



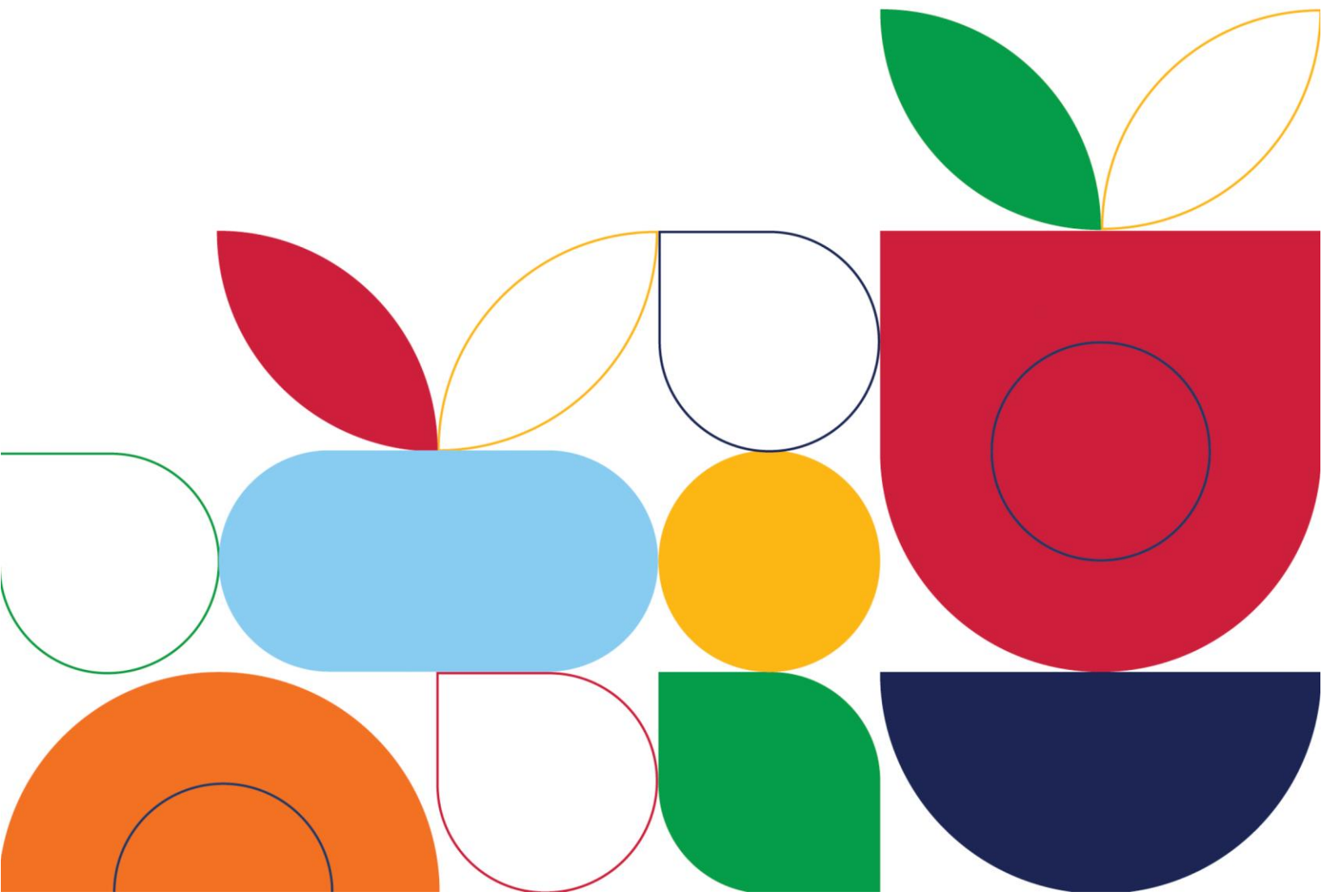
**INFF**

Integrated National  
Financing Frameworks



June 2021 update from the INFF Dashboard

# Integrated national financing frameworks country progress: Sub-Saharan Africa



## Headlines

35 countries in the region are using INFFs to shape financing for recovery from the pandemic and for investment in medium and longer-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.

- Government ownership over INFFs is high: three-quarters of countries have formalised government-led oversight committees, the majority led by Ministries of Finance
- 26 countries are using development finance assessments (DFAs) to shape their INFF processes
- INFF Roadmaps have been launched by two countries and are being developed in another six
- Assessments and diagnostics covering financing needs, trends, risks and binding constraints are underway across the region; half are government-led and 37% led by international partners
- Twelve countries in the region will develop a financing strategy for the first time while ten will strengthen existing financing strategies, broadening their scope to include private finance
- More than 70% of financing strategies are prioritising climate change and energy transition; two-thirds prioritise gender equality and social protection
- Across the region, countries are using INFFs to explore and take forward more than 70 reforms to financing policies, regulation, instruments and processes across public and private financing
- Countries are building capacity and strengthening governance of financing policies through innovations such as INFF dashboards and digital reforms as well as whole-of-society dialogue platforms
- 16 UN organisations are actively supporting governments across the region to operationalise INFFs, with a wide range of other international partners such as 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.

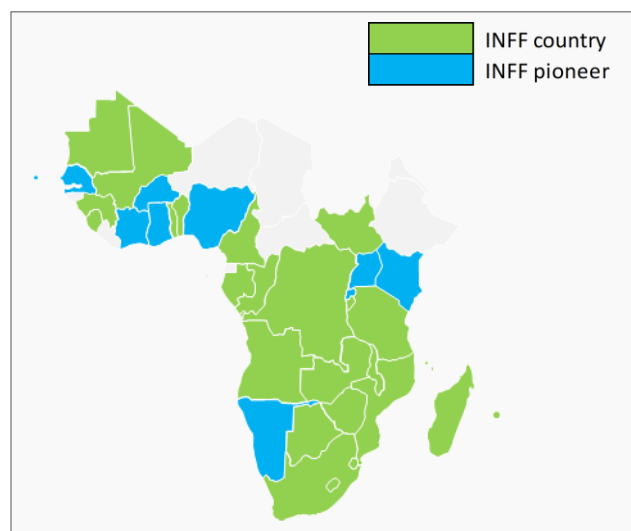
35 countries across sub-Saharan Africa are operationalising INFFs. Despite the effects of the pandemic, many countries are making tangible progress in adapting the INFF approach to national priorities and institutions, and determining how it will be used to inform and shape robust approaches for

financing recovery and medium to longer term sustainable development.

This briefing is based on UNDP's [INFF Dashboard](#) and draws on data reported by 25 countries in sub-Saharan Africa (see methodology below). This briefing summarises the results, highlighting how governments and other national stakeholders are taking ownership of the INFF approach and the progress that is being made in countries in the region to operationalise it.

**FIGURE 1.**

**35 countries in sub-Saharan Africa are using the INFF approach**



## 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.<sup>1</sup>

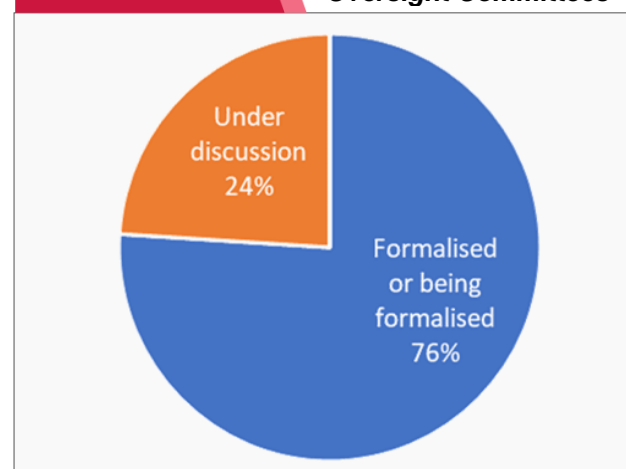
<sup>1</sup> Though governance and coordination is a building block in its own right, it is presented first in this briefing note because the question of institutionalising the INFF is foundational and

**INFF oversight committees have been formalised or are under negotiation in more than three-quarters of countries in the region that reported to the survey** (Figure 2). More than half of these oversight committees are embedded in existing mechanisms. In **Benin**, for example, oversight has been taken on by the Resource Mobilisation Committee, chaired by the Ministry of Planning, and approved by Decree law. In **Senegal** the Comité de Pilotage, chaired by the Ministry of Economy, has taken on INFF oversight by Decree law, with a secretariat established to support technical implementation. In other cases, often where there is no appropriate mechanism already in place, governments have created a new mechanism. In **Tanzania** an Inter-Ministerial Technical Committee within the National Coordination Framework for delivering the country's Third Five Year Development Plan is taking on oversight of the INFF.

These Oversight Committees show the ownership that governments in the region are taking over national INFF processes and act as a mechanism for ensuring INFFs are aligned to national priorities.

**Three-quarters of countries have formalised or are formalising INFF Oversight Committees**

**FIGURE 2.**



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

**The majority of INFF Oversight Committees, 69%, are being led or co-chaired by Ministries of Finance.** Ministries of Planning or Economy, as well as Offices of the President or Prime Minister, act as co-chair alongside the Ministry of Finance, or lead Oversight Committees in other countries.

Countries in the region report wide participation in INFF Oversight Committees. Membership typically includes the ministries responsible for key areas of finance policy making: in addition to the typical lead ministries, revenue authorities, ministries of commerce and infrastructure, and central banks are members in many INFF Oversight Committees. Civil society organisations are formal members in half of INFF Oversight Committees while Chambers of Commerce are in over 40% of countries.

### **Box 1. INFFs and economic governance**

INFFs provide a platform for strengthening participation in the design and oversight of a broad swathe of financing policy in relation to national sustainable development objectives. Across the region a number of countries are using their INFF processes to bring new actors and perspectives into the process of designing and operationalising a more holistic approach to financing.

In **Cabo Verde**, for example, the INFF is being used to build a whole-of-society approach, anchored within government, to better link resources to sustainable development objectives. At the outset of the process, two weeks of Financing Dialogues were hosted to convene a wide range of public and private actors to discuss the governing architecture of the INFF in the country. **Cameroon** is designing a bottom-up integrated financing architecture which builds on a comprehensive mapping of existing participatory platforms in the country, to ensure a whole-of-society approach to its financing dialogues. In **Botswana** the INFF process is driving the establishment of a multi-stakeholder national dialogue platform designed to facilitate participation

in financing decisions at all stages of the process, from planning to allocation, execution, monitoring and oversight. By engaging a wide range of actors from across society it aims to build ownership and strengthen transparency and accountability around financing policies. In **Uganda** the INFF is expanding participation in budgetary oversight. The certificate of compliance process, which is used to review and certify the alignment of the budget with the national development plan, is being broadened to include stakeholders from across the private and non-state sectors, alongside the public sector.

## **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.

### **26 of the countries operationalising an INFF in the region are using a development finance assessment (DFA) to help shape the process.**

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.<sup>2</sup> DFAs have been completed by eight countries and are currently underway in twelve countries.

The inception phase of the INFF process 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.

**INFF Roadmaps have been launched by two countries, Ghana and Namibia** (Figure 3). Another six countries are in the process of developing theirs: Benin, Comoros, Gabon, Nigeria, Senegal and

<sup>2</sup> See [DFA Guidebook, version 3.0](#).

Tanzania. Thirteen others will develop their INFF Roadmaps later in 2021 and into 2022.

**FIGURE 3.**

*INFF Roadmaps have already been launched in two countries and are under development in another six*



### Box 2. INFFs and green transformation

Shaping a sustainable recovery and progressing the transition to a greener economy is a high priority for countries across the region and many are using the INFF approach to advance this drive at the national level.

More than 70% of financing strategies will mainstream energy transition and/or climate finance and Ministries of Environment are formal members of a quarter of INFF Oversight Committees.

**Gabon**, for example, has applied a green-finance lens to its development finance assessment to understand the context and opportunities for financing the transition to a post-oil economy. Through the INFF it is taking forward new instruments that will boost and accelerate investment in the green economy. **Cameroon** is exploring mechanisms for green taxation. **Cabo Verde** is using the INFF to scale up sustainable

investment in the blue economy and has created, in collaboration with the stock exchange, the world's first sustainable financing platform dedicated to blue economy. In **Namibia** the INFF is supporting public-private partnerships that will enhance monitoring of financing and its impact, leveraging information from companies that are investing in green growth and increasing the sustainability of their operations. Namibia is also using the INFF to explore the potential for green and blue bonds; and at least six other countries in the region are also actively exploring the potential for green bonds to boost investment in green and sustainable projects.

## ASSESSMENTS AND DIAGNOSTICS

Assessments and diagnostics provide the evidence base for the operationalisation and ongoing use of the INFF. There are four key areas that inform the design and delivery of the financing strategy: financing needs, financing trends, risks and binding constraints. Assessments across these four areas are a key feature in the early stages of the INFF process, feeding into and flowing from INFF Roadmaps. Much of the current investment in INFF processes across the region is focused on delivering assessments that will inform dialogue between policymakers and shape the foundations of the INFF.

**Countries report a wide range of assessments underway, planned or already completed** (Figure 4). Many countries are starting with assessments of financing needs and financing trends.<sup>3</sup>

**Half of all reported assessments are being led by government.** These include costings for national development plans and government action plans, PFM and public expenditure assessments, assessments to inform covid recovery plans and others. 14% of assessments reported through the survey are led by local non-state actors.

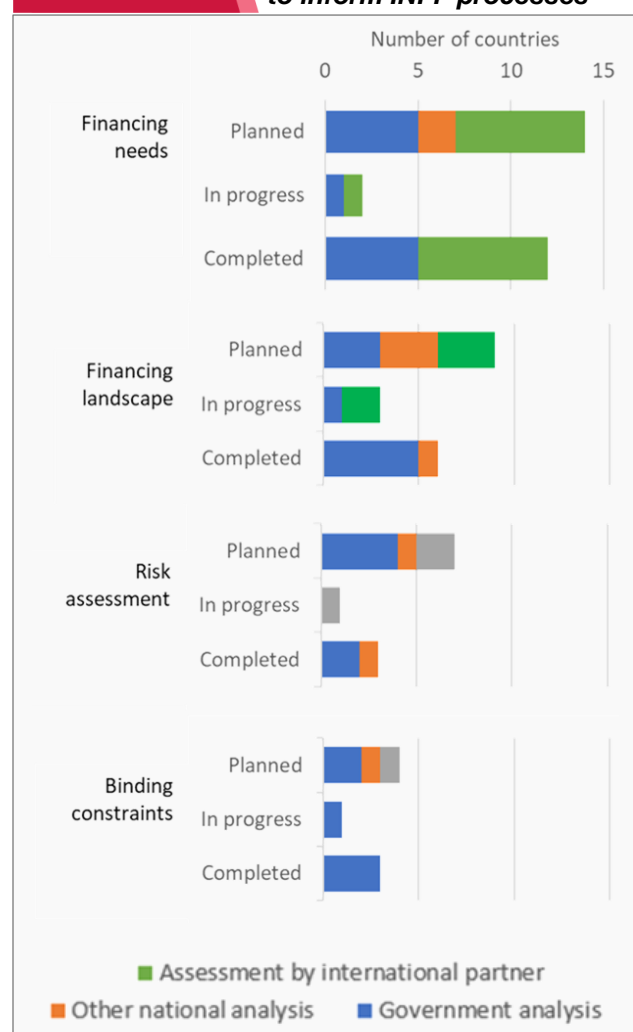
<sup>3</sup> Note that the DFAs referenced above are not included in Figure 4 as DFAs are considered a part

of the inception phase rather than the assessments and diagnostics building block.

**Countries report that 37% of reported assessments are being led by international partners, indicating a wide range of collaboration and technical support among partners.** For example, in relation to financing needs, thirteen countries report that they are using UNDP costing assessments while four report that they are using IMF SDG costing assessments. A wide range of financing trend assessments are being used, including state-level fiscal space analysis, gender budget analysis, analysis of the investment case in sectors such as nutrition and education, and others.

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

**FIGURE 4.**



### Box 3. INFFs and gender equality

Women across the region face differential access to finance, services and investment, and the covid-19 pandemic has exacerbated pre-existing inequalities. Looking ahead, two-thirds of countries pursuing an INFF are mainstreaming gender equality considerations across their financing strategies and the assessments and diagnostics that will inform it.

In **Gabon**, for example, the establishment of gender-sensitive budgeting practices is being prioritised as an important part of the INFF process. Gender markers are being established to strengthen the government's capacity to deliver spending in line with its gender equality priorities. **Lesotho** is mainstreaming gender equality into the budget process. **Botswana** is applying a gender-lens to its development finance assessment and, alongside other countries such as **Kenya**, planning the development of a gender-based budgeting strategy. In **Rwanda** the INFF process is being used in relation to the private sector, to uplift and build further momentum around the existing Gender Equality Seal, which uses a certification programme to promote women's empowerment in private companies in collaboration with the private sector foundation.

### 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.

**Nine African countries are in the process of developing a financing strategy while Ghana is one of only two countries worldwide to have already launched one. Ghana is taking a unique**



approach, building its INFF from the bottom-up through financing frameworks at the local level with five assemblies across the country are pioneering the development of financing strategies. In Namibia the financing strategy is being developed to support the long-term National Vision 2030. It will provide strategic direction on restructuring financing in line with that vision, while also acting as a foundation for resource mobilisation-oriented strategies for financing medium term plans.

**Twelve countries in the region are using the INFF to develop a financing strategy for the first time**

(Figure 4). The introduction of a financing strategy where there was none previously meets a critical and common gap in national planning and financing systems. It helps to ground the aspirations of a national plan and ensure that there is an approach in place for mobilising the investments needed to realise the aspirations it articulates.

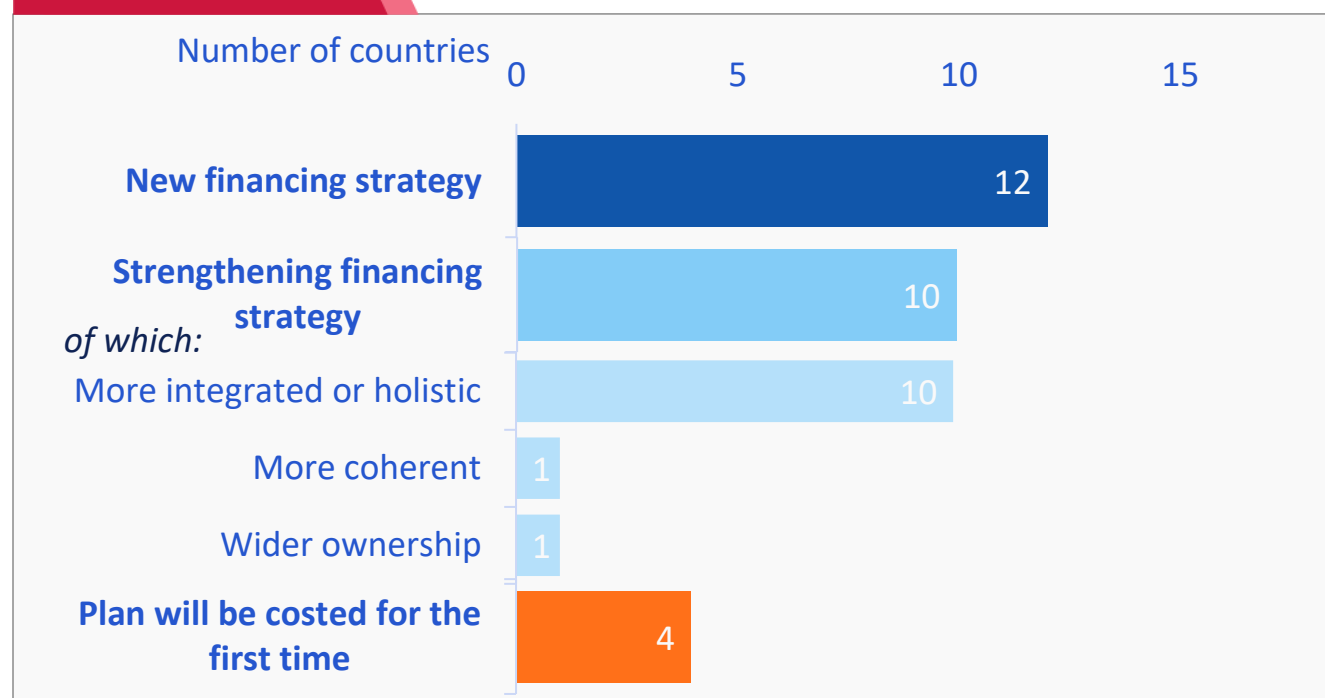
**Ten countries are using the INFF to strengthen existing financing strategies.** For all these countries the emphasis is on building a more holistic, integrated approach to

financing. A key innovation is the move beyond a public-finance only approach to implementing national plans, toward one that utilises a fuller range of public policy tools for governing public and private financing in alignment with national plan objectives. In **Tanzania**, for example, the INFF approach has been used to develop a broader integrated financing strategy to support implementation of the Third national five-year development plan. It introduces a range of measures designed to strengthen key areas of financing including expanding the tax base, building capacity to attract climate financing, introducing new public-private modalities and developing corporate bond markets to boost companies' access to long-term finance.

**Four countries in the region are using the INFF process to cost the national development plan for the first time.** Greater clarity on the public and private investments that will be needed to realise the objectives of a national plan is crucial for informing the design and implementation of financing policies, and for focusing reform efforts.

**FIGURE 5.**

*In 12 countries financing strategies are being developed for the first time while 10 countries are strengthening existing financing strategies, particularly in relation to private finance*



**For 19 of the 22 countries developing or strengthening a financing strategy, it is rooted in either the medium or long term plan, or both.**

Many of these plans are being redeveloped or revised in response to the effect of the pandemic and to shape recovery from it, and these financing strategies will play an important role in building a robust approach to financing recovery in these countries. Ten countries indicate that there is an explicit recovery plan that the financing strategy will support.

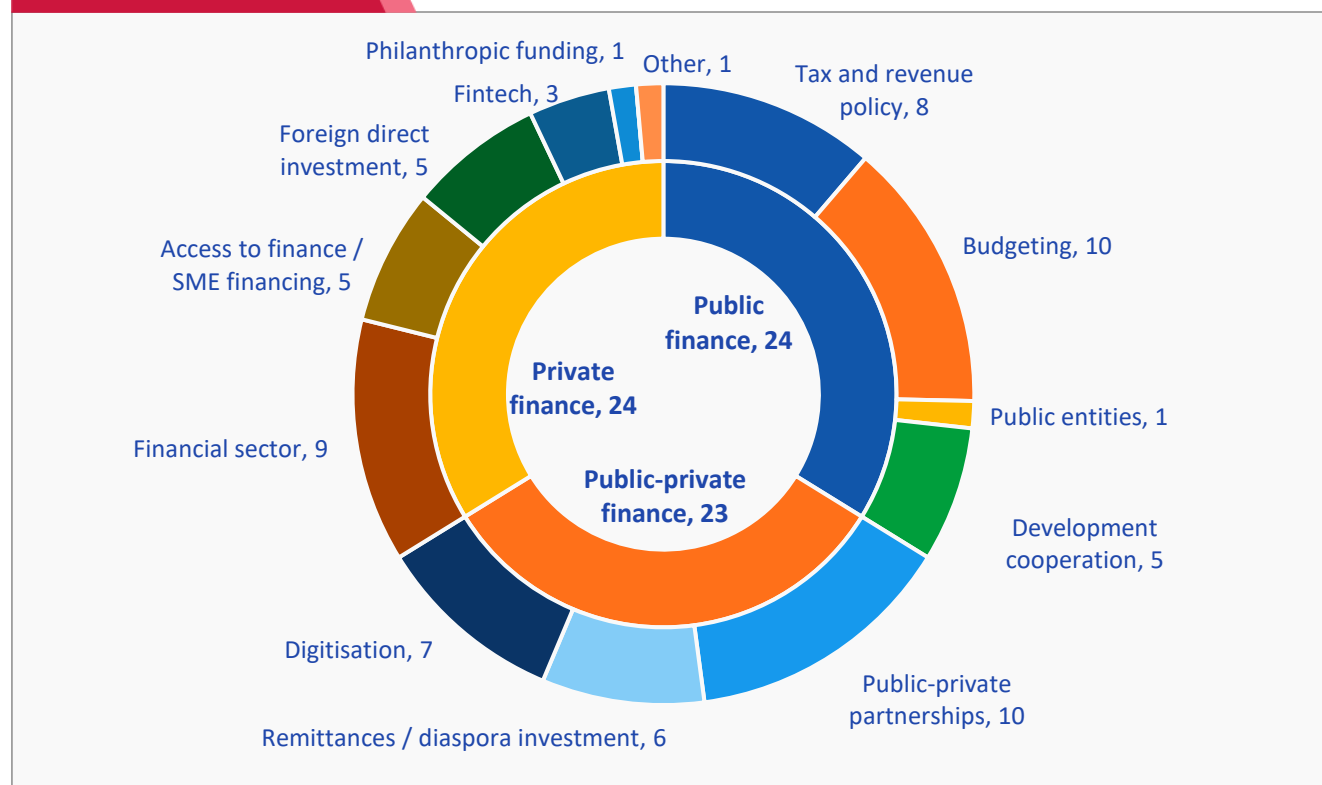
**More than 70% of financing strategies are prioritising climate change and energy transition in support of green recovery and medium to long term sustainable development.** Many financing strategies are incorporating a specific thematic focus, in support of national priorities. Climate change and energy transition is the most common

theme (see box), followed by gender equality (see box) and social protection, which are each being mainstreamed in around two-thirds of financing strategies in the region.<sup>4</sup>

**Countries across the region are using INFF processes to explore and introduce a wide range of reforms to strengthen public and private financing policy** (Figure 5). Across the fifteen countries that reported detail on the reforms being explored and taken forward, more than 70 planned changes to financing policies, regulations, instruments and processes were highlighted. This equates to an average of more than four per country. The planned reforms cover a wide spectrum of the financing landscape, with a roughly even split across public finance, private finance and public-private modalities.

**FIGURE 6.**

*INFFs are being used to explore and catalyse more than 70 reforms to public and private finance across 15 countries*



<sup>4</sup> The proportions quoted here in this paragraph are based on the 14 countries that reported details of the focus of their financing strategies.



**Box 4. INFFs and digitalisation**

Digitalisation has the potential to catalyse greater access to and alignment of financing with the SDGs through a variety of mechanisms across public and private finance. As countries across the region pursue INFFs many are using the process to prioritise digital reforms.

**Sierra Leone** and **Namibia**, for example, are prioritising digitalisation in tax collection to strengthen revenue mobilisation while **Botswana** is using a digital tax administration analysis to identify opportunities for digital reform. In **Senegal** the INFF has a specific focus on digitalisation, with the Ministry of Digital Economy a member of the INFF Steering Committee. Two other countries, **Burkina Faso** and **Uganda** are using digital finance ecosystem assessments in the early stages of their INFF processes to identify and shape opportunities for digital reform to mobilise and align financing with national priorities.

anchor the work of the public-private dialogue platform. Rwanda and other countries across the region are taking forward or exploring the potential for similar INFF dashboards.

All countries in the region taking forward SDG budgeting initiatives through the INFF are including a prominent monitoring component of this work. For some this focuses on the creation of an SDG budget tagging system while for others there is an emphasis on SDG performance monitoring or monitoring of public investment. In 16 countries capacity building to strengthen the institutions that manage monitoring systems is planned or underway.

**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.

Namibia, for example, is establishing a National Financing Dashboard which will sit at the heart of its INFF. As an online platform it will track all public and private resources within the frame of the INFF and

**Box 5. INFFs and natural resources**

Many countries in the region remain reliant on natural resource industries and some are placing an emphasis in their INFF processes on transition and alignment. In some contexts this is driven by sustainability concerns. In **Gabon**, for example, the transition to a post-oil economy is a central feature of the INFF (see above). In others such as **Namibia** the financing strategy will incorporate policies on mineral resources to promote greater alignment with national sustainable development objectives. Many countries are also taking steps to strengthen institutions and processes in the natural resource industries. For example, 12 countries across the region are strengthening capacity in revenue authorities to carry out tax audits across mining sectors, oil and gas, petroleum and other natural resource industries such as forestry and farming.

## PARTNERSHIPS AND COLLABORATION

There are a wide range of partnerships in place to support governments as they operationalise integrated national financing frameworks. 16 UN organisations are actively supporting governments across the region, with a wide range of other partners providing support in various formats.

Partners including the European Union, IMF, World Bank, GIZ and others are actively participating in technical committees, delivering technical assistance and capacity building, supporting assessments and diagnostics or resourcing INFF activities. In half of the INFF countries across the region, INFF activities are supported by three or more funding sources. The EU, IMF and/or World Bank have been involved in inception phase dialogue in around two-thirds of countries. Dialogues designed to coordinate INFF support among the IMF, EU, UN and UNDP have been held for three INFF countries with a UNDP-GIZ INFF support mapping exercise underway across seven INFF countries. UNDP has established a number of labs to share experiences between country offices that are supporting government-led INFF processes and a number of south-south exchanges between governments have been organised.

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 in collaboration between UNITAR, DESA, UNDP and the UN Regional Economic Commission in other regions and will be offered for policymakers, partners and other stakeholders across Africa later in 2021.

## CONTACT AND FURTHER DETAILS

For further details and support with any of the above or other aspects of the INFF agenda please reach out to Orria Goni, SDG Finance Regional Policy Advisor, [Orria.Goni@undp.org](mailto:Orria.Goni@undp.org)

For further information and to explore the data behind this briefing see the [INFF Dashboard](https://inff.org) on the [inff.org](https://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](https://inff.org) which draws from the INFF survey conducted by UNDP in early 2021. Responses were received from 25 sub-Saharan African countries, with responses submitted by the UN country teams that are supporting governments to operationalise their INFFs. Across the 25 countries, 19 responses were submitted by UNDP country offices, 6 by UN Resident Coordinator's Offices, and one each by UNICEF and UNCDF (in two 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.

All data is available on [inff.org](https://inff.org) via the [INFF Dashboard](https://inff.org) page.



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