



INFF

Integrated National
Financing Frameworks

Integrated National Financing Frameworks (INFFs)

**DESA/FSDO
UNDP**

November 2021



Integrated National Financing Frameworks (INFFs): An Overview

- ❖ INFF is an approach / framework to raise and align all financing with sustainable development
- ❖ INFF strengthens coherence across financing policies
- ❖ INFF as a 'docking station', i.e., streamlines and builds on what is already there
- ❖ Country-owned and country-led



INFFs in LDCs – a value proposition

- ❖ **Limited capacities and low revenue/ large financing gaps** a well articulated financing strategy can help: mobilize additional support by partners; help coordinate their support and capacity development activities; and formulate global policy asks;
- ❖ **External vulnerabilities, limited diversification** INFFs can help mainstream risk assessment and risk-informed policies and instruments, focus on resilience; structural transformation as a priority can be mainstreamed across financing policies
- ❖ **Governance challenges** inclusive governance, coordination and consultation of all relevant stakeholders at heart of approach
- ❖ **Financing mix** can help assess and manage financing landscape in low-income settings, and/or as it develops when countries graduate, bringing together existing tools



INFF Global Guidance



- ✓ **Inception phase:** guidance published in January 2020
- ✓ **Assessments and diagnostics:** guidance published in December 2020
- ✓ **Financing strategy:** guidance published in April 2021
- ✓ **Monitoring and review:** guidance published in July 2021
- ✓ **Governance and coordination:** guidance published in April 2021

<https://inff.org/>





Governance & Coordination

Governance and coordination mechanisms guide the process and enhance coherence across government.



Monitoring & Review

Monitoring and review helps governments track progress and draw lessons for policy design and implementation.



Inception phase

The inception phase starts the process and brings together relevant policymakers and stakeholders.

Comments and feedback:
developmentfinance@un.org



Assessment & Diagnostics

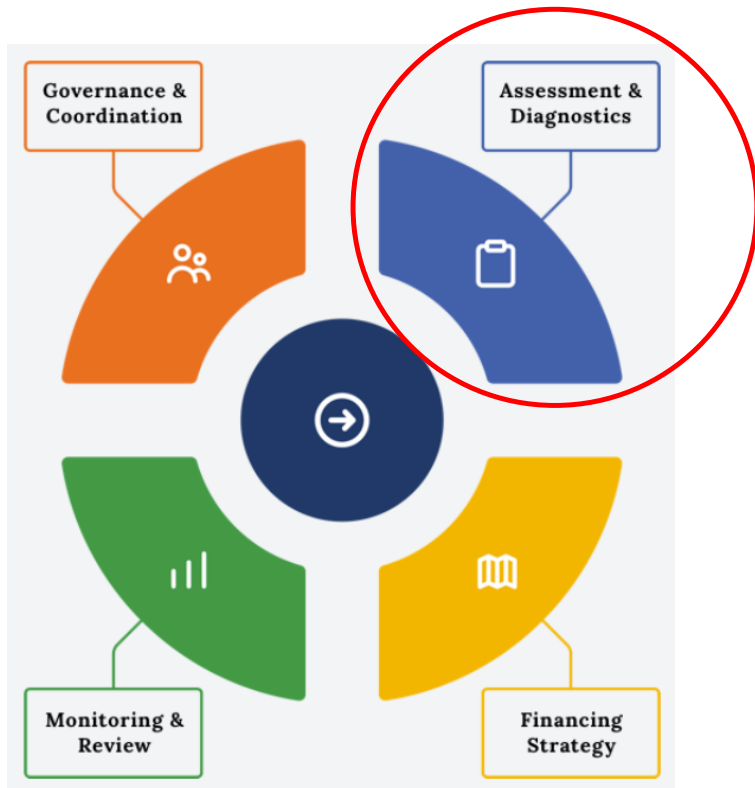
Assessments and diagnostics provide a complete picture of financing: i) needs; ii) sources; iii) risk factors; and constraints/challenges.



Financing Strategy

Financing strategies set out a set of sequenced actions to finance national development strategies and goals, and mobilise and align financing with national priorities.

Example BB1 - Why is it important



- ❖ Paints a picture of
 - Financing needs
 - Financing flows
 - Key risks
 - Bottlenecks to implementation
- } Financing gaps
- ❖ Provides the starting point for formulating a country-owned, integrated financing strategy
 - ❖ Sheds light on potential gaps in existing monitoring and review mechanisms, especially data systems, and on governance and coordination arrangements

Example BB2 - Why is it important



- ❖ Streamline existing approaches and tools into one framework
- ❖ Find solutions to close financing gaps, overcome constraints and make the most of financing opportunities
- ❖ Identify financing policies that are
 - risk-informed
 - take equity, social and environmental concerns into account,
 - addressing potential spill-overs and trade-offs

Example BB2 - Suggested approach

STEP 1

ESTABLISH FINANCING POLICY OBJECTIVES

Start with findings from Building Block 1 (financing gaps, risks, binding constraints).

Identify scope of the financing strategy, specific financing policy objectives.

STEP 2

IDENTIFY POLICY OPTIONS

Identify existing policies, regulatory measures, instruments.

Identify additional options based on international good practice or experience from peers.

STEP 3

POLICY PRIORITISATION

Shortlisting based on:

- Macro (consistency with macro-objectives), coherence (sustainability /trade-offs/ win-wins), and risk checks;
- Preconditions, resource requirements.

STEP 4

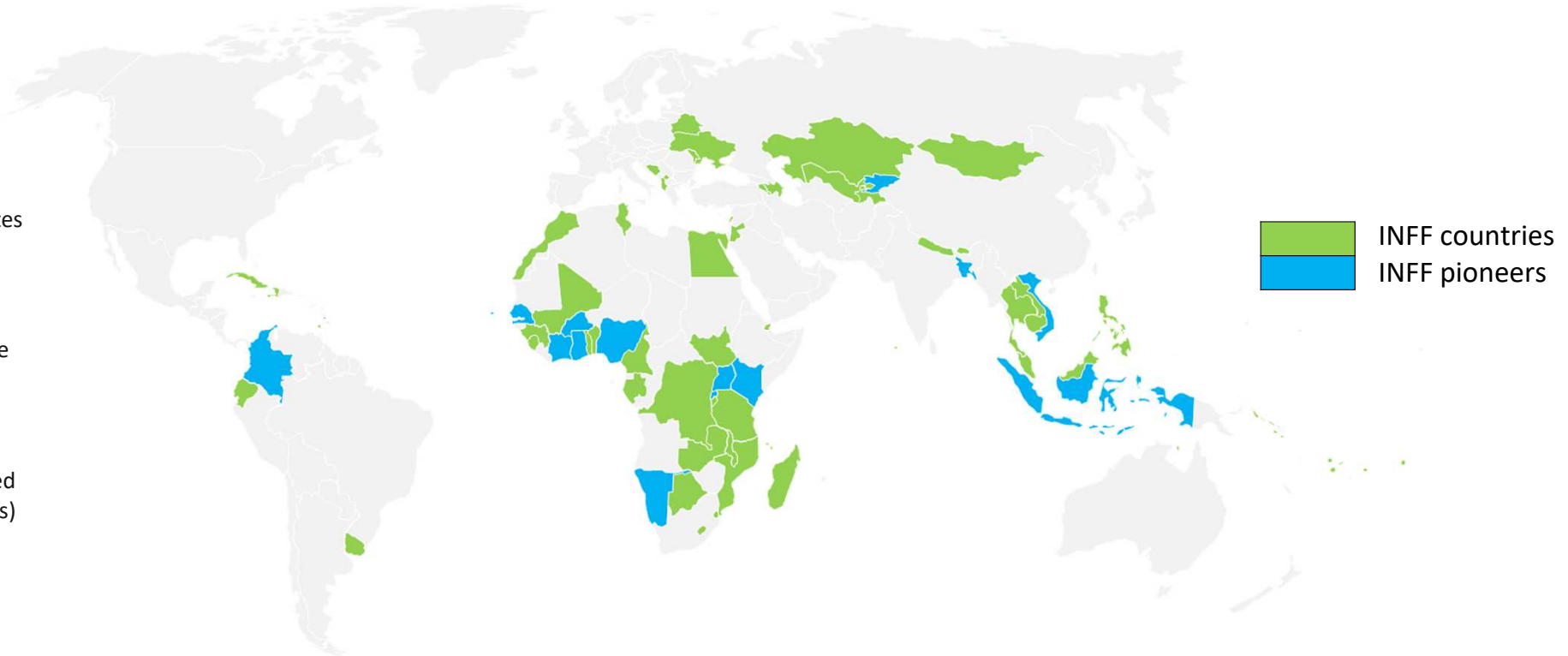
OPERATIONALISATION

Formulate a concise strategy to:

- Bring together existing approaches;
- List of action on reforms, new instruments.

INFFs worldwide

- 12**
Small Island
Developing States
(SIDS)
- 57**
Middle-income
countries
- 25**
Least Developed
Countries (LDCs)
- 23**
in Fragile
Settings



The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

Looking ahead

2019:

- 16 countries commit to pioneering INFF approach

2021:

- Key assessments inform agreement of INFF roadmaps
- Moving toward development of Financing strategies

2020:

- More than 70 countries now pursuing INFF approach through national processes
- INFFs embedded within national institutions and steering committees
- Key assessments started

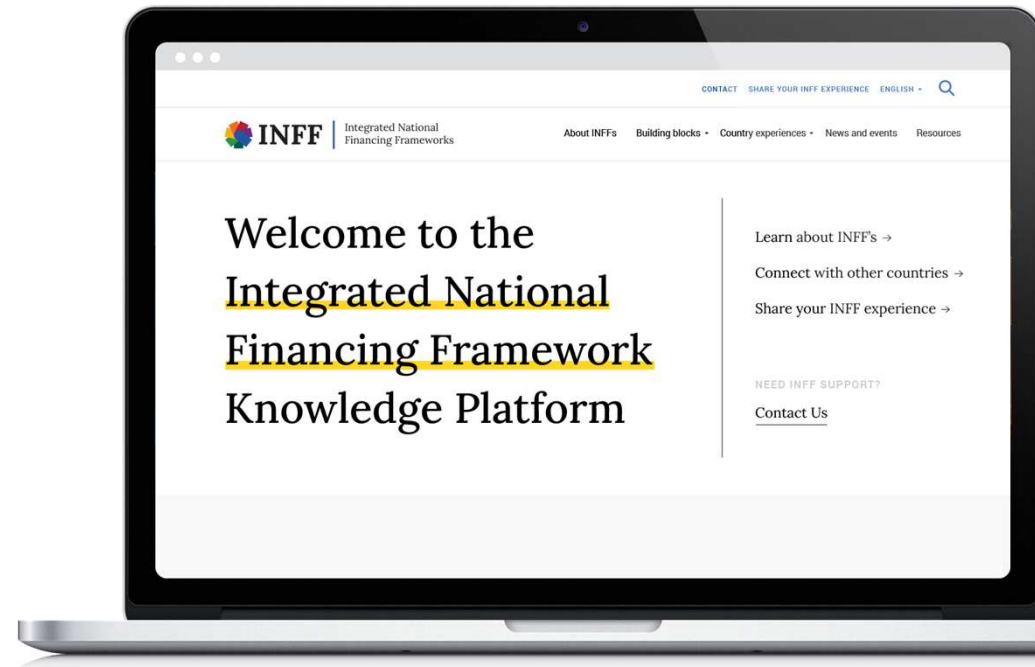
2022+

- Financing strategies to be agreed
- Emphasis will shift to delivery of financing strategies
- Reforms to financing policies, regulations, instruments, institutions



The INFF Knowledge Platform supports a growing community of practice.

As more countries develop and strengthen their INFFs, the INFF Knowledge Platform provides a digital space for practitioners to access the information they need to implement INFFs, connect with other stakeholders and discover new knowledge and experiences from INFFs around the globe.





INFF

Integrated National
Financing Frameworks

Potential Entry Points: Zimbabwe



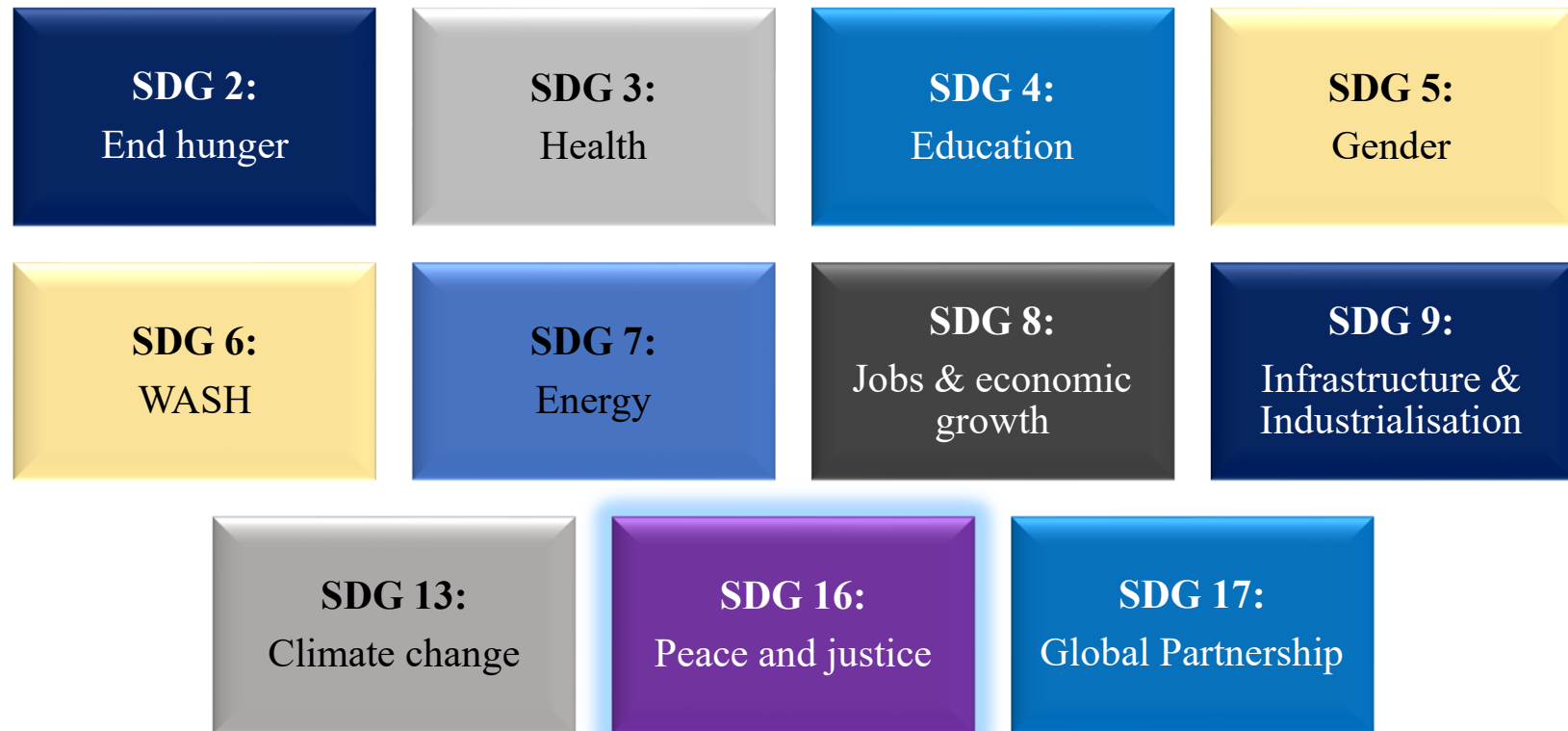
Quick reminder ...

- ❖ INFF is an approach / framework to raise and align all financing with sustainable development
- ❖ INFF strengthens coherence across financing policies
- ❖ INFF as a 'docking station', i.e., streamlines and builds on what is already there
- ❖ Country-owned and country-led



Zimbabwe took a(n SDG) position

Zimbabwe has committed to implementing all 17 goals but prioritised **enabler** goals due to **fiscal constraints**



Despite the tight fiscus, progress was made on a number of indicators



Source: <https://dashboards.sdgindex.org/profiles/zwe>

Then the dreaded shocks came along, ...

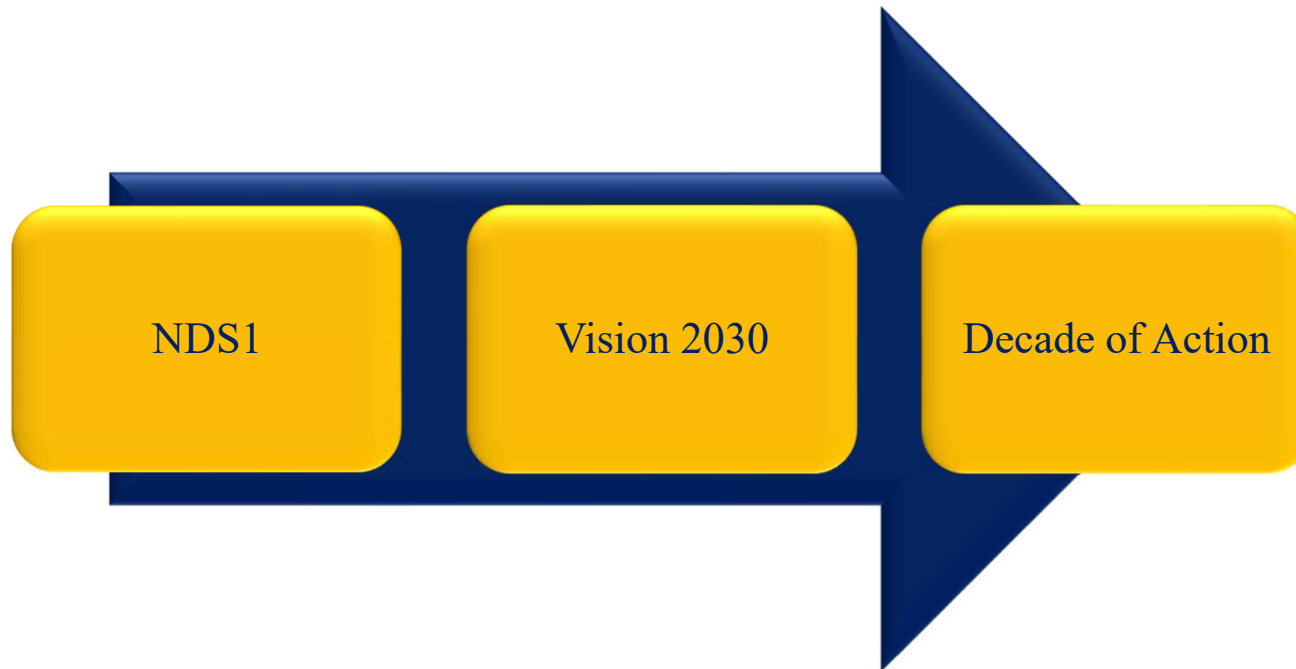
Economic: slow economic growth

Environment: Cyclones (esp. Idai) and droughts

Social: Covid-19

... eroded SDG progress, and **further tightened the fiscus.**

Just as...



... were kicking off and gaining momentum!

The need for sustainable development funding is clear

..... and it continues to be reiterated



*Possible financing options underpinning NDS1 include: fiscal revenues, loans, grants, public entities own resources and private sector resources including, Public Private Partnerships (PPPs), Foreign Direct Investment and Diaspora investments. **NDS1***

It is necessary to “ to continuously improve our scarce resource allocation and utilization.”

Permanent Secretary Masanga

*“Resources needed to achieve SDGs are **ENORMOUS** and governments don’t tend to have all the required funds. SDG are a basis for resource mobilization.” **Rogers***

*One of the key success factors for NDS success is ‘timeous funding of projects and programmes Various financing strategies are **AGGRESSIVELY BEING PURSUED** to ensure timely availability of resources during the strategy period. **Mr Mujajati***

Breaking it down



SUSTAINABLE DEVELOPMENT STRATEGY

FINANCING STRATEGY

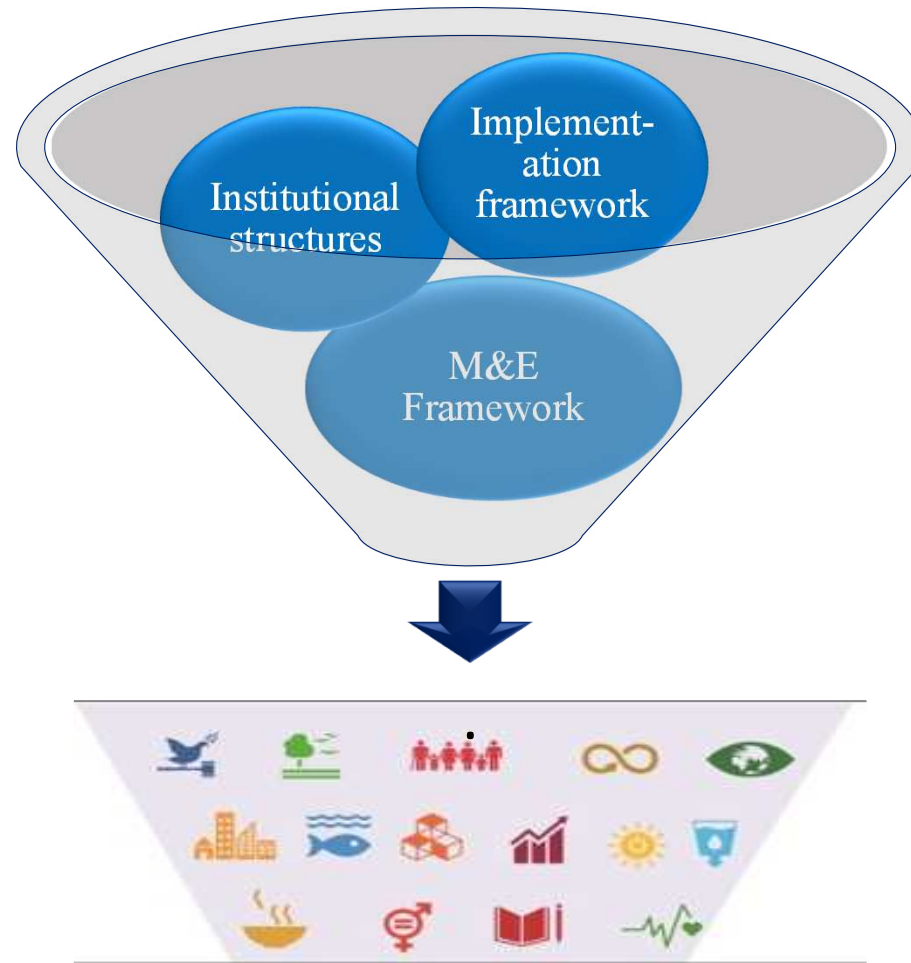
Dev. Coop. Policies

Investment policies MTRs MTEFs

Financial inclusion strategies Etc...



Sustainable Development Goals



Financing and related policies

Vision 2030

NDS1 & 2

Devolution Agenda

Financial Inclusion Policy

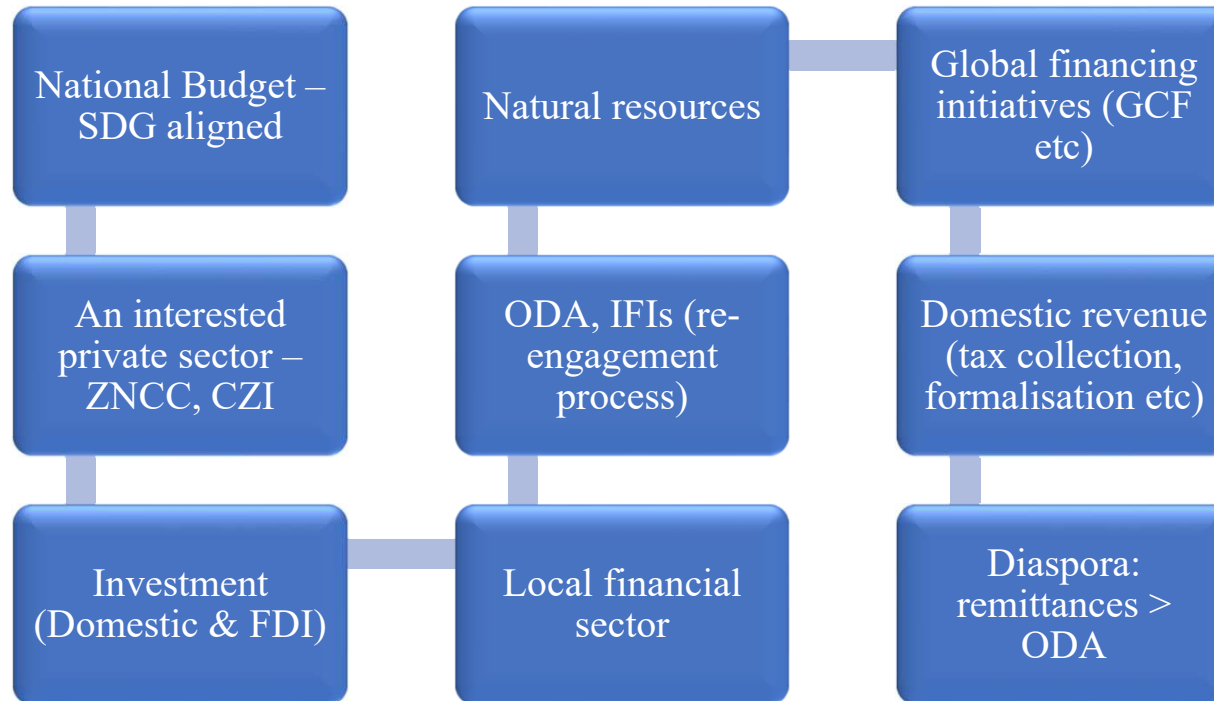
Formalisation Policy

Development Cooperation policy

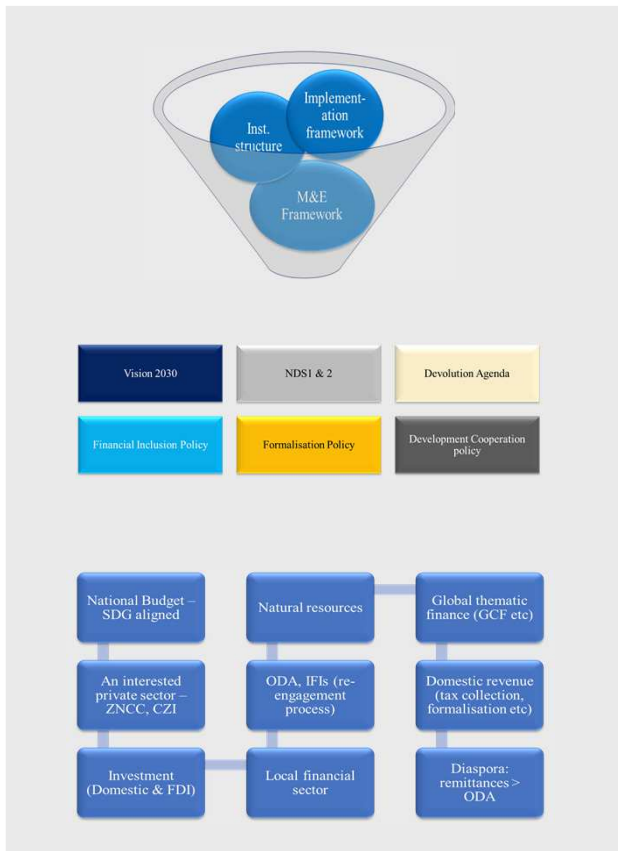
& MANY other policy entry points

Dev. Coop. Policies
Investment policies MTRs MTEFs
Financial inclusion strategies Etc...

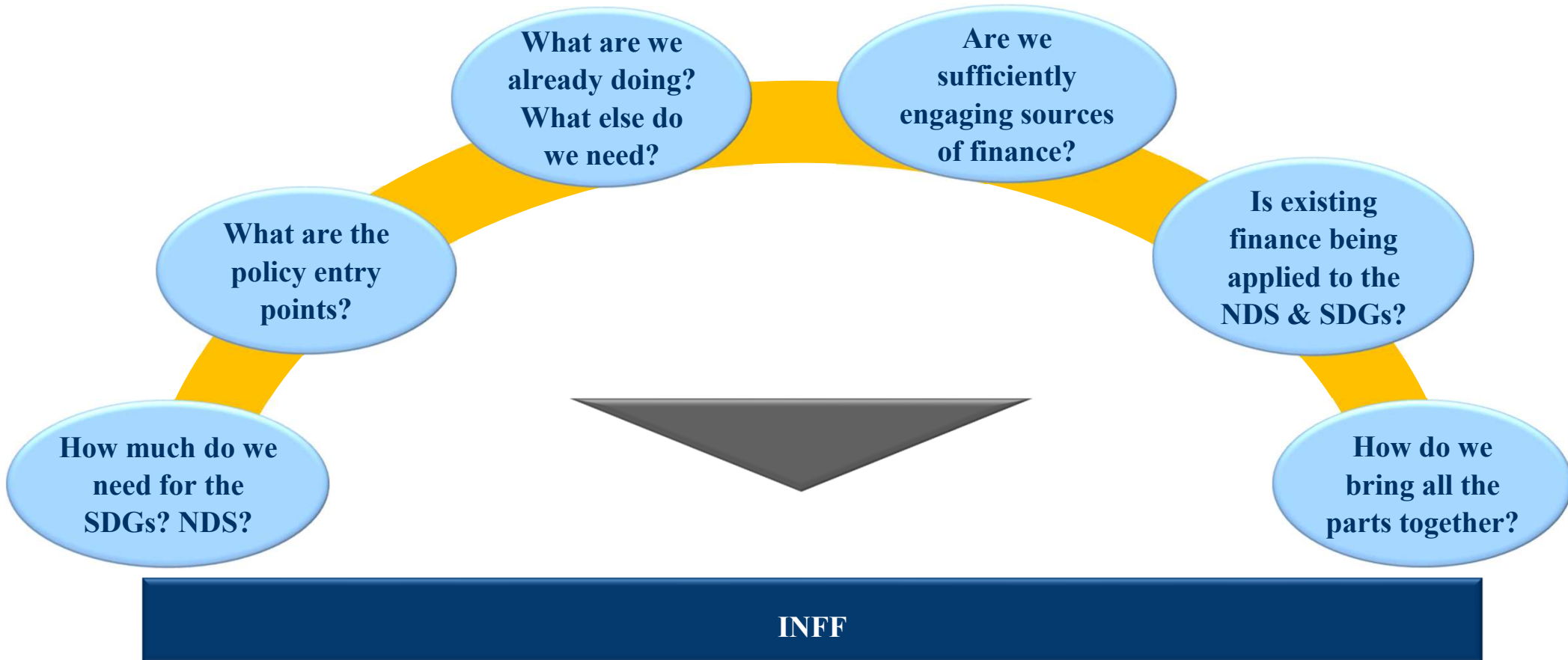
Sources of finance



The landscape



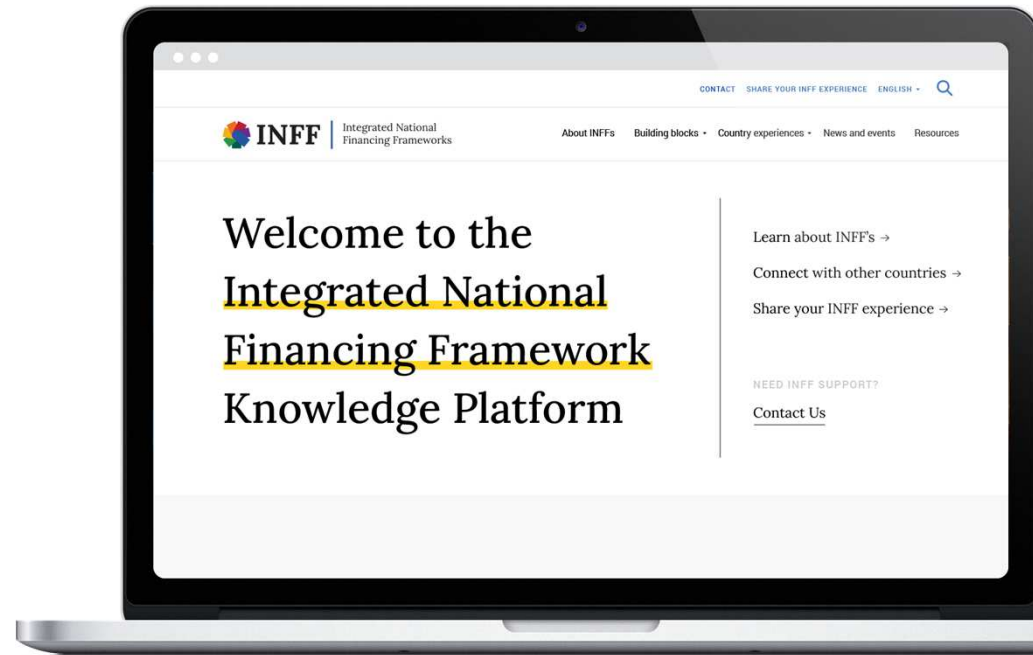
Concluding questions



Reminder to visit the platform

The INFF Knowledge Platform supports a growing community of practice.

As more countries develop and strengthen their INFFs, the INFF Knowledge Platform provides a digital space for practitioners to access the information they need to implement INFFs, connect with other stakeholders and discover new knowledge and experiences from INFFs around the globe.



Thank you!

www.inff.org

@INFFplatform

