

# INFF Building Block 4 Governance and Coordination

**DESA/FSDO** 



### Where does it fit?

- Inception phase: stakeholder mapping; scoping of existing institutions and processes related to financing; identification of institutional home for INFF (and selection of INFF Oversight Committee)
- ❖ Building Block 1 Assessment and diagnostics: engagement of all relevant stakeholders within and beyond government to accurately reflect financing needs, challenges, opportunities, exposure and vulnerabilities to different risks
- ❖ Building Block 2 Financing strategy: involvement of all relevant stakeholders for design of coherent financing policy solutions
- ❖ Building Block 3 Monitoring and review: governance arrangements underpin adequate transparency and accountability

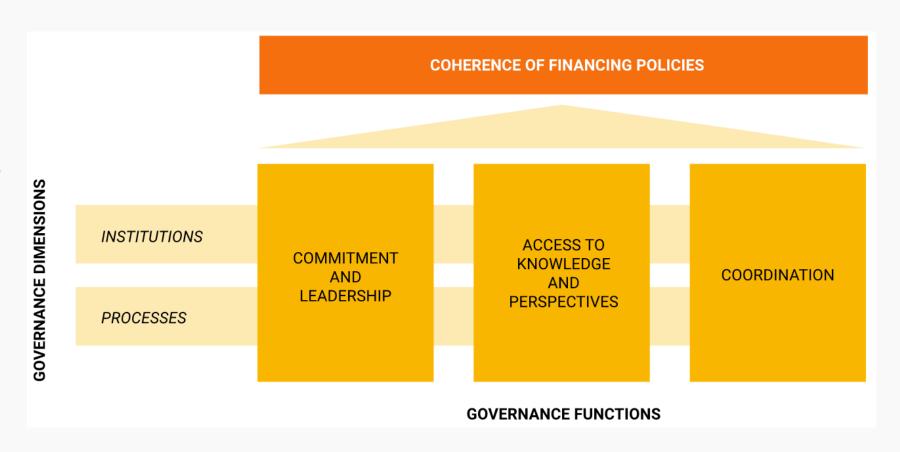
## Why is it important?

### Driver of overall effectiveness

- Guides entire INFF process
- Ensures country ownership and leadership
- > Strengthens intra-governmental collaboration and multi-stakeholder participation
- ➤ Enhances coordination with development partners
- Overcomes siloes and increases coherence and integration of existing approaches and processes

## Key functions of INFF governance

- Form of governance arrangements will vary across contexts.
- Functions will be common, to support increased coherence of financing policies.



## Suggested approach

### STEP 1

## IDENTIFY AND ASSESS EXISTING GOVERNANCE ARRANGEMENTS

Identify and assess the institutions and processes that exist to guide, enable and support (coherent) financing policy making:

- Commitment and leadership
- Access to knowledge and perspectives
- Coordination

[Self-assessment questions are included in the guidance].

### STEP 2

## ENHANCE COHERENCE, CLOSE GAPS IF NEEDED

Establish how to strengthen existing arrangements, based on:

- Appropriate level of ambition
- Available capacity and resources
- Objectives identified in the financing strategy.

[Typical challenges and steps to overcome them are included in the guidance].

## Step 1: Identify and assess exisiting governance arrangements

❖ Checklist of self-assessment questions + findings from the scoping of relevant institutional mechanisms, bodies and processes and the stakeholder mapping undertaken as part of the inception phase can inform this step

### Commitment and leadership

- > Clear commitment and mandate from highest political level
- Sustainability features
- Institutional catalyst with required authority and convening power
- Capacity building measures for state and non-state actors

## Step 1 (cont'd)

### **❖** Access to knowledge and perspectives

- Commitment and rationale for INFF
- ➤ Mechanisms for information exchanges within government and with other partners
- > Transparent reporting on financing
- Mechanisms to assess and review financing policies

### Coordination

- Clearly defined roles and responsibilities
- > Intra-governmental mechanisms
- Mechanisms for coordination with development partners
- Mechanisms for aligning private finance with national priorities
- Use of national processes to encourage an integrated approach to financing

# Step 2: Enhance coherence of existing governance arrangements, close gaps if needed

- ❖ Baseline from Step 1 will drive determination of appropriate **level of ambition** for Step 2
- ❖ Priority may be given to strengthen institutions and processes related to a specific financing policy area with the view of encouraging a more comprehensive approach over time.
- **\*** How to increase **commitment and leadership**:
  - Sustain interest and buy-in
  - Address capacity gaps

## Step 2 (cont'd)

- How to increase access to knowledge and perspectives:
  - Strengthen dialogue and participation
  - Improve transparency and accountability
- ❖ How to increase coordination:
  - Define clear roles and responsibilities
  - ➤ Encourage effective collaboration among stakeholders
  - ➤ Incentivise alignment of all types of finance with national priorities

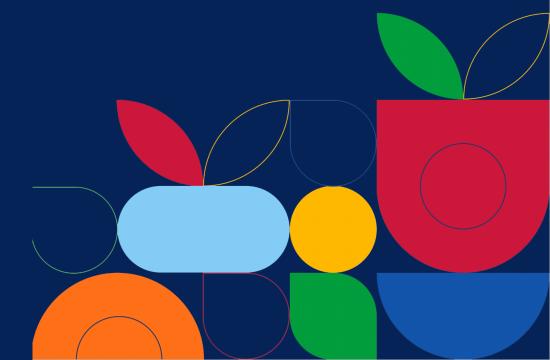
## Guiding principles and key lessons

- ❖ Enhancing coherence is a moving target (appropriate level of ambition will depend on context, resources, capacity and financing strategy objectives)
- ❖ Build on what is already in place, only add if there are gaps (opportunity to identify, assess and streamline existing governance and coordination structures and mechanisms)
- Consider both top-down institutional structures and other complementary mechanisms (such as specific tools, incentives, financing instruments)
- Overcome silos (process must be country-led, mandated from the highest political level and supported by senior technical officials across relevant ministries)

# Thank you!

You can access the IATF global guidance on Building Block 4 Governance and Coordination at:

https://inff.org/report/governance-and-coordination-report



## Levels of commitment and leadership: stylized examples

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### LIMITED COHERENCE

There is interest from the highest political level and buy-in from the technical level (e.g., MOP or MOF). But:

- No institutional 'catalyst' to bring together and sustain participation of all relevant actors within government
- Limited ability to engage key non-state actors (including the private sector) on sustainable development financing
- Capacity gaps to effectively support INFF implementation

### HIGH LEVEL OF COHERENCE

- Commitment from the highest political level, complemented by strong buy-in and leadership from the technical level in key ministries
- This translates in an effective oversight mechanism to guide the INFF process and involve all relevant stakeholders from within and beyond government
- Measures are in place to build capacity of civil servants and parliamentarians to effectively engage in, and support, the INFF process, and for private sector actors to enhance alignment with national sustainable development objectives

**INCREASED COMMITMENT AND LEADERSHIP** 

## Levels of access to knowledge and perspectives: stylized examples

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### LIMITED COHERENCE

- Awareness of INFF is limited across government ministries/ departments.
- Access to information on the budget and taxation is limited for the public, as is availability of information on other types of finance.
- Some intra-governmental consultations take place as part of the national budget process, but no mechanisms are in place to ensure effective multi-stakeholder dialogue and participation.
- Monitoring and review of progress in implementation of the financing strategy is limited, and so are learning and feedback loops between implementation and policy design.

#### HIGH LEVEL OF COHERENCE

- The commitment to integrated financing policies, and the value add of an INFF, is effectively communicated across government and among other stakeholders.
- Mechanisms exist to enable regular exchange of information among government ministries/ departments, and between central and local governments.
- Perspectives from multi-stakeholder dialogues inform policy formulation and decision-making.
- Information on all types of finance is accessible to those who need it, including policymakers and the public.
- Mechanisms are in place for regular and timely monitoring and review of progress in the implementation of the financing strategy, to encourage learning and effective practice policy feedback loops.

INCREASED ACCESS TO KNOWLEDGE AND PERSPECTIVES

## Levels of coordination: stylized examples

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### LIMITED COHERENCE

The annual budget process is linked to the national plan and sustainable development objectives, and is used to encourage consideration of key priorities across government. But:

- There are no formal mechanisms in place to facilitate coordination with development partners and to encourage alignment of private finance and investment.
- Policy formulation and implementation processes related to development cooperation, private sector development, investment promotion, if present, are treated as separate to the national budget process, and take place autonomously.

### **HIGH LEVEL OF COHERENCE**

- There is a clear division of labour among all relevant stakeholders, and mechanisms are in place to enable effective collaboration and coordination among them

   both within government (e.g., different departments, central and local governments) and beyond (e.g., development partners).
- Mechanisms also exist to align private finance with sustainable development priorities and foster complementarities between public and private financing.
- The national budget and public procurement processes mainstream national priorities.
- Government adopts a holistic approach to formulating financing policies in different areas, encouraging integration of all relevant processes (e.g., national budget, public investment, development cooperation, private investment promotion, etc.).

INCREASED COORDINATION