

Rolling out an Integrated national financing framework in Cabo Verde

in the time of COVID-19



*Empowered lives.
Resilient nations.*



#FinancingSDGs

INFF within the Cabo Verde context

Global and Regional Frameworks

SDGs
2030
Agenda

AU 2063
Agenda

Ambition 2030

PEDS 1

PEDS 2

PEDS 3

Finance

Integrated National Financing Framework (INFF)

- Public (Government spending, revenues, ODA, etc.)
- Private (FDI, Investment, credit, etc.)
- Blended (PPPs, Guarantees, Concessional lending, etc.)

PEMDS (Localizing the SDGs)

Integrated national financing frameworks

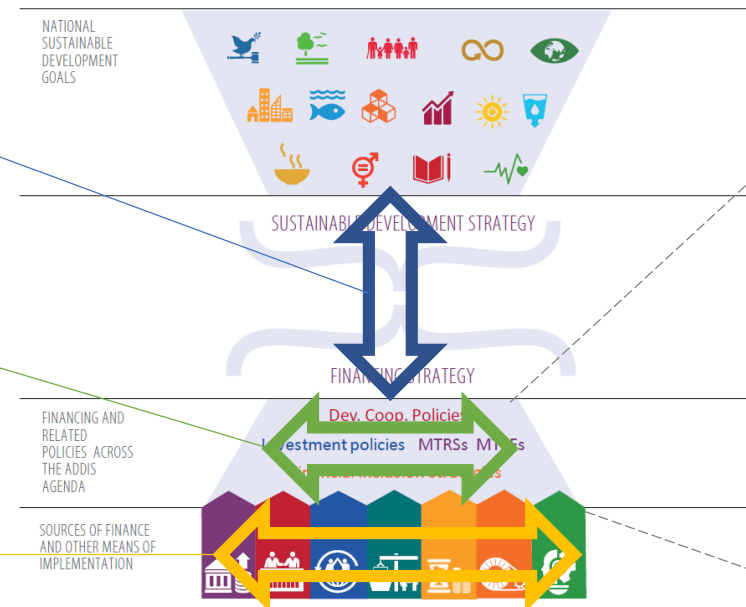
Objective of an INFF: strengthening financing of development priorities and enhancing resilience

3 integrations:

Integrate plan and financing policies

Integrate public and private finance policies

Integrated approach across government & partners



Common policy spectrum:

- Revenue strategy
- Annual / medium term budget
- Debt management
- SOE management
- Public-private partnerships
- Development cooperation
- Philanthropy / NGO / FBO
- Diaspora engagement
- Investment promotion
- SME development
- Impact investment / social enterprise policy
- Financial inclusion
- Financial sector development

Public
finance focus

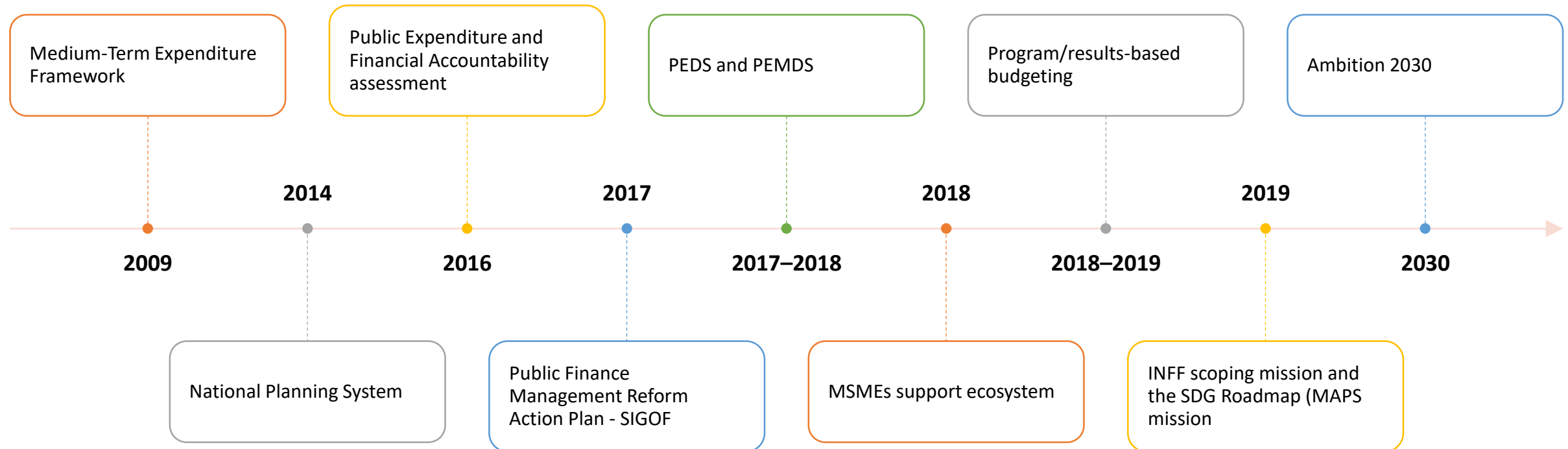
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Private
finance focus

- Resource mobilisation
- Boost alignment to building back better priorities
- Address synergies / trade-offs
- Prioritise reforms

INFF : Building on and reinforcing existing processes



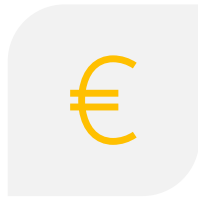
INFF : Why they are more useful than ever in a post-COVID-19 world ?



EXPECTED 25% DECREASE
IN PUBLIC REVENUES

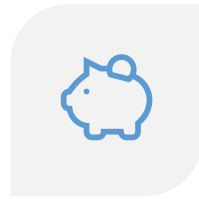


PUBLIC SPENDING:
+35.1% HEALTH, +4%
SOCIAL PROTECTION

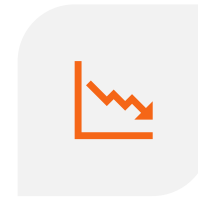


FDI TO SHRINK
DRAMATICALLY (-11% IN
AFRICA)

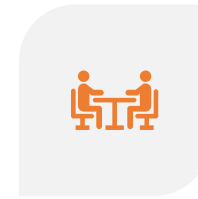
DOMESTIC PRIVATE
INVESTMENT TOO
(-7.7%)



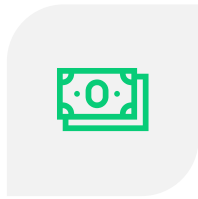
REMITTANCES (9% GDP)
TO DECREASE
(ESTIMATED -23.1% IN
AFRICA)



PROBABLE DECREASE IN
ODA GLOBALLY



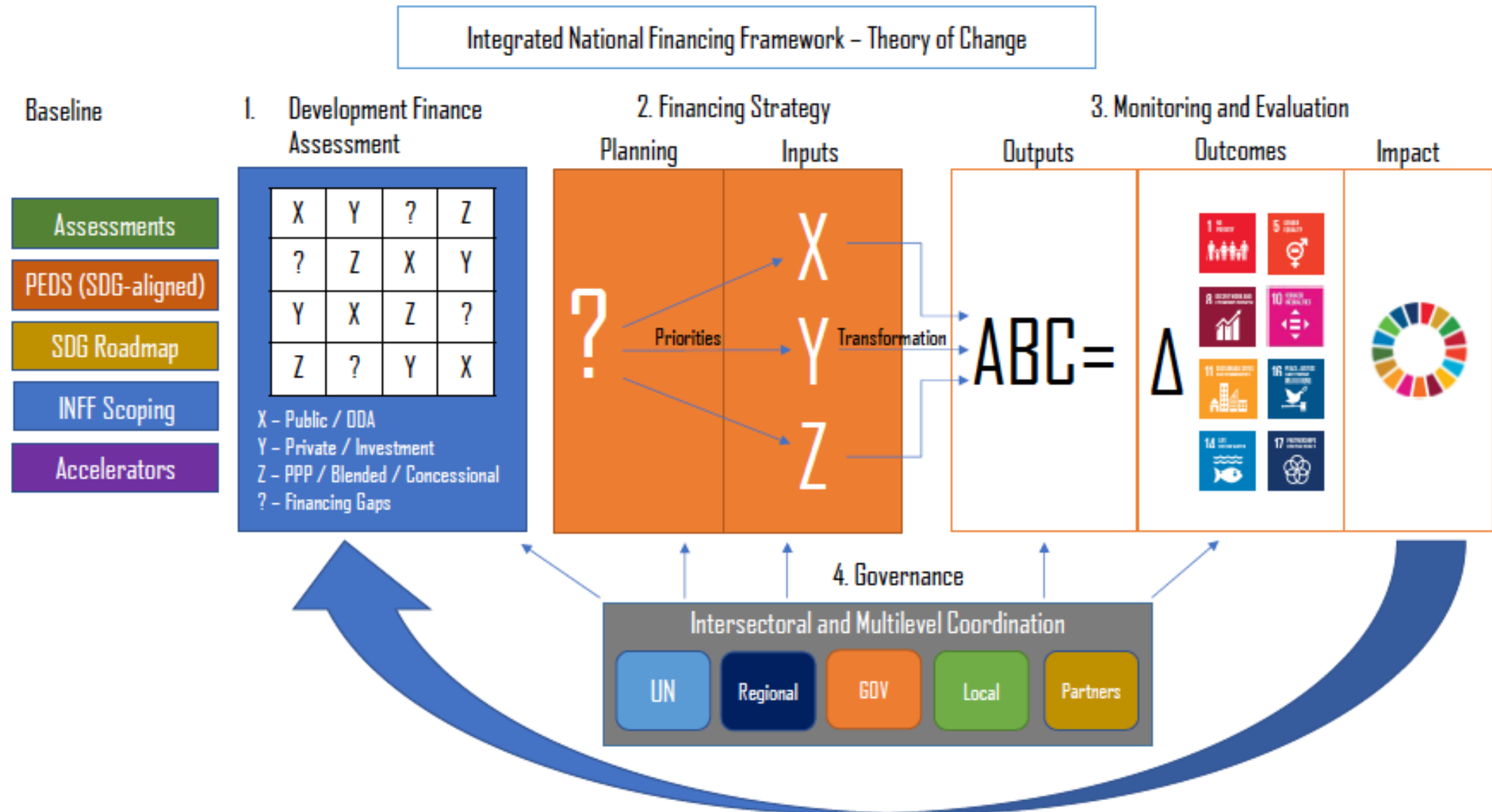
PRIVATE DOMESTIC
FINANCE: BANKS WELL
CAPITALIZED BUT
INCREASE IN
UNSUSTAINABLE PRIVATE
DEBTS (NPLS : 12.2% IN
2019)



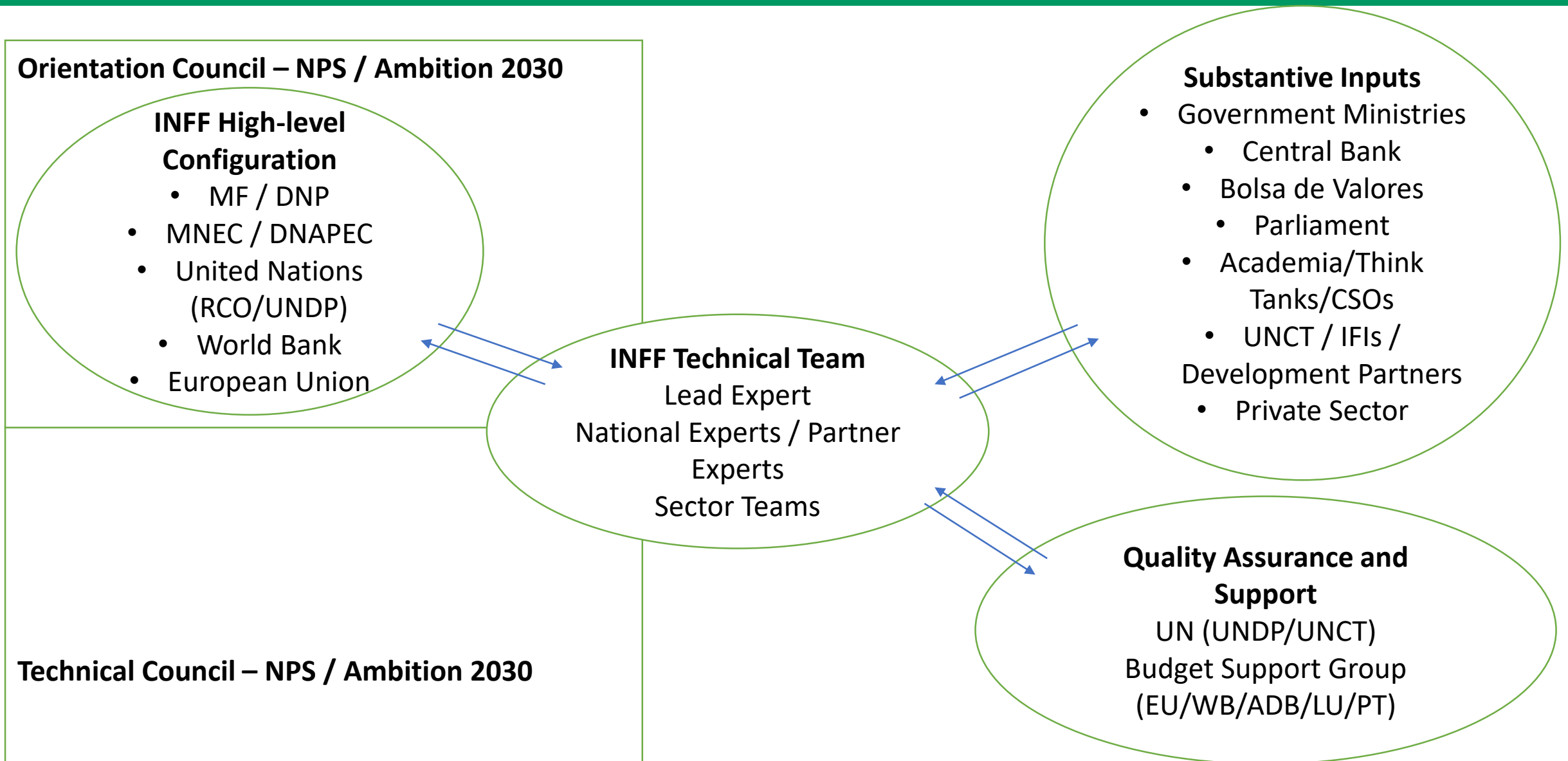
INCREASE IN PUBLIC
DEBT (+13% IN 2020)

Financing sustainable development

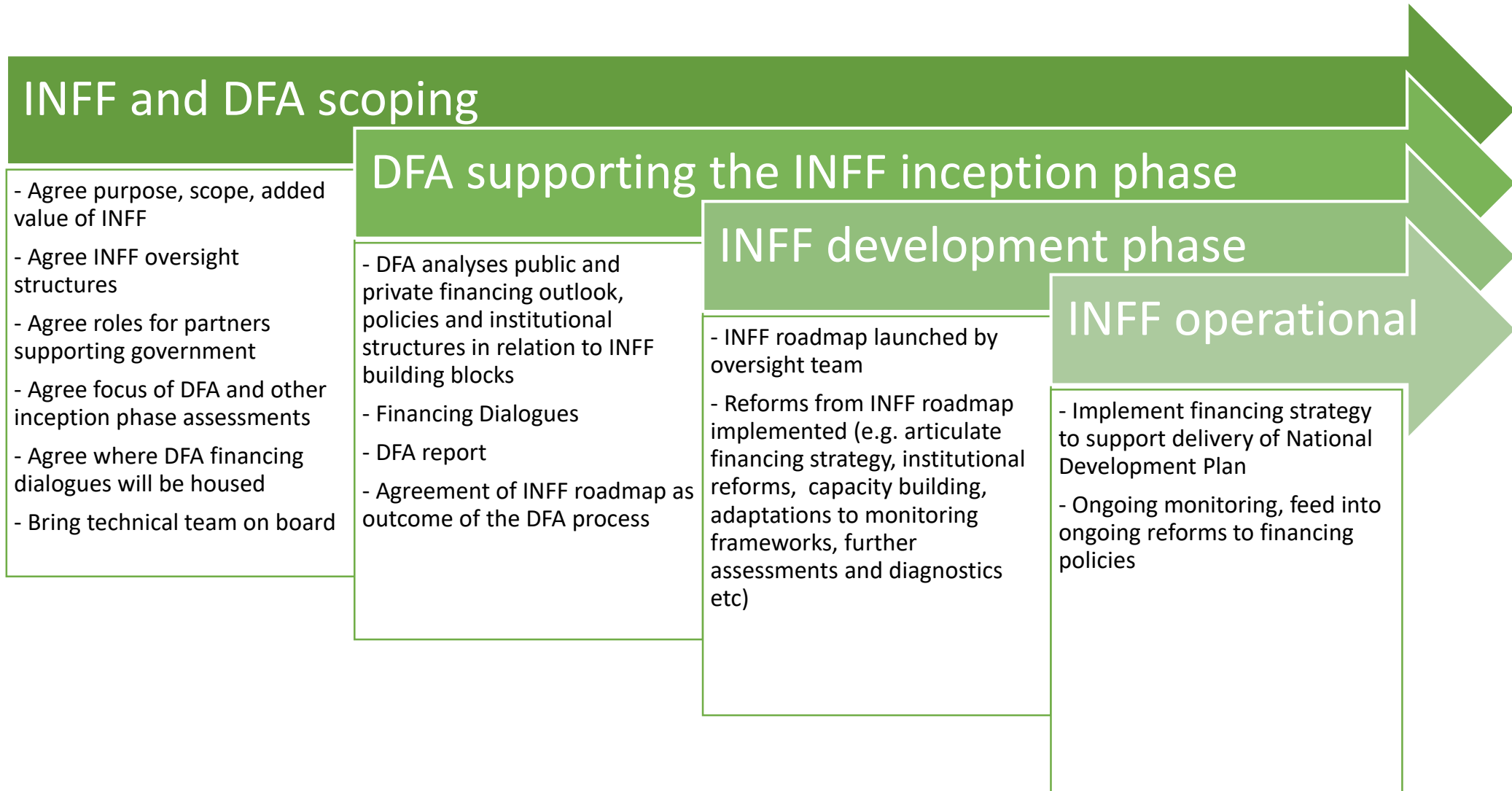
Integrated national financing frameworks – 4 Blocks



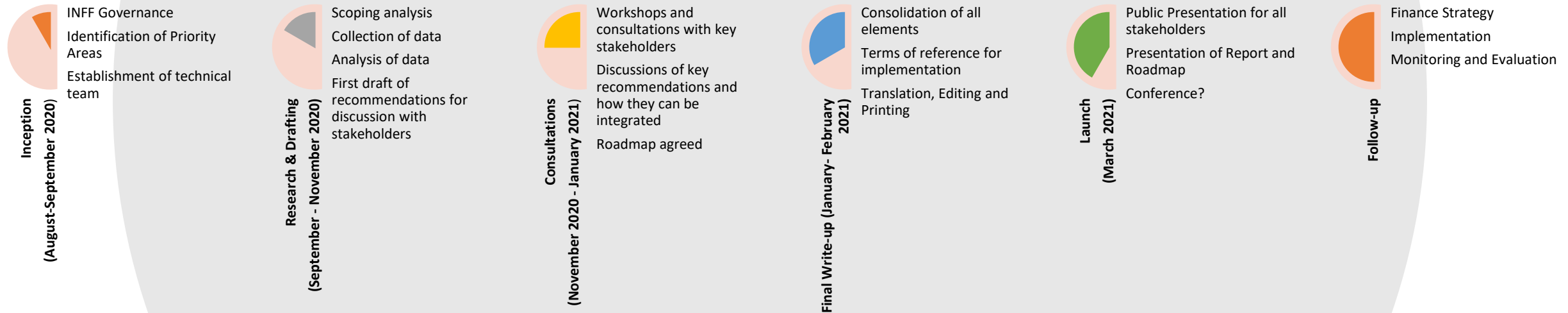
INFF Governance anchored within Ambition 2030



DFAs within the larger INFF operationalization process



DFA timeline



DFA Elements

Mapping of Financing Landscape

Institutions and Regulatory Framework
(Multiscalar: Global, Regional, Country, Local)

Stakeholders

Public Finance

Private Finance

SDG Accelerators

Gender Profile

Risks and Challenges

Costing exercise for PEDS II

ODA / GAO / PEFA

Fiscal Space

Competitiveness / Supply Chains

FDI

Domestic Investment

Diaspora

New Partnerships / SSC

Impact Investment / Climate / Sustainable Finance

Un-documented / Illicit Flows

Sectoral Deep Dives

Tourism & Culture (UNDP)

Energy, Circular Economy & Climate Change (Lux?)

Blue Economy (UNDP)

Digital Economy and Innovation (UNDP)

Human Capital (?)

Public, private, domestic and international resources across the financing landscape

Public finance

Government finance

- *Tax revenue (direct and indirect)*
- *Non-tax revenue*
- *Government borrowing (loans, sovereign bonds)*

Public entities

- *Revenues*

Development cooperation

- *ODA grants*
- *ODA loans*
- *Other official flows*
- *South-south cooperation*

Private finance

Public-private finance

- *Public-private partnerships*
- *Blended finance*

Domestic commercial finance

- *Private investment*
- *Credit to the private sector*
- *Corporate bonds*
- *Institutional investment*

International private finance

- *FDI*
- *Portfolio investment*
- *Undocumented flows*

DFA analytical framework

Analysis of each aspect of public and private finance

Financing needs

- *What is known about the public and private investments needed to build forward?*

Financing trends

- *What are the current, and potential future, trends across public and private financing in relation to building back better?*
- *Where are there opportunities to mobilise new resources or greater sustainable development impact?*

Risks

- *What risks may affect the need for, or availability of, financing for building back better?*

Policies and institutions

- *How do the policies and institutions that govern public and private finance mobilise and promote sustainable, inclusive, resilient financing?*

Financing dialogues focus on the INFF building blocks

Financing strategy

- *How can government bring together its financing policies within a holistic, integrated strategy?*
- *What priority changes can be made to mobilise additional finance and promote more sustainable, inclusive, resilient financing for building back better?*

Governance & coordination

- *How can existing policy and institutional structures be brought together and strengthened within an INFF?*
- *What institutional changes and capacity development can support effective delivery of the financing strategy?*

Monitoring & review

- *How can existing systems be adapted to better monitor public and private financing and implementation of the financing strategy?*

Assessments and diagnostics

- *What further assessments and diagnostics can be prioritised?*

Integrated National Financing Framework Roadmap

DFA : Key (political) questions to be answered

- When and how to install the Ambition 2030 **INFF High-Level Configuration Committee**?
- How to engage **line ministries, public agencies and private sector entities** in an institutional, formal manner?
- Confirmation of “Deep dives” analysis of financing gaps within Ambition 2030 / SDG accelerators?



DFA : Key (technical) questions to be answered

- Documents and points of contact for the **mapping of the financing landscape**?
- Documents for the **identification of fiscal space**?
- Documents and focal points for the **analysis of PFM system**?
- Plan(s) for the **investment priorities / costing exercise** for the PEDS II and accelerators?

