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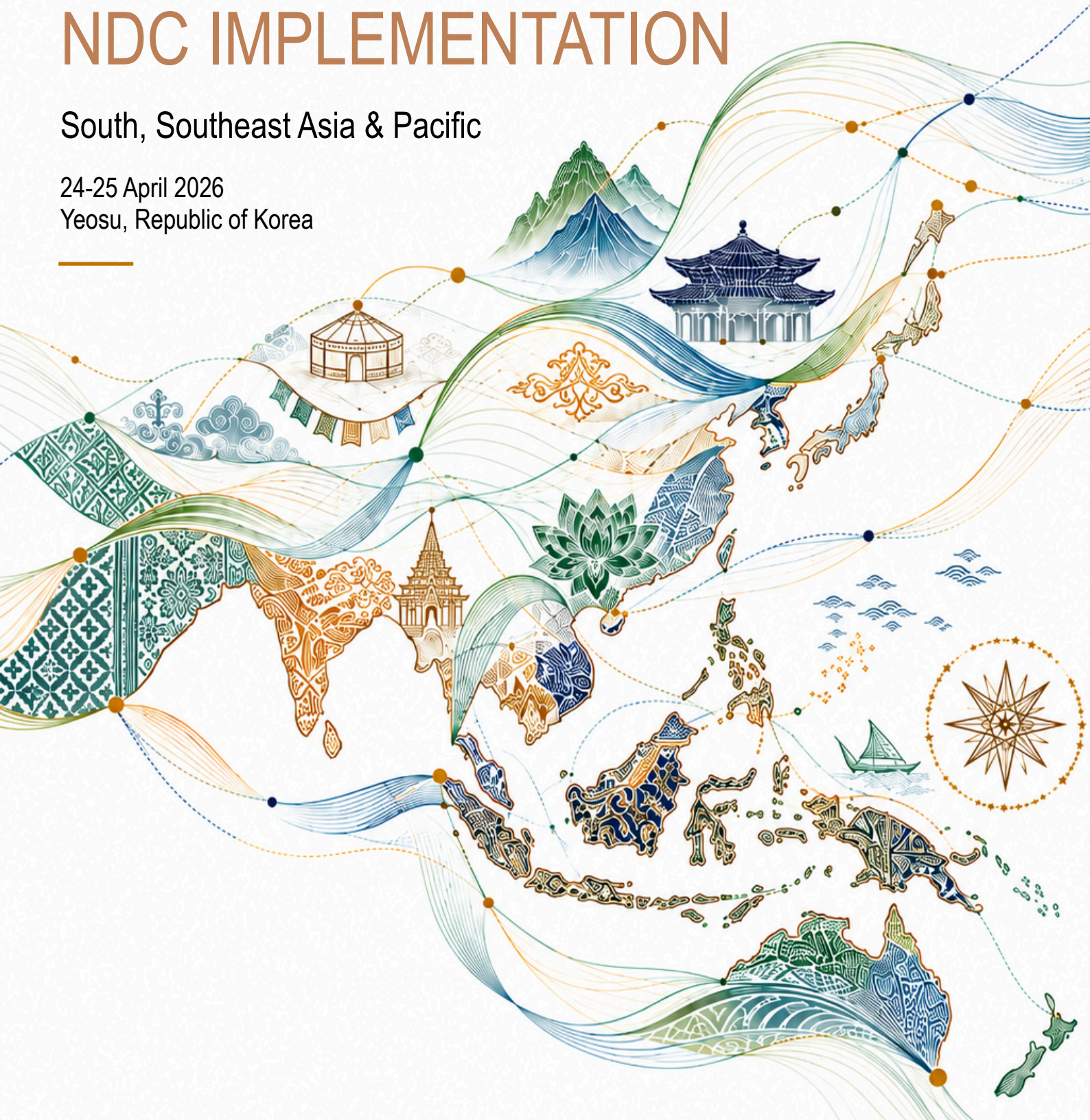
IKI INTERNATIONAL CLIMATE INITIATIVE

PEER EXCHANGE WORKSHOP

NDC IMPLEMENTATION

South, Southeast Asia & Pacific

24-25 April 2026
Yeosu, Republic of Korea



ABOUT THIS REPORT

A NOTE ON THIS REPORT

The first Peer Exchange Workshop on NDC Implementation developed in the context of paragraph 38 of the Global Mutirão Decision, took place during Climate Week 3 in Yeosu, Republic of Korea. It brought together representatives from Ministries of Environment, Finance, Planning and Economy from across the Asia-Pacific region along with representatives from civil society, youth and Indigenous Peoples, development partners, regional development banks, climate funds, and the private sector.

The scale of what was achieved in 2025 was acknowledged at the opening of the workshop: more than 130 new NDCs submitted globally, many stronger in ambition, broader in participation, and more integrated across development and climate objectives compared to previous versions. But the opening framing was equally clear about what this milestone sets in motion — submission marks the beginning of a more demanding phase of implementation.

The workshop was designed around the premise that NDC implementation is a fundamentally different challenge from NDC development and the systems built for one process do not automatically serve the other. In this regard, the aim was to facilitate the sharing of experiences on NDC implementation through an open and inclusive dialogue focusing on what has and has not worked within the national context.

What emerged from the exchange was not a story of uniform progress, but the need for distinct institutional trajectories that take into account national circumstances, capacities and capabilities.

The familiar linear sequence — targets set, plans formulated, finance secured, delivery begun — does not always describe what countries are experiencing. Participants described situations where it was not possible to move through these stages in order owing to the need for navigating compounding pressures across governance, finance, pipeline development, sequencing, and delivery, often simultaneously and across multiple NDC cycles. Understanding implementation means understanding country journeys, including where actions originate, how they interact, and why they produce different outcomes.

> *"Together, we hold a great deal of practical knowledge. If we are open and candid — about what is working, what could work better, what is difficult, and where trade-offs are emerging — we can shorten the learning curve for everyone."*
>
> **— Alejandro Kilpatrick, UNFCCC Secretariat · Opening Plenary**

The information in this report draws on the rich exchanges among participants during all workshop sessions. Through three structured segments, two days of table discussions, a panel, and a Knowledge Market, the workshop brought to the front a body of practical knowledge that does not appear in country reports or formal assessments. The aim of this report is to make that knowledge analytically legible: not as a verbatim record of the conversations, but as an attempt to highlight what these conversations revealed.

The UNFCCC secretariat and co-organizers thank all participants and partners for making this exchange possible.



Key Messages

UNPACKING NDCs

- **The process for the development of NDCs relies on structures and momentum that the NDC implementation process may not automatically inherit:** governance structures and coordination bodies that were active during NDC development frequently lose mandate or momentum following the submission of the NDC.
- **Coordination anchored in legal or budgetary frameworks is more likely to survive political transitions:** mechanisms with a formal legal or procedural basis tend to outlast changes in government.
- **The way NDC coordination mechanisms for policy formulation and implementation connect to the institutional arrangements and resource allocation process matters as much as the mechanisms themselves:** the effectiveness of coordination mechanisms to mobilize finance depends not only on their existence or membership, but also on how closely they are positioned to influence the decisions that determine priorities, sequencing, and financing flows. Coordination that is linked to budget and planning processes is more likely to shape resource allocation, while operating in isolation tends to have a more limited influence.
- **Subnational implementation requires enabling conditions alongside assigned responsibilities to ensure delivery of action:** formal authority, access to financial resources, and feedback mechanisms connecting local action to national systems are instrumental for progress. Where these foundations are absent, designation of responsibilities tends to remain aspirational.

SEQUENCING AND PRIORITIZATION

- **Finance availability is a primary driver of sequencing in NDC implementation, often reshaping the priorities established through national consultation processes:** countries that implement what can be financed, at the expense of national strategies, risk overriding technical sequencing mechanisms, disadvantaging adaptation measures, and increasing the influence of external financiers over what gets implemented.
- **An investment plan is a valuable prioritization tool, but it does not, by itself, secure funding:** investment plans help to identify financing needs, sequencing considerations, and indicative resource requirements However, the availability of a robust investment plan does not guarantee or equate to the availability of funding and a pipeline of bankable projects ready for financing.
- **Policy coherence across NDCs, national development plans, NAPs, and NBSAPs strengthens the conditions for effective prioritization and sequencing:** reducing the tension between planning cycles, investment priorities, and climate commitments — making it easier to translate priorities into coordinated action across sectors and levels of government. Where that alignment is absent, contradictions between frameworks create implementation costs that are difficult to attribute but consistently felt.
- **Adaptation action has greater opportunity to attract finance when it is presented in accordance with the specific requirements of financing institutions:** one of the funding barrier for adaptation projects is structural mismatches between adaptation interventions and how financing institutions evaluate project value by considering, for example, economic returns, asset protection, livelihood security, development co-benefits. Countries that have made progress in this regard have found ways to present adaptation in those terms — whether as economic resilience, long-term development investment, or risk reduction with measurable returns.

STRUCTURING FINANCE-READY IMPLEMENTATION ACTIONS

- **Project preparation needs to be seen as a primary investment, not an overhead cost**: project preparation is often under resourced resulting in the stalling of project implementation. Building project preparation into implementation budgets and plans is key to ensure the upfront availability of required and time-intensive expertise.
- **Bundling actions related to NDC implementation into portfolios is simultaneously a strategy for scale, narrative coherence, and risk distribution:** portfolios can create investment coherence that individual projects cannot. But bundling requires coordination capacity, preparation depth, and a shared investment narrative across different line ministries and other national institutions.
- **Channelling finance toward NDC implementation is more effective when each actor has a clear sense of what others can and cannot do:** for example, governments create a conducive environment; the private sector deploys capital where returns are clear and builds market confidence; and international partners, responding to country priorities, allocate ODA where it is most effective: where other finance does not yet reach, and where it unlocks conditions for further investments. When these expectations are misaligned, no single source can compensate for what the others are not designed to do.



COUNTRIES REPRESENTED

Armenia, Australia, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, Cook Islands, Fiji, Georgia, Indonesia, Kazakhstan, Kyrgyzstan, Laos, Malaysia, Maldives, Marshall Islands, Micronesia, Moldova, Mongolia, Morocco, Mozambique, Naoero, Nepal, Papua New Guinea, Philippines, Samoa, South Korea, Sri Lanka, Thailand, Timor-Leste, Tonga, Türkiye, Vanuatu, Vietnam

ORGANIZATIONS REPRESENTED

ADB, AIGCC, Care About Climate, Champ/C40 Cities, Climate Club, FAO, GCF, GGGI, GIZ, IEA, KOICA, NDC Partnership, OECD, SPREP, The Climate Initiative, UNDP, UNEP, UN ESCAP, UNFCCC, UNICEF, UNOPS, YECAP

SEGMENT ONE

Unpacking NDCs to strengthen country ownership in financing implementation

The first segment of the workshop addressed how countries move from NDC preparation to NDC implementation: what governance structures sustain that transition, how existing policies and plans are brought into alignment, and what happens to cross-government ownership once the formulation process has ended.

WHAT THE WORKSHOP CHALLENGED

COMMON ASSUMPTION The main challenge of unpacking NDCs is technical – disaggregating targets into sectoral actions, assigning responsibilities, identifying resource requirements.

WHAT WE FOUND Both the technical and the institutional dimensions present real challenges. The governance structures built for NDC preparation frequently dissolve after the submission of the NDC, leaving a gap that technical work alone cannot fill.

COMMON ASSUMPTION More coordination mechanisms produce stronger implementation.

WHAT WE FOUND More is not necessarily better; what matters is ensuring that coordination connects to decisions. Adding structures without clear authority over resource allocation can increase costs and create processes without influence. A streamlined mechanism with a formal role in planning or budget decisions often achieves more.

COMMON ASSUMPTION Assigning implementation roles to local governments enables subnational delivery.

WHAT WE FOUND Assigning roles without clear mandates, access to finance, or feedback mechanisms creates accountability without capacity. Countries that have advanced subnational delivery have done so by establishing the conditions for local actors to deliver, not only by designating their responsibilities.

WHAT THE CONVERSATION REVEALED

In several countries, coordination bodies, e.g., inter-ministerial committees, technical working groups, multi-stakeholder platforms, that had been active during the formulation of the NDC lost their mandate, momentum, or membership once the NDC had been submitted. No deliberate decision brought them to a close. There was simply no longer a convening purpose.

The NDC cycle generates governance capacity that the implementation cycle does not automatically inherit. NDC development has a defined endpoint and clear convening authority. Implementation has neither by default.

Countries that have found ways to maintain coordination in the transition from development to implementation have done so by deliberately designing structures for implementation, not by assuming the momentum of formulation would carry through. This step ensures that the institutional knowledge, relationships, and working arrangements built during NDC development are available to support the delivery that follows.

FROM THE ROOM

“Once we submitted the NDC, the working group stopped meeting. Not because anyone decided to stop — just because there was no longer a reason to convene. The NDC was done. But the work had barely started.”



HOW COUNTRIES ARE MAKING IT WORK — THEIR OWN PATHWAYS

PHILIPPINES

A whole-of-society approach with dual coordination structures

The Philippines built its NDC coordination around an inter-agency technical working group led by the Climate Change Commission (CCC), bringing together the environment, agriculture, transportation, energy, finance, economy and foreign affairs ministries alongside other agencies, all working toward a unified national approach that balances climate ambition with development priorities. Alongside this, the Philippines established a Development Partners Coordination Group, led by the Asian Development Bank, which specifically aims to mobilize and align support from external partners under the direction of the government's own technical working group. This embeds country ownership explicitly: development partners operate within the framework the government has set, consistent with country-driven, needs-based, evidence-informed delivery of means of implementation under the Paris Agreement. The NDC itself was further strengthened through national experts' review, reinforcing its technical credibility and grounding in national circumstances and development aspirations.

VANUATU

An enabler, not an implementer — and financing allocated to specific actions

Vanuatu articulated a principle that resonated across the room: the Ministry of Climate Change is an enabler and a reporter. Implementation belongs to every sector, every ministry, every private actor, and every community with a role in the NDC. Acting on this, Vanuatu's new NDC moved away from the practice of aggregating financing into lump sums. Instead, a financing quantum was assigned to each specific action — mitigation, adaptation, loss and damage — so that the cost of individual commitments is visible to potential funders. The NDC also identified which donors and financing sources might support each action, turning the document into something closer to a resource mobilization guide. This required assessing more than 60 policies across different sectors and coordinating across government, private sector, donors, NGOs, and communities to ensure the NDC was both ambitious and grounded in what could realistically be implemented and financed.

BANGLADESH

Linking climate commitments to the planning approval process

Bangladesh's third NDC was built around a deliberate lesson from previous cycles: ambition without linkage to implementation does not translate into change. For this submission, NDC commitments were explicitly connected to national priorities, sectoral policies, and existing action plans. A more structural shift came through the Planning Ministry, which introduced a scoring mechanism for major development project appraisal and evaluation. Under this system, projects are assessed on whether they align with NDC and National Adaptation Plan goals, and this alignment carries weight in the approval decision. This approach embeds climate targets into the routine process through which government spending is authorized. The Economic Relations Division under the Ministry of Finance manages climate finance coordination, supported by a liaison structure to match available funding with NDC priorities. Improved ownership across line ministries was identified as one of the most significant achievements of the current cycle

WHERE IMPLEMENTATION GETS CHALLENGING

A consistent challenge for many countries is coordination positioned outside the processes where resource decisions are made. Inter-ministerial bodies convened by environment ministries may have broad participation but limited authority to redirect the fiscal decisions of finance or sector ministries. A coordination body that provides input into budget decisions operates differently from one that is part of how those decisions are formed. Both have value, but their reach over actual resource allocation differs significantly.

Political transitions can expose the durability limits of mechanisms not anchored in law or formal procedure. Participants from several countries described periods of disrupted coordination following ministerial or government changes — not as result of a specific decision to dismantle the arrangements, but because the arrangements depended on specific individuals or relationships that did not continue.

Subnational delivery surfaced as a persistent gap. In many contexts, local governments had been designated as implementing actors without accompanying formal mandates, direct access to finance, or systems connecting local progress to national reporting. The designation remained largely aspirational. Where visible progress had been made at the subnational level, participants consistently identified the same factors: in addition to implementation responsibility, local actors had been given the authority, resources, and feedback mechanisms needed to deliver upon their assigned responsibilities.



WHAT BECOMES CLEAR

- **The transition to implementation requires deliberate governance design and builds on continuous governance structures.** The structures that make NDC development work — clear deadlines, designated convening authority, defined deliverables — do not transfer automatically to implementation. Sustaining coordination into the delivery phase requires deliberate institutional design, ideally at or before the moment of submission rather than after.
- **Coordination anchored in legal or budgetary frameworks is more likely to persist through political transitions.** What matters is not only the level at which coordination is convened, but its formal connection to the processes through which resources are allocated. A mechanism that shapes how plans and budgets are formed is more efficient and effective compared to one that responds to decisions already made.
- **Subnational implementation advances when the enabling conditions are in place:** formal mandates, access to the financial resources relevant to assigned roles, and feedback loops connecting local implementation to national monitoring. Where these conditions are present, local delivery follows. Where they are absent, simply assigning responsibility is not sufficient for implementation of action.
- **Civil society, youth, and indigenous communities are increasingly present in NDC development processes.** Their involvement in implementation is more uneven, and dependent on whether participation mechanisms have been institutionalized. Informal inclusion in formulation does not automatically translate into ongoing influence over implementation decisions. A challenge for many governments is to communicate transparently where participatory processes have shaped the NDC and where there are limitations to government processes.

SEGMENT TWO

PRIORITIZATION AND SEQUENCING OF NDC ACTIONS

The second segment of the workshop examined how countries translate NDC commitments into prioritized, sequenced implementation actions — and how those choices are shaped by the availability, conditionality, and requirements of different finance sources.

WHAT THE WORKSHOP CHALLENGED

COMMON ASSUMPTION Prioritization and sequencing is primarily driven either by technical analysis (data, modelling, cost-benefit assessment) or by political prioritization (domestic or international policy agendas or commitments)

WHAT WE FOUND At the implementation stage, financing availability frequently becomes the dominant sequencing criterion, often overriding the logic established through technical analysis and political prioritization. What gets implemented does not always correspond to what the analysis identified as most impactful or the priorities defined.

COMMON ASSUMPTION Having an investment plan is enough to move from NDC targets to implementation.

WHAT WE FOUND An investment plan is a necessary but not sufficient condition for implementation. It makes the prioritization logic visible and communicable — but visibility is not the same as readiness. The distance between a well-structured plan and a project ready to be financed is where implementation most frequently stalls.

COMMON ASSUMPTION Adaptation is underfinanced because there are not enough financial resources available.

WHAT WE FOUND Adaptation projects have greater opportunities to attract finance when their value is articulated in terms that financing institutions can recognize, for example, economic resilience, asset protection, livelihood security, development co-benefits.







WHAT THE CONVERSATION REVEALED

The standard framing of prioritization — sequence the highest-impact, most cost-effective actions first — quickly gave way to a different picture. Participants described a set of situations that involved intense internal negotiations during which finance availability, ministry capacity, existing policy frameworks, and political cycles exerted simultaneous pressure on sequencing decisions. A measure that scores highest on mitigation impact may face resistance from certain line ministries owing to misalignment with their workplans or focus areas. Prioritization, as countries experience it, is the process of navigating these pressures simultaneously.

The priorities established during formulation — through technical analysis, stakeholder consultation, and political prioritization — are often renegotiated at the implementation stage according to what is now financeable. As implementation begins, leverage gradually moves from the national processes that shaped the NDC toward the criteria of the financing institutions that will fund it. The ministry responsible for climate targets is rarely the ministry that programs investment or negotiates with funding sources — and that institutional distance further contributes to the shift in sequencing decisions.

FROM THE ROOM

“When we designed the NDC, we did not think much about financing. We thought about targets. At the implementation stage, the availability of financing is the key criterion for prioritization.”

HOW COUNTRIES ARE MAKING IT WORK

Across the table discussions, countries described different ways of prioritizing and sequencing NDC actions. Some had embedded NDC priorities directly into the planning and budget systems that already guide government action — linking targets to five-year plans, sector strategies, or ministerial performance frameworks. In these cases, the NDC becomes the reference point against which other government programmes are assessed rather than a parallel commitment competing with them. Others were advancing policy coherence more broadly by aligning climate objectives across existing sectoral policies and regulatory frameworks. Where this alignment had been achieved, sector ministries described engaging with implementation differently: as a shared commitment to common objectives.

Others had brought finance into the conversation much earlier in the process — engaging finance ministries and potential financiers alongside the technical prioritization rather than after it. This produced more coherent pipelines and fewer disconnects between what the NDC committed to and what eventually received funding. Several participants noted that the choice of what to prioritize looks very different depending on whether financial feasibility is assessed at the formulation stage or left to the implementation stage. Addressing it late does not make it go away; it simply means the renegotiation may happen after commitments have already been made.

A third thread was the effort to make the prioritization process itself a vehicle for ownership. Taking time to engage sector ministries as genuine co-authors of the sequencing logic, not just consultees, produced a qualitatively different relationship between those ministries and the NDC at the implementation stage. The ministries had shaped what they were being asked to deliver and felt accountable for it. Where this process had been compressed or concentrated in the climate ministry, the sequencing logic tended not to travel across government.



THAILAND

Multi-criteria analysis, sectoral ownership, and the hard trade-offs

Thailand begun with key category analysis of the national GHG inventory, then broadened to incorporate feasibility, cost, and co-benefit assessment across mitigation, adaptation, economic, and social dimensions. Agriculture illustrates the trade-offs: while alternate wetting and drying reduces emissions, its implementation requires careful balancing of production costs, market demand, and the export competitiveness of low-carbon rice, requiring deliberate phasing. Prioritization is led by five sectoral focal points—the ministries closest to affected industries—producing stronger ownership. Thailand is studying the feasibility of developing climate budget tagging across the national budget system to strengthen the tracking of NDC-related finance across dispersed sector budgets.



MONGOLIA

Twelve months, eleven working groups, more than 100 officials

Mongolia structured prioritization through eleven sector-specific working groups assessing candidates against GHG reduction potential, implementability, measurability, and trackability. A LEAP modelling track provided the quantitative basis for target-setting. For transport alone, more than 200 potential activities were reduced to a short list. More than 100 officials from more than 40 institutions were engaged over one and a half years — the scale deliberate: every implementing ministry needed to have shaped the targets it would deliver. The unconditional target (30.3% GHG reduction) was built around actions feasible over five to ten years using domestic resources. Conditional targets are linked to bilateral Article 6 agreements under negotiation with different countries.



BHUTAN

Phased sequencing, development plan alignment, and a changing finance context

Bhutan’s NDC 3.0 targets six major sectors — energy, agri-food systems, human settlements, surface transport, waste and industries — selected through participatory engagement with sector ministries, civil society and private sectors. In line with Bhutan's Gross National Happiness (GNH) philosophy, the criteria combined mitigation impact, feasibility, cost, and economic, environmental, and social returns. The approach is explicitly phased: low-cost options with strong co-benefits first, technology-intensive solutions sequenced later. Alignment with the 13th five-year plan is structural, not aspirational. Bhutan’s recent LDC graduation has reduced concessional finance access, prompting a new resource mobilization plan that reframes climate action as an investment opportunity through a pipeline of “climate prosperity projects” in resilient infrastructure, energy export, carbon markets, and climate-smart agriculture.

WHERE IMPLEMENTATION GETS CHALLENGING

The most consistent challenge was the gap between what countries determine to be strategically important and the ability to translate this into project pipelines that meet climate targets and attract finance. For countries where conditional targets represent the majority of NDC ambition — as in many Small Island Developing States — this dynamic is structurally acute: sequencing is substantially shaped by what international partners are prepared to fund, and developing concept notes for specific actions becomes the primary implementation function rather than a preparatory step.

Adaptation posed a distinct challenge across all contexts. Adaptation actions are harder to structure as bankable pipelines: projects are often assessed against measurable emissions reductions, rather than adaptation or resilience benefits, which in turn tend to be harder to account for. At the same time, finance mechanisms for adaptation often require complex structuring to align with the return expectations required to mobilize private sector capital. Countries have typically implemented a significant share of adaptation actions through domestic public finance or grant-based concessional finance. Where fiscal space is constrained and international concessional finance declines, adaptation loses ground to mitigation actions that are more readily aligned with available finance.

FROM THE ROOM

"You can build a very ambitious NDC. But if you don't have the means to finance it and a concrete plan to mobilize those resources, it remains words on a page."

WHAT BECOMES CLEAR

- **Prioritization is more durable when sector ministries help shape it, not just receive it.** When ministries co-develop the criteria and the sequencing logic, they carry a sense of ownership into implementation — and that ownership is what holds when budget pressures and competing priorities arrive.
- **NDC priorities are most likely to translate into funded implementation when they are embedded in the planning and budget processes that already govern government decisions and allocation of resources.** When targets connect to five-year plans, sector strategies, or performance frameworks, they are integrated in the decisions that determine where resources are allocated. When they exist alongside those processes as a separate commitment, they tend to be displaced by them.
- **Bringing finance into the prioritization process early helps to increase ownership of the implementation agenda.** Countries that engaged finance ministries and potential financiers from the outset reported fewer disconnects between NDC commitments and funded delivery, and less drift toward external financiers' priorities at the implementation stage.
- **Adaptation has greater opportunities to attract finance when its value is presented in terms financing institutions recognize.** What often makes the difference is how the case is made — whether adaptation is presented as a response to risk or as an investment in economic resilience, asset protection, livelihood security, and long-term development.



SEGMENT THREE

STRUCTURING NDC IMPLEMENTATION ACTIONS TO CHANNEL FINANCE

Where the first two segments of the workshop examined how countries formulate priorities and sequence implementation, the discussion during the third segment focused around the question: how are NDC actions being structured into investment propositions, portfolios, and financing strategies that can actually engage financiers and move capital toward implementation?

WHAT THE WORKSHOP CHALLENGED

COMMON ASSUMPTION Once NDC priorities are identified and costed, finance will follow.
WHAT WE FOUND Identified and costed priorities are a starting point, not an endpoint. Structuring finance-ready interventions requires feasibility analysis, financial structuring, project preparation, and regulatory clarity — each a distinct institutional function.

COMMON ASSUMPTION The primary constraint on climate finance in developing countries is the volume of available capital.
WHAT WE FOUND Although some funding sources are available, they are not always accessible. Some of the accessibility constraints are associated with structural barriers such as perceived risk that exceeds actual risk, policy and regulatory uncertainty, weak project preparation capacity, and the absence of investment-ready pipelines that financing institutions can act on.

COMMON ASSUMPTION Blended finance is primarily a tool for closing financing gaps.
WHAT WE FOUND Blended finance is most effective when designed to transform markets — building the conditions for private capital to enter at scale — not when they are structured on a transaction-by-transaction basis to fill individual gaps.

PANEL DISCUSSION · DAY 2

Managing Risk and Structural Constraints to Unlock Opportunity

Kate Hughes, Asian Development Bank · Anjali Viswamohanan, AIGCC · Gyungah Kim, KOICA

WHAT THE CONVERSATION REVEALED

The panel brought together finance providers and implementing institutions to examine the structural constraints shaping how climate finance reaches NDC implementation. Three messages cut across all three contributions and set the frame for the table discussions that followed.

The first: **finance is a different institutional language**, and the distance between those responsible for NDC targets and those who program investment can be structural. The ministry responsible for the development of the NDC is typically not the same as the one(s) responsible for its implementation. Getting climate commitments into the investment priorities of government at the highest political level and not just the technical level, is the precondition for everything downstream.

> *"It's not the role of the private sector to create private sector markets. The private sector comes in for the deals. It's the role of government to create the enabling environment."*
> **— Kate Hughes, Principal Climate Change Specialist, Asian Development Bank · Panel Discussion**

The second: **perceived risk in developing markets consistently exceeds actual risk** and closing that gap requires not only financial instruments but notably also evidence and domestic market confidence. Institutional investors managing long-term capital need revenue certainty and regulatory predictability. Domestic private sector actors, who understand local contexts, play a critical role in building the partnerships and market confidence that allow international capital to follow.

The third: **ODA is most strategically valuable not as a volume instrument but as enabling architecture**, building the institutional foundations (MRV systems, registries, legal frameworks), de-risking early-stage project phases that generate no revenue, and catalysing other sources of finance where they are most needed. Its main limitation is associated with incompatible timelines: the time needed to build the institutional readiness that NDC implementation requires often exceeds the cycle of any single project cycle.

> *"ODA's greatest strategic value is not as a competing financing instrument. It is the enabling architecture that de-risks, prepares, and unlocks the conditions under which climate finance from other sources can flow."*
>
> **— Gyungah Kim, Climate Change Manager, KOICA · Panel Discussion**



HOW COUNTRIES ARE MAKING IT WORK — THEIR OWN PATHWAYS



CAMBODIA

Embedding NDC financing in budget systems and enabling private capital through concessional tools

Cambodia matches NDC priorities to various finance sources mainly through: national budget allocations embedded in line ministry planning cycles, with each ministry responsible for its own NDC targets; ODA and multilateral financing routed through ministry project pipelines, new sources that include the private sector via the Cambodia Climate Finance Facility — a green financing platform that uses concessional loans to channel private capital into climate-related sectors where profit margins would otherwise be insufficient to attract commercial investment. The model is built on the recognition that private capital requires concessional support to enter low-margin sectors. Ownership at the ministerial level — with each line ministry accountable for its own NDC target — is the structural feature that makes the system coherent across budget cycles and political transitions.



INDONESIA

From fragmented projects to aggregated investment portfolios

Indonesia's experience illustrates both the scale of the financing challenge and the direction of travel. Domestic capacity constraints operate on two levels. The first is institutional where fiscal space for climate programmes competes with broader development priorities. Here, NDC commitments must be embedded in medium-term development plans and sectoral frameworks to survive budget cycles. The second is technical, where limited project preparation capacity at subnational level means that substantial investment demand exists alongside relatively few investment-ready projects. The government's response is deliberate: reframing climate action as an economic resilience and development co-benefit issue (jobs, energy security, disaster risk reduction, food systems): strengthening sustainable finance architecture across the Ministry of Finance, Financial Service Authority, and Bank of Indonesia; and shifting from isolated project presentation toward aggregated sector portfolios that institutional investors and multi-trust funds can engage with at scale. The Government also stresses the importance of designing NDC actions alongside innovative financing mechanisms including green sukuk, thematic bonds (e.g. blue / coral bonds), blended finance, carbon markets, and others.



COOK ISLANDS

Alignment, community ownership, and understanding how funding works

The Cook Islands' PEARL Project — a USD 3 million Adaptation Fund initiative for resilient livelihoods in the remote outer islands — illustrates what makes adaptation financing work at the project level. The project successfully strengthened climate resilience in remote outer islands through improved risk monitoring, water management, agricultural adaptation, and community awareness. Three factors were decisive: strong alignment between project outcomes and the Adaptation Fund's investment criteria; extensive community consultation across islands that built genuine local ownership of activities; and alignment with national frameworks: the National Sustainable Development Plan, the Joint National Action Plan, and the NDC. The Cook Islands representative identified a fourth factor with broader relevance: understanding how funding agencies work, what their investment criteria are, and how to present climate change proposals with strong climate change rationale. This understanding of the processes enabled access to climate finance.

WHERE IMPLEMENTATION GETS CHALLENGING

Three structural challenges recurred across the table discussions, each operating at the point where structured interventions meet financing institutions.

The gap between investment demand and investment-ready projects was the most consistently identified. The constraint is not the absence of priorities or financing instruments, but rather the institutional capacity to convert priorities into proposals that financing partners can evaluate, approve, and disburse against. That capacity takes years to build and generates no returns until financing is secured. It is consistently left outside implementation budgets, and that gap is where implementation most predictably stalls.

Regulatory uncertainty is a financing barrier frequently underweighted in NDC implementation planning. Investors managing long-term, lower-risk capital — pension funds, sovereign wealth funds, institutional investors — require revenue certainty, regulatory predictability, and credible certification systems before deploying capital. Where these signals are weak, de-risking instruments become necessary but not sufficient: they offset some perceived risk, but cannot substitute for the underlying policy stability investors are pricing in

Fragmentation in the development cooperation architecture remains a structural problem. Countries engage multiple donors with different mandates, timelines, and sectoral focuses — each operating on three-to-five-year project cycles — without coordinated sequencing. The institutional development that NDC implementation requires exceeds what any single cycle can sustain, and foundations get partially built and then stall when funding ends.

FROM THE ROOM

"We have investment plans. What we do not have is the institutional capacity to turn those plans into proposals that financiers can actually respond to. That is the gap that no one is funding."

— Table Discussion

WHAT BECOMES CLEAR

- **Structuring finance-ready NDC interventions is a distinct institutional function requiring expertise, time, and dedicated resources.** Project preparation is a primary investment, not an overhead cost: time-intensive expertise, generating no returns until financing is secured, should be built into implementation budgets and plans from the outset. Yet, consistent under resourcing of this function is where implementation most predictably stalls.
- **Policy and regulations signal financing readiness.** Investors need revenue certainty, regulatory predictability, and credible certification systems before capital moves — regardless of how well projects have been identified or costed. Where those signals are absent or unstable, perceived risk consistently exceeds actual risk and investment stalls.
- **Channelling finance toward NDC implementation is more effective when each actor has a clear sense of what the others can and cannot do:** governments create the investable environment; the private sector deploys capital where returns are clear and builds market confidence; and international partners, responding to country priorities, allocate ODA where it is most effective: where other finance does not yet reach, and where it unlocks conditions for further investments. When these expectations are misaligned, no single source can compensate for what the others are not designed to do.
- **The NDC reaches its financing potential and become investable only when it is treated as a guide for sectoral planning and investment priorities — not as a compliance instrument.** NDC commitments have to flow into the investment priorities of government, for downstream mechanisms such as MDB programming, market creation, and blended finance structures to follow.



