Integrated National Financing Framework for Accelerating Achievement of SDGs (INFF4SDGs) in Bangladesh



Supported by:

JOINT SDG FUND

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

UN WOMEN

ILO

UNDP

UNCDF

Unlocking Public and Private Finance for the Poor

INFF4SDGs TO CONSOLIDATE UN SUPPORT FOR SDG FINANCING IN BANGLADESH

THE BACKDROP

In Bangladesh, the government is implementing the Integrated National Financing Framework (INFF) to mobilize resources to address SDGs financing gap by 2030 and strengthening the financing for its 8th Five Year Plan (FYP), aligning with the country's strategies towards the graduation from the LDC status.

OBJECTIVE

Financing required for the implementation of the 8th FYP amounts to a total of US$750 billion, and 75 percent of these resources is targeted to come from the private sector. To meet these financing needs, the plan calls for the operationalization of the INFF, centered on the update of the Development Finance Assessment (DFA) highlighting financing needs and resources and the update of the national Financing Strategy (FS).

THE SET UP

INFF4SDGs is a joint project between UN agencies - UNCDF, UNDP, UN WOMEN and ILO. The revision of the DFA and FS is ongoing, and it will be complemented by the set-up of the INFF governance mechanism planned to be embedded within the national SDG Implementation and Review Committee of Prime Minister's Office and linking public and private stakeholders under the same umbrella.

SDG PRIORITIES

Catering to the financing needs set out in the 8th FYP, the initial stages of the INFF process have been designed to prioritize the mobilization of private capital investment in three SDG priority areas: water and sanitation, renewable energy and climate finance (SDG 6, SDG 7 and SDG 13).

DETAILED ACTIVITIES AND EXPECTED RESULTS

AREAS OF WORK

- Updating Development Finance Assessment (DFA) and Financing Strategy (IFS) through research and multi-stakeholder consultations
- Multi-stakeholder consultations, investor mapping and gender-sensitive policy analysis for public and private financing in climate and WATSAN
- Investor mapping for climate and WATSAN financing private sector impact measurement
- Gender-sensitive policy analysis, review and reform support to GoB for public and private financing in climate and WATSAN
- Adoption of impact measurement practices e.g., in partnership with BGMEA
- Baseline assessment of renewable energy transition in the RMG supply chain

KEY RESULTS

- Development Finance Assessment (DFA) and Financing Strategy (IFS) updated
- Targeted ministries identified bankable projects for prioritized SDG financing
- The prioritized gender-responsive policy reforms are in place in the targeted ministries and private sector
- Targeted ministries are active with the governance and coordination mechanism
- New partnerships/initiatives developed to de-risk/leverage climate finance
- Companies practice private sector SDG impact measurement
- Key policy changes and low-hanging fruit in renewable energy adoption and related bankable projects identified

PROBABLE FUTURE WORKING AREAS

- Financing for education including technical and Madrasha education considering gender-inclusive approach
- Financing for health and health workforce in Bangladesh
- Financing for industry growth for higher productivity, internalization of climate externalities
- Financing for decent jobs, green jobs and better employment opportunities
- Financing for enterprise development in agriculture value chain with focus on SMEs and MSMEs
- Financing for migrant workers' rehabilitation, domestic retention in economic activity and safety
- Financing for digital and technological inclusion for financial inclusion and 4IR

PROGRESS

- DFA and FS update and review as national development strategies with significant inputs from the private sector
- Bankable projects best practice analysis and drafting of guidelines
- A digital trade platform to boost blended finance for bankable projects through data transparency
- Sector-wide private sector impact management and measurement in alignment with national priority SDGs
- Baseline assessment of bankable projects entry points for renewable energy in partnership with UNFCCC Brands
- Needs assessment of CMSMEs on business models for SDG attainment
- Setting up a governance mechanism for SDG financing and coordination in the government system with private sector's representation
- Client-oriented financing innovation with digital scorecard aping and a micro-savings platform to link citizens' savings to bankable projects

WAY FORWARD

- Identify areas of cooperation with IFIs
- Ensure active engagement of the multi-stakeholder platform with effective and strong representation of the private sector
- Support effectively the political and governance mechanism and commitment for financing SDGs with an integrated national framework
- Create concrete incentives for private sector SDG financing
- Push bankable projects across multiple sectors with engagement of all sister UN agencies

CONTACT

Sakshi Chadha
Digital Expert for Bangladesh, UNCDF
sakshi.chadha@uncdf.org