INDUSTRY DECARBONIZATION: PROGRAM AND PARTNER COUNTRIES OVERVIEW

BRIEF

CIF

THE INDUSTRY DECARBONIZATION INVESTMENT PROGRAM

CIF's $1 billion Industry Decarbonization investment program is the first global concessional finance initiative investing in industrial greenhouse gas (GHG) emissions reduction in developing countries. The program is designed to empower countries and private sector companies in crafting strategies to spur innovation, pilot new technologies, and secure the jobs of tomorrow.

Industry currently accounts for one-third of global greenhouse gas (GHG) emissions, and with 50 percent of global GDP expected to come from emerging markets by 2050, its environmental impact could grow significantly. To meet climate goals, carbon emissions from heavy industry need to decline by 20 percent by 2030 and, by 2050, by 93 percent.

This means developing countries have a unique **opportunity to gain a competitive edge and tap into the projected $2 trillion market for green industrial products by 2030.**

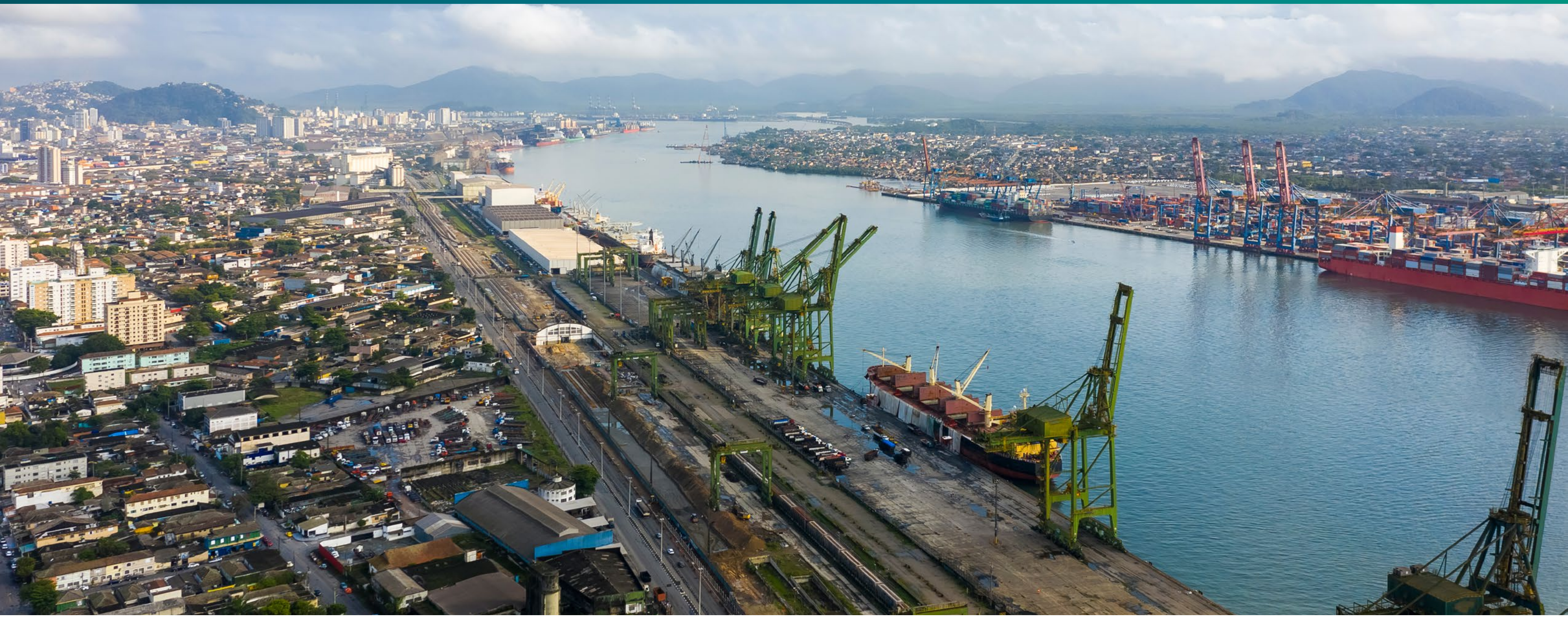
The Industry Decarbonization investment program accelerates transformational change in heavy-emitting industries that are **fundamental to global economic growth and the energy transition**—yet remain challenging to decarbonize—such as steel, cement, aluminum, fertilizers, minerals, and chemicals.

Designed specifically to drive **private sector** participation, the program offers unprecedented engagement and encourages **businesses**, governments, and multilateral development banks (MDBs) to work together through innovative funding mechanisms.

CIF will strategically deploy concessional financing to address structural challenges in industrial sectors. These targeted investments can:

1. Turbocharge innovation in low-carbon technologies, such as hydrogen and advanced manufacturing.
2. Enable clean energy and electrification.
3. Support circular economy strategies.
4. Build the foundation for resilient, low-emission economies.

Beyond reducing emissions, the program emphasizes **fairness** for local communities by creating jobs, empowering local supply chains, investing in women, and ensuring that everyone can benefit from new economic opportunities.



BRAZIL

Brazil boasts a diversified industrial base, encompassing steel, cement, chemicals, aluminum, fertilizers, pulp and paper, and glass. These sectors are key to the country's economy and contribute significantly to its greenhouse gas (GHG) emissions. Although Brazil has made substantial progress in deploying renewable energy, reducing industrial emissions remains a challenge.

CIF funding can play a catalytic role in bridging Brazil's financing and policy gaps in industrial decarbonization. While national mechanisms are in place, the country still needs to work towards de-risking high-cost, high-risk clean technologies, such as low-emission hydrogen. Through concessional finance, CIF investments can catalyze the adoption of innovative solutions, mobilize private capital, and scale pilot projects. Additionally, it can support regulatory reforms, capacity building, and the development of resilient, green supply chains across Brazil's vast industrial landscape.

Brazil expects to:

- Advance development of low-emission hydrogen hubs in line with national industrial planning.
- Scale circular economy practices and alternative fuels in hard-to-abate sectors.
- Develop resilient, clean technology industrial clusters.
- Enhance national clean energy equipment production.
- Expand measurement, reporting, and verification and governance frameworks aligned with national climate goals.
- Spur inclusive green job creation, particularly benefiting rural and marginalized communities.

EGYPT

Egypt's industrial sector accounts for about 13 percent of GDP and includes high-emitting segments such as cement, steel, and chemicals. The country faces acute climate risks, especially in the Nile Delta.

Amid significant fiscal constraints and climate vulnerability, CIF funding could catalyze industrial transformation—particularly in cement and steel—while supporting renewable energy integration, hydrogen strategies, and the development of eco-industrial park models. Additionally, CIF funding has the potential to strengthen adaptation readiness and help scale financing instruments to enhance industrial resilience.

In line with its Vision 2030 strategy and climate goals, **Egypt expects to:**

- Modernize energy-intensive industries with climate-resilient infrastructure.
- Deploy clean hydrogen in industrial applications.
- Support energy reforms and workforce development to enhance industrial competitiveness.
- Reduce dependence on fossil fuels through alternative fuels and efficiency measures.
- Enhance socioeconomic inclusion in industrial hubs, especially the Nile Delta.

MEXICO

Mexico's industrial sector generates 25 percent of GDP; employs 31 percent of the workforce; and is responsible for 23 percent of domestic GHG emissions. Among Mexico's industrial subsectors, cement, steel, and chemicals are some of the most energy-intensive and polluting—yet efforts to decarbonize these key industries face intersecting technical, financial, and regulatory barriers.

Mexico estimates $9 billion in investments would be needed to decarbonize sectors such as cement, steel, and chemicals. To fill this gap, CIF funding can support tailored financing instruments and de-risking mechanisms, enabling stakeholders to invest. CIF resources can advance Mexico's ambition to become a leader in clean technology by funding innovations in green hydrogen, energy efficiency, circular economy models, and eco-industrial parks.

Mexico expects to:

- Strengthen its institutional and regulatory infrastructure for industrial decarbonization.
- Co-finance low-carbon projects across cement, steel, and methanol value chains.
- Develop green value chains, especially under the country's nearshoring strategy.
- Enhance its role in green shipping and logistics decarbonization.
- Scale private-sector engagement in clean technology adoption.

NAMIBIA

Namibia's emerging industrial base is strategically positioned to leapfrog into green industrialization. The country is investing heavily in clean hydrogen and is pioneering a ground-up model of green industrialization, leveraging its abundant solar, wind, and mineral resources.

CIF's concessional capital has the potential to finance infrastructure for green hydrogen, eco-industrial parks, and clean supply chains—sectors where commercial funding is still nascent.

Namibia expects to:

- Develop a green hydrogen and clean manufacturing hub for Southern Africa.
- Operationalize eco-industrial parks with renewable-powered infrastructure.
- Generate regional impact through cross-border infrastructure and shipping corridors.
- Emerge as a just transition model for developing economies through skills training and employment.
- Avoid over 7.5 $MtCO_2$ of annual emissions by 2030.

SOUTH AFRICA

South Africa is one of the most carbon-intensive economies globally, with its industrial sector—particularly iron and steel—heavily reliant on coal-based power. This dependence, combined with challenges in the energy sector, has constrained productivity and hindered economic growth.

CIF funding can enable South Africa's reindustrialization aligned with just transition principles. The country aims to decarbonize heavy industries, develop green hydrogen, and upgrade industrial parks—while also addressing socioeconomic disparities through inclusive policies and job resilience strategies.

South Africa expects to:

- Decarbonize the steel industry and industrial parks.
- Transform industrial parks into green special economic zones.
- Scale clean steel and hydrogen projects with private-sector co-financing.
- Support enabling conditions for improved grid resilience and energy diversification in support of industrial decarbonization.
- Strengthen community resilience and workforce upskilling in affected regions.
- Enhance policy coherence between national climate goals and industrial agendas.

TÜRKIYE

Türkiye's industrial sector accounts for 12.5 percent of national greenhouse gas (GHG) emissions, with steel, cement, aluminum, and fertilizer identified as high-impact sectors. As a result, Türkiye has launched low-carbon pathways specifically targeting these four industries.

Türkiye requires CIF funding to meet its industry decarbonization targets. Concessional finance could anchor the Türkiye Industrial Decarbonization Investment Platform (TIDIP), enabling sector-wide reforms and technology deployment. It could also support the implementation of low carbon pathways in cement, steel, aluminum, and fertilizer, while strengthening the enabling environment through the development of emissions trading systems and just transition frameworks.

Türkiye expects to:

- Reduce annual GHG emissions up to 135 $MtCO_2$ across priority sectors, according to national sectoral pathways and estimates.
- Establish the world's largest industrial decarbonization platform.
- Develop regulatory and financing mechanisms to support private-sector low-carbon investment.
- Enhance clean export readiness, notably for European markets.
- Support policy and financing frameworks for emerging sectors, such as green hydrogen.
- Spur new employment and skills development programs in transition regions.

UZBEKISTAN

Uzbekistan is positioning itself as a regional leader in green industrial transformation. The country has demonstrated strong policy signals and a proven ability to attract private investment in clean energy. It will now focus on reducing emissions from key sectors such as cement, chemicals, and metallurgy. Through its updated national climate commitments, Net Zero by 2050 Strategy, and Green Economy Strategy for 2023 to 2030, Uzbekistan has pledged to reduce greenhouse gas emissions per unit of gross domestic product by 35 percent by 2030.

Support from CIF will help Uzbekistan move from planning to implementation. Funding will accelerate early-stage decarbonization efforts in heavy industry, support the creation of green industrial zones, and strengthen financial and regulatory frameworks for scaling low-emission solutions. CIF resources will also help launch inclusive workforce transition programs and financing mechanisms to support women-led enterprises. These efforts will complement the country's broader ambitions to build a resilient, innovation-driven economy.

Uzbekistan expects to:

- Establish green industrial zones with carbon pricing, emissions tracking, and low-emission manufacturing.
- Pilot clean technology upgrades in energy-intensive sectors such as cement, chemicals, and metallurgy.
- Expand the use of green hydrogen and circular production models across key industries.
- Attract private investment through public-private partnerships and blended finance mechanisms.
- Launch a national Green Jobs and Reskilling Program that ensures at least 40 percent of participants are women or youth.
- Support women-led small and medium-sized enterprises with dedicated financing, simplified access, and technical assistance.

With strong institutional foundations, growing partnerships with development banks, and a clear implementation plan, Uzbekistan is prepared to lead on sustainable industry in Central Asia.

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