

SDG FINANCING ENABLING ENVIRONMENT

Component 1



JOINT
SDG
FUND





JOINT SDG FUND

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SDG FINANCING- ENABLING ENVIRONMENT

COMPONENT 1

PORTFOLIO OVERVIEW

The acceleration of the Sustainable Development Goals (SDGs) demands a re-alignment of public and private investment decisions. Amid the COVID-19 crisis, 62 Joint Programmes are crafting a new wave of SDG-aligned financing strategies - the Integrated National Financing Frameworks (INFFs) - that can define whether we can build a world that is fairer and sustainable in the decade to come. They aim to spearhead SDG acceleration by using public and private finance as a lever of change, better linking financing with planning, and stimulating delivery. They constitute platforms for innovation and reforms, including public-private collaboration.

The work at the national level is complemented and informed by UN collaboration and at the global level under the Financing for Development umbrella.

Twenty-one UN agencies under the leadership of UN Resident Coordinators are collaborating, building on UN-DESA methodological work, UNDP technical support at the country level and development partners' support, including from the European Union. The implementation of the Joint Programmes will lead to the development of over 200 financing reforms spanning from policy, regulation, financial instruments, and institutions.

62

JOINT PROGRAMMES

69

COUNTRIES

21

UN AGENCIES

21

LDCS AND SIDS

US\$ 87M

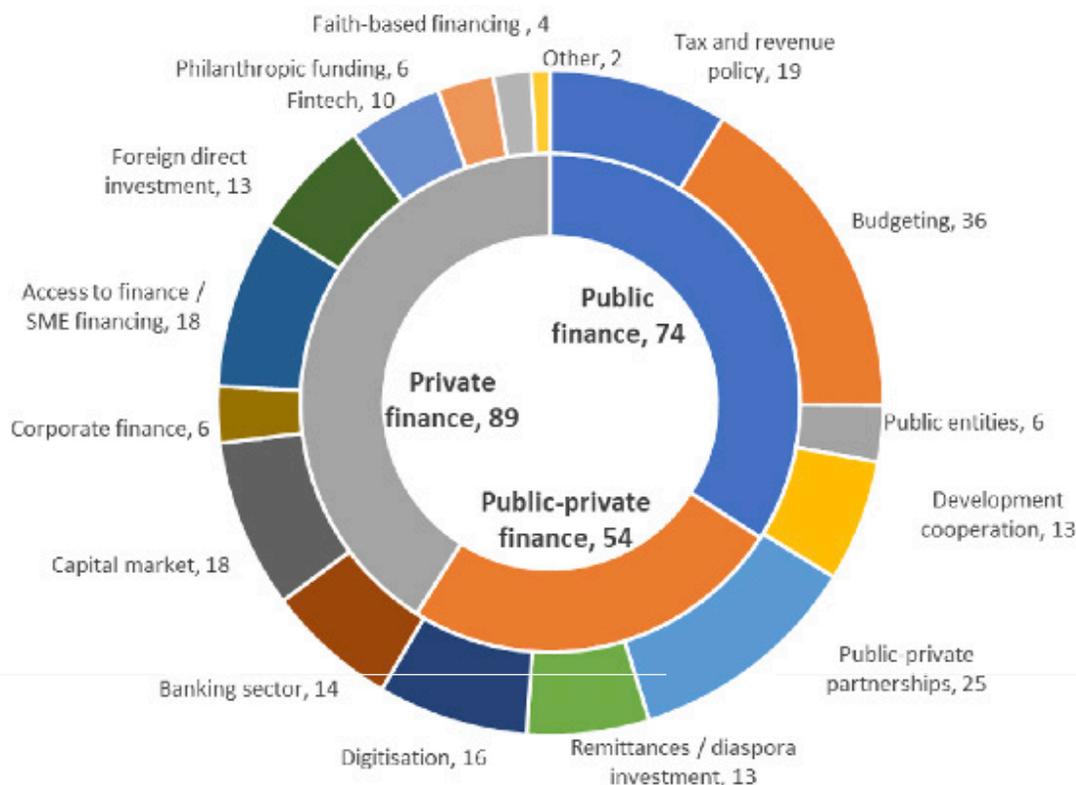
TOTAL BUDGET

INTEGRATED NATIONAL FINANCING FRAMEWORKS (INFFS)

INFFs provide a framework to finance national sustainable development priorities and the SDGs. They are risk-informed tools to better prepare for future crises, from climate to biodiversity and health. They help sequence government action considering multiple policy objectives and limited financial resources. INFFs are implemented in four building blocks: assessment and diagnostics, financing strategy, monitoring and review, governance, and coordination.

EFFORTS TO ESTABLISH COMPREHENSIVE AND HOLISTIC FRAMEWORKS

Efforts to establish comprehensive and holistic frameworks – the INFFs – are combined with prioritized actions over SDGs, thematic areas, and target groups. SDG 17, SDG 16, SDG 5, SDG 3, and SDG 1 were focused on most often in 2020, along with the thematic areas of gender, children and youth, health and nutrition, climate change and social protection. Women and girls, children, youth, persons with disabilities, and older persons are the most cited target groups with 80% of the programmes containing specific provisions. Gender is mainstreamed in all programmes, with results reported by 41%, including on developing gender sensitive budgeting and costing and ensuring equal representation of women in governance systems.



*Aligent volut il ipsum Figure 1: Types of reforms carried out by Joint Programmes
Source: INFF Survey, UNDP, 2021*

This report summarizes the results achieved in 2020, which are grouped under (i) governance and coordination, (ii) assessments and diagnostics, (iii) financing strategies, (iv) strengthened SDG financing ecosystems (v) new partnerships and (vi) short term COVID-19 support.

The report relies on information reported by UN country teams, including a detailed survey on INFF implementation administered by UNDP. The data from the INFF survey will be made publicly available in April 2021 on www.inff.org.

Figure 2: Thematic focus of Joint Programmes

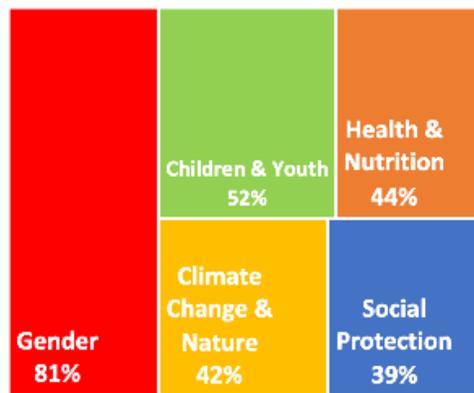
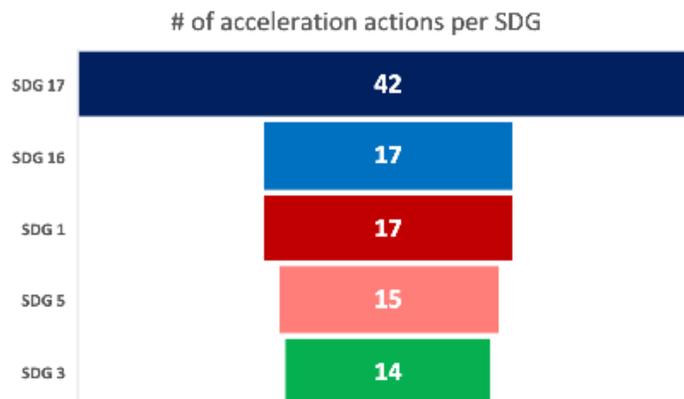


Figure 3: Target SDG impact of Joint Programmes



KEY RESULTS - AUGUST-DECEMBER 2020

2020 IN NUMBERS

35

INFF OVERSIGHT COMMITTEES
FORMALIZED OR BEING
FORMALIZED

51

SDG FINANCING STRATEGIES
UNDER DEVELOPMENT

US\$ 9M

ADDITIONAL FUNDING
MOBILIZED IN 2020

108

RESEARCH, ADVOCACY,
ASSESSMENT, GUIDANCE,
MATERIAL DELIVERED

140

ENGAGEMENT AND
OUTREACH MATERIALS
CREATED

I. GOVERNANCE AND COORDINATION

Governance arrangements constitute the foundation of any financing strategy and a critical factor for success. In 2020, 35 countries established or were in the process of negotiating governance structures on SDG Financing. Sixteen are embedded in existing mechanisms, while 14 constitute the first of their kind. Most are chaired by the Ministry of Finance, President or Prime Minister Office, and Ministry of Planning, and include public entities, private sector, development partners and international financial institutions.¹ They ensure national ownership and coordination, oversee, and approve technical assessments and guide decision-making. For example, the Prime Minister of Mongolia announced the Multi-Stakeholder Platform for Sustainable Development and formed a Technical Working Group co-chaired by the Vice Minister of Finance to prepare the country's INF roadmap.²



Figure 4: Participation in INFF Oversight Committees
Source: INFF Survey, UNDP, 2021

¹INFF Survey, UNDP, 2021.

²Based on data reported by 25 countries about participation in INFF Oversight Committees; see INFF Survey, UNDP, 2021 for further details.

II. ASSESSMENTS AND DIAGNOSTICS

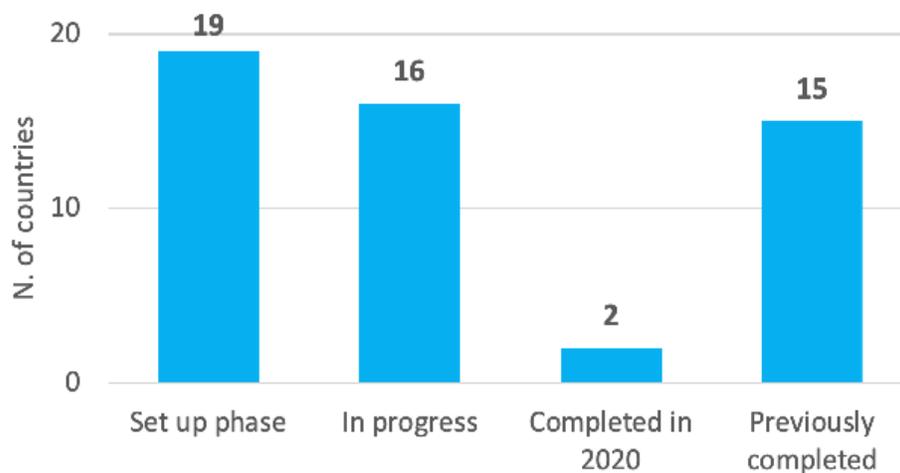


Figure 5: 50 programmes using DFAs to inform INFFs
Source: INFF Survey, UNDP, 2021

Assessments and diagnostics pave the way to understand a country's financing landscape, challenges, and solutions. 108 research, advocacy, assessments, and guidance materials were produced in 2020. This includes 2 Development Finance Assessments (DFA) completed in 2020 while another 35 DFAs are underway.

Benin and Costa Rica used DFAs to present decision-makers with a comprehensive analysis of the financing landscape and to set the agenda along with recommendations such as tax base optimization and better use of remittances flows. Other diagnostics include a wide range of public and private finance tools, including public expenditure reviews, reviews of public investment plans, fiscal space assessments, SDG investor maps, feasibility studies of financial instruments, institutional and legal analysis, market assessments, and budget briefs. SDG costing exercises are being conducted in 38 countries with the support of IMF and UNDP. Cambodia, for example, estimated the investment requirements to return to its pre-COVID growth trajectory and assessed investors' appetite for Cambodia's debt as a possible solution to bolster the country's fiscal space.

III. FINANCING STRATEGIES

Engagement and advocacy activities prevailed in 2020 as countries are preparing the ground for policy formulation. High-level dialogues set the stage along with initial steps in formulating financing strategies. In 38 programmes, the financing strategy is rooted in a new medium-term plan, the long-term plan or both. As most planning instruments were formulated during or in the response to the COVID-19 pandemic, the financing strategy will craft a more holistic approach to financing the recovery. Among beneficiary countries, 30 announced that they would develop an SDG financing strategy for the first time, while 21 countries committed to strengthen existing ones.

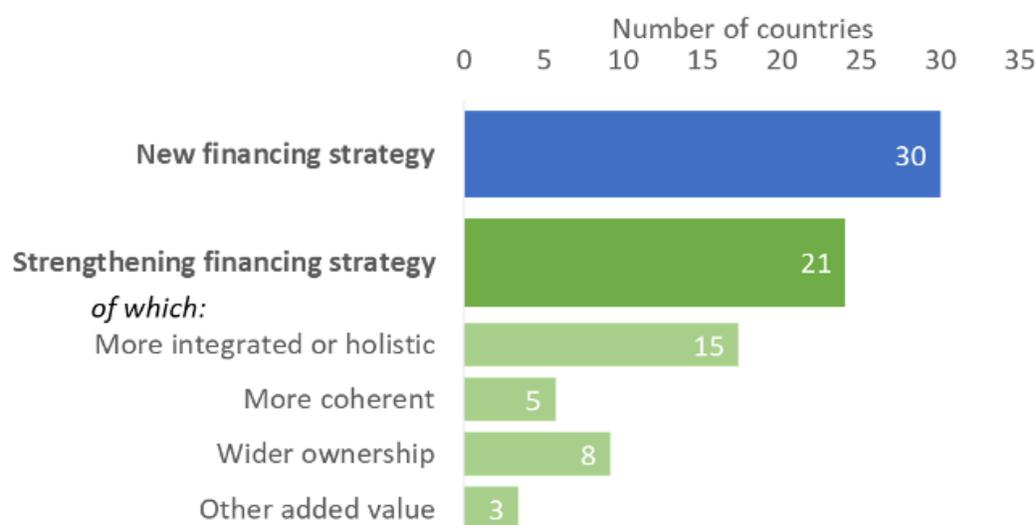


Figure 6: Countries are establishing and strengthening financing strategies
Source: INFF Survey, UNDP,

Practical tools in support to the development of financing strategies were developed in 2020. Over 20 types of SDG budgeting actions were deployed across 36 joint programmes, featuring SDG integration in medium-term and annual budget policies, strengthened budget reporting systems strengthened accountability, and stronger analysis of the impact of budget allocations. Benin, for example, completed a module for a Public Investment Program on monitoring and evaluation and drafted new templates for screening investment projects that are aligned with the SDGs. South Sudan formulated its FY2021 State Budget Guidelines and created an online dashboard to monitor sub-national financial and operational compliance.

IV. STRENGTHENED SDG FINANCING ECOSYSTEMS



Capacity development efforts cut across all above programming with +10 training organized in 2020. These activities are designed to strengthen the ecosystem of private and public actors that can implement the INFFs. National partners were capacitated to integrate the SDGs in planning and budget cycles, track SDG budget allocations, conduct financial landscape assessment, design an INFF, and develop SDG-aligned investment pipelines. Beneficiaries included government officials, the private sector, academia, and civil society. Kazakhstan focused on deciphering SDG financing approaches and tools. Bangladesh attracted over 60 companies and financial institutions to reflect on workable financial solutions in the water, sanitation, renewable energy sectors and link impact with SDG investment decisions.

V. PARTNERSHIPS FOR RESOURCE MOBILIZATION



43 new partnerships and 40 strategic public events on SDG financing were organized with participation from government agencies, international financial institutions, donors, private sector representatives, and civil society. Furthermore, one third of the programmes were able to mobilize US\$8.6M in additional co-funding or co-financing. In Djibouti, the Islamic Development Bank and USAID will invest US\$2.9M to support financial solutions for MSMEs. Cape Verde mobilized additional US\$0.6M to expand INFF's scope to youth and women entrepreneurship.

VI. SHORT TERM SUPPORT TO COVID-19 RECOVERY



As larger volumes of public and private resources are spent and blended because of COVID-19, participatory mechanisms that enhance and measure SDG impact need to be put in place. These 69 national SDG financing platforms present a unique opportunity to support governments in the COVID-19 crisis recovery. Many programmes already contributed to the formulation or implementation of COVID-19 assessments and recovery plans in 2020. Costa Rica developed policy recommendations on financing mechanisms that offer low-cost credit to the private sector and offered concrete measures to accelerate the country's macro-fiscal balance. Gabon conducted a preliminary mapping of public financing allocation in response to COVID-19.

COUNTRY HIGHLIGHTS

CUBA

SUPPORT FOR THE DEVELOPMENT OF AN INTEGRATED NATIONAL FINANCING

Total budget:
US \$891,860

UN Agencies:
Economic Commission for Latin America and the Caribbean, UNDP

National Partners:
Ministry of Economy and Planning

Duration:
Jun 2020 - Jun 2022

[CUBA](#) faces severe limitations on access to financial resources for the implementation of the Agenda 2030 because of its exclusion from international financial markets. The INFF seeks to assess the development financing architecture in Cuba, identify potential resources to accelerate the SDG implementation, and become a policy framework aligned with the national priorities for SDG financing.

Cuba will develop and strengthen its monitoring of SDG impact, reassess institutional capacities and coordinate the implementation of financing policies. In 2020, Cuba achieved significant progress in formulating the Financing Framework for the SDGs by completing governance arrangements and preliminary assessments. It set up a Technical Committee and finalized its Financial Landscape Mapping. Participation and ownership were guaranteed via constant stakeholder engagement (6 workshops) and customized training on SDG prioritization. The SDG Laboratory, an integrated digital platform for SDG monitoring was expanded to include financing modules and integrate 8 new actors and 24 development initiatives.



Havana, Cuba - A worker at the periurban agriculture cooperative Vivero Alamar cultivating crops. @FAO

SUSTAINABLE DEVELOPMENT GOALS



COUNTRY HIGHLIGHTS

GHANA

ACCELERATING ATTAINMENT OF SDG IN GHANA

Total budget:
US \$2,300,000

UN Agencies:
UNDP, UNICEF,
UNOPS, WHO

National Partners:
Ministry of Planning

Duration:
Jun 2020 - May 2022

[GHANA](#) faces major challenges to mobilize public and private financial resources to deliver the SDGs at the national and district levels. Fiscal space remains elusive mainly due to Ghana's large wage bill and high debt service.

The purpose of Ghana's programme is to consolidate innovative SDG financing initiatives for health and infrastructure, deepen gender-responsive SDG budgeting, and enhance tracking and accountability for results. This will increase financing and efficiency in the allocation of resources to SDGs and enhance public and private collaboration.

The programme achieved three important milestones in 2020. First, it supported 5 COVID-19 recovery plans and integrated financing frameworks for 5 local economies with the incorporation of district-level SDG financing data. Second, an investment case for an Innovative Health Financing Strategy to deliver Universal Health Coverage was prepared along with the digitalization of National Social Accountability. Third, Ghana developed a new generation of infrastructure modelling tools to develop a pipeline of bankable infrastructure projects, which it will showcase at the global SDG Investment Fair in April 2021. Through these milestones and important progress on partnerships and engagements Ghana is on course to deliver multiple financing strategies for SDGs 3,5,9 and 10.



Woman works in a small shop, Ghana. © Arne Hoel/The World Bank

SUSTAINABLE DEVELOPMENT GOALS



COUNTRY HIGHLIGHTS UZBEKISTAN

ESTABLISHMENT OF AN INTEGRATED NATIONAL FINANCING FRAMEWORK FOR SUSTAINABLE DEVELOPMENT IN UZBEKISTAN

Total budget:
US \$1,388,300

UN Agencies:
UNDP, WHO, UNODC

National Partners:
Ministry of Finance

Duration:
Jan 2021 - Dec 2022

For [UZBEKISTAN](#), the IMF estimated additional spending equal to 8.7% of GDP to reach the SDGs in health, education, and infrastructure alone. This programme’s expected result is accelerated SDG attainment thanks to more efficient, transparent, and results-oriented use of public finance and more integrated use of financial resources in social spending, with a focus on women.

In 2020, progress was achieved with the successful set up of a governance framework for the INFF, completion of the assessments and diagnostics phase, and scoping for new Islamic financing sources. These initiatives were aligned with the covid-19 response, including policies to support health system transformation and poverty reduction, and design of instruments to mobilize additional financial resources.

The country’s earlier Development Finance Assessment provides a comprehensive analysis of its SDG financing architecture along with a Roadmap towards accelerating SDG financing. A pre-feasibility study on the green sukuk led to a partnership with the Islamic Development Bank to establish an enabling framework for green Islamic finance. The Ministry of Health received support finalizing a Presidential Decree that led to the establishment of the State Health Insurance Fund in December 2020.



UNICEF Uzbekistan

SUSTAINABLE DEVELOPMENT GOALS



JOINT PROGRAMMES BY REGION

- Africa - 25
- Asia and the Pacific - 13
- Arab states - 2
- Europe and Central Asia - 10
- Latin America and Caribbean - 12





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To explore the data from UNDP's INFF survey on the INFF Dashboard, as well as other INFF resources, go to inff.org



INFF

Integrated National
Financing Frameworks



Sustainable Development Goals

- 1 No Poverty
- 2 Zero Hunger
- 3 Good Health and Wellbeing
- 4 Quality Education
- 5 Gender Equality
- 6 Clean Water And Sanitation
- 7 Affordable and Clean Energy
- 8 Decent Work And Economic Growth
- 9 Industry, Innovation and Infrastructure
- 10 Reduced Inequalities
- 11 Sustainable Cities And Communities
- 12 Responsible Consumption and Production
- 13 Climate Action
- 14 Life Below Water
- 15 Life on Land
- 16 Peace, Justice and Strong Institutions
- 17 Partnerships for the Goals

[The Joint SDG Fund](#) receives support from the

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