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ANNEX 6

of the COMMISSION IMPLEMENTING DECISION on the financing of the Multi-Annual Action Plan for Global Challenges – Partnerships for 2022-2023

Action Document for “Integrated National Financing Frameworks (INFFs)”

MULTI ANNUAL PLAN 2022-2023

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Integrated National Financing Frameworks (INFFs) OPSYS : ACT-60952 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out globally for the benefit of developing countries.
4. Programming document	Multiannual Indicative Programme for ‘Global Challenges’ Thematic Programme 2021-2027
5. Link with relevant MIP(s) objectives / expected results	‘Partnerships’ pillar, Specific objective 2: Stronger economic governance and inclusive societies
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Good Governance — Financing sustainable development – Public Finance Management/ Domestic Revenue Mobilisation – Banking and financial services – Business
7. Sustainable Development Goals (SDGs)	Main SDG: 17 Strengthen the means of implementation and Revitalise the global partnership for sustainable development Other significant SDGs: SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels SDG 1: End poverty in all its forms everywhere SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

	SDG 13: Take urgent actions to combat climate change and its impacts			
8 a) DAC code(s)	15110 – Public sector policy and administrative management 15111 – Public finance management 15114 – Domestic revenue mobilisation 24010 – Financial policy and administrative management 25010 – Business policy and administration			
8 b) Main Delivery Channel	41100 UN Entities			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

	digital skills/literacy digital services	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	/
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/
	Migration @ (methodology for tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.02 02 43 Total estimated cost for 2022: EUR 1 000 000 Total amount of EU budget contribution for 2022: EUR 1 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with UNDP and UN DESA.			

1.2 Summary of the Action

The COVID-19 crisis and the Russian war of aggression on Ukraine have dramatically impacted EU partner countries and exacerbated financing needs. In order to help countries strengthen their planning processes and overcome impediments to financing sustainable development at country level and address the financing challenges linked to the multifaceted crisis context, this action will provide global support to financing strategies to help achieve the Sustainable Development Goals (SDGs) and Paris Agreement objectives and to finance a sustainable and inclusive recovery from the COVID-19 pandemic. INFFs help countries strengthen planning processes and overcome existing impediments to financing sustainable development and the SDGs at the country level. INFFs provide a holistic approach by supporting countries to get a full overview of international and domestic sources of funding, both public and private. Since 2019, the EU has been playing a leading role in supporting INFFs and building an INFF multilateral initiative together with UN partners and the IMF.

The action aims to contribute to mobilise and align financing with sustainable development priorities to achieve the SDGs and promote a green and inclusive recovery by supporting Integrated National Financing Frameworks. Specific objectives of the action entail preparing guidance material that will help national authorities to translate the INFF methodology into national action; improving the knowledge of governments over the financial resources at their disposal and their ability to make the most effective use of investment for sustainable development through financing strategies, promoting through INFFs the conditions for the inclusion of green economy in line with the countries' international commitments and national environment, biodiversity, climate & development strategies. The EUR 1 million action is to be implemented over three years in indirect management through contribution agreements with UN DESA and UNDP.

2 RATIONALE

2.1 Context

Integrated national financing frameworks (INFFs) were proposed initially in 2015 in the Addis Ababa Action Agenda to support the financing of sustainable development strategies. They were given particular prominence in the Financing for Development Forum in 2019. Since 2019, the EU has been playing a leading role in supporting INFFs and building an INFF multilateral initiative together with UN partners and the IMF. INFFs were endorsed in Council conclusions both in 2019 and 2020. Globally, there is a strong consensus for INFFs, with broad support received internationally. Several international organisations and fora are now using or have endorsed the concept, such as the IMF and the G20. Several EU Member States are showing a strong interest in INFFs, and there are substantial opportunities to build a solid Team Europe approach on INFFs.

INFFs help countries strengthen planning processes and overcome existing impediments to financing sustainable development and the SDGs at the country level. INFFs provide a holistic approach by supporting countries to get a full overview of international and domestic sources of funding, both public and private. INFFs are particularly relevant in the current crisis context. Lack of integrated approaches to sustainable development and financing have made countries vulnerable to this crisis.

In the short-term, some of the INFF elements can be implemented and help guide the crisis response.

The action intends to contribute to priority area 2 of the MIP - Stronger economic governance and inclusive societies. It will support partner countries to mobilise and allocate the maximum available resources to realise human rights, in line with the priority area 1 (People). By helping to develop solid financing strategies the action on Integrated National Financing Frameworks will consolidate the EU's work in this domain and confirm its role as a key partner for a global green, resilient and inclusive recovery. The action will contribute to the reinforcement of partner countries' sustainable development through strong INFFs, building on a global INFF methodology. The INFF Facility, established in 2021, will be a central element. The overall purpose is to provide support for governments to operationalise the four building blocks of an INFF and to offer support to strengthen specific aspects of INFF processes.

An increasing amount of INFFs have strong components linked to sustainable finance frameworks and sustainability-related financial instruments. In the context of the EU Green Deal and the Global Gateway, sustainable finance has an instrumental role to play in mobilising investments with positive environmental and sustainability impacts, especially when it comes to digitalisation, climate, biodiversity and energy and transport investments. The action will contribute to the implementation of the EU Global Gateway communication aiming at supporting strategic investments and mobilising additional finance in sustainable and high-quality infrastructure development around the world, in line with the Green Deal.

2.2 Problem Analysis

Short problem analysis:

Across the world, the COVID-19 pandemic is further widening the financing gap towards the timely achievement of the SDGs and the Paris Agreement. Domestic public revenue and investment are plunging; capital outflows, decline in remittances and exports put pressure on external balances; and there is a risk of increased debt crisis in many countries. Public debt vulnerabilities will need to be addressed to avoid a more widespread debt crisis in the coming years and its further impact on people's livelihoods and well-being. The current geopolitical crisis is expected to create another huge shock to country economies. Holistic and long-term financing strategies have become all the more crucial, not only as a good basis for systemic and sustainable approaches to responding to COVID-19, but also to establish more adaptive, resilient and robust financing approaches to manage risks and more generally achieve the SDGs.

In the context of low- and middle-income countries' green transition and recovery strategies, there is a growing demand to develop sustainable finance frameworks and to promote sustainability-related financial instruments in line with international good practices. It would allow those countries and the stakeholders within them to access global and domestic finance to support local sustainable development. In addition, credible and coherent frameworks are a necessary condition to avoid market fragmentation and to promote cross-border sustainable capital flows. However, this will require dedicated, consistent and coordinated technical assistance support. INFFs

promote and support developments within the green transition, by for example encouraging the development of taxonomies, sustainability-related financial instruments, sustainable finance frameworks etc.

The EU has been a strong supporter of the Integrated National Financing Frameworks, INFFs, from the beginning, and INFFs are gaining momentum both internationally and nationally. While a country's sustainable development strategy lays out what needs to be financed, INFFs spell out how the national strategy will be financed and implemented, relying on the full range of financing sources. INFFs look at financing in a comprehensive way and, by establishing a full overview of the financing sources (public, private, international and domestic), allow to more easily identify the crucial levers to meet national development plans.

In this context, INFFs are a means for countries to strategise on a long-term basis the necessary reforms and governance to achieve their Sustainable Development objectives and support their recovery from the pandemic, notably by improving revenue collection, spending efficiency, debt management and transparency but just as importantly also by creating enabling environments that leverage private sector participation in SDG investments and accelerate the expansion of domestic financial markets. INFFs contribute to ensure national financing strategies benefit all – women and men, boys and girls, including the groups in most marginalised situations – and are the product of transparent and participatory processes. For the recovery to be sustainable and our partner economies resilient, there is a real need for governments to develop financial strategies to mobilise and align all financing sources - public and private, domestic and international - with the country's development priorities, increase investment and manage risks.

The demand and interest for INFFs is increasing. More than 80 countries have started their path towards an INFF, notably with the support of the Joint SDG Fund, substantially co-financed by the EU. To build up a solid framework, the EU has financially supported the development of a solid methodology under UN DESA's auspices so as to guide and facilitate the country-led processes.

This action helps continue this strong support and enhance it even further by supporting INFFs via the INFF Facility.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

This action will be implemented through indirect management - contribution agreement(s) with UN DESA and UNDP¹, which have specific expertise in providing methodological and technical assistance on implementing INFFs, including on how to mainstream gender equality in INFFs².

The UN Department of Economic and Social Affairs (UN DESA) has a mandate to lead on Financing for Sustainable Development issues and coordinate the Inter Agency Task Force on Financing for Sustainable Development. In particular, it has developed the INFF methodology. It leads on global guidance work and knowledge management and is in charge of technical backstopping and coaching for experts.

The United Nations Development Programme (UNDP) has strong expertise and operational capacity and leads UN country-level work on financing for development issues. It leads support to partner countries on INFFs in most cases. It manages the INFF knowledge platform, facilitates regular dialogue and exchange between countries, regionally and globally. A technical operational facility work plan will be developed shortly.

The INFF TA Facility is a platform that provides technical support for INFF implementation and allows countries to share their knowledge and experiences. It aims to become the source of knowledge and technical support on INFFs, strengthening the image of INFFs as the go-to framework for financing sustainable development at the national level. It institutionalises ongoing cooperation on INFFs among UNDP, UN DESA, OECD thus ensuring a fine-tuning of the methodology based on country experience. It is financed by the European Union, Italy and Sweden.

86 partner countries are already engaged in INFF processes worldwide. Stakeholders at country-level vary from

¹ Considering that no new agreements or top-ups to ongoing agreements may be signed until the finalisation of the complementary assessment. See note Ares(2022)772236

² <https://inff.org/resource/technical-guidance-note-mainstreaming-gender-equality-in-integrated-national-financing-frameworks>

one country to the next but usually include national and sometimes sub-national governments and various ministries e.g. Prime Minister, Ministries of Finance, Budget, Planning, Economy, Environment etc., Central bank, public, national development and commercial banks as well as various actors within the private sector, civil society, trade unions, rights-holders etc. Specific support to country processes is provided under national MIPs. EU Delegations are encouraged and supported to engage at country level to increase EU visibility and insights in the INFF initiative, along with Member States.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

Overall objective (impact):

Contribute to mobilising and aligning financing with sustainable development priorities to achieve the SDGs and promote a green and inclusive recovery by supporting operationalisation of Integrated National Financing Frameworks

Specific objectives of the action:

1. Prepare guidance material that will help national authorities to translate the INFF methodology into national action.
2. Improve the knowledge of governments over the financial resources at their disposal and their ability to make the most effective use of investment for sustainable development through financing strategies
3. Promote through INFFs the conditions for the inclusion of green economy in line with the countries' international commitments and national environment, biodiversity, climate & development strategies and support efforts to scale up sustainable finance.

The outputs to be delivered by this action contributing to the corresponding specific objectives are:

1. *Government and their partners access guidance documents, knowledge products and knowledge exchange in support of the operationalisation of INFFs* focused on bringing cutting-edge tools, knowledge, and training (on policy, institutional reform, finance instruments, impact management, applying a human rights based approach and gender mainstreaming in financing sustainable development etc.) and facilitating exchange of experiences relevant to country contexts, particularly in the field of sustainable finance.
2. *Improved capacity of governments and their partners to implement financing priorities in advancement of their development agenda in a transparent and accountable way* through technical support, policy advice and capacity development to governments and their partners as they develop and operationalise INFFs, including development and delivery of financing strategies and the reforms they prioritise, monitoring and review, governance and coordination, and assessments and diagnostics.
3. *Strengthened collaboration across government, as well as between government, civil society, private actors and development partners in operationalising INFFs*, including through support to strengthen the institutions leading INFFs at the national level with an emphasis on building inclusive, participatory multistakeholder approaches.
4. *Strengthened agenda setting and coherence across international partners in supporting INFFs* focused on engagement in global processes, and promoting alignment and coordination of support on SDG financing tools and technical support.

3.2 Indicative Activities

Activities relating to Output 1:

The INFF Facility responds to the demand from countries through methodological guidance and learning from the experiences of others, as well as to access global and regional tools, resources, and insights. Under the auspices of the Inter Agency Task Force for Financing for Development, DESA will lead the development of further methodological guidance including deep dives on topics related to specific policy areas, thematic priorities and development contexts, as well as the ongoing revision of existing guidance to reflect country learning and experiences. Training on the methodological guidance will be provided to INFF experts and practitioners. The

methodological support will include a focus and guidance on sustainable finance, notably in terms of building strong sustainable finance frameworks, tools and credible pipelines of projects. This will also cover the development of sustainability-related financial instruments to support the scaling up of sustainable finance in low- and middle-income countries. All guidance tools and training activities will adopt a human rights based approach and gender mainstreaming.

Activities relating to Output 2:

The INFF Facility will broker technical support and policy advice in response to demand from governments and their partners at the country level. A mix of technical support will be sourced from a pool of experts managed by the Facility alongside support brokered from other international partners. The technical assistance approach is designed to be flexible and responsive to the needs of governments. To ensure added value and complementarity with existing initiatives, the design of the technical assistance mechanism will build on a feasibility and needs assessment conducted by the OECD, UNDP and DESA, which will include a mapping of existing technical assistance for INFF implementation, to align and mobilise financing for the SDGs. The technical support and policy advice will include a focus and guidance on sustainable finance.

Activities relating to Output 3:

The INFF Facility will provide targeted support for key government institutions and their partners in response to the priorities articulated through INFF processes and aiming at building recovery around green and resilient economy, and based on national climate resilient and low-emissions strategies. Support will be provided to core government institutions of planning and financing (President's offices, Prime Minister's Offices, Ministries of Finance, Planning,) to strengthen collaboration with other public and private actors with roles in financing and implementing the SDGs. This output aims to support governments to build capacity to deliver effective, integrated, inclusive and participatory approaches to financing sustainable development by brokering dialogue across actors and bringing together the perspectives and priorities of different constituencies as financing strategies are developed and delivered.

The output will support the convening of government, financial sector regulators and institutions, private sector, development partners, civil society organisations including women's organisations and organisations representing specific groups (persons living with disability, minority communities, etc.) and other actors, secretariat support for cross-governmental INFF Oversight Committee technical capacity, meeting and events and may include analytic work and evidence building. The support to key government institutions and their partners will include a focus and guidance on sustainable finance.

Activities relating to Output 4:

The INFF Facility will work cooperatively with the development community to align approaches on INFF-related issues and engage technical assistance providers in response to country demand and leadership. For example, the Facility will aim to improve co-ordination between the variety of existing Financing for Development assessments and diagnostics that are being undertaken at the country level with a view to preventing duplication of efforts, and ensuring alignment of all assessments and diagnostic support with national priorities and country-led INFF processes.

The Facility will strengthen donor partnership at the global level with a view to enhance coherence of support provided at the national level, primarily through information sharing, brokering/matching of support to country demands, and related analytical work. The coordination efforts within this output will include a focus and guidance on sustainable finance.

3.3 Mainstreaming

Environmental Protection & Climate Change

The action aims to integrate and promote environmental and climate objectives, in line with the Green Deal. This will be done by supporting countries to develop financing strategies that underpin their environmental ambitions in their NDCs.

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific

interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. Gender equality is an overarching factor in the achievement of the SDGs. Women and girls are more affected by poverty; they tend to be more involved in low-paid, informal jobs and lack social protection. They have limited access to education and resources and depend more on public services. They are also impacted differently by the effects of climate change. Despite these particular needs and interests, women are often excluded from decision-making processes, including regarding financing policies. The SDG 5 – Gender Equality – is also one of the three least financed SDGs globally³. Gender-responsive financing strategies, fiscal policies, tax systems, subsidies, development plans, and budgets can have a catalytic role in gender equality. The EU is committed to advancing gender-responsive public finance management through the GAP III, as well as to financing and support for investment in gender-responsive national climate, environment and disaster risk reduction strategies. The action is well aligned with these commitments and will ensure gender is mainstreamed at all stages of the intervention cycle.

Human Rights

An INFF helps a country to get an overview of international and domestic sources of funding, both private and public. It increases the resilience and has the potential to contribute to the implementation of all SDGs and the realisation of human rights for all. The action will implement at all stages a human rights based approach, in particular by fostering people's participation in financing planning and accountability, supporting partner countries in facilitating access to transparent information, ensuring the principle of non-discrimination is applied at all times and contributing to the empowerment of excluded groups, including women, people with disability and other groups in more vulnerable situations through the support to more inclusive and effective financing policies.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0.

Democracy

An INFF helps a country to get an overview of international and domestic sources of funding, both private and public. It increases the resilience and has the potential to contribute to the implementation of all SDGs, including the promotion of democracy.

Conflict sensitivity, peace and resilience

An INFF helps a country to get an overview of international and domestic sources of funding, both private and public. It increases the resilience and has the potential to contribute to the implementation of all SDGs, including a do no harm approach.

Disaster Risk Reduction

The Action helps a country to get an overview of international and domestic sources of funding, both private and public. It increases the resilience and has the potential to contribute to the implementation of all SDGs. Countries implementing an INFF increase their chances of preventing new, reducing existing and managing residual disaster risk by putting forward a solid financing strategy. The financing strategy will avoid short-termism and promote a financing system and budget that reduces the consequences of potential disaster risks.

³ GAP III Joint Communication, https://ec.europa.eu/international-partnerships/topics/gender-equality-and-empowering-women-and-girls_en#header-5139

3.4 Risks and Lessons Learnt

Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
The success of a country's INFF implementation will depend on the possibilities to have a global public/private finance approach. As it is important to leverage funding from banking sector and capital markets, a holistic approach is needed.	Medium	Medium	The risk will be mitigated by strong coordination with the banking sector and capital markets and actions to support the mobilisation of private capital, notably through EFSD+.
There are initiatives other than INFFs from agencies (e.g. country roadmaps) that could risk creating a confusion on country level and a sense of duplication.	Medium	Medium	The risk will be mitigated by: exchanges with other stakeholders and strong and solid information sharing and awareness raising at country level of the holistic approach of the INFFs and how they indeed is the best tool moving forward.
There is a risk that an INFF might be considered in competition with national strategic planning by local stakeholders and the success of the action depends on the willingness of national governments and local stakeholders to engage and pursue a successful INFF implementation at country level.	Medium	Medium	The risk will be mitigated by policy dialogue by the implementing partners and EUDs. Consultation processes will be key, reliance on national development and green strategies and NDCs.
There is a risk that in-country dialogue between all stakeholders, including between UN agencies and EU Delegations, does not always function at its best, which is needed for a successful INFF implementation.	Medium	Medium	The risk will be mitigated by putting in place effective coordination mechanisms led by partner countries and supported by EUDs and the implementing partners.

3.5 The Intervention Logic

The underlying intervention logic for this action is that the action aims to support the implementation of INFFs in view of the increasing demand from partner countries for support, building on the INFF methodology.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Contribute to mobilising and aligning financing with sustainable development priorities to achieve the SDGs and promote a green and inclusive recovery by supporting operationalisation of Integrated National Financing Frameworks.	Number of countries carrying out INFFs	86 (2022)	116 (2024)	Government publications and policy documents	<i>Not applicable</i>
Outcome 1	Prepare guidance material that will help national authorities to translate the INFF methodology into national action.	Number of new and updated guidance documents				

Outcome 2	Improve the knowledge of governments over the financial resources at their disposal and their ability to make the most effective use of investment for sustainable development through financing strategies	<p>Number of countries that access knowledge and experience through INFF Facility</p> <p>Number of countries that strengthen INFF financing strategies through access to in-country support from INFF Facility</p>			<p>Participation in training and exchange events; activity reports; reference in government policy documents and publications</p> <p>Government publications and policy documents</p>	The secretariat of the facility will be successfully established.
Outcome 3	Promote through INFFs the conditions for the inclusion of green economy in line with the countries' international commitments and national environment, biodiversity, climate & development strategies	Number of countries whose INFF support a green economy				
Output 1 relating to Outcome 1	<i>Government and their partners access guidance documents, knowledge products and knowledge exchange in support of the operationalisation of INFFs</i> focused on bringing cutting edge tools, knowledge, and training (on policy, institutional reform, finance instruments, impact management, etc.) and facilitating exchange of experiences relevant to country contexts.	Number of countries that access training, participate in peer learning exchanges and engage with knowledge materials			Participation in training and exchange events; e-learning course completion, references to materials from inff.org in country INFF documents.	Governments and other actors on country level have the political willingness to pursue an INFF

<p>Output 2 relating to Outcome 2</p>	<p><i>Improved capacity of governments and their partners to implement financing priorities in advancement of their development agenda</i> focused on providing technical support, policy advice and capacity development to governments and their partners as they develop and operationalise INFFs, including development and delivery of financing strategies and the reforms they prioritise, monitoring and review, governance and coordination, and assessments and diagnostics.</p>	<p>1.Number of countries that publish INFF Roadmaps/Financing Strategies including activities for collaboration across public and private sectors</p> <p>2.Number of countries that deliver INFF reforms to public and private financing policies, regulations, instruments and processes</p>			<p>1.Financing strategy and INFF Roadmap documents, minutes of INFF oversight committee meetings.</p> <p>2.Official government policy and regulatory documents; terms of reference, activity reports, consultants’ performance assessments</p>	<p>Governments and other actors on country level have the political willingness to pursue an INFF</p>
<p>Output 3 Relating to Outcome 2</p>	<p><i>Strengthened collaboration across government, as well as between government, civil society, financial sector, private actors and development partners in operationalising INFFs</i>, including providing support to strengthen the institutions leading INFFs at the national level with an emphasis on building inclusive, multistakeholder approaches.</p>	<p>1.Number of countries who hold multi-stakeholder dialogues</p> <p>2.Number of countries supported by embedded experts to operationalise INFFs</p>			<p>1.Reports on financing dialogues including participant evaluations and meeting minutes.</p> <p>2.Terms of reference, activity reports, consultants’ performance assessments, government publications.</p>	<p>Governments and other actors on country level have the political willingness to pursue an INFF</p>

<p>Output 4 relating to Outcome 2</p>	<p><i>Strengthened agenda setting and coherence across international partners in supporting INFFs</i> focused on engagement in global processes, and promoting alignment and coordination of support on SDG financing tools and technical support.</p>	<p>Number of partners that develop guidance or strategies that explicitly reference INFFs</p>			<p>1. Technical guidance materials, global/regional/country strategies and other publications by development partners</p>	<p>Governments and other actors on country level have the political willingness to pursue an INFF</p>
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with partner countries.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modality

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Indirect Management with a pillar-assessed entity

A part of this action, with the objective of responding to demand from countries through methodological guidance and learning from the experience of others as well as to access global and regional tools, resources and sights, may be implemented in indirect management with UN Department of Economic and Social Affairs (UNDESA). This implementation entails: further developing methodological guidance including deep dives on topics related to specific policy areas, thematic priorities and development contexts, as well as the revision of existing guidance to reflect country learning and experiences. Training on the methodological guidance, technical backstopping and coaching will be provided to INFF experts and practitioners. The envisaged entity has been selected using the following criteria: it leads on global guidance work and knowledge management. DESA's role as the coordinator of the Inter-Agency Task Force on Financing for Development (IATF) will allow for it to bring together the latest thinking on development financing issues from across the IATF. The choice of the partner contributes to a strategic approach to the EU's multilateral engagement as UN DESA is an important policy and strategic interlocutor.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.3.2 Indirect Management with a pillar assessed entity

A part of this action, with the objective of brokering technical support and policy advice in response to demand from governments and their partners at the country level and support them in response to the priorities articulated through INFF process, may be implemented in indirect management with United Nations Development Programme (UNDP). This implementation entails: work with governments and partners to ascertain demand, provide co-ordination and facilitation support at the country level, provide technical leadership, ensure alignment with country-led INFF processes, maintain the inff.org knowledge platform, facilitate a community of practice and facilitate country exchanges. The envisaged entity has been selected using the following criteria: strong expertise and operational capacity on Financing for Development issues and wide presence across countries. UNDP is embedded in INFF processes as the lead technical agency supporting governments in more than 70 countries, working closely with more other UN agencies as well as a wide range of other international and national organisations across this portfolio. At the country level, UNDP has been providing support to governments as they shape and institutionalise INFFs and deliver financing solutions in specific areas of public and private financing policy. The choice of the partner contributes to a strategic approach to the EU's multilateral engagement as UNDP is a key implementer for the delivery of the EU's development assistance and an important policy and strategic.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components⁴	EU contribution (amount in EUR)
Supporting Integrated National Financing Frameworks (INFFs) through Indirect management with UNDP and UN DESA (contribution agreement(s))	1 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	<u>May be covered by another decision</u>
Total	Total 1 000 000

4.6 Organisational Set-up and Responsibilities

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the governance structures set up for governing the implementation of the action.

The INFF Facility was launched at the Financing for Development Forum in April 2022. It will also benefit from financial support from Italy and Sweden. Discussions are ongoing on the exact organisational set-up and governance mechanism of the facility. A steering committee is expected to give the overall steer to the action. Annual workplans will be agreed between the implementing agencies and supporting partners. Regular bimonthly secretariat-supporting partner meetings are also expected to take place to follow the operational progress.

4.7 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances

When the preferred modality of indirect management as described in Section 4.3.1 cannot be implemented due to circumstances outside the Commission’s control, the alternative modality for implementing the above described activities would be direct management (procurement).

The procurement will contribute to achieving all objectives and results described in section 3.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of

implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners for this action will be responsible for the data collection, analysis and monitoring of the indicators described in section 3. This will not require additional resources beyond those already included in the action. The data collection and analysis will in turn be verified by the Directorate-General for International Partnerships.

5.2 Evaluation

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

In case an evaluation is not planned, the Commission may, during the implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluation and, where appropriate, apply the necessary adjustments.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as;

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action