

ATI side event | 2023 ECOSOC FfD Forum

Can Integrated National Financing Frameworks (INFFs) boost equitable domestic revenue mobilisation and advance the Sustainable Development Goals?

17 April 2023, 08:00-09:30 EDT



Ms. Chenai Mukumba
Acting Executive Director to Tax Justice Network Africa (TJNA)

Introduction



Housekeeping rules

On-site speakers / participants

- Kindly speak clearly, loudly and keep a steady pace when intervening.
- Questions from the audience will be collected and clustered during the Q&A session.
- The moderator will address up to three questions from the audience in the Q&A session.

Virtual participants

- Please mute yourself to avoid interference and background noise during the event.
- Kindly post your question in the chat during the event and include: your name / organisation / to whom you are directing your question.
- The moderator might address one question from the virtual audience in the Q&A session.

Programme

08:00 – 08:05	Introduction TJNA
08:05 – 08:10	Welcome USA
08:10 – 08:25	Opening Statements Germany, European Union, UNDP
08:25 – 08:40	Co-presentation: role of INFFs in mobilising domestic finance to advance the SDGs UN DESA & South Centre
08:40 – 08:50	Presentation: use of INFFs to advance the SDGs, including reducing inequality, in an ATI partner country Indonesia
08:50 – 09:15	Open discussion All speakers
09:15 – 09:25	Q&A All participants
09:25 – 09:30	Closing remarks TJNA

Mr. Steven Rozner
ATI Steering Committee Co-Chair and Senior Fiscal Advisor at
the United States Agency for International Development (USAID)

Welcome



Mr. Jürgen Zattler

General Director of International Development Policy, 2030
Agenda, and Climate at the German Federal Ministry for
Economic Cooperation and Development (BMZ)

Opening Statements



Mr. Antti Karhunen

Director of Sustainable Finance, Investment and Jobs; Economy that works for the People at the Directorate-General for International Partnerships of the European Commission (EC)

Opening Statements



Director of United Nations Development Programme (UNDP)
Sustainable Finance Hub

Mr. Marcos Neto

Opening Statements



Ms. Natalia Aristizabal Mora

Interregional Advisor on Financing for Sustainable Development at the United Nations Department of Economic and Social Affairs (UN DESA)

Mr. Abdul Muheet Chowdhary

Senior Programme Officer at South Centre Tax Initiative and Member of the Subcommittee on Wealth and Solidarity Taxes, UN DESA

Co-presentation on the role of INFFs in mobilising domestic finance to advance the SDGs



Addis
Tax Initiative



**United
Nations**

Department of
Economic and
Social Affairs



Role of INFFs in Mobilising Domestic Finance to Advance the SDGs

17 April 2023





**United
Nations**

Department of
Economic and
Social Affairs



Role of INFFs in Mobilising Domestic Finance to Advance the SDGs

Natalia Aristizabal Mora natalia.aristizabalmora@un.org
Interregional Advisor on Financing for Sustainable Development
UN Dept of Economic and Social Affairs - UNDESA

Abdul Muheet Chowdhary chowdhary@southcentre.int
Senior Programme Officer
[South Centre Tax Initiative](#)
[South Centre, Geneva](#)

Taxcooperation@southcentre.int



Integrated National
Financing Frameworks

Part I

What is the role of INFFs in mobilising domestic finance to advance the SDGs?

Natalia Aristizabal Mora, UNDESA



Integrated National Financing Frameworks (INFFs): An Overview

- ❖ INFF is an approach / framework to **raise and align all financing sources with sustainable development** priorities and the SDGs
- ❖ INFFs strengthen **coherence** across financing policies
- ❖ INFFs as a 'docking station', i.e., build on what is already there
- ❖ Is **country-owned and country-led**





Governance & Coordination

Governance and coordination mechanisms guide the process and enhance coherence across government.



Assessment & Diagnostics

Assessments and diagnostics provide a complete picture of financing: i) needs; ii) sources; iii) risk factors; and constraints/challenges.



Inception phase

The inception phase starts the process and brings together relevant policymakers and stakeholders.



Monitoring & Review

Monitoring and review helps governments track progress and draw lessons for policy design and implementation.



Financing Strategy

Financing strategies set out a set of sequenced actions to finance national development strategies and goals, and mobilise and align financing with national priorities.

Why is it important



- ❖ Streamline existing approaches and tools into one framework
- ❖ Find solutions to close financing gaps, overcome constraints and make the most of financing opportunities
- ❖ Identify financing policies that are risk-informed and **take equity, social and environmental concerns into account**, addressing potential spill-over effects and trade-offs



Guiding principles

1. Focus on policies that are **administratively and politically possible**
2. **Comprehensive** (all types of finance)
3. **Top down & bottom up** approach (macro consistency screening / local solutions for local problems)
4. **Iterative** (linking existing processes / feedback loops)



Suggested approach

STEP 1

ESTABLISH FINANCING POLICY OBJECTIVES

Start with findings from Building Block 1 (financing gaps, risks, binding constraints).

Identify scope of the financing strategy, specific financing policy objectives.

STEP 2

IDENTIFY POLICY OPTIONS

Identify existing policies, regulatory measures, instruments.

Identify additional options based on international good practice or experience from peers.

STEP 3

POLICY PRIORITISATION

Shortlisting based on:

- Macro (consistency with macro-objectives), coherence (sustainability /trade-offs/ win-wins), and risk checks;
- Preconditions, resource requirements.

STEP 4

OPERATIONALISATION

Formulate a concise strategy to:

- Bring together existing approaches;
- List of action on reforms, new instruments.

Step 1: Establish scope and objectives

- ❖ Define the required scope and approach
- ❖ Start with baseline assessment: financing gaps, opportunities, risks, binding constraints
- ❖ Based on baseline, identify your objectives

TABLE 2. DEFINING FINANCING POLICY OBJECTIVES

FINANCING OBJECTIVES			
List objectives to be pursued through the financing strategy with the aim of closing financing gaps, maximising opportunities, and addressing binding constraints E.g., Increase FDI in the energy sector (private finance)			
FINANCING GAPS	OPPORTUNITIES	RISKS	BINDING CONSTRAINTS
<p>List estimated financing gaps – at macro/ sectoral/ programmatic level (depending on level of analysis used in financing needs and financing landscape assessments)</p> <p>E.g., Rs1.3 trillion gap in private finance in the energy sector (Nepal example in Building Block 1.2 guidance)</p>	<p>List financing opportunities emerging from the financing landscape assessment</p> <p>E.g., Higher levels of FDI in peer countries compared to domestic economy (Philippines example in Building Block 1.2 guidance)</p>	<p>List risks emerging from the risk assessment</p> <p>E.g., Collapse in global commodity prices (example in Building Block 1.3 guidance)</p>	<p>List specific obstacles identified in the binding constraints diagnostic</p> <p>E.g., Inefficient financial intermediation due to bureaucratic loan application process and high collateral requirements (Egypt/ Sri Lanka examples in Building Block 1.4 guidance)</p>



Step 2: Identify policy options

- ❖ Identify policies, legal or regulatory measures, or financing instruments
- ❖ **Where to look:** a) current practices, b) further opportunities (low hanging fruit, local good practices, external good practices, hybrid solutions)
- ❖ **How to look:** Leverage existing national and international assessments/frameworks (i.e. TADAT, DIAMOND assessments)

TABLE 3. EXAMPLE OF MAPPING OF CURRENT PRACTICES

FINANCING OBJECTIVES	GOVERNMENT ACTIONS	RESPONSIBLE GOVERNMENT INSTITUTION	ASSESSMENT INDICATOR		PARTNER SUPPORT	STATUS AND SUITABILITY OF ACTIONS (strengths, weaknesses, gaps)
			INDICATOR OF PROGRESS	BASELINE		
Development of domestic debt markets	Normalise and extend the yield curve	Ministry of Finance	DeMPA	2019	Support domestic capital market development (AfDB), WBG	Ongoing. No progress until cash management issue resolved.
	Enhance secondary market activities		DSA	2018		
	Introduce a wider spectrum of instruments		PEFA	2017		
Overcome inefficiencies in tax collection	Improve tax policy design, legislation framework and tax and customs administration	Ministry of Finance and Revenue Administration	INFF Building Block 1	2021	TA support to Ministry of Finance and revenue administrations (IMF, Germany-GIZ)	Ongoing. Updating tax laws potential low hanging fruit not realised.
			TADAT	2017		
Increase private finance in the renewable energy sector	Develop risk sharing instrument to leverage private investment for renewable energy	Ministry of Finance, Ministry of Commerce, Ministry of Environment	MTRS	2018	TA support (Germany-KFW)	Ongoing. Local good practice, with potential to be replicated.
			FSAP	2018		
Better align the national budget with the SDGs	Institutionalise consideration of SDGs in budget formulation and establish systems to track SDG-aligned expenditures	Ministry of Finance	WB LTF Diagnostic	2019	TA support to Ministry of Finance and line ministries (UNDP, UN Women, UNDRR)	Ongoing. Weak budget execution procedures and controls remain a challenge. Developing clear procurement guidelines potential low hanging fruit.
			UN Women Gender Responsive Budgeting Diagnostics	2018		
			UNDRR Risk Informed Budget Reviews	2019		
			INFF Building Block 1.2	2021		

Step 3: Policy prioritisation

Coherence Checks

- ✓ Have macro checks been considered?
- ✓ Have coherence checks been considered?
- ✓ Have risk checks been considered?

Depending on evaluation checks, consider two scenarios for policy options:

RETAIN

If the policy option aligns with all evaluation checks, retain as is.

ADJUST

If it does not align, evaluate whether this is because of:

- **Macro coherence?** If so, consider alternative macro scenarios/ remedies.
- **Trade-offs/ externalities?** If so, is there a way to remedy this with complementary policy/ regulatory reforms, or financing instruments?
- **Risks?** Evaluate risk, and consider if instruments/ regulations can remedy them.

List all policy options:

- Policy options that have been retained
- Integrated/ hybrid solutions to overcome impediments/ costs



Step 3 (cont'd)

Prioritising

- ✓ Have preconditions been considered?
- ✓ Have resource requirements been considered?

Depending on evaluation checks, consider two scenarios for policy options:

RETAIN

If the policy option aligns with all evaluation checks, retain as is.

ADJUST

If it does not align, evaluate whether this is because of:

- **Preconditions?** If so, consider which complementary institutional, policy, or regulatory reforms have to be implemented first
- **Resource/ capacity requirements?** If so, consider whether there is a way to remedy this with untapped resource support or capacity development training.

List all policy options:

- Short-term (i.e., operational) planning
- Medium-term planning
- Long-term planning (may need own strategy)



Step 4: Operationalization

Operationalise

- ✓ Actions should align with objectives set at outset
- ✓ Periodic review should be undertaken

TABLE 5. TEMPLATE FOR INFF ACTION PLAN

POLICIES	ACTIONS/ ACTIVITIES	TIMEFRAME	SEQUENCING	ROLES AND RESPONSIBILITIES	
				RESPONSIBLE ACTORS	ACTORS TO BE CONSULTED/INVOLVED
List all policy options identified in the previous steps	List specific actions/ activities that would be required to either implement the policy, or to guide long-term planning (e.g., draft TORs for long-term finance diagnostic)	Indicate timeframe for implementation of specific activities (ST/ MT/ LT)	Note considerations around whether activities under the same policy and/ or across different policies would need to be implemented in a particular sequence (e.g., 'A' needs to happen before 'B' can be implemented)	List lead actors/ agencies – those responsible for the implementation of the activity	List actors/ agencies that would need to be consulted/ involved in the implementation of the activity but that would not be accountable for its success
<i>Template</i>	<i>to be filled in...</i>				



Progressive Taxation and SDGs

What are “Progressive Taxes”?

Progressive taxes: “Tax the Rich”

“Rich” = Ownership of assets (capital)

Taxation of assets (wealth taxes) + *returns* from assets (capital income taxes)

Progressive Taxation and SDGs Examples

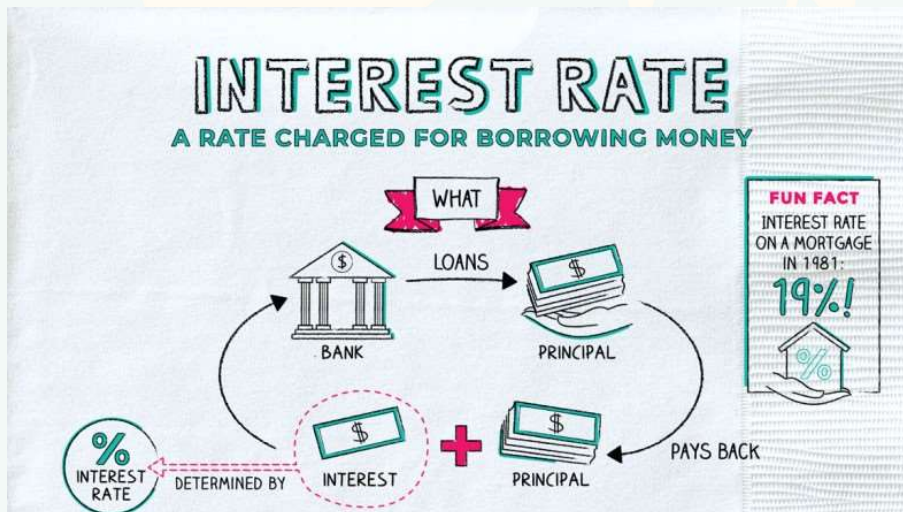


Royalty

[ˈrɔɪ(-ə)l-tē]

A payment made to an individual or company for the ongoing use of their assets, including copyrighted works, franchises, and natural resources.

Investopedia



Progressive Taxation and SDGs
Specific Goals to be impacted

Reduce Inequality (Goal 10)

End Extreme poverty (Goal 1)

Climate Action (Goal 13)

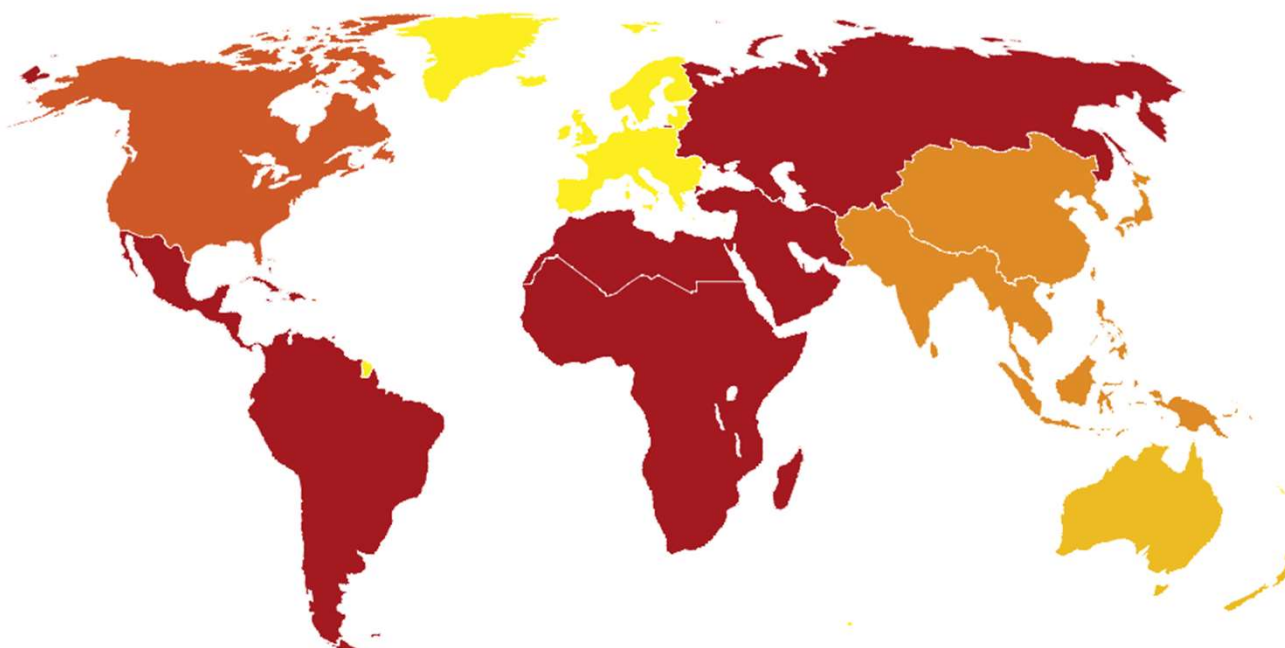
Strengthen DRM (Goal 17)

Progressive Taxation and SDGs

Goal 10: Reduce Inequality



Top 10% net personal wealth share



Share of total (%)



Graph provided by www.wid.world

Progressive Taxation and SDGs

Goal 1: No Poverty



Reducing inequality more effective in reducing extreme poverty compared to increasing growth rates

Progressive taxes directly reduce inequality through targeting the better off

Reducing each country's Gini index by 1 percent per year has a larger impact on global poverty than increasing each country's annual growth by 1 percentage point

Lakner, C. et al. (2019). How Much Does Reducing Inequality Matter for Global Poverty? Policy Research Working Paper, No. WPS 8869. Available from [How Much Does Reducing Inequality Matter for Global Poverty ? \(worldbank.org\)](https://www.worldbank.org/wwp/publicationabstract.aspx?publications_id=46122)

Progressive Taxation and SDGs

Goal 13: Climate Action



“With Great Power Comes Great Responsibility” – Spiderman’s Uncle

“With Extreme Wealth Comes Extreme Pollution” – World Inequality Report ‘22

47.6% of carbon emissions come from the top 10%

As of 2022, the global top 1% of individuals emits around 110 tons on average, the top 0.1% 467 tons, the top 0.01% 2,530 tons per person per annum.

Wealth taxes can reduce consumption of the rich, and hence carbon emissions

Progressive Taxation and SDGs

Goal 17: Strengthen DRM



Table 7.3d Multimillionaires and billionaires in South and South-East Asia, 2021

Wealth group (\$)	Number of adults	Total wealth (\$ bn)	Average wealth (\$ m)	Tax scenario 1		Tax scenario 2		Tax scenario 3	
				Effective wealth tax rate (%)	Total revenues (% global income)	Effective wealth tax rate (%)	Revenues (% global income)	Effective wealth tax rate (%)	Revenues from group (% global income)
All above 1m	848,940	3,905	5	1.3	0.7	2.1	1.0	6.2	3.1
1m - 10m	809,380	1,551	2	0.6	0.1	0.6	0.1	0.6	0.1
10m - 100m	37,390	739	20	1.3	0.1	1.1	0.1	1.3	0.1
100m - 1b	1,910	540	282	1.5	0.1	2.5	0.2	5.6	0.4
1b - 10b	245	713	2,910	2.3	0.2	4.5	0.4	12.9	1.2
10b - 100b	15	278	18,533	2.8	0.1	6.2	0.2	36.4	1.3

Interpretation: The graph presents summary statistics related to wealth tax scenarios defined in Table 7.2. Wealth measured at MER.

Note: Numbers of millionaires are rounded to the nearest ten. **Sources and series:** wir2022.wid.world/methodology.

Progressive Taxation and SDGs

Goal 17: Strengthen DRM



Table 7.3e Multimillionaires and billionaires in Latin America, 2021

Wealth group (\$)	Number of adults	Total wealth (\$ bn)	Average wealth (\$ m)	Tax scenario 1		Tax scenario 2		Tax scenario 3	
				Effective wealth tax rate (%)	Total revenues (% global income)	Effective wealth tax rate (%)	Revenues (% global income)	Effective wealth tax rate (%)	Revenues from group (% global income)
All above 1m	1,930,730	5,815	3	1.0	1.1	1.2	1.3	2.6	2.9
1m - 10m	1 859 370	3,614	2	0.6	0.4	0.6	0.4	0.6	0.4
10m - 100m	69,450	1,240	18	1.3	0.3	1.1	0.3	1.3	0.3
100m - 1b	1,810	518	287	1.5	0.1	2.5	0.3	5.6	0.6
1b - 10b	99	303	3,061	2.3	0.1	4.5	0.3	13.0	0.7
10b - 100b	6	116	19,333	2.8	0.1	6.3	0.1	38.1	0.8

Interpretation: The graph presents summary statistics related to wealth tax scenarios defined in Table 7.2. Wealth measured at MER.

Note: Numbers of millionaires are rounded to the nearest ten. **Sources and series:** wir2022.wid.world/methodology.

Progressive Taxation and SDGs

Goal 17: Strengthen DRM



Table 7.3f Multimillionaires and billionaires in Sub-Saharan Africa, 2021

Wealth group (\$)	Number of adults	Total wealth (\$ bn)	Average wealth (\$ m)	Tax scenario 1		Tax scenario 2		Tax scenario 3	
				Effective wealth tax rate (%)	Total revenues (% global income)	Effective wealth tax rate (%)	Revenues (% global income)	Effective wealth tax rate (%)	Revenues from group (% global income)
All above 1m	243,220	726	3	1.0	0.3	1.2	0.4	2.2	0.7
1m - 10m	234,730	448	2	0.6	0.1	0.6	0.1	0.6	0.1
10m - 100m	8,200	155	19	1.3	0.1	1.1	0.1	1.3	0.1
100m - 1b	288	70	243	1.5	0.1	2.5	0.1	5.3	0.2
1b - 10b	11	52	4,727	2.4	0.1	4.7	0.1	13.8	0.3

Interpretation: The graph presents summary statistics related to wealth tax scenarios defined in Table 7.2. Wealth measured at MER.

Note: Numbers of millionaires are rounded to the nearest ten. **Sources and series:** wir2022.wid.world/methodology.

Public Expenditure

Relation with INFFs and SDGs

Expenditure

- Powerful public policy tool to reduce inequality & achieve SDGs
- Can be part of INFFs for a holistic approach
- Two policy examples below

Public Procurement

- Strategic tool to reinforce sustainable development, also noted in Addis Ababa Action Agenda

Tax Expenditures

- AKA tax incentives, used to provide financial support or benefits to individuals, companies and other entities, including non-government organizations

Public Expenditure Public Procurement

\$13 trillion / 15% of
world GDP – public
procurement in 2019

Used to

- empower women, target geographic areas, encourage the development of micro-small- and medium-sized enterprises,
- foster innovation, promote sustainability, increase employment, expand financial inclusion
- support local business and content to boost national competitiveness

Has corruption risks, so
needs complementary
public governance
reforms:

- transparency throughout the whole public procurement cycle,
- open competition
- accountability

Public Procurement

What Countries Can Do

Include Whole of Govt Public Procurement strategy as part of INFFs for a holistic approach

Institute strong monitoring framework

Publicly disclose data relevant to procurement using voluntary intl norms such as [Open Contracting Data Standard](#)

Public Expenditure Tax Expenditures

Can promote policy goals like industrialization of under-developed areas

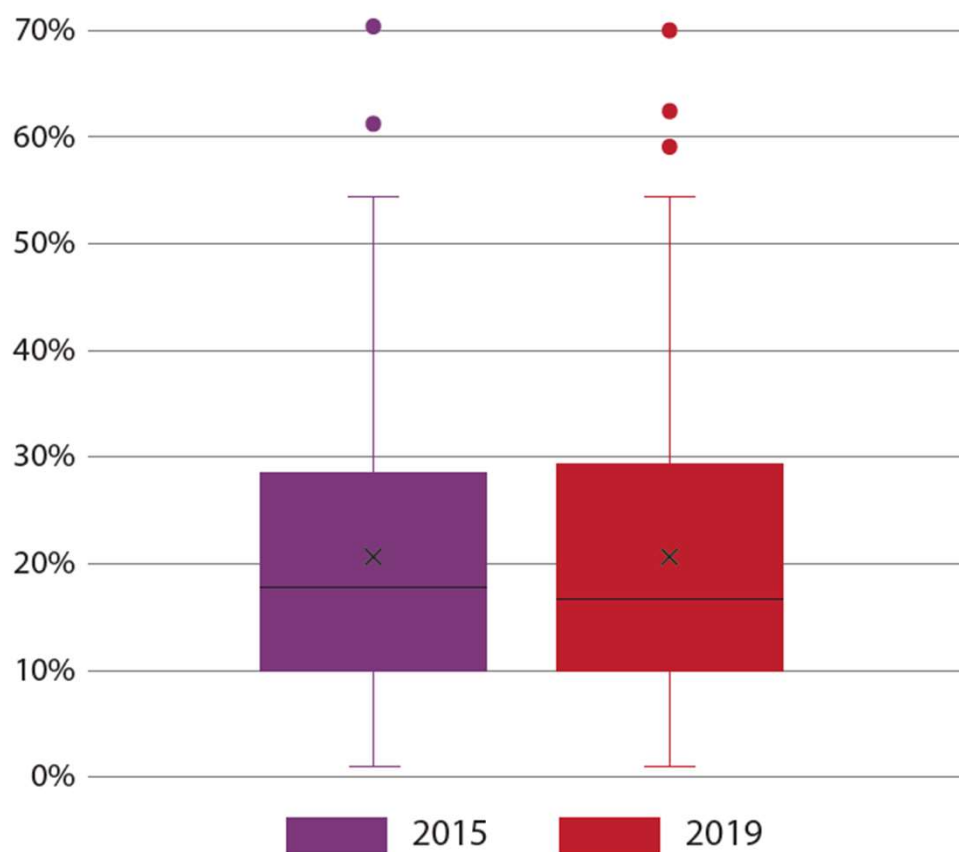
However sources of harmful tax competition, inefficiency and corruption

Some countries losing > 10% of GDP

Global min tax of 15% will mean many tax incentives may become obsolete as undertaxed income will be collected by HQ jurisdiction of in-scope MNE

Public Expenditure Tax Expenditures

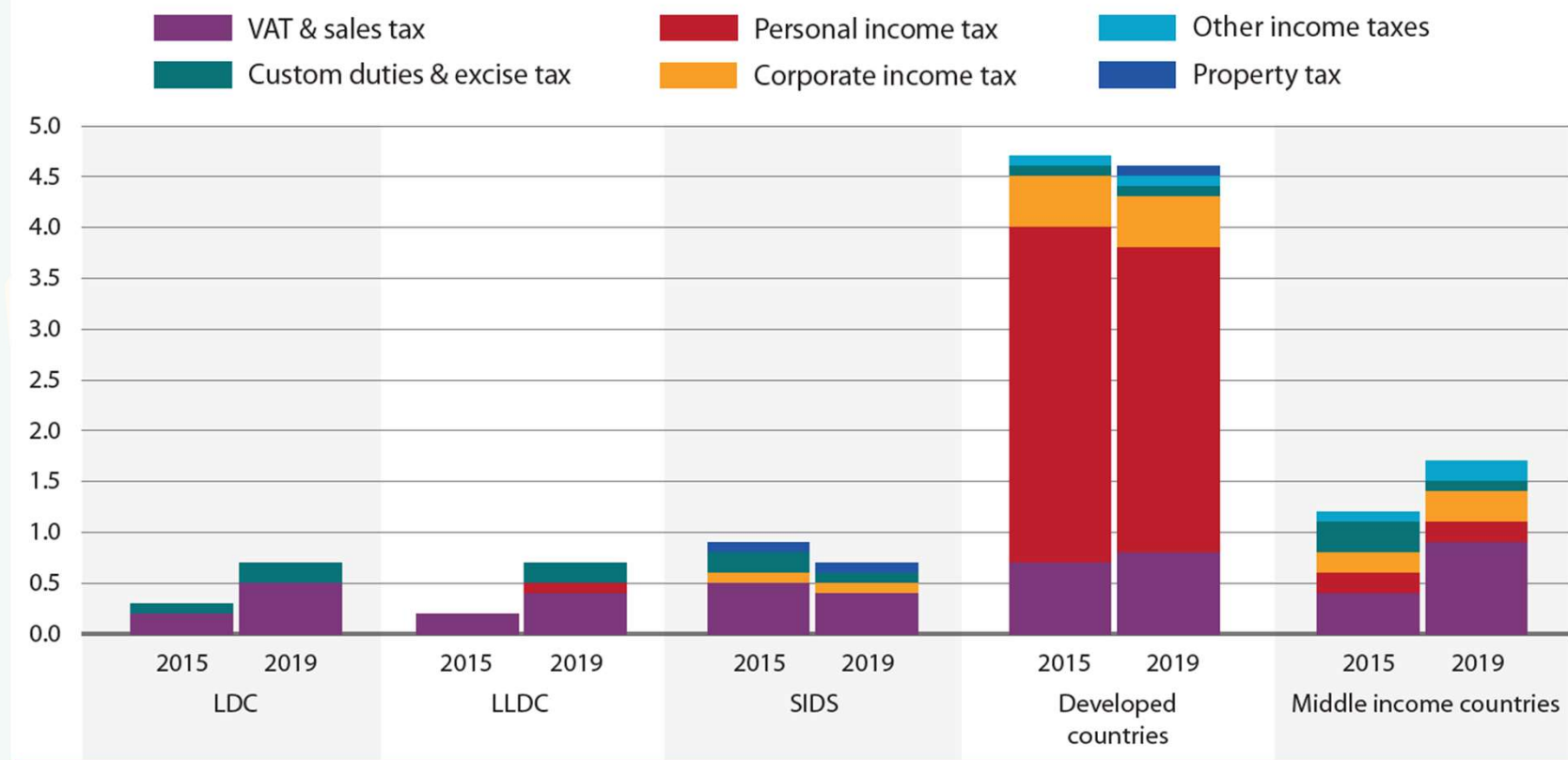
Figure III.A.7
Tax expenditures as a share of revenue, distribution, 2015–2019
(Percentage of revenue)



Source: UN/DESA calculations based on Global Tax Expenditures Database.

Public Expenditure Tax Expenditures

Aggregate tax expenditures, by country group, 2015–2019
(Percentage of GDP)



Source: UN/DESA calculations based on Global Tax Expenditures Database.

Tax Expenditures

What Countries Can Do

Initiate Domestic Min Tax of 15%

Review and remove all tax incentives to bring ETR of 15% across sectors

Provide revenue impact of tax expenditures

Regularly evaluate effectiveness of tax incentives and avoid permanent tax expenditures that are not aligned with the SDGs or tied to specific public policy objectives



Thank You!

natalia.aristizabalmora@un.org

Chowdhary@southcentre.int

THE SOUTH CENTRE

International Environment House 2
Chemin de Balexert 7-9
POB 228, 1211 Geneva 19
Switzerland
Tel.: +41 22 791 8050
south@southcentre.int

» FIND OUT MORE:

<https://www.southcentre.int>
<https://taxinitiative.southcentre.int>

» THE SOUTH CENTRE IN SOCIAL MEDIA:



[@South_Centre](https://twitter.com/South_Centre)



[SouthCentre GVA](https://www.youtube.com/SouthCentreGVA)

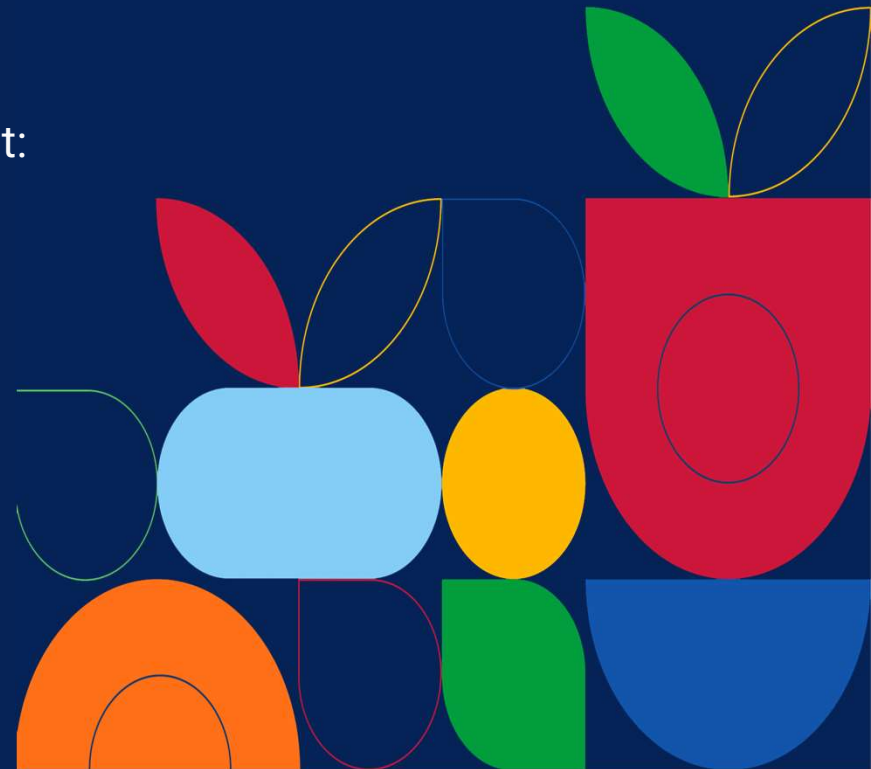


[South Centre, Geneva](https://www.linkedin.com/company/south-centre-geneva)



Integrated National
Financing Frameworks

You can access the full IATF global guidance on INFFs at:
<https://inff.org/inff-building-blocks>



Mr. Yanuar Nugroho

Expert Coordinator of Sustainable Development Goals (SDGs) National Secretariat at the Ministry of National Development Planning, Indonesia

**Presentation on the use of INFFs to advance the
SDGs, including reducing inequality, in an
ATI partner country**



IMPLEMENTATION OF INDONESIA'S INTEGRATED NATIONAL FINANCING FRAMEWORK (INFF)

Yanuar Nugroho

Expert Coordinator

National Secretariat for Sustainable Development Goals (SDGs) Implementation
Ministry of National Development Planning, INDONESIA

INITIATIVES IN SUSTAINABLE FINANCE

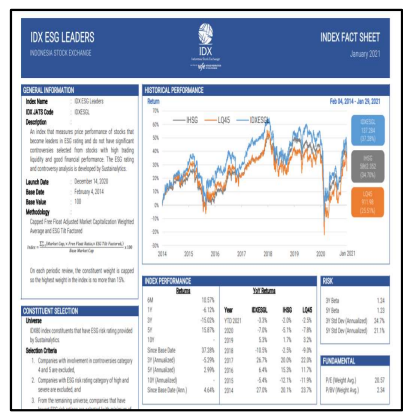
Sustainable Financing



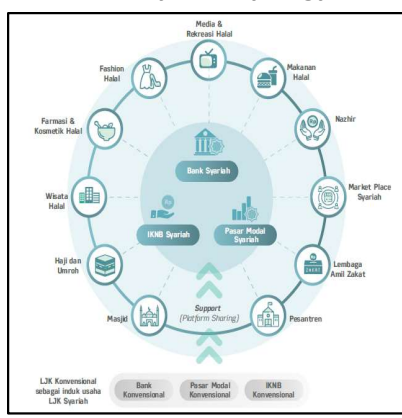
Green Taxonomy



IDX ESG Leaders



Sharia Ecosystem Synergy



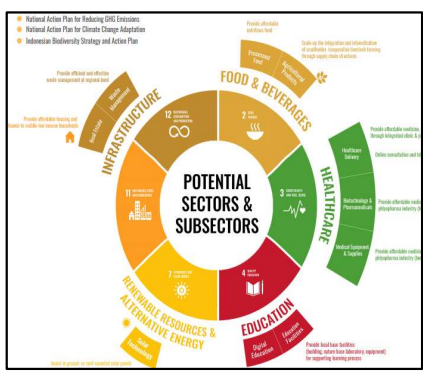
SDGs Bonds & Green Sukuk



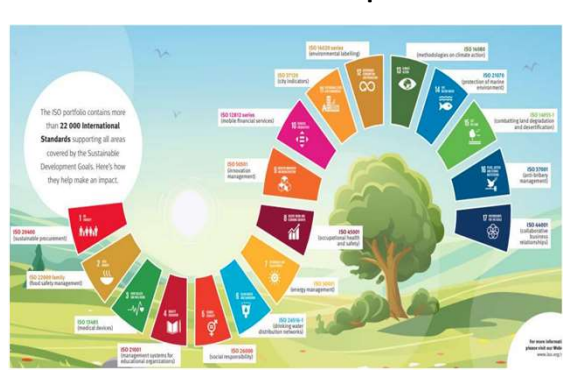
Indonesia Impact Fund



SDGs Investor Mapping



Standard For Sustainable Development & Better Life



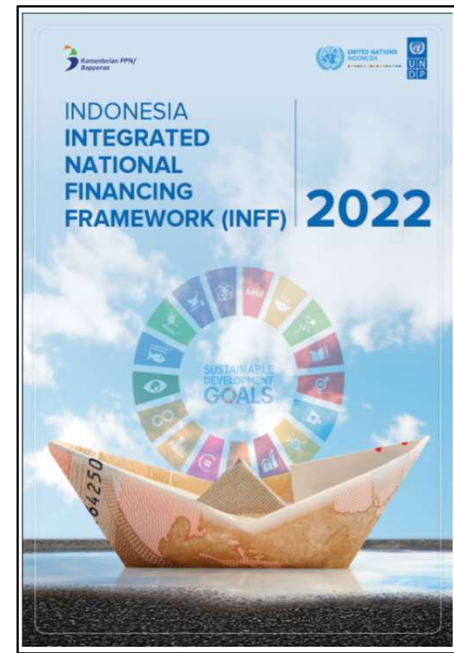
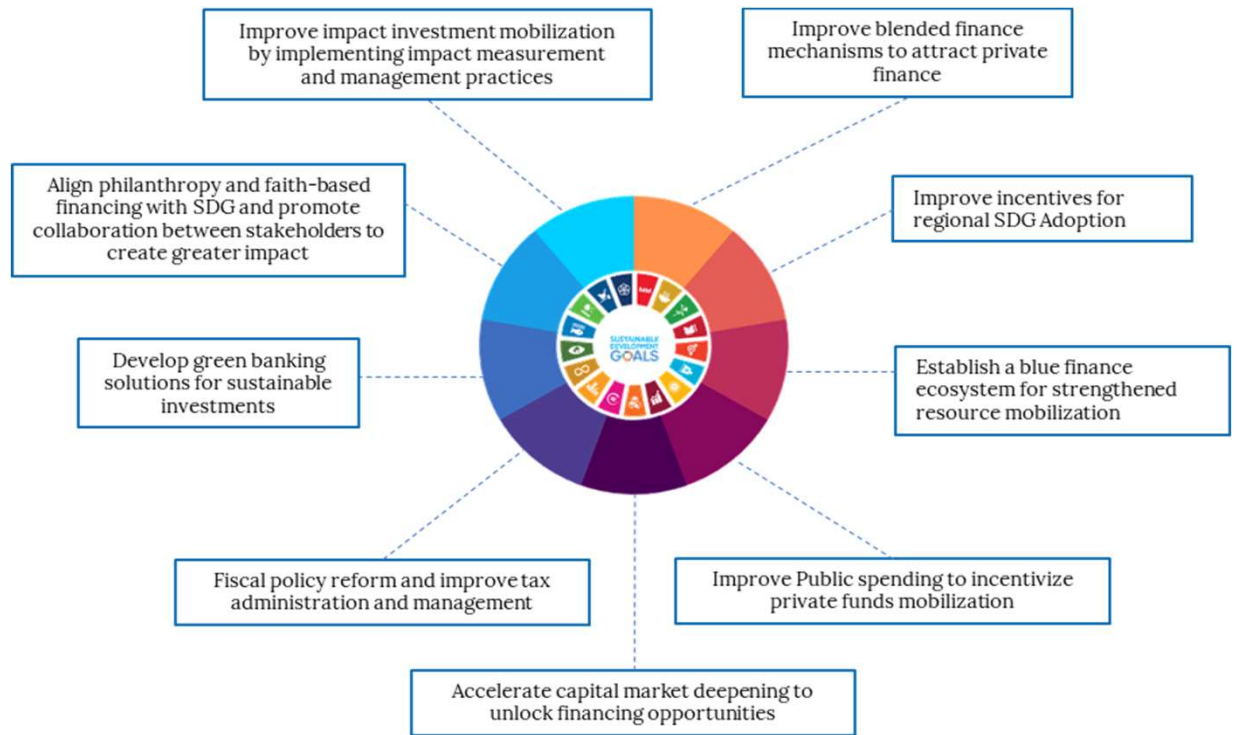
INTEGRATED NATIONAL FINANCING FRAMEWORK (INFF) UMBRELLA FOR STAKEHOLDERS TO SYNERGIZE EFFORT

FINANCING STRATEGIES OF INFF INDONESIA

INDONESIA INFF REPORT

INDONESIA VISION 2045

- SDGs provide a solid foundation for Indonesia going forward to 2045.
- Alignment of Indonesia's economic transformation with the SDGs begins in the 2020-2024 RPJMN.



- The implementation of INFF in Indonesia is supported by the issuance of Presidential Decree No. 111/2022 on the implementation of SDGs
- This Decree, among others, encourages innovative financing platforms for SDGs and emphasizes the role of stakeholders, both government and non-government, through the SDG National Implementation Team.

INTEGRATED NATIONAL FINANCING FRAMEWORK (INFF) IMPLEMENTATION - INSTITUTIONAL FRAMEWORK

Institutional Framework as Platform for Coordination

a. Facilitate a High-Level Meeting between key stakeholders; Ministry of National Development Planning, Ministry of Finance, Financial Service Authority and Ministry of Investment.

● Preceded with Financing Dialogues

b. Facilitate the establishment of a Technical Committee for INFF

● Engagement with thematic stakeholders in a financing dialogue

c. Provide technical support for the work of the committee in its first 12 months of operations

● UNDP along with other partners to support SDG Financing Hub as vehicle to operationalize INFF

d. Advocate the issuance of Ministerial Decree/Regulation on INFF operationalization.

● Identify entry point to formalize INFF governance

**Tax Revenue
(% GDP)**



2021

9,1

2022

10,4

2023

10,2–10,6*

ENABLING ENVIRONMENT: Underpinning Stable Growth



Consistent Budget Reform

- Budget reform as part of larger economic reform
- Tax base to be broadened from one reduce dependency on commodities
- Reduction in fuel subsidies and increase quality spending on productive sectors
- Prudent debt management

Tax Reform

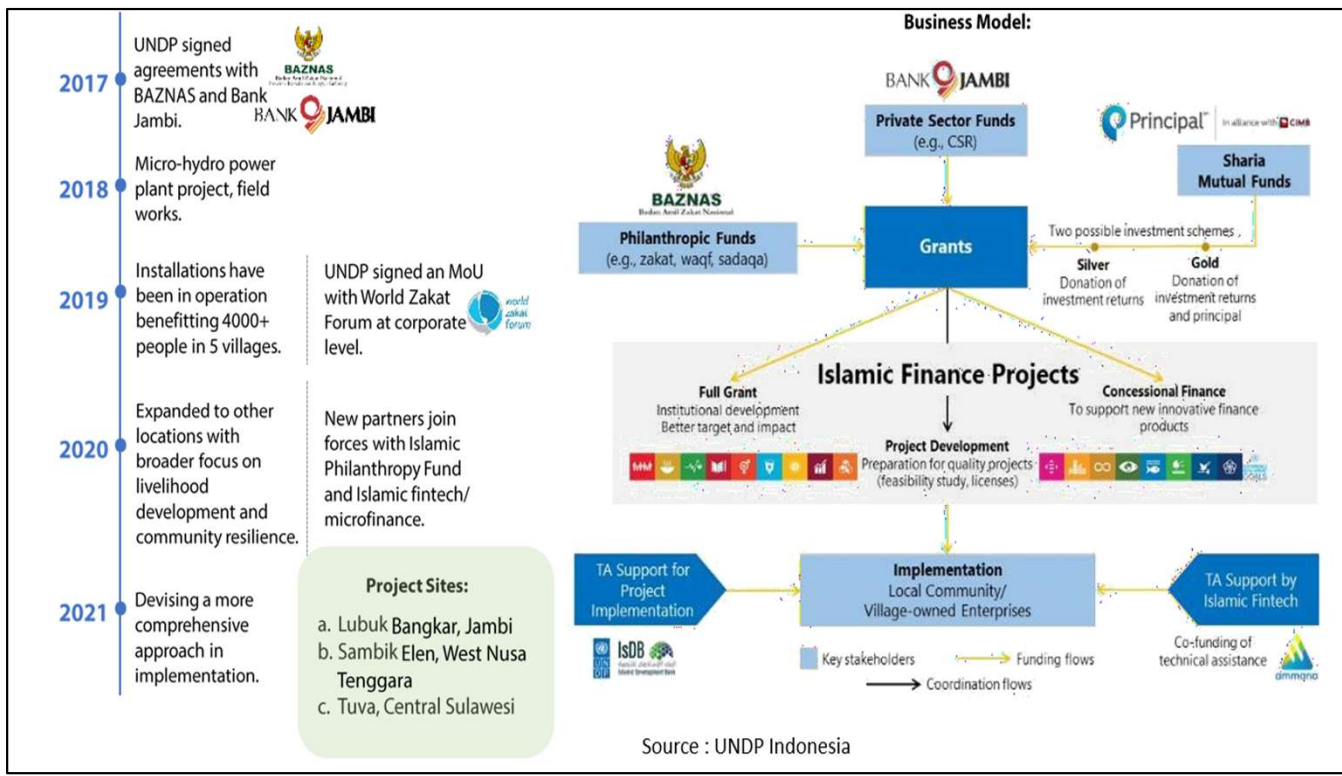
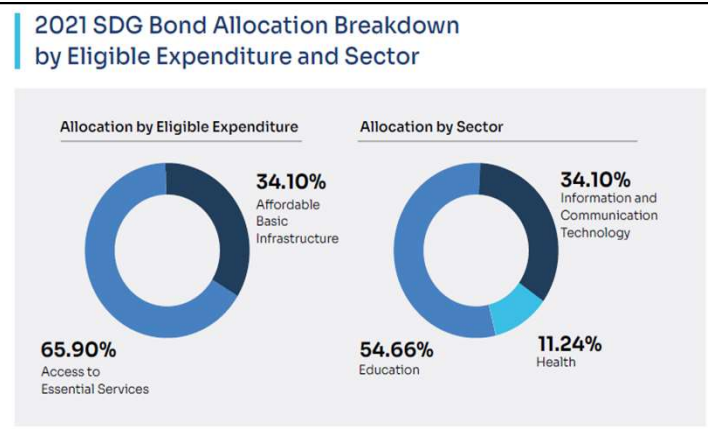
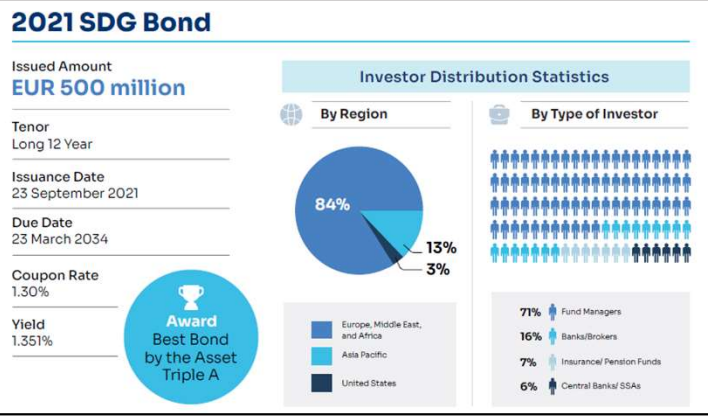
- Voluntary Disclosure Program has been running
- Value Added Tax rate increasing to 11% since 1 April YY
- Other policy changes to be anticipated:
 - Integration of ID number and taxpayer number
 - Strengthening excise mechanism
 - Income tax policy change
 - Introduction of carbon tax

Impact: Broadening the tax base, raising tax ratio, improving compliance, enhancing fairness, and supporting MSMEs.

* Target on the annual work plan

SDG BOND ISSUANCE AND BLENDED FINANCE TO ACHIEVE SDGs

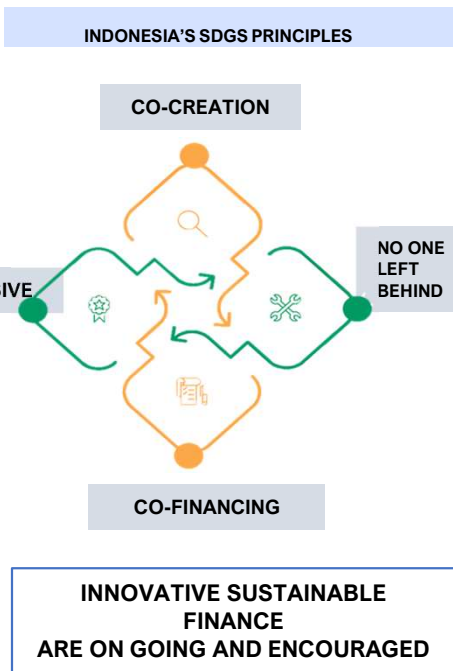
- The results of the SDG Bond issuance can be used to support all SDG goals in accordance with the National Development Priorities.
- Proceeds from the issuance of SDG Bonds in 2021 will be used to finance four different projects in three sectors under four ministries.



- The National Amil Zakat Agency (Baznas) and the United Nations Development Program (UNDP) work together to build a micro-hydro power plant (PLTMH). The power plant is located in Lubuk Bangkar Village, Batang Asai District, Sarolangun Regency, Jambi Province
- The micro-hydro was built through a blended financing mechanism system using funds from zakat – an obligatory payment for. It was the first SDGs infrastructure initiative that used funding from zakat. The village initiative was the second SDGs initiative using zakat managed by Baznas.
- Lubuk Bangkar Village's new PLTMH capacity reaches around 60 kW, which can provide electricity access to 283 residents' houses, 2 schools, 1 mosque, 4 prayer rooms, and other infrastructure.

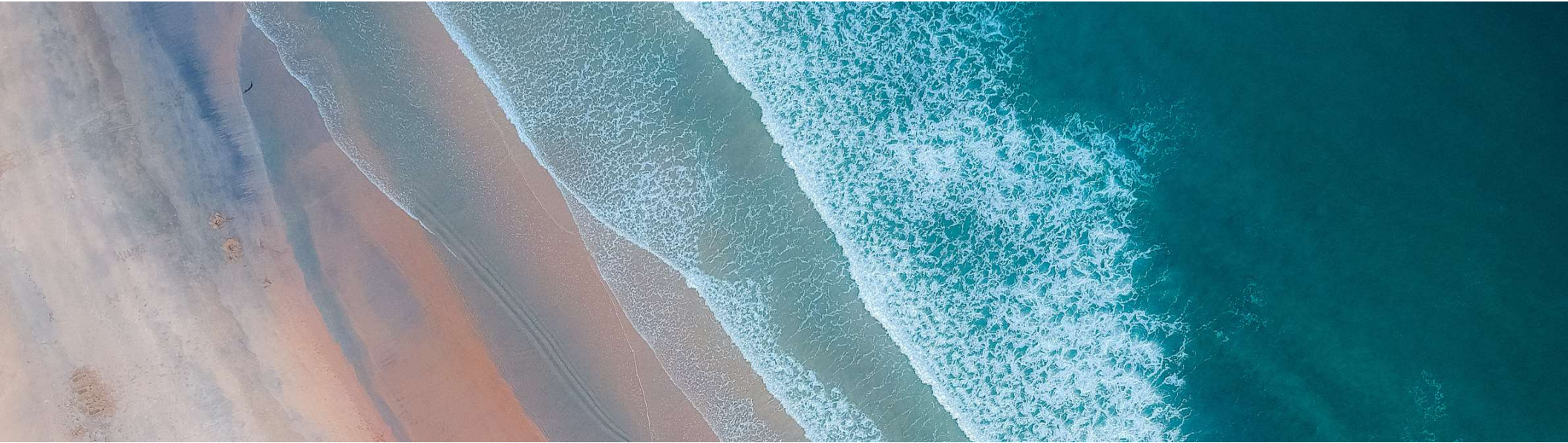
APBN (STATE BUDGET) AS AN INSTRUMENT TO ENCOURAGE SUSTAINABLE FINANCE

Indonesia Budget financing policies are directed at supporting expansionary fiscal policies through the development of innovative financing instruments that are managed prudently in order to maintain fiscal sustainability.



The issuance of Law Number 1 of 2022 on Financial Relations between the Central Government and Regional Governments on January 5, 2022 is momentum for reforming fiscal decentralization policies to improve its quality to be more equitable, transparent, accountable, and performance oriented in achieving equitable distribution of community welfare. The fiscal decentralization policy is implemented by strengthening the regional taxation system, minimizing vertical and horizontal inequalities, improving the quality of regional expenditures, and harmonizing central and regional expenditures.

- Pillar 1 :** Reducing horizontal and vertical inequality towards equal distribution of services and welfare
- Pillar 2 :** Strengthening local taxing power while maintaining the economy
- Pillar 3 :** Improving the quality of regional spending to make it more efficient, productive, and accountable
- Pillar 4 :** Harmonization of central and regional spending to achieve national goals



THANK YOU



SDGs National Coordinating Secretariat, Bappenas

Website : <http://sdgs.bappenas.go.id/>

Instagram : @sdgs_indonesia

Facebook : SDGsIndonesia

Twitter : @SDGs_Indonesia

Email :
sekretariat.sdgs@bappenas.go.id

ATI partner country, development partners and supporting organisations

All speakers

Open discussion



All participants

Q&A session



Ms. Chenai Mukumba
Acting Executive Director to Tax Justice Network Africa (TJNA)

Closing remarks

