



# GUIDEBOOK

on the methodology for financial assessments  
to address climate change

## CHAPTER XVI: Reporting guidelines for financial assessments to address climate change



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### About this publication

This methodology is an update to the first financial assessment methodology, which was released in 2009. The objective of this methodology is to support countries to implement their climate targets and to identify, reallocate, mobilize and manage the required financial resources and to create a fiscal framework conducive for climate action.

The update to this methodology was developed under UNDP's Climate Promise by the *Pledge to Impact* Programme. Delivered in collaboration with a wide variety of partners, the initiative has supported over 120 countries to enhance and implement Nationally Determined Contributions (NDCs) under the Paris Agreement. From Pledge to Impact is generously supported by the governments of Germany, Japan, United Kingdom, Sweden, Belgium, Spain, Iceland, the Netherlands, Portugal and other UNDP core contributors. This programme underpins UNDP's contribution to the NDC Partnership.

### UN disclaimer

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# About this Guidebook

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As countries identify their national climate change targets—notably through Nationally Determined Contributions (NDCs) under the Paris Agreement—the need exists to break down targets into concrete steps of action, determine a financial framework to implement actions and achieve targets, and identify policy measures to facilitate the necessary changes that support low-emission development and a low-carbon future.

A key component to support this transformation is through assessing national investment flows and financial flows to address climate change. Many countries have used this method to articulate an effective and appropriate national response to climate change.

This Guidebook responds to the needs of countries to have a clear approach to support the implementation of national climate targets in the context of sustainable development that duly accounts for their national circumstances, capacities and resources.

Between 2008 and 2024, 60 investment flow and financial flow assessments were conducted worldwide, with more than 1,000 national stakeholders engaged in the technical and political aspects of the assessments. Since the adoption of the Paris Agreement and the development of NDCs, the methodology has helped countries utilize financial assessments to develop a pathway to NDC implementation.

While this methodology was first developed in 2008, an update has taken place in 2025. This Guidebook is a living document, which will continue to be improved based upon the experiences of those using it. Over the years, the methodology to carry out financial assessments to address climate change has been continually reviewed and updated regarding its user friendliness, feasibility of implementation and sectoral scope. Comments are invited. Please send feedback to Susanne Olbrisch ([susanne.olbrisch@undp.org](mailto:susanne.olbrisch@undp.org)).

For more information, visit <https://climatepromise.undp.org/tags/investment-and-financial-flows-assessments>.

# Contents

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<b>About this Guidebook</b>	<b>i</b>
List of acronyms and abbreviations	iii

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<b>16.1 Introduction</b>	<b>1</b>
--------------------------	----------

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<b>16.2 Financial assessment products</b>	<b>2</b>
Full financial assessment report	3
Executive summary	18
Results flyer	23

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## List of tables

<b>Table 16.1:</b> Base year IF & FF data, by investment type, investment entity and funding source	<b>8</b>
<b>Table 16.2:</b> Baseline scenario: Cumulative discounted IF, FF and O&M costs, by investment type, investment entity and funding source	<b>9</b>
<b>Table 16.3:</b> Baseline scenario: Annual IF, FF and O&M costs by investment type	<b>10</b>
<b>Table 16.4:</b> Target scenario: Cumulative discounted IF, FF and O&M costs, by investment type, investment entity and funding source	<b>11</b>
<b>Table 16.5:</b> Target scenario: Annual IF, FF and O&M costs by investment type	<b>12</b>
<b>Table 16.6:</b> Incremental cumulative discounted IF, FF and O&M costs, by investment type, investment entity and funding source	<b>13</b>
<b>Table 16.7:</b> Incremental annual IF and FF by investment type	<b>14</b>
<b>Table 16.8:</b> Incremental annual IF for all Investment types, by investment entity/funding source combination	<b>15</b>
<b>Table 16.9:</b> Incremental annual IF, FF and O&M costs for all investment types and all investment entity/funding source combinations	<b>16</b>
<b>Table 16.10:</b> Incremental cumulative and annual IF, FF and O&M subsidy costs for individual investment types	<b>17</b>
<b>Table 16.11:</b> Incremental cumulative discounted IF and FF for all investments in each sector, by investment entity and funding source	<b>21</b>
<b>Table 16.12:</b> Incremental annual IF and FF for all investments in each sector	<b>22</b>

# List of acronyms and abbreviations

<b>BAU</b>	Business-as-usual
<b>BS</b>	Baseline scenario
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>FDI</b>	Foreign direct investment
<b>FF</b>	Financial Flow
<b>GDP</b>	Gross domestic product
<b>GHG</b>	Greenhouse gas
<b>IF</b>	Investment Flow
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISIC</b>	International Standard Industrial Classification
<b>LT-LEDS</b>	Long-term Low-Emission Development Strategy
<b>NAP</b>	National Adaptation Plan
<b>NDC</b>	Nationally Determined Contribution
<b>NGO</b>	Non-governmental organization
<b>O&amp;M</b>	Operation and maintenance
<b>QA/QC</b>	Quality Assurance/Quality Control
<b>UNDP</b>	United Nations Development Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change

## 16.1 Introduction

Conducting an Investment and Financial Flows Assessment requires gathering different types of information. Based on information on policies, laws and regulations, socio-economic information a large amount of financial data needs to be compiled, harmonized, organized and projected into scenarios. How to systematically capture all of this data and make it accessible to different types of audiences is the objective of these Reporting Guidelines.

These Reporting Guidelines are one document that is part of a set of three documents that constitute the guidance to support countries in their financial assessment to address climate change. These are the:

1. The guidance on *Preparing a workplan for financial assessments to address climate change*;
2. *Guidebook on the methodology for financial assessments to address climate change*; and
3. The *Reporting Guidelines for financial assessments to address climate change* (this document).

These documents are complemented by excel spreadsheets that help with the collection of information and projection of scenarios.

The Reporting Guidelines help countries prepare complete, transparent and internally consistent financial assessments that are useful to national governments, private sector investors, researchers, other stakeholders and other national governments. The financial assessment reports provide:

- › an overview of the methodology and data used in the financial assessment;
- › information on the scope chosen based on the national target being assessed;
- › information on increases, decreases and shifts in investment and financial flows needed to implement adaptation or mitigation measures to reach national targets (e.g. NDCs, LT-LEDS);
- › information about the investment entities and funding sources responsible for the changes in investments and the domestic policies and/or incentives necessary to redirect or increase investments by these entities;
- › a discussion of possible benefits and damages of adaptation and mitigation measures; and
- › a summary of uncertainties in the results and the limitations of the assessment.

This information is meant to help government policymakers with long-term planning to address climate change and implement national targets, such as NDCs and LT-LEDS. The assessments may also be used to raise awareness and understanding about mitigation and adaptation investments among in-country stakeholders and help potential investors evaluate investment opportunities. Conducting the assessments in itself is helpful for strengthening the capacity of stakeholders in their further work in national institutions and ministries.

To capture the financial assessment decisions and results and all related information effectively, countries should utilize these Reporting Guidelines in parallel with the Methodology Guidebook. Reports should be compiled as the work progresses, rather than having to repeat steps later to retrieve information or to avoid information loss.

## 16.2 Financial assessment products

To tailor the financial assessment results to different audiences, three key products (described below) will be prepared.

- › **Full financial assessment report** (~100 pages, depending on the scope): This contains all information gathered and is useful for stakeholders deeply involved in the follow-up of the results and impacts, both on the policy and technical level.
- › **Executive summary** (20-25 pages): This contains more condensed information useful for policymakers.
- › **Results flyer** (4 pages): This contains a general overview of what was done and why, along with key results for an interested public audience.

### Note on numerical units

It is important that countries follow common unit conventions in their reports to facilitate comparisons of reports across countries. Also, unit labels for numerical data must be complete so that reports are clear.

The Methodology Guidebook recommends that countries use United States dollars or the national currency for the units for cost data, and that cost data be presented in real (i.e., inflation adjusted) values for the base year (i.e., in constant 2025 US\$). These units, or other units if others are used, must be clearly noted in the report.

The Methodology Guidebook also recommends that countries discount future costs, so the discount rate(s) that a country uses must be clearly noted in their report. Other data (e.g., electrical energy, greenhouse gas emissions, land areas, temperature, water consumption, agricultural yield, sea level rise, etc.) should be presented in traditional metric units (e.g., kilowatt hours, tonnes, square kilometres or hectares, degrees Celsius, liters or cubic metres, millimetres or centimetres).

Unit labels must be complete to avoid misinterpretation. For example, whether forest biomass densities are in dry matter mass units or in mass units of carbon, this should be stated (i.e., tonnes dry matter per hectare or tonnes carbon per hectare, rather than just tonnes per hectare).

# Full financial assessment report

The primary audience of the national financial assessment report is stakeholders involved in the follow-up of the results and impacts, both on the policy and technical level. This will mainly include domestic government policymakers and national ministries and institutions. In this sense the reports should be written for a sophisticated audience but should also contain definitions of technical terms so that they will be understandable to individuals with varying levels of expertise.

## Outline of financial assessment reports

### Chapter 1: Introduction

1. Objectives
2. Background
  - a. Previous analyses utilized
  - b. Institutional arrangements and collaborations
  - c. Basic methodology and key terminology

### Chapter 2: Scope, data inputs and scenarios

1. Sectoral scope
2. Data inputs and scenarios
  - a. Assessment period and cost accounting parameters
  - b. Analytical approach
  - c. Historical IF, FF and O&M data, and subsidies
  - d. Baseline scenario
  - e. Target scenario

### Chapter 3: Results

1. Incremental changes in IF, FF, O&M costs and subsidy costs
2. Policy implications
3. Key uncertainties and methodological limitations

### Chapter 4: References

### Chapter 5: Annexes

Each sectoral financial assessment report should consist of four chapters: 1) an introduction that contains key background information for the sectoral financial assessment; 2) a description of the sectoral scope, data inputs and scenarios; 3) a synthesis of the results; and 4) a list of references. One or more annexes should be added to the end of the report for material that is too voluminous or detailed to be placed in the main body of the report. Each sectoral report, excluding the reference list and annexes, should be approximately 25 to 40 pages in length. Technical jargon and acronyms should be defined so the report is accessible to a wide audience.

The information to be provided in each sectoral assessment report are described below.

## Chapter 1: Introduction (2-3 pages)

### 1. Objectives (1 paragraph)

- a. Provide a succinct overview of the objectives of the assessment.
- b. Explain the implementation of which national target (e.g. NDC, LT-LEDS) is being assessed.

### 2. Background (1-2 pages)

#### a. Previous analyses utilized (several paragraphs)

List the previous analyses that were utilized for the sectoral assessment (e.g., National Communications, National Adaptation Programme of Action), describe key relevant results of each and describe briefly how each was utilized (e.g., the NAPA found that a specific adaptation measure would be particularly effective for reducing vulnerability, so that adaptation measure was included in the sectoral financial assessment).

#### b. Institutional arrangements and collaborations (several paragraphs)

Describe the institutional arrangements and collaborations established for the sectoral assessment (i.e., describe with whom and for what purposes these arrangements were made) and describe briefly key interactions including decision-making and data-access procedures (e.g., stakeholder meetings).

#### c. Basic methodology and key terminology (approximately 1 page)

This section should be a highly distilled version of section 2.1 of the Methodology Guidebook and is provided in the sectoral report so that readers will not have to read the Methodology Guidebook to understand the report. Provide sufficient information so that a reader who is unfamiliar with the assessment will understand the results.<sup>1</sup>

- i. Describe briefly the basic financial assessment methodology.
- ii. Define briefly the key terminology used in the report, including investment flows, financial flows, operation and maintenance costs, investment entities, sources of investment flows and financial flows, baseline scenario, target scenario and assessment period and base year.
- iii. Explain how the negative externalities (e.g., unintended environmental damages) and benefits (e.g., greenhouse gas mitigation, increased food security) of the mitigation or adaptation measures for which investment and financial flows were assessed were addressed in the sectoral assessment.

## Chapter 2: Scope, data inputs and scenarios (10-18 pages)

### 1. Sectoral scope (1 page or less, depending upon complexity of the scope)

- a. Describe precisely the sectoral scope chosen for assessment, including the subsectors that are included, the types of physical assets, processes, activities and investment entities that are included. To avoid ambiguity, it may be necessary with some sectors to explicitly state what subsectors, components, and/or activities are excluded.
- b. Explain why the sectoral scope was chosen.

<sup>1</sup> This section can be the same as what is included in the summary report, and in the other sectoral reports. It is provided in all the sectoral reports because readers may only read one sectoral report.

## 2. Data inputs and scenarios (14-20 pages)

### a. Assessment period and cost accounting parameters (1 paragraph)

Name the assessment period (e.g., 2025-2050), cost accounting units (e.g., 2025 US\$) and discount rate or rates used.

### b. Analytical approach (1-3 pages)

Clearly and completely describe the analytical approach used for the sectoral assessment, i.e., the methodology used to develop the baseline and target scenario descriptions and to identify IF, FF, O&M costs and subsidies (if included) for the scenarios. For methods that are highly complex or involve modeling, provide a summary of the model and a more detailed description in an annex. Also describe the data inputs and the procedures (e.g., linear or exponential interpolations or extrapolations) and assumptions used to derive missing data.

### c. Historical IF, FF and O&M cost data and subsidies (2-3 pages)

State the years for which historical IF, FF and O&M cost data were collected and describe the assets invested in and programmatic investments made during those years, as well as the assets in which investments were made previous to those years but that were still in operation during the historical period.

Describe the sources of IF, FF and O&M cost data and of subsidy data if included. Also describe calculations performed and assumptions used to derive estimates for data that were not available. Include citations for all data sources, including expert judgment.

Present the historical IF and FF data for the base year in the format of Table 1. Present O&M cost data by investment type and describe the significant types of O&M costs (e.g., salaries, fuel) that are included in the O&M cost data and the sources of funds for O&M (e.g., operating revenues). If subsidies are included in the assessment, describe subsidies and present subsidy data. Present the entire time series of annual historical IF, FF and O&M data (and subsidy data if included) by investment type, investment entity and funding source in an annex.<sup>2</sup>

Discuss notable results, especially the significant investment types, investment entities, sources of funds, O&M costs and subsidies. Also describe expected lifetimes of significant assets and programmes and any significant changes or trends in investments during the historical period.

### d. Baseline scenario (5-7 pages)

#### i. Scenario description

Clearly describe the baseline scenario, i.e. describe the expected evolution of the sector, or subsectors, over the assessment period in the absence of new policies to address climate change. Discuss factors that will influence this evolution, including population growth and migration, socio-economic trends, technological change, public and private investment trends and national and sectoral plans. Provide detailed information about the expected baseline scenario investments (i.e., physical assets and programmes), including the nature, scale and timing of those investments.

<sup>2</sup> These can be used directly from the worksheets used to compile the historical data, rather than creating new tables. The worksheets "Historical IF and FF," "Historical O&M\_Pre-Histl Assets," "Historical O&M\_Histl Assets" and "Historical Subsidies" in the associated Excel file "Example\_IF and FF\_Workshts.xls" illustrate how worksheets for compiling the historical data are structured. Note that these worksheets do not represent the entire set of worksheets that a country is likely to prepare for an assessment. For example, these historical costs worksheets might be based on underlying worksheets that contain inventories of physical assets and programmes, unit investment costs for those assets and programmes and annual O&M costs for physical assets.

The type of information provided in this section will depend on the sectoral scope and will include data collected during step 2 in the Methodology Guidebook (“compile other input data for scenarios”). Information should include supply and demand projections (for products, land, and/or services), descriptions of existing facilities and infrastructure and plans for improvements and expansions and descriptions of relevant laws, regulations and policies. Sufficiently specific information about expected facility and infrastructure investments and programmatic investments (e.g., research, education, assistance, institutional investments), should be provided to justify the baseline IF, FF and O&M costs. Large datasets and supplementary information should be placed in an annex.

**ii. Baseline scenario IF, FF, O&M costs and subsidy costs**

Present the cumulative discounted IF, FF and O&M cost estimates for each investment type in the baseline scenario, in the format of Table 2.

Present the annual IF, FF and O&M cost estimates for each investment type in the baseline scenario, in the format of Table 3.

Describe the significant results (significant investment types for both IF and FF, significant investment entities and funding sources, significant O&M costs, significant annual fluctuations in investments and O&M costs).

Present the subsidy results, if subsidies are included, in a separate paragraph.

**e. Target scenario (5-7 pages)**

**i. Scenario description**

Clearly describe the target scenario, i.e. describe the expected evolution of the sector/economy over the assessment period in the presence of new policies to address climate change. Do not repeat material presented in the previous section but refer to it as needed. Provide comprehensive descriptions of the specific mitigation (or adaptation) measures that would be implemented and the implications of those measures for the evolution of the sector/economy. This should include specific information about the timing, number and technical specifications of facility and infrastructure investments and the timing, characteristics and scale of programmatic investments. Also include descriptions of expected benefits and possible negative externalities of the measures.

As with the previous section, the type of information provided in this section will depend on the sectoral scope and will include data collected during step 2 in the Methodology Guidebook (“compile other input data for scenarios”). Sufficiently specific information about expected facility and infrastructure investments and programmatic investments should be provided to justify the IF, FF and O&M costs reported in the results chapter of the report. Large datasets and supplementary information should be placed in an annex.

**ii. Target scenario IF, FF, O&M costs and subsidy costs**

Present the cumulative discounted IF, FF and O&M cost estimates for each investment type in the target scenario in the format of Table 4.

Present the annual IF, FF and O&M cost estimates for each investment type in the target scenario in the format of Table 5.

Describe the significant results (significant investment types for both IF and FF, significant investment entities and funding sources, significant annual changes in investments).

Present the subsidy results, if subsidies are included, as a separate paragraph.

**Chapter 3: Results** (12-18 pages)**1. Incremental changes in IF, FF, O&M costs and subsidy costs** (3-4 pages)

Present the incremental discounted cumulative IF, FF and O&M costs for each investment type and all investment types in the format of Table 6.

Present the incremental annual IF, FF and O&M costs for each investment type and all investment types in the format of Table 7.

Note that the investment types listed in both Tables 6 and 7 should include all the investment types included in the scenarios so that increases and decreases in investments in, and in O&M costs of, each investment type are presented in the tables. For example, if the baseline scenario included traditional coal-fired power plants and hydroelectric plants and the target scenario included traditional coal-fired power plants, advanced coal-fired power plants, hydroelectric plants and wind turbines, Tables 6 and 7 would list traditional coal-fired power plants, advanced coal-fired power plants, hydroelectric plants and wind turbines. Negative values in these tables indicate a decline in costs between the baseline and target scenario and positive values indicate an increase.

Describe the significant results. This should include a discussion of significant incremental increases and decreases in cumulative and annual IF, FF and O&M costs for individual and all investment types. Discuss how the shifts in investments over time are reflected in the changes in IF and FF (e.g., a shift from investments in traditional coal-fired power plants to investments in advanced coal-fired power plants). Discuss also which investment entities and funding sources would be responsible for the significant incremental changes in investments. Present the subsidy results, if subsidies are included, as a separate paragraph.

**2. Policy implications** (2-4 pages)

Discuss investment priorities, given the incremental costs of investments, expected co-benefits of investments and sectoral and national development objectives.

Given these priorities, discuss the policy measures that might be used to induce investment entities to implement the evaluated measures and change their investment patterns (e.g., economic instruments such as taxes, regulatory instruments such as fuel portfolio standards, voluntary agreements, information dissemination and demonstration). Distinguish between public and private sources of finance and between domestic and foreign sources. If appropriate, include tables that summarize potential policy measures for each measure.

Discuss potential implementation barriers (financial, informational, disincentives), specifying to what extent these barriers affect the individual public and private investment entities.

**3. Key uncertainties and methodological limitations** (1-2 pages)

Discuss key uncertainties and methodological limitations and where future analytical efforts should focus.

**4. References**

Provide full references for all citations, including printed material, electronic material and personal communications.

**Table 16.1: Base year IF & FF data, by investment type, investment entity and funding source**

Note: The number of columns in this table may need to be changed, depending on the number of investment types for which data were collected. The base year in the top row, and the units labels (million 20205US\$), may need to be revised. The base year should be the most recent year for which data are available; although 20205 is recommended, an earlier or more recent year may be chosen. Households IF and Corporations IF and FF should be net of subsidies. If subsidy costs are included explicitly in the assessment, the domestic funds source for Government IF and FF should include subsidy costs, and a note should be added below the table that explains this. The 'Δ' indicates the difference or change in IF, FF and O&M costs.

Category of investment entity		Base Year (2025) IF and FF for each investment type (million 2025US\$)								
		Source of IF and FF	Investment type 1		Investment type 2		Investment type 3		Investment type 4	
			IF	FF	IF	FF	IF	FF	IF	FF
Households	Domestic	Equity and debt								
	<b>Total household funds (all domestic)</b>									
Corporations	Domestic	Domestic equity (including internal cash flow)								
		Domestic borrowing (bonds and loans)								
		Total domestic sources								
	Foreign	Foreign direct investment (FDI)								
		Foreign borrowing (loans)								
		Foreign aid (ODA)								
		Total foreign sources								
	<b>Total corporation funds</b>									
Government	Domestic	Domestic funds (budgetary)								
	Foreign	Foreign borrowing (loans)								
		Bilateral foreign aid (bilateral ODA)								
		Multilateral foreign aid (multilateral ODA)								
		Total foreign sources								
<b>Total government funds</b>										
<b>Total</b>										

**Table 16.2: Baseline scenario: Cumulative discounted IF, FF and O&M costs, by investment type, investment entity and funding source**

Note: The number of columns in this table may need to be changed, depending on the number of investment types that are included in the baseline scenario. The labels “Investment Type 1,” “Investment Type 2,” etc. should be changed to the names of the specific investment types included in the scenario. The units labels (million 2020US\$) should be revised if different units were used. A note should be added below the table that provides the discount rate or rates that were used. Households IF and Corporations IF and FF should be net of subsidies. If subsidy costs are included explicitly in the assessment, the domestic funds source for Government IF and FF should include subsidy costs, and a note should be added below the table that explains this.

Category of investment entity		Cumulative discounted IF, FF and O&M costs for baseline scenario (million 2020US\$)														
		Investment type 1			Investment type 2			Investment type 3			Investment type 4			All Investment types		
		IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs
Households	<b>Domestic</b>	Equity and debt														
	<b>Total household funds (all domestic)</b>															
Corporations	<b>Domestic</b>	Domestic equity (including internal cash flow)														
		Domestic borrowing (bonds and loans)														
		Total domestic sources														
	<b>Foreign</b>	Foreign direct investment (FDI)														
		Foreign borrowing (loans)														
		Foreign aid (ODA)														
		Total foreign sources														
	<b>Total corporation funds</b>															
Government	<b>Domestic</b>	Domestic funds (budgetary)														
	<b>Foreign</b>	Foreign borrowing (loans)														
		Bilateral foreign aid (bilateral ODA)														
		Multilateral foreign aid (multilateral ODA)														
		Total foreign sources														
<b>Total government funds</b>																
<b>Total</b>																

**Table 16.3: Baseline scenario: Annual IF, FF and O&M costs by investment type**

Note: The number of columns in this table may need to be changed, depending on the number of investment types that are included in the baseline scenario. The labels “Investment Type 1,” “Investment Type 2,” etc. should be changed to the names of the specific investment types included in the scenario and the units labels (million 2025US\$) should be revised if different units were used. The years listed in the left column should reflect the assessment period used in the sectoral assessment. A note should be added to the bottom of the table that explains whether subsidies are included.

Annual IF, FF and O&M costs for baseline scenario (million 2025US\$)															
Year	Investment type 1			Investment type 2			Investment type 3			Investment type 4			All Investment types		
	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs
2025															
2026															
2027															
2028															
2029															
2030															
2031															
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2050															

**Table 16.4: Target scenario: Cumulative discounted IF, FF and O&M costs, by investment type, investment entity and funding source**

Note: The number of columns in this table may need to be changed, depending on the number of investment types that are included in the scenario. The labels “Investment Type 1,” “Investment Type 2,” etc. should be changed to the names of the specific investment types included. The types of investments and the number of types in the target scenario may not be the same as in the baseline scenario. The units labels (million 2025US\$) should be revised if different units were used. A note should be added below the table that provides the discount rate or rates that were used. Households IF and Corporations IF and FF should be net of subsidies. If subsidy costs are included explicitly in the assessment, the domestic funds source for Government IF and FF should include subsidy costs and a note should be added below the table that explains this.

Category of investment entity		Cumulative discounted IF, FF and O&M costs for target scenario (million 2025US\$)														
		Investment type 1			Investment type 2			Investment type 3			Investment type 4			All Investment types		
		IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs
Households	<b>Domestic</b>	Equity and debt														
	<b>Total household funds (all domestic)</b>															
Corporations	<b>Domestic</b>	Domestic equity (including internal cash flow)														
		Domestic borrowing (bonds and loans)														
		Total domestic sources														
	<b>Foreign</b>	Foreign direct investment (FDI)														
		Foreign borrowing (loans)														
		Foreign aid (ODA)														
		Total foreign sources														
	<b>Total corporation funds</b>															
Government	<b>Domestic</b>	Domestic funds (budgetary)														
		Foreign borrowing (loans)														
	<b>Foreign</b>	Bilateral foreign aid (bilateral ODA)														
		Multilateral foreign aid (multilateral ODA)														
		Total foreign sources														
<b>Total government funds</b>																
<b>Total</b>																

**Table 16.5: Target scenario: Annual IF, FF and O&M costs by investment type**

Note: The number of columns in this table may need to be changed, depending upon the number of investment types that are included in the target scenario. The labels “Investment Type 1,” “Investment Type 2,” etc. should be changed to the names of the specific investment types included in the scenario. The types of investments and the number of types in the target scenario may not be the same as in the baseline scenario. The units labels (million 2025US\$) should be revised if different units were used. The years listed in the left column should reflect the assessment period used in the sectoral assessment. A note should be added to the bottom of the table that explains whether subsidies are included.

Annual IF, FF and O&M costs for target scenario (million 2025US\$)															
Year	Investment type 1			Investment type 2			Investment type 3			Investment type 4			All Investment types		
	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs	IF	FF	O&M costs
2025															
2026															
2027															
2028															
2029															
2030															
2031															
2032															
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2049															
2050															

**Table 16.6: Incremental cumulative discounted IF, FF and O&M costs, by investment type, investment entity and funding source**

Note: The number of columns in this table may need to be changed, depending upon the total number of investment types included in the assessment. All the investment types in the baseline scenario and all the investment types in the target scenario should be listed. A note should be added below the table that provides the discount rate or rates that were used. The units labels (million 2025US\$) may need to be revised. Households IF and Corporations IF and FF should be net of subsidies. If subsidy costs are included explicitly in the assessment, the domestic funds source for Government IF and FF should include subsidy costs and a note should be added below the table that explains this.

Category of investment entity		Incremental cumulative discounted IF, FF and O&M costs (million 2025US\$)																
		Investment type 1			Investment type 2			Investment type 3			Investment type 4			All Investment types				
		Source of IF and FF	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs	
Households	<b>Domestic</b>	Equity and debt																
	<b>Total household funds (all domestic)</b>																	
Corporations	<b>Domestic</b>	Domestic equity (including internal cash flow)																
		Domestic borrowing (bonds and loans)																
		Total domestic sources																
	<b>Foreign</b>	Foreign direct investment (FDI)																
		Foreign borrowing (loans)																
		Foreign aid (ODA)																
		Total foreign sources																
	<b>Total corporation funds</b>																	
Government	<b>Domestic</b>	Domestic funds (budgetary)																
	<b>Foreign</b>	Foreign borrowing (loans)																
		Bilateral foreign aid (bilateral ODA)																
		Multilateral foreign aid (multilateral ODA)																
		Total foreign sources																
<b>Total government funds</b>																		
<b>Total</b>																		

**Table 16.7: Incremental annual IF and FF by investment type**

Note: The number of columns in this table may need to be changed, depending upon the total number of investment types included in the assessment. All the investment types in the baseline scenario and all the investment types in the target scenario should be listed. Also, the years listed in the left column should reflect the assessment period used in the sectoral assessment. The units label (million 2025US\$) may need to be revised too. A note should be added to the bottom of the table that explains whether subsidies are included. The ‘Δ’ indicates the difference or change in IF, FF and O&M costs.

Incremental annual IF, FF and O&M cost (million 2025US\$)															
Year	Investment type 1			Investment type 2			Investment type 3			Investment type 4			All Investment types		
	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs	Δ IF	Δ FF	Δ O&M costs
2025															
2026															
2027															
2028															
2029															
2030															
2031															
2032															
2033															
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2050															

**Table 16.8: Incremental annual IF for all Investment types, by investment entity/funding source combination**

Note: This table is broken into two parts because of space limitations of the page. The first row of the table is completed with simple labels and formulas to illustrate the incremental calculations.

**Annual IF, FF and O&M for all investment types by investment entity/funding source** (million 2025 US\$)

Year	Households			Corporations														
	Domestic			Domestic						Foreign								
	Equity and debt			Domestic equity			Domestic borrowing			FDI			Foreign borrowing			ODA		
	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$
2025	A1	B1	C1= B1-A1	D1	E1	F1= E1-D1	G1	H1	I1= H1-G1	J1	K1	L1= K1-J1	M1	N1	O1= N1-M1	P1	Q1	R1= Q1-P1
2026																		
2027																		
.....additional rows would need to be added for the intervening years (2028-2049)																		
2050																		

**Annual IF, FF and O&M for all investment types by investment entity/funding source (continued)** (million 2025 US\$)

Year	Government											
	Domestic						Foreign					
	Domestic funds			Foreign borrowing			Bilateral ODA			Multilateral ODA		
	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$	Baseline scenario	Target scenario	Incremental $\Delta$
2025	S1	T1	U1= T1-S1	V1	W1	X1= W1-V1	Y1	Z1	AA1= Z1-Y1	AB1	AC1	AD1= AC1-AB1
2026												
2027												
.....additional rows would need to be added for the intervening years (2028-2049)												
2050												

**Table 16.9: Incremental annual IF, FF and O&M costs for all investment types and all investment entity/funding source combinations**

Note: The first row of the table is completed with simple labels and formulas to illustrate the incremental calculations.

**Annual IF, FF and O&M costs for all investment types and all investment entity/funding source combinations** (million 2025US\$)

Year	Baseline scenario			Target scenario			Incremental IF and FF and O&M cost		
	IF	FF	O&M costs	IF	FF	O&M costs	Δ IF	Δ FF	Δ O&M costs
<b>2025</b>	A1	B1	C1	D1	E1	F1	G1= D1-A1	H1= E1-B1	I1= F1-C1
<b>2026</b>									
<b>2027</b>									
<b>2028</b>									
...additional rows would be added for each of the intervening years (2029-2049)									
<b>2050</b>									

**Table 16.10: Incremental cumulative and annual IF, FF and O&M subsidy costs for individual investment types**

Note: This table format could be used for all investment types. The first and last rows and the first column of the table are completed with simple labels and formulas to illustrate the incremental calculations and the cumulative figures.

**Annual IF, FF and O&M subsidy costs for investment type I (million 2025US\$)**

Year	Baseline scenario			Target scenario			Incremental IF and FF and O&M cost		
	IF subsidy	FF subsidy	O&M cost subsidy	IF subsidy	FF subsidy	O&M cost subsidy	Δ IF subsidy	Δ FF subsidy	Δ O&M cost subsidy
<b>2025</b>	A1	B1	C1	D1	E1	F1	G1= D1-A1	H1= E1-B1	I1= F1-C1
<b>2026</b>	A2								
<b>2027</b>	A3								
<b>2028</b>	A4								
...additional rows would be added for each of the intervening years (2029-2049)									
<b>2050</b>	A26								
<b>Cumulative</b>	A27=SUM (A1:A26)	B27=SUM (B1:B26)	C27=SUM (C1:C26)	D27=SUM (D1:D26)	E27=SUM (E1:E26)	F27=SUM (F1:F26)	G27=D27-A27	H27=E27-B27	I27=F27-C27

# Executive summary

The *Executive summary* contains more condensed information useful for policymakers. It should provide links to the full financial assessment report and where to find more information.

## Outline of financial assessment Executive summary

### 1. Introduction

- a. Objectives
- b. Choice of sectors
- c. Previous analyses utilized
- d. Institutional arrangements and collaboration
- e. Basic methodology and key terminology

### 2. Sectoral assessment summaries

### 3. Summary tables of incremental changes in IF, FF, O&M costs and subsidy costs

### 4. Policy implications

### 5. References

The financial assessment Executive summary consists of the following parts: 1) an introduction that contains key background information for the entire financial assessment; 2) a succinct summary of each sectoral financial assessment; 3) summary tables of incremental investment costs for all sectors; 4) policy implications; and 5) a list of references.

The introduction should contain sufficient background information for readers to understand the objectives and methodology without having read the full financial assessment report or the Methodology Guidebook, so that the sectoral summaries and summary tables that follow the introduction are clear. The Executive summary should include minimal technical jargon so that it is accessible to a wide audience.

## The Executive summary should contain:

### 1. Introduction (2-3 pages)

#### a. Objectives (1 paragraph)

Provide a succinct statement of the overall objectives of the financial assessment, including what national target was assessed (e.g., NDC, LT-LEDS).

#### b. Choice of sectors (1 paragraph)

List the sector/type of measure combinations chosen for assessment (e.g., energy/mitigation measures) and explain briefly why they were chosen (e.g., based on national target assessed, stakeholder priorities, development priorities, economic importance, emissions share, mitigation potential, vulnerability to climate change).

#### c. Previous analyses utilized (1 paragraph)

List the previous analyses that were utilized for the financial assessment (e.g., National Adaptation Plans) and describe how they were used.

#### d. Institutional arrangements and collaborations (1 paragraph)

Describe the institutional arrangements and collaborations established for the financial assessment (i.e., describe with whom and for what purposes these arrangements were made).

**e. Basic methodology and key terminology** (approximately 1 page)

This section should be a highly distilled version of section 2.1 of the Methodology Guidebook and is provided in the summary report so that readers will not have to read the Methodology Guidebook to understand the report. Provide sufficient information so that a reader who is unfamiliar with the assessment will understand the results.<sup>3</sup>

- i.** Describe briefly the basic financial assessment methodology.
- ii.** Define briefly the key terminology used in the report, including investment flows, financial flows, operation and maintenance costs, investment entities, sources of investment and financial flows, baseline scenario, target scenario and assessment period and base year.
- iii.** Explain how the negative externalities (e.g., unintended environmental damages) and benefits (e.g., greenhouse gas mitigation, increased food security) of the mitigation and adaptation measures for which investment flows and financial flows are assessed were addressed in the assessment.

**2. Sectoral assessment summaries** (approximately 4 pages each)

Provide a summary of each sectoral assessment that contains:

- a.** a succinct description of the precise sectoral/economic scope;
- b.** a brief explanation of why the sectoral scope was chosen;
- c.** the base year and assessment period;
- d.** a description of the mitigation or adaptation measures for which investment and financial flows were assessed;
- e.** a succinct summary of the results, including:
  - i.** significant cumulative changes (increases, decreases, and shifts) in IF, FF and O&M costs needed to address climate change;
  - ii.** significant annual changes (increases, decreases and shifts) in IF, FF and O&M costs needed to address climate change;
  - iii.** the investment types that are most significant (in terms of changes in investments, as well as other criteria such as consistency with national priorities for the sector, and co-benefits of the investments);
  - iv.** the investment types that are highest national priority, and why (e.g., national and sectoral development objectives, positive and negative externalities)
  - v.** the investment entities and funding sources that would be responsible for the most significant and/or highest priority investment types;
  - vi.** the domestic policies and/or incentives that would be necessary to redirect and/or increase investment and financial flows in order to achieve mitigation or adaptation objectives; and
  - vii.** significant uncertainties and methodological limitations.

<sup>3</sup> This section will also be included in each of the sectoral reports. It is provided in all the reports because readers may only read the summary report or one of the sectoral reports.

### 3. Summary tables of incremental changes in IF, FF, O&M costs and subsidy costs (2 pages)

Complete two tables of financial assessment results in the form of Tables 11 and 12. These tables correspond to Tables 2-11 and 2-12 in Chapter II of the *Methodology Guidebook*. The number of columns in each table in a particular summary report will depend on the number of sectoral assessments that a country undertook. Note that these tables assume that the assessment period is 2025-2050 for all sectoral assessments; this too may need to be revised. Countries may want to consider presenting these IF and FF results graphically too. For example, the data in Table 11 could also be presented as a stacked column chart, and the data in Table 12 could be presented as a line chart.

Note that the values presented in Table 11 should be discounted and those in Table 12 should be undiscounted. The values in Table 11 should be derived by first calculating annual incremental values (for each investment entity/funding source), then discounting the annual incremental values, and then finally summing discounted annual incremental values over all years. Since the values in Table 12 are not discounted, the sum of each column in Table 12 will not equal the total value in the corresponding column in Table 11. As described in the *Methodology Guidebook*, the financial assessment methodology recommends that countries use either one public discount rate or one private discount rate for all investments in each sector, depending upon whether public or private investments dominate the sector. Alternatively, one public discount rate for all sectors in the financial assessment should be used.

### 4. Policy implications (1 page)

Based on the results, the policy implications should be summarized to induce the required changes, shifts and increases of investment and financial flows to reach the national target assessed (e.g. NDC, LT-LEDS...).

### 5. References

Provide a list of the references cited in the summary report.

**Table 16.11: Incremental cumulative discounted IF and FF for all investments in each sector, by investment entity and funding source**

Note: The number of columns in this table may need to be changed, depending upon the number of sectoral assessments that were undertaken. The order of the columns (from left to right) should be consistent with the order in which sectoral summaries are presented in the report. The assessment period listed in the uppermost column label may need to be revised. The units label (million 2025 US\$) may need to be revised too. Two notes should be added to the bottom of the table: 1) a note that explains whether the values in the government/domestic funds row include subsidies; and 2) a note that explains that the cumulative values are discounted and that provides the discount rate(s) that were used.

Category of investment entity		Source of IF and FF		Incremental cumulative (2025-2050) discounted sectoral investments (million 2025US\$)									
				Sector A		Sector B		Sector B		Sector C			
				Δ IF	Δ FF	Δ IF	Δ FF	Δ IF	Δ FF	Δ IF	Δ FF		
Households	Domestic	Equity and debt											
	<b>Total household funds (all domestic)</b>												
Corporations	Domestic	Domestic equity (including internal cash flow)											
		Domestic borrowing (bonds and loans)											
		Total domestic sources											
	Foreign	Foreign direct investment (FDI)											
		Foreign borrowing (loans)											
		Foreign aid (ODA)											
		Total foreign sources											
	<b>Total corporation funds</b>												
	Government	Domestic	Domestic funds (budgetary)										
		Foreign	Foreign borrowing (loans)										
Bilateral foreign aid (bilateral ODA)													
Multilateral foreign aid (multilateral ODA)													
Total foreign sources													
<b>Total government funds</b>													
<b>Total (all investment entities and all sources)</b>													

**Table 16.12: Incremental annual IF and FF for all investments in each sector**

Note: The number of columns in this table may need to be changed, depending upon the number of sectoral assessments that were undertaken. The order of the columns (from left to right) should be consistent with the order in which sectoral summaries are presented in the report. The years listed in the left column should reflect the assessment period, or periods, used in the entire financial assessment. The units label (million 2025US\$) may need to be revised. Two notes should be added to the bottom of the table: 1) a note that explains whether subsidies are included; and 2) a note that explains that since annual values are not discounted, the sum of each column does not equal the corresponding column total in Table 1.

Incremental annual sectoral investments (million 2025US\$)								
Year	Sector A		Sector B		Sector B		Sector C	
	Δ IF	Δ FF	Δ IF	Δ FF	Δ IF	Δ FF	Δ IF	Δ FF
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
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# Results flyer

The *Results* flyer contains a general overview of what was done and why along with key results for an interested public audience. It provides links to the *Executive summary*, the full financial report and where to find additional information.

## Outline of financial assessment Results flyer

1. Brief summary of results
2. Selection of key sectors
3. Institutional arrangements
4. Objectives of the financial assessment
5. Results for each sectoral assessment
6. Policy implications for each sectoral assessment
7. Summary tables of incremental investment costs

1. **Brief summary of results** (3 paragraphs)
2. **Selection of key sectors** (3 paragraphs)
3. **Institutional arrangements** (2 paragraphs)
4. **Objectives of the financial assessment** (3 paragraphs)
5. **Results of each sectoral assessment** (bullet points of key results)
6. **Policy implications for each sectoral assessment** (bullet points of key results)
7. **Summary tables of incremental investment cost** (Tables 11 and 12 above)



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