



MAKING FINANCE WORK FOR PEOPLE AND PLANET - STRENGTHENING COUNTRY FINANCING SYSTEMS THROUGH INTEGRATED NATIONAL FINANCING FRAMEWORKS

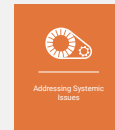
Key messages

- **86 countries are using the integrated national financing framework approach first introduced in the Addis Ababa Action Agenda:** To date 15 have operationalised a financing strategy and more than 50 are implementing reforms to public and private financing policy for the SDGs and NDCs that have already mobilised and aligned tens of billions of dollars.
- **Strengthening country leadership to build sustainable national financing ecosystems through INFFs:** FfD4 should recognize the critical need to strengthen countries' financial planning and policy frameworks for achieving the SDGs, emphasizing the importance of country leadership in building sustainable national financing ecosystems through INFFs.
- **Making finance work for people and planet by moving towards financing policy integration:** INFFs are proving to be a driver of significant investment in social, economic and environmental priorities by providing a comprehensive framework for countries to make 'sustainable development-proof' financing choices, with explicit consideration of risks and trade-offs across financing policy areas and sustainable development dimensions (economic, social, environmental).
- **Leveraging INFFs for systemic engagement with the private sector and the civil society:** Strengthening inclusive dialogues and collaboration with the private sector and civil society is essential to broaden design and implementation of policy reforms, ensuring that their needs are systematically reflected in policy frameworks.
- **Aligning international support with national financing priorities:** By enhancing coordination among country platforms for MDBs and other partners, INFFs can use INFFs to align multilateral and bilateral donors, development banks, and the private sector to align their support with national priorities, helping scale up resources and technical assistance in support of national plans.

RELEVANT ACTION AREAS



Domestic and International
Private Business
and Finance



Addressing Systemic
Issues

ABOUT THIS SERIES

The Financing Policy Brief Series has been prepared by the Inter-agency Task Force on Financing for Development to inform the substantive preparations for the Fourth International Conference on Financing for Development (FfD4), to be held in Sevilla, Spain, from 30 June to 3 July 2025.

The Inter-agency Task Force on Financing for Development is comprised of more than 60 United Nations Agencies and international organizations. The policy briefs in this series were not subject to review by Task Force Members, and represent the views of the authoring organizations.

The full series is available at:
<https://financing.desa.un.org/iatf/report/financing-policy-brief-series>



Problem statement

Financing challenges are at the heart of the current sustainable development crisis. Developing countries face severe constraints, exacerbated by the global economic downturn, rising debt levels, and unequal access to financing. An estimated \$4 trillion per year is needed to fill the financing gaps,¹ but systemic issues such as high borrowing costs, weak financial infrastructure, and misaligned incentives hinder progress.

While reform of the international financial architecture is necessary to address global systemic issues, such as debt relief and access to affordable financing, countries are not waiting for international reforms to act. Many developing nations are building their own capacity to finance sustainable development through INFFs, which aim to integrate public and private finance across multiple financing policy areas, align investments with national development priorities, and ensure financing flows are optimized for impact.

FfD4 presents a critical opportunity to address challenges and gaps of national financing architectures by strengthening country-led INFFs:

- 1. Need to strengthen institutional capacities for coherence across development plans and financing policies:** in 2019 less than 30% of national development plans were costed or had any kind of financing strategy.² Countries struggle to enhance coherence across the financing landscape and make informed financing choices and manage trade-offs across various financing policy areas. Fragmented governance structures and financing strategies further exacerbate the challenge of aligning financial flows with national priorities. Without strengthened institutional capacities that connect financing policies to sustainable development priorities, countries face difficulties in mobilizing the investments needed to achieve the SDGs.
- 2. Lack of holistic approach to scale financing for ALL SDGs:** the lack of a holistic approach to finance social, economic and environmental action, presents a significant challenge to achieving the SDGs. This fragmentation can lead to inefficiencies and missed opportunities to leverage public and private financial resources more effectively. The disconnect between climate, humanitarian and development finance, for example, is further compounded by uncoordinated financial mechanisms and institutional barriers.
- 3. Limited engagement with the private sector and the civil society:** Mobilizing both public and private finance for sustainable development requires inclusive dialogue and collaboration with diverse actors, including the private sector and civil society. Transparency, accountability and effectiveness require strong institutions, trust and meaningful engagement between actors. However, finance policy design is often treated as a technical issue, led by a small group of experts in key ministries, without broader engagement at the national and sub-national level. This narrow approach risks overlooking the priorities and challenges faced by the very sectors the policies aim to support, including vulnerable communities. Without inclusive and well-structured mechanisms for meaningful engagement with the private sector and civil society, financing strategies will fail to reflect the diverse needs of key development stakeholders.
- 4. Technical capacity gaps and local adaptation challenges:** While frameworks like INFFs are evolving, many governments lack the technical capacity to design and implement integrated financing strategies that align resources with national priorities. More technical assistance and exchange between countries is needed to build capacity for integrated approaches to policymaking that can manage these complexities. Countries are also eager to explore innovative instruments such as SDG bonds, blue

1. UNCTAD, 2023, [SDG Investment Trends Monitor](#)

2. Chimhowu, A., et al, 2019, [The 'New' national development planning and global development goals: Processes and partnerships](#)



bonds, and climate-resilient loans, but they need to fully understand the risks and trade-offs associated with these tools. INFFs provide a framework to systematically assess these risks, ensuring that new financial instruments support long-term sustainability goals. Furthermore, subnational implementation adds another layer of complexity, requiring tailored policy innovations and technical support for local contexts.

- 5. Inadequate alignment between international agendas and country-level financing priorities:** Strengthening country-led initiatives through Integrated National Financing Frameworks (INFFs) can serve as a catalyst for reforming the international financial system. Global financing decisions should reflect and support country-level priorities, ensuring that international partners, including MDBs, align their efforts with the financing strategies set by countries. By reinforcing country leadership in financing policy, the reform of the international financial architecture can become more responsive, coherent, and effective in addressing the unique needs and challenges of each country.



The reforms that we are seeking in the global architecture will have the greatest impact when accompanied by strengthened national financing policies through the INFF.”

H.E. Wale Edun, Honourable Minister of Finance and Co-ordinating Minister of the Economy, Nigeria

Policy solutions

To address the systemic challenges and gaps in financing for sustainable development, countries are using the integrated national financing framework approach first introduced by UN member states in the 2015 Addis Ababa Action Agenda. Currently, 86 countries are now using the approach to strengthen financing for sustainable development, with 15 national and subnational governments having operationalized a financing strategy and more than 50 countries delivering financing reforms shaped through their INFF. Recent analysis by the INFF Facility finds that the most advanced of these reforms have leveraged \$16 billion in new finance and enhanced the SDG-alignment and scope for SDG impact of \$32 billion in existing finance - initial emerging outcomes that speak to the scale of transformation that is possible moving forward.³

Key policy solutions emerging from these innovations include:

- 1. Strengthening country-led Integrated Financing Strategies:** Integrated financing strategies can help countries mobilise and align finance for sustainable development priorities, manage risks, trade-offs and synergies across policy domains as well as development priorities. The Maldives' gender-responsive climate financing strategy, for example, is advancing the energy transition and social inclusion to realise both its National Development Plan and NDCs.
- 2. Enhancing Public and Private Financing Mechanisms:** INFFs are aligning public and private finance for sustainable development. Colombia, for example, established a tagging system that enabled enhanced transparency and budget management, with SDG expenditure subsequently increasing 17% in four years—an additional \$10 billion.⁴ In Thailand, the development of a green taxonomy is mobilizing private sector funds, while SDG impact-based

3. INFF Facility, 2024, [Making finance work for people and planet: how countries are building their sustainable finance ecosystem through integrated national financing frameworks](#)

4. Source: [Colombia's SDG Budgeting Dashboard](#)



reporting, introduced by the Securities and Exchange Commission, will apply to firms with a combined market capitalization of over \$480 billion.⁵

3. Building partnerships to support sovereign financing priorities:

As countries work to develop financing ecosystems for the future, there is a pressing need to build new capacities, policies, and instruments. INFFs can play a key role in aligning support across stakeholders, including MDBs, development partners, the UN system, and others, ensuring that all resources—public, private, domestic, and international—are channeled effectively toward national priorities. By aligning MDB country platforms with a broader national financing strategy, INFFs help countries access specialized partnerships and technical support in areas like sovereign SDG bonds, taxonomies, and risk financing tools. For example, AfDB's credit guarantees in Senegal are facilitating €400 million in green and social investments, while two Tanzanian commercial banks' \$66.8 million in green and social bonds has helped grow the country's bond market and increase investor confidence with the support of the IFC.⁶ These examples highlight how aligning MDB country platforms within INFFs can drive well-coordinated partnerships to support sovereign financing priorities and strengthen national financing ecosystems.

4. **Enhancing countries' access to technical assistance and capacity building for INFF design and implementation.** Many countries face severe capacity constraints in implementing institutional reforms and in making the most of new financing instruments, such as blended finance, sustainability bonds, debt swaps, etc. This calls for an urgent scaling-up of technical assistance, capacity building and institutional development efforts to align technical support with the financing priorities articulated through country-led INFFs.

5. **Reiterating the role of ODA as Catalyzer.** As highlighted by the AAAA, ODA and other forms of international support should increasingly serve as catalyzers, strategically deployed to mobilize additional financing sources in line with sovereign financing priorities, de-risking investment interventions, particularly from the private sector, through blended finance mechanisms.

6. **Scaling Subnational and Local-Level Implementation:** INFFs can be scaled to subnational and local governments to drive financing reforms. For example, Pakistan's Punjab Province launched its financing strategy in February 2024, while Gombe State in Nigeria and the Water Authority of Tanga in

BOX | The INFF Facility

The INFF Facility was launched in April 2022 at the FfD Forum to support countries developing and delivering INFFs. The Facility is a joint flagship initiative of the UNDP, UNDESA, UNICEF, OECD, the European Union, and the Governments of Italy, Spain and Sweden. It helps Governments and their partners realize the potential of the INFF approach to accelerate progress towards national sustainable development objectives and the SDGs.

The INFF Facility brokers technical assistance, facilitates knowledge exchange and provides access to technical guidance. It leverages UNDP's role leading technical support to INFFs at the country level, UNDESA's leadership of the INFF methodology, UNICEF's support to social sectors, and key aspects of PFM and the OECD's experience with transition finance and engagement of development partners through the Development Assistance Committee.

5. United Nations, "UNDP and SEC launch SDG Guidebook for Listed Companies and SDG Impact Standards to support Thai Businesses integrate SDGs into business strategies and operations", press release, 27 October 2023.

6. INFF Facility, 2024, [Making finance work for people and planet: how countries are building their sustainable finance ecosystem through integrated national financing frameworks](#)

7. <https://inff.org/about/inff-facility>



Tanzania issued their countries' first subnational green bonds building on the INFF approach. In Zambia, where the DFA conducted at the national level is now being replicated for one district in an important learning experience supported by the UNDP-UNICEF Global Finance Flagship.

7. Engaging Civil Society for Inclusive Financing:

Civil society engagement is critical to ensuring financing strategies reflect the needs of marginalized communities. The Philippines hosted multistakeholder dialogues through its INFF, fostering a national conversation on financing priorities. Civil society organizations (CSOs) played a vital role in representing marginalized communities via the financing dialogues, contributing to the Development Finance Assessment (DFA) and shaping a roadmap for SDG financing.

Specific recommendations for FFD4

The FFD4 outcome should:

1. Promote country leadership on financing, recognizing the INFFs as the primary financial planning tool at the center of country-level efforts to deliver the FFD4 agenda, guiding public, private, domestic

and international financing policy for sustainable development.

2. Promote INFFs as the basis for a integrated financing strategy for national development plans (NDPs), nationally determined contributions to the Paris Agreement (NDCs), national biodiversity strategies and action plans (NBSAPS) and gender equality, and as a mechanism for strengthening financing at the local level through integrated local financing frameworks (ILFFs).
3. Encourage the continued uptake of the approach to be used by 120 countries by 2030 and use of INFFs to finance social, environmental and economic development t priorities together, enhancing the investability of the next round of NDCs and making finance work for gender equality.
4. Strengthen INFFs as a platform for building coherence with national development objectives and across spending, tax, and debt policies within public finance and hardwiring the SDGs into the design of private finance pipelines, investment opportunities and vehicles, and financial sector regulation.



We now know exactly what type of financing we need and for which sectors, thanks to the INFF, we also know what capacities we need to mobilize from the private sector, especially in relation to the SDGs."

H.E. Ilyas Moussa Dawaleh, Minister of Economy and Finance, Djibouti



The key value of the Financing Strategy comes from its integrated nature, bringing together all parts of the Government, development partners, private sector and related stakeholders, to prioritize and resolve trade-offs."

H.E. Phonevanh Outhavong, Deputy Minister for Planning and Investment, Lao People's Democratic Republic



The Integrated Financing Strategy acts as a central piece for accelerating the achievement of the SDGs Agenda in the context of Punjab”

Iftikhar Ali Sahoo, Former Chair of the Planning and Development Board, Government of the Punjab

5. Scale concessional and non-concessional finance to accelerated interconnected reform of the international financial architecture and commitments to advance INFFs and integrated local financing frameworks.
6. Engage private sector, civil society, IFIs and other stakeholders, to strengthen inclusivity and ensure broad ownership of financing policies.
7. Engage IFIs within the INFF processes, aligning their ongoing reform efforts with the key elements within the SDG financing strategies. In particular, ensuring that ongoing exercises of reform promote the vision of aligning finance reforms (including Public Finance related reforms) with development outcomes.
8. Encourage stronger engagement of CSO and reinforcement of SDG Financing Dialogue platforms. The INFF process emphasizes an economic governance approach and a whole-of-society vision, recognizing the importance of inclusive participation in sustainable development efforts. CSOs play a critical role bringing diverse perspectives and the multifaceted nature of sustainable development challenges and opportunities. Their engagement ensures that the INFF process captures a wide range of societal needs and aspirations, both at the national and local levels.
9. Scale up mechanisms such as the INFF Facility to broker specialized technical assistance and capacity building from a broad range of stakeholders (multilateral organizations, bilateral development partners, private actors) in response to country demand on the INFF methodology, the delivery of financing reforms and the deployment of innovative financial solutions such as taxonomies, bond issuances, insurance and risk finance and others. Establish a platform under the INFF Facility for making technical expertise from OECD DAC members available to all countries, expanding the Facility's capacity to respond to growing country demand in these areas.
10. Encourage countries to voluntarily report on their INFF implementation and integrated financing approaches at global platforms such as the High-Level Political Forum (HLPF) and FfD Forum. This would promote transparency and foster the sharing of best practices in financing for sustainable development.