



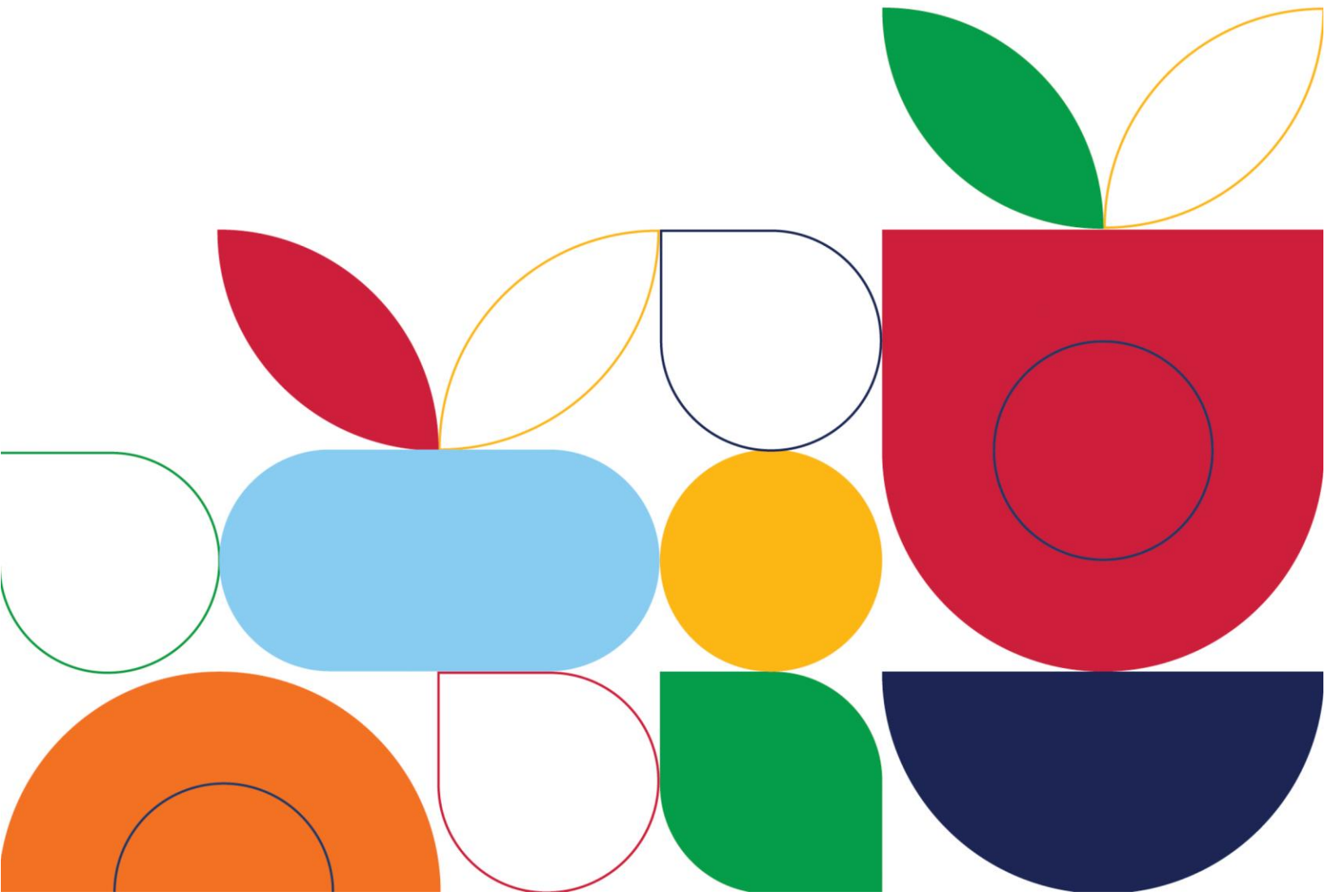
INFF

Integrated National
Financing Frameworks



April 2021 update from the INFF Dashboard

Integrated national financing frameworks country progress



Headlines

71 countries are developing integrated national financing frameworks (INFFs) to shape robust approaches for public and private financing for recovery and medium to long term sustainable development. While many countries are in the early stages of their national processes for operationalising INFFs, and despite the disruption of the pandemic, tangible progress has been achieved in laying the foundations and tailoring INFFs within different development contexts.

- **Governance and coordination:** More than half of all INFF countries have formalised or are the process of formalising government oversight for INFFs. Half are embedded within existing institutions and the majority are led by Ministries of Finance.
- **Inception phase:** Scoping and assessment exercises to shape the inception phase are well underway with 18 Development Finance Assessments (DFAs) completed and 25 in progress. 4 countries have already launched INFF Roadmaps while 14 are in the process of being developed.
- **Assessments and diagnostics:** More than one hundred assessments, research, advocacy and guidance materials have been produced to inform INFF processes.
- **Financing strategies:** Two countries have launched a financing strategy and five are in the process of developing one. Most countries will develop theirs later in 2021 or 2022, typically embedding them within a medium and/or long term national plan, many of which are being revised to drive recovery from the pandemic. These financing strategies will add significant value to financing for these national plans. 31 countries will introduce a financing strategy for the first time while 27 countries will strengthen existing financing strategies. Countries plan to introduce more than 220 changes in financing policies, regulations, instruments and institutions through their financing strategies.
- **Monitoring and review:** Most countries will bring together the monitoring and review building block later in the INFF process, though activities to strengthen monitoring in key areas of financing, notably around national budgets, are underway.
- **Partnerships and collaboration:** 21 UN organisations are actively delivering support to governments as they operationalise INFFs, with a wide range of other international partners including the European Union providing technical support, participating in dialogue and resourcing INFF activities.

INTRODUCTION

Integrated national financing frameworks (INFFs) offer a framework for building a more holistic, public and private, approach to financing sustainable development at the national level.

This briefing is based on UNDP's [INFF Dashboard](#). 71 countries responded to the INFF survey

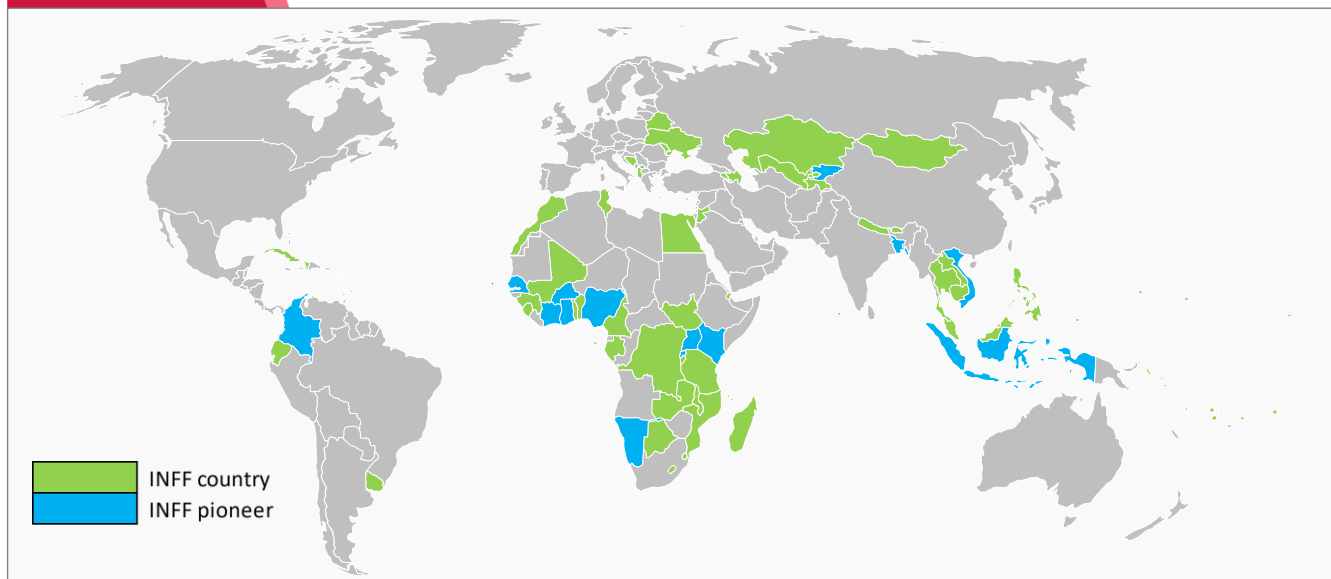
conducted in early 2021.¹ In line with IATF guidance on operationalising INFFs,² the briefing captures progress being made in INFF inception phases and in operationalising the four INFF building blocks, as well as in partnerships and collaboration among international actors including the European Union.

Despite the effects of the pandemic, many countries are making tangible progress in adapting the INFF approach to national priorities and institutions. The disruption caused by the pandemic meant that governments spent much of 2020 focused on crisis response and management. Yet the wide-ranging shocks that the pandemic triggered across the public and private financing landscape also amplified the importance of holistic approaches to financing, that recognise and respond to the roles of diverse public and private sources. Fiscal space has deteriorated sharply while stimulus packages have been put in place and the medium term outlook for public finance in many contexts is of reduced revenue streams and increased demand for public spending. Economic activity and commercial investment

plummeted in 2020 and recovery will take significant time in many sectors. As countries have responded to these shocks, and as they start to look toward recovery, many governments are adopting INFFs to help shape robust approaches to financing recovery and medium to long term sustainable development. Even amidst the turbulence of 2020 many have taken tangible steps forward in the process of operationalising an INFF.

INFFs are being used by governments in more than 70 countries to shape robust approaches to financing recovery from the pandemic, in ways that bring together the policies and instruments used to govern public and private financing (Figure 1). This briefing provides the first global overview of how countries are adopting INFFs, the benefits that governments and their partners aim to realise from the approach and the steps and activities that are underway and have been completed in national processes.

FIGURE 1. *More than 70 countries worldwide are using the INFF approach*



¹ See methodology at the end of this briefing. Full data from the survey is available on the [INFF dashboard](https://inff.org) on inff.org. Responses were received from 64 countries that are operationalising an INFF. Another 7 countries that are exploring the potential for an INFF or using elements of

the INFF building blocks also responded to the INFF survey.

² See IATF guidance on: [INFF inception phase](#), [Assessments and Diagnostics](#); further guidance forthcoming.

GOVERNANCE AND COORDINATION

Determining how the INFF will be incorporated within the existing institutions and processes that are used to deliver national plans and govern public and private financing is a key step in the inception phase of the INFF process.³

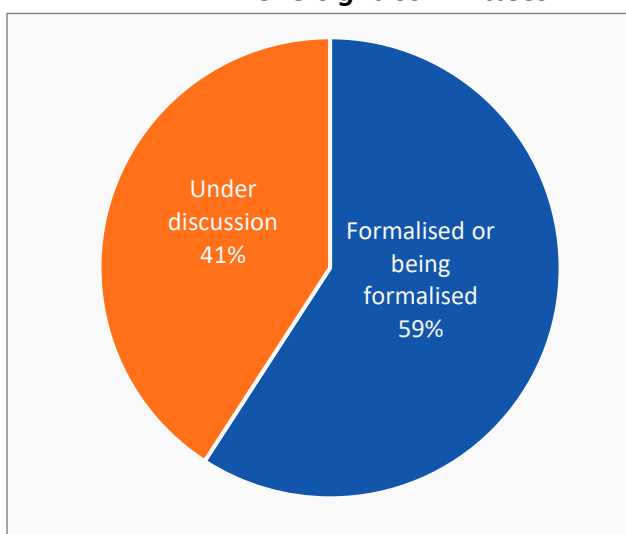
Data reported through the INFF survey shows that tangible progress has been made in institutionalising INFFs across a wide range of countries and indicate a high degree of national ownership over the approach and processes.

INFF oversight committees have been formalised or are under negotiation in more than half of the countries that reported to the survey (Figure 2).

These Oversight Committees show government ownership over national processes and act as a mechanism for ensuring INFFs are aligned to national priorities.

FIGURE 2.

More than half of countries have formalised or are formalising INFF Oversight Committees



³ Though governance and coordination is a building block in its own right, it is presented first in this briefing note because the question of institutionalising the INFF is

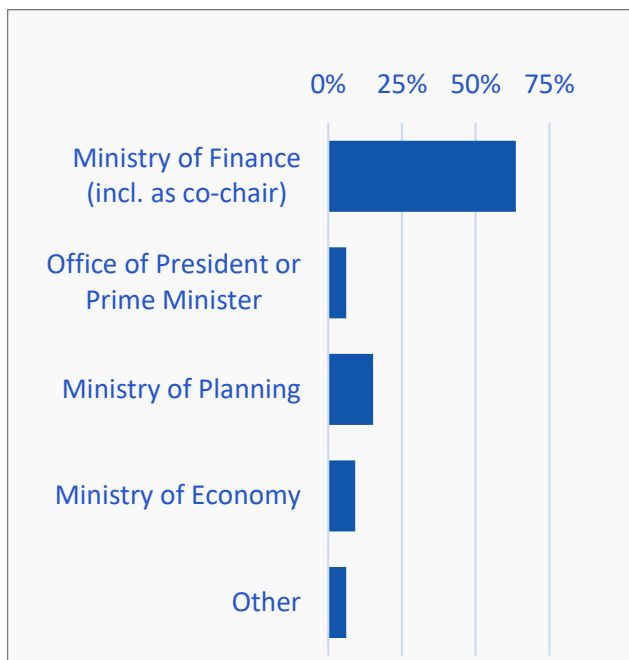
Half of INFF Oversight Committees are embedded within existing mechanisms. In many contexts the INFF approach is being incorporated within the established structures and processes that governments use to deliver national plans and govern financing. In other cases, often where there is no appropriate mechanism already in place, governments have determined to create a new mechanism.

The mechanisms being used for INFF oversight vary widely from country to country. In Timor-Leste, for example, the process is being embedded within and will expand the scope of an ongoing public financial management reform programme. In Tajikistan oversight has been embedded within the National Development Council under the President's Office. In Mongolia oversight is led by the Ministry of Finance, with the support of a multi-stakeholder working group that is supporting the technical development of the INFF. In Benin oversight has been taken on by the Resource Mobilisation Committee, chaired by the Ministry of Planning, and approved by Decree law.

The majority of INFF Oversight Committees are being led by Ministries of Finance or Offices of the President or Prime Minister (Figure 3). Among the 33 countries that reported details of the INFF Oversight Committees, the Ministry of Finance is the sole or co-chair in almost two-thirds (21 countries). The Prime Minister or President's Office is co-chair in five countries (three alongside the Ministry of Finance) while the Ministry of Planning is chair or co-chair in eight countries (two alongside the Ministry of Finance).

foundational and typically among the first issues to be addressed in the early stages of the INFF inception phase. For more see guidance from the IATF.

FIGURE 3. *Ministries of Finance, Planning and President or Prime Minister’s Offices lead most INFF Oversight Committees*



Countries have reported wide participation in INFF Oversight Committees by the ministries responsible for public and private financing policies (Figure 4). Beyond the three ministries typically leading INFF Oversight Committees (Finance, Planning and Prime Minister or President’s Office), participation by national statistics offices, ministries of economy, commerce, trade and industry, central banks and revenue authorities is common across many countries. Line ministries responsible for education, health and environment participate in 33%, 24% and 21% of INFF oversight committees respectively. Participation by the ministries responsible for each area of financing policy, and for delivering key priorities, provides a strong foundation for building a more holistic approach to financing for recovery and medium to long term sustainable development. Beyond government policymakers, chambers of commerce, stock exchanges and civil society organisations, as

well as other actors, are members of a number of INFF Oversight Committees.

FIGURE 4. *Countries report wide participation in INFF Oversight Committees*



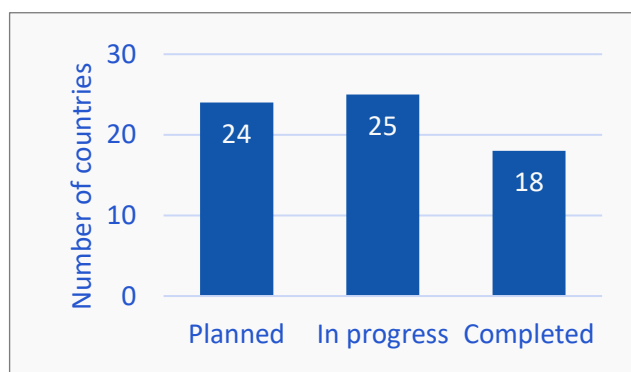
INCEPTION PHASE

The INFF inception phase includes three important elements: institutionalisation (covered above), scoping, and agreement of an INFF Roadmap. Scoping assessments, as well as a range of specific assessments and diagnostics (covered in the next section) are well underway in many countries.

67 countries are using development finance assessments (DFAs) to shape dialogue and inform decisions being taken in the INFF inception phase (Figure 5).⁴ Through a series of financing dialogues DFAs facilitate agreement on how the existing elements of an INFF can be brought together and strengthened within a more integrated overall approach to financing.⁵ 18 INFF countries have completed their DFA process while a further 49 are underway or in the process of being setup.

FIGURE 5.

Development finance assessments are being used by 67 countries to shape the INFF inception phase



More than 40% of countries have convened multi-stakeholder dialogues to shape the inception phase and a third report that they have already had some exchange with other countries.

⁴ For countries undertaking a second DFA, or DFA update, only the current exercise which is being used to inform the INFF process is counted here.

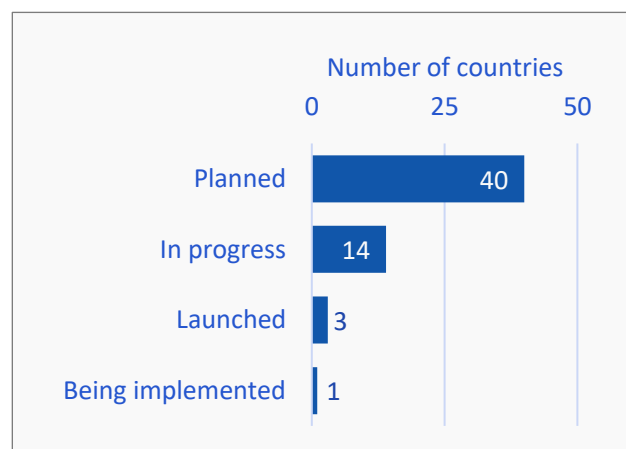
The inception phase of the INFF culminates in the agreement of an INFF Roadmap. This marks a major milestone in the INFF process overall, signalling the point at which the INFF process moves from scoping and set-up to practical operationalisation of the INFF.

Four countries have launched or are already implementing their INFF Roadmaps (Figure 6). Namibia, Ghana and Uzbekistan have launched their roadmaps while Samoa report that they are already implementing theirs.

A further 14 countries are currently in the process of developing INFF roadmaps. 40 countries plan the development of their roadmap once the necessary scoping and assessment and diagnostic exercises are complete. A minority of countries will not develop an INFF roadmap, typically because they will move straight on to the development of a financing strategy and other building blocks, or to the operationalisation of specific financing instruments.

FIGURE 6.

Four countries have already launched their INFF Roadmaps while 14 are in the process of developing it



⁵ See [DFA Guidebook, version 3.0.](#)

ASSESSMENTS AND DIAGNOSTICS

The assessments and diagnostics building block provides the evidence base for the design and ongoing operations of the INFF. It considers four key elements: financing needs, financing trends, risks and binding constraints. Countries are approaching the assessments and diagnostics building block in different ways. While for some it follows the inception phase, most countries are undertaking many of their assessments and diagnostics within the inception phase, in order to feed into and shape the INFF Roadmap, often alongside a DFA process.⁶

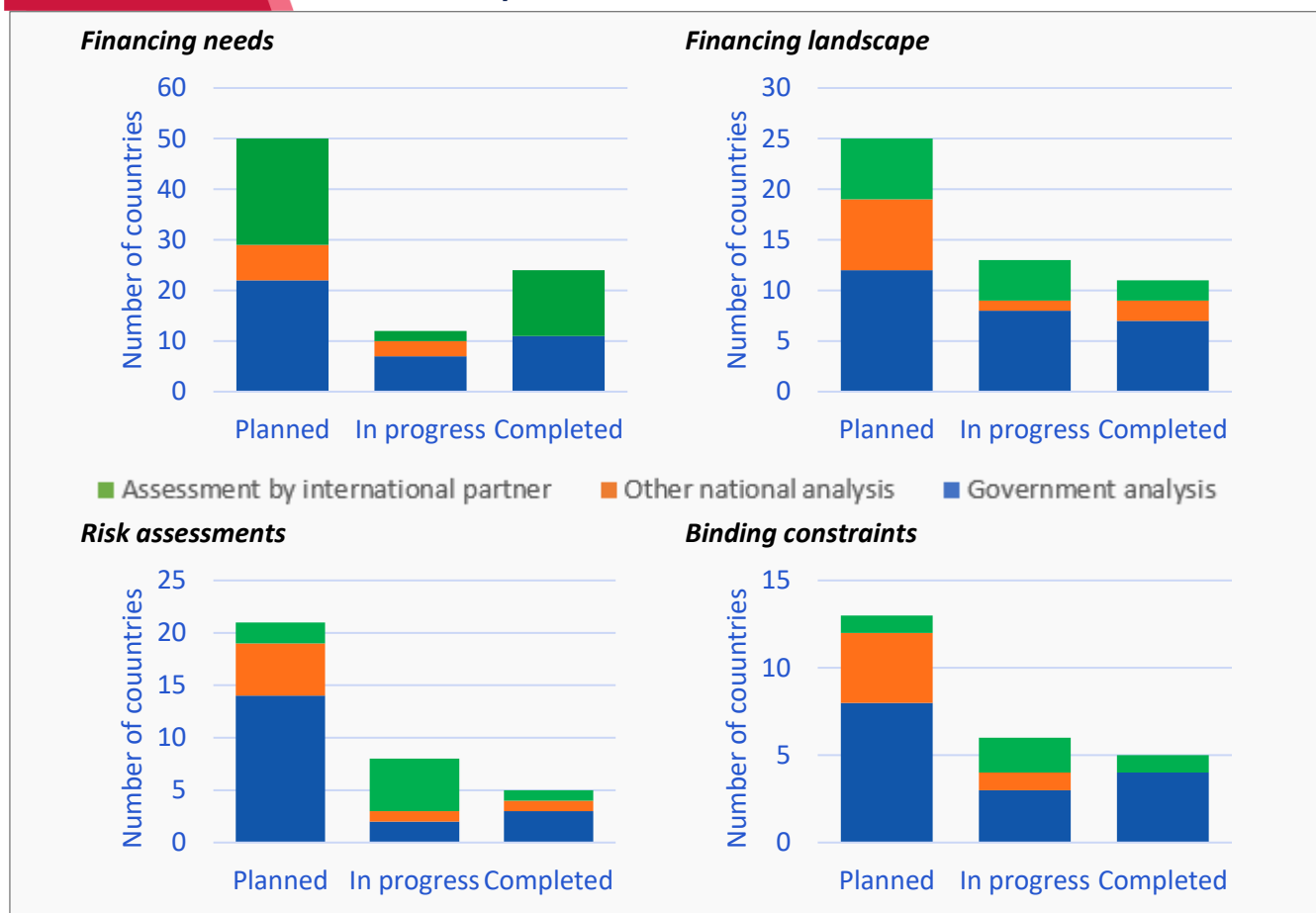
As such, much of the current early-stage investment in the INFF process is focused on delivering assessments and diagnostics that will inform dialogue between policymakers and shape the foundations of the INFF.

More than 100 assessments, research, advocacy and guidance materials have been delivered across the countries taking forward INFFs.

Around half of the assessments reported are being led by government (Figure 7). These include costings for national development plans and sector plans, assessments of financing innovations in areas such as digitalisation of tax administration, PPP

FIGURE 7.

A wide range of assessments and diagnostics are being used to inform INFF processes



⁶ The sections are presented separately in this briefing in order to align to the INFF building blocks and IATF

guidance on the inception phase and assessment and diagnostics building block.

policy reform and a variety of institutional and legal framework assessments. National actors beyond the government are leading 17% of the assessments and diagnostics reported through the survey.

30% of the assessments and diagnostics reported are being led by international actors, indicating a wide array of technical support and collaboration among development partners. In relation to financing needs, costing assessments offered by the IMF and UNDP are being used in 8 and 30 countries respectively. Financing landscape assessments include a wide range of tools covering public and private finance, including public expenditure reviews, UNICEF fiscal space assessments, UNDP SDG investor maps and others. South Sudan, for example, is carrying out a state-level fiscal space analysis. Risk assessments focus on a variety of risks, using diverse tools such as fragility assessments and financial stress test modelling: for example Mexico is conducting a financial sector climate risk analysis. Binding constraint analyses focus across the financing landscape, for example using tools such as PEFAs to assess public finance as well as assessments on specific financing instruments: Cambodia, for example, is undertaking an assessment to understand regulatory constraints around bond issuance.

FINANCING STRATEGIES

A financing strategy is at the centre of an INFF, providing a framework that connects plans for recovery and medium to long term sustainable development with the financing policies that will mobilise the investments needed to realise them. They build coherence across financing policies, deepen integration and drive innovation and reform across financing policies, regulation, instruments and institutions. They meet a critical gap in many contexts: most countries lack costings or strategies for financing their national plans.⁷

Two countries – Nepal and Ghana– have already launched financing strategies, at the national and subnational levels, and another eight are in the process of developing their financing strategy. In Lao PDR, the INFF approach has been incorporated into the process for formulating the country's 9th National Socio-Economic Development Plan. The government created three workstreams focused on costing, financing and M&E to feed into the development of a financing strategy for the plan that will be used to catalyse innovation across public and private financing policies.

Given the early stage of most INFF processes, most countries will start to develop their financing strategies later in 2021 and into 2022 – yet important groundwork has already been laid for them. The dialogue and assessments that have been completed to date are informing decisions about the specific purposes, position, added-value and benefits to governments and their partners in many contexts.

^{7 7} Chimhowu, A., et al, 2019, World Development, *The 'New' national development planning and global development goals: Processes and partnerships*. This research looked at 107 national plans and found that 79

had no specific costing and only 29 explained how they would be financed.

More than 30 countries will use INFF processes to articulate an integrated financing strategy for the first time (Figure 8). **Namibia** is introducing a new financing strategy to support the country’s long term Vision 2030 plan as well as the fifth medium-term National development plan.

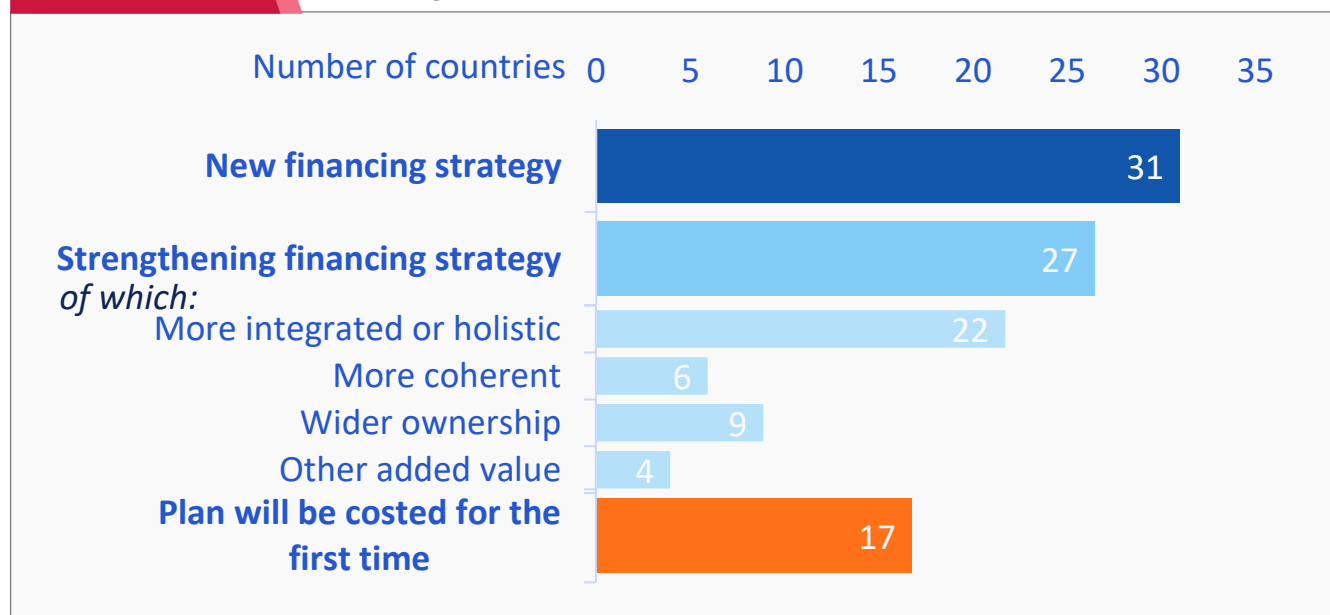
Another 27 countries will strengthen existing financing strategies, in a variety of ways. Eighty percent of these will use the INFF to build a more integrated, holistic approach to financing the national plan. Typically this will see a move beyond a public-finance-centric approach to financing a national plan, toward one that brings a fuller range of the policies and instruments which government uses to influence private financing behind the national plan. In Tanzania, for example, the government is using the INFF to strengthen its Integrated national financing strategy within the five-year National Development Plan and will deliver a more holistic approach that brings together policies for public and private finance through the associated action plan. Sierra Leone’s financing strategy supports delivery of the medium-term development plan and the Roadmap for Walking out of Fragility. It introduces a range of

policy innovations in tax, public entities, private investment and diaspora financing designed to strengthen financing for recovery and delivery of these agendas. In Tunisia the INFF is supporting a move from a ‘funding for development’ approach toward a ‘financing for development’ approach with the creation of new tools to unlock alternative sources of finance. Wider ownership and greater coherency across financing policies – i.e. addressing synergies and trade-offs between financing policy areas – are also identified as benefits that the INFF is bringing to existing financing strategies by a number of countries.

17 countries indicate that the INFF process will lead to the national plan being costed for the first time. Understanding the scale of financing needs is an important foundation for financing strategies and more than a quarter of respondents highlighted that INFF processes will help governments to meet this gap in existing planning and financing policy processes.

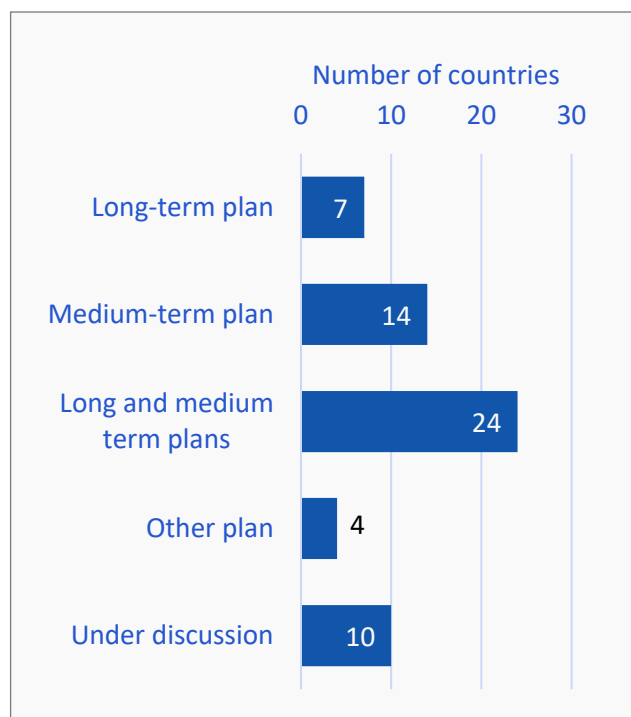
FIGURE 8.

INFFs are supporting countries to establish and strengthen financing strategies



Financing strategies are being embedded in national plans in various ways within national contexts and institutions, and many are supporting new or revised plans to drive recovery from the effects of the pandemic (Figure 9). In 45 countries the financing strategy is rooted in either the medium-term plan, the long-term plan or both. Many of these are new or revised development plans, with the financing strategy supporting a push for a more holistic approach to financing recovery from the effects of the pandemic. In other countries, the financing strategy is linked primarily to either a dedicated covid-19 recovery plan, SDG action plan, thematic strategy. In Ghana, for example, the INFF has been applied at the local level, supporting the development of financing strategies for five district plans. This provides the basis for a bottom-up approach that will connect with and support the delivery of the national Ghana CARES strategy.

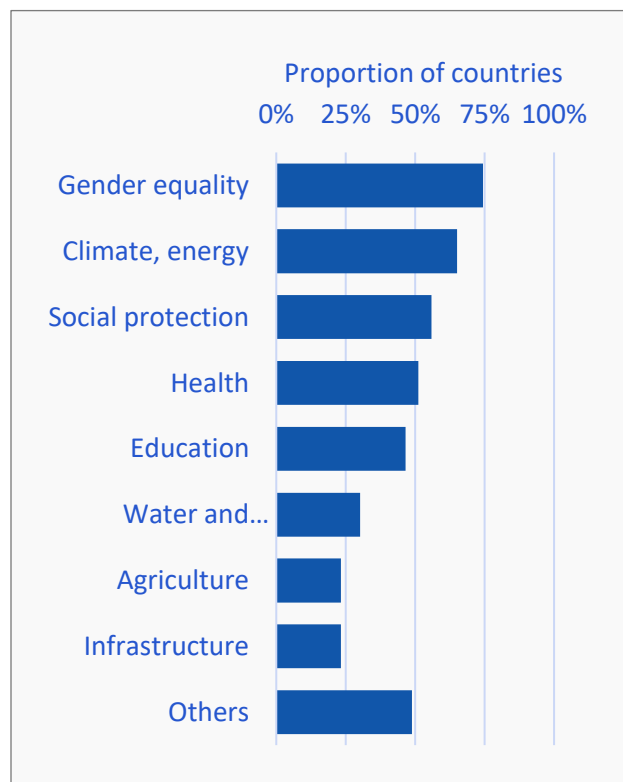
FIGURE 9. *Most financing strategies are designed to support medium or long-term national plans*



Many countries report that, within the overall scope of a financing strategy, there is a focus on specific thematic priorities. These reflect the priorities of the government through their national plan and are in many cases aligned to efforts to shape recovery from the pandemic that is more inclusive and sustainable.

More than three-quarters of financing strategies will prioritise gender equality, and climate change or energy is a priority in 65% of countries (Figure 10). Social protection and health are each emphasised in at least 50% of countries. Mainstreaming these issues within financing strategies will help to drive financing for greener, more sustainable recovery from the pandemic.

FIGURE 10. *The majority of financing strategies will emphasise gender equality and green transformation, reflecting national priorities*



In **Bangladesh**, for example, the financing strategy will support the 9th Five Year Plan with a focus on three thematic priorities: climate finance, renewable energy and water and sanitation. It will place a strong emphasis on mobilising private capital to support recovery through the delivery of the five year plan. The assessment process that will inform the financing strategy is bringing together a wide range of private companies – more than 60 have participated in consultations to date – to support market analytics in these sectors and build momentum and capacity around private sector practices such as sustainability reporting.

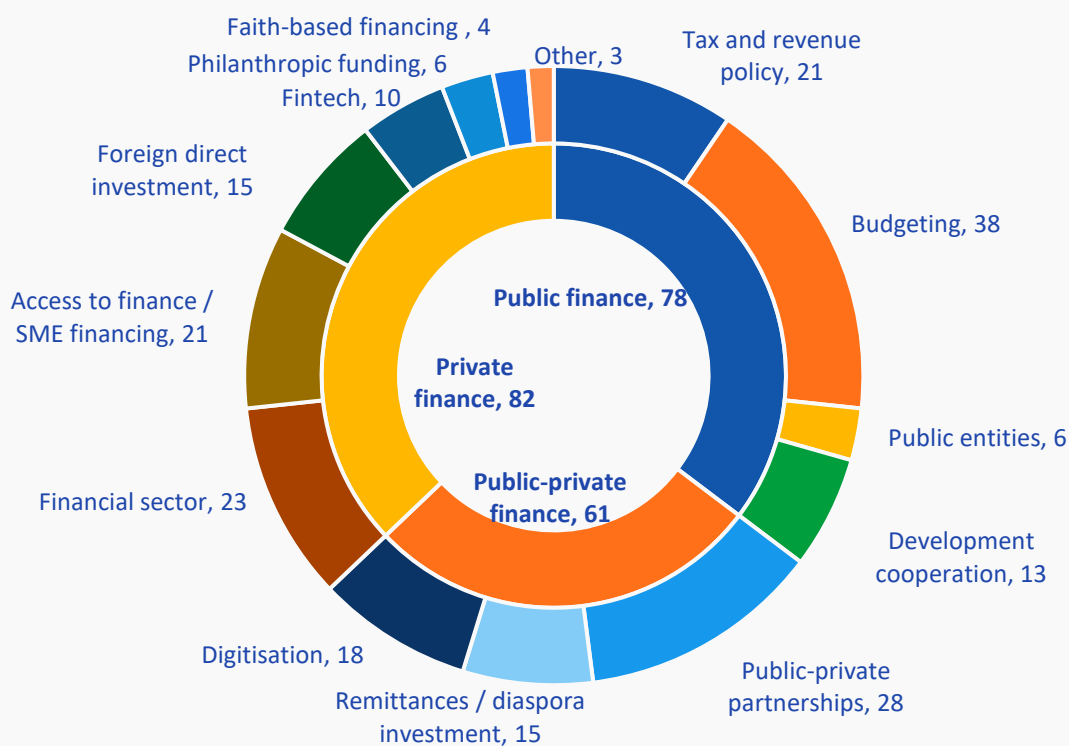
Financing strategies provide a platform and catalyst for introducing new innovations in financing. The process of developing a financing strategy entails a comprehensive review of the financing landscape and existing policies and

instruments (see previous section). Opportunities and gaps will often be identified and solutions, in policy, regulation, instruments and institutions, incorporated into the financing strategy and taken forward.

Countries are using INFF processes to explore and introduce a wide range of reforms to strengthen public and private financing policy (Figure 11). More than 220 planned changes to financing policies and instruments were identified by 44 countries that provided details on ongoing and planned reforms, an average of more than five instruments per country. These instruments cover a wide range of finance types and modalities with around 37% relating to private financing, 35% to public finance and 28% to public-private modalities. 39 of these instruments are already included in the eight countries that have already launched or are in

FIGURE 11.

INFFs are being used to explore and catalyse a wide array of public and private financing reforms



The figure shows the number of countries that report the development or proposal of reforms to policies, regulations, instruments and institutions through the INFF and financing strategy. Based on data from 44 countries. Note that the public, public-private, private categories are approximated. Note that this chart draws on data from both the INFF survey as well as a separate survey on SDG budgeting within the INFF initiatives.

the process of developing their financing strategies while countries are planning to include others captured in the survey, many of which are being assessed by ongoing assessments and diagnostics, once the financing strategy is developed. Bosnia and Herzegovina, for example, is using the INFF process to explore a range of private finance modalities that can unlock new sources of private capital over a 2-5 year horizon. In Mongolia, innovations being developed with the Development Bank of Mongolia focus on establishing standards and guidelines for integrating the SDGs into ongoing operations, building capacity and processes for ESG investing, and developing sustainability reporting practices. In relation to budgeting, more than 20 different types of intervention are being deployed across 38 INFF countries, focused on four elements of budgeting: integrating the SDGs into medium and annual budget policies; strengthening budget expenditure monitoring and reporting systems; strengthening accountability; and improving analysis of budgetary impact.

In a number of other contexts plans are being developed to bring together and strengthen monitoring systems to support delivery of the financing strategy once it is in place, and to innovate in areas such as green taxonomies and sustainability reporting for both public and private finance.

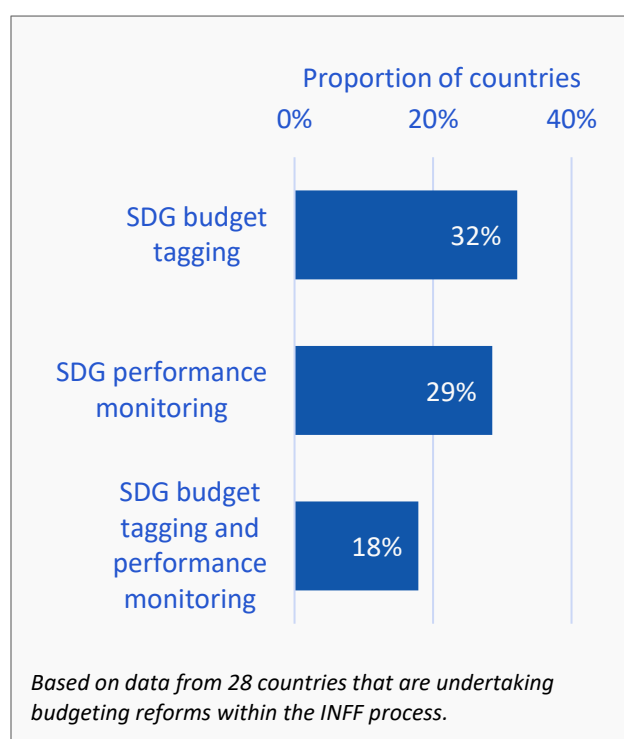
MONITORING AND REVIEW

Monitoring and review systems play a crucial function within an INFF, helping governments track and understand the impact of public and private financing to inform financing policies, and providing information on the performance of the INFF that can strengthen management and accountability. Most countries are not yet at the stage in the process where the monitoring and review building block will be operationalised. However some countries are beginning to prioritise certain elements related to monitoring and review earlier in the process.

The majority of countries taking forward budgeting reforms within the INFF are strengthening systems for monitoring expenditure (Figure 12). These reforms relate primarily to either the establishment of tagging or coding systems that relate the budget to national sustainable development priorities and the SDGs, SDG performance monitoring interventions, or both.

FIGURE 12.

Most countries taking forward SDG budgeting reforms have a focus on monitoring



PARTNERSHIPS AND COLLABORATION

There are a wide range of partnerships in place to support governments as they adopt and adapt the INFF approach within national institutions. 21 UN organisations are active across the 62 joint programmes supported by the Joint SDG Fund, with collaboration and partnerships extending in various forms to a wide range of other actors.

Partners including the European Union, IMF, World Bank, Asian Development Bank, Australia, Islamic Development Bank, Germany, Slovakia, the UK, UNICEF, ILO and others, are actively participating in technical committees, delivering technical activities as part of the INFF process or resourcing INFF activities. INFF activities in more than half of countries have at least two funding sources and a third report three or more funding sources. The EU, IMF and/or World Bank have been involved in inception phase dialogue in two-thirds of countries. Regional initiatives, such as APFIN in the Asia-Pacific region, are facilitating peer-to-peer learning between countries and UNDP has established a number of labs and clusters to share experiences between country offices that are supporting governments with their INFF processes.

Methodological guidance for the process of operationalising an INFF is being led by the Inter-Agency Task Force on Financing for Development. INFF training has been delivered through collaboration between ESCAP, UNITAR, DESA and UNDP for the North and Central Asia region in January 2021, the Asia-Pacific region in March 2021, with further training planned for other regions.

CONTACT AND FURTHER DETAILS

For further details on this briefing and the INFF Dashboard please contact:

Tom Beloe, SDG Finance Advisor, UNDP Finance Sector Hub at Thomas.Beloe@undp.org

Tim Strawson, SDG Finance Specialist, UNDP Finance Sector Hub at Tim.Strawson@undp.org

For further information on the IATF guidance on operationalising INFFs please contact:

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

Oliver Schwank, Senior Economist, Financing for Sustainable Development Office, UN-DESA at Schwank@un.org

For further information and to explore the data behind this briefing see the [INFF Dashboard](https://inff.org) on the inff.org platform

For more information on UNDP's support to INFF countries see the [Finance Sector Hub](#)

Methodology

The data presented in this briefing is taken from the [INFF Dashboard](#) which draws from the INFF survey conducted by UNDP in early 2021. Responses were received from 71 countries, with responses submitted by the UN country teams that are supporting governments to operationalise their INFFs. Across the 71 countries, 62 responses were submitted by UNDP country offices, 8 by UN Resident Coordinator's Offices, 2 by UNICEF and one each by UNCDF and DCO (in three countries, two responses were submitted and merged together). The survey asked 32 questions about the INFF process and building blocks, support, partnerships and outlook. It will be repeated twice a year to track continued progress in operationalizing INFFs.



INFF

Integrated National
Financing Frameworks

For more information, visit inff.org

