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About Issue No. 4

This issue explores how countries are boosting the implementability and investability of their new NDCs including leveraging carbon market opportunities and aligning with sustainable development financing processes. It also spotlights Nepal's new NDC as the first full submission from a least developed country (LDC).

About UNDP

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet. Learn more at undp.org or follow at @UNDP.

About UNDP's Climate Promise

UNDP's Climate Promise is the UN system's largest portfolio of support on climate action, working with more than 140 countries and territories and directly benefiting 37 million people. This portfolio implements over US$2.3 billion in grant financing and draws on UNDP's expertise in adaptation, mitigation, carbon markets, climate and forests, and climate strategies and policy. Visit our website at climatepromise.undp.org and follow us at @UNDPClimate.

Cover Photo: Morgana Wingard - UNDP Liberia

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Latest trends and insights

Half way through 2025, many countries are still finalizing their NDCs for submission. As countries look to connect ambition with implementation, key questions arise: What enables investment in NDCs, including from the private sector? How "investible" are these new NDCs? How can NDCs leverage finance for both climate and development? Which existing instruments are already demonstrating impact? Insights are emerging on all of these questions.

As of 30 June 2025, a total of 25 Parties have submitted their new NDCs for the 2025 cycle.

These submissions, comprised of five G20 countries, six SIDS and three LDCs, represent around 21 percent of total global GHG emissions. During May and June, five Parties (Belize, Moldova, Nepal, Norway and Somalia) submitted their new NDCs.

Recent science is a red alert, showing that every year matters if we are to limit global warming. It is critical to double down on available solutions to reduce emissions this decade.

While very few new NDCs are aligning with the guidance of the first global stocktake to strengthen 2030 targets, many are setting deeper, economy-wide 2035 targets.

Emerging trend: There is a growing momentum to leverage NDCs as vehicles for investment in climate action and sustainable development, but more work is needed to see concrete results.

Analysis of new NDCs submitted by developing countries against three dimensions of “investability” reveals that while strong foundations and structures are in place, more work is needed on specific actionable elements:

- **87%** define targets, set policy measures and estimate costs to enhance investment credibility.
- **80%** have indicated enabling governance approaches to support NDC investment.
- **67%** identify actionable elements such as implementation plans or financing instruments to translate into investment-ready opportunities.

Emerging trend: Increasingly, countries are using established and emerging instruments to unlock finance for NDC targets, such as Integrated National Financing Frameworks (INFFs), carbon markets and country platforms.

INFFs are being leveraged to align NDCs with national development priorities and mobilize investment, while 84 percent of submitted new NDCs have referenced carbon markets. Ongoing discussions on country platforms may also provide opportunities to accelerate finance for climate and development.

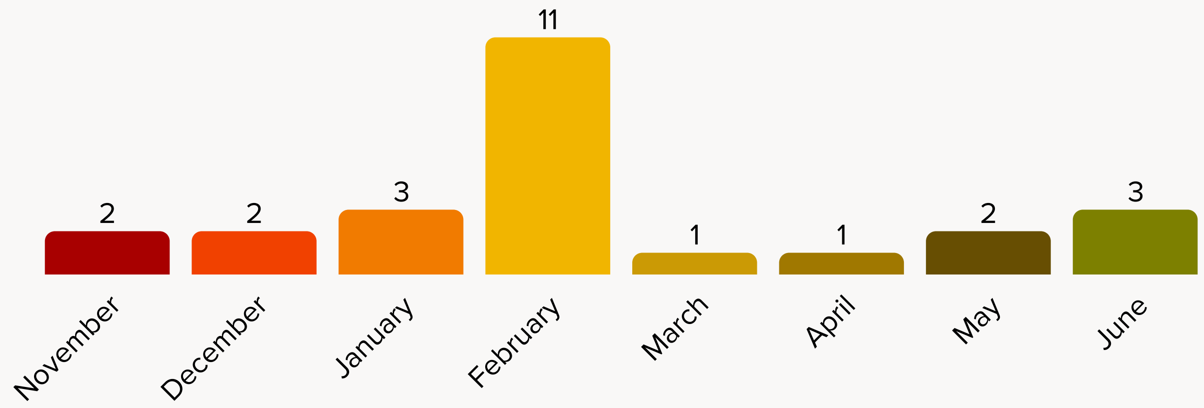
Country spotlight: Nepal

Nepal, as a mountainous, least developed nation highly vulnerable to climate change, steps up its ambition moving beyond its previous activity-based pledges. The new NDC sets quantified economy-wide GHG emissions reduction targets for 2030 and 2035. It also elaborates its adaptation and loss and damage measures, while championing inclusive and sustainable development.

NDC submission status

As of 30 June 2025, a total of 25 Parties[1] (five G20, six SIDS and three LDCs), covering around 21 percent of total global GHG emissions,[2] have submitted their new NDCs for the 2025 cycle. May and June 2025 saw five new NDCs submitted: Moldova and Nepal in May, followed by Belize, Somalia and Norway in June. Moldova's submission marked the second submission from the Eastern Europe and Central Asia region; while Nepal's marked the first full submission from a least developed country (LDC), following Zambia's provisional submission in early March. Somalia, ranked the most fragile state in 2024,[3] underscores its unwavering commitment towards climate action by submitting its third NDC. It also marks the third submission from the LDC group. With three out of five submissions in the last two months coming from SIDS, LDC and fragile contexts, highly climate vulnerable nations are demonstrating their continued leadership to sustain global momentum on climate ambition.

Figure 1: Number of NDC submissions, by month (November 2024 to June 2025)



At the midway point of 2025, these NDCs offer critical insights into the global trajectory and momentum of climate ambition. Many countries have now set deeper and economy-wide GHG emissions reduction goals for their 2035 targets, indicating a firm commitment towards increased mitigation ambition to meet the goals of the Paris Agreement. However, it should be noted that few countries – which do not include any developed countries or major emitters - have chosen to strengthen their 2030 targets. In fact, only four developing countries have strengthened their 2030 pledges: Moldova, Montenegro, Nepal and Saint Lucia. This counters the urgent call to action reflected in the first global stocktake's outcome (paragraph 37),[4] which emphasizes the need for drastic emissions cuts within this decade.

Adaptation commitments have been strengthened in many of the NDCs submitted so far and policy coherence remains a strong trend. Many countries are leveraging the strategic opportunity of NDC preparation to also enhance alignment with their national and sectoral development plans to transform their economies and advance sustainable development agendas. The critical question of whether these NDCs cumulatively put the world on a 1.5°C pathway remains to be seen. We see collective progress made in overall ambition of new NDCs and many countries explicitly state their targets are 1.5°C-aligned. Nonetheless, independent analyses will assess the credibility of these claims, particularly considering historical emissions, reliance on carbon removal technologies, and the pace of transitioning away from fossil fuels. This matter has become increasingly critical given the latest report from the World Meteorological Organization (WMO), which noted a 70 percent chance that over the next five years the global average temperature will pass the 1.5°C threshold. This latest science is a red alert to all countries to double down on implementing existing, readily available solutions to reduce emissions and accelerate the clean energy transition during this decade.

While the ambition being demonstrated is a positive step, sustained and accelerated action across all sectors will be vital to close the remaining gaps. One of the key priorities echoed by all Parties and stakeholders during both the first global Climate Week 2025 held in Panama on 22-23 May and the June Climate Meetings in Bonn held on 16-26 June was the need to ensure these ambitious targets are realized. This requires new NDCs to be implementable and investible.

The discussion at the first 2025 NDC Clinic held on the margin of the Climate Week in May concluded with a strong consensus on how to do this, showcasing where countries are integrating climate goals into national planning, mobilizing finance and accelerating inclusive implementation.


Photo Credit: UNDP / Dream Catcher

Insights from Climate Promise 2025

The UN system support to countries under the Climate Promise is progressing steadily, with UN Country Teams mobilized across 117 countries. As a contribution to this UN system effort and the NDC Partnership, **UNDP is providing direct support to 95 countries**, with more being confirmed on a rolling basis. One of the key priority areas, on developing new NDCs, is to ensure enhanced implementation feasibility of these NDCs. Under the Climate Promise support, more than two thirds of countries are being supported to strengthen financing aspects of NDCs. This includes improving costings, conducting financial gap assessments and identifying financial instruments and investment opportunities, including carbon market mechanisms.[5]

This NDC Insight issue explores how countries are boosting the implementability and investability of their new NDCs for the 2025 cycle. It will draw lessons from current NDC implementation stocktakes to examine how these analyses and the latest guidance have shaped new NDCs. It will also identify opportunities to further enhance implementation feasibility.

A UNDP analysis[6] of nearly 70 NDCs submitted from developing countries for the 2020 cycle reveals that less than 40 percent of them have fulfilled key elements to ensure implementation feasibility. While countries made great progress in enhancing overall quality and inclusivity, there is an important need to focus on strengthening elements that will help attract finance and resources to deliver targets. Recognizing this persistent gap, many countries are assessing implementation progress of their current NDC with a focus on understanding the extent to which financial resources have been mobilized to date for implementation.

Analysis of the NDC stocktake assessments conducted to date in 10 countries and the CARICOM subregion[7] of the Caribbean, supported under the Climate Promise, underscores that **a lack of fund mobilization continues to be a primary obstacle in implementing NDC measures and actions.** These assessments offer valuable insights into gaps and barriers to NDC implementation, including access to climate finance, and provide concrete recommendations for enhanced implementation feasibility during the next iteration of NDCs. Beyond the obvious funding gap to be bridged, these stocktake assessments highlight specific finance-related challenges. These include delays in funding disbursements from the major climate funds, perceived lack of security and a general risk aversion among investors. Furthermore, countries often face limited resources and capacities to mobilize finance and develop bankable pipeline projects. The assessments underscore the need for a clear financial plan, endorsed at the highest political level, with detailed mechanisms to mobilize both public and private investments.

Government efforts to finance climate pledges

To tackle financial constraints, countries are adopting diverse approaches. Some countries are strengthening institutional and legal frameworks to accelerate finance mobilization for NDC implementation. For instance, **Cambodia** is formulating a National Financing Policy Framework to manage public and private financing and investment sources across domestic and international channels in an integrated manner, and **Uzbekistan** has created a legal framework to achieve financial goals to transition to a green economy by passing presidential resolutions to establish a national transparency system, implement a green energy certificate system, and develop procedures to access international trade markets.

Additionally, costing NDC measures, whether as a whole or by sector, and utilizing climate financial tracking systems are helping governments identify gaps and align budgets. While project-based funding from vertical funds and bilateral donors remains predominant across many countries, some nations are incurring significant debt to finance climate action, as seen in **Angola** whose government is taking on large external debts to finance solar and hydroelectric power and drought relief projects.

Furthermore, domestic budgets, as indicated in the **CARICOM** NDC stocktake, are being used to cover primarily unconditional low-cost, policy-driven actions, while more ambitious conditional targets require substantial external finance, technology transfer and capacity-building.

Some nations are successfully diversifying their funding. The **Central African Republic**, for example, significantly increased its mobilized climate funding by improving public expenditure management, boosting tax revenues and attracting diverse sources from international and multilateral funds. **Dominica** has made strides as well by developing varied projects, including microfinance loans and hurricane insurance. Green finance mechanisms are also emerging as pivotal for NDC financing, like in **Uzbekistan,** a country selling Green Energy certificates and issuing green sovereign Eurobonds, alongside developing project pipelines and testing international standards for carbon markets.

Investment enablers supported under the Climate Promise

Building on a decade of support to NDC enhancement and implementation, UNDP together with our UN partners through the Climate Promise, have been supporting developing countries to address investment enablers critical for effective NDC implementation. This includes support across four key areas: i) understanding investment needs, ii) re-directing public and private investment, iii) attracting finance from all sources, and iv) ensuring gender responsiveness and inclusivity.

Understanding investment needs

- NDC, National Adaptation Plan (NAP) and LTS or LT-LEDS costing
- NDC, NAP and LTS or LT-LEDS financing strategies and investment plans
- Development Finance Assessments

Re-directing public and private investment

- Climate budget tagging
- Investment and financial flow analysis
- Climate expenditure and institutional review
- Monitoring, reporting and verification (MRV) for climate finance
- Climate change laws and regulations that mandate sectoral action
- Embedding NDC in Integrated National Financing Framework (INFF)

Attracting public and private finance

- Investment de-risking analyses
- Readiness for Article 6 of the Paris Agreement
- Market-based mechanisms including policy framework and regulation for carbon pricing
- Feasibility assessments and capacity-building on innovative financing instruments such as thematic bonds and debt-for-nature swaps
- Establishment of national climate finance funds or country investment platforms
- Project pipeline and proposal development

Ensuring inclusivity

- Assessment of green jobs and just transition
- Inclusion of gender and social metrics in climate finance tools

Concrete achievements stemming from UNDP's global support in collaboration with key partners over the past decade[8] include the **establishment of sustainable finance mechanisms in 39 countries**, designed to scale up NDC mitigation actions, with a particular emphasis on gender-responsive initiatives. For example, the **Philippines** has established and operationalized the Climate Finance Systems and Services and Climate Investment Network. Meanwhile, **Samoa** is developing a roadmap and investment plan for their new NDC that includes financial support for initiatives and actions of women, youth and local communities.

Additionally, UNDP has supported **market-based mechanisms in 19 countries** and **65 countries have benefited from assistance in preparing de-risking strategies or broader private sector investment strategies**. **Uzbekistan**, for example, undertook an assessment of carbon pricing instruments including carbon taxes and regulation for an emissions trading system; while **Uganda** established a regulatory framework for innovative climate financing instruments including carbon markets and risk insurance.

Furthermore, UNDP has facilitated **systematic engagement of the private sector in designing NDC implementation and investment plans in 26 countries.** For instance, **Togo** developed a private sector engagement strategy for NDC implementation, while **Ecuador** convened a business roundtable dialogue around its NDC.

Countries are also increasingly interested in **establishing institutional and regulatory frameworks for climate finance and designing climate finance mechanisms**, instruments and tools to increase public and private sector engagement. Many countries are moving beyond basic assessments and frameworks to **innovative mechanisms and tools**. They are exploring green taxonomies, carbon budget tagging, climate taxation, financial de-risking, thematic bonds, investment funds, debt-for-nature swaps, and public-private partnerships, as well as carbon markets. In **Bolivia**, a programmatic framework for the sovereign issuance of thematic bonds (green, social and sustainable) for the domestic market is being formulated and monitoring systems for assessing the impacts of a sustainable financing ecosystem are being developed.

Emerging trend: NDCs leveraged for investment in climate and development

The global climate finance landscape is complex and evolving, marked by some progress but still far from matching the scale of growing needs, particularly in developing countries. The agreement at COP29 to set a New Collective Quantified Goal (NCQG) on climate finance of at least US$300 billion per year by 2035, aiming for $1.3 trillion, is a step in the right direction. However, turning this ambitious goal into tangible, accessible finance flows requires an urgent and fundamental shift in how capital is mobilized and deployed. Countries must leverage both public and private finance and address the significant disparities in climate finance flows. Innovative financial tools, clear policy signals and strategic partnerships are key to unlocking the scale of finance required.

NDCs provide policy certainty, giving markets the confidence to mobilize resources toward sustainable growth. When well-designed, NDCs can align climate ambition with core economic plans, guiding public and private finance into sectors that spur growth and prosperity.

Photo Credit: PROAmazonía

What does “an investible NDC” look like?

A new study from OECD and UNDP makes the economic case for climate action, demonstrating that investment in enhanced NDCs can lead to global GDP growth. In addition, analysis from this study identifies components that make NDCs investible to help drive this potential growth. These elements can be categorized into three broad dimensions:

1 Signaling elements in the NDC

Specific elements in an NDC that set the ambition and expected outcomes can provide concrete signals to potential investors and spur private finance. These elements include quantified targets (such as economy-wide GHG reduction goals or increases in renewable energy capacity), sectoral priorities and targets, high-level cost estimates, funding gaps or economic modelling, supporting policy frameworks, and alignment with development plans or LT-LEDS to strengthen policy coherence and political ownership. Policy and regulatory signals, such as planned carbon pricing schemes, subsidy reforms or clean energy incentives, can also help pave the way to scale up climate finance.

2 Actionable elements in supporting documents

To make an NDC target credible for investment requires accompanying documents that transform the signals into concrete plans and opportunities. These documents include NDC investment or implementation plans, a financing strategy (identifying how funds will be mobilized and allocated), sectoral action plans, adaptation or infrastructure investment plans, climate budgeting or national financing frameworks, as well as national and sectoral development plans that embed NDC targets and measures. The intention of these documents is to steer investment and financing to support NDC implementation. They should outline concrete steps, timelines and responsibilities for NDC delivery. Strong investment plans can enable investors to identify concrete opportunities.

3 Enabling governance approaches

To turn these plans into action requires the right enabling environment to access, direct and deliver finance for NDC implementation. This includes inter-governmental coordination mechanisms, multi-level dialogues and working groups, inclusive stakeholder consultations, dedicated climate units, country and matchmaking platforms and just energy transition partnerships. A whole-of-government process coupled with enhanced accountability for NDC implementation can also help both access and direct finance, as well as secure social acceptance and private sector collaboration.

How “investible” are new NDCs submitted for the 2025 cycle?

UNDP has undertaken an analysis of new NDCs submitted by developing countries against the three dimensions outlined above. This analysis reveals that **a majority of countries (87 percent) demonstrate strong or some evidence of signaling elements in the NDC, making this the most advanced of the three assessed dimensions.** These NDCs typically include clear mitigation and adaptation targets, along with cost estimates that enhance their credibility and investment potential. For example, **Ecuador** features an economy-wide GHG emissions reduction target, which is fully costed, and outlines a robust legal framework and management instruments to support implementation. Similarly, **the Marshall Islands** sets an absolute, economy-wide mitigation target, commits to achieving carbon neutrality by 2050, and aims to phase out fossil fuel subsidies.

Dimension of an investible NDC	Sufficient or strong evidence	Some evidence	Limited evidence
Signaling elements in the NDC	60%	27%	13%
Actionable elements in supporting documents	47%	20%	33%
Enabling governance approaches	40%	40%	20%

Note: The findings presented are based exclusively from a review of the content provided by 15 developing countries that have submitted their new NDCs as of 30 June 2025. Developed countries and advanced economies, as well as Zambia (provisional NDC only) were not included in this analysis.

Actionable elements in supporting documents paint a more mixed picture, with 67 percent of countries demonstrating sufficient or some evidence while 33 percent show limited evidence. This indicates more efforts are required for these countries to put forward concrete implementation or investment plans to mobilize finance. **Moldova**, for instance, through its National Bank’s recently approved Sustainable Finance Roadmap, will help promote lending and investment in climate-related objectives. In the case of **Saint Lucia**, the third NDC has set clear sector-wide targets with overall cost estimates, and the country will enhance the investability by formulating specific investment plans or financing strategies on how to mobilize the required finance.

The analysis of enabling governance approaches indicates an encouraging trend, with 80 percent of countries displaying some or strong evidence of governance support. This suggests growing capacity across governance structures, inter-agency coordination, and stakeholder inclusion—key elements of an enabling environment that can turn NDCs into actionable strategies or measures to attract finance. In its NDC, **Kenya** indicates the adoption of a coherent strategy with a whole-of-government, whole-of-society approach to climate action, and highlights a clear legal and institutional framework for NDC implementation. Likewise, **Brazil** adopts a whole-of-government and whole-of-society approach, outlining a clear governance structure for NDC implementation. It also presents a transformative investment plan—the Ecological Transformation Plan—as the core NDC investment platform, which integrates a range of financing instruments and mechanisms, including sustainable sovereign funds, climate funds and other innovative financial tools.

Photo Credit: UN-REDD Programme

What does it take to invest in NDCs? Key considerations to attract private investors

UNDP has undertaken dedicated consultations with the private sector and issued several key recommendations as to what would attract private investment. For investors, NDCs need to evolve **from broad political instruments into detailed, bankable projects.** This requires greater granularity, translating NDCs into specific sectoral investment plans with clear key performance indicators. Projects must demonstrate maximum net-positive impact, with verifiable key performance indicators and well-defined revenue models. Engaging first-mover investors in the upstream NDC planning and decision-making process is essential to defining these elements in the most effective way.

NDCs must also inform the policy environment in order to attract private and innovative finance. **Policy de-risking** is key, with governments playing a vital role in building investor confidence through stable policies and national priorities. Support from Multilateral Development Banks (MDBs) provides comfort to markets. De-risking policies to promote innovation finance such as sustainability and sovereign bonds also hold immense potential due to high institutional demand.

Transparency and standardization are critical for trust. Utilizing advanced climate data technology like sustainability and sovereign bonds blockchain and open-source solutions can enhance transparency and strengthen accountability. A standard format for NDC project short-lists would also streamline investment. Creating an investment dashboard to showcase successful country stories and track an "investible universe" could further propel investment and foster learning.

Carbon markets are also attractive to many investors. They need clarity and assurance of integrity, including, for example, the application of corresponding adjustments to avoid double-counting under Article 6 and robust governmental frameworks outlining mitigation claim rights. Measures such as enabling beyond-value-chain mitigation within voluntary markets will be crucial to unlocking further investment.

Financing NDCs through carbon market mechanisms

Carbon markets enable the buying and selling of carbon credits, creating economic incentives for reducing emissions and helping countries achieve their NDC targets. Carbon markets have the potential to unlock private sector investment, helping to bridge the NDC financing gap in developing countries.

Carbon markets can take different forms. Under Article 6 of the Paris Agreement, cooperative approaches (6.2) and mechanisms (6.4) enable countries to transact Internationally Transfer Mitigation Outcomes (ITMOs). In compliance markets, governments use carbon pricing instruments, including Emissions Trading Systems (ETS) and carbon taxes, while voluntary carbon markets are governed by independent standards that issue carbon credits used by private companies to meet their own non-mandatory climate goals.

During the 2020 NDC revision cycle, nearly 78 percent of countries indicated that they plan to use one of these approaches and/or mechanisms.[9] The adoption of the guidance to operationalize Article 6 at COP29 has further encouraged countries to consider leveraging carbon market mechanisms, as they prepare their new NDCs for the 2025 cycle. So far, 21 out of the 25 countries (84 percent) that have submitted new NDCs as of 30 June 2025, have included references to carbon markets. Of these, 16 countries (64 percent) make direct reference to the intention to use cooperative approaches and mechanisms under Article 6. An additional five countries (20 percent) are exploring or prioritizing the development of domestic compliance or voluntary carbon markets as tools to support NDC implementation and financing.

16	5	4
countries directly reference to the intention to use cooperative approaches and mechanisms under Article 6	countries plan to explore or prioritize the development of domestic compliance or voluntary carbon markets	countries have not expressed intention to use cooperative approaches

Sixteen countries express an intention to engage in cooperative approaches. These include countries like **Brazil**, which outlines a detailed framework for using ITMOs, highlighting their potential to attract large-scale investment and accelerate the transition to net-zero emissions. Other countries such as **Kenya** and **Zambia** are developing or already implementing institutional and legal frameworks to operationalize Article 6 participation, while countries like **Nepal** and **Ecuador** emphasize capacity-building and regulatory preparation as part of their approach. Meanwhile, some nations, such as **Uruguay,** currently do not plan to use Article 6 but leave open the possibility of future participation, subject to national decisions and alignment with international guidance.

The concerns over the years regarding credibility, fairness and effectiveness of carbon markets have highlighted the necessity for high-integrity guardrails including stringent social and environmental safeguards to ensure that carbon markets contribute positively to climate and SDG goals without causing harm.

The UNDP's High-Integrity Carbon Markets Initiative (HICM) was launched in 2023 to assist developing countries to harness the potential of carbon markets, while upholding high environmental and social integrity that meaningfully contribute to both the Paris Agreement goals and the 2030 Agenda. A notable example of UNDP's support to countries to leverage carbon markets and finance NDCs is Ghana's collaboration with Switzerland under Article 6.2 of the Paris Agreement. This partnership, facilitated by UNDP, represents one of the first authorized projects utilizing cooperative approaches for emissions reductions.

Aligning climate and development finance: a new path for mutually-reinforcing, catalytic investment

As global crises intersect—climate shocks, economic shocks and uncertainties, mounting debt burdens, widening inequality, and constantly changing geopolitics—countries are increasingly under pressure to achieve more with less. The critical challenge is no longer just attracting capital, but ensuring it builds economic resilience, social inclusion and environmental sustainability simultaneously. This is where country-led integrated financing through Integrated National Financing Frameworks (INFFs), as a valuable tool coming out of the Addis Ababa Action Agenda on Financing for Development, as well as country platforms is gaining traction. By aligning climate action with broader development priorities, **INFFs offer governments a practical tool to bridge fragmented financing approaches and deliver more coherent strategies for long-term progress.**

Countries worldwide are embarking on this path demonstrating how **integrated financing strategies can drive climate and development outcomes in tandem.** For instance, **Tunisia** is aligning its forthcoming National Development Plan and its third NDC to address structural inefficiencies, including a monopolized, natural gas-based energy sector, high debt levels and a challenging investment environment. This will enable Tunisia to adopt a systemic financial approach that integrates climate considerations directly into economic decision-making by identifying new sources of fiscal space, designing climate-aligned tax reforms and building institutional capacity to evaluate the macroeconomic impacts of climate change. In **Thailand**, public funds are leveraged to unlock and align private finance with sustainability goals. Its national climate finance vehicles provide guarantees and blended finance instruments that reduce risks for private investors. These mechanisms have been critical in scaling up investment in renewable energy and sustainable urban development. Thailand has also aligned private sector finance with its sustainability goals, with more than US$90 billion in private finance flowing into green sectors through the country's green taxonomy and financial instruments that encourage climate-aligned investments.

These examples demonstrate that **integrated financing is less about adding complexity and more about removing fragmentation**. Too often, governments are forced to juggle overlapping strategies—national plans, climate commitments, investment frameworks—without a unifying financial architecture. INFFs offer a structured way to bring these elements together, beginning with closer coordination between ministries of finance and environment, before broadening to encompass the public and private spheres within a coherent whole. As the global financial system grapples with fluctuations and institutional uncertainty, more efficient and catalytic resource allocation is critical. By ensuring that development and climate finance are mutually reinforcing, integrated financing approaches such as INFFs and country platforms represent a practical step toward systemic reform.

Photo Credit: Amalachukwu Ibeneme / UNDP Nigeria

Country spotlight: Nepal

Nepal's NDC 3.0, submitted to the UNFCCC on 19 May 2025, marks a significant step forward in ambition, sectoral coverage and inclusivity.

Photo Credit: UNDP Nepal

This NDC introduces quantifiable, economy-wide GHG emissions reduction targets, moving beyond the largely activity-based commitments of the country's previous submission. Despite negligible contributions to global emissions, Nepal commits to **GHG emissions reduction targets of 17.1 percent by 2030 and 26.8 percent by 2035, compared to business-as-usual projections.**

The new NDC broadens its focus to encompass emerging sectors such as solid waste management and public health, while underscoring the critical importance of climate finance as a cornerstone for climate actions for achieving climate justice and promoting inclusive and sustainable development. Notably, the new NDC integrates principles of gender equality, disability rights and social inclusion across all strategies, aligning with Nepal's long-term commitment to achieve net-zero emissions by 2045.

Adaptation remains a high priority for Nepal. The new NDC builds upon the country's existing National Adaptation Plan (NAP 2021-2050), outlining comprehensive actions to enhance climate resilience across critical sectors. These include integrated water resource management, climate-smart agriculture and food security, human health, biodiversity conservation (especially in mountain ecosystems), and the development of climate-resilient infrastructure.

The new NDC emphasizes specific adaptation approaches such as strengthening multi-hazard early warning systems, promoting ecosystem-based adaptation and ensuring that adaptation efforts are inclusive and gender-responsive. In alignment with the Leave No One Behind principle, these efforts prioritize reaching the most marginalized and climate-vulnerable communities to ensure equitable resilience-building across all segments of society.

The total estimated investment required to meet the **quantified mitigation targets is $73.74 billion**, of which 85.3 percent is expected from international climate finance. The total cost of the NDC's **adaptation priorities from 2025 to 2035 are estimated to be between $18 billion and $20 billion.** Nepal outlines in its NDC how it will strategically mobilize both domestic and international resources, prioritizing grants for adaptation and loss and damage. It also aims to leverage concessional loans, foreign direct investment and equity financing in productive sectors that do not increase debt burdens. Internal sources—including national budgets, private sector investments, public-private partnerships, venture capital, citizen investment funds and carbon taxes—will also play a pivotal role. The new NDC also elaborated on specific needs and actions related to loss and damage, emphasizing the magnitude and scale of both economic and non-economic losses.

The UN system was a key partner providing support to the development of Nepal's NDC 3.0. UNDP served as a technical coordination lead among UN agencies as part of the joint UN system support under the Climate Promise. UNDP also provided support on stakeholder engagement and consultations, technical assessments, review and analysis including LEAP modelling stocktaking of implementation progress, target setting and costing in key sectors. Together with UN Women, UNDP co-led the integration of Gender Equality, Disability and Social Inclusion (GEDSI) context in the NDC 3.0. Other UN agencies, including UNICEF, UNESCO, FAO and WHO also contributed to support integrating health, agriculture, youth and children, water sanitation, and priorities of Indigenous Peoples into the new NDC .

Endnotes

1. The 25 countries are: Andorra, Belize, Brazil, Canada, Cuba, Ecuador, Japan, Kenya, Nepal, Maldives, Marshall Islands, Moldova, Montenegro, New Zealand, Norway, Saint Lucia, Singapore, Somalia, Switzerland, United Kingdom, United Arab Emirates, Uruguay, United States of America, Zambia and Zimbabwe. The UNFCCC tracks new NDC submissions in the 2025 cycle on a dedicated NDC 3.0 page.
2. World Resource Institute's Climate Watch Historical GHG Emissions 2021.
3. Somalia was ranked the first most fragile states in 2024 according to the Fund for Peace's Fragile States Index 2024.
4. Paragraph 37 of the Outcome of the first global stocktake.
5. UNDP (2025), NDC Insight Series Issue No. 2 March 2025.
6. UNDP (2021), State of Climate Ambition.
7. UNDP conducted a subregional NDC stocktake assessment in seven countries in the Caribbean region (Antigua and Barbuda, Barbados, Belize, Dominica, Saint Lucia, Suriname and Trinidad and Tobago).
8. UNDP's support through the NDC Support Programme (NDCSP), Japan Supplementary Budget (JSB) and Climate Promise (Phase 1 and Phase 2) spans a period from 2015 to 2025.
9. UNFCCC (2024), NDC Synthesis Report.

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