

Towards

INTEGRATED NATIONAL FINANCING FRAMEWORK (INFF)

Financing the SDGs at the national level



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INTEGRATED NATIONAL FINANCING FRAMEWORK (INFF)

Financing the SDGs at the national level

INFFs provide a framework for financing sustainable development and the SDGs at the country level:

- INFFs help identify and implement policies and reforms to increase and better align financing toward the achievement of national sustainable development priorities;
- INFFs consider all types of finance – public, private, domestic, international – and provide a framework for enhancing their coherence for sustainable development;
- INFFs help formulate risk-informed financing strategies that can support countries recover from the COVID-19 pandemic and its economic fallout.

INFFs help policy makers:

- Mobilise additional financing to support sustainable development priorities;
- Improve alignment of different types of finance – domestic, international, public, private – with national priorities and needs, including development cooperation;
- Enhance coherence across different financing policies, aligning them to medium and long-term sustainable development priorities;
- Better manage risk and an increasingly complex financing landscape;
- Better articulate their needs to the international development community, thus enhancing their voice in global policy processes;
- Streamline the wide variety of tools offered by the international community to support national action.



TOWARD EFFECTIVELY RESOURCED SUSTAINABLE DEVELOPMENT PRIORITIES

Countries are not starting from scratch. INFFs should be embedded within and strengthen existing institutions and processes, and will thus differ depending on country circumstances and needs. Common elements include:



Assessments and Diagnostics to:

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| ▪ Estimate financing <u>needs</u> | ✓ Financing gaps |
| ▪ Analyse financing trends – volumes and impact | ✓ Key financing challenges and opportunities |
| ▪ Understand risk landscape and assess resilience | ✓ Major risks |
| ▪ Determine major impediments to effective and efficient financing of national development priorities | ✓ Possible policy solutions to reduce risk and strengthen resilience |
| | ✓ Binding constraints (institutional, capacity, policy, market-related) |



An inception phase to:

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| ▪ Scope existing financing policies, strategies and trends | ✓ INFF oversight committee/ body |
| ▪ Identify relevant stakeholders (state and non-state) | ✓ Required assessment and diagnostic exercises |
| ▪ Establish an oversight mechanism to guide the INFF process | ✓ Mapping of existing policy frameworks |
| ▪ Agree an 'INFF roadmap' | ✓ Mapping of existing data and monitoring systems |
| | ✓ Mapping of key actors and of existing governance and coordination mechanisms |



Governance and coordination mechanisms to:

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| ▪ Establish and maintain political backing and <u>leadership</u> | ✓ INFF roles and responsibilities (within and beyond government) |
| ▪ Ensure country ownership | ✓ Oversight, dialogue, coordination, transparency and accountability structures, mechanisms and tools to foster coherence of financing policies |
| ▪ Facilitate participation of all relevant stakeholders | |
| ▪ Overcome silos and enhance integration across stakeholders, sectors, and financing policy areas | |
| ▪ Drive effective INFF design and implementation | |



A Financing Strategy to:

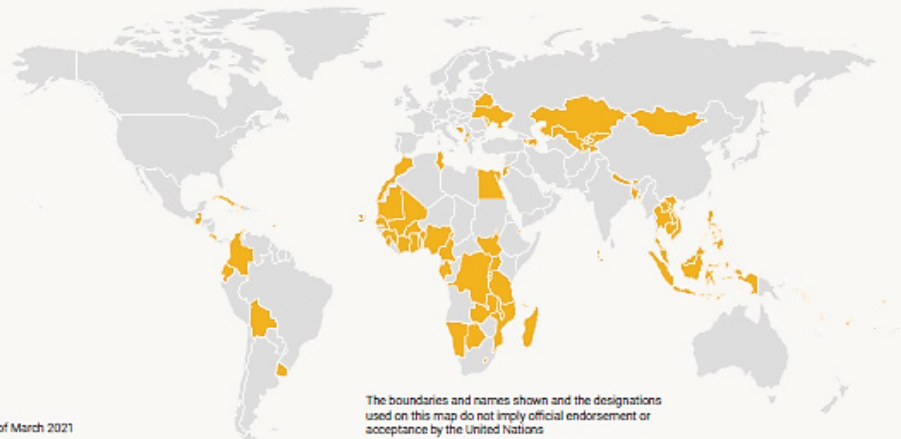
<ul style="list-style-type: none"> Find solutions to close financing gaps, overcome constraints and make the most of financing opportunities Identify financing policies that are risk-informed and take equity, social and environmental concerns into account, addressing potential spill-over effects and trade-offs 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> An action plan for implementation of chosen financing policy solutions <input checked="" type="checkbox"/> A nationally-led strategy for anchoring support of development partners <input checked="" type="checkbox"/> A strategy to bring together all areas of financing policy (public, private, macro) in line with national priorities
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Effectively resourced sustainable development priorities

Ongoing Monitoring and Review to:

<ul style="list-style-type: none"> Track financing trends (volumes and contributions to sustainable development) Assess progress in the implementation of the financing strategy Feed lessons from policy implementation back to policy design Support dynamic and responsive policy-making 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Data on volumes and impact of different types of finance <input checked="" type="checkbox"/> Lessons learned and insight into what works and what doesn't in INFF design and implementation
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More than 70 countries worldwide are in the process of designing and implementing INFFs,* with support from the international community:



*As of March 2021

Key lessons from early implementers of INFFs

To ensure **national ownership and sustainability**:

- Build support from the highest level of government, complemented by leadership at a senior technical level
- Engage legislature, the private sector, civil society, development partners and other relevant stakeholders to create broad-based buy-in

To ensure **effective implementation**:

- Ensure national governments are in the lead throughout the process (with development partners providing technical assistance and helping to convene stakeholders)
- Take a gradual, targeted and adaptive approach to prioritize policy actions and remain responsive to changing circumstances
- Build, where possible, on existing coordination, dialogue and reform processes

A growing community of practice

Stakeholders around the world are working to develop and implement INFFs within their countries. A global Knowledge Platform provides a digital space for this growing Community of Practice to share information, connect with other INFF stakeholders, and bring together new knowledge from around the globe.

For more information visit: ffd.unescwa.org



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About

The Economic and Social Commission for Western Asia (ESCWA) supports its 20 member States in their efforts to ensure prosperity, equality and peace. By analyzing regional and national economic, social and environmental trends in the light of global United Nations agendas, ESCWA provides Arab countries with policy recommendations that build on a thorough analysis of facts and commonalities. It also underscores the benefits of integration and creates regional public goods, including knowledge, data, tools and capacity. The shared language, culture and aspirations of the people of the Arab region form a solid foundation to tackle transboundary challenges through collective action at the national, regional and global levels. ESCWA is committed to supporting member States in optimizing their common strengths as they tackle shared weaknesses and challenges to create better opportunities for current generations and broader horizons for the future.

Contact

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Resources

Development Account

Department of Economic and Social Affairs
<https://www.un.org/development/desa/da/>

UNESCWA Arab SDG Gateway

<http://arabsdggateway.unescwa.org/>

Integrated National Financing Frameworks

<https://www.unescwa.org/integrated-national-financing-frameworks>

“We can choose to bemoan lack of financing for the 2030 Agenda in a world awash with so much unproductive and unrewarding finance or we can grasp the opportunity to reshape finance according to our urgent, collective needs”.

António Guterres