DRAFT PROJECT DOCUMENT FOR THE 13TH TRANCHE OF THE DEVELOPMENT ACCOUNT

1. EXECUTIVE SUMMARY

Project Code and Title:	2124A Towards integrated national financing framework
Start date:	*Between January 2021 – March 2021*
End date:	*Latest by June 2024*
Budget:	*$ 2,321,000 as per the budget fascicle*
UMOJA cost centre(s): UMOJA functional area(s):	*FSDO/DESA: Cost Centre: 12854; Funtional area: S9AC0009* *UNCTAD/ Investment/Entrepreneurship: Cost Centre: 13109, Functional Area: 38AC0002* *UNCTAD/ Trade and Logistics: Cost Centre: 13111, Functional Area: 38AC0004* *UNCTAD/ LDC: Cost Centre: 13112, Functional Area: 38AC0005* *ECA/ Burkina Faso: Cost Centre: 13647; Functional area: 18AC0007* *ECA/ Zambia: Cost Center: 13651; Functional Area: 18AC0007* *ECA/ Regional: Cost centre 13621; Functional area: 18AC0001* *ESCWA: Cost Centre: 17008, Functional Area: 22AC0003* *UNECE: Cost Centre: 13821, Functional Area: 20AC0004* *ESCAP: Cost Centre:11519, Functional Area: 19AC0001* *ECLAC: Cost Center 11581, Functional Area: 21AC0003*
Target countries:	*Belarus, Burkina Faso, Colombia, Costa Rica, Egypt, Indonesia, Jordan, Kyrgyzstan, Pakistan, Zambia*
Executing Entity/Entities:	*DESA, UNCTAD, ECLAC, ECE, ECA, ESCWA, ESCAP*
Co-operating Entities within the UN Secretariat and System:	*UN Resident Coordinator System and UNDP*

Brief description:

Five years after the adoption of the 2030 and Addis Agendas, mobilization of sufficient finance remains a critical challenge in most countries. The COVID-19 pandemic has further undermined fiscal and external balances, threatening countries' prospects for timely achievement of the Sustainable Development Goals (SDGs). Integrated national financing frameworks (INFFs), a planning and delivery framework to help countries finance sustainable development and the SDGs, can be a valuable tool in helping to formulate a comprehensive strategy for recovery – one that is aligned with the SDGs, the Paris Agreement, and that is sustainably financed.

The Inter-agency Task Force on Financing for Development (IATF) set out key features and steps to operationalize the INFFs for the SDGs in the 2019 Financing for Sustainable Development Report (FSDR). INFFs are a tool for governments to (i) align financing policies with national sustainable development priorities, and (ii) strengthen the links between planning processes (such as National Sustainable Development Strategies or national development plans) and financing policies. INFFs can also help Governments bring together and better utilize the wide range of support measures on SDG financing provided by the international community. Ultimately, they can help them raise resources to implement national development plans and finance the SDGs.

The project will bring together existing capacity and policy support for SDG financing by implementing entities in an integrated offer to target countries. The project will address capacity gaps identified by target countries in one or more of the four building blocks spelled out in the 2019 FSDR, namely, to provide support in the assessment and diagnostics phase, e.g. on costing of priorities in national strategies, in the formulation of a financing strategy, in monitoring and review mechanisms, and/ or governance arrangements. The project will put a substantive focus on two elements of a financing strategy in particular, in line with country priorities, and with a view to building back better: mobilizing financing for productive investments in recovery and the SDGs (such as SME or infrastructure financing, sustainable financial sector development, and the role of national and regional development banks); and aligning public financing policies and mechanisms with the SDGs and climate action (such as SDG budgeting, taxation and environmental finance). It will also create spaces for peer learning, making use of existing platforms at the regional level. Success would be demonstrated by identification and implementation of financing policy initiatives and mechanisms to finance the SDGs in selected countries.

2. BACKGROUND

2.1. Context

In the Addis Ababa Action Agenda (AAAA), Member States committed to putting "integrated national financing frameworks that support nationally owned sustainable development strategies" at the heart of countries' efforts to implement the 2030 Agenda.

However, five years after the adoption of the 2030 and Addis Agendas, mobilization of sufficient financing and other means of implementation remains a critical challenge. The COVID-19 pandemic is further undermining fiscal and external balances in many developing countries, threatening their prospects for timely achievement of the Sustainable Development Goals (SDGs). Integrated national financing frameworks (INFFs), a planning and delivery framework to help countries finance sustainable development and the SDGs, can be a valuable tool in helping to formulate a comprehensive strategy for recovery – one that is aligned with the SDGs, the Paris Agreement, and that is sustainably financed.

The Inter-agency Task Force on Financing for Development (IATF) set out key features and steps to operationalize integrated national financing frameworks (INFFs) for the SDGs in the 2019 Financing for Sustainable Development Report (FSDR). It identified four key building blocks to operationalize INFFs, each of which can also support the response to COVID-19:

(1) <u>Assessment and diagnostics</u>, including assessments of financing needs based on the estimated costing of SDGs and existing financial resource flows, which creates a baseline understanding of the financing gap (such baselines will need to be updated after the Covid shock); assessment of risks, and capacity and institutional binding constraints.

(2) <u>Financing strategy</u>, which brings together priority financing policy actions, to mobilize and align public and private finance with NSDS. These includes public finance and budget allocation in favor of SDGs but can cover the full range of potential sources of financing across AAAA; in the current context, financing strategies can not only help identify medium-term financing gaps and solutions, including when debt relief may be needed, and mobilization of other sources of finance, but also support more risk-informed financing policy choices going forward, or 'building back better'.

(3) <u>Mechanisms for monitoring, review and accountability</u> to monitor the impact of different financing flows and policies. Such monitoring can assess how shocks affect such as Covid-19 affect financing flows and should support informed policy making, facilitate learning and adaptation of instruments and policies to enhance their impact, and help mitigate risks.

(4) <u>Governance and coordination frameworks</u> to ensure domestic ownership and support. INFFs need to have strong political backing and broad ownership, which calls for high-level government coordination mechanisms and engagement of all stakeholders.

In the outcome of the 2019 Financing for Development Forum, Member States encouraged the IATF to continue to develop the INFF methodology. The Secretary-General's Financing Roadmap also prioritizes United Nations support to countries to develop and implement INFFs for SDG plans. In response, the IATF is further developing and refining the INFF methodology, including to address Covid-19 and its economic fallout, and has initiated a process to develop guidance materials for national authorities. This guidance material is partially published, and partially under development. Additioanl knowledge products on INFFs currently under development can also support project implementation: the DA13 MSME surge project by UNCTAD and the regional commissions that will analyse COVID-19 impacts on MSMEs and develop training materials on financial inclusion of MSMEs, the subregional training on INFF for countries of North and Central Asia that is being co-organized by ESCAP, UNITAR, UNDESA and UNDP, and which will pilot some of the global INFF learning modules; and the global knowledge platform on INFFs, jointly developed by the European Commission, UNDP and UNDESA.

At the country level, two complementary initiatives are taking place. First, the UN and the European Union, through UN Country Teams, UNDP and Heads of EU Delegations, are developing, with other interested organizations, joint approaches to support governments that have expressed interest in implementing INFFs in support of a country-led process. Sixteen 'pioneer' countries have expressed interest in working with the UN and EU to pursue INFFs. Second, 62 UN Country Teams will receive support from the Joint SDG Fund work with countries on their SDG-aligned financing strategies and INFFs.

This project will complement ongoing capacity development activities around INFFs (in pioneer countries, and those funded through the Joint SDG Fund), as well as the Joint UNCTAD, ECLAC and ESCAP project on Response and Recovery: Mobilising financial resources for development in the time of Covid-19; as well as related projects on financing for development (e.g. on taxation).

2.2. Mandates, comparative advantages and link to Programme Budget

2.2.a. UNDESA

The project is in line with DESA's mission on capacity development to support Member States in building integrated, evidence-based, inclusive and well-funded national strategies and plans to achieve sustainable development that ensure no one is left behind.

The proposed project will contribute to the implementation of the Expected Accomplishment 1 of the DESA programme on NSDS: "Strengthened capacity of countries to design or enhance coherent and integrated policy frameworks that mainstream the 2030 Agenda" and the following intermediate results: 1) strengthened national capacities to incorporate SDG goals and targets into national development strategies, policies and plans; 2) enhanced national capacity to assess policy synergies, trade-offs as well as the cost of different policy options; and 3) strengthened national capacities for multi-sectoral policy analysis, formulation and budgeting for the implementation of the SDGs. The project is directly linked to sub-programs 6 and 9.

The comparative advantage of DESA and other executing entities in the project lies in their substantive expertise in the subject matter, and in the leading role they play in developing the INFF methodology at the global level, through the Inter-agency Task Force.

2.2.b. ECLAC

The project is fully in in line with the objectives of ECLAC's sub-programme 3 (Macroeconomic Policies and Growth) which establishes that the activities of the sub-programme aim to "achieve sustainable and inclusive economic growth in Latin American and Caribbean countries by enhancing the design and implementation of suitable macroeconomic and financing for development policies [...] through efforts to strengthen the capacity of policymakers and other stakeholders to analyse current and emerging macroeconomic and financial issues, and to increase the capacity of policymakers to evaluate, design and implement macroeconomic and development financing policies on the basis of comparative policy analysis [...]". ECLAC brings many assets to the proposed project, including its comparative advantage in applied policy research, ability to convoke regional and national meetings of stakeholders and its close relationships with government ministries, particularly ministries of finance.

2.2.c. ESCWA

The project is in line with ESCWA's mandate to support economic and social development in member countrieas it fosters the exchange of experiences, best practices and raises awareness on the needs and pathways to unleash financing for the 2030 Agenda. The project also resonates, and remains in harmony, with ESCWA's core mission of providing national tailored policies and frameworks to advance domestic reforms and sectoral development policies as identified through the priority areas of Addis Ababa Action Agenda, the UNSG's Strategy to Finance the 2030 Agenda and the proposed menu of FfD options advanced in the era of Covid-19 and beyond. In addition, the project and the activities envisaged therein complement the regular programme of work of ESCWA Cluster 3 (Shared Economic Prosperity)which has been revamped to address the most pressing obstacles that hinder sustained access to SDG-financing in the Arab region.

In addition to global mandates arising, most prominently, from the Addis Ababa Action Agenda and subsequent UNGA resolutions addressing the different pillars of the new global financing for developmdnt framework, the project responds to several regional mandates related to the financing of the SDGs, including-but not limited-to the following:

a) The First High-Level International Conference on Financing Sustainable Development (Beirut, November 2018) and its outcome document endorsed by the G77 and China. (The Beirut FfD Consensus);

b) The Arab Economic and Social Summit (Beirut, January 2019) which emphasized on the need to bring financing to the forefront of Arab regional economic discourse and the need for informed monitoring and evaluating the implementation of global FfD commitments and outcomes;

c) The Doha Declaration adopted by ESCWA 30th Ministerial Session supporting the initiatives put forth by ESCWA to "Establish an Arab Common Economic Security Space (ACESS) in facing financing challenges";

d) The Vth Session of the Executive Committee (Beirut, December 2019) and the 1st Session of the Committee on Financing for Development (Amman, December 2019) wherein member States "commended ESCWA efforts in monitoring FfD progress, and in ideniftying implementation gaps given the significant responsibilities associated with the financing challenges in the region."

2.2.d. ECE

As a multilateral platform, UNECE facilitates greater economic integration and cooperation among its 56 member States in Europe, North America, Central Asia and and Western Asia (Israel), and promotes sustainable development and economic prosperity through policy dialogues, negotiation of international legal instruments, development of regulations and norms, exchange and application of best practices as well as economic and technical expertise, and technical cooperation for its member States.

The UNECE has been working in the area of Public-Private Partnerships (PPPs) for infrastructure development since 1998 and is the only UN body that has an intergovernmental body solely dedicated to PPPs, the Working Party on PPPs. Over the years, the UNECE has built the PPP capacity of a number of its member States and has helped them to mobilize private sector finance and expertise to improve their infrastructure and the delivery of key public services.

The project will support the objective of the UNECE Subprogramme 4 "Economic Cooperation and Integration" which is to strengthen policies on innovation, competitiveness and PPPs in the UNECE region.

2.2.e. ECA

The project is in line with ECA's mandate for promoting the economic and social development of its member States, fostering intraregional integration and promoting international cooperation for Africa's development. The mandate derives from the priorities established in Economic and Social Council resolution 671 A (XXV). Through its work to promote Africa's social and economic development, ECA supports African member States in creating more prosperous and inclusive societies where most citizens are free from want and deprivation. If African member States are to attain the desired outcomes contained in the 2030 Agenda for Sustainable Development (General Assembly resolution 70/1) and the African Union's Agenda 2063, integrated policy and capacity support focused on accelerating the structural transformation and diversification of their economies are imperative. In this regard, ECA has a key role to play in providing dedicated regional platforms, undertaking cutting-edge policy research and responsive capacity support and policy advice at the country level. ECA support aimed at developing the capacity of Governments to formulate and implement policies for sustainable development is also provided through the implementation of the regular programme of technical cooperation and United Nations Development Account projects.

The DA project will contribute towards ECA 's implementation of its various sub-programmes, namely sub-programme 1 on macroeconomic policy and governance; sub-programme 3 on private sector development and finance; sub-programme 4 on data and statistics; and sub-programme 7 – subregional activities for development (component 2 on West Africa and component 5 on Southern Africa).

The comparative advantage of ECA lies in its substantive and technical expertise on African development issues and in particular, issues related to macroeconomic policy and economic governance, financing for development and implementation of SDGs and its monitoring processes such as supporting member states in their voluntary national reviews for SDGs. As the lead regional organization in the field, UNECA enjoys close long-standing relationships with all the Governments of the continent and is a trusted development partner for African member states.

2.2.f. ESCAP

The project supports ESCAP's Programme of work for 2021 and in particular Subprogramme 1 on 'Macroeconomic Policy, Poverty Reduction and Financing for Development' that has the objective to "strengthen the capacity of member States to achieve stable, inclusive and sustainable economic development in Asia and the Pacific" resulting in "enhanced capacity of policymakers to mainstream and align economic policies and financing strategies with sustainable development objectives and a greater ability to mobilize and allocate financial resources for sustainable development" while "paying particular attention to the impact the COVID-19 pandemic".

The project will also contribute to implementing requests of the ESCAP Committee on 'Macroeconomic Policy, Poverty Reduction and Financing for Development' (held 6-8 November 2019) to provide further analysis and capacity-building support on assessing investment requirements and associated financing strategies to achieve the Sustainable Development Goals, as well as on aligning national economic policies with the 2030 Agenda for Sustainable Development. The Committee emphasized the need to assess financing requirements, developing financing strategies and increasing the fiscal space through tax and budget reforms. It welcomed the ESCAP secretariat's work on estimating investment needs to achieve the Goals for the Asia-Pacific region as well as the United Nations development system-wide effort to develop integrated national financing frameworks to support member States.

2.2.g. UNCTAD

This project is in line with several of the long-established transport-related UNCTAD mandates in the field of transport and logistics as reinforced by the Maafikiano mandate adopted in 2016 in Nairobi. The Maafikiano emphasized the importance of sustainable transportation for developing countries including transport infrastructure and services, transport corridors and ports. UNCTAD was called upon to, inter alia, (i) provide capacity-building and technical assistance to help developing countries make transport more efficient and reduce transport costs while increasing its resilience, enhancing trade and port efficiency and improving transit, trade facilitation and transport connectivity, and (ii) and assist developing countries in identifying and leveraging existing and new sources and mechanisms of additional finance.

UNCTAD's long-standing and recognized experience in informing and building the capacity of developing countries to design and implement evidence-based transport policies and investment strategies will be a strong advantage to implement the project successfully. [1]

Illicit Financial Flows

The project fits within UNCTAD's longstanding track-record of providing policy-based research, as well as consensus and capacity-building activities to developing countries, in support of domestic resources mobilization including through fighting IFFs. For example, UNCTAD-UNODC, in partnership with UNECA are the custodians of SDG 16.4 "by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime".

Entrepreneurship and MSME

Entrepreneurship and MSME promotion and capacity building is a key component of UNCTAD's mandate[2]. UNCTAD is a focal point in the UN system on entrepreneurship and MSME policy as formally mandated by two United Nations General Assembly resolutions on Entrepreneurship for Sustainable Development. /RES/71/221and A/RES/73/225 both call on "the United Nations system, and in particular the United Nations Conference on Trade and

[1] See: https://unctad.org/topic/transport-and-trade-logistics/infrastructure-and-services; https://www.sft-framework.org/ and https://unctadsftportal.org/sftftoolkit/.

[2] https://unctad.org/meetings/en/SessionalDocuments/td519add2_en.pdf.

Development, to continue to provide support to and assist member States, at their request, to identify, formulate, implement and assess coherent policy measures on entrepreneurship and the promotion of micro-, small and medium-sized enterprises". In accordance with the mandates UNCTAD provides technical assistance and capacity-building support to a number of developing economies, including advice and training to policy makers to inform and guide the development and implementation of *national entrepreneurship policies* based on UNCTAD's Entrepreneurship Policy Framework (EPF). UNCTAD's flagship entrepreneurship/MSME capacity building programme Empretec is also highlighted in the A/RES/73/225 which encouraged all relevant actors to increase efforts to systemically integrate entrepreneurship within the formal and informal education systems, including through, inter alia, behavioral approach programmes such as the Empretec programme of the United Nations Conference on Trade and Development.

UNCTAD has been implementing the EPF since its launch in 2012. Several countries in Africa and Latin America have developed their National Entrepreneurship Strategies based on the EPF including Ethiopia, Cameroon, the Gambia, Dominican Republic, El Salvador and Ecuador among others. The EPF provide a comprehensive and holistic approach to MSME and entrepreneurship promotion which is critically needed in post COVID 19 surge to ensure the whole of the government coordination, facilitate impact of recovery measures and efficiency of financial support provided to MSMEs. UNCTAD has been implementing its Empretec programme through a network of national Empretec centers in more than 40 countries which could provide support in reaching out to more than 400 000 entrepreneurs through the online platform and training tools. UNCTAD has about 30 country additional requests on the installation of the Empretec programme. Empretec centers can provide an institutional setting for other participating agencies to roll out training activities in the areas of formalization, on business skills, access to finance, technology and markets.

Accounting and Reporting

Through its Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), established in 1982 by the United Nations Economic and Social Council (ECOSOC), UNCTAD has been the focal point in the United Nations in strengthening accounting and reporting systems. In particular, it has assisted member States in their efforts towards implementation of international standards, codes and best practices to facilitate harmonization and improvement of quality of enterprise reporting as important means to facilitate financial stability, international and domestic investment, and social and economic progress. Through its Division on Investment and Enterprise, the United Nations Conference on Trade and Development (UNCTAD) serves as ISAR's Secretariat, providing substantive and administrative inputs to its activities.

It achieves these objectives by facilitating the exchange of views and best practices, building consensus, developing guidance documents and tools, and providing technical assistance on issues related to both financial and sustainability/SDG reporting. This work is conducted through the annual sessions of ISAR, as well as associated workshops and roundtables, research and capacity building activities during the intersessional period.

With a view to strengthen the private sector's capacity to become attractive for investors and financing, UNCTAD-ISAR is ready to implement its Accounting Development Tool (ADT). The

ADT has been implemented in many countries since its creation in 2011 and it has been revised to fulfil the new requirements of the SDGs and recent changes and demands in sustainability reporting. The ADT allows to assess and strengthen a country's capacity for high-quality corporate reporting, including the financial and non-financial aspects (environmental, social and institutional). It provides a benchmark for identifying country's gaps and priorities towards convergence with international standards and good practices and helps to build country action plans. In addition, UNCTAD can support countries in their efforts to assess the contribution of the private sector to the implementation of the SDGs through the development of Sustainability/SDG frameworks for company reporting and capacity building to measure core SDG indicators. For this purpose, it has developed its *Guidance on Core indicators for entity reporting on contribution towards implementation of the Sustainable Development* Goals (GCI) and a related Training Manual. When sustainability information is consistently prepared it can be useful for comparison and progress tracking and has the potential of informing investors on how to allocate their funds in a responsible manner to contribute to sustainable development.

Relationship to the Programme Budget for 2020

The project is directly linked to UNCTAD Subprogramme 4 on Technology and Logistics. The objective, to which this subprogramme contributes, is to harness, among others, trade logistics and capacity-building, for inclusive and sustainable trade and development in developing countries. [Section 12 (Trade and Development), Part IV on International Cooperation for Development].

The project also fits into UNCTAD subprogramme 5 (Africa, Least Developed Countries and Special Programmes) which seeks to contribute to greater awareness of and dialogue on policy options to promote African economic development. By building analytical capacities to fight IFFs, the project will directly have a bearing on policy formulation for resource mobilization in support of economic development in the beneficiary countries. UNCTAD is well-placed to deliver this technical assistance and capacity building, given their acquired expertise on developmental issues across the developing world. UNCTAD's 2020 Economic Development in Africa Report (EDAR) was dedicated to ''Tackling Illicit Financial Flows for Sustainable Development in Africa''. The report provides updated assessments of IFFs within African context; evaluate their impacts on the continent's sustainable development considering economic, social and environmental dimensions; and, formulate a set of policy recommendations to support national and regional efforts to fight them.
UNCTAD's Empretec programme is directly linked to Subprogramme 2 (Investment and Enterprise) which aims to "strengthen investment and enterprise development for creating jobs, building productive capacity, diversifying the economy and achieving sustainable and inclusive growth and development" (p.14). UNCTAD's programme budget for 2020 can be found in the document A/74/6 (Sect. 20) approved during the Seventy-fourth session of the General Assembly. This project with activities on entrepreneurship policies and entrepreneurship training, through

The project is also directly related to the work that UNCTAD conducts on Accounting and reporting within the Enterprise Branch of the Division on Investment and enterprise. UNCTAD ISAR's work, tools and expertise can promote high quality and internationally comparable corporate reporting, which is an essential part of an enabling development environment which promotes transparency and good governance, contributes to building trust of stakeholders, investment facilitation at all levels and financial stability.

2.3. Country demand and target countries

List of target countries: Belarus, Burkina Faso, Colombia, Costa Rica, Egypt, Indonesia, Jordan, Kyrgyzstan, Pakistan, Zambia

Country selection: Country selection was guided by 3 criteria: (i) demonstrated interest in the implementation of INFFs; (ii) achieving a diverse set of countries, regionally balanced and including vulnerable countries; and (iii) as desirable, an existing working relationship on integrated financing or related thematic areas with one or more of the implementing entities.

A large number of countries have already expressed interest in and their commitment to implementing INFFs. They include the 16 so-called INFF 'pioneers' the 62 countries where UN Country Teams receive support from the Joint SDG Fund (see above). In addition, several UN Country Teams have submitted proposals ot the Joint SDG Fund that were deemed technically sound but did not receive funding due to limitations in the overall funding envelope. All 10 countries targeted in this project meet one or more of these criteria.

Targeted countries represent a diverse set of countries. They include two countries of each of the five major UN regions; two least developed countries; three landlocked developing countries; and one low-income, four lower-middle income and five upper middle-income countries.

2.4. Link to the SDGs

The project directly relates to several SDGs and targets including:

17.1.: Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

17.3.: Mobilize additional financial resources for developing countries from multiple sources

17.9.: Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation

17.14: Enhance policy coherence for sustainable development.

16.6.: Develop effective, accountable and transparent institutions at all levels

The project also contributes to a vast number of secondary SDG targets that would greatly benefit from better planning and financing capacity. It further contributes to support implementation of the Addis Ababa Action Agenda, an "integral part of the 2030 Agenda [that] supports, complements and helps contextualize the 2030 Agenda's means of implementation targets", and specifically the commitment that integrated national financing frameworks that support nationally owned sustainable development strategies "will at the heart of our efforts" to implement sustainable development and the 2030 Agenda.

2.5. Lessons learned

While INFFs are a new concept, introduced in the Addis Agenda in 2015, and fully developed only in the years after that, experiences exist with similar efforts for integrated or comprehensive strategies and financing for sustainable development. At the same time, over the last few years, a growing number of countries are developing more integrated approaches to better utilizing exiting financial resources and mobilizing additional financing for the investments necessary to achieve national sustainable development objectives – either as pioneers in developing INFFs and/or as target countries of Joint SDG Fund activites, or through deliberate processes to strengthen the financing components of their national strategies and plans.

Several lessons for good practices arise from these initial experiences, which inform the design of this project. To be successful, INFFs need to

- align public and private financing policies with national sustainable development priorities and the SDGs to leave no one behind, and promote gender equality and the empowerment of women and girls.
- have support from the highest level of government to provide political backing, along with leadership at a senior technical level, and ensure national ownership of all financing plans.
- have inclusive engagement with the legislature, the private sector, civil society, development partners and other stakeholders to create ownership by all actors.
- maintain a prioritized, targeted and flexible approach by starting from a comprehensive scanning of all financing policy frameworks, with a view to identify and implement targeted, gradual and sequenced policy actions, building on existing policies, institutions, structures and capacities. This includes prioritising policy actions with the greatest impact, and a flexible and adaptive approach responsive to feedback and changing circumstances.
- Be risk-informed by mainstreaming risk management across financing policies, raising awareness of risks across economic, social, environmental and other dimensions, and incorporating risk management into policies.
- Be proportionate and cognizant of the transaction costs in supporting additional policy and institutional development.

3. ANALYSIS

3.1. Situation analysis

Mobilization of sufficient financing and other means of implementation remains a critical challenge for SDG implementation. Even prior to the current crisis, only a quarter of national development plans contain a detailed financing component. Similarly, most Voluntary National Reviews (VNRs) at the High-Level Political Forum (HLPF) on Sustainable Development, which review the status of implementation of the 2030 Agenda at the national level, do not provide specific costings or details about how they would be financed.

For example, in terms of public finance, effective and sound costing, budgeting and financing in the formulation and implementation of SDG-related programmes have been identified as a major challenge by many VNR countries in the four rounds conducted so far. The VNR reports also show that Governments in many VNR countries have not been able to systematically streamline the SDGs in their budget cycles, resulting in budgeting processes that often do not reflect the national development priorities formulated in the their NSDS. Countries with limited capacity in this regard run the risk of developing national sustainable development strategies (NSDS) that are inadequate to tackle the complexity of the 2030 Agenda.

The Covid-19 pandemic has dramatically increased the scale of this challenge. The pandemic and the ensuing global recession have had dramatic and immediate impacts on all aspects of financing: domestic public revenue and investment are plunging; capital outflows, the decline in remittances and exports put pressure on external balances; while governments are faced with vast spending needs for health, social protection and economic recovery. Debt crises loom in many countries.

Tax bases have shrunk almost overnight, with world output projected to fall by around 5 per cent, and significantly deeper recessions in some developing regions, hitting public revenues at a time when increased spending is needed to tackle both the immediate health crisis and the economic and social consequences. Fiscal balances are projected to turn sharply negative, to around -11 per cent of GDP in emerging economies and -6 per cent of GDP in low-income developing economies.[3] Given the impact of the pandemic on the national budgets of donors, there is also risk that the volume of ODA may decline going forward.

Social distancing policies and lockdowns have abruptly stopped business activities and affected cross-border private financing and trade flows. Foreign Direct Investment (FDI) flows could decline by up to 40% in 2020, with developing economies experiencing the biggest fall.[4] Early in the pandemic, capital outflows from developing countries reached record highs, of around $100 billion between late January and the end of March 2020, even if international financial markets have recovered somewhat since then. The fall in migrant employment and wages is expected to reduce the global flows of remittances by about 20 per cent in 2020. World merchandise trade is projected to decrease by 20 per cent in 2020. Tourism is another major victim, with losses estimated to at least $1.2 trillion, and possibly rising to $2.2 trillion or 2.8 per cent of the world's GDP if the situation does not improve throughout the rest of the year. This has dramatic consequences for the economy and employment in countries where tourism is a large sector.

These trends have dramatically worsened public and external balance sheets of developing countries, and undermined their debt sustainability. Debt risks were already high prior to the crisis: forty-four per cent of low-income and least developed countries (LDCs) were already in or at high risk of external debt distress at the end of 2019. COVID-19 and related global economic and commodity price shocks will significantly increase this number.

Many of these challenges cannot be resolved by countries alone. A global crisis requires a global policy response, and international support for developing countries. At the same time, the current crisis highlights the importance of risk-informed planning and financing. With a new, much more challenging baseline in place, national development plans for the 2030 Agenda will need to be reassessed as countries emerge from the pandemic. Costing of policy objectives to achieve the SDGs will have to be updated, where appropriate. As a next generation of medium-term plans are developed, there is an opportunity to strengthen the links between such national development plans and financing strategies, in ways that will make governments and their partners better able to manage future risk. Integrated financing

[3] IMF WEO June 2020 Update
[4] https://unctad.org/en/PublicationsLibrary/wir2020_en.pdf

frameworks can help countries align and mobilise additional financing for their medium-term national plans in this context, ensuring that they are more risk-informed and financially sustainable.

3.2. Country level situation analysis

See Annex 3 for a comprehensive overview of all participating countries

Country	Status of affairs	Realistic outcomes
Burkina Faso	Burkina Faso just completed the final evaluation of the implementation of its national development plan (PNDES 2016-2020). The findings of this evaluation will inform the formulation of the new development plan for the period 2021-2025. As a key finding, the financing gap was found to be a major challenge in achieving the national development plan results. This financing gap is expressed in terms of operational deficit in mobilization capacity (internal and external resources) and also in terms of strategic deficit of alignment between the priorities of the national development plan and national budget definition including sectorial resource allocation. Moreover, even if the priorities are well highlighted in the development plan, the budget resource allocation is not consistent with prior planning and programming on targeting priorities. The evauation further identified that the coordination and the allocation of external donors' interventions to the national priority sectors is a challenge, as each donor aligns its preference and intervention with the priorities set by the donors' organization. Funding promised for private sector investments (internal and external investors) during the Paris round table for PNDES 2016-2020 implementation was more that 45% of the overall implementation cost, but the final evaluation of the national development plan shows quite a weak participation of the private investors. Indeed, private sector contribution through Public-Private-Partnership (PPP) mechanism was only 17,5% ($US412 billions for a total of $US2352 billions) during the 2016-2018 period of implementation. As one of the main recommendations of the final independent evaluation, it is necessary for the government to establish an appropriated framework for better coordination and coherence in resource mobilization and allocation according to prior planning and programming. This requires the development and effective implementation of an integrated funding	The project will provide a diagnostic assessment of the national financing ecosystem including national capacity building in emerging issues of IFFs and PPP and will provide a national integrated financing strategy including an associated priority action plan and M&E framework. These outputs will strengthen the national capacity in resource mobilization for SDG financing through the operationalization of an integrated financing strategy.

	framework that takes into account public and private planning and funding processes, ecosystem coherence and coordination. An effective and comprehensive development and implementation of the integrated funding framework starting by a diagnostic assessment to inform the formulation of the national integrated financing strategy is needed to strengthen the capacity and skills of the key actors in some emerging issues, notably in domestic Resource mobilization and Illicit Financial Flows (IFFs) and in Private-Public-Partnership (PPP). In addition to the emerging issue of IFFs vis-a-vis to domestic resource mobilization for sustainable development programs and project financing, the private sector involvement in infrastructure and logistics including through PPPs, have been assuming an important role, although there is the continued challenge of how they can deliver higher efficiency and lower costs. PPPs can generate value for money and people, yet, they need to be carefully assessed – including whether PPPs are appropriate for the type of service to be provided. A policy framework and regulation system, proper evaluation and monitoring process, a long-term investment plan, and an operating framework within the government to properly manage the process, are among the key imperatives for successful PPPs. The weakness of the national investment framework and its operational framework, including the low financial viability, are the major challenges of the PPP business model in Burkina Faso. To make the PPP mechanism a key instrument for economic infrastructure gap reduction, it is imperative to support Burkina Faso in carrying out a diagnostic country assessment for PPP development, build capacities of key stakeholders, and identify adequate financing actions.	
Kyrgyzstan	As part of its efforts to achieve the 2030 Agenda and the SDGs, Kyrgyzstan has recently introcuded a National Development Strategy (NDS) for the period 2018-2040 and an accompanying medium-term plan to guide its implementation, the National Development Programme for 2018-2022. Although this medium-term plan for 2018-2022 has a strong focus on sustainable development through private sector-led economic development, there is no systemic and strategic alignement with national budget allocation. Additionally, several factors may prevent the realization of this plan, including budgetary	Kyrgyzstan has taken significant steps in developping an INFF to support the implementation of its National Development Strategy which is aligned with the SDGs. However, public finances are coming under strong pressure as the COVID-19 pandemic is unfolding. As a result,

	constraints, especially at the municipal level. The share of government revenues in the GDP is relatively high in Kyrgyzstan and is equivalent 31.8%. Thus, there is not much scope to raise revenues compared to other countries in the region. Remittances are also a significant feature of the financing landscape – equivalent to 28.5% of GDP in 2019 – and there may be opportunities to enhance the contribution of the diaspora to national development. Levels of FDI remain volatile, with large swings from one year to the next. The impacts of the COVID-19 pandemic are wide-ranging and have put the country's public finances under massive strain. The overall decline in economic activity has led to an important drop in public revenues as revenue from trade tax, social security contributions and VAT have decreased and are expected to remain low as the pandemic continues. Moreover, the expected increase of inflation rates and debt levels are key concerns and the latest available IMF forecast suggests that the GDP of Kyrgyzstan will reduce by 4% in 2020. To support the implementation of the NDS and the mobilisation and impact of the necessary public and private finance, the Government of Kyrgyz Republic made a commitment at the 2019 UN General Assembly to operationalise an INFF. To develop the INFF, the Government of the Kyrgyz Republic has commissioned a development finance assessment (DFA) and a scoping mission was realized in November 2019. The initial phase of the process identified a number of financing solutions that could help to meet the country's resource mobilisation objectives. These include additional reforms that can strengthen particular areas of financing, in areas such as the integration and efficiency of public finance relative to national priorities, boosting fiscal space, strengthening investment policy for sustainable and inclusive investments, financial inclusion and leveraging remittances. Although efforts on introducing programme-based budgeting have been made and are currently underway, these have not resulted in lasting improvements in the budgeting processes. Expenditure planning is not fully functional and is detached from annual budget formulation and budget decision-making processes. Futhermore, there is no systemic and strategic alignment between NDS/SDGs and expenditures.	there is a need to both improve the management of public finances and diversify the sources of financing. The project will contribute to these needs, reflecting the impact of COVID-19 and helping the government to identify and bring together different sources of financing in support of the National Development Strategy 2018-2040 and accompanying National Development Programme for 2018-2022, including the promotion of private sector financing. UNECE will train key stakeholders in the People-first PPP Evaluation Methodology to score infrastructure projects against the People-first outcomes and the SDGs as a tool to promote private finance and investment into infrastructure and public services, which is a priority area for the Government in Kyrgyzstan. Eight infrastructure projects will be identified to apply the PPP Evaluation Methodology. Promoting effective partnerships between the public and private sector is a critical tool to unlock additional resources for SDG financing and will be an integrative part of the Kyrgyz Integrated Financing Framework.

	The National Sustainable Development Council is the coordinating entity for monitoring the implementation of the NDS and its secretariat and the Office of the President are developing a framework to monitor implementation of and progress toward the NDS. Nevertheless, there is a lack of coordination between government ministries, who often work in siloes, and between government and development partners, which constrains the effectiveness of spending and programming. The UN Country Team has been granted funding through the Joint SDG Fund to implement the project 'Enhanced financing opportunities and alignment with national sustainable development goals through an Integrated National Financing Framework for Kyrgyzstan'. This Joint Programme will start in the second half of 2020 and involve UNDP and UNICEF. Its objective is to support the Kyrgyz Republic in creating a holistic, comprehensive and integrated financing strategy with the ambition to improve the efficiency, effectiveness and transparency in the use of public funds and governance of private finance to support the implementation of the NDS and the SDGs.	

3.3.Stakeholder analysis and capacity assessment

Non-UN Stakeholders listed in order of level of involvement in the project	Type and level of involvement in the project	Capacity assets	Capacity Gaps	Desired future outcomes	Incentives
Ministries of Finance and Planning	*Ministries of Finance and Ministries of Planning are in the lead in the design and implantation of INFFs. They coordinate INFF oversight mechanisms, and are in the lead in*	*Ministries of Finance directly manage public budgets and medium-term expenditure frameworks, as well as public revenues, and thus core components of SDG financing.*	*Capacities of Ministries of Financing and Planning to deliver on their core mandates vary across countries.* *More importantly, planning and*	*A core deliverable of an INFF is to better align finacning and planning processes at the national level, and thus to improve coordination among relevant actors, in particular finacning and planning ministries.*	*Target countries have already expressed their interest in the INFF concept.* *Ministries of Finance can use the INFF as a vehicle to ensure that all financing policies are well*

	design and implementation of INFF and related activities.	*They also usually play a major role in the governance of other relevant financing areas, such as financial sector development.* *Ministries of Planning are custodians of sustainable development strategies and plans, which INFFs seek to support, and have capacities in medium-term planning, scenario analysis, and related functionst of an INFF.*	*financing processes are often not well integrated, with financing policies often following shorter-term considerations that are not well aligned with long-term susustainable development priorities.*		*aligned with high-level national priorities, strengthening buy-in from all stakeholders.* *Ministries of Planning are champions of the INFF concept because it allows them to add credible means of implementation to national plans that are often characterized by poor financing dimensions.*
Line Ministries	*Line ministries whose policy domains are highlighted in national strategies are activtely involved in INFFs – contributing to assessments of financing gaps, implementing elements of financing strategies, and contributing to monitoring of implementation.*	*Line ministries have sector expertise that can help elicit key binding constraints to financing (in public financial management, in sector-specific challenges to access to private finance).*	*Line ministries may not have sufficient expertise to understand the full range of financing options that may be availalbe to address key priorities.*	*Concrete financing options developed and/ or implemented for line ministry priorities reflected in national development strategies / plans*	*Financing and means of implementation are often weak points in national development plans, and thus stumbling blocks for realization of key line ministry priorities.* *As a planning and prioritization exercise, INFFs are a vehicle for supporting key line ministry priorities.*
Parliaments	*Parliaments play a key role in the*	*Parliaments as*	*Process, policital and*	*An inclusive INFF process strengthens*	*INFFs can help strengthen*

	budgeting process, which is the main economic and financial policy tool of the government, and thus a major component of any INFF. *Parliaments also oversees public policy implementation, and would play a role in monitoring and reviewing INFF implementation. .*	*representatives of the electorate scrutinize national budgets and government policies more broadly, including to ensure alignment with national priorities as expressed in national strategies and plans.*	*capacity limitations often limit the ability of parliaments to shape budgets and to provide genuine oversight.*	*the engagement of a wide range of stakeholders, including parliamentarians, in the formulation and implementation of financing policies, which are traditionally often dominated by small technical and expert actors.*	*parliaments' ability to fulfill some of their core functions, including on aligning national budgets with long term priorities, and oversight of executive action.*
Private sector	*Private finance and investment is a key driver of sustainable development outcomes, and INFFs explicitly seek to broaden sustainable finacning discussions by addressing both public and private finance, and engaging public and private actors.*	*Financial sector actors have important technical knowledge, both on financing instruments, and on key policy constraint that prohibit finacinal sector development.*	*In several of the target countries, private sector and the financial sector is underdeveloped and not able to provide long-term financing for productive investments in the SDGs.*	*INFFs often have financial sector development as a key objective, and the project can support such efforts in countries where this is a key priority.*	*INFFs can serve as a platform for inclusive dialogue and can allow private sector representatives to share concerns and perceived constraints with policy makers.*
Development partners	*The European Union, Germany, and other development partners have expressed great interest in the concept of INFFs and support INFF development in a select number of countries.* *More generally,*	*Development partners have technical expertise in many of the areas a target country may prioritize in the implementation of an INFF.* *Select development*	*A challenge with development partner engagement in INFFs can be that donor priorities shape INFF design and/or formulation of a financing strategy and related*	*The INFF process can help better align development partners and their programmes with national prioirities and plans.*	*Development partners are interested in INFFs because they facilitate engagement with the hightest level of government of recipient countries, and can help elevate key priorities and*

	development partners are key interlocutors for an INFF, particularly as it would also encompass or be closely aligned with donor coordination platforms, which seek to achieve alignment of aid flows with national priorities.	*partners are also closely engaged in INFF design in other counries and may share experience from their perspective.*	*technical assistance.*		*programmes, enhancing national ownership and effective implementation.*

4. PROJECT STRATEGY: OBJECTIVE, OUTCOMES, INDICATORS, OUTPUTS

4.1. Project Strategy

This project aims to support selected countries to mobilize and align financing with national sustainable development priorities, in particular in the context of addressing the significant impacts of COVID-19 on both SDG-related financing needs and on availability of public and private financial resources for such expenditure and investment. It further raims to foster regional and global knowledge exchange, ensuring peer learning at the regional level and knowledge transfer at the global level, to better link global policy processes to national and regional implementation (Objective).

To this end, the project is structured around the following sequential steps: (i) preparation of targeted global guidance material, building on ongoing work to develop guidance for the design and implementation of INFFs, and including a baseline assessment of progress; (ii) diagnostic exercises at the country level (if needed) to identify capacity gaps; (iii) technical assistance, training workshops and capacity trainings in target countries; (iv) regional exchange to share implementation experiences and facilitate peer learning; and (v) global knowledge exchange and publication of training material and policy recommendations for countries implementing INFFs.

The targeted guidance material (OP 1.1.) will be developed building on global guidance currently developed by the Inter-agency Task Force on Financing for Development on the design and implementation of INFFs. The targeted guidance material will build on modules 1 (assessment and diagnostics) and 2 (financing strategy) in particular, and will focus on two priority themes identified through country analysis: mobilizing financing for productive investments and infrastructure development and related services in the SDGs; and aligning public financing policies and mechanisms with the SDGs. These materials will address, as a priority, new financing challenges related to Covid-19, and put forward policy options for countries to address them and to 'build back better'. They will also, in line with the INFF methodology, mainstream gender equality, risk, and leave-no-one behind as key cross-cutting principles, so that they inform assessments, diagnostics, and financing strategy decisions. The guidance material will also include a baseline assessment of where countries stand on INFF implementation, in both the target countries, and globally, to facilitate project evalution.

The guidance material, along with broader guidance material on INFFs developed by the Inter-agency Task Force and implementing partners, will inform inception workshops and trainings in target countries (OP1.2), where such inception workshops are needed (in some target countries, sensibilization to INFF concept would have been carried out through Joint SDG Fund Projects, or through INFF pioneer status-related activities). These inception workshops will serve to introduce the INFF methodology, including deep dives on those elements most relevant in specific country contexts, and will aim to be inclusive, engaging a broad range of stakeholders within and beyond government. They will also seek gender balance in representation of key stakeholders. The workshops will also inform dedicated technical workshops and capacity trainings to support implementation of an INFF (OP1.3).

For example, in Zambia, a workshop (OP1.2) on enhancing domestic resource mobilization in a post-Covid context will be organized by ECA in collaboration with UNCTAD (Division for Africa, LDCs and Special Programmes). This workshop will integrate the insights of ECA's Economic Report on Africa 2019 "Fiscal policy for financing sustainable development in Africa", ECA's Economic report on Africa 2020 on innovative finance, ECA's Africa Governance Report on Illicit financial flows (IFFs) and UNCTAD Economic Development in Africa Report 2020 "*Tackling illicit financial flows for sustainable development in Africa*". As a result, a policy manual on "Enhanced domestic resource mobilization in Zambia post-Covid" is prepared and disseminated to stakeholders.

In addtition, a country/diagnostic assessment on the role of public private partnerships on financing SDGs in Zambia with policy recommendations on innovative finance (covering multiple sectors including transport) will be executed and results outlined in a handbook on innovative finance for promoting inclusive industrialization and private sector development in Zambia (OP1.3). A capacity building workshop on innovative finance within PPPs in Zambia will be organized with attention to specific sectors including transport and energy.

The project's first progress report will include more detailed country-specific activity plans for each of the target countries, informed by scoping activities and responding to country demand for those elements of INFFs that national authorities aim to prioritize.

Each region targets two countries. However, many more countries (over 60 globally) have expressed interest in or have started design and implementation of INFFs. The project will support knowledge exchange and peer learning at the regional level, by organizing regional workshops in each of the 5 regions (OP2.1). These workshops will bring together government officials and other key stakeholders of target countries, representatives of implementing partners and collaborating entities, as well as officials from other countries in the region that are working on INFFs, to share implementation experiences with INFFs and lessons learned, and facilitate knowledge sharing. The regional workshops will also allow implementing partners to identify additional support needs, which can be met with follow-up technical assistance where appropriate (OP 2.2).

For the Africa region, the United Nations Economic Commission for Africa (UNECA) will set up a digital network /digital community of practice for African countries that are setting up and operationalizing the INFF. This will involve creating a network of INFF focal points at the relevant ministry – be it Ministry of Finance and Ministry of Economic Planning – whose aim is to promote cross-sharing of experiences in Africa on the INFF process and faciliate sharing of lessons learnt on responses to address the economic and financial impacts of Covid-19 in Africa. The digital platform will also be integrated into a global knowledge platform on INFFs which is currently being developed by UNDP, DESA and the European Commission. UNECA will also host a webinar for the INFF focal points at the Ministry of Finance and other senior government officials, private sector and civil society to stimulate discussions on Financing SDGs for Africa. The webinar will be organized in collaboration with UNDESA.

In 2022, a capacity building workshop on INFF in Africa will bring together key stakeholders to facilitate sharing of experiences, and lessons learnt on the INFF process. The workshop will integrate capacity building sessions on topics related to development finance for SDGs (illicit financial flows, domestic resource mobilization, innovative finance, SDG monitoring, role of private sector etc) and will emphasize the sharing of case studies.

Experiences and lessons from the country and regional level will inform global policy processes and be shared globally with countries implementing or interested in implementing INFFs. A global workshop will serve to share lessons learned and good practice from all regions with a global audience (OP 2.3). Organized back-to-back with a global meeting such as the annual ECOSOC FfD Forum or the High-level Political Forum, it will also servce to feed these lessons directly into the intergovernmental process on Financing for Development, which originated the idea of INFFs and encouraged goverments to implement them, in the Addis Ababa Action Agenda and subsequent negotiated outcomes. The workshop will also inform, along with country and regional experiences, the drafting of a concluding knowledge product, a compendium of experiences on INFF design and implementation with a focus on concrete and actionable policy recommendations for policy makers (OP 2.4).

4.2. Results Framework

Intervention logic	Indicators of achievement	Means of verification
Objective ***To strengthen capacities of selected countries to mobilize and align financing with national sustainable development priorities.***		
Outcome - OC 1 Strengthened national capacity of target countries in developing financing strategies that align with their national development plans and mitigate the impact of COVID-19	**IA 1.1** Targeted global guidance material is developed and applied in target countries and regions	The project coordinator and focal points have the overall responsibility to collect and report data on the application of the global guidance material and policy recommendations

	IA 1.2 80% of participants in national trainings have a sound understanding of the value of INFF in their country context	RECs collect workshop surveys and government feedback
	IA 1.3 10 target countries developed and commenced implementation of INFF methodology for their country.	Policy documents (i.e. formulated financing strategy) and government feedback
OP1.1 Develop global guidance material to support activities in target countries, complementing INFF guidance material developed by the Inter-agency Task Force and focusing in particular on thematic priorities of target countries. The guidance will also include a baseline assessment of status of integrated financing and, where applicable, initial work on INFFs, in target countries.		
OP1.2 Inception/training workshop to introduce INFF methodology, based on guidance developed by the IATF and targeted guidance developed for the project, to government officials as well as other key stakeholders, including in particular private sector, partliaments, civil society and development partners, and clarify country capacity needs in target countries (where needed).		
OP1.3 Delivery of dedicated technical assistance to support implementation of an INFF as outlined in the respective country project budget (depending on the country typically a set of workshops on specific INFF topics, virtual support and advisory services)		
Outcome – OC2 Increased knowledge exchange and peer learning on applying INFF concepts among target countries and inform wider implementation efforts of INFFs in other countries and UN support to this effect	**IA 2.1** 75% of participants submitted positive end-of-workshop surveys from the exchange with peer countries.	Participants lists, end of workshop evaluation survey
	IA 2.2 Target countries advance INFF implementation in at least one building block, based on lessons learned at the regional workshop.	Country statements, feedback from government officials and feedback at regional and global fora

	IA 2.3 75% of participants, including target country representatives and other stakeholders, benefited from the global knowledge exchange.	End of workshop surveys that measure strengthened INFF implementation and/or interest to commence an INFF
	IA 2.4 Increase in the number of countries that initiate design and implementation of an INFF, over and above the baseline of 10 target countries and additional countries that receive support from the Joint SDG Fund	Evidence of inception workshops held; country statements and feedback at regional and global level meetings such as the ECOSOC FFD Forum
OP2.1 Regional workshops with participation of government officials, privat sector representatives and other stakeholders of target countries within each region, representatives of implementing partners and collaborating entities, to share implementation experiences with INFFs and lessons learned, and facilitate knowledge sharing among countries and stakeholders.		
OP2.2 Follow up technical assistance to countries based on lessons learned and knowledge exchange at regional workshops, and/or additional knowledge exchange between countries in the region		
OP2.3 One global workshop for 50 participants to share lessons learned and good practice at the global level, with a view to inform national implementation efforts and global policy processes such as the Financing for Development process.		
OP2.4 Develop and publish compendium of experiences on INFF design and implementation with a focus on concrete and actionable policy recommendations for policy makers, building on lessons learned from national and regional experiences and global workshop.		

4.3. Innovative aspects

Integrated financing frameworks are a new concept, first introduced in the Addis Agenda, and elaborated in greater detail in 2019, in the Financing for Sustainable Development Report of the Inter-agency Task Force. The concept was developed by DESA, in collaboration with members of the Inter-agency Task Force, including prominently the implementing partners of this project. The Development Account project will allow the custodians of the INFF concept to support implementaiotn at the national level, and to feed lessons learned from this implementation back to regional and global policy processes and analytical work, which is still ongoing under the auspices of the Inter-agency Task Force.

4.4. Risks and mitigation actions

Risks and mitigation actions		
Risks *What conditions may hinder the achievement of the project objectives and outcomes?* *Each risk or set of risks should be listed on a separate row. The list should include factors beyond the control of the project management (e.g. Political instability).*	**Likelihood of risks** *The likelihood of the risks to occur (low, medium or high) and the extent to which they are expected to affect project results should be explained.*	**Mitigating Actions** *What will be done to mitigate these risks?*
R1. Covid and lockdowns Extended lock-downs and travel restrictions due to the Covid-19 pandemic could limit the ability of the project to implement activities, particulary dialogues, consultations and workshops.	High, particulary in the early phases of project implementation. This could affect effectiveness of inception workshops at the national level, which should bring together a wide range of stakeholders, as well as other country-level meetings.	**M1.** Alternative means to carry out activities and to ensure business continuity will be developed. Contingency plans include virtual consultations and dialogues in particular.
R2. Government engagement Changes in government can undermine political commitment to and ownership of an INFF.	Low, as INFFs are linked to medium-to long-term strategies and plans which generally are consensual and agreed beyond current administrations.	**M2.** INFFs will be developed as an inclusive mechanism involving stakeholders beyond current administration, including parliaments and non-state

National institutions have to be willing to provide relevant and timely information and show interest and commitment to the subject matter		actors, to ensure sustainability beyond electoral cycles. The project will explore possible efforts to enhance cooperation and involvement of all concerned parties/institutions.
R3. Security situation in target countries and regions is stable	**Low** in most target countries, but high in some.	**M3.** The project will explore alternative venues for events.

4.5.Sustainability and scaling up

To ensure sustainability, target countries are selected from among those which have already engaged in the process of developing INFFs and have met the criteria to be selected as a target country, including their ability to promote the Programme's efforts. It is expected that the knowledge learned through the national interventions and regional cooperation will ensure that the Ministries of Finance and other line ministries will be better equipped to use the improved methodologies and guidelines developed under the Programme. It is also expected that the advancements made in those target countries will be shared by the respective project partners through engaging in capacity development within their region and sub-regions. In support of scaling up, a compendium of experiences on INFF design and implementation with a focus on concrete and actionable policy recommendations for policy makers

5. MONITORING AND EVALUATION

5.1. Monitoring

Monitoring will be performed by the REC Focal Points and the Project Coordinator on a regular basis. Each activity will be evaluated by post–workshop surveys and self-evaluations. Spot visits by the REC Focal Pkoints and/or Project Coordinator to validate data received from partners and feedback from implementing partners and other stakeholders will further support the monitoring process. Reporting on progress will be done by the Focal Points on a quarterly basis during the quarterly project coordination team meetings. The Project Coordinator will provide a monitoring reporting format based on the results framework that will measure data against the indicators of achievement. Monitoring on achievements and identified gaps will be presented in the annual progress reports. The annual progress reports have to be submitted to the DA Team by 31st January every year from 2022 until 2024.

5.2. Final Report

The project coordinator will be responsible to prepare and submit the final report, with support from the Project Coordination Team. Deadline for submission of the report to the DA team is 31st March 2024 or three months after completion of all project activities, in case that a project extension has been granted.

5.3. External Evaluation

The project includes a provision for an external evaluation.

The evaluation will be conducted by a Global Evaluation Team, consisting of one consultant as Lead Evaluator as well as two to five consultants supporting the Lead Evaluator for national/regional or thematic assessments.

About nine months prior to the anticipated completion of the project, the implementing entities (DESA, UNCTAD, and the five regional Commissions) will appoint a staff member not directly involved in the project delivery as Evaluation Manager.

The Evaluation Manager will be supported by an Evaluation Reference Group (ERG) comprised of one representiative from each implementing entity (UNCTAD, DESA and the 5 Regional Commissions) and a representative from the DA Programme management team. The project manager will serve as resource person to support the ERG and the Evaluation manager, including through support in drafting the ToR, communication with the project team and stakeholders.

The ERG will review and approve the evaluation TOR and the final evaluation report. Roles and responsibilities in the evaluation process are described below:

Evaluation Manager, (appointed 9 months before project end date in consultation among the implemewnting entities):

- Prepare the draft evaluation TOR
- Prepare the draft TOR for the evaluation consultants (Lead Evaluator and consultants for national/regional or thematic assessments)
- Recruit and manage the evaluation consultants
- Oversee / provide quality assurance to the wrk of the evaluation consultants
- Facilitate the work of the Evaluation Reference Group
- Support the formulation of management responses to the evaluation findings.

Evaluation Reference Group, composed of representatives of the participating implementing entities (UNCTAD, DESA and the 5 REC) plus a representative of the DA Programme Management Team.

- Review and comment on the draft evaluation TOR
- review and comment on the draft TOR for the lead consultant and the ToR for national/regional or thematic assessments as outlined in the draft evaluation
- Provide inputs on the selection of the evaluation consultants
- Review and comment on the draft evaluation report

Project Coordinator (DESA/FSDO)

- Participate and support the Evaluation Reference Group and the Evaluation Manager
- Provide background and support for the drafting of the ToR by the Evaluation Manager
- Facilitate the evaluation consultants access to relevant Programme documentation and stakeholders
- Support fact-checking of the draft evaluation reports

The evaluation is expected to commence ideally several months before the end of the project to possibly include participation at the global workshop (OP.2.3). Details of the timeframe and terms of reference will be developed about 9 months before project end date.

6. MANAGEMENT, PARTNERSHIP AND COORDINATION ARRANGEMENTS

The overall responsibility for successful project implementation lies with the DA Project Coordinator at DESA. The Coordinator works in close collaboration with Focal Points from the six participating Executing Entities.

The Coordinator ensures the successful implementation of global level activities (OC1), in coordination with Focal Points from participating entities.

The Coordinator and Focal Points from the six participating Executing Entities are responsible for the formulation of activities at country and regional level and for the successful achievement of each output in order to meet respective outcomes (OC2 and OC3). Focal Points from the Regional Commissions take the lead on these activities in their respective regions, in close collaboration with other participating entities.

Focal Points also participate in project coordination activities, coordinate and share information with the UN Resident Coordinator System and UNDP and provide timely reporting updates. Together with national and regional stakeholders, Focal Points ensure that the project is coordinated with complementary country and regional activities and make use of synergies where possible.

Coordination

A Project Coordination Team, composed of the Coordinator, Focal Points from the five RECs, UNCTAD, DESA's Capacity Development Programme Management Office, Representatives of the Resident Coordinator's offices and UNDP, will be established to monitor the progress of project implementation. The Project Coordinator will organize virtual project coordination team meetings on a quarterly basis, with additional virtual meetings as needed.

Reporting

Annual project reports are developed by the Coordinator with substantive inputs from the Focal Points, who are responsible to submit timely project monitoring reports as per defined reporting guidelines (see section 5.1 above).

7. ANNEXES

Annex 1 Results Based Workplan and Budget

Table 1.1 – Results based work plan and budget

Outcome	Output #	Timeframe by output		Budget class and Code *(Please use the budget classes listed in the table above.)*		Amount (USD)
		Year *(2021, 2022, 2023,2024)*	**Quarter** *(Q1, Q2, Q3, Q4)*			
OC1	OP1.1	2021	Q1-Q3	Consultants and Experts	**105**	16,000
				Travel of Staff	**115**	0
				Contractual Services	**120**	0
				General Operating Expenses	**125**	0
				Grants and Contributions (Workshops/ Study Tours/EGMs)	**145**	0
	OP1.2	2021-2022	Q1-Q4	Consultants and Experts	**105**	168,000
				Travel of Staff	**115**	93,000
				Contractual services	**120**	154,540
				General Operating Expenses	**125**	42,000
				Grants and Contributions	**145**	178,600
	OP1.3	2021-2023	Q1-Q4	Consultants and Experts	**105**	494,500
				Travel of staff	**115**	121,000
				Contractual Services	**120**	122,600
				General Operating Expenses	**125**	60,200

				Grants and Contributions	**145**	87,060
OC2	OP2.1	2022	Q1-Q4	Consultants and Experts	**105**	63,500
				Travel of Staff	**115**	61,800
				Contractual Services	**120**	25,700
				General Operating Expenses	**125**	9,300
				Grants and Contributions	**145**	165,200
	OP2.2	2022-2023	Q1-Q4	Consultants and Experts	**105**	32,000
				Travel of Staff	**115**	9,000
				Contractual services	**120**	0
				General Operating Expenses	**125**	4,000
				Grants and Contributions	**145**	3,500
	OP2.3	2024	Q2-Q3	Consultants and Experts	**105**	0
				Travel of Staff	**115**	0
				Contractual Services	**120**	0
				General Operating Expenses	**125**	12,500
				Grants and Contributions	**145**	75,000
	OP2.4	2024	Q1-4	Consultants and Experts	**015**	35,000
				Travel of Staff	**115**	
				Contractual	**120**	17,000

				General Operating Costs	**125**	
				Grants and Contributions	**145**	
Other Staff Costs (GTA)				Admin staff	**015**	180,000
External Evaluation				Consultant	**105**	90,000

Table 1.2 – Planned annual budget expenditure and cumulative financial implementation rate

Year	Planned annual budget expenditure	Cumulative financial implementation rate
2021	$ 651,030	28%
2022	$ 1,056,030	73%
2023	$ 383,940	90%
2024	$ 230,000	100%
Total	$ 2,321,000	

Annex 2- Justification by Code

See also attached detailed budget in excel format.

1. **Other staff costs - *GTA* (015) $ 180,000 (Total)**

Entity	Activity
UNDESA	Temporary assistance to perform the tasks of administrative support, in support of OP 1 (24 work months) x ($7500 per work month) = $180,000.

2. **Consultants and Experts (105): $ 899,000 (Total)**

(A separate breakdown by national/regional consultants and international consultants should be provided)

(a) *International consultants*

Entity	Activity
UNDESA	International consultants for the task of preparing initial guidance material, in support of outputs: OP 1.1 (1 work month) x ($ 16,000 per month) and OP 2.4 (1 work month) x ($ 10,000 per month) = $ 26, 000. In support of the evaluation of the project: 4% of total cost = $ 90,000.
UNCTAD - tbd - Indonesia - Pakistan	Consultants to support misc. country level activities (investment) = $27,000. International consultant for the task of delivering UNCTAD Empretec workshop, in support of outputs: OP 1.3 (2 work month) x ($ 4,000 per month) = $8000; Consultant for UNCTAD's virtual financial inclusion workshop, in support of output 1.3 = $ 3,000. International consultant for the task of delivering UNCTAD Empretec workshop, in support of outputs: OP 1.3 (2 work month) x ($ 4,000 per month) = $8000; Consultant for UNCTAD's virtual financial inclusion workshop, in support of output 1.3 = $ 3,000.

- Burkina Faso	Consultancy for training workshop on IFFs and on PPPs, in support of 1.3 = $ 14,000.
ECE - Belarus - Kyrgyzstan	International consultant for the task of providing temporary project management support for the regional event in Geneva (programme, invitations, coordination with other UN Agencies etc.) in support of outputs: OP 2.1 (1 work month) x ($ 5,000 per month) = $5000. International consultant for the task of making recommendations on the identification and selection of 8 infrastructure projects in Belarus to be developed as People-first PPPs in compliance with the SDGs, in support of outputs: OP 1.3 (2 work month) x ($ 5,000 per month) = $10,000; and International consultant for the task of scoring and evaluating 8 PPP projects in Belarus using the UNECE People-first PPP Evaluation Methodology, (8 work months) x ($ 6,000) = $ 48,000; International/National consultant for the task of developing (program) an online interactive platform for public officials in Belarus to facilitate their participation in the evaluation of projects and to interact with national stakeholders in between the workshops and beyond, (2 work months) x ($ 5,000 per month) = $10,000; 2 International consultants to train public officials during the practical workshop in Minsk, Belarus = $4,000. International consultant for the task of making recommendations on the identification and selection of 8 infrastructure projects in Kyrgyzstan to be developed as People-first PPPs in compliance with the SDGs in support of outputs: OP 1.3 (2 work months) x ($ 5,000 per month) = $10,000; International consultant to evaluate 8 PPP projects in Kyrgyzstan using the UNECE People-first PPP Evaluation Methodology (8 work months) x ($ 6,000) = $ 48,000; International/National consultant to develop (program) an online interactive platform for public officials in Kyrgyzstan to facilitate their participation in the evaluation of projects and to interact with national stakeholders in between the workshops and beyond (3 work months) x ($ 5,000 per month) = $15,000; 2 international consultants to train public officials during the practical workshop in Bishkek, Kyrgyzstan = $4,000; International consultant to provide temporary project management support (4 work months) x ($ 5,000 per month) = $20,000.

ESCWA -Jordan - Egypt	 International/Regional or National consultant (1/3months) including travel = $10,000. International/Regional or National consultant (1/3months) including travel = $10,000.
ECLAC	--
ECA	--
ESCAP	--

(b) *National / Regional consultants*

Entity	**Activity**
UNDESA	5 Regional consultants, in support of outputs 2.4, ($5000 x 5) = $ 25,000.
UNCTAD - Belarus - Kyrgyzstan - Zambia	 1 national consultant for the task of assessment of reporting infrastructure, in support of output 1.3 = $ 15,600; 1 national consultant for financial literacy training = $ 3,000; 1 national consultant for training workshop on core SDG indicators = $ 3,000. 1 national consultant for the task of assessment of reporting infrastructure, in support of output 1.3 = $ 15,600; 1 national consultant for financial literacy training = $ 3,000; 1 national consultant for training workshop on core SDG indicators = $ 3,000. Regional or National consultant (DRM and Illicit Flows), in support of output 1.2.1 = $ 9,000; Regional or National consultant (PPP diagnostic), in support of output 1.3.1 = $ 10,000; Regional or National consultant (PPP workshop), in support of output 1.3.3 = $ 10,000; Regional or National consultant (workshop Investment, CSR), in support of output 1.3.4 = $ 7,000.
ECE - Belarus	 National consultant for the task of collecting and preparing documentation on the 8 identified infrastructure projects in Belarus and acting as a liaison between the evaluator (evaluator in b) of the projects and the Government authorities, in support of output 1.3 (3 work months) x ($ 2,000) = $6000.

- Kyrgyzstan	National consultant for the task of collecting and preparing documentation on the 8 identified infrastructure projects in Kyrgyzstan and acting as a liaison between the evaluator (evaluator in b) of the projects and the Government authorities, in support of output 1.3 (3 work months) x ($ 2,000) = $6000.
ESCWA - Egypt - Jordan	Regional or National consultant including travel expenses, in support of output 2.1 (1/ 2. 5 work months) = $ 15,000; Regional or National consultant including travel, in support of output 2.2 (1/ 2. 5 work months) = $ 7,000; Technical Advisers (1/workshops) including travel, in support of output 2.1 = $ 3,000. Regional or National consultant including travel, in support of output 1.3 = $ 30,000; Technical Advisers (2/2workshops) including travel, in support of output 1.2 = $ 30,000. Regional or National consultant including travel, in support of output 1.3 = $ 30,000; Technical Advisers (2/2workshops) including travel, in support of output 1.2 = $ 30,000.
ECLAC - Colombia - Costa Rica	Regional or National consultant, in support of output 2.2 = $ 15,000. Regional or National consultant, in support of output 1.3 (3 work months) x ($ 15,000) = $ 45,000. Regional or National consultant, in support of output 1.3 (3 work months) x ($ 15,000) = $ 45,000.
ECA - Zambia	Regional or National consultant, in support of output 2.1 = $ 24,000 and output 2.2 = $ 14,000. Regional or National consultant (DRM and Illicit Flows), in support of output 1.2.1 = $ 7,000; Regional or National consultant (Policy manual enhanced DRM) in support of output 1.2.2 = $ 15,000; Regional or National consultant (1/xx months) (handbook innovative finance) in support of output 1.3.1 = $ 15,000 and Regional or National consultant (PPP diagnostic) = $ 10,000; Regional or National consultant (PPP workshop), in support of output 1.3.3 = $ 7,000; Regional or National consultant (workshop Investment, CSR), in support of output

- Burkina Faso	1.3.4 = $ 7,000; Regional or National consultant (course on statistical tools), in support of output 1.3.5 = $ 7,000. Consultancy fees including local travel for the task of assessment and diagnostics, in support of output 1.2 = $ 12,000 and consultancy fees including local travel for strategy formulation = $ 10,000.
ESCAP - Indonesia - Pakistan	1 Regional consultant to prepare AP regional overview as input paper, in support of output 2.1 (2 work months) x ($ 5,000) = $ 10,000. National consultant to assist with organizing project inception workshop, in support of output 1.2 (2 work months) x ($ 2,000) = $ 4,000. National consultant to assist with organizing project inception workshop, in support of output 1.2 (2 work months) x ($ 2,000) = $ 4,000.

(c) *Consultant travel*

Entity	**Activity**
UNDESA	--
UNCTAD - Indonesia - Pakistan	International consultants for the purpose of UNCTAD Empretec workshop travel, in support of output: OP 1.3 (2 work months) x ($ 2,825 per month) = $5,650. International consultants for the purpose of UNCTAD Empretec workshop travel, in support of output: OP 1.3 (2 work months) x ($ 2,825 per month) = $5,650.
ECE	--
ESCWA	--
ECLAC	--
ECA	--
ESCAP	Travel regional consultant to regional workshop, in support of output 2.1 = $ 2,500.

3. **<u>Travel of Staff (115)</u>: $ <u>284,800</u> (Total)**

Entity	**Activity**
UNDESA	Project Coordinator and DESA staff participation in country level workshops, in support of output 1.2 = $ 48,000; Project Coordinator and DESA staff attending 5 regional meetings, in support of output 2.1 = $ 42,000.
UNCTAD	UNCTAD staff participation in country level workshops, in support of output 1.2 = $ 3,000.
- Belarus	UNCTAD staff travel to workshops, in support of output 1.3 ($ 4,000 x 2) = $ 8,000.
- Kyrgyzstan	UNCTAD staff travel to workshops, in support of output 1.3 ($ 4,000 x 2) = $ 8,000.
- Burkina Faso	Regional UN staff attending training workshops on IFFs and PPPs, in support of output 1.2 ($ 4,000 x 2) = $ 8,000.
- Zambia	UNCTAD travel of staff (investment), in support of output 1.3 = $ 4,000.
- Indonesia	International (UNCTAD) UN staff attending Empretec training workshops/seminars, in support of output 1.3 = $ 4,500.
- Pakistan	International (UNCTAD) UN staff attending Empretec training workshops/seminars, in support of output 1.3 = $ 4,500.
ECE	
- Belarus	UNECE staff attending practical workshop in Minsk, Belarus, in support of output 1.3 = $ 1,500 and UNECE staff attending final workshop in Minsk, Belarus = $ 1,500.
- Kyrgyzstan	UNECE staff attending practical workshop in Bishkek, Kyrgyzstan, in support of output 1.3 ($ 2,000 x 2) = $ 4,000 and UNECE staff attending final workshop in Bishkek, Kyrgyzstan ($ 2,000 x 2) = $ 4,000.
ESCWA	Regional UN staff attending training workshops/seminars, in support of output 2.1 = $ 8,300 and Regional UN staff attending training workshops/seminars, in support of output 2.2 = $ 3,000.

- Belarus - Jordan	Regional UN staff attending training workshops/seminars, in support of output 1.2 = $ 6,000 and Regional UN staff attending training workshops/seminars, in support of output 1.3 = $ 18,000. Regional UN staff attending training workshops/seminars, in support of output 1.2 = $ 6,000 and Regional UN staff attending training workshops/seminars, in support of output 1.3 = $ 18,000.
ECLAC - Colombia - Costa Rica	Regional UN staff attending training workshops/seminars, in support of output 2.1 ($ 3,000 x 3) = $ 9,000 and Follow up advisory services, in support of output 2.2 ($ 3,000 x 2) = $ 6,000. Regional UN staff attending training workshops/seminars, in support of output 1.2 ($ 3,000 x 2) = $ 6,000 and Regional UN staff attending training workshops/seminars, in support of output 1.3 ($ 3,000 x 4) = $ 12,000. Regional UN staff attending training workshops/seminars, in support of output 1.2 ($ 3,000 x 2) = $ 6,000 and Regional UN staff attending training workshops/seminars, in support of output 1.3 ($ 3,000 x 4) = $ 12,000.
ECA - Burkina Faso	Regional UN staff attending strategy validation workshops, in support of output 1.2 = $ 5,000 and Regional UN staff attending assessment validation workshops, in support of output 1.3 = $ 6,000.
ESCAP - Indonesia - Pakistan	Regional UN staff attending training workshops/seminars, in support of output 2.1 = $ 2,500. Regional UN staff attending inception workshop, in support of output 1.2 = $ 2,500 and Regional UN staff attending TA linked workshops/seminars, in support of output 1.3 ($ 2,500 x 3) = $ 7,500. Regional UN staff attending inception workshop, in support of output 1.2 = $ 2,500 and Regional UN staff attending TA linked workshops/seminars, in support of output 1.3 ($ 2,500 x 3) = $ 7,500.

4. Contractual services (120): $ 319,840 (Total)

Entity	Activity
UNDESA	A provision of $ 17, 000 is required for global knowledge product (editing, typesetting, printing) services in support of output 2.4.
UNCTAD - Belarus - Kyrgyzstan	A provision of $ 5,300 is required for UNCTAD support services for roundtable discussions in support of output 1.3. A provision of $ 5,300 is required for UNCTAD support services for roundtable discussions in support of output 1.3.
ECE - Belarus - Kyrgyzstan	A provision of $ 6,000 is required for Contractor to translate the PPP project documentation and the PPP project evaluations (Russian to English and English to Russian) in support of output 1.3. A provision of $ 6,000 is required for Contractor to translate the PPP project documentation and the PPP project evaluations (Russian to English and English to Russian) in support of output 1.3.
ESCWA - Egypt - Jordan	A provision of $ 4,500 is required for IC-Regional meeting and $ 3,200 is required for Interpretation services + Meeting Assistants and $ 3,000 is required for Catering Services in support of output 2.1. A provision of $ 22,500 is required for IC for 9 months, $ 2000 for catering and $ 2,520 for interpretation in support of output 1.2 and $ 3,000 in support of output 1.3. A provision of $ 22,500 is required for IC for 9 months, $ 2000 for catering and $ 2,520 for interpretation in support of output 1.2 and $ 3,000 in support of output 1.3.
ECLAC - Colombia	A provision of $ 5,000 is required for Translation services for workshop in support of output 2.1 . A provision of $ 11,000 is required for National project coordinator and $ 4,000 for Translation services for workshop, in support of output 1.2 and a provision of $ 33,000 is

- Costa Rica	required for National project coordinator and $ 8,000 for Translation services for workshop, in support of output 1.3. A provision of $ 11,000 is required for National project coordinator and $ 4,000 for Translation services for workshop, in support of output 1.2 and a provision of $ 33,000 is required for National project coordinator and $ 8,000 for Translation services for workshop, in support of output 1.3.
ECA - Burkina Faso	A provision of $ 9,000 is required for national and local consultations workshops for assessment and diagnostic, $ 8,000 for two national validation workshops of the assessment and diagnostic report, $ 5,000 for national and local consultations workshops for strategy formulation and $ 6,000 for two national validation workshops for the strategy report including priority action program and M&E framework, in support of output 1.2; a provision of $ 6,000 is required to develop baseline statistics database in integrated financing for sustainable development including M&E indicators values generation and $ 6,000 for decade of action priority program including M&E plan formulation in the Covid-19 context, in support of output 1.3.
ESCAP - Indonesia - Pakistan	A provision of $ 10,000 is required for Individual contractor to assist with organizing regional workshop (1 IC for 4 month) in support of output 2.1. A provision of $ 5,000 is required for Simultaneous interpretation (hiring a company incl. equipment) for 1st day inception workshop, $ 1,500 for Translation of materials from English into Bahasa (including online learning module on INFF), and $ 18,000 for Individual Contractor, in support of output 1.2. A provision of $ 18,000 for Individual Contractor, in support of output 1.2.

5. **General operating expenses (125): $ 128, 000 (Total)**

(a) *Communications*

Entity	**Activity**
UNDESA	--
UNCTAD	--

ECE - Belarus - Kyrgyzstan	Remote access to participants through an online platform such as Interprefy, in support of output 2.1 = $ 2,800. Interpretation services (Russian to English and English to Russian) for the practical workshop in Minsk, Belarus, in support of output 1.3 = $ 1,000 and interpretation services (Russian to English and English to Russian) for the final workshop in Minsk, Belarus, in support of output 1.3 = $ 500. Interpretation services (Russian to English and English to Russian) for the practical workshop in Bishkek, Kyrgyzstan, in support of output 1.3 = $ 1,000 and Interpretation services (Russian to English and English to Russian) for the final workshop in Bishkek, Kyrgyzstan, in support of output 1.3 = $ 500.
ESCWA	--
ECLAC	--
ECA - Burkina Faso	 Adopted strategy dissemination to the national key stakeholder (parliament, private sector, civil society organization, etc.), in support of output 1.2 = $ 7,000.
ESCAP	--

(b) *Other general operating expenses*

Entity	Activity
UNDESA	Global workshop (venue, printing, conference services), In support of output 2.3 = $ 12,500.
UNCTAD - Belarus - Kyrgyzstan - Burkina Faso	 UNCTAD general operating expenses, in support of output 1.3 = $ 5,300. UNCTAD general operating expenses, in support of output 1.3 = $ 5,300. Venue costs, communication and printing costs for national validation of asssessment report and training workshop on IFFs & PPPs, in support of output 1.2 = $ 6,000.

- Indonesia - Pakistan	UNCTAD Empretec workshop, in support of output 1.3 = $10,000 and UNCTAD Empretec workshop (printing and workshop materials), in support of output 1 1.3 = $ 2,300. UNCTAD Empretec workshop, in support of output 1.3 = $10,000 and UNCTAD Empretec workshop (printing and workshop materials), in support of output 1.3 = $ 2,300.
ECE - Belarus - Kyrgyzstan	 Rental of a room for 2 days for the practical workshop in Minsk, Belarus, in support of output 1.3 = $ 1,000 and rental of a room for 1 day for the practical workshop in Minsk, Belarus, in support of output 1.3 = $ 500. Rental of a room for 2 days for the practical workshop in Bishkek, Kyrgyzstan, in support of output 1.3 = $ 1,000 and Rental of a room for 1 day for the final workshop in Bishkek, Kyrgyzstan, in support of output 1.3 = $ 500.
ESCWA - Egypt - Jordan	Venue costs/meeting supplies/printing costs, in support of output 2.1 = $ 1,500. Venue costs/meeting supplies/printing costs, in support of output 1.2 = $ 2,000 and Venue costs/meeting supplies/printing costs, in support of output 1.3 = $ 2,000. Venue costs/meeting supplies/printing costs, in support of output 1.2 = $ 2,000 and Venue costs/meeting supplies/printing costs, in support of output 1.3 = $ 2,000.
ECLAC - Colombia - Costa Rica	Venue costs/meeting supplies/printing costs, in support of output 2.1 = $ 2,000 and Venue costs/meeting supplies/printing costs, in support of output 2.2 = $ 2,000. Venue costs/meeting supplies/printing costs, in support of output 1.2 = $ 2,000 and Venue costs/meeting supplies/printing costs, in support of output 1.3 = $ 4,000. Venue costs/meeting supplies/printing costs, in support of output 1.2 = $ 2,000 and Venue costs/meeting supplies/printing costs, in support of output 1.3 = $ 4,000.

ECA - Burkina Faso - Zambia	Venue costs/meeting supplies/printing costs, in support of output 2.1 = $ 2,000 Venue costs, communication and printing costs for national validation of assessment report and training workshop on IFFs & PPPs, in support of output 1.2 = $ 6,000 and venue costs, communication and printing costs) for national workshop, in support of output 1.3 = $ 6,000. Venue costs/meeting supplies/printing costs), in support of output 1.2.1 = $ 1,000 and in support of output 1.3.4 = $ 1,000.
ESCAP - Indonesia - Pakistan	Virtual meeting costs (for using online platform - aiming for hybrid meeting format), in support of output 2.1 = $ 2,200 and Coffee breaks (2 coffee breaks per day for 2 meeting days for 20 participants) in support of output 2.1 = $ 800. Virtual meeting costs (for using platform), in support of output 1.2 = $ 7,000. Workshops/seminars, in support of output 1.2 = $ 7,000.

6. <u>Grants and Contributions (145):</u> <u>$509,360</u> (Total)

(a) *Workshops, seminars & Expert Group Meetings**

Entity	Activity
UNDESA	Travel and DSA for 25 out of 50 workshop participants (25x3000.00), in support of output 2.3 = $ 75,000.
UNCTAD - Belarus - Kyrgyzstan	 UNCTAD travel support for 2 financial literacy workshop participants, in support of output 1.3 = $ 2,800 and UNCTAD travel support for 5 workshop participants, in support of output 1.3 = $ 7,000. UNCTAD travel support for 2 financial literacy workshop participants, in support of output 1.3 = $ 2,800 and UNCTAD travel support for 5 workshop participants, in support of output 1.3 = $ 7,000.

- Burkina Faso	Participants to the two-training workshop on IFFs and PPPs, in support of output 1.2 = $ 10,000.
ECE - Belarus - Kyrgyzstan	Travel of experts (1 participant from each of the 17 UNECE beneficiary countries in Western Europe, Southeast Europe, Caucasus and Central Asia) to Geneva (average ticket cost + DSA = $1,600), in support of output 2.1 = $ 27,200. Travel of trainers attending practical workshop in Minsk, Belarus, in support of output 1.3 = $ 3,000 and Travel of project evaluators attending final workshop in Minsk, Belarus, in support of output 1.3 = $ 1,500. Travel of trainers attending practical workshop in Bishkek, Kyrgyzstan, in support of output 1.3 = $ 4,000 and Travel of project evaluators final workshop in Bishkek, Kyrgyzstan, in support of output 1.3 = $ 2,000.
ESCWA - Egypt - Jordan	Travel of Participants and resource people, in support of output 2.1 = $ 25,000 and Travel of resource people, in support of output 2.2 = $ 1,500. Workshops/seminars, in support of output 1.2 = $ 6,000 and workshops/seminars, in support of output 1.3 = $ 5980. Workshops/seminars, in support of output 1.2 = $ 6,000 and workshops/seminars, in support of output 1.3 = $ 5980.
ECLAC - Colombia - Costa Rica	Workshops/seminars, in support of output 2.1 = $ 34,000 and workshops/seminars, in support of output 2.2 = $ 2,000. Workshops/seminars, in support of output 1.2 = $ 5,000 and workshops/seminars, in support of output 1.3 = $ 10,000. Workshops/seminars, in support of output 1.2 = $ 5,000 and workshops/seminars, in support of output 1.3 = $ 10,000.
ECA - Burkina Faso	Workshops/seminars, in support of output 2.1 = $ 35,000. Assessment/diagnostic quality insurance committee functioning cost, in support of output 1.2 = $ 5,000 and grants and contributions for participants to consultations and validation for strategy workshops, in support of output 1.3 = $ 5,000.

- Zambia	Participants to workshops, in support of output 1.2.1 = $ 10,000; Participants to workshops, in support of output 1.3.3 = $ 8,000; Participants to workshops, in support of output 1.3.4 = $ 4,000 and Participants to workshops, in support of output 1.3.5 = $ 8,000.
ESCAP - Indonesia - Pakistan	Travel and DSA for regional workshop (2 days), in support of output 2.1 = $ 44,000. Workshops/seminars, in support of output 1.2 = $ 10,800; LoA supporting assessments for INFF inception phase, in support of output 1.2 = $ 18,000; LoA under TA policy research and project coordination by local institution (incl. meeting organization - venue, local participants costs, interpretation etc.), in support of output 1.2 = $ 37,000. Workshops/seminars, in support of output 1.2 = $ 10,800; LoA supporting assessments for INFF inception phase, in support of output 1.2 = $ 18,000; LoA under TA policy research and project coordination by local institution (incl. meeting organization - venue, local participants costs, interpretation etc.), in support of output 1.2 = $ 37,000.

7. Allocation by Entity (Total)

Entity	**Total**
UNDESA	515,500
UNCTAD	Of which: Inv/Entr = 213,900 Of which: Trade/ Log = 36,000 Of which: LDC= 25,000 Total = 274,900
UNECE	255,500
ESCWA	355,000
ECA	Of which: Burkina Faso = 102,000 Of which: Zambia = 100,000 Of which: Regional = 75,000 Total = 277,000
ESCAP	288,100

ECLAC	355,000
Total project costs	**2,321,000**

Annex 3 – Country Analysis

Belarus, Burkina Faso, Colombia, Costa Rica, Egypt, Indonesia, Jordan, Kyrgyzstan, Zambia

Belarus

1. Current status of financing for national priorities and the SDGs

Belarus has developed a strong institutional machinery to support the implementation of the SDGs. The national budget allocations in Belarus are broadly aligned with the national SDG priorities and public finance is the main source of financing for SDG implementation. According to some estimates, public finance accounted by almost three quarters of SDG related financing in the period 2008-2017. The dominance of public finance has persisted in recent years, which reflects structural characteristics of the economy, including a large state footprint, a financial sector that is relatively underdeveloped and limited exposure to international capital markets. While the ratio of domestic outstanding loans from commercial banks to GDP stands well in comparison with other countries in the region, at 36.7% in 2019, according to the IMF Financial Access Survey, these are largely absorbed by state-owned companies. Unlike other countries in the region, remittances inflows as percentage of GDP are relatively small, reaching 2.3% of GDP in 2019, according to the World Bank. Annual average FDI inflows have picked up in recent years, representing 2.5% of GDP in 2015-2019, which is in line with other countries in the region. However, in terms of the cumulative stock, Belarus shows the lowest value in Central and Eastern Europe.

The scope for increasing public financing is limited. The ratio of budget revenues to GDP is already rather high in comparison to countries with similar income levels and other economies in the region, reaching 39% of GDP in 2019, according to the IMF. The so-called “tax manoeuvre” in Russia will reduce a source of fiscal revenues related to oil imports. Public debt has risen rapidly over the last decade, boosted by quasifical activities. Most of the public debt (around 90%) is foreign currency denominated and therefore subject to the impact of currency depreciation. A reduction of large transfers to state owned enterprises (SOE), which remain a major source of fiscal risks, would strengthen the fiscal position but this reduction could take place credibly only if accompanied by SOE reforms. The COVID-19 crisis is stretching further public finances and, given the limitations of domestic markets, the extent of fiscal support will depend on the ability to raise external finance official financing at favourable terms. The country has placed several Eurobond issues, the latest as recently as June 2020, but its ability to raise finance remains limited and the pool of creditors is fairly concentrated. Overall, external financing is not diversified, and national currency financing is limited.

Given this financing profile, it is therefore important to widen the sources of financing of SDGs and bring them together in support of SDG implementation. In particular, it is necessary to engage the private sector, both domestic and foreign, in the provision of financing for the implementation of SDGs.

2. INFF experience to date

Belarus has a well-developed institutional mechanism for the implementation of SDGs. The coordinator is the Council for Sustainable Development, which includes four intersectoral groups - on economic, environmental, social issues, monitoring and evaluating the achievement of the SDGs. A National Sustainable Development Strategy for the period until 2035 is currently being finalized. The Strategy will emphasize regional development, digital transformation and innovation, environmental protection and the circular economy.

However, medium-term fiscal planning has been identified as a key weakness by various development partners. Efforts to strengthen the medium-term planning include three-year budgeting but without a clear medium-term fiscal anchor, such as the commitment to a threshold value for the public debt to GDP ratio. Given the central role of public resources in development finance in the country, the reform of public financial management (PFM) remains critical. In 2015, a Public Financial Management Strategy was approved to improve the efficiency of PFM systems in the medium to long run. The Strategy was far reaching and included many different elements, including among others, the adoption of performance-based based budgeting, identification and selection of public investment projects or public procurement among others. However, the strategy did not contemplate how to deal with the contingent liabilities and fiscal risks associated with directed lending.

The Belarus Development Bank was initially set up to manage distressed assets, but it has expanded its mandate to incorporate long-term project lending, financial support to SMEs and export financing, with total assets representing 7.3% of GDP by the end of 2019.

3. Stakeholder analysis

The key stakeholders in Belarus are the Ministry of Finance and the Ministry of Economy. The Ministry of Finance has overall responsibility for the management of public resources and budgetary policy. The Ministry of Economy has been responsible for coordinating the drafting of the National Strategy for Sustainable Development and is responsible for the development of Public-Private Partnerships (PPPs).

Belarus is not an INFF pioneer, but the UN Country Team has been granted funding through the Joint SDG Fund to implement the project 'Promoting SDG Performance-based Budgeting that Prioritize Vulnerable Populations in Belarus'. The project will identify budgeting gaps and contribute to a better focus on long-term priority expenditures related to the national SDG targets. A diagnostic of the situation will be carried out based on a Development Finance Assessment carried by UNDP. The implementation is expected to result in improved transparency and public finance management through strengthened programming, result-based budgeting, the use of in-depth analysis of financial flows and strengthened linkages between processes of SDG cost planning, budget allocation, monitoring and evaluation at all levels of Government. The project, which will start in October 2020, will involve UNDP, UNICEF, UNFPA and UN Women as contributing UN agencies.

4. Tangible outcomes

Belarus has made significant efforts in putting in place an institutional structure and a range of well-articulated policies that support SDG implementation. However, the country relies largely on public finance to advance policy targets. However, public finances are coming under strong pressure, as the COVID-19 crisis is adding to existing constraints. As a result, there is a need to both improve the management of public finances and diversify the sources of financing. The incentive role of taxes and other environmental charges to encourage the shift towards a greener economy could also be reinforced.

The project can contribute to these needs, reflecting the impact of COVID-19 and helping the government to identify and bring together different sources of financing in support of the new National Strategy for Sustainable Development, including, critically, tapping into private sector financing. Promoting effective partnerships between the public and private sectors could become a critical way to unlock additional resources for the SDGs.

Burkina Faso

1. Current status of financing for national priorities and the SDGs

The projections for expenditures and investments of the National Economic and Social Development Plan (PNDES 2016-2020) were estimated at CFA 15,395.4 billion. The financing plan was based on a forecast of fiscal resources representing 63% of this amount and external financing needs to be mobilized of CFA 5,570 billion, or 36.2% of the total. Estimates of the financing needs for the achievement of the Sustainable Development Goals (SDGs) by 2030 in Burkina Faso are not available but the cost of current expenditure and investments of the PNDES suggest that these needs are considerable.

The country was experiencing a satisfactory level of resource mobilization before the impact of Covid-19. Indeed, according to the 2020 evaluation report, the mobilization rate (2016-2019) of the PNDES stands at 75.57% compared to the total cost of the PNDES. However, total fiscal revenues remain below PNDES forecasts. The impact of COVID-19 on the socio-economic activity of Burkina Faso has been very significant. Indeed, it translates into a significant drop in economic growth, which would stand at 2.1% against 6.3% initially in the business as usual scenario. At the level of public finances, total revenue and grants would register an increase of CFA 144.8 billion, including +121.3 billion in grants and + CFAF 23.5 billion in own revenue mainly allocated to expenditure to meet the COVID-19 crisis.

2. INFF experience to date in Burkina Faso

The government of Burkina Faso adopted in January 2019, in the Council of Ministers, the MAPS5 report on the roadmap for accelerating the implementation of the National Economic and Social Development Plan and the SDGs. The road map indicated that it is necessary for Burkina Faso to define a strategy that mobilizes all internal and external, public and private sources of funding. This roadmap proposes to go even further and put in place a new approach in which income generation is only one of the recommended lines of action. This new approach envisages actions of four types, namely: i) Generate income; ii) align spending and investments with national development goals and SDGs; iii) rationalize spending by implementing all measures and mechanisms that can prevent or reduce future spending by eliminating or modifying counterproductive policies and incentives; and iv) focus on results through measures or strategies that aim to improve the efficiency of spending.

[5] Mainstreaming, Acceleration and Policy Support for the 2030 Agenda

The roadmap identified four integrating areas to accelerate the achievement of the SDGs by 2030. These are: (i) transparent, simplified and efficient governance; (ii) economic and social structural transformation; (iii) the management and sustainable development of natural resources; and (IV) the humanitarian-development-security nexus

3. Stakeholder analysis

The main stakeholders who can contribute to the implementation of the project are:

(i) the Government through the Presidency of Burkina Faso, the Prime Minister, the Ministry in charge of the economic development and finance (through General Directorate of the Economy and Planning, the General Budget Directorate, the General Directorate of Studies and sector statistics, Regional Directorates of Economy and Planning), the Ministry in charge of trade and the Permanent Secretariat of the PNDES (ii) Civil society organizations including the Permanent Secretariat of NGOs and the National Council of Civil society. (iii) the private sector through the Chamber of Commerce and private investors not affiliated with the Chamber of Commerce (iv) Technical and financial partners including the World Bank, the International Monetary Fund, the African Development Bank, the TROIKA des technical and financial partners, the European Union, the BCEAO (v) the National Emergency Relief Committee.

Specifically, under the leadership of ECA and UNCTAD, the United Nations system, notably the UNDP country office, will ensure, through the mapping of the different sources, the identification of opportunities and gaps in policies, facilitation of consultations between public and private partners and the role of FAO will be technical and financial assistance through the implementation of the Hand in Hand Initiative.

4. Tangible outcomes in the context of Burkina Faso

The initiative relating to the establishment of an integrated national financing framework (INFF) aims to contribute to greater rationalization and efficiency in the use of resources for the implementation of public actions, by facilitating a certain alignment of the various reference systems for development planning, programming, budgeting and monitoring of implementation. By supporting the Government in this effort to channel, centralize and integrate its resources through the establishment of a national framework for integrated financing and rationalization of expenditure and curbing illicit financial flows, this project for Burkina Faso, presents potentials for producing more effectiveness and efficiency in the management of public finances for development and generate an extremely cost advantage / opportunity ratio.

Also, governance and accountability systems as well as that of monitoring and evaluation will give credibility to the management process based on development results and thereby attract more private and public investors. In addition, the approach will allow a rationalization of consultation frameworks, joint programming and budgeting which will thus eliminate duplication in the financing of activities and amplify synergies between actors.

Moreover, Burkina Faso already got ahead in the preparation and implementation of such an initiative. In fact, under the framework of the 2020 joint SDG fund, Burkina Faso with the support of the United Nations system in Burkina Faso has submitted the project to stablish an integrated national financing framework (INFF) which unfortunately was not funded. Thus, Burkina Faso already has an institutional arrangement, notably a Steering Committee and a Technical Committee which will be responsible for the preparation and implementation of the project. The project already recieved the endorsement and strong commitment of the government through the Minister in charge of the Economy and Finance and the Prime Minister who provides leadership in the implementation of the national development plan (PNDES 2016 -2020).

Colombia

1. Current status of financing for national priorities and the SDGs

Since 2010, Colombia has taken significant steps in terms of sustainable development by lifting 4.7 million Colombians out of poverty and 2.8 million out of extreme poverty. Total net coverage in education increased 12 percentage points between 1996 and 2017, while the number of affiliates to the general health social security system at the national level increased from 29% in 1995 to 94.7% to date. Regarding security issues, the homicide rate per 100,000 inhabitants dropped from 66 in 2000 to 24 in 2019.

The main challenges for sustainable development identified by the Colombian government include: stagnation in productivity; labor informality; population and regional gaps; limitations in access to quality basic services; presence of illegal economies and Organized Armed Groups in some remote regions with low institutional presence; transparency; the strengthening of justice; and vulnerability to disaster risks and climate change.

At the macroeconomic level, Colombia presented solid signs of improvement, with a GDP growth of 3.3% in 2019, representing the best result since 2014. However, the health, social and economic crisis derived from the pandemic caused by the new Coronavirus disease (Covid - 19) posed numerous challenges to Colombian society. According to official estimates, GDP in 2020 will contract 5.5%, with strong effects on employment.

The Government is aware that the present situation presents serious risks of setback in the implementation of the SDGs in particular, with respect to poverty and social inequality. For this reason, the Budget Proposal for 2021 pushes for the efficient investment of public resources in sectors where the country most requires them, with the highest priority in social spending and investment towards programs that contribute to overcoming the health, economic and social crisis that has caused the spread of COVID-19.

The implementation of these measures will generate a double impact on public finances. From the expenditure side, the emergency and reactivation actions will pressure spending. From the income side, revenues are expected to fall due to a contraction in economic activity. The projected fiscal balance of the Central Government for 2020 is -8.2% of GDP and the gross debt is projected to increase by around 15 percentage points of GDP, to stand at 65.6% of GDP at the end of 2020. Consequently, there are numerous challenges for the sustainable financing of actions that would allow progress in the fulfillment of the SDGs by the 2030 horizon.

2. Country experience to date in the ongoing process of planning and operationalizing an INFF to finance the national development strategy or plan

In 2018, Colombia adopted a medium and long-term strategy for the implementation of the SDGs by 2030; the CONPES 3918. In parallel, the 2018-2022 National Development Plan "Pact for Colombia, Pact for Equity" was formulated through three pillars: legality, entrepreneurship and equity. The financing strategy of the measures contained in this Plan rests mainly on raising macroeconomic savings to increase both public and private investment.

Internally, it seeks to increase fiscal space through a rationalization of public spending that consists of prioritizing resources towards households and the productive sector with measures to increase the efficiency and effectiveness of spending. Additionally, there is a strong commitment in the fight against tax evasion and avoidance, which is reflected in a modernization of the tax authority (DIAN) and simplified procedures that are closer to the taxpayer. Externally, Colombia seeks to promote the influx of foreign direct and portfolio investment through stable measures and rules that could raise the certainty about the return indicators over time.

The financing strategy of the National Development Plan 2018 - 2022 represents a step in the formalization of an INFF in Colombia by associating financing measures with development actions and goals.

3. Stakeholder analysis:

In Colombia, the implementation of the SDGs is coordinated by the SDG Commission, created in February 2015. It has representatives from the Ministry of Foreign Affairs, the Ministry of Finance and Public Credit, the Ministry of Environment and Sustainable Development, the Administrative Department of the Presidency, the National Administrative Department of Statistics (DANE), the Presidential Cooperation Agency, the Administrative Department of Science, Technology and Innovation, among others. The Technical Secretary of the Commission is assumed by the National Planning Department (DNP).

4. Tangible outcomes the project could achieve

The project will support Colombia in its strategies to strengthen domestic resource mobilization and to finance sustainable and productive investments.

Costa Rica

1. Current status of financing for national priorities and the SDGs

Costa Rica faces considerable challenges in mobilizing resources to finance investments necessary to achieve the SDGs. The overall balance of the central government averaged -5.4% of GDP between 2010 and 2019, with a high of -7.0% of GDP in 2019. Public debt has risen in step, from 28.4% of GDP in 2010 to 58.5% of GDP in 2019, creating additional pressure to reduce public spending and, in turn, public investment. Interest payments on public debt reached 4.2% of GDP in 2019, respresenting fully 19.3% of total central government expenditure. As such, the country is dedicating considerable resources that could be channelled to social spending and public investment in the SDGs.

Public revenue mobilization through tax revenues (24.0% of GDP in 2018) is above the regional average (23.1% of GDP), although the gap with the OECD average remains significant. The country passed a tax reform in 2018 with the aim of strengthening domestic mobilization. However, public revenues remain insufficient to cover public expenditures and the country is examining other measures within the framework of the 2021 budget. Other development finance flows (net ODA) – equivalent to 0.2% of GDP in 2018 – play a modest role. However, the Joint SDG Trust Fund has approved two joint programs: *Strengthening Puente al Desarrollo to break the cycle of poverty at the local level with a gender and environmental perspective*, and the project for *Strengthening the SDG financing architecture in Costa Rica by aligning resources with national objectives and improving public spending in the education sector*.

The COVID-19 crisis has led to a sharp decline in public revenues as demands on public spending have intensified. Given the limited fiscal space the country faced going into the crisis the government has been left with marginal to manuever. It is important to note that Costa Rica has proposed the FACE (Fund to Alleviate COVID-19 Economics) at the international level as a means to provide low- and middle-income countries with concessional financing with a repayment period of 50 years and interest rates close to zero. The objective of the fund would be mitigate the social and economic impact of the pandemic and contribute to a sustainable recovery.

2. Country experience to date in the ongoing process of planning and operationalizing an INFF to finance the national development strategy or plan

Costa Rica has a highly developed national plan for achieving the SDGs – embodied in the National Pact for the Advancement of the SDGs – based on three principal pillars: combating poverty, sustainable production and consumption and sustainable infrastructure and communities. The National Development and Public Investment Plan 2019-2022 (2018) and the National Decarbonization Plan (2019) are fully in line with the SDGs and a sustainable development approach, among others.

The SDG financing framework is still underdevelopment. The country is undergoing a Development Finance Assessment with support of the Joint SDG Fund. This work seeks to establish a SDG financing framework that will maximize the potential of multiple sources of finance. In addition, given the existing fiscal imbalances – aggravated still further by the COVID-19 crisis – the country is looking to improve the efficiency, effectiveness and equity of public spending.

3. Stakeholder analysis:

Coordination of public policies aimed at achieving the SDGs is led by the High-Level Council, composed of the President and representatives of the Ministry of Planning (MIDEPLAN), Ministry of External Relations and Worship, Ministry of the Environment and Energy and the Ministry of Human Development and Social Inclusion. They are supported by a technical secretariat that includes a statistical advisory component. Implementation of the SDGs is coordinated by the SDGs Technical Committee with working parties leading implementation and verification of SDG-related policies. The government has also identified other key stakeholders such as representatives from other ministries and public entities, academics, civil society and the private sector.

4. Tangible outcomes the project could achieve

The project will support Costa Rica in its strategies to strengthen domestic resource mobilization and to finance sustainable and productive investments.

Egypt

1. Current status of financing for national priorities and the SDGs, including a brief assessment of status prior to Covid, and impact of Covid

National Sustainable Development Priorities

In February 2016, Egypt unveiled a hefty 300-page (plus annexes) 2030 Sustainable Development Strategy (SDS) entitled "Egypt Vision 2030". The vision enumerates the targets that need to be met to reshape the country's socio-economic and environmental paths. The SDS seeks to place the economy on an equitable, balanced and diversified path6 to meet the three dimensions of the 2030 Agenda for Sustainable Development (2030 Agenda). In this context, Egypt seeks to improve

[6] SDS is the results of a structured national dialogue involving an extensive participatory multi-stakeholder engagement that took place over the course of two years prior to its adoption.

the quality of life, competitiveness, transparency, and human development as well as become one of the top 30 economies worldwide by 2030. This ambitious national agenda has shaped the government's short, medium and strategic plans[7] and has been guiding its interventions in pursuit of a series of nationally proclaimed Sustainable Development Goals (SDGs).

Assessment of Status

Prior to the outbreak of the Covid-19 pandemic, Egypt took adamant strides in meeting several SDG targets particularly in the field of Education (SDG 4- increase spending on education to 6 per cent of GDP in line with the Incheon and Muscat declarations); Water (SDG 6- 99.4 per cent of the population received improved access to water); Sustainable Consumption (SDG 12- slashing fuel subsidies). Despite these gains the government's efforts are bypassing vulnerable segments of the society as the national poverty rates have been rising (the poverty headcount has increased from 27.8 per cent in 2014/2015 to 32.5% in 2017/2018) and the severe food insecure population reached 7.8% of the population over the 2017-2019 period.

Financing National Priorities

Egypt does not have a national estimate, or a price-tag associated to the achievement and financing of its nationally defined SDGs. Egypt's Voluntary National Reviews (VNRs) identify the priority actions and the budgetary outlays that have been allocated to pursue several national plans, strategies and SDG targets. However, no comprehensive estimate by the government has been articulated, except for an estimate conjured by Egypt's National Planning Institute in 2016. In this vein, ESCWA is currently undertaking an extensive assessment of the cost of achieving nationally defined SDGs (national SDG costing dashboard).

In recent years, the top 5 fastest growing sectors driving output growth have been Tourism, Communication, Mining, Construction and Suez Canal receipts[8]. Since 2017, the main contributor to GDP growth has been two factors[9], first, net exports, partly driven by a boost in natural gas exports and savings from reduced imports of the same. Second, investment growth, which grew in double digits[10], in sectors such as water and electricity, mining, petroleum and manufacturing[11]. This growth is now under serious threat due to the impact of Covid-19.

Overall budget revenues as a percentage of GDP are slightly lower than peer middle-income countries in the ESCWA region (SDG indicator 17.1.1). However, tax revenues have been rising – prior to the devaluation of the Egyptian Pound- and there are potentials to increase fiscal space by broadening the tax base[12]. Non-tax revenues amounted to 6.5% of GDP (i.e.: lower than tax revenues of 14.5% of GDP by 2018). On the other hand, budget expenditure as a share of GDP is higher than in comparator countries, leading to a widening budget deficit since early 2000. The largest component of budget expenditures in Egypt is interest payments on existing public debt stock standing at 36% of total government revenues. The second big ticket item is subsidies, grants and social benefits. Public debt is predominantly financed through domestic source. As a result, while the credit to the private sector has been falling over the years, the claims on the central government keeps on rising. FDI inflows have posted a healthy recovery in Egypt in recent years.

[7] The National Strategy for Science and Technology for Sustainable Development 2030; The Industry and Trade Development Strategy 2020; The National Strategy for Women Empowerment 2030; The Medium-Term Fiscal and Debt reduction Strategy; the 2022 Strategic Framework to Double National Income; the 2052 Strategic National Plan for Urban Development, the 2030 National Population Strategy among others.
[8] Derived from Egypt in Figures 2020, CAPMAS.
[9] Egypt, Ministry of Finance, The Financial Monthly, May 2020
[10] http://www.mof.gov.eg/MOFGallerySource/English/Reports/monthly/2020/May2020/t1.pdf
[11] http://www.mof.gov.eg/MOFGallerySource/English/Reports/monthly/2020/May2020/t3.pdf
[12] https://www.oecd.org/countries/egypt/revenue-statistics-africa-egypt.pdf

As of 2019, Egypt remains the top recipient of FDI in Africa.[13] However, the sectoral distribution of FDI inflows is heavily skewed towards the oil and gas sector (67%), while the manufacturing and services sector receiving only around 10 % , with construction receiving around 4.5 % and agriculture accounting to a very minor share of 0.1%. The low linages of the oil and gas sector to the economy implies that the FDI flows do not necessarily translate to significant direct employment. Egypt attracts a large volume of remittances (over 10% of GDP), which stood at more than double the average of middle-income countries in the ESCWA region (SDG indicator 17.3.2). Most of the remittances are primarily channeled towards essential expenses and only about 20 % are invested that too mainly in real estate[14]. While tourism receipts have been on a sharp rising trend since 2017, contributing to roughly 4.1 % of GDP in 2019 amounting to US$ 9.8 billion [15]. Egypt's external balances deteriorated during the past decade, turning from current account surpluses during 2000-2008 to a current account deficit during 2009-2018.

Covid-19 Impact

Egypt's revised GDP estimates as a result of the pandemic show that the government expects a drop in output growth from the forecasted expansion of 5 percent for the FY2019/2020 to a contraction of 3.4 per cent. The current account deficit for 2020-21 is expected to rise by 52% to $ 16.2 billion compared to the base-line forecast of $10.2 billion as per IMF[16]. The risk of a BOP crisis is high, especially if remittances decline and external credit conditions tighten further. Egypt's ability to sustain the outcomes of recent progress in certain SDGs and halt the further erosion in others is under threat given the anticipated global and domestic growth slump due to COVID 19. On one hand, Egypt's economy will feel the impact of declining travel and tourist activity, reduced worker remittances, and capital outflows. Furthermore, the revenue from the Suez Canal is expected to decline due to disruptions in global supply chains and a decrease in global trade. At the fiscal level, the government has announced a stimulus package amounting to USD 6.4 billion to mitigate the impact of COVID-19. At the monetary level, the central bank has reduced the policy rate by 300bps and decreased the preferential interest rate for several sectors namely to tourism, industry, agriculture and construction sectors.

2. INFF experience to date

Egypt announced its intention to back stabilization efforts with institutional and structural reforms to position its economy on a sustained growth trajectory to meet its SDG-implied demand for financing. Enhancing the mobilization of domestic revenues and spending them more effectively to deliver quality public services for all, as well as sourcing long-term horizon investments, form the very basis of the new social contract dictated by the global economic rationalism and the SDS. The Government, particularly the Ministry of Planning, Monitoring and Administrative Reform, lead the preparation of Egypt's voluntary national reviews. The most recent VNR (2018) acknowledges that financing is a major speedbump to achieve the desired SDG. The review calls for a number of possible solutions to bridge the financing gap. Egypt has indicated interest in canvassing an INFF and applied for funding from the Joint SDG Fund

[13] UNCTAD (2019), World Investment Report
[14] IOM et al (2010), A Study on Remittances and Investment Opportunities for Egyptian Migrants, available at : https://egypt.iom.int/sites/default/files/Remittances%20and%20Investment%20Opportunities%20for%20Egyptian%20Migran
[15] *Egypt, Ministry of Finance, The Financial Monthly, May 2020*
[16] IMF (2020) forecast, see https://www.imf.org/en/Publications/CR/Issues/2020/08/10/Arab-Republic-of-Egypt-Request-for-a-12-Month-Stand-By-Arrangement-Press-Release-Staff-49683

In tandem, Egypt requested ESCWA at the Intergovernmental meeting on Financing for Development to embark on a process to cost SDS objectives and SDGs targets, assess the current landscape and trends of financing flows, and associated financing gaps and propose financing options, all of which form part and parcel of INFFs to support decision makers and build understanding and momentum for reforms and needed policies for both Covid-19 response and SDG recovery.

3. Stakeholder analysis

The key stakeholders in Egypt are: (i) the Ministry of Foreign Affairs (National Focal Point); (ii) the Ministry of Planning and Administrative Reform, which steered efforts to implement the country's Voluntary National Review (iii) the National Committee for Monitoring the Implementation of the Sustainable Development Goals; (iv) the Ministry of Finance; (v) the Central Bank of Egypt; (vii) the Ministry of Agriculture and Trade as well as and the National Planning Institute along with CAPMAS (the Central Agency for Public Mobilization and Statistics). CAPMAS would be a great liaise with any national partner noting that it has already established a specialized SDG unit along with the Ministry of Foreign Affairs. Two main essential partners comprise the United Nations Resident Coordinator Office and the United Nations Development Programme as the partnership between Egypt's government and the UN is outlined through a partnership agreement, the 2018-2022 UNPDF (United Nations Partnership Development Framework), that is fully aligned with Egypt's Vision 2030, which is in turn aligned with the Sustainable Development Goals.

4. Tangible outcomes

The Integrated National Financing Framework would offer Egypt's government a detailed anatomy and a multidisciplinary analytical diagnostic of the financing instruments, channels and non-financial means that need to be tapped to mobilize the Aggregate Mix of Financing to support the implementation of the nationally defined SDGs that would serve as the means of implementation of the Addis Ababa Action Agenda and the UNSG's Strategy on Financing the 2030 Agenda (2018-2021).

In addition, the INFF would furnish a tailored SDG costing simulations (SDG-financing dashboard); 2030 projections of financing needs, financing synergies and densities; estimates of funding gaps and lost opportunities in financing (FfD Scorecard); and tax expenditures and public investment efficiency assessments, all of which are, anchored on national sustainable development strategies, sectoral development plans and nationally adapted development goals and targets.

The INFF would also offer a comprehensive mapping of the FfD landscape identifying strengths, weaknesses, opportunities and threats (SWOT) associated with the idiosyncrasies of Egypt's financing landscape upon which top-line reform agendas and policy prescriptions are articulated to address systemic requirements to mobilize financing through the priority areas of the Addis Ababa Action Agenda namely, overcoming systemic issues; domestic public resource mobilization options; policy choices to promote domestic and international private finance; pathways to enhance development cooperation; means to turn trade into a means of financing and measures of debt sustainability to ensure that it remains a viable channel to finance sustainable development.

To achieve the above, the INFF would leverage on an integral set of analysis, from a range of sciences, intervention-based tools and empirical models- over 25 tools and models. The output of these models would guide Egypt on how to maximizes its financing space, propensities and exposures to better place its economy on a path towards mobilizing its national SDG-implied demand for financing. An Aggregate Measure of Resources (AMR) available to finance a baseline of national SDG targets is developed and subjected to empirical analysis to determine its buoyancy and responsiveness to output growth and other macro-economic variables. A bivariate nonlinear model will be employed for the purpose of identifying the nature of the dynamic association between the AMR and GDP growth rate. The different channels of financing available are then tested through the framework to provide a benchmark/baseline mapping of the FfD landscape while quantifying the untapped potential sources of financing as identified through the Addis Agenda.

On top of that, a gateway will be developed to serve as a leading electronic platform offering a wealth of quantitative diagnostics to analyze the state of financing sustainable development at the national and regional levels. The gateway provides a statistical compendium of all FfD platforms and a means of delivery/channel for communicating the outcomes of the integrated national development finance frameworks, noting that, to date, there is no single website, data-set or electronic resource that documents Arab FfD idiosyncrasies across all financing channels, be they related to financial or non-financial means of implementation of the 2030 Agenda.

Pakistan

1. Current status of financing for national priorities and the SDGs

Available estimates suggest large SDG investment needs in Pakistan. To achieve the SDGs by 2030, ESCAP estimated that the country needs additional investments of nearly 17% of GDP per year.[17] Around half of the total amount is for investments on social protection, health and education, and rural development. Another half is for clean energy and climate-resilient infrastructure. Meanwhile, fiscal burden tends to increase notably amid the COVID-19 pandemic. Under the UN COVID-19 Socio-Economic Framework for Pakistan, it is estimated that achieving the 5 pillars of the framework (health, social protection, jobs, macroeconomic response, and community resilience) would require about $1.26 billion.[18] The Government itself has launched several support measures in response to the pandemic[19], which has so far recorded almost 300,000 confirmed cases and over 6,300 deaths.[20]

Pakistan's ability to finance the national priorities and the SDGs is constrained by several factors.[21] On public finance, the fiscal space appears limited and has led a declining trend of public investment. The tax-to-GDP ratio was low at 9% of GDP in 2018, largely driven by weak tax administration and large informal sectors. In light of the pandemic, the Government estimated that the fiscal deficit would widen to 9.4% of GDP and public debt rise to 88% of GDP in the fiscal year ending June 2020. Meanwhile, like public investment, private investment has decreased in recent years, partly because of small national saving. Pakistan's gross saving rate currently stands at only 12% of GDP, compared to the South Asian average of 28%. Limited understanding of sustainability-oriented investment concepts also holds back SDG investments by financial institutions and business companies.

2. INFF experience to date

[17] ESCAP (2020), Guidebook for Assessing SDG Investment Needs.
[18] UN (2020), COVID-19 Pakistan Socio-Economic Framework.
[19] ESCAP Policy Responses to COVID-19 in Asia and the Pacific, as of end-August 2020.
[20] WHO Coronavirus Diseases (COVID-19) Dashboard, as of 10 September 2020.
[21] Pakistan's project proposal for the Joint SDG Fund on financing for development, prepared by UNCT.

At a broad level, there is the National SDG Framework, which outlines Pakistan's prioritized SDGs in the short, mid, and long terms. Prioritized SDGs in the short term are those relating to hunger, health, education, water, and energy. SDG Support Units at the federal and provincial levels have been established. Meanwhile, the 2019 Voluntary National Report identified limited financing for development as a key impediment to achieve the SDGs in Pakistan.

Pakistan exhibits several INFF components, although these may not function in an integrated manner.[22] On assessment and diagnostics, there appear no official estimates on financing needs and gaps. On financing strategy, amid shrinking public investment, the Government has emphasized the importance of enhancing public spending efficiency and reorienting public expenditure towards social sector. As part of an effort to increase the contribution of private finance to sustainable development, the Government recently set up the public-private partnership (PPP) agency with new PPP acts and bills and introduced the Responsible Business Framework. Pakistan has also explored less conventional financing instruments, such as Islamic finance and diaspora bond, although with a varying degree of success. On monitoring, governance and coordination, while Pakistan has the SDG Monitoring and Evaluation Framework, the effectiveness of national governance systems and cross-agency coordination, including across federal and provincial agencies, could be strengthened.

3. Stakeholder analysis

From the national governments, the key stakeholders would be the Ministry of Planning, Development and Special Initiatives, which is responsible for national development strategies, and the Ministry of Finance, which works on fiscal and financing policies. The Pakistan Bureau of Statistics could also be involved. For UN entities, ESCAP, together with RCO, would lead the coordination with the Government. ESCAP and UNDP could jointly work on selected financing strategies. Various other UN agencies may also be involved, such as FAO, UNFPA, UNICEF, UNIDO, and WHO which work on the SDGs that Pakistan prioritized in the near term. Finally, representatives from civil society, private sectors, and international financial institutions could contribute to the project.

4. Tangible outcomes

In addition to carrying out some background analysis, such as assessing the national financial landscape and financing gaps, one possible outcome of the project is to introduce a public budget tagging system. Among others, the system will track government budget and spending that are allocated and disbursed to prioritized SDGs. Such tagging system would help enhance public expenditure efficiency and increase the transparency and accountability of SDG implementation in Pakistan. Another possible outcome of this project is additional private financial resources to support SDG implementation. Among others, this could be achieved through PPP (e.g. increasing project feasibility), innovative financing tools, and greater understanding of sustainable private investment and business operations.

[22] Ibid.

Indonesia

1. Current status of financing for national priorities and the SDGs

The financing gaps to achieve the national priorities and the SDGs in Indonesia are wide. Prior to the COVID-19 pandemic, the government estimated that achieving the 2020-2024 National Medium-Term Development Plan would cost about $2.7 trillion, with the financing shortfall of $1.5 trillion. For the SDGs, the required investment was estimated at $400-$760 billion per year, with annual financing gaps of $40-$66 billion for public resources and $54-$94 billion for private finance. The pandemic, which already led to over 8,200 deaths as of 9 September 2020 , will further widen the financing gaps amid higher costs to provide healthcare services and social protection. Meanwhile, the government has introduced several fiscal stimulus packages, which are together worth about 7% of GDP.

Tackling inequality, including gender inequality, is a critical priority of the Government of Indonesia to achieve the 2030 Agenda and the SDGs. Over the past two decades, the Government has made some notable progress towards advancing gender-responsive budgeting (GRB). However, gender mainstreaming is still limited in all other areas of budget allocation including climate adaptation, disaster risk reduction and resilience.

Indonesia already faces several financing challenges. On domestic public finance, tax revenue stood at a low level of 11% of GDP in 2017. Public debt has been on a rising trend and reached 30% of GDP in 2019. The Government has also increased the debt-to-GDP ceiling ratio from 30% to 60%. Due to COVID-19 pandemic, the estimated 2020 budget deficit is high at 6.3% of GDP. Amid decreasing ODA, international public finance is relatively small and largely reflects government foreign borrowing. On domestic private finance, private investments, which account for almost half of the country's financing flows, has registered slower growth in recent years. The pandemic will further weaken the investment prospects. Finally, international private finance, including FDI, remains modest amid infrastructure and labour skills gaps.

2. INFF experience to date

At a broad level, a strong desire to achieve the SDGs by 2030 has been reflected in Indonesia's policies, plans and processes. Examples include the 2017 Presidential Decree, the 5-year national development plans, and the SDG Roadmap.

Various components of INFF are in place, although they may not be well integrated. On assessment and diagnostics, the 2020-2024 national development plan contains estimates on the total investment requirements (including the scale and types of resources needed for sectoral interventions) and financing gaps. However, these estimates may change notably with the impact of the pandemic. On financing strategy, overall SDG financing strategy exists, although it is still limited to infrastructure development. Many private sector participants in Indonesia are part of global initiatives that seek to promote sustainable private finance, such as the Global Investors for Sustainable Development and the Principles for Responsible Banking. Meanwhile, Indonesia has explored some innovative financing instruments, including the issuance of the world's first sovereign Green Sukuk, blended finance, and social impact investments, but their implementation still lacks the gender lens. Finally, on monitoring, review and governance, there are several parallel monitoring systems although there is no mechanism to track contributions of non-state actors to identified development outcomes. Indonesia also lacks a government-led mechanism for public–

private dialogue that could facilitate collaboration in designing and implementing development projects.

3. Stakeholder analysis

From the national government, the key stakeholders are the Ministry of National Development Planning (MNDP) and the Ministry of Finance (MOF). MNDP is mandated to coordinate the SDGs implementation, while MOF is responsible for budget preparation and state treasury management. Other relevant offices include President's Staff Office, Financial Services Authority, and Coordinating Ministry for Economic Affairs.

For development partners, ESCAP, together with UNRCO, would lead the engagement with the government. ESCAP could make contribution on infrastructure finance, including public-private partnership (PPP) modality, and bond financing. UNDP has expertise in institutional governance of financing and innovative financing. UN Women could further support the development of GRB together with multilateral banks. The EU and World Bank could provide support on domestic resource mobilization and quality of public spending through their multi-donor Trust Fund. Meanwhile, representatives from the business sector, state owned enterprises, philanthropists, and research organizations could contribute to this project.

4. Tangible outcomes

This DA project will support the reassessment of financial needs and strategies to achieve the SDGs in Indonesia amid the pandemic, including a more integrated resource mobilization. Although the country has explored various innovative financing instruments with reasonable success, these initiatives were not well synchronized. A more integrated and gender-responsive approach would have made a greater impact.

One concrete initiative by the Government is to set up the SDG Financing Hub. This hub is a platform that MNDP has designed to coordinate, mobilize, and develop innovative financing across public and private sectors to ensure continued financing flows for the SDGs. The hub, which promotes sustainable economy and building forward better, will be governed by senior representative of the ministries and agencies that work on public, private, and PPP financing policies. Currently UNDP is supporting the organizational design and business case development of the hub. This DA project would support the establishment and capacity building of the hub, which will serve a key entry point for operationalizing INFF in Indonesia.

Jordan

1. Current status of financing for national priorities and the SDGs, including a brief assessment of status prior to Covid, and impact of Covid

National Sustainable Development Priorities

Following the adoption of the 2030 Agenda for Sustainable Development, Jordan was ranked among the top three performing Arab economies on the SDG scale-index (59th globally). However, due to growing socio-economic deficits and anti-austerity protests, the country's ranking slipped by 32 spots to 91 globally. Jordan's Voluntary National Review (VNR) was showcased at the High-Level Political Forum (HLPF) in 2017 and several national strategies were developed to cement national ownership of the 2030 Agenda, build a proactive momentum around it, and accelerate its realization, notably on the basis of the "Jordan 2025: A National Vision and Strategy" and the Economic Growth Plan (2018-2022).

Assessment of Status - Economic Landscape: Pre-Covid

Jordan withered a series of cascading economic shocks over the past decade and maintained external stability, albeit witnessing fiscal slippages and challenges arising from regional conflicts and over stretched public services due to its hosting of Palestinian, Syrian and Iraqi refugees. Real GDP growth has hovered around 2 percent and the current account deficit narrowed markedly to 2.8 percent due to the strong rebound in tourism (10 per cent of GDP) and import compression. The combined public sector deficit widened as fiscal consolidation fell short of expectations. The economy continues to struggle with soaring unemployment (19 percent of the labor force) and high levels of public debt (exceeding 90 percent of GDP). The meager macro-economic performance follows a three-year IMF supported Extended Financing Facility reform programme that aimed to spur growth and increase public revenues, notably by reforming the tax base and by reducing public debt to more sustainable levels (77 percent of GDP by 2021).

Financing National Priorities

"Jordan 2025: A National Vision and Strategy" provides a 10-year socio-economic blueprint to improve welfare and achieve a resilient and inclusive economy. The Vision prescribes two scenarios, a baseline scenario and an SDG-optimizing targeted scenario . By 2026, the Vision aims to increase Jordan's economic growth to 7.5 percent, reduce poverty to 8 percent, decrease unemployment to 9 percent, and reduce public debt to GDP to 47 percent. In addition to Vision 2025, Jordan's Economic Growth Plan (JEGR 2018-2022) aims to instigate transformative change by introducing key sectoral reforms to support employment and eradicate poverty. The plan also identifies the capital expenditure programs and investment opportunities needed to achieve the vision.

Domestic public resources remain the main artery for the fiscus providing financing for the economy. Taxes on goods and services make up 43 percent of total revenues. Indirect tax collection in Jordan is among the the highest in terms of efficiency among peer middle-income countries in the Arab region. Non-tax revenues constitute 40 percent of total revenues and accounts for the second major financing conduit followed by international private financing mainly in the form of remittances. Other financing channels include official development assistance. In addition to foreign direct investments which have receded in recent years.

Covid-19 Impact

Jordan's economic outlook has worsened considerably due to the COVID-19 crisis and the strict lockdown measures imposed to contain it. International travel and tourism have come to a standstill, and domestic activity has slowed due to the severe lockdown and the confidence shock. Capital inflows, including FDI and portfolio investment, are likely to slow and worker remittances decline, especially from GCC countries, where most Jordanian migrants are employed. Exports are expected to temporarily decline on the back of weaker global demand. As a repercussion, output is expected to contract sharply for the first time in two decades (by around 3.8 percent when the economy was expecting 2 percent growth), fiscal and external balances are expected to deteriorate (the combined public sector deficit in 2020 is projected to increase by 3.2 percent of GDP reflecting lower revenues and higher spending on health and containment, and support to households and companies most affected by the crisis.). As such, public debt is expected to increase and a $1.5 billion balance of payments gap to emerge with an expected current account deficit reaching 5.8 percent of GDP.

In response to the crisis, the government adopted several fiscal and monetary measures. This started with a double-tranche Eurobond issuance. The government introduced tax exemptions notably to procure medical supplies ($190 million), provided temporary cash-flow relief to companies, deferred payments of sales taxes and customs duties, temporarily reduced social security contributions (from 21.75 to 5.25 percent), and introduced a cash transfer program to support the unemployed and self-employed. The central bank also played a role in fighting the pandemic as it injected $1.48 billion in liquidity, pushed loan repayments, reduced interest rates on specific programs, and reduced the cost and expanded the coverage on SME loans, including credit facilities for the tourism sector ($211 million) .

Moreover, in May 2020, the IMF approved Jordan's request for emergency financial assistance under the Rapid Financing Instrument (RFI) for $396 million to help bridge the $1.5 billion gap in the balance of payments and support the government in facing the pandemic. Additionally, Jordan is expected to receive €700 million from macro-financial assistance (MFA) programmes from the EU commission, which aimed to help them limit the adverse economic effects of the coronavirus pandemics as well as supporting public finance management, utilities, social and labour market policy, and governance.

2. INFF experience to date

Jordan's Vision 2025 is a long-term national vision rather than a detailed government action plan to pursue the SDGs. As such, the government neither provided an assessment of the cost or budgetary outlays needed to achieve the SDGs, nor did it proceed to integrate them into financing frameworks. The lack of cooperation among national stakeholders at different level has constrained the success that the VNR had commenced . Furthermore, Jordan adopted the United Nations Sustainable Development Framework (UNSDF) 2018-2022, which aims to increase cooperation, coherence, and efficiency, towards achieving three inter-related and inter-connected priorities, including strengthening institutions, empowering people and enhancing opportunities.

In December 2019, ESCWA held an Intergovernmental meeting on Financing for Development in Amman. During the meeting, Jordan indicated its interest in ESCWA propositions on developing DFA which typically comprise of estimating national SDGs, mapping the current FfD landscape and trends of financing flows, and providing and identifying financing gaps along with the relevant financing options, all of which form part and parcel of INFFs to support decision makers and build understanding and momentum for reforms and needed policies for both Covid-19 response and SDG recovery.

INFFs remain unique as it is anchored upon National Sustainable Development Strategies (Jordan's 2025 Vision and Jordan Economic Growth Plan 2018-2022), noting that these strategies do not necessarily provide detailed financing components albeit, a few sectoral plans entail indicative costings and annual government budgeting outlays for the mix of resources needed to finance sectoral development targets. Notwithstanding, when national development plans are not costed and budgeted, they often risk remaining a normative aspirations/visions rather than become vehicles that instigate change in both the content of growth and in terms of equitability and inclusivity.

3. Stakeholder analysis

Vision 2025 was led by a Steering Committee chaired by the Prime Minister and supported by 17 technical committees, guided by the Ministry of Planning and International Cooperation (MOPIC).The development of the VNR was led by the focal point for the SDGs implementation, MOPIC with the endorsement of the United Nations Country Team, where the Higher National Committee on Sustainable Development extended overall strategic guidance and supervision. During the process of preparation, the engagement of the central bank, ministry of finance and other ministries, parliamentarians, academics, civil society organizations, the private sector, local communities including elected councils and leaders was highly encouraged.

4. Tangible outcomes

By mobilizing financing efficiently, increasing external inflows, and connecting them with long-term sustainable development goals and targets, INFFs can overcome short-term oriented decision-making, and allow policy makers to exploit synergies and manage possible trade-offs across different policies while being cognizant that, existing financing policies may be misaligned due to underlying political constraints, which cannot be ignored. Additionally, it could enhance cooperation among different stakeholders, to be able to achieve national priorities and the SDGs in tandem as planned in the country's VNR.

INFFs aims to furnish decision makers with an integrated national financing for development diagnostic tool that analyzes the strengths, weaknesses, opportunities and threats (SWOT) associated with the idiosyncrasies of a country's financing landscape. The assessment is based on qualitative measures and more than 25 empirical, statistical and econometric tools, that evaluate the dynamic relation between financing and the performance of several macro-economic variables to create a baseline by which to measure FfD progress. Analytical analysis is employed to measure the lost opportunities in financing (Arab Scorecard) and identify actions needed to reverse the financing reflux witnessed by countries in the Arab region. The framework recommends the reforms needed to mobilize the necessary resources to finance the SDGs based on five main channels identified through the new global financing for development framework namely, domestic public resources; domestic and international private finance; international development cooperation; international trade; and debt and debt sustainability.

The benefits of tailoring country-specific DFAFs is further amplified given the outstanding need to map, assess and analyze the FfD landscape at the country level to tailor the required FfD interventions, their sequencing and identify the means available to tap resources along with the policy enhancers needed to overcome SDG-related financing challenges. Furthermore, an Integrated National Financing Calculator that allows the reassessment of the financing required to achieve the SDGs as per the GDP growth and factoring the effect of Covid on the financing need. Over and above that, a gateway will be developed to serve as a leading electronic platform offering a wealth of quantitative diagnostics to analyze the state of financing sustainable development at the national and regional levels. The gateway provides a statistical compendium of all FfD platforms and a means of delivery/channel for communicating the outcomes of the integrated national development finance frameworks, noting that, to date, there is no single website, data-set or electronic resource that documents Arab FfD idiosyncrasies across all financing channels, be they related to financial or non-financial means of implementation of the 2030 Agenda.

Kyrgyzstan

1. Current status of financing for national priorities and the SDGs

As part of its efforts to achieve the 2030 Agenda and the SDGs, Kyrgyzstan has recently introcuded a National Development Strategy (NDS) for the period 2018-2040 and an accompanying medium-term plan to guide its implementation, the National Development Programme for 2018-2022. Although this medium-term plan for 2018-2022 has a strong focus on sustainable development through private sector-led economic development, there is no systemic and strategic alignement with national budget allocation. Additionally, several factors may prevent the realization of this plan, including budgetary constraints, especially at the municipal level. The share of government revenues in the GDP is relatively high in Kyrgyzstan and is equivalent 31.8%. Thus, there is not much scope to raise revenues compared to other countries in the region. Remittances are also a significant feature of the financing landscape – equivalent to 28.5% of GDP in 2019 – and there may be opportunities to enhance the contribution of the diaspora to national development. Levels of FDI remain volatile, with large swings from one year to the next.

The impacts of the COVID-19 pandemic are wide-ranging and have put the country's public finances under massive strain. The overall decline in economic activity has led to an important drop in public revenues as revenue from trade tax, social security contributions and VAT have decreased and are expected to remain low as the pandemic continues. Moreover, the expected increase of inflation rates and debt levels are key concerns and the latest available IMF forecast suggests that the GDP of Kyrgyzstan will reduce by 4% in 2020.

Given this financing profile and the high level of uncertainty surrounding all macroeconomic projections as a result of the COVID-19 pandemic, it is therefore important to mobilise and widen the sources of financing of SDGs and bring them together in support of SDG implementation.

2. INFF experience to date

To support the implementation of the NDS and the mobilisation and impact of the necessary public and private finance, the Government of Kyrgyz Republic made a commitment at the 2019 UN General Assembly to operationalise an INFF. To develop the INFF, the Government of the Kyrgyz Republic has commissioned a development finance assessment (DFA) and a scoping mission was realized in November 2019. The initial phase of the process identified a number of financing solutions that could help to meet the country's resource mobilisation objectives. These include additional reforms that can strengthen particular areas of financing, in areas such as the integration and efficiency of public finance relative to national priorities, boosting fiscal space, strengthening investment policy for sustainable and inclusive investments, financial inclusion and leveraging remittances.

Although efforts on introducing programme-based budgeting have been made and are currently underway, these have not resulted in lasting improvements in the budgeting processes. Expenditure planning is not fully functional and is detached from annual budget formulation and budget decision-making processes. Futhermore, there is no systemic and strategic alignment between NDS/SDGs and expenditures

The National Sustainable Development Council is the coordinating entity for monitoring the implementation of the NDS and its secretariat and the Office of the President are developing a framework to monitor implementation of and progress toward the NDS. Nevertheless, there is a lack of coordination between government ministries, who often work in siloes, and between government and development partners, which constrains the effectiveness of spending and programming.

3. Stakeholder analysis

The key stakeholders in Kyrgyzstan are the Ministry of Finance and the Ministry of Economy. The Ministry of Finance is responsible for financial policies, including the preparation and execution of the budget. The Ministry of Economy plays a central role in policies governing the private sector and is responsible for the development of Public-Private Partnerships (PPPs). The existing process has also included consultations with civil society actors and private sector representatives.

The UN Country Team has been granted funding through the Joint SDG Fund to implement the project 'Enhanced financing opportunities and alignment with national sustainable development goals through an Integrated National Financing Framework for Kyrgyzstan'. This Joint Programme will start in the second half of 2020 and involve UNDP and UNICEF. Its objective is to support the Kyrgyz Republic in creating a holistic, comprehensive and integrated financing strategy with the ambition to improve the efficiency, effectiveness and transparency in the use of public funds and governance of private finance to support the implementation of the NDS and the SDGs.

4. Tangible outcomes

Kyrgyzstan has taken significant steps in developping an INFF to support the implementation of its National Development Strategy which is aligned with the SDGs. However, public finances are coming under strong pressure as the COVID-19 pandemic is unfolding. As a result, there is a need to both improve the management of public finances and diversify the sources of financing.

The project can contribute to these needs, reflecting the impact of COVID-19 and helping the government to identify and bring together different sources of financing in support of the National Development Strategy 2018-2040 and accompanying National Development Programme for 2018-2022, including, critically, tapping into private sector financing. Promoting effective partnerships between the public and private sectors could become a critical way to unlock additional resources for the SDGs.

Zambia

1. *Current status of financing for national priorities and the SDGs*

Before the advent of Covid-19, Zambia was already in a dire economic situation. With the advent of Covid-19 the economic situation is expected to grow worse. As at December 2019, based on data from the International Monetary Fund (IMF), Zambia experienced a low GDP per capita growth of -1.5 per cent in 2019, which is expected to slump further to -7.9 per cent in 2020 and recover to a meagre -2.4 per cent in 2021. In the aftermath of the IMF virtual mission to Zambia in June 2020, the IMF declared that Zambia's fiscal pressures in 2020 have increased due to significantly lower revenue collections and higher spending needs and noted that Zambia has requested support under the G20 Debt Service Standstill Initiative, intended to provide temporary fiscal space this year23. Based on the latest IMF Debt Sustainability Analysis (DSA), Zambia is among the 39 African Low-and middle-income countries that are at high risk of debt distress. Zambia's total external debt stock rose from about US$3 billion in 2008 (an external debt-exports ratio of 54 per cent) to US$ 19 billion in 2018 with an external debt to exports ratio of 191 per cent. Its debt to GNI ratio was about 71 per cent in 2018. The advent of the Covid-19 crisis matched by deep slumps in the price of copper, that accounts for about 70 per cent of Zambia's merchandise

[23] https://www.imf.org/en/News/Articles/2020/07/15/pr20260-zambia-imf-staff-completes-virtual-mission.

exports, will place a hefty burden on the country's available financial resources to achieve its national development objectives, even more so if the crisis ends up being protracted in time. The depreciation of the local currency relative to the US dollar will adversely increase the debt servicing obligations of the country at a time of falling export revenues and foreign exchange reserves.

Zambia's Seventh National Development Plan has mainstreamed the SDGs, indicating the commitment of the Government of Zambia at prioritizing the SDGs. As indicated in the Seventh National Development Plan (7th NDP) 2017-2021, the intent of the Government of Zambia is to develop an Integrated Resource Mobilization and Financing Framework (IRMFF) that will "guide the nation on resource mobilization, acquisition, allocation and utilization, to avoid wastage and misallocation of resources through unplanned borrowing, as well as other financing commitments". The same document clearly states that "financing requirements for the Plan programmes will be from a combination of financing sources, which will include domestic revenues, and domestic and foreign borrowing which will be limited to achieving a lower fiscal deficit of no more than 1.4 percent of GDP on a cash basis by the end of the Plan period. Other sources will be the private sector through such mechanisms as PPPs, as well as the private sector as sole financiers of projects and programmes. Aggressive engagement with cooperating partners will be employed, to obtain some significant fiscal relief through accessing of grants and concessional loans" (Government of Zambia, 7NDP). In light of Covid-19 and the deteriorating economic situation of Zambia, it will become extremely challenging for the Government to implement the 7NDP while maintaining a fiscal deficit of no more than 1.4 per cent of GDP. Sourcing finance from the domestic and international private sector will be a challenge given the adverse impact of the Covid-19 crisis on their profitability and market situations.

In the latest budget for fiscal year 2020 delivered in September 2019, the Government of Zambia had flagged that the outlook for financing would remain weak as financing continues to be constrained by tight liquidity conditions in the domestic market coupled with an unfavorable global environment.

2. INFF experience to date

Zambia has been granted funding under Component 1 of the Joint SDG fund this year to set up and operationalize an Integrated National Financing Framework (INFF) under a project titled "Zambia's Integrated Financing Framework for Sustainable Development". The major objective of this Joint Programme is to support the development and operationalisation of a robust Integrated National Financing Framework (INFF) for sustainable development in Zambia, that will enhance Sustainable Development Goals (SDGs) and ensure they are actualized at national and subnational levels in the framework of the current plans by aligning the annual budgets and the medium expenditure frameworks with National Development Plan (7NDP) and its successor.

The Economic Commission for Africa (ECA) sub-regional office for Southern Africa (SROSA) is a participating agency in this initiative, led by UNDP along with other participating agencies namely UNICEF, ILO and UNFPA. As stated in the project document, the expected programmatic activities will include policies and institutional capacities that enable increasing tax revenue, improving spending efficiency, managing debt more sustainably, creating an enabling environment to promote SDG-aligned private sector investment, expanding domestic financial markets, leveraging development cooperation, tackling illicit financial flows, and developing and accessing financing instruments to unlock new sources of finance. The key outcomes of the Joint Programme are:

- Government of Zambia implements systems and frameworks for SDG Financing.
- Planning and finance policy functions, processes and systems are Integrated.
- Private - domestic and international - resources are mobilized to respond to the National Development Plan and SDGs

Under this current UNDESA -led project, deliverables will be framed to complement and add value to the existing Joint Programme. The UNECA24 will build on its expertise in its programmatic clusters of macroeconomics and governance, economic development and planning, data and statistics and private sector development and finance to frame deliverables in the areas of a) measuring and combatting illicit financial flows (in collaboration with UNCTAD Africa Section) b) designing innovative sources of finance c) mobilizing private capital and public-private partnerships for achieving the SDGs and d) strengthening SDG-based reporting tools.

3. Stakeholder analysis

As part of the above initiative (UN-funded Joint Programme) to set up and operationalize an INFF in Zambia, the Government of Zambia has reiterated its commitment to implement its national objectives while paying due attention to the achievement of the SDGs and to prioritize efficient and effective utilization of resources in the face of financing challenges. Through the 7NDP it has also clearly expressed a commitment to carry out implementation through a multi-stakeholder approach. As documented in the 7NDP, the Government has established a Ministry of Development Planning (MDP), that will be responsible for NDP formulation and coordination. At the local level, Ward Development Committees (WDCs) have been introduced, while District Development Coordinating Committees (DDCCs) and Provincial Development Coordinating Committees (PDCCs) will continue performing their functions as before. At the sector level, Sector Advisory Groups (SAGs) have been substituted with Cluster Advisory Groups (CAGs), which are an assembly of sectors sharing common overall objectives. At the central level, the Cabinet through the National Development Coordinating Committee (NDCC) will continue playing an oversight role. The 7NDP recognizes a need for reform anchored around two objectives: (a) a strengthening of coordination and implementation processes at all levels and (b) a strengthening of capacity on planning, implementation, monitoring and evaluation.

4. Tangible outcomes

Zambia has already taken adequate steps to set up and operationalize an INFF. The imminent operationalization of the INFF will translate good intentions into concrete actions. The main challenge going forward is twofold: (i) reflect the new baseline that Covid-19 created, so that INFF can become a tool to build back better, and (ii) INFF implementation, and addressing capacity gaps in that regard.

The project can (i) support an update of assessments, if needed, to reflect the impact of Covid-19, and (ii) deliver targeted capacity support for priorities the government has articulated in its INFF, in close coordination with the Joint Programme. The project will support INFF implementation, and ultimately more effective financing of national priorities and SDGs post Covid-19. As indicated

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[24] See https://www.uneca.org/sites/default/files/images/strategic_framework_en_29aug_web.pdf.for an overview of UNECA's strategic framework.

above, ECA will articulate its interventions in order to add value and create complementarities with the Joint SDG Fund Joint Programme. Targeted areas of intervention will relate to a) measuring and combatting illicit financial flows b) designing innovative sources of finance c) mobilizing private capital and public-private partnerships for achieving the SDGs and d) strengthening SDG-based reporting tools.