Mobilizing private capital for climate-driven growth

KPMG. Make the Difference.

January 2026

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Foreword

We are at a critical point in the fight against climate change. The year 2025 has been one of the hottest years on record,[1] with extreme temperatures and wild weather impacting most countries and territories.

Emerging markets and developing economies are being exponentially affected. In 2025, the Philippines experienced two severe typhoons in just one week,[2] while Jamaica has been devastated by the strongest hurricane in its history.[3]

Addressing the worst impacts of climate change is now an urgent issue for emerging markets and developing economies (EMDEs). They continue to struggle, however, to raise enough private capital to support their limited public sector funding.

At COP30, the need to mainstream climate finance was encapsulated by the Mutirão decision — put forward by the COP Presidency and agreed by countries — which sets up a two year plan on climate finance, so nations keep working on the Baku commitment to mobilize public and private finance for EMDEs.

The two-year work program aims to streamline access to climate funds, strengthen local participation, and launch initiatives (Global Implementation Accelerator and Belem Mission) to turn NDCs into bankable projects.

The Mutirão decision prioritizes concessional finance for high-risk areas while using guarantees and blended finance to attract private capital.

KPMG has highlighted these trends and opportunities in a new report, produced with the World Economic Forum (WEF), called 'From Risk To Reward: Unlocking Private Capital for Climate and Growth'.

It shows that, despite a growing recognition of the importance of climate finance, private investment in EMDEs remains insufficient, with only a small fraction of the required capital being mobilized.

The world should be taking swift and meaningful action to unlock private climate capital at scale. A failure to act not only risks the future of many EMDEs but threatens a just transition.

In this KPMG summary document, we outline the key findings from the WEF white paper, 'From Risk to Reward: Unlocking Private Capital for Climate Growth,' and showcase how KPMG firms have supported clients globally in addressing climate finance challenges.

Mike Hayes
Global Climate Change and Decarbonization Leader and
Global Head of Renewable Energy
KPMG International

[1] World Meteorological Organisation (6th November 2025) 2025 set to be second or third warmest year on record
[2] BBC (11th November 2025) Six dead after second typhoon in a week hits the Philippines
[3] BBC (6th November 2025) Was climate change to blame for the strength of Hurricane Melissa?

A systemic shortfall: Climate finance in EMDEs

Climate finance is not keeping pace with global needs, placing greater pressure on EMDEs. Mobilizing private climate finance is vital for tackling climate change in EMDEs as public funding alone cannot meet the immense financial challenges. KPMG firms can support investors in unlocking potential opportunities across the complex climate investment landscape.

Introduction

Addressing climate change can help to support the economic development and long-term growth in EMDEs. EMDEs require trillions of dollars to address climate change, yet only a fraction of this funding is currently mobilized.

Developing nations face significant barriers to accessing climate finance, including inadequate technology, insufficient data, and structural challenges such as fragmented project pipelines, regulatory uncertainty, and weak financial markets. These obstacles deter private investment and slow progress.

In 2023, climate finance for EMDEs totaled just US$332 billion, only 14 percent of the US$2.4 trillion needed each year to meet global climate targets by 2030. EMDEs are projected to raise US$1.4 trillion domestically, leaving US$1 trillion gap that must be filled by external, primarily private, capital.[4]

The consequences of insufficient climate finance are far-reaching: EMDEs continue to struggle with weather-related disasters, poor air quality, food insecurity, and limited access to clean water and energy.

These challenges contribute to weak rural development, poverty, poor health, inequality, and declining productivity — further hindering economic growth.

To address this gap, KPMG and the World Economic Forum (WEF) conducted a global study, '[From Risk to Reward: Unlocking Private Capital for Climate Growth],' with the intention of identifying practical strategies to help to scale private investment.[5]

The report outlines six priority actions and sixteen strategies designed to reduce risk, improve project bankability, and enhance data transparency, aligning incentives for both public and private stakeholders.

These challenges set the stage for understanding the systemic shortfall in climate finance and the urgent need for innovative approaches.

Private capital must scale fast

Scaling private climate capital in EMDEs should be acted on directly. This roadmap by KPMG and WEF highlights the necessary interventions, which can bridge the finance gap and help unlock development opportunities.

> "KPMG firms are helping to advance climate finance, by supporting the shaping of regulatory frameworks, strengthening of local capital markets and the de-risking of investment. Through the financial services experience of KPMG professionals, we can help accelerate private capital flows towards sustainable development and climate goal in emerging economies."

Karim Haji,
Global Head of Financial Services, KPMG International, and Partner and Head of Financial Services, KPMG in the UK

[4] Climate Policy Initiative, Global Landscape of Climate Finance Data Dashboard 2025
[5] KPMG and World Economic Forum (November 2025) From Risk to Reward: Unlocking Private Capital for Climate and Growth.

EMDEs face significant climate risks but also offer substantial opportunities for transformative investment. Although international private finance for EMDEs rose from US$17 billion in 2021 to US$36 billion in 2023, this remains a fraction of the US$1 trillion needed annually by 2030, a 28-fold increase required to meet global climate targets.[6]

While the world's 100 largest asset owners collectively manage over US$26.3 trillion, unlocking even a portion of this capital for EMDEs will require bold partnerships, targeted reforms, and effective alignment of risk and return.[7] (chart 1).

Recognizing these gaps highlights the importance of viewing EMDEs not just as recipients of capital, but as dynamic markets with significant growth potential.

"The transition to a low-carbon economy requires mobilizing private capital at scale. KPMG firms' can provide the experience, analysis and strategic guidance needed to help unlock investment opportunities and bridge the climate finance gap."

Mark Fitzgerald,
Global Head of International Development Assistance Services, KPMG International and Partner, KPMG in the US

"This report reflects a collaborative effort between the World Economic Forum and KPMG, integrating diverse perspectives from stakeholders across the public and private sectors to propose actionable strategies for scaling private climate finance. In Southeast Asia, where rapid urbanization, energy transition, and climate resilience are urgent priorities, the collaboration between the public and private sectors is needed more than ever, to build up pathways to mobilize private capital and strengthen local markets to drive sustainable growth."

Ha Do,
Asia-Pacific Head of Government and Public Sector and Partner, KPMG in Vietnam

Chart 1: Closing the climate gap demands a huge increase in private investment

Private climate finance landscape

Private climate finance flows to emerging markets and developing economies (EMDEs) are currently inadequate. Bold public-private action is needed to help close the gap.

Catalyzing private finance for climate-aligned growth | PRI in person 2025

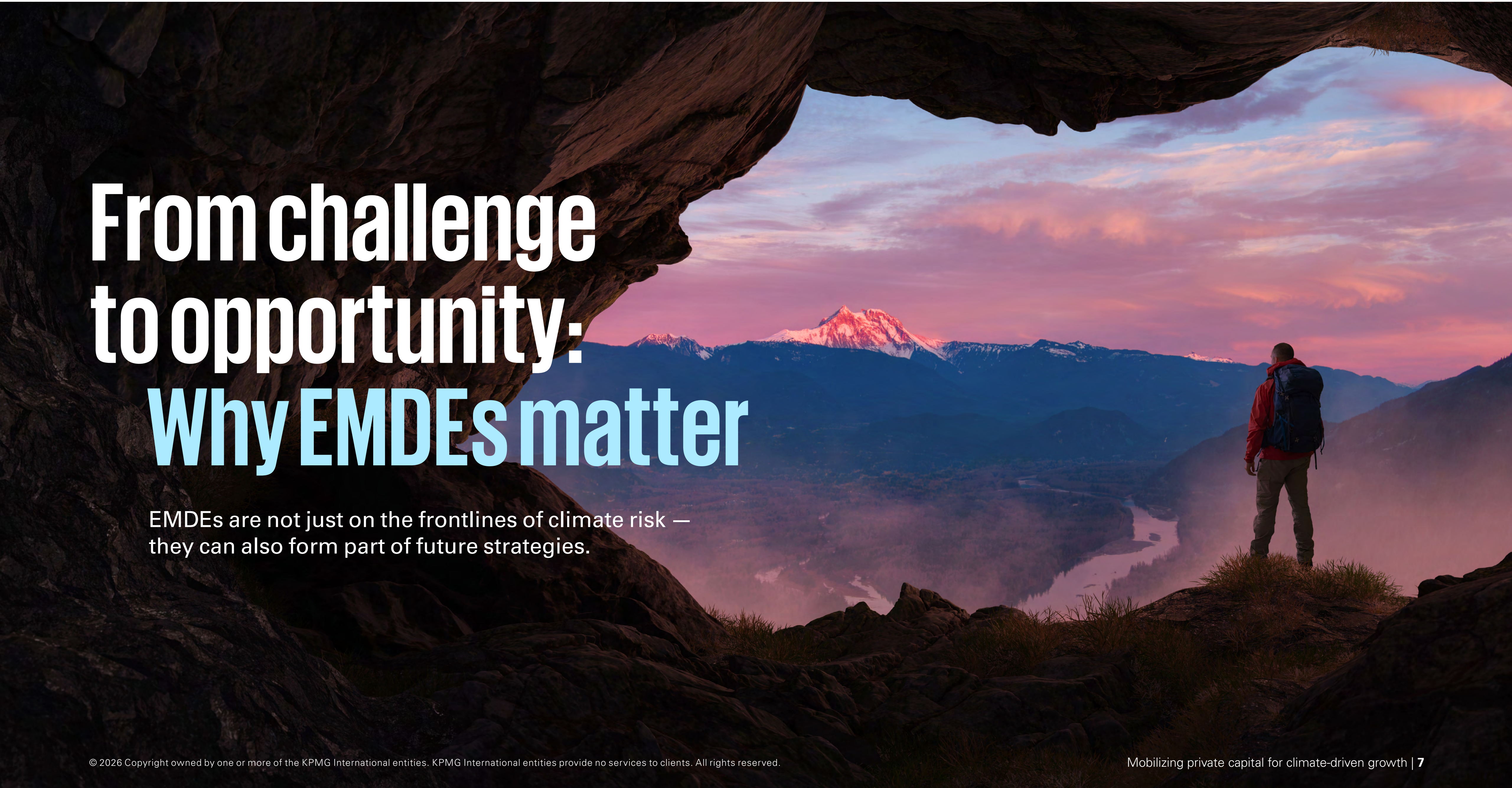
US$36 billion of international private climate finance flowed to EMDEs in 2023

28x increase is needed to close the financing gap

US$1 trillion per year is needed by 2030 from external sources, mostly private

Source: Climate Policy Initiative, Global Landscape of Climate Finance Data Dashboard 2025

[6] High-Level Expert Group on Climate Finance. (2023). A climate finance framework: decisive action to deliver on the Paris Agreement.
[7] Pensions & Investments. (2024). World's 100 largest asset owners now hold record $26.3 trillion.



From challenge to opportunity: Why EMDEs matter

EMDEs are not just on the frontlines of climate risk — they can also form part of future strategies.

A global growth engine in waiting

With rapid urbanization and expanding clean technology sectors, EMDEs present a convergence of demographic and economic trends attractive to investors. Capturing even a small share of the projected US$1.5–2.0 trillion annual infrastructure need could unlock hundreds of billions in investable opportunities across clean energy, transport, and nature-based solutions.[8]

Leaders need to engage early and act directly

Investors must navigate challenges such as fragmented pipelines, regulatory uncertainty, and elevated lending costs due to sovereign ratings and compliance frameworks. Mobilizing capital depends on translating climate commitments into actionable, investable project pipelines supported by a stable macro environment.

Early engagement and groundwork help investors secure anchor investments and establish credibility in EMDE development.

With these opportunities and challenges in mind, it becomes clear that targeted strategies are essential for unlocking private climate finance.

> “Emerging market infrastructure as an asset class is converging with investor demand for resilient, inflation-hedged returns. The winners in infrastructure finance are likely to be those who not only build credible pipelines and price risk intelligently but also embrace creativity in structuring deals, bringing more parties to the table so different components of risk are managed collaboratively. In a US$1.5–2 trillion annual market, success can hinge on execution, discipline and the ability to align innovative financing structures with megatrends — from digitalization to resilience.”

Lisa Kelvey,
Global Head of Infrastructure, KPMG International

[8] IEA (2025) Global Energy Review

Opportunities for investors

Unlocking private climate finance

Effective climate finance for emerging markets should seek to address local vulnerabilities while supporting sustainable economic growth. KPMG, in association with the World Economic Forum and through direct engagement with investors, has identified six key barriers to climate finance in EMDEs and developed sixteen tailored strategies that serve as a practical roadmap for investors (see chart 2).

The roadmap reflects the lived realities of EMDEs, acknowledging the differences in investment environments and with the aim of ensuring that both public and private funding needs are aligned to the markets they are best suited for. For example, in regions like Africa, India, and Latin America, lower cost of capital from development banks can sometimes crowd out private investors and distort markets, while pension funds often avoid regions with political, legal, and currency risks that are costly to hedge.

Approaches can range from risk-sharing mechanisms and robust policy frameworks to strategic local partnerships, all designed to mobilize capital for meaningful climate impact and solid returns. Many strategies — such as improving data platforms, piloting local partnerships, or expanding blended finance — can deliver near-term impact. However, complementary medium- and long-term reforms in regulation, market development, and institutional capacity are also necessary for lasting success.

Early adoption of these approaches can enable investors to influence policy, define financial standards, and secure long-term value.

The effectiveness of these strategies depends on tailoring them to the unique priorities of different stakeholders and EMDE contexts.

> In Africa, high exposure to climate hazards combines with vulnerable populations and a growing need for social and economic infrastructure. Our work supports governments, development partners, investors, and communities to design and deploy financing frameworks that unlock private capital for green growth and climate resilience. KPMG's climate finance specialists are committed to developing actionable approaches that support low carbon development and demonstrate real, measurable impact. Through local knowledge and meaningful relationships such as with the World Economic Forum, we can help shape reforms, strategies, and programs that enable private sector investment in climate initiatives and the energy transition."

Smita Sanghrajka,
Partner and Head of International Development Advisory Services, KPMG in Kenya

Collaborating with WEF, KPMG has been working to identify the biggest barriers to **climate finance in EMDEs**. Collaborating directly with investors, we have **developed tailored strategies** to address them.

Chart 2: The sixteen strategies

Improve access to bankable project pipelines

Support countries and territories with strengthening public–private collaboration through climate innovation funds, developing demand aggregation platforms and expanding syndicated loans between private investors and MDBs.

Strategies:

- Strengthen early-stage pipelines through partnerships
- Create demand-aggregation platforms led by corporate buyers
- Embed climate adaptation layers into public infrastructure
- Increase the volume of syndicated climate loans

Mobilize local capital

Redirect domestic capital pools towards climate activities by deploying local credit guarantees and promoting local currency instruments.

Strategies:

- Deploy local credit guarantees to mobilize domestic capital
- Increase access to local currency instruments and green lending

Improve policy and regulatory certainty

Support investable nationally determined contributions (NDCs) with clear roadmaps and improve country platform access to give private investors predictable policy frameworks.

Strategies:

- Translate NDCs into actionable, sector-specific investment roadmaps
- Create stable investment policies and country platforms that make NDCs an investable proposition

Increase data transparency and local market intelligence

Address information asymmetries by scaling-up national climate investment data platforms, adopting digital credit analytics tools and brokering partnerships between local businesses and global investors.

Strategies:

- Expand access to comparable climate investment data
- Help global private investors establish local partnerships in EMDEs
- Adopt digital tools for credit analytics to cut due diligence costs

Scale up equity investment structures

Align equity flows with opportunities by scaling-up DFI platform investments, aggregating fragmented projects and using catalytic equity to crowd-in broader equity pools.

Strategies:

- Deploy more catalytic equity from donor countries
- Use DFI platform-based investments in sustainable infrastructure
- Aggregate small and fragmented projects into investable portfolios

Streamline risk-sharing mechanisms

Simplify and standardize de-risking approaches (e.g. blended finance tools, first-loss capital) including through AI-enabled platforms and expanded climate insurance.

Strategies:

- Create an AI-powered climate finance platform to streamline access to de-risking mechanisms
- Scale up climate insurance and guarantee solutions

From ambition to execution: Who should act

Achieving net-zero in EMDEs requires bold, coordinated action. Each stakeholder has a critical role in unlocking private capital and accelerating climate-aligned growth.

Tailored equally for stakeholders and EMDEs

The roadmap recognizes that different investor groups have distinct priorities; such as policy stability for institutional investors and transparency for corporations and asset managers. Because investors operate on different time horizons, interventions must be sequenced to address short-, medium-, and long-term objectives.

Historically, treating the private sector as a single entity has overlooked these differences, resulting in inefficient financing for EMDEs.

Each approach is tailored to the specific needs and perspectives of stakeholders, including asset managers, institutional investors, EMDE governments, multilateral development banks (MDBs), development finance institutions (DFIs), corporations, and project developers (see chart 3).

This stakeholder-driven approach seeks to ensure that strategies are designed to be both practical and impactful across diverse investment environments.

Chart 3: Who should act

From ambition to execution: Who should act

Institutional investors

Commit long-term capital to blended finance vehicles and co-investment platforms. Partner with DFIs to access stable, risk-adjusted returns while meeting ESG mandates.

Commercial banks and local financial institutions

Join syndicated climate loans, de-risk green lending portfolios, and expand climate-conscious lending through partnerships with MDBs.

Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs)

Provide catalytic equity — especially junior and mezzanine capital — to crowd in private investment. Avoid crowding out commercial finance.

Project developers

Engage with country platforms early. Share transparent, comparable project-level data to attract investment.

Concessional capital providers and philanthropies

Target high-impact, non-commercial sectors. Act as early-stage enablers to crowd in private capital over time.

Insurance providers

Embed climate risk modelling early in project development. Offer innovative insurance products to improve bankability.

Policy-makers in EMDEs

Build investable pipelines, remove regulatory barriers, and offer predictable policy environments.

Corporate investors

Invest in enabling infrastructure and supply chains. Aggregate demand to support early-stage ventures and reduce Scope 3 emissions.

Asset managers and impact investors

Partner with DFIs to scale high-risk, high-impact ventures. Deploy patient capital through public-private equity structures.

Donor governments

Direct concessional capital to underfinanced sectors like adaptation. Encourage MDBs and DFIs to take on more risk.

“

In our work with the World Economic Forum, KPMG sees that the focus of funding in Latin America is centered on renewable energy, climate-smart agriculture, and sustainable land use. Yet barriers like fragmented projects and limited adaptation funding persist. The region needs solutions for scaling green bonds and deploying more blended finance tools. KPMG firms have been supporting green financial structuring projects and creating data-driven insights to support decision making that are designed to accelerate capital mobilization and align projects with national climate goals for resilient, sustainable development.”

Nelmara Arbex,
ESG Lead Partner, KPMG in Brazil

Begona Ramos,
ESG Financial Services Lead for Latin America, KPMG in the US

Built for scale and impact

The sixteen targeted actions are designed to drive the next wave of strategic initiatives, unlocking private climate finance in EMDEs at scale.

These actions aim to address persistent misalignment between climate finance strategies and investor priorities, ensuring capital is effectively mobilized.

Kickstart with priorities

Integrating climate action with commercial projects should enable climate initiatives to help drive economic growth in EMDEs.

Engaging private finance early can bring not only capital but also valuable expertise to accelerate climate-aligned growth.

EMDEs should develop transparent, investable projects with effective de-risking mechanisms and strong local partnerships to attract private investors.

Success depends on coordinated reforms in policy, finance, and data, along with clear, sector-specific targets tied to actionable projects.

By aligning strategies, stakeholders, and implementation, EMDEs and investors can together accelerate progress toward climate and development goals.

In KPMG's view, **three priorities** can kick start the unlocking of private climate capital in EMDEs:

1. **Access to bankable project pipelines** — COP30 emphasized that early-stage project preparation is a critical bottleneck. The Action Agenda launched initiatives to accelerate project readiness, including technical assistance platforms and blended finance facilities to de-risk investments in EMDEs.
2. **Policy and regulatory reform** — foundational for investor confidence.
3. **Data transparency and quality** — critical enabler for due-diligence and risk pricing.

"Developing nations including those in the South Asia region face the twin challenges of expanding their energy basket while transitioning simultaneously to clean energy forms. This is not easy because of the challenges on scale, pricing, maturity of supply chains, technology access and more. Climate finance not only plays a direct enablement role, it also serves as a catalyst for many of the other factors at play to come together. At KPMG firms, we work with the intention of making these factors work in unison to deliver real projects and tangible outcomes at scale, benefitting countries and communities along with the environment."

Anish De,
Global Head of Energy & Natural Resources
KPMG International

The strategies in practice

Case studies show how these targeted interventions, from project pipeline development to policy reform and risk-sharing, are unlocking capital and accelerating investment in EMDEs.

Focus area

Improve access to project pipelines

Approach: Strengthen stage pipelines with public/private partnerships

Climate-focused Micro, Small, and Medium Enterprises and start-ups in EMDEs struggle to scale due to limited access to capital. Public–private venture platforms can address this by combining their finance offer with technical support; aggregating ventures into investable portfolios and linking them to national databases and country platforms.

Real-world impact: Challenge funds that deliver

A US$50 million Fund managed by KPMG East Africa shows how challenge funds can drive inclusive growth. The Fund supported 38 innovative businesses across 15 African countries that created nearly 5,000 direct jobs and expanded financial access to 5.3 million customers. Through smart fund design, rigorous due diligence, and technical assistance, the Fund boosted rural incomes with more resilient savings, insurance, credit, and transaction service offerings, leading to more vibrant markets.

Approach: Creating more resilient EMDEs through a just transition

When they do not account for a just transition, developers and financiers encounter project delays, community opposition, and limited access to capital. Considering a just transition at project inception and through fundraising and then implementation. By incorporating benefits for the community, projects can become more resilient and, more successful.

Real-world impact: Financing a just energy transition

MDBs are now baking just-transition criteria into every investment — from gender and social impact to workforce transition and community resilience. This is critical in communities reliant on heavy industry and fossil fuels such as coal. Here, the energy transition and the cost of plant decommissioning threaten livelihoods. By helping lenders assess the social and economic risk of the energy transition, KPMG firms are enabling governments and investors to design possible, inclusive energy projects that protect communities while accelerating the clean energy transition.

Focus area

Improve access to project pipelines

Approach: Economic development with investment into urban centers

Projects in urban areas in developing countries and territories can often struggle to attract private sector participation. High risk factors, an inexperienced workforce and little seed funding mean that there is a dearth of climate resilient projects in emerging urban centers in many EMDEs.

Real-world impact: Urban centers as a growth catalyst

In Kenya, a US$50 plus million program called Sustainable Urban Economic Development (SUED) is supporting emerging urban centers. Backed by the UK Government through the Foreign, Commonwealth and Development Office, SUED is creating sustainable, climate-resilient and gender-inclusive projects that attract investment. Through SUED, KPMG East Africa helped more than eight agricultural SMEs become investment-ready, providing tailored support and connecting them with institutional investors. As a result, over US$40 million has been mobilized and more than 37,000 jobs were created across these growing urban centers.

Improve policy and regulatory certainty

Approach: Translate NDCs into actionable, sector-specific investment roadmaps

Many EMDEs have submitted high-level climate commitments, but lack detailed, finance-ready plans. This solution focuses on converting National Development Contributions (NDCs) into operational roadmaps that align with infrastructure priorities and emissions targets.

Real-world impact: Turning climate ambition into investable action

UNDP's Climate Promise is shifting from NDC design to implementation, focusing on unlocking private investment. Working with KPMG firms, it is helping countries and territories strengthen investment environments, connect governments with investors and developers, and translate NDCs into bankable, real-world opportunities. By supporting climate action, primarily around NDCs, KPMG firms are supporting the shift from targets and obligations to strategic imperatives helping EMDEs and businesses to manage risk, decarbonize and meet evolving disclosure expectations.

Focus area

Increase data transparency to access sustainable/climate finance

Approach: Supporting EMDEs with energy transition plans

An energy transition plan is a broad-ranging, forward-looking strategy that helps businesses mitigate risks and seize opportunities arising from climate and nature-related challenges. It aims to ensure that these considerations can be fully integrated into business and financial planning, creating a structured, transparent, and credible pathway for companies to achieve their climate and nature goals while providing sufficient detail to encourage investment.

Real-world impact: Powering Africa's Digital Future With Net Zero Action

A KPMG member firm helped a major African telecoms provider build a credible path to net zero by 2040; from a full emissions review to a tailored decarbonization roadmap. By prioritizing actions by region and business unit, assessing technology and cost feasibility, and measuring investment needs and savings, we enabled the company to present a strong, finance-ready business case to stakeholders.

Approach: Sustainable finance instruments

The last five years have seen a rapid evolution in sustainability strategies by infrastructure and energy companies operating in EMDEs. Particular focus has been on access to sustainable/climate finance and improving operations by addressing decarbonization and nature-focused efforts.

Real-world impact: EMDE shift to sustainable finance

KPMG in the US and the International Finance Corporation's study of 104 companies based in emerging markets shows a decisive shift toward sustainable finance, with more companies using green bonds, sustainability-linked bonds, and loans. The water and waste and energy sectors are the biggest adopters. One in four firms now seek support from development finance institutions and multilateral banks. Many are integrating nature-based strategies into their operations, though formal nature-related financial disclosures are still in the early stages.

Focus area

Increase data transparency and local market intelligence

Approach: Sustainable transactions with better data and market insight

Valuing agricultural properties and biological assets is challenging in any country, perhaps more so in EMDEs. The agricultural sector also often makes up a disproportionate amount of GDP in many of these nations. The asset classes associated with the sector have many different characteristics and risk profiles. Valuations and transactions can therefore be complex and it is important to get them right.

Real-world impact: Preparing carbon development projects through data transparency to improve transaction closures

Komaza, a major smallholder forestry business in Kenya, partnered with over 25,000 farmers and developed the country's first smallholder forestry carbon project before entering administration in 2023. KPMG East Africa facilitated the sale of Komaza's biological assets and carbon project to a new developer, enabling a shift to an agroforestry model that secures long-term revenue for farmers and supports sustainable land management. By conducting a detailed biological asset valuation and improving data transparency, KPMG professionals helped investors understand asset value, reduce due-diligence costs, and ultimately strengthen the prospects for successful transaction closure.

Streamline risk-sharing mechanisms

Approach: Scale up climate insurance and guarantee solutions at all points in the value chain

A key barrier to scaling private climate finance in emerging markets is the lack of streamlined risk-sharing mechanisms and limited institutional capacity to effectively manage climate-related risks. The Subcommittee on Green Finance faced challenges in coordinating efforts, building capacity, and mobilizing resources in alignment with national climate change and green growth policies.

Real-world impact: Building institutional capacity for risk-sharing

A KPMG firm supported the Subcommittee on Green Finance by strengthening institutional capacity for risk-sharing through diagnosing progress on green growth commitments, developing tailored financial instruments, and conducting risk scenario analyses for climate-related investments. Through targeted training, participatory action planning, and the establishment of robust knowledge management and using monitoring, reporting and verification systems, KPMG professionals enabled national development banks to better identify, manage, and mitigate risks, laying the foundation for scalable and effective risk-sharing mechanisms that facilitate private climate finance in line with national green growth policies.

Focus area

Streamline risk-sharing mechanisms

Approach: Redesign credit guarantees to reduce risk and match markets

Effective credit guarantee facilities have the potential to mobilize more financing than loans. Their importance is even greater in EMDEs, where less developed financial infrastructure, and market volatility often hinder private investment.

Real-world impact: Credit Guarantee Mechanisms for Solar

In India, the UK's Solar Power Generation Guarantee Facility, intended to unlock 265 million pounds (GBP) in private investment for 130 MW of solar capacity, was ultimately withdrawn due to limited uptake. KPMG in India was commissioned to uncover the causes of underperformance and provide guidance for redesigning partial credit guarantees to better match India's rapidly evolving solar market. Through extensive consultations and global benchmarking, KPMG professionals found that well-designed guarantee facilities remain essential for catalyzing finance in emerging markets but must be flexible, transparently structured, appropriately priced, and aligned with real project risks. Success also requires stronger market outreach, broader lender participation, and complementary financing instruments such as bonds and YieldCos[9] which can accelerate investment across both grid-scale and distributed solar segments.

Mobilize local capital

Approach: Free up capital in EMDEs to support new economic development

Governments in emerging markets face fiscal constraints and rising infrastructure demand and traditional financing models cannot meet the scale needed for urbanization, climate resilience, and clean energy transitions. Existing public assets often underperform, tying up capital that could be reinvested in new infrastructure.

Real-world impact: Developing an asset recycling roadmap to monetize underperforming assets

KPMG in Singapore co-developed the Asset Recycling Handbook with the World Bank, providing governments with a structured roadmap for monetizing underperforming assets and reinvesting proceeds. This initiative identifies assets, structures transactions, and establishes governance to attract private investment in public infrastructure renewal. Through workshops and knowledge-sharing, KPMG professionals shared industry best practices on mobilizing investment through instruments such as bonds, Infrastructure Investment Trusts (InvITs), and concession frameworks for asset acquisition — bringing private capital into public infrastructure renewal. KPMG firms aim to help scale asset recycling across EMDEs and engage investors to unlock private capital for new projects.

[9] A Yieldco is a publicly traded company formed to own operating assets, like solar or wind farms, and are designed to generate stable and predictable cash flows.

Moving forward

Achieving net-zero in EMDEs should be happening faster. These countries and territories are experiencing increasing challenges from climate change, putting their economies under severe pressure. Conducted in tandem, sustainable and renewable development and the economic growth of EMDEs can help to defend against the worst impacts of climate change.

Private investors should be seeking to identify pathways for growth that works best for them. Whether it is risk-sharing mechanisms, investable policy frameworks or local partnerships, the focus should be on enabling capital to flow where it can deliver both strong returns and measurable impact.

How KPMG can help

KPMG firms can work with you on the journey to unlocking climate finance and sustainable growth. KPMG professionals support governments and private sector clients in emerging markets with building institutional capacity in raising, directing, and managing climate finance. We also support the design, development and delivery of bankable climate projects and climate funds.

KPMG professionals are some of the leaders in the sector, bringing deep experience across climate change, risk management, finance, and capital markets. We offer access to global climate finance hubs of thought leaders and strategists, and leverage technology platforms, AI-driven tools, and global alliances to deliver actionable insights and tailored strategies. With technological innovation embedded in our approach, and a focus on both value creation and value protection, KPMG firms are ideally positioned to help you navigate complexity, structure resilient investments, and build transformative, sustainable deals.

Together we can help you accelerate your climate ambitions and unlock new business value for a low-carbon future.

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Designed by Evalueserve | Publication name: Mobilizing private capital for climate-driven growth | Publication number: 140221-G | Publication date: January 2026