CSOPartnership for Development Effectiveness

Ambitions and concerns

Integrated National Financial Frameworks

An overview

Author: Marta Ceriani

Project lead: Luca De Fraia

For comments: Send your feed back to **luca.defraia@ActionAid.org**

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1 – INTRODUCTION

1.1 – The role of INFFs in financing sustainable development

In 2015, the Addis Ababa Action Agenda (AAAA) endorsed the concept of Integrated National Financing Frameworks (INFFs) with the ambition of helping countries to align financing policies and opportunities with long-term national development strategies and consequently to overcome impediments to financing national sustainable development. The Inter-Agency Task Force on Financing for Development (IATF) generated further interest with a whole ad-hoc chapter in the 2019 Financing for Sustainable Development Report (FSDR)[1]. In 2020, the guidelines on the inception phase were published; the guidance materials for three of the four INFFs building blocks were published the following year[2]. In June 2021, the G20 officially endorsed the INFFs as well.

BOX 1: **FROM THE ADDIS ABABA ACTION AGENDA TO THE G20**

In September 2015, the United Nations will host a summit to adopt an ambitious and transformative post-2015 development agenda. […] We have come together to establish a holistic and forward-looking framework and to commit to concrete actions to deliver on the promise of that agenda.”

Addis Abba Action Agenda, July 2015[3]

“*Well-designed, transparent and country-led financing frameworks are key for the implementation of national and sub-national sustainable development strategies, to align public and private resources towards their objectives and to catalyse private investment in the SDGs, while advancing policy coherence for* sustainable development. *As highlighted in the AAAA, Integrated National Financing Frameworks (INFFs) can play a key role in supporting cohesive nationally owned sustainable development strategies”*

G20 Development minsters, Italy, July 2021[4]

By providing a holistic approach to financing nationally owned developments plans[5], INFFs potentially constitute the space where the effectiveness framework and the operationalization of the Addis Ababa Action Agenda may come together. More than 70 countries have committed to taking the first steps towards the implementation of the INFFs[6] through the support offered by a leading team of international institutions which includes the United Nations (UN), European Union (EU), UN Development Programme (UNDP) and UN Economic and Social Council (UN ECOSOC). In times of Covid-19, the INFFs are expected to play a critical role in addressing the challenges set by the pandemic at the economic, social and environmental levels by aligning national emergency responses with medium-to-long-term priorities.

[1] https://developmentfinance.un.org/sites/developmentfinance.un.org/files/FSDR2019.pdf
[2] https://inff.org/share-your-inff-experience
[3] *Addis Ababa Action Agenda (2015),* par. 2
[4] https://www.g20.org/wp-content/uploads/2021/06/G20-Development-Communique.pdf
[5] https://sustainabledevelopment.un.org/content/documents/2051AAAA_Outcome.pdf
[6] https://inff.org/country-experiences

1.2 – A CSO perspective

Since their introduction, INFFs have received increasing attention from CSOs and become a recurring element in the debate on financing for sustainable development. In spite of the fact that several countries have advanced in this process, a number of critical aspects have generated concerns, including:

» unless proper safeguards are in place, INFFs might undermine national leadership and ownership as in the case of diagnostics largely informed by International Financial Institutions (IFIs);

» reaffirming and safeguarding the role of CSOs and other non-executive actors in the dialogue processes expected to inform national financing and development plans;

» INFFs are intrinsically deficient insomuch as they are not designed to capture the outflows leaving the Partner countries: they in fact provide a misleading picture of the finance available to partner countries for their own development plans;

» the INFFs might offer the donors' community a way out of their global responsibilities. A wide spread implementation of the INFFs may lead to the localization of the financing agenda that implies the marginalization of systemic issues; consequently, some donors' commitments - such as in the case of aid volumes and effectiveness - may be further deprioritised;

» all things considered, there are significant concerns about the added value offered by INFFs as they may turn just into another layer of complexity and conditionality[7].

This paper aims to outline the key features and roles of the Integrated National Financial Frameworks as they emerge from the official documents[8], for the benefit of non executive actors, including CSOs, and parties interested in the effectiveness agenda. The reflections to follow are in fact premised on the need for a better understating of their specific features as well as of the far reaching impacts of the strategies underpinning the INFFs . Far more efforts are needed to track and review how they are evolving globally and in Partner countries at a time when the international community seems to increasingly rely on INFFs.

2 – A NEW BEGINNING: THE ADDIS ABABA ACTION AGENDA, 2015

In 2015, the Heads of UN Member States convened in Addis Ababa for the Third International Conference on Financing for Development to establish a new global framework for financing post 2015 sustainable development and the 17 Sustainable Development Goals (SDGs) of the Agenda 2030. The Addis Ababa Action Agenda (AAAA) was expected to set out a framework for the creation of an enabling environment for sustainable development at all levels, informed by the overall commitment to leaving no one behind.

[7] The Interagency Task Force on Finance for Development reported in the 2019 2019 FSDR that there exists already a *wide range of support initiatives to help countries strengthen their financing policies*. Notably, the Task Force refers to 200 such initiatives as a selection of the tools available at the county level, which cover the action areas of the Addis Agenda, from Domestic public resources to Science and technology. For more: https://developmentfinance.un.org/INFFsupport

[8] This paper is based on a desk review – carried out in May and June 2021 – of the key INFF official documents as available from the dedicated website. More bibliographic references in the foot notes to follow. For more about CSOs' views on INFF, also look for "National financing for development" by Ibon, 2020.

To that end, the AAAA introduced Integrated National Financing Frameworks (INFFs) to provide a holistic and forward-looking approach to financing strategies at the national level. As explicitly referred to in the AAA, para 9, *"Cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of our efforts […] We will respect each country's policy space and leadership to implement policies for poverty eradication and sustainable development, while remaining consistent with relevant international rules and commitments."*[9] By aligning financing policies with needs and priorities at the country level, INFFs have been presented since their introduction as a tailored instrument to help national governments overcome short-term decision making and strengthen their planning processes in the long run. While the AAAA highlights national ownership in the development of INFFs, it also insists on the crucial role played by the international community cooperation in supporting this process, especially in developing countries. Multi-stakeholder partnerships importantly contribute to mobilizing additional financing resources, as well as to sharing expertise, knowledge and technology necessary for the implementation of the 2030 Agenda 2030. In this respect, in adopting the AAAA, the international community has shown their commitment "*to reinvigorating the global partnership for sustainable development*", which "*should reflect the fact that the post-2015 development agenda, including the sustainable development goals, is global in nature and universally applicable to all countries while taking into account different national realities, capacities, needs and levels of development and respecting national policies and priorities*."[10]

3 – WHAT IS AN INFF?

An INFF is a country-owned financial framework to strengthen planning processes and support sustainable development financing at the national level. By capturing the entire range of financing instruments and policies available to countries - e.g. domestic public and private finance flows, international investments, international cooperation assistance - this instrument might constitute the space where national governments can review their options to finance their own plans and align financing strategies to long-term national priorities. As spelled out in the IATF 2019 FSDR "*A country's sustainable development strategy lays out **what** needs to be financed. Integrated financing frameworks spell out **how** the national strategy will be financed and implemented*."[11]

Partner country governments are expected to develop strategies to mobilize financial resources, increase public investments, incentivize private finance, manage inter-related risks and achieve national objectives of sustainable development. At the same time, these instruments can help prioritize financing policy actions and overcome existing impediments to financing the SDGs. Said otherwise, INFFs are seen as the platform to operationalize the Addis Ababa Action Agenda at the national level.

[9] *Addis Ababa Action Agenda (2015), par. 9*
[10] *Addis Ababa Action Agenda (2015), par. 10*
[11] United Nations, Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development 2019, *p. 12*

4 – WHY INFFs?

Since 2015, some UN Member States have made significant progress in developing their own national development plans in line with the achievement of the SDGs. Yet, financing keeps being one of the weakest elements of national plans. According to the IATF 2019 FSDR, 79 national plans out of 107 that year lacked in costings or information about how to be financed. In other cases, rather than formulating a comprehensive financing strategy to review how the entire financing landscape could be aligned with sustainable development, several countries provided information that was incomplete or limited to identifying financing solutions for specific areas of action. In this way, "*national development plans risk remaining a vision rather than a vehicle for change*".[12]

Partner countries struggle with multiple challenges, both external and internal, in their efforts to implement sustainable development strategies. As mobilizing quality additional resources is surely one of these, INFFs may potentially bridge the gaps and help address many of the impediments to financing sustainable development. In particular, these Frameworks are expected to support countries in:

- better managing a complex financing landscape, by assessing and comparing the potential impacts and risks of different financial flows and instruments;
- avoiding short-termism in decision making and align financing strategies with the long-term priorities in national development strategies;
- increasing coherence among different financing policies as well as cooperation and dialogue among different areas of government and other stakeholders;
- translating priorities into strategic action against a background of binding constraints such as limited budgets, incomplete financial markets and macroeconomic volatility, identified through diagnostics.

[12] United Nations, Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development 2019, *p. 12*

5 – FOLLOW-UP: THE 2019 FSDR AND GUIDANCE MATERIALS

In 2019, the IATF dedicated an entire chapter of its annual FSDR to INFFs with the aim of providing Member States with guidelines for the design and the implementation of these instruments. The chapter describes four building blocks for the operationalization of an INFF: i) assessment and diagnostics; ii) design of the financing strategy; iii) monitoring, review and accountability; iv) governance and coordination. The guidance materials for each building block and updated resources can be found on a dedicated website[13]. As reminded in the 2019 FSDR, "*The integrated financing framework will not need to reinvent the wheel*"[14], in most cases, these instruments will build on already existing financing policies and institutional arrangements, increasing their effectiveness, coherence and alignment with sustainable development.

INFOGRAPHIC 1: **THE INFFs BUILDING BLOCKS**

SOURCE: UN/DESA[15]

[13] https://inff.org/
[14] United Nations, Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development 2019, p. 11 . This notion has been reiterated in other INFF official materials such as in the case of the guidelines for the Inception phase: "*At the same time, countries are not starting from scratch – all countries have tools, policies and responsible entities in place in most, if not all, of these areas. The INFF can help bring together and strengthen policies and institutional arrangements in each of the building blocks to align efforts, identify gaps, strengthen coherence, and enhance resources*".
[15] https://www.un.org/development/desa/financing/what-we-do/other/integrated-national-financing-frameworks/inff-guidance-materials

5.1 – The inception phase

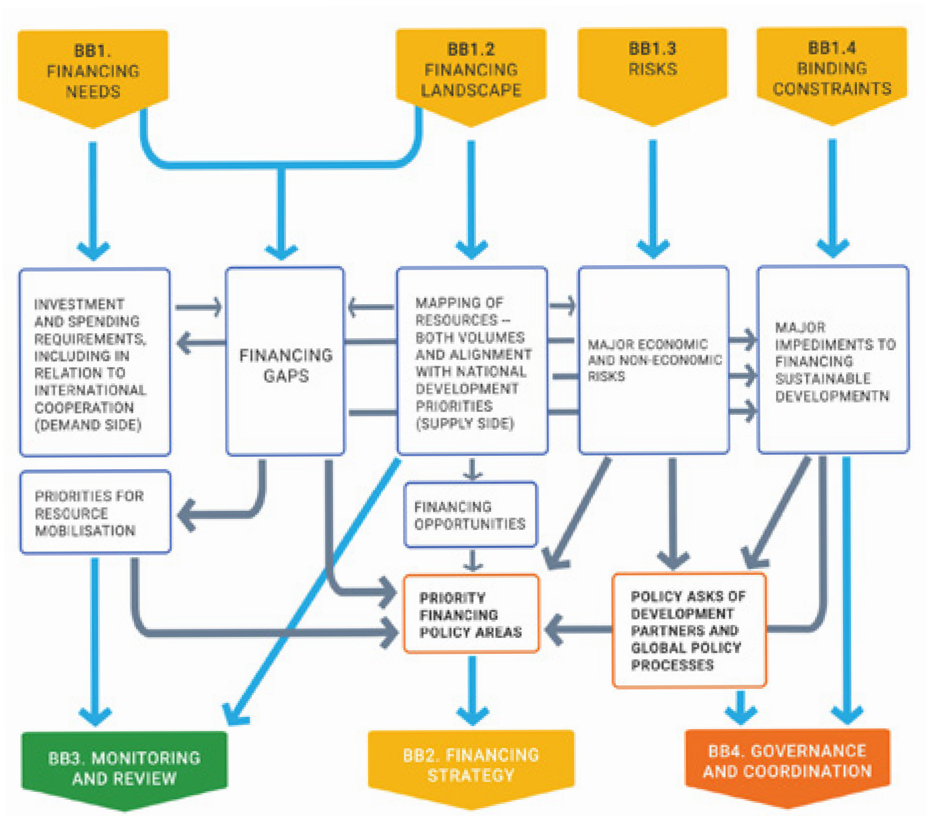
The actual implementation of an INFF is often premised on an *inception phase* to lay the groundwork for national ownership of an INFF. The inception phase usually comprises three main steps: i) a scoping exercise; ii) the identification of an institutional home for the implementation of an INFF; iii)the development of an INFF roadmap. The objective of a scoping exercise is to gather information useful for governments to review available financing and capacity as well as constraints and financing gaps in national sustainable development plans. There is an additional key instrument to consider as well: a *Development Financing Assessment* (DFA), which is often complementary to the implementation of an INFF. At the same time, countries need to identify an *institutional oversight body* responsible for the implementation of an INFF, including its membership: this step is crucial to safeguarding the national ownership of the financing framework. The inception phase is finalized through an agreement on a *roadmap* to define the steps towards the development and implementation of an integrated framework, including milestones, timelines, responsibilities and asks for support from the international community.

5.2 – Assessment and diagnostics

The first step in the implementation of an INFF is the *assessment and diagnostics* building block, which focuses on four main elements: i) financing needs; ii) financing landscape; iii) risks; iv) binding constraints. Since these elements are interrelated and each one informs the others (e.g.: financing risk assessment can also inform financing needs assessment), they should be integrated through an iterative process rather than dealt with in sequence. Similarly, each component provides useful information on the elements of the other building blocks, constituting the starting point for an integrated framework.

Through *assessment and diagnostics*, countries can delineate a clear picture of the financing landscape to align national needs to the resources available and assess both challenges and external risks to financing sustainable development plans. In this respect, the Covid-19 pandemic has demonstrated that in order to be sustainable, development financing needs to be risk-informed. At the same time, assessment and diagnostics can help countries prioritize areas of policy action to be addressed in the financing strategy.

INFOGRAPHIC 2: **HOW ASSESSMENT AND DIAGNOSTICS WORK**



SOURCE: ASSESSMENT AND DIAGNOSTICS BUILDING BLOCK[16]

[16] https://inff.org/assets/reports/inff_bb1-overview_final-(1).pdf

5.3 – Financing strategy

Starting from the findings of the *assessment and diagnostics* building block, the *financing strategy* can help countries better align their policies and institutional structures with the sustainable development goals. The aim of the *financing strategy* is not to replace existing policies and tools that may be already in place (such as medium-term revenue strategies and national investment policies), but rather align them within a broader financing framework to avoid fragmented decision-making and increase policy effectiveness. By bringing together financing opportunities and constraints and identifying priorities of political action, through an integrated financing strategy, countries can address a number of different challenges, including:

1. increasing resource mobilization for sustainable development and align existing measures with long-term objectives;
2. channeling private finance investments into national priorities, "f*or instance by re-orienting investment promotion and facilitation strategies toward SDG investment*"[17];
3. checking coherence and sustainability of different policies, instruments and frameworks and ensure them to be risk-informed;
4. accessing technical and capacity building support by the international community and development partnership.

Through such an approach, the integrated financing strategy may promote better coherence both with sustainable development and among different financing policies. In the same way, it can enhance coordination and engagement across ministries and agencies, together with development partners and other non-state actors. At a time of a global emergency like Covid 19, a financing strategy can be an important instrument for governments to respond to recovery needs with immediate solutions while remaining consistent with long-term policy objectives.

[17] United Nations, Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development 2021*, p. 62*

5.4 – Monitoring, review and accountability

Monitoring, review and accountability are key components of an integrated framework. By facilitating learning from early policy experience, *monitoring and review* mechanisms play a crucial role in informing the policy-making process and supporting iterative policy reform consequently. The first concern is to understand the impacts that financing flows can have on national priorities. There already exist several monitoring systems to assess results of policy actions, which are often unconnected and not fully consistent with each other. For example, there is often a disconnect between monitoring frameworks for national budgets and those for international cooperation. "*An integrated financing framework could serve as a vehicle to strengthen coherence among the existing systems and to close gaps in the architecture*"[18]. That is not only meant to avoid redundancies and overlaps across different monitoring systems, but also to provide data that are often difficult to measure, such as in the case of the impacts of private investments on sustainable development.

Another important step is to review the financing strategy by focusing on the extent to which financing policies are aligned with national priorities, the improvement of cooperation across different stakeholders and how many additional resources have been mobilized to finance sustainable development plans. This is also an opportunity of mutual learning and broader dialogue for different areas of government, partners and other relevant stakeholders. Accountability and transparency mechanisms can help ensure effective communication among different actors and facilitate responsiveness from the highest levels of government to all stakeholders, including civil society organizations and the private sector. These elements are crucial to increasing policy processes effectiveness and creating opportunities to build new partnerships and opportunities of change.

5.5 – Governance and coordination

Strong political backing and country ownership of an INFF requires high-level *governance and coordination*. These mechanisms in fact rely on and reinforce each step of the implementation process of an INFF, from assessment and diagnostics to monitoring and review. They provide a set of different tools (safeguards, screening tools, coherence checks, mainstreaming and incentives) that can facilitate policy coherence and coordination. "*Broadly, it can be defined as the process of policy making that systematically considers the pursuit of multiple policy goals in a coordinated way, minimizing trade-offs and contradictions, and maximizing synergies*"[19]

Evidence from early INFFs pilot countries has also shown that, when *governance and coordination* were tasked to the same oversight body leading on national sustainable development strategies, financing policies were better linked to national strategies and priorities. Proper governance and coordination mechanisms can also provide a space for different stakeholders to participate in the consultative process, improving the opportunities for mutual learning and support. To this end, governance needs to be inclusive, ensuring broad-based participation of both state and non-state stakeholders to INFFs ownership and dialogue, as well as accountability and transparency.

[18] United Nations, Inter-Agency Task Force on Financing for Development, *Financing for Sustainable Development 2019, p. 26*
[19] https://publicadministration.un.org/Portals/1/Strategy%20note%20coherent%20policymaking%20Feb%202021.pdf

6 – STATED AMBITIONS

Since the adoption of the Addis Ababa Action Agenda and the Agenda 2030 in 2015, the Inter-Agency Task Force (IATF) has been mandated to support the follow-up process on Financing for sustainable development. Comprised of more than 60 UN agencies and other relevant partner international institutions, the IATF commits to releasing an annual report on financing for sustainable development (FSDR), with the aim of: i) monitoring progress in implementing the Addis Ababa Action Agenda; ii) providing recommendations to national governments on Financing for Sustainable Development. More specifically, FSDRs assess the overall progress in seven areas of action: Domestic public resources; Domestic and international private business and finance; International development cooperation; International trade as an engine for development; Debt and debt sustainability; Addressing systemic issues; Science, technology, innovation and capacity-building. As captured in the latest FSDRs, INFFs are expected to play an important role in most of these areas, significantly contributing to mobilize financing flows for the attainment of the SDGs.

6.1 – Aligning tax systems with development needs

Echoing the principle of national ownership called for by the Addis Ababa Action Agenda, domestic public resources mobilization, backed by international community support, is central to financing the 2030 Agenda and achieving the SDGs. In order to raise domestic resources for financing development plans, national governments are expected to run sound and responsible fiscal policies, in line with the objectives of sustainable development. Both the 2020 and 2021 FSDRs underline the importance for national governments to align their tax collection and expenditure systems with national development needs, for instance through medium-term revenue strategies (MTRs), and incorporate an integrated approach into the planning process of tax system reforms. To this end, "*An MTRS can be integrated into a broader INFF, which allows policymakers to exploit synergies and manage possible trade-offs across different policies*" [20].

6.2 – Building a business-friendly environment aligned with sustainable development

Similarly, INFFs are expected to play a role in creating a conducive environment to investments and steering the private sector toward sustainable development objectives. The ambitions stated in the 2021 FSDR are clear "*Governments, including in developing countries, can also use investment policies to mobilize private investment in the SDGs, for instance by re-orienting investment promotion and facilitation strategies toward SDG investment. More than 150 countries have adopted national strategies on sustainable development or revised existing development plans to reflect the SDGs, and more than 70 are in the process of developing Integrated National Financing Frameworks (INFFs) to support financing of these plans.*" At the same time, using an integrated approach to financing strategies, including analysis on trade-offs, may allow policy makers to understand which regulations – such as health and environmental standards, risk reduction standards, protective measures of natural resources – still remain key to achieving the SDGs and thus cannot be negletted even though they raise the cost of doing business.

[20] United Nations, Inter-Agency Task Force on Financing for Development, *Financing for Sustainable Development 2021, p. 44*

6.3 – INFFs and international development cooperation

The donor community support is crucial to reaching sustainable development especially in developing countries. In the face of the Covid 19 crisis, developed countries increased ODA disbursements in 2020 by 3.5 per cent in real terms compared to 2019, reaching the peak level of 161.2 billion USD (0.32 per cent of their combined GNI)[21]. In the short run such interventions played a prominent role in supporting health systems and in ensuring humanitarian assistance and food security in developing countries.

In its 2021 report, the IATF also underscores the role that innovative public finance instruments (e. g. blended finance) can play in addition to traditional international assistance to counteract the effects of the pandemic. Also, it highlights the importance for national governments to incorporate risk assessments and disaster risk reduction strategies into national planning processes, also in the context of an INFF, to effectively and rapidly respond to multiple crises while not leaving behind sustainable development. As referred to in the 2021 FSDR: "*Development cooperation can also support developing countries in addressing risk and building resilience[...]Development cooperation has a key role to play in building such capacities, e.g. in national health systems, social protection systems, or crisis response systems. INFFs could serve as a tool to align such support with national priorities and needs*".

6.4 – Addressing systemic issues

INFFs have been intended by the international community as an instrument to help national governments address at the local level the implications of systemic issues such as debt sustainability, liquidity shortages and capital flow volatility, which have been exacerbated even more by Covid-19. In particular, the IATF suggests that "*Countries should explore coherent, Integrated Policy Frameworks that bring together the full policy toolkit as part of integrated national financing frameworks (INFFs) to manage excess leverage and volatility in domestic and cross-border finance*"[22]. In fact, "*Embedding IPFs in a broader integrated national financing framework (INFF) can strengthen the coherence between policies for financial and macroeconomic stability, debt sustainability, trade, and public and private financing strategies for sustainable development*"[23].

[21] https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2020-detailed-summary.pdf
[22] United Nations, Inter-Agency Task Force on Financing for Development, *Financing for Sustainable Development 2021, p. 141*
[23] United Nations, Inter-Agency Task Force on Financing for Development, *Financing for Sustainable Development 2021, p. 146*

7 – INFFs AND COVID-19: A FRAMEWORK TO "BUILD BACK BETTER"

Covid-19 has been seen by many as a compelling call to change the rules of the global economic system and fix the failures in guaranteeing equal access to sustainable development. Existing vulnerabilities have been dramatically exacerbated and inequalities across and within countries have been further deepened, making the global achievement of the SDGs by 2030 ever more unrealistic.

As recalled by the Civil Society Financing for Development (FfD) Group in its comments to the 2021 FSDR Draft, "*Some might have said that we are all in the same storm, but we are certainly not on the same boat*". The consequences of the pandemic have been far from equal, hitting the most vulnerable hardest and exposing the risk of a grave widening of divergences in the future. "*Around 120 million people have fallen back into extreme poverty; 114 million jobs have been lost; tax revenues, foreign direct investment, trade and remittances have decreased; and debt vulnerabilities increased along with the rise in debt levels*"[24]. Furthermore, about merely 20 per cent of unprecedented measures – around USD 16 trillion in fiscal stimulus and recovery funds globally – will be spent in developing countries whilst the access to vaccines is still an issue for many of them.

Against this background, INFFs have been seen by the international community as a tool "to build back better" and to lead to a more inclusive, risk-informed and resilient recovery. The Covid 19 pandemic has once more exposed systemic vulnerabilities and made clear the inadequacy and ineffectiveness of public health systems in front of crises of such magnitude, especially in developing countries. It is therefore crucial for these countries to prioritize public investments in healthcare as well as to incorporate disaster risk reduction and management strategies into development planning processes also through an INFF.

Spending about USD 70-120 billion in sustainable and quality investment over the next two years, and USD 20-40 billion annually thereafter, mighty significantly reduce the likelihood of future pandemics.[25] In order to allow also developing countries – which usually have limited fiscal space – to finance such investments, the 2021 FSDR suggests:

1. facilitating grants or ultra-long-term financing (e.g. 50 years) to developing countries at fixed interest rates so that they can take advantage of low global interest rates;
2. leveraging public development banks to invest in sustainable development;
3. removing short-term incentives from the private sector in order to reorient business contributions toward sustainable development objectives;
4. improving enabling environments to mitigate investment risks with support of the international community, also within an INFF.

By providing a holistic approach, INFFs are expected to be a valuable instrument to assess trade-offs among different policy options, to review national priorities as described in nationally owned development plans, and, consequently, to play the two-fold role of backing up both the recovery phase and easing the pathway toward sustainable development.

[24] United Nations, Inter-Agency Task Force on Financing for Development, *Financing for Sustainable Development 2021* (see Overview and key messages)
[25] United Nations, Inter-Agency Task Force on Financing for Development, *Financing for Sustainable Development 2021, p. 16*

Firstly, through *assessment and diagnostics*, INFFs can help countries assess the potential impact of external risks on their capacity to finance sustainable development, laying the ground for more risk-informed national development and financing strategies as well as better-informed asks for support to development partners. Secondly, the *financing strategy* can help put in place strategies and reforms needed not only to better manage future disaster risks but also to reduce them, facilitating the creation of a more resilient economic system. Thirdly, by tracking the trends and the dynamics of financing flows in an integrated manner, monitoring and review systems can play an important role in mobilizing financing flows where they are most needed as well as in supporting the policy-making process toward a more risk-informed and resilient sustainable development. Finally, proper *governance and coordination* mechanisms are key to increasing coherence and coordination among the different actors and sectors, as well as to deepen the dialogue between government, the private sector and other relevant non-state stakeholders, namely development partners. This is crucial to building a platform of multilateral cooperation and solidarity to effectively respond to future external shocks.

BOX 2: THE PILOT COUNTRIES OF INFFS, JULY 2021

Africa		Asia	Europe	Oceania	The Americas
Benin	Senegal	Afghanistan	Albania	Fiji	Barbados
Botswana	Sierra Leone	Armenia	Belarus	Marshall Islands	Bolivia
Burkina Faso	South Sudan	Azerbaijan	Bosnia and Herzegovina	Papua New Guinea	Colombia
Burundi	Sudan	Bangladesh	Ukraine	Samoaw	Costa Rica
Cabo Verde	The Gambia	Bhutan		Solomon Islands	Cuba
Cameroon	Togo	Cambodia		Vanuatu	Ecuador
Comoros	Tunisia	Indonesia			Guatemala
Congo DRC	Uganda	Jordan			Haiti
Djibouti	Zambia	Kazakhstan			Jamaica
Egypt		Kyrgyz Republic			Mexico
Gabon		Lao PDR			Suriname
Ghana		Lebanon			Uruguay
Guinea		Malaysia			
Kenya		Maldives			
Lesotho		Mongolia			
Malawi		Myanmar			
Mali		Nepal			
Mauritania		Philippines			
Morocco		Tajikistan			
Mozambique		Thailand			
Namibia		Timor-Leste			
Nigeria		Uzbekistan			
Rwanda		Vietnam			

SOURCE: INFF KNOWLEDGE PLATFORM[26]

[26] https://inff.org/country-experiences

8 – INFF IN PRACTICE: FINANCING SUSTAINABLE DEVELOPMENT IN COLOMBIA

Colombia is one of the pioneer countries that started developing an INFF initiative with support of the Joint SDG Fund. Started in March 2020 [27], the INFF development process in Colombia has rapidly moved forward, spurring the attention of the international community and reflecting the country's ambition of accelerating the pathway towards the SDGs accomplishment.

Colombian government has committed to the achievement of sustainable development in recent years with 98 per cent of the goals comprised in the National Development Plan 2018-2022 (Pact for Colombia, Pact for Equity) aligned with the SDGs. In 2020 Colombia ranked 67th out of 166 countries in the ranking of the global performance index for the implementation of the 2030 Agenda. However, there still exist enormous economic, social and political challenges that put at risk the achievement of the SDGs by 2030. As for development funding, a main issue is the mismatch between planning and financing, with the result that actual flows (in particular private ones) are often misaligned with development targets. A second critical aspect is the lack of integration between different allocation and budget systems at the national and regional levels, which makes the tracking of the whole range of financing flows (public, private, domestic and international) very challenging. The Colombia INFF provides evidence of the fact that a development-oriented national plan is necessary but not enough to achieve the SDGs at the country level. To fulfill the 2030 Agenda, ambitious national development plans need to be backed by reliable coordination and transparency mechanisms and a solid financing architecture.

With a total budget of abuout 1.3 million USD, the Joint SDG Fund launched the Joint Program Roadmap for an INFF in Colombia in June 2020; the main ambition was to strengthen the financing architecture by developing a comprehensive financing strategy in line with national development priorities and improving leadership and coherence at the institutional level. Such interventions are expected not only to enhance the allocation-efficiency of the financial system and thus help accelerating the achievement of the SDGs, but also to reorient private financing flows towards development priorities.

[27] https://jointsdgfund.org/article/colombia-launches-integrated-national-financing-framework-inff-sustainable-development

INFOGRAPHIC 3: **INFF IN COLOMBIA**

SOURCE: **JOINT SDG FUND**[28]

An INFF can help the government map the entire set of options and flows available to finance the SDGs and build a new partnership between the public and private sector to incentivize investments in sustainable development. In this respect, the financing strategy needs to be aligned with the priorities as described in the national development plan, with a main focus on supporting the most vulnerable sides of society. In particular, a paramount target is to mobilize resources for gender equality and women empowerment as well as for childhood and adolescence protection. At present, Colombia has made significant strides in developing its own INFF, with all building blocks already implemented. Starting from the *inception phase*, after conducting the *scoping exercise* through a *Development Financing Assessment*, the *oversight committee* responsible for the INFF leadership was established, while the definition of an *INFF roadmap* is still in progress. The INFF ownership was tasked to the Ministry of Finance, the Ministry of Planning and the President's office, with support from UNDP Colombia, UN Women, UNICEF, the European Union and the World Bank.

[28] https://www.jointsdgfund.org/article/inff-colombia-integrated-national-framework-financing-sdgs

BOX 3: **THE UN JOINT SDG FUND**

More than 70 countries have already started implementing an INFF. Many of these received support through the UN Joint SDG Fund[29], established in 2014 to foster the achievement of the SDGs. The objective of the Fund is to remove existing impediments to financing sustainable development strategies and goals, facilitating the access to the entire set of financing solutions to developing countries and LDCs in particular. In fact, despite the world has never been as rich as today – with gross world product and global gross financial assets estimated at 85 trillion USD and 200 trillion USD respectively – developing countries still face a financing gap estimated between 2.5–3 trillion USD per year. By leveraging opportunities from financial markets and helping countries channel public and private flows towards SDGs investment, the SDG Fund can support an equal redistribution of financial resources and accelerate the achievement of the 2030 Agenda targets. As such, the initiatives conducted through the Joint SDG Fund, and guided by The Secretary-General's Strategy and Roadmap for Financing the 2030 Agenda[30], are fully consistent with the AAAA statements.

The Fund operates through two main components:

1. **Reinforce the financing architecture** at the national level. That is, supporting the alignment of financing strategies with the SDGs in the context of an INFF, improving the dialogue among different stakeholders (Government, development banks, financial sector) and the partnership among public and private sectors.
2. **Catalyze strategic investments**, by assisting the UN country Teams in designing initiatives to steer public and private flows towards investment in sustainable development objectives.

By the end of March 2020, over 100 countries had submitted request for assistance for financing the SDGs at the time of Covid-19, for a total of 258 proposals. In June 2020 the SDG Fund approved the launch of 62 joint programmes under Component 1, for a total funding of 87 million USD, including 21 million USD of co-funding by UN Agencies and governments. Most of these programmesare supporting the development of INFFs at the national level, mainly focusing on mobilizing resources for the most vulnerable (childhood, youth and women) and addressing climate change challenges. 40 per cent of the resources mobilized under Component 1 are spent in LDCs, while 10 programmes are dedicated to small island developing states.

[29] https://sdgfinancing.jointsdgfund.org/
[30] https://www.un.org/sustainabledevelopment/sg-finance-strategy/

9 – THE INFF KNOWLEDGE PLATFORM

In April 2021 the IATF, the UN and the EU launched the Integrated National Financing Framework (INFF) Knowledge Platform[31] at the 2021 ECOSOC Forum on Financing for Development. Designed as a virtual space where to share country experiences about INFF and gather related knowledge, expertise and tools, the INFF knowledge platform represents an effort to provide a joint approach to the operationalization of integrated financing frameworks. In fact, the main aim of the platform is to build cohesion among countries and share lessons on country-led INFF implementation processes. In this respect, the INFF platform also provides step-by-step guidance materials – developed by the IATF – for countries that plan to start the development process of their own integrated frameworks. At present, all but the guidelines on *monitoring and review* have been published. Moving forward, the INFF platform is expected to create a broad community of practice where to exchange successful lessons on financing sustainable development and accelerate the progress toward the achievement of the SDGs. As the Director of Financing for Sustainable Development Office, Navid Hanif said, the knowledge platform constitutes a "*one-stop-shop for government officials and other INFF practitioners to find guidance and learn from their peers*". Within the context of the new INFF Knowledge Platform, UNDP has also recently developed the INFF Dashboard[32], to track progress reached by countries around the world in designing and implementing their own INFFs. The dashboard provides country pages with detailed information on every step of the operationalization of an INFF, from the inception phase to each of the four building blocks of implementation. Such information is provided through surveys conducted twice a year by UNDP as a tool to closely follow the updates on each country experience. About 71 countries responded to the first survey, which was carried out by UNDP in the first quarter of 2021. The INFF Knowledge Platform also provides other reports, case studies and briefs that can be explored on the dedicated website[33].

[31] https://inff.org/
[32] https://inff.org/inff-dashboard
[33] https://inff.org/

10 – AREAS OF CONCERN: COUNTRY OWNERSHIP AT RISK

Civil society organizations have been watching the implementation of the Integrated National Financial Frameworks. Over the past few years, there have been opportunities to familiarize with these Frameworks as well as to share reflections about the problematic aspects they come with. In particular, civil society organizations[34] have expressed common concerns over the added value of the INFFs as there is the risk of creating just another layer of complexity and conditionality. The major areas to watch include:

- » • the risk for national ownership and leadership to be undermined by a pervasive role in the INFFs of the international community and IFIs more specifically. In fact, after endorsing national ownership as a core element to the implementation of an integrated national financing framework, the Addis Ababa Action Agenda follows with the necessity of "*remaining consistent with relevant international rules and commitments*". Examples of such tensions have been observed in the key role often played by the IFIs in informing the diagnostics exercises, which is a potential threat to country-led processes for financing sustainable development unless safeguards are not put in place;

- » the role that CSOs and other non-executive organizations are expected to play in consultation processes. It is crucial to reaffirm and implement policies to foster the participation of civil society organizations as well as of other non executive actors MPs and Local authorities – in the consultative processes to inform the overarching development and financing strategy. Hence, it is essential for governments to learn lessons from different stakeholders and rightsholders, to improve coordination mechanisms and better aligning financing policies with development needs;

- » rearming the international community's responsibility for the implementation of the 2030 Agenda. The INFFs might in fact offer the donors' community a way out of their global commitments. A wide spread, unchecked implementation of these Frameworks may lead to the localization of the financing agenda that may in turn bring about the marginalization of systemic issues that can only be addressed globally. Consequently, some donors' commitments - such as in the case of aid volumes and effectiveness - may be further deprioritised.

[34] Mostly thanks to the FFD CSO Group: https://csoforffd.org/

CSOPartnership
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