



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Colombia

Reporting Period: 1 January - 31 December 2021

JP title: Roadmap for an Integrated National Financing Framework in Colombia

PUNOs: UNDP, UN-Women, UNICEF

Government partner: National Planning Department

Target SDGs: SDGs 1, 2, 3, 5, 6, 7, 8, 10, 13, 15, 16, 17

Gender Marker: 2

Approved budget: USD 971,828

Co-funding: USD 322,000

Total Disbursement by 2021: USD 971,828

Total estimated expenditures: USD 557,544 (est. Delivery rate: 57.4%)

Total estimated commitments (including expenditures): USD 646,529 (est. Committed rate: 66.5%)

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Executive Summary

1. SDG Budget tagging and SDG alignment. The JP developed an innovative and comprehensive methodology to align different funding sources to SDG targets, using a multidimensional approach. This methodology can be applied to public, private, and development cooperation financing.
2. The JP implemented the Policy Priority Inference (PPI) methodology. The model estimated that 43% of the analyzed SDG indicators would be achieved by 2030, with 16% additional targets that would reach their targets before 2040. To achieve the remaining 40% SDG indicators' goals, Colombia would need more than 20 years after 2030 if budget is not better allocated, and if the program design and implementation of some investment projects is not improved.
3. Private Sector strategies for SDG alignment: the SDG Investors Map and SDG Corporate tracker are the two main tools implemented in Colombia to strengthen private sector alignment.

- a. The SDG Corporate Tracker is a multi-stakeholder initiative aimed at gathering standardized information from the private sector regarding their SDG alignment. The initiative was jointly developed by the Colombian National Planning Department, the Global Reporting Initiative (GRI), and UNDP-Col. The platform launched in 2020, and as of December 2021, 672 organizations were registered in the platform, a 62% increment compared to 2020. Moreover, while 235 organizations were active in 2020, 511 were active in December 2021, representing an annual increase of 117%. During 2021, there were 25 workshops and seminars to increase the reporting base, with more than 500 companies reached by this outreach campaign.
- b. The SDG Investors Map received a further development in 2021. Colombia was invited as a participant in the November 2021 Geneva Finance Summit as a country with significant progress in SDG integration. As part of the Summit, UNDP-Colombia launched a call for nominations to private sector companies operating in the key areas identified by the Investors Map. 90 companies applied and 6 were short-listed.

Annual Progress

Overall JP self-assessment of 2021 progress:

Above expectations (expected results fully achieved and additional progress made)

Comments on self-assessment: During 2021, the JP made significant progress on SDG mapping and became a benchmark for other JPs. The JP developed, alongside the Colombian government, a methodology for SDG tagging of the national budget using a multidimensional approach. This methodology was shared with other country offices, including Ecuador, Peru, and Costa Rica. A guidebook outlining details of the methodology was recently developed and will be released in 2022.

The JP implemented the Policy Priority Inference (PPI) methodology and shared the results with the Colombian budget authorities, providing the analytical tools to devise future options for budget reallocation that would accelerate results in SDG. The JP supported all the activities undertaken by the Colombian SDG Steering Committee, harnessing this body to create awareness about the JP's results.

Overall progress and key developments to date (3 key JP milestones)

1. SDG Budget tagging and SDG alignment of Development Cooperation

The JP developed an innovative and comprehensive methodology to align different funding sources with the SDGs, using a multidimensional approach. This methodology can be applied to public, private and development cooperation financing. The SDG-alignment methodology has six (6) different innovations: (i) a multidimensional approach, (ii) alignment at the 169 SDG target level, (iii) SDG tagging of operational expenses, (iv) flexibility to use COFOG or local classifications, (v) implementation at any point of the budget cycle, and (vi) extrapolation to other fiscal years. Because of these innovations, this methodology has strong interest from different country offices regionally and in Asia, motivating the JP to draft a guidebook (to be released in 2022) and it is intended to increase capacity within the UN System.

The methodology developed by the JP was validated by the Colombian National Planning Department and the Ministry of Finance through 17 workshops and 36 work hours. These workshops not only strengthened the JP's role with the Government but were also useful to create capacity about the 169 SDG targets. Results from the methodology applied to the 2020 budget sparked interest from the Minister of Finance and the JP was requested to implement the same methodology to the 2022 budget. This request strengthened JP's link with the Ministry of Finance, leading to the signing of a Statement of Intent between the Ministry and the JP.

2. Implementation of the Policy Priority Inference (PPI) methodology to strengthen analysis of the 2030 Agenda based on current budget allocations.

The JP implemented the Policy Priority Inference (PPI) methodology at the capital city and national level. The results are condensed in the report “National Budget and SDGs in Colombia: Analysis of the 2030 Agenda using the Policy Priority Inference (PPI) methodology”. PPI is a computational model based on Bayesian networks and the principal-agent model, useful to predict convergence times of SDG indicators and estimate more-efficient budget allocations. The methodology integrated the SDG budget tagging performed by the UNDP component of INFF-Col. The model estimated that 43% of the analyzed SDG indicators can be achieved by 2030, with 16% additional indicators reaching their targets between 2030 and 2040. At the current pace of financing, the remaining 40% of SDG indicators would need more than 20 years if budget is not better allocated, and if SDG-related program design and/or implementation are not reviewed.

Through this model, the JP showed INFF’s Steering Committee a new set of convergence times, applying optimization rules for the budget allocation. To do so, the methodology identified the expenses associated with resource-elastic and inelastic SDG indicators. Taking funds from money-inelastic SDG indicators and allocating them to money-elastic SDG indicators, the model showed that 54% of the analyzed SDG indicators would be achieved by 2030, with 12% more before achieving their goals by 2040. This improvement would be achieved without an overall budget increase.

3. Private Sector strategies: SDG Corporate Tracker

The SDG Corporate Tracker is a multi-stakeholder initiative aimed at gathering standardized information from the private sector regarding their contribution towards the SDGs. The initiative was jointly developed by the Colombian National Planning Department, the Global Reporting Initiative (GRI), and UNDP-Col. The platform launched in 2020, and as of December 2021, 672 organizations were registered in the platform, a 62% increment compared to 2020. Moreover, while 235 organizations were active in 2020, 511 were active in December 2021, representing an annual increase of 117%. During 2021, there were 25 workshops and seminars to increase the reporting base, with more than 500 companies reached by this outreach campaign.

Changes made to JP: The JP updated the Pro-Doc to request a no-cost extension to the Joint SDG Fund. This updated Pro-Doc included 3 changes:

Expected Results: Outcome 2 was changed from “National SDG financing strategy implemented” to “National SDG financing strategy developed” [Emphasis added], following a suggestion from the Colombian NPD, because the JP cannot require the outgoing Government to implement a strategy (only suggest).

Workplan: 2 additional activities for Outcome 1. (1) RCO is implementing an activity focused on assessing productive-inclusion opportunities (SDG 1 and 8). (2) UNICEF is assessing the contribution of Family Compensation Funds towards SDGs.

Budget: 2 unexpected expenses. (1) INFF funded a national survey about the perception towards a tax reform in themes related to the SDGs. (2) INFF provided a loan to a UNDP-COL’s project focused on the Peace Agreement.

All these changes have strengthened the role of the JP with the Government, facilitating the discussions around the upcoming INFF.

Main Challenges: • MoF played an important role in supporting the implementation of INFF. However, tighter fiscal constraints due to COVID-19 and tax revenues led the MoF to prioritize other areas. To address this issue, the JP gave inputs for the designing of the last tax reform, including financial support for a national survey.

- There were increasing concerns about the DFA as another assessment without a real scope for implementation. The JP engaged members from the steering and technical committees to define specific topics to be addressed by the DFA that respond to the current needs of the Colombian Government.

- The 2022 Colombian presidential election is shifting government priorities. Uncertainties about medium-term priorities are in doubt (e.g. climate goals). To mitigate this, the JP scheduled quarterly committees during 2021, adjusting INFF implementation to these new priorities. Additionally, INFF-Colombia recently established a line of work to provide inputs for the next National Development Plan 2022-2026.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Previously Completed	Advancing (50-99%)	Emerging (1-49%)	Emerging (1-49%)	Previously Completed

Descriptions on progress by INFF building blocks

Inception Phase: The Inception phase is understood by INFF-Colombia as the preparations that country authorities have made in order to plan and prepare for the entire implementation of the JP. In that regard, the results of the inception phase include the implementation of the High Commission for the SDGs, a government commission with clear roles for involved ministries and whose technical secretariat is INFF-Col's main counterpart. During INFF-Col's inception phase, the strategy for INFF was agreed upon. This included establishing with government counterparts the composition of the UN-team that would lead the strategy. As a result, a Steering Committee and a coordination team were established.

In the first half of 2021, INFF-Colombia achieved an understanding with national budgetary authorities regarding current SDG financing. SDG alignment was adjusted based on counterpart's suggestions, thus creating a common framework around current SDG financing (BB1). Towards the 2nd half of 2021, INFF-Col achieved the milestone of creating a more defined engagement with the MOF through a statement-of-intent specifically tailored to increase buy-in from the MOF. The agreement outlines areas of work including a confidentiality agreement to share budgetary data.

Assessment & Diagnostics: During 2021, INFF-Col approached the 3 pillars of SDG financing (public budget, development cooperation, and private sector alignment), achieving total estimates of SDG financing for each. With regards to public SDG financing, INFF-Colombia estimated it at US\$56 billion (20.6% of GDP) for 2020, while development cooperation SDG financing was estimated at US\$1.67 billion for 2020. Private sector alignment was harder to estimate given that UNDP set up (along with GRI global institute and the DNP ministry in Colombia) a voluntary mechanism for private sector stakeholders. As such, SDG-Corporate Tracker was able to capture an estimated US\$10 billion from 141 companies that reported data.

In addition to a map of SDG financing, in 2021 INFF-Colombia concluded the implementation of two studies that delve into the historical and prospective of SDG financing towards 2030. This was achieved through the implementation of the Policy Priority Inference (PPI) methodology, in partnership with the Alan Turing Institute. The methodology forecasts SDG results based on current SDG financing using a Bayesian model. As a result, INFF-Colombia found that more SDG financing will not lead to higher results in SDG indicators, given program bottlenecks in design and implementation, which highlights a missing element in the INFF strategy: efficiency of public spending, as opposed to more financing.

With regards to the private sector component of BB1, INFF-Colombia further linked the SDG Investors Map with concrete initiatives to foster private sector alignment to SDGs. Specifically, the Growth Stage Impact Ventures launched a call for nominations to select companies implementing sustainable models (see <https://www.sgsgeneva.org/page/1855758/gsv-colombia>). As a result, the SDG Finance Summit in December 2021 featured an entire section devoted to showcasing the integrated approach to SDG finance through both government and private sector stakeholders in Colombia.

Financing Strategy: BB2 has not been fully implemented in Colombia. BB2 is closely tied to DFA. Despite this, the PPI methodology builds a bridge between BB1 and BB2, specifically by looking into the projections of actual spending or prospective of SDG results based on current financing. The methodology sheds light on the need to strengthen program design and implementation, more than simply increasing overall financing. Based on this INFF-Col is awaiting results of DFA implementation to fully engage with the government in designing a financial strategy.

Monitoring & Review: INFF-Col has not yet delved into BB3. However, the government of Colombia with support from UNDP put together an SDG-website to showcase progress in SDGs. The website is www.ods.gov.co and it is updated on a quarterly basis to display VNRs, LVRs, and other SDG-related activities. Once INFF-Col enters BB3 towards Q3-2022, we will advocate for a more integrated monitoring that includes development cooperation and private sector strategies to align to the 2030 Agenda.

Governance & Coordination: In terms of the JP's Governance Committee, it is chaired by the MOF, National Planning Department, and INFF-Col. The JP's Governance Committee is indeed embedded within an existing governance structure, specifically the High Commission for the SDG that groups several Ministries in charge of SDG themes. The National Planning Department is Colombia's technical secretariat for the High Commission for the SDG and also INFF-Col's main counterpart.

In terms of BB4, INFF-Col has not yet delved into it. However, COL's High Commission for the SDGs was created in 2015 and has clear guidelines and assigned roles and responsibilities. The existence of the Commission for the SDG has facilitated in many ways the adequate implementation of INFF-Colombia. Without it, progress in INFF implementation would have been much slower. Having a clear government office in charge of technical affairs for SDG implementation, which is part of BB4, has been essential for BB1.

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

Unfortunately, COL's JP has not aligned with local SERP strategies. INFF-Col was designed to monitor SDG financing in all SDGs, with a focus on gender and childhood expenditure. However, given that financing for recovery responses are visible in the government's budget, the UNDP component of INFF-Col did the SDG tag of the budget lines related to the recovery response, and has tracked its evolution from 2020 to 2022.

Overall, COVID-19 has increased workload for the GoC, delaying commitment to the program. As a corrective measure, the JP supported the Government with selected strategic activities, such as the 2021 VNR.

How did the JP apply the Gender Marker

The JP in Colombia has a dedicated gender output within the program to support the government in having a credible analytical framework for financing SDGs and gender gaps. To improve the average gender marker, integration of gender analysis will be considered throughout the program, as well as in the constant monitoring of targets, to comply with the newly assessed gender matrix (see Annex 5). In order to further strengthen the gender component, a specific gender communications plan was implemented and delivered in 2021. This included producing SDG-financing related infographics to key stakeholders in CSOs, to increase awareness, engagement, and action to reduce funding gaps.

Estimated % of overall disbursed funds spend on gender: 20%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

In 2021, and thanks to a thorough map of SDG Financing obtained during the implementation of SDG budget tagging by INFF-Col, Colombia has clear picture of the financing of SDG 16 and its three components: peace, justice, and solid institutions. Details of the financing for SDG 16 will be made available in Q1 of 2022 by the JP. Also, and as part of the integrated approach to overall SDG financing, INFF-Colombia measured incoming international financial support for migrant programs in SDG 10. Additionally, INFF-Col provided insights to ILO's capacity development office to understand the financing of decent work in Colombia, focusing on methodological approaches to identify public financial support. Finally, in 2021 INFF-Col initiated a cross-cutting analysis of the coherence of development projects in support for SDG 8 and 1.

How did the JP work to build ownership and buy-in of key stakeholders

In late 2021 INFF-Colombia received the government signature of a Statement of Intent that provides guarantees to the MOF of confidentiality of budget information and provided an overall roadmap of collaboration between the JP and the MOF. As a result, the JP has seen an increased interest from the MOF in data-sharing. A concrete action in that regard was the request by the MOF to align the new 2022 budget to SDGs through budget tagging.

As part of the implementation of INFF-Colombia, the JP established in 2021 a line of work with the National Planning Department, to increase long-term ownership of INFF strategies, and specifically devoted to do SDG tagging of the government catalog of investment projects, with the aim of establishing SDG goals within deliverables of the government. This would increase the automation process of SDG budget tagging.

During the validation process of the SDG budget tagging with the national government, the JP jointly reviewed the top 10 for each of the government's 30 sectors, or roughly 75% of the 2020 budget. In late 2021, the MOF informed the JP of their willingness to review 100% of the SDG budget tagging. This is a sign on increased ownership.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

- With the participation of UNWomen in the JP, Gender has a detailed programmatic focus with specific deliverables and initiatives, all of which are addressing gender gaps.
- Unicef's participation in the JP is addressing the mapping of SDG financing for Childhood.
- The SDG financing picture implemented in 2021 does not have a focus on particular SDGs and has a cross-cutting approach to SDG financing and its monitoring. However, SDG targets 17.13 (and specifically indicator 17.13.1) received special attention given the results of the mapping of SDG financing. Further breakdowns of thematic financing are available upon request, and the JP will present the government with more thematic breakdowns of SDG financing in 2022.

JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)

- The SDG Fund's indicators have a different nature than those established for the JP. Specifically, the SDG Fund's indicators are impact indicators, as opposed to a monitoring and evaluation framework. As such, the end impact that the SDG Fund's indicators are trying to measure (e.g. US\$ mobilized and financing strategies implemented) will only be measurable after completion of the current round (2020-22) of SDG financing for C1.
- From the perspective of global outcome 4 and understanding a financing strategy as having two components (previous diagnostics and a mobilization strategy), in 2020 INFF-Col strengthened the measurement of all 3 pillars of SDG financing: public, private, and development cooperation. All three components were addressed, leaving road to cover in 2022 for the financing strategy.

Progress against JP-specific outcomes

- SDG budget tagging and SDG Alignment.
 - o Public SDG Financing: The implementation of INFF-Col led in 2021 to a thorough mapping of SDG financing from the public budget. All budget lines for the 2020 national budget were SDG tagged. The SDG mapping for the national budget for 2020 included government validation and multiple rounds of outreach with other UNDP country offices.
 - o SDG Alignment of Development Cooperation. The approach to mapping overall SDG financing in Colombia included an SDG alignment of all development cooperation projects, with its two components: multilateral loans and non-reimbursable (donations and technical assistance). Additionally, INFF-Colombia supported the APC, the government entity in

charge of the monitoring of non-reimbursable projects, in strengthening the monitoring and visualization of SDG-aligned development cooperation.

- Analytical evidence of the challenges of SDG Financing. As part of the analytical tool that will allow INFF-Col to bridge between the JP's outcome 1 (mapping of SDG financing) and outcome 2 (financing strategy), the Policy-Priority Inference Model (PPI) methodology provided solid quantitative evidence that more resources for SDGs will not lead to more results without a deep analysis of program design or implementation.
- Outreach and mobilization of stakeholders. INFF-Colombia mobilized the Colombian MOF towards INFF frameworks through the signature of a Statement of Intent to increase engagement; INFF-Colombia developed outreach activities with the local office of the World Bank, and the HQ office at the IMF that oversees PFM topics in Colombia; INFF-Col provided a peer-learning event through Joint SDG Fund coordination.

Progress against JP-specific outputs

INFF-Colombia completed a financial picture of current SDG financing, through SDG budget tagging and SDG alignment.

INFF-Colombia devised a specific methodology for assessing financial support to SDGs, in all 3 pillars of SDG financing: a common methodology for public SDG financing and development cooperation was developed, while the SDG-Corporate tracker was strengthened by increasing the reporting base.

INFF-Col implemented the PPI methodology, allowing a better understanding of current financing and the obstacles that SDG financing will capacity to achieve the 2030 Agenda

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

INFF-Colombia has provided a platform of conversation to involved agencies around SDGs and their financing. Previous efforts to monitor thematic SDG financing were reviewed and contrasted with the picture of SDG financing produced through the UNDP component of INFF.

Specifically, in 2021 there was a request from government stakeholders to the local office of the European Union to strengthen the catalog of deliverables for investment projects to include gender-specific products. The Delegation of the European Union quickly got in touch with the JP to ensure that no duplicities were occurring. UN Women and UNDP were able to quickly react to streamline efforts. More generally, joint collaborations through the JP pointed to potential opportunities to strengthen the existing gender budget tag.

On another instance, UNICEF could not get a hold of MOF officials involved in conversations around child budget tagging for operational expenses. UNICEF and UNDP joined efforts to understand the blockage in communications and (lack of) involvement. Through the counterparts of the JP in the MOF, both agencies understood that MOF officials were unwilling to proceed because of the difficulties of incorporating this new budget tag into MOF's platform and the lack of policy prioritization that removes the legal obligation to create a new budget tag.

The JP, through UNDP's component also provided financial support to an RCO-lead project to review the UN system-wide approach to productive inclusion projects (related to SDG 1 and 8) in Colombia. The objective of the project is to review and streamline UNCT efforts and increase coherence amongst agencies around the topic of productive inclusion.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

As part of implementation of INFF-Col, the Colombian government requested support to draft and link to civil society the 2021 Voluntary National Review (VNR).

INFF-Colombia reached out to multiple private sector stakeholders to advocate for the inclusion of more companies reporting in the SDG-Corporate Tracker, information which was included in the National Voluntary Report of 2021. Also, and as part of the global initiative GSIV and the 2021 Geneva Summit, INFF-Colombia took the SDG Investors Map a step further with a call for nominations to highlight companies operating in the key areas identified by the Investors Map, with more than 90 companies presented by 60 nominators (private equity funds, accelerators, government).

With regards to IFIs, INFF-Colombia reached out to the local office of the World Bank, SECO, and the EU, in order to explore areas of joint interest and possibilities for streamlining efforts. Multiple technical roundtables led to a more strengthened coordination with the EU to avoid duplicity with local EU initiatives.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	No

Comments on additional financing secured: As part of implementation of INFF-Col, the Colombian government requested support to draft and link to civil society the 2021 Voluntary National Review (VNR).

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JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Organized in 2020	No	No

Number of strategic documents produced by the JP: 6

Number of strategic documents contributed by the JP: 1

Number of communication materials produced: 24

2022 Plans & Way Forward

JP priority activities & expected results for 2022

Priority Activities for 2022: INFF-Col will engage with government stakeholders to design a financing strategy and a monitoring platform for all sources of SDG funding. Specific activities will include SDG costing revision, an inventory of best practices in SDG implementation and financing, multiple Steering Committee meetings to provide

inputs for the current administration to assess progress in SDG, and delivery of inputs with regards to SDG financing to the incoming administration, among others.

Expected outputs for 2022: Analysis of current gender-related financing; analysis of current childhood-related financing; DFA analysis, inventory of ongoing budget tagging initiatives; and an analysis of future SDG financing options through innovative finance mechanisms, among others.

Expected outcomes for 2022 will be to achieve a long-term financing strategy for the SDG and the integration of the monitoring of all SDG financing into a platform for the government to monitor.

3 major transformative results that will be achieved by the end of the JP

1. SDG budget tagging and SDG alignment. The SDG budget tagging exercise has sparked interest from government to incorporate it as a gateway to strengthen outreach and communications of budget details to the public and civil society using a non-technical language. The SDG alignment of development cooperation and private sector stakeholders will allow a bigger base of SDG financiers.
2. Financing Strategy. The JP in Colombia expects the INFF financing strategy to (i) prioritize SDG themes; (ii) revise existing costing strategies; and (iii) introduce innovative financing mechanisms to trace a roadmap for 2030.
3. Strategies to strengthen SDG financing in gender and childhood. By the end of the implementation of the JP, a more thorough picture of gender and childhood financing are expected, including a proposal to accelerate financing and results in both themes.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Advancing (50-99%)	Emerging (1-49%)	N/A