



 **INFF** | Facility

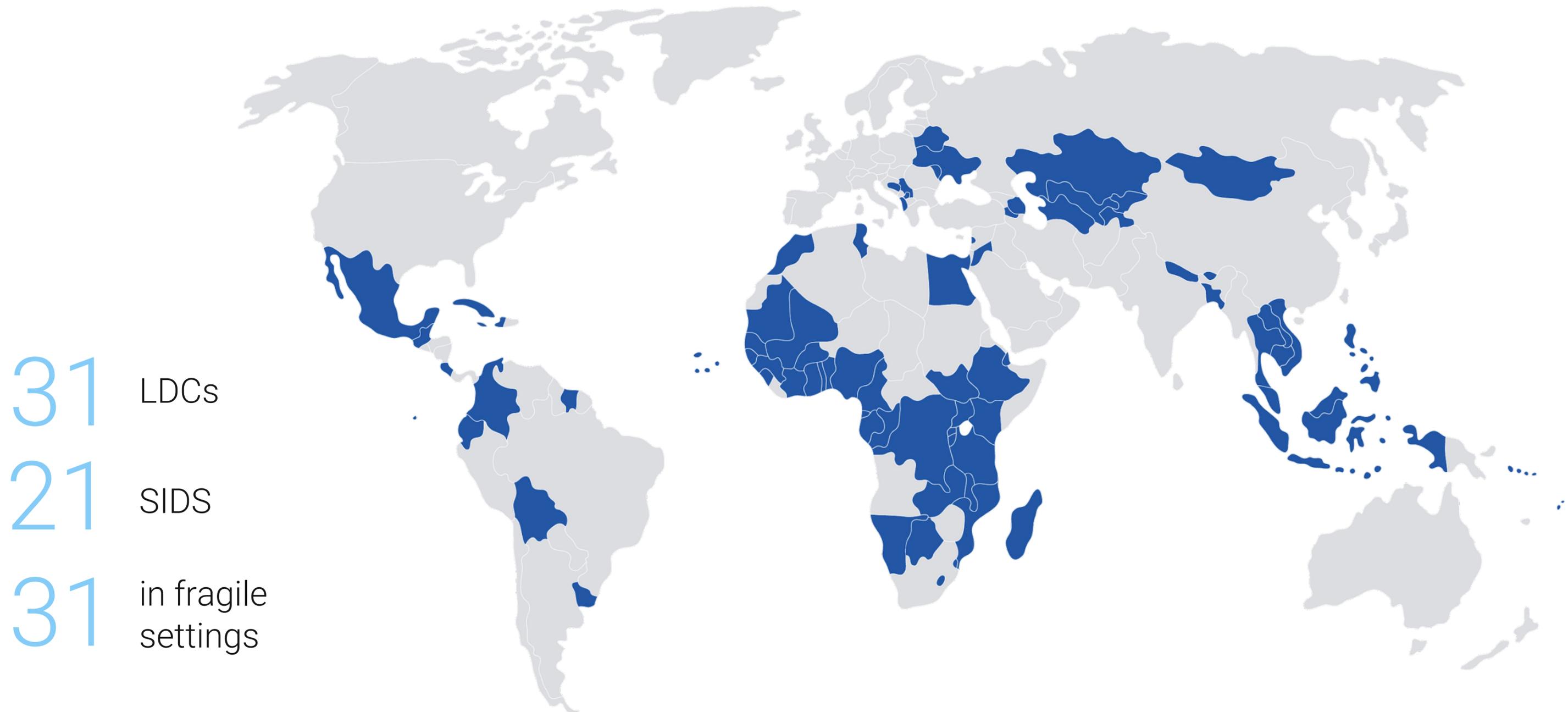
2023 State of INFFs

Updated April 2023

Key messages

- 01 **Governments around the world are using INFFs to put in place robust financing strategies for their national development plans.** Three countries have launched financing strategies and another twenty-eight are currently developing theirs.
- 02 **As financing strategies develop, early reforms are yielding results.** Countries are starting to mobilise and align public and private finance with sustainable development priorities through budget, tax, bond and private and financial sector reforms. More than 250 further reforms have been prioritised for immediate action.
- 03 **A growing number of countries are linking financing strategies to their climate commitments, gender equality and social priorities.**
- 04 **As the focus turns to delivering financing strategies, countries are building capacity for the institutional functions needed.** This includes enhanced coordination, dialogue platforms and monitoring.
- 05 **One year on from its launch, the INFF Facility has established a growing portfolio in response to high country demand.** The Facility is welcoming new partners and will open windows on public expenditure and sustainable private finance during 2023.

More than 85 countries are using the INFF approach to build a more sustainable financing architecture at the national level



INFFs are helping governments understand the costs of national sustainable development and the types of investments needed.



Rwanda

Total cost of the national development plan ±\$44 billion

45% public finance
55% private finance



Bangladesh

Total cost of achieving the SDGs ±\$1 trillion

33% public finance
44% private finance
6% PPPs
14% external finance
3% NGOs



“

Financing is needed to answer the sustainable development challenges of today. The need for a holistic approach to finance recovery and sustainable development in the medium and long term is greater than before.”

H.E. Suharso Monoarfa

Minister of National Development Planning, Indonesia

Financing strategies are at the core of country-led INFFs.

Governments are developing financing strategies to mobilise and align finance with national priorities.



GENDER EQUALITY

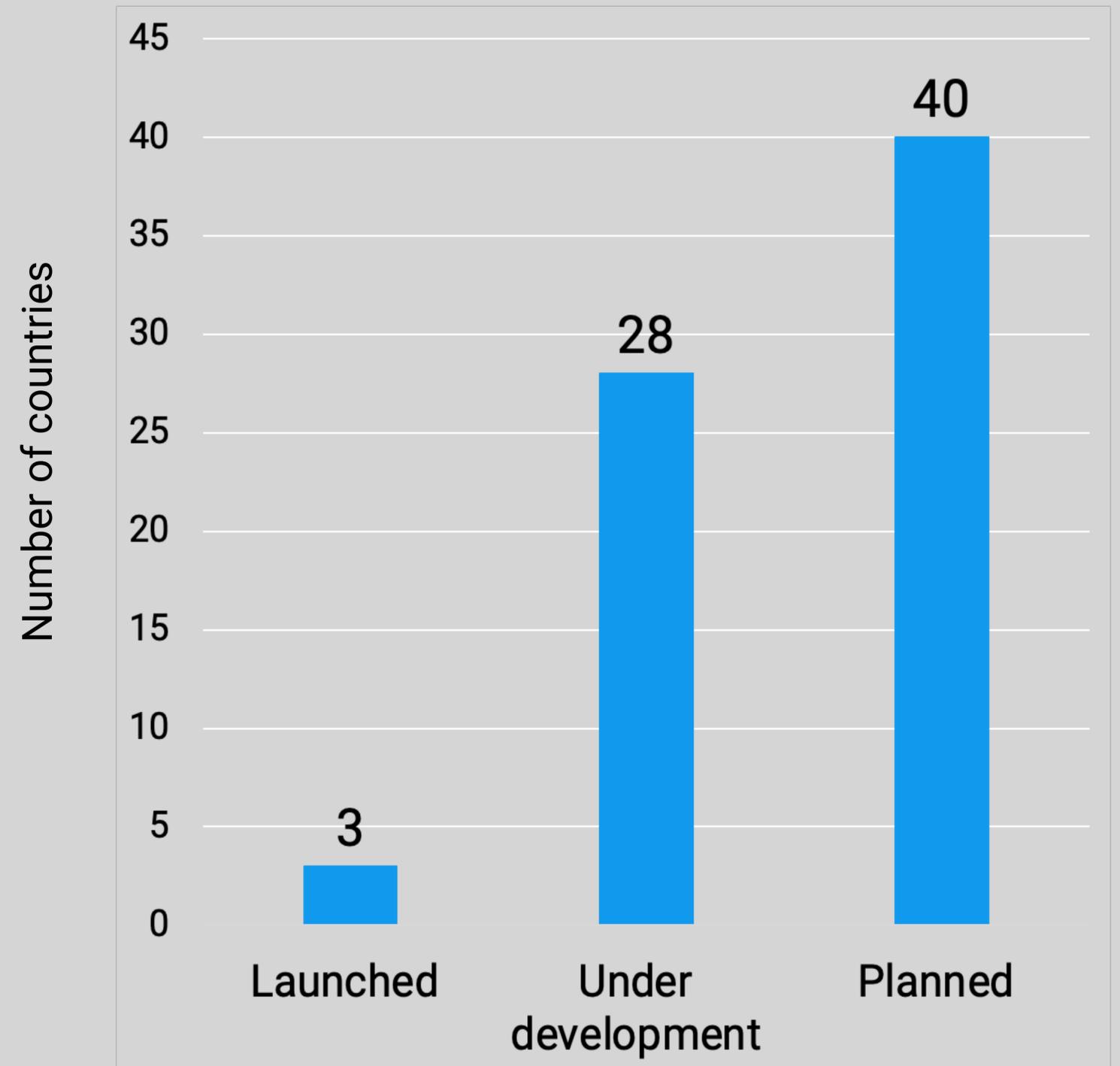
The majority of financing strategies under development prioritise reforms designed to advance gender equality.



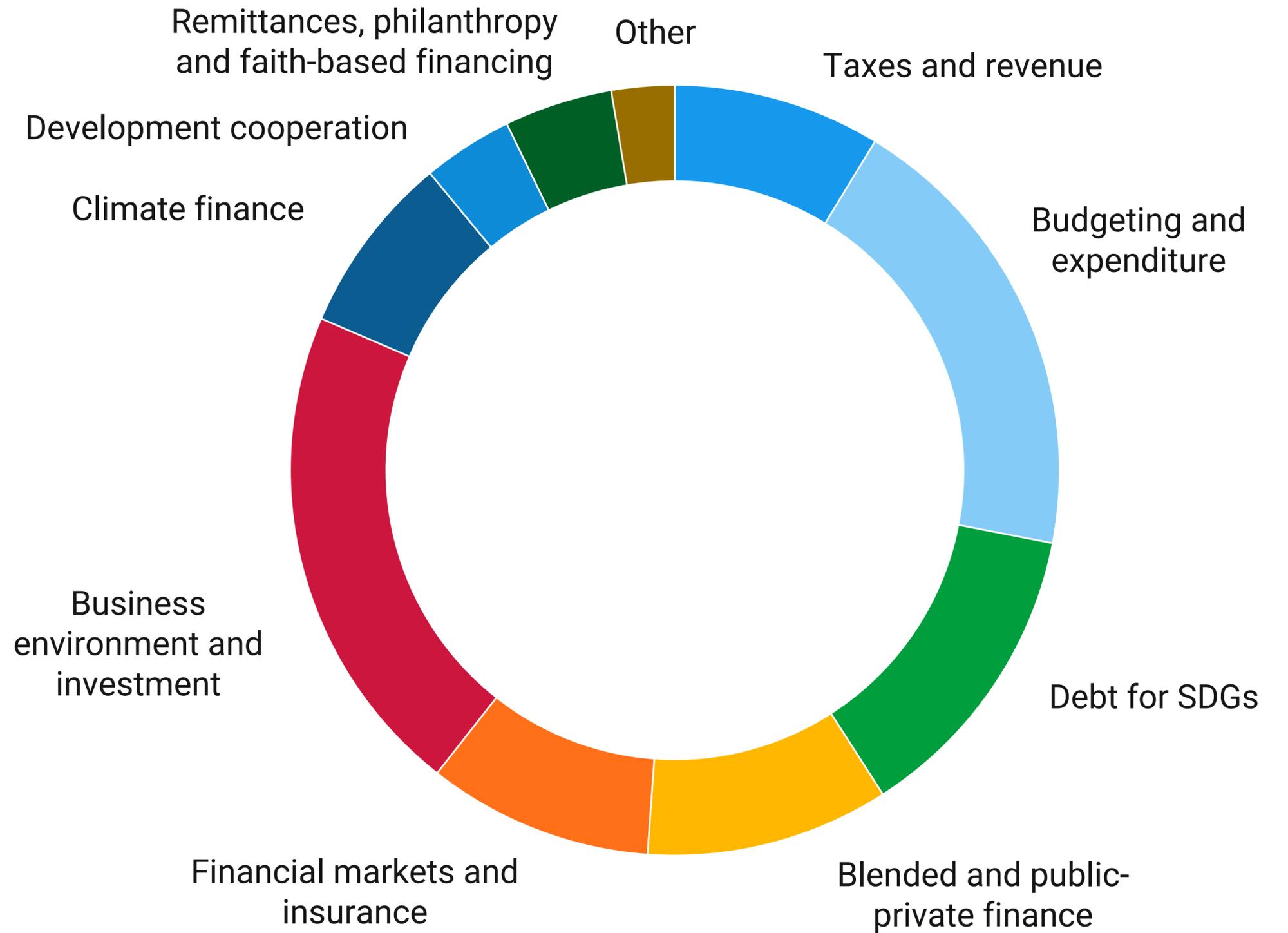
CLIMATE COMMITMENT

A growing number of countries are using the INFF as a platform for financing their contributions to the Paris Agreement and wider climate and nature priorities.

The status of financing strategies



As countries develop financing strategies, they have prioritised 250+ reforms for immediate action.



These reforms span a variety of areas related to public, private and public-private finance.

39

COUNTRIES

are taking forward reforms related to domestic revenue mobilisation and tax

23

COUNTRIES

are using or developing green or sustainable finance taxonomies

40

COUNTRIES

have issued or are planning issuances of SDG or thematic bonds

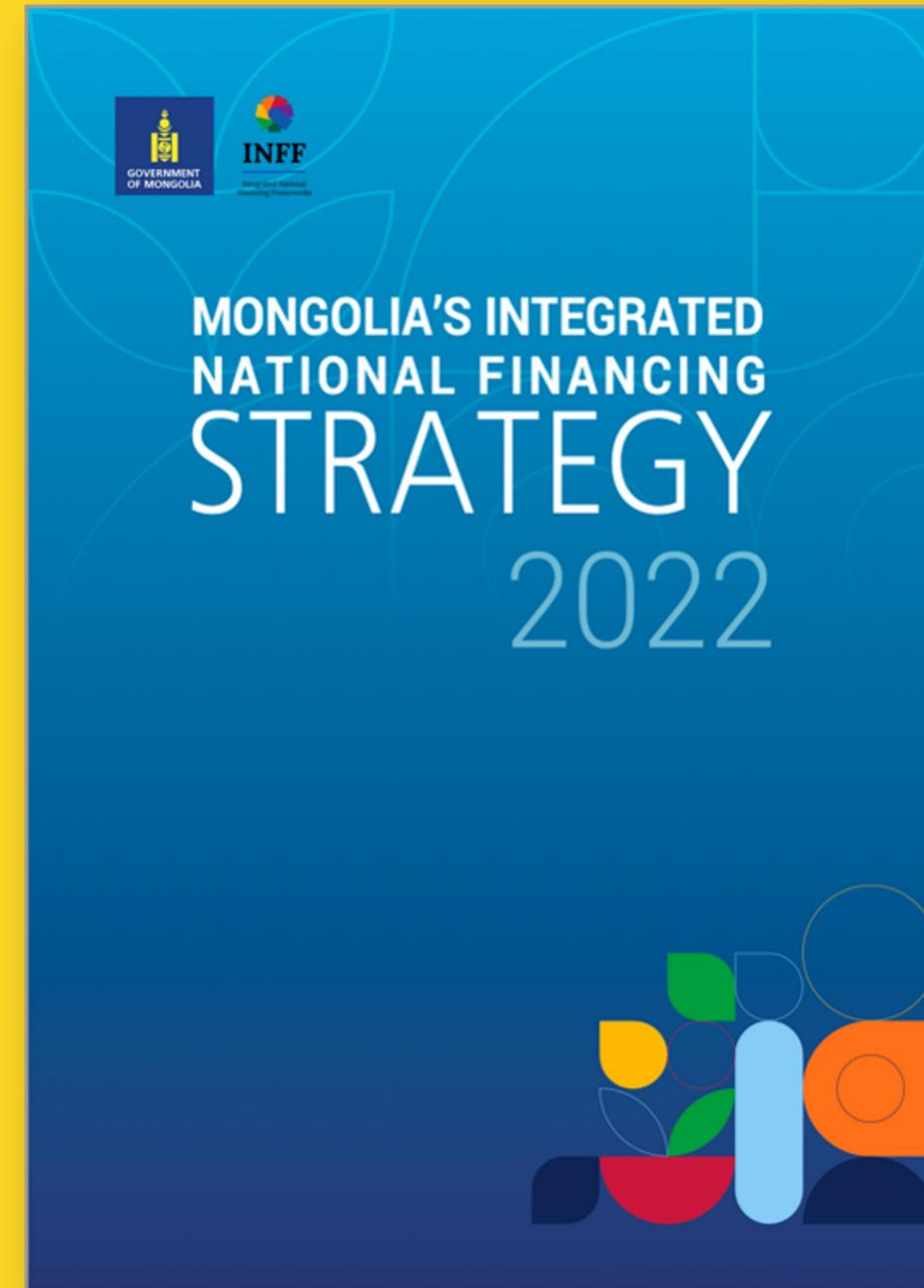
450

INVESTMENT OPPORTUNITY AREAS

in priority SDG sectors have been identified by 40+ countries

Mongolia's financing strategy

- The financing strategy was endorsed in October 2022 by the National Committee for Sustainable Development led by the Prime Minister of Mongolia.
- It is linked to 2022-2025 national development plan, with financing needs estimated at \$15 billion.
- A high-level technical working group led by the Deputy Minister of Finance oversaw the development of the financing strategy.



Initial results

The financing strategy prioritises 30 reforms to improve the mobilisation and alignment of public and private finance.

- \$900+ million in public expenditure aligned to the SDGs annually through SDG budgeting reforms
- Sustainability reporting standards adopted by Stock Exchange for compliance by 200+ companies with \$2 billion market capitalisation
- SDG finance taxonomy developed
- SDG performance audit adopted by National Audit Office
- Development bank adopted sustainability risk management framework

Future reforms

- Transition from Medium-Term Fiscal Framework to Medium-Term Expenditure Framework
- Central Bank monetary policy incentives to promote sustainable finance
- Establish Green Finance Corporation

Maldives climate financing strategy

- Maldives aims to achieve net-zero by 2030
- The gender-responsive climate financing strategy was launched in March 2023 by the Minister of Finance.
- It is the first INFF-driven financing strategy linked directly to nationally determined contributions to the Paris Agreement.



[View the financing strategy →](#)

Planned reform areas

A new Climate Finance Hub will be established to implement the strategy with INFF Facility support.

TRANSITION TO A LOW-CARBON ECONOMY

- Drive investment in renewable energy
- Phase out the fossil fuel subsidy
- Develop a sustainable finance taxonomy
- Improve public spending efficiency & SDG alignment

RISK MANAGEMENT & TRANSPARENCY

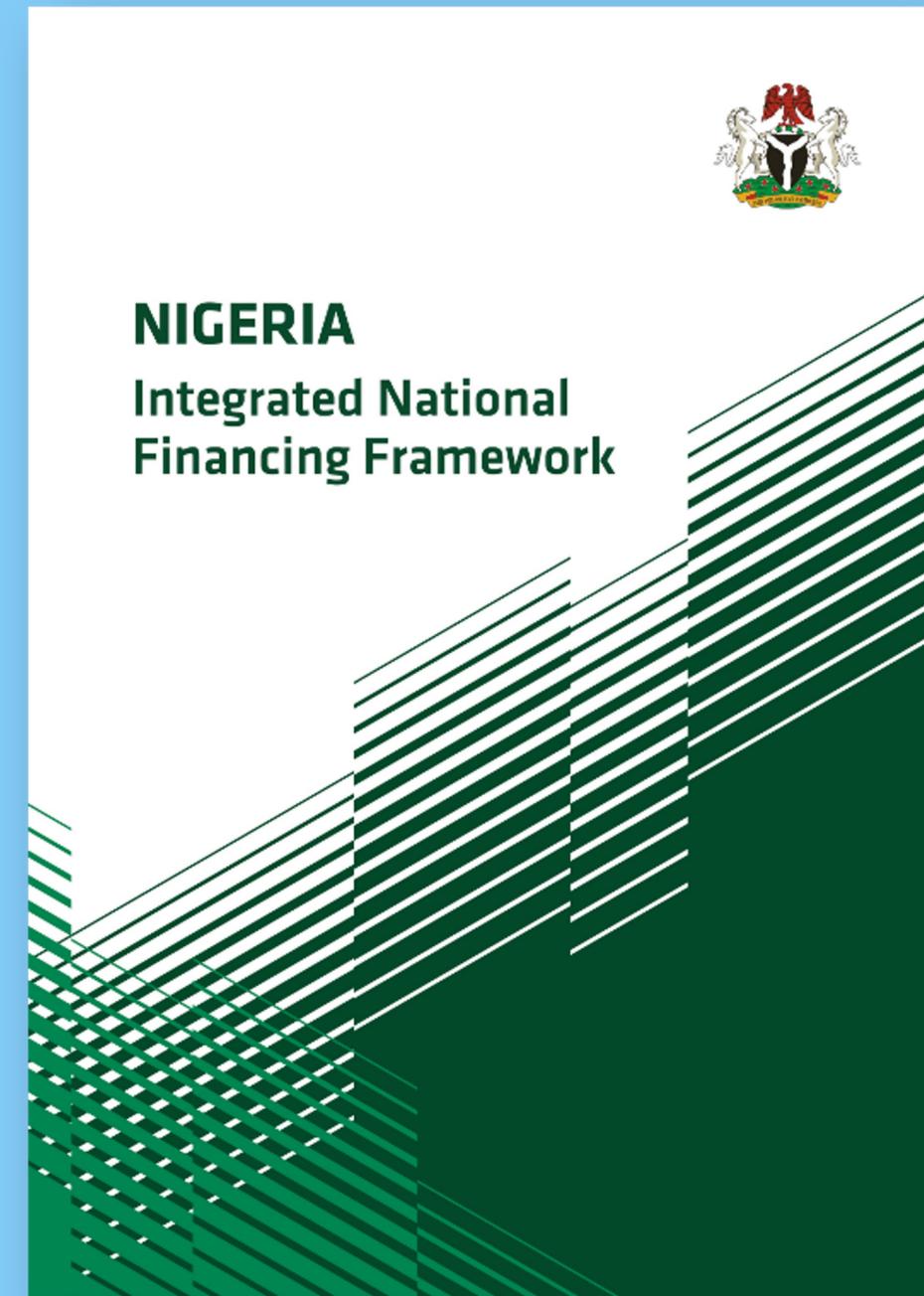
- Develop fiscal incentives and carbon pricing
- Support Climate transition & physical risk management
- Roll out disclosure and transparency reporting

NEW SOURCES OF FINANCING

- Climate risk insurance
- Sustainable banking products
- Environment-linked funds

Nigeria's financing strategy

- Nigeria's SDG financing needs are estimated at \$10 billion annually.
- In September 2022, the President launched the INFF financing strategy, linked to the 2021-2025 national development plan.
- A high-level steering committee led by the Minister of Finance, Budget and National Planning oversaw its development.
- The development process brought together public, private, federal and state stakeholders to discuss SDG financing issues for the first time.



[View the financing strategy](#) →

Planned reform areas

REVENUE MOBILISATION

- Implement fiscal federalism reforms
- Broaden federal and state revenue base
- Drive tax administration reforms, including digitalization

EXPENDITURE FRAMEWORK

- Shift from one-year fiscal planning to a multi-year perspective
- Align expenditures with 8 SDG priority areas

PRIVATE FINANCING

- Leverage institutional investors and pension funds to finance SDG projects
- Mobilise remittances and diaspora investment

INFFs are already driving the mobilisation and alignment of capital with the SDGs.

Some emerging examples of initial impacts

KYRGYZSTAN

4% GDP

New tax code and tagging system to align tax incentives worth 4% GDP to the SDGs

COLOMBIA

170+

Companies reporting to the SDG corporate tracker

UZBEKISTAN

\$870m

Bond issuance mobilising capital for investment in 7 SDGs

TANZANIA

\$8m

Blended finance proof of concept initiative with the Agriculture Development Bank

CABO VERDE

\$35m

Proceeds from bond issuances on the world's first blue economy sustainable financing platform

... with volumes expected to grow as countries deliver their financing strategies



“

We now know exactly what type of financing we need and for which sectors. Thanks to the INFF, we also know what capacities we need to mobilise from the private sector, especially in relation to the SDGs.”

H.E. Ilyas Moussa Dawaleh

Minister of Economy and Finance, Djibouti

Strengths of INFFs to date

1 High-level political leadership

High-level political leadership brings together diverse stakeholders, embedded in national institutions.

2 Context-specific

INFFs respond to country-specific priorities opportunities and challenges, building on ongoing reforms.

3 Cross-cutting themes

INFFs are highlighting opportunities to finance cross-cutting themes.

4 Embedded in planning system

INFF are being used as an integrated platform for bringing together SDG financing, NDCs, biodiversity, gender equality and social policy priorities.

5 Clear action priorities

Countries are prioritising the most impactful, feasible reforms across both public and private financing.

Recommendations

Key lessons for countries developing their financing strategies now and in the future

1 Broad-based dialogue

Build a broad constituency of public, private and civil society actors engaged in sustainable finance policy-making.

2 Institutionalise the INFF approach

Embed the INFF approach within existing planning & financing policy-making systems, build capacity and augment where needed.

3 One integrated financing strategy

Use the INFF as an integrated platform for bringing together SDG financing, NDCs, biodiversity, gender equality and social policy priorities.

4 Clear actions

Develop a prioritised action plan for the financing strategy with specified responsible bodies and timelines.

5 Monitor risk and change

Remain responsive with regular monitoring of risk and changing circumstances to inform reprioritisation as needed.

International partners are supporting
country-led INFFs to accelerate SDG
investment.



“

INFFs are an ideal tool for countries to set out their key financing policies... They can contribute to improved clarity about how international resources can best be used.”

UN Secretary-General's SDG Stimulus to deliver Agenda 2030

A wide range of development partners are supporting countries to develop INFFs and deliver prioritised reforms.

85+

COUNTRIES

UN agencies are supporting the INFF process

35+

COUNTRIES

IMF and World Bank are engaged in the INFF process

20

COUNTRIES

Regional Development Banks are engaged in the INFF process

The INFF Facility is welcoming new partners to strengthen the international architecture for supporting country-led INFFs.

The Facility works in three important ways:

- 1 brokers country demand and supply of technical assistance
- 2 deepens cooperation between public, private, and civil society actors, helping national institutions deliver reforms
- 3 provides a platform for countries to share, connect & learn from one another and access innovative tools, knowledge and guidance.



CORE PARTNERS



SUPPORTING PARTNERS



Since launching in April 2022, there has been high demand for support from the INFF Facility.

18

COUNTRIES

provided technical advice as they develop their financing strategies

59

COUNTRIES

shared their experiences in exchanges facilitated by the Facility

10

COUNTRIES

are implementing Facility-funded technical assistance

28

COUNTRIES

have expressed demand for support from the Facility

What's next?

In 2023, the Facility will open windows of support focused on public expenditure and sustainable private finance to respond to country demand

Want more information?

01

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Data from the latest State of INFFs global survey

→ check out the latest [INFF stocktake](#)

An overview of INFF progress since the G20 endorsement in 2021

03

Check out our guidance & knowledge materials

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A step-by-step approach, bringing together tested methodologies and tools

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→ read our **briefs on INFFs and relevant themes**

On [INFFs and LDCs](#), [SDG sovereign bonds](#) and [tax reform](#).

Thank you.

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