



INFF

Integrated National
Financing Frameworks

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**LDCs' Access to Finance
Virtual Roundtable for LDCs in Asia and the Pacific,
6-8 December 2022**

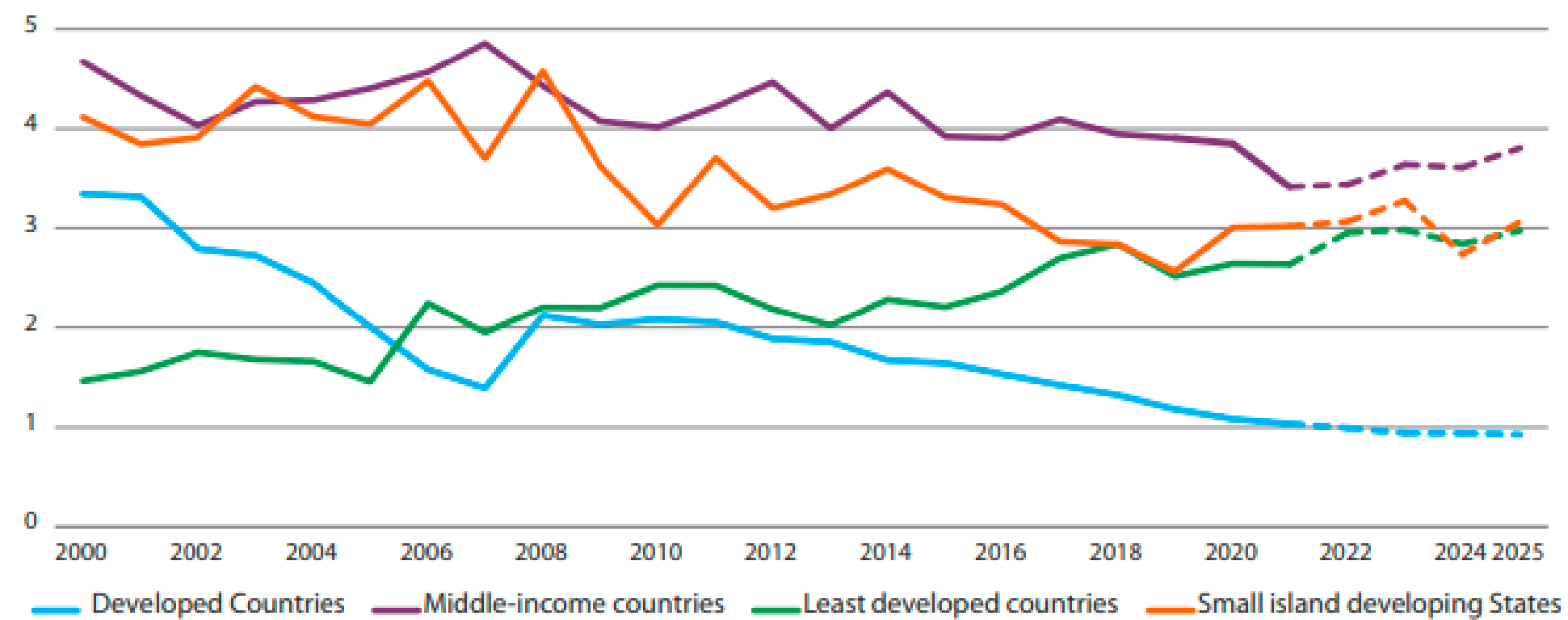
Oliver Schwank, UN DESA



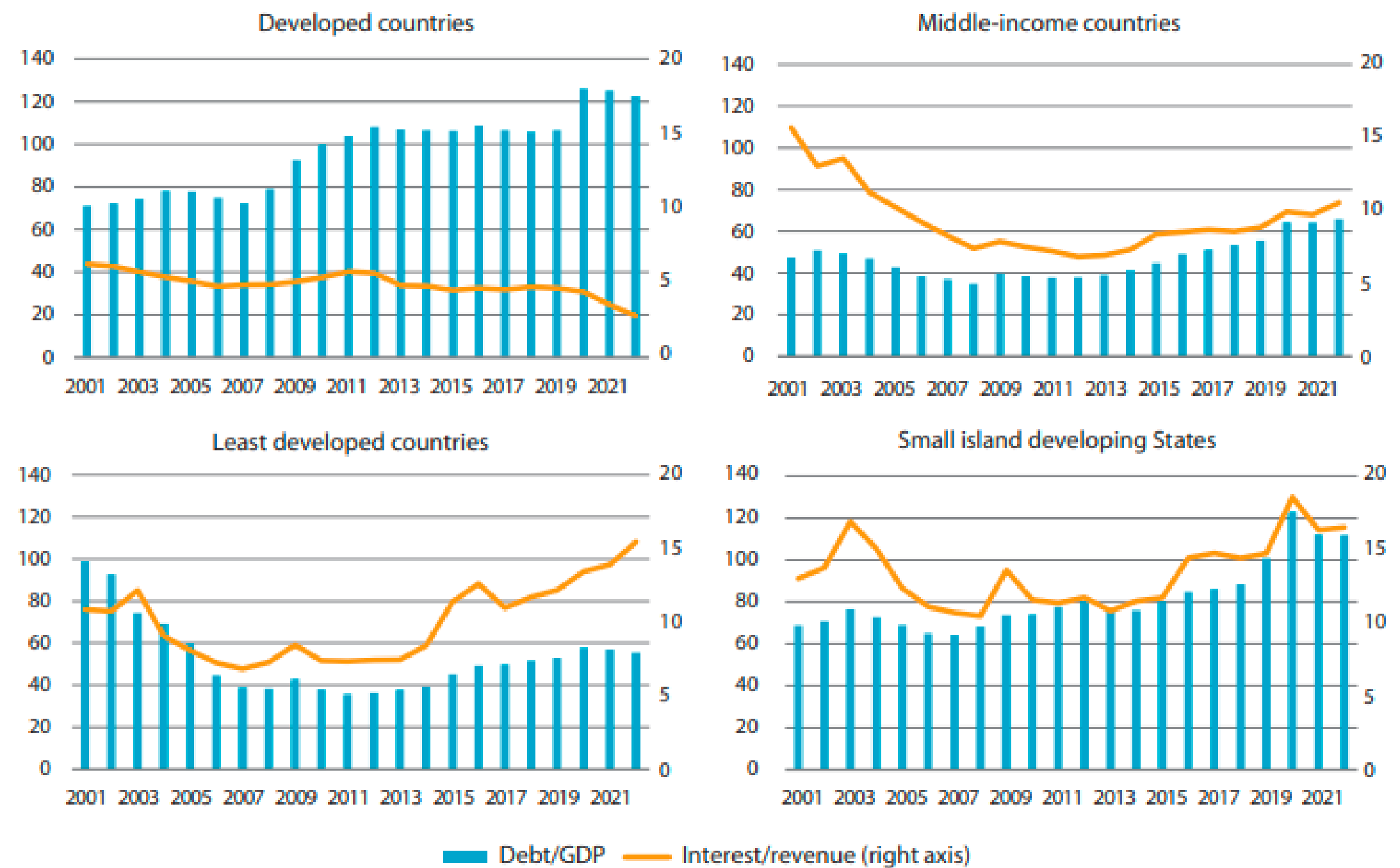
1 Great finance
divide

Finance divide is driving recovery gap and puts SDGs at risk

Interest cost of outstanding debt



Debt stock / GDP and interest / revenue



Global action needed: SDG Stimulus Plan

01

Expand public lending by better leveraging MDBs and public development banks

02

Address debt challenges: enhanced DSSI, other forms of debt relief, addressing gaps in the architecture

03

Expand liquidity facilities and new issuance of SDRs

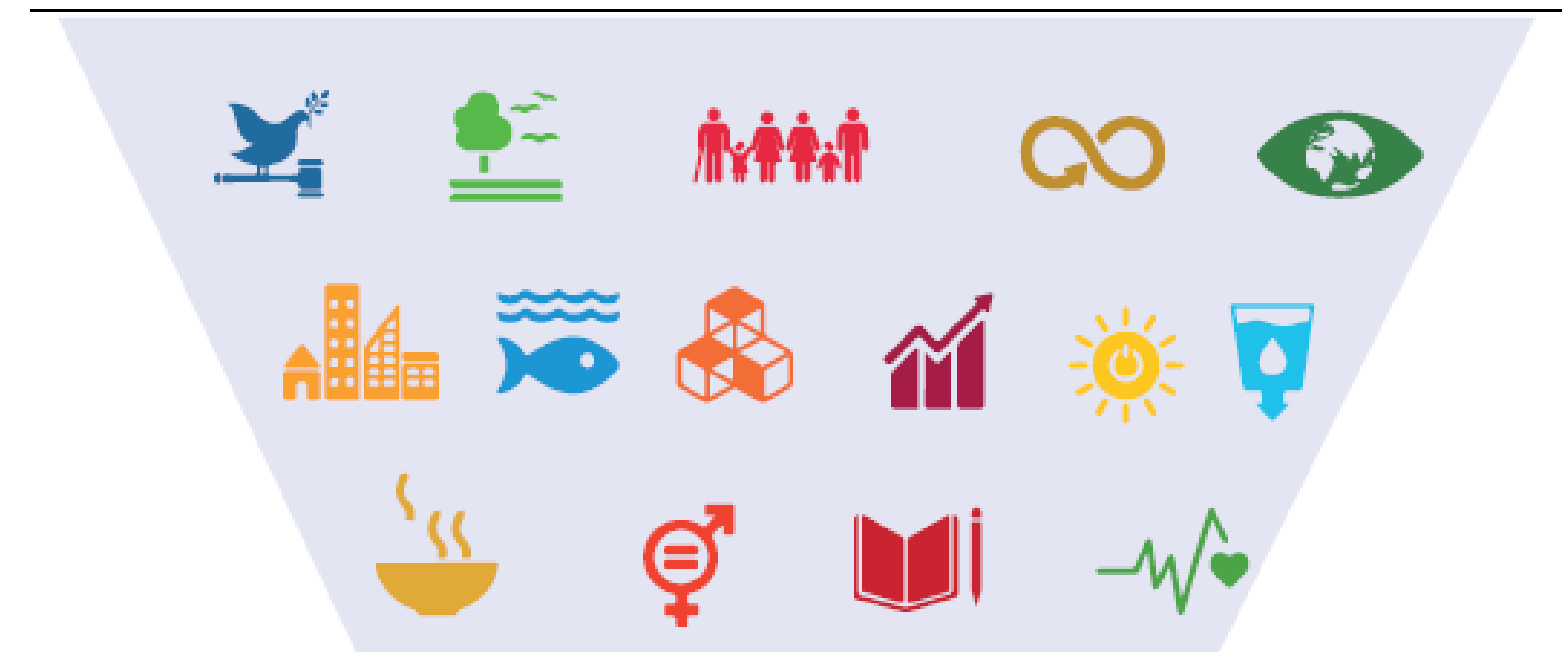
04

Align financing with SDGs and climate action at the country level - INFFs

2 What are INFFs?

Integrated national financing framework

National sustainable development plan



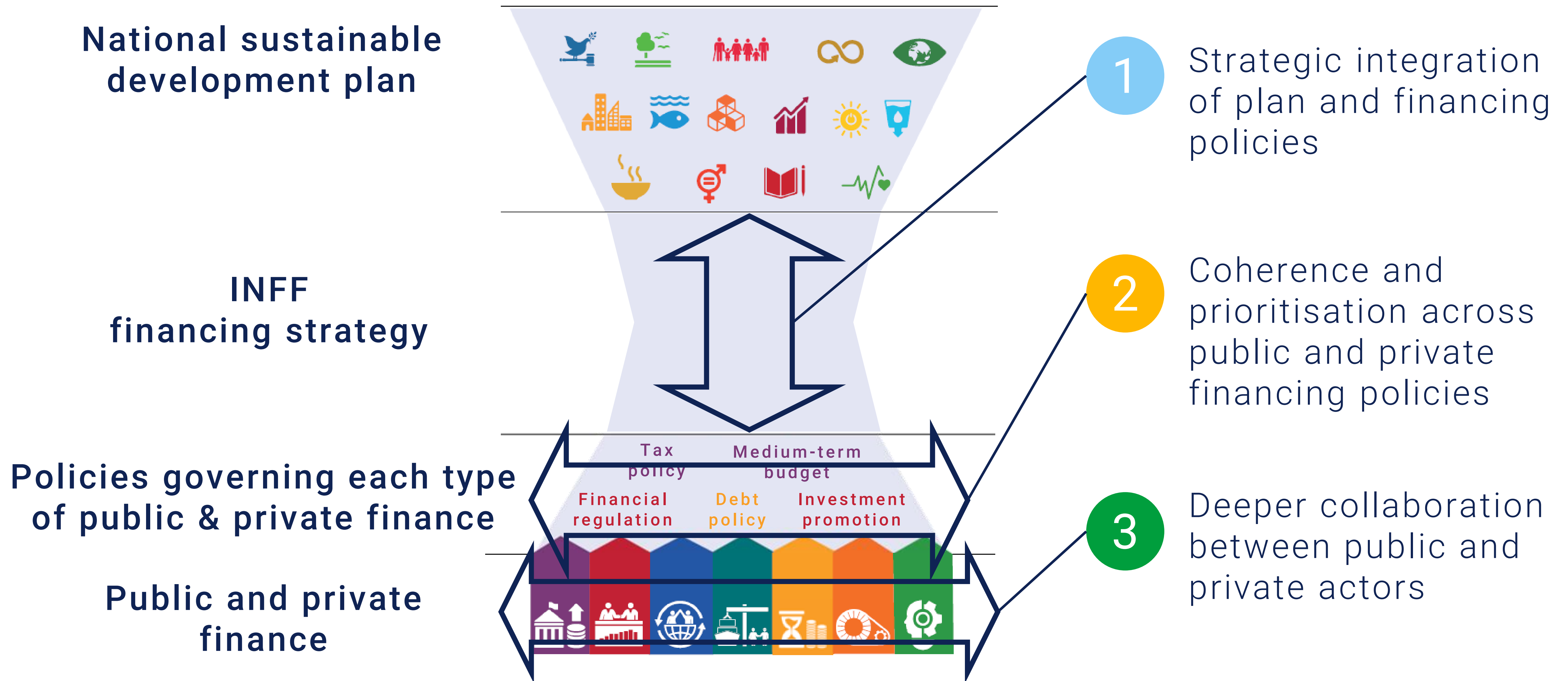
Gap between plans and financing policies

Policies governing each type of public & private finance

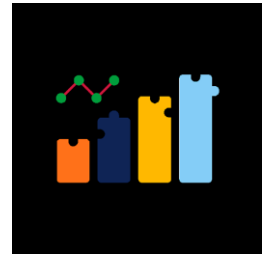


Public and private finance

Integrated national financing framework



Why should countries adopt INFFs?



Raise SDG financing and align all financing with sustainable development

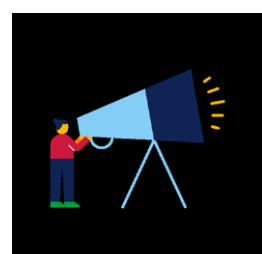


Enhance coherence:

- Across financing policies
- Between economic, climate and environmental, social impacts, and across ministries



Better manage risk and an increasingly complex financing landscape



Help countries better articulate their development cooperation needs and enhance transparency



Streamline the wide variety of tools offered by the international community to support national action



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.



Assessment & Diagnostics

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

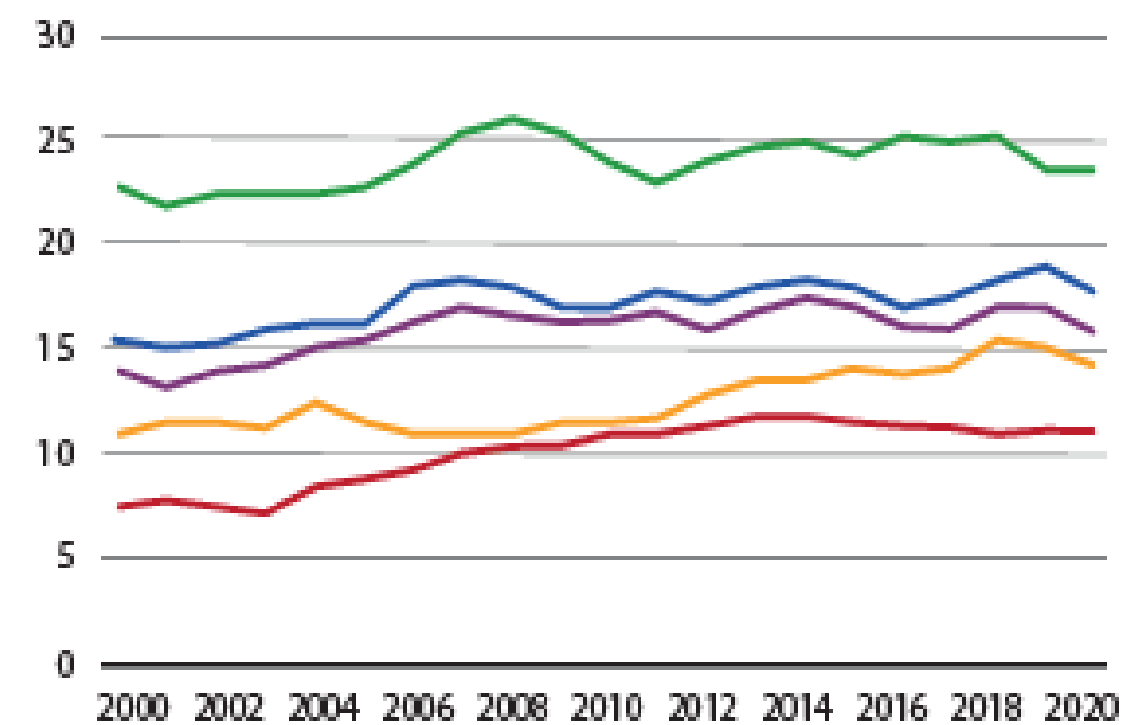
3 INFFs in vulnerable countries

Financing challenges in LDCs (and SIDS)

Low domestic revenue, .. high debt burdens, ...

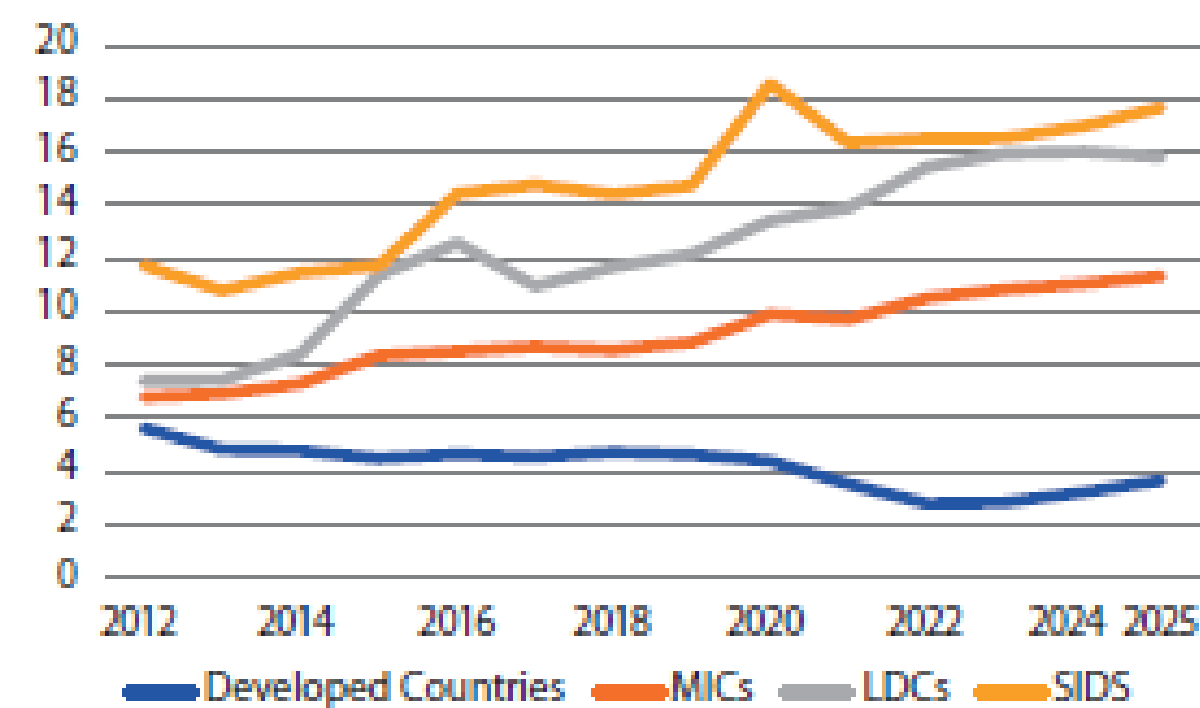
and a lack of financial depth..

Revenue / GDP

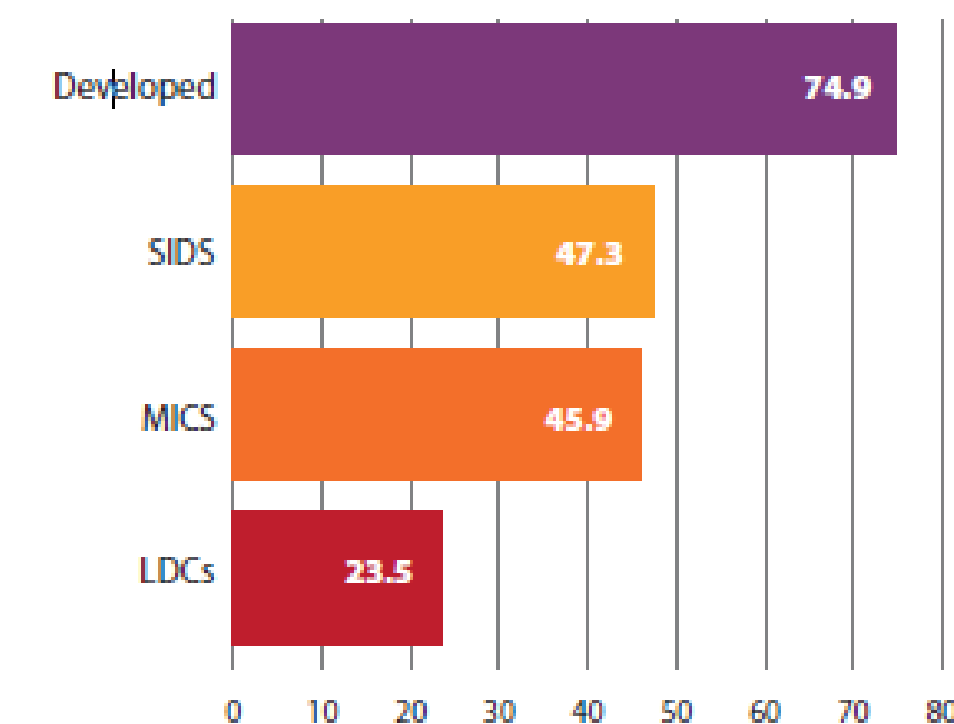


- Middle income countries
- Least developed countries
- Landlocked developing countries
- Small island developing States

Interest payments / Revenue



Bank credit / GDP

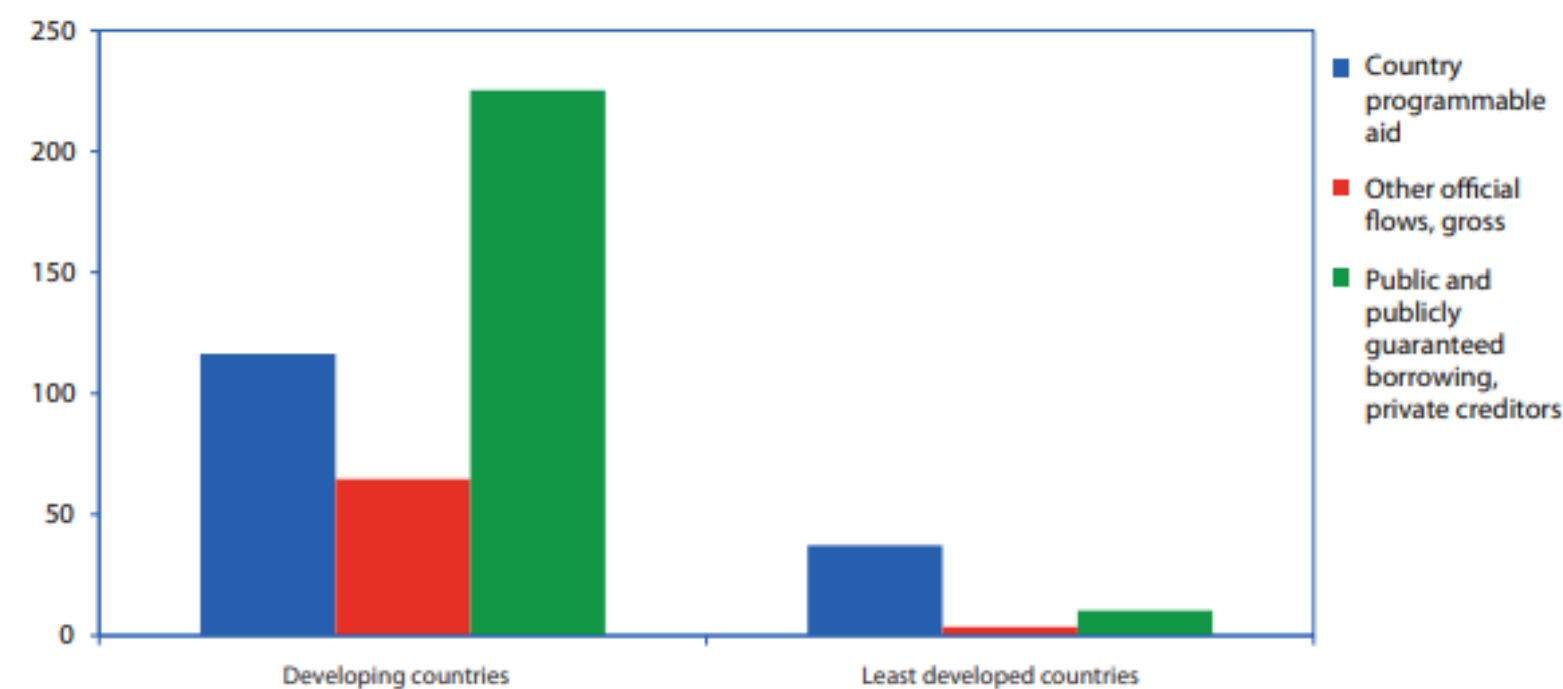


Financing challenges in LDCs (and SIDS)

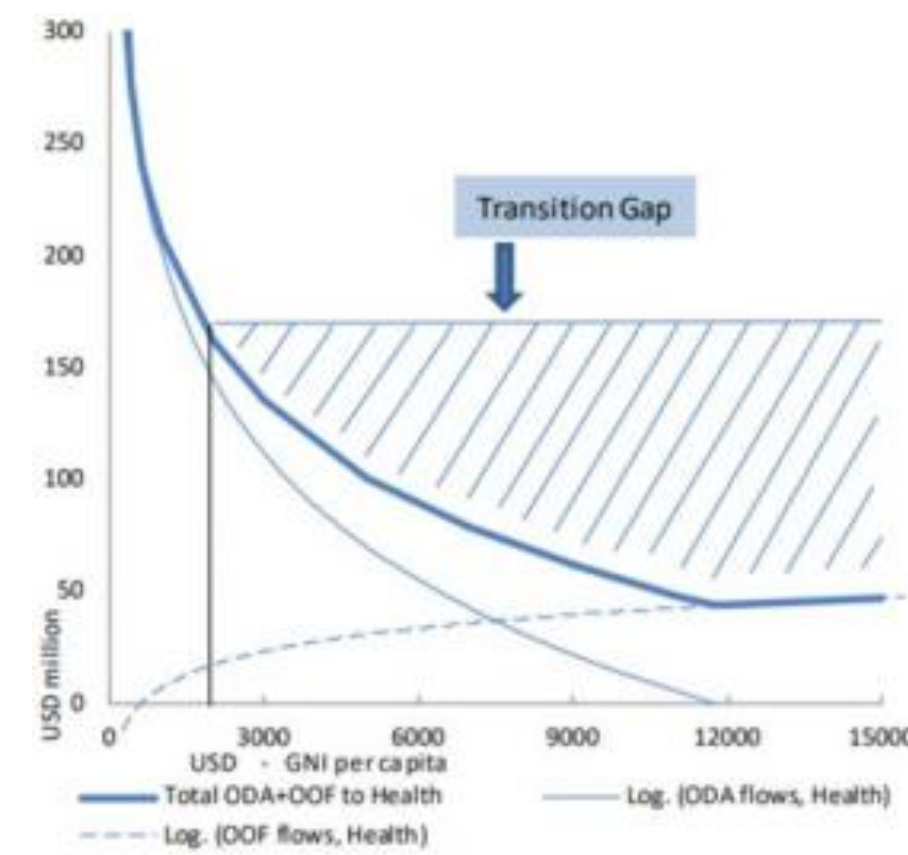
Leads to greater dependence on external public finance ...

... and vulnerability to changes in access to such financing (transition financing challenges).

Official flows and sovereign borrowing in USD

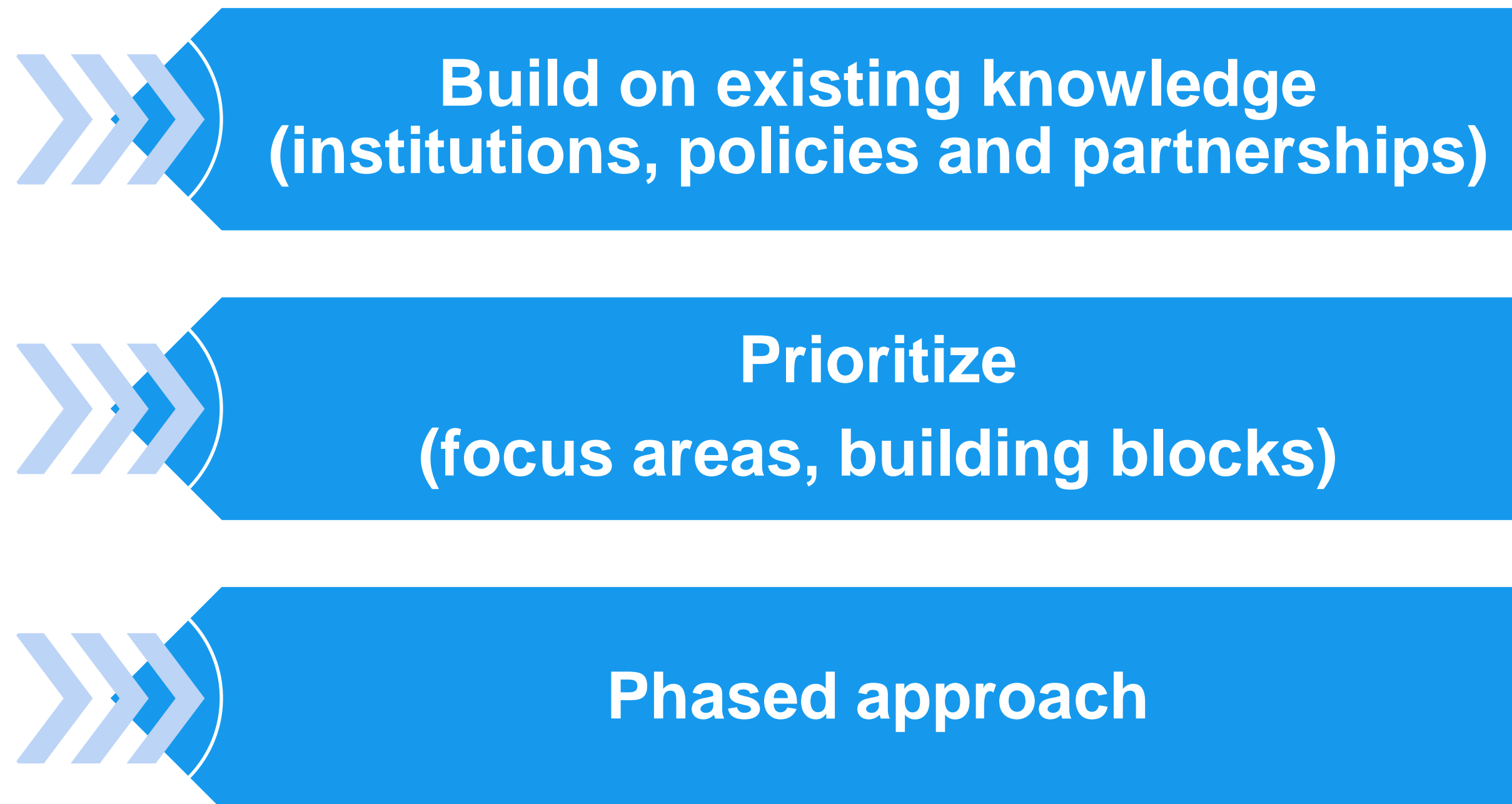


Official financing for health / GNI per capita



Special considerations in vulnerable countries

- ❖ Absorptive Capacity
- ❖ Important role of development cooperation + 'transition finance' challenges



Special considerations in vulnerable countries – financing strategy

Building Block	Build on existing systems and knowledge	Prioritization	Phased approach
Financing strategy	<p>Institutional level: ministries responsible for planning and budgeting</p> <p>Policy level: PFM and SDGs</p> <p>Partnership level: leveraging existing partnerships/ platforms</p>	<p>Consider the impact of immediate challenges on policy prioritization</p> <p>Assess resource requirements, focus on strategic areas (including access to concessional finance)</p> <p>Undertake macro, coherence and risk checks – e.g. impacts of graduation</p>	<p>Consider implementing the financing strategy over phases depending on the maturity level; adopt a ‘basics first’ approach where needed</p>

4 INFF Facility

Momentum for knowledge and partnerships



The INFF Facility is strengthening the international architecture for supporting country-led INFFs.

The facility works in three important ways:

- 01** Responds to country demand for technical assistance
- 02** Deepens cooperation between public, private, and civil society actors, helping national institutions deliver reforms
- 03** Provides a platform for countries to share, connect and learn from one another and access innovative tools, knowledge and guidance.



CORE PARTNERS



SUPPORTING PARTNERS





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More information: www.inff.org

Thank you!

