

2023 SUN Finance Framework Pilots Briefing Note

Summary

At the start of the SUN 3.0 Strategy (2021-25), the SUN Executive Committee set up an Operationalization Group, which developed a set of [13 recommendations](#) to identify and address the most urgent issues of accountability, governance, and delivery for the Movement. These recommendations and the details of their specific outputs were endorsed by the SUN Lead Group in September 2021 and disseminated to the broader Movement for implementation. Three of these recommendations focused specifically on better understanding and prioritizing financing issues.

Recommendation 10: As a prerequisite to any measure in fulfillment of the finance priorities of the SUN 3.0 strategy, the Lead Group agreed that it will ensure finance and investment are: (1) prioritized across the SUN Movement; (2) a top priority for high-level outreach and advocacy; and (3) are coordinated in a way that brings a unique focus to supporting countries to create investable nutrition business cases that secure and leverage funds from global and domestic resources for programmes and platforms. The Lead Group, ExCom, and the SUN Movement Coordinator are to be held accountable by Movement members for prioritising finance and investment outcomes.

Recommendation 11: Deciding from three proposed options to facilitate an effective, transparent, and dedicated finance capacity development platform, with dedicated finance training, technical assistance (TA), internal and external expertise, and funding – to allow countries to tailor, implement, renew, and sustain new and innovative financing; foster cross-country capacity development.

Recommendation 12: Endorsing the proposed staged framework to be piloted in a group of countries that aims to provide best practices and models for other countries and create a virtuous cycle of finance in countries by allowing for: better use of existing finance, leveraging additional financing, and notably piloting innovative financing. The Lead Group requested the SUN Donor Network to fortify its coordination role to facilitate this work in-country. This means actively supporting the pilots, including through leveraging existing initiatives.

This concept note describes the design and process for piloting the staged framework (also referred to as the SUN Finance Framework) in initially three SUN countries, with the objective to demonstrate the added value of the multi-stakeholder or transversal development approach to ending malnutrition, as opposed to the single implementing partner or vertical development approach. The pilots will thereby showcase the added value of combined and concerted action

from national networks and the Global Support System (GSS) for optimizing the use of existing resources and increasing the available domestic and external resources in a country.

What is the SUN Finance Framework?

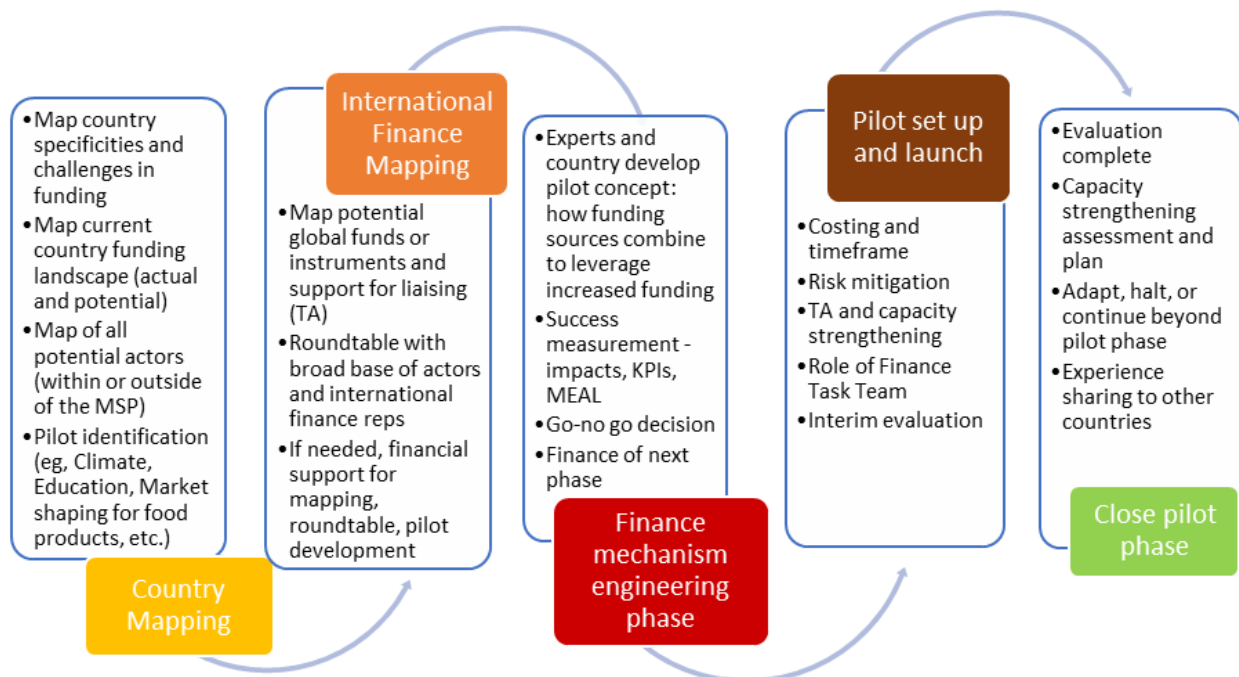
In the SUN 3.0 Strategy, the issue of nutrition financing receives increased attention and emphasis, compared to the previous strategies. Recognizing the limitations of individual nutrition financing interventions operating in isolation, the SUN 3.0 Strategy therefore calls for a more holistic and systematic approach to financing, herein referred to as the SUN Finance Framework.

The SUN Finance Framework is a structured and intensive approach to support SUN countries to optimize the use of existing funds and enable access to additional sources of financing for nutrition through collective action by the national networks and Global Support System (GSS), aligned with national nutrition and national development plans. As per the guidance of the Lead Group, the active engagement of donors and other finance partners, both at the national and from the global level, will be critical for the success of the effort.

The Finance Framework pilot aims to create a virtuous cycle of finance in countries by developing the investment case for:

- **Better use, alignment, and disbursement of existing financing**, to increase the coverage of nutrition-specific interventions; to capitalize on all opportunities to strengthen nutrition outcomes through nutrition-sensitive action in other sectors; and to create the enabling environment that will sustain effective accountability in the multisectoral coordination and governance mechanisms for nutrition between countries, regions, and global stakeholders
- **Leveraging financing from all sources** to each country's prioritization of interventions to maximize the impact of national development and nutrition plans
- **Designing and implementing innovative financing** including public-private partnerships and market-based solutions

Finance Pilot Cycle



Source: Ops Group Report (2021)

Aligned with the Finance Pilot Framework, the pilots will start with a call for expression of interest by SUN countries, followed by a self-assessment process and expert-supported analysis from SUN stakeholders and partners to:

- Identify specific areas for improvement in the better use of existing nutrition financing (improved allocation and flow of funds);
- Identify untapped, realistic opportunities to leverage additional financing (internally generated sources and external funding from nutrition-specific and nutrition-adjacent sources); and
- Identify potential value propositions for introducing innovative financing, defined expansively as any funding flows outside of a typical donor system of grants (eg, results-based financing mechanisms, blended finance or other public-private partnerships to de-risk investment in nutrition, among others).

What are the phases of the pilot approach?

- **Initiation** of the process by countries interested in prioritizing finance issues through more concerted collective actions
- **Engagement** of key stakeholders, led by the SUN focal point, with appropriate representation from the Ministry of Finance, other coordinating and development ministries, the national donor network, and other national

networks active in the country (civil society, academia, businesses, UN agencies), and the Global Support System.

- **Mapping and Diagnosis** of the national systems for nutrition finance, relevant details of the country context and challenges in the availability of financing (domestic and external), the use of existing funding, and potential new sources of financing, including other finance actors (available in-country and externally).
- **Development of solutions** to address funding gaps through 1) optimizing the use of existing resources and 2) the mobilization of new resources, including through innovative approaches. This will include the development of clear national success criteria for the proof of concept of the pilot.
- **Implementing the planned solutions**, amplified by advocacy across the Movement, including the SUN Coordinator, ExCom, and Lead Group Members.
- **Internal Review** and learning from the process against success criteria to inform future engagement in the country and potential models for other countries. The internal review will also consider whether phases of the approach may need to be modified, including the time needed to successfully complete the pilot objectives.

Value Proposition for SUN Countries

Although the national networks and GSS support all 65 SUN countries and 4 Indian states, support is often constrained by the availability and bandwidth of different stakeholders. This financing framework aims to deliver planned, collective intensification of efforts by all stakeholders in a deliberate and time-bound manner to achieve greater results.

The piloting of the framework in three countries with different geographical, political, and socioeconomic contexts will inform the utility of the framework in a differentiated way in all interested SUN countries.

The added value of participating in the Finance Framework Pilot is an increased level of engagement from all stakeholders, a commitment to holistically analyze the entire nutrition financing system, to identify priority areas for resource mobilization, and more targeted advocacy from the SUN Movement to address each pilot country's priorities, needs, and objectives.

Prerequisites for participating in the Finance Framework

The following prerequisite criteria have been identified to provide a solid foundation for action and learning:

1. **Commitment from the SUN FP and MSP to implement the pilot:**

To implement the systemic analysis and actions required to address a country's nutrition financing gaps and challenges, the MSP, under the leadership of the SUN Focal Point, has a primary role to play.

2. Costed national nutrition plan:

Each country's finance needs also should be understood in the context of a costed and prioritized, multisectoral national nutrition plan. This is necessary in order to identify specific funding gaps and identify potential funding sources. For this reason, participation in the pilot requires that the country either already has a costed national nutrition plan to work with, or will use the pilot process to develop that costed plan.

3. Experience with tracking nutrition expenditures:

It is also important that the country has visibility into the flow of funds for nutrition across sectors, to understand how potential resources can be optimized in national systems. Participation in the pilot therefore requires that the country has some recent experience with resource tracking, either for domestic or external planning and expenditure of nutrition resources.

4. Active Donor, UN, and Civil Society networks:

The Finance Framework requires all SUN stakeholders to work together under the country's leadership to address the full scope of nutrition financing needs. For this pilot, participation requires that the SUN Donor Network UN, and Civil Society networks are present and active. Where possible, the pilots should be linked to already ongoing or planned relevant initiatives.

Implementation of the Finance Framework

1. Engagement: Establishment of a National Working Group

With the prerequisite criteria in place, the first step in implementing the Finance Framework is for the SUN Focal Point to establish a national working group under the MSP to lead the implementation of the pilot. This group should include representatives from the ministries, departments and agencies with specific activities in the national nutrition plan and budget, including the Ministry of Finance, as well as representatives of the SUN national networks.

It is important that representatives either already have or can access information about the history and current status of implementation of nutrition interventions in their sector. This includes information about the predictability and timeliness of disbursements for activities. Some questions and points to raise by the different stakeholders include:

- Are delays or shortfalls in disbursements common problems, and how have they affected the progress of implementation? (All)
- Are there particular challenges associated with funds from the treasury, from donors, or other sources? (All)
- What are potential financial challenges or bottlenecks? Can you advise on the feasibility of any proposed solutions (Ministry of Finance)
- What are programmatic issues from the perspective of beneficiaries, including community monitoring? What kinds of citizen advocacy is needed with parliamentarians and other decision makers for increased domestic funding (Civil Society representative)
- What is needed to ensure good coordination and alignment across in-country agencies and donor delegations and what are planned, upcoming, funding opportunities within the timeframe of the pilot (UN and donor representatives)

Answering these questions will help to identify systemic challenges which could be better addressed in making the case for increased investment and results.

2. Mapping and Diagnosis

With the national working group in place, the first deliverable is a mapping of both existing and potential financing sources and mechanisms for nutrition. With an indication of available government funds from the Ministry of Finance, and a summary of external funding commitments from the UN, INGOs and donor networks, the group will start by mapping out the funding gaps in the costed national nutrition plan, by sector and by population geography (as relevant) in order to determine which additional sources of funding could be proposed.

The Ministry of Finance has an important part to play in this deliverable by providing context on the country's debt portfolio. Some questions to answer include:

- What is the current debt service ratio?
- How much additional indebtedness is possible or desirable for increased investment overall in the current political environment?
- What scope of additional concessional debt is feasible for nutrition?
- What opportunities are available, or currently underway, for debt consolidation or forgiveness?

During this stage, the group should also consider whether there is any additional information or support from the GSS, specifically the global donors, INGOs or international/regional development banks or other SUN Finance Community of Practice partners or the new SUN Finance Capacity Development Platform (FCDP),

that could assist in completing the mapping exercise and request engagement via the SUN Focal Point.

3. Developing and implementing solutions

After identifying the priority areas in need of funding from the costed national plan and potential funding sources to address them, the national working group will then need to consider any feasible efforts to optimize the use of existing sources as well as develop a roadmap that outlines the steps for accessing new funding from available sources. Funding optimization considerations may include changes in the budget allocations for different interventions within sectoral budgets, such as identified through use of the World Bank Optima Nutrition tool. Other considerations may also include policies and bureaucratic processes or insufficient human resources involved in the administration of funding, which may be contributing to delays in the release of funds to implementers.

For proposed increases in domestic resources from different sectoral or local government budgets, the government representatives in the national working group will take the lead on mapping out the necessary steps. These could include new funding requests to be incorporated into the upcoming national budget cycle, as well as proposed policy or regulatory changes to open up new avenues of funding or cooperation. Government representatives would advise on which nutrition components could command greater shares of the budget in the next cycle, and the kinds of analysis and advocacy that would be needed to justify these increases.

For potential external funding sources, the donor and UN representatives in the national working group would advise on the funding availability and proposal development processes needed to work with in-country donors, UN agencies and INGOs to access locally administered external funds. The global SDN members, as well as other relevant GSS members, should play a key role to ensure close collaboration and exchange between local and global donors, including to solicit information, and provide guidance and assistance in determining the scope, proposal development processes, and timelines needed to apply for additional funding to address the priority gaps in the national plan. Consultations can include the organization of targeted donor roundtable discussions. If there is a SUN business network in the country, that representative would also advise on engagement with potential private sector funding sources, and any policy or regulatory barriers that may be impeding investment, from the private sector perspective. The exercise will also include the development of clear success criteria for the pilot approach, supported by MEAL experts in the country and if necessary from within the GSS.

Support for the development of the roadmap should primarily be sought from the national and local networks and partners, donor representatives and the Finance

Capacity Development Platform (FCDP). The wider GSS will be expected to step in where no other support is available. Support from the GSS could include, but would not be limited to, information sharing, data collection and analysis, proposal development, and advocacy for policy reform and resource mobilization at all levels. By situating these various technical assistance requests in the context of the broader roadmap, the case for donors and other technical assistance providers to prioritize these requests becomes much stronger. While additional external funding or TA cannot be guaranteed, all levels of the SUN Movement will commit to providing all available support to these pilots and working creatively together to find solutions.

4. Internal Review and Scale-Up

By identifying a diverse group of pilot countries in the first round, it is anticipated that the added value of the investment case, including a set of good practices and lessons learned will emerge from the pilots, which will inform and benefit potential subsequent pilots, as well as efforts to scale up financing for all SUN countries.

The Pilot Advisory Group and the GSS will guide the implementation of these pilots over a 1-year period, and review the final results to develop a set of broader recommendations, as well as process changes that would be needed for a second round of country participation for review and decision by the SUN Executive Committee. The latter will support the design and review of progress of the pilots and make decisions based on the final recommendations.

Expected Outputs and Outcomes

- Roadmap for 3 countries
- Pending progress of country, resource mobilization strategy and/or initial innovative financing solutions
- Lessons learned and guidance for scaling up support and financing to other countries
- New funding leveraged in best case scenarios

Roles and responsibilities

- The **SUN focal point** leads the process of implementing the finance framework and pilot. S/he may lead the country working group or delegate the day-to-responsibilities to another member of the Multistakeholder Platform (MSP).
- The **national networks in the Multistakeholder Platform** (e.g., UN, Civil Society, Business, Donor) participate in the pilot country working group and bring their collective experiences to the pilot processes:
 - Engaging their memberships in the country and activating support from their global networks

- Mapping and diagnosing barriers in mobilizing and deploying resources to implement the national nutrition plan
- Developing solutions in collective consultation to address identified barriers
- Implementing solutions within their areas of influence
- Reviewing the effectiveness of their collective work and suggesting remedial actions where relevant.
- **The Pilot Advisory Group** will support the roll-out of the pilots through facilitation and coordination of activities aligned with the phased approach and ensuring information flow between the countries, GSS and FTT.
- **The GSS** will support the rollout of the pilot processes, communications, and monitoring; technical assistance facilitation; amplification of country advocacy objectives and messages from the pilot country roadmaps; outreach to specific financing partners and institutions to support the pilot countries; and monitoring of progress against the country roadmaps. The Nutrition Finance Community of Practice and TA mechanisms will also be leveraged to identify these experts.
- **The Finance Task Team (FTT)** will provide guidance and support to the GSS and Pilot Advisory Group during the design, implementation, and internal review of the pilot.
- **The Finance Capacity Development Platform (FCDP)** will support countries implementing the finance framework through addressing their capacity strengthening needs. The experiences of this pilot will also inform the FCDP's work with other countries.

Background:

[Report of the Operationalization Group to the SUN Movement Lead Group](#)

[Report to the SUN Movement Lead Group on the Implementation of the Ops Group Recommendations: "Implementation Report"](#)

[Finance Framework Brief for ExCom Retreat](#)