



REPUBLIC OF RWANDA

A landscape photograph showing a sunset over a body of water, with trees and a town in the background. The sun is low on the horizon, casting a golden glow over the scene. The water reflects the sky and the surrounding landscape.

ANNUAL ACTIVITY REPORT 2020-2021

JULY 2021

GREEN INVESTMENTS



The image shows a vast landscape of terraced hills in Rwanda. The hills are covered in lush green vegetation, with some areas showing brown soil, likely from recent agricultural work. The sky is a clear, vibrant blue, with a single, large, fluffy white cloud in the upper left quadrant. The overall scene is bright and sunny, suggesting a clear day. The text 'FOR A CLIMATE RESILIENT RWANDA' is overlaid in a bold, lime green font on the upper right side of the image.

FOR A CLIMATE RESILIENT RWANDA



OUR PARTNERS:



FOREWORD



Rachel KYTE
*Board Chairperson
Rwanda Green Fund*

The last year has been strenuous. At a global level, every organization has been stretched in balancing the devastating impact of the pandemic along with traditional challenges, and the climate crisis.

This last year has also been an opportunity to put things in perspective. To assess the resilience of our relationships, our systems and processes.

The Rwanda Green Fund has built a strong network of partners that have supported transformative work since its inception. It is thanks to FCDO, KFW, SIDA, UNDP, the World Bank and AfDB, the CIF, GEF and GCF that the Fund has been able to transform lives in supporting vulnerable communities in coping with the effects of climate change, improving access to clean energy and in creating economic opportunity in the green sector.

Despite the hurdles of this last year, our partners' support has been unwavering; aiding in the development of institutional frameworks, building the capacity of our staff, developing flagship projects and new innovative financial instruments and mechanisms as well as investments and training for civil society led projects.

As we rise to deliver on Rwanda's ambitious climate action, the Fund is actively

shaping its programming and developing new delivery mechanisms to allow for partners to continue to invest in the basket fund and increase their participation.

The Fund is also creating new opportunities to blend finance with private actors through the Green Investment Facility.

I take this opportunity to thank the secretariat for the talent, dedication, commitment and perseverance for delivering record results in this last year. .

We are looking forward to working closely with our valuable partners towards the achievement of Rwanda's ambitious NDC targets and whilst tackling the current opportunity of a green recovery.

FROM THE CEO



Teddy MUGABO
CEO - Rwanda Green Fund

The Rwanda Green Fund has played a central role in helping Rwanda move towards achieving its vision of a green economy. It has mobilized significant domestic and international development capital for a range of investments across the public & private sector and is recognized as a leading international Green Fund.

The Fund Annual Report provides an account of our efforts, to increase the speed and delivery of climate finance to drive the paradigm shift

towards low emission and climate-resilient development pathways in line with the objectives of the country's Green Growth and Climate Resilience Strategy and the Paris Agreement.

Since its establishment, the Fund has mobilized a total of **USD 216.4 Million** with **45 projects** approved for funding and **40,531,007 USD** implemented across the country. In particular, during the FY 20/21, the Fund mobilized USD 28 Million from domestic and international finance from different partners and has strengthened the capacity of six (6) NGOs approved for funding through the tenth call for proposal (10th CFP).

The Fund has invested in projects to address environmental vulnerabilities through mitigation interventions, ecosystem rehabilitation, improving waste management, switching to energy-efficient alternatives such as solar-powered cooking stoves as well as using climate compatible agricultural methods.

In 2020, Rwanda committed to an ambitious climate action agenda to build the country's resilience to climate change and foster green growth. The updated Nationally Determined Contributions (NDCs) committed an upped ambition of a 38% emission reduction costed at roughly USD 11 billion by 2030. This effort would require robust integrated planning along with increased climate finance investments to deliver on this commitment. The Fund is expected to play a key role in mobilizing resources for implementing this ambitious climate agenda.

However, the availability of international climate funding and finance is changing and new sources of investment from non-traditional partners have come on-board. In this context, the interest in blending public, private, and philanthropic capital has grown dramatically. Across the board there is a demand for projects, programmes and funds to find co-finance and leverage private investment. In this environment, demonstrating an ability to

attract private finance is increasingly a prerequisite for attracting traditional development finance.

To meet this challenge, the Fund will need to take a proactive approach and collaborate closely with its partners for expanding not only the volume of funding

available for green projects, but also diversifying its financing to best match initiatives across sectors and themes.

Our Strategic objectives are guided by our commitment to focus on achieving an increased impact for Rwanda to deliver to its ambitious

committed NDCs through the replenishment of the basket fund and the capitalization of the Green Investment Facility.

We look forward to the next chapter as we aspire to transform Rwanda into a developed green economy over the next few decades.







ACRONYMS

AF:	Adaptation Fund
CSOs:	Civil Society Organizations
CFP:	Call for Proposals
ESMF:	Environmental and Social Management Framework
FCDO:	Foreign, Commonwealth & Development Office
FY:	Fiscal Year
GCK:	Green City Kigali
GCKC:	Green City Kigali Company
GCF:	Green Climate Fund
GGCRS:	Green Growth and Climate Resilience Strategy
GoR:	Government of Rwanda
JTA:	Joint Technical Assistance
KfW:	German Development Bank
MoE:	Ministry of Environment
NGOs:	Non-Governmental Organizations
OAG:	Office of the Auditor General
PDM:	Public Delivery Model
PPP:	Public Private Partnership
RGIF:	Rwanda Green Investment Facility
RPF:	Resettlement Policy Framework
RSSB:	Rwanda Social Security Board
SIDA:	Swedish International Development Cooperation
SPV:	Special Purpose Vehicle
UNDP:	United Nations Development Program
VSD:	Variable Speed Drives
WB:	World Bank

TABLE OF CONTENTS

FOREWORD	5
FROM THE CEO	6
ACRONYMS	9
I. STRATEGIC ORIENTATION OF THE FUND	12
2019 - 2024 Strategic Objectives	13
II. STRATEGIC OBJECTIVES ACHIEVED	14
II.1. Resources Mobilized	14
II.2. Fund Management	16
II.2.1. Project supported	16
II.2.2. Key Performance Indicators	18
II.2.3. Impact stories	21
II. 2.4. Financial Performance and Accountability	25
II.2.4.1. Financial performance	25
II. 2.4.2. Accountability	28
II. 3. Program Design and Cross-Sector Coordination of Environment and Climate Financing	28
II. 4. Institutional and Organizational Capacity Development	32
III. FLAGSHIP PROJECTS	36
III.1. Green City Kigali	36
III.2. Green Gicumbi Project	38
IV. LESSONS LEARNED	40

LIST OF GRAPHS

Graph 1: Distribution of Funds by organizations	17
Graph 2: Annual Key Performance Indicators (FY 2020/2021)	20
Graph 3: Funds disbursed to projects Implementing Partners (FY 2020/2021)	26
Graph 4: Cumulative Resource Mobilized versus Fund disbursements (2013 to 2021)	27

LIST OF TABLES

Table 1: Project proposals and concept notes developed during the FY 2020/2021	30
---	----





I. STRATEGIC ORIENTATION OF THE FUND

Environmentally sustainable, climate - resilient and green economic growth are established development priorities of the Government of Rwanda (GoR). This commitment has been demonstrated through the remarkable evolution of integrating environment and climate change in poverty reduction strategies since 2001. The development of the Green Growth and Climate Resilience Strategy

(GGCRS) is a cross-sectoral policy that was approved by the Cabinet in 2011 that underscored the importance of environmental sustainability and enhancement of climate resilience to Rwanda's sustainable economic development. To support coordination and finance the achievement of this strategy, the GoR established an environment and climate change fund - the Rwanda Green Fund.

The Rwanda Green Fund has been operational since 2013 and has played a key role in helping Rwanda move towards achieving its vision of a green economy. The Fund has mobilized significant domestic and international development capital for a range of investments across the public and private sector and is recognized as a leading international Green Fund.

2019 - 2024 Strategic Objectives



In more recent years, there was a recognition that the country needed support in scaling up its investments, in an effort to meet its national vision for 2050. This suggests:

- Playing a greater catalytic role in stimulating green sectors;
- Promoting paradigm shifts across markets;

- Dramatically increase the volume of climate finance in-country.

To meet this ambition, the Fund has revised its business model and adopted key design changes, transforming the original demand-led fund to be more strategic, and aiming to scale impact and sustainability.

This strategic shift constitutes the operation of a hybrid fund: part demand-led and part supply-led. The Fund has maintained the demand-led operations for the public sector, private sector, and civil society, building on the successes and lessons learned from the past 8 years, while also scaling the number of supply-led large-scale public investments.



II. STRATEGIC OBJECTIVES ACHIEVED

II.1. Resources Mobilized

The core mandate of the Fund is to mobilize, manage, monitor, and facilitate cross-sector access to green finance, and provide financial and technical support to catalyze climate-resilient development impacts at scale.

The cumulative amount of finance mobilized by the Fund since its establishment is a total of **USD 216.4 Million**.

In the fiscal year (FY) 2020-2021, the Fund's target was to mobilize **20 Million USD** to support the country's efforts towards achieving its vision of a green economy.

USD
216.4
 Million

The cumulative **amount of finance mobilized** by the Fund since its establishment

The Fund mobilized significant domestic and international finance from different partners. An approximate **USD 28,344,107** was mobilized from various partners. The resources mobilized the FY 20/21 include:

- o **Co-financing the preparation of project proposals for climate adaptation in the volcanoes region in Rwanda:** The Adaptation Fund (AF) supported the Fund with **USD 99,000** to prepare project proposals for climate adaptation in the Volcanoes region of Rwanda. The proposals developed are targeting Green Climate Fund (GCF) and AF and will contribute to the scale-up plan for reducing vulnerability to climate change in North-Western Rwanda through Community Based Adaptation, by addressing flood control in the area, as well as building community resilience.
- o **Sustainable Urban Development in Rwanda:** The German Development Bank (KfW) committed **20 Million Euros (24,348,900 USD)** for the Infrastructure component of the Green City Kigali (GCK) project.
- o **Expert services in the framework of Sustainable urban Development in Rwanda:** KfW supported the Fund with additional funding amounting **2.6 Million Euros (3,165,350 USD)** towards the preparation of a feasibility study for the GCK Project.
- o **Domestic revenues collected:** A total of **USD 730,857** revenues were collected through the GoR counterpart funding and the collection of environmental fees and fines.

In regards to the collection of fees and fines, REMA and FONERWA entered into an agreement which established a partnership between both parties in the areas of implementing various laws related to the protection of the environment particularly in association with the collection of environmental fees, fines and penalties. This partnership is expected to support the enforcement activities as well as contributing to the domestic resources to be mobilized next FY.

USD
28.344
Million

Amount of **funds mobilized** from various **domestic and international partners.**

USD
730,857

Revenues were collected through the GoR counterpart funding and the collection of environmental fees and fines

II.2. Fund Management

II.2.1. Project supported

The Fund invests in projects based on FONERWA's funding windows, namely (i) Conservation and Sustainable Management of Natural Resources; (ii) Research & Development; (iii) Technology Transfer and Implementation; and (iv) Main-streaming of Environment and Climate Change.

USD
40.531
Million

FONERWA's contribution reflecting an increase in the **Fund's portfolio** by 13% to a new total of 45 funded projects

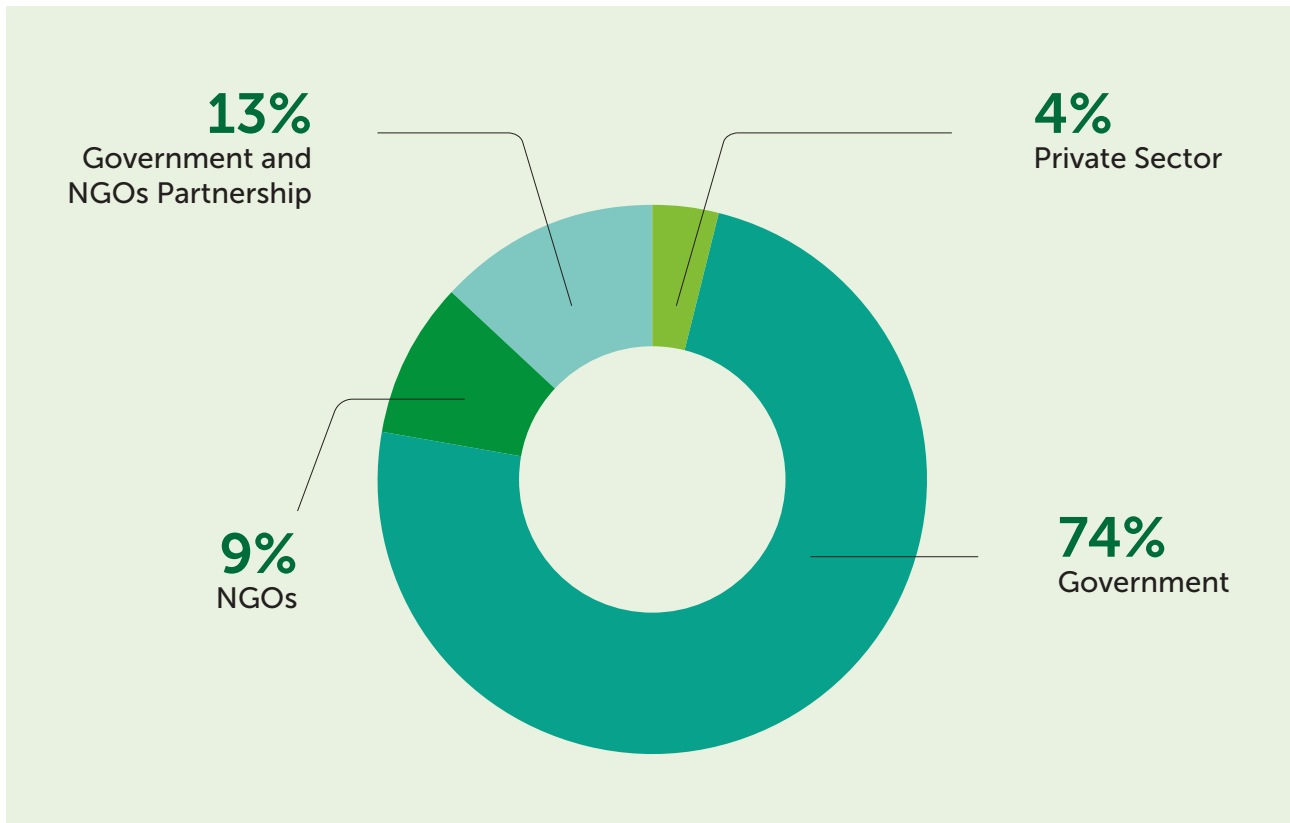
The Fund's portfolio has increased by **13%** to a new total of **45** funded projects with a total FONERWA's contribution estimated to be **40,531,007 USD**.

During the FY 20/21, the Fund investment has strengthened the capacity of 6 NGOs and continued to support the ongoing projects implemented by 10 public institutions.

The new 6 funded projects from the tenth call for proposal (10th CFP) boosted the representation of NGOs from **11% to 24%** and the funds commitment from **5% to 9%** of the total funds allocated to the projects from public and private sectors.

The distributions of the Fund's investment is illustrated in the graph 1 below:

Graph 1: Distribution of Funds by organizations



Through these projects, the Fund was able to facilitate the integration of vulnerable communities into more sustainable substitutes, ensuring alleviation of poverty for vulnerable communities by introducing green jobs all in a continued effort to contribute to the government's goals to increase climate resilience throughout the country.

II.2.2. Key Performance Indicators

The Fund's impact is to increase the livelihood resilience of the community to adapt to climate effects and reduce Greenhouse Gas NET Emissions. The Fund also contributes to strengthening the capacity of the institutions to implement climate action and mainstreaming environment and climate change into policies, strategy and plans.

Investing in new projects has fostered the Fund to meet its strategic objective of financing adaptation and

mitigation projects as well as increasing the number of the community supported to cope with climate effects.

To steer on impact and value throughout funds investment in projects, the Fund uses its result framework for monitoring and evaluating the investments and track projects activities, outputs deliverables which drives the sustainable changes in the community as well as contribution toward the Fund's objectives.

Since its establishment, the Fund has achieved the cumulative outputs as indicated below:



Hectares
23,519

Land secured against soil erosion or environmental degradation



Hectares
45,775

Total forest and agro - forest cover achieved



Hectares
29,775

Total watersheds and water bodies protected



82,945

Number of households

With improved access to clean energy



126,014

Tonnes of CO₂

Equivalent emissions avoided as a result of the Fund investments



117,829

Number of people

Supported to cope with effects of climate change



161,552

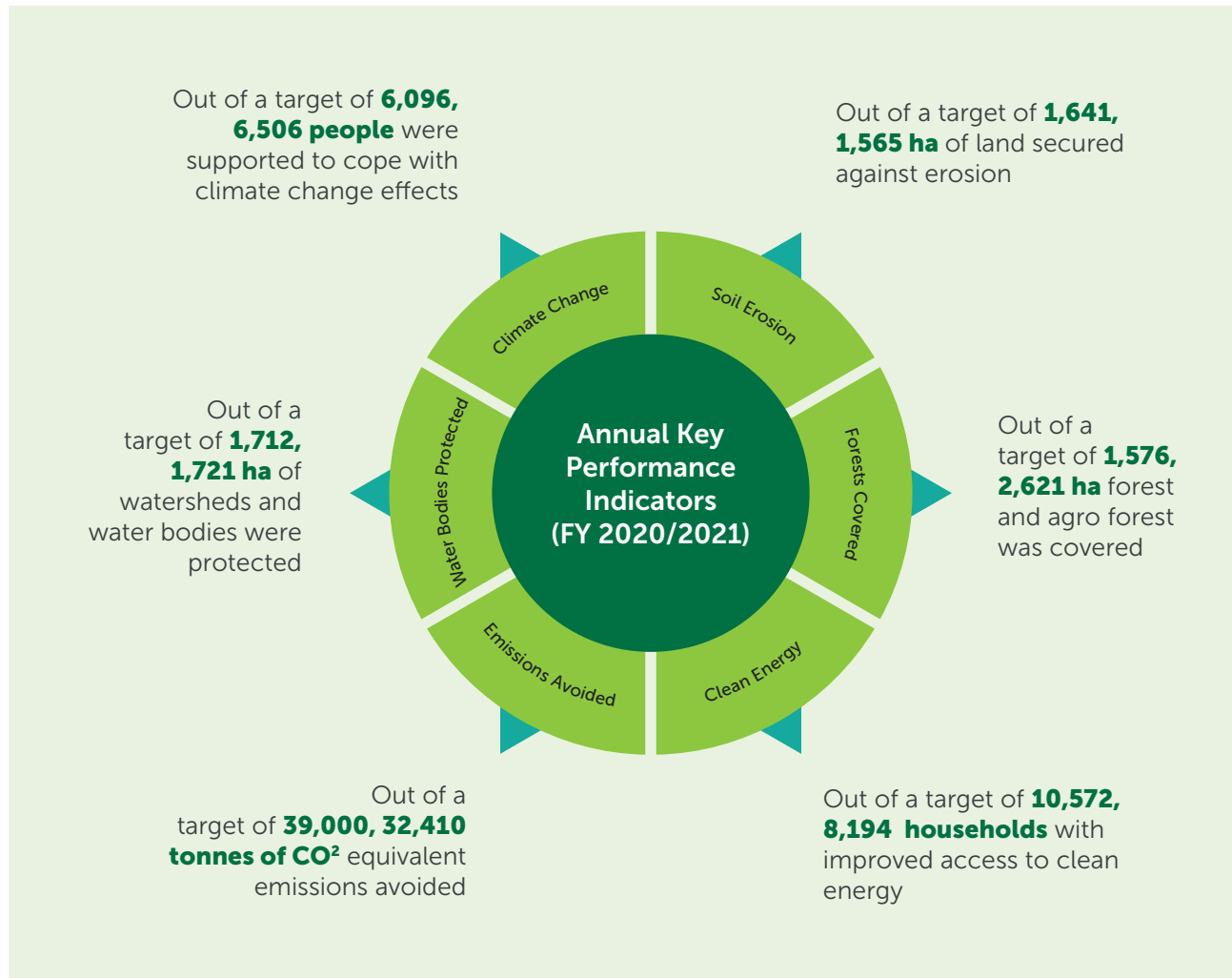
Green jobs created

Of which 60% have been for women

During the FY 20/21, the wide range of the 16 projects under implementation focused on the increase of access to clean and efficient energy, capacity building for small holders on climate smart agriculture, management of flooding, empowering farmers through the use of solar irrigation system, increasing access to water, enhancing water bodies & watersheds protection, and increasing the income for vulnerable communities households.

The achieved outputs of FY 20/21 are indicated in the graph 2 below.

Graph 2: Annual Key Performance Indicators (FY 2020/2021)



II.2.3. Impact stories



From a degraded wetland to an Eco-Tourism Park

The rapid growth of Kigali and the associated human activities have put significant pressure on the wetlands. Human activities increased the destruction of wetlands which is leading to biodiversity loss.

The Nyandungu wetland complex was one of the wetlands subject to pastoralists illegally grazing cattle and the degradation of the site has led to flooding of the downstream area.

The wetland also received polluted water including sewage outflow from upstream.

Rwf
2.40
Billion

Amount invested by the Fund in 2016, to promote sustainable management of natural resources and support livelihood diversification.

(ha)
130
Area

Covered by the park as of today.

The GoR noted that the wetland complex was worth preserving and had potential to generate revenue by conserving biodiversity if the right measures were put in place. Therefore, a pilot project was developed by REMA to demonstrate a model that shows the potential of wetlands to abate pollution and flood risk. Conservation could be achieved by creating a wetland rich in native flora that will conserve the environment, increase the biodiversity and create the touristic opportunities to generate revenue.

The completion of Nyandungu Wetland Eco-Tourism Park project is a true example of Rwanda's efforts and strong commitment towards environmental protection, particularly for the restoration and conservation of wetland ecosystems at large.

In 2016, the Fund invested **2.4 billion Rwf** in this project to promote sustainable management of natural resources and support livelihood diversification by enhancing incomes for local communities through the transformation of Nyandungu wetland into an eco-tourism Park.

The main outcome of the project was to create a nature reserve and urban park by increasing biodiversity, reducing flood risk, managing pollution as well as raising awareness of wetland conservation and creating green jobs.

As of today, the construction and rehabilitation works of **130 hectares** are completed. For the residents of Kigali, this is great news as the city gets its first urban Eco-Tourism Park which will serve as a public recreational and touristic facility.

"The formation of an eco-park in Kigali was necessary due to the rapid development. Most developed cities in the world have adopted eco-tourism. This shows how our country has evolved, both in the tourism sector and environmental conservation," commented one of Kigali's residents after the news about the completion of the project hit local media..



Farmers capacitated to cope with the impacts of climate change

Farmers in Gicumbi District are among the communities who have been experiencing effects of climate change over the past years. Soil erosion caused by increased rainfall, coupled with steep slopes that dominate the area have caused landslides that are a key challenge to this rural community.

To reduce the vulnerability of these communities, the Green Gicumbi Project was launched in October 2019 with the aim to strengthen the resilience of vulnerable communities through enhancing their capacities to cope with effects of climate change.

Soil erosion and landslides were a key challenge to the community.

//

I have been able to harvest 20 Tons of Irish potatoes on my hectare of land, something unusual!

Ntawuruhunga Venant

//

Mr. Ntawuruhunga Venant, a resident of Kagarama village in Mukarange sector, serves as a model farmer whose livelihood has significantly changed because of the project interventions, in particular through the promotion of climate smart agriculture.

The 64-year-old farmer testifies that after embracing improved soil stabilization techniques and being trained on modern agricultural techniques such as improved crop varieties and organic fertiliser application; his yield per hectare has more than doubled. This is a story he shares with the rest of the community in Gicumbi District.

"I have been able to harvest 20 Tons of Irish potatoes on my hectare of land, something unusual!" Says Ntawuruhunga with a smile on his face.

Ntawuruhunga is a former public servant who retired in 2020 as a headmaster of one local primary school by resorting to farming activities.

Together with his spouse, they testify that the increased harvest has enabled their family to repair their house at a cost equivalent to **3,265 USD** and have managed to pay school fees for their twin daughters as well as buying other necessary home materials.

"I'm happy that I don't have to sell off my sheep to be able to pay the school fees for my twins."

Ntawuruhunga Venant



II. 2.4. Financial Performance and Accountability

II.2.4.1. Financial performance

During the FY 20/21, the annual budget was amounting **13,874,903,818 Rwf** and the fund has spent (executed) **12,813,440,820 Rwf**. The Fund has achieved an annual performance of **92.35%**.

Additionally, an amount of **3,031,819,150 Rwf** was disbursed to the Fund Implementing partners to expedite projects implementation.

Rwf
12.813
Billion

The fund achieved an annual performance of 92.35%

Funds were allocated as follows:

- (i) Disbursed to GoR projects

1,411,958,668 Rwf

- (ii) Disbursed to Districts projects

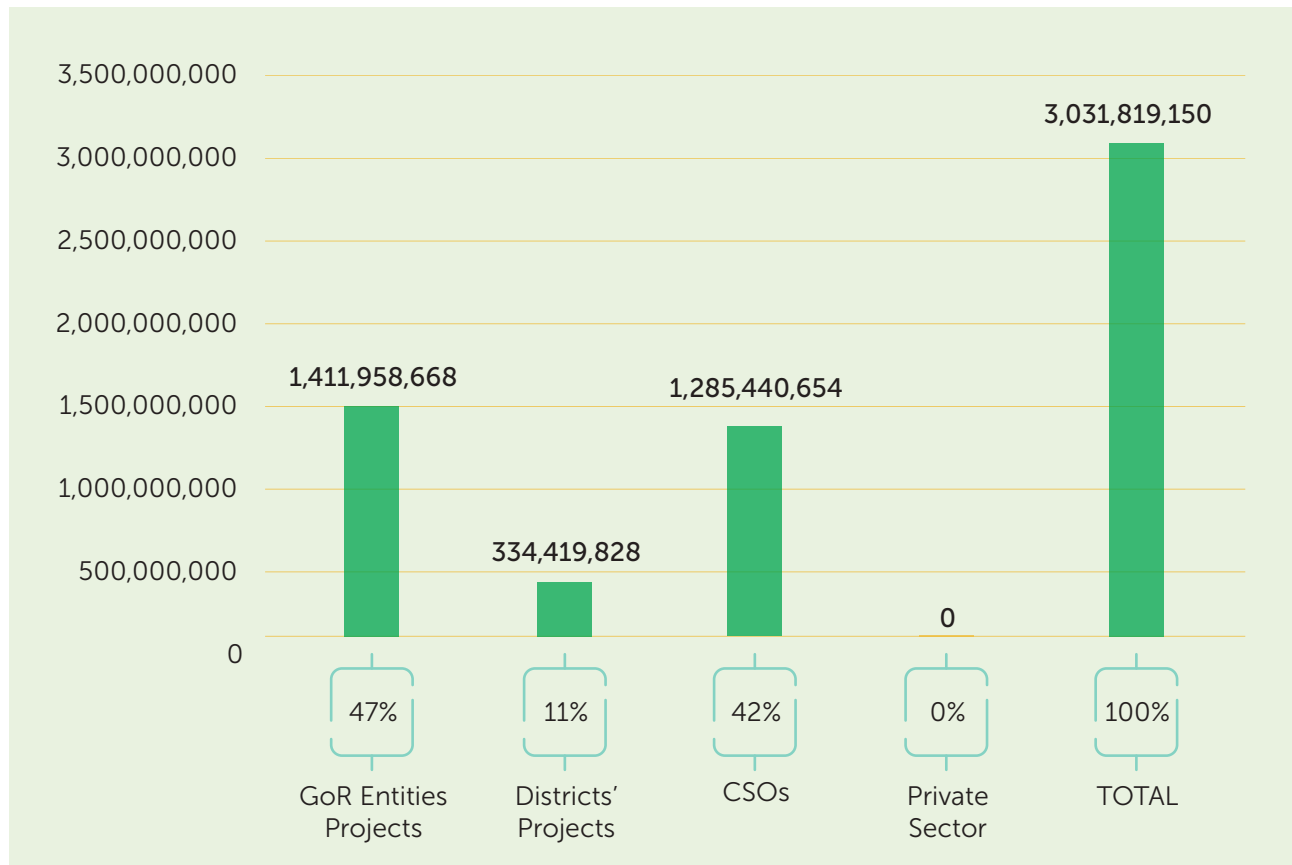
334,419,828 Rwf

- (iii) Disbursed to CSOs

1,285,440,654 Rwf



Graph 3: Funds disbursed to projects Implementing Partners (FY 2020-2021)



Furthermore, the Fund has committed to support 45 projects with **USD 63,297,902** of which **USD 40,531,007** are direct transfers made to projects while **USD 22,776,895** are projects matching funds through call for proposals carried out from 2013 up to June 2021 ranging from the 1st to the 10th CFP11.

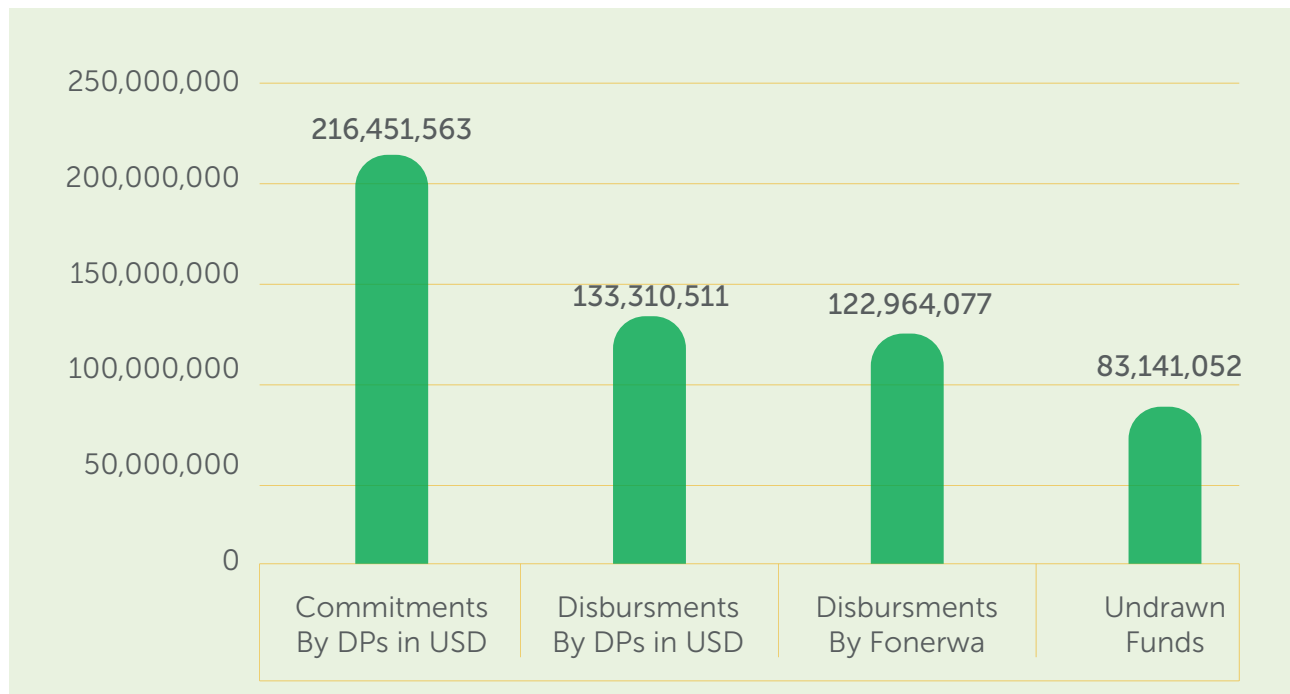
1 Average Exchange rate on 30th June 2021: 1 USD = Rwf 987.139896

When the overall execution is compared to the cumulative resource mobilized, it is worth to note that, out of **USD 216,451,563** mobilized

(including **USD 63,563,727** for Fund Capitalization and **USD 152,882,836** for Leveraging/ Co - financing/programmatic funds designated to specific

projects and tasks); the Fund has already received **USD 133,310,511 (62%)** and has made **USD 122,964,077 (92%)** as disbursements.

Graph 4: Cumulative Resource Mobilized versus Fund disbursements (2013 to 2021)





During FY 20/21, a clean opinion was provided on the Financial Statements.



USD
11.0
Billion

The combined adaptation and mitigation interventions. **Rwanda's Nationally Determined Contributions to the UNFCCC.** Committing to an emission reduction of **38%** against business as usual **by 2030.**

II. 2.4.2. Accountability

The Fund is subjected to annual audits by the Office of the Auditor General States of Finance (OAG). During FY 20/21, a clean opinion was provided on the Financial Statements.

In addition to that, different independent external auditors were commissioned for the audit exercise on all funds/grants received from the development partners. The Fund was audited by PWC, KPMG, HLB, CPA RUMA, BDO and has also received clean opinions for each funding received from the Development Partners.

II. 3. Program Design and Cross-Sector Coordination of Environment and Climate Financing

In May of 2020, Rwanda submitted its updated Nationally Determined Contributions to the UNFCCC, committing to an emission reduction of **38%** against business as usual by 2030. The combined adaptation and mitigation interventions were cost at **USD 11 billion.**

There is a strong recognition that national climate ambitions cannot be achieved without a strong private sector involvement. A key component of the Fund's mandate is to promote and support private sector climate mitigation and adaptation projects in line with the national green growth strategy and, recently, the updated NDC. The Fund aims to have a minimum of 30% of total fund commitments targeting the private sector.

The Fund has built a strong track record in mobilizing and deploying grant financing but recognizes an urgent need to diversify the means and sources of financing to meet the raised ambitions.

In order to support the private sector in the green economy, the Fund is developing new financial instruments, programs, and a green investment facility.

The Rwanda Green Investment Facility (RGIF) project is part of the Fund's private sector and resources mobilization strategy. It will complement the Fund's current grants program with the ambition to catalyze private investments in low carbon markets, with a unique and specific focus on finance.

RGIF aims to unlock and expand private investment in the local green sectors to help the country achieve its climate investment agenda.

The Fund is also developing a Green Guarantee Fund to de-risk green investments in incentivizing financial institutions to increase lending to green enterprises and projects.

Of the challenges faced in the promotion of green growth in Rwanda, is the health of our green pipeline. To address this, the Fund is also working on the demand, with the development of an incubator and accelerator program.

This program aims to contribute to the development of innovative early-stage Green SMEs in strategic priority sectors in Rwanda, that have the potential to contribute to climate change mitigation and adaptation.

In the effort to mobilize more resources, a number of proposals that will contribute to the implementation of NDC targets were developed during FY 20/21 and were submitted to partners for funding as indicated in Table 1 below.



To support the private sector in the green economy, the Fund is developing new financial instruments, programs, and a green investment facility.



Table 1: Project proposals and concept notes developed during the FY 20/21

NO	PROJECT	STATUS	TARGET AMOUNT
1	Improving water security in Rwanda through Rainwater Harvesting proposal:	This project aims to increase storage of water that provides opportunities for increasing access to clean water for domestic use and improving health and sanitation. The concept note was submitted to GCF.	USD 10 Million
2	Upper Nyabarongo Catchment Restoration Plan in the Mbirurume Sub-catchment	The Full proposal was submitted to GCF.	USD 44.9 Million
3	Rwanda Green Investment Facility	The full proposal was submitted to GCF + Co-finance.	USD 76 Million
4	MINAGRI Mainstreaming Climate Smart Planning and Implementation into Agricultural Development	The full proposal is under development targeting GCF.	USD 40.8 Million
5	Green City Kigali project/ Ngaruyinka village Upgrade: pilot innovative strategies to develop low carbon and climate resilient neighborhood	The development of the proposal targeting GCF is ongoing, supporting studies that will accompany the proposal such as the feasibility study, land development plan were developed and approved.	TBD (envelope USD 50Million)

NO	PROJECT	STATUS	TARGET AMOUNT
6	Flood risk management in the Volcano Region: The project aims at addressing flood control in the area, as well as building community resilience.	The World Bank through the NDC Deep Dive project and MoE, both have supported the development of proposals which will target both the GCF and Adaptation Fund.	USD 50 Million (GCF USD 40 M & AF 10M)
7	Accelerating deployment of e-mobility in Rwanda through the deployment of electric motorcycle taxis (e-Motos) and the e-buses	The NAMA Board's decision has granted its approval to finance the Detailed Preparation Phase (DPP) of the submitted project.	USD 18 Million
8	Reduce dependency on biomass energy through the promotion of highly efficient alternative cooking technologies and increased forests productivity.	The concept note was developed, originally targeting SE4ALL, however, since the institution does not give funding, we are currently identifying other donors at the same time engaging BRD and MININFRA to find ways in which we can tap into the clean cooking fund being established at BRD with support from the World Bank.	USD 62 Million

II. 4. Institutional and Organizational Capacity Development

Through the funding of KfW, SIDA and FCDO (former DFID); a consortium of key experts (national and international) is providing institutional support to the Fund.

Through the funding of KfW, SIDA and FCDO (former DFID); a consortium of key experts (national and international) are providing institutional support to the Fund. This exercise started in 2020 and will be completed early 2022.

The Joint Technical Assistance (JTA) aim is to support the Fund in its mission and growth path through improving the capacity in regards to climate-relevant issues in the areas of coaching and mentoring CSOs ; effective methods of gender inclusion, development of an Environmental and Social Framework (ESMF); Monitoring & Evaluation and resource mobilization.

The overall project output has been defined to be that sustainable and equitable finance supports national programmes and private sector initiatives to address climate and environment problems.

The ultimate objective of the capacity development is to integrate the learning to strengthen the Fund system and process and effectively develop program and projects.

1. Building the capacity of CSOs

FONERWA has carried out the CSOs mapping as part of the Capacity Building Programme for Environmental Civil Society Organizations (CSOs) in Rwanda. The main purpose of this exercise was to have a better understanding and a clearer vision of the CSOs capacities needs within their respective organizations.

It was revealed that the Financial Viability is one of the weakest dimensions of Rwandan CSOs sustainability. Most of them have tiny annual budgets and are heavily project dependent.

A capacity building program was envisaged to strengthen their capacity to develop viable projects followed by mechanisms for assistance to secure funding from donors.

40 CSOs were capacitated and trained on access to Green Finance as well as on the Fund and the Donors requirements to access funding.

2. Building the Capacity of the Fund in effective methods of gender inclusion

The Fund recognizes that gender mainstreaming is key to successful institutional and organizational transformation, and a prerequisite for successful interventions for environmental conservation and climate change mitigation and adaptation.

However, the Fund lacked a Gender strategy to mainstream in the sector although effective methods of gender inclusion and addressing gender issues in the climate landscapes were promoted through the funded projects in order to ensure that women and men are equally and meaningfully involved in planning and decision-making.

The JTA supported in the development of a Gender strategy and the roll out plan has started. The Fund staff were trained on the gender strategy and mainstreaming the gender equality at the institution level. This has enhanced the capacity of staff in implementing gender in the sector of environment and climate change.



The Fund developed a Gender strategy and the roll out plan has started.

3. Building the Capacity of the Fund in environmental & social management framework



The Fund developed ESMF and Resettlement Policy Framework to provide codes of practice and procedures, tools, templates and check-lists to be integrated into the design and implementation of its projects.



The Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) were developed to provide codes of practice and procedures, tools, templates and checklists to be integrated into the design and implementation of the Fund's projects. They are tailored to the Fund's explicit climate protection and climate resilience mandate.

The ESMF and RPF include procedures for: (i) climate change awareness; (ii) environmental and social risk screening, assessment, and monitoring; and (iii) arrangements for the preparation of time-bound action plans for mitigating adverse impacts and enhancing projects benefits.

The ESMF has been already rolled out in two construction projects and the capacity building on the use of the ESMF guideline during project implementation is planned for Fund staff and implementing partners.

4. Communication and Knowledge Management Strategy

The Strategy provides with key messages, intervention, key channels, innovative techniques, tools, and approaches to be used to deliver on the Fund's core mandate.

It also provides useful advice on targeted audiences as well as communication approaches to ensure effective and coordinated information dissemination.

It further presents the knowledge management initiatives to improve the design and effectiveness of adaptation and mitigation projects by creating mechanisms that enable the Fund to identify, collect, analyze and share the lessons learnt from the financed projects and programs.

5. Strengthening the Monitoring and Evaluation system

Robust Monitoring and Evaluation (M&E) is critical for ensuring achievement of results-based financing at the project level, as well as the overall Fund. M&E is a central part of the programme management and implementation entailing fiduciary management of mobilized funds, disbursement and procurement, for effective operation of the Fund.

The Theory of Change, Log-frame, Metadata and M&E manual were improved to align with the current strategic direction of the Fund to operate as hybrid Fund (led and supply demand).

The M&E Manual serves as a tool to guide and strengthen the Fund internal M&E system, guide Public, Private and CSOs/NGOs' projects and program recipients on principals, procedures and processes of designing, implementing and using Results based M&E systems in project/program Management.



III. FLAGSHIP PROJECTS

III.1. Green City Kigali

The Green City Kigali project aims to develop a new sustainable neighbourhood for middle income residents. This will be the first of its kind in Rwanda and Africa. The sustainable and affordable development will integrate green building and design, efficient and renewable energy, recycling, and inclusive living as well as home-grown solutions and local construction materials.

The Government of Germany through KfW Development Bank has committed **EUR 40 Million** financing for the implementation of the GCK project.

The project has 4 phases as follows:

//

The Government of Germany through KfW Development Bank has committed EUR 40 Million financing for the implementation of the GCK project.

//

1.

Feasibility Assessment: Analysis of the current situation in Kinyinya Hill and design of a sustainable and green solutions framework. The final Feasibility report will be available in September 2021.

2.

Design Competition: Unique opportunity to develop an urban Masterplan for the 600 ha project site by an internationally renowned architectural firm. The design competition has been completed and the successful architectural firm is expected to start in November 2021.

3.

Detailed design: The successful architectural firm will develop the Masterplan for the 600 ha and a detailed design for the infrastructure for the 16 ha pilot site in November 2021 to May 2023 (18 months)

4.

Construction: Construction of the 16 hectare pilot site (infrastructure and affordable housing). Plan to start in Mid - 2023.

Phases A and B are almost completed and the focus now is on Phase C of the project.

As the project advances towards implementation, a Special Purpose Vehicle (SPV) known as the Green City Kigali Company (GCKC) has been established with the Rwanda Green Fund and the Rwanda Social Security Board (RSSB) as shareholders. The GCKC will ensure proper financial and technical management for the realization of developing the sustainable estate on the 16ha pilot site.

As part of the feasibility study, a thorough review of the business and delivery model was undertaken, and the preliminary findings indicate that a Public Private Partnership (PPP) model is preferred over a Public Delivery Model (PDM).

Also, as part of the GCK Project, a funding proposal is being developed to target grant financing from the GCF to upgrade the already settled Ngaruyinka village of 18 Ha. The application is under development and all major technical studies supporting the application have been completed and validated.



III.2. Green Gicumbi Project

The GoR through MoE has received funding from GCF to implement the project “Strengthening climate resilience of rural communities in Northern Rwanda” commonly known as the Green Gicumbi project.

The project aims to increase the resilience of vulnerable communities to climate change in Gicumbi District. The project will restore and enhance ecosystem services in one of the sub-catchments of the degraded Muvumba watershed, increase the capacity of communities to renew and sustainably manage forest resources and support smallholders to adopt climate resilient agriculture.

The project components are: (i) watershed protection and climate resilient agriculture; (ii) sustainable forest management and sustainable energy; (iii) climate resilient settlements; (iv) knowledge transfer and mainstreaming.

The project is specifically targeting the most vulnerable groups (**248,907 beneficiaries**) in nine sectors out of the **21 sectors** in Gicumbi Districts who have less resources to mitigate and adapt to climate change. The project is expected to reduce **133674 tonnes of CO²** emissions equivalent.

In its second year of implementation, the project has already achieved the following:

400

Hectares of progressive terraces established with a total of **638 households** including **357 female** headed households as direct beneficiaries

600

Hectares of Agroforestry and forests planted

31

Rainwater tanks have been supplied to households

370

Hectares of radical terraces established with a total of **542 households** as direct beneficiaries

6,700

Cook stoves distributed to poor households including 3764 of female headed

40

Variable speed drives (VSD) installed

1

Wood drying hangar constructed at Mulindi tea factory

892

Forest owners including **462 females** were supported to improve forest productivity and reduce deforestation through rehabilitation of degraded forests

70

Public underground rainwater tank installed to increase rainwater capture and storage to counter inter-annual rainfall variability

109

Households supported to manage surface water runoff in the location for settlements to reduce gully formation, floods and landslides.



IV. LESSONS LEARNED

45

Total number of projects approved for funding

The Rwanda Green Fund has played a central role in helping Rwanda move towards achieving its vision of a green economy. It has mobilized significant domestic and international development capital for a range of investments across the public & private sector and is recognized as a leading international Green Fund. Since its establishment, the Fund has mobilized a total of **USD 216.4 Million** with **45 projects** approved for funding and **40,531,007 USD** implemented across the country.

The GoR has shown great leadership in the climate emergency with an updated NDC commitment of 38% emission reduction, combining mitigation and adaptation investment totalling **USD 11 billion**.

A full engagement of the public and private sector along with the civil society is paramount to achieving this ambitious target and the Fund has to play a central role in this ecosystem. Amongst the plans, the Fund is expected to support, empower and finance the public sector to develop and implement green growth and climate adaptation projects. There is also demand for projects, programmes and funds to be co-financed through leveraging private investment.

In this changing environment, demonstrating an ability to attract blended public, private and philanthropic capital is a prerequisite. Thus; to achieve this ambitious target; the Fund needs:

- to take a proactive approach and collaborate closely with its partners for expanding not only the volume of funding available for green projects, but also diversifying its financing to best match initiatives across sectors and themes;
- to develop strong technical skills and capacity that are critical to navigate the complex global climate finance landscape;
- to strengthen the M&E and Knowledge management function to be fit for purpose in unlocking climate resource flows to Rwanda.

The Fund strategic objectives are guided by its commitment to achieve an increased impact for Rwanda to deliver on its ambitious committed NDCs. Therefore, the Fund is prioritizing:

- (i) the recapitalization of the basket fund to continue supporting climate adaptation projects targeting the most vulnerable groups to mitigate and adapt to climate change;
- (ii) the capitalization of the Green Investment Facility to attract private investments in low carbon markets, with a unique and specific focus on blended finance.



Full engagement of the public and private sector along with the civil society is paramount to achieving Rwanda's ambitious climate targets and the Fund has to play a central role in this ecosystem.





NATIONAL FUND FOR ENVIRONMENT (FONERWA)

Career Centre Building. KG 7, 5th Floor, Kacyiru

P. O. Box 4505, Kigali - Rwanda

 info@fonerwa.org  [GreenFundRw](https://twitter.com/GreenFundRw)

www.fonerwa.org