

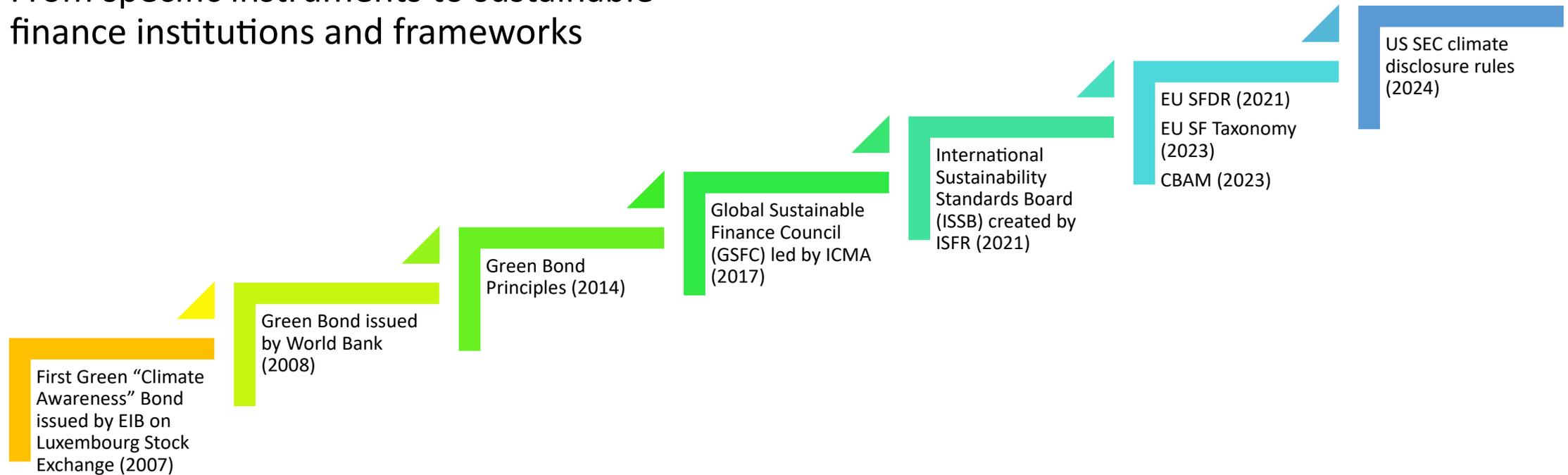


 INFF | Facility

Delivering on NDCs through integrated national financing frameworks

THE EMERGENCE OF SUSTAINABLE FINANCE

From specific instruments to sustainable finance institutions and frameworks

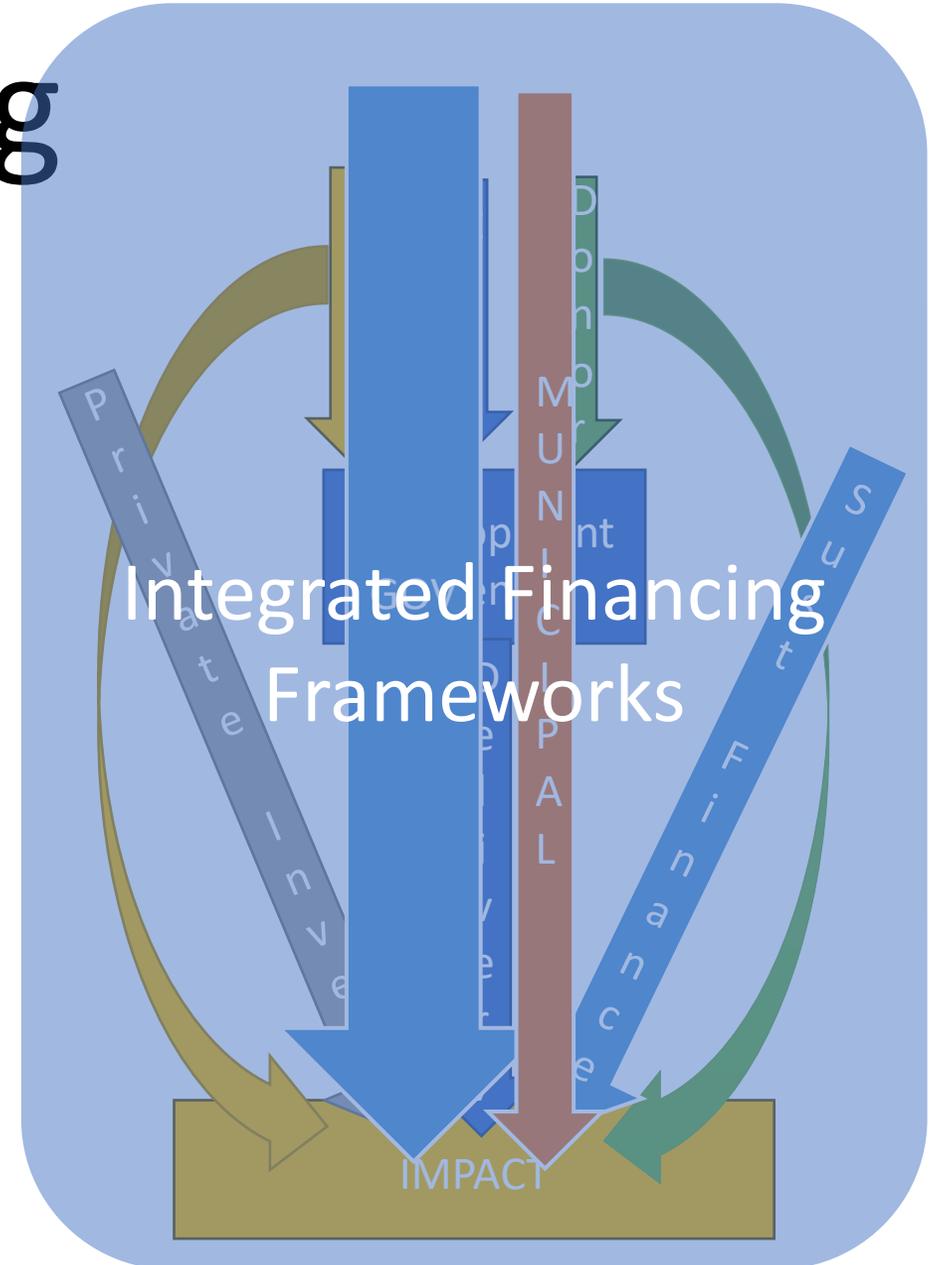
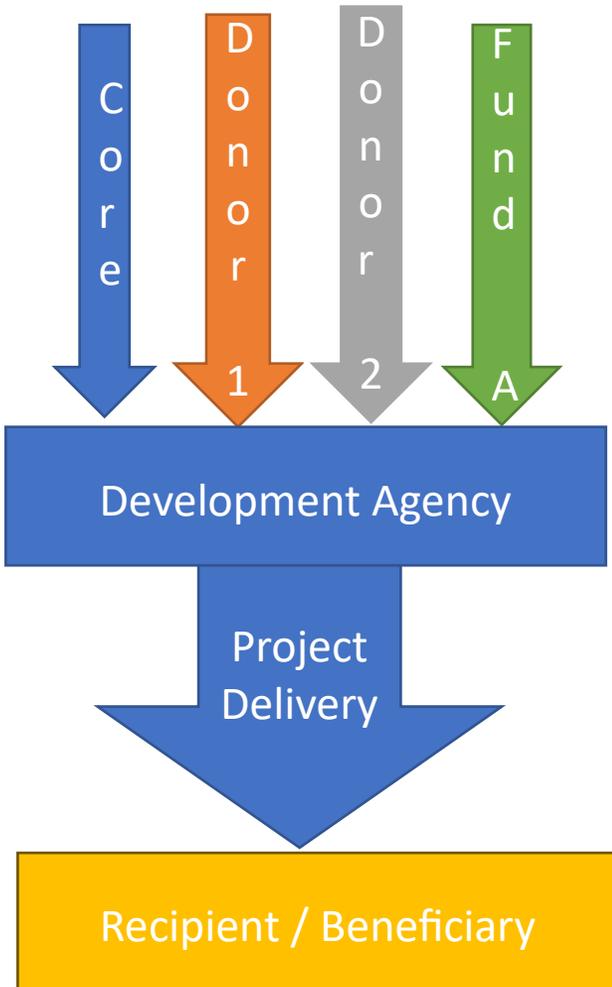


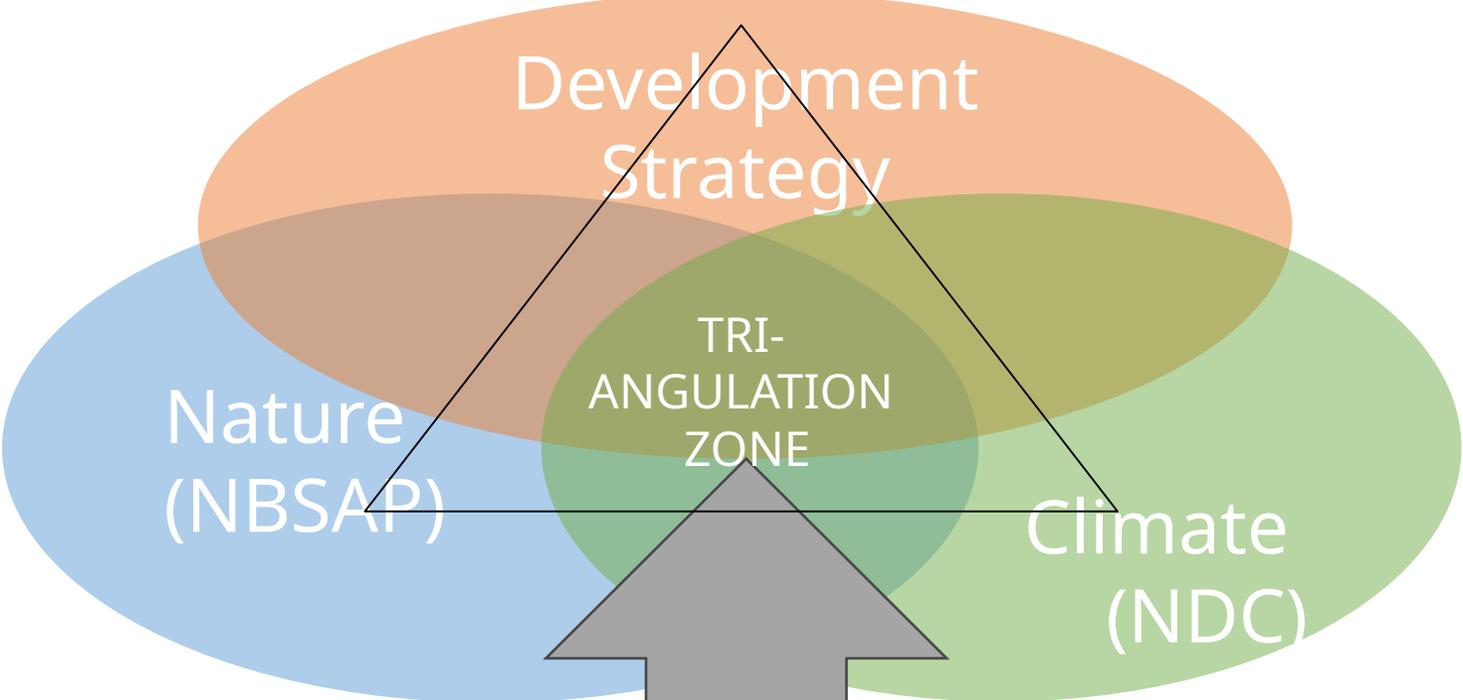
DEVELOPMENT FINANCING MATRIX

	Public	Private
External	<ul style="list-style-type: none"> • ODA Grants • Concessional Loans • Other Official Flows (OOFs) • South-South & Triangular Cooperation • INGO donations (on budget) • Public borrowing from international capital markets (e.g. sovereign bonds & treasury bills) 	<ul style="list-style-type: none"> • Private borrowing from international capital markets • Investment Funds • Foreign Direct Investment • Securities (Bonds, Equity, Pooled/Bundled Structures) • INGO Donations (off budget) • Microfinance (international) • Remittances and diaspora finance
Internal	<ul style="list-style-type: none"> • State & Municipal Budgets (Public Expenditures) • Off-budget expenditures and investments • Public borrowing from domestic capital markets • Tax Revenues • Non-Tax Revenues • Mineral Related Taxation • Public Domestic Borrowing • Sovereign Wealth Funds 	<ul style="list-style-type: none"> • Bank Credit & Loans • Insurance and Risk Finance (Actuaries) • Microfinance (local) • Inclusive Business Finance • Domestic Philanthropy and NGOs • Corporate Social Responsibility

Public guarantees of private investments;
 Public offerings of private bond issuances;
 PPPs; Debt swaps

Funding vs Financing





2 INFFs globally

JOINT FRAMEWORKS: INFF AND NDC

86

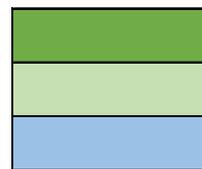
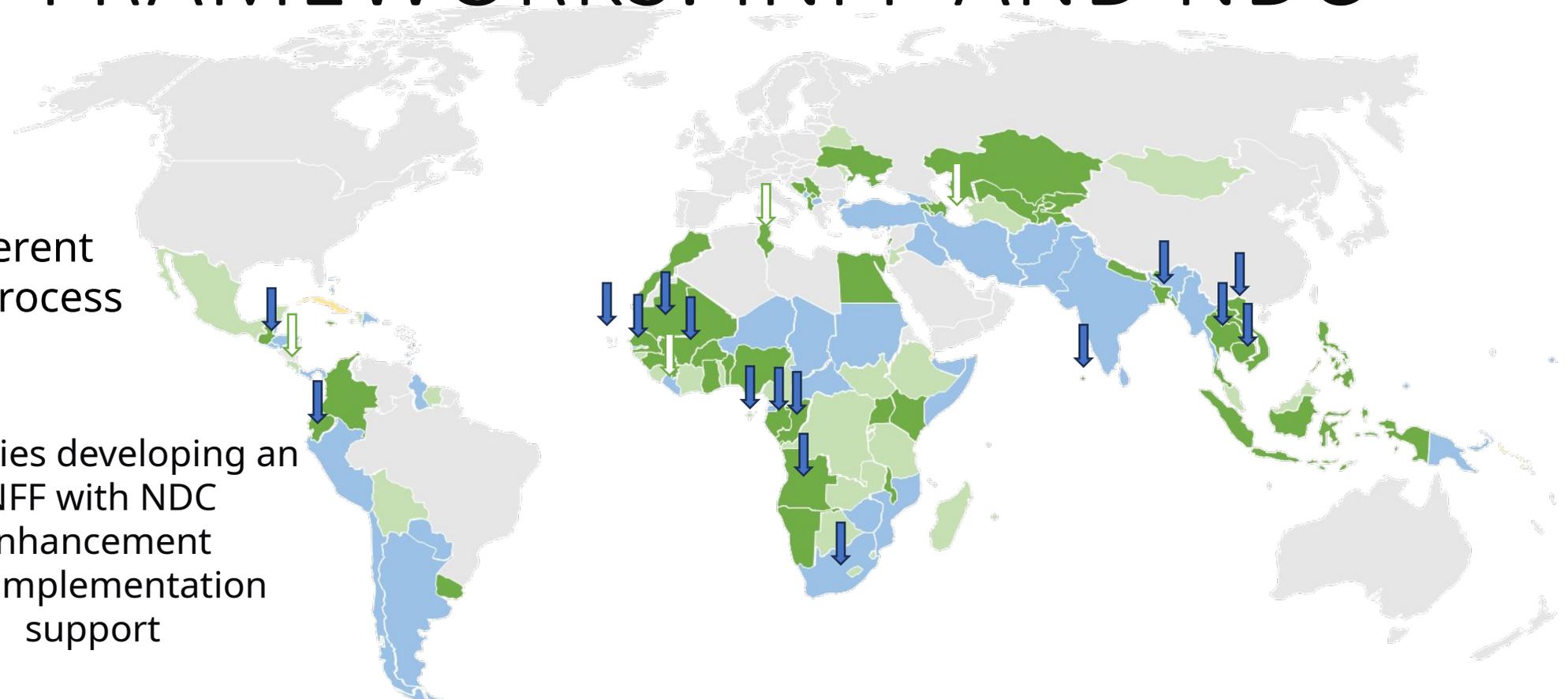
countries in different stages of INFF process

45

countries developing an INFF with NDC enhancement and implementation support

20

countries developing an INFF with integrated NDC component under 'Joint Agenda'



INFF and NDC implementation support
INFF and NDC enhancement support
NDC support only

Country-led financing reforms

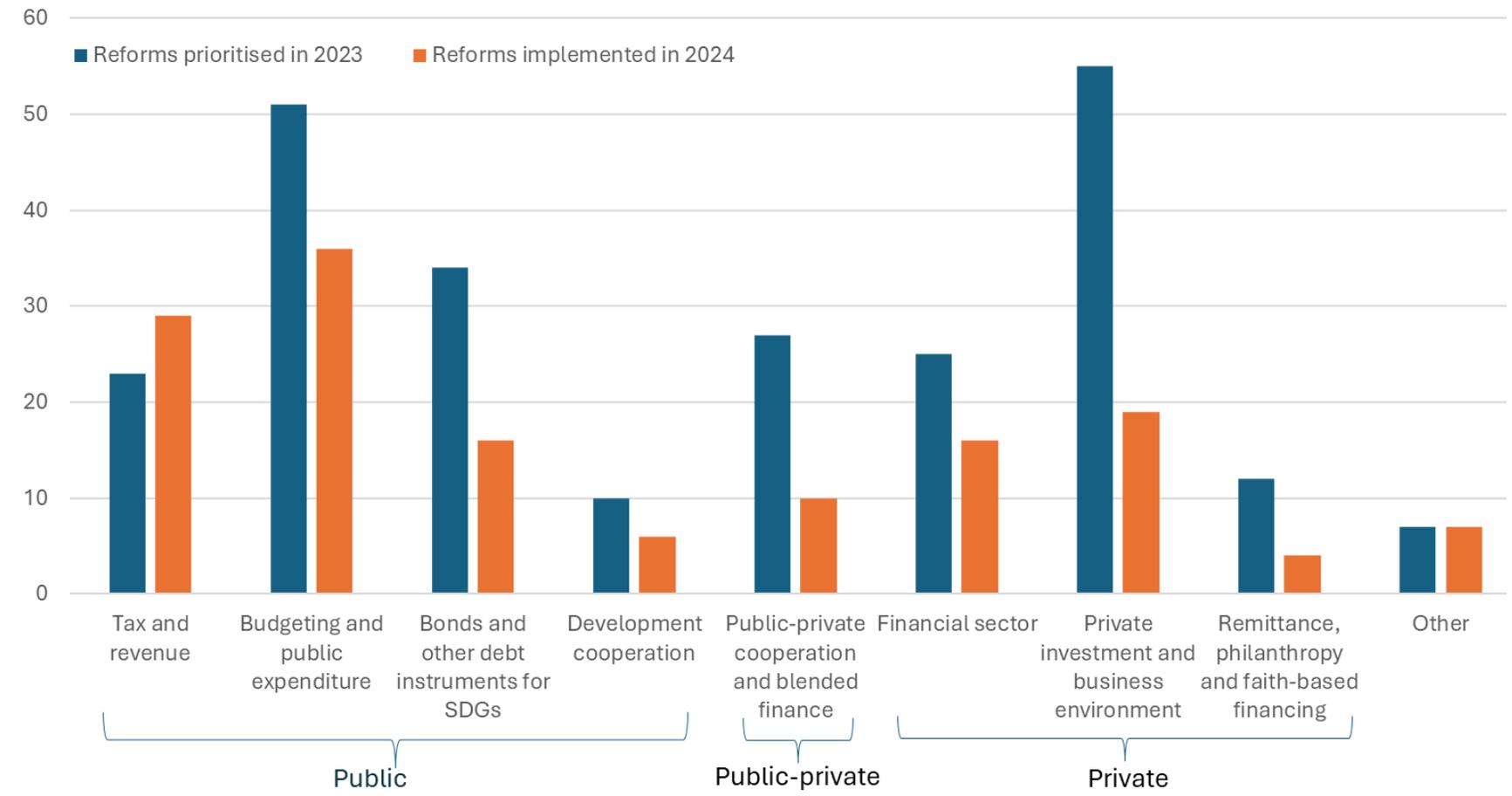
264

reforms prioritised for immediate action in 2023



180+

reforms delivered or being implemented in 2024/2025



Public finance reforms

- Public finance: aligning budgets and tax policies with development priorities
- Integrated approach to outcomes across tax, debt and spending policy together

35 countries
prioritising
thematic bond
issuance, debt
swaps and other
debt
management

EXAMPLE: COLOMBIA

\$10bn

PUBLIC SPENDING

Increase in SDG-aligned public expenditure since budget tagging introduced in 2020

Private finance reforms

- Unlocking investment pipelines for development impact
- Embedding sustainability into the architecture of financial markets

15 countries
prioritised
disclosure; 23
prioritised
taxonomies;
growing interest in
corporate bonds

EXAMPLE: THAILAND

\$90bn

MARKET CAP.

SEC guidance on SDG based sustainability reporting for firms operating in relevant sectors

Financial outcomes

LEVERAGE

\$16bn+

additional finance leveraged

ALIGNMENT

\$32bn+

alignment of existing
finance



Building institutions

- Embedding development outcomes into financing processes and capacities
- Strengthening capacity to coordinate synergies and trade-offs
- Enhancing transparency and accountability by broadening participation

50 countries engaged both CSOs and private sector actors in financing dialogues

EXAMPLE: MALDIVES

**NDC &
NDP
Sustainable finance
hub**

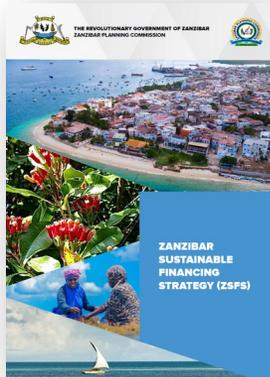
Example – TANZANIA, ZANZIBAR



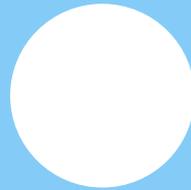
Alternative project finance strategy (mainland)



Zanzibar sustainable finance strategy

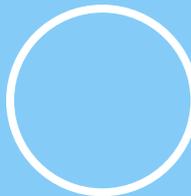


KEY FACTS



\$49.6bn

Financing needs for NDP III



\$3bn

Financing needs for Zanzibar Development Plan

FOCUS ON CLIMATE



- Green corporate bond issuance: largest in sub-Saharan Africa by commercial bank (CRDB)
- Tanga water authority first subnational green bond issuance
- Zanzibar sukuk issuance (2025)
- Blended finance projects supported by Tanzania Agricultural Development Bank



- Project pipeline development
- Sustainable finance taxonomy, sovereign green bond framework under development

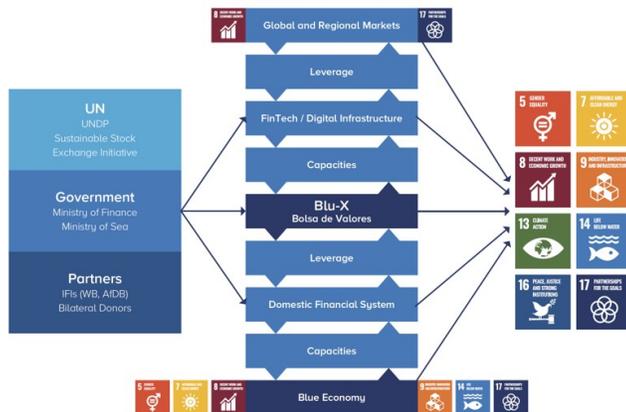
Example – CABO VERDE



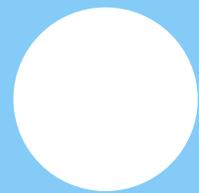
2 Global Finance and Banking
(Blu-X platform)



INFF Financing Strategy integrated in PEDS II

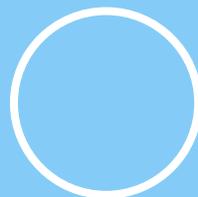


KEY FACTS



\$5 bn

Financing needs for PEDS II



\$2bn

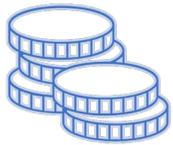
Financing needs for NDC

FOCUS ON BLUE ECONOMY

- World's first blue economy sustainable financing platform (Blu-X platform)
- 2021-2023: Digital platform enabling **\$40 million in transactions** targeting blue/green infrastructure and SMEs
- 2023: **first blue bond issued** (up to \$3.5 million) and blue taxonomy/regulation established; diaspora investment and inclusive finance
- **FUNDO LAVANTA:** Integrated enterprise portal connecting investors with businesses
- Focus on young and female led business
- Designed to support inclusive recovery objectives of medium-term plan

Example – MEXICO

Sustainable Financing Mobilisation Strategy launched by Ministry of Finance and Public Credit in 2023



SDG budget tagging since 2018 as a key driver for INFF approach

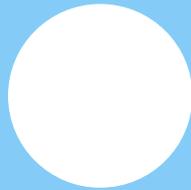


Sustainable Finance Committee chaired by the Ministry of Finance with 25 institutions engaged



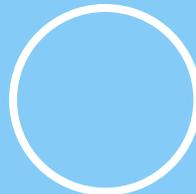
KEY FACTS

DFA carried out in 2023



80%

Budget programs linked with SDGs



\$23.5 B

Sovereign and quasi-sovereign SDG bonds

NDC and climate focus

- Legal framework under discussion to identify fiscal incentives for NDCs
- Whole public budget mapped with NDC alignment
- Climate scenario and stress testing developed for fiscal management
- MRV system for NDC implementation under exploration
- ESG standards updated for investment stakeholderse

FUTURE REFORMS

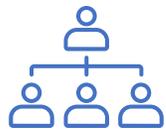
- Three State-Level DFAs
- Development of a local DFA methodology for all 32 states
- Expanded application of the sustainable taxonomy

Example- NIGERIA

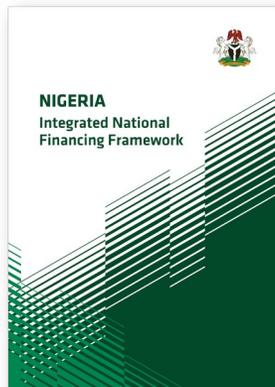
Financing Strategy Launched in September 2022 by the President of Nigeria



High-level steering committee chaired by Ministry of Finance with Presidential support

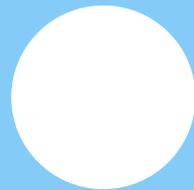


Brought together public and private, federal and state stakeholders for SDG financing for the first time



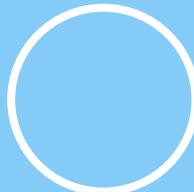
KEY FACTS

A dedicated INFF Fund to mobilize resources



>40%

Total revenue from oil sector



50%

National GDP from domestic MSMEs

CLIMATE FOCUS

- Tax audit reforms leading to \$30m additional revenue from oil and gas sector
- \$19m municipal green bond issuance by Gombe State
- Environment and social framework developed for solid minerals sector
- Ongoing efforts in phasing out fossil fuel subsidies

INITIAL RESULTS

- \$175m investment pipeline for 25 women-and-youth-led impact ventures
- \$15m investment attracted for health and agritech ventures
- \$1bn wholesale impact investment fund with federal government funding and potential pension fund

Example – MALDIVES

GENDER-RESPONSIVE CLIMATE FINANCING STRATEGY



Challenges:

⚡ Remaining a fossil fuel economy

⚡ Negative impacts of climate change

⚡ Lack of investments in climate change

Opportunities:

A Better aligning finance flows towards a sustainable agenda

B Main streaming sustainability into risk management and transparency

C Mobilizing new sources of sustainable finance

🏢 Public spending efficiency by improved procurement regulations

📊 Fiscal incentives and carbon pricing

🛡️ Climate risk insurance

🔌 Channelling public/private investments into renewable energy sources

🏦 Financial stability by climate transition/physical risk management

🏦 Sustainable banking products

🏛️ Strengthening subnational finance

📄 Disclosure and transparency practices

🌿 Public environment-linked funds

🌱 Sustainable finance taxonomy development

🎓 Capacity building on sustainable finance

🌱 Green Fund

🏛️ Strengthening alignment of national budgeting against SDGs

📣 Promoting foreign direct and domestic investments in sustainable investments

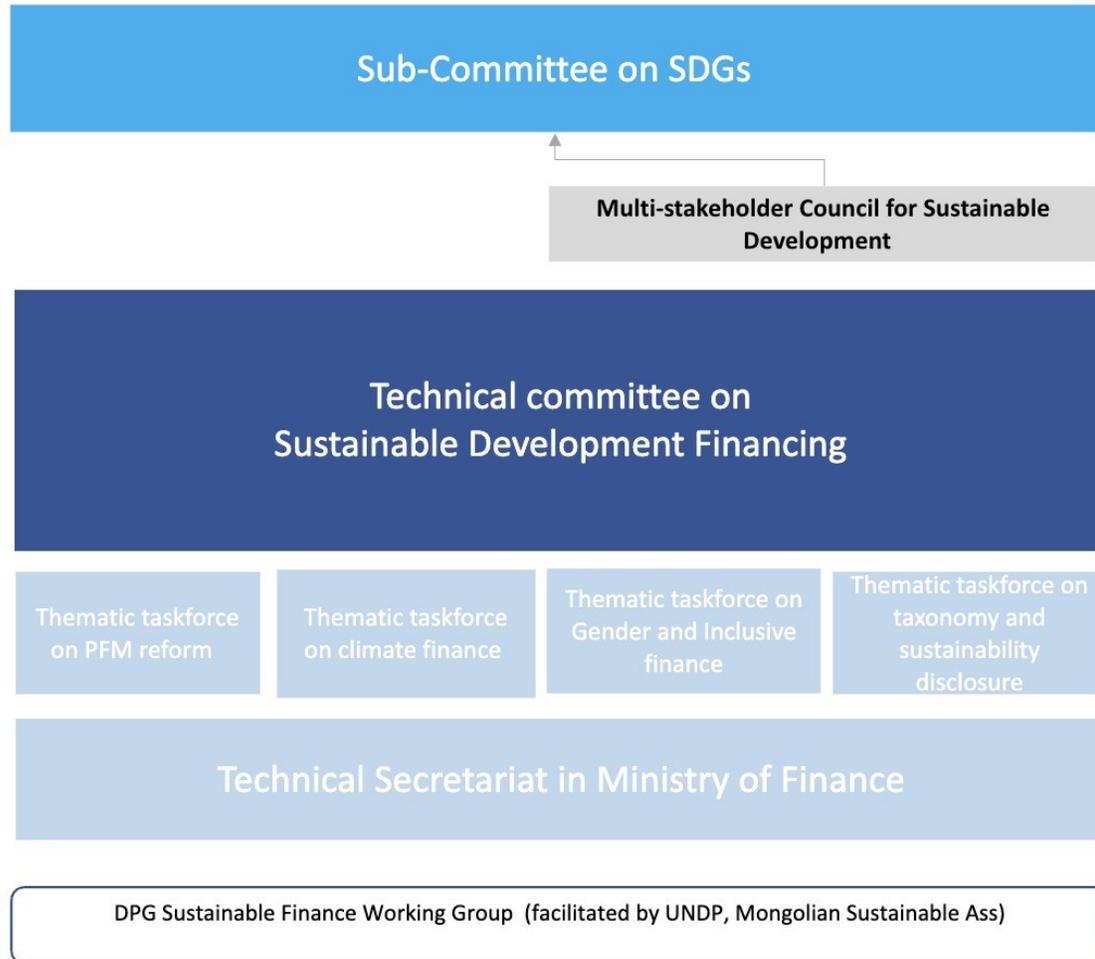
🏛️ Phasing out fossil fuel subsidies

🌐 International cooperation

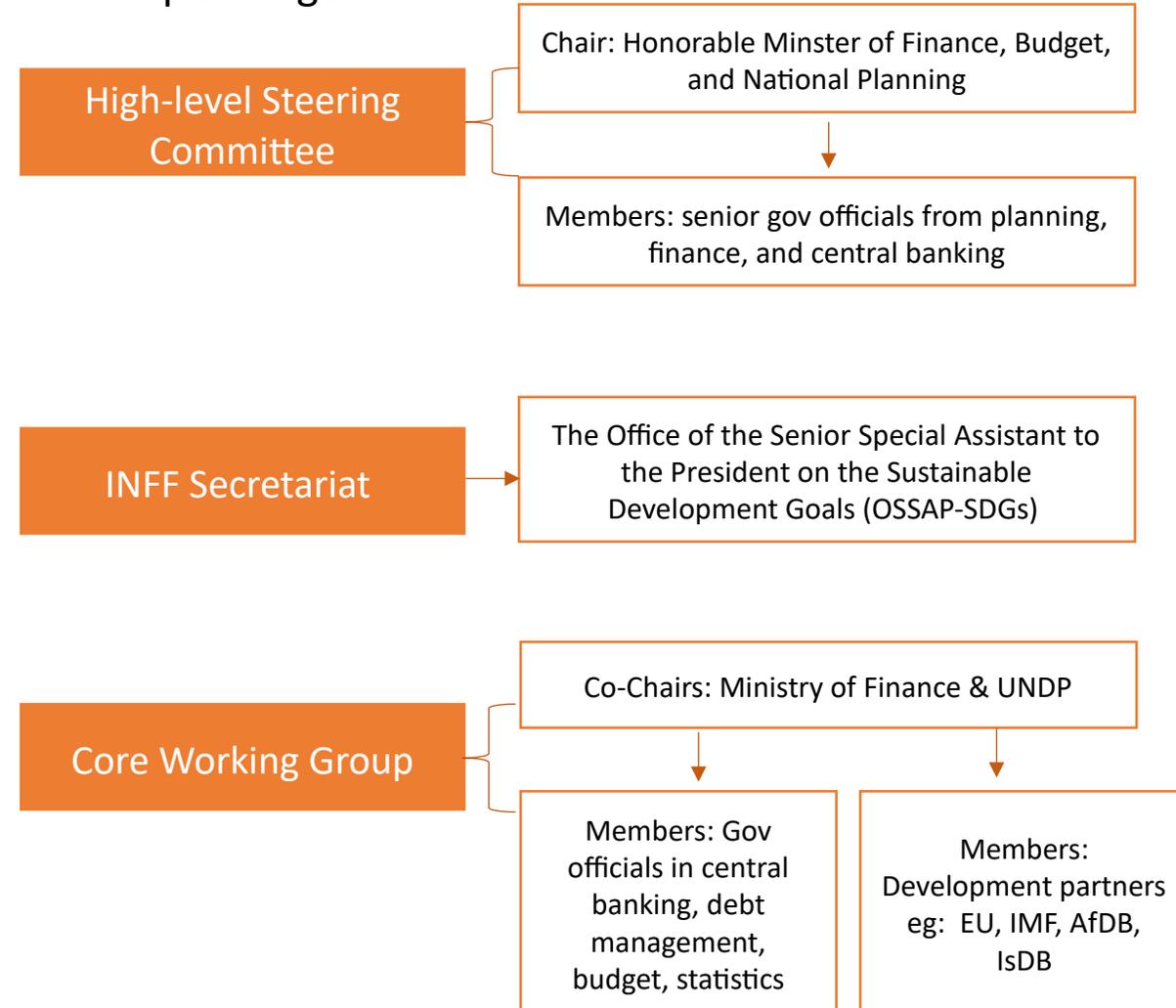
Governance

Different approaches tailored to country context and needs

Example - Mongolia

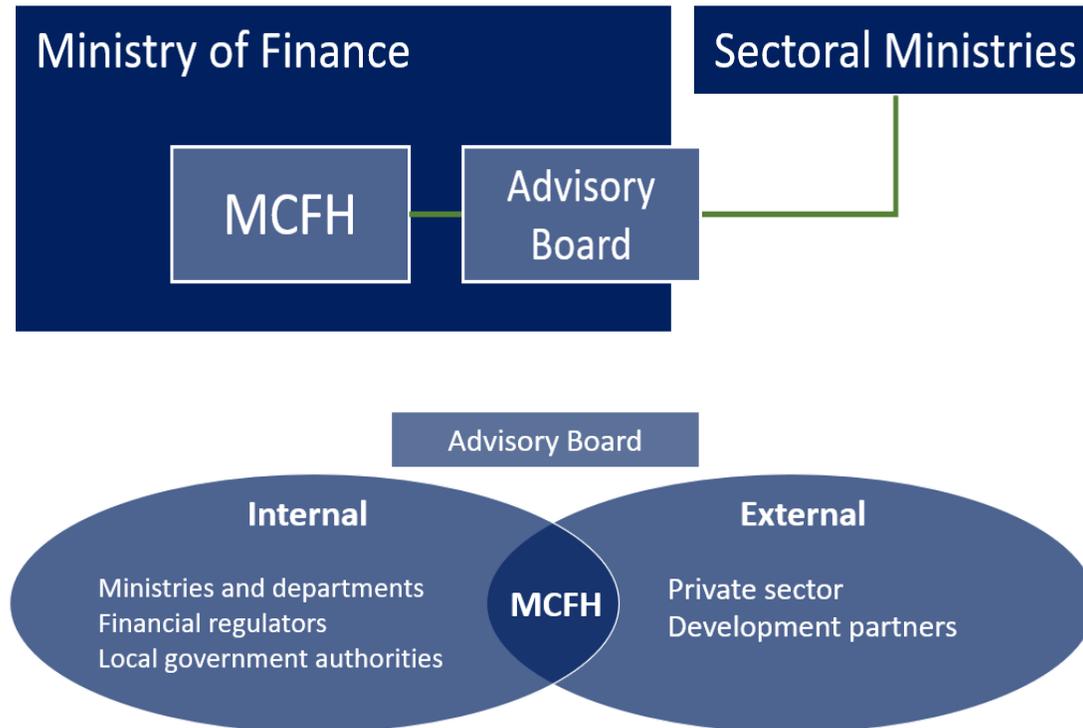


Example - Nigeria



Example – MALDIVES

The MCFH will be the **focal point** for climate finance related issues and in implementing the Climate Finance Strategy



- Monitor and report on all activities of the Climate Finance Strategy
- Supports all international public and private climate financing affairs
- Supports key MoF divisions, sectoral ministries and financial regulators to build adequate capacity on climate finance
- Advising Government on international climate finance issues
- Develops results-based policy advice

3

Partners

INFF | Facility

CORE PARTNERS



SUPPORTING PARTNERS



Ministero degli Affari Esteri
e della Cooperazione Internazionale



Partners engaged at country level

- Ministries of Finance, Planning, Economic Development
- Ministries of Environment
- National development banks
- Domestic private sector and financial institutions
- Multilateral development banks
- Civil society
- Development partners

GLOBAL AGENDA



- Scaling-up joint approach for financing NDPs, NBSAPs and NDCs through INFFs
- Realizing a Financing for Development Agenda (FfD4) for the SDGs, Paris Agreement, and Montreal-Kunming Global Biodiversity Framework
- Road to Belem: Climate Finance to deliver on new generation of NDCs at COP-30

Thank you.

For more information, visit www.inff.org