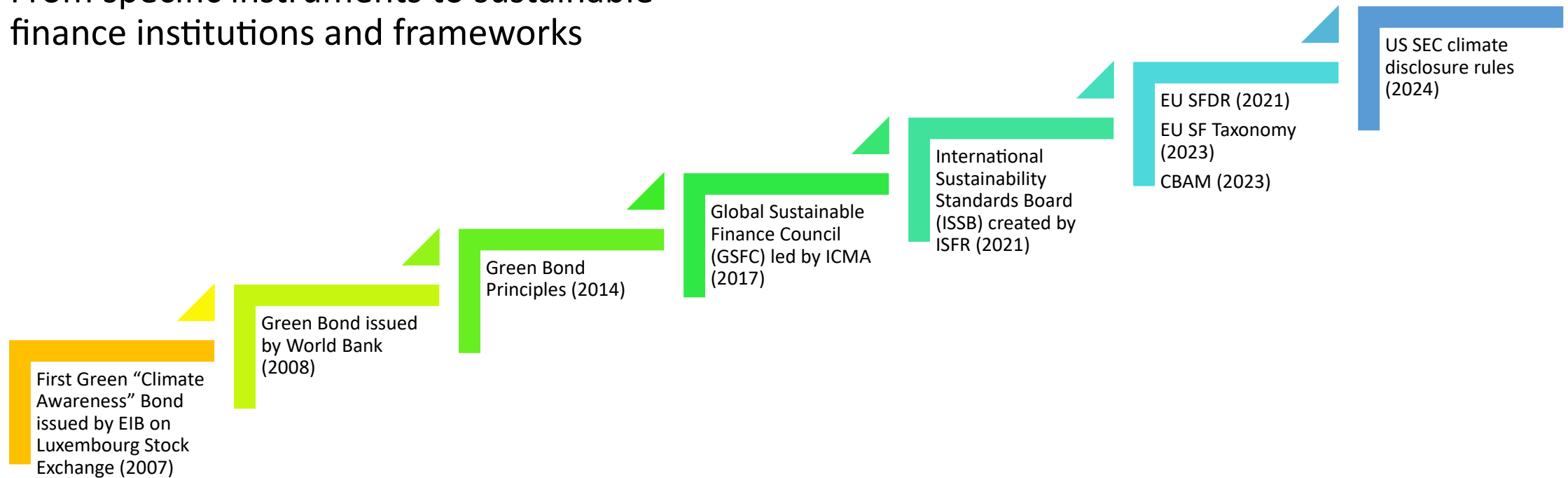




# Delivering on NDCs through integrated national financing frameworks

# THE EMERGENCE OF SUSTAINABLE FINANCE

From specific instruments to sustainable finance institutions and frameworks

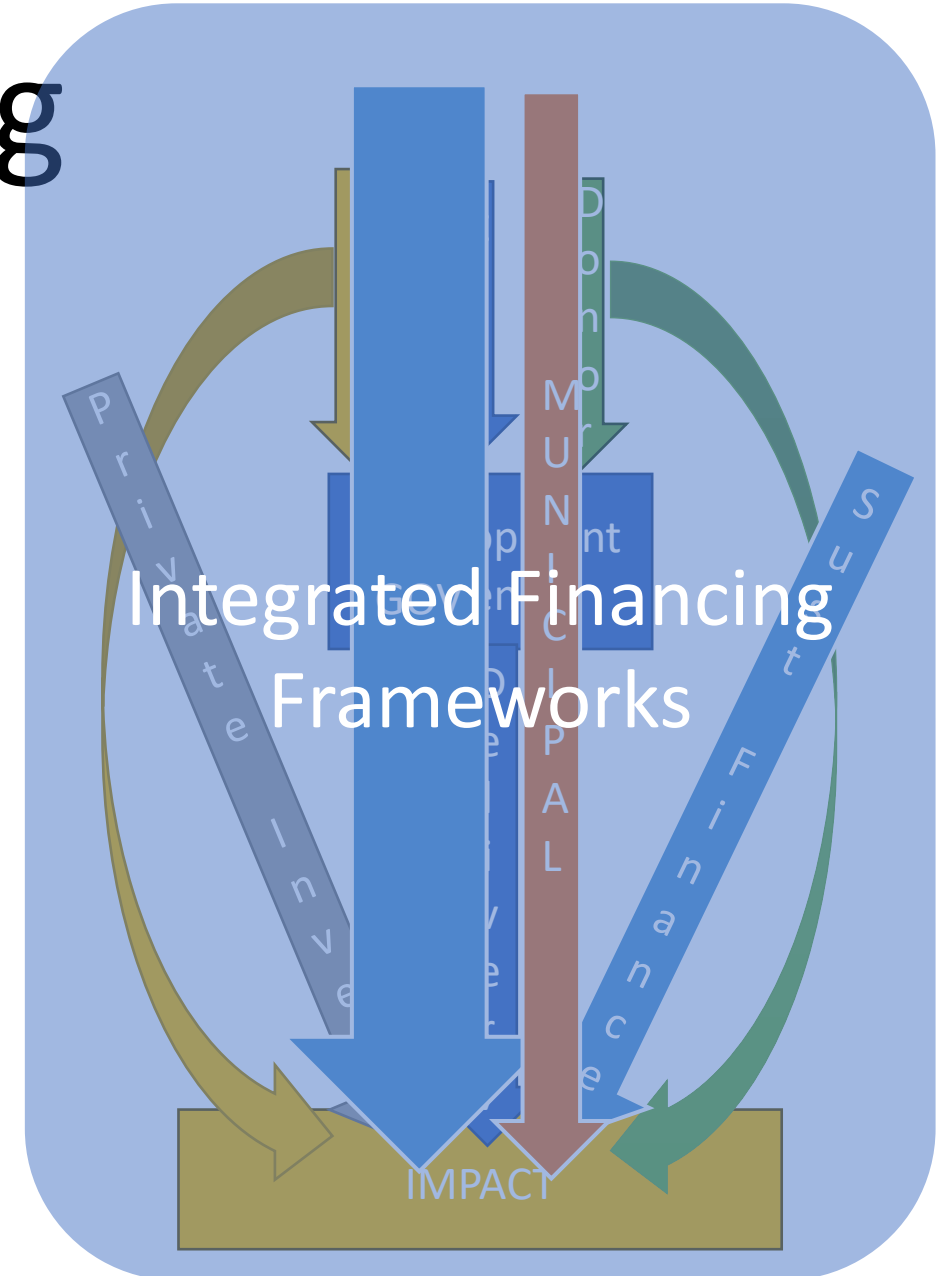
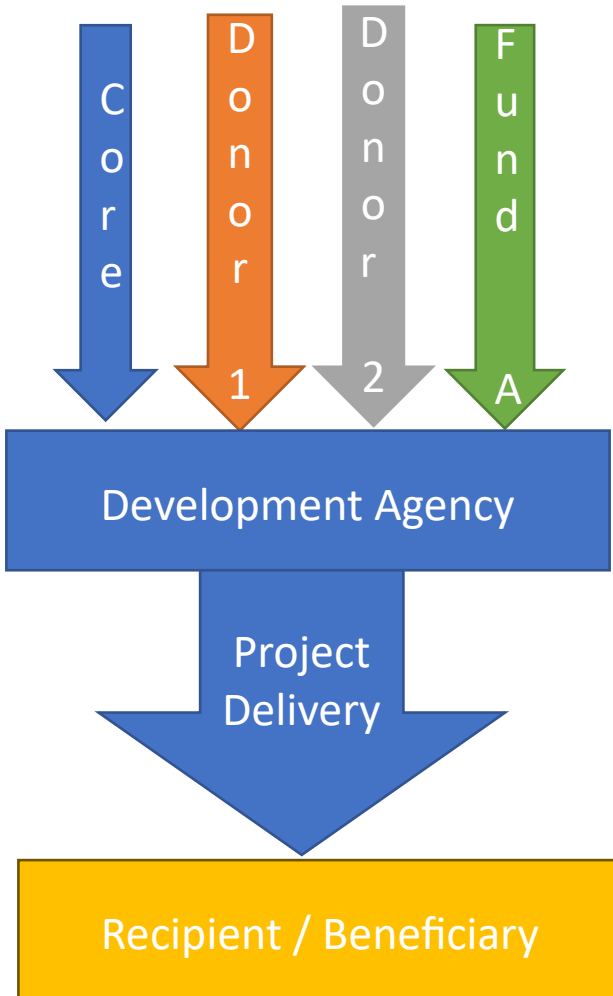


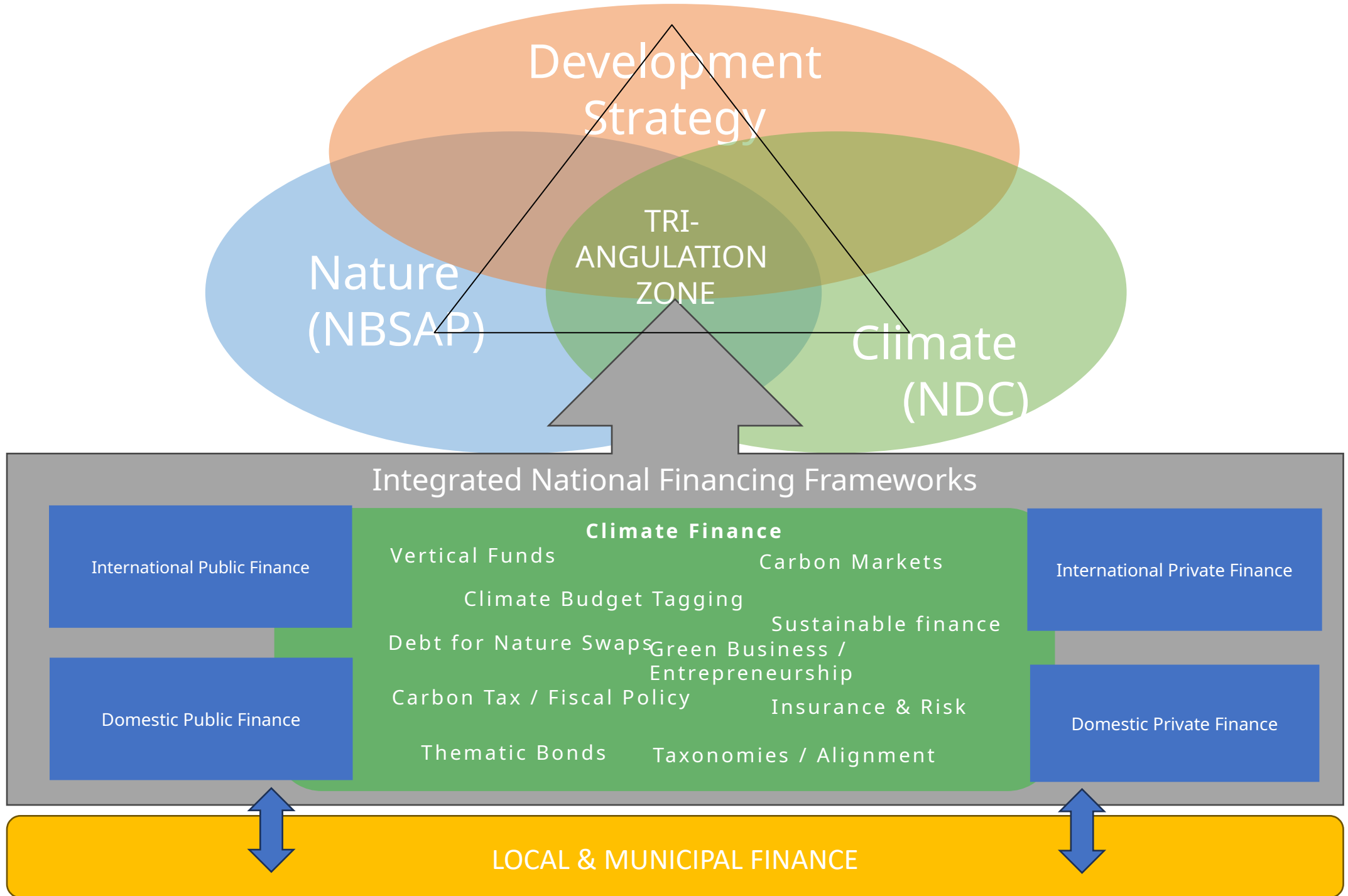
# DEVELOPMENT FINANCING MATRIX

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

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

# Funding vs Financing





# 2 INFFs globally

86 countries in different stages of INFF process

5 countries developing an INFF with NDC enhancement and implementation support

The figure is a world map illustrating the progress of National Integrated Frameworks for Forests (INFFs). Countries are color-coded based on their stage in the process: dark green for countries that have completed an INFF, light green for countries in the early stages, and blue for countries that are developing an INFF with NDC enhancement and implementation support. Arrows point to specific countries in each category. The map shows a high concentration of countries in the early stages (light green) across Africa, Asia, and Latin America, while a smaller number of countries (blue) are in the development phase. The text on the left indicates that 86 countries are in different stages of the INFF process and 5 countries are developing an INFF with NDC enhancement and implementation support.

countries in different stages of INFF process

countries developing an  
INFF with NDC  
enhancement  
and implementation  
support

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

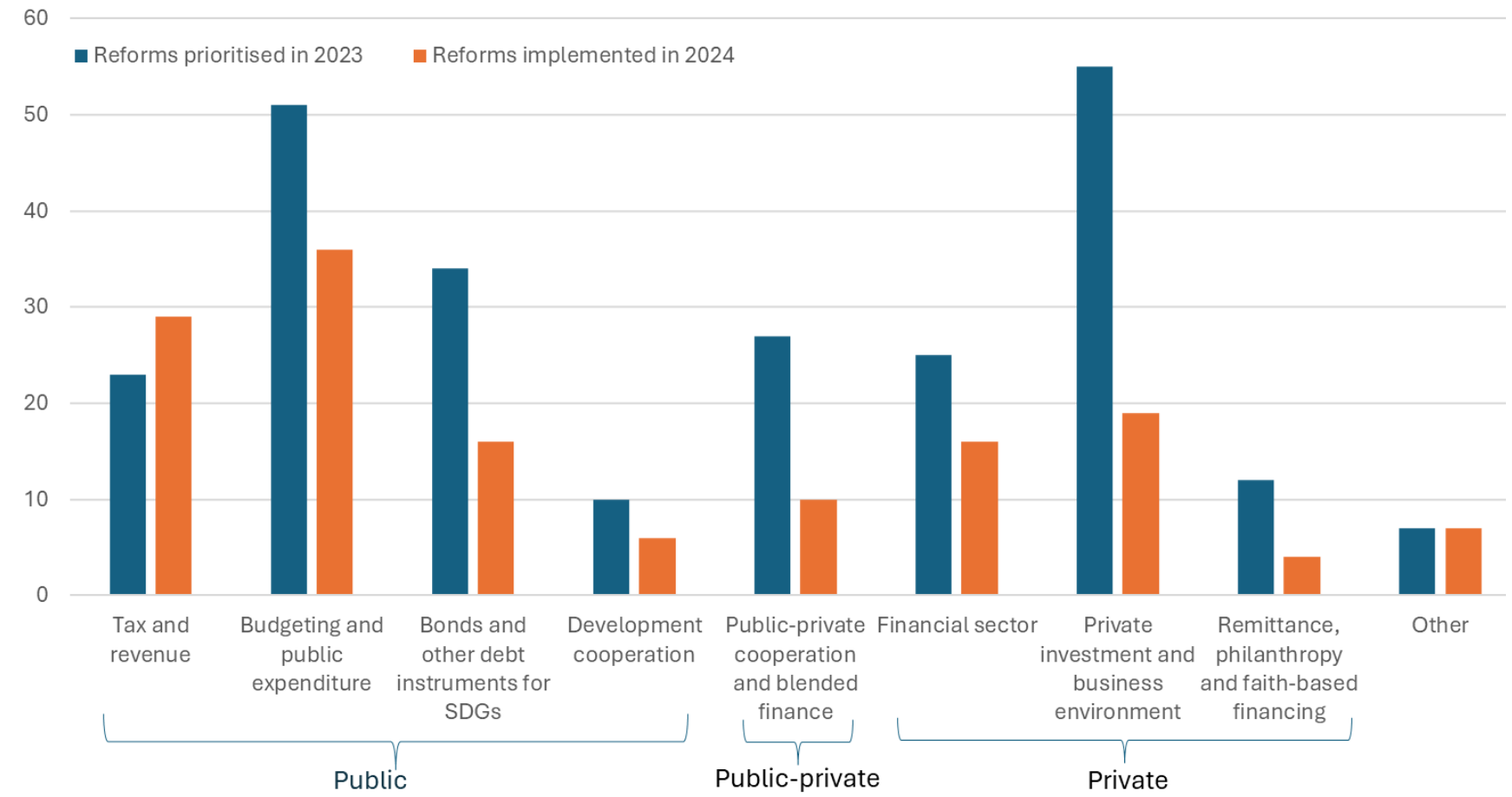
264

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



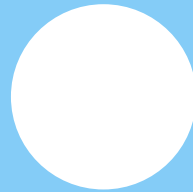
Alternative project  
finance strategy  
(mainland)



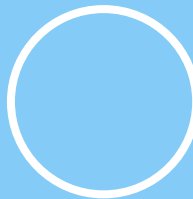
Zanzibar sustainable  
finance strategy



## 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

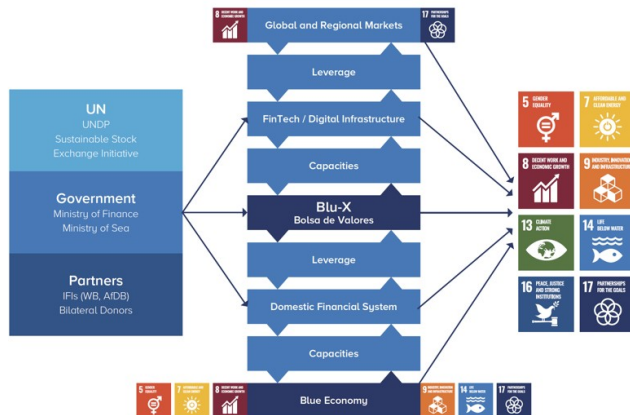
# Example – CABO VERDE



**2 Global Finance and Banking**  
(Blu-X platform)



INFF Financing Strategy integrated in PEDS II

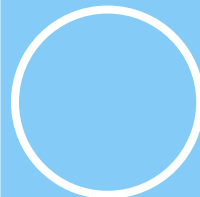


## KEY FACTS



**\$5 bn**

Financing needs for PEDS II



**\$2bn**

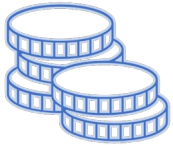
Financing needs for NDC

## 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



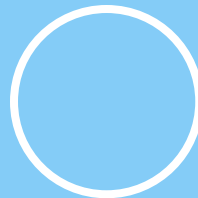
## KEY FACTS

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

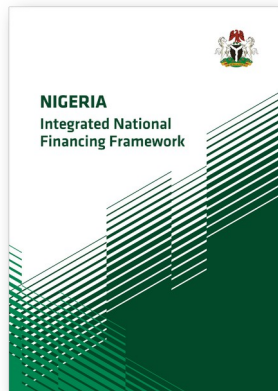
Financing Strategy Launched in September 2022 by the President of Nigeria



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

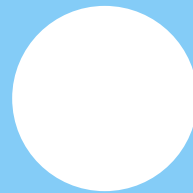


Brought together public and private, federal and state stakeholders for SDG financing for the first time



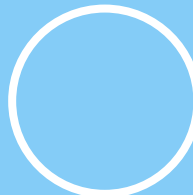
## KEY FACTS

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

🏗️ Public spending efficiency by improved procurement regulations

💡 Channelling public/private investments into renewable energy sources

🏛️ Strengthening subnational finance

💰 Sustainable finance taxonomy development

🏆 Strengthening alignment of national budgeting against SDGs

🏛️ Phasing out fossil fuel subsidies

**B** Main streaming sustainability into risk management and transparency

📊 Fiscal incentives and carbon pricing

🏛️ Financial stability by climate transition/physical risk management

📋 Disclosure and transparency practices

🎓 Capacity building on sustainable finance

**C** Mobilizing new sources of sustainable finance

🏠 Climate risk insurance

🏦 Sustainable banking products

🌳 Public environment-linked funds

💰 Green Fund

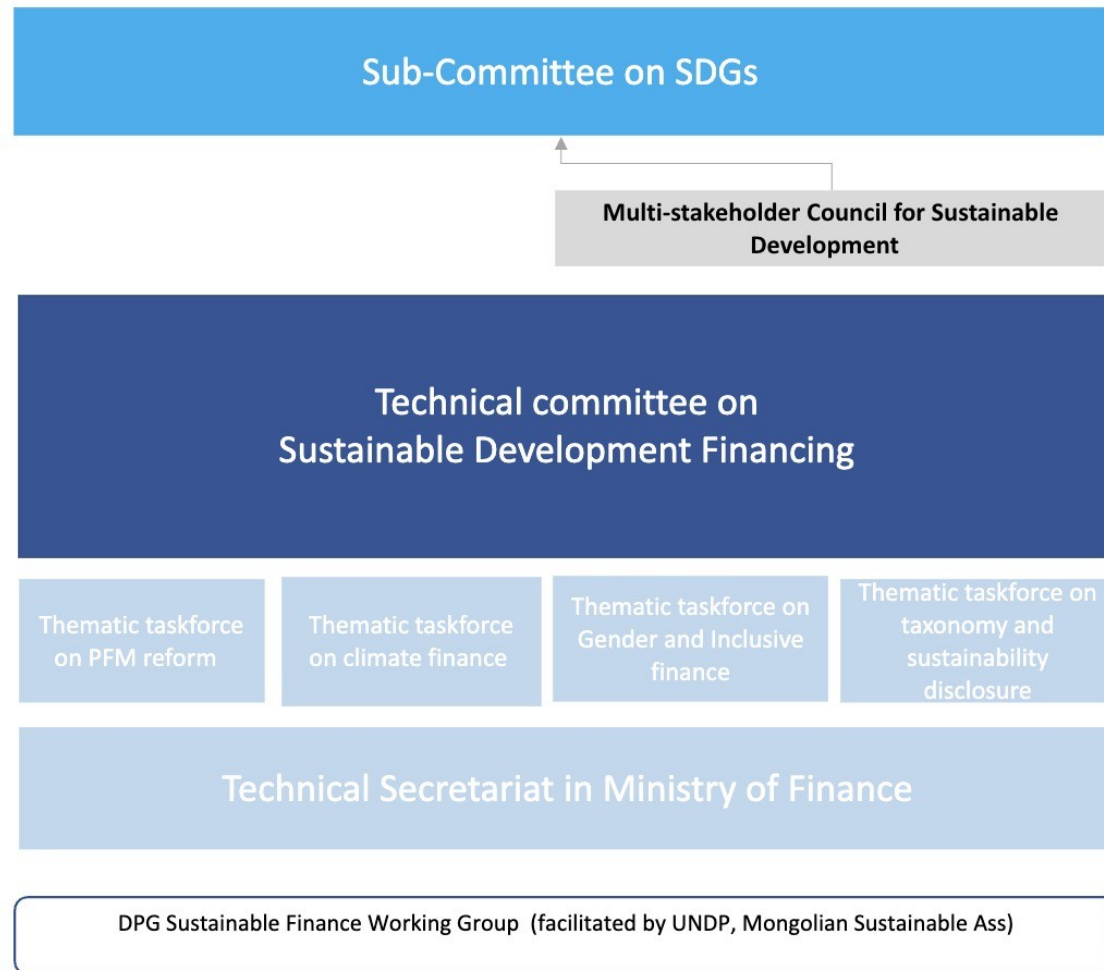
📢 Promoting foreign direct and domestic investments in sustainable investments

🌐 International cooperation

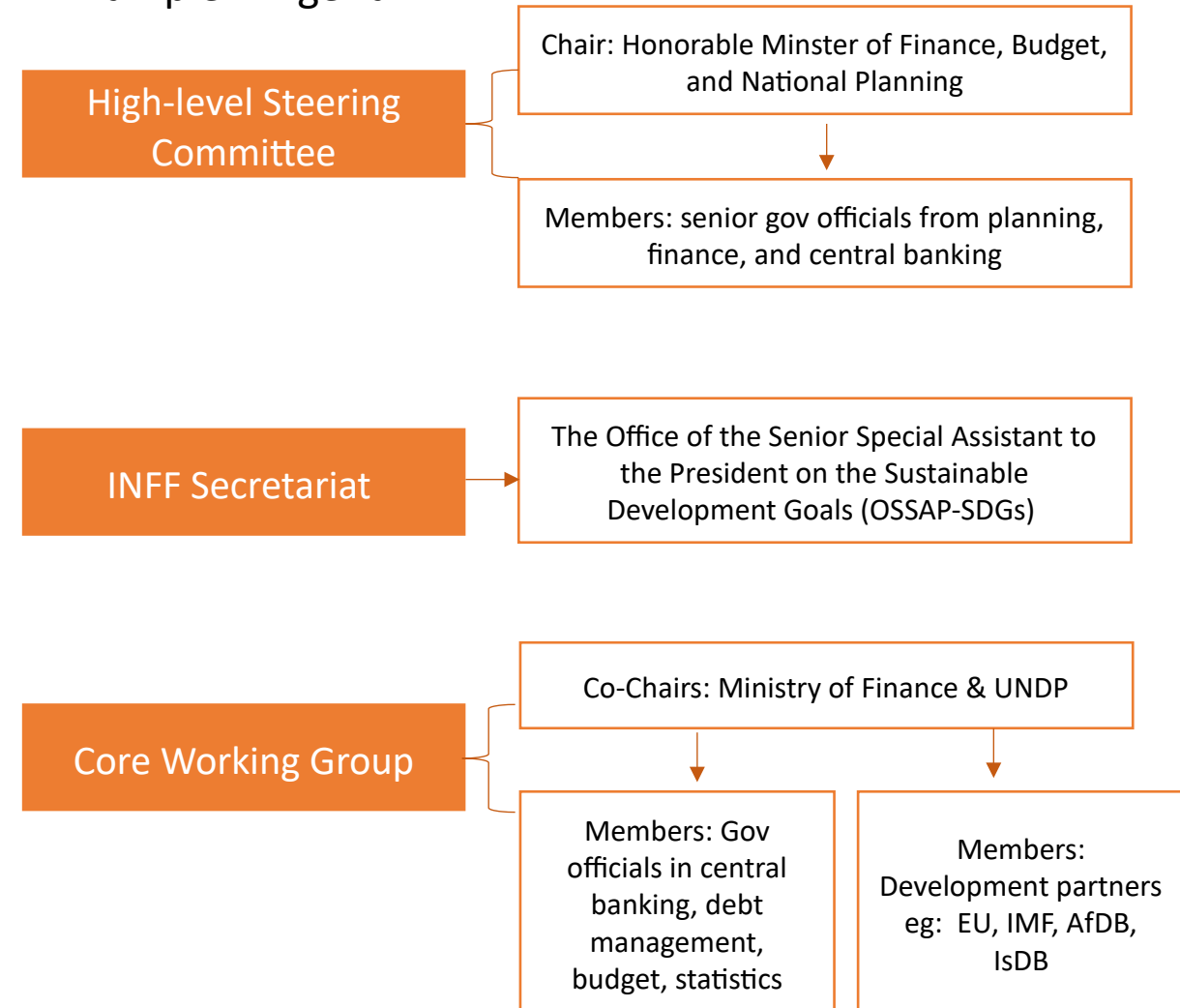
# Governance

## Different approaches tailored to country context and needs

### Example - Mongolia



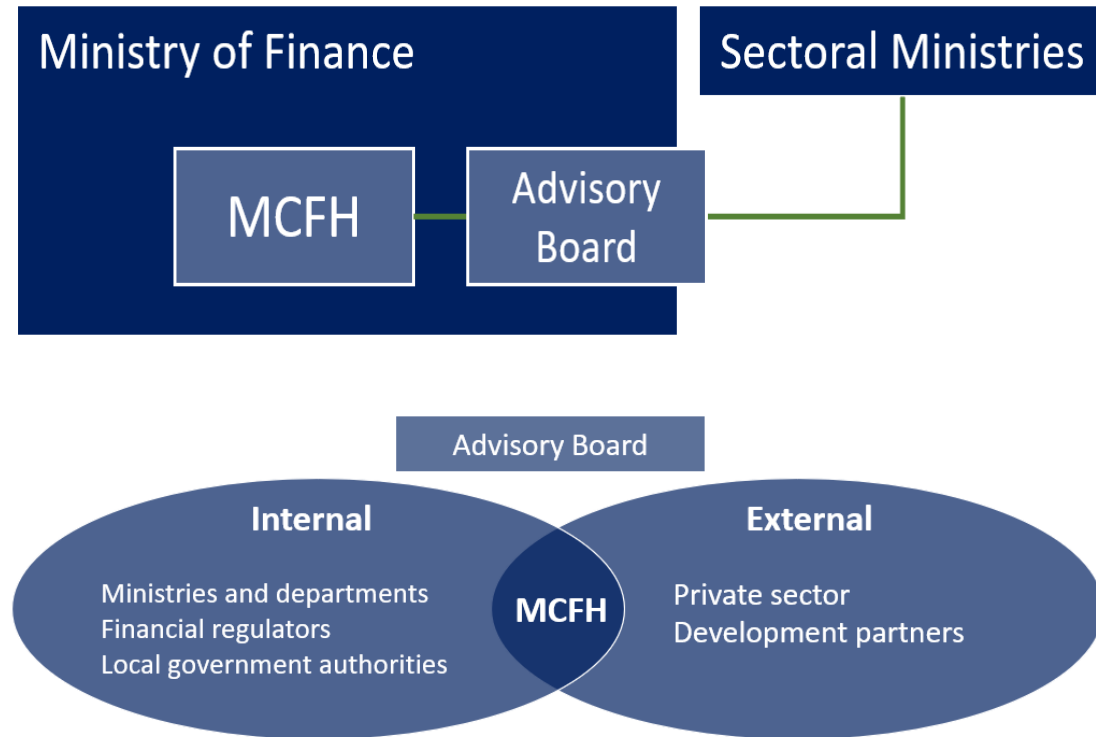
### Example - Nigeria





# 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



## 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

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- 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](http://www.inff.org)