsibilities and investment ecosystems. This can facilitate clearer mandates if pipelines mirror existing ministerial or agency functions. Sector-specific pipelines may also support more tailored technical criteria, data requirements and stakeholder engagement. In some contexts, distinct financing channels or regulatory frameworks may further strengthen the effectiveness of separate pipelines in attracting public–private or private investment.

Other countries choose an integrated national pipeline that consolidates all climate-aligned projects. An integrated approach can make it easier to prioritize and sequence projects strategically and to give donors, financiers and investors a unified view of the national climate-investment landscape, reducing transaction costs and strengthening confidence in national climate and development plans.

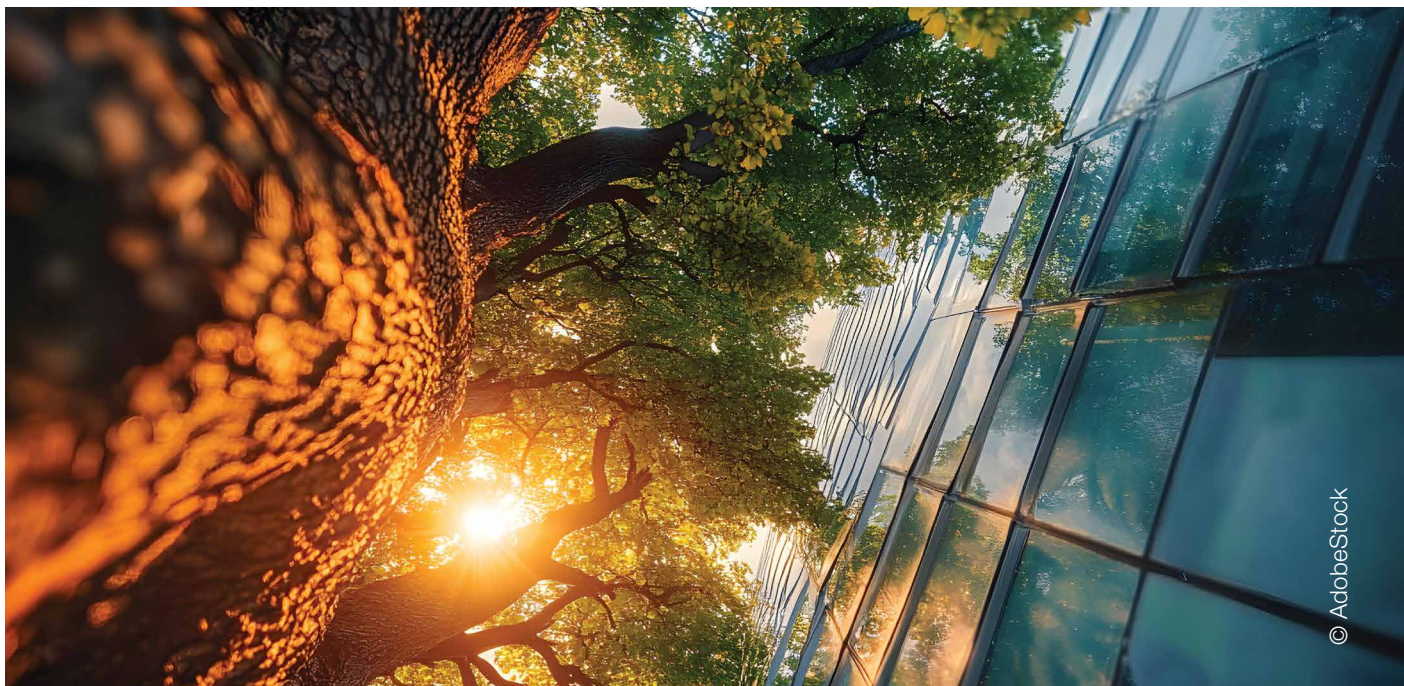
Pipeline development should start with a systematic and inclusive process to identify candidate climate-aligned projects, beginning with an assessment of financing needs and funding gaps (box 5). Identification should be carried out through cross-ministerial coordination and structured engagement of stakeholders, including local authorities, civil society, the private sector and representatives of groups often excluded from decision-making, such as women, youth, Indigenous Peoples, persons with disabilities, informal workers and other under-served communities, to ensure that the process reflects real-life development challenges and societal priorities and captures investment opportunities that are relevant to local contexts.

Once candidate projects are identified, they should be screened against transparent criteria to confirm alignment with NDC pathways, long-term development strategies and climate resilience objectives. Screening should also incorporate prefeasibility assessments to evaluate technical, financial and regulatory viability, ensuring that only well-grounded and implementable projects are included in the pipeline.

Each shortlisted project should be assigned a designated point of responsibility, such as a lead ministry, agency or coordinating mechanism, to guide it through structuring and financing. A strong institutional leadership supports coherence and credibility, but the structure can be adapted to national circumstances. Many governments find it useful to identify a lead entity—such as a dedicated unit for climate investment planning, an inter-ministerial task force or an IPA—to coordinate climate-related investment pipelines. This entity can help compile and update projects, set common standards, and ensure transparency, while leaving the preparation and financing responsibilities with the relevant sectoral ministries, public utilities, or a dedicated agency. What matters is that roles and coordination mechanisms are well understood so that climate-aligned projects are consistently captured, reported and advanced toward implementation.

A pipeline is only effective if projects can progress from identification to bankability. After candidate projects are identified and placed in a pipeline, the entity responsible for each project needs to ensure that preparation and financing support are in place to help it progress through successive stages of maturity. A project is typically considered bankable once rigorous technical, financial, regulatory and environmental reviews confirm its practicality, address major risks, and demonstrate credible prospects for sustainable returns (OECD and UNDP, 2025).





© AdobeStock

Preparation often begins with project-specific feasibility studies that examine technical soundness, regulatory and permitting feasibility, environmental and social safeguards, indicative costs and scale and potential demand. The scope of these studies and the agencies responsible will vary by project modality. Each project would then be analysed for the specific gaps preventing it from advancing, such as incomplete approvals, absence of risk-sharing structures or missing financial viability. Addressing these gaps may require targeted preparatory funding, technical assistance, or support to mobilize concessional resources. Governments can also draw on the wide range of preparatory project facilities already available through multilateral development banks (MDBs), climate funds and bilateral agencies, which provide technical assistance, feasibility support and early-stage risk capital (table 1).

Advancing projects further involves linking them to appropriate financing channels and de-risking tools. Depending on the project, responsible entities may work with climate funds, development banks, blended-

finance platforms or domestic financial institutions, while integrating risk-mitigation instruments such as guarantees, insurance or hedging tools. Public-led projects may also need to demonstrate that they meet the eligibility and reporting requirements of their intended financing sources—whether donor funds, concessional facilities or thematic instruments such as sovereign green-bond sub-pipelines—so that they can credibly access a range of sustainable-finance options. For private-led projects, national or regional platforms that link financiers with well-structured opportunities can play a similar role in facilitating access to capital.

Finally, the pipeline should function as a dynamic tool, updated regularly and presented in a way that provides government planners, financiers and potential investors with clear, up-to-date information on project status and key financing characteristics. Such a dynamic approach ensures that the pipeline continues to reflect evolving national priorities and remains a credible basis for mobilizing investment.



Implementation checklist

- 11.1. Are institutional responsibilities for the development, coordination, implementation and regular updating of climate-investment pipelines defined and is a designated lead entity assigned to each project?
- 11.2. Are candidate projects identified and screened through a participatory process, informed by national priorities and aligned with NDC pathways?
- 11.3. Do responsible entities regularly assess and prioritize project-specific gaps to bankability (e.g., missing approvals, incomplete structuring, lack of risk-sharing arrangements) and coordinate actions to close those gaps?
- 11.4. Is the pipeline maintained as a dynamic tool, updated regularly and presented in a way that provides investors and development partners with information on project status and key financing characteristics?
- 11.5. Are risk mitigation instruments and tailored financing strategies (e.g. guarantees, insurance, foreign exchange hedging, first-loss capital) integrated into project preparation to reduce risk and attract private capital?



Country experiences

Barbados 2035: A plan for Investment in Prosperity and Resilience presents a unified pipeline of medium- to long-term projects aligned with the country's updated NDC, economic recovery strategy, and Roofs to Reefs climate program. Institutional responsibility for the plan rests with the Bridgetown Initiative Unit in the Prime Minister's Office, with implementation shared across line ministries, each of which is identified as a delivery lead for specific investment priorities. The plan was developed through an inclusive consultation process involving over 70 interviews with government agencies and stakeholders, during which each ministry proposed its top investment priorities. Projects were screened using transparent criteria—feasibility, alignment with prosperity and resilience goals, government commitment and innovation. Each component of the plan identifies the responsible ministries or agencies, defines sectoral pipelines, classifies projects by expected financing modality (public or private), and provides indicative investment needs. The plan proposes allocating 5 to 10 per cent of project costs to implementation support and to the establishment of institutional mechanisms, such as a Strategic Council and a Joint Economic Group, to oversee progress, resolve bottlenecks, and coordinate with investors.

Colombia's Climate Finance Broker Facility, managed by the National Planning Department, is a national brokerage platform built on three pillars: project demand, financing offer and technical support. to move climate projects toward bankability. Under the Demand pillar, ministries, territorial entities and businesses present project portfolios that are screened for NDC alignment and maturity. Projects deemed ready to finance go directly to investors through the Facility, while others receive targeted support from accredited accelerators that provide feasibility studies and structuring assistance. Once projects meet investment criteria, the Broker connects them to domestic and international financiers using standardized "brokerage notes," matchmaking events, and a public inventory of green financial products, thereby streamlining the path to financial close.



In **Egypt**, the Nexus of Water, Food and Energy Platform, launched in 2022, is coordinated by the Ministry of International Cooperation and guided by a national committee comprising relevant ministries. Each pillar—energy, water, and food—is led by a designated lead development partner and relevant ministries. Project identification was based on Egypt's National Climate Change Strategy 2050 and the updated NDC, and was informed by sectoral plans and consultations with ministries, development partners, and local stakeholders. From an initial list of 26 climate-related projects, nine were prioritized based on their compatibility with the Paris Agreement's core pillars. Each project is linked to beneficiary ministries and a lead development partner, with responsibilities for preparation and financing defined. An Automated Information Management System provides data on financing needs, sources and implementation status. The lead development partners, and other technical partners, provide technical assistance for project preparation, covering feasibility studies, structuring, financial modelling, and environmental and social assessments. Blended finance instruments, including debt swaps, concessional loans, guarantees and private investments, are used to address financing gaps and reduce risk.

The Ministry of Environment leads **Jordan's** climate pipeline, as set out in the Climate Investment Mobilization Plan. The pipeline draws on the six Green Growth National Action Plans and other national priority lists to identify an initial pool of more than 100 potential investments, which were consolidated into four priority themes, and mapped into ten priority projects through sectoral analysis and consultations. Priority climate investments identified under the plan undergo a preliminary evaluation of alignment with national priorities, technical viability, fiscal affordability and expected socio-economic impacts before advancing to the feasibility stage. To strengthen consistency and quality, Jordan had developed a Project Preparation for Bankability Guidebook with GCF support, providing a step-by-step methodology for feasibility analysis, financial modelling, and structuring bankable proposals. While the Ministry of Environment serves as Jordan's National Designated Authority to the GCF, delivery of the Climate Investment Mobilization Plan is jointly led by the Ministry of Environment, the Ministry of Finance and the Ministry of Planning and International Cooperation. Together, they coordinate a matchmaking-style process that packages priorities for finance, identifies suitable financing approaches with public and private partners, and convenes project financing dialogues to mobilize capital across the four priority themes.

South Africa's renewable energy pipeline is structured around REIPPPP, led by the Department of Electricity and Energy and supported by the IPP Office, a joint initiative with the National Treasury. The transmission subsidiary of ESKOM, South Africa's main public utility, uses its Transmission Development Plan to translate national generation targets, as outlined in the Integrated Resource Plan, into locational grid maps and project timelines, thereby anchoring the program in institutional mandates. Volumes, technology split, and designated buyers are centrally coordinated through ministerial determinations and grid planning tools, ensuring alignment with sectoral priorities and technical feasibility. Private developers respond to tenders with fully structured proposals, which are mainly assessed against price and economic development criteria. Selected projects receive 20-year PPAs backed by government guarantees, ensuring bankability.

Source: UNCTAD based on official documents and government websites.





Box 5

Steps to build and promote a national climate investment pipeline



Step 1. Project identification. Assess financing needs and identify candidate projects through cross-ministerial coordination and stakeholder engagement. Draw on existing sectoral or regional pipelines to ensure alignment with national and local priorities.

Step 2. Screening and pre-feasibility. Screen projects for climate and national priorities alignment and viability using clear criteria and initial prefeasibility checks, covering technical, financial, regulatory and environmental aspects.

Step 3. Project classification. Classify projects by financing modality (public, PPP or private) and maturity stage (concept, preparation or bankable) to guide support and portfolio development.

Step 4. Gaps assessment. Analyse project-specific gaps—such as missing feasibility studies, approvals or structuring—to enable progress toward bankability. This keeps the pipeline from becoming merely a list of intentions and turns it into a roadmap for implementation.

Step 5. Project preparation. Support projects as they move toward full feasibility and financing. Provide technical assistance, concessional resources or early-stage risk capital to address identified preparation gaps.

Step 6. Financing and de-risking. Connect projects to appropriate finance sources and apply risk-mitigation instruments such as guarantees, insurance or blended finance.

Step 7. Project promotion. Develop standardized project profiles that present clear, comparable and investor-relevant information, and actively promote them through investment platforms, roadshows and partnerships with financial institutions to increase visibility and attract climate-aligned investment.

Step 8. Continuous updating. Treat the pipeline as a dynamic tool, regularly updating it to reflect new opportunities, evolving climate priorities, and investor feedback, while tracking the progress of projects as they move toward bankability.

Source: UNCTAD.





Table 1
Selected international project preparation facilities

Facility	Description
Green Climate Fund – Project Preparation Facility	Provides grants—typically up to \$1.5 million per project—for accredited entities to prepare funding proposals for climate mitigation or adaptation investments. Support covers activities such as feasibility studies, environmental and social assessments, and project design. Accessible to public institutions and private developers operating through accredited entities. In the case of revenue-generating projects, grants may be reimbursable upon successful approval.
Global Infrastructure Facility	A global platform housed at the World Bank Group that provides technical and advisory support to governments for the preparation and structuring of complex infrastructure projects that mobilizes private capital through PPPs. While multi-sectoral, it prioritizes climate-smart and sustainable infrastructure. Operates through a collaborative model involving MDBs, donors and private-sector partners.
Public-Private Infrastructure Advisory Facility	International facility, supported by the World Bank, that facilitates PPP in infrastructure in developing countries. The facility is not limited to climate change, but it encourages sustainable and inclusive infrastructure, often embedding climate resilience into its work. It provides technical assistance grants to governments for upstream activities, including early-stage project preparation that helps public-sector clients (national or subnational) develop PPP pipelines.
City Climate Finance Gap Fund	Offers grant-funded technical assistance to subnational governments in developing countries at the early stages of project development. Focuses on turning climate-aligned urban concepts—such as resilient infrastructure, sustainable mobility or low-carbon energy—into investment-ready proposals. Jointly implemented by the World Bank and European Investment Bank, with donor support.
C40 Cities Finance Facility	Supports city governments in developing and emerging economies to prepare bankable climate mitigation and resilience projects. Provides approximately \$1 million in technical assistance per project for activities such as feasibility studies, business case development, and institutional capacity-building. Implemented by C40 Cities and GlZ.
Adaptation Fund – Project Formulation Grants	Offers grants to accredited national, regional or multilateral implementing entities to support the preparation of adaptation projects following concept approval. Eligible activities include feasibility studies, risk assessments, stakeholder consultations and environmental analyses. Designed for projects and programmes in developing countries that are specifically vulnerable to climate change, with special attention to the needs of the most vulnerable communities.

Source: UNCTAD, based on official documents and websites.

Guideline 12. Proactively promote and facilitate climate-aligned investments

Once climate projects have secured a viable financing structure and are investment-ready, proactive promotion is essential to connect them with the right investors and financing partners. Governments should prioritize standardized project packaging, targeted outreach and dedicated platforms that highlight climate opportunities and reduce transaction costs. Following recognized sustainable finance standards and taxonomies enhances credibility and facilitates due diligence, comparability and integration into green financing channels.

A central portal or database showcasing investment-ready climate projects can provide visibility, transparency and easy access for investors, development partners and financiers. Independently of the institution leading the climate-investment pipeline promotion—whether the national IPA or another designated entity—it is good practice to establish a clear interface with the IPA so that it can guide prospective investors to the appropriate pipeline authority or platform.

Mobilizing climate investment also requires strategic identification and engagement of investors that have the necessary technology, capital and



experience. This can be done through direct outreach, the involvement of the country's diplomatic missions, participation in international forums, and the organization of national green investment events to showcase opportunities.

To play this role effectively, staff in IPAs and other promotion bodies need the mandate and the capacity to understand climate technologies, explain relevant regulatory and policy frameworks, and respond to queries on low-carbon investment opportunities. Depending on available resources, this may call for specialized training of staff, temporary technical secondments from climate or environment ministries, or the creation of dedicated teams to handle climate-related projects.

Effective promotion should be complemented by facilitation services, beyond regulatory aspects (guideline 6), such as one-on-one support to connect investors with financiers, while providing tailored assistance with permitting, licensing, land access, compliance with climate-related standards and, where possible, fast-tracked approvals for priority projects.

Another critical function of IPAs is policy advocacy. Because of their close interaction with investors, IPAs are uniquely placed to relay investor feedback on regulatory, procedural, or infrastructure barriers to the relevant authorities. Regular engagement with investors, combined with structured internal mechanisms for surfacing bottlenecks, can help ensure that investment policies evolve to meet the specific needs of climate-related projects.

Aftercare services tailored to climate investors can also help align ongoing operations and reinvestment with NDC pathways, including by encouraging upgrades to low-carbon technologies, facilitating expansion into climate-strategic sectors, and resolving challenges that hinder sustainable performance. Aftercare can strengthen investor linkages with the domestic economy, for example, by connecting foreign investors with local

suppliers, SMEs, research institutions or local financial partners, thereby enhancing spillovers and local development benefits.

Finally, IPAs can contribute to monitoring frameworks by helping to track and report on green and climate FDI flows and their contribution to NDC implementation.

This includes collaborating with national statistics offices or climate agencies to define appropriate metrics and indicators.

Implementation checklist

- 12.1. Does the strategic mandate of the IPA (or other promotion bodies) explicitly embed climate-related objectives, and are these objectives systematically monitored and reported on through key performance indicators (KPIs)?
- 12.2. Is IPA staff knowledgeable about climate technologies, regulatory frameworks and financing mechanisms to respond to climate-related inquiries and effectively support low-carbon projects?
- 12.3. Are standardized project profiles, aligned with international sustainable finance standards and taxonomies accessible through a central digital portal?
- 12.4. Are proactive promotion and outreach strategies in place to engage priority investor groups in climate-strategic sectors?
- 12.5. Does the IPA provide investors with a comprehensive range of services aimed at supporting climate-aligned investment and reinvestment (i.e. facilitation, aftercare, advocacy and linkages)?





Country experiences

Brazil's BIP is a national pipeline coordinated by the Ministry of Finance with a management committee that includes the environment, industry and energy ministries. The Brazilian Development Bank (BNDES) serves as the secretariat, compiling and updating projects, setting common standards, and liaising with financiers. BIP identifies projects via submissions from public and private entities to the secretariat. Developers submit a common information pack that includes climate metrics and alignment with international taxonomies. Proposals are screened against Brazil's Climate Plan, ecological transformation priorities, and criteria on impact and investment need. Approved projects are then displayed on a public BIP portal that presents key investment data for easy investor due diligence. BIP increases visibility through periodic project calls and technical working groups with MDBs and development finance institutions to connect projects with capital and resolve bottlenecks. Although the national IPA, ApexBrasil, carries out broader green-economy and low-carbon promotion activities, such as supporting Brazilian companies at international renewable-energy trade fairs and organizing sustainability-themed investment forums, promotion of the BIP pipeline itself is led by the Ministry of Finance and BNDES.

Cambodia, through the Council for the Development of Cambodia, the country's official IPA, launched the Suppliers Database with Sustainability Dimensions in 2022 to strengthen local firms' integration into global value chains. The digital platform lets Cambodian suppliers register and share verifiable data across six sustainability dimensions—environmental, social, labour, governance, ethical conduct, and community engagement—helping international investors and multinationals identify domestic partners that meet recognized sustainability standards.

India's national IPA, Invest India, serves as an entry point for all foreign investors, with a particular focus on investments in identified strategic climate-related sectors, particularly renewable energy. It has fostered a coordinated approach with multiple agencies – including the Project Development Cell within the Ministry of New and Renewable Energy, the Empowered Group of Secretaries and the Central Pollution Control Board within the Ministry of Environment, Forestry and Climate Change. Together, these institutions work to identify and resolve implementation challenges for climate strategic sectors, such as navigating the national approval system for environmental assessments and land acquisition for larger projects.

Ireland, through its IPA, IDA Ireland, embedded sustainability as a core pillar of its 2021–2024 strategy. In addition to targeting green investment, IDA Ireland actively supports multinational enterprises already operating in the country in their decarbonization efforts. Through its Go Green program, the agency offers financial incentives and advisory services to help companies implement environmental improvements, enhance energy efficiency and lower emissions. IDA also facilitates sustainable sourcing linkages between foreign investors and domestic enterprises, fostering local environmental innovation and contributing to national climate and biodiversity goals.



Oman's climate-investment pipeline for green hydrogen is organized around Hydrogen Oman (Hydrom), a subsidiary of Energy Development Oman that masterplans the sector, auctions delineated land blocks and coordinates common infrastructure to move projects from concept to bankable agreements. Each auction provides standardized Request for Qualification and Request for Proposal documentation, as well as access to a secure digital data room to support investor due diligence in line with international sustainable finance standards. Hydrom maintains a public portal and hosts international webinars and briefings tied to auction milestones, while showcasing opportunities at events such as Oman Sustainability Week and the Green Hydrogen Summit Oman. The national IPA, Invest Oman, offers general facilitation services to foreign investors, including a one-stop investor relations team and support with incorporation and licensing, and explicitly prioritizes hydrogen; however, Hydrom leads the direct promotion and marketing of the hydrogen pipeline.

Türkiye's IPA, Invest in Türkiye, embeds climate objectives in its mandate through a "Quality FDI" framework that includes SDG compliance as a cross-cutting requirement. Every project is screened against a standardized 47-question SDG checklist (weighted 1–5), which includes items related to SDG7 and SDG13, such as renewable energy investment, emissions-reducing technologies, facility-level reductions in carbon footprint, and published corporate emissions targets. Sectoral experts apply the checklist uniformly, generating comparable data that is cost-effective to collect. The results are used to systematically monitor and feed KPI tracking for the national FDI strategy, including alignment with climate goals.

Source: UNCTAD based on official documents, government websites, Giroud et al. (2024) and WEF (2023).



References

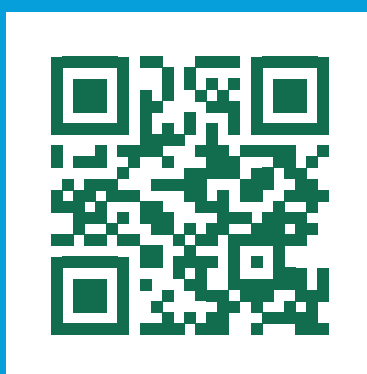
- Adolphsen, O., J. Könneke and S. Thielges. (2024). *Third generation of nationally determined contributions (NDCs)*, SWP Comment 33. <https://www.swp-berlin.org/10.18449/2024C33/>
- Busch, S., Kasdorp, R., Koolen, D., Mercier, A., & Spooner, M. (2023). The development of renewable energy in the electricity market (European Economy Discussion Paper No. 187). Directorate-General for Economic and Financial Affairs, European Commission. https://economy-finance.ec.europa.eu/system/files/2023-06/dp187_en_energy%20markets.pdf
- GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) and UNDP (2019). *Chile's Carbon Tax: An Ambitious Step towards Environmentally Friendly Policies and Significant Greenhouse Gas Emission Reductions*. Available at: <https://ndcpartnership.org/knowledge-portal/good-practice-database/chiles-carbon-tax-ambitious-step-towards-environmentally-friendly-policies-and>
- Giroud A., Bonilla S. & Farinelli F. (2024). Government Policies for MNEs' Sustainable Linkages. In: Gugler P. & Tavares-Lehmann A. T. (Ed.) *Handbook on International Business Policy*. Cheltenham: Edward Elgar. ISBN 978 1 0353 0867 5
- Huang, Y, U Panizza and R Varghese (2018). Does Public Debt Crowd Out Corporate Investment? International Evidence. *CEPR Discussion Paper No. 12931*. CEPR Press, Paris and London. <https://cepr.org/publications/dp12931>
- International PtX Hub (2023). *Enhancing employability: Skills Needs and Gap Analysis in Namibia's PtX sector and recommendations for a Skills Development Programme*. https://ptx-hub.org/wp-content/uploads/2023/08/International-PtX-Hub_202308_Namibia-PtX-skills-needs-assessment.pdf
- Mataba, K. (2025). The use of green tax incentives for renewable energy deployment in emerging and developing countries (IISD Report). International Institute for Sustainable Development. <https://www.iisd.org/system/files/2025-09/green-tax-incentives-renewable-energy.pdf>
- NewClimate Institute. (2018). *NDC Update Report: Ambition— Taking a long-term perspective*. <https://newclimate.org/resources/publications/ndc-update-report-november-2018-ambition-taking-a-long-term-perspective>
- Noyon, A. U., & Shishir, M. J. A. (2024). Teesta solar project sets green example. The Business Standard. 3 May 2024. Retrieved on 25 November 2025, from <https://www.tbsnews.net/bangladesh/energy/teesta-solar-project-sets-green-example-842506>
- OECD (Organisation for Economic Co-operation and Development) (2018), *Developing Robust Project Pipelines for Low-Carbon Infrastructure*. Green Finance and Investment. OECD Publishing, Paris. <https://doi.org/10.1787/9789264307827-en>
- OECD (Organisation for Economic Co-operation and Development) and UNDP (2025). *Investing in Climate for Growth and Development: The Case for Enhanced NDCs*. Paris, OECD Publishing. <https://doi.org/10.1787/16b7cbc7-en>
- OECD (Organisation for Economic Co-operation and Development) and UNDP (2025). *Investing in Climate for Growth and Development: The Case for Enhanced NDCs*. Paris, OECD Publishing. <https://doi.org/10.1787/16b7cbc7-en>.
- Rentschler, J., & Bazilian, M. (2016). Reforming fossil fuel subsidies: drivers, barriers and the state of progress. *Climate Policy*, 17(7),891–914. <https://doi.org/10.1080/14693062.2016.1169393>
- UNCTAD (2015). *Investment Policy Framework for Sustainable Development*. Geneva. https://unctad.org/system/files/official-document/diaepcb2015d5_en.pdf
- UNCTAD (2022a). *The international investment treaty regime and climate action*. IIA Issues Note 3, September. Geneva. https://unctad.org/system/files/official-document/diaepcbinf2022d6_en.pdf#16
- UNCTAD (2022b). *Treaty-based investor–State dispute settlement cases and climate action*. IIA Issues Note 2, September. Geneva. https://unctad.org/system/files/official-document/diaepcbinf2022d7_en.pdf

- UNCTAD (2022c) *World Investment Report 2022: International tax reforms and sustainable investment*. United Nations, Geneva and New York. <https://unctad.org/publication/world-investment-report-2022>
- UNCTAD (2023a). *World Investment Report 2023: Investing in sustainable energy for all*. United Nations, Geneva and New York. <https://unctad.org/publication/world-investment-report-2023>
- UNCTAD (2023b). *Investment policies for sustainable energy: Incentives and disincentives*. Investment Policy Monitor Issue 26, November, Geneva. https://unctad.org/system/files/official-document/diaepcbinf2023d8_en.pdf
- UNCTAD. (2024). *Trade and investment policies to advance national climate plans: Investment guide for policymakers ZERO DRAFT*. https://unctad.org/system/files/information-document/cop29_draftpolicyguides_investment_en.pdf
- UNCTAD (2025a). *World Investment Report 2025: International investment in the digital economy*. United Nations, Geneva and New York. <https://unctad.org/publication/world-investment-report-2025>
- UNCTAD (2025b). *Trade policies to advance national climate plans: Guide for policymakers*. United Nations, Geneva. https://unctad.org/system/files/official-document/ditcted2025d1_en.pdf
- UNFCCC (2022). *Nationally determined contributions under the Paris Agreement: Synthesis report by the secretariat*. <https://unfccc.int/documents/619180>.
- UNFCCC (2023a). *Nationally determined contributions under the Paris Agreement: Synthesis report by the secretariat*. <https://unfccc.int/documents/632334>.
- UNFCCC (2023b). NDC 3.0. United Nations Framework Convention on Climate Change. <https://unfccc.int/ndc-3.0>
- United Nations (2025). *Seizing the moment of opportunity: Supercharging the new energy era of renewables, efficiency, and electrification*. United Nations, New York. https://www.un.org/sites/un2.un.org/files/un-energy-transition-report_2025.pdf
- WEF (World Economic Forum) (2023). *Guidebook on facilitating climate foreign direct investment*. Geneva: World Economic Forum. https://www3.weforum.org/docs/WEF_Guidebook_on_Facilitating_Climate_FDI_2023.pdf
- WRI (World Resources Institute) India (2025). *Just transition insights from India's 2050 MW Pavagada solar park*. Working Paper. <https://doi.org/10.46830/wriwp.21.00057>.
- WRI (World Resources Institute) (2021) Morocco: Fuel subsidy reform designed to support a just transition to renewable energy. <https://www.wri.org/snapshots/morocco-fuel-subsidy-reform-designed-support-just-transition-renewable-energy> (accessed 23 November 2025).





unctad.org



unctad.org

ISBN 978-92-1-157583-5



9 789211 575835