



Scaling investment through policy and financial de-risking solutions

United Nations Development Programme & United Nations Capital Development Fund joint offer



UNDP and UNCDF work hand in hand to drive sustainable development by addressing policy, institutional, and financial barriers that hinder investment in critical sectors. While UNDP and UNCDF are governed by similar financial rules and regulations, UNCDF's distinct and separate financial rules relating to the deployment of grants as loans and guarantees to initiate financial derisking, unique in the UN system, offers a strategic complementarity of services to countries to scale investment for critical development priorities.

While UNDP focuses on strengthening enabling environments and addressing institutional and regulatory barriers to investment, UNCDF directly deploys financial instruments and catalytic capital to private sector, financial intermediaries, and governments to de-risk investments and mobilize additional public and private resources – both domestic and international. Through its investment mandate, UNCDF uses blended finance structures, such as first-loss capital, guarantees, and concessional loans (at 0 percent or very low interest), to mobilize public and private capital in high-impact initiatives, particularly in frontier and last-mile markets.

These joint efforts are increasingly critical as countries face intersecting crises and more frequent shocks. To ensure crisis response does not lead to a loss of development gains, early investment is needed to support recovery and build long-term resilience. Together, UNDP and UNCDF help bridge the gap between policy ambition and real investment for developing countries, building a more inclusive global financial ecosystem that drives investment for sustainable economic development, climate and biodiversity targets, and recovery and resilience needs.

Together, UNDP and UNCDF bring complementary strengths to support countries in building resilient, inclusive, national financing ecosystems. Under UNCDF's leadership in capital deployment and UNDP's policy and development expertise, we help governments not only design Integrated National Financing Frameworks (INFFs), but also translate them into investable outcomes. The joint offer enables countries to unlock domestic and international capital, expand access to inclusive, climate-aligned, crisis-sensitive, and locally led finance, and direct resources where they are needed most: the last mile.

Together, we offer:

Strategic advisory and capacity building to national institutions, including but not limited to Ministries of Finance, to craft and implement financing strategies that align budgets, policy reforms, and public-private investment strategies with SDG, NDC, NBSAP targets, and recovery and resilience pathways;

Deployment of capital to scale sub-national and local finance solutions, including direct support to municipalities, local governments, and MSMEs—particularly in LDCs and fragile and crisis contexts—through UNDP’s emergency grants and UNCDF’s blended finance structures, guarantees, concessional capital and performance based grants;

Development of investable pipeline and project development support to unlock investment, including UNDP’s SDG Investor Maps, UNDP and UNCDF’s expertise on digital financial infrastructure, with UNCDF supporting structuring of finance, and deploying de-risking solutions (including first loss capital) to mobilize public and private finance into high-impact sectors;

Strengthening SDG impact measurement by helping countries develop and apply SDG-aligned taxonomies, data systems, and financing strategies that embed impact accountability into public and private investments.

Joint action to strengthen and deepen financial sector ecosystems and advance systemic reform across green finance, MSME finance, digital finance, sub-national finance, recovery finance, and public financial management, ensuring that financing solutions are inclusive, scalable, and aligned with both national priorities and global frameworks.

UNDP’s and UNCDF’s focused and unique capabilities, respectively, align with the FfD4 Outcome Document’s emphasis on country ownership, de-risking private capital, and building resilient, inclusive, and sustainable financing systems. It leverages UNDP’s policy and development leadership across all countries and UNCDF’s unique role as the UN system’s catalytic financier targeting, first and foremost, for LDCs, SIDS, and fragile contexts – connecting capital to opportunity where it matters most.

UNDP & UNCDF: working hand in hand to scale investments through policy and financial de-risking

Unlocking finance for Afghan entrepreneurs

In Afghanistan, UNDP and UNCDF have partnered to support the Afghanistan Credit Guarantee Foundation (ACGF) through a portfolio guarantee covering 80% of losses, capped at \$1 million. The initiative expands access to finance for MSMEs, especially those led by women and operating in underserved sectors.

In Q1 2025 alone, over \$9.4 million in loans were disbursed to 3,632 businesses—27% of them women-led—helping sustain 8,076 full-time jobs, including 2,434 for women. With flexible loan sizes ranging from just over \$1,000 to nearly \$95,000, the programme demonstrates the power of blended finance and risk-sharing instruments to catalyse inclusive economic growth in fragile settings.

Innovative finance for tiger conservation

UNDP, UNCDF, and the Tiger Conservation Coalition are launching the Tiger Landscapes Investment Fund (TLIF), an innovative facility to incubate and finance nature-positive businesses in tiger-range countries. With a target of \$200 million and anchor support from Germany and Cartier for Nature, TLIF will begin operations in Thailand and Malaysia in late 2025, supporting biodiversity, local livelihoods, and sustainable landscape management.

Catalysing renewable energy in Zimbabwe

REF Zimbabwe, launched with support from the UN Joint SDG Fund, UNCDF, UNDP, UN Women, and UNESCO, is the country's first blended finance platform for distributed renewable energy. With \$16 million in initial capital from the Joint SDG Fund and Old Mutual, the fund is de-risking early-stage investments and unlocking solar solutions for hospitals, agribusinesses, and schools. REF Zimbabwe is expected to leverage over 3.5x in additional capital and grow to \$50 million by end-2026—building a scalable, inclusive energy market for Zimbabwe's last mile.

[Read more](#)

Scaling solar cold storage in Kenya

UNCDF and UNDP have partnered to deploy solar-powered cold storage across Kenya, backed by €23.3 million from the Mitigation Action Facility. With €16.6 million in blended finance led by UNCDF and €6.7 million in technical assistance from UNDP, the partnership is expected to benefit over 60,000 farmers, and cut 8.7 million tonnes of CO₂ emissions.

[Read more](#)

De-risking ocean finance in Papua New Guinea

In partnership with UNDP and the Global Fund for Coral Reefs, UNCDF launched a \$1 million Blue Economy Guarantee with Women's Micro Bank to unlock credit for reef-positive MSMEs. With 70% risk coverage and targeted support for women, the facility is expected to enable up to \$3.5 million in loans—catalysing sustainable aquaculture, marine tourism, and plastic recycling in PNG's coastal communities, while protecting one of the world's richest coral reef ecosystems.

[Read more](#)

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