AFRICAN CLIMATE FOUNDATION

Dalberg

Bridging ambition and investment

An NDC Investment Planner to advance climate financing in Africa

Developed by the African Climate Foundation to support governments in turning nationally determined contributions into bankable project pipelines

AFRICAN CLIMATE FOUNDATION

Dalberg

Table of contents

This report was commissioned and reviewed by the African Climate Foundation and authored by Dalberg.

African Climate Foundation

The African Climate Foundation (ACF) is the first African-led regional climate foundation, working at the nexus of climate change and development. Founded in 2020, ACF enable African-led climate solutions through strategic grant-making.

Dalberg

Dalberg is a global group committed to advancing sustainable and inclusive development, with a strong focus on climate finance, adaptation and resilience. The firm partners with governments, development finance institutions, philanthropies and the private sector to design and mobilise solutions that drive climate action at scale. Dalberg's climate work spans developing national investment frameworks, structuring blended finance mechanisms and building adaptation strategies that align with economic transformation goals.

Foreword

Africa faces extreme weather events and climate impacts, from droughts and floods to growing threats to food, water and energy security. These challenges make climate action a cornerstone of Africa's development and resilience. Over the past decade, African countries have strengthened their existing nationally determined contributions (NDCs) and submitted new NDCs, but implementation still lags, with only about 11% of the continent's annual climate-finance need currently met.

Many African NDCs remain broad policy frameworks, with limited translation of targets into actionable, investment-ready plans. Coordination across national ministries continues to be limited, project pipelines are thin, and enabling environments remain constrained. Persistent tensions between economic and climate priorities, together with limited monitoring and investment planning capacity, have further slowed implementation. The result is that climate goals too often remain aspirations rather than investable strategies.

Recognising this challenge, the African Climate Foundation (ACF), with support from Dalberg, developed the NDC Investment Planner (NIP) to bridge the gap between ambition and investment. The NIP provides a structured, iterative process that brings investment logic into climate planning. It enables countries to identify high-potential NDC opportunities, evaluate their economic and financial attractiveness and prioritise actions that can move from conceptual to investment phase.

The NIP is not a one-size-fits-all solution but a living framework designed to evolve with each country's context. Governments can use it to strengthen coordination between environment ministries, finance and planning. Meanwhile, development partners and development finance institutions (DFIs) can apply the framework to target technical assistance and financing towards investment-ready portfolios. Finally, the private sector can use its outputs to identify viable entry points and shape project design early on.

As countries prepare to implement their third iterations of NDCs following the 2025 United Nations Climate Change Conference (COP30), the NIP offers an opportunity to rethink how climate ambition is turned into action. The investment planner provides a framework for governments to reflect on lessons from past NDC cycles, informing them of where financing gaps persist, how

priorities can be set and what can be done differently to engage investors with credibility and clarity. Moving forward, Africa's climate agenda will depend not only on bolder climate ambition and enhanced access to funding but also on African governments' ability to translate NDC priorities into investable portfolios, coordinate across sectors to align policies and financing, and deploy financing through mechanisms that pull in private investment.

Saliem Fakir

Executive Director
African Climate Foundation

Sunru Yong

Partner
Dalberg Advisors

The ACF remains committed to supporting governments and partners in this effort, helping translate national commitments into credible investment pipelines that drive economic transformation, resilience and inclusive growth across the continent.

Abbreviations and acronyms

ACF	African Climate Foundation
AfDB	African Development Bank
CPI	Climate Policy Initiative
DFI	Development Finance Institution
EV	Electric Vehicle
GDP	Gross Domestic Product
IPP	Independent Power Producers
LT-LED	Long-Term Low-Emission Development Strategy
NIP	NDC Investment Planner
MRV	Monitoring, Reporting and Verification
NAP	National Adaptation Plan
NGO	Non-governmental Organisation
NDC	Nationally Determined Contribution
NDC 2.0	Second-generation NDC
NDC 3.0	Third-generation NDC
OECD	Organisation for Economic Co-operation and Development
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
US$	United States dollar
WTP	Willingness to Pay

List of figures

List of tables

Executive summary

Africa holds immense potential to drive a new era of sustainable growth. With abundant natural assets, including some of the world's richest renewable energy resources, and a young, dynamic population, the continent is well positioned to pursue pathways that deliver prosperity while strengthening climate resilience. Yet this potential is increasingly at risk, as the accelerating effects of climate change threaten to erode hard-won development gains and constrain future growth. Africa contributed less than 6% of global emissions in 2023[1] but it faces some of the world's harshest climate impacts, from rising temperatures to threats to food and water security. Advancing and implementing nationally determined contributions (NDCs) is therefore both a climate and development imperative – key to attracting and mobilising finance and building resilience.

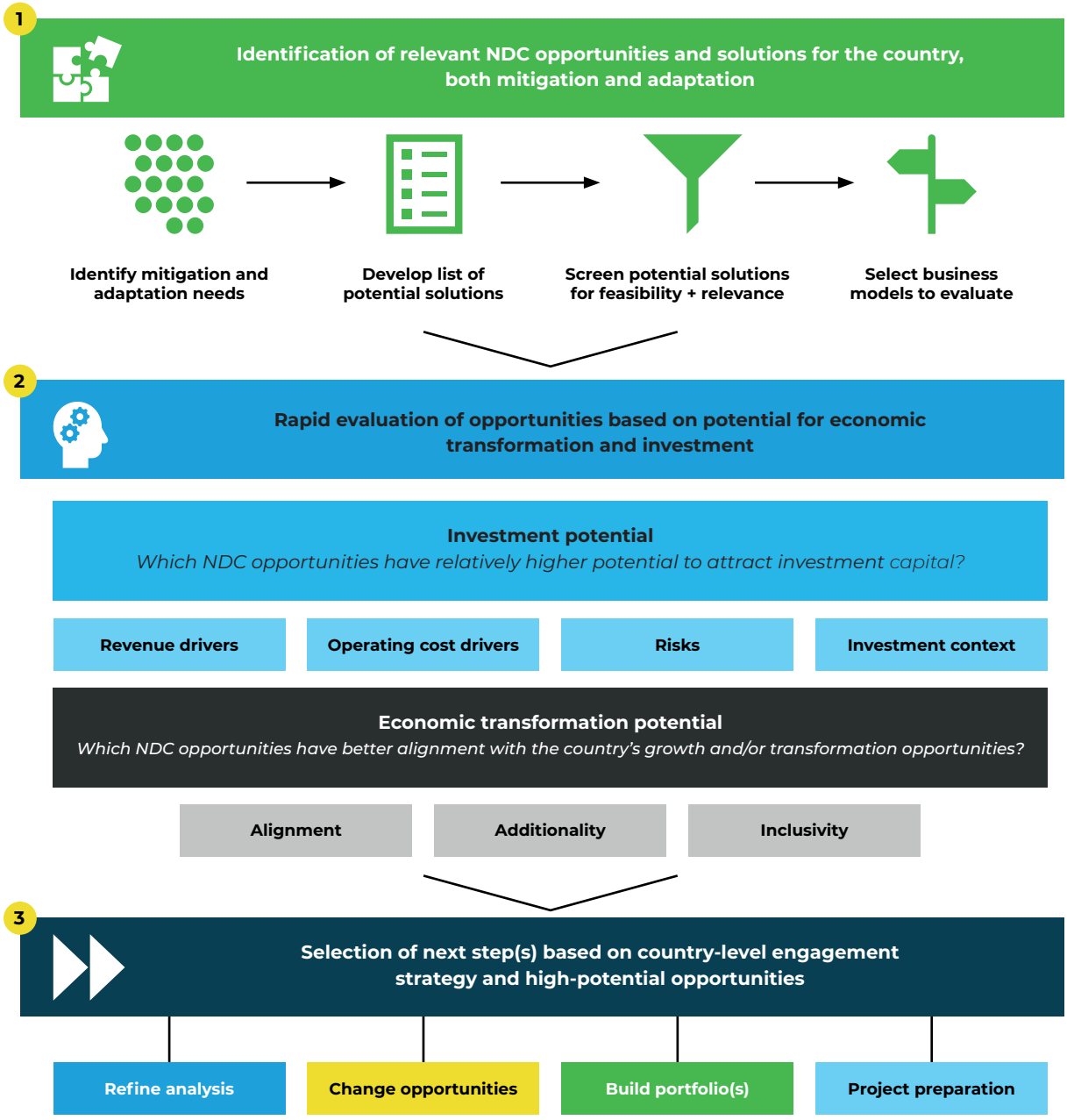
Africa stands at a pivotal moment of consistent climate target-setting on the one hand and limited implementation on the other. Across the continent, governments have deepened their climate commitments: 47 countries have submitted second-generation NDCs (NDCs 2.0),[2] 21 have developed national adaptation plans (NAPs)[3] and over a dozen have already advanced to third-generation NDCs (NDCs 3.0)[4] Yet this progress in planning has not translated into implementation. Only about 11% of Africa's US$279 billion annual climate-finance need is currently met[5] and a mere 14% of that comes from the private sector.[6]

The challenge lies not in the strength of commitments but in achieving alignment between national development priorities and investor expectations. Many NDCs remain broad policy frameworks with limited integration into national development and sectoral plans. In several cases, project pipelines are still emerging and few initiatives are structured in ways that appeal to investors. These gaps are a result of perceived tensions between climate and growth priorities and by fragmented institutional mandates that make 'whole-of-government' implementation difficult. At the same time, weak investment planning and limited rigour in translating NDC goals into quantifiable, bankable projects hinder the development of credible investment pipelines. As a result, the right types of capital are not always matched to the right opportunities, when in practice, each segment of the pipeline can engage distinct investors or funders suited to its level of risk and return.

Recognising this challenge, the African Climate Foundation (ACF), with support from Dalberg, developed the NDC Investment Planner (NIP) to bridge the gap between NDC ambition and investment. The NIP helps countries move from climate plans that inspire to portfolios that deliver, linking national targets to practical, investor-ready pathways for growth and resilience.

The NIP is a structured, iterative process that brings investment discipline into climate planning. Rather than providing a one-size-fits-all solution, it offers a clear, evidence-based approach for countries to identify, assess and act on NDC opportunities with the highest potential.

Figure 1: NIP framework



The process unfolds in three stages:

1. **Identify**: map key mitigation and adaptation challenges, then pinpoint practical solutions and business models that could address them;

2. **Evaluate**: screen each opportunity using standardised criteria that test both economic transformation potential and investment attractiveness; and

3. **Select and act**: prioritise the most promising opportunities for further development, whether that means refining the analysis, improving enabling conditions, bundling opportunities into portfolios or preparing specific projects for funding.

Through this process, the NIP transforms a complex 'NDC wish list' into a coherent, prioritised investment roadmap – one that governments, financiers and development partners can follow.

By applying the NIP, countries can move decisively from ambition to action. As African countries gear up to implement their NDCs 3.0, the framework will enable them to translate climate commitments into credible, investable portfolios aligned with national development goals. The NIP:

- **Generates actionable investment portfolios:** the NIP enables governments to translate NDCs into coherent sets of investment opportunities that advance both climate and economic transformation objectives;
- **Strengthens institutional readiness and investor confidence:** by providing a structured process to assess and sequence opportunities, the NIP helps align environment ministries, finance and planning around shared priorities, enhancing policy coherence and signalling readiness to investors and development partners; and
- **Attracts and mobilises finance by turning NDC commitments into bankable opportunities:** the NIP bridges the gap between ambition and implementation, converting high-level climate goals into credible, investment-ready pipelines that can leverage public, concessional and commercial financing for transformative impact.

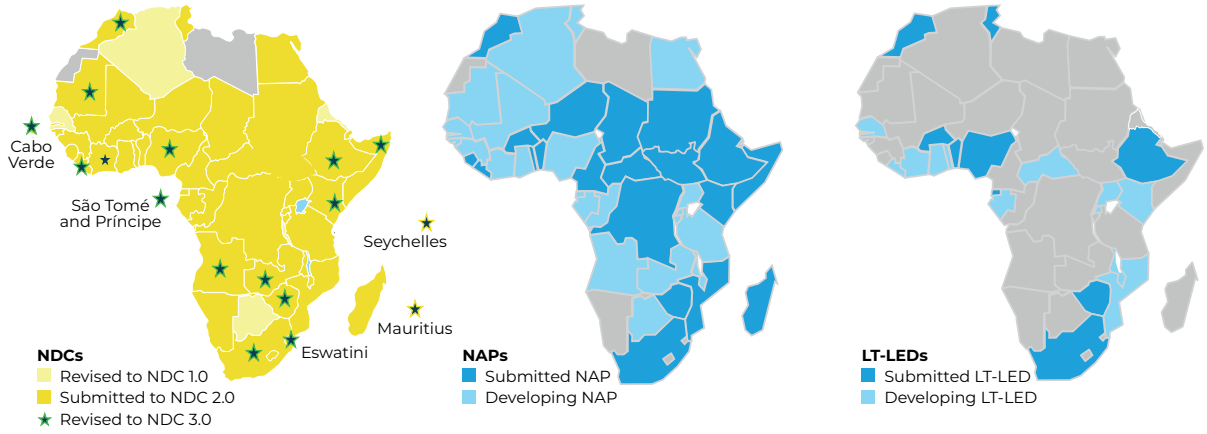
1. Aligning climate ambition with investment

Africa contributes less than 6% of global greenhouse gas emissions[7] but disproportionally faces some of the most severe climate impacts, ranging from prolonged droughts to extreme floods to deadly heatwaves. These risks are already undermining livelihoods and economic growth. On average, African countries are losing 2–5% of gross domestic product (GDP) a year and diverting about 9% of their budgets to respond to extreme climate events.[8] Strengthening and implementing nationally determined contributions (NDCs) is therefore both a climate and development imperative. These contributions provide a structured pathway for countries to identify priority actions, attract finance and build resilience while pursuing sustainable growth.

Over the past decade, African countries have made major strides in updating their NDCs with stronger ambition and greater technical depth. By 2024, 47 African countries had submitted their second generation of NDCs (NDCs 2.0),[9] reflecting stronger alignment between climate ambition and national development goals. Adaptation has also gained prominence: 21 countries have submitted national adaptation plans (NAPs),[10] while a smaller but growing group of countries is working on long-term low-emission development strategies (LT-LEDs)[11] to anchor their climate targets. Critically, this momentum is continuing, with 17 African countries having already submitted their third-generation NDCs (NDCs 3.0) as of early November 2025. This progress signals a continued evolution towards more integrated, investment-ready climate commitments.[12] Ethiopia, Morocco, South Africa and Zimbabwe stand out as they have developed and submitted all three requirements: NAPs, LT-LEDs and NDCs 3.0.

However, despite these advances in planning and ambition, implementation remains slow and fragmented, largely due to the continent's persistent challenges in attracting and mobilising sufficient climate finance. Current climate-finance flows to Africa are about 11% of the estimated US$279 billion annual need to meet 2030 targets.[13] Across the continent, just 10 countries absorb more than half of all climate investment, leaving many others struggling to attract private capital. Moreover, only about 14% of climate finance comes from the private sector, which is much lower than in other regions, underscoring persistent structural barriers to investment.[14]

Figure 2: African countries' NDCs, NAPs and LT-LEDs, as at early November 2025



Source: United Nations Framework Convention on Climate Change, NDC 3.0, 2025

While most African NDCs are strong in ambition and direction, they often lack the investment frameworks, coordination mechanisms and financing plans required for implementation. In many countries, climate goals are still being integrated into national development plans and coordination across ministries continues to remain uneven. Although progress has been made, project pipelines are persistently limited, private-sector participation is modest and both public and private finance remain constrained amid broader fiscal pressures. These institutional and financial challenges contribute to the ongoing finance gap between climate ambition and the availability of commensurable upstream climate finance, as well as the implementation gap caused by climate ambition and downstream investment readiness.[15]

Recognising these financial and implementation gaps, the African Climate Foundation (ACF), with support from Dalberg, developed the NDC Investment Planner (NIP) to help countries integrate their climate ambition directly into their economic-planning and investment-promotion systems. The NIP provides a structured, iterative process to:

- Identify climate actions with the highest economic transformation potential,
- Evaluate countries' attractiveness to investors,
- Prioritise the most promising opportunities, and
- Prepare African countries for financing.

By linking NDC implementation to market-oriented investment logic, the NIP aims to turn national commitments into credible, investable pipelines.

Key findings from NDC gap assessments[16]

An assessment of Nigeria, Senegal and Tanzania's NDCs, all of which have submitted NDCs 2.0, revealed common gaps including weak investment planning and environments, misalignment with sectoral plans and economic transformation goals, and under-developed monitoring, reporting and verification (MRV) development.

- **Weak investment planning for NDCs:** while revised NDCs reflect stronger climate commitments and a clearer recognition of national development priorities, many remain broad in scope, with limited translation of goals into actionable, investment-ready plans. In several cases, NDC actions span a wide range of ideas with differing levels of feasibility and alignment to economic objectives, making it challenging to prioritise and engage the right stakeholders. In addition, a significant share of NDCs, particularly on adaptation, still present qualitative or descriptive targets rather than specifying quantifiable outcomes such as project numbers, beneficiaries or financing needs.[17] For example, some countries lacked a detailed breakdown of budgetary allocation and investment plans in their NDCs.
- **Weak investment environment:** countries have accredited entities and implemented climate finance mechanisms (i.e. green bonds) but struggle due to the lack of an enabling investment environment. In a number of cases, complex application procedures and energy subsidies that keep tariffs artificially low undermine project viability by making it difficult for investors in alternative energy to compete or earn sustainable returns.
- **Limited alignment of NDCs with economic transformation goals:** many countries have tried to embed climate targets into their development plans but tensions persist between NDC ambitions and growth priorities, leading to unresolved trade offs. For example, in some of the countries assessed, the expansion of agricultural land is promoted, which could result in deforestation and the loss of carbon sinks. Meanwhile, in other countries, adoption of a petroleum code facilitates fossil fuel production that could result in the rise of carbon emissions. Both of these activities undermine NDC efforts.
- **Institutional alignment and coherence across government**: even where strategies are aligned on paper, ministries pursue different mandates, making 'whole-of-government' implementation difficult. For example, environment agencies focus on emissions while energy ministries prioritise energy access. These natural tensions fragment ownership and impede the coordination needed to turn NDC goals into integrated investment plans. That is, some countries failed to develop their NAPs and LT-LEDs due to sectoral coordination gaps.
- **Limited MRV capacity**: most African countries lack robust MRV systems to accurately track progress towards climate goals and ensure NDC credibility. Countries often struggle to operationalise an MRV system because of resource constraints and limited access to accurate data, particularly for modelling and scenario development in low-emission strategies.

2. Introducing the NIP

Methodology

Developing NIP began with an in-depth NDC gap assessment to identify systemic barriers and opportunities that influence countries' ability to translate climate ambition into investment-ready projects. The assessment provided the analytical foundation for the NIP, enabling countries to benchmark institutional readiness, policy coherence and investment attractiveness.

Three countries were selected for detailed assessment: Nigeria, Senegal and Tanzania. These countries were chosen based on their level of commitment towards fulfilling NDCs and on the number of projects implemented by the ACF and existing relationships with relevant agencies in the country.

The NDC gap assessment toolkit was anchored on analysing each country's NDC ambition and content, alignment with economic development goals, investment environment, and enabling environment. These four study components guided the assessment, as summarised in Table 1 on the following page.

The NDC gap assessment was carried out by using data collected through extensive desk research and stakeholder consultations. The desk research covered over 30 national and regional documents including NDCs, long-term strategies, national adaptation plans, sectoral development plans and climate finance reports. The stakeholder consultations included 22 interviews with representatives from government ministries, financial institutions, private investors, non-governmental organisations (NGOs), and development partners.

Details of the desk research and stakeholder interviews is provided in Annexure A: Key inputs into the NDC gap assessment.

Insights from the NDC gap assessments in Nigeria, Senegal and Tanzania identified key challenges, root causes and implications. These assessments highlighted a need to support countries in developing a pipeline of investable projects to help them meet their NDC targets. The NIP was developed as a way to answer this need.

Table 1: NDC gap assessment toolkit

Gaps	Key assessment indicators
NDC ambition and content	· Submission of updated NDCs, LT-LEDs and NAPs · Alignment of NAPs and LT-LEDs with NDCs · Evolution of NDC ambition (conditional and unconditional targets) · Level of detail included in a country's NDCs, including investment plans and implementation plans
Alignment of NDCs with economictransformation goals	· Alignment of NDC ambition, objectives and implementation plan with a country's national economic development objectives, as well as sub-national and sector-level development objectives · Existence of national climate strategy and alignment with NDCs and a country's national economic development objectives
Investment environment (climate financing mobilisation)	· Existence and effectiveness of accredited agencies for climate financing · Budgetary allocation towards NDC-related sectors and initiatives · Innovative finance mechanisms being utilised · General conditions for investment
Enabling environment	· Level of a country's capacity for planning and coordination, including the level of stakeholder inclusion and engagement, the existence and effectiveness of a dedicated institutional governance framework and technical capacity · Country's credibility for delivery and transparency, including the existence and usage of MRV systems and clear pathways towards achieving objectives

The NIP concept

The NIP provides a structured and iterative approach to evaluate opportunities, align priorities and channel capital towards strategic goals in the climate context. The investment planner helps governments and partners translate NDCs from aspirational targets into implementable investment pathways and provide clear signals to institutional and private sector investors. This framework links policy ambition with market logic by assessing which climate solutions offer both strong mitigation or adaptation outcomes and tangible economic transformation potential.[18] For African countries seeking to attract climate finance, an investment framework is critical to demonstrate institutional readiness, prioritise viable opportunities and connect with investors seeking credible investment pipelines.

Using the NIP, countries can move from theory to practical investment. The NIP does this by balancing climate and development needs, organising and prioritising NDC solutions into actionable portfolios, fostering cross-sector collaboration, and attracting and mobilising the right partners and capital.

Figure 3: NIP approach to assessing and prioritising NDC opportunities

	Balance climate and development priorities	Organise, prioritise, build NDC portfolio(s)	Foster cross-sector collaboration and dialogue	Attract and mobilise investment with right partners and capital
				
What the framework helps inform	**Identify high-potential solutions that align with NDC targets and economic development goals**, with clear view on the degree of alignment and investment attractiveness	**Structure the process to translate a long list of ideas into priorities and portfolio(s)** that can be owned, planned and actioned based on the mix of NDC solutions within	**Facilitate dialogues with the right stakeholders at the table** based on a systematic understanding of the priorities, portfolios and what (and who) would be required for progress	**Pursue the right partners and right approach to finance (e.g. capital stack)** by targeting the right type and degree of support, project preparation, policy, investor matching, etc.
How it helps engage investors	Aligns opportunity to investor mandate, with right focal point in government	Helps develop a clearer pipeline of potential projects	Analysis of NDC ideas supports joint problem-solving and action	Guides gov't in engaging the private sector and matching to right opportunity

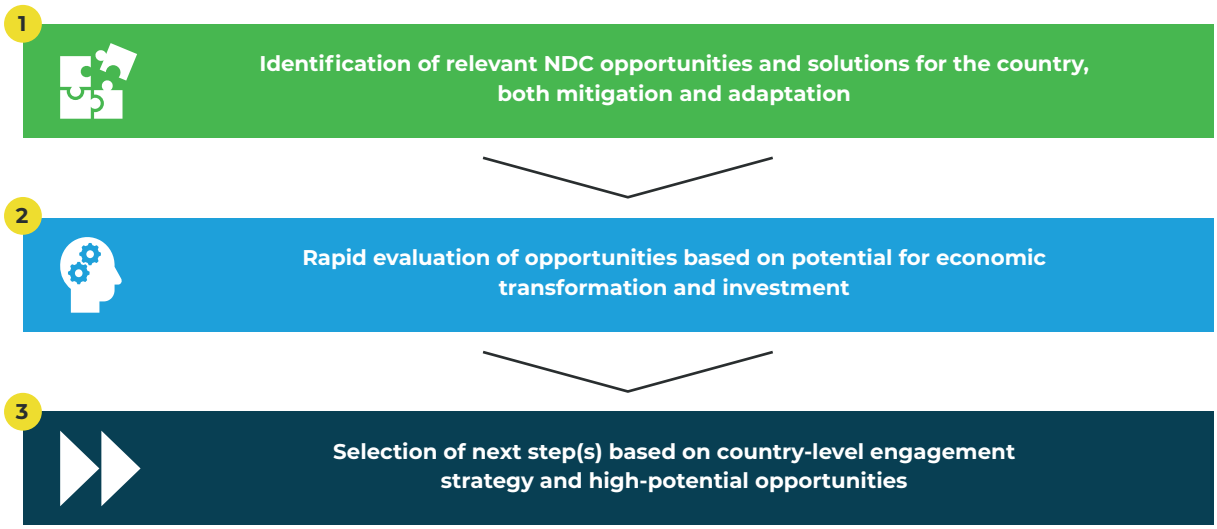
The NIP's design is grounded in three guiding frameworks that ensure it remains practical, adaptive and action oriented. Across all of these steps, the NIP functions as a living document for facilitating an iterative process that helps countries organise their climate priorities, make informed trade offs and move from aspiration to implementation.

- **Prioritisation and planning**: the NIP provides a structured process for systematically evaluating NDC opportunities and informing investment plans. It helps organise a complex 'solution space' into a clearer set of priorities, enabling decision-makers to weigh trade offs, allocate limited resources effectively and sequence actions that can advance both climate and development goals;
- **Portfolio building**: the NIP offers a snapshot of a country's mitigation and adaptation opportunities to prompt discussion, refine analyses and identify actionable pathways. It allows users to construct combinations of NDC opportunities for specific owners or relevant sub-strategies to support implementation at scale; and
- **Engagement tool**: the NIP serves as a unifying framework for dialogue between governments, development partners and the private sector, helping align on both specific opportunities and the broader investment agenda.

3. Applying the NIP

The NIP is designed as a stepwise process that guides countries from identifying climate opportunities to attracting and mobilising the investments needed to realise them. It unfolds across three interconnected stages (see Figure 4 below). First, the identification of relevant NDC opportunities and solutions. Second, the rapid evaluation of these opportunities to determine their relative potential for economic transformation and investment. And third, the implementation phase, where priority opportunities are refined, bundled into portfolios and prepared for investment.

Figure 4: Stepwise process of the NIP

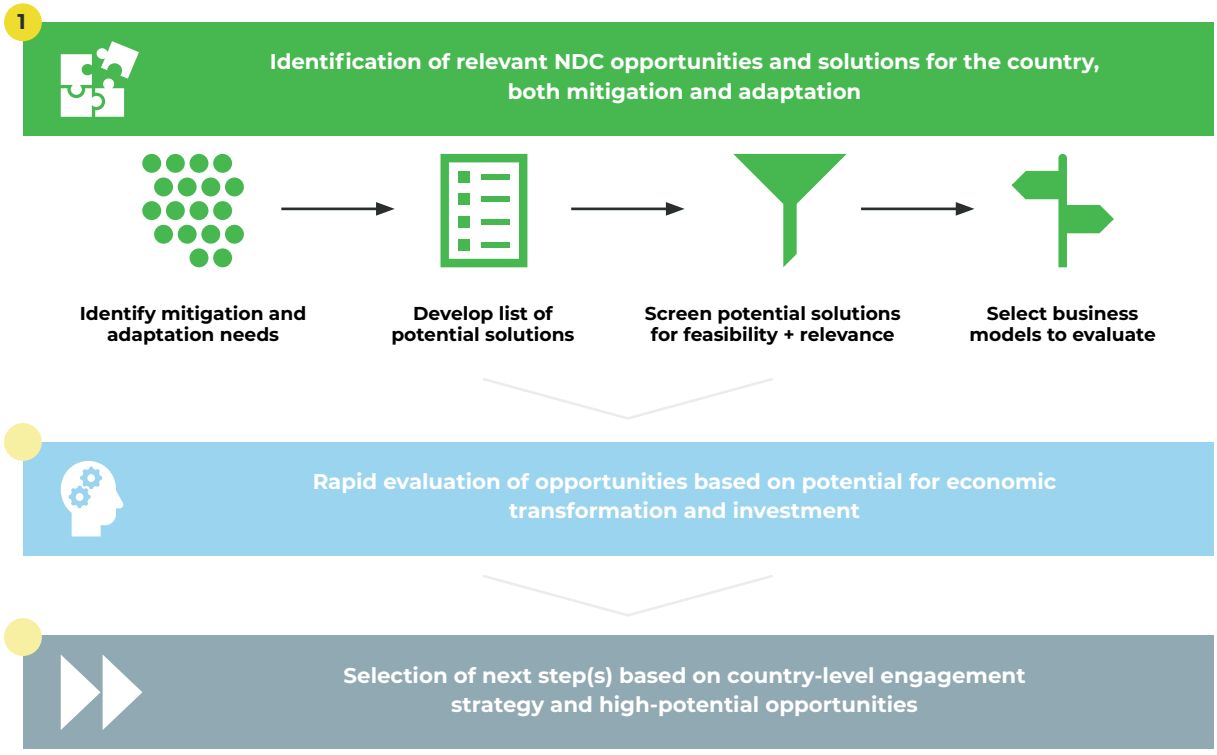


This chapter focuses on the stages of the NIP. It concludes with the implementation phase by showing an application example that demonstrates how the NIP can be used in practice to generate practical insights for decision-making and prioritisation. The next chapter builds on this foundation to explore the final stage, which focuses on implementation and mobilising action around high-potential opportunities.

Stage 1: Identifying relevant NDC opportunities and solutions

The first stage of the NIP begins with identifying the most relevant NDC opportunities and solutions for both mitigation and adaptation in a given country context. This stage provides the foundation for all subsequent analysis by defining what opportunities exist, how they align with national climate and development priorities, and what delivery models may be viable. Importantly, this stage also ensures that the NIP remains dynamic – a living document that evolves with new data, technologies and policy shifts.

Figure 5: Stage 1 of the NIP



The first stage of the NIP proceeds through four iterative steps: understanding needs, mapping possible solutions, screening for feasibility and selecting business models to evaluate.

1. **Identify mitigation and adaptation needs:** country-specific challenges are first identified and sized based on publicly available emissions data and NDC commitments. For mitigation, this includes quantifying emission drivers across sectors such as energy, agriculture and transport. For adaptation, the focus is on identifying climate vulnerabilities such as drought, flooding or soil degradation, using existing NDC plans, secondary research and stakeholder consultations.

2. **Develop a long list of potential solutions**: against these needs, the NIP maps potential mitigation and adaptation solutions that have shown results in comparable contexts. These solutions are sector-specific, ranging from renewable to regenerative agriculture. At this step, the list remains broad to ensure a comprehensive landscape of what could work in the local context.

3. **Screen potential solutions for feasibility and relevance**: the long list is filtered using two key criteria:

   - **Proof of concept**: evidence that the solution has worked under similar environmental or economic conditions, and
   - **Practical and technical feasibility**: capacity to implement the solution with available skills, infrastructure or institutions. This helps distinguish ideas with genuine potential for adaptation and mitigation options and scale from those that remain aspirational or contextually unfit.

4. **Select business models to evaluate further**: for each high-potential solution, one or more business models are identified for deeper evaluation. These models capture how the opportunity could be structured for implementation and investment.

Illustrative NDC opportunities and solutions identification

Across different mitigation and adaptation challenges, there are a range of potential solutions that could be applied as part of the NDC. The following example considers potential solutions and business models for three climate change challenges:

Table 2: Illustrative steps to identify potential solutions and business models

Step 1: Identify mitigation and adaptation needs	Steps 2 and 3: Develop and screen potential solutions for feasibility and relevance	Step 4: Select business models to evaluate further
Reduce reliance on synthetic fertiliser	Green fertiliser	Local production and distribution
Reduce reliance on fossil fuels for electricity and heat generation	Solar home systems	Import and distribution of solar home systems to off-grid areas
	Mini grids	Installation and operation for off-grid communities
	Wind power	Purchase power from independent power producers (IPP) for national grid
Reduce reliance on international combustion engines for transportation	Electric vehicles (EVs): two- or three-wheelers	· Import fully built units · Import semi-knocked-down units for local assembly
	EVs: passenger vehicles	
	EVs: buses	

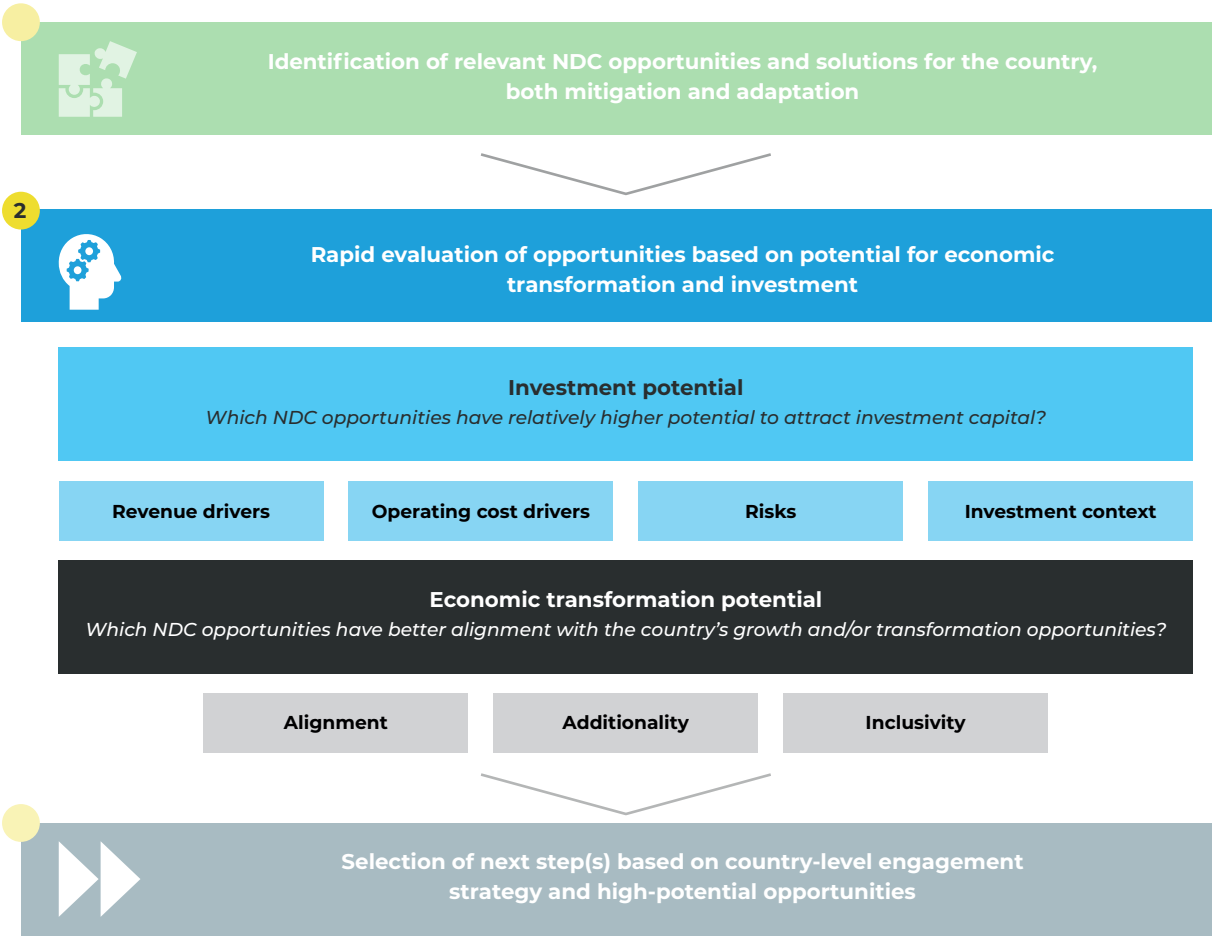
Resulting outputs: Structured inventory of potential mitigation and adaptation solutions

The resulting output of this stage of the NIP is a long list of NDC opportunities, each linked to concrete business models that reflect the local context and economic development goals. It provides a first view of where action could be most impactful, laying the foundation for a systematic evaluation of feasibility and investment potential.

Stage 2: Evaluating NDC opportunities

Once a country's NDC opportunities have been identified, the next step is to evaluate which of these have the greatest potential to drive economic transformation and attract investment. This rapid evaluation does not seek to deliver a definitive ranking or exhaustive cost-benefit analysis. Instead, it provides a directional and comparative view that can help policy-makers and investors rapidly identify which opportunities are most promising, which require further work to become viable and which may be better suited to regulatory or donor-led approaches.

Figure 6: Stage 2 of the NIP[19]



The evaluation rests on two dimensions: investment potential and economic transformation potential. Each opportunity, defined as a combination of solution and business model, is assessed relative to others across a consistent set of indicators. This enables a structured, evidence-based dialogue around trade offs and priorities while leaving room for flexibility as country contexts and markets evolve.

Table 3: Investment potential indicators

Revenue drivers	Operating cost drivers	Risks	Investment context
· Market awareness and adoption · Market potential demand · Strength of value proposition · Target market's willingness to pay · Dependence on carbon markets as subsidy	· Potential margins · Economies of scale potential · Declining industry costs	· Value chain robustness · Climate change risk to business model · Political risk · Geopolitical risk	· Proven business model globally · Existing investments globally · Existing projects domestically · Existing investments domestically · Capital intensity

Table 4: Economic transformation potential indicators

Alignment	Additionality	Inclusivity
· Fit with national growth and development priorities	· Creation of new industrial capacity · Skills development, especially technical skills · Enabling of other sectors by removing barriers or unlocking growth potential · Export potential	· Net employment gains · Degree of disruption or 'creative destruction' to existing industries · Potential to create opportunities for women or youth · Any other context-specific aspect

Assessing investment potential

Investment potential gauges the likelihood that an opportunity can attract private or blended finance at scale. The assessment examines four key dimensions including revenue drivers, operating cost drivers, risks and the investment context.

Together, these indicators form a practical view of commercial attractiveness, answering the question: **how investable is the opportunity for the private sector or development financiers?**

Assessing economic transformation potential

In parallel, the framework evaluates how each opportunity contributes to the country's long-term growth, economic transformation and industrialisation priorities. This includes alignment, additionality and inclusivity.

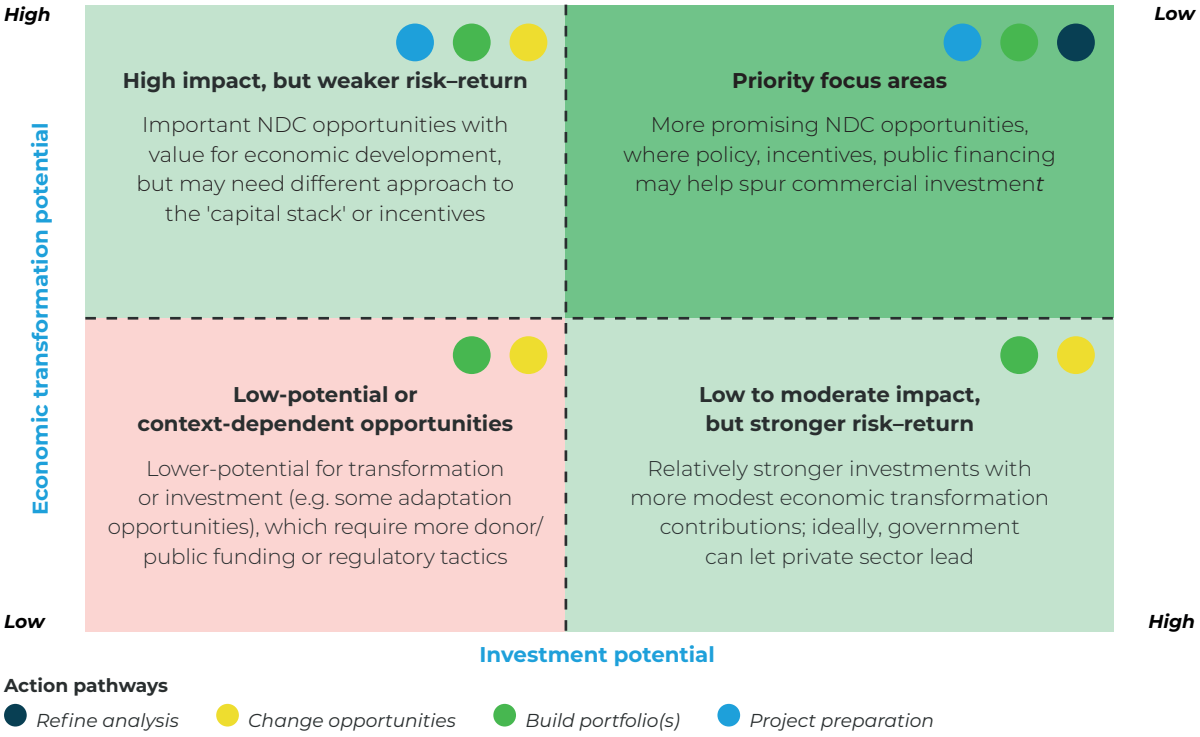
Together, these indicators are scored on a scale of 1–5 to capture not just the economic value of a project but also its broader contribution to inclusive and sustainable development. This answers the question: **which NDC opportunities have the strongest alignment with the country's long-term economic growth and transformation priorities?**

An explanation of the scores on the 1–5 scale, with their corresponding weights, is provided in Annexure C: Scales and weight applied to indicators.

Aggregating and interpreting results

Each NDC opportunity is scored across the two dimensions and visualised on a matrix that maps investment potential on the x axis and economic transformation potential on the y axis. The resulting quadrant shows opportunities by their relative impact and investment appeal, highlighting those that are priority focus areas, high-impact but higher risk–returns, commercially attractive but lower-impact returns, and those opportunities whose potential depends on context.

Figure 7: Quadrants of NDC opportunity

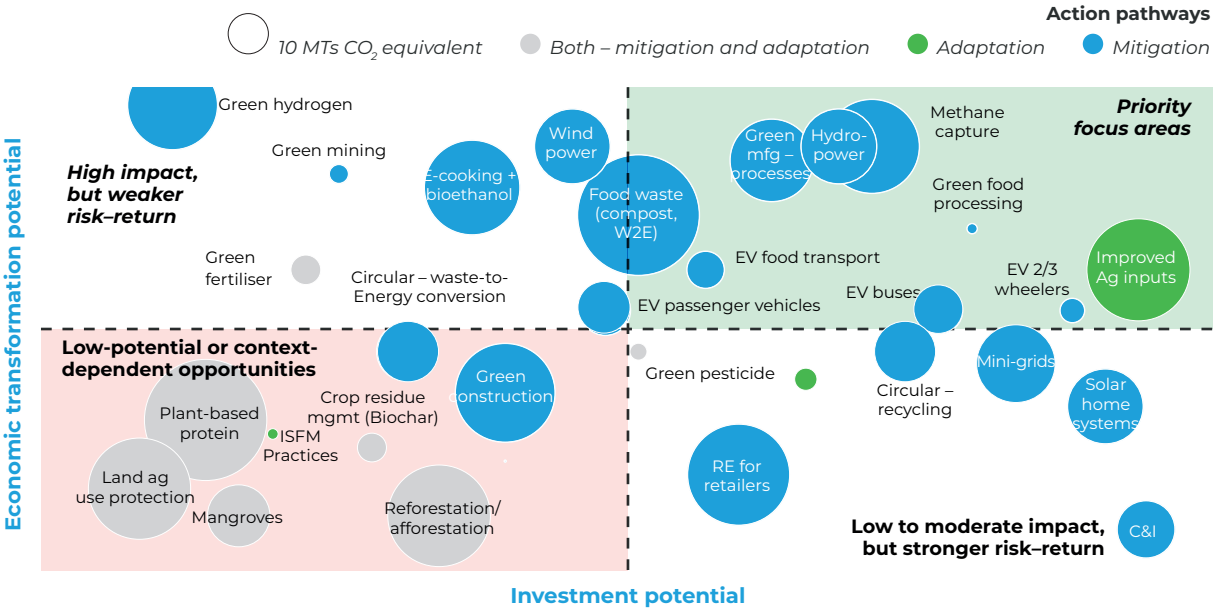


A primer on how to read the chart is included in Annexure B: How to read the quadrant chart.

Stage 3: Implementing the NIP – Illustrative example

As an illustrative example of the NIP's application, a preliminary analysis of an African country[20] was conducted, where a rapid evaluation mapped about 30 potential mitigation and adaptation solutions across sectors such as energy, transport, agriculture and waste. The result provided a visual segmentation of opportunities by their relative potential and the types of action required to unlock them. Some, like off-grid solar or mini-grids, demonstrated high commercial readiness and required mainly the removal of regulatory barriers. Others, such as green hydrogen, offered significant long-term transformation potential but did not yet have a robust investment case. Solutions such as green construction need to be either closely regulated or explored case by case, while improved agriculture inputs offer the highest economic transformation and investment potential.

Figure 8: Illustrative mapping of opportunities for an African country



The rapid evaluation offers a relative sense of where opportunities exist, highlighting those that are both impactful and investable, as well as those that may require policy support, concessional finance or enabling reforms to unlock their potential. From this evaluation, governments and partners can identify distinct sub-portfolios of opportunities suited to different types of actors and financing instruments. It also allows users to explore how specific opportunities might shift their positioning over time; for example, through targeted incentives or improved regulatory conditions. In this way, the NIP functions as a living document, helping countries maintain a real-time, evolving view of their NDC pipelines and the actions needed to move them closer to investment readiness.

The next chapter builds on this analysis, outlining the actions relevant to each type of opportunity and how they can be determined.

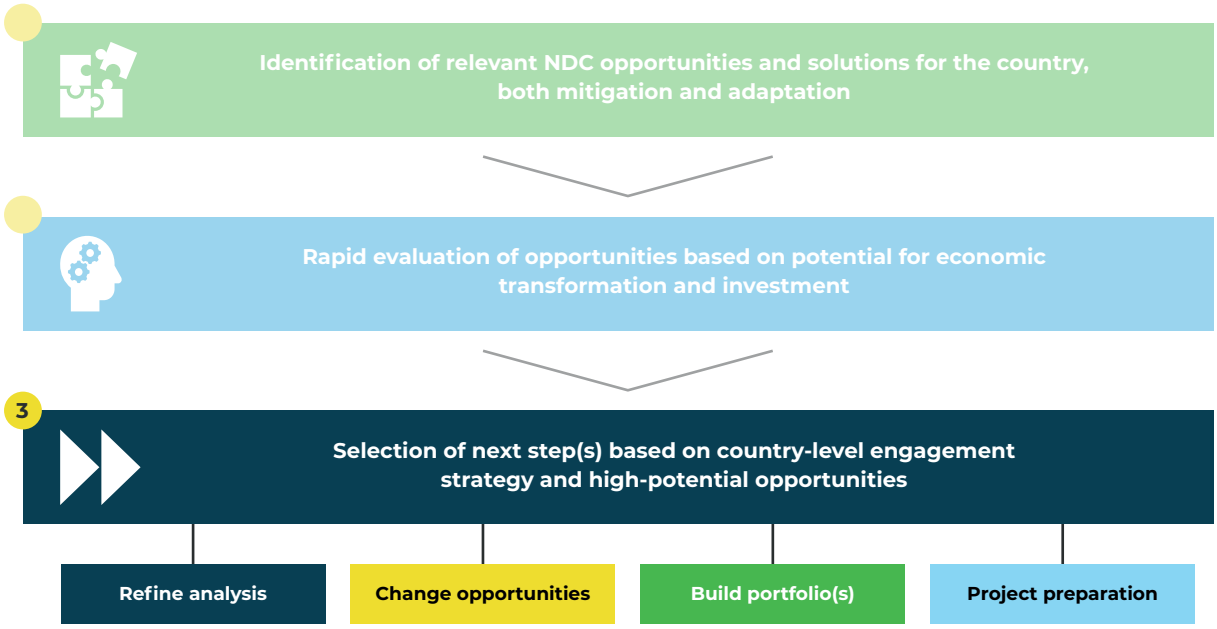
Resulting outputs: Visual portfolio map of NDC opportunities

The output of this stage of the NIP is opportunities mapped according to their relative potential for economic transformation and investment attractiveness. This directional assessment helps governments and partners quickly identify high-potential focus areas for deeper analysis or strategic action.

4. From plan to action

Once high-potential NDC opportunities have been identified and evaluated for their economic transformation and investment potential, countries can select the most appropriate next actions based on their national context, priorities and stakeholder audience. Some require deeper analysis or policy reform while others may be ready for portfolio development or investment preparation. The third stage of the evaluation illustrates how countries and partners can interpret the findings and move from prioritisation to implementation based on where each opportunity sits in the framework.

Figure 9: Stage 3 of the NIP

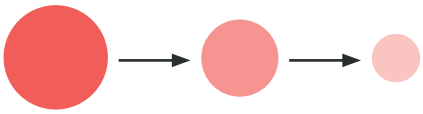
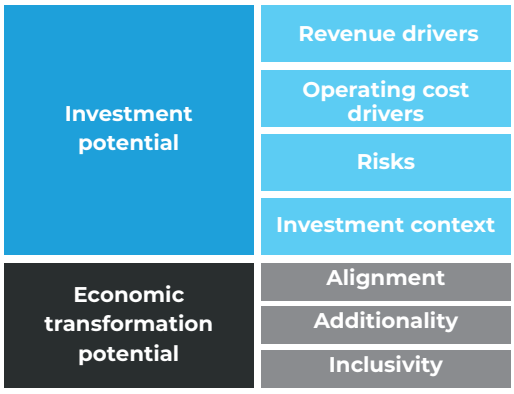


There are four potential action pathways that countries can select following from the NDC opportunity mapping. The pathways can be selected as appropriate for a specific NDC opportunity or for a combination of opportunities, as per the country and opportunity context. While these pathways are not strictly sequential, countries can progress over time, from refining analysis to strengthening the

enabling environment, to developing portfolios, to advancing projects towards investment readiness. These action pathways correspond to the four quadrants of NDC opportunity mapped out in Figure 7 above. The potential pathways are:

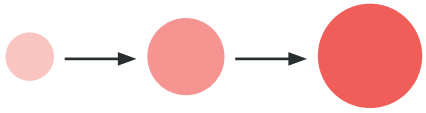
1. **Refine analysis**: this action pathway deepens understanding of high-potential opportunities by identifying new NDC solutions, estimating their mitigation or adaptation potential and conducting a more granular analysis of investment and transformation factors. This step sharpens the evidence base for prioritisation. This pathway is most relevant for *priority focus area opportunities*.

Table 5: Action pathway 1 – Refine analysis

Refining analysis	
Identify new NDC opportunity 	Identify mitigation or adaptation **opportunities that may emerge as country context evolves or new ideas and technologies** are introduced.
Sizing NDC opportunity 	Refine analysis to hone in on the potential of the true opportunity. For example, for mitigation, estimating the **addressable market** based on the value proposition, then applying the **emissions mitigation factor** of the relevant solution to project **mitigation potential**.
Refine positioning of NDC opportunity 	Pressure-test the 'position' of specific NDC opportunities by conducting a **more detailed analysis of investment and economic transformation potential**. This can be shaped and refined by multiple factors including a **deeper dive into the underlying factors** for a specific NDC opportunity; and **changes in the context**, such as political mandate or investor appetite, that may improve (or worsen) the attractiveness and potential of the opportunity.

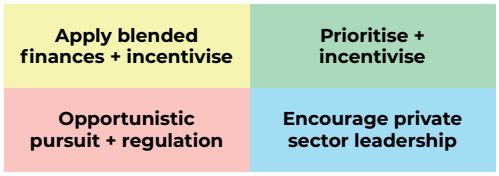
2. **Change opportunities**: this pathway identifies levers to improve or regulate opportunities. For instance, policy incentives, technology adoption or capacity investments that can shift an opportunity's attractiveness or address 'orphaned sectors', where regulation is required. This pathway is most relevant for *high-impact but weaker risk–return; low to moderate impact but stronger risk–return; and low-potential or context-dependent opportunities.*

Table 6: Action pathway 2 – Change opportunities

Changing opportunities	
Growing size of NDC opportunity 	Evaluate key drivers of the size of the opportunity and **identify levers that could accelerate growth and/or greater contribution from the 'bubble'** to NDCs.
Shifting NDC opportunity on axes **Investment potential**: Revenue drivers; Operating cost drivers; Risks; Investment context **Economic transformation potential**: Alignment; Additionality; Inclusivity	Based on rigorous analysis of the underlying factors, determine potential actions, particularly by public sector or development partners, that can **change the equation and boost the attractiveness of an opportunity. Potential proactive levers** could include alignment and clarification of policy or regulations, incentives that improve (or temporarily subsidise) the economics of a business model, accelerate market adoption, de-risk investment through blended finance, and more.
Improving enabling environment Will + alignment; Policy + regulations; Capacity; Resources	**Improve the overall enabling environment** as per the critical building blocks that should be in place and functioning for NDCs and to attract investment.
Deterring or regulating Will + alignment; Policy + regulations; Capacity; Resources	**Apply clear regulations** as needed to address mitigation needs that may otherwise remain overlooked. For example, hard-to-abate sectors where there are no economic incentives for change. Regulatory or policy-driven 'push' could also be used for important adaptation needs that are not bankable, not prioritised by any actors and may otherwise be orphaned.

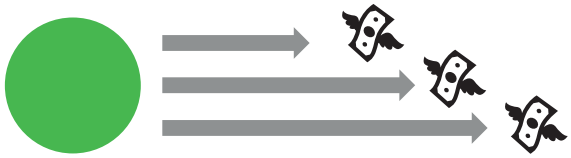
3. **Build portfolios**: this pathway combines related opportunities into coherent investment portfolios that align with national strategies or ministry mandates. Portfolios should clarify ownership, responsibilities and resourcing while identifying the right mix of private, public and blended finance instruments to attract and mobilise financial resources. This pathway is relevant *across all areas of the quadrant*.

Table 7: Action pathway 3 – Build portfolios

Building portfolios	
Create portfolio-specific strategies 	**Determine an appropriate strategy for specific clusters or quadrants of NDC opportunities**, tailoring the approach for role of government versus private sector, project preparation, stakeholder engagement, investor or funder selection, policy reform and/or incentives, and more.
Set decision rights, responsibilities and resources 	**Clarify decision rights, responsibilities and resourcing for the overall portfolio (or specific sub-portfolios)** to avoid misalignment across government ministries or entities and, ideally, to provide potential investors and funders with a clear focal point.
Develop concrete, feasible NDC plan 	**Build out the scenario(s) for how each part of the NDC portfolio can contribute to the overall climate commitment**, with clarity on the gaps, areas of uncertainty or risk and how they can be addressed.

4. **Project preparation**: translate priorities into bankable projects by conducting market scans, feasibility or pre-feasibility studies, and identifying potential funders or partners. This stage de-risks projects, clarifies regulatory requirements and establishes a focal point to shepherd deals through to execution. This pathway is most relevant for *priority focus opportunities, and high-impact but weaker risk–return opportunities.*

Table 8: Action pathway 4 – Project preparation

Building portfolios	
Identify and engage potential partners 	**Determine potential investors, funders and/or ecosystem partners with aligned interests** for NDC opportunity, and assess potential role(s) as part of the project consortium or investor group.
Address barriers and de-risk  **Barriers/deal blockers** **Feasibility/ pre-feasibility** **Blending/ capital slack**	**De-risk the project, potentially using blended finance tools** (e.g. technical assistance for feasibility study, guarantee, reduced cost of capital). Proactively **identify and remove barriers in the enabling environment** that are in the remit of the government (e.g. policy, regulations, unclear political commitment).
Develop concrete, feasible NDC plan 	**Facilitate and accelerate deal or project processes**, potentially by supporting sponsors or investors with clear and dedicated **focal points** within the government to manage relationships, troubleshoot and guide them through government processes.

Resulting outputs: Menu of actionable next steps

The final stage of the NIP yields country-specific actionable pathways that outline how to move from analysis to implementation. Based on priority opportunities, this includes recommendations for refining analyses, improving enabling conditions, building NDC portfolios and preparing specific projects for investment.

5. The way forward

Africa stands at a pivotal moment in the global climate agenda, with the NDC 3.0 cycle underway and early signs of persistent gaps. Analysing the NDC 3.0 targets of five African countries that submitted early – Botswana, Kenya, Lesotho, Zambia and Zimbabwe – shows that most targets lack clear cost breakdowns for climate opportunities, strategies to attract and mobilise investment, and long-term targets beyond 2035.[21] Without an actionable investment roadmap, climate plans risk remaining aspirational rather than executable.

This is where the NIP can fill the vacuum by offering a structured and replicable process to help countries bridge the divide between vision and implementation. The investment planner helps turn NDCs into investment strategies that are financially credible, aligned with economic transformation goals and attractive to both public and private investors. The NIP is not a static toolkit; it is a living platform, applicable in different country contexts. It is designed for fostering collaboration by helping governments, development partners and investors work from a shared evidence base to prioritise, design and finance transformative opportunities.

A call to action

Implementing the NIP will depend on broad-based collaboration. Governments can use it to link climate planning with investment promotion, strengthening coordination between ministries of environment, finance, planning and industry. Development partners and development finance institutions (DFIs) can apply it to align technical assistance and financing towards investment-ready NDC portfolios. In turn, the private sector can use NIP outputs to identify viable entry points and engage proactively in informing policy formulation and project design.

For governments, the next step is to look inward and ask hard but necessary questions:

- What have we learned from the first iteration of the NDCs to NDC 2.0 to designing NDC 3.0?
- Where are the persistent financing gaps, and are we addressing them differently this time?
- How clearly are we distinguishing between what is both transformative and bankable and what requires concessional or policy support?
- How aligned are our institutions and incentives to deliver on these priorities?

Climate investment will be hard to attract if certain structural issues continue. While finance gaps persist, African countries can take steps to address domestic structural issues such as:

- Weak investment planning, where NDCs remain broad policy statements rather than actionable, costed plans;
- An enabling environment that remains under-developed, with complex financing processes and market distortions;
- Tensions between climate and economic goals that create uncertainty for investors;
- Fragmented institutional coordination, which prevents a whole-of-government approach; and
- Limited monitoring and reporting capacity, which undermines credibility and investor confidence.

The NIP provides a practical response to these challenges. It helps governments strengthen the investment logic of their NDCs, clarifying which opportunities can attract institutional and private finance, which need blended approaches and which depend on policy reform or concessional support. By embedding this process in national planning, African countries can prioritise their climate goals with greater rigour, engage investors more effectively and shift from aspiration to implementation.

6. Annexures

A: Key inputs into the NDC gap assessment

A total of 22 stakeholder interviews were conducted across public, private and development actors to inform the design and application of the NDC gap assessment. Furthermore, a non-exhaustive desk review complemented the stakeholder interviews, drawing on over 30 policy and strategy documents developed by governments, multilateral organisations and technical partners.

Table 9: Stakeholder and desktop research sources – the weightage may vary from country to country, and should be applied consistently

Category	Description	Sources
Stakeholder consultations		
Public sector actors	Environment, finance, and planning ministries and agencies across three African countries	National ministries of environment, finance, planning, and energy; national climate commissions and development agencies
Financial institutions and investors	National DFIs	Climate investment funds
ACF focal points	Representatives supporting national climate strategy and investment planning	ACF country focal teams
Civil society and NGOs	Organisations engaged in climate adaptation, sustainable energy and environmental development	Environmental NGOs, energy transition partnerships, regional development platforms
Global and regional coalitions	Multilateral coalitions supporting NDC implementation and coordination	The NDC Partnership, World Wildlife Fund (WWF)
Desk research		
Government documents and strategies	National climate, adaptation and sector development plans from select African countries, NDCs and related investment frameworks	Government climate and development plans, national NDC submissions, sectoral investment frameworks
Multilateral and regional institutions	Reference materials and reports from key development partners and global organisations	The United Nations Development Programme (UNDP), the United Nations Capital Development Fund (UNCDF), the African Union, the Africa NDC Hub, the African Development Bank (AfDB), the Global Environment Facility (GEF), the World Bank Group
Research and technical organisations	Analytical and policy studies informing NDC implementation and investment planning	The Climate Policy Initiative, the NDC Partnership, the Sustainable Development Goals Fund, the Global Green Growth Institute
Dalberg and partner work	Previous research, advisory and technical assistance projects related to climate finance and investment frameworks	Dalberg Advisors' past analyses and reports, collaborative studies with development and philanthropic partners

Note: Weightings may vary from country to country, and should be applied consistently.

B: How to read the quadrant chart

The following charts explain how to interpret the NIP's quadrant, which plots potential NDC opportunities according to their economic transformation potential (y axis) and investment potential (x axis). Each bubble represents a specific NDC solution and business model, with its size indicating the level of associated emissions and its colour showing whether it contributes primarily to mitigation, adaptation or both.

Figure 10: How to read the chart (1/3)

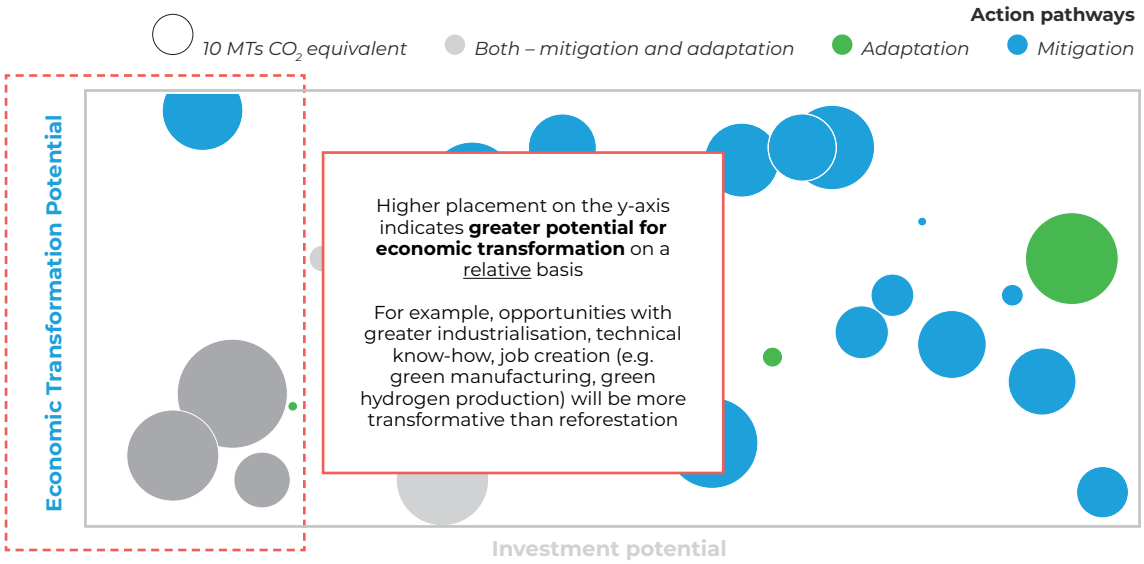


Figure 11: How to read the chart (2/3)

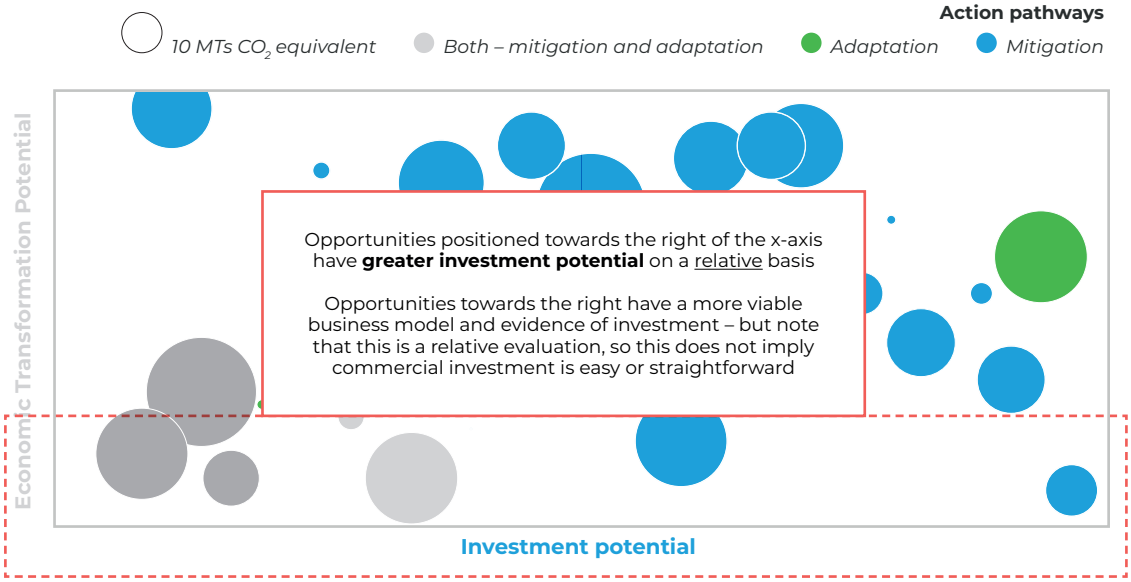
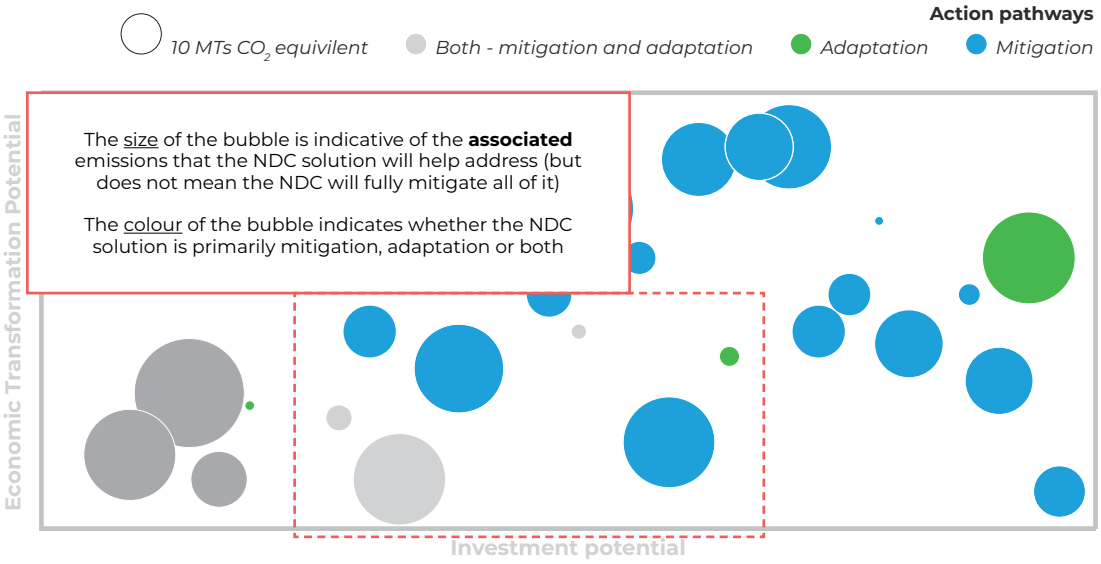


Figure 12: How to read the chart (3/3)



C: Scales and weight applied to indicators

The following table summarises the indicators, weights and scoring scales applied in the rapid evaluation of NDC opportunities under the NIP. These metrics provide a structured and transparent basis for comparing opportunities across investment potential and economic transformation potential. Each indicator is assessed on a 1–5 scale, where higher scores reflect stronger performance relative to other opportunities in the same country context. Weightings indicate the relative importance of each factor in shaping the overall evaluation.

Table 10: Applied indicator weights and scales

Dimensions	Indicators	Weight	Scale
Investment potential			
Revenue drivers	Market awareness and adoption	10%	1 = Low awareness, difficult to drive adoption of key decision-maker or buyer 3 = Moderate awareness, evidence of willingness to adopt 5 = High existing awareness, existing adoption and readiness for rapid adoption
	Market potential demand	20%	1 = Small, limited market volume potential (even assuming acceptable value proposition) 3 = Moderate market volume potential 5 = Large market potential with mass market relevance and fit
	Value proposition fit and strength for target	40%	1 = Low or unproven value proposition for customer 3 = Moderate value proposition with some evidence but under limited or specific conditions 5 = Strong, proven value proposition with clear evidence and broad applicability

	Target market's willingness to pay (WTP)	20%	1 = Extreme price sensitivity or unproven WTP posing challenge to business economics 3 = Moderate price sensitivity but evidence of WTP 5 = Limited price sensitivity, high evidence of WTP to fit attractive business economics
	Dependence on carbon markets	10%	1 = High need for carbon credits/other subsidy or low demand/pricing for carbon credits 3 = Moderate need or adequate demand and pricing 5 = No need or high, predictable demand and pricing
Operating cost drivers	Margin potential	40%	1 = Unprofitable unit economics, requires subsidies 3 = Challenging unit economics, tight margins 5 = Attractive unit economics, high margins
	Economies of scale potential	30%	1 = Limited cost efficiency gains with scale to improve business economics (i.e. bigger ≠ better in country) 3 = Moderate cost efficiency gains with scale 5 = Significant returns to scale and high potential for scale in country
	Declining industry costs	30%	1 = Industry costs are not declining or are declining slowly, with limited potential cost savings for in-country business 3 = Industry costs declining, with some benefits for in-country business 5 = Industry costs declining rapidly, changing/improving economics for in-country business
Risks	Value chain robustness	25%	1 = Difficult, unreliable, and/or fragmented value chain 3 = Working value chain but with some challenges that create uncertainty or risk 5 = Robust, well-established value chain with predictability and redundancy if needed
	Climate change risk to model	25%	1 = Climate change (e.g. adverse weather) poses significant risk to business operations and stability 3 = Moderate risk from climate change, can be managed but at a cost 5 = Low risk and/or business may benefit from climate change
	Political risk – domestic	50%	1 = Significant political economy issues and/or high dependence on government policy or decision-makers specific to the sector/business 3 = Moderate political economy issues and/or some dependence on government policy or decisions, but manageable for the business 5 = Limited political economy issues and/or no dependence on government policy or decisions or strong, predictable government support
	Political risk – geopolitical	20%	1 = Not a proven, well-understood business in other markets 3 = Moderate traction in other markets 5 = Strong traction in other markets and/or already proven in the local market

Investment context	Global – proven business model	20%	1 = Limited or no commercial investment, not viable without significant philanthropic/public money 3 = Evidence of commercial investment, may still require some level of blended finance 5 = Significant commercial investment, does not require blending
	Global – existing investments	20%	1 = No active current projects in the country 3 = Projects in process, though still early stages (e.g. announced or recently launched) 5 = Current, active projects
	Domestic – existing projects	20%	1 = Limited or no commercial investment, not viable without significant philanthropic/public money 3 = Evidence of commercial investment, may still require some level of blended finance 5 = Significant commercial investment, does not require blending
	Domestic – existing investments	20%	1 = High capital requirements for minimum viable business 3 = Moderate capital requirements 5 = Low capital requirements
	Capital intensity	20%	1 = Small, limited market volume potential (even assuming acceptable value proposition) 3 = Moderate market volume potential 5 = Large market potential with mass market relevance and fit
Investment transformation potential			
Alignment	National growth priority	100%	1 = Low awareness, not part of government economic agenda or planning 3 = Moderate awareness, included or mentioned in government plans 5 = High awareness and support, key pillar of economic agenda
Additionality	Industrialisation potential	40%	1 = No contribution to industrialisation or value addition (i.e. new or expanded technical capacity and capabilities) 3 = Moderate contribution to industrialisation or value addition 5 = Significant contribution to industrialisation or value addition
	Skill development potential	30%	1 = No contribution to new technical skills and knowledge in domestic workforce 3 = Moderate development of new technical skills 5 = Significant contribution to new technical skills
	Enabler to other sectors	15%	1 = Limited or no effect on other sectors or industries (i.e. improving opportunity and/or economics) 3 = Moderate benefit for other sectors 5 = Significant effect for other sectors (e.g. unlocking profitable growth opportunities)

	Export and regional or global competitive	15%	1 = No potential for country to be competitive regionally or globally (i.e. export of the relevant good/service) 3 = Moderate potential for country to be competitive regionally 5 = High potential for country to be competitive regionally and globally
Inclusivity	Job creation potential (incremental)	30%	1 = Disrupts and/or replaces existing jobs, with net reduction in current formal or informal employment 3 = No significant net effect on existing jobs 5 = Creates new job opportunities, with overall increase (net of any job losses)
	Disruption or 'creative destruction' risk	30%	1 = Disruptive to other existing businesses or sectors, excluding business models focused on import of finished goods 3 = Moderate disruption to existing businesses or sectors 5 = Low disruption to existing businesses or sectors
	Women and youth opportunity potential	40%	1 = Limited or no opportunities for youth or women 3 = Moderate opportunities for youth or women 5 = Significant new opportunities for youth or women

Endnotes

1 United Nations Environment Programme (UNEP), Emissions Gap Report 2024, 2024

2 United Nations Framework Convention on Climate Change (UNFCCC), Nationally Determined Contributions Registry, 2024

3 UNFCCC, Submitted NAPs from developing country parties, 2025

4 UNFCCC, NDC 3.0, 2025

5 Climate Policy Initiative (CPI), Landscape of Climate Finance in Africa, 2022

6 Ibid.https://unfccc.int/process/the-paris-agreement/long-term-strategies7 UNEP, Emissions Gap Report 2024, 2024

8 World Meteorological Organization, Africa faces disproportionate burden from climate change and adaptation costs, 2024

9 UNFCCC, Nationally Determined Contributions Registry, 2024

10 UNFCCC, Submitted NAPs from developing country parties, 2025

11 UNFCCC, Long-term strategies portal, n.d.

12 UNFCCC, NDC 3.0, 2025

13 CPI, Landscape of Climate Finance in Africa, 2022

14 Organisation for Economic Co-operation and Development (OECD), Scaling Finance and Investment for Climate Adaptation, 2025

15 While we acknowledge that the availability of climate finance upstream needs to improve drastically, this work focuses on the steps that African countries can take domestically to enhance their investment readiness to attract and mobilise investment at scale.

16 Dalberg Analysis, 2025

17 African Development Bank (AfDB), Analysis of Adaptation Components of Africa's Nationally Determined Contributions (NDCs), 2019

18 OECD, Investing in Climate for Growth and Development, 2025

19 The rapid evaluation process is intentionally light touch and adaptive. It allows users to make informed choices in contexts where data may be incomplete, timelines are compressed and decisions must balance climate and development goals. The indicators and weightings can be refined over time or tailored to country needs, ensuring that the framework remains relevant and practical as markets, policies and technologies evolve.

20 An NDC gap assessment and an illustrative application of the NIP were conducted across three countries. The example presented here draws on one of these cases, which has been anonymised because it only reflects a directional, strategic assessment intended to highlight relative opportunities and guide prioritisation for deeper country-level engagement.

21 CPI, From commitments to capital—are the NDCs 3.0 built to mobilize climate investment? 2025

AFRICAN CLIMATE FOUNDATION

Dalberg

www.africanclimatefoundation.org

www.dalberg.com

Image credit: Adobestock
Designed, typeset and proofread by COMPRESS.dsl | 801123 | www.compressdsl.com