CSOPartnership for Development Effectiveness

A DECADE OF CSO SOLIDARITY
ON EDC ADVOCACY AND PRACTICE

Shining light or risky business?

A critical review of the UN's guidance on Integrated National Financing Frameworks

Acknowledgements:

The reflections captured in this paper would have not been possible without the CSO Partnership for Development Effectiveness' commitment to keeping exploring new avenues to translate in practice the principle of countries' leadership on their own development process and, more specifically, that of democratic ownership, which recognizes the role of nonexecutive actors.

For this very reason, CPDE is keen to understand the real potentials of the Integrated National Financing Frameworks as, according to the Addis Ababa Action Agenda, they are supposed to support *nationally owned sustainable development strategies*. CPDE is very grateful for the possibility of joining force in this effort with the Civil Society FFD Group and the organizations of this platform.

Polly Meeks has played an instrumental role in turning these expectations in a successful outcome due to her expertise, intuition, and dedication in carrying out a thorough review of the INFF guidance materials, which offers a comprehensive picture of the opportunities and of risks at stake. CPDE would like to thank Pooja Rangaprasad and Stefano Prato of SID for their support, Chiara Mariotti of Eurodad and Rodolfo Lahoy of Ibon International for their insightful comments. We are grateful to Kate Donald and Alison Corkery from the Center for Economic and Social Rights for their substantive inputs.

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July 2022

This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of CPDE and can under no circumstances be regarded as reflecting the position of aforementioned donor.

CONTENTS

SCOPE AND LIMITATIONS

This paper is based on a detailed desk-based review of the guidance on Integrated National Financing Frameworks (INFFs) produced by the United Nations Department for Economic and Social Affairs (UN DESA), together with selected contextual documents from the UN Financing for Development process, from international initiatives in support of INFFs, and from the UN Development Programme's (UNDP's) Development Finance Assessment process. More details of the documents studied are given in the introduction below.

The scope of the review was intentionally tightly focused. It was beyond the scope of the review to investigate in detail how the guidance is being put into practice in INFF countries. Nor did the review seek to unpack how INFFs are being incorporated into the negotiating positions and rhetoric of individual stakeholders in intergovernmental policy processes on financing for development.

This approach means that, by their nature, some of the findings in this report are concerned more with identifying risks arising from INFFs rather than proving that these risks have already materialised. This is deliberate, as part of the objective of this work is to raise awareness of risks at the earliest possible opportunity, in the hope that some can perhaps be pre-empted even before they have materialised. The paper will be complemented by separate research on country case studies to be conducted later this year, which will provide further evidence of whether any action has been taken to mitigate the risks that the paper identifies.

The paper benefited from discussions at a side event to the High-Level Political Forum on 5 July 2022, convened by the Reality of Aid Africa Network, the Italian Ministry of Foreign Affairs and International Cooperation, UN DESA, UNDP, the CSO Partnership for Development Effectiveness and the Civil Society Financing for Development Group. All judgements, and any errors or or omissions, remain the author's own.

Substantive work on the paper was completed between May and July 2022.

SUMMARY

Countries in the Global South face a dire economic situation. Already on the sharp end of the climate emergency, they now face compounding shocks from the ongoing COVID-19 pandemic and spillovers from geopolitical instability, including the war in Ukraine. It is estimated that the cumulative effect of these crises could push an additional 263 million people into extreme poverty this year.

Against this indisputably dark backdrop, Integrated National Financing Frameworks (INFFs) – an approach by which countries can put together strategies for financing their national 'sustainable development' priorities – have been said to offer a "shining light".[1]

This paper casts doubt as to whether, in their current form, INFFs can really live up to this claim. Based on a detailed desk review of the nine INFF guidance documents published by the United Nations Department for Economic and Social Affairs (UN DESA), together with other documents from the UN Financing for Development process and from international stakeholders playing a prominent role in the INFF process, the paper highlights three main areas of concern:

» **INFFs as they are currently promoted risk distracting attention in global policy processes away from wider economic justice imperatives**. For many countries in the Global South, some of the biggest constraints to fiscal space are economic injustices outside their sole control (section 1.1 below). INFFs and their associated guidance, in contrast, focus mainly on constraints at country level, in particular a perceived lack of government capacity. There is an inherent risk that INFFs could be subverted to become a distraction from the urgent need to tackle global economic justice challenges – a risk that is all the more pressing with the prospect of a new UN Summit on Financing for Development as soon as 2024 (section 1.2).

» **INFFs as they are currently implemented may erode local peoples' ownership of the financing strategies that affect their lives.** Although in principle INFFs are intended to be led by the countries concerned, in practice it is hard to be sure how far Global South countries are really making completely free decisions on whether or how to implement INFFs, in a context where influential international stakeholders are energetically promoting INFFs and associated technical assistance packages (section 2.1). Moreover, the guidance does not recognise explicitly enough the importance of ensuring that rights holders are meaningfully represented at all stages of INFF implementation, and there is a risk that the distinctive role of rights holders will be diluted through the guidance's strong emphasis on multi-stakeholder processes (section 2.2).

» **INFFs as they are currently implemented may be encouraging countries to favour risky reforms**, as the potential downsides of some approaches and tools – for example relating to the promotion of economic growth, or relating to some aspects of private finance – are not flagged sufficiently clearly. At the same time, the guidance does not do enough to set out states' binding obligations under international treaties to which they are party – including on the environment, climate change, and human rights (section 3.2).

As well as examining the INFF guidance, this paper also reviewed the UN Development Programme's guidance for Development Finance Assessments (DFAs) – a process commonly carried out alongside

[1] INFF website, 2022, Sustainable development financing at a crossroads: Key moments from the INFF Facility launch

INFFs. Unfortunately, many of the concerns identified with the INFF guidance tend to be echoed or even amplified in the DFA guidance: so where DFAs and INFFs are carried out concurrently, the risks may be greater (sections 1.2, 2.1, 2.2, 3.3).

The further promotion of the INFFs is problematic until the key concerns paper are resolved. This would mean:

» **Changing the discourse on the role of INFFs in Financing for Development.** The paramount importance of tackling structural global economic governance issues must be recognised and addressed with urgency. UN Member States and international organisations should never present INFFs as the solution to financing challenges in countries in the Global South, without also explicitly recognising that these countries face structural constraints which cannot be solved at national level in isolation.

» **A central role for representative civil society organisations and peoples' movements.** All decisions relating to INFFs – including the initial decision on whether to proceed with an INFF at all – should be made with full participation of rights holders, usually through the intermediary of representative civil society organisations and peoples' movements, particularly those representing highly marginalised constituencies. An enabling civic space should be recognised as an essential precondition for such participation to take place. The distinctive role of representative civil society organisations and peoples' movements should never be conflated with the role of other stakeholders such as the private sector through 'multi-stakeholder' processes.

» **Enabling free choices on whether and how to implement INFFs**

a. Global North countries and international organisations should not promote INFFs to Global South countries, but rather should allow peoples of the Global South the freest possible choice about whether they wish to adopt INFFs. In particular, development partners should not offer funding for INFF development without also offering the option of funding for alternative initiatives better suited to local circumstances and priorities (e.g. South-South capacity building, or initiatives that do not focus on capacity building at all).

b. Global South countries that **do** choose to develop INFFs should be free to choose – in full consultation with representative civil society organisations and peoples' movements – which external stakeholders, if any, to involve in the INFF process; and which tools and guidance are useful for their context. There should be no presumption that countries choosing to implement INFFs will include development partners in any oversight bodies, nor that they will implement DFAs.

» **Rebalancing INFF policy options away from risky reforms**

a. The INFF guidance should be updated to make prominent the binding nature of countries' obligations under UN treaties, including on human rights and the environment.

b. The INFF guidance should emphasise much more frequently that INFF decision making is fundamentally a political exercise, no matter how scientific the details may seem. This can help mitigate the risk that political choices go undebated due to a misperception that they are purely technical.

c. The risks around INFFs' approach to growth and to private sector finance, and around some of the specific tools that are recommended – should be flagged much more prominently. The UN may wish to consider removing some of the most problematic tools from the INFF guidance altogether.

d. Future versions of the INFF guidance should seek to include the most diverse possible range of methodological approaches and tools, going beyond the current focus on tools from international financial institutions and international organisations to explore heterodox approaches that have been trialled in different countries, qualitative norms from different parts of the UN human rights architecture, and proposals from civil society organisations. At the same time, the guidance should recognise that – especially in under-researched areas such as financing the rights of minorities – existing tools may be incomplete, making it particularly important to complement formal tools with other more iterative and participatory approaches to financial strategy making that involve under-represented groups directly.

A. INTRODUCTION

Integrated National Financing Frameworks (INFFs) are an approach that countries can use to design and implement financing strategies for 'sustainable development'.[2]

"A country's sustainable development strategy lays out *what* needs to be financed. INFFs spell out *how* the national strategy will be financed and implemented.»[3]

INFFs were first proposed in the Addis Ababa Action Agenda in 2015.[4] Since then, INFFs have grown rapidly in prominence. As at July 2022, 86 countries across the Global South were working on INFFs.[5] The UN (in particular the Department for Economic and Social Affairs, the UN Development Programme - UNDP, and the Joint Sustainable Development Goals Fund) and the European Union are playing a coordinating role, with increasing backing from a range of other international stakeholders (see section 2.1 below).[6]

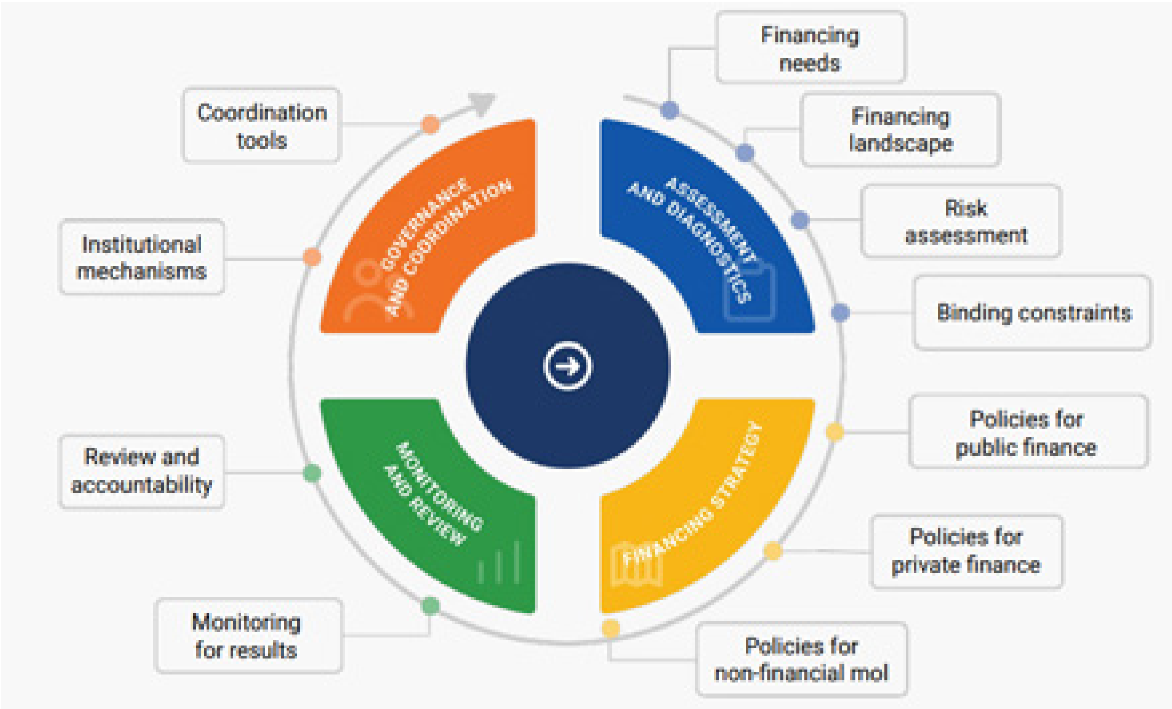
This paper forms part of a growing body of civil society work on INFFs, and their potential implications for the fight against poverty, inequalities and economic injustice globally. It builds on previous analysis by IBON International in 2020,[7] by the CSO Partnership for Development Effectiveness in 2021,[8] and by the Civil Society Financing for Development Group earlier this year.[9]

This paper develops the themes in those previous papers through a detailed review of the UN's guidance on INFF implementation. This is thought to be the first independent paper to look at the full suite of INFF guidance in depth.

The review focused primarily on the suite of nine INFF guidance documents published by the UN Department for Economic and Social Affairs. These documents cover the inception of the INFF process and its four main 'building blocks': assessment and diagnostics;[10] financing strategy; monitoring and review; and governance and coordination (Figure 1 below).[11]

[2] For a glossary of key terms used in this paper, please refer to Annex 1.
[3] INFF Knowledge Platform
[4] United Nations, 2015, Addis Ababa Action Agenda, paragraph 9: « Cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of our efforts. »
[5] INFF Facility, 2022, The State of Integrated National Financing Frameworks in 2022
[6] Sources : INFF Knowledge Platform, 'About INFFs: how is the international community supporting INFFs?', and the INFF Knowledge Platform 'Country experiences' page (which includes links to the United Nations Joint SDG Fund website).
[7] IBON International, 2020, 'National financing for development : corporatised or democratised process ?'
[8] CSO Partnership for Development Effectiveness, 2021, Ambitions and concerns: Integrated National Financing Frameworks, an overview
[9] Civil Society Financing for Development Group, 2022, Undue INFFluence? The risks of the United Nations' growing emphasis on Integrated National Financing Frameworks
[10] This is broken down into five documents covering different aspects of the assessment process.
[11] The documents can be found on the INFF Knowledge Platform website.

FIGURE 1: **THE INFF BUILDING BLOCKS**



Source: UN, 2020, INFF inception phase, p.5

In addition, to set these documents in context, the review also covered: outcome documents from the UN Financing for Development process since 2016; reports of the Inter-Agency Task Force on Financing for Development since 2016; summary documents on new international initiatives in support of INFFs (the Group of 20 Framework for voluntary support to a greater uptake and operationalization of the Integrated National Financing Frameworks[12] and the INFF Facility[13]); and finally, the guidance on Development Finance Assessments (DFAs).[14]

DFAs occupy a somewhat ambiguous position relative to the INFF process. They are a process led by the UNDP, and in principle they are discrete from INFFs: a country implementing an INFF is not obliged to implement a DFA. But in practice, DFAs are sometimes portrayed as an integral part of the INFF approach. The DFA guidance says that DFAs are "a tool for shaping the inception phase of … an INFF",[15] and indeed even the subtitle of the guidance refers directly to INFFs. And the majority of countries implementing INFFs are also implementing DFAs.[16] As will be seen later in this paper, the DFA guidance frequently has a somewhat different emphasis from the INFF guidance, such that where DFAs are carried out alongside INFFs, the risks identified in INFFs may be exacerbated. The rest of this paper sets out some of the key issues identified from the desk review. It is hoped that the paper will be useful both for civil society advocates seeking to navigate the INFF guidance, and for stakeholders in the official sector (Global South governments, UN, development partners) as they consider their future approach to INFFs.

[12] G20, 2021, Financing for Sustainable Development: G20 Framework for voluntary support to INFFs, G20 High-Level principles on sustainability-related financial instruments and G20 common vision on SDG alignment, pp. 4-5
[13] INFF website, 2022, Sustainable development financing at a crossroads: Key moments from the INFF Facility launch
[14] UNDP, Development Finance Assessment guidebook
[15] UNDP, Development Finance Assessment guidebook, p.14
[16] As at mid-2021, 67 countries had embarked on, or intended to embark on, a DFA. (Source : UNDP, 2021, Integrated national financing frameworks stocktake, p.4).

B. THE RISKS OF INFFS: ANALYSIS OF THE GUIDANCE

Before discussing concerns with INFFs in more detail, a clarification is needed: this paper is **not** in any way opposed to some of the underlying principles associated with INFFs. On the contrary, there is wide support for the idea that high quality, coherent financing strategies can potentially play an essential role in upholding human rights, tackling inequalities and ensuring planetary safety. There is also support for the idea that such strategies should be democratically[17] owned by the countries and peoples of the Global South, and that international interventions should be aligned with the priorities of local peoples.

But despite these areas of convergence, there are serious concerns over INFFs as they are currently promoted and implemented. These concerns fall into three main categories, which are explored in the subsequent sections of the paper, and mapped to key references in the guidance in Annex 2:

i. Concerns that INFFs as they are currently promoted may distract attention in global policy processes away from global level economic justice imperatives
ii. Concerns that INFFs as they are currently implemented may erode local peoples' ownership of the financing strategies that affect their lives
iii. Concerns that INFFs as they are currently implemented may be encouraging countries to favour specific reforms without full consideration of risks and alternatives

While the paper explores the three concerns separately for the sake of simplicity, in reality they are closely interconnected. For example: global economic injustices such as tax abuse by multinational corporations constrain the fiscal space available to countries in the Global South (concern i). This restricts financing options, and may make countries more likely to consider prioritising specific types of reforms – for example, reforms designed to increase volumes of private finance (concern iii). Private finance is a fragmented field,[18] with which some governments in the Global South may have less familiarity: this may encourage them to seek extensive inputs from international partners, potentially at the cost of local ownership (concern ii). At the same time, private finance carries risks that can potentially erode a country's fiscal space still further (concern i).

Recommendations to address these concerns are included at the end of the paper.

[17] This is based on a broad definition of democratic ownership that upholds the rights of groups experiencing discrimination and avoids elite capture (see CSO Partnership for Development Effectiveness, 2020, 'Civil society manifesto for effective development cooperation', p.10 ; IBON International, 2020, 'National financing for development : corporatised or democratised process ?' p.9 ; Alemany, Hopenhaym and Craviotto, 2008, 'Aid Effectiveness and gender equality', in the Reality of Aid Global Report 2008). The argument set out in this paragraph draws from Civil Society Financing for Development Group, 2022, Undue INFFluence? The risks of the United Nations' growing emphasis on Integrated National Financing Frameworks, p.8.
[18] It is reported that some 1,000 different 'development' finance instruments are available, many of them private (source: INFF Facility, 2022, Sustainable development financing at a crossroads: Key moments from the INFF Facility launch)

CONCERN 1: GLOBAL ECONOMIC JUSTICE ISSUES, THE ELEPHANT IN THE ROOM? [19]

1.1 – Progress tackling global economic injustice remains elusive

Countries in the Global South face a dire economic situation. Already on the sharp end of the climate emergency, they now face compounding shocks from the ongoing COVID-19 pandemic and spillovers from geopolitical instability, including the war in Ukraine. It is estimated that the cumulative effect of these crises could push an additional 263 million people into extreme poverty this year.[20]

Global South countries urgently need to expand their fiscal space to respond to the spiralling crises that they face. Yet for many such countries, some of the biggest economic constraints on their fiscal space result from decisions outside their own control – in particular, decisions taken in Global North countries or in bodies where Global North countries have disproportionate influence.[21]

Cross-border tax abuse is a prime example of a constraint that drains economic resources away from countries in the Global South.[22] A recent study estimated that in 2021, African countries lost over 17 billion US dollars to tax abuse by multinational corporations and wealthy individuals. The same study found that the majority of global tax abuse originates in Global North countries belonging to the Organisation for Economic Cooperation and Development.[23] To be sure, there may be some opportunities for Global South governments to take further steps to mitigate losses from cross-border tax abuse (for example through South-South cooperation with other countries experienced in this domain).[24] But ultimately some of the fundamental conditions that incentivise and enable cross-border tax abuse – low effective tax rates and

[19] Acknowledgement : the arguments in this section build on those set out in the Civil Society Financing for Development Group's recent briefing, Undue INFFluence? The risks of the United Nations' growing emphasis on Integrated National Financing Frameworks, as well as earlier analysis by the CSO Partnership for Development Effectiveness (Ambitions and concerns: Integrated National Financing Frameworks, an overview, 2021) and IBON International ('National financing for development : corporatised or democratised process ?', 2020).
[20] Oxfam, 2022, 'First crisis, then catastrophe', pp.4-5 (accessed 22 April 2022)
[21] These include the Group of 20, the Organisation for Economic Cooperation and Development, and the Bretton Woods Institutions (for more analysis on uneven power distribution in the latter, please see Bretton Woods Project, 2019, 'What are the main criticisms of the World Bank and IMF?', section 2.1).
[22] While the text focuses on cross-border tax abuse as an example, the same argument applies to many other key issues. For example, unsustainable **debt** burdens in the Global South are influenced by many factors outside the full control of Global South governments – both financial (e.g. bias in the assessments given by Credit Rating Agencies, which may mean credit is only available on unfavourable terms; exchange rate fluctuations ; high surcharges on loans from the International Monetary Fund) and non-financial (e.g. climate-related disasters that aggravate debt burdens). (Sources : Civil Society Financing for Development Group, 2020, Submission to the UN Independent Expert on foreign debt and human rights report on "Debt relief, debt crisis prevention and human rights: the role of credit rating agencies", pp.1-3 ; Griffith-Jones and Kraemer, 2021, Credit rating agencies and developing economies, UN DESA Working Paper no.175, sections on 'Potential bias against EMDEs', pp.4-6, and on 'Governance issues and conflicts in sovereign ratings', pp.7-9 ; Zeina Abla / Arab NGO Network for Development, 2021, Another debt crisis in the making?, p.11; Ellmers / Brot für die Welt-Erlassjahr-Global Policy Forum Europe-Misereor, 2021, The new debt crisis and what to do about it: policy proposals and political opportunities, pp.2-3; Jubilee Debt Campaign, 2018, Don't owe, shouldn't pay: the impact of climate change on debt in vulnerable countries, pp.4-5). Or to take another example, **trade** rules that prevent countries from charging customs duties on certain forms of e-commerce – which is conservatively estimated to have led to revenue losses of some 56 billion USD in 'developing' and 'least developed' countries in the four years from 2017 to 2020 – were recently extended through a World Trade Organisation negotiation process that reportedly sidelined negotiators from the Global South. (Sources: James, 2022, 'The World Trade Organisation after the 12th Ministerial Conference', section on 'E-commerce duties moratorium'; Rashmi Banga / South Centre, 2022, WTO moratorium on customs duties on electronic transmissions: how much tariff revenue have developing countries lost?, pp.17-18; Mohamadieh / Third World Network, 2022, 'Exclusionary unrepresentative practices behind the celebrated MC12 "package"').
[23] Tax Justice Network, 2021, The state of tax justice 2021, pp.32, 36, 42, 48 (with methodological information on pp. 34-35 and pp.43-47). While the study does not disaggregate which countries were responsible for the 17 billion USD losses from countries in Africa (such disaggregation is only available at global level), it is mathematically certain that a substantial share of the losses from African countries were to countries outside the continent, and based on the other data in the study it is very likely that many of these countries were located in the Organisation for Economic Cooperation and Development.
[24] See for example Cortés Saenz and Ryding / Eurodad, 2016, For whose benefit? A different perspective on tax inspectors without borders, recommendation 5 p.40

low tax transparency in Global North countries and their overseas territories (Box 1)[25] – are established by Global North governments in a way that leaves Global South governments little say.[26]

BOX 1: **CROSS-BORDER TAX ABUSE IN THE MINING SECTOR IN ZAMBIA**

As at 2016, it was estimated that combined annual losses from profit-shifting in the copper mining sector may be as much as 326 million USD – equivalent to around 60% of Zambia's health budget in the preceding year. A substantial share of Zambia's mining exports were passing through Swiss companies such as Glencore : and Switzerland's tax system is characterised by very high levels of banking secrecy and by low effective corporation tax rates.[27] The lack of financial transparency over the activities of Swiss mining companies was one important factor impeding the Zambian Revenue Authority's efforts to investigate underpaid taxes.

Sources: Alliance Sud and others, 2016, Swiss responsibility for the extraterritorial impacts of tax abuse on women's rights: submission to the Committee on the Elimination of Discrimination Against Women, p.10; Tax Justice Network, Country profile: Switzerland.

To tackle economic injustices that go beyond the borders of individual countries in the Global South, global solutions are needed. Proposals for such solutions have been on the table for many years, and have received widespread interest and support For example, proposals to introduce a universal, intergovernmental UN tax commission that could negotiate a UN tax convention to address tax abuse[28] have been taken up in the 'menu of options' presented through the UN Secretary General's policy dialogue on 'Financing for Development in the era of COVID-19 and beyond', [29] and have received backing from the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (the FACTI Panel).[30] Similarly, proposals for a binding multilateral framework for debt crisis prevention and resolution[31] have gained traction among experts.[32]

Yet progress in adopting these and other recommendations[33] has been elusive: they were not so much as mentioned in the outcome document of the most recent UN Financing for Development Forum, even despite the urgency of responding to the compounding crises in the Global South.[34]

[25] For further background on some of these factors, see for example Tax Justice Network, 2020, The state of tax justice 2020: tax justice in the time of COVID-19, chapter 3 (on tax havens), and chapter 5 (on financial secrecy).
[26] See for example Ryding / Eurodad and Financial Transparency Coalition, 2021, Who is really at the table when global tax rules get decided ?
[27] Recent developments – including some small progress made in automatic exchange of taxpayer information with other jurisdictions, and agreement of a global minimum corporation tax rate by the Organisation for Economic Cooperation and Development and the Group of 20 – do not materially affect this situation. The former leaves out many countries at the bottom of the income spectrum, while the latter sets the minimum rate too low, and leaves too many loopholes, to have a substantial effect on multinational companies that 'shift' profits from the Global South to Switzerland in order to avoid tax. (Sources : Gross / Alliance Sud / Tax Justice Network, Financial Secrecy Index 2020: narrative report on Switzerland, pp. 1, 5 ; Gross / Alliance Sud, 2022, 'Sud global doit bénéficier des recettes fiscales' ; Eurodad, 2021, 'OECD tax deal is unfair and fails to solve the problem').
[28] Ryding / Eurodad and Financial Transparency Coalition, 2021, Who is really at the table when global tax rules get decided ?
[29] United Nations, 2020, Financing for Development in the Era of COVID-19 and Beyond Menu of Options for the Consideration of Heads of State and Government (Part II), for example p.124 (tax convention). See also further discussion in Ellmers, 2020, Financing Sustainable Development in the Era of COVID-19 and Beyond An analysis and assessment of innovative policy options, pp.6-9
[30] For example, Financial Integrity for Sustainable Development: Report of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, 2021, p.17
[31] AFRODAD, 2020, An African perspective on the establishment of a fair and transparent international sovereign debt restructuring mechanism (SDRM) : various options for African countries ; Perera / Eurodad, 2019, We can work it out: 10 civil society principles for sovereign debt resolution.
[32] United Nations, 2020, Financing for Development in the Era of COVID-19 and Beyond Menu of Options for the Consideration of Heads of State and Government (Part II), for example p.96 (establishment of a sovereign debt forum or authority). See also further discussion in Ellmers, 2020, Financing Sustainable Development in the Era of COVID-19 and Beyond An analysis and assessment of innovative policy options, pp.6-9 ; UN Independent Expert on debt and human rights, 2021, A76/167, International debt architecture reform and human rights, paragraph 53(d)
[33] For a recent summary of recommendations on this and other key issues such as debt crisis prevention and resolution, by the Civil Society Financing for Development Group, please see CS FfD Group, 2022, letter to H. E. Collen Vixen Kelapile, President of the Economic and Social Council.
[34] UN, 2022, E/FFDF/2022/L.1, Economic and social council forum on financing for development follow-up : adoption of the intergovernmentally agreed conclusions and recommendations

1.2 – INFFs risk distracting attention from global solutions

While many of the fiscal challenges facing Global South countries originate in injustices that require global action, in contrast INFFs, by their very nature, focus on actions that can be taken at national level.

To be sure, the INFF guidance is not completely silent on cross-border issues. It covers some themes that involve negotiation or cooperation with external actors.[35] It also acknowledges the need for global processes to work in a way that is coherent with national financing objectives[36] – indeed, it suggests that INFFs may help Global South countries to "strengthen their voice in global policy processes by providing a bridge between national level action and more systemic, global level efforts ».[37]

But while this recognition of the interplay between national and global economic policies is positive, it is yet to be demonstrated that INFFs really have substantial potential to influence global discussions on financing for development, where the real bottlenecks in recent years have resulted not so much from a lack of voice among countries in the Global South, as from a refusal to respond to those voices by powerful stakeholders in the Global North.[38] And, notwithstanding the positive references to global processes in the guidance, the intrinsically national focus of INFFs means that the guidance inevitably focuses most of its attention on domestic level decisions, with the constraints imposed by cross-border issues given much less emphasis.[39]

Whereas global economic injustices are not a strong focus in the INFF guidance, the opposite is true of perceived national level capacity limitations. The need to address capacity gaps is a recurrent theme, particularly in the guidance on the early 'assessment and diagnostic' phase of the INFF process. For example, the guidance on financing needs assessment identifies four 'common challenges' to implementing financing needs assessments : all four relate to capacity limitations.[40] The guidance on analysing binding constraints also places a strong – though not exclusive – emphasis on constraints relating to government capacity (see further discussion in section 3.1 below).[41]

UNDP's DFA guidance, too, puts a strong focus on national level capacity limitations. It is true that the DFA guidance does not ignore issues over which external actors have an influence – for example, debt sustainability.[42] But its emphasis is on the national level picture. For example, the section on binding constraints goes further than the INFF guidance in narrowing its focus **exclusively** to domestic capacity issues. The six proposed diagnostic questions explore in detail where domestic capacity – primarily

[35] For example UN, 2021, INFF Building Block 2: Financing strategy, pp.8-14

[36] UN, 2021, INFF building block 4: governance and coordination, p.5; UN, 2020, INFF building block 1.3: risk assessment, pp. 6-7 ; UN, 2021, INFF building block 3 : monitoring and review, p.9

[37] UN, 2020, INFF inception phase, p.3; see also UN, 2020, INFF building block 1.3: risk assessment, p.19.

[38] See for example Ellmers, 2022, UN financing for development forum 2022: as this blog makes clear, Global South countries were well represented and spoke with a strong and unified voice on key issues at the Forum: the blockages were elsewhere in the process.

[39] The guidance on risk assessment is a case in point : the 29-page guidance contains detailed advice on steps that countries can take to assess risks and develop country-level strategies that attempt to reduce or manage them. In contrast, it refers only very briefly to the role that global policy processes can play in risk reduction and management. (Source: UN, 2020, INFF building block 1.3: risk assessment). It is outside the guidance's scope to go into depth on key risk reduction and response issues where global action plays a determining role – for instance, the need to establish a comprehensive, orderly, fair and transparent way to address the risk of sovereign debt crises; or the need for Global North countries to pay their 'climate debt' to help deal with loss and damage from climate risks in the Global South. (References: AFRODAD, 2020, An African perspective on the establishment of a fair and transparent international sovereign debt restructuring mechanism (SDRM) : various options for African countries; Fresnillo / Eurodad, 2020, A tale of two emergencies: the interplay of sovereign debt and climate crises in the global south, p.5).

[40] UN, 2020, INFF building block 1.1: financing needs, p.6

[41] UN, 2020, INFF building block 1.4: binding constraints. For example, in the guiding questions on p.8, and in the section on international tools on p.11.

[42] For example UNDP, n.d., Development Finance Assessment guidebook, pp. 24, 45, 48

government capacity – might be lacking (Box 2). Potential binding constraints in the wider economic system are outside their scope (see Figure 2).[43]

To be clear, Figure 2 is not seeking to form a judgement on whether UNDP's **overall portfolio of work** beyond the DFA seeks to tackle wider systemic constraints (that would be a subject for separate research). Rather, it is arguing that the exclusion of wider systemic constraints from this important phase of the DFA risks creating an unbalanced impression of the full range of constraints that many countries must contend with. (For further discussion of binding constraints analysis in the INFF process see also box 3 below).

BOX 2 : UNDP'S SUGGESTED QUESTIONS ON BINDING CONSTRAINTS

Understanding the context

- What does the available analytical literature identify as the strengths and weaknesses in government systems and capacity for financing?
- What do government actors and other stakeholders identify as the most significant capacity constraints for mobilising financing and delivery of financing policies?
- What capacity development reforms are currently underway, or planned for the future?

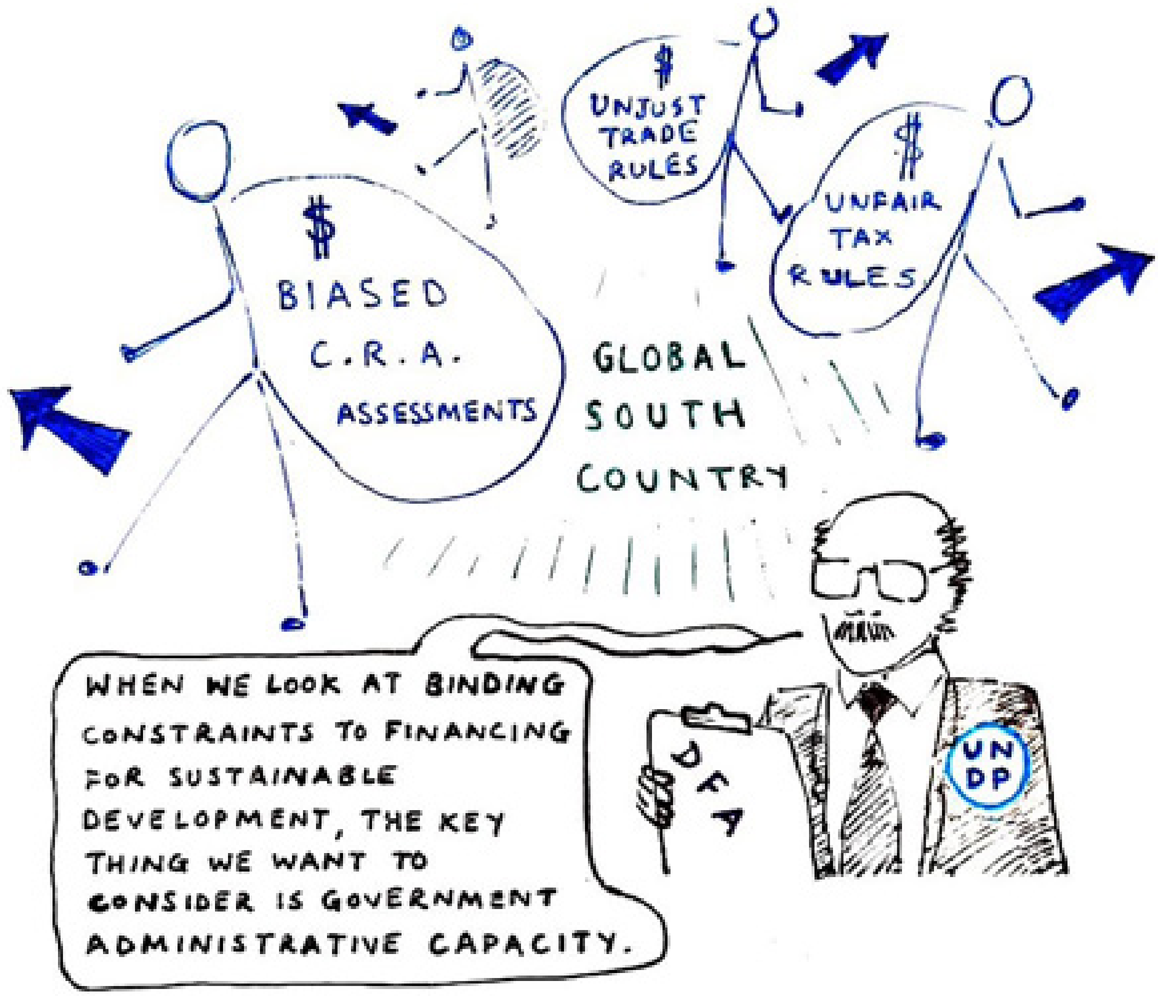
Deeper analysis to identify potential ways forward

- What are the strengths and constraints within existing public financial management structures? Is there evidence that capacity constraints limit the ability of revenue authorities to effectively enforce and collect tax and non-tax revenue? Is there evidence of capacity constraints limiting the ability for government to absorb and effectively spend public finance at the national or subnational levels?
- Is there evidence that capacity constraints within the private or financial sector are limiting the potential for new investment and growth?
- Are there any recent examples of the successful deployment of a new financing instrument or policy measure – and what steps were taken to develop the necessary capacity?

Source: UNDP, n.d., Development Finance Assessment guidebook, p. 39

[43] UNDP, n.d., Development Finance Assessment guidebook, p. 38: "the final element of the assessments and diagnostics building block collates the existing evidence on binding constraints for the delivery of financing policies **within national capacity and institutions** » (emphasis added). For the avoidance of doubt: the argument being made here is not that these questions are irrelevant. In principle, these could potentially be pertinent questions for any government to reflect on, in the Global North and in the Global South alike. However, it **is** concerning that the question of binding constraints is being explored only through this one narrow dimension. Moreover, even if the questions may be relevant in principle, the decision on whether they should be used and prioritised in practice should rest with stakeholders at national level – such as the government, the supreme audit institution, academia and civil society. (See also section 2.2 below).

FIGURE 2: **BINDING CONSTRAINTS ANALYSIS IN THE DEVELOPMENT FINANCE ASSESSMENT**



Key: CRA = Credit Rating Agency; DFA = Development Finance Assessment; UNDP = United Nations Development Programme

Because they place such a strong emphasis on capacity building at national level, rather than governance changes at global level, there is an inherent risk that INFFs could become a distraction from the urgent need to tackle global economic justice challenges.

To conclude how far this risk is already materialising would require a detailed analysis of public statements on INFFs by stakeholders in the UN financing for development process and other negotiations – an analysis which is beyond the scope of this paper. But there are already some warning signs.

First, previous analysis on by the Civil Society Financing for Development Group (CS FfD Group), on the UN Financing for Sustainable Development Report and on the outcomes of the UN Financing for Development Forum, has at times cautioned that these documents do not place sufficient emphasis on the need to advance global level solutions to issues such as debt crisis resolution, or tackling tax abuse, relative to the emphasis that they place on perceived capacity gaps mainly at national level.[44] This is a broad caution about the overall balance between global and national issues in the discourse on financing for development – not just about INFFs. Still, insofar as the narrative already tends to underplay global challenges relative to national ones, INFFs risk amplifying this imbalance still further, especially now that some 86 countries have begun implementing INFFs.[45] Already in 2022, in its analysis of the UN Financing for Sustainable Development Report's chapter on domestic public resources, the CS FfD Group found that:

> *" ... the focus is almost entirely on policy recommendations at the level of domestic policy. The domestic level is important. However, this is done at the cost of neglecting global challenges that shrink the fiscal policy space for member countries, in particular developing countries… As part of the strong bias towards domestic level policy measures, the report continues to have a strong focus on medium-term revenue strategies and* ***integrated national financing frameworks."***[46]

Second, looking at the discourse beyond the formal UN financing for development process, there appears to be a growing emphasis on the idea that country level INFF interventions can play a leading role in solving economic crises in the Global South. During a recent event organised by the UNDP, the UN Department of Economic and Social Affairs, the Organisation for Economic Co-operation and Development, the European Union and the Governments of Italy and Sweden, on the sidelines of the most recent Financing for Development Forum, UNDP Administrator Achim Steiner emphasised how « INFFs are helping countries chart their course through … [the] very stormy waters » of current crises. The summary of the event goes even further : « Under the spectre of a looming financial crisis and a potential lost decade for development, INFFs offer a shining light. »[47] The argument that INFFs have a potential contribution to make in responding to financial crises is not necessarily problematic– **if** INFFs are freely chosen by people in the Global South and are well implemented (see sections 2.1 – 3.4 below). But it is worrying to see the event summary present INFFs as a uniquely promising solution (the shining light analogy seems to imply there would otherwise be darkness), without acknowledging already well-established and well-supported proposals that could help tackle some of the underlying structural inequalities that contribute to economic crisis in the Global South (section 1.1 above).

With prospects that a new UN Summit on Financing for Development may be held as soon as 2024, the stakes could soon get much higher.[48] There is a risk that countries with vested interests in obstructing more systemic global solutions at the Summit will seek to focus attention on national level solutions instead, potentially subverting INFFs as a key channel for doing so. The next two years will be a crucial time to make sure the UN's growing focus on INFFs does not become a smokescreen for the underlying structural challenges that the new Summit so urgently needs to address.

[44] For example CS FfD Group, 2021, Inputs to the FfD Forum Zero Draft Outcome Document, p.1 [while the analysis refers to the Zero Draft Outcome Document, the issues highlighted on p.1 of this analysis were not resolved in the final version of the Outcome Document]; CS FfD Group, 2021, Civil Society FfD Group's Comments to the 2021 FSDR Draft Outline, p.3.
[45] Increasing from 16 countries in 2019, to 86 in July 2022. Sources : Sustainable development financing at a crossroads: Key moments from the INFF Facility launch and INFF Knowledge Platform; INFF Facility, 2022, The state of Integrated National Financing Frameworks in 2022
[46] CS FfD Group, 2022, Civil Society FfD Group's Comments to the 2022 Financing for Sustainable Development Report, p.5, emphasis added.
[47] INFF website, 2022, Sustainable development financing at a crossroads: Key moments from the INFF Facility launch
[48] Ellmers, 2022, UN financing for development forum 2022

CONCERN 2 : ENTRENCHING POWER IMBALANCES ? [49]

This concern has two dimensions: first, the INFF process might exacerbate existing power imbalances between countries in the Global South and international stakeholders; second, INFFs do not pay sufficient attention to the distinctive role and importance of organisations representing rights holders.

2.1 – INFFs may erode ownership of policy priorities by countries in the Global South

In principle, the INFF guidance is clear that Global South countries should lead the INFF process.[50] The guidance repeatedly says that INFFs should build on existing processes and on local knowledge.[51]

Indeed, proponents of INFFs sometimes argue that they can be a tool to help **reclaim** policy space from international partners, by giving a framework through which Global South countries can put forward their financing priorities more assertively, and through which fragmentation and duplication among development partners can be reduced. This argument comes up repeatedly, for example, in the Inter-Agency Task Force's reports on Financing for Sustainable Development: for instance, the 2022 report says, "development partners should make more effort to align their interventions to country priorities. Integrated national financing frameworks (INFFs) can be a useful tool to improve the effectiveness of development cooperation by matching plans, strategies and resources ».[52] And there are already some early indications that development partners are beginning to align their strategies and monitoring processes with INFF priorities.[53] (However, it could also be argued that Global South countries should not need to adopt INFFs simply to reclaim control of domestic policy space that should have been theirs all along).

But while the INFF process is supposed to be country led in principle, in practice the situation may not be so clear-cut. Further in-depth country level research would be needed to reach a firm conclusion – but already on the basis of this desk review, two potential risks to Global South countries' ownership of INFFs emerge.

First, it is hard to be sure how far the initiative to adopt INFFs comes from countries in the Global South, or whether their choice is influenced by the strong importance that development partners attach to INFFs. INFFs are taking on an increasingly prominent role in the international discourse around Financing for Development: In 2021, the Group of 20 (G20) launched a "Framework for voluntary support to a greater

[49] Acknowledgement : the arguments in this section build on those set out in the Civil Society Financing for Development Group's recent briefing, Undue INFFluence? The risks of the United Nations' growing emphasis on Integrated National Financing Frameworks, as well as earlier analysis by the CSO Partnership for Development Effectiveness (Ambitions and concerns: Integrated National Financing Frameworks, an overview, 2021) and IBON International ('National financing for development : corporatised or democratised process ?', 2020).
[50] UN, 2020, INFF inception phase, p.7; UN, 2021, INFF building block 2: financing strategy, pp.2,19; UN, 2021, INFF building block 3 : monitoring and review, p.13 ; UN, 2021, INFF building block 4: governance and coordination, pp. 2,3,4
[51] UN, 2020, INFF inception phase, p.19; UN, 2020, INFF building block 1: assessment and diagnostics – overview, pp. 3, 13; UN, 2020, INFF building block 1.1: financing needs, p.4; UN, 2020, INFF building block 1.4: binding constraints, pp.3-4; UN, 2021, INFF building block 2: financing strategy, pp. 2, 19, 20; UN, 2021, INFF building block 3 : monitoring and review, pp. 3, 14, 29 ; UN, 2021, INFF building block 4: governance and coordination, pp. 5, 9, 30, 31.
[52] Inter-Agency Task Force on financing for development, Financing for Sustainable Development Report 2022: bridging the finance divide, p.77
[53] UNDP, 2021, Integrated national financing frameworks stocktake, pp.16-17

uptake and operationalization of the Integrated National Financing Frameworks (INFFs) for SDGs Finance and COVID-19 Recovery in developing countries ».[54] And in 2022, the UNDP, the UN Department of Economic and Social Affairs, the Organisation for Economic Co-operation and Development, the European Union and the Governments of Italy and Sweden launched a new 'flagship' facility to support INFF implementation.[55] With so many key funding organisations coming out in support of INFFs, there is at least in principle a risk that Global South countries will feel some pressure to join the process, irrespective of their initial preferences.

Second, even if Global South countries do make a free decision to develop an INFF, there is a risk that they will lose a degree of ownership over the process during implementation, as external stakeholders step in with extensive packages of technical assistance. While noting that technical assistance should only be provided if Global South governments request it,[56] the INFF guidance envisages that international stakeholders may potentially play a substantial support role.[57]

Advocates of INFFs often report that the demand for such technical support comes from Global South countries themselves, and hence that there is no conflict with the ownership principle.[58] However, the reality may be somewhat more complex than that, since this demand from Global South countries did not emerge in a vacuum, but rather in a context where increasingly complex private financing models feature prominently in the financing discourse (see also section 3.2.2.1 below), and where the array of available tools and guidance provided by international stakeholders is dizzying. The INFF guidance alone stretches to over 240 pages, and contains cross-references to over 100 further more detailed tools (these tools can be found among the longer list of resources in Annex 3 below). Even though the aim of the INFF is not to duplicate but to integrate existing processes, still just digesting the guidance and mapping how existing processes fit to the overall INFF structure is no mean feat.[59] Against this backdrop it is not surprising that so many Global South countries are keen to invoke external support.

And while in principle technical assistance may be purely neutral, in practice – as this paper explores in more detail in section 3.2 below – the predominant models in the INFF process tend to be associated with certain policy assumptions that are not uncontested.

These risks to ownership by countries in the Global South seem bigger when the INFF guidance is not viewed in isolation, but is set in the context of other guidance and norms established by the UNDP and other stakeholders involved in supporting INFFs – for example, the guidance on DFAs. While in principle acknowledging that DFAs should be government-led,[60] the DFA guidance seems to envisage a strong supporting role for UNDP and other stakeholders – indeed, it is assumed that UNDP or the UN Country Team will play some role in the process (although the details may vary depending on the context).[61] What

[54] G20, 2021, Financing for Sustainable Development: G20 Framework for voluntary support to INFFs, G20 High-Level principles on sustainability-related financial instruments and G20 common vision on SDG alignment, pp. 4-5
[55] INFF website, 2022, Sustainable development financing at a crossroads: Key moments from the INFF Facility launch
[56] UN, 2020, INFF inception phase, p.10; INFF building block 4: governance and coordination, p.35
[57] For example, UN, 2020, INFF inception phase, p.10, UN, 2021, INFF building block 2: financing strategy, pp. 2, 3, 20; UN, 2021, INFF building block 4: governance and coordination, pp. 7, 9, 18
[58] For example, INFF website, 2022, Sustainable development financing at a crossroads: Key moments from the INFF Facility launch : the INFF facility «responds to the demand for technical support from the more than 80 countries implementing INFFs"; this point also draws on personal correspondence.
[59] See for example UN, 2021, INFF building block 3 : monitoring and review, p.29 : although the INFF is intended to build on existing monitoring and review systems, a degree of synthesis and integration with the INFF framework is still envisaged.
[60] For example, UNDP, Development Finance Assessment guidebook, pp.11, 13, 68, 71
[61] For example, UNDP, Development Finance Assessment guidebook, p.73 (UNDP or the UN Country team facilitate DFA set-up), p.74 (the UNDP Country Office representative would often sit on the oversight committee), p.76 (UNDP or the UN Country Team is closely involved in developing the stakeholder engagement plan, liaises closely with the oversight committee over set-up issues, and provides quality assurance), p.80 (UNDP facilitates the process and provides backstop support and quality assurance), p.81 (detailed summary of UNDP involvement across the process).

is more, the DFA guidance repeatedly encourages users to adopt other UNDP financial tools in parallel.[62] There is thus a risk that once countries have embarked on an INFF, they will soon find themselves involved in a rapidly increasing number of other externally-developed diagnostic and strategy processes over which they do not have full control.

2.2 – INFFs may not recognise the full importance of rights holders' participation

If financing strategies are to uphold human rights and disrupt power imbalances, it is essential that they not only be nationally owned, but democratically owned. This means that rights holders should participate fully in all stages of the strategy and policy cycle, generally through the intermediary of representative civil society organisations or peoples' movements.[63]

The INFF guidance includes recurrent references to the role played by civil society.[64] Positively, the guidance on INFF governance and coordination also recognises the challenges of bringing multiple stakeholders (civil society and others) together into one platform, with the risk of elite or corporate capture.[65] However, this caution about multi-stakeholder platforms is not prominent throughout the guidance as a whole. On the contrary, there are very frequent references to the value of multi-stakeholderism,[66] and these references do not draw any distinction between the unique role of representative civil society organisations as a channel for the voices of rights holders, and other stakeholders with completely different vested interests, entitlements and obligations. In fact, rather than giving a special place to civil society, at times the guidance seems to give precedence to the private sector.[67] What is more, the INFF guidance also does not clearly recognise the diversity within civil society – for example it does not fully recognise the importance of involving representative organisations from communities who are far from power, rather than service provision organisations that may not have the same representative legitimacy. Nor does the guidance give enough emphasis to the very difficult political context in which many civil society organisations are currently operating, and the challenges that shrinking civil society space poses to the eradication of poverty.[68]

Again, the DFA guidance seems to reinforce some of the concerns over the INFF guidance. In particular, the guidance places a strong emphasis on the private sector as a key stakeholder: for example, the guidance recommends that private sector representative(s) would be a "core" part of the oversight committee for "most" DFAs, whereas civil society representative(s) only "may be included, depending on the focus of the DFA".[69]

Further research would be needed to establish how far rights holders are participating in INFF (or DFA) processes in practice: this will be explored in more depth through a series of country case studies later this

[62] UNDP, Development Finance Assessment guidebook, pp.10, 14, 18, 19, 56, 57
[63] see CSO Partnership for Development Effectiveness, 2020, 'Civil society manifesto for effective development cooperation', p.10 ; IBON International, 2020, 'National financing for development : corporatised or democratised process ?' p.9 ; Alemany, Hopenhaym and Craviotto, 2008, 'Aid Effectiveness and gender equality', in the Reality of Aid Global Report 2008
[64] For example, multiple references in UN, 2021, INFF building block 4: governance and coordination
[65] UN, 2021, INFF building block 4: governance and coordination, p.20
[66] For example, UN, 2020, INFF inception phase, pp. 4, 6, 10, 19, 20; UN, 2020, INFF building block 1.4: binding constraints, p.25; UN, 2021, INFF building block 4: governance and coordination, p.5, 7, 12, 15, 16, 17, 18, 19, 20, 22, 30
[67] For example, UN, 2020, INFF inception phase, p.14; UN, 2021, INFF building block 4: governance and coordination, p.5
[68] See for example UN Special Rapporteur on the rights to freedom of peaceful assembly and association, 2019, The interlinkages between closing civil society space, poverty, national policy and the exercise of the rights to freedom of peaceful assembly and of association, A/74/349, paragraphs 21-32.
[69] UNDP, Development Finance Assessment guidebook, p.74

year. However, a recent report by the INFF Facility[70] sends a warning sign. The report aimed to take stock of the early implementation of INFFs, based on the 86 countries that have embarked on INFF development. Among other dimensions, the stock-taking report looked at INFF oversight committees – the bodies that will "'own' the financing framework and guide the process to operationalise it. »[71] The report found that 28% of oversight committees included civil society representatives, in comparison to 33% that included private sector representatives.[72] It is alarming that 72% of committees included no civil society representation whatsoever.[73] Even where civil society representatives did participate in oversight committees, it is unclear what steps were taken to ensure proper representation of rights holders experiencing the most severe inequalities, nor to ensure that participation was full and meaningful, with concrete action taken in response to civil society priorities.

CONCERN 3: PUSHING COUNTRIES TOWARDS RISKY REFORMS?

3.1 – INFFs may appear technical, but political choices are at stake

The INFF guidance recognises that developing a financing strategy is an "inherently political" process.[74] It envisages that INFFs can play a role in bringing "analytical rigor" to this process.[75] In other words, the intention is for INFFs to make a technical contribution to financial strategy making, without prejudging the political choices on which the strategy is based.

But while this distinction seems clear on paper, in practice it is much harder to isolate purely technical considerations from political ones. Superficially technical approaches can yield very different answers, depending on the underlying assumptions used. Box 3 illustrates how one important element of the INFF process – the binding constraints analysis – may be influenced by the assumptions of participating stakeholders. Section 3.2 below illustrates how some of the key tools recommended for use in INFF development are not as neutral as they may first appear, but rather rely on contested assumptions.

[70] The INFF Facility is a joint facility set up by UNDP, UN DESA, the OECD, the European Union, and the Governments of Italy and Sweden (source: INFF website, 2022, 'Financing the future we want: the official launch of the INFF Facility').
[71] Source: UN, 2020, INFF inception phase, p.20
[72] INFF Facility, 2022, The state of Integrated National Financing Frameworks 2022, p.9
[73] It is possible that civil society representatives may have participated in the INFF process in other ways, such as through financing dialogues (source: INFF Facility, 2022, The state of Integrated National Financing Frameworks 2022, p.9). However, this does not compensate for their lack of high-level representation through oversight committees.
[74] UN, 2021, INFF building block 2: financing strategy, p.15
[75] UN, 2021, INFF building block 2: financing strategy, p.15

BOX 3: BINDING CONSTRAINTS ANALYSIS

The INFF guidance recommends binding constraints analysis as an approach to help countries understand underlying obstacles that are impeding progress towards their finance policy objectives; and prioritise strategies to address these obstacles. The binding constraints analysis follows a structured approach rooted in economic tools: (i) a **problem area** is specified; (ii) its underlying causes are analysed and the root causes among these – the **binding constraints** – are identified; and (iii) the **desirability** and **feasibility** of removing the binding constraints are assessed.[76]

While the process is structured, it is also very sensitive to the perspectives of the stakeholders involved, as the following (hypothetical and simplified) example illustrates.

The example concerns a country experiencing a large debt burden, which limits fiscal space: this is the problem area.

Now it is possible that different stakeholders might analyse this problem area in different ways.

If stakeholders consider the big picture – looking beyond the country's borders to constraints that are imposed by external stakeholders – then they may identify the key binding constraints to be structural issues. For example, such binding constraints could include: bias in the assessments given by Credit Rating Agencies, which may mean credit is only available on unfavourable terms or which may deter countries from requesting debt suspension;[77] exposure to changes in exchange rates;[78] and reluctance among key stakeholders – including private sector creditors and international financial institutions – to take part in structured debt crisis resolution processes.[79]

But, as discussed in section 1 above, the framing of the INFF guidance as a whole places much less emphasis on cross-border constraints than on constraints that can be solved at national level. Indeed, even the section of the guidance that deals directly with binding constraints analysis focuses largely on tools for assessing domestic capacity in areas such as public expenditure and financial accountability, and tax administration, rather than tools for assessing bottlenecks caused by external stakeholders.[80]

So, depending on their perspective, participants in the binding constraints analysis may focus their assessment on national level constraints such as the government's capacity to manage debts and potentially to raise new finance.

[76] UN, 2020, INFF building block 1.4: binding constraints, pp.7-20

[77] Civil Society Financing for Development Group, 2020, Submission to the UN Independent Expert on foreign debt and human rights report on "Debt relief, debt crisis prevention and human rights: the role of credit rating agencies", pp.1-3 ; Griffith-Jones and Kraemer, 2021, Credit rating agencies and developing economies, UN DESA Working Paper no.175, sections on 'Potential bias against EMDEs', pp.4-6, and on 'Governance issues and conflicts in sovereign ratings', pp.7-9

[78] Zeina Abla / Arab NGO Network for Development, 2021, Another debt crisis in the making?, p.11

[79] For example, AFRODAD, 2020, An African perspective on the establishment of a fair and transparent international sovereign debt restructuring mechanism (SDRM) : various options for African countries, pp.3, 6, 7 ; Ellmers / Brot für die Welt-Erlassjahr-Global Policy Forum Europe-Misereor, 2021, The new debt crisis and what to do about it: policy proposals and political opportunities, pp.5-7.

[80] It is true that this section is not silent on the role of external stakeholders, as there is also some discussion of tools to assess the effectiveness of development cooperation: but what is missing is an emphasis on coherence between external stakeholders' development cooperation commitments and their wider policies that may restrict the fiscal space of Global South countries, as discussed in section 1 above.

Continued

These different potential assessments of the binding constraints may in turn prompt different policy responses. The former assessment, taking in the big picture, might embolden governments to consider options to renegotiate their debt servicing terms in the short-term, whilst also advocating for action on wider structural barriers in the long-term. The latter assessment, focused on internal capacity, might instead encourage the government to focus on smaller scale modifications to its internal systems and processes.

To be sure, the INFF guidance recognises that binding constraints analysis is an inherently subjective process, and urges that a wide range of stakeholders should be involved.[81]

Nevertheless, since the analysis process is so structured and (in places) technical, it may not be immediately obvious just how far the results can be sensitive to the perspectives of the stakeholders who take part. This in turn creates a risk that not enough will be done to ensure the voices of under-represented groups of rights holders are heard, and that alternative assessments of binding constraints are sought out before final decisions are made. And – insofar as the highly structured nature of the analysis creates an impression that outcomes are more technical and objective than is really the case – this may further reinforce the risks set out in section 1, that the INFF process will detract attention from wider economic injustices that go beyond borders.

The fact that the INFF process is not purely technical is not in itself a problem. However, a risk arises if INFF tools – or their outcomes – are perceived to be more neutral than is really the case, because this perception may stifle critical analysis and debate on alternatives. And such analysis and debate is badly needed in the context of INFFs since, as the next section sets out, some of the tools and approaches currently associated with INFFs involve important omissions and risks.

[81] UN, 2020, INFF building block 1.4: binding constraints, for example pp. 3, 6, 25

3.2 – INFFs may favour policies with risks for people and planet

3.2.1 – *Too little emphasis on binding obligations on the environment and human rights*

The INFF guidance includes recurrent references to some key environmental and human rights concepts, notably on the value of aligning financing strategies with environmental objectives, and on the principle of non-discrimination (including through the lens of 'leaving no one behind')[82] – although the way that this latter principle is interpreted is sometimes incomplete.[83] The guidance supports numerous interventions that may promote objectives on the environment and on non-discrimination, from gender-responsive budgeting, to more robust environmental, social and governance reporting requirements for companies.[84]

But while the guidance recognises such objectives as relevant considerations, it includes very little reference to the **binding** character of states' obligations under international treaties to which they are party – including treaties on the environment, climate change, and human rights (see Box 4 on the latter).[85]

BOX 4 : **SOME OF THE IMPLICATIONS OF STATES' BINDING OBLIGATIONS ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS**

It is beyond the scope of this paper to set out exhaustively the implications of human rights law for the development of financing strategies. For more comprehensive guidance, readers are urged to refer to the Center for Economic and Social Rights' note on Decoding injustice: economic, social and cultural rights standards and to the legal standards referenced there.[86]

The purpose of this box is rather to emphasise that by ratifying international human rights treaties, states agree to meet standards that « impose limits on the discretion of the state in relation to fiscal policy »[87] – limits which impose red lines irrespective of a country's political and economic standpoint. The following examples give some illustrations of how the standards set out in international human rights law should concretely affect financing strategies, focusing particularly on economic, social and cultural rights:

[82] See for example references to incorporating environmental and climate change considerations in the financing needs assessment (UN, 2020, INFF building block 1.1: financing needs, pp.7,8,16,17); or recommendations on analysing how risks affect population groups affected by inequalities as part of the risk assessment (UN, 2020, INFF building block 1.3: risk assessment, pp.12, 13, 16, 19)

[83] For instance, the guidance on monitoring and review recommends gathering disaggregated data – a common approach to monitoring whether some groups are being 'left behind' – but only recommends disaggregation on the basis of gender, age, rural/urban and socio-economic status (UN, 2021, INFF building block 3 : monitoring and review, p.22). This is a much more limited set of disaggregations than envisaged under SDG 17.18 (reference : UN, Goal 17 : strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development).

[84] See for example UN, 2020, INFF building block 1.2: financing landscape assessment, p.5; UN, 2021, INFF building block 2: financing strategy, p. 10; UN, 2021, INFF building block 3 : monitoring and review, p.15 ; UN, 2021, INFF building block 4: governance and coordination, p.27. In addition, UNDP and UN Women have released a dedicated guidance note on 'Mainstreaming gender equality in Integrated National Financing Frameworks' – however, this is a discrete document that does not directly form part of the building blocks of the core INFF guidance.

[85] See UN, 2019, Multilateral treaties deposited with the Secretary General for a full list of treaties; and the UN's database of multilareral treaties deposited with the Secretary General for full details of the countries that have ratified each treaty.

[86] These obligations are explained in more detail in Center for Economic and Social Rights, Decoding injustice: economic, social and cultural rights standards

[87] Initiative for Human Rights Principles in Fiscal Policy, 2021, Principles for human rights in fiscal policy, p.18

Continued

- States have a duty to end discrimination - so for example they must budget to ensure that public services are physically and economically accessible to all, without discrimination – and to invest in programmes that help to combat inequalities.
- States have a duty, immediately and regardless of their economic status, to ensure at least 'minimum essential levels' of all economic, social and cultural rights[88] – examples include essential foodstuffs, primary healthcare and basic housing.
- Simultaneously, States must take concrete steps towards progressively realising all economic, social and cultural rights in full – for example, by increasing spending on these rights over time.
- States must not take deliberately retrogressive steps which foreseeably cause backsliding in the enjoyment of rights.[89] States which have implemented austerity policies have been found to be in violation of this obligation – for example in Spain.[90]
- States must use the 'maximum of their available resources' to achieve full realisation of economic, social and cultural rights – a concept that needs to be borne in mind not only in revenue-raising efforts[91] but also for example in considering how debt service charges will affect the resources available to realise rights.

Source: this box is drawn from Center for Economic and Social Rights, Decoding injustice: economic, social and cultural rights standards and the OPERA Framework: assessing compliance with the obligation to fulfill economic, social and cultural rights, pp.3-5. Further advice from Kate Donald and Allison Corkery from the Center for Economic and Social Rights is gratefully acknowledged. Any errors are the author's own.

In particular, it is striking that obligations on human rights and the environment are not mentioned as binding in some key sections of the guidance relating to decision making and prioritisation. For example, the guidance on prioritising policies within a financing strategy – an issue which sits right at the heart of the INFF process – recognises that it is important to screen policies for alignment with 'all dimensions of sustainable development', and that trade-offs and externalities should be carefully managed. But it does **not** make clear that binding obligations on human rights and the environment must always be paramount, and cannot simply be traded off against wider non-binding objectives.[92]

3.2.2 – *Too much emphasis on risky approaches and tools*

Problematic approaches

While binding environmental and human rights obligations are not mainstreamed throughout the INFF guidance, some other proposed priorities and approaches for INFF formulation are much more prominent.

[88] Not doing so creates a prima facie presumption that a state is violating international law, unless the state can demonstrate that 'every effort has been made to use all resources that are at its disposition in an effort to satisfy, as a matter of priority, those minimum obligations'.
[89] Not doing so creates a prima facie presumption that a state is violating international law, unless the state can prove they have been introduced 'after the most careful consideration of all alternatives and that they are duly justified by reference to the totality of the rights provided for in the Covenant on Economic, Social and Cultural Rights, in the context of the full use of the state party's maximum available resources', that they protect the minimum core content of the rights, are temporary, non-discriminatory, and necessary and proportionate in the sense that alternatives would be more detrimental to social and economic rights.
[90] Oré Aguilar / Center for Economic and Social Rights, 2021, 'Overturning austerity : Spain reestablishes universal access to healthcare'
[91] See for example Center for Economic and Social Rights, 2020, Recovering rights: governments' obligation to invest 'maximum available resources' in human rights
[92] See UN, 2021, INFF building block 2: financing strategy, pp.21-22

Some of these approaches carry important risks and limitations that are not flagged sufficiently in the guidance. Two key examples are below.

Example 1: the imperative for economic growth

The INFF guidance contains some 30-40 references that imply economic growth will be an objective for countries implementing INFFs.[93] Often growth is presented as one of the most important objectives (albeit not the only one): for example the guidance on policy prioritisation emphasises the need to check whether policies are "consistent with macro objectives" such as growth targets.[94] Only a small minority of the references mention that growth may be in tension with other objectives, and even then the implication is generally that growth objectives would simply be adjusted to allow for some trade-off.[95]

Yet a growing body of research makes clear the severe risks that economic growth poses to planetary boundaries, to the extent that the imperative for growth needs to be reassessed altogether.[96] The existence of this wider debate is not acknowledged in the INFF guidance, which instead works on the assumption that the aim should be "sustainable growth".[97] This omission seems all the more important considering that, in principle at least, INFFs are a universal approach that can apply in the Global North as well as the Global South. In Global North countries, the case for reappraising assumptions on growth in light of planetary boundaries is even more compelling, considering the vastly disproportionate contribution that these countries have made to excess carbon dioxide emission stocks over history.[98]

Example 2: the role of private finance

The guidance also deals in depth with many aspects of private finance. Now, this paper is not seeking to oppose the idea that the private sector can have important contributions to make, and it supports the principle that integrated financing frameworks should include policies relating to the private sector, considering among others the important contribution that corporate income tax can make to national budgets, and the value of regulation to protect environmental, climate and human rights objectives. However, the way in which private finance is treated in the guidance may sometimes introduce risks.

In particular, the guidance includes certain specific types of private finance, or mechanisms used to channel such finance, without always spelling out their drawbacks sufficiently clearly.[99] For instance :

[93] There is a degree of judgement in this estimate, e.g. some references in close repetition were excluded.
[94] UN, 2021, INFF building block 2: financing strategy, p.21
[95] References implying a degree of trade-off include UN, 2020, INFF building block 1.1: financing needs, p.24; UN, 2020, INFF building block 1.3: risk assessment, p.19; UN, 2020, INFF building block 1.4: binding constraints, pp. 17, 23, 24; and UN, 2021, INFF building block 2: financing strategy, pp.7, 25.
[96] For example, Kallis, Demaria and D'Alisa, Degrowth, in D'Alisa, Demaria and Kallis (eds.), *Degrowth: a vocabulary for a new era;* Hickel, Brockway, Kallis and others, 2021, Urgent need for post-growth climate mitigation scenarios, in *Nature Energy* 6, pp.766–768. Further resources are available on the *Research and Degrowth* site, among others. It is true that questioning the viability of objectives on economic growth could seem to be in tension with SDG 8.1 ("Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries »). However, according to the research cited above, **not** questioning the viability of objectives on growth would be in tension with SDG 13 (« Take urgent action to combat climate change and its impacts »). In this context it seems a significant omission for the INFF guidance not at least to reference some of the relevant research on this issue.
[97] UN, 2020, INFF building block 1.4: binding constraints, p. 17
[98] For example, Hickel, 2020, Quantifying national responsibility for climate breakdown: an equality-based attribution approach for carbon dioxide emissions in excess of the planetary boundary, in *The Lancet Planetary Health,* Volume 4, Issue 9, September 2020, Pages e399-e404
[99] To be clear: this paper is not arguing that the guidance should pre-empt countries' decisions on whether or not they would want to use these kinds of finance. Rather, the argument is that the guidance could support countries to make the most informed possible decision if it included more references to existing literature on these financing options' downsides.

» The guidance includes frequent references to **public private partnerships** (PPPs)[100] and **blended finance.**[101] Positively, the guidance discusses in some detail some of the potential risks associated with blended finance, including some very welcome nuance on the opportunity costs of using Official Development Assistance resources for blending.[102] There are also some (brief) mentions of the risks of PPPs[103] - but these focus largely on fiscal risks from PPPs rather than other issues such as affordability for service users, and the wide body of more critical research on PPPs is not referenced (see section 3.2.2.2 below). Moreover, despite the language on risks, the guidance does not discuss the possibility that countries may wish to refrain from using these approaches until the risks and opportunity costs are better understood. On the contrary, the frequent references to PPPs and blended finance throughout the guidance may create the impression that countries should be seeking – albeit cautiously and selectively – to increase their use of these approaches.

» The guidance makes several references to **'thematic' bonds** – i.e. instruments through which governments access credit linked to particular 'sustainable development' themes such as ocean conservation or energy efficiency.[104] However the guidance does not fully examine the potential risks that such bonds may entail – including both financial risks linked to the challenges of engaging with private creditors in the event of debt distress ; and social and environmental risks since transparency and oversight of thematic bonds is still not well established. [105] The guidance could also spell out more explicitly the limitation inherent in the fact that such bonds are linked to the preferences of private investors, who in the words of the UN's latest Financing for Sustainable Development Report have historically "invested … because they believe integrating environmental, social and governance (ESG) issues into their investments could lead to greater financial returns or will not affect returns while providing a feel-good sentiment »[106] - meaning that environmental projects **without** strong financial returns are currently unlikely to attract this kind of finance, no matter how impressive their sustainability credentials. Moreover, so long as wider structural barriers to accessing affordable credit remain unaddressed – such as bias in Credit Rating Agency scores (box 3 above), thematic bonds can only ever tackle the symptoms, not the root cause, of debt financing challenges in the Global South.

» The guidance includes some references that seem to assume countries may often be aiming to promote **foreign investment**,[107] without consistently acknowledging the very significant risks that such investment can bring.[108]

[100] For this paper, a PPP is defined as "a long-term contractual arrangement where the private sector provides infrastructure assets and services that have traditionally been directly funded by government, such as hospitals, schools, prisons, roads, bridges, tunnels, railways, and water and sanitation plants, and where there is also some form of risk sharing between the public and the private sector" (see glossary in Annex 1).
[101] References include: UN, 2020, INFF inception phase, pp. 16-17 ; UN, 2020, INFF building block 1.2: financing landscape assessment, p.7; UN, 2020, INFF building block 1.3: risk assessment, pp.6, 21, 23; UN, 2021, INFF building block 2: financing strategy, pp.10, 18, 20, 26, 27; UN, 2021, INFF building block 3 : monitoring and review, p.11; UN, 2021, INFF building block 4: governance and coordination, p.34
[102] UN, 2021, INFF building block 2: financing strategy, pp. 26, 27
[103] UN, 2020, INFF building block 1.3: risk assessment, pp.6, 21, 23
[104] UN, 2020, INFF building block 1.2: financing landscape assessment, p.4; UN, 2021, INFF building block 2: financing strategy, p.9; UN, 2021, INFF building block 4: governance and coordination, p.28
[105] Munevar / Eurodad, 2021, Sleep now in the fire: sovereign bonds and the COVID-19 debt crisis, pp.20-26; Paul / ActionAid, 2019, Market solutions to help climate victims fail human rights test, pp.33-34
[106] UN Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development Report 2022: bridging the finance divide, p.66
[107] Key references includes UN, 2021, INFF building block 2: financing strategy, p.11 (the table implies that countries may wish to consider introducing foreign investment promotion strategies) and p.17; UN, 2021, INFF building block 4: governance and coordination, p.8 (where the risks specific to foreign – as opposed to domestic- investment are not set out), and example on Rwanda on p.32.
[108] These include, for example, the risk that investment may trap countries in commodity-exporting roles rather than enabling them to build their own industries, and the risk that investment may be provided on terms that erode environmental or human rights protections. (For instance, this may happen if investment is provided within the framework of an invetment treaty that grants companies recourse to investor-state dispute settlement mechanisms). See for example, Civil Society Financing for Development Group, 2022, Civil Society FfD Group's Comments to the 2022 Financing for Sustainable Development Report (FSDR), pp.6; South Centre, 2021, Report: Virtual Consultation in support of the UN Working Group's 2021 Report to the UN General Assembly on Human Rights-Compatible International Investment Agreements, p.1.

It is true that the guidance does include **general** coherence and risk assessment checks to evaluate whether (among other criteria) proposed policy options are coherent with 'sustainable development' objectives. In principle, the risks set out above might surface at this coherence check stage.[109] However, this would only happen if policymakers have sufficient information on which to base their coherence checks. This in turn makes it all the more important for the risks above to be flagged explicitly throughout the guidance.

What is more, the guidance includes multiple references to the potential to increase private sector finance by enhancing the « enabling environment ».[110] The guidance does not always elaborate on what this might mean, but there is a risk that readers may associate such references with the kinds of reforms promoted in the World Bank's Business Enabling Environment project, all the more since the World Bank's predecessor project, the Doing Business Report, is one of the tools referenced elsewhere in the guidance (see Section 3.2.2.2 below).[111] Yet serious concerns have been raised about the risk that the Business Enabling Environment project will create a perverse incentive for governments to cut taxes and reduce regulation.[112] Worryingly, the INFF guidance gives the example of the Philippines' efforts to « strengthen the enabling environment for private sector investment ».[113] But civil society observers have raised concerns that the same efforts have been leading to the removal of important regulations and an acceleration in the privatisation of public services.[114]

More generally, the guidance's overall balance in emphasis between public and private finance could be open to misinterpretation. Positively, the guidance includes some important nuances on the respective roles of public and private finance. It recognises that private and public finance are not interchangeable,[115] and occasionally notes that "public finance plays the fundamental role when it comes to financing sustainable development",[116] and that private finance may only « sometimes » be relevant.[117]

However, these nuances are not consistently repeated throughout the guidance, and some other parts of the guidance could be interpreted as presuming that it should be a priority to mobilise private finance. For example, the guidance proposes a list of ways in which INFFs may add value, which includes "broaden[ing] the focus of financing strategies from public finance toward using public policy to leverage the contributions of a wider range of financing sources and instruments ».[118] The guidance gives examples of potential objectives for financing strategies: while the examples are only illustrative, it is striking that three out of six examples relate to mobilising private finance.[119] The guidance on binding constraints says it seeks to cover « bottlenecks that can limit the ability of countries to finance sustainable development – both in relation to the ability to mobilise adequate volumes of finance (public and **private**) and to ensure effective alignment between financing flows and identified sustainable development priorities ».[120] The guidance also includes

[109] UN, 2021, INFF building block 2: financing strategy, p.21. See also UN, 2020, INFF building block 1.4: binding constraints, p.19
[110] For example, UN, 2020, INFF building block 1.4: binding constraints, p.17; UN, 2021, INFF building block 2: financing strategy, p.27
[111] For example, UN, 2021, INFF building block 2: financing strategy, p.12
[112] Asia Pacific Forum on Women, Law and Development and others, 2022, Submission to the World Bank consultation for the business enabling environment project, p.4; Mariotti, Sonkin and Muchhala, 2022, The World Bank's BEE: old wine in a new bottle
[113] UN, 2020, INFF building block 1.2: financing landscape assessment, pp.14, 16
[114] Africa, 2017, What Duterte development plan ignores: local industry, accessible social services
[115] UN, 2020, INFF building block 1.2: financing landscape assessment, Figure 1. However, some of the assumptions in this figure are not uncontested – for example, on the relative roles of private and public finance for infrastructure (see for example Romero and Sonkin / Eurodad and Society for International Development, 2021, Reclaiming sustainable infrastructure as a public good, recommendations on pp.3-4).
[116] UN, 2021, INFF building block 3 : monitoring and review, p.29
[117] UN, 2021, INFF building block 2: financing strategy, p.16
[118] UN, 2020, INFF building block 1.2: financing landscape assessment, p.3. It is true that this "wider range of financing sources and instruments" might not only refer to private finance in the narrow sense of profit-seeking investment – it might for example include philanthropic capital too. Still, given the relative scale of private finance relative to other non-public sources in many countries (as elaborated elsewhere in building block 1.2), it is likely that private finance would be understood to be at least one of the principal financing sources concerned, even if not the only one.
[119] UN, 2021, INFF building block 2: financing strategy, p.17
[120] UN, 2020, INFF building block 1.4: binding constraints, p.5, emphasis added.

case studies involving countries whose financing strategies place significant emphasis on mobilising private finance – for example Nepal, where the Sustainable Development Goals (SDG) financing strategy allocates 36% of the SDG financing gap to the private sector, as against 55% for the domestic public sector.[121]

If parts of the guidance seem to presume that it should be a priority to mobilise private finance, this risks weakening the important nuances expressed elsewhere. It also risks obscuring the fundamental and distinctive role that public finance must play in resourcing rights and tackling inequalities. And if the fundamental importance of public finance is not emphasised, this in turn may potentially further distract attention from the imperative to tackling the underlying structural inequalities that currently constrain public financing in the Global South (section 1.2 above).

Problematic tools

The INFF guidance collates and signposts over 200 resources that policymakers could use as they develop INFFs.

Some of the tools that are included in the guidance have been subject to considerable research that has highlighted important risks or limitations. But in general these risks and limitations are not flagged in the guidance. Table 1 below highlights concerns over some of the key tools that are listed in the guidance, and associated critical research. (Please note, this table is based on existing research only – it was outside the scope of this paper to do new analysis on the tools, though that would be an important area for future work).

Moreover, the large majority of tools listed in the guidance have been developed by international organisations, particularly the international financial institutions. Alternative tools and approaches developed by Global South governments, by civil society organisations, or through the UN human rights architecture, are included much less frequently. In particular, it is worrying that the guidance does not refer to key human rights tools such as the Guiding Principles on Business and Human Rights,[122] the Guiding Principles on Human Rights Impact Assessment of Economic Reform Policies,[123] and the Guiding Principles on Extreme Poverty and Human Rights.[124]

More broadly, the guidance does not acknowledge clearly enough that full tools do not yet exist for some crucial financing questions in under-researched areas (for example, budgeting for the rights of some minority populations), so **all** tools need to be approached with a degree of caution and an awareness that they may have gaps.

[121] UN, 2020, INFF building block 1.1: financing needs, p.19. The remainder of the financing gap is divided among households, Official Development Assistance, and cooperatives/non-governmental organisations. Further research would be needed to assess the appropriateness of allocating such a large responsibility to the private sector, but based on the available information, it is worrying that the strategy appears only to have considered a narrow range of 'leave no-one behind' considerations such as demographic transition, and it is not clear that other dimensions – such as social protection for people unable to work, or access to justice for people experiencing discrimination – have been fully factored in. These dimensions do not lend themselves easily to private sector finance. Nor is it clear what measures will be in place to ensure the private sector is robustly regulated.
[122] UN Office of the High Commissioner for Human Rights, 2011, Guiding Principles on Business and Human Rights
[123] UN Human Rights Council, 2018, A/HRC/40/57, Guiding principles on human rights impact assessments of economic reforms
[124] UN Special Rapporteur on extreme poverty and human rights, 2012, A/HRC/21/39, Guiding Principles on Extreme Poverty and Human Rights

TABLE 1: KEY TOOLS LISTED IN THE GUIDANCE, AND SOME OF THEIR RISKS[125]

Tool	Research on drawbacks
Credit Rating Agency reports	Credit Rating Agency reports have been criticised for creating perverse incentives in favour of austerity, and against timely debt relief[126]
IMF : Debt Sustainability Analysis	IMF Debt Sustainability Analysis has been found to focus on a narrow set of sustainability criteria only, without taking into account human rights obligations or 'development' criteria[127]
IMF : Article IV reports	Article IV reports have frequently favoured austerity and fiscal consolidation policies, and do not adequately mainstream cross-cutting obligations such as on the climate and on gender equality;[128] more fundamentally, questions have been raised over the extent to which the reporting process and its indirect influence on policy is consistent with the ownership of policy space by people of the Global South.[129]
World Bank : Doing Business Report	The Doing Business Report was criticised for incentivising countries to reduce taxation and cut back regulation.[130] The Report was discontinued in 2021 following a corruption scandal,[131] but it is feared its successor – the Business Enabling Environment project – will replicate many of the same shortcomings.[132]
World Bank : tools on public-private partnerships[133]	The World Bank's tools on public-private partnerships have been extensively criticised for a failure to allow properly for the associated risks (fiscal and non fiscal) and opportunity costs.[134]
World Bank : Country Private Sector Diagnostic (CPSD	CPSD recommendations on private sector involvement in the health and education sectors has been found to put human rights obligations at risk.[135]

[125] The tools were selected judgementally for inclusion in this table, taking into account: (i) the number of references in the guidance; or (ii) the existence of a particularly extensive body of literature on their risks. The tool referenced most frequently in the INFF guidance is the Development Finance Assessment, but that is not included in the table because it is discussed at more length elsewhere in this paper.

[126] Civil Society Financing for Development Group, 2020, Submission to the UN Independent Expert on foreign debt and human rights report on "Debt relief, debt crisis prevention and human rights: the role of credit rating agencies", pp.1-3 ; Griffith-Jones and Kraemer, 2021, Credit rating agencies and developing economies, UN DESA Working Paper no.175, sections on 'Potential bias against EMDEs', pp.4-6, and on 'Governance issues and conflicts in sovereign ratings', pp.7-9

[127] UN Independent expert on debt and human rights, 2019, A/74/178, Responsibility for complicity of international financial institutions in human rights violations in the context of retrogressive economic reforms, paragraph 87 ; Munevar / Eurodad, 2020, Arrested development: International Monetary Fund lending and austerity post COVID-19, p.15

[128] Nissan and Saalbrink, 2021, The IMF's comprehensive surveillance review: a bungled attempt at meeting the moment

[129] See for instance Stichelmans / Eurodad, 2016, How interntational financial institutions and donors influence economic policies in developing countries, pp.15, 19

[130] Civil society letter to the World Bank Executive Directors, 2021: Ceasing publication of the Doing Business Report

[131] World Bank Group, 2021, 'World Bank Group to discontinue Doing Business Report'

[132] Asia Pacific Forum on Women, Law and Development and others, 2022, Submission to the World Bank consultation for the business enabling environment project, p.4; Mariotti, Sonkin and Muchhala, 2022, The World Bank's BEE: old wine in a new bottle

[133] Including PPP country readiness diagnostics and the public-private infrastructure advisory facility

[134] For example Romero and Vervynckt / Eurodad, 2017, Public-private partnerships: defusing the ticking time bomb, section 1.1; Lethbridge and Gallop / EPSU and Eurodad, 2020, Why public-private partnerships (PPPs) are still not delivering, p.29; Romero and Sonkin / SID and Eurodad, 2021, Reclaiming infrastructure as a public good, pp.5-6; Bayliss and Romero, 2021, 'Rebuilding better', but for whom?, section 4.2.2

[135] Brunswijck / Eurodad, 2020, Repeat prescription: the impact of the World Bank's private sector diagnostic tools on developing countries, pp.15,16,18

3.3 – Concerns are amplified in the DFA guidance

The risks highlighted above – a lack of emphasis on binding obligations on the environment and human rights, and an emphasis on assumptions and tools with significant potential downsides for people and planet – are reinforced if the INFF guidance is read in conjunction withUNDP's DFA guidance. For instance, the DFA guidance has a strong emphasis on « mobilising » and « unlocking » private finance.[136] This includes a strong focus on « attraction of international capital » and on blended finance : for instance one of the diagnostic questions asks, « Do development partners actively engage the private sector in their development cooperation modalities with a view to leveraging additional finance and expertise ? ».[137] Perhaps most worryingly of all, the DFA guidance explicitly seems to encourage greater involvement of the private sector in delivering social services including health and social protection, with only very limited acknowledgement of the risks that this may entail.[138]

3.4 – Early policy reforms in INFF countries reflect the guidance's emphasis on private finance

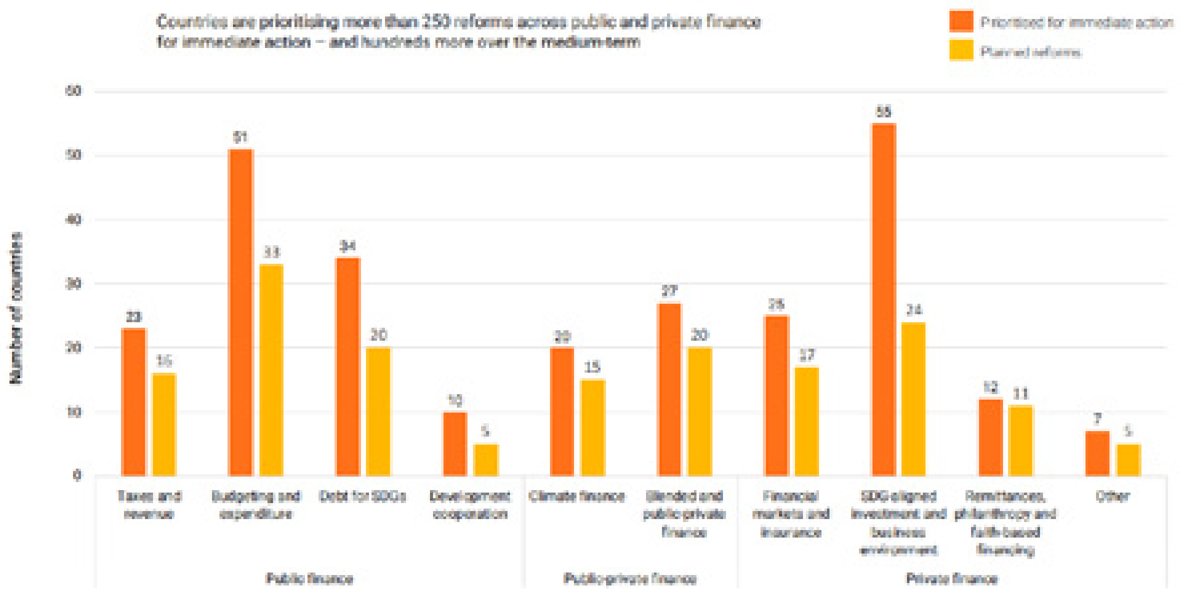
It was beyond the scope of this paper to examine in detail how the INFF guidance is being implemented by countries in the Global South: this will form the basis of a separate piece of research later this year.[139]

But the recent stock-taking exercise carried about by the INFF Facility offers some early clues. As part of the stock-take, countries shared data on over 250 financing reforms that they have prioritised for immediate action as part of the INFF process. Of these reforms, over half relate to the mobilisation of private finance or public-private finance (Figure 3 below).[140] Many of the approaches whose risks were discussed above – blended finance, public-private partnerships, thematic bonds – feature prominently among the planned reforms that were reported.[141]

Links between the INFF guidance and the stock-take results need to be interpreted with caution, since there is no certainty that governments took the guidance into account in deciding what reforms to favour. Nevertheless, the emphasis on private finance in the stock-take results is certainly consistent with the relative prominence of private finance in the INFF guidance.[142] It is hoped that the country case study research to be undertaken later this year will allow further insights into how financing reform priorities were decided at country level.

[136] See for example UNDP, n.d., Development Finance Assessment guidebook, pp.50-54
[137] UNDP, Development Finance Assessment guidebook, pp. 50, 53, 102
[138] UNDP, Development Finance Assessment guidebook, pp. 103, 111. On p.103 there is a question asking how risks of public-private investments in health could be mitigated, with a footnote exploring the risks in more detail. But overall the language in this section implies that it should be possible to proceed, with risks adequately mitigated – a perspective that is not well supported by civil society research in this area: see for example Romero and Gideon / Eurodad, Latindadd and Birkbeck University of London, 2019, Public private partnerships and universal healthcare in Latin America – at what cost? On p.111 there is no mention of risks.
[139] Civil Society Financing for Development Group, forthcoming
[140] INFF Facility, 2022, The state of Integrated National Financing Frameworks 2022, pp.18-19
[141] INFF Facility, 2022, The state of Integrated National Financing Frameworks 2022, pp. 20, 22, 23
[142] Including the detailed guidance on assessment and diagnostics, which sets the tone for the rest of the INFF process

FIGURE 3: **OVERVIEW OF PLANNED FINANCING REFORMS IN COUNTRIES UNDERTAKING INFFs**



Source: INFF Facility, 2022, The state of Integrated National Financing Frameworks 2022, p.19

C. CONCLUSIONS AND RECOMMENDATIONS

The case for INFFs is sometimes based on principles of policy coherence, and ownership of policy priorities by countries and people in the Global South. These are key principles, which have the potential – when implemented in a way that avoids elite capture and gives voice to groups experiencing discrimination – to advance the enjoyment of rights, tackle inequalities, and redress power imbalances whilst defending planetary safety.

However, as things stand, INFFs carry serious risks. They may **erode** Global South peoples' ownership of economic policies; encourage risky reforms without sufficient reference to binding human rights and environmental obligations; and potentially distract attention from urgently-needed progress against the systemic challenges that really hold back financing in the Global South.

In short, the further promotion of the INFFs is problematic until the key concerns developed in this report are resolved. This would mean:

» **Changing the discourse on the role of INFFs in Financing for Development**

a. The paramount importance of tackling structural global economic governance issues must be recognised and addressed with urgency.[143] A key first step would be for UN Member States to agree to hold the next UN Summit on Financing for Development in 2024. UN Member States and international organisations should never present INFFs as the solution to financing challenges in countries in the Global South, without also explicitly recognising that these countries face structural constraints which cannot be solved at national level in isolation.

b. Civil society advocates should always set any national level research and advocacy on INFFs in the context of wider economic constraints that require global solutions. This can help counter the narrative that financing for development is principally a challenge to be solved at national level.

» **A central role for representative civil society organisations and peoples' movements**

a. All decisions relating to INFFs – including the initial decision on whether to proceed with an INFF at all – should be made with full participation of rights holders, usually through the intermediary of representative civil society organisations and peoples' movements, particularly those representing highly marginalised constituencies. An enabling civic space should be recognised as an essential precondition for such participation to take place.[144] The distinctive role of representative civil society organisations and peoples' movements should never be conflated with the role of other stakeholders such as the private sector through 'multi-stakeholder' processes.

» **Enabling free choices on whether and how to implement INFFs**

[143] For key recommendations, please see Civil Society Financing for Development Group, 2022, letter to H. E. Collen Vixen Kelapile, President of the Economic and Social Council

[144] See UN Special Rapporteur on the rights to freedom of peaceful assembly and association, 2019, The interlinkages between closing civil society space, poverty, national policy and the exercise of the rights to freedom of peaceful assembly and of association, A/74/349, paragraphs 60-62.

a. Global North countries and international organisations should not promote INFFs to Global South countries, but rather should allow peoples of the Global South the freest possible choice about whether they wish to adopt INFFs. In particular, development partners should not offer funding for INFF development without also offering the option of funding for alternative initiatives better suited to local circumstances and priorities (e.g. South-South capacity building, or initiatives that do not focus on capacity building at all).

b. Global South countries that **do** choose to develop INFFs should be free to choose – in full consultation with representative civil society organisations and peoples' movements – which external stakeholders, if any, to involve in the INFF process; and which tools and guidance are useful for their context. There should be no presumption that countries choosing to implement INFFs will include development partners in any oversight bodies, nor that they will implement DFAs.

» Rebalancing INFF policy options away from risky reforms

a. The INFF guidance should be updated to make prominent the binding nature of countries' obligations under UN treaties, including on human rights and the environment.

b. The INFF guidance should emphasise much more frequently that INFF decision making is fundamentally a political exercise, no matter how scientific the details may seem. This can help mitigate the risk that political choices go undebated due to a misperception that they are purely technical.

c. The risks discussed above – around INFFs' approach to growth and private sector finance, and around some of the specific tools that are recommended – should be flagged much more prominently. The UN may wish to consider removing some of the most problematic tools from the INFF guidance altogether.

d. Future versions of the INFF guidance should seek to include the most diverse possible range of methodological approaches and tools, going beyond the current focus on tools from international financial institutions and international organisations to explore heterodox approaches that have been trialled in different countries,[145] qualitative norms from different parts of the UN human rights architecture,[146] and proposals from civil society organisations.[147] At the same time, the guidance should recognise that – especially in under-researched areas such as financing the rights of minorities – existing tools may be incomplete, making it particularly important to complement formal tools with other more iterative and participatory approaches to financial strategy making that involve under-represented groups directly.

[145] For example, **Ecuador's** default on its debt in 2011, which released resources for increased social spending; or experiences reinstating public ownership of services in the **Recoleta commune in Chile.** (Sources: Chowdhury/ILO, 2016, Financing social protection through debt restructuring : Ecuador; Panez Pinto, Rebuilding public ownership in Chile : social practices of the Recoleta commune and challenges to overcoming neoliberalism, in Kishimoto and others (eds.), 2020, 'The future is public'). It was outside the scope of this paper to do detailed research on these cases, but they are included to illustrate of the diversity of possible approaches that could be included in the guidance.

[146] For example, UN Office of the High Commissioner for Human Rights, 2011, Guiding Principles on Business and Human Rights; UN Human Rights Council, 2018, A/HRC/40/57, Guiding principles on human rights impact assessments of economic reforms; UN Special Rapporteur on extreme poverty and human rights, 2012, A/HRC/21/39, Guiding Principles on Extreme Poverty and Human Rights

[147] For advice on issue-specific tools, it is advised to reach out to a sample of a few specialist civil society organisations, including those from the Global South, to gather and triangulate their recommendations. Depending on the issue, examples could include : the CSO Partnership for Development Effectiveness, the Civil Society Financing for Development Group, Campaign of Campaigns, the Center for Economic and Social Rights, the African Forum and Network on Debt and Development (AFRODAD), the Asian Peoples' Movement on Debt and Development (APMDD), the Latin American Network for Economic and Social Justice (Latindadd), and the Arab NGO Network for Development (ANND). In addition, while not a civil society organisation, but an intergovernmental organisation, **the South Centre** is another important source of research, policy proposals and expertise from a Global South perspective.

ANNEX 1: GLOSSARY

Blended finance - blended finance combines concessional public finance with non-concessional private finance and expertise from the public and private sector.[148] [Concessional finance is, in principle, finance that is provided on terms that are more favourable to the borrower and less favourable to the lender than if the finance was provided through the commercial market].[149]

Tax abuse – a way of exploiting loopholes, stretching the law or breaking the law in order to minimise tax payments.[150]

Development Finance Assessment (DFA) – "a tool to identify opportunities to mobilize additional sources of finance and use existing financial resources more efficiently to achieve the SDGs".[151]

Integrated National Financing Framework (INFF) - an approach that countries can use to design and implement financing strategies for 'sustainable development': "A country's sustainable development strategy lays out *what* needs to be financed. INFFs spell out *how* the national strategy will be financed and implemented.»[152]

Public-private partnership (PPP) – a long-term contractual arrangement where the private sector provides infrastructure assets and services that have traditionally been directly funded by government, such as hospitals, schools, prisons, roads, bridges, tunnels, railways, and water and sanitation plants, and where there is also some form of risk sharing between the public and the private sector.[153]

'Thematic' bond – an instrument through which governments access credit linked to particular 'sustainable development' themes such as ocean conservation or energy efficiency.

[148] Addis Ababa Action Agenda of the Third International Conference on Financing for Development, paragraph 48
[149] However the measurement of concessionality can be a contentious area in practice.
[150] Derived from the glossary in Ryding / Eurodad, 2017, Tax games – the race to the bottom, p.7
[151] UNDP, Development Finance Assessment guidebook, p.1
[152] INFF Knowledge Platform
[153] Lethbridge and Gallop / EPSU and Eurodad, 2020, Why public private partnerships (PPPs) are still not delivering, p.5

ANNEX 2: MAPPING KEY CONCERNS TO THE INFF GUIDANCE

Please note, for an overall understanding of how the INFF guidance fits together, readers are advised to refer to the UN's 'short and practical introduction' to INFFs.[154]

This annex instead takes a more thematic approach, mapping the issues outlined in the paper above to key sections of the guidance. Given the complexity and detail of the guidance, this summary is inevitably very simplified and far from exhaustive – but it is hoped it can provide a useful starting point for civil society advocates interested to dig deeper into what the guidance says about some of the issues explored in this paper.

Theme	Key examples of what the guidance says
Linking INFFs to global economic justice issues	INFF inception phase, p.3; INFF building block 1.3: risk assessment, the whole document; INFF Building Block 2: Financing strategy, pp.8-14; INFF building block 3 : monitoring and review, p.9; INFF building block 4: governance and coordination, p.5
National capacity constraints	INFF building block 1.4: binding constraints. For example, in the guiding questions on p.8, and in the section on international tools on p.11
Global South countries' role in INFF implementation	INFF inception phase, pp.7, 10, 19; INFF building block 1.1: financing needs, p.4; INFF building block 2: financing strategy, pp.2-3,15, 19,20; INFF building block 3 : monitoring and review, pp.3,14,29; INFF building block 4: governance and coordination (whole document)
Value of civil society engagement	Illustrative references throughout INFF building block 4: governance and coordination. See also INFF building block 1.4: binding constraints, p.25
Multi-stakeholder processes	Illustrative references throughout INFF inception phase and INFF building block 4: governance and coordination.
Binding constraints analysis	INFF building block 1.4: binding constraints, pp.7-20
Environmental protection	INFF building block 1.1: financing needs, pp.7,16,17; INFF building block 3 : monitoring and review, p.15; INFF building block 4: governance and coordination, p.27
Equalities and 'leave no one behind'	INFF building block 1.1: financing needs, pp.7, 8,16,17; INFF building block 1.2: financing landscape assessment, p.5; INFF building block 1.3: risk assessment, pp.12, 13, 16, 19; INFF building block 1.4: binding constraints, p.19; INFF building block 3 : monitoring and review, p.15

[154] UN, 2022, Integrated National Financing Frameworks: a short and practical introduction

Economic growth	INFF building block 1.2: financing landscape assessment, p.4; UN, 2020, INFF building block 1.3: risk assessment, p.19; INFF building block 1.4: binding constraints, pp.17,23,24; INFF building block 2: financing strategy, pp.7,21,25
Private finance modalities (foreign investment, PPPs, blending, thematic bonds)	INFF inception phase, pp.16-17 ; INFF building block 1.2: financing landscape assessment, pp.4,7 ; UN, 2020, INFF building block 1.3: risk assessment, pp.6, 21, 23; INFF building block 2: financing strategy (multiple references throughout document); INFF building block 4: governance and coordination, pp.8,28,32,34
Business enabling environment	INFF building block 1.2: financing landscape assessment, p.14,16 ; INFF building block 1.4: binding constraints, p.17; INFF building block 2: financing strategy, pp.12
Private finance (general)	INFF building block 1.1: financing needs, p.19; INFF building block 1.2: financing landscape assessment, pp.3,8,11-12 ; INFF building block 1.4: binding constraints, pp.5,14-18; INFF building block 2: financing strategy, pp.16-17 ; INFF building block 3 : monitoring and review, p.29

ANNEX 3: TOOLS AND SOURCES OF ANALYSIS REFERENCED IN THE INFF GUIDANCE

This annex presents an approximate listing of different tools, sources of analysis and other resources referenced in the INFF guidance.

The detail of the annex should be treated with caution, because considerable judgement was involved. For example, judgement was required to determine what counts as a reference in the guidance (a fairly generous interpretation was used, to capture all references that seemed to imply a degree of endorsement or recommendation); what counts as a distinct tool (where an organisation has produced several related tools); and how certain tools should be classified (for example in the case of collaborative organisations with complex governance structures). But while the detail should be treated with caution, the overall pattern – i.e. that tools and resources from some types of organisations are referenced more frequently than others – is materially correct.

Resources from UN entities[155]

UN Development Programme (UNDP)

Cross-cutting analysis and data

Development Finance Assessment
Sustainable finance hub

Tools and data relating to specific issues (many of which contribute to the sustainable finance hub but are also referenced in their own right)

Budgeting for the Sustainable Development Goals
Biodiversity finance initiative
Climate public expenditure and institutional review
Islamic finance support
Inclusive business ecosystem initiative
SDG investor maps
Guidance and case studies on remittances
Tackling integrity risks in government contracts
SDG impact standards[156]

UN Conference on Trade and Development (UNCTAD)

UNCTADStat
Investment policy reviews
Financial conditions indicators
Productive capacities index
Debt Management Financial Analysis System Programme
Principles on promoting responsible sovereign lending and borrowing
Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals

UN Department of Economic and Social Affairs (DESA)

Development Cooperation Report
Development Cooperation Forum survey

[155] Not counting the International Monetary Fund and the World Bank, which are included in a separate category below
[156] Led by UNDP with a steering group of senior figures from the private sector and philanthropy

Regulatory impact assessment tool
Strategy guidance note on monitoring and evaluation systems
Strategy guidance note on promotion of coherent policy making
Principles of effective governance for sustainable development
World Public Sector Report

World Health Organisation
Price lists
Health financing country diagnostic
WHO cost effectiveness analysis
Guidance on public financial management and on health financing

UN Office for Disaster Risk Reduction (UNDRR)
Sendai Framework monitor
National disaster risk assessment guidelines
Global risk assessment framework
Global assessment report on disaster risk reduction
Risk-sensitive budget reviews

UNICEF
Community health planning and costing tool
Public finance for children diagnostics
WASH SDG costing tool

International Labour Organisation
Social protection floors cost calculator
Fiscal space for social protection: a handbook for assessing financing options
'Social protection spotlight' briefs

UN Economic and Social Commission for Asia and the Pacific (UNESCAP
Guidance/tools on resource efficiency
Guidebook for assessing SDG investment needs
'Why we need social protection'

UN Educational, Scientific and Cultural Organisation (UNESCO)
Education cost estimates
Simulation for Education model

UN Women
Gender-responsive budgeting guidance and diagnostics
Costing approach for gender equality

Food and Agriculture Organization
Global Agriculture Perspectives System

UN Environment Programme (UNEP)
Principles for responsible banking

World Food Programme
Integrated context analysis

UN regional commissions
Data on elements of illicit financial flows (e.g. goods-trade mis-invoicing)

UN Economic Commission for Europe
People-first scoring method for infrastructure projects

UN Committee of Experts on International Cooperation in Tax Matters
Work on environmental tax issues

UN entities collectively
Common country analysis
Framework for assessing who is being left behind

Several UN entities in collaboration

WHO-UNICEF comprehensive multi-year planning costing tool
UNDP – UN Sustainable Development Group conflict and development analysis
UN DESA – UN Capital Development Fund: Managing infrastructure assets for sustainable development – a handbook for local and national governments
UNEP-UNDP sustainable finance diagnostic
UN Office on Drugs and Crime – UNCTAD task force on statistical measurement of illicit financial flows

Resources from International Financial Institutions, Regional Development Banks and Development Finance Institutions

International Monetary Fund tools

Cross-cutting analysis and data

Article IV reports
IMF working papers
IMF staff discussion notes
Fiscal monitor report
Technical assistance reports
IMF government finance statistics
IMF international financial statistics

Tools and data relating to specific issues

SDG costing estimates
IMF country risk assessment approaches
IMF binding constraint analysis reports
Financial development index database
Fiscal analysis of resource industries
Fiscal risk handbook
Fiscal risk toolkit, and its component the Public-Private Partnership fiscal risk assessment module
Fiscal transparency evaluations
External balance assessment model
Expenditure assessment tool
Public investment management assessment
Integrated policy framework

World Bank Group tools (including tools from the International Finance Corporation)

Cross-cutting analysis and data

Systematic country diagnostics
PovCalNet
World Bank data bank (including world development indicators)

Tools and data relating to specific issues

Costing approach for water, sanitation and hygiene (WASH)
Costing approach for infrastructure
Public expenditure reviews
Public expenditure tracking surveys
Enterprise surveys
Global financial development database
International debt statistics
Migration and remittances handbook
Money laundering/terrorism financing risk assessment tool
Debt management performance assessments (NB this is also a component of PEFA, below)
FinHealth toolkit
Country private sector diagnostics (NB feeds into systematic country diagnostics, above)
Public-private infrastructure advisory facility
Public-private partnership knowledge lab

National financial inclusion toolkit
Doing business report (now discontinued – replaced with Business enabling environment project)
Reserve advisory and management partnership
Results-based monitoring and evaluation handbook
'The nuts and bolts of monitoring and evaluation systems'

Joint International Monetary Fund-World Bank Group tools

Debt sustainability framework and debt sustainability analyses
Tax policy assessment framework
Financial sector assessment program reports

Regional Development Bank tools

African Development Bank binding constraints analysis
Asian Development Bank binding constraints analysis
Inter-American Development Bank resources on delivery units

Bilateral development finance institutions

KfW: innovative financing toolbox
CDC Group (now British International Investment): financial institutions portfolio evaluation

International financial institutions and development finance institutions in collaboration

DFI Working Group on Blended Concessional Finance for Private Sector Projects:
Enhanced Blended Concessional Finance Principles for Private Sector Projects
Evaluation Cooperation Group good practice standards

Resources from other official sector organisations

UN entities and international financial institutions in collaboration

Inter-Agency Standing Committee[157]
Humanitarian response plans and appeals costing methodology
Inter-Agency Task Force on Financing for Development[158]
Financing for Sustainable Development Report

Intergovernmental Panel on Climate Change

Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation

International financial institutions and other bodies in collaboration

International Monetary Fund-Financial Stability Board**:** early warning exercise

Organisation for Economic Cooperation and Development (OECD)

Development Assistance Committee (DAC) development finance databases
Transition finance toolkit
FDI qualities policy toolkit
Financing for sustainability methodology
Boosting resilience through innovative risk governance
Resilience systems analysis
Budgeting practices for health
Inclusive Framework on Base Erosion and Profit Shifting
Paris collaborative on green budgeting
Guidelines for multinational enterprises
DAC blended finance principles
DAC evaluation guidance

[157] The costing sub-group that developed the methodology comprised the Food and Agriculture Organization, the UN High Commissioner for Refugees, the Office for the Coordination of Humanitarian Affairs, the World Bank and the World Food Programme

[158] Coordinated by the UN Department of Economic and Social Affairs (DESA), with major institutional stakeholders the World Bank Group, the International Monetary Fund, the World Trade Organisation, the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP)

Policy coherence for sustainable development guidance
DAC Recommendation on the humanitarian-development-peace nexus
Public Governance Reviews

UNDP and OECD in collaboration
Resources from Tax Inspectors without Borders
OECD-UNDP impact standards for financing sustainable development
OECD-UNDP framework for SDG aligned finance

International financial institutions, UN and OECD in collaboration
Platform for Collaboration on Tax guidance on Medium Term Revenue Strategies

International Energy Agency
World energy model

Financial Action Task Force
Guidance on risk assessments for illicit financial flows

Group of 20 (G20)
Sustainable finance working group – work on sustainability disclosure
EU
Taxonomy on sustainable economic activities
State building contracts

Commonwealth
Public Debt Management Programme

Individual Global North governments
Australian Institute for Disaster Resilience: national emergency risk assessment guidelines
US Millennium Challenge Corporation: constraints analysis

Government collaborative programmes (Global South/Global North)
Pacific Regional Environment Programme: community-based climate change vulnerability assessment
Coalition of Finance Ministers for Climate Action (various resources)

UN entities and regional bodies in collaboration
Inter-Agency Standing Committee and European Commission: INFORM index

UN entities, OECD and regional bodies in collaboration
System of health accounts (OECD, Eurostat, World Health Organisation)

UNDP and International Parliamentary Union in collaboration
Self-assessment toolkit for parliaments

International financial institutions and Global North governments in collaboration
Public Expenditure and Financial Accountability (PEFA) programme and associated tools
Tax administration diagnostic assessment tool (International Monetary Fund, World Bank, and governments of Germany, France, Japan, Netherlands, Norway, Switzerland, UK)

International financial institutions and regional organisations in collaboration
Pacific Catastrophe Risk Assessment and Financing Initiative[159]

Multilateral development banks, Global North governments, Global South governments and regional organisations in collaboration
Total Official Support for Sustainable Development

Supreme Audit Institutions
International Organisation of Supreme Audit Institutions (INTOSAI) and African Organisation of Supreme Audit Institutions (AFROSAI) work on SDG monitoring

[159] Organisation of African, Caribbean and Pacific States; European Union; World Bank Group

International financial institutions, regional development banks, UN, OECD and Global North governments in collaboration
Country diagnostics joint database (Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, International Finance Corporation/World Bank, OECD, UNDP, 'development' agencies of Sweden, UK, USA)

CARICOM
CCORAL risk management tool

African Risk Capacity Group[160]
Africa Risk View Model

Governments not in the Global North
Taxonomies for reporting on private finance developed variously by the governments of China, Mexico, South Africa, Mongolia, Bangladesh

Resources from non-government organisations

International Institute for Applied Systems Analysis: GLOBIOM model; CATSIM model

Millennium Institute: iSDG model

Institute for Global Environmental Strategies: SDG interlinkages analysis

Brookings Institution:
Standardised early childhood development costing tool
Integrating gender into economic constraints analyses

International Food Policy Research Institute: IMPACT model

Levy Institute: methodology for costing gender equality and women's empowerment

Commitment to Equity Institute assessments

International Water and Sanitation Center: WASH cost calculator

Tax Justice Network: illicit financial flow vulnerability tracker

Overseas Development Institute:
Review of public financial management diagnostics for the health sector
Literature review on centres of government in fragile and post-conflict states
Analysis on lessons learned from state building contracts

Harvard University: problem-driven iterative adaptation toolkit; growth diagnostics

Oxford Policy Management:
Problem-driven diagnostics – the case for financial bottleneck analysis
Work on delivery units

CIVICUS: enabling environment national assessments

Center for Global Development: global health resource tracking working group

International Budget Partnership: work on citizens' budgets

Professional or standard-setting bodies
International Federation of Accountants work on sustainability reporting
International Financial Reporting Standards Foundation work on sustainability reporting

[160] The African Risk Capacity (ARC) Group comprises ARC Agency (a specialised agency of the African Union) and ARC Insurance Company Limited (an insurance company jointly owned by African sovereign governments and by bilateral development finance institutions who provided seed funding). Source : ARC Group, 'About us' and 'ARC Limited'

Resources from official sector and non government sector in collaboration

Multiple international organisation / government / non-profit stakeholders in collaboration
OneHealth tool (World Health Organisation, UN Population Fund, USAID, John Hopkins, United States Fund for UNICEF, UNAIDS, UNICEF)

Making disaster risk reduction gender sensitive (UN International Strategy for Disaster Risk Reduction, UN Development Programme, International Union for the Conservation of Nature

Hazard definition and classification review (UNDRR, International Science Council)

CAPRA Platform (now managed by Universidad de los Andes; founded by Center for Coordination of Natural Disaster Prevention in Central America, United Nations International Strategy for Disaster Reduction, Inter-American Development Bank, World Bank)

Addis Tax Initiative (comprising 27 Global South countries, 20 Global North countries, and 20 supporting organisations comprising international financial institutions, a regional development bank, a UN department, multilateral/regional organisations, think tanks, civil society organisations and a philanthropic organisation)

Global high-level principles for fiscal transparency (Global Initiative for Fiscal Transparency: led by Government of Brazil, Government of the Philippines, Government of Mexico, International Monetary Fund, World Bank, International Federation of Accountants, International Budget Partnership)

Public sector and civil society in collaboration
Open government partnership: open government initiatives

Resources from private sector or multi-stakeholder collaborations including the private sector

Private sector:
Credit Rating Agency reports
MSCI SDG alignment score

Multi-stakeholder organisations or collaborations (public/private):[161]
Global Impact Investing Network: annual impact investor survey
Insurance Development Forum: CatRiskTools
Global Investors for Sustainable Development Alliance: navigator
Principles for Responsible Investment
Operating Principles for Impact Management
Tri Hita Karana Roadmap for blended finance
Sustainable Stock Exchanges Initiative

Multi-stakeholder organisations or collaborations (public/private/civil society):
Global Partnership for Effective Development Cooperation: monitoring process, Kampala Principles
UN Global Compact: principles; reporting
UN Global Compact and UN Women: women's empowerment principles
World Benchmarking Alliance benchmarks

[161] The Insurance 2030 report, developed by Inquiry/Principles for Sustainable Insurance/UNEP, is also mentioned in the INFF guidance and may fall into this multistakeholder category, but it was not possible to confirm this at the time of drafting this paper due to problems with the Inquiry website.

CSOPartnership for Development Effectiveness

A DECADE OF CSO SOLIDARITY
ON EDC ADVOCACY AND PRACTICE