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# Assessing the Investment Signals of NDCs 3.0

*Methodology*

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CLIMATE  
POLICY  
INITIATIVE

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# 1. INTRODUCTION

The strengths and weaknesses of the finance components in countries' Nationally Determined Contributions (NDCs) offer valuable lessons for improving these climate plans to better mobilize investment. The third round of NDCs (NDC 3.0<sup>1</sup>) due to be submitted to the UNFCCC by February 2025, represents the latest and most ambitious generation of country-level climate commitments following the outcomes of the Global Stocktake. As of May 31, 2025, a total of 22 parties has submitted updated NDCs, yet only 15 have quantified climate finance needs. This gap raises a critical question: can the new NDCs truly attract private capital, or do they continue to fall short of their intended potential as actionable climate finance roadmaps?

For investors, particularly those committed to achieving net zero portfolio emissions, NDCs are crucial tools for assessing a country's business landscape, development pathways, and sector-specific investment opportunities ([IIGCC 2024](#)). However, many NDCs lack the comprehensive finance information needed to be effective investment prospectuses. Previous analysis of NDCs found that more than one-quarter of Emerging Markets and Developing Economies (EMDEs) did not quantify climate finance needs, and among those that did, the level of granularity varied significantly, limiting the potential for these documents to attract investment by exhibiting strong investment signals ([CPI 2025](#)).

This document outlines CPI's methodology for systematically assessing the quality of finance components in countries' NDCs, using a framework based on seven key indicators. This assessment aims to measure progress since previous NDC rounds, identify gaps in current submissions, and inform recommendations for improving the "investability" of future NDCs — particularly for countries requiring international support. The findings from this assessment were published in a [blog post](#) in July 2025, and the methodology may be further applied or adapted to assess forthcoming NDC 3.0 submissions.

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1 While broadly known as "NDC 3.0", due to varying submission history, the 2025 NDC submission represented the second submission for some parties. However, for the purposes of this document, NDCs 3.0 refers to NDCs submitted in the 2025 round of updates.

## 2. SCOPE OF ASSESSMENT

This assessment focuses exclusively on the finance components of the NDCs, as reflected by the identified indicators. The framework does not evaluate the strength or ambition of mitigation and adaptation targets. Instead, it is designed to analyze how well countries articulate their climate finance needs, financing strategies, and investment opportunities within their NDC submissions. Assessing the adequacy of their emissions reduction commitments or climate adaptation goals falls outside the scope of this framework. This analysis focuses on non-Annex I countries, which face the largest financing gaps and are most dependent on external investment to implement their climate commitments. As such, the quality of their investment signals is particularly critical for mobilizing the conditional finance needed to meet NDC targets.

The assessment covers all non-Annex I parties that submitted updated NDCs by the cut-off date of May 31, 2025. For each of these 18 parties, we apply the framework to both their most recent and previous NDC submissions to evaluate progress in finance-related content. This comparative approach enables the tracking of improvements in how countries communicate their climate finance needs and investment frameworks over time. Parties that had not submitted updated NDCs by the cut-off date are not included in this assessment, although the methodology could be applied to future submissions as they become available. A full list of parties and NDCs assessed can be found in Appendix I.

## 3. ASSESSMENT FRAMEWORK

### INDICATORS

To systematically evaluate the investment potential of NDCs, CPI developed a framework of seven key indicators that assess how effectively the countries communicate climate finance needs and opportunities to potential investors. These indicators, outlined in Table 1 below, are designed to capture the critical information that investors require when making climate-related investment decisions —spanning from basic quantification of finance needs to sophisticated implementation strategies and alignment with national planning frameworks. The framework evaluates both the breadth of financial information provided and the depth of detail necessary to transform climate commitments into concrete, fundable investment opportunities.

**Table 1:** Indicators to assess investment signals and their relevance

	Indicator	Description	Relevance
1	<b>Needs scope</b>	The inclusion of explicit climate finance needs for implementing the NDCs, and the extent to which they are quantified (e.g. no needs included vs. fully or partially costed needs).	Clearly defined finance needs in NDCs: <ul style="list-style-type: none"> <li>▪ enables effective resource mobilization and allocation planning</li> <li>▪ demonstrates financial planning maturity to potential investors</li> <li>▪ provides clarity on investment scale required for implementation</li> </ul>
2	<b>Needs granularity</b>	The level of detail in cost estimates, ranging from high-level aggregate figures to detailed breakdowns by sector, project, program, policy measure, or specific intervention.	The availability of more granular climate finance needs estimates enables climate investment by: <ul style="list-style-type: none"> <li>▪ identifying specific and implementable investment opportunities</li> <li>▪ facilitating more accurate budgeting and resources allocation</li> <li>▪ increasing investor confidence by demonstrating more advanced financial planning</li> </ul>
3	<b>Timeframe</b>	The temporal scope of the NDC targets, and the extent to which they plan beyond the required timeframe for NDC submissions (2030 for previous NDCs, 2035 for NDC 3.0). This includes long-term visions towards net zero or low-emission economies.	More forward-looking NDCs with long-term targets enable strategic investment planning and help identify financing needs and gaps across different time periods.
4	<b>Conditionality</b>	The distinction between unconditional commitments (financed through domestic resources) and conditional commitments (requiring international support) for quantified climate finance needs.	Defining conditional finance targets clarifies expectations for international financing and enables international investors to direct financing more effectively.  In addition, including domestic finance needs demonstrates national commitment to achieving NDC targets and enhances accountability for domestic and international investors.

Indicator		Description	Relevance
5	<b>Implementation readiness</b>	The inclusion of clear implementation mechanisms, responsible entities, existing funding commitments, implementation timelines, and specific actions required to mobilize the identified finance needs.	The inclusion of implementation plans and mechanisms demonstrates readiness to deploy resources effectively and supports coordination between implementing partners.
6	<b>Private sector mobilization strategy</b>	The inclusion of explicit strategies for engaging and mobilizing private sector finance, including identification of specific financial instruments, risk-sharing mechanisms, and public-private partnership opportunities that will be used to attract private investment for NDC implementation.	Signals to private investors that there are concrete pathways for their participation in climate finance and demonstrates understanding of private sector investment requirements and constraints.
7	<b>Alignment with national and sectoral plans</b>	The degree to which climate finance needs link to or integrate with national development strategies, sectoral policies, existing climate investment plans, and concrete project pipelines.	Leverages existing institutional arrangements and processes while reducing coordination costs and policy fragmentation. Ensures climate finance contributes to broader development goals.

## SCORING FRAMEWORK

Once the seven key indicators were defined, we developed a scoring framework with clear criteria to evaluate the strength of investment signals for each indicator within each NDC. Each indicator was assessed on a scale ranging from *absent* (minimal or no relevant information provided) to *strong* (comprehensive, detailed information that would be valuable to potential investors). Criteria for scoring each indicator are outlined in Table 2 below. This graduated scoring system allows for nuanced assessment of how well NDCs communicate essential finance-related information and enables comparison across countries and identification of specific areas where NDCs could be strengthened to better attract climate investment.

Each indicator is assessed independently to ensure that the score for one indicator does not influence the evaluation of another. While some indicators may be related—for example, needs scope, needs granularity, and conditionality all relate to the detail of financial information provided—the independent scoring approach enables more precise identification of specific strengths and weaknesses within an NDC’s finance component. Each indicator captures a distinct dimension of the NDC. Thus, **all indicators should be interpreted in the context of other scored indicators. No single indicator represents the overall investability of a country’s NDC.** This approach enables countries to understand exactly which aspects of their climate finance communication are strong and which areas require improvement to enhance their attractiveness to investors.

**Table 2.** Scoring criteria for the key indicators

Scoring: Strength of investment signal					
	Indicator	Absent	Limited	Moderate	Strong
1	<b>Needs scope</b>	<b>No needs costed.</b>	<b>Partially costed.</b> Needs only partially costed (e.g., only finance needs for specific measures or sectors are provided).	<b>Total mitigation OR total adaptation needs are costed.</b>	<b>Both mitigation AND adaptation needs are fully costed.</b>
2	<b>Needs granularity</b> <i>Note: if no needs are costed (i.e. needs scope scores "absent") than this indicator is "N/A"</i>	<b>Only total needs provided.</b> Needs fully costed but no breakdown by thematic coverage (mitigation/adaptation), sector or project.	<b>Thematic totals (total mitigation and/or total mitigation needs)</b> Needs fully costed and breakdown by thematic coverage (mitigation/adaptation) provided.	<b>Sector-level needs.</b>	<b>Project/ action level needs.</b>
3	<b>Timeframe</b> <i>Note: the minimum timeframe for the submissions is through 2035 for NDCs 3.0, and through 2030 for previous submissions</i>	<b>No detail provided on the timeframe, or the timeframe is below the minimum date for the submission.</b>	<b>Timeframe of the NDC meets the minimum requirements of for the submission.</b>	<b>There is a mention of a timeframe beyond the minimum requirements, but needs are not quantified for the timeframe</b> (e.g., the NDC mentions long term vision of net zero by 2050).	<b>The NDC quantifies needs beyond the minimum timeframe requirement.</b>
4	<b>Conditionality</b>	<b>No mention of conditionality in NDC.</b>	<b>Conditionality mentioned generally, but there are no amounts or splits between conditional and unconditional finance quantified.</b>	<b>NDC provides the overall conditional/unconditional split at a level of granularity below that of NDC needs</b> (e.g. If the NDC quantifies needs at the action-level, but only provides the conditionality breakdown for total needs).	<b>NDC provides detail about conditional and/or unconditional finance amounts/splits, at the most granular level (or higher) of available needs data</b> (e.g. if the NDC provides sectoral needs, and conditionality. Details are provided at the sector, or action-level).
5	<b>Implementation readiness</b>	<b>No detail on implementation or only a general mention made to implementation.</b>	<b>The NDC may include mechanisms or institutions for implementing lacks detail on how they will be implemented in practice.</b> Implementation refers generally to the NDC as a whole, without granularity for individual actions or sectors.	<b>The NDC includes a general implementation plan that mentions mechanisms, institutions, and other important details for implementation for mitigation and/or adaptation objectives, or at the sector level.</b> The NDC includes more detail on specific implementing entities (e.g. ministries, etc), timelines, funding, etc.	<b>The NDC includes a very detailed implementation plan (including pathways, mechanisms, timelines, specific actions, measurable outcomes).</b> The implementation plan includes has roles, timelines, budgets, mechanisms for implementing specific objectives, projects, or actions.

Scoring: Strength of investment signal					
	Indicator	Absent	Limited	Moderate	Strong
6	<b>Private sector mobilisation strategy</b>	<b>No mention of private engagement or instruments.</b>	<b>General reference to private sector does not include a finance strategy or reference specific mechanisms.</b>	<b>Identifies specific mechanisms to engage private capital (e.g. green bonds, risk sharing).</b>	<b>Provides clear strategy or plan for private finance mobilisation, including financial instruments, sectors and roles for private actors.</b>
7	<b>Alignment with national and sectoral plans</b>	<b>There is only a vague link or mention to national or sectoral strategies plans.</b> Policies and/or strategies are listed, but the NDC does not explain how they are linked to NDC objectives.	<b>General alignment with national climate change strategies is explained, however with limited granularity and detail.</b>	<b>General alignment with national strategies, policies, and laws at the sectoral level.</b>	<b>Detailed explanation with how measures in the NDC aligns with different policies and strategies both national and sectoral.</b>



## 4. DATA AND METHODOLOGY LIMITATIONS

While CPI strives to ensure a rigorous and standardized approach to assess NDCs objectively, some limitations affect the scope and interpretation of our results. Our assessment should, therefore, be interpreted with the following data and methodology limitations in mind:

- **Data scope:** As described above, our assessment is limited to the 18 non-Annex I parties that submitted updated NDCs by the May 31, 2025 cut-off date. This represents only a fraction of the 195 parties to the Paris Agreement and limits our ability to provide a comprehensive global assessment of NDC finance quality. As more NDCs 3.0 are submitted this year, we plan to update our assessment to capture additional parties. Additionally, the assessment focuses exclusively on information contained within the NDC documents themselves and does not incorporate climate finance details that may be available in other national planning documents such as National Adaptation Plans, sectoral strategies, or separate implementation frameworks.
- **Interpretation and standardization:** NDCs vary significantly in their structure, level of detail, and presentation of finance-related information, which can affect the comparability of scores across countries. Information was extracted manually and assessed qualitatively, a time-consuming process that increases the possibility of mistakes and omissions. The subjective nature of interpreting qualitative information within NDCs introduces potential inconsistencies in scoring, particularly where finance-related content is described in general terms or embedded within broader policy discussions. To minimize subjectivity, we applied consistent scoring criteria and conducted quality checks, though some degree of interpretation remained necessary when evaluating the completeness and quality of finance information.
- **Generalization:** Our scoring framework reflects current understanding of what constitutes valuable investment information. However, investor preferences and requirements may differ across investors and evolve over time. In addition, the framework generalizes investor preferences and investment signals for all investors, without considering investor- or country-specific contextual factors that could influence investment decisions. **As such, the indicators should be interpreted as an overall generalization of the strength of investment signals in the NDC. They are not a prediction on whether or not a country will receive climate investment.**
- **Assessment of accuracy:** The assessment evaluates the presence and quality of information but does not validate the accuracy or feasibility of the financial estimates and strategies presented in the NDCs. Estimates of finance needs in NDCs are country-led and owned, and were taken at face value for this assessment without any judgement on the accuracy or ambition of the estimates.

# APPENDIX I: LIST OF COUNTRIES AND DOCUMENTS ASSESSED

**Table A.1.** Parties and documents included in assessment

Party	NDC 3.0 (or updated submission)		Previous NDC submission	
	Link	Submission date	Link	Submission date
<b>Andorra</b>	<a href="#">NDC 3.0</a>	05/02/2025	<a href="#">NDC 2.0</a>	08/11/2022
<b>Botswana</b>	<a href="#">NDC 2.0</a>	24/12/2024	<a href="#">NDC 1.0</a>	11/11/2016
<b>Brazil</b>	<a href="#">NDC 2.0</a>	13/11/2024	<a href="#">NDC 1.0</a>	03/11/2023
<b>Cuba</b>	<a href="#">NDC 3.0</a>	27/02/2025	<a href="#">NDC 1.0</a>	17/09/2020
<b>Ecuador</b>	<a href="#">NDC 2.0</a>	06/02/2025	<a href="#">NDC 1.0</a>	29/03/2019
<b>Kenya</b>	<a href="#">NDC 2.0</a>	30/04/2025	<a href="#">NDC 1.0</a>	28/12/2020
<b>Lesotho</b>	<a href="#">NDC 2.0</a>	27/02/2025	<a href="#">NDC 1.0</a>	01/12/2017
<b>Maldives</b>	<a href="#">NDC 3.0</a>	10/02/2025	<a href="#">NDC 1.0</a>	28/12/2020
<b>Marshall Islands</b>	<a href="#">NDC 3.0</a>	06/05/2025	<a href="#">NDC 2.0</a>	31/12/2020
<b>Moldova</b>	<a href="#">NDC 3.0</a>	21/02/2025	<a href="#">NDC 1.0</a>	04/03/2020
<b>Montenegro</b>	<a href="#">NDC 3.0</a>	06/02/2025	<a href="#">NDC 1.0</a>	15/06/2021
<b>Nepal</b>	<a href="#">NDC 3.0</a>	19/05/2025	<a href="#">NDC 2.0</a>	08/12/2020
<b>Saint Lucia</b>	<a href="#">NDC 3.0</a>	10/02/2025	<a href="#">NDC 1.0</a>	27/01/2021
<b>Singapore</b>	<a href="#">NDC 3.0</a>	14/11/2024	<a href="#">NDC 1.0</a>	04/11/2022
<b>United Arab Emirates</b>	<a href="#">NDC 3.0</a>	06/11/2024	<a href="#">NDC 2.0</a>	23/06/2023
<b>Uruguay</b>	<a href="#">NDC 3.0</a>	30/12/2024	<a href="#">NDC 2.0</a>	30/12/2022
<b>Zambia</b>	<a href="#">NDC 3.0</a>	10/03/2025	<a href="#">NDC 1.0</a>	30/07/2021
<b>Zimbabwe</b>	<a href="#">NDC 3.0</a>	10/02/2025	<a href="#">NDC 1.0</a>	24/09/2021

# REFERENCES

1. Institutional Investors Group on Climate Change. (IIGCC). 2024. Making NDCs investable - the investor perspective. Available at: <https://www.iigcc.org/resources/making-ndcs-investable-the-investor-perspective#:~:text=In%20their%20updated%20NDCs%2C%20countries%20have%20the,opportunities%2C%20and%20facilitate%20engagement%20to%20support%20implementation.&text=Enhance%20global%20harmonisation%20and%20consistency%20across%20NDCs,analysis%20of%20consistent%20information%20for%20investment%20decision%2Dmaking>.
2. Climate Policy Initiative (CPI). 2025. Leveraging NDC updates to bridge the climate finance gap. Available at: <https://www.climatepolicyinitiative.org/leveraging-ndc-updates-to-bridge-the-climate-finance-gap/#:~:text=While%20the%20USD%20300%20billion,financing%20from%20all%20public%20and>

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