INFF | Facility

2022 State of INFFs

July 2022

About this document

To help keep track of INFF progress worldwide, UNDP conducts an annual integrated national financing framework (INFF) survey on behalf of the INFF Facility. Data was collected through UNDP country offices in 86 countries in the first half of 2022.

This document unpacks the survey results to distil the most important patterns and lessons. To further explore INFF data, visit our INFF dashboard.

Key messages

01 **There is growing momentum behind INFFs at the country level.** 86 countries are using INFFs to finance national plans and advance the SDGs, Paris Agreement and Covid-19 recovery.

02 **Governments are putting in place financing strategies to mobilise the investments needed for sustainable development.** 39 countries are developing financing strategies for the first time; 25 countries are improving existing financing strategies, broadening their scope to consider private finance.

03 **INFFs are driving reforms to build a more sustainable financing architecture at the country level.** Countries are taking forward over 250 reforms to financing policies, instruments and institutions through INFFs.

04 **We are at a crucial moment for SDG financing and INFF development.** 40 countries will develop financing strategies over the coming year. A growing number of institutions and organisations, including the new INFF Facility, are responding to country demand for technical support.

INFFs are helping countries radically improve the way they finance national sustainable development priorities and the SDGs.

86 countries are using the INFF approach to strengthen financing for sustainable development.

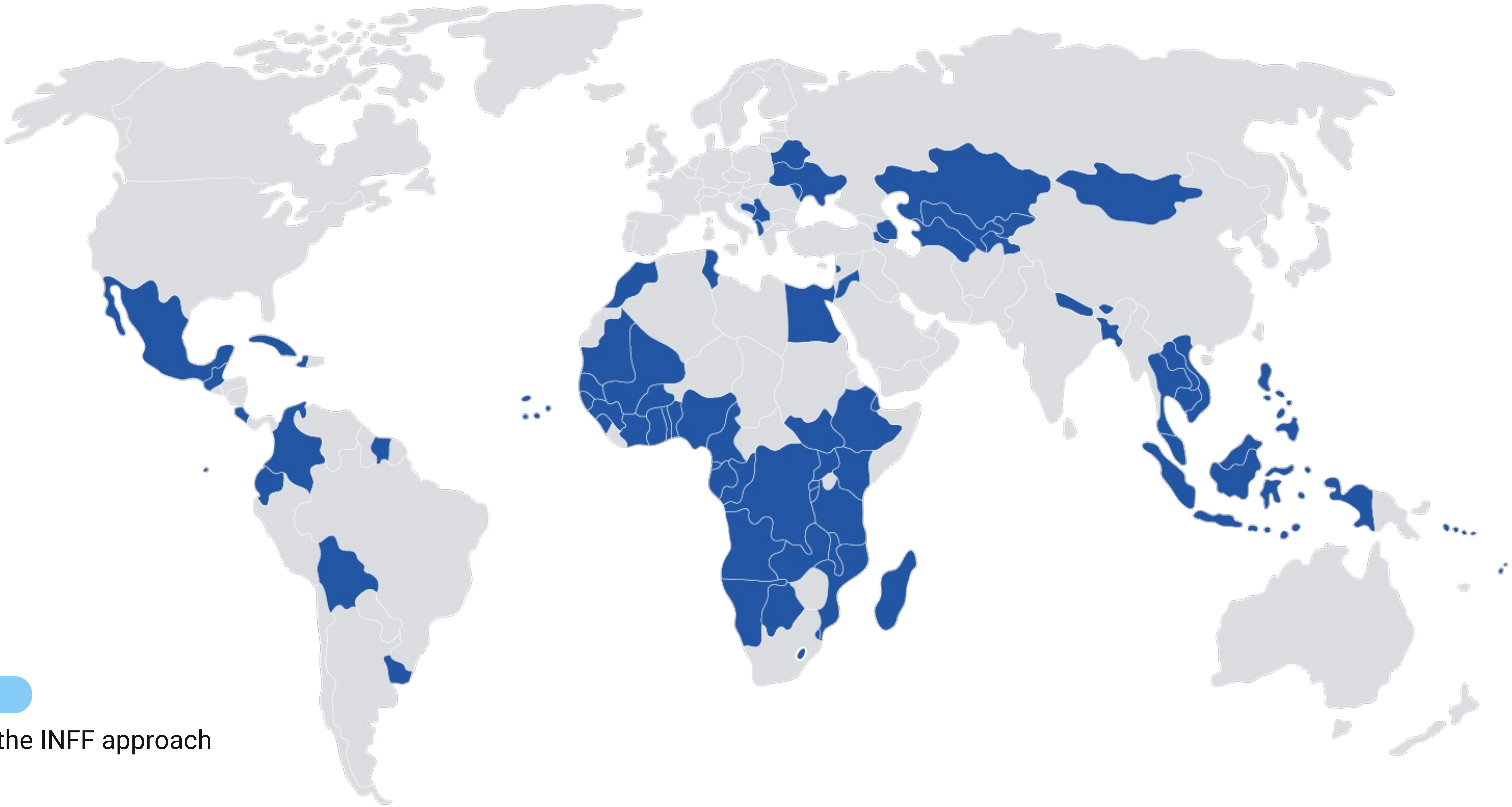


FIGURE 1

Countries using the INFF approach

86

COUNTRIES

are taking forward the INFF approach

INCLUDING

10+

COUNTRIES

newly adopting/ exploring the approach

16 Low-income countries

37 Lower-middle-income countries

29 Upper-middle-income countries

33 LDCs

18 SIDS

32 in fragile settings

INFFs development will accelerate in the next 12 months.

40

COUNTRIES
will develop financing strategies in the next 12 months

21

COUNTRIES
have already started developing financing strategies

264

FINANCING REFORMS
are being taken forward for immediate action

INSTITUTIONAL CHANGES
are being made to deliver financing strategies

THE JOINT SDG FUND
has supported 60+ countries in initiating the INFF approach

NEW PARTNERSHIPS
are needed to meet country demand for support

"

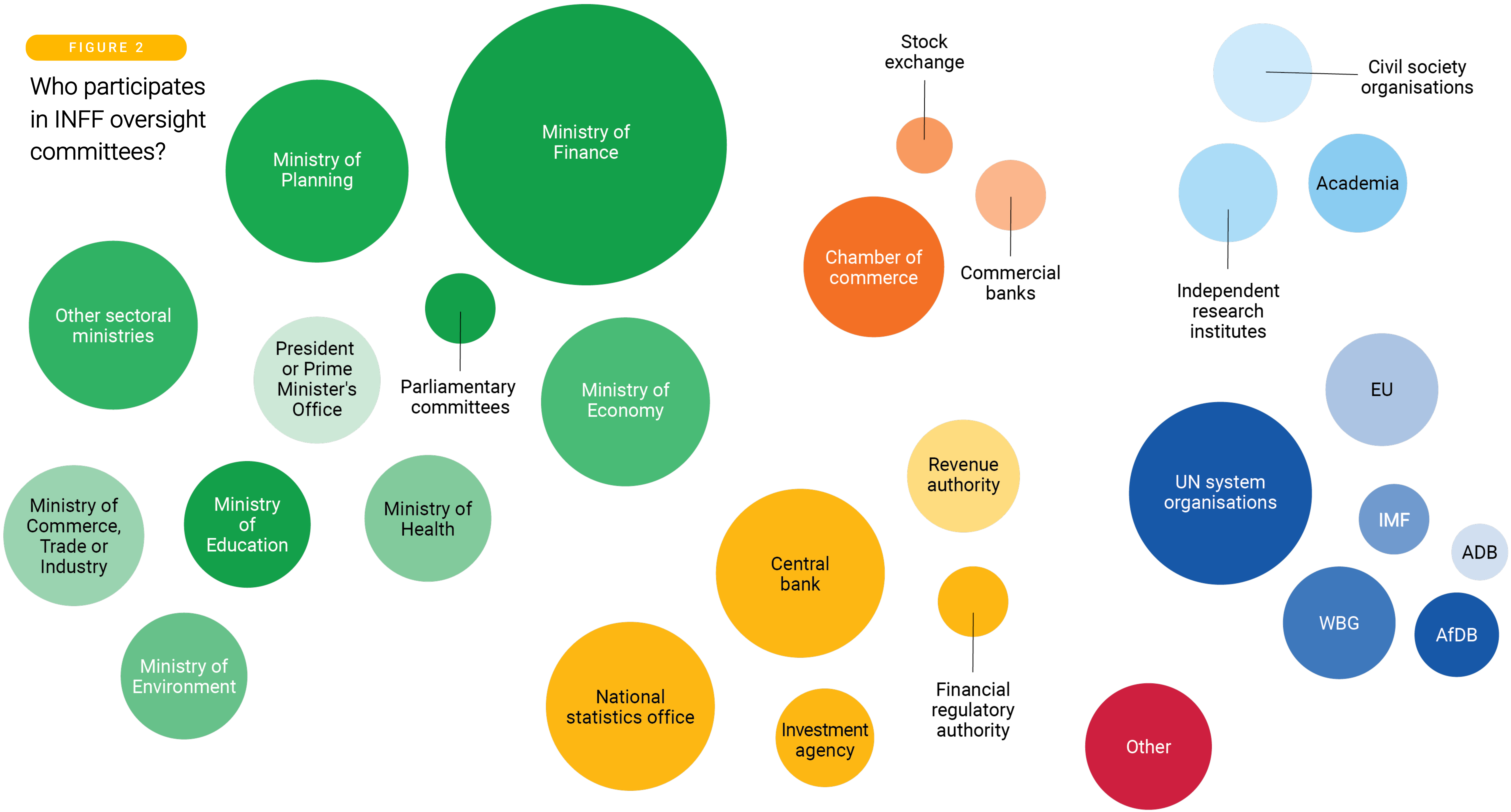
The INFF brings forward a shared responsibility and national ownership. It provides a framework to streamline the financing ecosystem while leveraging new innovative financing.

H.E. Suharso Monoarfa

Minister of National Development Planning, Republic of Indonesia

FIGURE 2

Who participates in INFF oversight committees?



INFFs are country-led processes, embedded in national planning and financing systems.

MORE THAN

60%

OF COUNTRIES

have the Ministry of Finance leading or co-leading the oversight committee

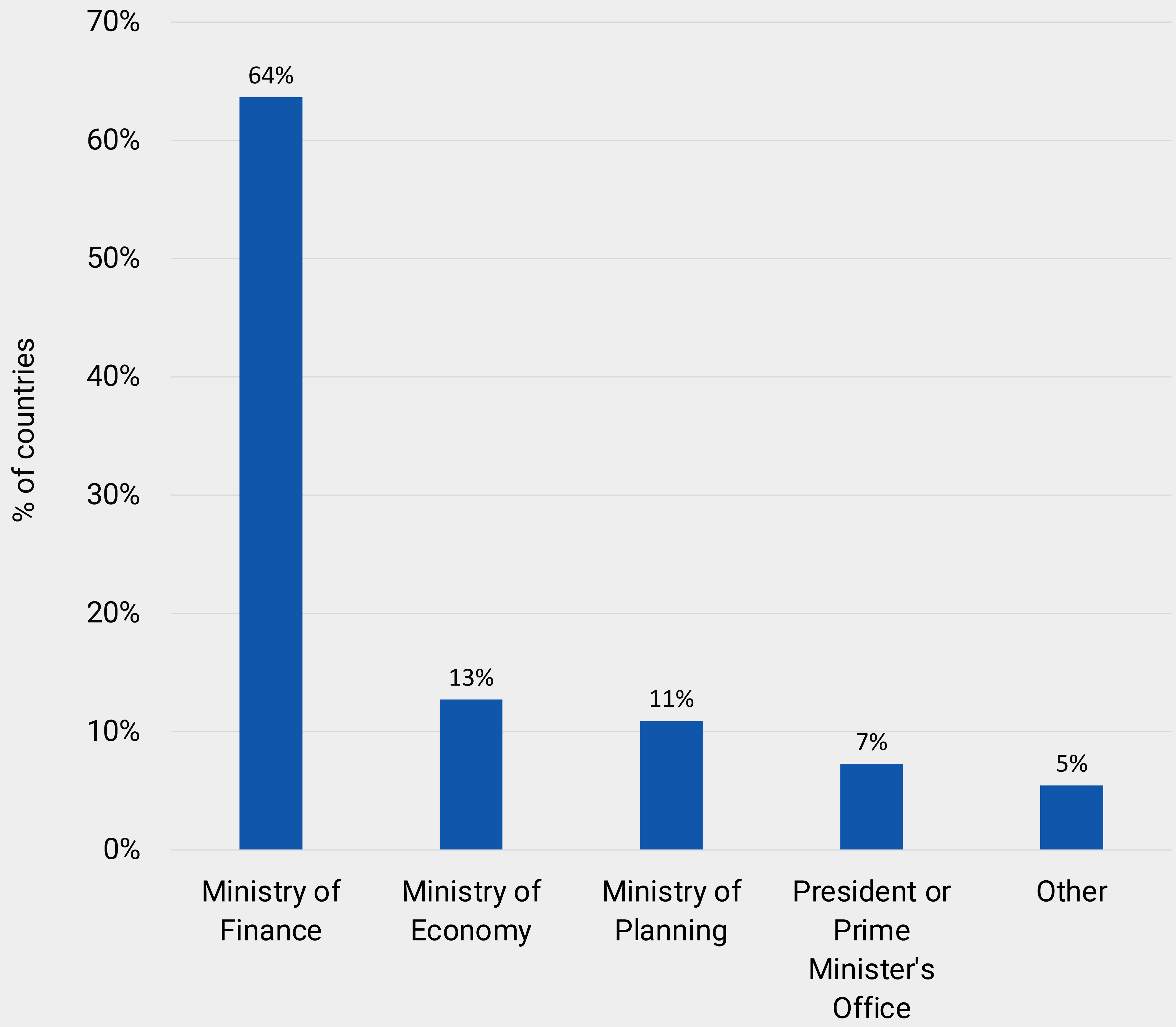


FIGURE 3 Who leads the INFF oversight committee?

INFFs help governments engage the private sector on financing issues and implement reforms to direct capital toward national priorities and the SDGs.

58

COUNTRIES

are carrying out private finance reforms, in areas ranging from MSME financing to investment promotion, SDG finance taxonomies, and insurance.

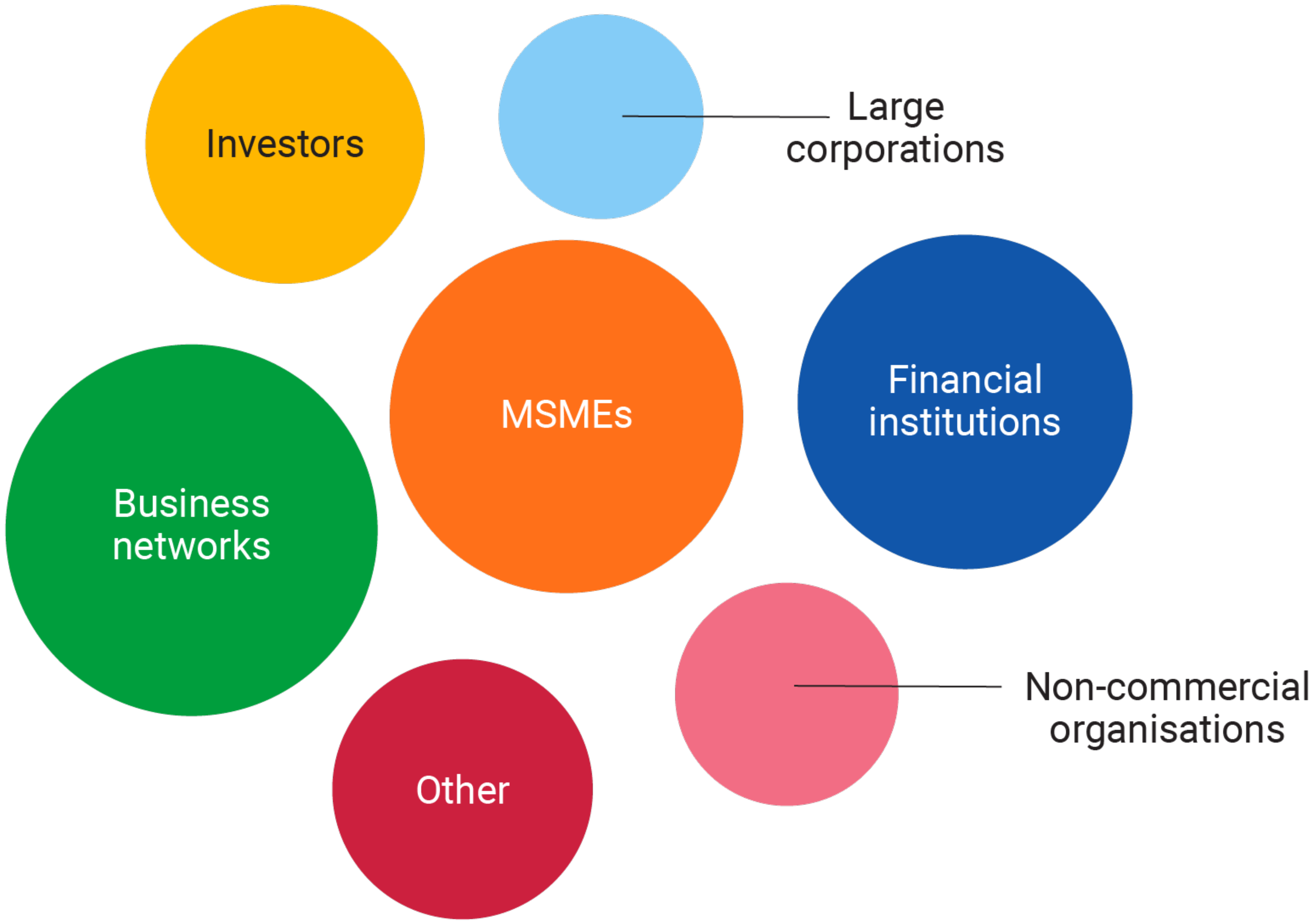


FIGURE 4 Which private sector actors are engaged in the INFF process?

> “We see the development of an INFF as crucial, particularly in the context of Covid-19 recovery and as we work on the next generation of national development plans.

Dr Zainab S. Ahmed

Hon. Minister of Finance, Budget and National Planning, Nigeria

INFFs are helping governments understand the costs and investments needed to realise their national sustainable development visions.

18

COUNTRIES

are costing an NDP for the first time

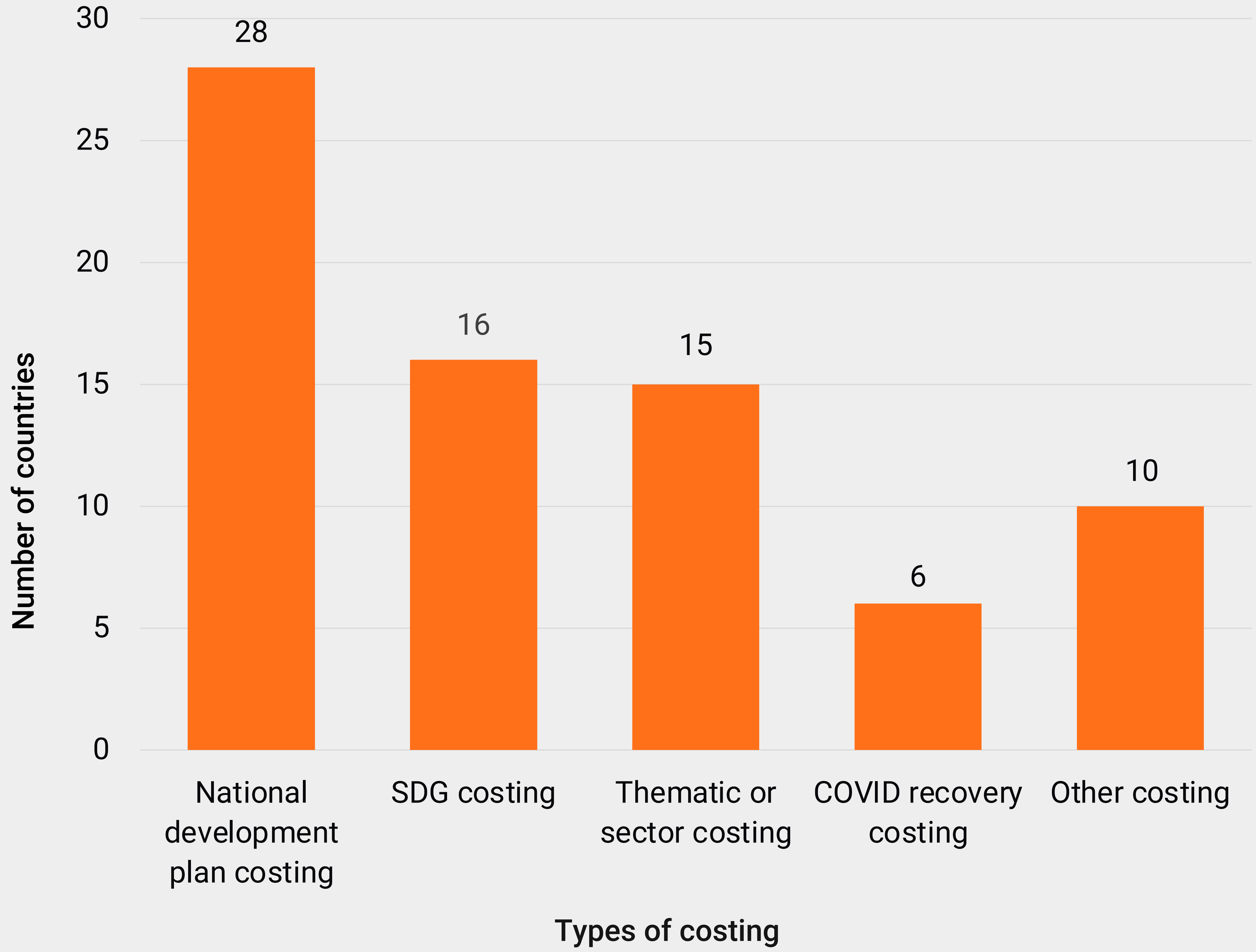


FIGURE 5 Which costing exercises have been conducted?

Examples of national development plan costing

Tanzania

Total cost of plan ±USD 49.5B

65% public finance

35% private finance

Mongolia

Total cost of plan ±USD 15.7B

7.5% national budget

29.4% private sector, Development Bank

20.3% PPPs

18.4% foreign loans and grants

18.2% mixed public sources

6.2% TBD

Many governments are using INFF roadmaps to guide the development of a financing strategy and other INFF building blocks.

14
COUNTRIES
have finalised an INFF roadmap

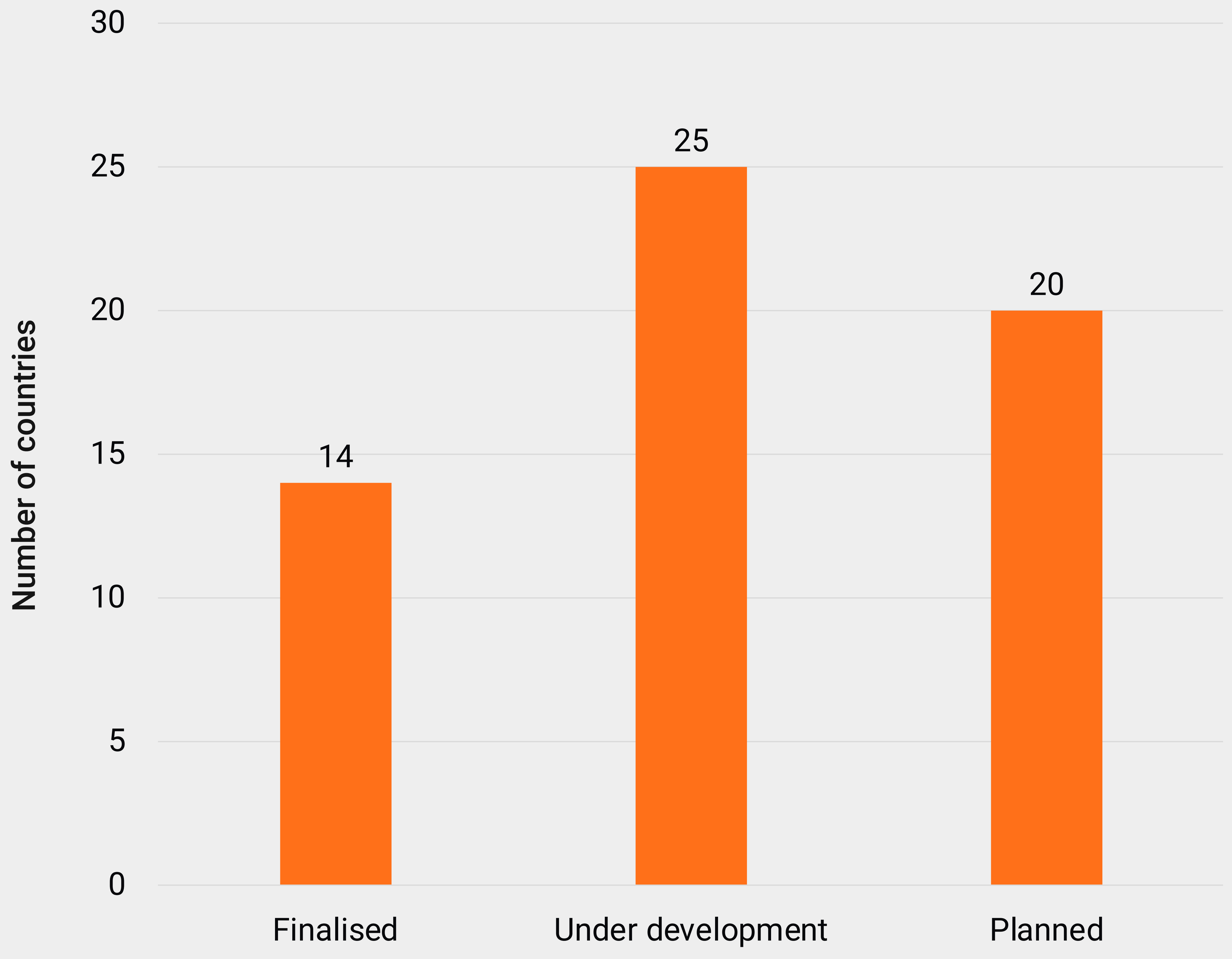


FIGURE 6 What is the status of INFF roadmaps?

“

The financing strategy will help us pinpoint where to engage the private sector, bring in donor institutions and how their activities should be coordinated and tied together.

Ms. S. Mungunchimeg

Vice Minister of Finance, Mongolia

Countries are putting in place financing strategies that will help finance national development plans, in many cases for the first time.

39 COUNTRIES developing financing strategies for the first time

25 COUNTRIES strengthening an existing financing strategy

FIGURE 7 What's the value add of the financing strategy?

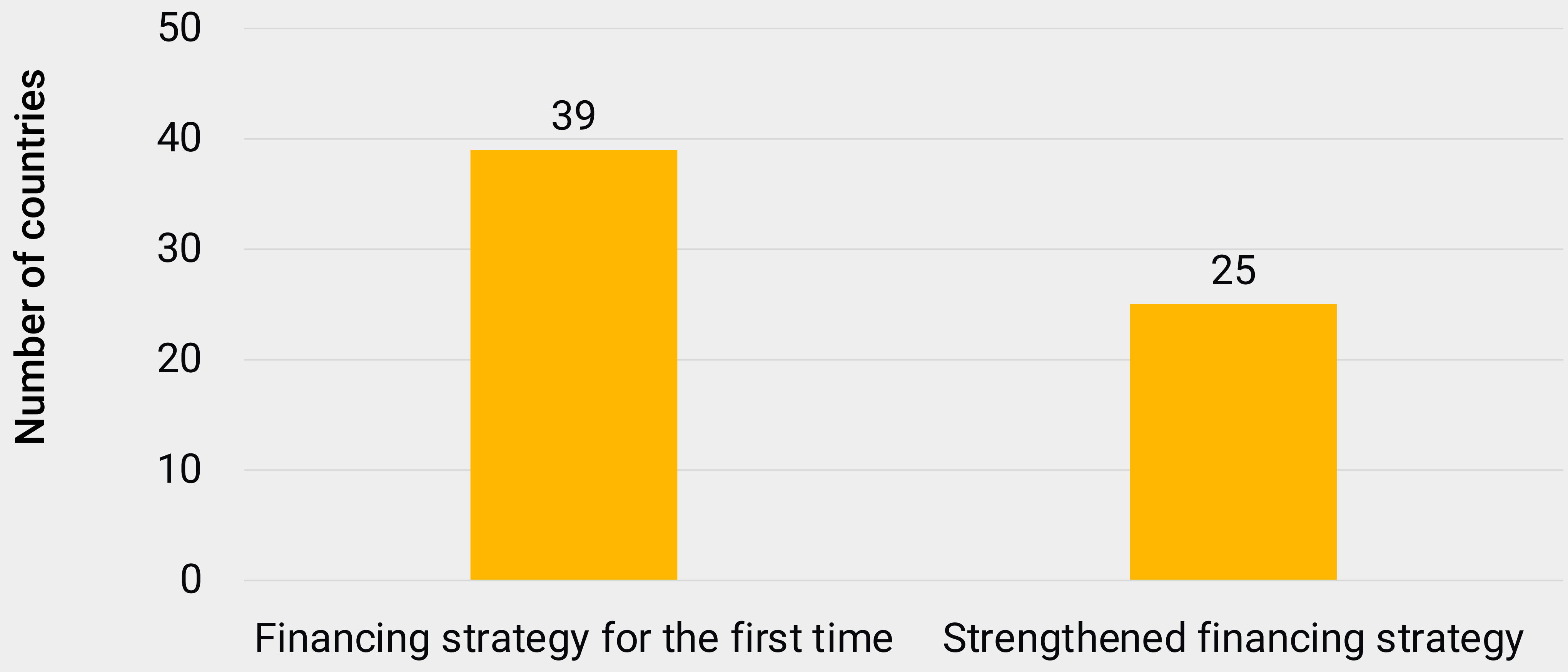
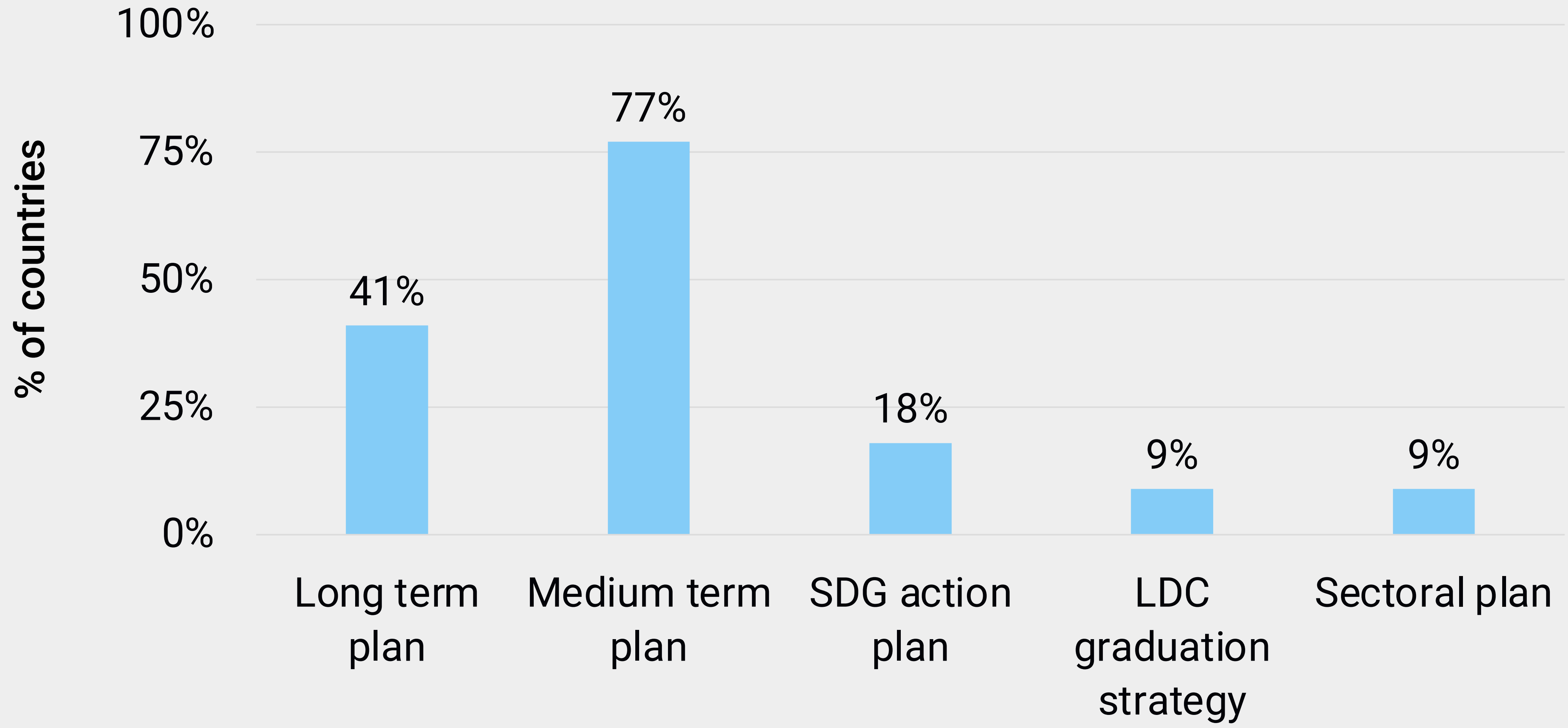


FIGURE 8 Which national plan is the financing strategy connected to?



Emerging financing strategies are tailored to country needs and contexts

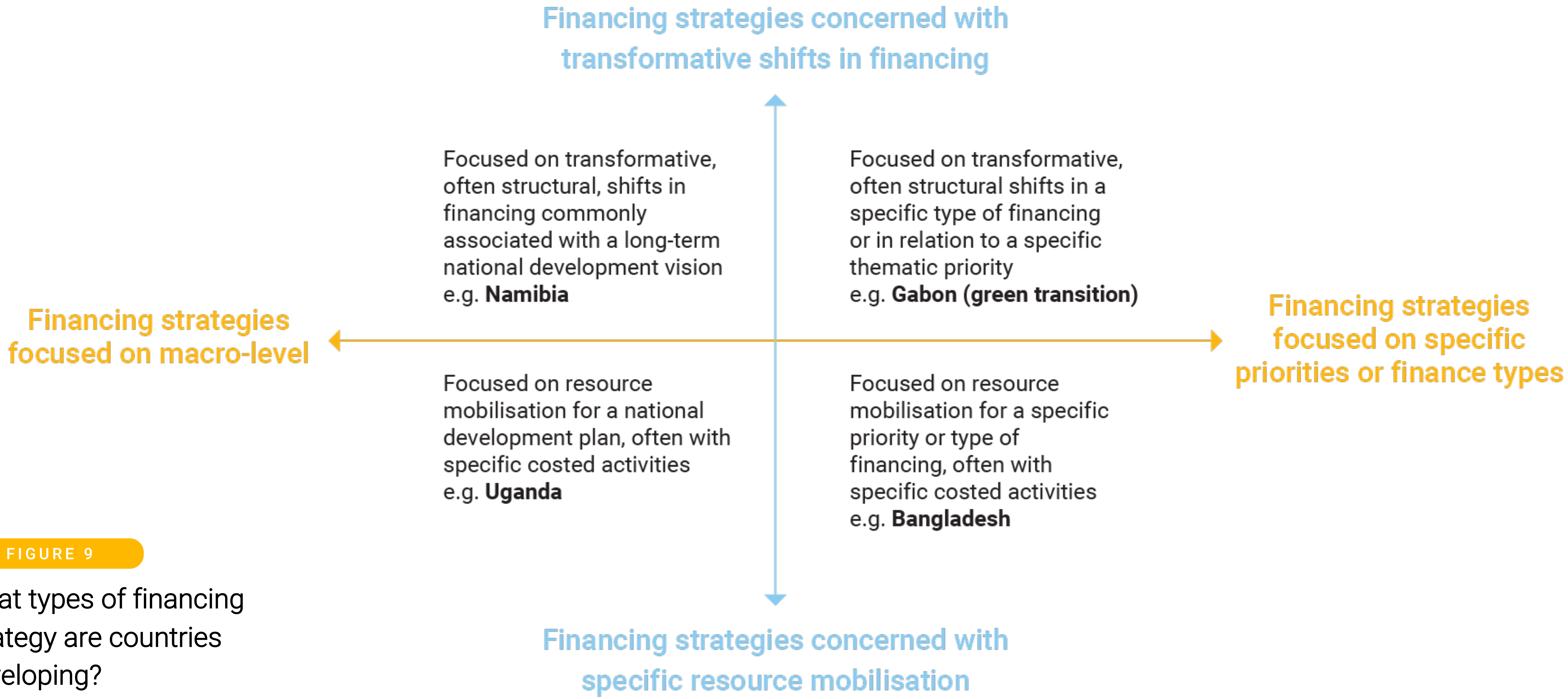


FIGURE 9

What types of financing strategy are countries developing?

As countries develop INFFs, they are identifying and taking forward hundreds of reforms to mobilise and align financing with sustainable development

264

reforms being prioritised for the short-term

118

public finance reforms

99

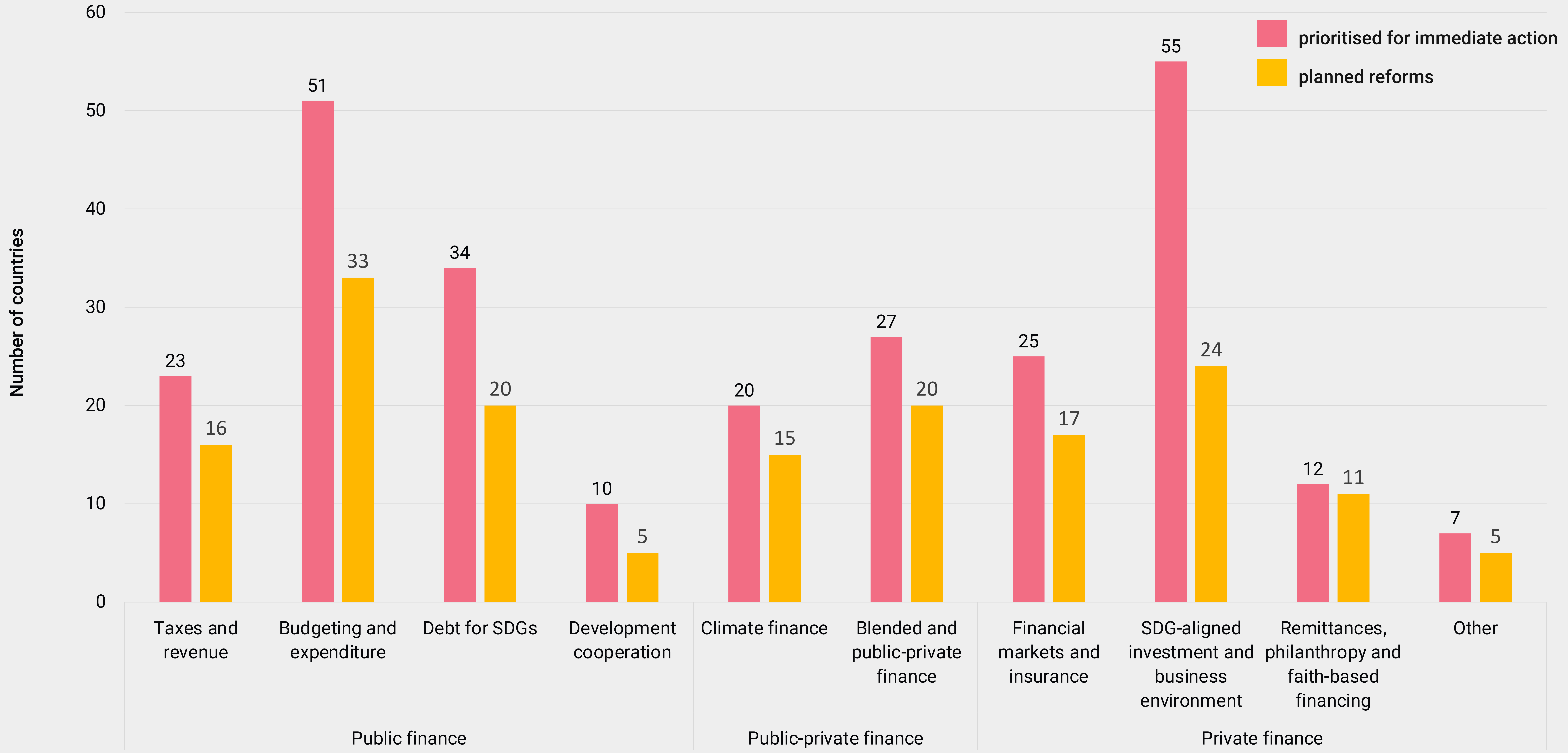
private finance reforms

47

public-private finance reforms

FIGURE 10

Current and planned financing reforms



Examples of private finance reforms

MONGOLIA
Stock Exchange published ESG reporting guidance for 200+ firms with $2bn+ capitalisation

CABO VERDE
World-first blue economy sustainable financing platform; social bond issued in 2021

COLOMBIA
300+ companies reporting to the SDG corporate tracker

BANGLADESH
SDG taxonomy and SDG-aligned private investment in renewable energy, climate, water & sanitation

Examples of public finance reforms

UZBEKISTAN
$870 million SDG bond issuance

GABON
Green taxes and tax incentive reform

ARMENIA
SDG tagging incorporated within the budget process

PHILIPPINES
Local budget tagging tool for early childhood investments

Countries are using INFFs to strengthen monitoring of public and private finance for sustainable development.

50+

COUNTRIES

are enhancing monitoring systems to strengthen delivery of the INFF

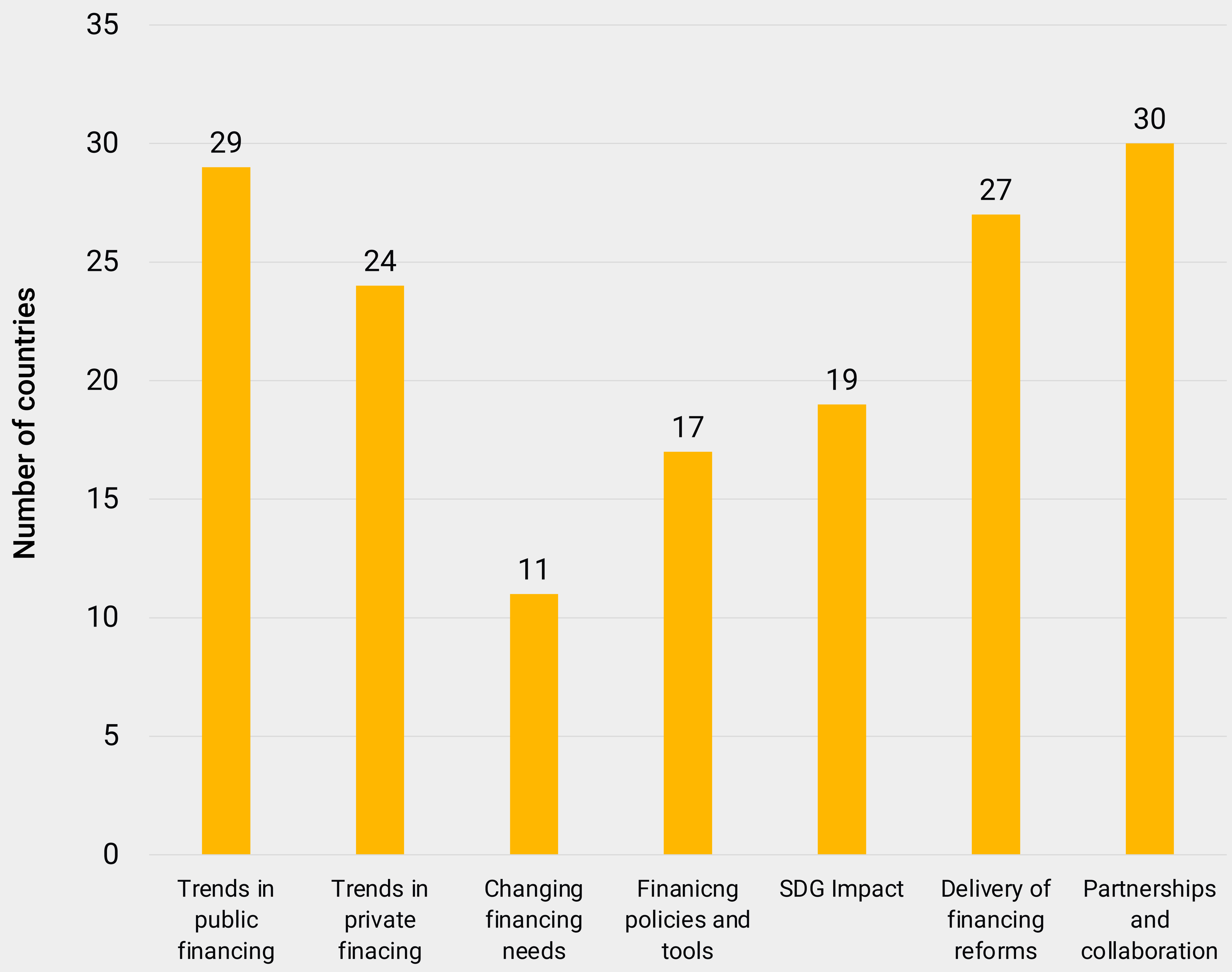


FIGURE 11 How are countries strengthening monitoring and review systems to implement the INFF?

Examples of monitoring and review reforms

01 SDG budget tagging

Armenia, Cambodia, Ecuador, Philippines, Timor-Leste, Uzbekistan and others

02 Taxonomy

Bangladesh, Indonesia, Mongolia, Mexico, Namibia, Thailand and others

03 Impact Management and Measurement

Comoros, Jordan, Togo, Uruguay, Uzbekistan and others

A growing number of countries are using INFFs to strengthen financing for Nationally Determined Contributions (NDCs) or other specific priorities.

13

COUNTRIES

are mainstreaming NDCs into their financing strategies

16

COUNTRIES

will use the financing strategy to support an NDP that mainstreams NDCs

We need to capitalise on growing partnerships to cement support for country-led INFFs.

“

The number and scope of INFF-driven reforms presents an unmissable opportunity to accelerate financing towards achieving the SDGs."

Jutta Urpilainen

EU Commissioner for
International Partnerships

A growing range of international partners is supporting INFFs.

GLOBAL LEVEL

EU, IMF, Italy, Joint SDG Fund, OECD, Sweden, UNDESA, UNDP, UNICEF

REGIONAL LEVEL

Asian Development Bank, IMF, Australia

COUNTRY LEVEL

African Development Bank, Islamic Development Bank, Germany, Joint SDG Fund, World Bank and others

UN AGENCIES

FAO, ILO, IOM, OHRLLS, PAHO, UN DESA, UN ECA, UN ECLAC, UN ESCAP, UN ESCWA, UN WOMEN, UNCTAD, UNDP, UNECE, UNEP, UNESCO, UNFPA, UNICEF, UNODC, UNOPS, WFP, WHO

IFIs are increasingly engaged in supporting country-led INFFs

IFIs are engaging in INFFs at the country level in various ways, including membership of oversight committees, provision of technical assistance, collaboration on financing projects and provision of financial assistance.

40+

COUNTRIES

World Bank is engaged in the INFF process

25+

COUNTRIES

IMF is engaged in the INFF process

30+

COUNTRIES

regional development banks are engaged

In 2021, G20 leaders endorsed INFFs and committed to increasing support for country-led INFF processes.

2020

Saudi Arabia
G20 recognises INFFs as a valuable framework for developing countries

2021

Italy
G20 leaders endorse the **G20 Framework for Voluntary Support to INFFs**

2022

Indonesia
G20 is taking stock of INFF progress to inform this year's agenda

The INFF Facility is strengthening the international architecture for supporting country-led INFFs.

The Facility works in three important ways:

01 responds to country demand for technical assistance

02 deepens cooperation between public, private, and civil society actors, helping national institutions deliver reforms

03 provides a platform for countries to share, connect and learn from one another and access innovative tools, knowledge and guidance.

INFF | Facility

SECRETARIAT

UNDP

UN DESA

OECD

SUPPORTING PARTNERS

Sida

Italian Development Cooperation
Ministry of Foreign Affairs and International Cooperation

INFF Resources

INFF Knowledge Platform

A digital space for the INFF community to learn, share and connect

www.inff.org →

INFF Dashboard

Targeted INFF guidance materials by country type, sector, and policy area

www.inff.org/dashboard →

INFF Global Guidance

A step-by-step approach, bringing together tested methodologies and tools from various development partners

- Inception phase
- Assessment and diagnostics
- Financing strategy
- Monitoring and review
- Governance and coordination

@INFFplatform

Follow the platform on Twitter for daily updates

INFF Quarterly newsletter

INFF news and events straight to your inbox

Subscribe →

Contact and further details

For information on the INFF Facility, survey or dashboard:

Tom Beloe
Chief of Programme, UNDP Sustainable Finance Hub
thomas.beloe@undp.org

Tim Strawson
SDG Finance Specialist, UNDP Sustainable Finance Hub
tim.strawson@undp.org

For information on INFF Global Guidance:

Shari Spiegel
Chief of Policy Analysis & Development Branch, Financing for Sustainable Development Office, UN DESA
spiegel@un.org

Yanis Kuhn von Burgsdorff
Economist, Financing for Sustainable Development Office, UN DESA
yanis.burgsdorff@un.org

For questions related to INFF implementation:

Orria Goni, Africa
SDG Finance and SSC Advisor
orria.goni@undp.org

Radhika Lal, Asia-Pacific
SDG Finance Policy Advisor
radhika.lal@undp.org

Nergis Gulasan, Latin America and the Caribbean
SDG Finance and Innovative Finance Specialist
nergis.gulasan@undp.org

Vito Intini, Arab States
Regional Lead Economist
vito.intini@undp.org

Suren Poghosyan, Eastern Europe and CIS
SDG Finance and Innovative Finance Advisor
suren.poghosyan@undp.org

Thank you.

For more information, visit www.inff.org