

# Financing the Green Shift

## Industrial Decarbonization in EMDEs

Catalyzing the private sector & mobilizing private capital to  
***Accelerate the Transition in Emerging Markets***

June 2025

## REASONS TO REMAIN COMMITTED (AND LESS PESSIMISTIC)



### Summary

**10708**

Total no. of companies with targets or commitments

**7995**

Companies with validated targets

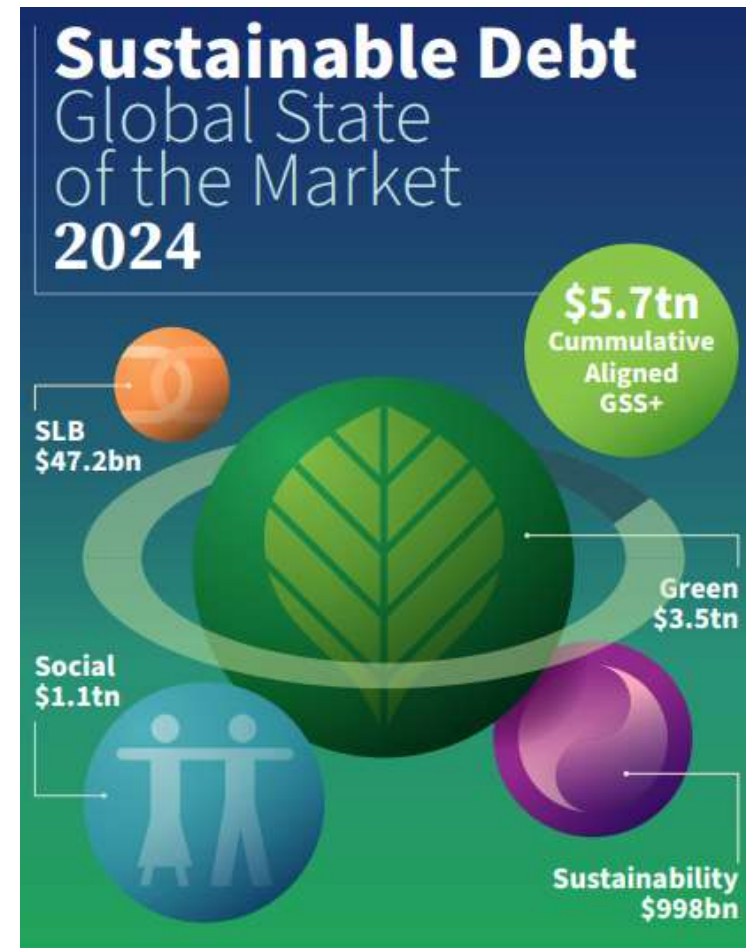
**1823**

Companies with net-zero targets

**2922**

Companies with active commitments

Source: SBTi (June 2025)



Climate Bonds



# IFC: ACCELERATING THE TRANSITION TO LOW-CARBON, RESILIENT & INCLUSIVE GROWTH

## Creating and Scaling Climate Projects

- IFC is best positioned to **create a pipeline of climate investment projects**, to de-risk these opportunities, and to mobilize private capital at scale in emerging markets.

## De-Risking and Mobilizing Capital

- Uniquely placed to **de-risk new opportunities and markets**, and to **mobilize capital to grow** them at scale.

## Pioneering Climate Investments

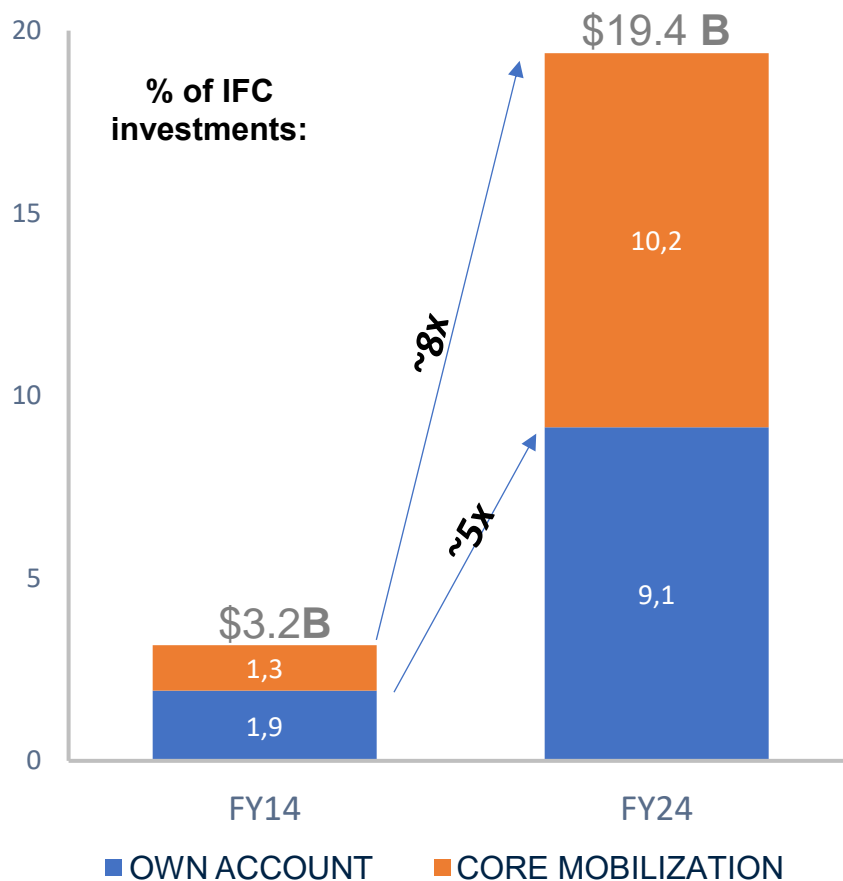
- **First to invest in locations** where the **climate agenda has not yet taken root**.
- Bringing climate finance to the most challenging markets with **a focus on people and jobs**.

## Creating Climate Markets

- IFC **combines standard setting, capacity building and investment** to unlock sustainable growth of new private sector climate markets.

## IFC: MAINSTREAMING CLIMATE ACROSS IFC OPERATIONS FOR IMPACT AT SCALE

### Long-Term Climate Finance Commitments FY14-24



21% → 44%

### Mainstreaming climate across IFC...

- Climate integrated into country **analytics**, sectoral and regional **strategies** and majority of client **offerings**.
- In FY24, 85% Paris Alignment target exceeded with **96% of IFC's commitments aligned**.
- On track for achieving **100% Paris Alignment for all new commitments in FY25**, working with every client on physical and transition risks.

### ...has delivered impact

- **More than doubled** Long-term Climate Finance penetration (own account + mobilization) from 21% in FY14 to 44% in FY24 for a total of \$ 82.3B.
- Responsible for **51% of all MDB** direct private climate mobilization to low- and middle-income countries (*in 2023*)\*
- Catalyze **\$8 in commercial funding for every \$1** of blended finance.



\*Joint Report on MDB's Climate Finance 2023

## INDUSTRIAL DECARBONIZATION CHALLENGES

Hard-to-abate industries (steel, cement, chemicals) in EMDEs account for approximately 66% of global emissions. Decarbonizing these sectors requires around \$340 billion in investment by 2030

### Challenges in EMDES:

- **High Capital Costs and Limited Financial Resources:** EMDEs struggle to access the substantial capital needed for innovative decarbonization technologies like Green Hydrogen (GH2) and Carbon Capture, Utilization, and Storage (CCUS)
- **Technological Uncertainty and Operational Risks:** First-time deployment of these technologies carries technical uncertainty and operational risks, potentially disrupting existing systems
- **Regulatory and Permitting Challenges:** Lack of well-defined regulatory frameworks can lead to delays and complications in obtaining necessary permits
- **Others:** Skilled Labor, Domestic Market Acceptance, Lagging Carbon Tax

## **INDUSTRIAL DECARBONIZATION OPPORTUNITIES**

The IFC's pipeline features pioneering projects like green cement, green hydrogen for ammonia fertilizers, Molten Oxide Electrolysis for green steel, e-methanol for sustainable shipping and aviation, and the establishment of GH2 and CCUS hubs

### **Opportunities in EMDES:**

- **Abundant Renewable Energy Resources:** EMDEs possess abundant solar, wind, and hydro resources for green hydrogen production
- **Government Commitment and Policy Support:** Increasing government commitment with national strategies and incentive programs
- **Economic Growth and Job Creation:** Projects can drive local investments, stimulate growth, and create jobs
- **Addressing Energy Security:** Transitioning to domestically-produced green fertilizers mitigates price risks

## **BLENDING FINANCE OFFER LARGE MOBILIZATION POTENTIAL**

Blended finance is crucial for bridging financing gaps by mitigating risks, lowering costs, and accelerating the scale-up of innovative decarbonization technologies, with a large mobilization potential to attract private sector investment

### **Country Examples:**

- **Brazil:** Prioritizes GH2 and ammonia production with affordable renewable energy
- **Morocco:** Developed a green hydrogen roadmap with ambitious targets
- **India:** Potential for green hydrogen production due to high solar irradiance
- **Colombia:** Committed to reducing GHG emissions by 51% by 2030, green hydrogen and CCS
- **Egypt:** Ambitious plans for green hydrogen market positioning
- **Mexico:** Set ambitious green targets for sustainable economy transition

## **BENEFITS AND *DEVELOPMENTAL IMPACT* OF INDUSTRIAL DECARBONIZATION**

Industrial decarbonization not only enhances economic competitiveness and job creation but also strengthens export competitiveness. By reducing carbon emissions, industries can align with global sustainability standards, making their products more attractive in international markets.

### **Developmental Impact:**

- **Jobs & Growth:** Green tech and infrastructure create high-value jobs and drive economic growth
- **Sectoral Shifts:** Fossil fuel jobs decline; green sectors expand—requiring major reskilling efforts
- **Social Benefits:** Cleaner air, better health, and inclusive policies support vulnerable groups
- **Export Competitiveness:** Green value chains boost export markets and align with global standards
- **FDI & Technology:** Decarbonization attracts quality FDI and accelerates green tech transfer





# Thank You

**Tuyen D. Nguyen**  
Global Lead  
Climate Business Department  
IFC, Washington DC  
[ntuyen@ifc.org](mailto:ntuyen@ifc.org)