



## ADAPTATION FUND

AFB/PPRC.28/29  
4 October, 2021

---

Adaptation Fund Board  
Project and Programme Review Committee  
Twenty-Eighth Meeting  
Bonn, Germany (Virtually held) 11-13 October 2021

Agenda Item 7 a)

### **PROPOSAL FOR ENHANCED DIRECT ACCESS PROJECT FOR RWANDA**

## Background

1. At its thirtieth meeting, having considered document AFB/B.30/5/Rev.1, the Adaptation Fund Board decided:

*(a) To adopt the medium-term strategy as amended by the Board, as contained in the Annex 1 of the document AFB/B.30/5/Rev.1 (the MTS); and*

*(b) To request the secretariat:*

*(i) To broadly disseminate the MTS and work with key stakeholders to build understanding and support;*

*(ii) To prepare, under the supervision of the MTS task force, a draft implementation plan for operationalizing the MTS, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks, for consideration by the Board at its thirty-first meeting; and*

*(iii) To draft, as part of the implementation plan, the updates/modifications to the operational policies and guidelines of the Adaptation Fund needed to facilitate implementation of the MTS, for consideration by the Board at its thirty-first meeting.*

*(Decision B.30/42)*

2. Pursuant to decision B.30/42, subparagraph b (ii), the secretariat prepared a draft implementation plan for the MTS, including an assessment of assumptions and risks. The secretariat shared a version of the draft with the MTS task force for comments.

3. The draft implementation plan also contains suggestions for specific funding windows that might be opened under the MTS in complement of the Fund's existing funding windows for single-country and regional adaptation projects and readiness support projects. Following the approval of the implementation plan, the secretariat would present specific proposed details for each new funding window at subsequent meetings of the Board for its consideration, in accordance with the timeline contained in the implementation plan.

4. At its thirty-first meeting, the Adaptation Fund Board discussed the draft implementation plan for the MTS, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.31/5/Rev.1. Having considered that document, the Board decided:

*(a) To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);*

*(b) To request the secretariat:*

*[...]*

- (iii) *To prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in Annex I to document AFB/B.31/5/Rev.1, with input from the Board's committees;*
- (iv) *Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund's operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and*

[...]

*(Decision B.31/32)*

5. Having recognized that there was a high level of interest among the Fund's stakeholders on Enhanced Direct Access (EDA), a specific funding window on EDA was included in the MTS implementation plan to complement the Fund's existing funding window for single-country projects.

6. At the second session of its thirty-fifth meeting the Board considered the document AFB/PPRC.26.b/18, Window for Enhanced Direct Access under the MTS and the Board decided:

- (a) *To approve the pilot for projects submitted through the window for enhanced direct access (EDA) to promote EDA and further promote locally led adaptation under the Fund;*
- (b) *That the pilot window to promote EDA projects/programmes shall be available to national implementing entities (NIEs) only, in the form of a grant up to a maximum of US\$5 million per country;*
- (c) *That the window for EDA will not count against what the country could access under the country cap established by the Board for regular concrete projects/programmes;*
- (d) *That the execution costs for proposals submitted under the EDA window should be up to a maximum of 12 per cent of the total project/programme budget requested before the implementing entity fees, and should not exceed 1.5 per cent in cases where the Implementing Entity has also taken on the role of Execution Entity for the proposed project/programme activities, and that the implementing entity fee should be up to a maximum of 10 per cent of the total project costs;*
- (e) *That NIEs submitting proposals through the EDA window should do so using the existing approved proposal template and guideline materials for regular concrete projects/programmes nonetheless taking note of the project fees in subparagraph (d) and that EDA proposals submitted through the two-step project approval process are eligible for the project formulation grant and project formulation assistance grant as per the approved criteria by the Board for those grants;*

*(f) That the review cycle and approval of projects/programmes submitted through the EDA window shall follow the review and approval process as well as reporting requirements for regular projects/programmes under the Fund notwithstanding adherence to subparagraph where it concerns the review and approval of project fees; and*

*(g) To request the secretariat to present to the PPRC at its twenty-eighth meeting, an analysis of the project review cycle for EDA projects including an update on the implementation status of the EDA window.*

*(Decision B.35.b/10)*

7. Having considered the recommendation of the Project and Programme Review Committee, the Board decided to include in its work programme for fiscal year 2022 a provision for an amount of US\$ 20.2 million, to be provisionally set aside as follows:

*(h) Up to US\$ 20 million for the funding of Enhanced Direct Access projects;*

*(i) Up to US\$ 200,000 for the funding of project formulation and project formulation assistance grant requests for preparing Enhanced Direct Access fully-developed project documents.*

*(Decision B.36/2)*

8. Subsequently the first call for project and programme proposals under the indicative set amount of US\$ 20 million was issued to eligible Parties to submit Enhanced Direct Access project and programme proposals to the Fund through accredited NIEs.

9. The following fully developed proposal document titled “Rwanda Subnational Fund EDA” was submitted for Rwanda by the Ministry of Environment (MoE), which is a National Implementing Entity of the Adaptation Fund.

10. This is the first submission of the proposal using the one-step submission process.

11. The current submission was received by the secretariat in time to be considered in the thirty seventh Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the Project ID number AF00000270, and completed a review sheet.

12. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with MoE and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.

13. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25/15, the proposal is submitted with changes between the initial submission and the revised version highlighted or with track changes.



ADAPTATION FUND

## ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: EDA Regular Size Full Proposal

<b>Country/Region:</b>	Rwanda	
<b>Project Title:</b>	Rwanda Sub-National Adaptation Fund EDA	
<b>Thematic Focal Area:</b>	Agriculture	
<b>Implementing Entity:</b>	Ministry of Environment (MoE)	
<b>Executing Entities:</b>	FONERWA (Rwanda Green Fund)	
<b>AF Project ID:</b>	AF00000270	
<b>IE Project ID:</b>		<b>Requested Financing from Adaptation Fund (US Dollars): 5,000,000</b>
<b>Reviewer and contact person:</b>	Farayi Madziwa	<b>Co-reviewer(s): Alyssa Gomes</b>
<b>IE Contact Person:</b>	Charlotte Urukundo	

<b>Technical Summary</b>	<p>The project titled “Rwanda Sub-National Adaptation Fund EDA” aims to increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level. This will be done through three components below:</p> <p><u>Component 1:</u> Awareness raising, capacity building, proposal development support and training (USD 112,280).</p> <p><u>Component 2:</u> Evaluation of Sub-National Adaptation Proposals under the CFP (USD 75,800)</p> <p><u>Component 3:</u> Grant management of EDA programme (USD 4,009,500).</p> <p><u>Requested financing overview:</u>            Project/Programme Execution Cost: USD 386,300            Total Project/Programme Cost: USD 4,197,580            Implementing Fee: USD 416,120            Financing Requested: USD 5,000,000</p> <p>The initial technical review raised several issues, such as adaptation objective, rationale and concreteness of proposed activities, cost effectiveness, adequate stakeholder consultations, identification, screening and addressing of environmental and social risks in line with the Adaptation Fund ESP, and alignment of project</p>
--------------------------	---

	<p>objective results framework with Adaptation Fund Results Framework as is discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review.</p> <p>The final technical review finds that the proposal has not addressed the majority of the CR and CAR requests. Namely, the articulation of expected concrete adaptation outcomes, equitable distribution of project benefits, adequate cost effectiveness analysis, adequate stakeholder consultation, inclusion of a gender assessment and an ESMP and associated budget.</p>
Date:	14 September 2021

Review Criteria	Questions	Initial Review Comments	Final Review Comments
Country Eligibility	1. Is the country party to the Kyoto Protocol?	<b>Yes.</b>	-
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	<b>Yes</b> , as described on pages 2 -9. Key climate change vulnerabilities in Rwanda include high levels of rainfall variability, including high inter-annual rainfall variability and periodic major extreme events (floods and droughts). Rwanda also has a high population density, heavy reliance on rainfed agriculture with low adaptive capacity within the sector, and a country ranking of 160 on the Human Development Index 2020 report prepared by the UNDP.	-
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	<b>Yes</b> , as per the endorsement letter dated 3 August 2021.	-
	2. Does the length of the proposal amount to no more than One hundred (100) pages for the fully-developed project	<b>Yes.</b> The proposal is 83 pages and annexes are 16 pages.	-

	document, and one hundred (100) pages for its annexes?		
	3. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?	<p><b>No.</b></p> <p>The project does not identify a clear theme or target adaptation challenge as well as adaptation rationale, including related set of activities suited to addressing the climate change impacts identified. The project does not describe concrete characteristics of activities that could be funded or funding windows that may be financed through the EDA mechanism.</p> <p><b>CR1:</b>Please describe how the proposed activities will help with adaptation to climate change and improve climate Resilience and in addition, explain the EDA rationale in relation to the climate scenario(s) outlined in the background and context section.</p> <p>The proposal does not identify a clear targeted community and target location. Linked to this, there is no clear description of the specific adaptation challenges faced by the targeted community(ies) and a clear description of how the EDA mechanism would increase climate resilience of that community/communities.</p>	<p><b>CR1: Cleared</b>, as per details on pages 6, 9, 11 and 13 which now provide a link to the climate vulnerability of rural farmers in the country and the need for enhancing local access to finance, adaptation knowledge and knowledge on accessing finance for locally grown adaptation solutions.</p> <p><b>CR2: Not cleared</b>, as per details on page 16.</p> <p>The target recipients of the grants will be local CSOs and local governments (district and local government) across the country, who will in turn target rural communities and ecosystems. However, please clarify whether there will be any restrictions to the CSO umbrella that will be targeted, e.g., Rwanda Environmental NGO Forum, Nile Basin Discourse Forum, Rwanda Climate Change and Development Network, Rwanda Civil Society Platform, Adaptation Fund NGO Network, etc.</p> <p><b>CR3: Cleared</b>, as per details on pages 38, 42, 48, 50 and 63.</p> <p>Capacity-building will include training local organizations in</p>

		<p><b>CR2:</b> Please clearly identify the target community/communities and explain the specific adaptation challenges faced by the target community(ies). Please also clarify how the EDA mechanism will lead to increased resilience and reduced vulnerability of the target group.</p> <p><b>CR3:</b> Please describe in the proposal what capacity gaps and needs are present specific to the targeted community to receive, manage and implement the funding received through FONERWA and how these will be met.</p> <p><b>CR4:</b> Please clarify whether the EDA mechanism through FONERWA will be doing on-granting, loans or a mix.</p> <p><b>CR5:</b> Please clarify the type, sector, size, and geographic locations of potential sub-projects should be fully described as far as is possible, including clear articulation of the expected nature and type of sub-projects to be covered through by the EDA grant.</p> <p>A clear theory of change could be provided to help articulate the adaptation objective. Whilst detailed activities may be difficult to identify at this stage, but the overall types of</p>	<p>project development, financial management, environmental safeguards and gender considerations.</p> <p><b>CR4: Not cleared.</b> It is understood that the EDA model will use on-granting but the path of fund flows is not clear.</p> <p>Please clarify if the EDA model will see transfer of finance directly to rural community members and rural farmers or funds will flow only up to the CSOs and local governments who have been described as the executing entities as well. Also describe the end beneficiaries, the CSOs and local governments that will be expected to build resilience of e.g., are they rural farmers, communities, businesses, cooperatives etc?</p> <p><b>CR5: Cleared,</b> as per details on page 13 and 15. The EDA grant will have a country-wide scope and will cover sub-projects in water, agriculture and land-use management.</p> <p><b>CR6: Not cleared.</b> It is understood that specific sub-projects and activities may not be feasible to identify at this point. However, at this point it should be possible to</p>
--	--	--	---



		<p>activities that are being targeted, the sector they fall under and the suitability of these activities in responding to the threats posed by the likely climate scenarios should be outlined in detail in the background and context section and where possible, quantified in terms of magnitude and uncertainty.</p> <p><b>CR6:</b> Please identify concrete activities that will lead to tangible outcomes. Identify themes, characteristics of activities that could be funded through the mechanism or funding windows, including concrete activities that may be funded under the EDA mechanism.</p>	<p>broadly indicate the type of projects expected to be funded based on the sub-project funding envelopes provided in the proposal and it should be clear what adaptation outcomes are expected from the EDA model as a whole. In addition, Step 4 of the proposal review process by FONERWA on page 33 does not mention anything about adaptation objectives and reviewing submitted proposals for adaptation needs.</p> <p>Please describe the adaptation outcomes that are expected from the pool of EDA grants that will be disbursed and provide an indicative category or list of projects expected to be funded under each investment sector/window.</p>
	<p>4. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p><b>Unclear.</b></p> <p><b>CR7:</b> Please clarify how the project will ensure equitable distribution of benefits to vulnerable communities, households, and individuals and provide quantification of benefits as far as possible.</p> <p>In meeting this requirement, the project should demonstrate compliance with the environmental and social principles as outlined in the Adaptation Fund Environmental</p>	<p><b>CR7: Not cleared.</b> There is a lot of description about the internal processes within FONERWA, but the proposal does not outline what the economic, social and environmental benefits from the EDA project will be.</p> <p>Please provide information on the expected beneficiaries of the EDA programme, with particular reference to the equitable distribution of benefits to vulnerable communities, households, and</p>

		<p>and Social Policy. It should also demonstrate compliance with the Fund's Gender Policy through among other things, information resulting from an initial gender analysis, and/or assessment at the earliest stage of project preparation to determine the different needs, capabilities, roles and knowledge resources of women and men, and/or identify how changing gender dynamics might drive lasting change within the targeted community(ies).</p> <p><b>CAR1:</b> Please include the gender analysis/ assessment as an Annex to the project proposal main text.</p>	<p>individuals, particularly to vulnerable communities</p> <p><b>CAR1: Not cleared.</b> The proposal describes the checks and balances that will be applied to ensure that the USPs comply with the AF gender policy and highlights that FONERWA Gender Analysis Handbook which will be used for the same purpose. However, no gender analysis at EDA target groups or project beneficiary level has been undertaken.</p> <p>Please include a gender analysis/ assessment that determines the different needs, capabilities, roles and knowledge resources of women and men, and/or identify how changing gender dynamics might drive lasting change within the targeted beneficiaries of the EDA mechanism as an Annex to the project proposal main text.</p>
	5. Is the project / programme cost effective?	<p><b>No.</b> The proposal does not provide a logical explanation of the selected scope and approach.</p> <p><b>CR8:</b> Please provide a clear description of alternative options to the proposed measures, that includes comparison to other possible interventions that could have taken place to help adapt and build resilience in the same sector,</p>	<p><b>CR8: Not cleared.</b></p> <p>It is understood that one of the appraisal criteria for the sub-projects will be cost effectiveness using a value for money approach. However, there is no description of how the same adaptation objectives of the EDA approach could have been reached using alternative approaches.</p>

		geographic region, and/or target community, with quantitative estimates where feasible and useful.	Please provide a clear description of alternative options to the proposed measures, that includes comparison to other possible interventions that could have taken place to help adapt and build resilience of the target beneficiaries and provide quantitative estimates where feasible and useful.
	6. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	<p><b>Yes</b>, it is consistent with Rwanda's NDC, National Strategy for Transformation, National Environment and Climate Change Policy of 2019, National Strategy for Transformation and the Green Growth and Climate Resilience Strategy.</p> <p>However, only consistency with the NDC and Green Growth and Climate Resilience Strategy have been explained in detail.</p> <p><b>CR9:</b> Please provide more detailed explanation of how the project is consistent with the other identified policies and strategies (e.g. NAP, NAPA. Etc)</p>	<b>CR9: Cleared</b> , as per details on pages 54-56. More detail has been provided explaining alignment with Rwanda's NAPA, Green Growth and Climate Resilient Strategy (GGCRS) in 2011 and various agriculture, land use, water, and forestry national policies.
	7. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	<p>No. The relevant national technical standards have not been identified as it is unclear what types or category of projects would be funded by FONERWA through the EDA mechanism.</p> <p><b>CR10:</b> Please explain broadly how</p>	<p><b>CR10: Cleared</b>, as per details on pages 56 and 57.</p> <p>The section describes compliance with technical and legal standards that may become relevant to USPs under water, agriculture, and land-use management sectors.</p>

		compliance with relevant technical standards will be met, for example, to address environmental assessments, building codes, and land use or tenure regulations, as required by national and/or sector specific legislation.	
	8. Is there duplication of project / programme with other funding sources?	<b>No</b> , as described on page 48. There are GEF small grants and USAID projects in Rwanda, but they are not focussed on climate change adaptation and do not overlap with the proposed project.	-
	9. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	<b>Yes</b> , as described on pages 48 and 49. The project will develop a knowledge management strategy, collect case studies and lessons learnt throughout implementation.	-
	10. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<b>Not cleared.</b> As described on pages 49 and 50, a stakeholder consultation was held virtually in July. However, a comprehensive, gender-responsive consultative process must be undertaken, and must involve all direct and indirect stakeholders of the project, including vulnerable groups and taking into account gender considerations. Please ensure that all the stakeholders involved in the consultation process are identified in the project proposal with attention to minority groups, marginalized and vulnerable groups, and indigenous people in the project	<b>CR11: Not cleared.</b>

		<p>target areas, where relevant.</p> <p><b>CR11:</b> Please identify all stakeholders involved in the project and include a report documenting the consultative process. Please provide in an annex:</p> <ul style="list-style-type: none"> <li>a) The list of stakeholders already consulted (principles of choice, role ascription, date of consultation);</li> <li>b) A description of the consultation techniques (tailored specifically per target group),</li> <li>c) The key consultation findings (in particular suggestions and concerns raised).</li> <li>d) Please also include under project implementation arrangements, a framework that allows for stakeholders' views to be heard during project implementation.</li> </ul>	
	11. Is the requested financing justified on the basis of full cost of adaptation reasoning?	<p><b>No.</b> The proposal does not describe how the proposed mechanism is not a business-as-usual activity for FONERWA and MoE. The proposal should clearly describe how the proposed activities will achieve the adaptation goals of the project. One of the key screening criteria for activities that will be funded under the proposed EDA mechanism and stated in FONERWA's project</p>	<p><b>CR12: Not cleared.</b></p> <p>The text added on page 61 explains how the proposed EDA programme deviates from a business-as-usual approach but does not link expected outcomes of the EDA model with the adaptation objectives of the proposal. Furthermore, the text does not explicitly state that co-financing will not be a conditional</p>

		<p>document guideline in Annex I of the proposal is capacity to leverage additional resources. A clear description of how co-financing could affect the AF funded project should be provided, including how the project will ensure that co-funding will not affect achievement of results and impact of the AF funded project.</p> <p><b>CR12:</b> Please provide a clear description of how proposed activities are relevant in addressing the project's adaptation objectives and that, taken solely, without additional leveraged funding from the targeted beneficiaries the proposed activities would help achieve project objectives. In doing this, please clearly describe how Adaptation Fund project will deliver its outcomes and outputs regardless of the requirement for finance leveraged from other sources.</p>	<p>requirement for approval of USPs by FONERWA.</p> <p>Please link expected project outcomes to the adaptation objectives of the EDA model and approach, and clearly articulate how outcomes will be achieved regardless of the requirement for finance leveraged from other sources.</p>
	12. Is the project / program aligned with AF's results framework?	<b>Yes.</b> The project is aligned with outcomes 2,3,4,5,6 and 8. (page 73-74).	
	13. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p><b>Unclear.</b></p> <p><b>CR13:</b> Please address CRs1-6 and following that provide a clear description of how the adaptation benefits achieved with the help of</p>	<p><b>CR13: Cleared,</b> as per details on page 63.</p> <p>Whilst specific adaptation benefits from USPs cannot be identified at this point, the revised section</p>

		<p>the project can be sustained after its end, and possibly enable replication and scaling up with other funds after its end. Please explain the arrangements through which this would be achieved, considering sustainability and maintenance of any infrastructure or installations to be developed, policies and governance arrangements to be developed and implemented, knowledge to be generated, management and other capacity to be improved, etc.</p> <p><b>CR14:</b> Please clearly describe and address all key areas of sustainability, including but not limited to economic, social, environmental, institutional, and financial sustainability.</p>	<p>describes how built capacity will remain beyond the project lifespan. In addition, each individual USP will be required to assess its own sustainability before approval by FONERWA.</p> <p><b>CR14: Cleared</b>, as per details on page 64.</p> <p>Whilst benefits accruing from individual USPs cannot be determined at this stage, page 64 of the proposal describes environmental, economic, and social sustainability based on achievement of EDA model outcomes.</p>
	14. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p><b>No.</b> The proposal has not identified any potential environmental and social impacts and risks, including the gender-specific cultural and/or legal context in which the project/programme will operate.</p> <p>The proposal has not stated the overall category in which the screening process has classified the proposed project, that is, as either Category A, B or C according to the AF ESP.</p> <p><b>CAR2:</b> Please state the category</p>	<p><b>CAR2: Cleared.</b> The proposal has been classified as Category B based on a criterion that only low risk USPs will be approved, with those of intermediate risk being required to undertake an EIA.</p> <p><b>CAR3: Cleared</b>, as per details on pages 65-67.</p> <p>The table has been completed and some principles have been triggered, namely: Compliance with the law; Access and equity; Gender</p>

		<p>classification of the project according to the AF ESP.</p> <p><b>CAR3:</b> Please complete the checklist table in Section K of Part II of the AF proposal template and indicate which environmental and social impacts and risks are triggered by the project as requiring more detailed environmental and social assessment, and which impacts and risks do not require any further assessment, to comply with the AF Environmental and Social Policy.</p> <p><b>CAR4:</b> Please include an environmental and social assessment as relevant, relevant annexes that include a gender assessment and action plan and an environmental and social management plan with adequate provisions to ensure that USPs will be compliant with the AF ESP and GP.</p>	<p>equality and women's empowerment; Core labour rights; Protection of natural habitats; and Conservation of biological diversity. However, how these will be addressed has not been included in the ESMP.</p> <p><b>CAR4: Not cleared.</b> USP screening against gender considerations and AF gender Policy has been described in the proposal. However, no gender assessment has been undertaken and page 64 states that an ESMP will be developed at a later time. For a fully developed proposal, an ESMP with adequate provisions to ensure that USPs will be compliant with the AF ESP and GP needs to be developed and annexed to the current proposal. The ESMP should in particular also include adequate provisions for how the principles triggered from the AF ESP will be addressed.</p> <p>Please undertake a gender assessment and include an ESMP with adequate provisions to ensure that USPs will be compliant with the AF ESP and GP. This needs to be annexed to the current proposal. The ESMP should in particular also include adequate provisions for how the principles triggered from the AF</p>
--	--	--	--



			ESP will be addressed.
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	<b>Yes.</b> The requested funding is within the country cap of USD 5 million for the EDA finding window.	-
	2. Is the Implementing Entity Management Fee at or below 10 per cent of the total project/programme budget before the fee?	<b>Yes,</b> the fee is 9%	-
	3. Are the Project/Programme Execution Costs at or below 12 per cent of the total project/programme budget (including the fee)?	<b>Yes,</b> the fee is 8%	-
Eligibility of IE	1. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	<b>Yes.</b>	-
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	<b>Needs further development.</b> Implementation arrangements describe the roles and responsibilities of the implementing entity as well as FONERWA as the executing entity, the project Steering Committee and the role of grant beneficiaries. However, there is no clear description of any gender considerations in the implementation arrangements. A clear description should be provided of the funding model and institutional levels involved, including, the approach adopted for	<b>CR15: Not cleared.</b> A chart has been provided on page 73 but the text under the chart refers to a project management team, which is not indicated on the chart.  Please clarify where the project management team referred to on page 73 of the proposal fits within the EDA model chart.

		<p>EDA based on local contexts, needs and preferred decision-making structure at the local level.</p> <p><b>CR15:</b> Please provide a description or a full organization chart if possible, showing the organizations and stakeholders involved in project implementation and how they report to each other. Please also describe and incorporate proposed arrangements for gender-responsive elements as appropriate in the implementation arrangements in compliance with the AF Gender Policy.</p>	
	2. Are there measures for financial and project/programme risk management?	<p><b>Yes</b>, as described on pages 63-66. However, <u>where possible please update after addressing CRs1-6</u>, all major risks, their significance, and include a plan of monitoring and mitigating them, as well as detailed information on the different categories of risks considering the characteristics of the proposed EDA mechanism (i.e. financial, environmental, social, institutional...), their level and how they will be managed.</p>	-
	3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	<p><b>No</b>. Whilst the proposal mentions that FONERWA's ESMF, it should include a detailed description of the process that will be applied during project implementation to ensure compliance with the AF ESP.</p>	<p><b>CAR5: Not cleared.</b> The proposal does not include an ESMP.</p> <p>Please include an ESMP for the proposed EDA programme that</p>

		<p>Please note that projects with USPs are required to include an Environmental and Social Management Plan (ESMP) which includes the review process that will ensure that when a USP is formulated to the point where effective ESP risks identification is possible, such risks are identified and subsequent measures are taken according to the risks findings.</p> <p><b>CAR5:</b> Please include an ESMP that includes the following elements</p> <ul style="list-style-type: none"> <li>- A detailed description of the process that will be applied during project implementation to ensure ESP compliance, and that describes the process for identifying all major environmental and social risks, considers their significance, and that includes a plan of monitoring and mitigating them. This includes assessing gender impacts and risks, in compliance with the Gender Policy of the Fund.</li> <li>- Clearly allocated roles and responsibilities for its implementation, opportunities for consultation</li> </ul>	<p>includes the following elements:</p> <ul style="list-style-type: none"> <li>- A detailed description of the process that will be applied during project implementation to ensure ESP compliance, and that describes the process for identifying all major environmental and social risks, considers their significance, and that includes a plan of monitoring and mitigating them. This includes assessing gender impacts and risks, in compliance with the Gender Policy of the Fund.</li> <li>- Clearly allocated roles and responsibilities for its implementation, opportunities for consultation and adaptive management, clear arrangements for the IE to supervise executing entities for implementation of the ESMP</li> </ul> <p><b>CAR6: Not cleared.</b> Page 60 mentions that a project grievance mechanism will be introduced but there is no description of how it will work, particularly considering that MoE and FONERWA have their own separate grievance handling</p>
--	--	---	--

		<p>and adaptive management, clear arrangements for the IE to supervise executing entities for implementation of the ESMP.</p> <p><b>CAR6:</b> Please include a clear description of the grievance mechanism in place, mentioning all parts of the grievance process, including where grievances can be addressed and clear monitoring and evaluation arrangements for ESP compliance.</p> <p><b>CAR7:</b> Please include a budget provision for implementation of the ESMP, impact assessments and the identification of avoidance, mitigation or management measures during project implementation, in the detailed budget section of the proposal.</p>	<p>mechanisms.</p> <p>Please include a clear description of the grievance handling mechanism that will be put place, mentioning all parts of the grievance process, including how grievances can be addressed between FONERWA and MoE, including clear monitoring and evaluation arrangements for ESP compliance.</p> <p><b>CAR7: Not cleared.</b> The detailed budget does not include budget set aside specific to ESMP implementation.</p> <p>Please include a budget provision for implementation of the ESMP, impact assessments and the identification of avoidance, mitigation or management measures during project implementation, in the detailed budget section of the proposal</p>
	4. Is a budget on the Implementing Entity Management Fee use included?	<b>Largely, yes</b> on page 78. However, please see <b>CAR7</b> .	-
	5. Is an explanation and a breakdown of the execution costs included?	<b>Yes</b> , on page 77.	-
	6. Is a detailed budget including budget notes included?	To some extent, yes. However, it is not clear whether adequate budget provision has been made for implementation of the ESMP.	-

		Please refer to <b>CAR7</b> above.	
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	<p><b>Largely, yes.</b> It appears that the M&amp;E function will be the responsibility of FONERWA. However, it is not clear what the key milestones included in the M&amp;E plan are or how the M&amp;E plan will address all environmental and social risks identified during project assessment, design, and implementation, particularly for the USPs. It is also not clear how the M&amp;E plan will ensure provision of sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund.</p> <p><b>CR16:</b> Please provide a clear description of M&amp;E milestones a description of how sex disaggregated data will be provided, and how the M&amp;E plan will address all environmental and social risks identified during project assessment, design, and implementation, particularly for the USPs</p>	<p><b>CR16: Not cleared.</b> A description is provided on page 87, but does not make any reference to environmental and social risks.</p> <p>Please include in the description of the M&amp;E plan, how the M&amp;E plan will address all environmental and social risks identified for USPs during project assessment, design, and implementation.</p>
	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	<p><b>Unclear.</b> Whilst a budget line item for M&amp;E is provided in the detailed project budget, there is no budget breakdown provided for the M&amp;E plan.</p> <p><b>CAR8:</b> Please provide a budget breakdown of the M&amp;E budget included as IE fees for supervision</p>	<p><b>CAR8: Cleared,</b> as per details on page 87. A budget is provided but has no row to indicate total cost.</p>

		of M&E function.	
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	<p><b>Unclear.</b></p> <p>The provided results framework is a mix of project components and outputs and in some cases, e.g., under Component 1 on page 71, the baseline for outcome 1.1 is 0 and the target is "0 organizations receive training". The results framework needs to reflect outcomes and outputs with clear quantified baselines, targets and indicators that are gender responsive and are disaggregated by sex as appropriate. The current project objective does not reflect a specific, tangible adaptation outcome that will be produced and delivered by the project. Table 8 of the proposal does not provide a clear linkage between project objectives and outcomes and the Fund level outcome and outputs.</p> <p><b>CAR9:</b> Please revise Table 8 and indicate clear links between project objectives and outcomes and Adaptation Fund level outcomes and outputs. Please refer to the AF's result framework available at <a href="https://www.adaptation-fund.org/document/strategic-results-framework-of-the-adaptation-fund-amended-in-march-2019/">https://www.adaptation-fund.org/document/strategic-results-framework-of-the-adaptation-fund-amended-in-march-2019/</a></p>	<p><b>CAR9: Cleared</b>, as per improvements made on pages 92-94.</p> <p>The Results Framework table has been revised to indicate links between project objectives and outcomes and the AF strategic outcome indicators.</p> <p><b>CAR10: Cleared</b>, as per details on pages 94 and 95 and table with core indicators has been inserted.</p>

		<b>CAR10:</b> Please also include a table showing alignment with the Adaptation Fund core impact indicator: Number of beneficiaries, including estimations for direct and indirect beneficiaries and any other relevant core impact indicators relevant to activities targeting the areas identified in AF results framework. Please refer to- <a href="#">Methodologies for Reporting Adaptation Fund Core Impact Indicators</a>	
	10. Is a disbursement schedule with time-bound milestones included?	<b>Yes</b> , on page 79.	-



ADAPTATION FUND

## ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: EDA Regular Size Full Proposal

**Country/Region:** Rwanda**Project Title:** Rwanda Sub-National Adaptation Fund EDA**Thematic Focal Area:** Agriculture**Implementing Entity:** Ministry of Environment (MoE)**Executing Entities:** FONERWA (Rwanda Green Fund)**AF Project ID:** AF00000270**IE Project ID:****Reviewer and contact person:** Farayi Madziwa**IE Contact Person:** Charlotte Urukundo**Requested Financing from Adaptation Fund (US Dollars):** 5,000,000**Co-reviewer(s):** Alyssa Gomes

### Technical Summary

The project titled “Rwanda Sub-National Adaptation Fund EDA” aims to increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level. This will be done through three components below:

Component 1: Awareness raising, capacity building, proposal development support and training (USD 112,280).

Component 2: Evaluation of Sub-National Adaptation Proposals under the CFP (USD 75,800)

Component 3: Grant management of EDA programme (USD 4,009,500).

Requested financing overview:

Project/Programme Execution Cost: USD 386,300

Total Project/Programme Cost: USD 4,197,580

Implementing Fee: USD 416,120

Financing Requested: USD 5,000,000

The initial technical review raises several issues, such as adaptation objective, rationale and concreteness of proposed activities, cost effectiveness, adequate stakeholder consultations, identification, screening and addressing of environmental and social risks in line with the Adaptation Fund ESP, and alignment of project



	objective results framework with Adaptation Fund Results Framework as is discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review.
Date:	23 August 2021

Review Criteria	Questions	Comments	Response
Country Eligibility	3. Is the country party to the Kyoto Protocol?	<b>Yes.</b>	
	4. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	<b>Yes</b> , as described on pages 2 -9. Key climate change vulnerabilities in Rwanda include high levels of rainfall variability, including high inter-annual rainfall variability and periodic major extreme events (floods and droughts). Rwanda also has a high population density, heavy reliance on rainfed agriculture with low adaptive capacity within the sector, and a country ranking of 160 on the Human Development Index 2020 report prepared by the UNDP.	<b>N/A</b>
Project Eligibility	15. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	<b>Yes</b> , as per the endorsement letter dated 3 August 2021.	<b>N/A</b>
	16. Does the length of the proposal amount to no more than One hundred (100) pages for the fully-developed project document, and one hundred (100) pages for its annexes?	<b>Yes.</b> The proposal is 83 pages and annexes are 16 pages.	<b>N/A</b>

	<p>17. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?</p>	<p><b>No.</b></p> <p>The project does not identify a clear theme or target adaptation challenge as well as adaptation rationale, including related set of activities suited to addressing the climate change impacts identified. The project does not describe concrete characteristics of activities that could be funded or funding windows that may be financed through the EDA mechanism.</p>	<p>We acknowledge and thank the AF secretariat for these comments. They are extremely useful and we have taken on board in our revision. In providing our responses we highlight:</p> <p>1) This is the first round of the Adaptation Fund EDA window and as yet there is no guidance on how to prepare a specific EDA application. We have prepared a proposal in good faith, but it is sometimes a little difficult to know what AF are looking for in the EDA proposal modality. We therefore are grateful for the additional comments, but highlight guidance might be useful for future EDA rounds.</p> <p>2) The form for an EDA application is the same as the standard project proposal. The current form requires detailed information that is sometimes difficult to provide for the EDA modality. We have expanded the proposal based on the comments, but there are some areas where it is still difficult to provide all information because of the EDA nature.</p> <p>3) The evaluation and comments on the EDA proposal seems to be following the standard AF project evaluation. EDA - by its nature – is different to a normal AF project. We have tried to address the comments raised, but sometimes this is difficult as EDA projects operate differently.</p> <p>Based on the comments received, we</p>
--	---	---	--

			<p>understand that the AF would prefer a more targeted EDA proposal, with a stronger set of safeguards, and have amended our proposal address these comments, while retaining elements that are important for EDA. The key changes we have made are:</p> <p><u>More targeted call.</u> Our proposal aimed to provide a full EDA modality, aligned to NDC adaptation priorities, allowing for the widest possible access and options. However, to address your comments, we have focused the call to key climate risks affecting rural communities (extreme rainfall and water variability) and a subset of key adaptation priorities from the Rwanda NDC to address these (water projects, climate smart agriculture and sustainable land management), through a specific thematic window call. This has allowed a more targeted logical framework and output/outcomes.</p> <p><u>Stronger alignment to AF ESIA and Gender Policy.</u> We recognize the comments on the need for stronger safeguarding to ensure alignment with AF policy and have included additional activities and processes to ensure this happens.</p> <p>.</p>
--	--	--	--

		<p><b>CR1:</b>Please describe how the proposed activities will help with adaptation to climate change and improve climate Resilience and in addition, explain the EDA rationale in relation to the climate scenario(s) outlined in the background and context section.</p> <p>The proposal does not identify a clear targeted community and target location. Linked to this, there is no clear description of the specific adaptation challenges faced by the targeted community(ies) and a clear description of how the EDA mechanism would increase climate resilience of that community/communities.</p>	<p>Following the comments from AF, we have focused the EDA on specific climate risks (extreme rainfall and rainfall variability), for a specific target group (rural communities). This has allowed us to have a stronger and more focused climate problem identified in the background section, and text has been added to the 'problem definition' section to explain how these activities will help explicit address these issues and improve adaptation.</p> <p>We have also narrowed the EDA to focus on specific interventions in the NDC. These focus on adaptation for climate-smart agriculture (CSA) and sustainable land and water management (SLM). This also helps to address these issues and provide a much clearer link to adaptation interventions and the results framework.</p> <p>However, at this time we have not prioritized specific geographical areas in the EDA proposal, preferring a national approach as this aligns to the FONERWA basket fund modality. If AF advise, it might be possible to investigate a regional approach, though this would take more time to develop this.</p>
--	--	---	--

		<p><b>CR2:</b> Please clearly identify the target community/communities and explain the specific adaptation challenges faced by the target community(ies). Please also clarify how the EDA mechanism will lead to increased resilience and reduced vulnerability of the target group.</p>	<p>The EDA proposal is focused on sub-national programming, through local government and CSOs. We include specific firm eligibility criteria, restricting the EDA modality to local government and civil society organizations.</p> <p>The proposal is now targeted by specifying that the proposal is targeted towards rural communities with a stronger focus on specific climate risks (see above) and a sub-set of adaptation interventions.</p> <p>The proposal increases climate resilience for these groups through the EDA modality, because it provides a flow of local adaptation finance. There is training and capacity building for these sub-national organizations, as well as direct adaptation finance for projects, which will lead to community benefits. It will foster a bottom-up approach, and allows project at the grassroots level to have a tangible impact on the most vulnerable, by equipping communities with skills and knowledge on how to better adapt to climate change.</p> <p>The move to specific interventions (climate smart agriculture and sustainable soil and water management) are also targeted at local and community level.</p>
--	--	---	---

		<p><b>CR3:</b> Please describe in the proposal what capacity gaps and needs are present specific to the targeted community to receive, manage and implement the funding received through FONERWA and how these will be met.</p>	<p>Local government and civil society organizations in Rwanda – who are the focus of the EDA –face the following problems:</p> <ul style="list-style-type: none"> <li>• Many of these communities lack information and knowledge on adaptation, such as on water conservation practice, climate resilient crops, etc.</li> <li>• They have limited resources to implement solutions for these – notably around climate smart agriculture and sustainable land management practices such as soil erosion control, sustainable ecosystem and landscape management.</li> <li>• They have insufficient knowledge on how to access climate finance, and are often left out because of the dominance of top-down flows.</li> </ul> <p>Discussion of these issues is been now included in the proposal in the problem definition section. We have also strengthened the components in the proposal to address these gaps. To summarise:</p> <p>Component 1.2 includes activities to build and strengthen the institutional capacity of CSOs/local government to produce proposals. This includes training, workshops and technical assistance support.</p> <p>Component 3. Once proposals are approved, FONERWA will undertake a package of orienting training of sub-</p>
--	--	---	---

			national grant beneficiaries to help them in project management and so deliver the EDA, with training on financial management, project management, environmental safeguards, gender, etc.
		<b>CR4:</b> Please clarify whether the EDA mechanism through FONERWA will be doing on-granting, loans or a mix.	The EDA mechanism will be on-granting only. This is now also clarified in the proposal.
		<p><b>CR5:</b> Please clarify the type, sector, size, and geographic locations of potential sub-projects should be fully described as far as is possible, including clear articulation of the expected nature and type of sub-projects to be covered through by the EDA grant.</p> <p>A clear theory of change could be provided to help articulate the adaptation objective. Whilst detailed activities may be difficult to identify at this stage, but the overall types of activities that are being targeted, the</p>	<p>The use of the EDA modality makes it difficult to specify all of these aspects – though we recognize they would be essential for an AF normal project. In light of comments, we have narrowed the focus of the EDA to specific sectors and intervention options from the NDC, to focus on rural communities, and recommended NDC interventions in agriculture, sustainable water and land-management, that are most suitable for local projects. This is now included in the proposal, and the Call for Proposals will be earmarked to focus on these priority interventions. At this time, we have not identified specific geographic locations, as the basket fund currently targets the national level. However, if this is a requirement for approval, this could be included.</p> <p>A theory of change has been developed and included. We stress that this focuses on the activities of EDA as a vehicle for improving flows of finance to local level, as well as delivering projects (CSA and SLM).</p>

		sector they fall under and the suitability of these activities in responding to the threats posed by the likely climate scenarios should be outlined in detail in the background and context section and where possible, quantified in terms of magnitude and uncertainty.	
		<b>CR6:</b> Please identify concrete activities that will lead to tangible outcomes. Identify themes, characteristics of activities that could be funded through the mechanism or funding windows, including concrete activities that may be funded under the EDA mechanism.	<p>In response to this comment, we have prioritized a number of sectors and intervention areas from the NDC. This focuses on the sustainable water, agriculture and land-use management, and detailed activities in these priority areas. These provide a more concrete set of activities for the EDA mechanism, and allow a more direct pathway to outcomes.</p> <p>In particular, this will focus on climate smart agriculture and sustainable land management options for rural areas. The Call for Proposals will be earmarked for these interventions. This will allow a more specific set of themes and activities for funding, and will allow a stronger link to the outputs and outcomes.</p>
	18. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental	<p><b>Unclear.</b></p> <p><b>CR7:</b> Please clarify how the project will ensure equitable distribution of benefits to vulnerable communities, households, and individuals and provide quantification of benefits as far as possible.</p>	<p>The EDA modality and objective is explicitly designed to deliver a more equitable flow of adaptation finance to vulnerable communities. The eligibility criteria for funding is limited (earmarked) for local government and CSO projects only, and is targeted to vulnerable communities (rural). As such, these groups that will benefit from the grant finance. This has been added to the proposal.</p>



	and Social Policy and Gender Policy of the Fund?		Further the selection of specific types of climate risks and adaptation interventions now allows a more concrete analysis of these benefits for the targeted measures (SLM, CSA).
		In meeting this requirement, the project should demonstrate compliance with the environmental and social principles as outlined in the Adaptation Fund Environmental and Social Policy. It should also demonstrate compliance with the Fund's Gender Policy through among other things, information resulting from an initial gender analysis, and/or assessment at the earliest stage of project preparation to determine the different needs, capabilities, roles and knowledge resources of women and men, and/or identify how changing gender dynamics might drive lasting change within the targeted community(ies).	<p>FONERWA has existing Environment and Social Policy and conducts due diligence on these issues in the review of proposals. The categorization and screening process of Environmental and social risks an impact on FONERWA Funded projects are well described in FONERWA's ESMF Volume from page 21-44. It also has a Gender policy and requires applications to demonstrate gender positive elements.</p> <p>However, we recognize that these may need to be strengthened to ensure compliance with the AF Policies in these areas. This includes the recent Adaptation Fund Gender Policy and Gender Action Plan (2021).</p> <p>To ensure this we have included and extended the following activities steps that are additional (new) to the FONERWA grant management process for the AF EDA.</p> <p>In component 1.1, the Call for Proposals will document the requirement to comply with the Adaptation Fund Policies, including ES and Gender Policy.</p> <p>In component 1.2, training of CSO and local and district staff on proposals and</p>

			<p>project management, an additional training component has been added, that will provide training on Adaptation Fund ES and Gender Policy, and how to translate this into proposals.</p> <p>In component 2, 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 be undertaken by an international consultant. In addition, technical assistance support will be provided as part of this component to strengthen the compliance with AF Policies, notably on Environment and Social, and on Gender elements.</p> <p>In component 3.2 activities are included for capacity building and training sessions for local organizations that are to be funded. In addition to the FONERWA training (which includes all aspects, from project and financial management through to environment safeguards and gender), and additional training package has been added. Training will include a specific set of components on the compliance with AF Policies, notably on Environment and Social, and on Gender elements. This will be provided by an international consultant, and will ensure that AF policies are integrated from the start, and that this is</p>
--	--	--	---

			aligned in the overall project and financial management, monitoring and evaluation and reporting, and in ensuring safeguards are met.
		<b>CAR1:</b> Please include the gender analysis/ assessment as an Annex to the project proposal main text.	The FONERWA Gender Analysis Handbook is 90 pages long – so if we include this we would exceed the page limit. However, we have included the handbook table of contents in the appendix. The full handbook – or specific chapters - can be shared with AF on request.
	19. Is the project / programme cost effective?	<p><b>No.</b> The proposal does not provide a logical explanation of the selected scope and approach.</p> <p><b>CR8:</b> Please provide a clear description of alternative options to the proposed measures, that includes comparison to other possible interventions that could have taken place to help adapt and build resilience in the same sector, geographic region, and/or target community, with quantitative estimates where feasible and useful.</p>	<p>We have expanded this section of the proposal to respond to this comment. To summarise.</p> <p>The nature of an EDA modality of the proposal, and the use of the FONERWA green fund, works through a Call for Proposals approach. This precludes an analysis of the exact cost-effectiveness of interventions in the proposal now, because these projects are not yet determined (and will emerge from the best proposals submitted).</p> <p>However, the FONERWA application process has a strong focus on cost-effectiveness and value for money (VfM). This involves 3 aspects – economy, efficiency, and effectiveness – that overall deliver cost-effectiveness. This is shown in Figure 12 in the proposal.</p> <p>This VFM approach uses an established method from the international literature,</p>

			<p>which ensures delivery of the optimal use of resources to achieve the intended outcomes, and directly delivers cost-effectiveness. This is a logical approach, that aligns to the logical framework of projects and the programme overall – indeed VFM has linkages to the delivery of outputs and outcomes as shown in Figure 12..</p> <p>For a project to be funded under the EDA by FONERWA, it has to demonstrate it delivers costs-effectiveness. This includes:</p> <ul style="list-style-type: none"> <li>• The Fund uses indicative benchmarks for the most common activities (e.g. terracing, agroforestry etc.) and assesses these in terms of cost-effectiveness, i.e. cost per hectare.</li> <li>• The Fund requires an explicit cost-benefit analysis undertaken, to show how the intervention compares to a business as usual, and to alternatives, as documented in the PD template in the Annex.</li> <li>• The fund carries out pre-grant surveys to gather additional information on the procurement processes proposed by applicants to assess VFM and CEA.</li> </ul> <p>Projects that are not evaluated as being cost-effective (benchmarking costs) or that do not deliver a positive benefit to cost ratio (&gt;1) will not get funded.</p> <p>We believe this process integrates cost-</p>
--	--	--	---

			<p>effectiveness and value for money in the EDA process. External audits (by FCDO) have confirmed that cost-effectiveness and VFM are core to FONERWAs processes, and an ex post evaluation of the current portfolio found it had delivered large economic benefits and high cost-effectiveness.</p> <p>Beyond this we have inserted a new section on the cost-effectiveness of the options prioritised in the NDC for the priority areas identified. This hopefully provides some reassurance that the EDA will deliver the required cost-effectiveness.</p> <p>Finally, we have included a discussion on the alternative outcomes that would emerge in the absence of the EDA programme itself.</p>
	20. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	<p><b>Yes</b>, it is consistent with Rwanda's NDC, National Strategy for Transformation, National Environment and Climate Change Policy of 2019, National Strategy for Transformation and the Green Growth and Climate Resilience Strategy.</p> <p>However, only consistency with the NDC and Green Growth and Climate Resilience Strategy have been explained in detail.</p> <p><b>CR9:</b> Please provide more detailed explanation of how the project is</p>	<p>Section D has been updated in line with these responses. In summary, the new options that are the focus (SLM, CSA) options are consistent with other strategies. Rwanda submitted a NAPA in 2007 and this includes sustainable land management and climate smart agriculture for vulnerable communities. These are also included in programmes of action in the Rwanda GGCRS. Rwanda is currently undertaking a National Adaptation Plan, and this is not yet available, but this aligns to the GGCRS and the updates and adaptation priorities in the NDC.</p>

		consistent with the other identified policies and strategies (e.g. NAP, NAPA. Etc)	Section D has also been extended now that a defined list of options are identified (SLM and CSA). This documents that the proposed measures comply with all national policies and strategies, including environmental, land use and agricultural policy as well as the national development plan (the National Strategy for Transformation).
	21. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	<p>No. The relevant national technical standards have not been identified as it is unclear what types or category of projects would be funded by FONERWA through the EDA mechanism.</p> <p><b>CR10:</b> Please explain broadly how compliance with relevant technical standards will be met, for example, to address environmental assessments, building codes, and land use or tenure regulations, as required by national and/or sector specific legislation.</p>	<p>The grant conditionality and applications forms for FONERWA explicitly require applicants to review and comply with the relevant national standards and legal requirements.</p> <p>Regarding National regulation, the detailed National and international policy frameworks are contained in FONERWA FESMF Volume 1 from page 26 to 43.</p> <p>FONERWA also undertakes a due diligence check on all projects during the final evaluation, and this considers if relevant standards have been considered.</p> <p>Therefore, any projects funded under the EDA will comply with national standards, because this is a condition of grant financing.</p> <p>As we are now focusing down on specific adaptation interventions (climate smart agriculture and sustainable land management for vulnerable communities) we have identified relevant national</p>

			standards. Section E has therefore been updated to highlight all relevant standards.
	22. Is there duplication of project / programme with other funding sources?	<b>No</b> , as described on page 48. There are GEF small grants and USAID projects in Rwanda, but they are not focussed on climate change adaptation and do not overlap with the proposed project.	<b>N/A</b>
	23. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	<b>Yes</b> , as described on pages 48 and 49. The project will develop a knowledge management strategy, collect case studies and lessons learnt throughout implementation.	<b>N/A</b>
	24. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p><b>Not cleared.</b> As described on pages 49 and 50, a stakeholder consultation was held virtually in July. However, a comprehensive, gender-responsive consultative process must be undertaken, and must involve all direct and indirect stakeholders of the project, including vulnerable groups and taking into account gender considerations. Please ensure that all the stakeholders involved in the consultation process are identified in the project proposal with attention to minority groups, marginalized and vulnerable groups, and indigenous people in the project target areas, where relevant.</p> <p><b>CR11:</b> Please identify all stakeholders involved in the project and include a report documenting the consultative process. Please provide in an annex:</p> <p>e) The list of stakeholders already</p>	<p>We acknowledge that the stakeholder consultation process has not been fully undertaken. This has been because of the COVID pandemic.</p> <p>Rwanda has introduced a series of periodic lock-downs this year, responding to the pandemic. The continuous cycle of lock-downs has meant that for most of the year, physical meetings have not been possible, and government staff have spent most of the time working from home, with IT connectivity challenges. This has made it extremely difficult to set up stakeholder meetings.</p> <p>When things improved, stakeholder activities were planned for the period prior to the EDA submission date, however, Rwanda experienced a major COVID-19 pandemic surge from the Delta variant in mid-June and the country went into a full</p>

		<p>consulted (principles of choice, role ascription, date of consultation);</p> <p>f) A description of the consultation techniques (tailored specifically per target group),</p> <p>g) The key consultation findings (in particular suggestions and concerns raised).</p> <p>h) Please also include under project implementation arrangements, a framework that allows for stakeholders' views to be heard during project implementation.</p>	<p>lock down again in July, and this was not eased until after the EDA deadline. This made it impossible to hold the necessary level of stakeholder events.</p> <p>We have suggested that the required stakeholder activities on the activities could be undertaken before the project starts. As this is an EDA project, the exact interventions have not been selected, and so this will provide the opportunity for stakeholders to input before a call for proposals is held. There are also stakeholder activities during subsequent stages and the stakeholder arrangements for the project have been added to the proposal.</p>
	25. Is the requested financing justified on the basis of full cost of adaptation reasoning?	<p><b>No.</b> The proposal does not describe how the proposed mechanism is not a business-as-usual activity for FONERWA and MoE. The proposal should clearly describe how the proposed activities will achieve the adaptation goals of the project. One of the key screening criteria for activities that will be funded under the proposed EDA mechanism and stated in FONERWA's project document guideline in Annex I of the proposal is capacity to leverage additional resources. A clear description of how co-financing could affect the AF funded project should be provided, including how the project will ensure that co-funding will not affect achievement of results and impact of the AF funded</p>	<p>This has now been added.</p> <p>FONERWA is a sinking fund and can only deliver adaptation through grant finance (and on-granting). The fund is currently depleted and it currently has no capitalization, so the AF funding is critical.</p> <p>Also, FONERWA runs as a national basket fund across the areas of environment, mitigation and adaptation, and is open to all. For the first time, we are proposing an earmarked call for proposals that targets sub-national adaptation. This will demonstrate the effectiveness of delivering local adaptation finance in Rwanda.</p> <p>It is stressed that the co-financing in the FONERWA guidelines is generally targeted</p>



		<p>project.</p> <p><b>CR12:</b> Please provide a clear description of how proposed activities are relevant in addressing the project's adaptation objectives and that, taken solely, without additional leveraged funding from the targeted beneficiaries the proposed activities would help achieve project objectives. In doing this, please clearly describe how Adaptation Fund project will deliver its outcomes and outputs regardless of the requirement for finance leveraged from other sources.</p>	<p>at mitigation projects, and for some of the small grants for private sector. The target beneficiaries of EDA will be vulnerable communities - funding local adaptation - and this will mean it is very unlikely there will be co-financing. In fact, we do not anticipate co-financing for this call – and thus this will not affect the AF results and impact.</p>
	26. Is the project / program aligned with AF's results framework?	<b>Yes.</b> The project is aligned with outcomes 2,3,4,5,6 and 8. (page 73-74).	<b>N/A</b>
	27. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p><b>Unclear.</b></p> <p><b>CR13:</b> Please address CRs1-6 and following that provide a clear description of how the adaptation benefits achieved with the help of the project can be sustained after its end, and possibly enable replication and scaling up with other funds after its end. Please explain the arrangements through which this would be achieved, considering sustainability and maintenance of any infrastructure or installations to be developed, policies and governance arrangements to be developed and implemented, knowledge to be generated, management and other</p>	<p>The sustainability section has been updated.</p> <p>For the EDA modality overall, the AF project will demonstrate that FONERWA can deliver sub-national adaptation finance to local organisations, and thus provide a demonstration effect, that will help to crowd in further climate finance for sub-national programming.</p> <p>The capacity building and training provided to local organisations as part of the project, on proposal development and project management, financial management and reporting, will provide local organisations with the expertise to scale up local</p>

		<p>capacity to be improved, etc.</p> <p><b>CR14:</b> Please clearly describe and address all key areas of sustainability, including but not limited to economic, social, environmental, institutional, and financial sustainability.</p>	<p>financing, providing the expertise for them to further access climate and environmental funding.</p> <p>Moving to the funded project. The FONERWA application process requires that project applications make an analysis of how to ensure the sustainability of their project. 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</p> <p>The project and other its sub-project promote adaptation interventions that will continue to provide results beyond they life span of project implementation.</p> <p>Environmental sustainability The development of sustainable land management practices such as soil erosion control, landscape management, reduce the risk of flooding and landslides. Water conservation practices, wetland restoration, water storage and efficient water use, will help reduce unsustainable use of water, and reduce expenditure associated with supply of water in rural communities.</p> <p>Social sustainability The development of local CSOs and local government capacity will build social capital, and this will provide extend beyond the project duration. This will cascade through to further mentoring and teaching</p>
--	--	--	---

			<p>of other local organizations and individuals. This will also equip institutions with the capacity to replicate and scale up projects in other areas, enhancing social cohesion more widely.</p> <p>Economic sustainability Development and dissemination of climate smart agriculture, and sustainable land management, has been found to increase rural incomes, from the yield benefits these deliver. These will lead to sustained economic benefits after the project is finished. These also provide resilience benefits, that reduce future climate related losses, and so also contribute to economic sustainability.</p>
	28. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p><b>No.</b> The proposal has not identified any potential environmental and social impacts and risks, including the gender-specific cultural and/or legal context in which the project/programme will operate.</p> <p>The proposal has not stated the overall category in which the screening process has classified the proposed project, that is, as either Category A, B or C according to the AF ESP.</p> <p><b>CAR2:</b> Please state the category classification of the project according to the AF ESP.</p>	<p>Section K and the Table has now been completed. This provides an overview of the environmental and social impacts and risks identified as being relevant to the project / programme, as well as mitigating action.</p> <p>The project will only approve proposals that are categorized as Category C (low risk. Any with moderate environmental and social adverse impacts will require an EIA, Category B (medium risk). Based on the pre-screening against AF</p>

		<p><b>CAR3:</b> Please complete the checklist table in Section K of Part II of the AF proposal template and indicate which environmental and social impacts and risks are triggered by the project as requiring more detailed environmental and social assessment, and which impacts and risks do not require any further assessment, to comply with the AF Environmental and Social Policy.</p> <p><b>CAR4:</b> Please include an environmental and social assessment as relevant, relevant annexes that include a gender assessment and action plan and an environmental and social management plan with adequate provisions to ensure that USPs will be compliant with the AF ESP and GP.</p>	<p>ESP principles, we conclude that no significant adverse impacts or potential risks of significant adverse environmental and social impacts have been identified and only moderate environmental and social adverse impacts were identified. According the categorization established in the “Environmental and Social Policy” of the AF Board, this proposal can be determined as Category B.</p> <p>This is now completed.</p> <p>As noted in earlier questions, the revised proposal has extended the components to ensure the projects will comply with AF ESP and GP. We have also included the FONERWA Gender Assessment Handbook (table of contents) as an appendix.</p>
Resource Availability	4. Is the requested project / programme funding within the cap of the country?	<b>Yes.</b> The requested funding is within the country cap of USD 5 million for the EDA finding window.	<b>N/A</b>

	5. Is the Implementing Entity Management Fee at or below 10 per cent of the total project/programme budget before the fee?	<b>Yes</b> , the fee is 9%	<b>N/A</b>
	6. Are the Project/Programme Execution Costs at or below 12 per cent of the total project/programme budget (including the fee)?	<b>Yes</b> , the fee is 8%	<b>N/A</b>
Eligibility of IE	2. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	<b>Yes.</b>	<b>N/A</b>
Implementation Arrangements	11. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	<p><b>Needs further development.</b> Implementation arrangements describe the roles and responsibilities of the implementing entity as well as FONERWA as the executing entity, the project Steering Committee and the role of grant beneficiaries. However, there is no clear description of any gender considerations in the implementation arrangements. A clear description should be provided of the funding model and institutional levels involved, including, the approach adopted for EDA based on local contexts, needs and preferred decision-making structure at the local level.</p> <p><b>CR15:</b> Please provide a description or a</p>	<p>The Gender aspects have now been strengthened, see above responses.</p> <p>We have also provided a description of how the project management team will ensure that Environmental Social Policy and Gender Policy plans have been detailed under all projects. On the program level, disaggregated indicators will also be used in sub-project performance reporting, for example using gender and youth-sensitive spending report, how much of the project resources have been allocated to women's and youth resilience. Sub-projects will support female participation in activities, access to technology, and training.</p>

		<p>full organization chart if possible, showing the organizations and stakeholders involved in project implementation and how they report to each other. Please also describe and incorporate proposed arrangements for gender-responsive elements as appropriate in the implementation arrangements in compliance with the AF Gender Policy.</p>	<p>The project management team will ensure and improve gender-responsive project design by providing guidance on the development of gender-disaggregated data collection. FONERWA will oversee implementation, monitoring, reporting, and evaluation of funded sub-projects and technical support and capacity building on gender as needed.</p> <p>During implementation, FONERWA will conduct an annual, external case study on gender inclusion on each sub-project with the aim of gathering lessons learned, to capture the impact of projects.</p> <p>During the Project Development phase, FONERWA offers technical assistance to projects to develop successful sub-projects, this includes technical assistance on gender inclusion.</p> <p>Ensure all components of successful sub-projects have a strategic relevance, align with AF, and Rwandan policies and strategies. and are gender-sensitive.</p> <p>Beyond the use of indicators, the project management team will ensure tangible actions be taken in order to accelerate the participation of women.</p> <p>We have included an organisational chart, noting that at this time for an EDA project, the grant beneficiaries are not yet known.</p>
--	--	---	--

			<p>As noted in earlier questions, the revised proposal has extended the components to ensure the projects will comply with AF ESP and GP. We have also included the Gender Assessment Handbook (TOC) as an appendix.</p> <p>We have also included an additional description of Gender response elements appropriate in the implementation.</p>
	12. Are there measures for financial and project/programme risk management?	<p><b>Yes</b>, as described on pages 63-66. However, <u>where possible please update after addressing CRs1-6</u>, all major risks, their significance, and include a plan of monitoring and mitigating them, as well as detailed information on the different categories of risks considering the characteristics of the proposed EDA mechanism (i.e. financial, environmental, social, institutional...), their level and how they will be managed.</p>	<p>The risk table has been updated to address these issues.</p>
	13. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	<p><b>No</b>. Whilst the proposal mentions that FONERWA's ESMF, it should include a detailed description of the process that will be applied during project implementation to ensure compliance with the AF ESP. Please note that projects with USPs are required to include an Environmental and Social Management Plan (ESMP) which includes the review process that will ensure that when a USP is formulated to the point where effective ESP risks identification is possible, such risks are</p>	<p>FONERWA has existing Environment and Social Policy and conducts due diligence on these issues in the review of proposals. The categorization and screening process of Environmental and social risks and impacts on FONERWA Funded projects are well described in FONERWA's ESMF Volume from page 21-44.</p> <p>FONERWA also has a Gender policy and requires applications to demonstrate gender positive elements. FONERWA has produced and uses a Gender Analysis</p>

		<p>identified and subsequent measures are taken according to the risks findings.</p> <p><b>CAR5:</b> Please include an ESMP that includes the following elements</p> <ul style="list-style-type: none"> <li>- A detailed description of the process that will be applied during project implementation to ensure ESP compliance, and that describes the process for identifying all major environmental and social risks, considers their significance, and that includes a plan of monitoring and mitigating them. This includes assessing gender impacts and risks, in compliance with the Gender Policy of the Fund.</li> <li>- Clearly allocated roles and responsibilities for its implementation, opportunities for consultation and adaptive management, clear arrangements for the IE to supervise executing entities for implementation of the ESMP.</li> </ul>	<p>Handbooks. This is a detailed guide to ensure all aspects of gender programming are included.</p> <p>However, we recognize that these may need to be strengthened to ensure compliance with the AF Policies in these areas. To ensure this we have included and extended the following activities steps that are additional (new) to the FONERWA grant management process for the AF ESP and GP.</p> <p>In component 1.1, the Call for Proposals will document the requirement to comply with the Adaptation Fund Policies, including ES and Gender Policy.</p> <p>In component 1.2, training of CSO and local and district staff on proposals and project management, an additional training component has been added, that will provide training on Adaptation Fund ES and Gender Policy, and how to translate this into proposals.</p> <p>In component 2, 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 be undertaken by an international consultant, working in collaboration with</p>
--	--	--	---



			<p>national counterparts. In addition, technical assistance support will be provided as part of this component to strengthen the compliance with AF Policies, notably on Environment and Social, and on Gender elements.</p> <p>In component 3.2 activities are included for capacity building and training sessions for local organizations that are to be funded. In addition to the FONERWA training (which includes all aspects, from project and financial management through to environment safeguards and gender), and additional training package has been added. Training will include a specific set of components on the compliance with AF Policies, notably on Environment and Social, and on Gender elements. This will be provided by an international consultant, working in collaboration with national counterparts, and will ensure that AF policies are integrated from the start, and that this is aligned in the overall project and financial management, monitoring and evaluation and reporting, and in ensuring safeguards are met.</p>
		<p><b>CAR6:</b> Please include a clear description of the grievance mechanism in place, mentioning all parts of the grievance process, including where grievances can be addressed and clear monitoring and evaluation arrangements for ESP compliance.</p>	<p>The project will run Feedback channels. The MoE (IE) has a grievance handling mechanism in place, that was set up under the existing Adaptation Fund Project.</p> <p>There is already a complaints mechanism and grievance mechanism embedded in the FONERWA project manual and in operations, and this will be used to provide</p>

			<p>a mechanism for stakeholders to communicate any problems with implementation. This has been clarified.</p> <p>With respect to ESP compliance, see answer above.</p>
		<b>CAR7:</b> Please include a budget provision for implementation of the ESMP, impact assessments and the identification of avoidance, mitigation or management measures during project implementation, in the detailed budget section of the proposal.	A budget breakdown for ESMP is now included in the detailed budget section.
	14. Is a budget on the Implementing Entity Management Fee use included?	<b>Largely, yes</b> on page 78. However, please see <b>CAR7</b> .	Addressed in response to CAR7.
	15. Is an explanation and a breakdown of the execution costs included?	<b>Yes</b> , on page 77.	<b>N/A</b>
	16. Is a detailed budget including budget notes included?	To some extent, yes. However, it is not clear whether adequate budget provision has been made for implementation of the ESMP. Please refer to <b>CAR7</b> above.	Addressed in response to CAR7.
	17. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	<b>Largely, yes.</b> It appears that the M&E function will be the responsibility of FONERWA. However, it is not clear what the key milestones included in the M&E plan are or how the M&E plan will addresses all environmental and social risks identified during project assessment, design, and implementation, particularly for the	<p>A budget breakdown for M&amp;E is now included in the detailed budget section.</p> <p>FONERWA currently reports against a fund level impact indicators which includes gender disaggregation</p> <ul style="list-style-type: none"> <li>• Number of households/individuals with improved livelihood resilience disaggregated by gender</li> </ul>

		<p>USPs. It is also not clear how the M&amp;E plan will ensure provision of sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund.</p> <p><b>CR16:</b> Please provide a clear description of M&amp;E milestones a description of how sex disaggregated data will be provided, and how the M&amp;E plan will address all environmental and social risks identified during project assessment, design, and implementation, particularly for the USPs</p>	<p>Gender disaggregated data is also collated for outcome data, to feed into this.</p> <p>The M&amp;E activities therefore include gender disaggregated data collection, and this is built into the FONERWA M&amp;E framework.</p>
	18. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	<p><b>Unclear.</b> Whilst a budget line item for M&amp;E is provided in the detailed project budget, there is no budget breakdown provided for the M&amp;E plan.</p> <p><b>CAR8:</b> Please provide a budget breakdown of the M&amp;E budget included as IE fees for supervision of M&amp;E function.</p>	A budget breakdown for M&E is now included in the detailed budget section.
	19. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	<p><b>Unclear.</b></p> <p>The provided results framework is a mix of project components and outputs and in some cases, e.g., under Component 1 on page 71, the baseline for outcome 1.1 is 0 and the target is "0 organizations receive training". The results framework needs to reflect outcomes and outputs with clear quantified baselines, targets and indicators that are gender responsive</p>	<p>There was an error in the table (it should not have said 0) – thank you for spotting this and this has now been changed.</p> <p>The targets have been updated and are now gender responsive.</p> <p>Estimated outputs have been included. We have used the approach used in the</p>

		and are disaggregated by sex as appropriate. The current project objective does not reflect a specific, tangible adaptation outcome that will be produced and delivered by the project. Table 8 of the proposal does not provide a clear linkage between project objectives and outcomes and the Fund level outcome and outputs.	Adaptation Fund proposal for small grants in south Africa, which provides an estimate, and specifies The Results framework will be updated according to the nature of approved sub-projects, and submitted in National Implementing Entity report to AF at the end of Year 1.  We have amended table 8 to provide a clearer link to objectives and outcomes.
		<b>CAR9:</b> Please revise Table 8 and indicate clear links between project objectives and outcomes and Adaptation Fund level outcomes and outputs. Please refer to the AF's result framework available at <a href="https://www.adaptation-fund.org/document/strategic-results-framework-of-the-adaptation-fund-amended-in-march-2019/">https://www.adaptation-fund.org/document/strategic-results-framework-of-the-adaptation-fund-amended-in-march-2019/</a>	We have amended table 8 to provide a clearer link to objectives and outcomes.
		<b>CAR10:</b> Please also include a table showing alignment with the Adaptation Fund core impact indicator: Number of beneficiaries, including estimations for direct and indirect beneficiaries and any other relevant core impact indicators relevant to activities targeting the areas identified in AF results framework. Please refer to- <a href="#">Methodologies for Reporting Adaptation Fund Core Impact Indicators</a>	We have included a new table in line with this comment, after Tale 8.
	20. Is a disbursement schedule with time-bound milestones included?	<b>Yes</b> , on page 79.	<b>N/A</b>





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  
1818 H Street NW  
MSN N7-700  
Washington, D.C., 20433  
U.S.A  
Fax: +1 (202) 522-3240/5  
Email: [afbsec@adaptation-fund.org](mailto:afbsec@adaptation-fund.org)

## 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 million<sup>i</sup> 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 2030<sup>ii</sup>.

Although Rwanda is one of the poorest countries in the world, with a Human Development Index ranking of 160 globally (2020<sup>iii</sup>), Rwanda is on a positive growth trajectory and there is a national priority to transform Rwanda's economy into a Middle Upper Income country by 2035 and High Income Country by 2050. 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.

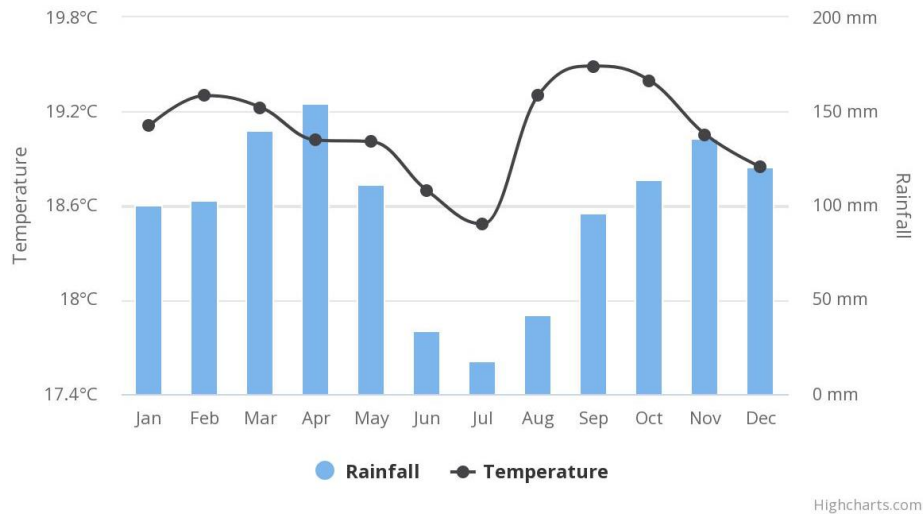
### **Climate Context and Problem Definition (Adaptation Challenge to Address)**

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<sup>iv</sup>). The annual average monthly temperature and rainfall are shown in Figure 1 below.

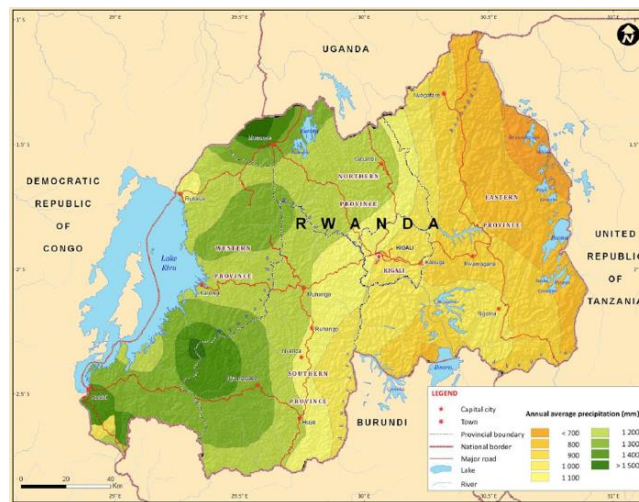
The average annual rainfall is around 1,250 mm per year, but there are large differences across the country. There is a high gradient of rainfall across the country, with high rainfall in the West and low rainfall in the East, as shown in Figure 2 below.





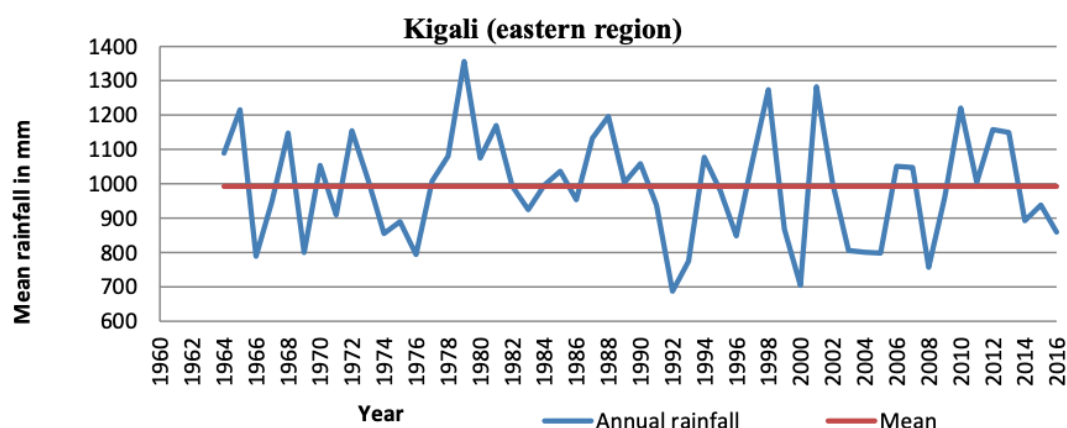
**Figure 1. Average monthly temperature and rainfall.**

Source World Bank Climate Portal, 1901 – 2016.



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

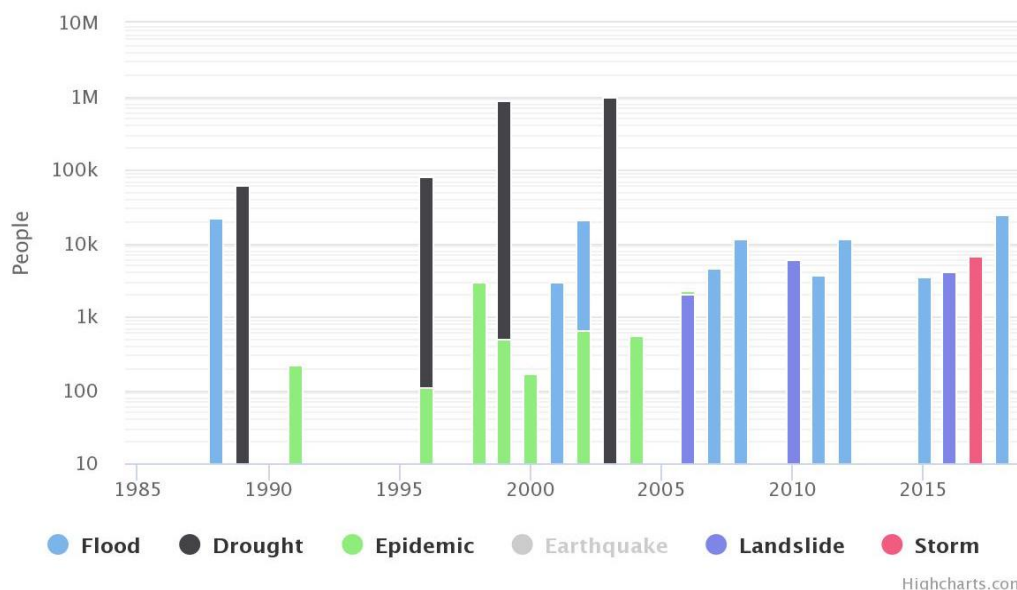
More importantly, Rwanda experiences high levels of rainfall variability, including high inter-annual rainfall variability (i.e. year to year variations). This is due to many factors, but including El Niño – Southern Oscillation (ENSO) events. El Niño events are often associated with anomalously wet 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)<sup>v</sup>.



### 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<sup>vi</sup>), 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<sup>vii,viii</sup>.



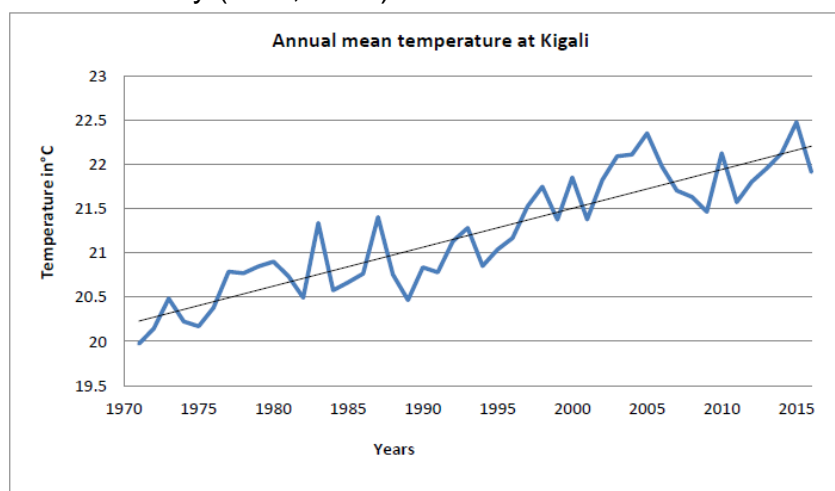
**Figure 4. Number of people affected by climate related extremes, 1985 – 2020.**  
Source EM-DAT Database.

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<sup>ix</sup>). 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 m<sup>3</sup> per capita, which significantly falls below the 1,000 m<sup>3</sup> 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<sup>x</sup>, and there was another major drought in 2016.

These three risks converge for those in rural communities, and mean there are high levels of climate related impacts from the combination of extreme rainfall and soil erosion, water availability, and periodic droughts.

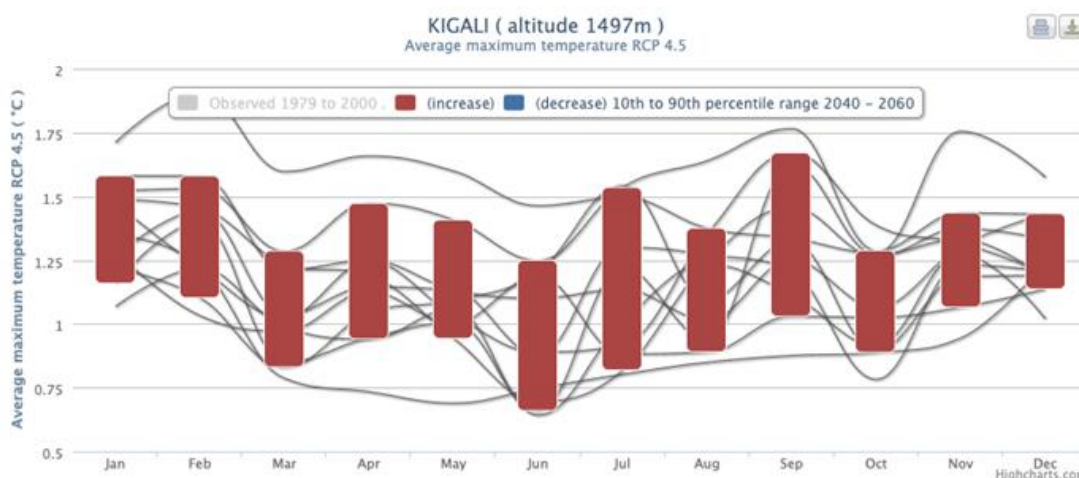
Importantly, recent observations show that the climate of Rwanda is already changing. The average temperature has increased strongly over recent decades, with over 1.4°C of warming over the last few decades, as shown in Figure 5 below. Average rainfall trends are quite difficult to pick out because of 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 3<sup>rd</sup> 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.

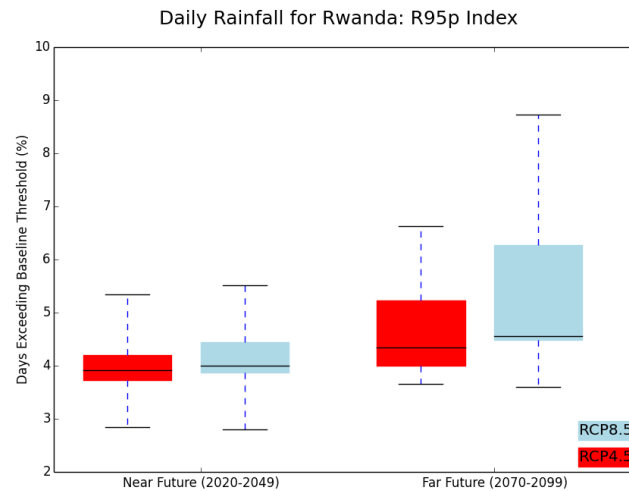
Analysis of future climate change models, including downscaled runs, project a further increase in temperature of between 1°C and 2.5°C of warming by the middle of this century (affecting both maximum and minimum temperatures). Downscaled climate model projections for Kigali for the period 2040-2060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



**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.

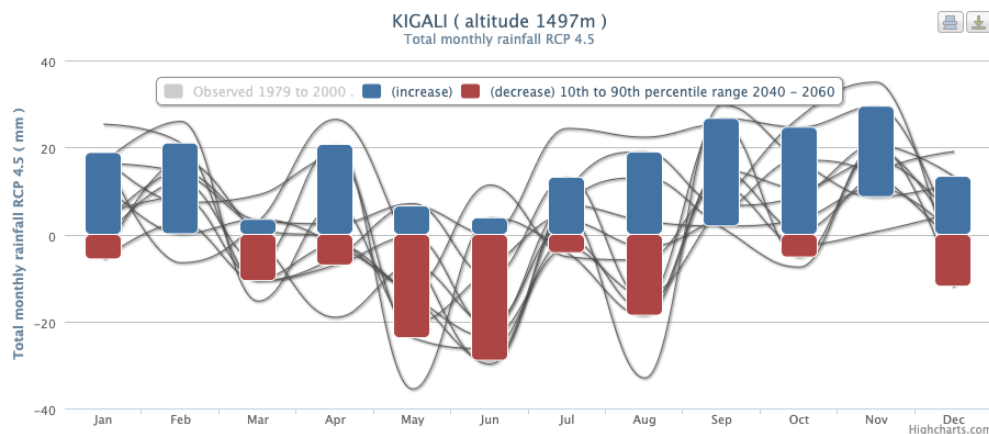
Changes in soil erosion. There is also a robust finding from the models that climate change will increase the intensity, and potentially the frequency, of heavy rainfall events and intense precipitation, and this will increase soil erosions and floods. This finding follows from the underlying science: 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<sup>xii</sup>).



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

This will increase the current problems, and particularly affects rural communities.

Changes in water availability. 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 season (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<sup>xiii</sup>, <sup>xiv</sup>.



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

See Figure 6 for Key for figure.

The 3<sup>rd</sup> National Communication also projects increasing dry spells in some regions of the country. While there is uncertainty, there are some studies that indicate

increases in drought events, exacerbating the current profile of risks in the East of the Country.

Changing risks for agriculture. The changes above 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. 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<sup>xv</sup>). This will have high potential impacts on rural farmers.

Vulnerability and poverty. It is also highlighted that Rwanda has high levels of vulnerability, that exacerbate the climate hazards above. A national vulnerability assessment (REMA, 2015, 2019<sup>xvi</sup>) 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<sup>xvii</sup>). Nonetheless, these risks are highest in relative terms for low income households, particularly rural substance farmers. Future climate change is likely to have an important influence on poverty, even from early trends. The World Bank Shockwaves<sup>xviii</sup> 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<sup>xix</sup>. There is therefore a large adaptation challenge, and country needs are high.

These costs are predominantly due to the impacts of changing climate extremes (extreme rainfall in the west and droughts in the east) and slow onset change (national) in the water-land-agriculture nexus, and have particularly high impacts for rural communities, where vulnerability is high, as evidenced by the Rwanda baseline climate change vulnerability index. They key adaptation challenge that this proposal seeks to address are the impacts on rural areas from climate variability and change from increasing extreme rainfall, increasing water availability and periodic drought, and the effects on agriculture and livelihoods.

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)<sup>xx</sup>.

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)<sup>xxi</sup>, 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 was based on a detailed analysis of the risks of climate change in Rwanda, and considered the various adaptation options to address these. Based on analysis and stakeholder consultation, it has prioritized a set of key adaptation options. These are presented as 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<sup>xxii</sup>). They also are aligned to the priority areas identified in the national development plan, the NST1.

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.

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

However, climate change is projected to affect the poorest and most vulnerable the most in relative terms<sup>xxiii</sup>, 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.<sup>xxiv</sup>

While Rwanda has been quite successful in securing and delivering top-down adaptation financial flows and projects, 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. \_

As highlighted above, Rwandan rural communities experience high rainfall variability and extreme events, and are at high risk of experiencing climate changes in the future. They face barriers in addressing these risks which include:

- Many of these communities lack information and knowledge on adaptation, such as on water conservation practice, climate resilient crops, etc.
- They have limited resources to implement solutions for these – notably around climate smart agriculture and sustainable land management practices such as soil erosion control, landscape management.
- They have insufficient knowledge on how to access climate finance, and are often left out because of the dominance of top-down flows.

These are therefore is the key problem that this EDA proposal addresses. It focuses on a sub-set of NDC priorities, specifically on those that address risks to rural communities associated with extreme events and slow onset change on agriculture and livelihoods, and that have greatest potential to be taken forward through sub-national programming (by civil society and local government). These centre on adaptation solutions for water, agriculture and land-management and are shown in bold in Table 1 below. This focus on specific areas from the NDC allows the use of the EDA modality, but also provides sufficient focus to align the project to Adaptation Fund outcomes and impact. This national strategy for transformation also includes priorities for climate smart agriculture and sustainable land management, that align to the chosen NDC areas.

However, while this provides the opportunity to deliver grants for local adaptation, this can only work if the receiving organizations have the capacity to deliver projects. Local government and civil society organizations in Rwanda – who are the focus of the EDA – have successfully applied for FONERWA funding in the past, and represent around 30% of funds disbursed. It is recognized that these organizations often have low capacity and need support for the overall process – from developing proposals through to executing, managing and reporting on the grants they receive. This creates an additional problem that needs to be addressed, which is capacity building and training of local organizations to deliver the EDA modality.



**Table 1. Rwanda NDC selected adaptation interventions by sector and suitability for the EDA modality.**

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

## Enhanced Direct Access

Rwanda has implemented a number of adaptation projects, including with funding from the Adaptation Fund (xxv). 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. A key priority identified is the risks of changing extremes for rural communities. 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.

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 the NDC, and work with local government institutions and community organizations to deliver these solutions. The EDA mechanism will use on-granting only. It proposes to use the existing Rwanda climate fund, FONERWA, as a grant manager, using a dedicated funding window for local adaptation for the areas of water, agriculture and land-use management priorities from the NDC for rural communities. 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.

The focus will be on delivering additional adaptation finance through to sub-national level to deal with the most pressing rural climate risks, and advancing interventions that target water, agriculture and land-management. As well as delivering finance, the programme will build capacity of local organisations in the entire process – from applying for climate finance (through the fund) through to the management, delivery and reporting of project execution.

This will foster a bottom-up approach (as an alternative to top down adaptation financial flows), and allows project at the grassroot level to have a tangible impact on the most vulnerable, by equipping communities with skills and knowledge on how to better adapt to climate change.

## **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.

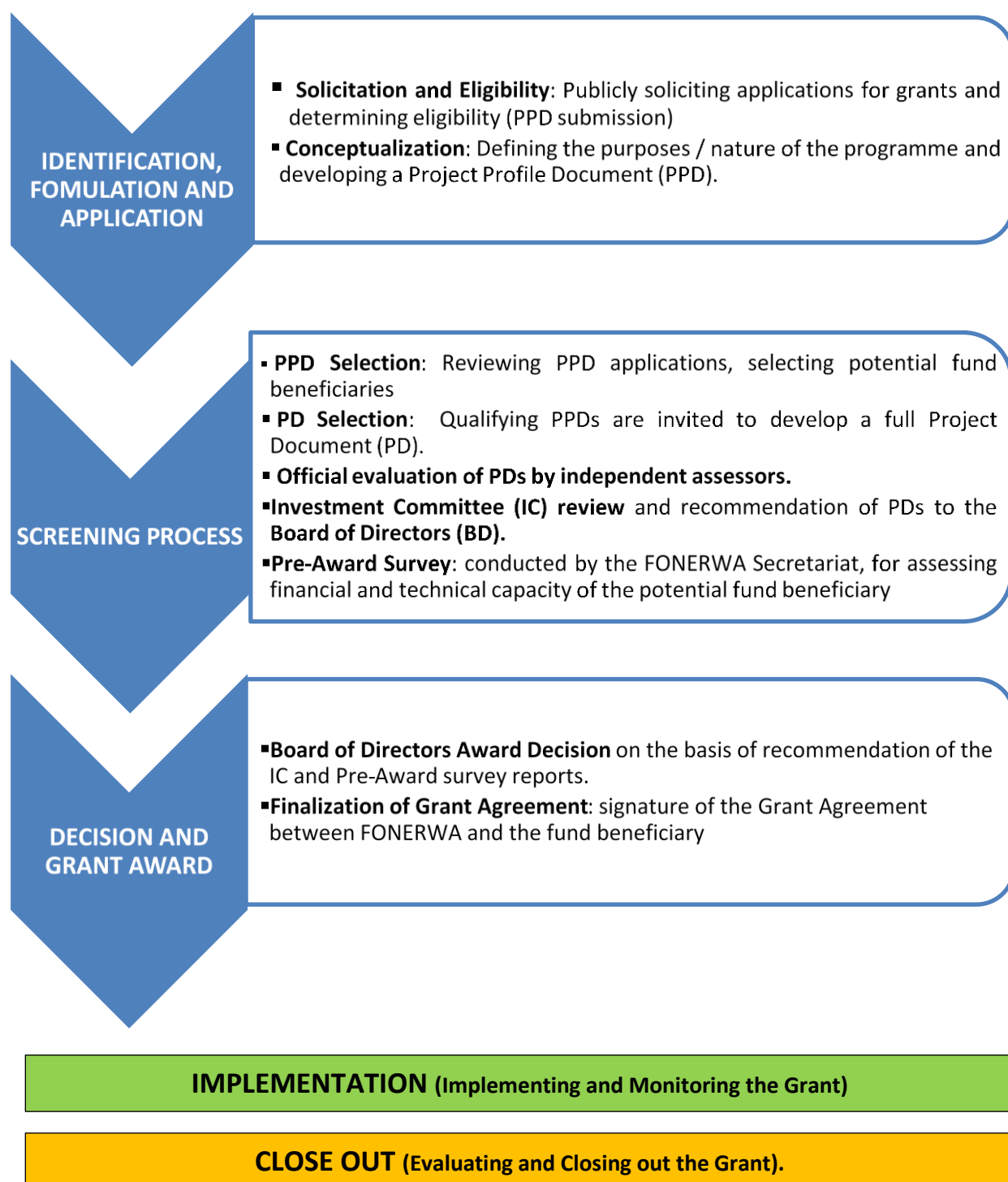
FONERWA has been primarily run as a grant-based, demand-led fund that accepts project proposals on a regular annual basis through a competitive call for proposal (CFP) process (on-granting).

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 well as restricting the eligibility of the EDA to local civil society and government, the Call for Proposals will also focus on particular adaptation options to address rural climate risks, focusing on a sub-set of intervention areas in the Rwanda NDC (and the adaptation priorities). The Call will be earmarked to NDC adaptation options in these areas, i.e. climate smart agriculture and sustainable water and land-management, that target vulnerable rural communities and ecosystems.

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<sup>xxvi</sup>. 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 for rural adaptation in water, agriculture and land-management sectors'**. 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. **The EDA mechanism use on-granting only.** 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 water, agriculture and land-management adaptation priorities from Rwanda's updated Nationally Determined Contribution (see Table 1).** **This will involve a specific thematic window call in these areas ()**.

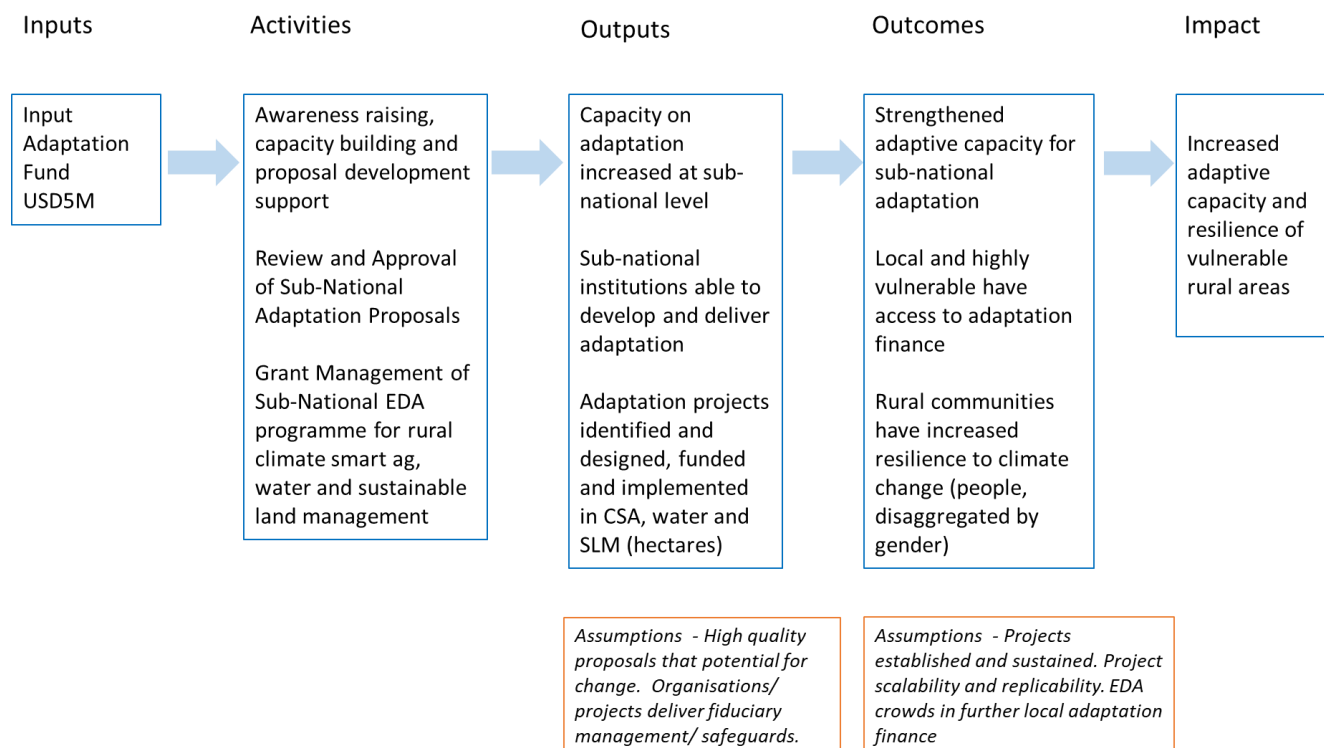
The programme duration will be 4 years and FONERWA plans to conduct one call for proposal, which encourages applications from local or district government as well as CSOs, including the potential for local consortia bids (where CSO and local

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.

It is stressed that as well as the EDA modality itself, the programme will include capacity building and training for local organisations, in all aspects of local adaptation. This will include training on how to apply for grants, as well as technical assistance support to help strengthen proposals, and it will also include training and capacity building on executing grants for successful applicants, providing guidance and advice on all aspects of project and financial management, including reporting.

The theory of change for the project is shown below.



This ToC aligns to 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 adaptative 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
<b>Impact:</b> 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
<b>Outcome 1:</b> Reduced exposure to climate-related hazards and threats	
<b>Output 1.1:</b> Risk and vulnerability assessments conducted and updated	
<b>Output 1.2:</b> Targeted population groups covered by adequate risk reduction systems	
<b>Outcome 2:</b> Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	<b>MAIN OUTCOME</b> , the EDA modality will deliver strengthened institutional capacity for adaptation.
<b>Output 2.1:</b> Strengthened capacity of national and sub-national centres and networks to respond rapidly to extreme weather events	

<b>Output 2.2:</b> Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	<b>MAIN OUTPUT</b> – the EDA modality will explicitly deliver on this output
<b>Outcome 3:</b> Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	<b>Very high</b> , the EDA will deliver strongly as it is focused on sub-national flows of finance.
<b>Output 3.1:</b> Targeted population groups participating in adaptation and risk reduction awareness activities	<i>Very high</i>
<b>Output 3.2:</b> Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	<i>Very high</i>
<b>Outcome 4:</b> Increased adaptive capacity within relevant development sector services and infrastructure assets	<del>High, the use of the EDA-modality, and the focus on sub-national government and GSOs, will build adaptation capacity.</del>
<b>Output 4:</b> Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	<del>High</del>
<b>Outcome 5:</b> 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.
<b>Output 5:</b> Vulnerable ecosystem services and natural resource assets strengthened in response to climate change impacts, including variability	<i>High</i>
<b>Outcome 6:</b> Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	<u>Very High</u> . The development and application of the EDA modality is likely to deliver this outcome, as it is focused on sub-national flows of finance.
<b>Output 6:</b> Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	<u>Very High</u>
<b>Outcome 7:</b> Improved policies and regulations that promote and enforce resilience measures	
<b>Output 7:</b> Improved integration of climate-resilience strategies into country development plans	
<b>Outcome 8:</b> Support the development and diffusion of innovative adaptation practices, tools and technologies	<del>Depending on the proposals received, the specific projects under the EDA may deliver against this outcome.</del>
<b>Output 8:</b> 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. As such, this will involve on-granting. 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.

To ensure the effective delivery at the sub-national level, it will include capacity building and training activities to strengthen local organisations, working with them across the grant management cycle, from applications through to delivery and management.

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 induction 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"> <li>• Area in hectares (ha) of land protected against erosion;</li> <li>• Number of green jobs created;</li> <li>• Area in hectares (ha) of restored forest/under agroforestry/under afforestation;</li> <li>• Area in hectares (ha) of land under smart irrigation systems;</li> </ul>	<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"> <li>• Average percentage increase in income;</li> <li>• Percentage increase in yield/ha;</li> <li>• Number of households with improved water retention capability disaggregated by gender;</li> <li>• <del>Number of environment and climate knowledge products adopted;</del></li> <li>• <del>Number of individuals</del></li> </ul>	US\$ 4,009,500

	<ul style="list-style-type: none"> <li>• Area (ha) of watersheds and water bodies protected;</li> <li>• Number of rain water harvesting tank installed;</li> <li>• <del>Number of knowledge products produced and disseminated;</del></li> <li>• <del>Number of green technologies promoted;</del></li> <li>• Number of people trained;</li> </ul>	<del>adopting smart transport technologies;</del> <del>Number of institutions adopting green building practices in infrastructure development.</del>	
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
<b>Amount of Financing Requested</b>			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.

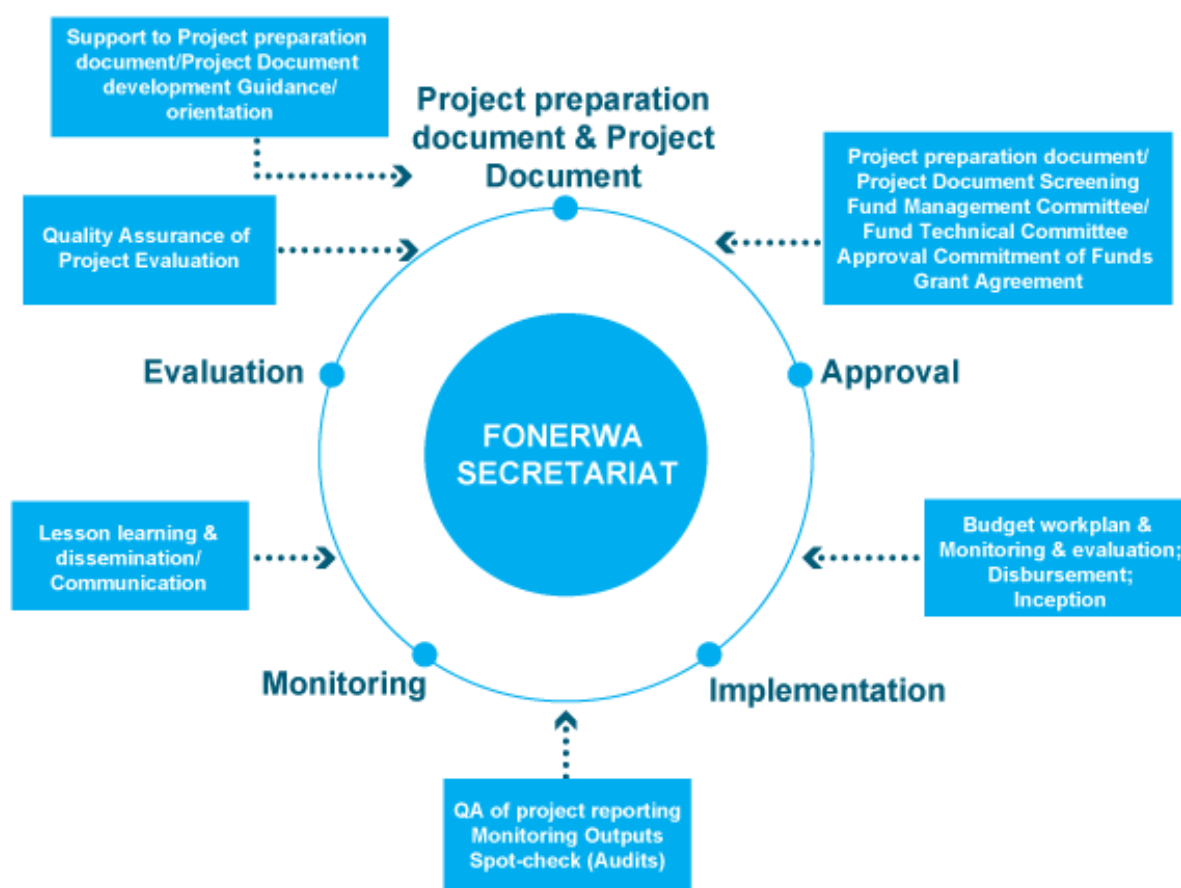
The CFP will be focused on sub-national government and civil society adaptation, in line with Rwanda's NDC **adaptation** priorities **for water, agriculture and land-management**, with a focus to provide climate funds to support local adaptation decision making from local government and civil society 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<sup>xxvii</sup> 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 CO<sub>2</sub> 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 (local government and civil society organizations).
- The focus on adaptation, and the need to align to the adaptation priorities in the NDC as part of the call text, and specifically the NDC priorities on water, climate smart agriculture and sustainable land-management, that target rural vulnerable communities.
- 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 emphasis 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.~~

However, an additional component of this training will be added, that provides guidance on Adaptation Fund policies, to increase awareness and compliance. This will include all aspects of Operational Policies and Guidelines, but also include a specific focus on AF Environmental and Social Policy, and Gender Policies and Action Plan.

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 CSO's 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;
- Additional training on Adaptation Fund policies and compliance.
- 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).

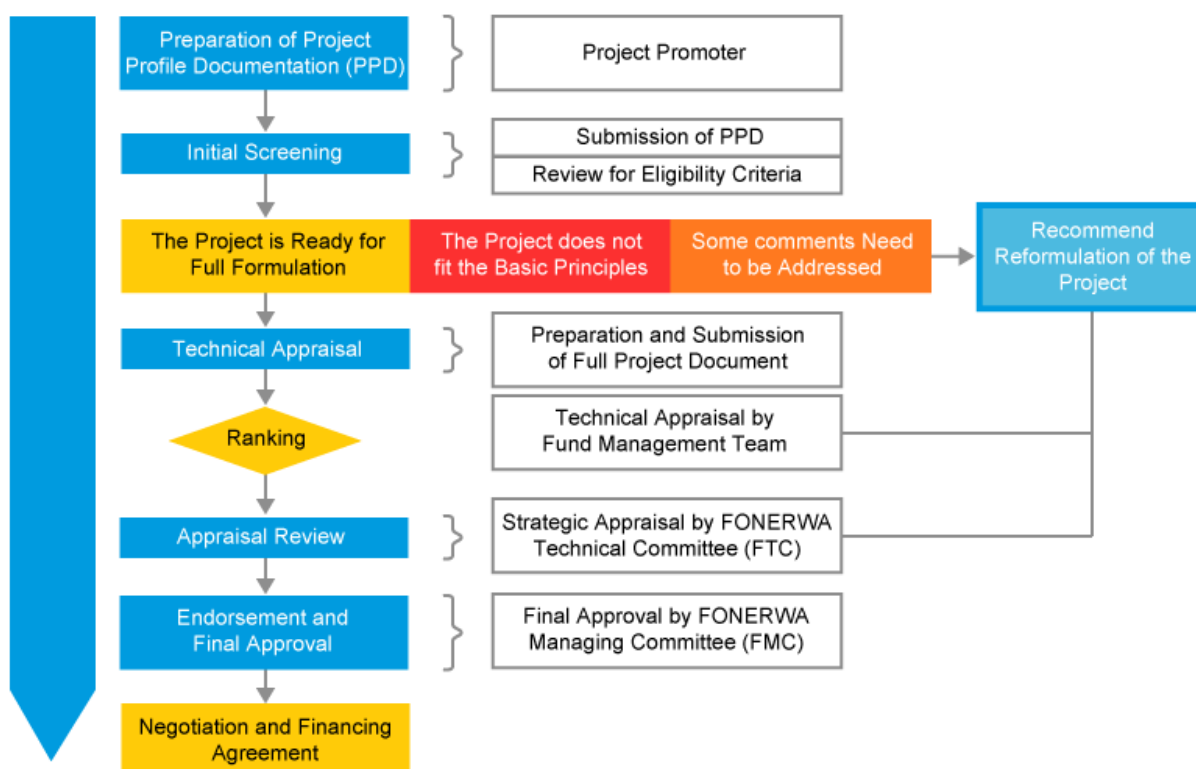
**Component 2: Review and Approval of Sub-National Adaptation Proposals under the CFP**

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.**

<b>Management competencies</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ The fund beneficiary is willing and able to establish and maintain systems to:               <ul style="list-style-type: none"> <li>- <i>Ensure compliance with Value for Money Principles, e.g., the Economy, Efficiency and Effectiveness of which the funds are used</i></li> <li>- <i>Monitor compliance with the Grant Agreement terms</i></li> </ul> </li> </ul>
--------------------------------	---

	<ul style="list-style-type: none"> <li>- <i>Ensure that reporting deadlines are met.</i></li> </ul>
<b>Financial capacities and competencies</b>	<ul style="list-style-type: none"> <li>▪ The potential fund beneficiary has adequate financial resources required to co-finance the grant activity and to provide the required level of matching funds.</li> <li>▪ The financial system has the ability to maintain procedures that will minimize the time lag between the transfer of funds and their disbursement.</li> </ul>
<b>Accounting systems</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ The accounting records are, at a minimum, adequate to show:             <ul style="list-style-type: none"> <li>- <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></li> <li>- <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></li> <li>- <i>The cost of the project supplied from other sources (matching grant).</i></li> <li>- <i>The ability of the potential fund beneficiary to supply full details on overall progress of the programme.</i></li> </ul> </li> <li>▪ The systems are adequate to maintain all documentation for at least a three-year period after the project closure.</li> <li>▪ The accounting and banking system can maintain grants separately from all other funds managed by the potential fund beneficiary.</li> <li>▪ The potential fund beneficiary has adequate and effective internal controls, including the ability to carry out an effective monitoring framework.</li> <li>▪ The fund beneficiary has completed statutory audit(s), issued the audit report(s) and signed annual financial statements for the past three years.</li> </ul>
<b>Property Control Systems</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<b>Procurement System</b>	<ul style="list-style-type: none"> <li>▪ The potential fund beneficiary's procurement system is in line with the FONERWA procurement guidelines for non-public agencies, annexed to the Grant agreement.</li> </ul>
<b>Personnel and Travel Policies</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>

**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.

In addition, technical assistance support will be provided to projects as part of this component to strengthen the compliance with AF Policies, notably on Environment and Social, and on Gender elements.

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 of 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.).

<b>Grant Letter</b>	<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>
<b>Programme Description and its implementation schedule</b>	<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>
<b>Grant Budget</b>	<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</i>

	<i>transfer of funds.</i>
<b>Mandatory standard provisions</b>	<i>As indicated in guidelines</i>
<b>Additional provisions</b>	<i>As necessary (forms and templates for reporting in addition to the operational manual).</i> <b><i>Note this will be extended to include additional provisions to ensure compliance with Adaptation Fund Rules</i></b>

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.
- Technical support to enhance AF compliance of proposals (notably on ESP and GP);
- 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.

Capacity building and training sessions for local organisations (grantees). An Inception package of capacity building 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.

It is stressed that the training will include a specific set of components on the compliance with AF Policies, notably on Environment and Social, and on Gender elements. This will be provided by an international consultant, and will ensure that AF policies are integrated from the start, and that this is aligned in the overall project and financial management, monitoring and evaluation and reporting, and in ensuring safeguards are met.

**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. The National Implementing Entity, which is the MoE, also will have the role of coordination to ensure quality assurance and oversight of implemented activities.

#### 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 or 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 local organisations (successful projects) on all aspects of grant management, including financial and project management;
- Training of local organisations (successful projects) on all aspects of Adaptation Fund requirements and Policies, including environmental and social, and on gender.
- 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 EDA modality and objective is explicitly designed to deliver a more equitable flow of adaptation finance to vulnerable communities. The eligibility criteria for funding is limited (earmarked) for local government and CSO projects only, and is targeted to vulnerable communities (rural). As such, these groups that will benefit from the grant finance.

The programme and projects will focus on adaptation priorities including in the NDC in the areas of climate smart agriculture, sustainable land management and integrated water/waste conservation projects. ~~These are focused on climate resilient agriculture, climate proof infrastructure (human settlements), ecosystem-based adaptation (water, land, and forestry).~~ These projects have positive environmental and social outcomes, as well as economic benefits, and this is further ensured by the safeguards applied during the application process (see below).

It is also highlighted that FONERWA has processes in place to ensure the maximization of economic, social and environmental benefits. 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***

Environmental Impact assessments (EIAs) are mandatory for major development projects, activities and programs in the Republic of Rwanda. The EIA process is overseen by REMA (with support from RDB) which issues approvals or a certificate stating that an EIA is not required. As FONERWA is part of Government of Rwanda, this cascades through to all funded activities under grant management. A series of systems and processes are in place to ensure environmental and social 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, and as part of the EMSF framework, 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
<b>Annex -1</b>	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)
<b>Annex-2</b>	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
<b>Annex-3</b>	Resettlement Screening Form	Shall support with resettlement aspects	Before submission of Project Profile Document (PPD)	Project Developers and FONERWA
<b>Annex-4</b>	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
<b>Annex-5</b>	Template ToRs for ESIA	Shall support with the upgrade of the ToR issued by RDB.	Once RDB has issued ToR	Project Developer and FONERWA
<b>Annex-6</b>	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
<b>Annex-7</b>	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,
<b>Annex-8</b>	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
<b>Annex-9</b>	Entitlements of Project Affected People	Shall guide in preparation of RAP/ARAP	Once RDB has issued RAP/ARAP ToRs	RAP/ARAP Consultant and PDe
<b>Annex-10</b>	Template and Example Questionnaire for ESIA Consultation Protocol and Public Consultation and Disclosure (PCD) Planning <sup>1</sup>	Shall guide in ESIA development	During ESIA/ESMP preparation	ESIA Consultants
<b>Annex-11</b>	ESMP Monitoring Template	Shall support with the Monitoring of projects and reporting to FONERWA	Once project is being implemented	Contractor/ Project Developers and FONERWA
<b>Annex-12</b>	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
<b>Annex-13</b>	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
<b>Annex-14</b>	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
<b>Annex-15</b>	Chance Finds Procedure	Shall serve for the management of archaeological finds/ cultural sites	During planning and construction	Project Developer/ Contractor/ District Environmental Officer
<b>Annex-16</b>	Guide on ESIA/ RAP Review	Shall support with the review and commenting on ESIAs (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

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

<b>Annex</b>	<b>E&amp;S Tool</b>	<b>Relevance</b>	<b>Timing of use</b>	<b>User</b>
<b>Annex-17</b>	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
<b>Annex-18</b>	Sample Grievance Redress Form	Shall serve for the management of Grievance	During all phases of project planning and implementation	PDe/Contractors and FONERW
<b>Annex-19</b>	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 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.

To address this a series of additional activities are included in this EDA project, that lead to a higher level of due diligence and will ensure AF Environmental and Social Policy compliance. These are:

In component 1.1, the Call for Proposals will document the requirement to comply with the Adaptation Fund Policies, including ES Policy.

In component 1.2, training of CSO and local and district staff on proposals and project management, an additional training component has been added, that will provide training on Adaptation Fund ES Policy, and how to translate this into proposals.

In component 2, 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). This will be undertaken by an international consultant. In addition, technical assistance support will be provided as part of this component to strengthen the compliance with AF Policies.

In component 3.2 activities are included for capacity building and training sessions for local organizations that are to be funded. In addition to the FONERWA training (which includes all aspects, from project and financial management through to environment safeguards and gender), and additional training package has been added. Training will include a specific set of components on the compliance with AF Policies, notably on Environment and Social elements. This will be provided by an international consultant, and will ensure that AF policies are integrated from the start, and that this is aligned in the overall project and financial management, monitoring and evaluation and reporting, and in ensuring safeguards are met.

## **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<sup>xxviii</sup> 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 **a Gender Analysis Handbooks**. This is a detailed guide to ensure all aspects of gender programming are included. The handbook is 90 pages long. This makes it too long to include as an annex, but the Table of contents is included in the Appendix.

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.~~

To ensure this, a series of additional activities are included in this EDA project, that lead to a higher level of due diligence and will ensure AF Environmental and Social Policy compliance. These are:

In component 1.1, the Call for Proposals will document the requirement to comply with the Adaptation Fund Policies, including Gender Policy.

In component 1.2, training of CSO and local and district staff on proposals and project management, an additional training component has been added, that will provide training on Adaptation Fund Gender Policy, and how to translate this into proposals.

In component 2, 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 Gender Policy. This will be undertaken by an international consultant. In addition, technical assistance support will be provided as part of this component to strengthen the compliance with AF Policies, notably on Gender elements.

In component 3.2 activities are included for capacity building and training sessions for local organizations that are to be funded. In addition to the FONERWA training (which includes all aspects, from project and financial management through to environment safeguards and gender), and additional training package has been added. Training will include a specific set of components on the compliance with AF Policies, notably on Gender elements. This will be provided by an international consultant, and will ensure that AF policies are integrated from the start, and that this is aligned in the overall project and financial management, monitoring and evaluation and reporting, and in ensuring safeguards are met.

More specifically the options prioritized for funding (SLM and CSA for vulnerable rural communities do have high relevance and are being targeted for gender sensitive programming

Women will be the primary and most direct beneficiaries of the project due to the vulnerability of these households to climate change and their low adaptive capacity.

Statistics indicate that 30% of households in Rwanda are headed by women, many of whom are in the 'extreme poor' category. Improved land and water management, and climate smart agriculture, will improve the adaptive capacity of women headed households and will increase incomes.

The use of the EDA modality is expected to be an increased participation of women in community decision-making processes as women will gain the skills and exposure needed to increase their representation in community structures. The project will include specific provisions to build awareness and ensure equitable participation of women in climate adaptation planning. The project will ensure gender parity in staff recruited to the project so that women and are equally represented in the project management structure.

-

**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<sup>xxix</sup>) involves the optimal use of resources to achieve the intended outcomes. This is shown in Figure 12 below.

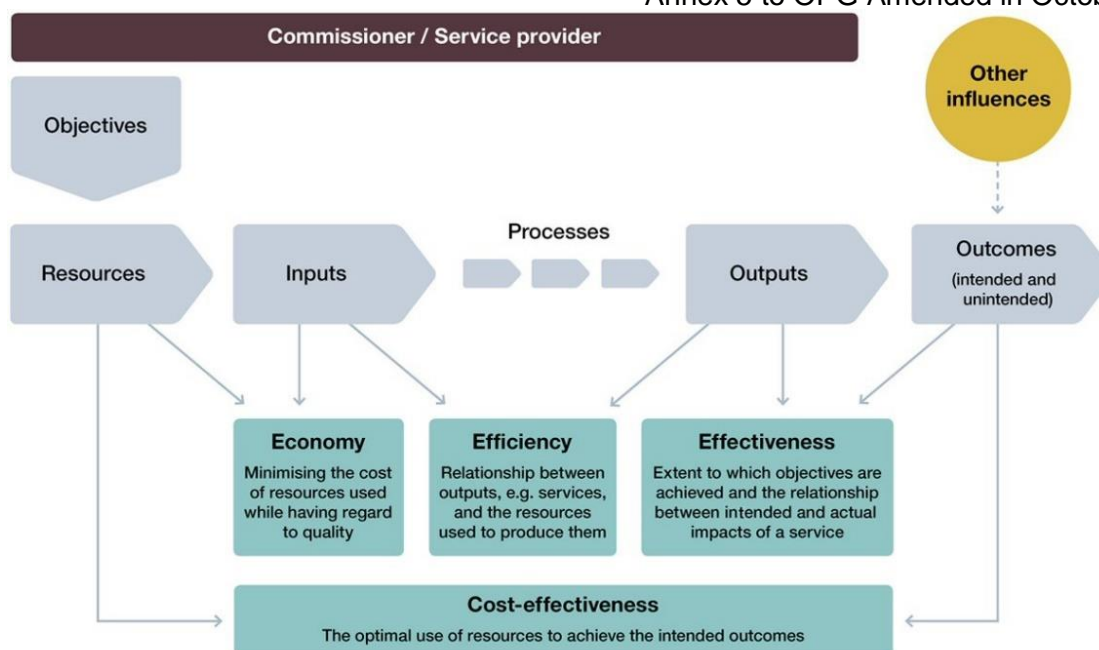
VfM is clearly linked to the theory of change and ensures cost-effectiveness through the consideration of 3s: Economy (inputs), Efficiency (inputs to outputs) and Effectiveness (outputs to outcomes and impacts) as follows.

- *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 assesses these in terms of cost-effectiveness, i.e. cost per hectare. It also and carries out pre-grant surveys to gather additional information on the procurement processes proposed by applicants.

To encourage efficiency, the application form (PD) for all projects applying to FONERWA requires a cost-benefit analysis to be undertaken, looking to prioritize projects with a benefit-to-cost ratio greater than one (BCR>1). \_

Projects that are not evaluated as being cost-effective (benchmarking costs) or that do not deliver a positive benefit to cost ratio (>1) will not get funded.

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.:

**We believe this process integrates cost-effectiveness and value for money in the EDA process.**

As a demonstration of cost-effectiveness and VFM, the **existing** 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<sup>xxx</sup>.

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.

**A further analysis has also been made of the interventions that will be prioritized under the EDA programme and in the Call For Proposals, aligned to the priority adaptation interventions in the NDC.**

- **Climate smart agriculture. Studies of CSA – notably sustainable land management options, find positive benefit to cost ratios. For example, economic analysis (Ferrarase et al 2016<sup>xxxii</sup>) (primarily ex ante) of 32 country-level projects in IFAD's Adaptation for Smallholder Agriculture Programme estimated an median BCR of approximately 2:1, but with a range from 1:1 to 6:1. This included studies in Benin, Chad, Djibouti, Egypt, Gambia, Ghana, Kenya, Lesotho, Liberia, Madagascar, Malawi, Morocco, Mozambique, Niger, Nigeria, Rwanda, Sudan, Tanzania and Uganda. Social Returns on Investment (SROIs) of 1.3 - 4.7: 1 for representative investments channelled through the private sector are also reported (IFAD 2018<sup>xxxiii</sup>).**
- **Climate resilient varieties. The literature reports that drought and flood tolerant crops are an effective and efficient adaptation strategy in African countries, with high BCRs are positive (>1) (Shongwe et al. 2014; Wamatsembe et al. 2017; Prasad et al. 2014<sup>xxxiii</sup>).**

- Community based water projects, such as rainwater harvesting have high benefit to cost ratios (WHO<sup>xxxiv</sup>), which derive from the health benefits from improved drinking water source and the time savings (from avoided water collection).
- The sustainable land management options, notably agroforestry (BCR 8:1) and re-forestation for water management (protective forests for landslide and flood risks) (4:1) were found to have high benefit cost ratios in Rwanda (GCF, 2017<sup>xxxv</sup>).

In terms of the need for the EDA modality itself, local and community level adaptation has been found to have good benefit to cost ratios (BCR) with good evidence from an ex-post analysis<sup>xxxvi</sup>. It is also highlighted that interventions that target the most vulnerable are likely to have very positive distributional benefits. In theory these distributional issues can be taken into account in economic appraisal (in cost-benefit analysis) by using equity (or distributional) weights to adjust present values. Very few studies apply equity weights, though such an approach would further increase the benefits of the proposed interventions.

There are also high economic benefits from capacity building and institutional strengthening, with international reviews identifying high economic benefits (LSE, 2016<sup>xxxvii</sup>) which include a number of context-specific studies that have estimated BCRs, reporting results of >10:1.

**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:

- National, and
- 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, and specifically sub-set of NDC priorities, that address risks to rural communities associated with extreme events and slow onset change on agriculture and livelihoods, and that have greatest potential to be taken forward through sub-national programming (by civil society and local government). These centre on adaptation solutions for water, agriculture and land-management and are shown in Table 1.

These options are consistent with other strategies. Rwanda submitted a NAPA in 2007<sup>xxxviii</sup>. The high priority projects identified 8 options, of which two are still relevant here.

- Lands conservation and protection against erosion and floods at districts level of vulnerable regions to climate change;
- Support Districts of vulnerable regions to climate change in planning and implementing measures and techniques related to land conservation, water harvesting and intensive agriculture, and promoting existing and new resistant varieties of crops adapted to different bioclimatic soil;

These options were developed further in the Rwanda Green Growth and Climate Resilient Strategy (GGCRS) in 2011. This includes programmes of action for Sustainable land use management, and Sustainable intensification of small-scale farming.

Rwanda is currently undertaking a National Adaptation Plan, and this is not yet available, but this aligns to the GGCRS and the updates and adaptation priorities in the NDC.

These options are also included in Rwanda's national development plan, the National Strategy for Transformation 1. This lists key strategic interventions for the land area covered by sustainable land management options (including terracing – a soil and water conservation measures) and to increase the area of forest and agroforestry. It also includes a set of interventions for increasing the climate resilience of agriculture. These aspects were also included in the agriculture sector development plan, PSTAIV, which has a focus on climate smart agriculture and sustainable land management. PSTAIV includes climate mainstreaming as one of the crosscutting issues in the PSTA 4 and put special attention to soil conservation (including agroforestry), soil nutrient management, integrated pest management, sound water management and planning for climate change.

The specific adaptation interventions (climate smart agriculture and sustainable land management for vulnerable communities) also comply and are promoted in national policy and in national policies. These include:

- The National Agricultural Strategy (2018), which prioritises efforts to increase inputs and sustainable climate smart practices; protecting agricultural land against fragmentation, erosion, and degradation; and shifting production toward higher-value products and introducing land-saving technologies. The Policy put forward key strategies including marshland management, water conservation and soil fertility management, Integration of erosion control and soil management for farmers.
- The National Land Use Development Master Plan (NLUDMP) provides a general framework and guidance on land use planning in Rwanda, and the designated land use and environmental protection measures as outlined in the Land Use Master Plan (Organic Land law N0 08/2005 of 14/07/2005)
- The Rwandan Agroforestry Strategy and Action Plan (2020), which is promoting AF as a sustainable land-water conservation measures and a form of climate smart agriculture.
- The National Land Policy, which ensures equal right to land use for all Rwandan

citizens, and has the objective the land reform process target three main objectives: (1) Use of the Land for economic growth and poverty reduction, (2) Ensuring equal rights to land for all Rwandans and (3) Protecting environment and land resources. Among the objectives of land policy, one is to promote good practices that are favorable to environmental protection and good land management, and to promote conservation and sustainable use of wetlands.

- The Water Policy, 2011 which includes three key strategic actions include the introduction of measures for managing water related disasters and stresses, arising from climate change, floods, droughts and demographic trends and the rehabilitation of critical watersheds and catchments and restoration of basic ecological functions by June 2016.
- The Forestry Policy also includes provision for promotion of tree-growing in all farming systems to boost land productivity, increase income and improve food security.
- The National Environment Policy is premised on the principles of sustainable growth, community participation, decentralization, intergenerational equity and fairness, emphasis on prevention, polluter pays, and recognition of regional and international environmental inter-connectedness.

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 FONERWA grant 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)?

Regarding National regulation, the detailed National and international policy frameworks are contained in FONERWA FESMF Volume 1 from page 26 to 43.

FONERWA also undertakes a due diligence check on all projects during the final evaluation, and this considers if relevant standards have been considered.

Therefore, any projects funded under the EDA will comply with national standards, because this is a condition of grant financing.

The specific adaptation interventions (climate smart agriculture and sustainable land management for vulnerable communities) also comply with national standards. The following laws and Technical Standards are applicable to this project:

- The Land Law (2005) and associated Ministerial Order (002/2008 OF 01/4/2008) which secure tenure rights for all existing private landholders, whether under customary or written law and promote rational land use. The law is implemented through the Land Tenure Regularization System (LTRS), the National Land Use Master Plan and the detailed District Land Use Master Plans (to be developed). All types of land tenure must be in compliance with the designated land use and environmental protection measures as outlined in the Land Use Master Plan



(Organic Land law N0 08/2005 of 14/07/2005, article 6).

- The Organic Law on Environment (2005) and the associated Ministerial Order which provides for modalities for protection, conservation and promotion of environment and has other technical tools and instruments for implementation of the law(s) such as Strategic Environmental Assessments (SEAs) and Environmental Impact Assessments (EIAs) which guide mainstreaming and implementation of environment and climate change considerations across sectors including agriculture. Environmental Impact assessments (EIAs) are mandatory for major development projects, activities and programs in the Republic of Rwanda. The EIA process is overseen by REMA (with support from RDB) which issues approvals or a certificate stating that an EIA is not required.
- The Water Law (2008) which puts in place the use, conservation, protection and management of water resources and is implemented through the Water Resources Management Master Plan. Rwanda's Water Law provides that water is a public good, and responsibility for its proper use and protection is the responsibility of the state, the private sector, civil society and the citizens. The water law recognizes principles such as protecting water resources from pollution, requiring water users and water polluters to pay, using water user associations, and providing for the public distribution of water.
- The Forestry Law (2008) which is implemented through the Forestry Master Plan by the National Forestry Authority. The strategy provides for the participation of all key stakeholders in forestry at various levels (national, district and community) in decision-making and explicitly promotes the adoption of agro-forestry. All interventions in the forest sector must also be geared towards improvement of livelihoods and fighting poverty.
- The Rwanda labor law No13/2009, prohibits child labor, forced labor and discrimination. Rwanda has ratified the Fundamental International Labor Organization (ILO) conventions
- Rwanda Environmental Law No48/2018 establishes the regulations and the guidelines of technical tools for Environmental Impact Assessment. The law establishes a precautionary principle in order to reduce the negative effects on environment. Article 30 states that some projects must undergo an environmental impact assessment before they obtain authorization for their implementation is established.
- Regarding screening of whether or not and at which level an EIA is required, a Ministerial Order No 001/2019 allows classification of impact level and category C, B or A of IFC-WB categorization
- Protection and valuing biodiversity is a core element of Rwanda's National Environmental Strategy. The law governing biodiversity in Rwanda 70/2013, lists ecosystems in need of protection, species in need of protection.

The Project will comply with all Ministerial Orders relating to implementation.

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. Stakeholder activities were planned for the 2 month period prior to the EDA submission date, however, Rwanda has experienced a major COVID-19 pandemic surge from the Delta variant in mid-June and the country went into a full lock down again in July, and this was not eased until after the EDA deadline. ,as during this time Rwanda entered a full lock-down again. This has made it impossible to hold physical stakeholder events, and IT issues have prevented a virtual 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 proposed stakeholder engagement strategy for the project comprises the following elements:

- Clear rules of engagement. There will be a clear statement of objectives and what can be included in the project. This will also be made clear in the Call for Proposals.
- Awareness-raising with beneficiaries throughout project cycle through the inception meetings and workshops, the training workshops, the planned 1Knowledge management and lessons learned activities (1.3). Note that the project will strengthen engagement capacity of beneficiaries by covering costs of

participation in project meetings

- Outreach activities. For funded projects, there will be activities to ensure community outreach, with awareness raising and capacity building, through partnership with local government and civil society organizations. The project will build on existing tools to promote the participation of stakeholders in community decision making processes.
- Feedback channels. A project grievance mechanism will be introduced. There is already a complaints mechanism embedded in the FONERWA project manual, and this will be used to provide a mechanism for stakeholders to communicate any problems with implementation. The MoE (IE) also has a grievance handling mechanism in place, that was set up under the existing Adaptation Fund Project.
- The project will also incorporate regular progress reviews to assess progress and to build learning into the project.

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.

In terms of the specific EDA proposal.

Baseline: (without AF Proposal): FONERWA is run as a grant financed sinking fund. It has been financed (capitalised) from grants and aid, and donations, with a contribution from the domestic GoR budget. The fund capital is currently exhausted. Therefore, without the AF funding, the sub-national EDA capacity and project will not deliver. FONERWA also is run is usually run as a national, open fund, targeting green investments, so environmental mitigation and adaptation projects. In the absence of AF funding, there will be a continued large adaptation gap for the flow of adaptation finance to the local level, and for the investment in NDC measures prioritized at the local level.

Adaptation interventions (with AF funding): The AF funding will be used to deliver an explicit EDA programme. For the first time, we are proposing an earmarked call for proposals and grant management programme that targets sub-national organisations and targets local adaptation for the most vulnerable. The funding from AF will build the capacity of local organisations to access climate finance, provide a proof of concept on such flows, as well as delivering key local adaptation benefits for the most vulnerable through the projects it funds.

It is stressed that while FONERWA encourages co-financing, this is generally targeted at mitigation projects, and for some of the small grants for private sector. The target beneficiaries of EDA will be vulnerable communities - funding local adaptation - and this will mean it is very unlikely there will be co-financing. In fact, we do not anticipate co-financing for the project – and thus this will not affect the AF results and impact.

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

For the EDA modality overall, the AF project will demonstrate that FONERWA can deliver sub-national adaptation finance to local organisations, and thus provide a demonstration effect, that will help to crowd in further climate finance for sub-national programming.

The capacity building and training provided to local organisations as part of the project, on proposal development and project management, financial management and reporting, will provide local organisations with the skills and expertise that extend past the project.

The training and capacity building of local communities beneficiaries, CSOs, local government, as well as, the exchange of lessons learned through the knowledge management component (1.3) will allow replication and scaling up of initiatives providing learning and transfer at the national level.

The opportunity and skills gained from local organisations in accessing access to finance and the capacity to develop bankable projects, will allow local CSOs and local government to build their project portfolio, and compete for more regional and international call for proposals. This will lead in turn to more local projects, and lead to enhanced resilience at the local scale.

Moving to the funded project. The FONERWA application process requires that project applications make an analysis of how to ensure the sustainability of their project. 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.

Finally, the project and other its sub-projects promote adaptation interventions that will continue to provide results beyond the life span of project implementation.

#### Environmental sustainability

The development of sustainable land management practices such as soil erosion control, landscape management, lead to sustainable environmental benefits that persist over time, and these also have benefits in that they reduce the risk of flooding and landslides, which will provide sustained benefits after the project duration. Similarly, water conservation practices, wetland restoration, water storage and

efficient water use, will help reduce unsustainable use of water, and will also reduce expenditure associated with supply of water in rural communities

#### Social sustainability

The development of local CSOs and local government capacity will build social capital, and this will provide extend beyond the project duration. This will cascade through to further mentoring and teaching of other local organizations and individuals. This will also equip institutions with the capacity to replicate and scale up projects in other areas, enhancing social cohesion more widely.

#### Economic sustainability

Development and dissemination of climate smart agriculture, and sustainable land management, has been found to increase rural incomes, from the yield benefits these deliver. These will lead to sustained economic benefits after the project is finished. These also provide resilience benefits, that reduce future climate related losses, and so also contribute to economic sustainability.

- 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.

An assessment against the checklist of environmental and social principles is presented in the table below.

The project will only approve proposals that are categorized as Category C (low risk. Any with moderate environmental and social adverse impacts will require an EIA, Category B (medium risk). Based on the pre-screening against AF ESP principles, we conclude that no significant adverse impacts or potential risks of significant adverse environmental and social impacts have been identified and only moderate environmental and social adverse impacts were identified. According the categorization established in the “Environmental and Social Policy” of the AF Board, this proposal can be determined as Category B

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>		<u>As part of the FONERWA grant application form, applicants have to consider the relevant national technical legal requirements. National and international policy frameworks are contained in FONERWA ESMF Volume 1. FONERWA also undertakes a due diligence check on all projects during the final evaluation, and this considers legal compliance. Therefore, any projects funded under the EDA will comply with law, because this is a condition of grant financing.</u>
<i>Access and Equity</i>		<u>Potential risk that inequitable access to benefits or that inequities will be intensified. To manage the risk, the IE will include contractual clauses to executing entities that no existing inequalities will be intensified. For example to ensure fair access to benefits all activities executed to build capacity, will be published in the local media and priority must be targeted to women and the most vulnerable groups in communities</u>
<i>Marginalized and Vulnerable Groups</i>	<u>No activities will be executed that generate a negative impact on marginalized and/or vulnerable groups, like children, refugees, etc. It is stressed that planned activities are aimed at improving the adaptive capacity of vulnerable groups and improving their socioeconomic conditions. No further assessment required for compliance</u>	
<i>Human Rights</i>	<u>No activities are identified whose execution is not aligned with established human rights. No further assessment required for compliance</u>	<u>To manage the risk, the IE will include contractual clauses to executing agencies, to ensure that development of interventions aligns with human rights.</u>
<i>Gender Equality and Women's Empowerment</i>		<u>The development of interventions by project executing entity present a risk of not promoting gender equity in a way that men and women are enabled to participate equally, and receive equal social and economic benefits.</u>  <u>IE will include contractual clauses to all executing agencies that all activities, should include a cross-cutting component of gender equity. Activities should be oriented to promote active involvement of women groups. See also gender sections in main document.</u>



Annex 5 to OPG Amended in October 2017

<i>Core Labour Rights</i>		<p><u>Risk that project executing agencies may disrespect the labor rights identified by the International Labor Organization (ILO) for work</u></p> <p><u>The IE will include contractual clauses to all project executing agencies, to ensure that they meet the ILO standards</u></p>
<i>Indigenous Peoples</i>	<u>Not Applicable No further assessment required for compliance</u>	
<i>Involuntary Resettlement</i>	<u>The program will not be involved in involuntary resettlement of inhabitants. No further assessment required for compliance</u>	
<i>Protection of Natural Habitats</i>		<u>IE will ensure that all sub-projects are in compliance with Rwanda Environmental Policy. IE will request land use permits to verify the proximity of the intervention areas to protected natural habitats</u>
<i>Conservation of Biological Diversity</i>		<p><u>The activities focusing on ecosystem based adaptation, may present a potential risk of introduction of non-indigenous species and possible invaders in the agroforestry, afforestation activities.</u></p> <p><u>IE will request executing agencies to identify and prevent risks of introduction of an alien species and biodiversity loss, in line with Rwandan law.</u></p>
<i>Climate Change</i>	<u>No interventions have been identified whose execution could generate unjustified greenhouse gases. NDC practices promoted under the program (agroforestry, improved forest management, climate smart agriculture) will lead to emission reductions and increase carbon sequestration.</u>	
<i>Pollution Prevention and Resource Efficiency</i>	<u>No interventions have been identified as a big consumer of energy.</u>	
<i>Public Health</i>	<u>No interventions have been identified to pose a big public health problem. No further assessment required for compliance</u>	
<i>Physical and Cultural Heritage</i>		<u>No risks in this regard have been identified However, the IE will include contractual clauses to all project executing agencies, that if during implementation, activities damage cultural and archaeological sites, the information is to be communicated to the IE.</u>
<i>Lands and Soil Conservation</i>	<u>No interventions have been identified that could degrade soil. On the contrary, some interventions will include activities that lead towards soil conservation and protection. No further assessment required for compliance</u>	



## 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<sup>xxxix</sup>.

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.

The EDA mechanism will be on-granting only.

FONERWA is composed of:

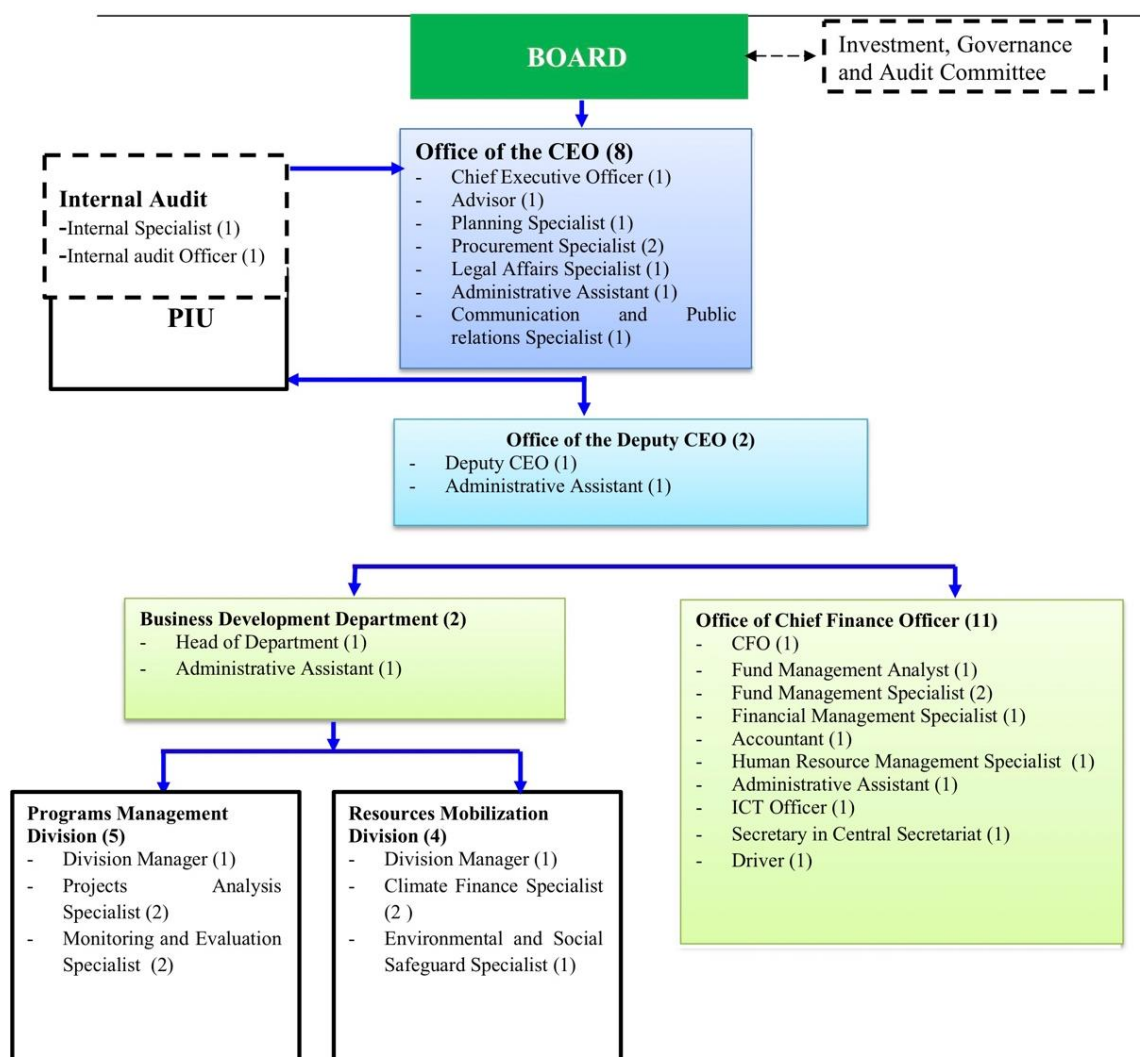
- A Board of Directors, and an
- Executive Organ.

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

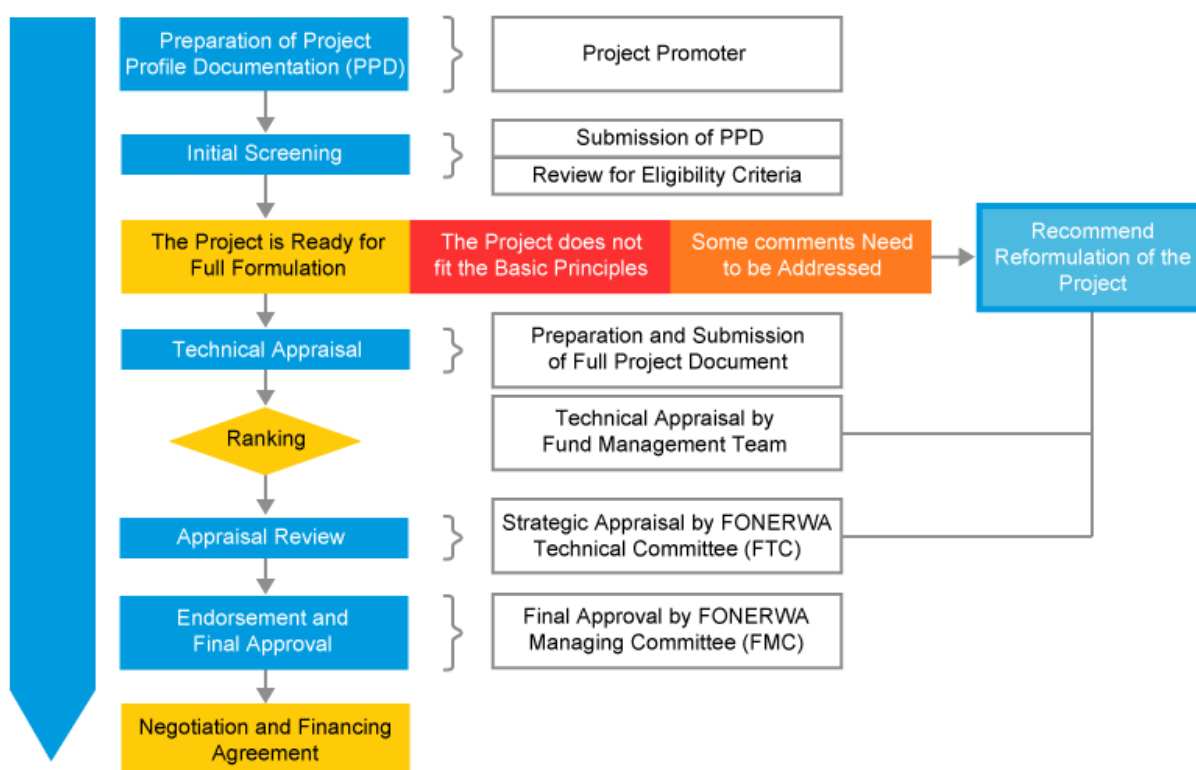
management standards, in line with International development partner funding requirement. These DPs have re-capitalized the fund and thus have demonstrated the high-quality delivery and management, as well as low risks.

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.

The arrangements in the Fund Management Cycle were described in detail in the previous section and are summarized again in the figure below.



The EDA proposes to use the existing FONERW fund management cycle. The roles of FONERWA fund management team, the FONERWA technical committee and FONERWA Managing committee were described above, but in summary are involved in the evaluation and approval of project documents through to grants.

### **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).

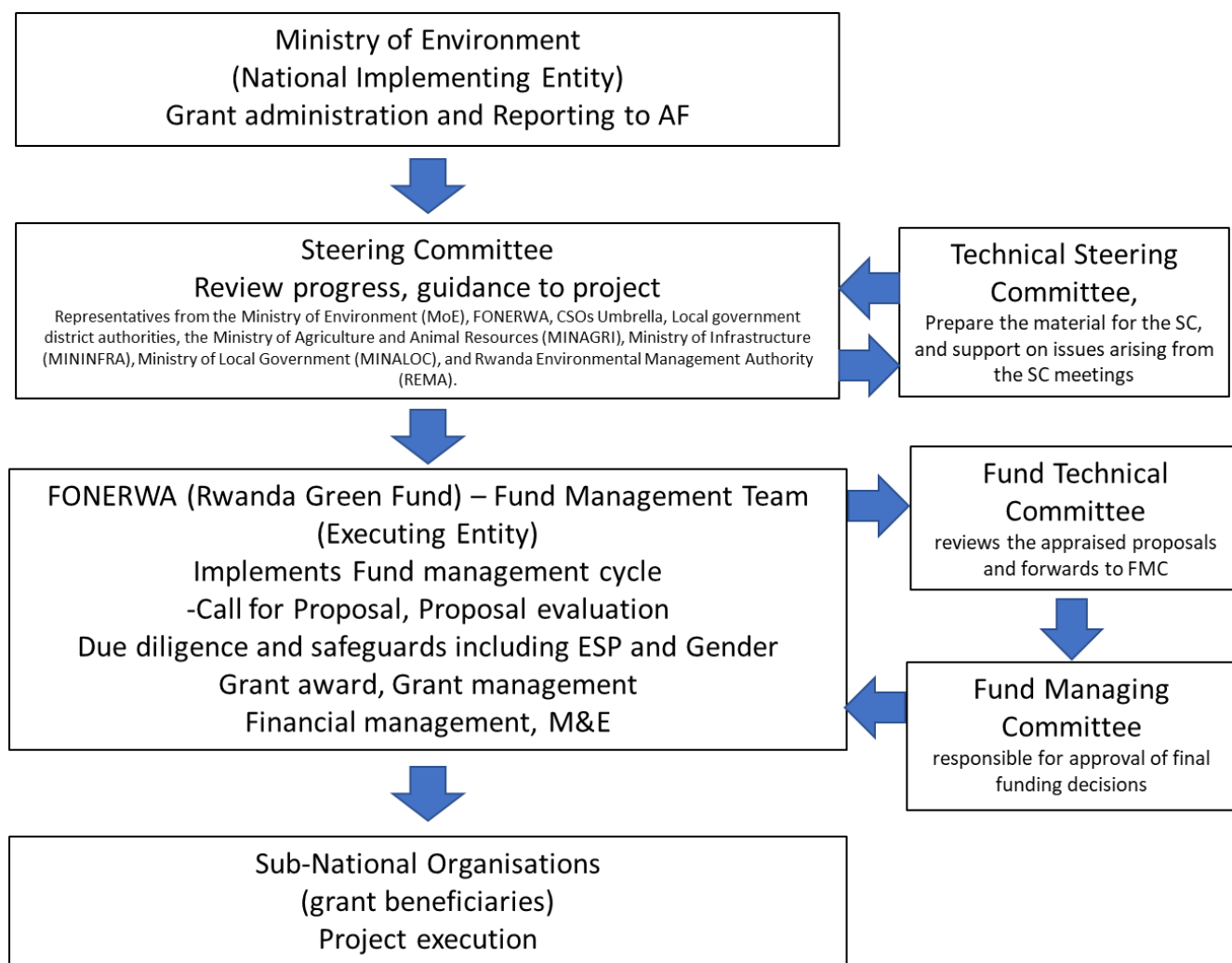
The Steering Committee that will serve as the programme's coordination and decision-making body and will ensure the EDA programme delivers its outputs and achieves its outcomes. The Committee will periodically review project progress and evaluations, facilitate implementation (ensuring the necessary 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.

It is highlighted that because of the EDA modality, the organisations and stakeholders involved are not known yet, and will emerge through the Call for Proposals and the grant management cycle. A figure of the organization involved and how they report to each other is shown below.



The proposal also incorporates proposed arrangements for gender-responsive elements as appropriate in the implementation arrangements in compliance with the AF Gender Policy.

The project management team will ensure that Environmental Social Policy and Gender Policy and plans have been detailed under all projects. On the program level, disaggregated indicators will also be used in sub-project performance reporting, for example using gender and youth-sensitive spending report, how much of the project resources have been allocated to women's and youth resilience. Sub-projects will support female participation in activities, access to technology, and training.

The project management team will ensure and improve gender-responsive project design by providing guidance on the development of gender-disaggregated data collection. FONERWA will oversee implementation, monitoring, reporting, and evaluation of funded sub-projects and technical support and capacity building on



gender as needed.

During implementation, FONERWA will conduct an annual, external case study on gender inclusion on each sub-project with the aim of gathering lessons learned, to capture the impact of projects.

During the Project Development phase, FONERWA offers technical assistance to projects to develop successful sub-projects, this includes technical assistance on gender inclusion.

Ensure all components of successful sub-projects have a strategic relevance, align with AF, and Rwandan policies and strategies. and are gender-sensitive.

Beyond the use of indicators, the project management team will ensure tangible actions be taken in order to accelerate the participation of women.

**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.

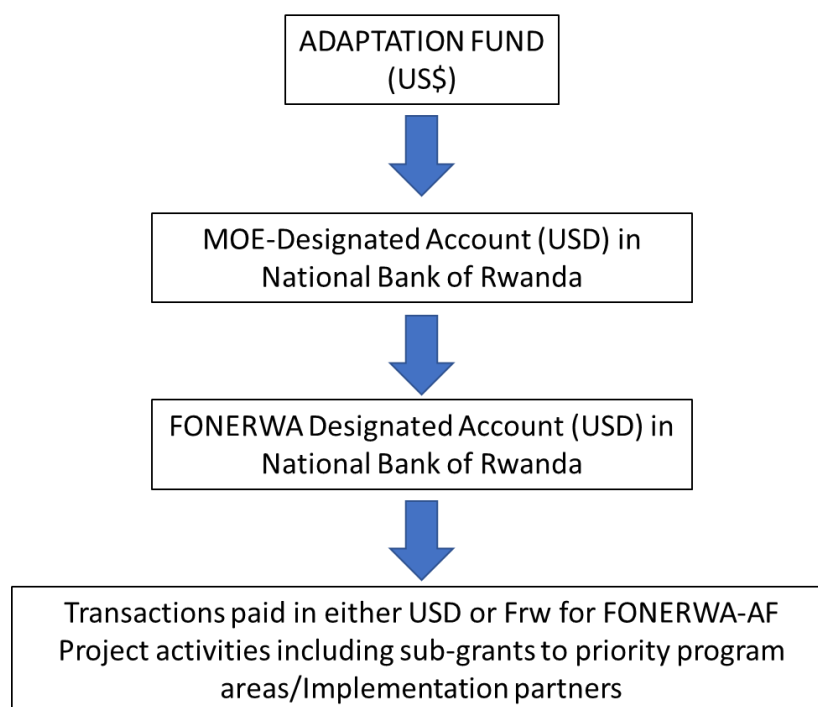
For the flow of funds that flow from MOE to FONERWA, the financial staff in FONERWA's Finance Department will be responsible for the financial management of the Adaptation fund proceeds at FONERWA level. FONERWA will use the Integrated Financial Management Information System (IFMIS) for recording financial 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<sup>xl</sup>. 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**

<b>RISK</b>	<b>RISK LEVEL</b>	<b>MITIGATION</b>
Failure to deliver EDA approach and EDA modality	<b>Low</b>	FONERWA has been operating a demand led sub-national grant financing model for over 7 years, and has existing staff, operational

RISK	RISK LEVEL	MITIGATION
		<p>manuals and processes in place, with strong oversight and safeguards, that guarantee the Fund can deliver the proposed modality.</p> <p>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</p>
Fiduciary and corruption risk for EDA / Risk of misuse of funds by project implementers, or non compliance with laws and procedures	<b>Low</b>	<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	<b>Low</b>	<p>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</p>
Risk of poor quality proposals and thus low impact from subnational modality	<b>Low</b>	<p>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.</p>
In sufficient safeguards	<b>Low</b>	<p>The Fund has a series safeguards Policies and processes in six areas include: safeguarding, human</p>

RISK	RISK LEVEL	MITIGATION
		resources, whistleblowing, risk management, codes of conduct and governance.
<u>Compliance with Environmental and Social Policy of Adaptation Fund, and Gender Policy of Adaptation Fund, are not deliversafeguards</u>		<p>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.</p> <p><u>To ensure this we have included and extended the following activities steps that are additional (new) to the FONERWA grant management process for the AF EDA.</u></p> <p><u>In component 1.1, the Call for Proposals will document the requirement to comply with the Adaptation Fund Policies, including ES and Gender Policy. In component 1.2, training of CSO and local and district staff on proposals and project management, an additional training component has been added, that will provide training on Adaptation Fund ES and Gender Policy, and how to translate this into proposals. In component 2, 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 be undertaken by an international consultant. In addition, technical assistance support will be provided as part of this component to strengthen the compliance with AF Policies, notably on Environment and Social, and on Gender elements. In component 3.2 activities are included for capacity building and training sessions for local organizations that are to be funded. In addition to the FONERWA training (which includes all aspects, from project and financial management through to environment</u></p>

RISK	RISK LEVEL	MITIGATION
		<u>safeguards and gender), and additional training package has been added. Training will include a specific set of components on the compliance with AF Policies, notably on Environment and Social, and on Gender elements. This will be provided by an international consultant, and will ensure that AF policies are integrated from the start, and that this is aligned in the overall project and financial management, monitoring and evaluation and reporting, and in ensuring safeguards are met.</u>
Sub-national organisation lack the resources and capacity to develop project proposals and deliver these	<b>Low</b>	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.	<b>Low</b>	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	<b>Low</b>	FONERWA has a Fund Result and Information Monitoring System (FRIMS) which ensures more accurate, consistent and reliable data are collected and reported. 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.
Delays in the disbursement of funds, procurement and	<b>Low</b>	FONERWA has seven years of operational experience, and all

RISK	RISK LEVEL	MITIGATION
Institutional inefficiencies (lengthy approval processes etc.) delay the resulting in delayed recruitment of project staff and hence project implementation.		processes are in place for rapid disbursement and delivery.
Lack of co-ordination with other climate change projects in Rwanda limits capacity or effectiveness	<b>Low</b>	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.	<b>Low</b>	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.	<b>Low</b>	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	<b>Low</b>	<p>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.</p> <ul style="list-style-type: none"> <li>•<u>The Fund uses indicative benchmarks for the most common activities (e.g. terracing, agroforestry etc.) and assesses these in terms of cost-effectiveness, i.e. cost per hectare.</u></li> <li>•<u>The Fund requires an explicit cost-benefit analysis undertaken, to show how the intervention compares to a business as usual, and to alternatives, as documented in the PD template in the Annex.</u></li> <li>•<u>The fund carries out pre-grant surveys to gather additional information on the procurement processes proposed by applicants to assess VFM and CEA.</u></li> </ul>

C. Describe the measures for environmental and social risk management, in line with



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.

To address this a series of additional activities are included in this EDA project, that lead to a higher level of due diligence and will ensure AF Environmental and Social Policy and Gender Policy compliance. These are:

In component 1.1, the Call for Proposals will document the requirement to comply

with the Adaptation Fund Policies, including ES and Gender Policy.

In component 1.2, training of CSO and local and district staff on proposals and project management, an additional training component has been added, that will provide training on Adaptation Fund ES and Gender Policy, and how to translate this into proposals.

In component 2, 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 be undertaken by an international consultant. In addition, technical assistance support will be provided as part of this component to strengthen the compliance with AF Policies.

In component 3.2 activities are included for capacity building and training sessions for local organizations that are to be funded. In addition to the FONERWA training (which includes all aspects, from project and financial management through to environment safeguards and gender), and additional training package has been added. Training will include a specific set of components on the compliance with AF Policies, notably on Environment and Social and Gender Policy. This will be provided by an international consultant, and will ensure that AF policies are integrated from the start, and that this is aligned in the overall project and financial management, monitoring and evaluation and reporting, and in ensuring safeguards are met.

**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.

FONERWA currently reports against a fund level impact indicators which includes gender disaggregation, Number of households/individuals with improved livelihood resilience disaggregated by gender. Gender disaggregated data is also collated for outcome data, to feed into this. The M&E activities therefore include gender disaggregated data collection, and this is built into the FONERWA M&E framework.

### **Monitoring-Evaluation Plan and Budget**

The budget for M&E plans are included below. Note these costs are already included in the main budget tables above, but are provided separately for additional information here.

<u>Type of M&amp;E Activity</u>	<u>Budget</u>	<u>Time-frame</u>
<u>M&amp;E, Fund Management spot checks (Accommodation, transport and per diem)</u>	<u>US\$ 9,600</u>	<u>Quarterly</u>
<u>Programme Baseline survey</u>	<u>US\$ 20,000</u>	<u>Within 3 months of programme start</u>
<u>Programme Mid-term evaluation</u>	<u>US\$ 35,000</u>	<u>At the mid-point of programme implementation</u>
<u>Programme Final evaluation</u>	<u>US\$ 35,000</u>	<u>During 6 months after the end of programme implementation</u>
<u>Internal Audit</u>	<u>US\$ 4,664</u>	<u>Yearly</u>
<u>External Audit</u>	<u>US\$ 28,000</u>	<u>Yearly</u>
<u>GIS M&amp;E/ MIS system</u>	<u>US\$ 52,000</u>	
<u>Field visits</u>	<u>US\$ 14,976</u>	<u>Yearly as required</u>
<u>Project Technical Committee Meetings including annual assessment report</u>	<u>US\$ 17,280</u>	<u>Yearly</u>
<u>Communication</u>	<u>US\$ 6,000</u>	<u>Yearly</u>

- 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	FONWERWA Outcomes and key indicator (adaptation)

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

**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
<b>Overall objective: To increase devolved adaptation decision making and finance to the sub-national level</b>					
<b>Project objective</b> <ul style="list-style-type: none"> <li>o increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level.</li> </ul>	<ul style="list-style-type: none"> <li>No. of people benefitting from the enhanced direct access modality (aligns to AF indicator 2.2.1)</li> </ul>	0-women and 0 men	20,000 people (Disaggregated by gender, of which 10,000 women)	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
<b>Component 1: Awareness raising, capacity building, proposal development support and training</b>					
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"> <li>Milestone 1. Call for Proposal Issued.</li> </ul> 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	0	20 organisations receive training (50% of training recipients women)	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
<b>Component 2: Review and Approval of Sub-National Adaptation Proposals under the CFP</b>					
Component 2.1: Proposal Review Process	<ul style="list-style-type: none"> <li>Milestone 2. Fund Managing Committee meeting held to approve Sub-National Proposals</li> <li>Output 2.1 Number of sub-national</li> </ul>	0 sub-national EDA proposals approved	<ul style="list-style-type: none"> <li>Five to ten Sub national and civil society adaptation projects approved.</li> </ul>	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
<b>Component 3: Grant management of EDA programme</b>					
<p>Component 3 Grant management and delivery of EDA sub-national projects</p> <p>Outcomes</p> <ul style="list-style-type: none"> <li>• average percentage increase in income;</li> <li>• percentage increase in yield/ha;</li> <li>• number of households with improved water retention capability disaggregated by gender;</li> <li>• number of environment and climate knowledge products adopted;</li> <li>• number of individuals adopting smart transport technologies;</li> <li>• number of institutions adopting green building practices in infrastructure development.</li> </ul>	<ul style="list-style-type: none"> <li>• Milestone 3. Grant agreements signed with sub-national organizations.</li> </ul> <p>Projects approved to be measured against following indicators.</p> <ul style="list-style-type: none"> <li>• Area in hectares (ha) of land protected against erosion;</li> <li>• Number of green jobs created;</li> <li>• Area in hectares (ha) of restored forest/under agroforestry/under afforestation;</li> <li>• Area in hectares (ha) of land under smart irrigation systems;</li> <li>• Area (ha) of watersheds and water bodies protected;</li> <li>• Number of rain water harvesting tank installed;</li> <li>• <del>Number of knowledge products produced and disseminated;</del></li> <li>• <del>Number of green technologies promoted;</del></li> <li>• <del>Number of people trained;</del></li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• <u>0</u></li> <li>•</li> </ul>	<p>To be confirmed following project approvals</p> <p><u>•Estimated 30,000 hectares of sustainable land management, climate smart agriculture, or water conservation or restoration projects.</u></p> <p><u>Estimated 13600 green jobs created jobs.</u></p> <p><u>400 rain water harvesting tanks installed</u></p> <p><u>To be determined after approval of sub-project grants. The Results framework will be updated by the FONERWA, according to the nature of approved sub-projects, and submitted in National Implementing Entity report to AF at the end of Year 1.</u></p>	<p>Grant agreements signed</p> <p>M&amp;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) <sup>1</sup>	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
<b>Project level.</b> 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  <del>Output 2.2. Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance</del>	Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality  <del>Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased</del>	
<b>Project Outcomes</b>	<b>Project Outcome Indicators</b>	<b>Fund Output</b>	<b>Fund Output Indicators</b>	<b>Grant Amount (USD)</b>
<b>Awareness raising, capacity building, proposal development support and training</b>				
Increased readiness and capacity of sub-national entities to directly access and program adaptation finance	<del>Output 1.1 Number of sub-national organisations receiving training and assistance for proposal preparation.</del>  <del>Output 1.2 Number of local organizations/ people receiving training for project delivery</del> <del>Number of sub-national</del>	Output 2.2. Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	<del>Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality</del>	112,280

	<del>organisations receiving support and training.</del>			
<b>Grant management and delivery of EDA sub-national projects</b>				
Adaptation projects delivered at the sub-national level	Number of sub-national organisations receiving funding	<p>Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level.</p> <p><u>Output 3.2 Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning</u></p>	<p>3.2. Percentage of targeted population applying appropriate adaptation responses</p> <p><u>Indicator 3.2.1 No. of technical committees/ associations formed to ensure transfer of knowledge</u></p>	<u>4,009,500</u>
	<p>Plus depending on proposals funded</p> <ul style="list-style-type: none"> <li>• Average percentage increase in income;</li> <li>• Percentage increase in yield/ha;</li> <li>• Number of households with improved water retention capability disaggregated by gender;</li> <li>• Number of environment and climate knowledge products adopted;</li> <li>• Number of individuals adopting smart transport technologies;</li> <li>• Number of institutions adopting green building</li> </ul>	<p>Plus depending on proposals funded</p> <p><del>Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets</del></p> <p>Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress.</p> <p><u>Output 5: Vulnerable ecosystem services and natural resource assets strengthened in response to climate change impacts, including variability</u></p> <p>Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas</p> <p><u>Output 6: Targeted individual and community livelihood strategies strengthened in relation</u></p>	<p><del>4.1.2. No. of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by sector and scale)</del></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><u>Indicator 5.1. No. of natural resource assets created, maintained or improved to withstand</u></p>	

	practices in infrastructure development.	to climate change impacts, including variability  <del>Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies</del>	conditions resulting from climate variability and change (by type and scale)  <del>Indicator 6.1.1 No. and type of adaptation assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies6.2. Percentage of targeted population with sustained climate-resilient alternative livelihoods</del>  <del>8.1. No. of innovative adaptation practices, tools and technologies accelerated, scaled-up and/or replicated</del>	
--	--	--	--	--

### Table of Adaptation Fund core impact indicator

The number of beneficiaries, including estimations for direct and indirect beneficiaries are shown below.

	<u>Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality</u>
<u>Direct</u>	<u>20 000 (10 000 women) - estimated as people (or households) identified by the project as receiving direct support (targeted, high intensity)</u>
<u>Indirect</u>	<u>100 0000 (50% women) - people within the administrative area of the interventions, such as catchment area</u>

	<u>subject to SLM activities (not targeted, medium intensity)</u>
--	---

---

<sup>1</sup> 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				
	<b>Unit</b>	<b>No</b>	<b>Cost per Unit</b>	<b>Cost Rwf</b>	<b>Cost USD</b>
<b>1. Awareness raising, capacity building &amp; proposal development</b>					
<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
<b>Subtotal</b>				<b>25,000,000</b>	<b>25,000</b>
<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,mission allowances,renting halls,lunch and transport)	Lump sum	2	10,000,000	20,000,000	20,000
<i>Training on Adaptation Fund - including ES and Gender Policy</i>	<i>Days</i>	<i>5</i>	<i>700,000</i>	<i>3,500,000</i>	<i>3,500</i>
Technical assistance support for proposals	Days	15	350,000	5,250,000	5,250
<b>Subtotal</b>				<b>34,750,000</b>	<b>34,750</b>

Annex 5 to OPG Amended in October 2017					
<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	14	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	5	700,000	3,500,000	3,500
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, etc)	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
<b>Subtotal</b>				<b>52,530,000</b>	<b>52,530</b>
<b>Cost for Component 1</b>				<b>112,280,000</b>	<b>112,280</b>
<b>2. Review of Sub-National Adaptation Proposals</b>					
<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
<u>Technical assistance support to proposals for AF compliance on Env &amp; Soc and Gender (inter)</u>	<u>Days</u>	<u>7</u>	<u>700,000</u>	<u>4,900,000</u>	<u>4,900</u>
Pre-award survey (Assessing organizational capacity and sites for interventions for all project proposals recommended for approval)	Days	7	700,000	4,900,000	4,900
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
<b>Subtotal</b>				<b>75,800,000</b>	<b>75,800</b>
<b>Cost for Component 2</b>				<b>75,800,000</b>	<b>75,800</b>

<b>3. Grants and grant management</b>	Annex 5 to OPG Amended in October 2017				
<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
<b>Subtotal</b>				<b>4,000,000,000</b>	<b>4,000,000</b>
<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
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
<b>Subtotal</b>				<b>9,500,000</b>	<b>9,500</b>
<b>Cost for Component 3</b>				<b>4,009,500,000</b>	<b>4,009,500</b>
<b>Total project cost (the sum of all project/programme components)</b>				<b>4,197,580,000</b>	<b>4,197,580</b>
<b>Project execution costs (&lt; 12% of the total budget requested, before the implementing entity fees) see Note 1</b>					

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
Progamme Final evaluation	Lump sum	1	35,000,000	35,000,000	35,000
<b>Subtotal</b>				<b>386,300,016</b>	<b>386,300</b>
				<b>TOTAL</b>	<b>4,583,880</b>

## 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**

<b>Project cycle management fee (&lt;10% of the total budget)</b>	<b>Unit</b>	<b>No</b>	<b>Cost per Unit</b>	<b>Cost Rwf</b>	<b>US\$</b>
Programme management and support	Lump sum	1	114,080,000	114,080,000	114,080
Finance, Budget and Treasury	Lump sum	1	95,000,000	95,000,000	95,000
Staff training	Lump sum	4	10,000,000	40,000,000	40,000
Technical assistance (consultants)	Days	46	700,000	32,200,000	32,200
Computers and software	Lump sum	2	1,500,000	3,000,000	3,000
Printer	Lump sum	1	1,000,000	1,000,000	1,000
Telephone and internet charges	Lump sum	48	120,000	5,760,000	5,760
GIS M&E / MIS system	Lump sum	1	52,000,000	52,000,000	52,000
Project Technical Committee Meetings including annual assessment report	Lump sum	240	72,000	17,280,000	17,280
Project Steering Committee Meetings	Lump sum	160	51,000	8,160,000	8,160
Field Visits organised to oversee implementation and strategic impact	Lump sum	288	52,000	14,976,000	14,976
Internal audit (annual)	Lump sum pa	4	1,166,000	4,664,000	4,664
External audit (annual)	Lump sum pa	4	7,000,000	28,000,000	28,000
<b>TOTAL</b>				416,120,000	<b>416,120 (10%)</b>

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.

**Budget provision for implementation of the ESMP, impact assessments and the identification of avoidance, mitigation or management measures during project implementation**

The budget for ESMP and Gender activities – especially to ensure compliance with Adaptation Fund Policy in these areas - are included below. Note these costs are already included in the main budget tables above, but are provided separately for additional information here.

<u>1.2</u>	<b>Cost USD</b>
<u>Preparation and delivery of training materials for proposal application ( Project design,ESMF, Finance, M&amp;E, Gender, Procurement, etc) for Local Government and NGO staff</u>	<u>4,500</u>
<u>Training on Adaptation Fund Policy - including ES and Gender Policy</u>	<u>3,500</u>
<u>Holding training meetings (accommodation,mission allowances,renting halls,lunch and transport)</u>	<u>20,000</u>
<u>1.3</u>	
<u>Additional Adaptation Fund fidiciary, ESIA and gender checks (international consultant)</u>	<u>4,900</u>
<u>Technical assistance support to proposals for AF compliance on Env &amp; Soc and Gender (inter)</u>	<u>4,900</u>
<u>Pre-award survey (Assessing organizational capacity and sites for interventions for all project proposals recommended for approval)</u>	<u>17,500</u>

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

**Table 11. Disbursement Schedule.**

	<b>On signing agreement</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Total</b>
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
<b>1. Awareness raising, capacity building &amp; proposal development support</b>																
<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
<b>2. Review of Sub-National Adaptation Proposals</b>																
<i>2.1 Process for evaluation and review</i>			50%	100%												
Milestone PPD reviewed and evaluated			X													
Milestone PD reviewed and evaluated				X												
<b>Cost for Component 2</b>																
<b>3. Grants and grant management</b>																
<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																
<b>Project execution costs</b>	20%			40%				60%				80%				100%

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

**A. Record of endorsement on behalf of the government<sup>2</sup>**     *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:*



**ADAPTATION FUND**

**Letter of Endorsement by Government**

[Government of Rwanda]

[3<sup>rd</sup> August 2021]

To: The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [Secretariat@Adaptation-Fund.org](mailto: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,

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

**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>Name &amp; Signature</p> <p>Patrick KARERA, Permanent Secretary, Implementing Entity Coordinator</p>	<p>Digitally signed by Karera Patrick Date: 2021.08.05 14:29:34 +02'00'</p> 
Date: (Month, Day, Year)	Tel. and email: +250789414092
Program Contact Person: Charlotte URUKUNDO	
Tel. and Email: +250783577968, curukundo@environment.gov.rw	

<sup>6</sup>. 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.

## 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*)

<b>Project Title</b>	Maximum number of characters allowed is 140.
<b>Project Summary</b> (In 75 words or less please summarise what your project is about)	Maximum number of characters allowed is 525.
<b>Anticipated Start Date</b>	(DD/MM/YYYY)
<b>Project Duration</b> (in months)	Maximum number of characters allowed is 70.
<b>Name of Lead Organisation</b>	Maximum number of characters allowed is 70.
<b>Type of Organisation</b> which best describes the Lead Organisation (please select only one box)	<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 (please specify)
<b>For Private Sector Applicants (for further clarification, please see the private sector guidelines)</b>	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
<b>Partner Institutions</b>	Maximum number of characters allowed is 210.
<b>Full Office Address</b>	Maximum number of characters allowed is 245.
<b>Website Address</b> (if applicable)	Maximum number of characters allowed is 42.



**Contact Person** (the person who will have ultimate responsibility and be accountable for delivering this project)

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: \_\_\_\_\_



## 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** (National, Province, District)?

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 (clearly state justification)?

Maximum number of characters allowed is 2800

**Q 1.3** **What** specific change is the project intended to achieve (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)?

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

- ☐ Ecosystem Rehabilitation
- ☐ Sustainable Land Management
- ☐ Integrated Water Resources Management
- ☐ Sustainable Mining and Quarrying
- ☐ Sustainable Forest Management
- ☐ Promotion and Protection of Biodiversity

2. Research & Development and Technology Transfer and Implementation

- ☐ Renewable Energy and Energy Efficiency
- ☐ Pollution Management
- ☐ Water Storage, Conservation and Irrigation Technologies
- ☐ Applied and Adaptive Research (Agro-Forestry, Waste, Urban Planning)
- ☐ 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)
<b>Q 1.5</b>	<b>What</b> 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	
<b>Q 1.6</b>	<b>Who</b> 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	
<b>Q 1.7</b>	<b>What</b> 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	
<b>Q 1.8</b>	<b>How</b> will monitoring and evaluation of the project be undertaken?
Maximum number of characters allowed is 700	
<b>SECTION 2: SATISFACTION OF ELIGIBILITY CRITERIA</b>	
<b>Q 2.1</b>	<b>Eligibility Criteria 2:</b> How will the benefits of the project be sustained after FONERWA funding comes to an end?
Maximum number of characters allowed is 1400	
<b>Q 2.2</b>	<b>Eligibility Criteria 3:</b> 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	
<b>Q 2.3</b>	<b>Eligibility Criteria 4:</b> 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	
<b>Q 2.4</b>	<b>Eligibility Criteria 5 &amp; 6:</b> 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	
<b>SECTION 3: YOUR SUPPORT NEEDS</b>	
<b>Q 3.1</b>	<b>What</b> 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	
<b>Q 3.2</b>	<b>How much</b> 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	
<b>Q 3.3</b>	<b>What</b> 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:**

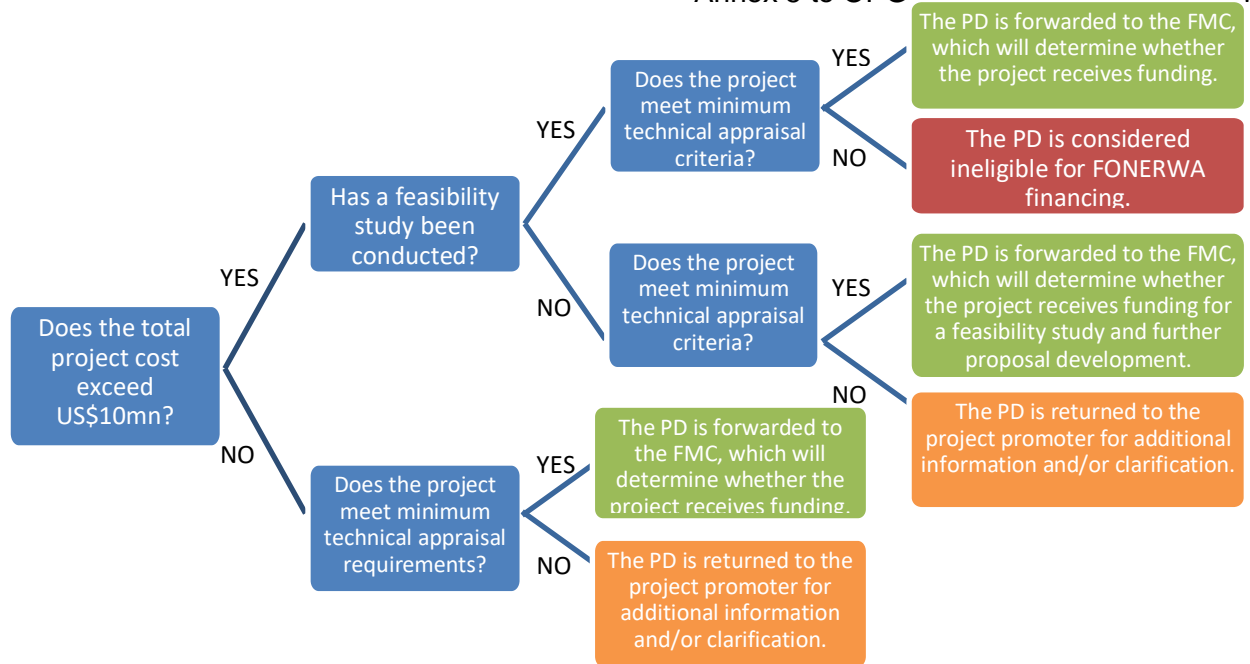
- a. Does the project implementer have sufficient experience to execute the project?
- b. Have the project management arrangements been confirmed?
- c. Is an appropriate Monitoring and Evaluation (M&E) framework in place?
- d. Have stakeholders been consulted and involved in the project formulation?

**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](mailto: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.*)

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

**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.*)?



<b>Q 2.3</b>	<b>How</b> 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> )?
<b>Q 2.4</b>	<b>How</b> does the project address cross-cutting issues such as gender and youth?
<b>Q 2.5</b>	<b>Who</b> 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?
<b>Q 2.6</b>	<b>How</b> will the benefits of the project be sustained after FONERWA funding comes to an end?
<b>Q 2.7</b>	<b>What</b> is the scope for income generation from the project?
<b>Q 2.8</b>	<b>Preparation:</b> Has a feasibility or pre-feasibility study been conducted ( <i>If yes, then please attach a copy to this PD</i> )?

Q 2.9	<b>Preparation:</b> 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	<b>Preparation:</b> 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	<b>How</b> will the performance of the project be monitored and evaluated ( <i>both during and after the project</i> )?
Q 2.12	<b>How</b> will you involve the beneficiaries and other stakeholders in monitoring and evaluation?
Q 2.13	<b>Which</b> 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&amp;E framework</i> )?
Q 2.14	<b>Lesson Learning:</b> 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	<b>Risk Management:</b> 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?

<b>Q 2.16</b>	<b>Risk Management:</b> 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?
<b>SECTION 3: PROJECT BUDGET AND VALUE FOR MONEY</b>	
<b>Q 3.1</b>	<b>What</b> is the total cost of the project (RWF; provide total cost for each year of the project disaggregated by capital and recurrent expenditure)?
<b>Q 3.2</b>	<b>What</b> is the total amount requested from FONERWA (RWF; provide financing needs for each year of the project)?
<b>Q 3.3</b>	<b>List</b> 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> )
<b>Q 3.4</b>	<b>Additionality:</b> Explain why the project cannot be fully financed by other sources than FONERWA?
<b>Q 3.5</b>	<b>What</b> non-financial support is needed to implement the project? What is the best way for FONERWA to deliver this support?
<b>Q 3.6</b>	<b>Value for Money (Economy):</b> <ul style="list-style-type: none"> <li>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</li> <li>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)</li> </ul>

Q 3.7	<p><b><u>Value for Money (Efficiency):</u></b></p> <p>i) Briefly explain how the provision and operation of project inputs produce the expected outputs</p> <p>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)?</p>
Q 3.8	<p><b><u>Value for Money (Effectiveness):</u></b></p> <p>How does your project demonstrate effectiveness:</p> <ul style="list-style-type: none"> <li>- How will it show the outputs meet the project objectives?</li> <li>- Which indicators will you measure to demonstrate effectiveness?</li> </ul>

**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.*

|

## Gender Handbook Table of Contents



CONSULTING GRUPPE  
engineering and infrastructure



### ***Gender Analysis Handbook:***

### **FONERWA's Fund 'Windows' on environment & climate change**

### **VOLUME I: *Main Document***

*Building FONERWA's Institutional Capacity in effective methods of gender inclusion (JTA Task 2)*



Submitted to  
FONERWA,  
SEPTEMBER 2020

## FONERWA Gender Analysis Handbook

## CONTENTS

<b>Foreword:</b> .....	<b>1</b>
<b>1 Introduction</b> .....	<b>2</b>
1.1 Methodologies applied for preparation of the Handbook.....	2
<b>2 FONERWA Legal Framework and Policy Context and Alignments</b> .....	<b>3</b>
2.1 Summary of national legislation and policies and plans on gender equality. ....	3
2.2 Rwanda's international commitments towards gender equality .....	4
2.3 FONERWA's 5-Year Strategic Plan and the Law on FONERWA.....	4
<b>3 WHAT is GENDER ANALYSIS?</b> .....	<b>6</b>
3.1 Definitions:.....	6
3.2 Gender analysis Frameworks.....	6
<b>4 WHY conduct a GENDER ANALYSIS?</b> .....	<b>9</b>
<b>5 WHEN to conduct a GENDER ANALYSIS?</b> .....	<b>10</b>
<b>6 WHERE to conduct a GENDER ANALYSIS?</b> .....	<b>11</b>
<b>7 HOW to conduct a GENDER ANALYSIS?</b> .....	<b>12</b>
<b>8 FONERWA funding Window 1: Conservation and Natural Resources Management</b> ..	<b>14</b>
8.1 Eco-system rehabilitation: <i>Why gender matters</i> .....	14
8.2 Sustainable land management: <i>Why gender matters</i> .....	18
8.3 Integrated Water Resource Management (IWRM): <i>Why gender matters</i> .....	22
8.4 Sustainable forestry management: <i>Why gender matters</i> .....	25
8.5 Sustainable mines and quarries: <i>Why gender matters</i> .....	27
8.6 Promotion and protection of biodiversity: <i>Why gender matters</i> .....	31
<b>9 FONERWA funding Window 2: Energy, Research &amp; Development and technology transfer and implementation</b> .....	<b>33</b>
9.1 Renewable energy & energy efficiency technology: <i>Why gender matters</i> .....	33

## FONERWA Gender Analysis Handbook

9.2	Pollution (management): <i>Why gender matters</i> .....	38
9.2.1	Air pollution .....	38
9.2.2	Water pollution (management) .....	42
9.2.3	Land / Soil and toxic / chemical pollution (management) .....	45
9.3	Water storage, conservation and irrigation technologies: <i>Why gender matters</i> .....	48
9.3.1	Water conservation in general .....	48
9.3.2	Rainwater harvesting .....	49
9.3.3	Irrigation management .....	49
9.4	Applied and adaptive research (agro-forestry, waste, urban planning): <i>Why gender matters</i> .....	52
9.4.1	Applied And Adaptive Research in general .....	52
9.4.2	Agro-Forestry research: .....	54
9.4.3	Waste Management Research .....	58
9.4.4	Urban Planning Research .....	63
9.5	Disaster risk reduction: <i>Why gender matters</i> .....	69
<b>10</b>	<b>Data collection, monitoring &amp; management information System (MIS): <i>Why gender matters</i> .....</b>	<b>72</b>
<b>11</b>	<b>FONERWA funding Window 3: Environmental and Climate change Mainstreaming ..</b>	<b>73</b>
11.1	Strategic Environment and Climate Assessments (SECAs): <i>Why gender matters</i> .....	73
11.2	Sector Specific Adaptation and Mitigation: <i>Why gender matters</i> .....	74
11.2.1	Agriculture sector: .....	74
11.2.2	Water sector .....	76
11.2.3	Energy sector .....	78
11.3	Support to implementation of cross-sector integrated planning: <i>why gender matters</i> .....	81
<b>12</b>	<b>FONERWA funding Window 4: Environmental Impact Assessment (EIA) Monitoring and Enforcement: <i>why gender matters</i> .....</b>	<b>82</b>
12.1	Monitoring the implementation of environment management plans for capital projects: N/a .....	82
12.2	Environmental auditing: .....	82

## References

- i National Institute of Statistics Rwanda (2021). <http://www.statistics.gov.rw/>
- ii UN Population Projections, 2020. <https://population.un.org/wpp/Download/Probabilistic/Population/>
- iii UN Development Reports and Development Index. <http://hdr.undp.org/en/countries/profiles/RWA>
- iv Republic of Rwanda (2018). Third National Communication: Report to the United Nations Framework Convention on Climate Change. Republic of Rwanda, Kigali
- v Asher Siebert Tufa Dinku Floribert Vuguziga Anthony Twahirwa Desire M. Kagabo John delCorral Andrew W. Robertson (2019). Evaluation of ENACTS-Rwanda: A new multi-decade, high-resolution rainfall and temperature data set— *Int J Climatol*. 2019;39:3104–3120. <https://doi.org/10.1002/joc.6010>.
- vi Republic of Rwanda (2018). THIRD NATIONAL COMMUNICATION UNDER THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (U.N.F.C.C.C) MINISTRY OF ENVIRONMENT, Rwanda Environment Management Authority. [https://unfccc.int/sites/default/files/resource/nc3\\_Republic\\_of\\_Rwanda.pdf](https://unfccc.int/sites/default/files/resource/nc3_Republic_of_Rwanda.pdf)
- vii Philip, S., Kew, S.F., Van Oldenborgh, G.J., Otto, F., O' Keefe, S., Haustein, 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>
- viii Uhe, P., Phillip, S., Kew, S.F., Shah, K., Kimutai, J., Otto, F., Van Oldenborgh, G.J., Singh, R., Arrighi, J. and Cullen, H. (2017) 'The drought in Kenya, 2016–2017'. London: Climate and Development Knowledge Network and World Weather Attribution Initiative. <https://cdkn.org/wp-content/uploads/2017/06/The-drought-in-Kenya-2016-2017.pdf>
- ix GoR (2018). Design Studies for the Green Climate Fund for the project Rural Green Economy and Climate Resilient Develop-ment Project
- x MINAGRI (2013). Annual Report 2012-2013 Ministry of Agriculture and Animal Resource. Kigali.
- xi Source Climate Systems Analysis Group: Climate Information Platform. (<http://cip.csag.uct.ac.za/webclient2/app/>)
- xii Future Climate for Africa (2018). Rwanda policy brief.
- xiii World Bank Climate change Knowledge Portal (2018). [http://sdwebx.worldbank.org/climateportal/index.cfm?page=country\\_historical\\_climate&ThisRegion=Africa&ThisCCod e=RWA](http://sdwebx.worldbank.org/climateportal/index.cfm?page=country_historical_climate&ThisRegion=Africa&ThisCCod e=RWA)
- xiv Future climate change for Africa. Projections of climate models for Rwanda. 2017.
- xv Adhikari, U., Nejadhashemi, A.P., Woznicki, S.A (2015) Climate change and eastern Africa: a review of impact on major crops. *Food and Energy Security*, 4 (2), 110-132.
- xvi REMA (2015). BASELINE CLIMATE CHANGE VULNERABILITY INDEX FOR RWANDA. Republic of Rwanda 2015.
- xvii World Risk Report (2020). <https://weltrisikobericht.de/english/>
- xviii World Bank, 2016. <https://openknowledge.worldbank.org/handle/10986/22787>
- xix SEI (2009). The Economics of Climate Change in Rwanda. Final report by Stockholm Environment Institute.
- xx RoR. National Strategy for Transformation (NST1) 2017-2024.
- xxi Republic of Rwanda (2020) Updated Nationally Determined Contribution. [https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Rwanda%20First/Rwanda\\_Updated\\_NDC\\_May\\_2020.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Rwanda%20First/Rwanda_Updated_NDC_May_2020.pdf)
- xxii RoR (2017). Strategic Programme for Climate Resilience (SPCR), Rwanda 1 November 2017.
- xxiii Tol R S. J. (2018). *The Economic Impacts of Climate Change Review of Environmental Economics and Policy*, volume 12, issue 1, Winter 2018, pp. 4–25. doi: 10.1093/reep/rex027
- xxiv Soanes et al. 2017. *Delivering real change: getting international climate finance to the local level*. International Institute for Environment and Development. London.
- xxv Project Scale-Up Grant: Reducing Vulnerability to Climate Change in North West Rwanda through Community Based Adaptation (RV3CBA) <https://www.adaptation-fund.org/project/reducing-vulnerability-to-climate-change-in-north-west-rwanda-through-community-based-adaptation-rv3cba/>
- xxvi <https://devtracker.dfid.gov.uk/projects/GB-1-203582>
- xxvii FCDO (2020). Project Completion Report for FONERWA. <https://devtracker.fcdo.gov.uk/countries/RW/projects>
- xxviii World Economic Forum. (2016). The global gender gap report 2016. Geneva, Switzerland.
- xxix NAO (2019). Value for Money. <https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/>
- xxx DFID (2018). FONERWA Value for Money Stocktake. Independent evaluation and report to the UK Department for International Development.
- xxxi Ferrarese C., Mazzoli E., Rinaldi R. 2017. *Review of economic and livelihood benefits for ASAP-supported investments*. IFAD Publications, Rome, Italy.



- 
- xxxii IFAD (2018) *The Business Advantage Mobilizing private sector-led climate actions in agriculture*. [https://www.ifad.org/documents/38714170/40321194/business\\_advantage.pdf/c33367a8-f689-41ae-8b7f-976364bb0c01](https://www.ifad.org/documents/38714170/40321194/business_advantage.pdf/c33367a8-f689-41ae-8b7f-976364bb0c01)
- xxxiii Prasad, Y.G., Maheswari, M., Dixit, S., Srinivasarao, Ch., Sikka, A.K., Venkateswarlu, B., Sudhakar, N., Prabhu Kumar, S., Singh, A.K., Gogoi, A.K., Singh, A.K., Singh, Y.V. and Mishra, A. (2014), "Smart Practices and Technologies for Climate Resilient Agriculture". Central Research Institute for Dryland Agriculture (ICAR), Hyderabad. 76 p.
- Shongwe P., Micah B. Masuku<sup>2</sup> & Absalom M. Manyatsi (2014), "Cost Benefit Analysis of Climate Change Adaptation Strategies on Crop Production Systems: A Case of Mpolonjeni Area Development Programme (ADP) in Swaziland". *Sustainable Agriculture Research*; Vol. 3, No. 1.
- Wamatsembe I.M., G. Asea and S.M. Haebele (2017), "A Survey: Potential Impact of Genetically Modified Maize Tolerant to Drought or Resistant to Stem Borers in Uganda". *Agronomy* 2017, 7, 24.
- Ncube M., et al. (2016), "Climate change, household vulnerability and smart agriculture: The case of two South African provinces". *Journal of Disaster Risk Studies*, Vol 8, No 2. <https://jamba.org.za/index.php/jamba/article/viewFile/182/382>
- xxxiv Hutton, G., Haller, L. Evaluation of the Costs and Benefits of Water and Sanitation Improvements at the Global Level.. *Water, Sanitation and Health Protection of the Human Environment*. World Health Organization. Geneva 2004. [WHO/SDE/WSH/04.04](http://www.who.int/sde/WSH/04.04)
- Dallman, S., Chaudhry, A.M., Muleta, M.K. et al. The Value of Rain: Benefit-Cost Analysis of Rainwater Harvesting Systems. *Water Resour Manage* 30, 4415–4428 (2016). <https://doi.org/10.1007/s11269-016-1429-0>
- xxxv GCF (2017). *Economic and Financial Analysis of the Integrated Rural Project*.
- xxxvi Venton, C.C., L. Coulter, & H. Schmuck. 2013. *The Economics of Early Response and Resilience: Lessons from Mozambique Report to DFID*.; Venton, C.C., S. Majumder. *The Economics of Early Response and Resilience: Lessons from Bangladesh Report to DFID*. 2013.
- xxxvii *Economics of Adaptation and Climate-Resilient Development: Lessons from Projects for Key Adaptation Challenges*. London School of Economics/ Grantham Research Institute. Watkiss and Cimato. <http://www.lse.ac.uk/GranthamInstitute/wp-content/uploads/2016/05/Working-Paper-235-Watkiss-and-Cimato.pdf>
- xxxviii <https://unfccc.int/resource/docs/napa/rwa01e.pdf>
- xxxix *Strengthening Climate Resilience of Rural Communities in Northern Rwanda*. <https://www.greenclimate.fund/project/fp073>
- xl <https://devtracker.dfid.gov.uk/projects/GB-1-203582>



**ADAPTATION FUND**

**Letter of Endorsement by Government**

**[Government of Rwanda]**

**[3<sup>rd</sup> August 2021]**

To: The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [Secretariat@Adaptation-Fund.org](mailto: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,

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