

## From ambition to implementation: five key success factors to deliver an 'investable' Nationally Determined Contribution

### Introduction

The latest round of [Nationally Determined Contributions](#) (NDCs) – due in 2025 – is a critical opportunity to raise global ambition on climate change. NDCs are a core component of the Paris Agreement, outlining each country's commitments to reduce national emissions and adapt to the impacts of climate change. This round of NDCs will set emissions-reduction targets through to 2035.

As countries finalise and start implementing their NDCs, it is increasingly important to move from aspirational goals to concrete implementation strategies and finance mobilisation. This will enable investors to make well-informed investment decisions to advance decarbonisation targets and climate objectives.

NDCs, when designed with ambition and implemented effectively, can serve as powerful catalysts for economic growth. By setting clear, long-term actionable climate targets based on the best available data, NDCs create policy certainty to attract investment, stimulate innovation and accelerate the development of high-growth sectors such as clean energy and advanced manufacturing. Leveraging NDCs in this way would signal the UK's long-term commitment to the net zero transition and strengthen the UK's competitiveness in the global green economy.

### Bridging the gap between ambition and practical investment pathways

The UK's 2035 NDC outlines its ambitions and long-term climate goals. It specifies the UK's objectives and commitments and is a legal requirement under the Paris Agreement<sup>1</sup>. It provides a high-level overview of the domestic policies and plans to support the delivery of the UK's 2035 NDC target.

The private sector has encouraged governments worldwide to ensure that the next round of NDCs are investable. While countries need to develop NDCs that clearly outline the strategies for achieving their climate targets, this approach is not sufficient to effectively communicate the investable opportunities within an NDC. The overarching narrative and supporting policies and frameworks – including sector roadmaps, transition plans and project pipelines – are crucial to demonstrating an NDC's investment potential. NDCs must be turned into a “catalyst for investment and change.”<sup>2</sup> This can be achieved through a coordinated effort across government and with the private sector, and by aligning the UK's climate ambition with wider economic and industrial strategies.

There is potential to enhance the UK's NDC with a consolidated document that aligns the targets and plans set out in the NDC with sector-specific policies, finance mechanisms, and the pipeline of investable opportunities. This would help address the gap between the ambition of an NDC and implementation on the ground. It would also more effectively engage and inform investors of

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<sup>1</sup> Article 4, paragraph 2 of the Paris Agreement specifically states that each Party shall prepare, communicate and maintain successive NDCs that it intends to achieve (see [here](#)).

<sup>2</sup> Climate Crisis Advisory Group, June 2025, [NDCs as levers for prosperity, health and resilience](#)

UK investment opportunities. If the UK is able to do this successfully, it will be well-positioned to act as a global hub of expertise to help other markets build their own investable NDCs.

This consolidated NDC implementation plan should define processes for financing and capital raising, specify the role of the private sector, describe the implementation mechanisms for achieving NDC goals, and complement wider sectoral strategies, such as the [Clean Power 2030 Action Plan](#).

This paper focuses on three pillars: (i) implementation, (ii) finance, and (iii) governance. It seeks to complement and improve existing initiatives by examining five key success factors within these pillars to create an ‘investable’ NDC by translating the UK’s long-term climate goals into financial action and equipping investors with the essential resources and information to make well-informed investment decisions.

## Implementation

An NDC should be recognised as a dynamic, ongoing strategy for achieving decarbonisation and communicating a clear narrative about a country's intended climate action, not a discrete and static document. While key headlines and targets are necessary, the elements that sit below the high-level ambition and support delivery in the real economy are equally important. For example, transition plans and sector roadmaps need to be clearly aligned with the UK’s NDC to ensure a consistent and coherent approach to progressing the UK’s climate targets domestically.

**Success factor 1:** Develop a consolidated document for investors, structured by different sectors and with detailed information on sector-specific policies, government strategies and financial instruments.

The UK’s NDC refers to sectoral pathways such as the Clean Power 2030 Action Plan. This plan outlines the UK’s strategy for establishing a clean power system and the key technologies it needs to scale up to achieve its objectives. This serves as an effective example of alignment between the UK’s NDC and a sectoral plan. This should be replicated across sectors to support delivery and consistency across government.

We also encourage the government to develop a standalone consolidated document of existing climate policies, strategies, frameworks and financial instruments. This document should be designed to provide clarity to international and domestic investors. It should function as a comprehensive reference point, providing all essential information on UK climate policy and an inventory of financial instruments in a single, easily accessible format.

**Success factor 2:** Provide clear guidance on how sector roadmaps, strategies and policies are aligned with the UK’s NDC.

Investors require clear guidance on navigating sector transitions and a strong understanding of how different sectoral plans complement and reinforce one another. It is also important for the government to communicate the progress made to date and ensure alignment between high-level documents and more detailed strategies and frameworks. A comprehensive forward look alongside a well-articulated strategy for how the UK’s NDC will be delivered will provide clarity to the private sector and enable stakeholders to make informed decisions.

An NDC does not need to serve as the single vehicle for outlining and communicating a country's climate targets. It should be supported and informed by government policies, strategies and sector roadmaps. It is important to ensure consistency and alignment across these products to deliver a coordinated approach. This includes aligning activities across sectors, identifying potential overlaps, and fostering coherence so that all elements work together and inform investor decision-making. This is particularly relevant in the context of the forthcoming Carbon Budget Delivery and Growth Plan. The government should consider how this aligns with the UK's NDC and Industrial Strategy and its broader role in communicating and delivering strategic direction in the UK's net zero transition.

## Finance

There have been calls for NDCs and associated climate strategies and plans to include an investment roadmap, outlining the financing mechanisms required to unlock private investment and the implementation methods to support the overall strategy.

To unlock private investment in the UK's net zero transition, the government must identify both the amount of investment needed and where within the capital stack this investment will come from. Alongside this, the government should undertake a market sizing exercise of the UK's sustainable finance flows (across sectors and types of finance). It is not possible to measure the UK's progress without a clear baseline. Quantifying the scale and flow of sustainable finance would help the UK align industrial strategies and sector-specific roadmaps with actual investment needs. It would also pinpoint where additional capital is needed and provide clear and reliable market data and benchmarks to build investor confidence. Lastly, it would enhance the UK's global leadership by demonstrating the scale and sophistication of the market.

While an NDC does not need to specify every mechanism and tool that will be used to deliver emission reduction targets, investors need to understand how finance will be mobilised and from which parts of the financial ecosystem.

The private sector plays a critical role in helping to achieve the goals of the Paris Agreement. NDCs can be an important mechanism for unlocking climate finance and investment through creating a clear and consistent policy environment with targeted incentives and measures to de-risk and mobilise private capital at scale.<sup>3</sup> Countries such as Brazil have sought to include a private sector mobilisation strategy to further enhance the implementation of their NDC.<sup>4</sup> This approach should be replicated by other markets.

**Success factor 3:** Develop sectoral investment roadmaps accompanied by sectoral strategies addressing the role of the private sector and finance mobilisation.

To mobilise private finance in support of the UK's NDC, the government must provide clear long-term policy and investment roadmaps. It must also develop strategies to mobilise and de-risk private investment, particularly through blended finance mechanisms. Clarity on the role of the private sector and the next steps to translate ambition into tangible outcomes is also necessary.

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<sup>3</sup> Climate Crisis Advisory Group, June 2025, [NDCs as levers for prosperity, health and resilience](#)

<sup>4</sup> Brazil, November 2024, [Brazil's NDC: National determination to contribute and transform](#)

Alongside its own NDC, the UK government should consider how it intends to leverage blended finance opportunities, in particular for emerging markets and development economies (EMDEs). The private sector needs a clear understanding of how the government will seek to support and mobilise investment in EMDEs. This is essential for implementing effective risk mitigation strategies, particularly regarding country, credit, and currency risks. Investors must have a clear understanding of the available risk mitigation tools, the nature and source of concessional capital or funding being deployed, and projections for returns over time. These measures are vital to sustaining funding and ensuring continued capital flows that replenish investment pipelines. Additionally, involving credible and experienced stakeholders who have deep market expertise is crucial for structuring and creating the right investment opportunities and structures for investors.

## Governance

Achieving the targets of an NDC requires a coordinated whole-of-government approach and close partnership with the private sector. The UK's NDC outlines the involvement of key government departments and devolved administrations in meeting its targets.<sup>5</sup> There is scope to strengthen and more clearly communicate these efforts.

**Success factor 4:** Define an overarching governance framework that specifies roles, responsibilities and delivery processes.

The government should develop a governance structure that specifies roles, responsibilities and processes for delivering the UK's climate targets and creates robust cross-departmental coordination mechanisms. This should be supported by clear communication about the roles and responsibilities of central departments and local government. The government should also communicate the methods for public participation and engagement with the private sector. Strengthened governance and clear communication will build confidence across the private sector regarding institutional arrangements and procedures.

**Success factor 5:** Develop structured engagement mechanisms with the private sector to facilitate participation in the NDC process and create opportunities for high-level dialogue.

Building on this foundation, the government should identify and communicate areas where private sector participation is essential. This includes detailing the communication channels available for the private sector and outlining opportunities for engagement on the UK's NDCs and domestic climate policies. Greater transparency and private sector collaboration on developing and implementing the UK's NDC would build trust, ensure credibility and support the long-term deliverability of an NDC.

To further enhance communication with the private sector, the government should implement milestones for reporting on NDC delivery. A transparent and accountable process for NDC reporting would provide clarity on the implementation of climate policies and progress towards the UK's climate targets. It would inform external stakeholders about micro-level and macro-

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<sup>5</sup> See the United Kingdom of Great Britain and Northern Ireland's 2035 [Nationally Determined Contribution](#)

level developments. It would also build long-term resilience by identifying obstacles at an early stage and creating opportunities to solve emerging challenges.

## Conclusion

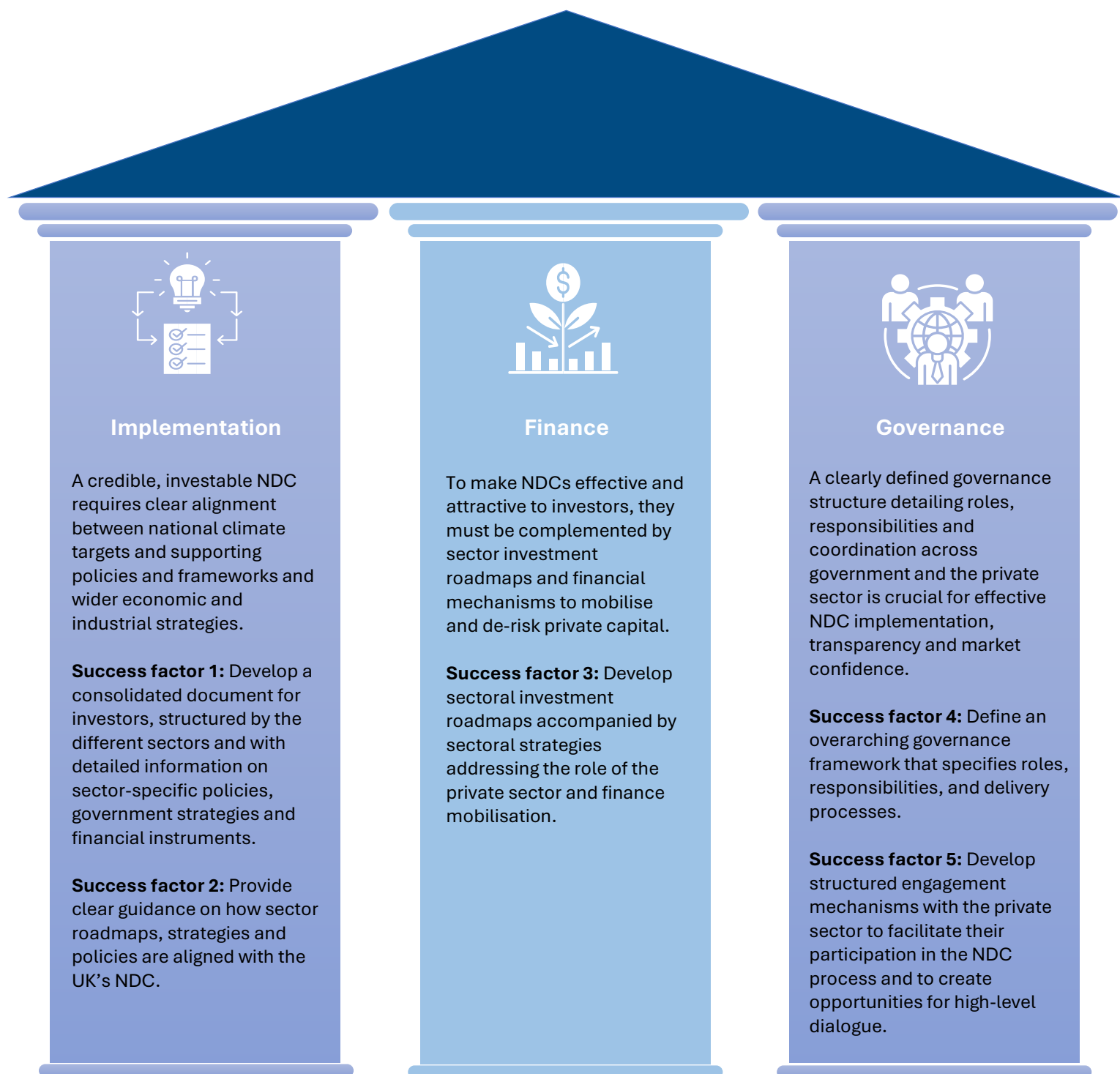
There is an opportunity for the UK to take a leading role in NDC implementation. To bridge the gap between ambition and implementation, the UK's NDC must be aligned and integrated with wider economic and industrial strategy. It must be complemented by a single consolidated document that clearly sets out the domestic climate policy landscape and an inventory of financial instruments. Without such a document, there is a risk that domestic climate policies and investment vehicles do not effectively support and align with the targets and objectives of a country's NDC.

The UK government should ensure that its NDC is aligned with domestic climate, economic, and industrial strategies. Clear communication of the investment opportunities within an NDC is essential. This alignment and transparency will foster a consistent approach to achieving national climate targets and provide investors with the information and certainty they need to make informed decisions.

While this paper has focused on the UK's NDC and associated domestic climate policies and plans, the success factors could be applied to support NDC implementation and inform investor decision-making across a range of markets. There is an opportunity for the UK to position itself as a global leader in the development of investable NDCs and work alongside its private sector to support EMDEs to develop their own investable NDCs, driving a consistent global response and enhancing private sector investment into climate finance.

TheCityUK has established an International Climate Finance Working Group to foster collaboration between the government and our industry on the UK's international climate finance priorities. With the UK's NDC published earlier this year and an increasing focus on implementation, our group stands ready to partner with the government to bridge the gap between ambition and implementation and develop measures to deliver an 'investable' NDC and unlock private capital in support of the UK's climate goals.

**Figure 1. Three pillars and five key success factors to deliver an ‘investable’ NDC**



Implementing the five key success factors will help translate the UK's NDC ambition and long-term climate goals into financial action and provide investors with the necessary resources and relevant information to mobilise private capital.