



ADAPTATION FUND

**REQUEST FROM RWANDA FOR
ENHANCED DIRECT ACCESS (EDA)
PROJECT/PROGRAMME FUNDING FROM
THE ADAPTATION FUND**

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
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MSN N7-700
Washington, D.C., 20433
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PROJECT/PROGRAMME PROPOSAL TO THE ADAPTATION FUND

PART I: PROJECT/PROGRAMME INFORMATION

Project/Programme Category:	ENHANCED DIRECT ACCESS
Country:	RWANDA
Title of Programme:	RWANDA SUB-NATIONAL ADAPTATION FUND EDA
Type of Implementing Entity:	NATIONAL IMPLEMENTING ENTITY
Implementing Entity:	MINISTRY OF ENVIRONMENT (MoE)
Executing Entity:	FONERWA (RWANDA GREEN FUND)
Amount of Financing Requested:	USD 5,000,000 (in U.S Dollars Equivalent)

Project / Programme Background and Context:

Provide brief information on the problem the proposed project/programme is aiming to solve. Outline the economic social, development and environmental context in which the project would operate.

Economic, Social, Development and Environmental Context

Rwanda is a small, landlocked and hilly country in East Africa. It is one of the most densely populated countries in Africa with a population of 12.96 millionⁱ living in an area of 26,338 square kilometres. The population is projected to continue to rise rapidly in future years, to over 16 million people by 2030ⁱⁱ.

Although Rwanda is one of the poorest countries in the world, with a Human Development Index ranking of 160 globally (2020ⁱⁱⁱ), Rwanda is on a positive growth trajectory and there is a national priority to transform Rwanda's economy into a middle-income country by mid-century. The number of people living in poverty has also reduced, income inequality is falling, and Rwanda has also actively promoted gender equality and equity in its laws and education policies.

However, significant challenges remain. The economy is dominated by agriculture, which contributes 30% of GDP, accounts for around 70% of employment and dominates total exports by value. Rwandan agriculture has a high sensitivity to climate change and low adaptive capacity. Much of the population is involved in small-holder or subsistence rain-fed agriculture.

Rwanda is situated in the equatorial zone but has a temperate climate (see below) due to its relatively high elevation. It is one of Africa's most biologically diverse countries with Montane rain forest in the West, Grass savannas in the Central plateau, low altitude savannas on hill slopes in the valleys of East and South, medium and high swamps found at 1300-2500 m and alpine and sub-alpine volcanic vegetation in the North West. These diverse ecosystems are home to some 400 mammal species, a huge diversity of birds (1,000 species), reptiles and amphibians (300 species), and higher plants (5,800 species). This includes the Volcanoes Mountain Gorilla (*Gorilla beringei beringei*), a highly endangered subspecies existing in the Virunga Conservation Area encompassing the North West border regions of Rwanda, Democratic Republic of Congo and Uganda. Nearly 70% of gorillas living in the Virunga range are located within Rwanda's borders.

There are two major drainage basins dividing the country: the Nile basin to the east and the Congo basin to the west. The two basins are separated by the Congo-Nile ridge - a range of mountains (2500-3000m) dominated in the North-West by a range of volcanoes located in Volcanoes National Park.

Climate Context and Problem Definition (Adaptation Challenge to Address)

Rwanda is located in the tropical belt, but it has a temperate climate, due to its generally high elevation. The average temperature for Rwanda is approximately 20°C, but there are wide variations across the country. In the north (where there are mountains and volcanos) and the west (highlands), the higher elevation leads to a cooler climate, with annual average temperatures of less than 17°C. Temperatures are higher in the central plateau (1,500-2,000 m), with average temperatures of 17.5°-19°C. The hottest parts of the country are on the eastern border with Tanzania, which is lower than 1,500 m (20°-21°C) and the low-lying south-western Bugarama Valley (23°-24°C). Temperatures vary little through the year.

Rwanda has a bimodal pattern of two wet seasons, arising from the Inter-Tropical Convergence Zone (ITCZ) moving northwards and retreating southwards. The first rains are in the period March to May and are followed by a long dry season (June-July-August). The second rains are from September to December and are followed by a short dry season (Mid-December-January-February). (RoR, 2018^{iv}). The annual average monthly temperature and rainfall are shown in Figure 1 below.

The average annual rainfall is around 1,250 mm per year, but there are large differences across the country. There is a high gradient of rainfall across the country, with high rainfall in the West and low rainfall in the East, as shown in Figure 2 below.

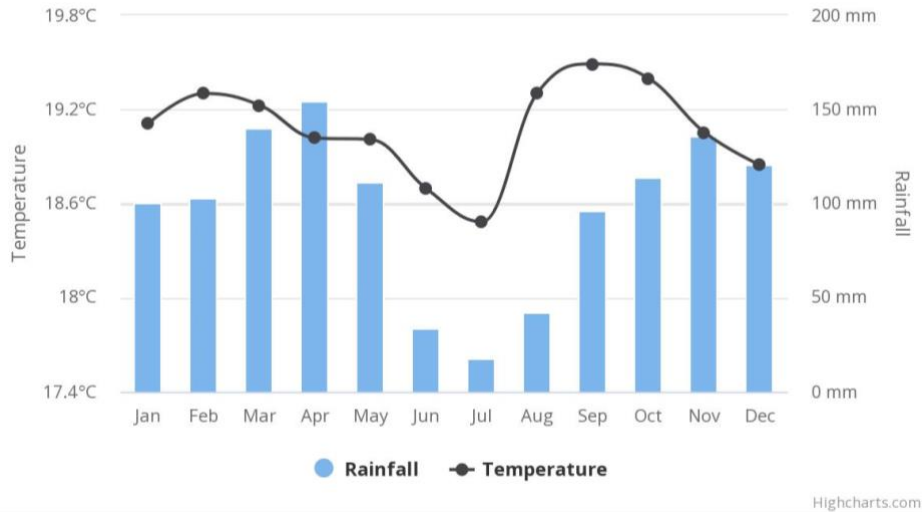


Figure 1. Average monthly temperature and rainfall.
Source World Bank Climate Portal, 1901 – 2016.

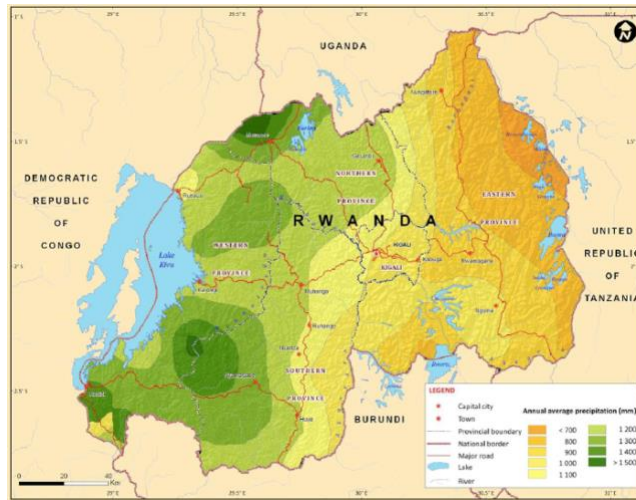
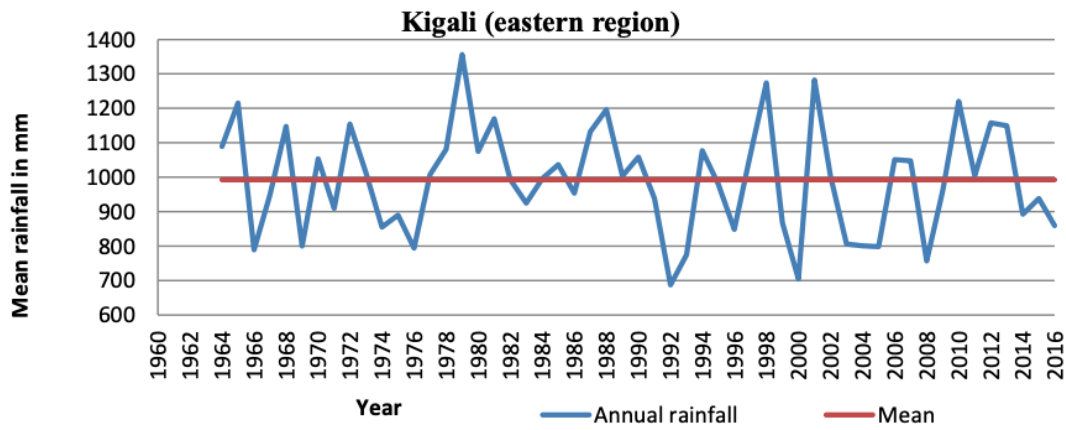


Figure 2. Annual rainfall distribution map of Rwanda. Source REMA, 2011.

More importantly, Rwanda experiences high levels of rainfall variability, including high inter-annual rainfall variability (i.e. year to year variations). This is due to many factors, but including El Niño – Southern Oscillation (ENSO) events. El Niño events are often associated with anomalously wet conditions and La Niña with dry conditions, though Rwanda is more influenced by other weather patterns than other East African countries. The annual rainfall for Kigali is shown in Figure 3 below. This shows the high year-to-year variation, and in particular, the frequency of low rainfall years. The Kigali met station is the only long-term data series in the country, however, data have been developed for the country at a downscaled level under the ENACTS programme with IRI, Columbia University, which has blended monitoring station data with satellite information (Siebert et al., 2019)^v.



Annual rainfall, Kigali.

Source Rwanda third communication under UNFCCC. 2018.

The high levels of current climate variability above lead to a repeated pattern of extreme events. Rwanda experiences high levels of inter-annual rainfall variability, and suffers from periodic major extreme events (floods and droughts). There are major events of one form or another almost every year, as shown in Figure 4 below. As identified in the 3rd National Communication (RoR, 2018^{vi}), there are major floods almost every year in the country, which involve very major damages and loss of life. In the last 20 years, major flood events occurred in 2001, 2006, 2007, 2008, 2009 and 2011, 2012, 2015, 2017, 2018, 2019 and 2020. There have also been major droughts, notably in 1998-2000, 2005-2006 and 2012-2013 and 2016-2017. These events are changing, as highlighted in the 3NC, and Rwanda is increasingly being affected by early climate change trends. Recent attribution studies in the region have identified climate change is playing a role in climatic extremes^{vii, viii}.

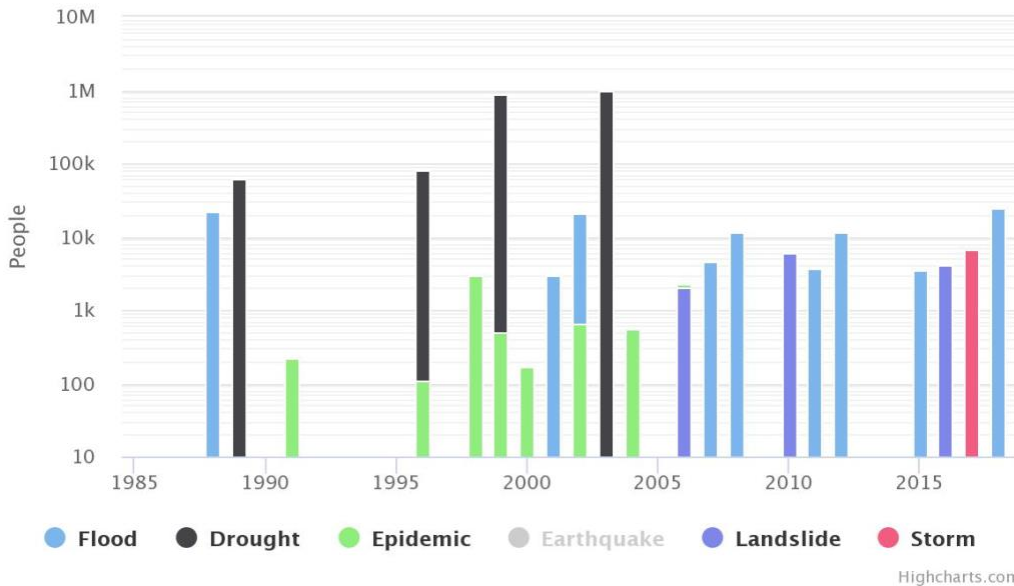


Figure 4. Number of people affected by climate related extremes, 1985 – 2020.
Source EM-DAT Database.

These events affect the livelihoods of rural and urban populations, though there is a different pattern of impacts across the country.

- Heavy rainfall is the predominant climate impact in the north and west of the country. This leads to soil erosion, floods and landslides. Rwanda is extremely hilly and 90% of cropland is on slopes. An estimated 22% of the total surface area of the Northern, Western and Southern provinces (1,402,445ha) are at high risk of rainfall related soil erosion, and this erosion is estimated to cost the equivalent of 2% of GDP/year (in lost productivity^{ix}). As highlighted above, these events occur almost every year, but they are increasing due to the increased temperatures: a warmer atmosphere is able to hold more water, thus more will be available for a given rainfall event.
- Rwanda receives highly variable rainfall from year to year (See Figure 3). This affects the availability of water supply. As a result, Rwanda is regarded as a water-scarce country as the average annual freshwater supply is only 670 m³ per capita, which significantly falls below the 1,000 m³ per capita per year which is the standard for water security (Rwanda NDC II, RoR, 2020).
- The country is experiencing increasing severity and frequency of droughts in the East, leading to major agricultural losses for livestock farmers. The East of the country typically receives less than 1000 mm of rainfall a year and droughts are common. As an example, in 2012 the rainy seasons failed and a below-average harvest led to a 4% decline in 2013 GDP growth due to lower agricultural output^x, and there was another major drought in 2016.

Importantly, recent observations show that the climate of Rwanda is already changing. The average temperature has increased strongly over recent decades, with over 1.4°C of warming over the last few decades, as shown in Figure 5 below. Average rainfall trends are quite difficult to pick out because of the high variability over time and across the country, and also because of the lack of good continuous data. However, there are observations of increasing rainfall variability as well as increasing rainfall intensity (RoR, 2018).

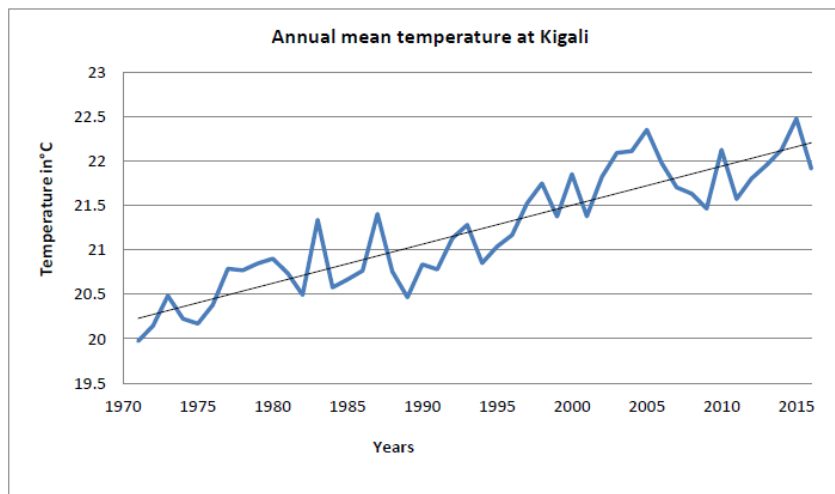


Figure 5. Variations of annual mean temperature at Kigali station for 1961-2016. Source 3rd National Communication.

Looking forward, climate change will exacerbate existing variability and extremes, and change average temperatures, affecting climatic and agro-climatic zones. The

exact changes will depend on international mitigation efforts, i.e. whether the world meets the goals of the Paris Agreement to limit warming to below 2°C, but also vary because of the wide range of projected climate model outputs.

Analysis of future climate change models, including downscaled runs, project a further increase in temperature of between 1°C and 2.5°C of warming by the middle of this century (affecting both maximum and minimum temperatures). Downscaled climate model projections for Kigali for the period 2040-2060 are shown below for RCP4.5, from the CSAG Climate Information Platform^{xi}.

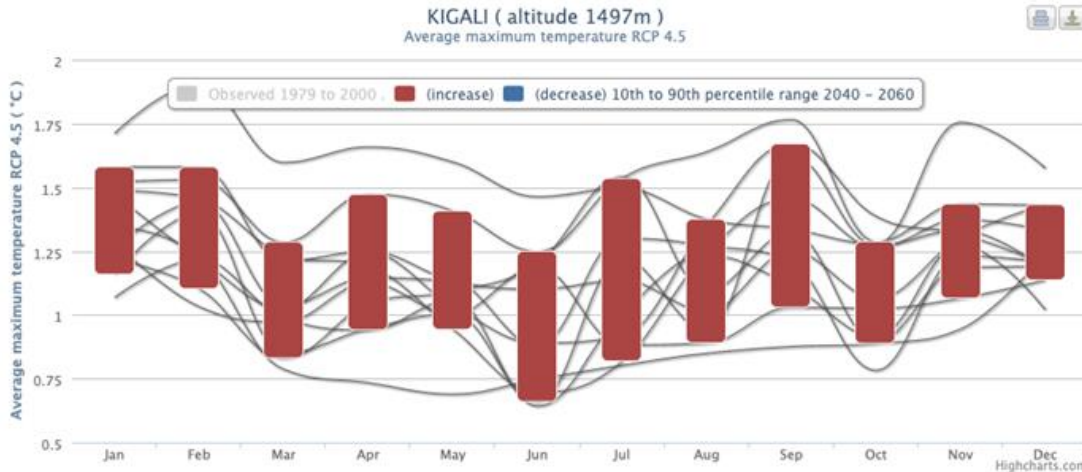


Figure 6. Temperature Anomaly for Kigali for RCP4.5, 2040 – 2060. CSAG.

Key: The plot shows the range of projected future changes for Kigali across 10 different statistically downscaled CMIP5 GCMs for the 4.5 RCP pathways). Anomalies are calculated relative to the historical period 1980 - 2000. The solid bars represent the range between the middle 80% of projected change and so excludes the upper and lower 10% as these are often considered to be outliers. However, the grey lines show the projected change for each model so it is possible to see how individual models (intentionally not named) project the future changes.

This will change agro-climatic suitability zones, from changes in temperature, evaporation and evapo-transpiration. There are also projected increases in the number of hot and very hot days (>30°C and 32°C). High maximum temperatures can have negative impacts on crop production, health, labour productivity, as well as increasing building overheating.

There is also a robust finding from the models that climate change will increase the intensity, and potentially the frequency, of heavy rainfall events and intense precipitation, and this will increase soil erosions and floods. This finding follows from the underlying science: a warmer atmosphere is able to hold more water. Recent analysis has considered the potential change in extreme precipitation for Rwanda, using the 18 GCMs (95percentile of daily rainfall). All the models show an increase and there is therefore high model agreement (FCFA, 2018^{xii}).

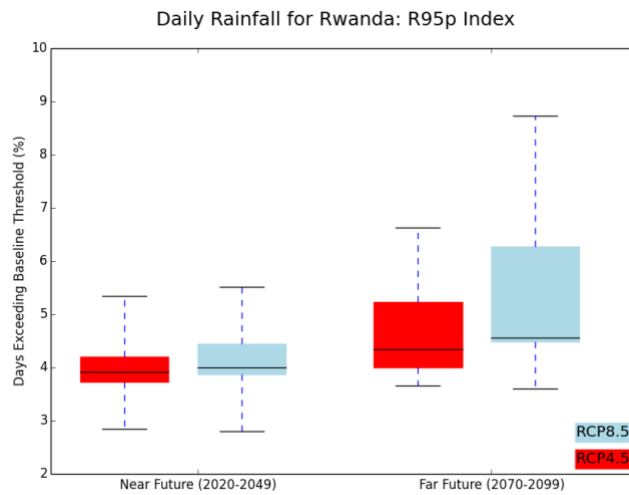


Figure 7. GCM analysis of extreme precipitation for Rwanda, using 18 GCMs. The metric used is the 95percentile. Source UK Met Office (FCFA 2017).

The projections of average and seasonal rainfall are more uncertain, and vary across the country. Different climate models provide a wide range. This is shown in the downscaled data below (again from the CSAG data). There is a large range across various models, but the majority of models show decreases in rainfall during the dry season and increases during the existing rainy session (especially the September to December period). This indicates more occurrences of variability, and thus potential extreme weather events from large positive and negative rainfall anomalies. This is also projected from other sources^{xiii, xiv}. The 3rd National Communication also projects increasing dry spells in some regions of the country.

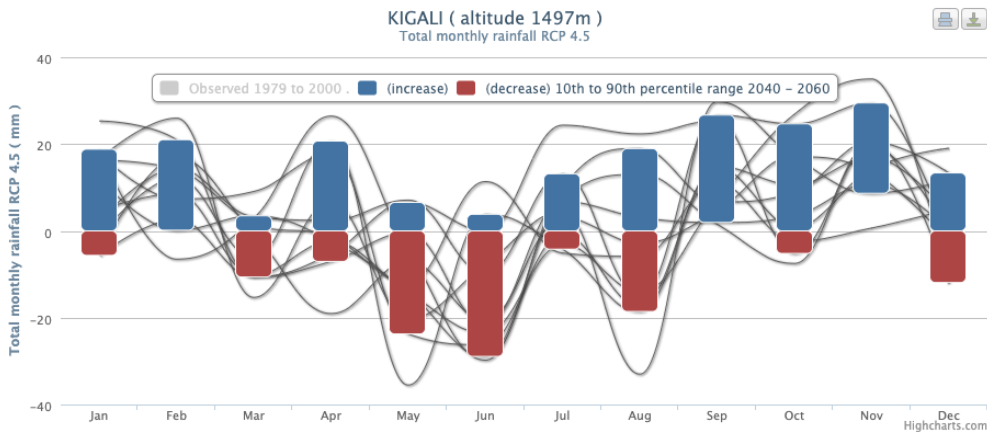


Figure 8. Rainfall Anomaly for Kigali for RCP4.5, 2040 – 2060. Source CSAG.

See Figure 6 for Key for figure.

These changes in rainfall and variability will exacerbate current impacts, and several studies project major impacts in Rwanda, especially for key sectors such as agriculture, with yield reductions projected for most crops (Adhikari et al., 2015^{xv}).

It is also highlighted that Rwanda has high levels of vulnerability, that exacerbate the climate hazards above. A national vulnerability assessment (REMA, 2015^{xvi}) found that Rwanda has a high sensitivity to climate change and has a low adaptive capacity, and thus high vulnerability. The exact patterns vary around the country, but all areas have high vulnerability. This is confirmed also by the World Risk Report which identifies the country has very high vulnerability (WRR, 2020^{xvii}).

Future climate change is likely to have an important influence on poverty, even from early trends. The World Bank Shockwaves^{xviii} study identified that climate change would increase the number of people living in extreme poverty by 2030 in East Africa (including Rwanda).

Climate change threats, unless adequately addressed, could therefore significantly undermine progress toward the implementation of the SDGs and Rwanda's long-term Vision 2050, as well as medium-term plans and the National Strategy for Transformation.

Problem Definition and Rationale

As highlighted above, Rwanda is a highly vulnerable country and will experience major impacts from climate change even in the short-term. It is estimated that climate change impacts will lead to costs equivalent to 1% of GDP each year even by 2030^{xix}. There is therefore a large adaptation challenge, and country needs are high.

Rwanda's commitment to tackling climate change is recognized worldwide and there is strong ownership of the climate resilience and green growth agenda. Rwanda has established a strong and effective policy framework to deal with climate change. The GoR is committed to becoming a climate-resilient, low-carbon economy by 2050 and launched its Green Growth and Climate Resilient Strategy (GGCRS) in 2011.

The actions set out in the GGCRS provide the basis for other key national guiding documents informing the country's low carbon development, culminating most recently in the National Environment and Climate Change Policy, enacted in 2019 with the goal of achieving a climate resilient nation with a clean and healthy environment. Reflecting this, climate mainstreaming has also been taken forward in Rwanda's national development plans, including the new National Strategy for Transformation (NST1) (2018-2024)^{xx}.

There is high-level ownership and commitment to adapting to the effects of climate change and Rwandan institutions, and the Ministry of Environment (MoE), the National Implementing Entity, have excellent experience from implementing a number of projects that support adaptation. All the necessary policies and legal frameworks are in place. Rwanda has demonstrated success in terms of its institutional capacity to absorb and manage climate finance. Rwanda's good progress towards high fiduciary management standards, its commitment to service delivery and its strong track record of effective and efficient budget execution demonstrate it is at an advanced stage of climate finance readiness.

This ambition is set out in the update Nationally Determined Contribution (NDC). Rwanda was one of the first countries to update its NDC (RoR, 2020)^{xxi}, which has ambitious policies for mitigation and adaptation.

The Rwandan NDC is one of the most comprehensive and detailed NDCs produced to date on adaptation. It sets out fully costed priorities, with supporting evidence and activity plans. These build upon the GGCRS and associated sector working papers, climate change vulnerability assessments reports, as well as the Strategic Programs for Climate Resilience (SPCRs) undertaken in Rwanda (RoR, 2017^{xxii}).

In total, the NDC prioritises 24 adaptation interventions, classified according to 8 key sectors. A total of 38 adaptation indicators have been developed to be aligned with baselines and adaptation targets. These are shown in Table 1.

Table 1. Rwanda NDC selected adaptation interventions by sector.

Water	1	A national water security through water conservation practices, wetlands restoration, water storage and efficient water use
	2	Water resource models, water quality testing and hydro-related information
	3	Develop and implement a management plan for all level 1 catchment
Agriculture	4	Develop climate resilient crops and promote climate resilient livestock
	5	Develop climate resilient post-harvest and value addition facilities and technologies
	6	Strengthen crop management practices
	7	Develop sustainable land use management practices
	8	Expand irrigation and improve water management
	9	Expand crop and livestock insurance
Land and Forestry	10	Development of Agroforestry and sustainable agriculture
	11	Promote afforestation / reforestation of designated areas
	12	Improve forest management for degraded forest resources
	13	Integrated approach to planning and monitoring for sustainable land use management
	14	Harmonized and integrated spatial data management system for sustainable land use
	15	Inclusive land administration that regulate and provide guidance for land tenure security
Human Settlement	16	High density buildings and informal settlement upgrading
	17	Storm water management
Health	18	Strengthen preventive measures and create capacity to adapt to disease outbreaks
Transport	19	Improved transport infrastructure and services
Mining	20	Climate compatible mining
Cross Sectional	21	Disaster risk monitoring
	22	Establish an integrated early warning system, and disaster response plans
	23	Capacity building and development for cross-sector NDC implementation
	24	Access to finance

In order to fully implement the adaptation measures in the NDC, Rwanda will require finance, capacity building and technology transfer. The total estimated cost for

Rwanda's identified NDC adaptation measures through to 2030 is estimated at around 5.3 billion USD for adaptation priorities. However, as one of the least developed countries (LDCs), Rwanda does not have the resources available to adequately address climate threats and support adaptation, or to deliver the ambitions for adaptation in the NDC. Unconditional measures account for around 40% of the total estimated funding requirements, and conditional measures around 60%.

In particular, there is a lack of access to finance for investments at the sub-national level for the most vulnerable, and the constraints on the public budget mean that this cannot fill the funding gap.

Enhanced Direct Access

Rwanda has implemented a number of adaptation projects, including with funding from the Adaptation Fund (xxiii). It is also progressing national-level implementation through its commitments in the National Strategy for Transformation. However, as highlighted above there is an implementation and funding gap.

This proposal seeks to help fill this gap. The focus on Enhanced Direct Access is targeted at two inter-related issues:

- First, increasing climate shocks and stresses require local adaptation solutions.
- Second, there is a need to deliver climate finance to the most vulnerable.

As highlighted in the earlier section, the adverse impacts of climate change are manifested largely at the local level due to the local socioeconomic, ecological, institutional and governance characteristics. Hence, there is a need for local adaptation solutions that are tailored to the specific characteristics of local contexts, that complement top-down national initiatives.

At the same time, climate change is projected to affect the poorest and most vulnerable the most in relative terms^{xxiv}, with the highest impact (as a % of income) for those with the lowest incomes due to higher vulnerability and lower adaptive capacity. These populations have limited access to climate information, are often left out from formal decision-making processes. They have limited knowledge and financial capacity to undertake adaptation solutions. As a result, their local needs and priorities for adaptation often remain unmet. They also tend to often get ignored in adaptation finance flows. At present globally, less than \$1 in every \$10 of climate finance committed from dedicated climate funds explicitly seeks to support local climate action.^{xxv}

For these reasons, sub-national adaptation solutions are required that are explicitly targeted at poor and vulnerable people in Rwanda.

This proposal addresses these challenges. It applies to the Enhanced Direct Access modality of the Adaptation Fund to scale up local adaptation solutions, in alignment with national climate priorities, and work with local government institutions and community organizations to deliver these solutions. To do this, it proposes to use

the existing Rwanda climate fund, FONERWA, as a grant manager, using a dedicated funding window for local adaptation. This will use the existing process and facility staff for screening, review and selection of projects, as well as the grant management of local projects. This will allow the programme to 'hit the ground running' and thus immediately implement the EDA modality.

Rwanda's Climate FUND and proposed EDA modality

The Government of Rwanda published a Green Growth and Climate Resilience Strategy (GGCRS) in 2011. This identified climate finance as a critical enabling pillar for the realization of the strategic goals.

Subsequently, in 2012, a climate and environment basket fund, FONERWA (based on the French acronym, Fonds National de l'Environnement au Rwanda, <http://fonerwa.org/>) was established, with the objective of mobilising domestic and international climate finance.

The Fund became fully operational in July 2013 following seed capitalization, including the formalisation of governance arrangements, procedures, staff capacity building and public awareness efforts. The first funded projects commenced in the early part of 2014. The fund has thus been fully operational and disbursing for 7 years. The first call for proposals opened on 26th July 2013. Ten CFP rounds have been completed to date with 37 climate resilience and environmental protection projects being funded.

FONERWA has been primarily run as a grant-based, demand-led fund that accepts project proposals on a regular annual basis through a competitive call for proposal (CFP) process.

FONERWA uses the CFP process to identify projects and provide grants to public institutions including central government, local government, and CSOs to implement climate projects. Funding includes grants for public sector entities (such as line Ministries and District authorities), civil society organisations and academia as well as innovation grants to support research and development (R&D), proofs-of-concept (prototyping) and demonstration (piloting and commercialisation) for private sector applicants.

FONERWA also undertakes the grant management of these funds. This involves the grant agreement, and the implementation and management of the grant. It also includes all the necessary financial and M&E management of the grant, through to close out.

This fund management cycle is shown below.

To date, sub-national district projects account for 30% of the approved projects funded by FONERWA, with Central Government and NGOs accounting for a further 30%. This demonstrates the proposed EDA programming modality already works. The cycle includes the necessary checks on organisations to ensure fiduciary management and due diligence, as well as environmental and gender safeguards.

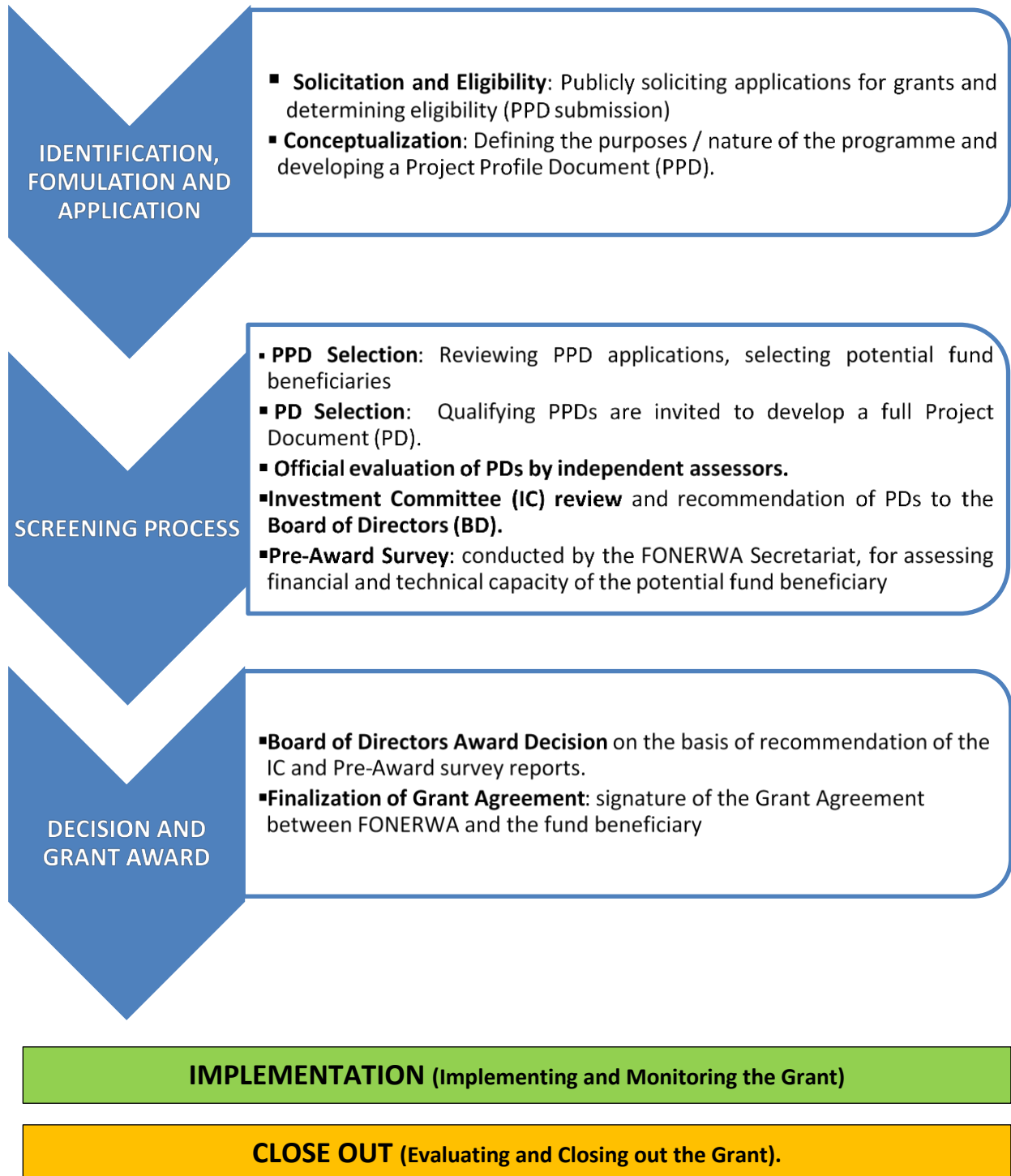


Figure 9. The FONERWA grant management cycle.

This grant management cycle above provides an existing established and operating route for the Adaptation Fund Enhanced Direct Access modality. The fund allows the delivery of sub-national adaptation decision making, and the funding of sub-national organisations to deliver adaptation. It has the existing legal mandate, processes and procedures, the formal organisational structure and staff, as well as

the necessary operational expertise and experience, including necessary fiduciary and environmental safeguards in place. This makes it an ideal modality for EDA.

At the current time, project applications are invited against four thematic financing windows, though the Fund also issues earmarked calls for proposals. This has included previous earmarked calls for adaptation projects from civil society organisations to work with particularly vulnerable groups and on local adaptation.

The proposal is to **use FONERWA to deliver an EDA AF Programme, using an earmarked Call for Proposals, targeting sub-national adaptation projects and sub-national organisations for delivery, and then undertaking the grant management to ensure successful implementation, including financial management and safeguards.** This will be focused on grants to sub-national government (district and local government) and civil society organisations (CSOs). This approach will provide local adaptation funding to the local level and provide climate funds to aid local adaptation decision making.

As FONERWA has been already in operation for seven years, there is an existing Fund Management Team (FMT), which is in charge of the day-to-day running of calls for proposals, and the management of proposals. This has all the necessary capacity and experience for awareness raising at the sub-national level, working with proposal applicants to ensure high quality proposals that meet safeguards, and the necessary fiduciary and M&E processes to oversee projects run by sub-national organisations. The FMT is comprised of a core team of national, fully qualified professionals based in Rwanda who are full time engaged with FONERWA. Currently, around 30 staff numbers are employed.

FONERWA has established robust and transparent management systems to manage day-to-day business. The FMT screens project proposals, provides individual support to the applicants, supports (internal) knowledge management and monitors the implementation of approved projects and FONERWA's performance. It has developed and successfully implemented processes for applications for funding using call for proposals. This involves a two-stage process, which is fully published (<http://fonerwa.org/apply-page>) with forms available:

- Initially, applicants complete concept notes, known as **Project Profile Documents (PPDs)**, to be considered by FONERWA. These can be aligned to specific calls for proposals for thematic areas (e.g., adaptation) and for specific organisations (e.g. sub-national public sector and civil society). The PPD ensures compliance, i.e. that applications are:
 - Results based, and meet the relevant area set out in the thematic windows/entry points and FONERWA M&E framework;
 - Projects are designed so that benefits are sustained beyond the lifetime of project activities;
 - Projects meet environmental and social impact criteria;
 - Projects can demonstrate value for money;
 - Projects demonstrate clear stakeholder consultation;
 - Projects promote or aligned to strategic national/international environment/climate objectives;

- Projects conform with existing legislation and anti-corruption provisions.
- A formal screening or PPDs is made, and these are then categorized as green, High Amber, Amber and Red based on their quality in meeting the eligibility criteria and safeguards. PPDs that are considered high quality proposals (green) are subjected to quality assurance, a process that determines which green PPDs proceed to the next step of developing full project proposals.
- If successful, applicants will be asked to submit a full proposal, called a **project document (PD)**. Technical assistance (TA) and support from the Fund Management Team is provided to elaborate or improve the proposal and ensure they meet all requirements and safeguards. Once complete, full proposals undergo a technical appraisal by the Fund Management Team. This assesses each PD according to overall technical appraisal criteria, each with detailed sub-criteria, and assigns a priority ranking for submission to the FONERWA Technical Committee. This is based on
 - Technical Appraisal Criteria;
 - Desirability;
 - Viability;
 - Feasibility;
 - Capacity to leverage additional resources.

Therefore, proposals are assessed against transparent and pre-determined criteria, with a strong focus on delivering (adaptation) impact, but also ensuring all safeguards are met and that proposals align with all fiduciary, environmental and social safeguards.

FONERWA has been regularly reviewed and audited, publishing annual financial accounts. The fund has undergone an independent annual review each year by the UK Department for International Development, as part of an external review process, and these reviews are publicly available^{xxvi}. It has also been externally audited.

As well as the ESIA and gender policies, the Fund has safeguards to meet high standards of due diligence. These include policies and processes in six areas: safeguarding, human resources, whistleblowing, risk management, codes of conduct and governance.

FONERWA undertakes different types of due diligence, including internal and external audits, spot checks and closing audits to assess the fiduciary risk of project implementers (PIs). Fiduciary risk, or instances where delivery partners along the chain do not use funds for the intended purposes are strongly mitigated through regular spot checks and audit reviews. To avoid misuse of funds, for each procurement process carried out by implementing partners and sub implementing partners, FONERWA assesses and approves the bid to ensure VfM is duly considered and that the procurement process complies with procurement laws. Implementation risks and challenges captured in a risk matrix at the Fund level are reported on a quarterly basis in the FMC report; and at project level, through the 'Supported project implementation status report'. This well-established process and existing team, as well as the stringent safeguard and due diligence procedures set out above, can provide confidence to the Adaptation Fund, that Rwanda can deliver the Enhanced Direct Access modality.

Project / Programme Objectives:

This proposal is applying to the Enhanced Direct Access call of the Adaptation Fund for involving sub-national institutions and civil society organizations on adaptation, using the Rwanda Green Fund, FONERWA. In line with the objective of AF Enhanced Direct Access, this Programme seeks to empower organizations in Rwanda to access international climate finance beyond what can be achieved through the Direct Access modality alone, by devolving decision-making in the programming of internationally allocated funds to the national and sub-national levels.

The programme **objective is ‘to increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level’**. This will encourage local adaptation solutions and deliver climate finance to local levels, notably for the most vulnerable.

The application to the EDA proposes the existing Rwanda Climate Fund and its existing processes. These allow subnational government and civil society organizations to apply for funds through specific and well-structured Call for Proposals. This offers the opportunity for piloting innovation built on bottom-up approaches through local knowledge and locally led action, as well as generating additional knowledge for replication.

The EDA will enable organizations at the sub-national level, including small, local organizations to identify their adaptation needs by themselves and implement adequate measures to address those needs, while maintaining the necessary safeguards and oversights. The screening, review and selection of projects will involve sub-national government and civil society organizations and includes strong stakeholder engagement in the decision-making process on proposed adaptation initiatives and their financing at those levels.

This EDA application proposes to use an earmarked local adaptation thematic window and it will seek applications from sub-national public organizations and civil society for adaptation projects. The focus **will be on adaptation priorities from Rwanda’s updated Nationally Determined Contribution**.

The programme duration will be 4 years and FONERWA plans to conduct one call for proposal, which encourages applications from local or district government as well as CSOs, including the potential for local consortia bids (where CSO and local government work together).

Because this proposal uses the EDA modality, it is not possible to set out in detail the exact outcomes that the programme will deliver, i.e. as it would be possible to do for a specific project proposal. Indeed, some of the specific outcomes will only be known once the proposals are received and approved from the EDA process. However, the proposal can still align with the Results Framework of the Adaptation Fund.

First, the EDA modality will directly contribute to the following fund level outcomes, outputs and indicators:

- Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses. The development and application of the EDA modality in itself, and the training provided to develop proposals and manage these, will deliver strengthened institutional capacity for adaptation. The Programme will delivery
- Output 2.2: Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance
- Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality.

The projects funded by the EDA will lead to a set of outcomes that will align to the following relevant Fund Outcomes, though the exact alignment will depend on the projects funded, but are likely to include:

- Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level. The development and application of the EDA modality will deliver particularly strongly for this outcome, as it is focused on sub-national flows of finance.
- Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets. The use of the EDA modality, for sub-national government and CSOs, will build adaptive capacity at local level for services and infrastructure.
- Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress. Depending on the proposals received, the specific projects under the EDA may deliver against this outcome.
- Output 6: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability. The development and application of the EDA modality is likely to deliver this outcome, as it is focused on sub-national flows of finance.
- Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies Depending on the proposals received, the specific projects under the EDA may deliver against this outcome.

Table 2. Alignment of the Programme with Adaptation Fund Outcomes.

Expected results	Program alignment
Impact: Increased resiliency at the community, national, and regional levels to climate variability and change.	High, direct access to adaptation finance will empower local adaptation to climate variability and change
Outcome 1: Reduced exposure to climate-related hazards and threats	
Output 1.1: Risk and vulnerability assessments conducted and updated	
Output 1.2: Targeted population groups covered by	

adequate risk reduction systems	
Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	MAIN OUTCOME , the EDA modality will deliver strengthened institutional capacity for adaptation.
Output 2.1: Strengthened capacity of national and sub-national centres and networks to respond rapidly to extreme weather events	
Output 2.2: Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	MAIN OUTPUT – the EDA modality will explicitly deliver on this output
Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	Very high , the EDA will deliver strongly as it is focused on sub-national flows of finance.
Output 3.1: Targeted population groups participating in adaptation and risk reduction awareness activities	<i>Very high</i>
Output 3.2: Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	<i>Very high</i>
Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets	High, the use of the EDA modality, and the focus on sub-national government and CSOs, will build adaptation capacity.
Output 4: Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	<i>High</i>
Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress	Depending on the proposals received, the specific projects under the EDA may deliver against this outcome.
Output 5: Vulnerable ecosystem services and natural resource assets strengthened in response to climate change impacts, including variability	<i>High</i>
Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	High the development and application of the EDA modality is likely to deliver this outcome, as it is focused on sub-national flows of finance.
Output 6: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	<i>High</i>
Outcome 7: Improved policies and regulations that promote and enforce resilience measures	
Output 7: Improved integration of climate-resilience strategies into country development plans	
Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies	Depending on the proposals received, the specific projects under the EDA may deliver against this outcome.
Output 8: Viable innovations are rolled out, scaled up, encouraged and/or accelerated.	<i>High</i>

Project / Programme Components and Financing:

Fill in the table presenting the relationships among project components, activities, expected concrete outputs, and the corresponding budgets. If necessary, please refer to the attached instructions for a detailed description of each term.

As this is an EDA programme, and will work on the basis of Calls for Proposals (CFP) from sub-national organizations and civil society for adaptation, there are not specific components and activities in the same way there would be for a normal project proposal.

The CFP will be aligned to a Grant Investment Window that will be restricted to sub-national adaptation, targeting district and local government, and civil society organizations, and will provide them with the opportunity to take full ownership of self-determined local adaptation. The call will be focused on the priority areas for adaptation set out in Rwanda's updated NDC – as set out earlier in Table 1. This will focus on the NDC areas of high relevant for local implementation, such as climate resilient agriculture and ecosystem-based adaptation.

It will encourage project applications from civil society organizations (with anticipated grant sizes of USD 100,000 – USD 250,000) and Local / District Government (with anticipated grant sizes USD 500,000 – USD 1,000,000), or combinations of these working together (e.g. a local government plus a CSO). The funds would be disbursed over a three-year period with funds allocated to both demand-led, innovative and impactful projects through the targeted calls for proposals.

The proposed EDA programme has been structured into three main components, which are supported by programme execution activities.

Component 1. Awareness raising, capacity building and proposal development support. This component will develop and raise awareness of the Call for Proposals, issue the CFP, and build and strengthen the institutional capacity of CSOs/local government districts to produce proposals. Once proposals are approved, it will also undertake training of sub-national organizations to help them in project management and so deliver the EDA, with training on financial management, project management, environmental safeguards, gender, etc. The task will also undertake a review at learned at the end of the EDA to provide lessons for improving EDA delivery and scale-up.

Component 2. Review and Approval of Sub-National Adaptation Proposals under the CFP. This component will evaluate proposals received from sub-national adaptation under the Call. This will use the existing review process and operating procedures for proposal review established and operational under FONERWA.

Component 3. Grant Management of Sub-National EDA programme. This

component will include the grants that will flow through to sub-national beneficiaries, and the grant management of the sub-national projects, as part of the EDA programme. This will include the routine management and reporting on projects, using the procedures, processes and existing operational guidance of FONERWA. This component will provide the funding for the sub-national projects funded, and thus include the main grant finance for delivery.

Programme Execution cost. The management of approved grants, including monitoring and evaluation, safeguarding, etc., will use the existing FONERWA structures and operating procedures and grant management manual (see next section), which have been in place for the past seven years and have successfully gone through ten rounds of CFP and programme management and delivery. The costs of the management of these processes are well understood, and the execution costs are reduced by using many of the existing operations and staff.

Note that individual projects that are provided with grants will also be executing entities. These execution costs are included in the grant financing provided, but will be carefully scrutinized to ensure these are appropriate. FONERWA applies rules to limit project management costs for sub-national entities and these will be included.

Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
1. Awareness raising, capacity building, proposal development support and training.	<p>Milestone 1. Call for Proposals issued.</p> <p>Output 1.2. Number of local organizations / people receiving training and assistance for proposals</p> <p>Output 1.3. Number of local organizations / people receiving training for project delivery</p> <p>Output 1.4. Lessons and knowledge for scaling up EDA.</p>	<p>Strengthened sub-national institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses</p> <p>Increased readiness and capacity of sub-national entities to directly access and program adaptation finance</p>	US\$ 112,280
2. Evaluation of Sub-National Adaptation Proposals under the CFP	<p>Milestone 2. FMC meeting held to approve proposals</p> <p>Output 2.1. Five to twenty Sub national and civil society adaptation projects approved.</p>		US\$ 75,800
3. Grant management of EDA programme	<p>Milestone 3. Grant agreements signed with sub-national organizations.</p> <p>Depending on project proposals received, outputs for:</p> <ul style="list-style-type: none"> • Area in hectares (ha) of land protected against erosion; • Number of green jobs created; • Area in hectares (ha) of restored forest/under agroforestry/under afforestation; • Area in hectares (ha) of land under smart irrigation systems; 	<p>No. of people benefitting from the enhanced direct access modality</p> <p>Depending on project proposals received:</p> <ul style="list-style-type: none"> • Average percentage increase in income; • Percentage increase in yield/ha; • Number of households with improved water retention capability disaggregated by gender; • Number of environment and climate knowledge products adopted; • Number of individuals 	US\$ 4,009,500

	<ul style="list-style-type: none"> • Area (ha) of watersheds and water bodies protected; • Number of rain water harvesting tank installed; • Number of knowledge products produced and disseminated; • Number of green technologies promoted; • Number of people trained; 	<ul style="list-style-type: none"> • adopting smart transport technologies; • Number of institutions adopting green building practices in infrastructure development. 	
4. Programme Execution cost			US\$ 386,300
5. Total Programme Cost			US\$ 4,197,580
6. Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			US\$416,120
Amount of Financing Requested			US\$ 5,000,000

Projected Calendar:

Indicate the dates of the following milestones for the proposed project/programme

Milestones	Expected Dates
Start of Programme Implementation	1/12/2022
Mid-term Review (if planned)	1/09/2024
Programme Closing	31/12/2026
Terminal Evaluation	31/06/2026

PART II: PROJECT / PROGRAMME JUSTIFICATION

- A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.

This proposal is for an Enhanced Direct Access programme, and plans to use the existing Call for Proposals and grant management processes of Rwanda's climate fund, FONERWA.

The CFP will be focused on sub-national government and civil society adaptation, in line with Rwanda's NDC priorities, with a focus to provide climate funds to support local adaptation decision making from local government and civil society organizations.

This component will use the existing FONERWA climate fund to channel adaptation finance directly down to the local level. By doing so, it will empower communities to increase their resilience from direct access to climate finance. The focus will be to provide grant financing to support sub-national adaptation decision making and implementation. It will have an emphasis on piloting innovative local adaptation actions that align to Rwanda's NDC.

The nature of this EDA and CfP approach means there is no agreed list of projects are yet identified. These projects will emerge from the call for proposals for sub-national projects. Therefore, the focus on this component is on the structure of the process for delivering the EDA mechanism.

The EDA will target sub-national adaptation through civil society organizations and district and local government, and provides them with the opportunity to take full ownership of self-determined local adaptation. The Grant Investment Window will encourage project applications – through an earmarked Call for Proposals - from civil society organizations (with anticipated grant sizes of USD 100,000 – USD 250,000) and Local / District Government (with anticipated grant sizes USD 500,000 – USD 1,000,000), or combinations of these working together (e.g. a local government plus a CSO). Overall, it is anticipated that this will fund six to ten projects. The anticipated duration of projects funded will be for 2-3 years. The funded organisations will deliver (execute) the actual adaptation projects.

The advantage of this approach is that FONERWA has existing experience of an Enhanced Direct Access modality, providing climate finance for adaptation projects for sub-national organizations, and has existing expertise, staff, operational experiences, processes and safeguards. This makes it an ideal modality for the EDA approach. The approach is built on an established fund management cycle that has been in operation for seven years.

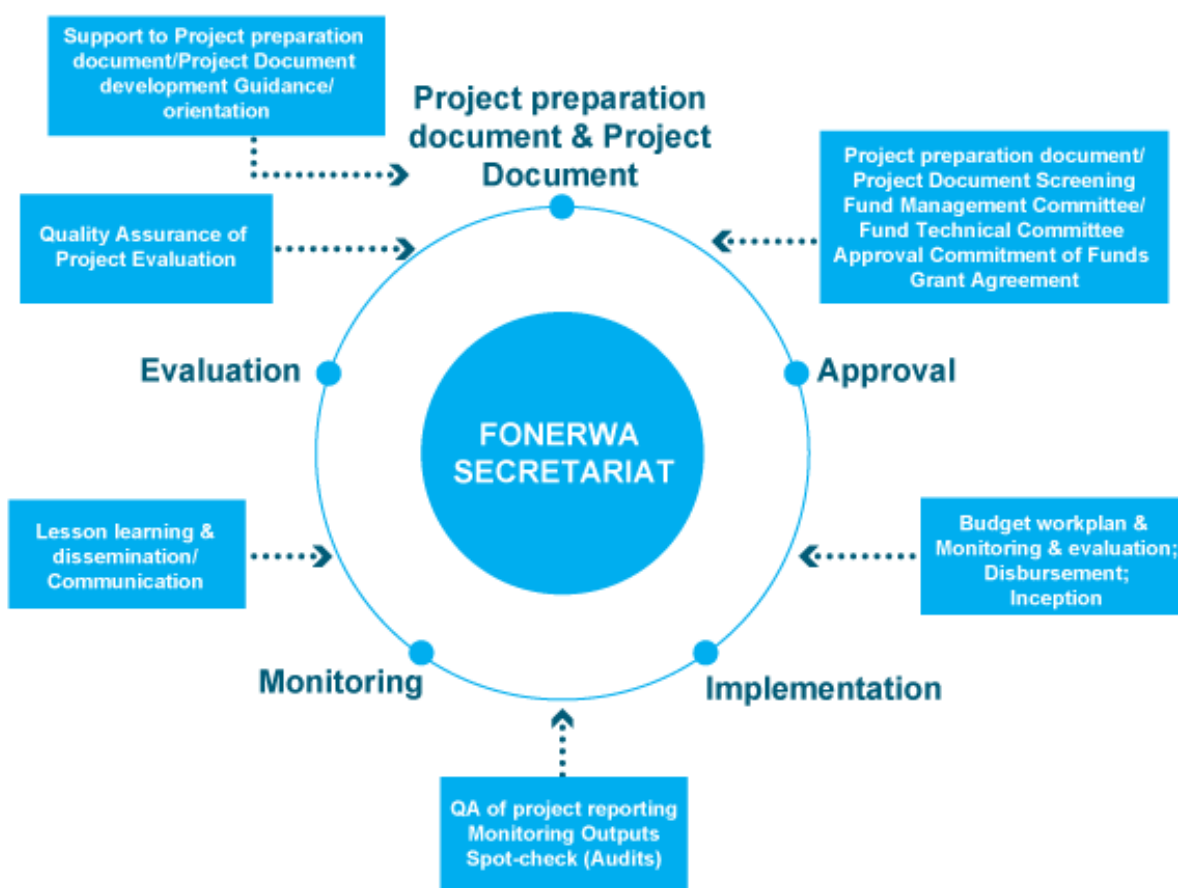


Figure 10. FONERWA Fund management Cycle

This process is fully documented, with guidance documents and advice to applicants on the web, <http://fonerwa.org/training/#home>.

Previous FONERWA calls have delivered high levels of concrete adaptation action. This was summarized in an external review (December 2020), published by FCDO^{xxvii} and found the funding provided by FONERWA to national and sub-national organizations had achieved.

- 21,914 ha of land secured against erosion.
- 43,154 ha of forest and agro-forestry cover.
- 27,984 ha of protected watershed.
- 73,251 number of households with access to clean energy.
- 93,604 tonnes of CO₂ emissions avoided.
- 111,323 people supported to cope with effects of climate change.
- 14 programmes of action in Rwanda's Green Growth and Climate Resilience Strategy supported.
- 145,256 green jobs created as a result of the Fund, of which 60% for women.

This demonstrates that FONERWA can deliver adaptation benefits at scale, using an EDA modality. The EDA will use the existing application process for running the EDA. This is summarized below. Note that the FMT description and various

organizations and committees involved are described in section 3.

Component 1: Awareness raising, capacity building, proposal development support and training.

This component will develop and issue a Call for Proposals, and ensure that the Call reaches and supports relevant local government and civil society organizations. It will also guide sub-national organizations through the CFP and evaluation process, providing support to help improve the proposal and ensure they meet Adaptation Fund policy. This component is essential for the success and sustainability of the sub-national adaptation projects. The component is to be executed by FONERWA.

Component 1.1. Design and Raising awareness of the call.

FONERWA has been operational for seven years and regularly issues call for proposals. There is therefore considerable experience in designing call text and ensuring this is a fair and transparent process.

This component will start by taking existing call material, and adjusting this to provide an earmarked CFP for the Adaptation Fund Enhanced Direct Access. This will set out the conditions of the call, notably:

- The focus is only on sub-national organizations, specifying who is eligible for the call.
- The focus on adaptation, and the need to align to the adaptation priorities in the NDC as part of the call text.
- Additional requirements to comply with the Adaptation Fund, including Operational Policies and Guidelines, and including
 - OPG ANNEX 2: Fiduciary Risk Management Standards to Be Met by Implementing Entities;
 - OPG ANNEX 3: Environmental and Social Policy;
 - OPG ANNEX 4: Gender Policies and Action Plan;
 - Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy.
 - Guidance document for Implementing Entities on compliance with the Adaptation Fund Gender Policy.

The Call for Proposal will then be issued.

Previous CFPs for FONERWA have created high demand, with many more proposals that can be funded. For example, FONERWA has received over 1000 PPDs to date, of which just under met the required standard to proceed to the PD stage, and of which, one third have been funded. However, even though there is high awareness, additional activities will be undertaken in this component to promote the Call for Proposals. This will promote the CFP in advance of the call, using networks of communication through relevant sub-national routes (e.g. through local government networks, umbrella CSO organizations). This activity will be undertaken by FONERWA. It will also include a sensitization workshop to provide information on the call, and all material will be put on-line to attract interest.

There will be an advertisement for Targeted calls: The targeted calls will be very specific in terms of the priority areas to be funded to avoid an influx of proposals that are not relevant. The advertisement will be detailed and will highlight the priority areas and need for sector coordination with an emphasis on the EDA modality, sub-national adaptation, and will emphasize the importance of compliance with Adaptation Fund policy.

FONERWA will include a number of measures to ensure that NGOs, as well as other local institutions particularly the local public sector, have access to the resources. An effective approach to strengthening local CSOs can be to target twinning of international and local CSOs to ensure that medium to long term practical know-how is effectively transferred from international to local CSOs. This approach is borne out of the current lessons from the implementation of FONERWA. These include measures to:

- identify local government and NGOs that are already active in the sectors prioritised for funding support;
- communicate and promote calls for proposals with NGOs and key local public institutions; and
- through international NGOs, build the capacity of local NGOs to implement high quality projects.

This support will largely be delivered by the FONERWA team through the Technical Facility. Recognising that women have an important role to play in Rwanda's efforts to combat climate change, FONERWA will continue to support their active participation in its portfolio of projects.

Activities undertaken under this task will include:

- Call for Proposal for sub-national developed and issued;
- Press release and awareness campaign, with media articles (papers, radio, etc.);
- Meetings held for CSO and sub-national government on call;
- Web material produced and web-site development (under existing site).

Component 1.2. Training of CSO and local and district staff on proposals and project management

As highlighted above, in the previous CFP, there have been many more concept applications than can be funded. This allows FONERWA to evaluate and then progress and fund, the strongest proposals with the most potential for impact.

However, it is important that this process is fair and transparent, and that local communities or CSOs are not unfavorably ranked in cases where they have good ideas, but lack the necessary capacity to deliver a high-quality proposal. This issue is not new and FONERWA provides a number of activities to improve proposals from such groups.

Coaching and mentoring key National CSO's to develop project proposals.

FONERWA has developed an extensive national training programme for CSOs on applying to the fund. Such a programme has taken place in the past and targeted civil society organizations, running a series of workshops and training activities

(including both national and international CSOs). This has provided training on the application process, but also more broadly on fiduciary management, Finance & Budgeting, Project Management and Monitoring & Evaluation, environment and social safeguards, gender equality and social inclusion. Similar training will be repeated for this call, with a focus on local CSOs and local government, but with an additional focus on adaptation proposals and with a focus on Adaptation Fund policy.

Following the PPD process, applicants move to produce a Full Proposal (PD). This is a more involved undertaking and proposal applications often require support, particularly on key areas of their proposals, for example on the costing and value for money analysis, and on environmental and social safeguards or gender.

FONERWA staff provide support for applicants during the PD (proposal development) phase to help train applicants on these aspects. This has a benefit in producing higher quality proposals, but also provides capacity building support more generally to local organizations. Similar activities will take place as part of this component. FONERWA will also contract specialists to provide technical assistance to local government and CSOs to develop proposals targeting FONERWA.

The expected results of the training is an increased understanding of adaptation project design and an improved understanding of how climate adaptation projects are managed and executed, following all Adaptation Fund safeguards.

This component will have two benefits. First, it will ensure high quality projects, that can be delivered successfully. Second, it will build and strengthen the institutional capacity of CSOs/local government districts' permanent staff.

Activities undertaken under this task will include:

- Training needs assessment;
- Preparation and delivery of training for Government and NGO staff;
- Targeted technical assistance support for proposal applicants for improvement of proposals (technical quality, financial management, environmental risks, gender inclusion, etc.);

Component 1.3. Sharing project results and lessons learned on EDA

Results and lessons from the EDA approach will be collated and disseminated nationally. The aim is to promote learning between the national and local participants and other stakeholders.

The EDA activities will be tracked using a monitoring, evaluation and learning framework (see later). Lessons learned from project interventions will be shared through project reports and briefing notes, the FONERWA website to promote a wider understanding of the issues and the secondary uptake of successful approaches. A lesson learning exercise will also be included at the mid-term of project implementation and at project completion. During this process new understandings will be catalogued and used to build the knowledge base of best practices for EDA as well as document where project implementation has resulted in unexpected impacts or investigate approaches that have not worked and why. This

will ensure that learning from the experience gained during EDA implementation and new knowledge is shared with other stakeholders as a reference for future projects. Lessons learnt as well as knowledge acquired will inform project annual reports, completion reports and performance evaluation reports. The reports, as well as recommendations, will be incorporated into project activities and new designs to improve the performance of the projects, as well as the operational manuals.

The outcomes of this project are designed to strengthen the capacity for local adaptation finance flows, and the project is expected to make a lasting contribution to the sustainability of adaptation programming in the country. It will be important, therefore to learn the lessons from the EDA, to improve the flow of local adaptation financing and programming.

Evidence and lessons will be generated of the additional value from sub-national programming, as well as the performance against financial management and safeguards. These lessons will be incorporated in FONERWA operating processes and manuals, to improve future EDA and help scale-up this modality.

Activities undertaken under this task will include:

- Knowledge management meetings with sub-national beneficiaries;
- Evidence and lessons learned review;
- Preparation of briefing notes for local and national decision makers;
- Update of lessons into guidelines and manuals;
- Development of video;
- Development of an investment plan for future EDA;
- Media articles in newspapers, journals, newsletters, radio;
- Website development (under existing site).

Component 2: Review and Approval of Sub-National Adaptation Proposals under the CFP

There are existing processes in place for the review and approval of FONERWA call for proposals. These existing processes and manuals will be used for this EDA call. The review process is summarized below.

The FONERWA application and review process

The EDA will use the standard FONERWA application process, including the review process and the management, safeguard and oversight. This involves 6 steps that follow the CFP issued in component 1 above.

This guides applicants through the submission of an initial concept (PPD), and if this meets the necessary criteria, through to the submission of a proposal (PD).

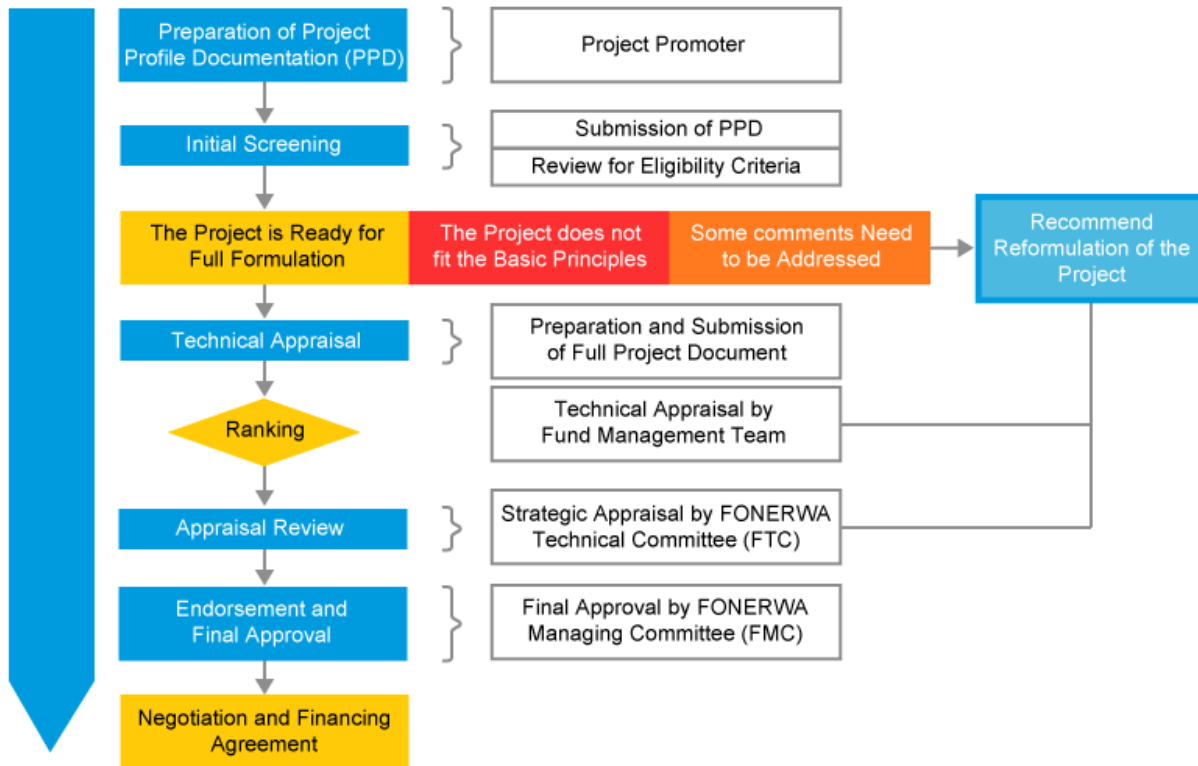


Figure 11. FONERWA Application Process

STEP 1 Submission of project profile document (PPD)

Following the advertisement of a Call for Proposals (see Component 1), applicants complete Project Profile Documents (PPDs) for concept notes. These are submitted to the FONERWA team. A copy of the PPD template that applicants have to provide is included in Appendix 1.

STEP 2 Review for eligibility criteria

Once received, PPDs are screened by the Fund Management Team against pre-published eligibility criteria. This considers PPDs against the following.

- Results based, aligns with thematic windows/entry points and FONERWA M&E framework;
- Benefits sustained beyond lifetime of project activities;
- Demonstrates value for money;
- Involves ongoing stakeholder consultation;
- Promotes strategic national/international environment/climate objectives;
- Conforms with existing legislation and anti-corruption provisions.

It is stressed that there is also a separate environmental and social safeguard screening undertaken by FONERWA, more details of which are given in the ESIA section below. Screened PPDs are then categorized as green, High Amber, Amber and Red based on their quality in meeting the eligibility criteria.

PPDs that are considered high quality proposals (green) are subjected to quality assurance, a process that determines which green PPDs proceed to the next step of

developing full project proposals.

STEP 3 Submission of full project document (PD)

For successful PPD, applicants are then asked to submit a full project document (PD). A copy of the PD template that applicants have to provide is included in Appendix 1. Note that for this step of the process, FONERWA will provide technical assistance (TA) and support (from the Fund Management Team) to elaborate or improve the proposal, as described in more detail in component 1 above.

STEP 4 Technical appraisals and short-listing of PDs

Once submitted, full proposals (PDs) undergo a technical appraisal by the Fund Management Team. The team assesses each PD according to four overall technical appraisal criteria, each with detailed sub-criteria, and assign a priority ranking for submission to the FONERWA Technical Committee. The Technical Appraisal Criteria include four technical appraisal criteria:

1. Value for Money:

- a. Does the project demonstrate value for money?
 - i. Economy: The right inputs have been identified to deliver the required outputs and will be procured cost effectively.
 - ii. Efficiency: Operational costs are appropriate given the benefits. The benefits exceed the costs; the project will deliver a positive Net Present Value (NPV) and Benefit Cost Ratio.
 - iii. Effectiveness: The project contributes to one (or more) of FONERWA's core objectives.

2. Desirability:

- a. Does the project conform with:
 - i. National, and
 - ii. Sectoral strategies related to environment, climate change, and economic development?
- b. Will the benefits of the project be sustained after the lifetime of the project activities?
- c. Does the project support strategic economic activities and/or poverty reduction?
- d. Will the project result in skills development and/or technology transfer?
- e. What is the degree of risk that the objectives of the project are not met?
- f. Does the project demonstrate additionality?

3. Viability:

- a. Does the project implementer have sufficient experience to execute the project?
- b. Have the project management arrangements been confirmed?
- c. Is an appropriate Monitoring and Evaluation (M&E) framework in place?
- d. Have stakeholders been consulted and involved in the project formulation?

4. Capacity to Leverage Additional Resources:

- a. Does the project satisfy the criteria for international climate change or environment financing facilities, and is the project likely to attract additional

- international funding?
- b. Does the project proposal demonstrate the project has potential for income generation?
 - c. Is the project likely to attract private sector investment?

Projects are only funded if they meet a threshold level, and must demonstrate quality against four technical areas.

STEP 5 Appraisal review

Following proposal review at the Technical Appraisal step above, the proposals are submitted to the FONERWA Fund Technical Committee for review. The Committee reviews the appraised proposals and ensures that those recommended for funding to the Fund Managing Committee (FMC) are high quality and strategic in terms of how proposals are aligned with national priorities. Suggested project rankings are further discussed at this stage before submission to the FONERWA Fund Managing Committee for funding decisions.

STEP 6 Decision making

The final step is the approval process. The FONERWA Fund Managing Committee is solely responsible for approval of final funding decisions. The approval is based on recommendations at the various review levels of the Project Profile Document (PPD) & Project Document (PD), i.e. from the review steps above.

Funding decisions will be made by the FMC according to rules set out in the FONERWA Law.

Pre-Award Survey and additional Safeguard checks

After the Investment Committee (IC) review and recommendation of PDs to the Board of Directors (BD), but before the Board of Directors Award Decision, FONERWA under a **Pre-Award Survey**. This is conducted by the FONERWA Secretariat, for assessing financial and technical capacity of the potential fund beneficiary. This provides an additional level of due diligence on potential organizations, and establishes if the proposers have the competence to deliver the project. This includes the following checks.

Table .3 Pre-Award survey check.

Management competencies	<ul style="list-style-type: none"> ▪ The potential fund beneficiary possesses the necessary management competencies to plan and carry out the proposed programme and that it will practice mutually agreed methods of accountability. ▪ The fund beneficiary is willing and able to establish and maintain systems to: <ul style="list-style-type: none"> - <i>Ensure compliance with Value for Money Principles, e.g., the Economy, Efficiency and Effectiveness of which the funds are used</i> - <i>Monitor compliance with the Grant Agreement terms</i> - <i>Ensure that reporting deadlines are met.</i>
Financial	<ul style="list-style-type: none"> ▪ The potential fund beneficiary has adequate financial resources required to co-finance the grant activity and to provide the required

capacities and competencies	<p>level of matching funds.</p> <ul style="list-style-type: none"> ▪ The financial system has the ability to maintain procedures that will minimize the time lag between the transfer of funds and their disbursement.
Accounting systems	<ul style="list-style-type: none"> ▪ The beneficiaries should follow professional a recognized standards for bookkeeping and accounting systems and must use double entry book-keeping systems to manage FONERWA funds. ▪ The accounting records are, at a minimum, adequate to show: <ul style="list-style-type: none"> - <i>The ability of the potential fund beneficiary to supply full details (supplier or vendor, amount, nature and date) of all costs incurred under the grant,</i> - <i>The ability of the potential fund beneficiary to supply full details of receipt and use of goods and services acquired under the grant,</i> - <i>The cost of the project supplied from other sources (matching grant).</i> - <i>The ability of the potential fund beneficiary to supply full details on overall progress of the programme.</i> ▪ The systems are adequate to maintain all documentation for at least a three-year period after the project closure. ▪ The accounting and banking system can maintain grants separately from all other funds managed by the potential fund beneficiary. ▪ The potential fund beneficiary has adequate and effective internal controls, including the ability to carry out an effective monitoring framework. ▪ The fund beneficiary has completed statutory audit(s), issued the audit report(s) and signed annual financial statements for the past three years.
Property Control Systems	<ul style="list-style-type: none"> ▪ For grants involving the purchase of commodities, the potential fund beneficiary's records must demonstrate property control systems and a programme for orderly maintenance of property purchased using FONERWA funds.
Procurement System	<ul style="list-style-type: none"> ▪ The potential fund beneficiary's procurement system is in line with the FONERWA procurement guidelines for non-public agencies, annexed to the Grant agreement.
Personnel and Travel Policies	<ul style="list-style-type: none"> ▪ Potential fund beneficiary personnel and travel policies are enforced, and result in personnel and travel costs that are reasonable in accordance with the Government of Rwanda travel rates.

In addition to the checks (pre-Award survey) that FONERWA undertakes, an additional level of due diligence and safeguarding will be undertaken, to ensure compliance of proposals with Adaptation Fund Fiduciary Risk Standards, Environmental and Social Policy (ESP) and Gender Policy.

This will align to the guidance given in

- OPG ANNEX 2: Fiduciary Risk Management Standards to Be Met by

Implementing Entities.

- OPG ANNEX 3: Environmental and Social Policy.
- Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy.
- Guidance document for Implementing Entities on compliance with the Adaptation Fund Gender Policy.

In line with the Adaptation Fund Guidance Document for Project/Programme with Unidentified Sub-Projects. These will be undertaken by an independent international consultant, to ensure compliance.

This task therefore involves a number of activities that will be undertaken by FONERWA staff. This includes:

- Head of Department;
- RM division Manager;
- Programs Division Manager;
- Project Analysis Specialist;
- Monitoring & Evaluation Specialist;
- Climate Finance Specialist;
- Fund Management Analyst;
- Fund Management Specialist;
- ESMF Specialist;
- IT officer.

Grant agreements

The final part of this task will be the grant agreement. FONERWA has many years experience of such agreements, and included stipulations and conditions to ensure safeguards. These will be extended to include the necessary reference to Adaptation Fund Policy (e.g. on environment, gender, financial management, etc.).

<p>1. Letter</p> <p style="text-align: right;">Grant</p>	<ul style="list-style-type: none"> ▪ <i>Describing the overall purpose, objectives, goals and anticipated grant activity. This will include a description of how the grant activity will address the chosen areas of intervention. The grant letter will also list the overall amount of the grant award, the period for the grant and the terms of the grant.</i>
<p>2. Description and its implementation schedule</p> <p style="text-align: right;">Programme</p>	<ul style="list-style-type: none"> ▪ <i>Clear benchmarks and indicators for monitoring, evaluation and reporting, a clear listing of intermediate and final deliverables, and the financial and technical reporting requirements.</i>
<p>3. Budget</p> <p style="text-align: right;">Grant</p>	<ul style="list-style-type: none"> ▪ <i>A line-item budget by programme category, including salaries, travel, commodities, other direct and indirect costs, costs covered by the grant, and those covered by the fund recipient, and bank information for the transfer of funds.</i>
<p>4. Mandatory standard provisions</p> <p style="text-align: right;">Mandatory</p>	<ul style="list-style-type: none"> ▪ <i>As indicated in guidelines</i>
<p>5. Additional provisions</p> <p style="text-align: right;">Additional</p>	<ul style="list-style-type: none"> ▪ <i>As necessary (forms and templates for reporting in addition to the operational manual).</i> ▪ <i>Note this will be extended to include</i>

	<i>additional provisions to ensure compliance with Adaptation Fund Rules</i>
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At the end of this task, a set of approved proposals will be ready to start implementation. As highlighted above, grantees will receive training at this stage on all aspects of grant deliver and requirements (See component 3).

Activities undertaken under this task will include:

- Receipt and review of project profile documents (PPD) with screening of PPD against eligibility criteria and safeguards;
- Ranking of PPD (green, amber red);
- Successful PPD (green) asked to submit a full project document (PD);
- Receipt and technical appraisal of project documents (PD) with short-listing;
- Pre-Award Survey;
- Additional checks to ensure compliance with Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy.
- Review by FONERWA Fund Technical Committee;
- Approval of funding decisions;
- Notification to successful applications.
- Grant agreements.

Component 3. Grant management of EDA programme

Once approved, projects are delivered by project applicants, working within the required operational processes, with management oversight and checks from the FONERWA FMT, working to approved processes and guidance. FONERWA will have overall responsibility for the management, reporting and supervision of the grant

FONERWA has been operational since 2012 and has a demonstrated track record in fund management and programme oversight. The FONERWA Secretariat includes expertise in procurement, M&E, administrative and finance, IT, legal, as well as fund programming. It has a well-established operating system and it is proposed that the funds are managed using the existing systems.

There is an existing operational manual and grant agreement manual that FONERWA uses. This is very extensive, and it is not possible to include this within the page limit of the proposal. These activities are summarized below, and the full operational and grant manuals can be provided to AF.

The FONERWA management of projects (post approval)

It is highlighted that in line with the EDA modality, the sub-national organizations selected will execute the projects (for successful proposals).

The grant management process is therefore critical for the successful delivery of these projects, and to ensure they meet the necessary fiduciary management standards, as well as Environment and Social Policy and Gender Policy. FONERWA

has well established procedures, processes and protocols for such grant management and these have been in operation for seven years. These activities are set out in the FONERWA operational manual, and in the FONERWA grant management manual. These are too large to include in this proposal, as an appendix, but they are available on request, and are summarized below.

Training sessions. An Inception meeting will be held within the first month after the grant agreement where FONERWA will run a series of training sessions for successful project teams. This will involve a series of training courses on all aspects of financial management, project management and safeguards. This will provide detailed workshop training on successful project management and the requirements of the fund, including procurement. It will also go through the various safeguarding requirements and rules, including environmental and social policy, and gender policy, and these will ensure alignment with the relevant Adaptation Fund policies in these areas.

Training will be provided to:

- introduce the project management and financing support teams,
- orientate key stakeholders on the objectives and results framework,
- agree on the roles and responsibilities of each institution,
- agree on the reporting, monitoring and evaluation requirements,
- present the financial reporting procedures and arrangements for audits, and
- recheck assumptions and risks.

Monitoring and evaluation procedure.

The fund beneficiary must present a logical framework to FONERWA, where project indicators are agreed on by both parties. The Logframe is used throughout the entire project duration; at the time of grant signing, fund beneficiaries are required to submit the project Logframe that aligns with one or more of FONERWA's output demonstrated in the FONERWA M&E Logframe.

To ensure compliance with the grant requirement, FONERWA draws an M&E plan for each fund beneficiary project, the plan specifies the schedule for delivery of reports, payment requests, site visits, evaluations, and audits. Grant funded projects will report on a quarterly basis and the Secretariat's M&E team with support from the Technical Facility will be responsible for monitoring the performance of each project.

FONERWA monitors the funds beneficiary project and its compliance with all the grant requirements, mandatory and 'required as applicable' Standard Provisions – such as the applicability of FONERWA's procurement regulations, monthly and quarterly progress reports, audits, and evaluations.

The monitoring and evaluation system is linked to the results framework, annual work plans and budgets and impact assessments. The timely provision of results from Monitoring and Evaluation activities enable the team to take corrective or enhancing measures as necessary. The data is disaggregated by socio-economic group and gender.

Monitoring results will be disseminated in a user-friendly format and timely manner to

project stakeholders to enable a responsive approach to implementation and allow for troubleshooting of any problems to ensure smooth implementation of project activities.

Quarterly Progress Reports on the grant implementation will be prepared to ensure continuous monitoring of project activities across the portfolio and to allow for corrective measures in due time. These reports will provide an update on progress on the delivery of FONERWA's outputs, a quarterly expenditure report and lessons learned.

The Secretariat maintains a 'Projects Status Implementation Report' which, for each project, contains information on FONERWA's contribution, current disbursement, budget execution rate, and implementation rate (based on the approved timetable). The report provides a short narrative explanation relating to progress and difficulties encountered. Each project is colour-coded 'green', 'amber' (delayed red) (off track) or 'white' (not started) according to its status.

The fund also operates a Fund Result Management Information System to inform day-to-day fund management. The output from this system is a comprehensive report on how projects are performing against objectives and indicators, and enables the Secretariat to identify risky projects.

In addition to quarterly reporting, external mid-term reviews, final evaluations and portfolio analyses will be carried out to assess the achievement of results and support lesson learning.

Mid-term review

At the end of the first half of the implementation period, FONERWA commissions a mid-term review with lead partners of every project. Here the fund beneficiaries have a chance to give the fund a detailed picture on the performance of the project beyond the information provided through progress reports. The review also prepares the submission of the mid-term review report.

Reporting

The progress report (and related annexes) is a core tool for reporting the progress made on project implementation and to FONERWA's objectives. For progress reports, the required reporting methods include submission of; monthly reports, quarterly reports, and annual reports. Risk management reports should be part of the quarterly reports sent to FONERWA

With regards to financial reporting. The beneficiary must prepare a quarterly financial report (revenue and expenditure statement, budget execution report, bank reconciliation with a copy of the bank statement) and annual financial reports.

Procurement regulations.

All organizations must follow procurement regulations and guidance. FONERWA requires that all procedures involving processing of tenders should involve more than one person, and information on the procurement should be readily available to all competitors. Payment for procurement that is eligible for funding from FONERWA

will be made directly by the procuring entity/fund beneficiary

Goods and services expected to be procured, through FONERWA grant disbursements, shall be made under the following procurement guidelines:

- a) Promoting competition, economy and efficiency in procurement of goods, works and services among suppliers, contractors or consultants so that efficiency can be rewarded, and procurement can be made at the most economical price.
- b) Maximizing Economy, Efficiency and Effectiveness in procurement which practically refers to acquiring of goods, works or consulting services of required specifications/quality for the intended purpose in a required time frame at the most economical price.
- c) Ensuring Fairness by providing fair and equitable treatment to all prospective suppliers/bidders.
- d) Achieving Transparency during procurement processes
- e) Ensuring Accountability by assuming responsibility for actions taken and being held to account for those actions.
- f) Ensuring that procurement is conducted in non-discriminatory manner; and contributing towards the creation of a sound business climate. The procurement approach shall be guided by and in strict adherence to the FONERWA procurement guidelines that is annexed to the Grant Agreement.

Final evaluation

Towards the end of the project, an independent evaluator will carry out an evaluation of the project. The evaluation report is submitted to FONERWA.

Financial management

The financial management and procurement will be guided by the public finance management and public procurement regulation of the Government of Rwanda, which is compliant with international standards. More details are given in Section III.

FONERWA has a robust financial management system in place. Before awarding funds, FONERWA's internal management and audit section carries out thorough due diligence. The checklist covers accounting procedures; internal control; budgeting; reporting and auditing; policy environment; and procurement procedures. External audits are undertaken regularly and all previous audits carried out have found that all financial statements and accounts are sound and in line with legal requirements.

Project developers receiving loans are subject to Rwanda Development Bank (BRD) due diligence and scrutinized with respect to their collateral and ability to repay. All assets owned by the Secretariat are recorded and managed through the asset register.

Grant disbursement

The disbursement of the grant funds and schedules follow those determined and validated in the Project Document Budget.

Payments will be made as follows:

- 1) An initial advance to cover anticipated costs for a period of 3 months will be made. The initial drawdown payment request – to be submitted within fifteen (15) days following the signing of the Grant agreement - shall be accompanied by the

following documents:

- a) A section of the annual budget broken down in quarters and the initial quarterly project implementation work plan signed by the signatory on the Grant Agreement.
- b) Annual Procurement plan of the project detailed into quarters with clear timelines
- c) The Beneficiary's annual milestone plan
- d) Upon completed application for the drawdown, the Grant Provider shall effect disbursement of the approved amount to the Beneficiary's bank account.

Apart from the initial drawdown, the other successive disbursements will be as follow:

2) At the end of the second month, a "Request for Advance" Voucher for the next three months will be submitted to FONERWA by the funds' beneficiary. Funds will be disbursed to the funds' recipient upon the submission of the request of funds disbursement, quarterly work plan and the respective quarterly budget.

3) At the close of each quarter, the funds beneficiary shall submit to FONERWA a Progress and a Financial Reports of the previous quarter, with a "Cancellation of Advances" to liquidate the advances of the previous quarter. These will be approved by FONERWA after review and approval of the same quarter's performance report and a report showing the following:

- a) Cash status report, bank reconciliation report and financial report
- b) Updated budget workbook with quarterly summary of actual expenses against projected, and progress against work plan
- c) Request of funds disbursement, quarterly work plan and the respective quarterly budget.

Subsequent disbursements depend on satisfactory utilization of previous funding with the proof of Financial and Narrative report signed by the signatory of the Grant Agreement. Draw down request letter shall be signed by the signatory of the Grant Agreement.

Project closure

All grants will be closed out in accordance with FONERWA guidelines and close out documentation submitted to FONERWA by the fund beneficiary. A meeting will be held with the fund beneficiary to review and determine that all grant activities and audits have been completed in accordance with the agreement, and that any financial and technical reports that are due will be submitted within 30 days of completion of the grant.

The grant budget will be reconciled to ensure that the funds beneficiary refunds the balance of unobligated fund that was advanced. Grants will be evaluated on the basis of their contribution to the defined objectives.

Any property which has been acquired using grant funds shall be accounted for and disposition thereof will be made according to Government of Rwanda regulations. Grants shall be evaluated on the basis of their contribution to the defined objectives.

These tasks above are undertaken by FONERWA staff. This includes:

- Programs Division Manager;

- Project Analysis Specialist
- Monitoring & Evaluation Specialist;
- Fund Management Analyst;
- Fund Management Specialist;
- Procurement Specialist;
- Legal Specialist;
- ESMF Specialist.

Additional activities associated with the financial management of projects, and M&E, is included in the relevant sections in part III.

As highlighted above, before grants are awarded, the project will provide further training to sub-national organizations, in all aspects of financial and project management, safeguards, etc. This provides the necessary capacity building to ensure the delivery of projects. This training also introduces grant beneficiaries to the FONERWA Fund Result and Information Monitoring System (FRIMS) which ensures more accurate, consistent and reliable data are collected and reported.

Activities undertaken under this task will include:

- Project commissioning;
- Inception meeting;
- Training of projects on all aspects of grant management;
- Fund disbursement.
- Financial Management
- ESG oversight;
- M&E;
- Baseline, mid-term and final evaluation of projects.

B. Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project / programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

The programme and projects will focus on adaptation priorities including the NDC. These are focused on climate resilient agriculture, climate proof infrastructure (human settlements), ecosystem-based adaptation (water, land, and forestry). These projects generally have positive environmental and social outcomes and this is further ensured by the safeguards applied during the application process (see below). The application forms under the Call for Proposals (see the PPD and PD, appendix 1) have a strong alignment for delivering economic, social and environmental benefits. Furthermore, the explicit focus of the EDA at subnational level will seek to focus on vulnerable groups, and aims at building resilience of communities by reducing their exposure to climate related threats, as well as building awareness and ownership of adaptation efforts at the local level. All the activities that will be supported under each projects will have a direct bearing in contributing towards poverty eradication at the community level. Note that positive economic

outcomes are ensured through the VFM focus – set out in section D below. These issues are also reflected in the FONERWA application form and process.

Environmental and social benefits and safeguards

FONERWA's ESMF and Resettlement Policy Framework (RPF) is in place to address and manage social, environmental and climate change risks for FONERWA-funded projects and also help FONERWA comply with international environmental and social standards. These would be applied to the EDA. The programme will only approve proposals that meet the (RPF) and the AF guidance.

As part of the application process, applicants have to undertake an environmental and social screening for their project which in turn informs the relevant E&S tools required. The environmental screening procedure can lead to one of the following decisions:

- All category A projects require a full ESIA and other special studies (RAP, biodiversity management study, etc.) with in-depth climate adaptation assessment and consideration of the aspects related to climate change adaptation (climate resilience) and mitigation;
- For projects classified as category B+ and/or B, it will be required that the appropriate level of environmental and social impact assessment be carried out, and Environmental Management Plan and Climate adaptation and mitigation plan be prepared accordingly;
- For projects classified as category C, no full environmental and social assessment will be carried out, however, a partial ESIA or a simple ESMP will be sufficient.

In case projects trigger IFC safeguards on Involuntary Resettlement (IFC PS5) and or Physical Cultural Properties (IFC PS8), the following measures are required:

- Preparation of a site specific Resettlement Action Plan (RAP) or Abbreviated Resettlement Action Plan (ARAP) as summarized in the FONERWA Resettlement Policy Framework;
- In case some cultural resources shall be affected by the project, then the chance finding procedures shall apply and required authorization collected before resuming any construction work.

The FONERWA ESMF undertakes screening of all projects, and goes through a rigorous analysis. This is set out in Table 4 below. This ensures FONERWA projects are in line with international practice, and match to the areas included in the AF ES Policy. As such we believe the FONERWA ESMF is in line with the Adaptation Fund Environmental and Social Policy and Gender Policy (as set out in OPG ANNEX 3: Environmental and Social Policy) as all projects/programmes will be screened for their environmental and social impacts, that those impacts will be identified, and that the proposed project/programme be categorized according to its potential environmental and social impacts.

Table 4. Required ESMF checks for approval of FONERWA Projects.

Annex	E&S Tool	Relevance	Timing of use	User
Annex -1	Key Information to be included in the Project Brief	Shall support with the development of Project Profile Document (PPD)	Before the submission of Project Profile Document (PPD) to FONERWA	Project Developers (PDe)
Annex-2	Project Climate, Environmental and Social Screening Form (PCESSF)	Shall support with the categorization and screening of Climate, E&S risks and subsequent upgrade of the ToR for the E&S studies	Before submission of Project Profile Document (PPD)	Project Developers and FONERWA
Annex-3	Resettlement Screening Form	Shall support with resettlement aspects	Before submission of Project Profile Document (PPD)	Project Developers and FONERWA
Annex-4	Content of Resettlement Action Plan (RAP) and ARAP	Shall support with RAP/ARAP preparation	After submission of Project Profile Document (PPD) and once RDB has issued RAP/ARAP ToRs	RAP/ARAP Consultant, PDe and FONERWA
Annex-5	Template ToRs for ESIA	Shall support with the upgrade of the ToR issued by RDB.	Once RDB has issued ToR	Project Developer and FONERWA
Annex-6	ESMP Template and Guidance	Shall support the ESIA process and preparation of a suitable ESMP	During ESIA/ESMP preparation	Project Developers, ESIA Consultant, FONERWA's E&S Specialist
Annex-7	Guide for some Sector Specific environmental impacts and mitigation measures	Shall guide in the preparation of ESIA/ESMP of specific project	During ESIA/ESMP preparation	Project Developers, ESIA Consultant,
Annex-8	Socio-economic and land asset inventory forms	Shall guide in preparation of RAP/ARAP	After submission of Project Profile Document (PPD) and once RDB has issued RAP/ARAP ToRs	RAP/ARAP Consultant, PDe and FONERWA

Annex	E&S Tool	Relevance	Timing of use	User
Annex-9	Entitlements of Project Affected People	Shall guide in preparation of RAP/ARAP	Once RDB has issued RAP/ARAP ToRs	RAP/ARAP Consultant and PDe
Annex-10	Template and Example Questionnaire for ESIA Consultation Protocol and Public Consultation and Disclosure (PCD) Planning ¹	Shall guide in ESIA development	During ESIA/ESMP preparation	ESIA Consultants
Annex-11	ESMP Monitoring Template	Shall support with the Monitoring of projects and reporting to FONERWA	Once project is being implemented	Contractor/ Project Developers and FONERWA
Annex-12	Contractor Management Plan	Shall support with ensuring that contractors respect FONERWA's Environmental and Social Safeguards including specific requirements set out in the ESCP	Once project is being implemented	Project Developers
Annex-13	Environmental and Social Commitment Plan (ESCP)	The ESCP describes the different management tools the Project will use to develop and implement agreed measures and actions which will include as necessary, ESMP, operational policies and manuals, management systems, procedures, practices and investments.	After the completion of ESIA/RAP but before the project implementation	Project Developer and Contractor
Annex-14	Template of Project Labor Management Procedure (LMP)	Shall be used for the reporting of Project labor use and management	During project implementation	Contractor and Project Developers
Annex-15	Chance Finds Procedure	Shall serve for the management of archaeological finds/ cultural sites	During planning and construction	Project Developer/ Contractor/ District Environmental Officer
Annex-16	Guide on ESIA/ RAP Review	Shall support with the review and commenting on ESIA's (and RAPs) Shall provide guidance on EIA content at an earlier stage	Once draft ESIA (and RAP) are prepared and submitted for review	Project Developer and FONERWA

¹ More Tools/Templates related to Public and Stakeholder Engagement and Consultation are provided in FONERWA's ESMF&RPF, Volume 4

Annex	E&S Tool	Relevance	Timing of use	User
Annex-17	Annual Climate, Environment & Social Report Form Specialist	Shall be used for the reporting by FONERWA' E&S Specialist on annual basis	During project implementation	FONERWA' E&S Specialist
Annex-18	Sample Grievance Redress Form	Shall serve for the management of Grievance	During all phases of project planning and implementation	PDe/Contractors and FONERW
Annex-19	Rapid Screening Tool for Climate Vulnerability	Shall support with the screening of Project Climate vulnerability	Before the submission of Project Profile Document (PPD) to FONERWA	Project Developers (PDe)

As set out in Component 2, In line with the Adaptation Fund Guidance Document for Project/Programme with Unidentified Sub-Projects, a set of additional checks will be undertaken by an independent international consultant, to ensure compliance with Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy. This will align with the guidance given in

- OPG ANNEX 3: Environmental and Social Policy.
- Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy.

Gender considerations

Rwanda is strongly committed to the promotion of gender equality and fulfilment of human rights as a national and global goal in itself and a prerequisite for sustainable development and inclusive economic growth

Rwanda's has a leading role in gender: the country has closed 80% of its gender gaps—edging out many countries in the Global North^{xxviii} and it is the only country in sub-Saharan Africa to be in the top 10 of the Index and the only country in the world where more women than men serve as elected officials. The Government of Rwanda has extensively included gender in law, as cited in UNDP Gender Mainstreaming Strategy (2018-2023).

FONERWA, 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. This institutional commitment to gender equality is evidenced by the newly elaborated institutional gender mainstreaming strategy put in place by FONERWA.

The Law on Establishing the National Fund for Environment (FONERWA) and its strategic five-year strategic plan (2018-23), indicator (5.3) says: “% of implementing projects that demonstrate (a) community participation; b) a gender focus”. The strategic plan also includes use of sex-disaggregated data and a plan for gender audits of the most pertinent environment and climate change laws and policies.

FONERWA has produced and uses Gender Analysis Handbooks. As part of the application process, all proposals have to address specific questions related to gender issues, and to report gender disaggregated results as part of monitoring and reporting. This is operationalized as part of the application process. Proposals have to address specific gender related issues

The handbooks are part of the tools in a ‘gender mainstreaming package’, and are complementary to the current FONERWA Gender mainstreaming Strategy, a Strategic Gender Action Plan and a One-year Gender Action Plan (2020-2021), which all are aligned and merged with the current and future FONERWA strategic plan and annual action plans

Whenever addressing or negotiating a project, FONERWA leaders and staff can use the handbook as reference and ‘pick from it’ and present sector-specific gender issues, evidence and data, and thereby position FONERWA as a gender-sensitive

and gender-responsive institution. The handbooks or parts of the handbooks are also shared with FONERWA's implementation partners, e.g. the CSOs.

This focus on gender provides reassurance that the projects funded will comply with the Adaptation Fund policies (OPG ANNEX 4: Gender Policies and Action Plan). As highlighted above, additional checks will be included, as part of training and project appraisal. FONERWA will ensure the same level of AF gender policy is ensured for all sub-project.

However, to ensure compliance, a separate activity is included in Component 2 (above) and a set of additional checks will be undertaken by an independent international consultant, to ensure compliance with Adaptation Fund Gender Policy.

C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme.

FONERWA includes a strong focus on cost-effectiveness in its Call for Proposals and Project Application forms, as well as in evaluating projects for approval of project proposals. The approach used by FONERWA to deliver cost-effectiveness is based on the well-established concept of value for money (VfM), used in international development programming. Value for money (NAO, 2019^{xxix}) involves the optimal use of resources to achieve the intended outcomes.

VfM is clearly linked to the theory of change and ensures cost-effectiveness through the consideration of 3s: Economy (inputs), Efficiency (inputs to outputs) and Effectiveness (outputs to outcomes and impacts) as follows.

- *Economy (spending less)*: This refers to ensuring lowest cost procurement of goods and services. This focuses on making sure that input unit costs are benchmarked against market norms and thus that value is maximized through strong procurement processes.
- *Efficiency (spending well)*: This refers to ensuring that the choice of goods and services to be procured results in the envisaged outputs. It aims to ensure that the quality and quantity of inputs are appropriate to achieve the envisaged outputs and that inputs are managed in an efficient way. The input to output ratios are the key consideration.
- *Effectiveness (spending wisely)*: This refers to the selection of those outputs most likely to result in the desired outcomes (and impacts). It considers whether a programme can demonstrate that the chosen outputs are the most effective way to achieve these outcomes, and how these outcomes can be measured.

These can be linked to a logframe as below as part of cost-effectiveness.

FONERWA requires project developers to demonstrate VFM at both application and implementation stages. There is a separate VFM section in the fund proposal application form, which includes sections on Economy, Effectiveness and Efficiency.

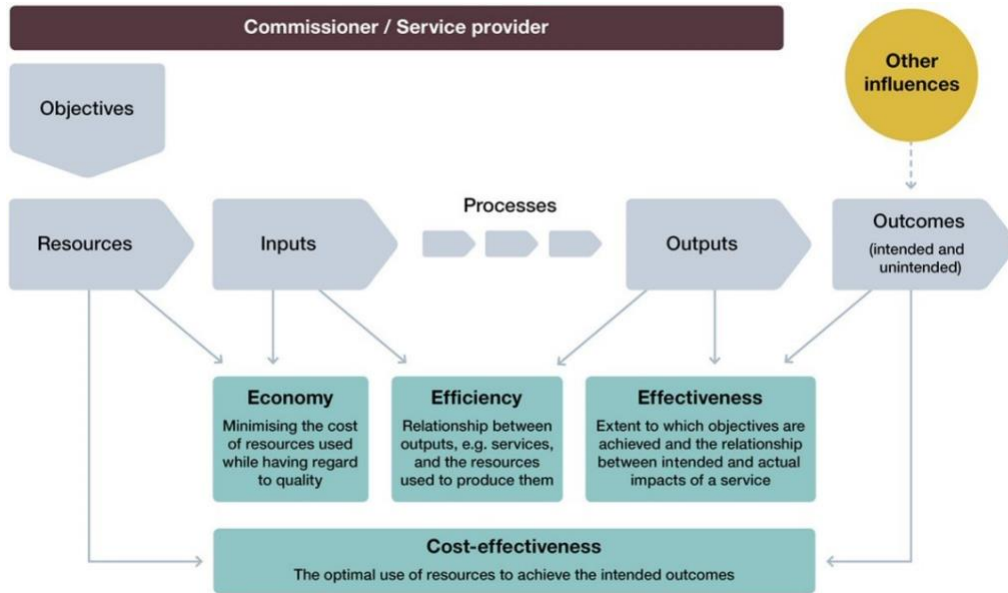


Figure 12. Value for Money and cost-effectiveness in a Logical Framework
Source. NAO, 2019.

FONERWA evaluates applications in terms of value for money as part of one of the core criteria. Applications have to demonstrate the delivery against 3Es as follows:

- a. Does the project demonstrate value for money?
 - i. Economy: The right inputs have been identified to deliver the required outputs and will be procured cost effectively.
 - ii. Efficiency: Operational costs are appropriate given the benefits. The benefits exceed the costs; the project will deliver a positive Net Present Value (NPV) and Benefit Cost Ratio.
 - iii. Effectiveness: The project contributes to one (or more) of FONERWA's core objectives.

To ensure Economy, the Fund uses indicative benchmarks for the most common activities (e.g. terracing, agroforestry etc.) and carries out pre-grant surveys to gather additional information on the procurement processes proposed by applicants. To encourage efficiency, the application form requires a cost-benefit analysis, looking to prioritize projects with a benefit-to-cost ratio greater than one (BCR>1).

During implementation, project implementers must report on a monthly and quarterly basis on achievements against their logframe targets (Effectiveness) and on budget execution (expenditure by activity), including unit costs (Economy). Finally, all projects are required to monitor distributional impacts (Equity).

The full forms are shown in Appendix 1.:

As a demonstration of cost-effectiveness and VFM, the FONERWA portfolio was evaluated in terms of delivery of Value for Money, as part of a stock-take analysis by the UK Department for International Development^{xxx}.

The evaluation found that VFM was a guiding principle for FONERWA Fund's

operations, i.e. it was a core indicator and objective. VFM is included in the Fund's Operational Manual (written in 2012 and revised in 2015) and there are specific VFM Guidelines to help project developers assess and monitor the VFM of their projects.

The stocktake assessed the estimated (ex ante) benefits of the Fund investments to date. It examined the (ex-ante) benefit to cost ratios (BCRs) and found that 18 projects, or 56% of the portfolio at the time, had a BCR of between 2:1 and 4:1, meaning that for each £ spent, these projects were expected to generate between 2 and 4 £ worth of benefits. 6 projects showed a BCR above 4:1.

The total net benefits generated by the FONERWA portfolio were estimated at RWF 164.6bn (~£150m), or about 5 times higher than FONERWA's committed funds. This demonstrated that FONERWA was selecting projects with high value for money, and considered overall, these investments delivered VFM compared to other alternatives.

A more in-depth analysis of FONERWA VFM was conducted through eight case studies. This found that FONERWA has been successful in supporting projects that represent good VFM, and helped Rwanda move towards its goals of climate resilient growth and economic development.

- D.** Describe how the project / programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

As this is an EDA programme, rather than a project, it is difficult to align the outcomes that will arise specifically to relevant strategies. However, this will be ensured through a number of key aspects.

First, as part of the application forms and process, there is a section on alignment with national and sub-national strategies. The full forms are included in Appendix 1. In summary, applications need to confirm that proposed activities conform with:

- i. National, and
- ii. Sectoral strategies related to the environment, climate change, and economic development?

Second, this alignment will be strengthened to specifically focus on the adaptation priorities in national strategies, and in particular the NDC, through a specific call text focus on NDC Adaptation priorities.

- E.** Describe how the project / programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.

As part of the application form, applicants have to consider the relevant national technical standards and legal requirements (see also Appendix 1). Q 2.9

Preparation: Are there any outstanding regulatory or legal requirements that need to be met before the project can proceed (access to land, planning consent, use of new technologies)?

The discussion of compliance with the Environmental and Social Policy of the Adaptation Fund was set out in Question B above.

F. Describe if there is duplication of project / programme with other funding sources, if any.

FONERWA is run as a grant-based, demand-led fund. It has operated as a sinking fund - running down capital and looking for replenishment. FONERWA has received considerable capitalization over its lifetime, but is seeking additional funding at the current time, especially to support the delivery of the updated Rwandan NDC. There is some existing funding from SIDA and KfW but this will soon be exhausted.

The EDA application will provide additional capitalization, and will be used for a specific earmarked call for proposal for sub-national adaptation.

Moving to specific projects that will be funded under the programme, applications for funding are also asked to declare other sources of funding to ensure there is no duplication. As part of the application form, applicants must address Q 3.3 List all other sources of funding. Note whether the status of other funding sources (i.e. Whether the money has been approved or is awaiting authorization).

Finally, FONERWA holds a database of all climate finance projects in Rwanda. This provides information on projects, sector and geographical focus, and funding levels. This database is used to ensure there is no duplication of adaptation investments when applications are made.

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

At the portfolio level, FONERWA undertakes learning activities, including collection of evidence and disseminating results. Further, the Fund has developed a separate knowledge role and has hired a communication expert as well. These measures ensure the Fund captures lessons, and disseminates results and lessons learned. Lessons are also captured primarily through the Monitoring and Evaluation system which provides regular monitoring of project indicators, as well as progress against the key milestones. The Fund is also considering a Participatory Monitoring and Evaluation System so that, as much as possible, the results of climate adaptation approaches will be measured, processed and evaluated by the communities involved.

At the individual project level, applications to the Fund have to set out how learning will be included in their projects. As part of the form (see also Appendix 1) they are asked. Q 2.14 Lesson Learning: Please explain how the learning from this

project will be disseminated and shared during (and at the end) of the project, and to whom this information will target (e.g. Project stakeholders and others outside the project)

Complementing this, FONERWA is subject to a continual process of annual review. These annual reviews provide an annual cycle for improvement of Fund activities and have specific recommendations, which are then acted on, and reviewed the following year. FONERWA has been through six annual reviews since its inception.

For this EDA, in addition to the routine monitoring of indicators, FONERWA will also collect case studies under each component to drill down into specific innovations and practices that arise due to project interventions. A lesson learning exercise will also be included at the mid-term of project implementation and at project completion. During this process significant new understandings will be catalogued and used to build the knowledge base of lessons and best practices. Lessons learned will include detailed, specific information about behaviours, attitudes, approaches, that will inform project implementation and other interventions. These activities are set out in component 1.3 above.

The project will also develop a knowledge management strategy to ensure that the EDA project learns from the experience gained during implementation and that the knowledge is shared with other stakeholders as a reference for future projects. Lessons learnt as well as knowledge acquired will inform project annual reports, completion reports and performance evaluation reports. The reports, as well as recommendations, will be incorporated into project activities to improve the performance of the project.

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

Enhanced Direct Access, especially in local communities requires a considerable amount of interaction with stakeholders. This will be a core guiding principle of this project.

However, at the time the EDA was issued, through to the Proposal Deadline, the COVID-19 pandemic was occurring and Rwanda has been particularly hard hit by this.

Rwanda was the first country in Africa to go into a lock-down, entering into lock-down in March 2020. The country has had to introduce a series of periodic lock-downs since this time, responding to the pandemic. The continuous cycle of lock-downs has meant government staff have spent most of 2020 and 2021 working from home, often with insufficient IT connectivity, and this hampered stakeholder activities for the EDA.

This situation deteriorated during June and July 2021, the key time when this EDA

proposal planned stakeholder discussions, as during this time Rwanda entered a full lock-down again. This has made it impossible to hold physical stakeholder events.

A web-based stakeholder event was held on July 17, 2021 and was attended by key stakeholders representing the Designed Authority and National Implementing Entity; and representatives from Government and Civil Society. This meeting led to changes in the proposed approach, notably that:

- Project and sub-project focus intervention areas should focus on the scope of the adaptation measures identified in the recently published Enhanced Nationally Determined Contribution (NDC II);
- That the project should create a steering committee for the purpose of the EDA project and include all relevant organizations such as MoE, CSOs Umbrella, local government district authorities, etc.
- That the EDA project will utilize the existing FONERWA structure for delivery; launch of CfP, existing approval process, board committees, etc.
- That there should be a component on technical assistance and capacity building, to ensure that grant applicants, particularly CSOs and local government, have the support to develop better bankable project proposals, with a strong adaptation rationale. The component to be executed by FONERWA
- To ensure the TA component includes activities like training and technical support events, to enable CSOs and local districts to develop skills necessary to manage their projects.
- That restricting thematic windows to local government district projects and CSOs projects may be limiting. It was advised to conduct one call for proposal which allowed CSOs and local or district government (including consortia bid from CSO and local government).

These suggestions are included in this proposal.

However, further engagement is needed. The EDA proposal proposes to move stakeholder consultation to the early stage of the project, and hold a stakeholder event in advance of the Call for Proposals. This will include a broadly inclusive process involving all stakeholders, that is, national government, local government, CSOs, national and local NGOs, and others. This stakeholder event will include multi-stakeholder participation and discuss and agree on the Call For Proposal focus.

All the identified stakeholders will continue to be consulted throughout the implementation and monitoring and evaluation of the project. Furthermore, the approval process for proposals will involve representatives from civil society.

The team will also develop a plan to communicate and consult with all stakeholders throughout the lifetime of the project. A Communication Strategy targeting stakeholders at different levels will be developed and will be communicated on a regular basis.

- I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

As a Least Developed Country, Rwanda lacks the financial resources to adequately address climate threats. There is a particular lack of access to finance for investments in public goods, and to support the most vulnerable, and the constraints on the public budget mean that the Government cannot fill the funding gap.

Rwanda has demonstrated success in terms of its institutional capacity to absorb and manage climate finance. Rwanda's good progress towards high fiduciary management standards, its commitment to service delivery and its strong track record of effective and efficient budget execution demonstrate it is at an advanced stage of climate finance readiness.

- J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project / programme.

As highlighted above, one of the key criteria involved in assessing projects is their sustainability. Applications have to demonstrate how the benefits of the project be sustained after the lifetime of the project activities, and this is included as part of the application form (see Appendix 1). Q 2.6 How will the benefits of the project be sustained after FONERWA funding comes to an end?

In addition, the execution of sub-projects by the local government district authority will ensure that District, Sector and Cell level governments play a central role in terms of project implementation and ensuring sustainability through the integration of adaptation plans into District Performance Contracts (Imihigo) to institutionalize and sustain interventions. These sub-projects will allow communities to respond to self-determined local adaptation priority needs within an appropriate timeframe, contrary to the usual pre-determined top-down funding approach. Direct community involvement through self-determined adaptation activities increases the chance of sustainability, as communities feel a sense of ownership and commitment to learning skills that increase their adaptive capacity to climate change, hence improving their livelihoods.

- K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project / programme.

As this is an EDA proposal, and the Call for Proposals for sub-national projects has not yet been issued, and it is not possible to provide an overview of the environmental and social risks of future funded projects.

However, as set out earlier, in section B, FONERWA has policies in place to identify and mitigate these risks. FONERWA's ESMF and Resettlement Policy Framework

(RPF) is in place to address and manage social, environmental and climate change risks for FONERWA-funded projects and also help FONERWA comply with international environmental and social standards. FONERWA will ensure the same level of AF environmental and social policy risks identification and compliance is ensured for all sub-project. This is also reflected in the FONERWA application form and process. This requires applicants to undertake an EIA if relevant, and attach this with the application.

For the purpose of this EDA project, FONERWA will develop an Environmental and Social Management Plan (ESMP) to capture the typical Environment and Social (E&S) impacts and associated mitigation measures. The ESMP will include a review process that ensures all ESP risks were identified, an assessment of their anticipated impacts, their respective management/ avoidance strategy, and incorporation of the measures in the workplan. As highlighted earlier, such an approach is already included in the ESMF – see Table 4. FONERWA has also created an ESMP template and guidance document to assist the project developers, responsible for executing specific FONERWA funded projects in avoiding/mitigating negative climate and E&S impacts during the planning, development and implementation phases of the projects

In line with the Adaptation Fund Guidance Document for Project/Programme with Unidentified Sub-Projects, an additional level of due diligence will be undertaken, to ensure compliance of proposals with Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy. These will be undertaken by an independent international consultant, to ensure compliance.

<p>Checklist of environmental and social principles</p>	<p>No further assessment required for compliance</p>	<p>Potential impacts and risks – further assessment and management required for compliance</p>
<i>Compliance with the Law</i>		
<i>Access and Equity</i>		
<i>Marginalized and Vulnerable Groups</i>		
<i>Human Rights</i>		
<i>Gender Equality and Women’s Empowerment</i>		
<i>Core Labour Rights</i>		
<i>Indigenous Peoples</i>		
<i>Involuntary Resettlement</i>		
<i>Protection of Natural Habitats</i>		
<i>Conservation of Biological Diversity</i>		
<i>Climate Change</i>		
<i>Pollution Prevention and Resource Efficiency</i>		
<i>Public Health</i>		
<i>Physical and Cultural Heritage</i>		
<i>Lands and Soil Conservation</i>		

PART III: IMPLEMENTATION ARRANGEMENTS

A. Describe the arrangements for project / programme implementation.

The proposed project arrangements are as follows.

Implementing Entity

The Ministry of Environment (MOE) is the National Implementing Entity and will endorse the proposed Adaptation Fund EDA Project. MoE is the Ministry responsible for the development of policies, strategies and programmes on climate change, as well as the formulation of regulations in this area. The Ministry is also responsible for the monitoring and evaluation of the implementation of environment, climate change and natural resources management at the national level.

MoE will be responsible for the overall management of the Project, the financial records and reporting, and the monitoring and reporting of the achievement of the project outcomes/outputs, to the Adaptation Fund.

The MoE has a strong and reliable track record. It also has a major track record in delivering major projects in the climate change domain. It was the recipient of the previous Adaptation Fund project in Rwanda (\$10M) and acted as the implementing entity for that project. It is also a Green Climate Fund Accredited Entity and is successfully acting as the implementing entity for a US\$ 33 million project on strengthening resilience^{xxxi}.

As this is an EDA project, there will be a direct flow of funds to the Executing Entity, under the terms of a grant agreement. The flow of funds is set out in the financial management section in the next section.

Executing Entity (grant management)

The Executing Entity will be Rwanda's national climate and environment fund, FONERWA, which will execute the EDA project. FONERWA was established in 2005 under the Organic Law No. 04/2005. In 2012, its organization, functioning and mission were formalized through the Law No. 16/2012 and gazetted on 22/05/2012. Under the law, it has the mandated authority in Rwanda for mobilising and managing funds to be used in the fight against climate change and its impacts, and to support public institutions, private organizations, and individuals with intention to protect the environment and make research as well as addressing climate change. As such, it is ideally placed for delivering the EDA.

FONERWA became fully operational in July 2013 following capitalization from the UK Department for International Development (DFID), which allowed formalisation of governance arrangements, capacity building and public awareness efforts to call for proposals. The first funded projects commenced in the early part of 2014. It has thus

been fully operational and disbursing for 7 years.

FONERWA has primarily operated as a sinking fund, with some elements of a revolving fund. It is operated using a challenge fund model. This allocates funds using competitive calls for proposals (CFP), and invites proposals from organisations and institutions to meet specific objectives. This modality is proposed for the EDA. FONERWA will be responsible for preparing and issuing the Calls for Proposals for sub-national projects, and evaluating these using existing processes (see previous section). The EDA project management will be implemented by the existing Fund Management Team. It will use the existing FONERWA operational manual and safeguards, as well as the existing financial, management, and monitoring processes. It will also be responsible for ensuring the delivery of these projects, and thus of the EDA overall. It will therefore be responsible for the timely delivery of inputs and outputs and for coordination of all other responsible parties including other line ministries, relevant agencies, and local government authorities.

FONERWA is composed of:

- A Board of Directors, and an
- Executive Organ.

The Board of Directors makes decisions regarding the administration, human resources and property of FONERWA in order to deliver its responsibilities. The Board of Directors is composed of 9 members appointed by a Presidential Order with a Chair and a Co-Chair, which includes representatives from civil society. There is also a standing committee of the Board - the Investment Committee (IC). This has responsibilities including investment strategy, guidance on proposals, and reviews all project proposals submitted.

The Board is supported by the Fund Management Team (FMT) / Secretariat, which is in charge of the day-to-day management, awareness raising at national and international levels, internal and external resource mobilisation, technical assistance in the development of high-quality projects and programs, screening of proposals and disbursement of funding. The FMT will deliver the AF EDA.

The organisational structure of FONERWA is shown below.

The FMT consists of FONERWA staff and is not a separate entity, but is merely the organizational structure in charge of day to day operations. It also supports the implementation of FONERWA financed projects including monitoring and evaluation and lessons learning through knowledge management.

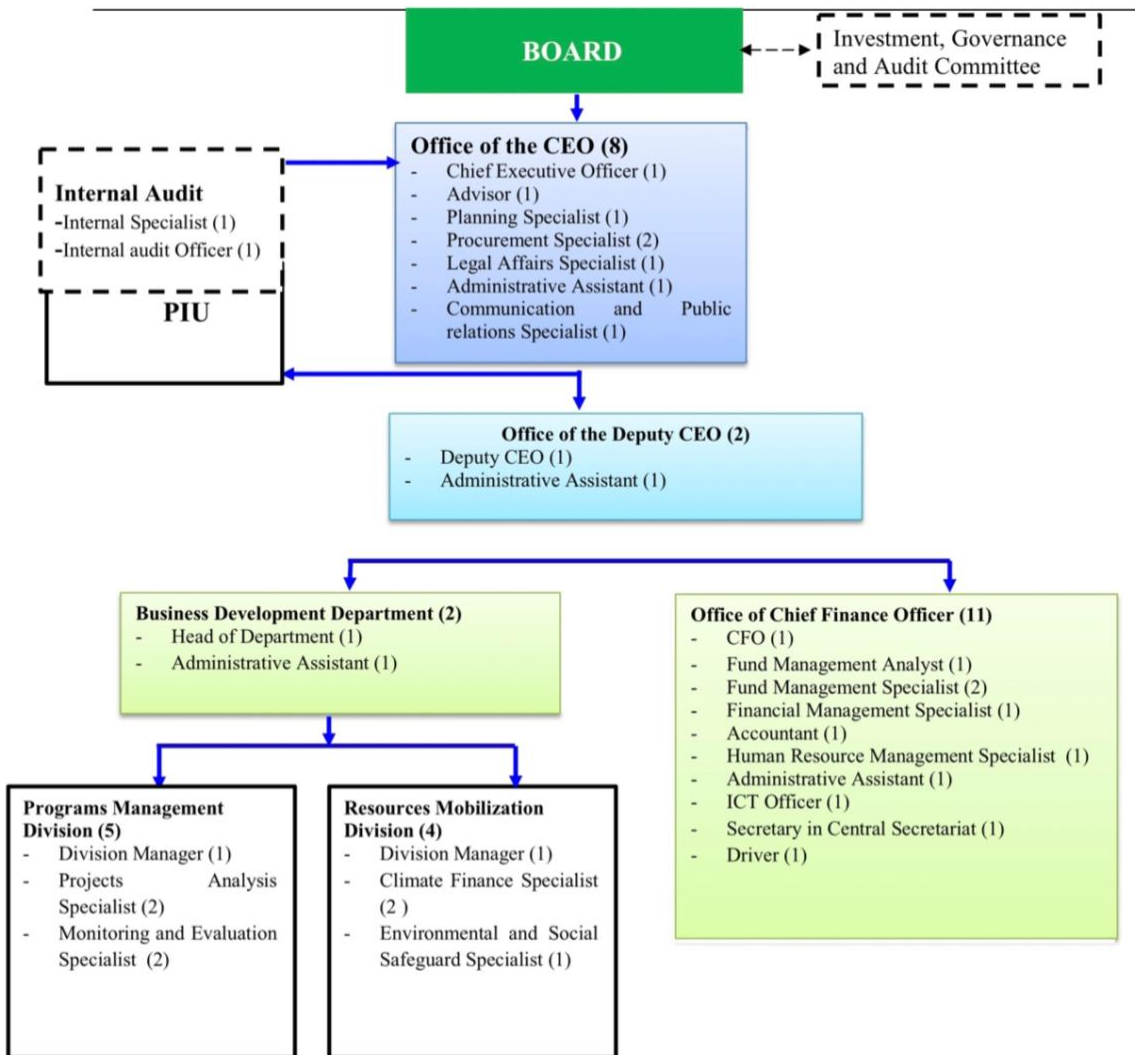


Figure 13. FONERWA Organisational Structure.

The Fund's Secretariat is managed by a core team of national, fully qualified professionals based in Rwanda who are full time engaged with FONERWA. Currently approximately 30 staff are employed. In addition, they can call upon support from a pool of external consultants on a need basis.

The FMT has established robust and transparent management systems to manage day-to-day business. The FMT screens project proposals, provides individual support to the applicants, supports (internal) knowledge management and monitors the implementation of approved projects and FONERWA's performance.

Detailed information on the financial management and control framework for FONERWA is set out in the next section.

The funding to date for FONERWA has come primarily from Development Partners (DPs), as well as a domestic source from environmental impact assessment fees or penalties. Critically, this shows that FONERWA operates to high fiduciary and

management standards, in line with International development partner funding requirement. These DPs have re-capitalized the fund and thus have demonstrated the high-quality delivery and management, as well as low risks.

FONERWA has been assessed in terms of performance against these indicators annually by the UK Department for International Development, in the programme annual review, and these reviews are available (<https://devtracker.dfid.gov.uk/projects/GB-1-203582>). FONERWA has consistently been scored as **A** ranking in these annual reviews.

While the existing structures will be used, there will be one additional for this EDA project, with a project steering committee.

FONERWA will provide the grants, and manage the grants, for the projects approved. This is discussed in more detail in the financial management section below.

Executing Entities (approved projects)

The grant window will support the implementation of adaptation measures at sub-national level. As highlighted above, the grants will use the FONERWA fund and processes, and target district and local government, and civil society organizations.

This will fund civil society organizations (with anticipated grant sizes of USD 100,000 – USD 250,000) and Local / District Government (with anticipated grant sizes USD 500,000 – USD 1,000,000), or combinations of these working together (e.g. a local government plus a CSO). The anticipated duration of projects funded will be for 2-3 years.

The funded organizations will deliver (execute) the actual adaptation projects, and thus will be executing entities as well. They will be responsible for implementation of the grants, reporting and under close scrutiny from FONERWA.

Project Steering committee

In addition to the organizational structures set out above, the EDA project will establish a steering committee. Composition of the steering committee will include representatives from the Ministry of Environment (MoE), FONERWA, CSOs Umbrella, Local government district authorities, the Ministry of Agriculture and Animal Resources (MINAGRI), Ministry of Infrastructure (MININFRA), Ministry of Local Government (MINALOC), and Rwanda Environmental Management Authority (REMA).

The Steering Committee that will serve as the programme's coordination and decision-making body and will ensure the EDA programme delivers its outputs and achieves its outcomes. The Committee will periodically review project progress and evaluations, facilitate implementation (ensuring the necessary resources and support are provided in a timely manner) and provide guidance to the FONERWA FMMT.

The Steering Committee will also facilitate effective coordination between the key Governmental authorities at the national to local level.

The Steering Committee will be chaired by MoE and will meet every 3 months to review progress and approve work plans, budgets and any major changes in implementation.

The Steering Committee will be supported by a Technical Steering Committee, which will prepare the material for the SC, and support on issues arising from the SC meetings. This will hold meetings in advance of each SC meeting.

B. Describe the measures for financial and project / programme risk management.

Overview of financial and project / programme risk management arrangements

FONERWA has a comprehensive **Project Financial Management System** in place, with operational procedures and processes. This has been operational since 2013.

For the flow of funds that flow from MOE to FONERWA, the financial staff in FONERWA's Finance Department will be responsible for the financial management of the Adaptation fund proceeds at FONERWA level. FONERWA will use the Integrated Financial Management Information System (IFMIS) for recording financial data and reporting. This information will be subsequently passed up to MoE to meet AF financial reporting requirements.

FONERWA has the fiduciary responsibility to ensure that all received funds are used for their intended and specified purpose. To this end, all funds are administered and supervised in accordance with due diligence to economy, efficiency and effectiveness, and compliance with the Adaptation Fund's and GoR's financial management policy and guidelines.

FONERWA will open a new Designated Account denominated in US Dollars at the National Bank of Rwanda to receive Adaptation fund's proceeds from Ministry of Environment as an accredited entity of AF.

Disbursement of Adaptation fund's proceeds to the Designated Account of MOE and later alone transferred by MOE to FONERWA designated bank account will be Transaction-Based through the use of statement of expenditures (SOE), Projected expenditures for the upcoming periods derived from the approved work plan and corresponding periodic budgets in line with acceptable financial reporting templates and requirements of Adaptation fund and confirming to the International Public Sector Accounting Standards (IPSAS). Project Funds will then be transferred by FONERWA to implementation partners in Rwf in line with sub-grant agreements signed between two parties and will detail the implementation modalities and reporting arrangements.

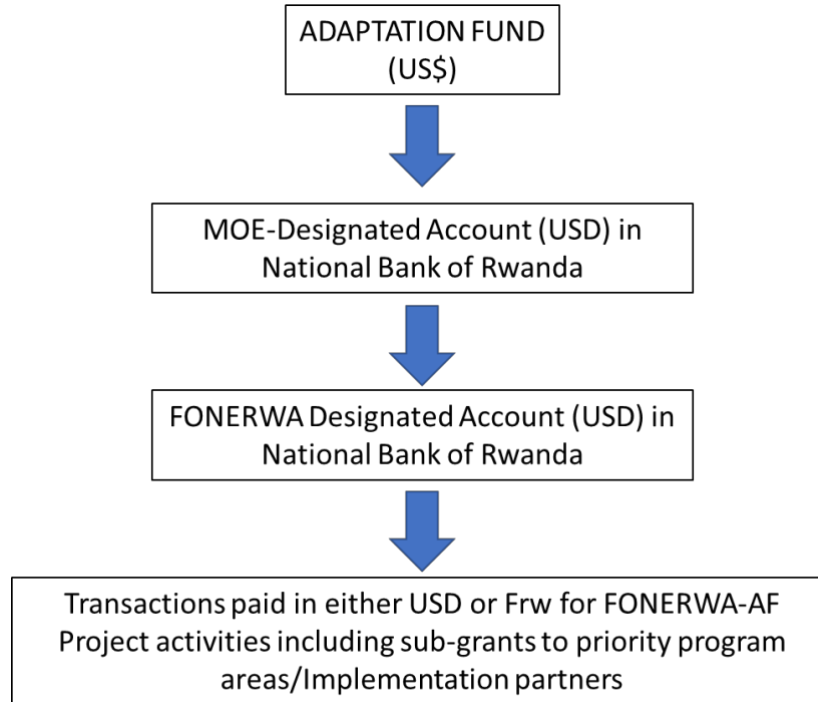


Figure 14. Proposed Flow of Funds.

Budgeting Arrangements

In line with the Government of Rwanda's planning and budgeting procedures, FONERWA prepares an annual budget that is submitted to FONERWA Board of Directors (BoDs) which will include AF budgeted activities. The annual AF funding plan and budget will be submitted as part of FONERWA's overall budget. FONERWA will also prepare an annual budget, work plan and cash flow forecast specifically for the AF funding for the necessary approvals as per the grant agreement. In addition, FONERWA will submit quarterly financial reports to BoDs as part of the required reporting to stakeholders including donors. These reports will include variance analysis including reasons for any variance that may have occurred during a given quarter.

Accounting Arrangements

Basis of Accounting. Accounts for AF funds will be prepared on a Modified cash basis and recently some transactions are treated and reported on modified accrual basis in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC) and where appropriate disclosures are made to ensure compliance with the requirements of Article 70 of the Organic Law on State Finances and Property: Law No. 37/2006 of 12 September 2006 and Ministerial Order N°002/07 of 9 February 2007 relating to Financial Regulations and the legal agreement.

Accounting Manual. FONERWA does not have a single harmonized manual however it uses the government public financial management manual, and other financial regulations, in order to ensure adherence to nationally accredited public financial management (PFM) systems and procedures. In addition, FONERWA uses

donor financial guidelines, instructions or manuals related to the projects for which they are responsible as per subsidiary grant agreements of each respective donor.

Transaction currency. The base currency is US Dollar. Assets denominated in currencies other than the US Dollar shall be translated into US dollars at the rate of exchange prevailing at the end of the year/month under review. Transactions denominated in foreign currency shall be translated into US dollars at the rate of exchange ruling on the day. Exchange rate differences arising from the translations shall be dealt with in the statement of income and expenditure for the period. Note that the reporting currency will be in Rwandan francs, although two currencies will be used in reporting to both satisfy the interests of AF and GoR.

Books of accounts and chart of accounts. As noted above, MoE will be responsible for the financial management of AF funding and will ensure that: a) all important business and financial processes are adhered to; b) adequate internal controls and procedures are in place; c) interim un-audited Financial Reports (IFRs) are prepared in a timely manner; d) financial statements are prepared in a timely manner and in accordance with International Accounting Standards (IAS) or International Public Sector Accounting Standards (IPSAS); and f) if required, an external audit is completed on time and audit findings and recommendations are implemented expeditiously. The reporting arrangements and deadlines will be on quarterly basis and will not exceed 45 days after the end of the reporting quarterly period. FONERWA will maintain separate books of accounts for AF funding, with: a cash book, ledgers, journal vouchers, fixed asset register and a contracts register, accounts payable and receivable. These include appropriate records and documentation to track commitments and to safeguard assets.

Reporting arrangements. FONERWA is responsible for the financial management of each funding and ensures that: a) all important business and financial processes are adhered to; b) adequate internal controls and procedures are in place; c) interim un-audited Financial Reports (IFRs) are prepared in a timely manner; d) financial statements are prepared in a timely manner and in accordance with International Accounting Standards (IAS) and international financial reporting standards (IFRS) or International Public Sector Accounting Standards (IPSAS); and f) an external audit is completed on time and audit findings and recommendations are implemented expeditiously.

Normally, FONERWA monthly financial statements are submitted to MINECOFIN on 15th every subsequent month following the reporting period and this is by the Law. For donor's funds, it depends on each donor as stipulated in financing agreements and operational manual or any documents signed between beneficiary and donors. Mostly, it is 45 days after the ended quarter or semi-annually. Each donor has his separate books of accounts and some items are extracted in consolidated financial statements from throughout IFIMS

Auditing arrangements. External auditing of Donor funds is normally undertaken by different external auditors hired on need basis as specified in grant agreement or any other official documents agreed upon between donors and FONERWA. Some are exemplified by KPMG, RUMA CPA, HLB, Deloitte, PWC and others after successful

award of a contract through out any procurement methods.

The Auditor General of State Finances has also the constitutional responsibility for carrying out all audits for the Government of Rwanda. The audits are conducted in accordance with International Standards on Auditing and the accounts prepared using the International Public Sector Accounting Standards (IPSAS). The accounting year end for Rwanda is from 1st July each year to 30st June each year.

The arrangements for the external audit of the financial statements of Donor funds are communicated to Donors through agreed terms of reference. Appropriate terms of reference for the external audit are developed and agreed upon before negotiations. Deadlines of submissions of audit reports to donors are mostly specified and grant agreement/financing agreement or any other official documents. All audit exercises are conducted according to international auditing standards

Internal Control

All relevant internal control procedures, payment processes and the overall control environment including the relevant lines of communication will be in line with procedures set out in FONERWA's manuals, MINECOFIN and others donors documents. This will ensure that there is adequate segregation of duties. Responsibilities that reconciliations are done on a monthly basis, authorization is required for each transaction, cash thresholds are set, and clear communication lines are in place.

FONERWA carries out due diligence controls including a pre-grant award survey, monthly project progress plans and reports, monthly financial forecast plans and reports, quarterly report reviews and spot check review, internal and external audits, and final evaluations of all funded projects/implementation partners to determine the level of ownership of funded projects as well as compliance with legal and fiduciary requirements, VFM and project progress.

Staffing Arrangements.

FONERWA is staffed with required staff with experiences in fund management and other user departments. All staff have good and relevant profiles to their roles and responsibilities. The core values such as, teamwork transparency, accountability, confidentiality, professional skills and due care and professional behavior are drivers of FONERWA

Banking arrangements

A separate designated account will be opened at the National Bank of Rwanda. The designated account will be denominated in USD. Account signatories for the Bank Accounts will be documented to ensure only authorized persons are allowed to sign for withdrawals from the Bank. The internal control framework will endeavour to achieve a sound financial management system as illustrated below and taking into consideration the provisions of the subsidiary agreements.

Contractual arrangements/Procurement Procedures and Processes

Procurement responsibilities are clearly stated in the Procurement Law, Manual and Procedures and are all in line with Government of Rwanda procurement rules, in

adherence to MoE's procurement policy and procedures. This is consistent with Government of Rwanda procurement processes and policies. The procurement process flow is as follows: - initiated by user department → Procurement unit → Procurement Officer → Tender Committee → approval of Chief Budget Manager. The Chief Budget Manager is mandated to approve contract awards. Other methods that are commonly used include (a) Restricted Tendering; and (b) Request for Quotations;

E-procurement

The E-Procurement System has been introduced and all public institutions are required to procure goods, services and works through the system. The use of online procurement by all public institutions started on 1st July 2017. The e-procurement system automates the public procurement process and enables the interactions of Government to business services (G2B). Through the online system, the Government purchases goods, works, services and non-consultancy services to help the Government to ensure efficiency of public procurement with the standardization of electronic documents, supplier registration, goods and services information and to streamline public procurement transactions for efficient government service delivery.

Control System under procurement

An annual audit of FONERWA is conducted by the Auditor General Office. FONERWA has also an Internal Auditor who advises the FUND and manages risk on a day-to-day basis. The Internal Auditor is independent and reports directly to the BoDs for independence purposes. In addition, sometimes, RPPA conducts procurement review as they are no more involved in procurement operations since 2011.

FONERWA has been regularly reviewed and audited, publishing annual financial accounts. The fund has been assessed annually by the UK Department for International Development, as part of an external review process, and these reviews are publicly available^{xxxii}. It has also been externally audited.

The Fund has safeguards to meet high standards of due diligence. These include policies and processes in six areas: safeguarding, human resources, whistleblowing, risk management, codes of conduct and governance.

FONERWA undertakes different types of due diligence, including internal and external audits, spot checks and closing audits to assess the fiduciary risk of project implementers (PIs).

FONERWA funds implementing partners (project owners). Fiduciary risk, or instances where delivery partners along the chain do not use funds for the intended purposes are strongly mitigated through regular spot checks and audit reviews.

To avoid misuse of funds, for each procurement process carried out by implementing partners and sub implementing partners, FONERWA assesses and approves the bid to ensure VfM is duly considered and that the procurement process complies with procurement laws.

To minimise the risk of misuse of funds, for each procurement process carried out by implementing partners and sub-implementing partners, FONERWA assesses and approves the bid to ensure VFM is duly considered, and the procurement process complies with procurement laws. During project implementation, on a monthly basis projects submit monthly forecast plan, and report on spent funds versus budgeted funds during the previous month.

External evaluators carry out due diligence assessments on all the procedures adopted by the Fund and project implementers with respect to procurement, financial management, and monitoring and reporting. If risks are spotted, auditors make recommendations on how to address them. Over the years, FONERWA has taken action to reduce fiduciary risks by implementing the recommendations of the auditors, which contributed to heighten the level of scrutiny and tighten the compliance requirements for the delivery partners and project implementers

Implementation risks and challenges captured in a risk matrix at Fund level are reported on a quarterly basis in the FMC report; and at project level, through the 'Supported project implementation status report'

The FONERWA Fund has safeguards to meet high standards of due diligence. These include policies and processes in six areas: safeguarding, human resources, whistleblowing, risk management, codes of conduct and governance.

In addition to the standard checks that FONERWA undertakes, an additional level of due diligence will be undertaken, to ensure compliance of proposals with Adaptation Fund Fiduciary Risk Standards. These will be undertaken by an independent international consultant, to ensure compliance (See Component 2.)

Risk management

This proposal has considered the level of risk by considering the category of probability or likelihood against the category of consequence severity. This is a simple mechanism to increase visibility of risks and assist management decision making. Generally, our risk management tool includes Risk identification, Risk ranking and Risk mitigation strategy.

The key risks for this programme have been analysed. The risks facing the project and the risk mitigation strategy (countermeasures) are summarised in Table 5.

Table 5. Risks identified and mitigation strategies

RISK	RISK LEVEL	MITIGATION
Failure to deliver EDA approach and EDA modality	Low	FONERWA has been operating a demand led sub-national grant financing model for over 7 years, and has existing staff, operational manuals and processes in place, with strong oversight and safeguards, that guarantee the Fund can deliver the proposed modality.

RISK	RISK LEVEL	MITIGATION
		It has a track record of delivering - Ten CFP rounds have been completed to date with 37 climate resilience and environmental protection projects being funded
Fiduciary and corruption risk for EDA / Risk of misuse of funds by project implementers, or non compliance with laws and procedures	Low	<p>FONERWA has a financial risk management strategy and has been externally audited.</p> <p>To mitigate the risk of financial fraud, FONERWA conducts regular audits and spot checks, and reviews monthly financial statements and quarterly reports. External audits are conducted regularly to assess rules and procedures at Fund as well as project level. Recommendations by external auditors are carefully implemented.</p> <p>Special training on anti-fraud is carried out to reduce the likelihood of fraud.</p>
Insufficient interest in call for proposals and thus projects	Low	The project will undertake detailed stakeholder consultation and awareness raising during implementation and develop and effective advocacy strategy to advertise. It will also provide support for civil society for applications – building on recent work in this area and training
Risk of poor quality proposals and thus low impact from subnational modality	Low	FONERWA has a criteria based two-stage application process, that ensures delivery of high quality proposals that deliver impact. The evaluation of the programme demonstrates the fund has met output and outcome targets, and delivered strong impact to date. However, additional awareness raising, training and support will be provided (component 1) to ensure high quality from local organisations.
In sufficient safeguards	Low	The Fund has a series safeguards Policies and processes in six areas include: safeguarding, human resources, whistleblowing, risk management, codes of conduct and governance.
Environme		FONERWA's ESMF and

RISK	RISK LEVEL	MITIGATION
ntal safeguards		Resettlement Policy Framework (RPF) is in place to address and manage social, environmental and climate change risks for FONERWA-funded projects and also help FONERWA comply with international environmental and social standards.
Sub-national organisation lack the resources and capacity to develop project proposals and deliver these	Low	To address this risk, Component 1 and 3 includes training and technical assistance support to ensure sub-national organisations have help in their proposal development and submission, and receive training on project and financial management of projects. FONERWA has experience of supporting local adaptation proposals, and to date, approximately 30% of projects funded have been local in nature.
Failure to create ownership of the project at the sub-national level.	Low	The EDA modality will explicitly create local ownership. The team will involve the key stakeholders in the design of the EDA and there will be representation on the steering group by Civil Society.
) M&E	Low	<p>FONERWA has a Fund Result and Information Monitoring System (FRIMS) which ensures more accurate, consistent and reliable data are collected and reported.</p> <p>It has also produced a MONITORING & EVALUATION MANUAL, which is a tool to guide and strengthen the Fund internal Monitoring and Evaluation System, guide Public, Private and CSOs/NGOs' projects and program recipients on principals, procedures and processes of designing, implementing and using Results based Monitoring and Evaluation Systems.</p>
) Delays in the disbursement of funds, procurement and Institutional inefficiencies (lengthy approval processes etc.) delay the resulting in delayed recruitment of project staff and hence project	Low	FONERWA has seven years of operational experience, and all processes are in place for rapid disbursement and delivery.

RISK	RISK LEVEL	MITIGATION
implementation.		
) Lack of co-ordination with other climate change projects in Rwanda limits capacity or effectiveness	Low	FONERWA has criteria in place to ensure that proposal applications are checked against existing activities to ensure no duplication of effort (and this is a requirement of funding).
) Lack of transparency or political interference in allocation of project resources.	Low	The CFP is undertaken through a published and transparent process with criteria, and proposals are evaluated independently to ensure there is no interference. The project will also be led by a project steering committee which will include representatives from CSO and local government.
) Staff recruitment and retainment for the FMT may hamper progress.	Low	FONERWA has an existing team of Rwanda Staff, who are fully trained, and staff retention is very high. There is a rolling recruitment process that can address any turnover.
) Cost-effectiveness of projects	Low	FONERWA requires all projects to establish the value for money, based on economy, effectiveness and efficiency, and this ensures high cost-effectiveness and impact from investments.

C. Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

As highlighted in Section B, and Table 4, FONERWA's ESMF and Resettlement Policy Framework (RPF) is in place to address and manage social, environmental and climate change risks for FONERWA-funded projects and also help FONERWA comply with both national and international environmental and social standards. FONERWA ESMF includes specific tools and templates that support in Environmental and Social Screening, development of required E&S tools as well as monitoring and reporting

These issues are also reflected in the FONERWA application form and process. The application forms under the Call for Proposals (see the PPD and PD, appendix 1) have a strong alignment for delivering economic, social and environmental benefits. The FONERWA ESMF undertakes a screening of all projects, and goes through a rigorous analysis. This ensures FONERWA projects are in line with international practice, and match to the areas included in the AF ES Policy.

FONERWA takes the issue of gender considerations extremely seriously, and has produced a Gender Analysis Handbook. The objective of this handbook and guide on sector-specific gender analysis is to strengthen FONERWA's awareness and

appreciation of the gender dimension. This handbook is the first tool in a 'gender mainstreaming package', and is complementary to a FONERWA Gender Strategy, a Strategic Gender Action Plan and a One-year Gender Action Plan (2020-2021), which all are aligned and merged with the current and future FONERWA strategic plan and annual action plans

When addressing or negotiating projects, FONERWA leaders and staff can use the handbook as reference and 'pick from it' and present sector-specific gender issues, evidence and data, and thereby position FONERWA as a gender-sensitive and gender-responsive institution. The handbook or parts of it is also shared with FONERWA's implementation partners, e.g. the CSOs.

It is noted that in addition to the standard checks that FONERWA undertakes, an additional level of due diligence will be undertaken, to ensure compliance of proposals with Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy. This will align to the guidance given in Adaptation Fund Guidance Document for Project/Programme with Unidentified Sub-Projects. These will be undertaken by an independent international consultant, to ensure compliance with

- OPG ANNEX 3: Environmental and Social Policy.
- Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy.
- Guidance document for Implementing Entities on compliance with the Adaptation Fund Gender Policy.

D. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan, in compliance with the ESP and the Gender Policy of the Adaptation Fund.

FONERWA has developed a Monitoring and Evaluation Manual. The Manual serves as a tool to guide and strengthen the Fund internal Monitoring and Evaluation System, guide Public, Private and CSOs/NGOs' projects and program recipients on principals, procedures and processes of designing, implementing and using Results based Monitoring and Evaluation Systems in Project/Program Management. It helps staff to track progress and facilitate evidence-based decision making by providing credible and useful information, enabling the integration of lessons learned into programming. It will also serve FONERWA as a mean of ensuring transparency, accountability and value for money in Programs/Projects Management.

The FMT has dedicated M&E staff who are exclusively in charge of M&E processes. FONERWA has two dedicated Monitoring & Evaluation (M&E) officers (who conduct regular field visits/'spot-checks', with a particular focus on 'at risk' projects; and are also responsible for updating the Fund's log-frame based on the results achieved by the individual projects.

FONERWA also has a clearly established and regularly updated logframe. The logframe provides clear indicators at outcome and output levels. This includes five Key Performance Indicators (KPIs).

FONERWA has a detailed Fund Result Information Management System (FRIMS) and reports on projects on a quarterly basis.

The monitoring and evaluating system will be based on the indicators and means of verification defined in the Results Framework. The responsibility for monitoring and evaluation of projects will sit with FONERWA. Outcomes and outputs will be monitored during project implementation by the Fund Management Unit with data collected, compiled and analyzed on a regular basis.

Approved projects are required to prepare and submit Quarterly Progress Reports to FONERWA to ensure continuous monitoring of project activities, and to allow for timeous corrective action. These reports provide an update on output delivery, expenditure and forecast spend as well as a workplan for the next quarter. Projects are also required to conduct an independent mid-term and final evaluation.

FONERWA as the executing entity will produce **Progress Reports** every six monthly starting from the starting date of implementation (or contract signing). The progress report will describe progress on implementation, highlight key challenges encountered during the current reporting period, the solutions to mitigate them, and lesson learned, and set out the plan of what the project will do to undertake course correction during the next reporting period. The report will also include an expenditure report and a workplan and budget for the following reporting period. The bi-annual progress report will be submitted to the Project Steering Committee for review and approval

At the end of each year an Annual Impact Assessment/Report will be carried out by the Monitoring and Evaluation specialists/Officers at (FONERWA) to collect and collate indicator data and measure performance of the EDA program against the targets in the Results Framework. The assessments will include a field survey and case studies and will report on:

- Progress made against the indicators and targets
- Delivery of program outputs,
- Lessons learned

The Ministry of Environment has a Results Management System with Management Information System that centralizes natural resource indicators including indicators for water, weather, climate, forest and agroforestry, mining, biodiversity, and land. Results from FONERWA projects feed into the above for monitoring progress against the Green Growth and Climate Resilient Strategy (GGCRS) and the Nationally Determined Contributions (NDCs) for climate change mitigation and adaptation as well as Rwanda National Strategy for Transformation (NST 1) 2017 – 2024 ENR related outcomes.

The monitoring and evaluation system will be linked to the results framework, annual work plans and budgets and impact assessments.

As highlighted above, overseeing the programme, there will be a Steering Committee. As part of their responsibilities, there will be annual field visits for representatives of the committee.

- E. Include a results framework for the project proposal, including milestones, targets and indicators, including one or more core outcome indicators of the Adaptation Fund Results Framework, and in compliance with the Gender Policy of the Adaptation Fund.

FONERWA has an existing Logframe, which ensures it is results driven, and this includes a series of fund level impact and outcome-based indicators to allow reporting of progress. The Fund is a climate fund, and therefore has mitigation and adaptation indicators, but we note that for this proposal, only the adaptation-related indicators are relevant (highlighted below).

FONERWA currently reports against two fund level impact indicators:

- Number of households/individuals with improved livelihood resilience disaggregated by gender;
- Number of Green-house Gas Emissions (in Gg) reduced.

FONERWA also reports against a longer list of outcome indicators:

- Tonnes of Carbon dioxide avoided;
- Average percentage increase in income;
- Percentage increase in yield/ha;
- Number of households with improved water retention capability disaggregated by gender;
- Number of households using clean energy disaggregated by gender;
- Number of environment and climate knowledge products adopted;
- Number of individuals adopting smart transport technologies;
- Number of institutions adopting green building practices in infrastructure development.

There are also a number of output indicators.

- Area in hectares (ha) of land protected against erosion;
- Number of green jobs created;
- Area in hectares (ha) of restored forest/under agroforestry/under afforestation;
- Area in hectares (ha) of land under smart irrigation systems;
- Area (ha) of watersheds and water bodies protected;
- Number of rain water harvesting tank installed;
- Number of clean/efficient energy solutions distributed (disaggregated per type of energy solution);
- Number of knowledge products produced and disseminated;
- Number of green technologies promoted;
- Number of people trained;
- Cumulative volume of finance mobilized to support climate change and environment related projects/programs in USD millions 1. Contributions to basket Fund: 2. Contribution to programs.

Many of the adaptation indicators above (for impact, outcome and output) are relevant for the Adaptation Fund, however, they do not match exactly. The two sets

of outcomes are mapped below.

There is a strong agreement between the Adaptation Fund Outcome 2, Outcome 2.2 which is focused on sub-national level, and the AF Indicator 2.2.1 (number of people benefiting from EDA) and the FONERWA impact indicator on number of individuals.

Table 6. Mapping of the Adaptation Fund and FONERWA (adaptation) Outcomes.

Adaptation Fund Outcomes and Key Indicators	FONERWA Outcomes and key indicator (adaptation)
For the EDA modality	
Impact: Increased resiliency at the community, national, and regional levels to climate variability and change.	Impact: Number of households/individuals with improved livelihood resilience disaggregated by gender
Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	
Output 2.2: Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality	
For the projects funded by the EDA modality	
Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	FONERWA Outcomes (adaptation) <ul style="list-style-type: none"> • Average percentage increase in income; • Percentage increase in yield/ha; • Number of households with improved water retention capability disaggregated by gender; • Number of environment and climate knowledge products adopted; • Number of individuals adopting smart transport technologies; • Number of institutions adopting green building practices in infrastructure development.
Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets	
Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress	
Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	
Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies	

Table 7. Results Framework.

Annex 5 to OPG Amended in October 2017

The results framework for the project proposal is shown below.

Expected results **	Indicators	Baseline	Target	Means of verification	Assumptions/risk
Overall objective: To increase devolved adaptation decision making and finance to the sub-national level					
Project objective <ul style="list-style-type: none"> o increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level. 	<ul style="list-style-type: none"> No. of people benefitting from the enhanced direct access modality (aligns to AF indicator 2.2.1) 	<ul style="list-style-type: none"> 0 	<ul style="list-style-type: none"> 20,000 people (Disaggregated by gender) 	Project annual impact assessment reports M&E analysis Mid-term and final evaluation reports.	Political will exists to allow and deliver sub-national flow of finance Capacity of sub-national organisations to submit high quality proposals and manage projects to necessary financial and safeguard standards Procedures and processes in place for grant management of programme to meet necessary financial and safeguard standards
Component 1: Awareness raising, capacity building, proposal development support and training					
Outcome 1.1 Increased readiness and capacity of sub-national entities to directly access and program adaptation finance (AF Output 2.2) Component 1.1: Awareness raising at sub-national level Component 1.2: Training of CSO and local and district staff on proposals and project management Component 1.3: Sharing project results and lessons learned on EDA	<ul style="list-style-type: none"> Milestone 1. Call for Proposal Issued. Output 1.1. Number of local organizations / people receiving training and assistance for proposal preparation Output 1.2. Number of local organizations / people receiving training for project delivery Output 1.3. Lessons learn and scaling-up report on EDA produced 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 0 organisations receive training 	Minutes for training sessions Project annual impact assessment reports,	Sub-national organisations perceive benefits and engage in proposal training and project management Capacity of FONERWA provides sufficient training to meet AF requirements
Component 2: Review and Approval of Sub-National Adaptation Proposals under the CFP					
Component 2.1: Proposal Review Process	<ul style="list-style-type: none"> Milestone 2. Fund Managing Committee meeting held to approve Sub-National Proposals Output 2.1 Number of sub-national 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Five to ten Sub national and civil society adaptation projects approved. 	FMC meeting minutes	Sub-national organisations positively perceive benefits and sufficient numbers of proposals received that

Expected results **	Indicators	Baseline	Target	Means of verification	Assumptions/risk
	proposals approved				pass evaluation threshold limit Sub-national organisations pass fiduciary and competence checks for funding
Component 3: Grant management of EDA programme					
<p>Component 3 Grant management and delivery of EDA sub-national projects</p> <p>Outcomes</p> <ul style="list-style-type: none"> • average percentage increase in income; • percentage increase in yield/ha; • number of households with improved water retention capability disaggregated by gender; • number of environment and climate knowledge products adopted; • number of individuals adopting smart transport technologies; • number of institutions adopting green building practices in infrastructure development. 	<ul style="list-style-type: none"> • Milestone 3. Grant agreements signed with sub-national organizations. <p>Projects approved to be measured against following indicators.</p> <ul style="list-style-type: none"> • Area in hectares (ha) of land protected against erosion; • Number of green jobs created; • Area in hectares (ha) of restored forest/under agroforestry/under afforestation; • Area in hectares (ha) of land under smart irrigation systems; • Area (ha) of watersheds and water bodies protected; • Number of rain water harvesting tank installed; • Number of knowledge products produced and disseminated; • Number of green technologies promoted; • Number of people trained; 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • To be confirmed following project approvals 	<p>Grant agreements signed</p> <p>M&E reports, Periodic project reports, surveys, studies Project annual impact assessment reports Mid-term and final evaluations, Woreda data</p>	<p>Sub-national organisations positively perceive benefits and actively engage in adaptation interventions</p> <p>Timely disbursement of project funds.</p> <p>Projects deliver anticipated benefits</p> <p>Projects meet required financial and project management levels, as well as ensuring they meeting environmental, social and gender safeguards, in line with AF guidance and policy</p> <p>to local conditions</p>

F. Demonstrate how the project / programme aligns with the Results Framework of the Adaptation Fund

The alignment with the Results Framework of the Adaptation Fund is shown in the table below.

Table 8. Alignment with the AF Results Framework.

Project Objective(s)¹	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Project level. To increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level.	No. of people with benefitting from the enhanced direct access modality for adaptation	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses Output 2.2. Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality	
Awareness raising, capacity building, proposal development support and training				
Increased readiness and capacity of sub-national entities to directly access and program adaptation finance	Number of sub-national organisations receiving support and training.	Output 2.2. Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	See above	
Grant management and delivery of EDA sub-national projects				
Adaptation projects delivered at the sub-national level	Number of sub-national organisations receiving funding	Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level.	3.2. Percentage of targeted population applying appropriate adaptation responses	
	Plus depending on proposals funded <ul style="list-style-type: none"> Average percentage increase in income; 	Plus depending on proposals funded Outcome 4: Increased adaptive capacity within relevant development sector services and	4.1.2. No. of physical assets strengthened or constructed to	

	<ul style="list-style-type: none"> • Percentage increase in yield/ha; • Number of households with improved water retention capability disaggregated by gender; • Number of environment and climate knowledge products adopted; • Number of individuals adopting smart transport technologies; • Number of institutions adopting green building practices in infrastructure development. 	<p>infrastructure assets</p> <p>Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress.</p> <p>Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas</p> <p>Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies</p>	<p>withstand conditions resulting from climate variability and change (by sector and scale)</p> <p>5.1. No. of natural resource assets created, maintained or improved to withstand conditions resulting from climate variability and change (by type and scale)</p> <p>6.2. Percentage of targeted population with sustained climate-resilient alternative livelihoods</p> <p>8.1. No. of innovative adaptation practices, tools and technologies accelerated, scaled-up and/or replicated</p>	
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¹ The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology but the overall principle should still apply

- G. Include a detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

The Detailed Budget with a year-by-year breakdown is shown below.

Table 9. Detailed budget.

Exchange rate RWF/USD	1000				
	Unit	No	Cost per Unit	Cost Rwf	Cost USD
1. Awareness raising, capacity building & proposal development					
<i>1.1 Awareness Raising at Local Level</i>					
Preparation of call for Proposal for sub-national developed	Lump sum	1	5,250,000	5,250,000	5,250
Awareness campaign, Press release, Media articles and adverts in newspapers, journals, newsletters, radio, TV	Lump sum	4	3,000,000	12,000,000	12,000
Meeting for CSO and sub-national government on call (around the country)	Lump sum	2	3,000,000	6,000,000	6,000
Call for proposal materials produced and disseminated	Lump sum	1	1,750,000	1,750,000	1,750
Subtotal				25,000,000	25,000
<i>1.2 Training of CSO and local and district staff on proposals and project management</i>					
Training needs assessment	Lump sum	1	1,500,000	1,500,000	1,500
Preparation and delivery of training materials for proposal application (Project design,ESMF, Finance, M&E, Gender, Procurement, etc) for Local Government and NGO staff	Lump sum	1	4,500,000	4,500,000	4,500
Holding training meetings (accomodation,mision allowances,renting halls,lunch and transport)	Lump sum	2	10,000,000	20,000,000	20,000
Technical assistance support for proposals	Days	15	350,000	5,250,000	5,250
Subtotal				31,250,000	31,250
<i>1.3 Knowledge management and lessons learned on EDA</i>					
Knowledge management (Experience capitalization)	Lump sum	1	8,000,000	8,000,000	8,000
Documentation of Video success stories	Lump sum	7	1,500,000	10,500,000	10,500
Knowledge sharing workshops	Lump sum	4	1,500,000	6,000,000	6,000

Case studies, evidence and lessons learned review (international consultants)	Days	1	700,000	9,800,000	9,800
Update of lessons into guidelines and manuals	Lump sum	1	5,730,000	5,730,000	5,730
Development of an investment plan for future EDA (international consultant)	Days	10	700,000	7,000,000	7,000
Media articles in newspapers, journals, newsletters, radio, TV	Lump sum	2	1,500,000	3,000,000	3,000
Development of program/projects communication products (factsheets, pull up, banner, ect)	Lump sum	2	2,000,000	4,000,000	4,000
Website development (under existing site)	Lump sum	1	2,000,000	2,000,000	2,000
Subtotal				56,030,000	56,030
Cost for Component 1				112,280,000	112,280
2. Review of Sub-National Adaptation Proposals					
<i>2.1 Process for evaluation and review</i>					
Review of PPDs - meetings, mission allowances, hiring conference room, transports	Lump sum	1	14,500,000	14,500,000	14,500
Technical meeting (PD clinic) with Project proposal developers	Lump sum	1	1,000,000	1,000,000	1,000
PD review (international consultants)	Days	20	700,000	14,000,000	14,000
Quality Assurance of PDs (Meetings, mission allowances, hiring conference room, transports)	Lump sum	1	14,500,000	14,500,000	14,500
Additional Adaptation Fund fidiciary, ESIA and gender checks (international consultant)	Days	14	700,000	9,800,000	9,800
Pre-award survey (Assessing organizational capacity and sites for interventions for all project proposals recommended for approval)	Lump sum	1	17,500,000	17,500,000	17,500
Projects approval meetings	Lump sum	2	1,000,000	2,000,000	2,000
Drafting and grant agreements	Days	1	2,500,000	2,500,000	2,500
Subtotal				75,800,000	75,800
Cost for Component 2				75,800,000	75,800
3. Grants and grant mangement					
<i>3.1 Grants</i>					
CSO	Lump sum	4	250,000,000	1,000,000,000	1,000,000
Local/district	Lump sum	3	1,000,000,000	3,000,000,000	3,000,000
Subtotal				4,000,000,000	4,000,000
<i>3.2 Grant Management - excludes management time which included in execution costs</i>					
Training of sub-national projects (M&E, financial, ESIA, gender, etc) (international consultants)	Days	9	700,000	6,300,000	6,300

Annex 5 to OPG Amended in October 2017					
Training workshops held	Lump sum	2	1,000,000	2,000,000	2,000
Transfer and bank charges fees	Lump sum	48	25,000	1,200,000	1,200
Subtotal				9,500,000	9,500
Cost for Component 3				4,009,500,000	4,009,500
Total project cost (the sum of all project/programme components)				4,197,580,000	4,197,580
Project execution costs (< 12% of the total budget requested, before the implementing entity fees) see Note 1					
Programme management staff - EDA manger, financial officer, M&E, safeguards	Months	48	5,722,917	274,700,016	274,700
M&E & Fund Management spot checks (Accommodation, transport and per diem)	Lump sum	16	600,000	9,600,000	9,600
Stationery and Printing Consumables per annum	Lump sum	4	1,500,000	6,000,000	6,000
Communication (phone air time) per annum	Lump sum	4	1,500,000	6,000,000	6,000
Programme Baseline survey	Lump sum	1	20,000,000	20,000,000	20,000
Programme Mid term evaluation	Lump sum	1	35,000,000	35,000,000	35,000
Programme Final evaluation	Lump sum	1	35,000,000	35,000,000	35,000
Subtotal				386,300,016	386,300
				TOTAL	4,583,880

Executing fee

The executing fee to FONERWA is presented in the table above (10%). It is stressed that FONERWA will provide most of the operating costs of the project, with a contribution of existing staff, and it will bear all the costs of offices and operating fixed costs. The execution fee is therefore limited to additional staff members for the EDA project, plus programme evaluation costs.

Implementing Entity management fee

The project management fee (10% of the total budget) will be utilised by MOE, the National Implementing Entity, to cover the costs associated with the provision of general management and financial support, as well as reporting to the AF. The below provides a breakdown of the estimated costs of providing these services.

Breakdown of costs for the project management fee

The breakdown of costs for the project management fee to National Implementing Entity, the Ministry of Environment is shown below.

Table 10. Project Management Fee

Project cycle management fee (<10% of the total budget)	US\$
Programme management and support	114,080
Finance, Budget and Treasury	95,000
Staff training	40,000
Technical assistance (consultants)	32,200
Computers and software	3,000
Printer	1,000
Telephone and internet charges	5,760
GIS M&E / MIS system	52,000
Project Technical Committee Meetings including annual assessment report	17,280
Project Steering Committee Meetings	8,160
Field Visits organised to oversee implementation and strategic impact	14,976
Internal audit (annual)	4,664
External audit (annual)	28,000
TOTAL	416,120 (10%)

Notes:

1. **Performance Management.** This includes:
 - a. Providing oversight of the monitoring and evaluation function of the Executing Agency (FONERWA);
 - b. Providing programme support in the areas of risk management, screening of financial and risk criteria;
 - c. Advisory role, troubleshooting, and support missions as necessary;
 - d. Policy, programming, and implementation support services;
 - e. Supporting evaluation missions and participating in briefing / debriefing;
 - f. Providing guidance on AF reporting requirements;
 - g. Managing the relationship with the AF and ensuring outputs and outcomes match with AF expectations;

- h. Responding to information requests and arranging revisions;
 - i. Communication of technical findings and lessons learned within the country and the broader adaption community and
 - j. Advising on technical monitoring, progress monitoring, validation and quality assurance throughout.
2. **Finance, Budget and Treasury.** This covers programme oversight, management and quality control. MoE will:
 - a. ensure compliance with fiduciary standards and internal control processes,
 - b. manage, monitor and track AF financial resources including allocating and monitoring expenditure based on agreed work plans, financial reporting to the AF and the return of unspent funds to AF;
 - c. ensuring that financial management practices comply with AF requirements and support audits as required;
 - d. ensuring financial reporting complies with AF standards; and
 - e. ensure cost efficient procurement processes and compliance with Government procurement rules and provide support in the identification of suppliers.
 3. **GIS M&E / MIS system.** This includes the maintaining of information management systems and specific project management databases to track and monitor project implementation.
 4. **Steering Committee.** MOE will chair and run the steering committee, and the supporting technical committee, for the quarterly meetings during the project duration.

H. Include a disbursement schedule with time-bound milestones.

Table 11. Disbursement Schedule.

	On signing agreement	Year 1	Year 2	Year 3	Year 4	Total
Date	02/1/2022	16/12/2022	16/12/2023	16/12/2024	16/12/2025	
EDA funds	66,025	66,025	1,336,500	1,336,500	1,392,530	4,197,580
Executing fee	77,260	77,260	77,260	77,260	77,260	386,300
NEI Fee	83224	83224	83224	83224	83224	416,120
Total	226,509	226,509	1,496,984	1,496,984	1,553,014	5,000,000

Table 12. Disbursement Schedule with Milestones

	Year 1				Year 2				Year 3				Year 4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Awareness raising, capacity building & proposal development support																
<i>1.1 Awareness Raising at Local Level</i>	50%	100%														
Milestone call for proposal launched		X														
<i>1.2 Training of CSO / local gov on proposals and project management</i>	50%	100%														
Milestone Training workshop delivered			X													
<i>1.3 Knowledge management and lessons learned on EDA</i>										25%						100%
Milestone case studies produced											X					X
Milestone video produced																X
2. Review of Sub-National Adaptation Proposals																
<i>2.1 Process for evaluation and review</i>			50%	100%												
Milestone PPD reviewed and evaluated				X												
Milestone PD reviewed and evaluated						X										
Cost for Component 2																
3. Grants and grant mangement																
<i>3.1 Grants</i>					33%					66%						100%
<i>3.2 Grant Management</i>					33%					66%						100%
Milestone grant agreement signed					X											
Milestone mid term evaluation completed										X					X	
Milestone final evaluation completed																
Project execution costs	20%			40%				60%				80%				100%



PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government² *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

B. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

B. Implementing Entity certification. *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project contact person's name, telephone number and email address*

<p>I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (Enhanced NDC, Green Growth Strategy, NST1) and subject to the approval by the Adaptation Fund Board, commit to implementing the program in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this program</p>	
<p><i>Name & Signature</i></p>	 <p>Digitally signed by Karera Patrick Date: 2021.08.05 14:29:34 +02'00</p>
	
<p><i>Patrick KARERA, Permanent Secretary,</i> Implementing Entity Coordinator</p>	
<p>Date: (Month, Day, Year)</p>	<p>Tel. and email: +250789414092</p>
<p>Program Contact Person: Charlotte URUKUNDO</p>	
<p>Tel. and Email: +250783577968, curukundo@environment.gov.rw</p>	

⁶ Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.



ADAPTATION FUND

Letter of Endorsement by Government

[Government of Rwanda]

[3rd August 2021]

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for [RWANDA SUB-NATIONAL ADAPTATION FUND EDA]

In my capacity as designated authority for the Adaptation Fund in Rwanda, I confirm that the above national program proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the country.

Accordingly, I am pleased to endorse the above program proposal with support from the Adaptation Fund. If approved, the program will be implemented by Ministry of Environment and executed by Rwanda Green Fund FONERWA.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Patrick Karera'.

Digitally signed
by Karera Patrick
Date: 2021.08.05
14:29:00 +02'00'



Patrick KARERA
Permanent Secretary and DA of the Adaptation Fund in Rwanda

Annex 1 FONERWA PPD and PD forms

**National Climate Change and Environment Fund (FONERWA)
Project Profile Document (PPD)
COVER SHEET** *[May 2013 version]*

(Attach this sheet to the front of your submission. *Please do not exceed one A4 side of paper*)

Project Title	Maximum number of characters allowed is 140.
Project Summary <i>(In 75 words or less please summarise what your project is about)</i>	Maximum number of characters allowed is 525.
Anticipated Start Date	<i>(DD/MM/YYYY)</i>
Project Duration <i>(in months)</i>	Maximum number of characters allowed is 70.
Name of Lead Organisation	Maximum number of characters allowed is 70.
Type of Organisation <i>which best describes the Lead Organisation (please select only one box)</i>	<input type="checkbox"/> Government Institution
	<input type="checkbox"/> Non-Governmental Organisation (NGO)
	<input type="checkbox"/> Private Sector Enterprise
	<input type="checkbox"/> Academic Institution
	<input type="checkbox"/> Other <i>(please specify)</i>
For Private Sector Applicants (for further clarification, please see the private sector guidelines)	Please indicate which instrument you are applying for; Innovation Grant: <input type="checkbox"/> Research & Development <input type="checkbox"/> Proof-of- Concept <input type="checkbox"/> Demonstration OR <input type="checkbox"/> Credit Line
Partner Institutions	Maximum number of characters allowed is 210.
Full Office Address	Maximum number of characters allowed is 245.
Website Address (if applicable)	Maximum number of characters allowed is 42.

Contact Person <i>(the person who will have ultimate responsibility and be accountable for delivering this project)</i>	Maximum number of characters allowed is 182.
	Name:
	Position:
	Email:
	Tel:


For Internal Purposes Only: To be Completed by the Fund Manager

Date Received: _____ PPD Code: _____


Date Comments Sent: _____ Prior Submissions? (Old PPD Code): _____

Thematic Financing Window: _____


FONERWA Entry Point: _____



Green



Amber



Red

National Climate Change and Environment Fund (FONERWA)

Project Profile Document (PPD) [May 2013 version]

(Please provide a complete answer to each question, even if the answer is duplicated elsewhere. *Sections 1-3 should not exceed four A4 sides of paper.*)

SECTION 1: BASIC PROJECT INFORMATION

Q 1.1	Where will the project be implemented <i>(National, Province, District)?</i>
Maximum number of characters allowed is 280.	
Q 1.2	Why is the project needed at this time, and why is funding being sought from FONERWA <i>(clearly state justification)?</i>
Maximum number of characters allowed is 2800	
Q 1.3	What specific change is the project intended to achieve <i>(clearly state specific objectives and expected results, and choose at least one indicator from FONERWA's M&E framework that will be improved as a result of the project)?</i>
Maximum number of characters allowed is 1820	
Q 1.4	Eligibility Criteria 1: Is the project aligned to at least one of the Windows and Key Entry points? Tick the boxes that best describe the purpose of your project
1. Conservation and Sustainable Management of Natural Resources	<input type="checkbox"/> Ecosystem Rehabilitation
	<input type="checkbox"/> Sustainable Land Management
	<input type="checkbox"/> Integrated Water Resources Management
	<input type="checkbox"/> Sustainable Mining and Quarrying
	<input type="checkbox"/> Sustainable Forest Management
	<input type="checkbox"/> Promotion and Protection of Biodiversity
2. Research & Development and Technology Transfer and Implementation	<input type="checkbox"/> Renewable Energy and Energy Efficiency
	<input type="checkbox"/> Pollution Management
	<input type="checkbox"/> Water Storage, Conservation and Irrigation Technologies
	<input type="checkbox"/> Applied and Adaptive Research (Agro-Forestry, Waste, Urban Planning)
	<input type="checkbox"/> Disaster Risk Reduction

	<input type="checkbox"/> Data Collection, Monitoring and Management Information Systems (MIS)
3. Environment and Climate Change Mainstreaming	<input type="checkbox"/> Strategic Environment and Climate Assessments (SECAs)
	<input type="checkbox"/> Sector specific (or national) adaptation and/or mitigation
	<input type="checkbox"/> Support to implementation of cross-sectoral integrated planning (e.g. IDP, VUP)
Q 1.5	What is the methodology and approach to be used by the project to achieve the specific objectives described (<i>describe briefly the main activities</i>)?
Maximum number of characters allowed is 2760	
Q 1.6	Who will be carrying out the project activities (<i>if submitting in partnership with others, describe which member will undertake which work</i>)?
Maximum number of characters allowed is 1015	
Q 1.7	What is the experience of the team that will be carrying out the project activities (<i>briefly explain project management experience and technical expertise</i>)?
Maximum number of characters allowed is 1015	
Q 1.8	How will monitoring and evaluation of the project be undertaken?
Maximum number of characters allowed is 700	
SECTION 2: SATISFACTION OF ELIGIBILITY CRITERIA	
Q 2.1	Eligibility Criteria 2: How will the benefits of the project be sustained after FONERWA funding comes to an end?
Maximum number of characters allowed is 1400	
Q 2.2	Eligibility Criteria 3: How will you ensure good value for money (VfM) in your proposed project, and how will the results be measured (<i>refer to the VfM guidelines and briefly describe how you will use the VfM framework approaches to demonstrate, measure and assess VfM under the categories: Economy, Efficiency and Effectiveness</i>)?
Maximum number of characters allowed is 1400	
Q 2.3	Eligibility Criteria 4: Who are your stakeholders? Have they been consulted and how will they be involved in the project execution?
Maximum number of characters allowed is 1015	
Q 2.4	Eligibility Criteria 5 & 6: How have you ensured that proposed activities are in line with national, and/or local strategies and that your project conforms with Government legislation? Does the project build on existing activities?

Maximum number of characters allowed is 1260	
SECTION 3: YOUR SUPPORT NEEDS	
Q 3.1	What is the likely cost of the project (<i>RWF or USD; disaggregate by capital and recurrent expenditure</i>)?
Maximum number of characters allowed is 105	
Q 3.2	How much of the expected cost of the project are you seeking from FONERWA? (%) ?What are the other expected sources of financing?
Maximum number of characters allowed is 210	
Q 3.3	What information, training and support would your organisation need to develop a high quality full Project Document (PD) and/or to implement the project?
Maximum number of characters allowed is 350	

National Climate Change and Environment Fund (FONERWA) Full Project Document (PD)

GUIDANCE NOTE *(August 8th 2013 version)*

WHAT IS A PD?

The **Project Document (PD)** is the final application to FONERWA for financial or technical assistance. The PD will provide the Fund Manager and the Technical and Managing Committees with a comprehensive understanding of your project, and how it fits into the broader context of Rwanda's environmental and climate change strategies.

HOW DO I COMPLETE THE FORM?

All submissions must meet the following basic requirements or they will be returned without consideration:

1. All submissions must be completed using Calibri font size 12.
2. All submissions must have a completed Cover Sheet (see below).
3. There is a 35 page limit for the PD form excluding Annexes.
4. Do not alter the formatting of this form.



Read Carefully!

All submissions must include the following documents:

1. CVs for all key project personnel.
2. A detailed work plan for the project together with a logframe matrix that links activities
3. A project Cost Benefit Analysis spreadsheet

In addition submissions must include the following where these are available:

4. A feasibility or pre-feasibility study
5. Any other supporting documents, such as verification of Rwandan Registration (for private companies and CSOs), letters confirming financing from other sources (if applicable), environmental impact assessments, etc.

Please follow the instructions on the following pages and complete all the requested information, even if the response is duplicated elsewhere.

HOW WILL THE PD BE ASSESSED?

The Fund Manager will assess each PD against **four technical appraisal criteria**:

5. Value for Money:

- a. Does the project demonstrate value for money?
 - ii. Economy: The right inputs have been identified to deliver the required outputs and will be procured cost effectively.

- iii. Efficiency: Operational costs are appropriate given the benefits. The benefits exceed the costs; the project will deliver a positive Net Present Value (NPV) and Benefit Cost Ratio.
- iv. Effectiveness: The project contributes to one (or more) of FONERWA's core objectives.

6. Desirability:

- a. Does the project conform with:
 - i. National, and
 - ii. Sectoral strategies related to environment, climate change, and economic development?
- b. Will the benefits of the project be sustained after the lifetime of the project activities?
- c. Does the project support strategic economic activities and/or poverty reduction?
- d. Will the project result in skills development and/or technology transfer?
- e. What is the degree of risk that the objectives of the project are not met?
- f. Does the project demonstrate additionality?

7. Viability:

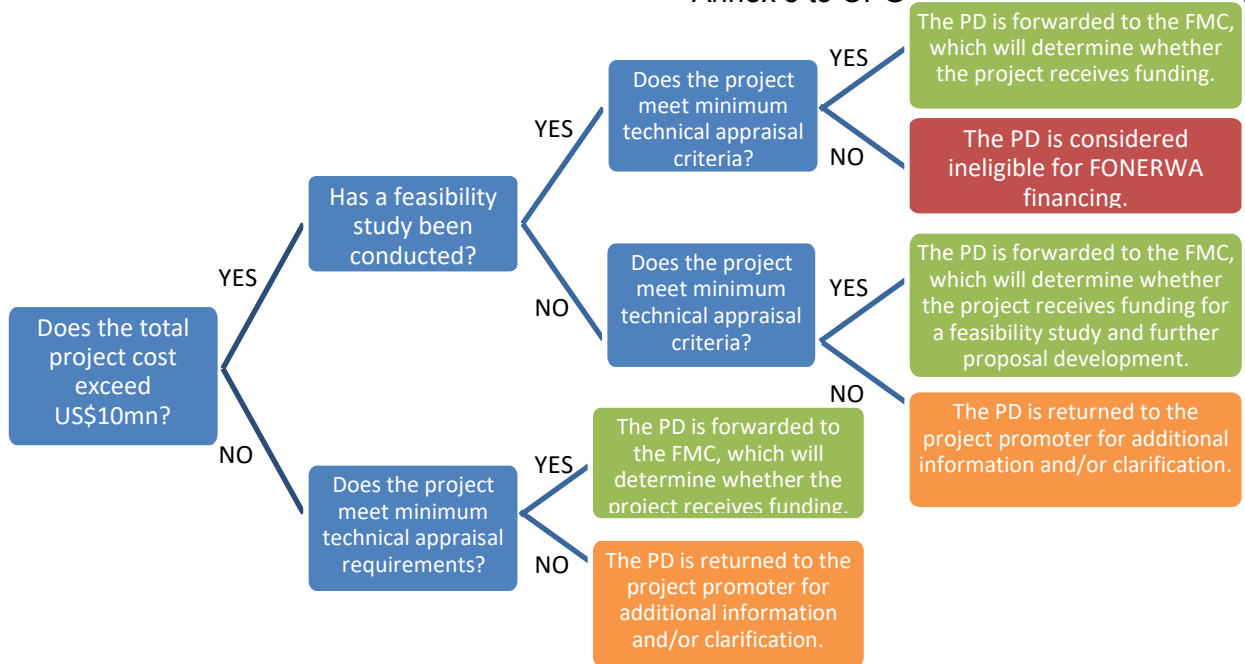
- a. Does the project implementer have sufficient experience to execute the project?
- b. Have the project management arrangements been confirmed?
- c. Is an appropriate Monitoring and Evaluation (M&E) framework in place?
- d. Have stakeholders been consulted and involved in the project formulation?

8. Capacity to Leverage Additional Resources:

- a. Does the project satisfy the criteria for international climate change or environment financing facilities, and is the project likely to attract additional international funding?
- b. Does the project proposal demonstrate the project has potential for income generation?
- c. Is the project likely to attract private sector investment?

WHAT HAPPENS AFTER I SUBMIT THE PD?

The Fund Manager will use the following decision tree to determine how to respond to PDs:



Each sub-criteria associated with Desirability, Viability and Capacity to Leverage Additional Resources will receive a score between zero and ten (0-10), and the criteria will be weighted as follows: Value for Money (40%), Desirability (20%), Viability (20%), Capacity to Leverage Additional Resources (20%). Value for Money is weighted more heavily than Desirability, Viability and Capacity to Leverage Additional Resources, to stress the importance of financing projects with tangible, identifiable results. The criteria related to Feasibility are simple yes/no answers that will determine whether the project is eligible for direct financing by FONERWA or whether the project will be competing for financing to conduct a feasibility study and further proposal development.

All PDs will be ranked by the Fund Manager according to their scores, shortlisted based on available financial resources and forwarded to the FONERWA Technical Committee for review. The Fund Manager will also provide an assessment of whether the minimum technical appraisal requirements have been met (at least 60/100). The Technical Committee will conduct a brief audit of the technical appraisal prepared by the Fund Manager, and then conduct a **Strategic Appraisal** of the shortlisted PDs. The Strategic Appraisal will be an in-depth review of the project's desirability and a prioritisation of the PDs based on the knowledge of the technical committee members. The Technical Committee will then determine the ranking for projects forwarded to the Fund Managing Committee (FMC).

If the project is considered to have met the minimum technical appraisal requirements, then the Technical Committee will forward the PD to the FMC for final decision. For projects with a total cost exceeding US\$10mn, the FMC will only be able to provide project financing if the project applicant has conducted a feasibility study. If a feasibility study has not yet been conducted, then the FMC will determine whether to grant the project applicant financing to conduct a feasibility study and grant further proposal development support. If the total project cost does not exceed US\$10mn, then the FMC will determine whether to provide financing for the project regardless of whether a feasibility study has been conducted.

If the Technical Committee does not feel that the project meets the minimum technical appraisal requirements, then the project will be returned to the promoter for more information and/or clarification. If a project has already had a feasibility study conducted, and the technical committee still does not feel that the project meets the minimum technical appraisal criteria, then the project is NOT eligible for resubmission.

HOW CAN I GET HELP WITH MY FULL PROPOSAL?

Do not hesitate to contact the Fund Manager's office if you have any questions. Providing advice and support for proposal development is one of the primary responsibilities of the Fund Manager.

Tel: +250 252 580 769

Email: info@fonerwa.org

WHO CAN I CONTACT IF I AM DISSATISFIED WITH THE PROCESS?

Email title: FOR THE ATTENTION OF THE FONERWA Managing Committee (FMC)

**National Climate Change and Environment Fund (FONERWA)
Full Project Document (PD)
COVER SHEET**

(Attach this sheet to the front of your submission. *Please do not exceed one A4 side of paper.*)

Project Title	
Project Summary <i>(In 75 words or less please summarise what your project intends to achieve and how)</i>	
Anticipated Start Date <i>(DD/MM/YYYY)</i>	
Project Duration <i>(in months)</i>	
Funding Requested <i>(RWF)</i>	
Name of Lead Organisation	
Type of Organisation, which best describes the Lead Organisation <i>(please select only one box)</i>	<input type="checkbox"/> Government Institution
	<input type="checkbox"/> Non-Governmental Organisation (NGO)
	<input type="checkbox"/> Private Sector Enterprise
	<input type="checkbox"/> Academic Institution
	<input type="checkbox"/> Other <i>(please specify)</i>
Partner Institutions	
Full Office Address	
Website Address <i>(if applicable)</i>	
Contact Person <i>(the person who will have ultimate responsibility and be accountable for delivering this project)</i>	Name: Position: Email: Tel:

For Internal Purposes Only: To be Completed by the Fund Manager

Date Received: _____

PD Code: _____

Date Comments Sent: _____

Feasibility Study? (Y/N) _____

PPD Code: _____

Thematic Financing Window: _____

FONERWA Entry Point: _____

Technical Appraisal Score: _____ Rank: _____

National Climate Change and Environment Fund (FONERWA) Full Project Document (PD)

(Please provide a complete answer to each question, even if the answer is duplicated elsewhere. This PD should not exceed 35 sides of A4 size paper.)

SECTION 1: INFORMATION ABOUT THE APPLICANT

Q 1.1 **What** is the Lead organisation's total number of full-time employees?

Q 1.2 **What** is your organisation's experience of managing similar projects or activities (*please explain why you think your organisation and partners are capable of managing the project*)?

Q 1.3 **List** the name, position, and email of key personnel involved in the project, such as the project executive, project manager, and core technical staff. (Provide a CV for each of the key personnel as an attachment to this PD)

Q 1.4 **Lead Organisational Finances. Provide a copy of these** from the most recent audited annual accounts (income and expenditure statement & balance sheet in RWF, as well as the main sources of funding) as an attachment to this PD.

SECTION 2: INFORMATION ABOUT THE PROJECT

Q 2.1 **Why** is the project needed (*clearly state the problem this project will address and the evidence base for its justification. Where possible, refer to international, national and/or sectoral strategies.*) ?

Q 2.2 **What** change is this project intended to achieve (*state specific objectives, expected results/impact and long-term legacy. To address the core environment and climate change objectives of the project, it would be helpful to refer to national and sectoral climate change and environment objectives. Provide measurable indicators, within a log-frame matrix. In addition, make a note of the expected impacts on employment and poverty reduction, as well knowledge and technological transfer.*)?

Q 2.3	How will the project objectives be achieved (<i>include a detailed Work Plan as an appendix highlighting key deliverables and activities and responsibilities. Clearly describe the approach and methodology to be followed and the sequence of activities planned.</i>)?
Q 2.4	How does the project address cross-cutting issues such as gender and youth?
Q 2.5	Who are the stakeholders affected by the problem, and who are the stakeholders influential in solving the problem? How have they been incorporated and involved in project design and delivery?
Q 2.6	How will the benefits of the project be sustained after FONERWA funding comes to an end?
Q 2.7	What is the scope for income generation from the project?
Q 2.8	Preparation: Has a feasibility or pre-feasibility study been conducted (<i>If yes, then please attach a copy to this PD</i>)?

Q 2.9	Preparation: Are there any outstanding regulatory or legal requirements that need to be met before the project can proceed (<i>access to land, planning consent, use of new technologies</i>)?
Q 2.10	Preparation: Has an Environmental Impact Assessment been conducted for the project (<i>If yes, then please attach a copy to this PD</i>)?
Q 2.11	How will the performance of the project be monitored and evaluated (<i>both during and after the project</i>)?
Q 2.12	How will you involve the beneficiaries and other stakeholders in monitoring and evaluation?
Q 2.13	Which Output from the FONERWA's overarching M&E framework will be contributed to in the project's M&E Framework (<i>if possible choose an indicator from FONERWA's M&E framework</i>)?
Q 2.14	Lesson Learning: Please explain how the learning from this project will be disseminated and shared during (and at the end) of the project, and to whom this information will target (<i>e.g. Project stakeholders and others outside the project</i>)
Q 2.15	Risk Management: Please outline the main risks to the successful delivery of this project indicating whether they are high, medium or low. If the risks are outside your direct control, how will the project be designed to address them?

Q 2.16	Risk Management: What specific risks, if any, does your project pose to the environment, people or institutions affected by the project and how will these be managed and mitigated?
SECTION 3: PROJECT BUDGET AND VALUE FOR MONEY	
Q 3.1	What is the total cost of the project (<i>RWF; provide total cost for each year of the project disaggregated by capital and recurrent expenditure</i>)?
Q 3.2	What is the total amount requested from FONERWA (<i>RWF; provide financing needs for each year of the project</i>)?
Q 3.3	List all other sources of funding. Note whether the status of other funding sources (<i>i.e. Whether the money has been approved or is awaiting authorisation</i>)
Q 3.4	Additionality: Explain why the project cannot be fully financed by other sources than FONERWA?
Q 3.5	What non-financial support is needed to implement the project? What is the best way for FONERWA to deliver this support?
Q 3.6	Value for Money (Economy): i) Briefly describe how the required inputs have been identified and how the GoR procurement procedures will be used to ensure they are obtained cost effectively ii) Provide identified unit cost measures or selected project outputs? (Please see VfM guidelines on how to determine these. Further guidance from the FONERWA Secretariat is available)

Q 3.7	Value for Money (Efficiency): i) Briefly explain how the provision and operation of project inputs produce the expected outputs ii) What is the Net Present Value (NPV) and benefit cost ratio for this project (Please see VfM guidelines on how to determine these measures. Further guidance from the FONERWA Secretariat is available)?
Q 3.8	Value for Money (Effectiveness): How does your project demonstrate effectiveness: - How will it show the outputs meet the project objectives? - Which indicators will you measure to demonstrate effectiveness?

ATTACH ANNEXES HERE TO THE PD APPLICATION – *these can be accepted as separate files but clearly organise and identify the annexes so they are easy to refer to.*

References

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- vii Philip, S., Kew, S.F., Van Oldenborgh, G.J., Otto, F., O' Keefe, S., Hausteine, K., King, A., Zegeye, A., Eshetu, Z., Hailemariam, K., Singh, R., Jjemba, E., Funk, C., and Cullen, H. (2017) 'The drought in Ethiopia, 2015'. London: Climate and Development Knowledge Network and World Weather Attribution Initiative. <https://cdkn.org/wp-content/uploads/2017/06/Ethiopia-drought-science-summary.pdf>
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