



ADAPTATION FUND

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

PROJECT/PROGRAMME CATEGORY: EDA - Regular-sized Project Concept

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

### Technical Summary

The stated objective of the EDA project “Rwanda Sub-National Adaptation Fund EDA” 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 is expected to encourage local adaptation solutions and deliver climate finance to local levels, notably for the most vulnerable.

#### Project/Programme Background and Context:

Component 1: Awareness raising, capacity building, proposal development support and training. (USD 104,130.00)

Component 2: Evaluation of Sub-National Adaptation Proposals under the CFP. (USD 78,485.00)

Component 3: Grant management of EDA programme (USD 4,014,261.00).

#### Requested financing overview:

Project/Programme Execution Cost: USD 402,934.00

Total Project/Programme Cost: USD 4,599,811.00

Implementing Fee: USD 399,000.00

Financing Requested: USD 4,998,812.00

	The initial technical review raises issues regarding further clarifying eligibility criteria for selection of local organization, clarification of target beneficiaries and compliance with the AF's ESP and GP discussed in the Corrective Action Request (CAR) raised in the review.
Date:	3 September 2022

Review Criteria	Questions	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> Rwanda is an LDC and a water-scarce country, which is experiencing increasing severity and frequency of droughts, which is leading to changing and increasing risks for agriculture.
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	<b>Yes</b> , as seen in the LoE signed Aug 3, 2022
	2. Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes?	<b>Yes.</b> The proposal is 99 pages long and annexes are around 50 pages.
	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?	<b>Not cleared</b>  On pages 10-11, the proposal includes a link between 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. The target recipients of the grants will be local CSOs, NGOs and local governments (district and local government) across the country, who will in turn target rural communities and ecosystems. The project aims to implement sustainable land use management, agroforestry, water conservation practices and sustainable agriculture practices (Tables 3).

	<p>Table 2 provides a list of target interventions that are aligned with Rwanda's NDC. The exact location of target interventions is unknown and the project should acknowledge the USP approach.</p> <p><b>CR1:</b> Please acknowledge the use of the USP approach and include a plan to manage USPs in the ESMP.</p> <p>Response: The USP approach has been added and highlighted after Table 3 (page 14) and also throughout the proposal. We stress that the existing basket fund focuses on USPs already as its core form of programming, and therefore it has a process and systems for environmental and social safeguards for USPs specifically (we have included reference to this point in Section B). The plans that are included in the proposal are therefore already specific to the management of USPs. This has been clarified in the text throughout the proposal.</p> <p>Small grants will be devolved to local government and locally registered CSOs that will support communities. It also aims to allow for coalitions (consortium) between CSO and local government (page 27).</p> <p><b>CR2:</b> Please clarify if local organization are pre-identified and/or at what stage they will be identified. Further clarify the selection criteria for local government, NGOs or CSOs.</p> <p>Response: There is no pre-identification of applications for the call for proposals, it is an open call. However, there are eligibility criteria set out in the call for proposals, e.g., in this case it will be clear the window is only open to local organizations. This has been added to the text on page 27.</p> <p>In addition, as set out on page 34, there are criteria for EDA AF Project recipients as part of the FONERWA fund management</p>
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		<p>cycle, to ensure the necessary eligibility and fiduciary competence for handling USPs. These are</p> <ul style="list-style-type: none"> <li>• Must be a Rwandan locally registered CSOs or local government district with proven relevant implementation experience over the last 2 to 5 years</li> <li>• Must be a legal entity and have the capacity to receive, and manage project funds</li> <li>• Must have a good track record of good governance, able to deliver grant commitments and with sound financial management.</li> </ul> <p>There is also a pre-award check that is carried out. The details are presented in Table 5 (page 36). This includes checks to see if organisations have the necessary fiduciary and due diligence in place and includes:</p> <ul style="list-style-type: none"> <li>• Management competencies</li> <li>• Financial capacities and competencies</li> <li>• Accounting systems</li> <li>• Property Control Systems</li> <li>• Procurement System</li> <li>• Personnel and Travel Policies</li> </ul> <p><b>CR3:</b> 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>Response: There are eligibility criteria which are not restrictions as such but ensure that for this EDA call, the project will focus on building national competence for local finance and not international NGOs, unless they have local registered offices. This list of criteria is shown above in response to question CR2. Without a detailed due diligence analysis of each of the named organizations in CR3, we cannot say whether each individual</p>
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	<p>organization meets these eligible criteria or not and thus whether they would be restricted from applying. However, the criteria will be clearly advertised, and it will be up to individual organizations to assess whether they meet the eligibility criteria before applying to the call for proposals.</p> <p>This includes the criteria and checks set out in the response to CR4 and the pre-award checks in Table 5 of proposal (page 36).</p> <p>The EDA grant will have a country-wide scope. Grant support is expected to be delivered by the FONERWA team through the Technical Facility.</p> <p><b>CR4:</b> Please provide details on the technical facility – where will it be set up, who is part of the facility and its exact role.</p> <p>Response: Apologies, our text was confusing. The technical facility is the Fund Management Team. The activities will be delivered by the Fund Management team, from the team shown in the detailed organizational structure in Figure 16. We have amended the text to make this clear (page 30 and page 40).</p> <p>The target recipients of the EDA grants will be NGOs / CSOs and local government (district and local government) across the country, who will in turn target rural communities and ecosystems.</p> <p><b>CR5:</b> The proposal needs to clarify through the selection criteria of the recipient NGOs and CSOs also how it will avoid maladaptation – clarifying how the project will monitor the implementation of activities by NGOs/CSO, anticorruption measures, transparency and equitable distribution of benefits.</p> <p>Response: The selection criteria for projects from organization is specified in Figure 11 (page 16) and Figure 13 (page 28) and</p>
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		<p>set out in detail on pages 32 – 37 (section titled <i>The FONERWA application and review process</i>).</p> <p>The compliance with the adaptation requirement and the four thematic areas will be a condition of funding. This will be clearly stated in the CFPs and will be a condition for eligibility (this is included in existing text, see Step 1, page 33).</p> <p>There are many types of maladaptation. We highlight that the application focus seeks to address some of the typical forms of maladaptation through the preconditions for funding and the application fund requirements, see Step 4 of the FONERWA application process (p 32 – 37) and also the PPD and PD templates in the Appendix. As examples, the PD requires analysis of value for money, which explicitly addresses economic maladaptation. It also requires analysis of viability, including a check for sustainability of benefits.</p> <p>Specifically, in terms of anticorruption measures, transparency and equitable distribution of benefits. Project applications (PPDs) have to conform with existing legislation and anti-corruption provisions. This is condition of the application form (See Appendix PD form) and is checked as part of the application process. The text sets this out on page 18. These align to the laws on anti-corruption in Rwanda, which are now added to the appendix and include:</p> <ul style="list-style-type: none"> <li>• Organic Law N° 12/2013/OL of 12/09/2013 on State finances and property and related regulations (1° comprehensiveness; 2° transparency; 3° accountability; 4° uniformity; 5° consolidation; 6° gender balance in public State finance management);</li> <li>• Law N° 54/2018 Of 13/08/2018 on Fighting against Corruption;</li> </ul>
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	<p><b>CR6:</b> Please clarify in detail the selection criteria for local NGO/ CSO projects, paying special attention to how sustainability of sub projects will be ensured by these organizations.</p> <p>Response: The selection criteria for projects is specified in Figure 11 (page 16) and Figure 13 (page 28) and set out in detail on pages 32 – 37 (<i>The FONERWA application and review process</i>). There are specific eligibility criteria for the call – to ensure alignment with the EDA AF focus, as well as eligibility criteria for organizations (see response to CR3).</p> <p>As part of this application form, which is a key assessment criteria for project evaluation and funding, applicants have to complete and are assessed on specific questions on sustainability to ensure benefits are delivered after the project.</p> <p>This is shown in the PD Form, page 126, where projects have to specify how will the benefits of the project be sustained after FONERWA funding comes to an end?</p> <p>They also have to explain (page 112) how the learning from their project will be disseminated and shared during (and at the end) of the project, and whom this information will target (e.g., Project stakeholders and others outside the project).</p> <p>The response to these questions used to agree sustainability aspects with applications. These sustainability actions are then monitored and tracked over time by FONERWA to ensure they are delivered.</p> <p>These points have been clarified in the sustainability of the outcomes (section J) of the proposal.</p> <p><b>CR7:</b> Please clarify the scale up plan for subprojects. Please describe if there is a process in place to assess the feasibility of</p>
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	<p>scaling up successful and impactful projects. In this respect the proposal needs to describe how it will assess impact.</p> <p>Response: There is an existing component (1.3) on Sharing project results and lessons learned. This includes a process to assess the success (and failures) for the EDA and use these to provide a set of material to enable scaling up.</p> <p>However, we agree that more is needed here. The learning exercise (1.3) will be orientated to provide guidance to allow further scale-up of local EDA programming, and to provide peer to peer learning, i.e., from local organizations that have benefited from the programme, and to transfer this to other potential local organisations. To enable this, activities will be undertaken to encourage this transfer of knowledge from lessons learned and guidance for applicants. There will also be an investment plan produced to scale-up the EDA programming modality in Rwanda, and this ensure the sustainability of the initiative. We have added text and activities to ensure this (page 32)</p> <p><b>CR8:</b> While the proposal has described in detail, the grant management mechanism, the proposal should describe the adaptation and resilience outcomes that are expected from the pool of EDA grants.</p> <p>Response: We have included quantitative outcomes and an analysis of beneficiaries for each of the four sub-project areas. This is included in the results framework (Table 10).</p> <p>In addition to these sub-project outcomes, which are related to component 3, there will be additional adaptation and resilience outcomes from component 1 (Awareness raising, capacity building and proposal development support) and the support provided to organisations as part of the project management cycle in component 2 (2. Review of Sub-National Adaptation</p>
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		<p>Proposals). These will build and strengthen the institutional capacity of CSOs/local government districts' permanent staff. This will align to the AF output indicators 2.2 of Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance. We have highlighted this in the section on outputs (section E) and include a reference to this output in the results framework (Table 10).</p> <p><b>CAR1:</b> Under each component, please consistently clarify and number project outputs and associated activities. This should also ensure consistency with the Components and Financing table, detailed budget and results framework.</p> <p>Response: We have reviewed and updated to ensure number outputs are aligned for components, financing table and results framework as requested.</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>Not cleared.</b></p> <p>Environmental, Social and Economic benefits from the project are provided in general terms based on the anticipated sectors and interventions that the project will target. Direct beneficiary data (disaggregated by gender and youth) is not provided.</p> <p><b>CR9:</b> Please include an estimate of expected beneficiaries based on the sub-project areas that will be the focus of the EDA call (as per Figure 12).</p> <p>Response: We have added expected beneficiaries for each sub-project area. These are included in the results framework Table 10 on page 90.</p> <p><b>CR10:</b> Given that the exact number of beneficiaries is unavailable considering the scope of the project, please describe the how it will ensure equitable distribution of benefits</p>

	<p>at the subgrantee level (e.g., quotas for women/ youth participation, monitoring inclusion etc).</p> <p>A gender assessment is included in Annex 5. However, the Gender Action Plan is not included. For example, while the table in Annex 5 includes “gender positive” elements as well as includes details of how “the project aims to address or empower women”, the GAP is not adequately mainstreamed in the project outcomes or in the description of social benefits. Further Gender specific targets should be incorporated in the project’s results framework.</p> <p>Response: The consideration of gender and youth is a condition of the application process (see forms Page 111 and 112).</p> <p>Applications have to specifically address the following points, and are evaluated on this (see appendix 1)</p> <ul style="list-style-type: none"> <li>• How does the project address cross-cutting issues such as gender and youth?</li> <li>• How will the project interventions benefit and empower women and youth (and households in vulnerable situations) and lead to their social, economic and political / leadership empowerment? What will be the positive impact on those groups?</li> <li>• What is the scope for income generation from the project, and who would participate and benefit from that? How will women and youth and/ or the poor benefit from IGA?</li> <li>• How will you involve the beneficiaries and other stakeholders, including equal participation of women and youth, in monitoring and evaluation?</li> </ul> <p>The last question also starts the process of monitoring and evaluating gender and youth.</p>
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		<p>The agreed indicators for gender and youth are then included as part of the project indicators, and are monitored and evaluated as part of the project M&amp;E process.</p> <p>These clarifications have been added to the proposal.</p> <p>Further Gender specific targets should be incorporated in the project's results framework.</p> <p>Response: We have included gender specific targets for each subcomponent as beneficiaries in the results framework Table 10, page 90.</p> <p><b>CAR2:</b> Please revised the gender action plan by making a clear linkage with project components, outputs and activities. Further please integrate gender specific targets in the results framework.</p> <p>Response: The gender action plan has been revised, and now includes a linkage to components, outputs and activities (in the Appendix see pages 135 onwards), including the results framework. We have included gender specific targets for each subcomponent as beneficiaries in the results framework Table 10, page 90.</p> <p>There is also now specific concrete activities in the table and gender plan that set out how the project will address gender gaps and barriers.</p> <p>There are new gender experts that are being appointed to the Fund, including an international embedded gender expert, and a national counterpart. This will provide greater gender oversight and will also deliver the gender monitoring and outcomes.</p>
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	5. Is the project / programme cost effective?	<p><b>Cleared.</b></p> <p>The proposal includes a description of alternative options to the proposed measures, that includes comparison to other possible interventions/ funding modalities that could have taken place to help adapt and build resilience of the target beneficiaries and provide quantitative estimates where feasible and useful. The project will build on the existing FONERWA funding model in the country.</p>
	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>Cleared.</b></p> <p>The proposal 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. Rwanda's NAPA, Green Growth and Climate Resilient Strategy (GGCRS) in 2011 and various agriculture, land use, water, and forestry national policies.</p>
	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><b>Cleared.</b></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. However, the proposal needs to mention the use of USPs explicitly and consistently.</p> <p><b>Response:</b> See response to CR1. USPs are now explicitly mentioned throughout the proposal.</p>
	8. Is there duplication of project / programme with other funding sources?	<p><b>Not cleared.</b></p> <p>Non duplication is included in general terms on page 58 and 59.</p> <p><b>CR11:</b> Please clarify non-duplication and synergies with the GCF and IUCN project "Transforming Eastern Province through adaptation" (TREPA), GCF Strengthening Climate Resilience of</p>

		<p>Rural Communities in Northern Rwanda (FP073), GEF small grants and USAID projects in Rwanda,</p> <p>Response: Section F has been revised, detailing each of these projects, and setting out why there is no duplication with the AF EDA. The key difference is all of these are large government or INGO projects and they do not involve an EDA modality. The primary difference is therefore their programming approach. However, there could be synergies in terms of information generated. These have been included in a Table in the report.</p> <p><b>CR12:</b> Please clarify complementarities and synergies with on-going projects and learning from the SIDA and KfW projects.</p> <p>Response: There is learning from the KfW and SIDA projects, but there is also now some additional capitalization from KfW (approved after AF proposal was submitted). This is highly synergistic. This will cover many of the recurring costs associated with FONERWA, including base staff costs, reducing the management fee very significantly for the EDA as compared to most demand led challenge funds.</p> <p>This KfW funding will also provide benefits through a long-term technical assistance support programme to FONERWA, which will provide additional international expertise and capacity building, especially on fiduciary support, management, and safeguards. This will significantly improve the capacity and compliance of this proposal to policies.</p> <p><b>CAR3:</b> Please list all relevant projects and include 2 columns detailing their duration, implementation status, non-duplication and complementary.</p> <p>Response: A table has been included.</p>
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	<p>9. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?</p>	<p><b>Not cleared.</b></p> <p>The project aims to 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.</p> <p><b>CR13:</b> Please describe the KM strategy and it is recommended to embed the KM strategy in the Component section with clear outputs. Please include relevant targets in the results framework.</p> <p><b>Response:</b> A description of the KM strategy for the EDA process itself is now added in Section G, and we have included the KM in component 1.3 description. We have also included a knowledge management output in the results framework (Table 10).</p>
	<p>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?</p>	<p><b>Cleared.</b></p> <p>A consultative process was undertaken in June 2022 - the stakeholder report is included in Annex 6. This meeting identified the proposed sub-project areas (from the adaptation priorities in the NDC) to focus on: sustainable land use management practices for erosion control, sustainable agriculture activities, water conservation practices, wetlands restoration, water storage and efficient water use and small-scale irrigation. It also included discussion and proposals on to include gender and inclusion in the proposal process and the projects. There is already grievance mechanism in place in the FONERWA grant management cycle and this will be strengthened for the EDA grant (page 62).</p>

	11. Is the requested financing justified on the basis of full cost of adaptation reasoning?	<p><b>Cleared.</b></p> <p>The proposal has clarified that FONERWA does not require co-financing, although it is possible for applications to identify relevant in-kind contributions. For this EDA call for proposals, co-financing will not be a conditional requirement for approval (page 63).</p>
	12. Is the project / program aligned with AF's results framework?	<p><b>Cleared.</b></p> <p>The proposal is aligned with outcomes 2,3,4,5,6 and 8.</p>
	13. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p><b>Not cleared.</b></p> <p>Whilst specific adaptation benefits from USPs cannot be identified at this point, the section describes how built capacity will remain beyond the project lifespan.</p> <p>While each individual USP will be required to assess its own sustainability before approval by FONERWA, the sustainability criteria should be further explained at the subproject level. See <b>CR6</b> above.</p> <p>The proposal describes environmental, economic, and social sustainability based on achievement of EDA model outcomes.</p> <p><b>CR14:</b> Please clarify financial sustainability of the Facility and at the subgrant level.</p> <p><b>Response:</b> The financial sustainability at the subgrant level is a key assessment criteria for project evaluation and funding, applicants have to complete and are assessed on specific questions on sustainability to ensure benefits are delivered after the project in the PD form. This is shown in the PD Form, page 126, where projects have to specify how will the benefits of the project be sustained after FONERWA funding comes to an end? The response to these questions is used to agree sustainability aspects with applications. These sustainability actions are then monitored and tracked over time by FONERWA to ensure they</p>



		<p>are delivered. These points have been clarified in the sustainability of the outcomes (section J) of the proposal.</p> <p>In terms of the wider financial sustainability of the EDA Modality, the proposal includes an activity to develop an EDA investment plan to investigate resource mobilization to continue the facility.</p>
	<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>	<p><b>Not cleared.</b></p> <p>It is well noted that the project will only approve proposals that are categorized as Category C (low risk, and any with moderate environmental and social adverse impacts will require an EIA, Category B (medium risk).</p> <p><b>CAR4:</b> Please clarify the overall category of the project.</p> <p>Response: The overall Category of the project is now included as Category B (page 46).</p> <p>Some risk findings in Table 6 are not substantiated and evidence based. For example, there are certain inherent risks to equitable participation of vulnerable groups that should be monitored and managed. Therefore, the principle on marginalized and vulnerable groups will be triggered. Similarly given that interventions are focused on sustainable land management measure, the proposal needs to ensure that measures are in place to ensure land and soil conservation.</p> <p><b>CAR5:</b> Please revise the risk findings taking into account the points raised above.</p> <p>Response: We have revised Table 6 to take account of the potential for risks, and the table is now more evidence based and substantiated, recognizing that there may be some risks, but also setting out how FONERWA will minimize these.</p>

Resource Availability	1. Is the requested project / programme funding within the cap of the country?	<p><b>Not cleared.</b></p> <p>The figures are not consistent and do not fully add up. The proposal refers to \$5,000,000 being requested on p.2, while the components table has the total at \$4,998,812. The components themselves do not add up to the amount listed along with the Execution Cost, nor does the Implementing Entity Fee. As a result, it is not possible to make a determination on the availability of the funding.</p> <p><b>CAR6:</b> Please ensure consistency of the financial amounts throughout the document. The amounts should match to a dollar (no discrepancies can be allowed, and please note that no fractions of dollar should be used, therefore please consider this if rounding figures and ensure that everything adds up throughout.)</p> <p>Response: Apologies, The p2 request had been omitted and is now updated.</p> <p>There was also an error on adding components in Table 11, page 93, this has now been corrected.</p> <p>For the budget Table 12, page 94, we have rounded figures and ensure these now add up.</p> <p>However, beyond these rounding errors, we are not able to see any other issues, and the components themselves add up, as does the execution and implementing costs.</p> <p>To ensure this is transparent, we attach a simple xls to show that rounded dollar calculations now add up. If there are further clarifications on costs we are happy to provide these.</p>
	2. Is the Implementing Entity Management Fee at or below 10 per cent of the total	<p><b>Not cleared.</b></p>

	project/programme budget before the fee?	<p>This cannot be determined prior to the resolution of the <b>CAR6</b> above.</p> <p>See response to CAR6 above.</p>
	3. Are the Project/Programme Execution Costs at or below 12 per cent of the total project/programme budget (including the fee)?	<p><b>Not cleared.</b> This cannot be determined prior to the resolution of the <b>CAR6</b> above.</p> <p>See response to CAR6 above.</p>
Eligibility of IE	1. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	<b>Yes</b> , Ministry of Environment is accredited with the Adaptation Fund.
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	<p><b>Not Cleared.</b></p> <p>The proposal document describes 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 still no clear description of any gender considerations in the implementation arrangements.</p> <p><b>CR15:</b> Please provide a description and incorporate proposed arrangements for gender-responsive elements as appropriate in the implementation arrangements in compliance with the AF Gender Policy. In particular, please specify the gender-related expertise and competencies available within the project implementation team.</p> <p>Please refer to the AF Guidance document on compliance with the Gender Policy <a href="https://www.adaptation-fund.org/wp-content/uploads/2022/08/Doc.AFB38_39_Inf.1_updated-gender-guidance-doc_1.pdf">https://www.adaptation-fund.org/wp-content/uploads/2022/08/Doc.AFB38_39_Inf.1_updated-gender-guidance-doc_1.pdf</a>.</p> <p>Response: The project implementation arrangements include gender considerations. There is a staff member in the</p>

		implementing entity, the MoE, who has expert and responsibility for gender responsibilities. In the project executing entity, FONERWA, there is a national gender expert in the team, but expertise is currently being expanded. There will be a full-time gender expert (international) that will be embedded in the Fund, supported by a technical assistance project, and together with the national gender expert counterpart on gender, these staff will provide gender expertise to the EDA project. This has been added to the gender section for clarification in the proposal (page 51).
	2. Are there measures for financial and project/programme risk management?	<p><b>Yes.</b></p> <p>The proposal provides a details description of the mechanisms that will be used for financial management. It also identifies risk for financial and project management along with appropriate mitigation measures.</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>Yes.</b></p> <p>The project implementation arrangements and the ESMP provided in Annex 3 provide a description of the process that will be applied during project implementation to ensure compliance with the AF's. The proposal also allocates roles and responsibilities for ESMP implementation. The project will build on the FONERWA Grievance mechanism and enhance it following the Fund's ESP/GP requirement. The grievance mechanism is described on pages 62-63 and further details on implementations are provided in the ESMP (Annex3).</p>
	4. Is a budget on the Implementing Entity Management Fee use included?	<p><b>Yes.</b></p> <p>The proposal includes a breakdown of the IE management fee in Table 14.</p> <p>However, please refer to <b>CAR6</b> above.</p>

		<p>Response: The budget has been rounded and revised, see clarification to CAR6 above.</p>
	<p>5. Is an explanation and a breakdown of the execution costs included?</p>	<p><b>Yes.</b></p> <p>The proposal includes the breakdown of the execution costs in Table 13. Please refer to <b>CAR6</b> above.</p> <p>Response: The budget has been rounded and revised, see clarification to CAR6 above.</p>
	<p>6. Is a detailed budget including budget notes included?</p>	<p><b>Not Cleared.</b> A detailed budget is included per activity, however there are no budget notes.</p> <p><b>CR16:</b> Please provide clear budget notes.</p> <p>Response: Budget notes are included after Table 14, covering all aspects, rather than after the budget table 13, so they are just slightly later in the proposal.</p> <p>If there are any additional budget notes or issues that you think we should consider, then we are happy to update further.</p>
	<p>7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&amp;E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?</p>	<p><b>Not Cleared.</b></p> <p>The proposal includes a budgeted M&amp;E plan with indications of how the project will manage the environmental and social risks. However, there are no sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund.</p>

		<p><b>CR17:</b> Please include sex-disaggregated targets and indicators with a description of how sex disaggregated data will be provided.</p> <p>Response: We have included gender specific targets for each subcomponent as beneficiaries in the results framework Table 10, page 90.</p> <p>In terms of M&amp;E and collection of gender specific data, each individual project is required to collect and report on gender specific indicators, and these are checked in the M&amp;E activities. 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&amp;E activities therefore include gender disaggregated data collection, and this is built into the FONERWA M&amp;E framework. (see page 80).</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?	<b>Yes.</b>
	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?	<b>Yes.</b>
	10. Is a disbursement schedule with time-bound milestones included?	<p><b>Not Cleared.</b> Please refer to <b>CAR6</b> above.</p> <p>Response: The disbursement schedule has been updated in line with the budget comments in CAR6.</p>



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 <u>4,998,8125,000,000</u> (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. 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

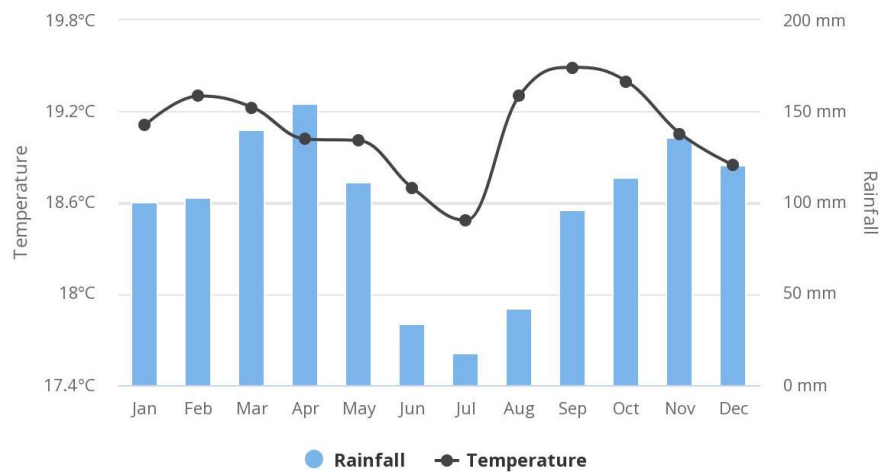


dominates total exports by value. Rwandan agriculture has a high sensitivity to climate change and low adaptive capacity. Much of the population is involved in small-holder or subsistence rain-fed agriculture.

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.

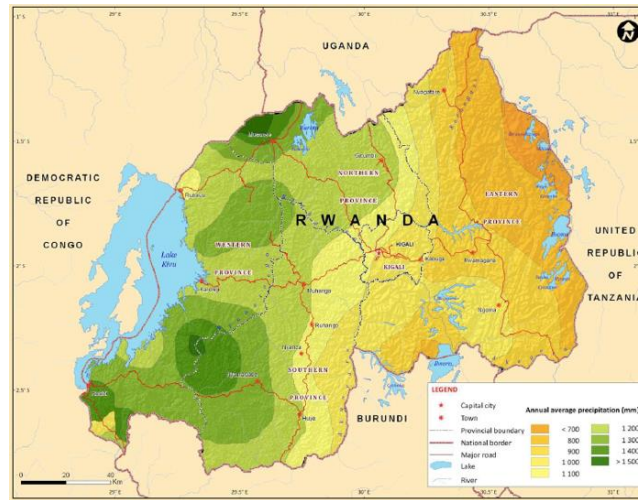
### Climate Context and Problem Definition (Adaptation Challenge to Address)

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. The annual average monthly temperature and rainfall are shown in Figure 1.



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

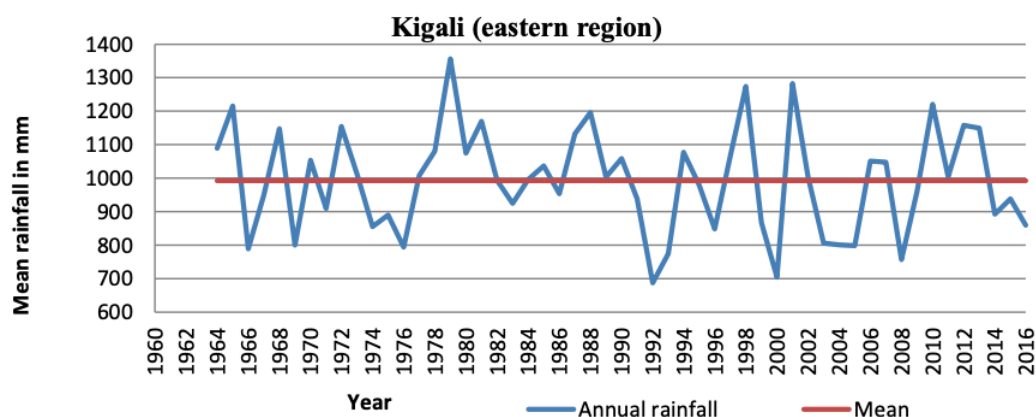
Rwanda has a bimodal pattern of two wet seasons, arising from the Inter-Tropical Convergence Zone (ITCZ) moving northwards and retreating southwards. The first rains are in the period March to May and are followed by a long dry season (June-July-August). The second rains are from September to December and are followed by a short dry season (Mid-December-January-February). (RoR, 2018<sup>iv</sup>). The 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.



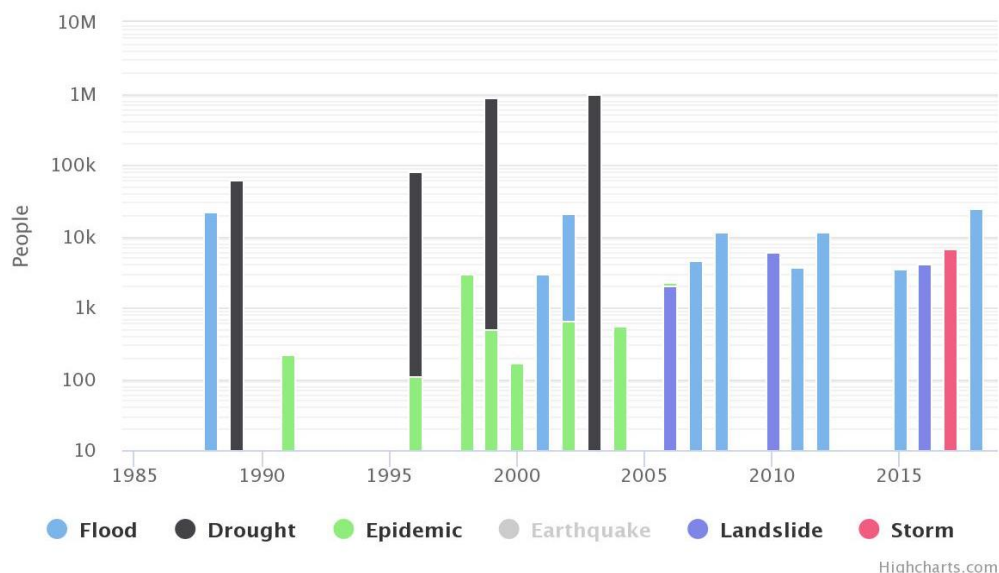
**Figure 2. Annual rainfall distribution map of Rwanda.** Source REMA, 2011.

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>.

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 3. Annual rainfall, Kigali.** Source Rwanda 3rd NC. 2018.

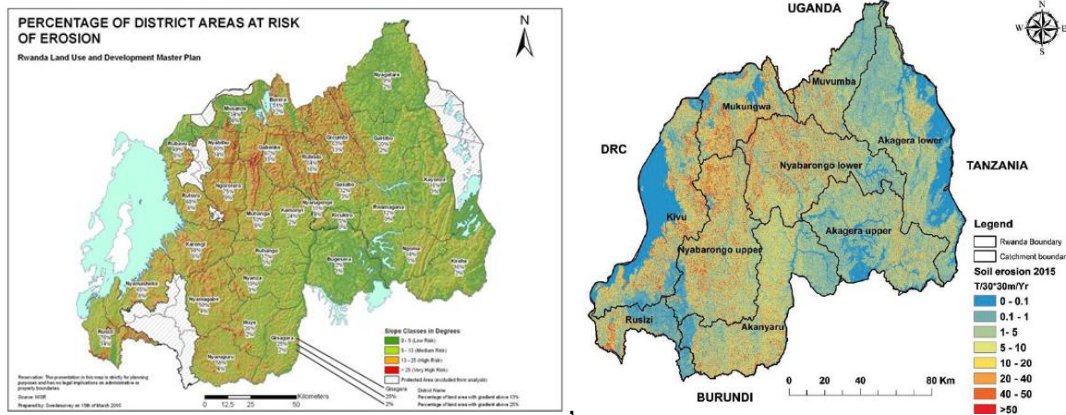


**Figure 4. Number of people affected by climate related extremes, 1985 – 2020.** Source EM-DAT Database.

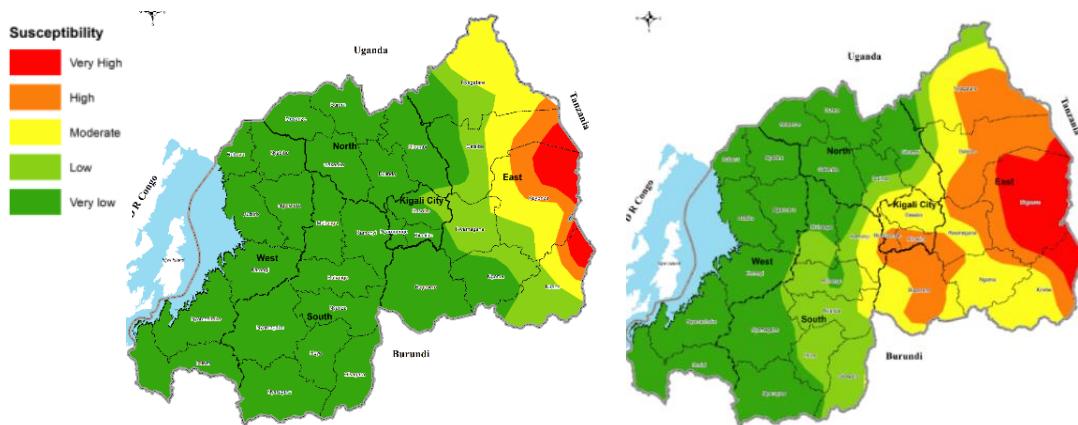
These events affect the livelihoods of rural and urban populations, though there is a different pattern of impacts across the country.

- Heavy rainfall is the predominant climate impact in the north and west of the country (See Figure 5). 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 (See Figure 6). 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.



**Figure 5. Soil erosion risk and intensity (left) and Intensity of Soil Erosion World Bank (Source World Bank 2019).**

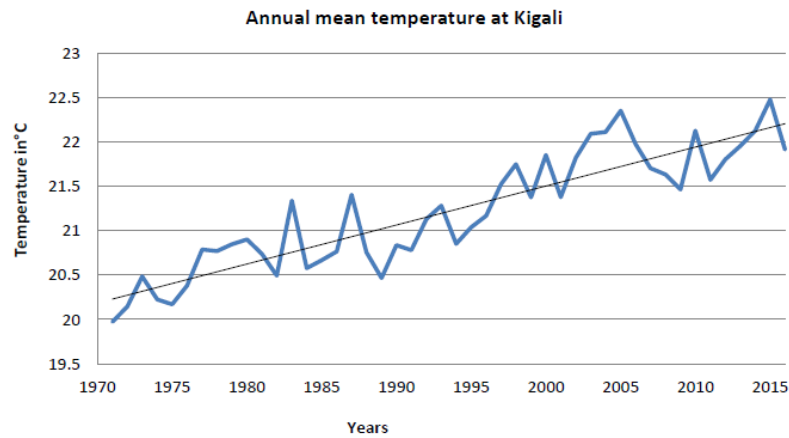


**Figure 6. Drought hazard map for Rwanda for Season A(left) and B (right). Source: MIDIMAR/GFDRR, 2016.**

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.

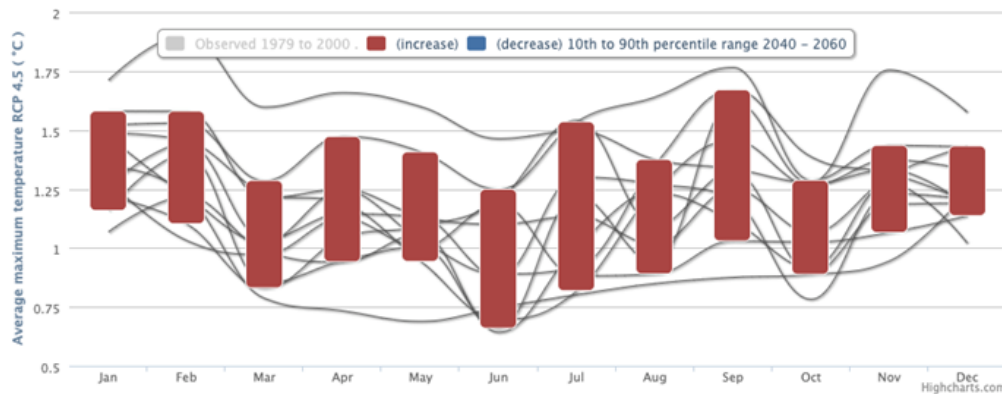
Importantly, recent observations show that the climate of Rwanda is already changing. The average temperature has increased strongly over recent decades, with over 1.4°C of warming over the last few decades, as shown in Figure 7 below. Average rainfall trends are quite difficult to pick out because of 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 7. 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>.

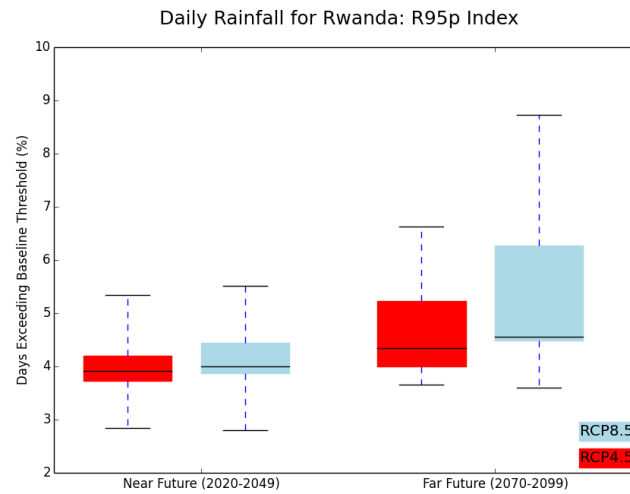


**Figure 8. Temperature Anomaly for Kigali for RCP4.5, 2040 – 2060.** CSAG.

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. The grey lines show the projected change for each model.

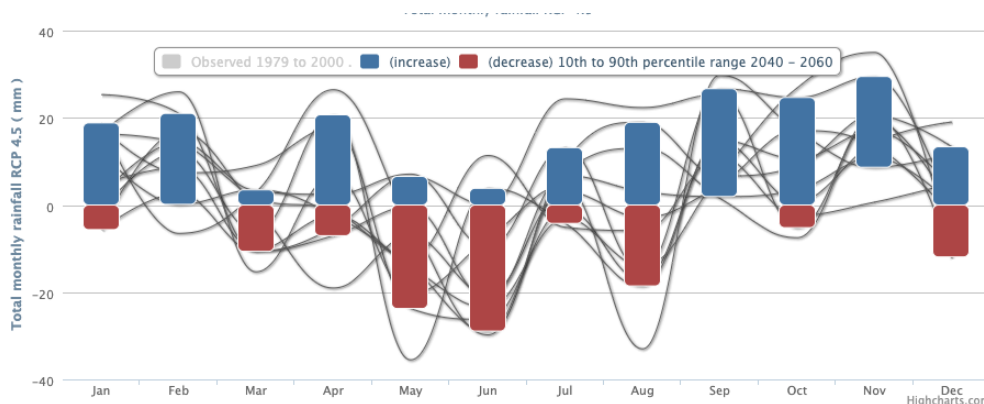
Changes in soil erosion. There is also a robust finding from the models that climate change will increase the intensity, and potentially the frequency, of heavy rainfall events and intense precipitation, and this will increase soil erosions and floods. This finding follows from the underlying science: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

there is therefore high model agreement (FCFA, 2018<sup>xii</sup>). This will increase the current problems, and particularly affects rural communities.



**Figure 9. GCM analysis of extreme precipitation for Rwanda, using 18 GCMs.** The metric used is the 95percentile. Source UK Met Office (FCFA 2017).

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, xiv</sup>. 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.



**Figure 10. Rainfall Anomaly for Kigali for RCP4.5, 2040 – 2060.** Source CSAG. See Figure 9 for Key for figure.

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 subsistence 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.

### ***Climate Context and Problem Definition for EDA focus areas***

As this is an Enhanced Direct Access (EDA) proposal, the specific project interventions and locations are not yet identified. However, the project is focusing down on a key theme and target adaptation challenge. The 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.**

As highlighted above (vulnerability section), it is these rural subsistence farmers, which rely on rain-fed agriculture, that are most vulnerable to climate change risks, as identified in the national vulnerability assessment. The subsequent solutions have focused on addressing these risks to rural communities associated with extreme events and slow onset change in agriculture and livelihoods, through a direct programming modality that seeks to use the EDA to provide adaptation finance to local organisations. The **cascade of finance down to the local level will increase resilience and reduce vulnerability of the target groups**, much more so than from national action, because it will empower them to take direct action, taking advantage of their local knowledge, and it will allow them to develop the capacity for local solutions, by training them in aspects from project conceptualisation through to delivery. The proposal, therefore, has training aspects to improve local organisation capacity as well as direct grant finance.

The focus area for the proposal has been chosen based on three steps and associated criteria.

- First, the adaptation challenge and adaptation activities were focused on the priority adaptation interventions set out in the updated Rwanda Nationally Determined Contribution (NDC). This identified 24 priorities.
- Second, the adaptation activities should be focused on actions that target the key risks identified above (for rural households) and that can be delivered by local organisations, in line with the priority of the EDA to deliver dedicated climate funds to support local climate action. This narrowed down the 24 adaptation priorities in the NDC to four concrete focus areas.
- Third, the choice and focus on local programming and the four areas, were discussed at the stakeholder consultation workshop organised as part of the proposal preparations. While the consultation agreed to the focus areas, it did provide additional recommendations on programme size to enable greater access for local organisations that have been included in this proposal.

A summary of the climate context and problem definition for each of the focus areas is presented below, along with the relevant activity areas and how they are suited to addressing the climate impacts identified (see also Table 2 and 3).

**Table 1. Climate context for the key focus areas of the EDA.**

<b>Climate context</b>	<b>Problem definition (impacts)</b>	<b>Activity area and how addresses impacts</b>
Heavy precipitation and extreme rainfall, increasing under climate change (figure 7)	Soil erosion (see Figure 5) reducing agriculture yield and income, and leads to downstream siltation.	Sustainable land use management practices for erosion control to reduce soil erosion levels.
Higher temperature and greater rainfall variability (Figure 3) including droughts (Figure 6) increasing under climate change (Figure 10).	Reduction in yield / income for rainfed agricultural households. Security of water supply for households. Reduction in ecosystem services.	Sustainable agriculture activities including agroforestry to address increasing climate variability and help manage water and soils, and enhance resilience and yields Water conservation and efficiency to provide greater security of supply and enhance ecosystem resilience.

### **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 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. As highlighted above, the 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 updated 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 updated 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. In total, the updated 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 2.

These are 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 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 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 2 below and described in more detail in Table 3.

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. The national strategy for transformation also includes these priorities.

As this is an Enhanced Direct Access (EDA) proposal, the exact project interventions and areas have not been defined and will emerge through the nationally owned process. However, the proposal identified concrete activities that could be funded through the EDA mechanism, as shown in Table 3.

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

**Table 3. Indicative projects that will be supported through the EDA**

Activity area	Types of projects that could be supported
Sustainable land use management practices for erosion control	Radical (bench) terracing and progressive terracing, or other soil management practices (e.g., vegetative barriers such as, grass strips or tree belts, gully management) to stabilise soils and reduce soil erosion and runoff in response to increases in the intensity of heavy rainfall events.
Sustainable agriculture activities	Agroforestry and other sustainable agriculture activities (e.g. intercropping, mulching, conservation agriculture) to improve soil moisture control to improve resilience to increasing rainfall variation, and reduce run-off from increasing heavy precipitation.
Water conservation practices, wetlands restoration, water storage and efficient water use	Rainwater harvesting (household and community level, small-scale agriculture) to improve resilience to increasing rainfall variability including droughts. Wetland restoration to improve water management and provide improved regulation of flows under a changing climate.
Small-scale irrigation	Small scale irrigation projects, including solar irrigation to improve resilience to increasing rainfall variation and droughts.

**The EDA proposes a direct funding modality to provide adaptation finance to local organisations.** The cascade of finance down to local level will increase resilience and reduce vulnerability of the target groups, much more so than from national action. 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 EDA projects.

**As the exact location of target interventions is unknown, the project will involve Unidentified Sub-Projects (USP).**

### **Enhanced Direct Access**

Rwanda has implemented a number of adaptation projects, including with funding from the Adaptation Fund (xxv). 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 three 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.
- Third, given Rwanda's advanced climate landscape, there is more demand and interest in devolved national decision making, such as offered by the EDA.

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 for USPs.** It proposes to use the existing Rwanda climate fund, FONERWA, as a grant manager, using a new dedicated call for proposals under the existing fund 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 devolved decision making, and 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 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.

### **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 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.

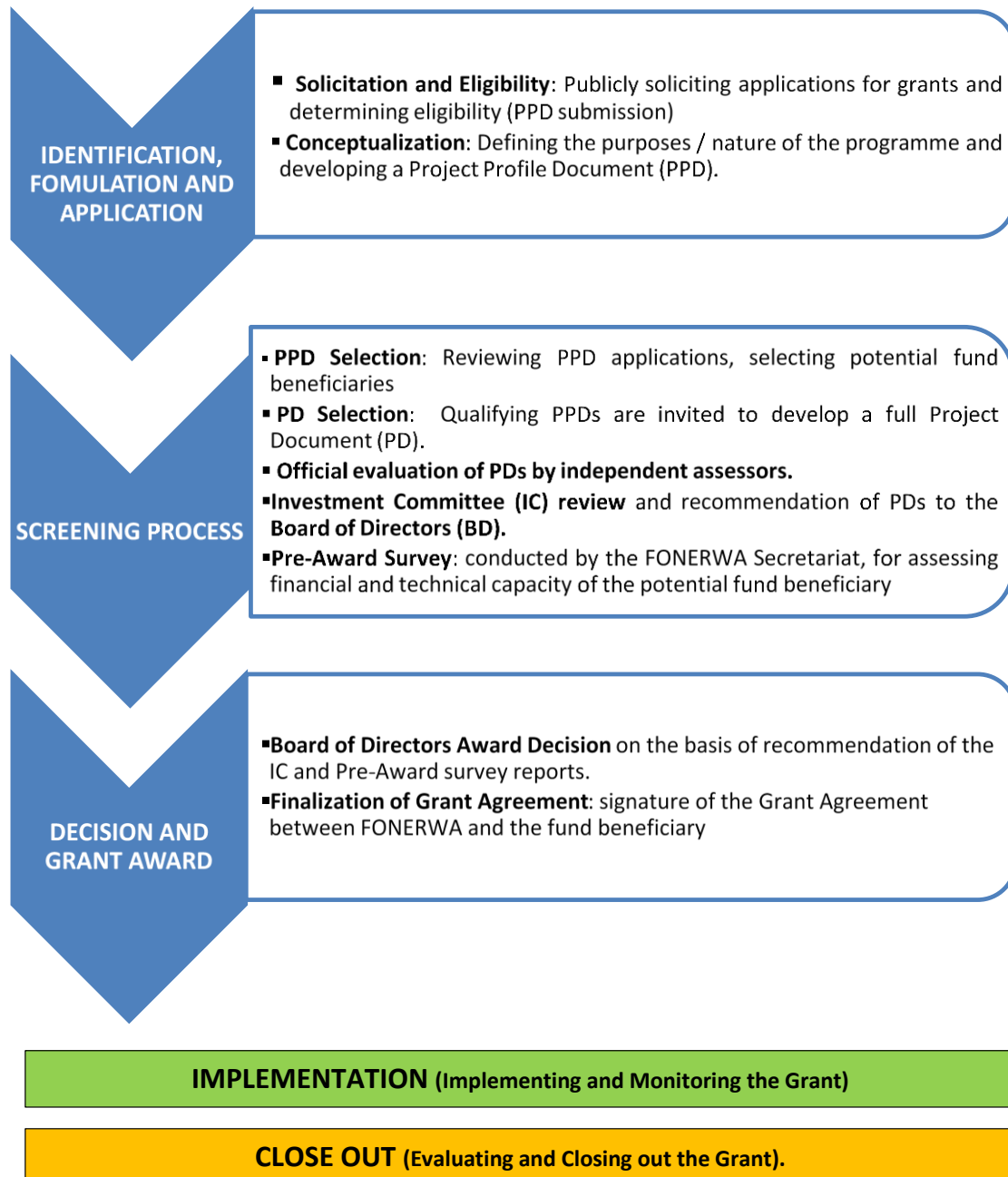


Figure 11. The FONERWA grant management cycle.

This grant management cycle provides an existing established and operating route for the Adaptation Fund Enhanced Direct Access modality and for USPs. 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 (USPs) and sub-national organisations for delivery, and then undertaking the grant management to ensure successful implementation, including financial management and safeguards.**

The **EDA 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. Given the requirements of the AF, and the safeguards required, it is not feasible to provide grant finance directly to rural households. Therefore, the project will finance organizations that support local households that also have the necessary capacity, fiduciary competence and safeguards to meet AF requirements (though there is training to allow organisations to develop this competence). This will include organizations that have vulnerable farmers as members (such as co-operatives) as well as those that provide direct support to these groups (such as civil society organizations and local government). The grants will finance activities that will be executed by these local organisations, but they will involve direct support to vulnerable households. As an example, a CSO may support local farmers with agroforestry, by providing training and seedlings. Therefore the end beneficiaries will be the vulnerable households and communities.

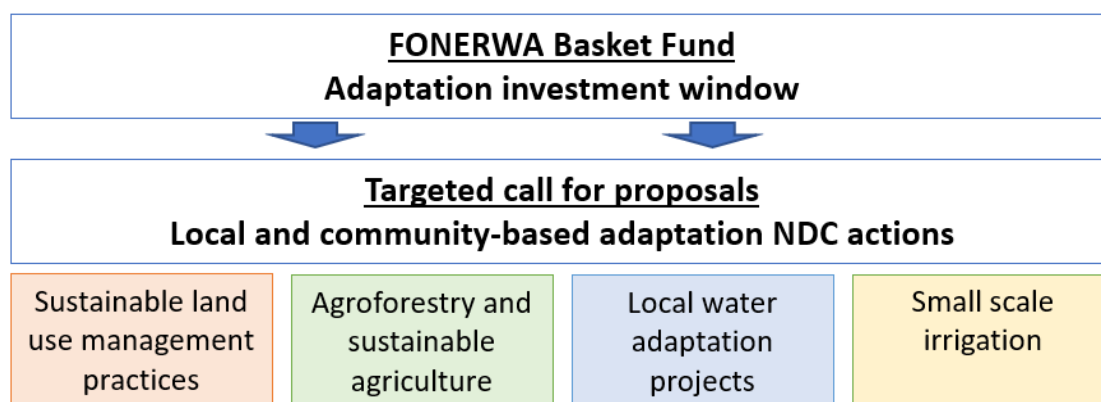
As well as restricting the eligibility of the EDA to local civil society and government, the Call for Proposals will also focus on particular adaptation options to address rural climate risks, focusing on a sub-set of intervention areas in the Rwanda NDC (and the adaptation priorities) (see Table 2 and 3). **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.

**Figure 12. Targeted call for local adaptation in the EDA for USPs.**



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 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 of 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.

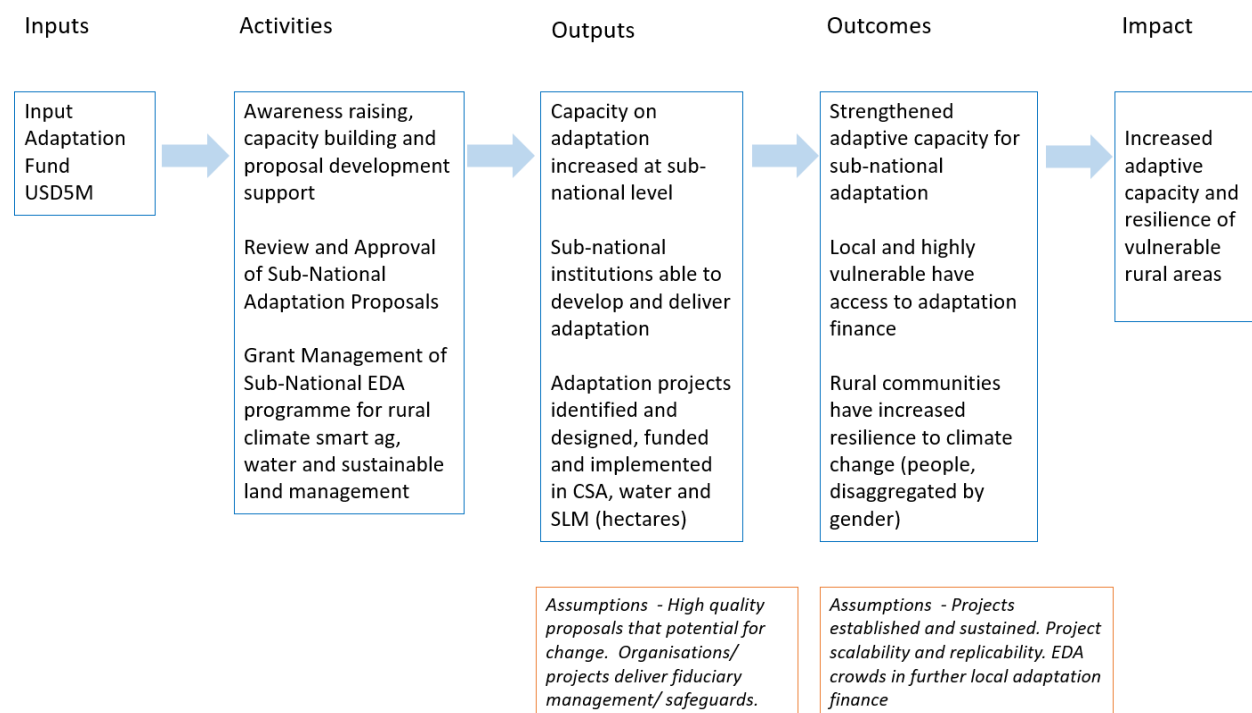
FONERWA has been regularly reviewed and audited, publishing annual financial accounts. The fund has undergone an independent annual review each year by the UK Department for International Development, as part of an external review process, and these reviews are publicly available<sup>xxvi</sup>. It has 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, 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 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 theory of change for the project is shown below.



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, 2 and 3). This therefore involves Unidentified Sub-Projects. This will involve a specific thematic window call for proposals in these areas (See Figure 12).

The programme duration will be 4 years and FONERWA plans to conduct one call for proposal, seeking applications from local or district government as well as CSOs, including local consortia bids (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.

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.
- 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.

**Table 4. 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	
<b>Output 4:</b> Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	
<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	Very High. The development and application of the EDA modality is likely to deliver this outcome, as it is focused on sub-national flows of finance.
<b>Output 6:</b> Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	<i>Very High</i>
<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	Very High. Depending on the proposals received some will roll out innovative technique e.g., small scale irrigation, and agroforestry and sustainable agriculture
<b>Output 8:</b> Viable innovations are rolled out, scaled up, encouraged and/or accelerated.	<i>Very 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) for USPs 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 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, 2 and 3, which are relevant for local implementation.

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. The call for proposals will be limited to local government and locally registered CSOs. It will also allow for coalitions (consortium) between CSO and local government. The funds will be disbursed over a three-year period with funds allocated to both demand-led, innovative and impactful projects. 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. 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 (for USPs). 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, in the focus area (see table 3) (e.g., for sustainable land use management practices,

agroforestry and sustainable agriculture, local water projects on conservation, efficiency, ecosystem-related and small-scale irrigation) 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.** 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.<u>12</u>. Number of local organizations / people receiving training and assistance for proposals</p> <p>Output 1.<u>23</u>. Number of local organizations / people receiving training for project delivery</p> <p>Output 1.<u>34</u>. <u>Knowledge management</u>, Lessons and <u>Investment Plan</u> 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\$ 104,130
2. <u>Review and Approval of Sub-National Adaptation Proposals (USPs) under the CFP</u>	<p>Milestone 2. FMC meeting held to approve proposals</p> <p>Output 2.1. Five to twenty Local government and civil society adaptation projects approved.</p>		US\$ 78,48 <u>6</u>
3. Grant management of EDA programme	Milestone 3. Grant agreements signed with sub-national organizations.	No. of people benefitting from the enhanced direct access modality	US\$ 4,014,261



<u>3.1 Grants</u>  <u>3.2 Grant Management</u>	In focus areas of: <ul style="list-style-type: none"> <li>• Sustainable land use management practices.</li> <li>• Agroforestry and sustainable agriculture.</li> <li>• Local water projects.</li> <li>• Small scale irrigation projects.</li> </ul> Depending on project proposals received, outputs for: <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 agroforestry;</li> <li>• Area in hectares (ha) of land under smart irrigation systems;</li> <li>• Area (ha) of watersheds and water bodies protected or restored;</li> <li>• Number of rain water harvesting tanks installed;</li> <li>• </li> <li>• Number of people trained;</li> </ul>	Depending on project proposals received: <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> </ul>	Of which  <u>Grants</u> <u>\$4,004,854</u>  <u>Grant management</u> <u>\$9,407</u>
4. Programme Execution cost			US\$ 402,93 <u>5</u>
5. Total Programme Cost			US\$ 4,599,81 <u>2</u>
6. Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			US\$ 399,000
<b>Amount of Financing Requested</b>			US\$ 4,998,812

## Projected Calendar:

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

Milestones	Expected Dates
Start of Programme Implementation	1/3/2023
Mid-term Review (if planned)	31/6/2025
Programme Closing	31/9/2027
Terminal Evaluation	31/12/2027

## 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 for Unidentified Sub-Projects. 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 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. However, the EDA has a focus on a specific sub-set of projects (see Table 2 and 3) that align to local programming priorities from the NDC, through a specific call for proposal (see figure 12). These actions are described in Box 1. These areas are focused on local-level climate change impacts that affect rural communities and the actions below are chosen as they will deliver concrete tangible benefits to local communities in one or more of the investment windows.

### Box 1. The EDA call for proposals for local NDC projects (USPs).

**Sustainable land use management practices.** Rwanda has very high soil erosion rates due to the hilly terrain and intense precipitation, increasing with climate change. This option focuses on reducing soil erosion from intense precipitation using sustainable land conservation and protection measures, particularly with radical (bench) and progressive terraces. These reduce soil erosion rates, and run-off, increasing yields and also maintain soil carbon and reducing GHG emissions. Terracing and other soil management practices are an adaptation priority in the updated Rwanda NDC. The projects in this area will focus on ensuring tangible benefits for the most vulnerable rural communities.

**Agroforestry and sustainable agriculture.** Agroforestry and other sustainable agriculture techniques are a priority action for Rwanda, including in the national development plan, and they are a priority adaptation action in the NDC. This option includes a variety of agroforestry



management approaches, including the interface and interaction between agriculture and forestry, on-farm and at community level. It also includes other sustainable agriculture methods, including inter-cropping, cover crops, mulching, conservation agriculture. These options improve soil moisture retention and reduce run-off, build resilience to climate variability and future climate risks, and also increase productivity, and reduce greenhouse gas emissions, as part of the triple wins of climate smart agriculture. The projects in this area will focus on ensuring tangible benefits for the most vulnerable communities.

**Local water projects.** An adaptation priority in Rwanda's updated NDC is to improve water security, through a series of interventions that include water conservation practices, wetlands restoration, water storage and efficient water use. These actions help address increasing rainfall variability and increasing drought risks. The call for proposals will focus on small-scale projects that ensure tangible benefits for vulnerable communities. It includes rain-water harvesting (individual households and small-scale community systems) that provide water security during periods of rainfall variability, and small-scale rain-water harvesting for agriculture. It will also include wetland restoration to improve water management and provide improved regulation of flows under a changing climate.

**Small-scale irrigation.** Irrigation is a major adaptation priority in the updated Rwanda NDC, to tackle increasing rainfall variability, dry spells and droughts. This option is focused on small scale irrigation projects, including solar irrigation to improve resilience to climate risks. This will include small scale solar irrigation, which aligns with a mitigation priority in the NDC.

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 through USPs. 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). The call for proposals will be limited to local government and locally registered CSOs. It will also allow for coalitions (consortium) between CSO and local government. 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.

There is no pre-identification of applications for the call for proposals, it is an open call. However, there are eligibility criteria set out in the call for proposals, e.g., in this case it will be clear the window is only open to local organizations (see also criteria in the fund management cycle in next section).

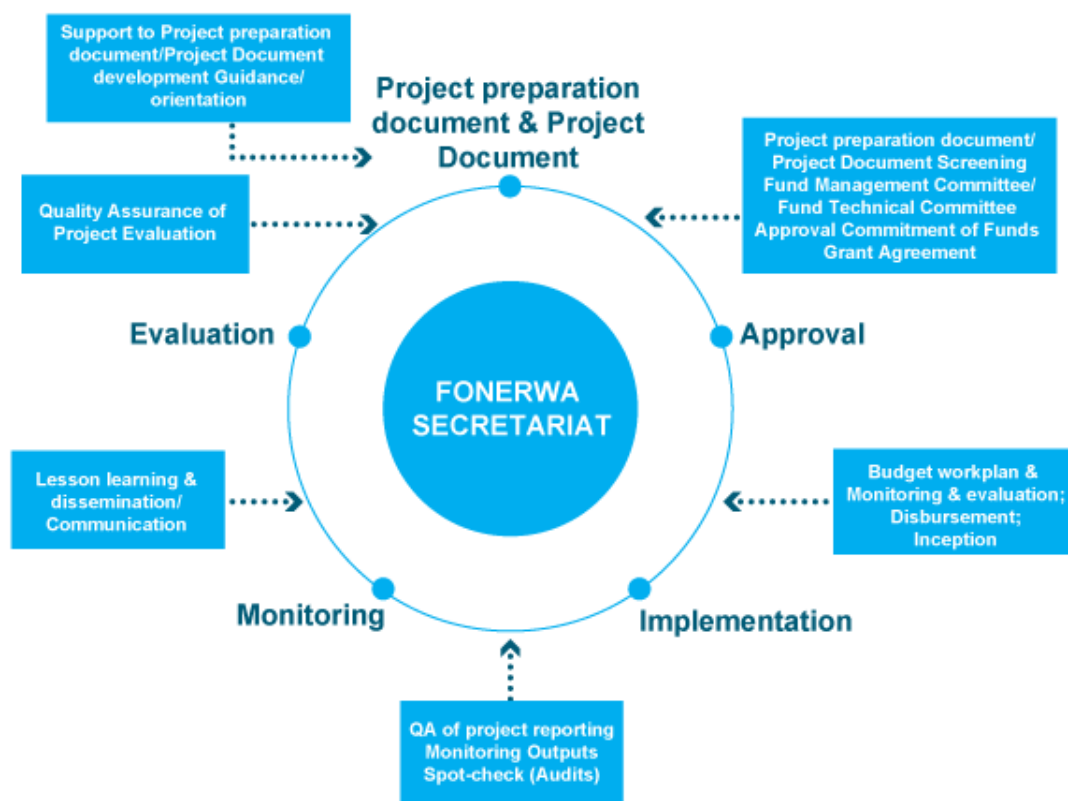
The advantage of this approach is that FONERWA has existing experience of an Enhanced Direct Access modality, providing climate finance for adaptation projects (USPs) for sub-national organizations, and has existing expertise, staff, operational experiences, processes and safeguards. This makes it an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

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.
- 145,256 green jobs created as a result of the Fund, of which 60% for women.

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



**Figure 13. FONERA Fund management Cycle**

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:

- 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. It is stressed that is a fully open call and there will not be pre-identified potential local government and CSOs grant applicant. FONERWA will pre-publish eligibility criteria for the Call and the initial review will conduct an eligibility review of all concept notes submitted (See last steps). At the time of advertising the Call, FONERWA will ensure that all communication materials underscore the key eligibility criteria to apply for local CSOs and local districts.

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 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 highlight the priority areas with an emphasis on the EDA modality, sub-national adaptation, and will emphasize the importance of compliance with Adaptation Fund policy.

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

- 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 the~~ existing Fund Management Team. 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**

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 (for USPs). 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.

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 (outcomes) 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. Knowledge management, 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 to 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 and recommendations, will be incorporated into project activities and new designs to



improve the performance of the projects, as well as the operational manuals.

It is stressed that for this EDA proposal, the focus is on the flow of local finance and local programming, rather than technical adaptation projects. This is also linked to the knowledge management from the project (see section G later). Therefore, this learning exercise will be orientated to provide guidance to allow further scale-up of local EDA programming, and to provide peer to peer learning, i.e., from local organizations that have benefited from the programme, and to transfer this to other potential local organisations. To enable this, activities will be undertaken to encourage this transfer of knowledge from lessons learned and guidance for applicants. There will also be an investment plan produced to scale-up the EDA programming modality in Rwanda, and this ensure the sustainability of the initiative.

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, to learn the lessons from the EDA, to improve the flow of local adaptation finance. 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:

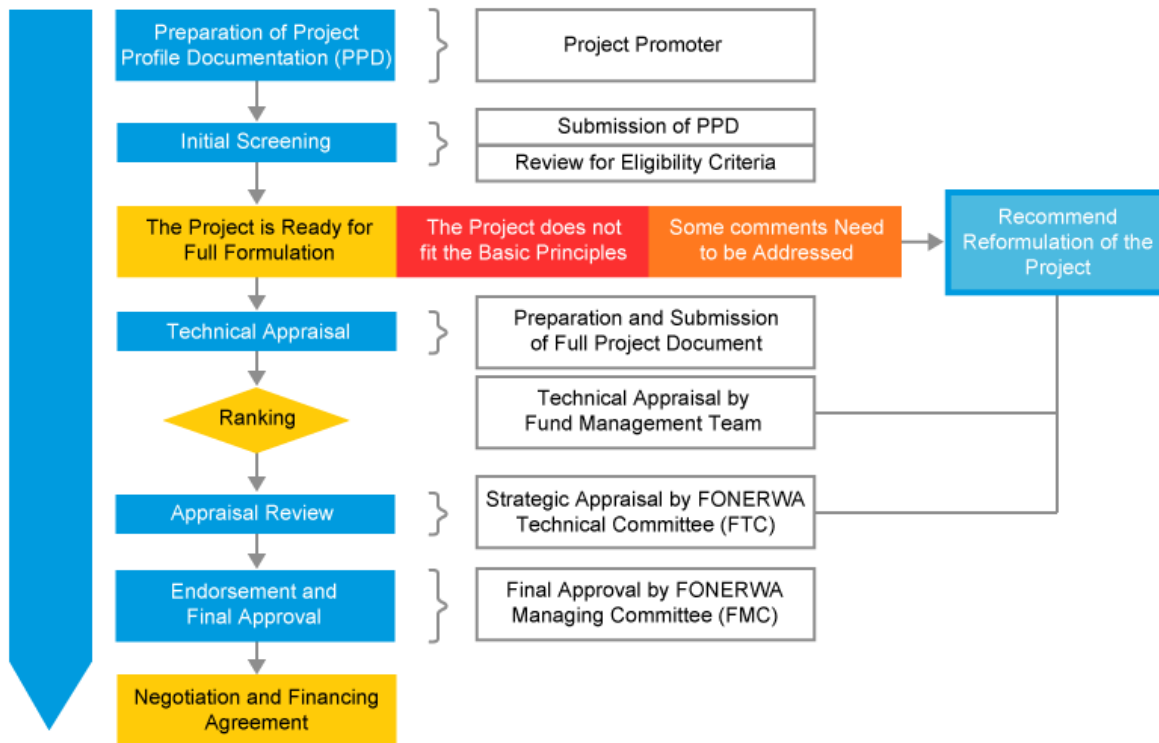
- Knowledge management meetings (knowledge sharing workshops) with sub-national beneficiaries (including peer to peer learning for EDA for local organizations);
- Evidence and lessons learned review;
- Preparation of briefing notes for local and national decision makers
- Briefing notes for local organizations on lessons and guidance on accessing and programming local finance;
- 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 (USPs) 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 14. 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 FONERWA tem. A copy of the PPD template that applicants have to provide is included in Appendix 1. Note that the Call for Proposals will be earmarked and limited to projects that address a clear climate change related current/ future threat and demonstrate a clear link to concrete, assessable (measurable) and visible adaptation benefits for vulnerable communities, in the four project sub-types (see Figure 12) and will be limited to local government and locally registered CSOs.

### ***STEP 2 Review for eligibility criteria (process of reviewing eligibility)***

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; the projects must be able to show no significant risks in terms of the AF ESP, or minor risks that can be mitigated.
- Benefits sustained beyond lifetime of project activities;
- Demonstrates value for money; must show efficient use of resources
- Involves ongoing stakeholder consultation;
- Promotes strategic national/international environment/climate objectives;
- Conforms with existing legislation and anti-corruption provisions (there are several anti-corruption laws, see Appendix).
- Located in and targeting rural areas and benefit rural communities, especially women (and youth)

This will also check eligibility against the call for proposal criteria, and that

applications meet the earmarked conditions, i.e., adaptation projects matching the CFP sub-types (see Figure 12) from local government and locally registered CSOs.

Criteria for EDA AF Project recipients:

- Must be a Rwandan locally registered CSOs or local government district with proven relevant implementation experience over the last 2 to 5 years
- Must be a legal entity and have capacity to receive, and manage project funds
- Must have a good track record of good governance, able to deliver grant commitments and with sound financial management
- Preference will be given to grant applicants with established long-standing relationships with communities they seek to support
- Grant recipients can only receive one small grant from the EDA AF Programme

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. In addition to the PD template, grant applicants will be required to complete table# and will be screened against the AF ESP criteria. Any grant project applications that does not meet the requirement for a project with no significant risks in terms of the AF ESP, or minor risks that can be mitigated will be excluded. 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. For this call for proposals, a further check will be undertaken to check proposals meet the earmarked CFP conditions (see above). 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. The CFP process has now been updated, and projects are now asked to submit a gender plan as part of the proposal stage (PD document).

***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 .5 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> <li>- <i>Ensure that reporting deadlines are met.</i></li> </ul> </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 provide in-kind contributions to the grant activity</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 checked by an independent international consultant, to ensure compliance.

It is highlighted that as well as FONERWA staff, under an existing Technical Assistance programme, FONERWA has long-term international expert support in a number of key due diligence and safeguards, and these staff will help to ensure that all activities align to the Adaptation Fund. This includes support in:

- Grant management and procurement.
- Legal with a focus on compliance work.
- M&E.
- Environmental, Social, Health and Safety (ESHS).

FONERWA will also provide technical assistance support to projects, backstopped by the international experts, as part of this component to strengthen their 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 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>Note this will be extended to include additional provisions to ensure compliance with Adaptation Fund Rules</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.

This task includes two inter-related subcomponents which are discussed together in the following sections in terms of the FONERWA grant management process.

3.1 Grants. This are the grants provided to the USPs.

3.2 Grant Management. Associated with grant management.

#### **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 ensure alignment with 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 Fund Management Team 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. All interventions in the programme and projects will work following the principles of gender responsiveness and inclusivity during implementation.

The programme and projects will focus on adaptation priorities in the focus areas. These projects have positive environmental and social outcomes, as well as economic benefits, which are set out by the key focus areas below.

***Economic benefits***

All of the four focus areas have important economic benefits or co-benefits, with positive benefit to cost ratios<sup>xxviii</sup> .:

- Sustainable land use management practices, such as terracing, have important economic benefits by reducing soil erosion rates, increasing yields and incomes.
- Agroforestry and sustainable agriculture actions enhance agricultural yields but can also provide additional streams of income, that lead to very positive economic benefits.
- Local water projects. Projects to enhance water security, such as rainwater

harvesting have important economic benefits, especially for vulnerable communities through reduced costs and increased time savings (from reduced water collection).

- Small-scale irrigation improves yields and reduces losses from dry spells and drought and improves rural incomes.

### ***Social benefits***

Interventions funded will reduce rural local communities vulnerability to the impacts of climate change. Project implementation activities will work on the principle of gender responsiveness and inclusivity. More specifically, the four focus areas have large social benefits.

- Sustainable land use management practices provide important social benefits, especially as many projects (e.g., terracing) are undertaken at the community level, enhancing community participation in local schemes. They provide improved food security and nutritional and health benefits.
- Agroforestry and sustainable agriculture provides social benefits through improved food security and nutritional and health benefits.
- Local water projects, that enhance water security, such as rainwater harvesting, have major social co-benefits, from improved health, as a result of enhanced water availability and quality. The social benefits are largest for the poorest and most vulnerable. These actions reduce time spent collecting water by women and children. They also reduce the risk of water borne disease through improved storm water management and improve access to clean water.
- Small-scale irrigation projects provide improved food security and nutritional and health benefits. They also protect vulnerable farmers, their livelihoods and their assets against climate shocks, and so help safeguard income, with associated social benefits.

### ***Environmental benefits***

The four focus areas have large environmental benefits.

- Sustainable land use management practices have positive environmental benefits from the reduction in soil erosion and run-off and thus downstream siltation levels. They also prevent increased land degradation, by protecting slopes from major erosion and landslide risk. The enhanced soil management and reduction in soil erosion also reduces soil loss and carbon emissions.
- Agroforestry and sustainable agriculture can increase soil carbon and carbon sequestration, reducing GHG emissions. They can also reduce run-off and help manage water flows. Depending on the system used, agroforestry can also reduce the need for inorganic inputs and can also have positive benefits for biodiversity.
- Local water projects to enhance water security, such as rainwater harvesting, have high environmental benefits, from the use of water effectively (displacing other unsustainable supply sources). They may also have emission reduction benefits. RWH can also reduce localised stormwater runoff and erosion, reducing downstream siltation. Wetland restoration projects have high environmental benefits, from the enhancement of biodiversity and ecosystem services they deliver.
- Small-scale irrigation projects, especially from the use of solar irrigation has

highly positive environmental benefits, compared to the use of diesel, through the reduction in GHG emissions.

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***

The existing basket fund run by FONERWA is focused on Unidentified Sub-Projects and already has a comprehensive system to ensure environmental and social safeguards for USPs. FONERWA has an extensive system of environmental safeguards, implemented through a comprehensive ESMF framework for USPs. There is a full set of checks included throughout the grant management process, from early concepts through to proposals and finally for project approval. This framework is delivered through a set of guidance manuals, set out in Appendix 3.

As part of the application process, and as part of the EMSF framework, applicants (for USPs) 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.

**The overall Category of the project is Category B.** It is stressed that for the Adaptation Fund call for proposals, **only projects registered as B or C will be funded. No A rated projects will be funded.**

All USP grant applicants at PD will be required to complete AF ESP 15 principles and will be screened against the criteria. It is important to note that projects that do not meet the requirements of the programme, that is, are found to pose significant

risks in terms of AF ESP, will not be selected.

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.

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 proposed projects (USPs), and goes through a rigorous analysis. This ensures FONERWA projects are in line with international practice. 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.

We also believe these processes comply with the Environmental and Social Policy and Gender Policy for unidentified sub-projects (USPs).

To demonstrate this, a table has been included that shows how FONERWA's ESP framework delivers against all of the Adaptation Principles, presented in Appendix 3.

In addition, we have included the ESP checklist (Annex 2) that all grantees have to complete at the concept note phase. This is then reviewed and checked by FONERWA, and the project categorization is assessed, along with any issues raised or requirements (such as for an EIA). This is included in the Appendix.

The ESP is implemented by FONERWA staff, which includes dedicated ESP staff in the secretariat. As highlighted above, FONERWA also has a dedicated technical assistance facility staffed by international experts that provides additional backstopping support, and this includes an Environmental and Social expert. The project budget includes international expert time to check compliance of projects with

Adaptation Fund Environmental and Social Policy and Gender Policy and ensure all projects meet the highest standards of compliance.

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 application 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.

The budget for the Environmental and Social activities are included in Table 15 in the budget section of this proposal. This sets out the activities and budget lines for each stage of the proposed programme.

### **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>xxix</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 UNDAF 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 Handbook**. This is a detailed guide to ensure all aspects of gender programming are included for the funding of USPs. The handbook is 90 pages long. This makes it too long to include as an annex, but the Table of contents is included in Appendix 4.

**A separate Gender assessment plan is included in Appendix 5. This includes a gender assessment for each of the four sub-project areas that will be the focus of the EDA call (see Figure 12).** The key issues are summarized below.

As part of the application process, **all proposals (USPs) have to produce a gender assessment and gender action plan, 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. All projects will be responsible for the implementation of gender responsive action plan that take into consideration the gender needs, roles and responsibilities

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 are included by independent experts, to ensure gender compliance. FONERWA will ensure the same level of AF gender policy is

ensured for all sub-project.

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.

The project implementation arrangements include gender considerations. There is a



staff member in the implementing entity, the MoE, who has expert and responsibility for gender responsibilities. In the project executing entity, FONERWA, there is a national gender expert in the team, but expertise is currently being expanded. There will be a full-time gender expert (international) that will be embedded in the Fund, supported by a technical assistance project, and together with the national gender expert counterpart on gender, these staff will provide gender expertise to the EDA project

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

There are two important issues in relation to cost-effectiveness.

- The analysis of cost-effectiveness of the proposed EDA window, as compared to alternatives.
- The maximization of cost-effectiveness within the EDA programming modality (the delivery of value for money).

***Comparison of alternatives.***

There are a number of alternative options to the proposed approach that have been considered, that could have been used to help adapt and build resilience of the target beneficiaries. These options are:

- Proposed option. Use the existing FONERWA green fund and its fund management cycle, existing secretariat staff and existing structures and processes to deliver the AF EDA through a new EDA call for proposals.
- Alternative option. Set up a new fund to take forward the AF EDA, e.g., a new small grant facility.
- Alternative option. Develop a national programme that includes 8 – 10 local projects.

The cost-effectiveness of these various options are considered below.

FONERWA EDA window. The current proposal seeks to build on the existing Rwanda green fund. This provides a highly cost-effective option:

- There are no set-up costs. There is an established grant management cycle in place, and existing processes, systems, safeguards, M&E systems, etc. This reduces the costs of developing the EDA modality, but also means that the project can start immediately.
- Staff costs will be low as only the marginal activities require funding. FONERWA has existing staff that are already in place for all the roles needed for the management of the EDA grants. This means no new staff are needed to be hired, and there are only costs with the additional activities associated with the EDA activities. This makes delivery extremely cost-effective.
- Fixed costs are extremely low, as the staff and operations will run out of the existing FONERWA offices. This again means only the additional actions and a small operation fee to cover fixed costs are involved.

This option is cost-effective as it only needs to fund the marginal activities associated specifically with the AF EDA. This means grant management costs are extremely

cost-effective, of the order of 10%.

New small grant facility. An alternative option would be to set up a new small grants facility that was explicitly set up to target communities (e.g., a community small grant facility). The cost-effectiveness of this option is considered below:

- There would be set up costs to set up a new grant facility. This would require considerable work to develop the processes and systems. As a benchmark, the set-up costs for the FONERWA green fund, when it was set up in 2012, was of the order of USD 750,000.
- A new grant facility would need to hire new staff and office space and develop processes to the point of being ready to operationalize grants, noting these would need to have the necessary level of safeguards, fiduciary competence, etc., to meet AF requirements. These management and operational costs would accrue entirely to the new facility. Again, as a benchmark, the costs to set-up the FONERWA secretariat and run for the first couple of years was covered in a FCDO grant and was of the order of USD 2.5 million.
- Small grant facilities typically involve high costs. A review of these types of facilities indicates that they typically involve management costs of 20% to 25%. This is double the costs for the FONERWA management costs above.

This option, therefore, is not very cost-effective, as all the costs associated with the new grant facility would need to come from the EDA budget, and the management costs would be much higher than the preferred option. This would mean less budget would be available to on-grant to local organisations, reducing the beneficiaries reached and impact achieved.

National programme. The existing accredited entity (MoE) could set up a programme that is comprised of 8 – 10 local projects, rather than one large project as is more typical for AF projects. The key issue with this approach is that a single, large programme would not permit the same level of local ownership or design as the EDA grant mechanism. It would also mean that the decisions on which projects to fund would be more centralized and would not, therefore, encourage the devolution of decision making (as with the call for proposals route of FONERWA). Further, this option would also mean that the national government was the primary executing entity and it would not empower local communities to conceive and drive local adaptation responses, nor provide the same level of capacity building as locally owned and delivered projects. While this option might be able to deliver a similar cost-effectiveness in terms of implementing and executing costs as the FONERWA option, it would not deliver against the core objectives of the EDA proposal, and thus we consider it less cost-effective.

Based on this analysis, **we believe the most cost-effective option is the use of the existing FONERWA facility, with an earmarked call for proposals for the EDA. This will ensure the maximum amount of EDA finance will flow to local organisations and deliver greater levels of empowerment and capacity building (and thus resilience) to local communities.**

***Maximizing cost-effectiveness (value for money) within the EDA.***

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>xxx</sup>) involves the optimal use of resources to achieve the intended outcomes. This is shown in Figure 15 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.

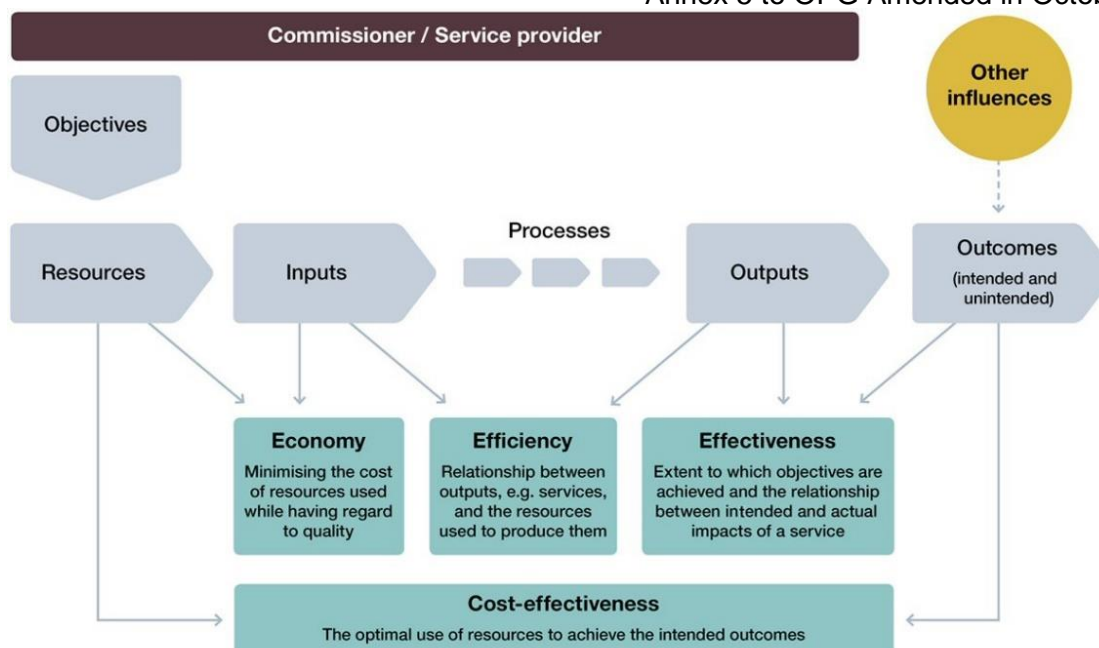
These can be linked to a logframe as below as part of cost-effectiveness.

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.

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 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).



**Figure 15. Value for Money and cost-effectiveness in a Logical Framework**  
Source. NAO, 2019.

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).

**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>xxxi</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 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>xxxiv</sup>).
- Community based water projects, such as rainwater harvesting have high benefit to cost ratios (WHO<sup>xxxv</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>xxxvi</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>xxxvii</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>xxxviii</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:

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

Second, this alignment will be strengthened to specifically focus on the adaptation priorities in national strategies, and in particular the NDC, through a specific call text focus on NDC Adaptation priorities, 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, 2 and 3.

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

- 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 NO 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.

There are a number of other adaptation projects in Rwanda. These are summarized below, along with the reasons why these do not involve duplication with the proposed AF EDA. While some of these projects involve similar activities, none of them are seeking to deliver adaptation through an EDA modality, which is the focus of this proposal, and they are managed by national authorities or international NGOs.

There has also been a recent commitment to provide additional capitalization from KfW to FONERWA for NDC funding, as part of a NDC Facility under the existing FONERWA basket fund. This is highly synergistic with the proposed AF EDA proposal. This will cover many of the recurring costs associated with FONERWA, including base staff costs, reducing the management fee very significantly for the EDA as compared to most demand led challenge funds. It will also provide further benefits through a long-term technical assistance support programme to FONERWA, which will provide additional international expertise and capacity building, especially on fiduciary support, management, and safeguards. This will significantly improve the capacity and compliance of this proposal to policies.

Project	Description	Duration-	Synergies	Non-Duplication
GCF	Transforming Eastern Province through adaptation (TREPA). Landscape restoration, market and value chain development agriculture and tree products in Eastern districts.	2022 – 2028. Active.	Synergies from lessons on risk profiling and adaptation interventions.	Does not involve enhanced direct access (it is a large IUCN delivered project).

Annex 5 to OPG Amended in October 2017

	<u>GCF Strengthening Climate Resilience of Rural Communities in Northern Rwanda (FP073). Rural interventions for mitigation and adaptation in 1 district (Gicumbi)</u>	<u>2019 – 2025. Active.</u>	<u>Synergies from lessons on adaptation interventions.</u>	<u>Does not involve enhanced direct access (it is a large Government delivered project)</u>
<u>GEF projects</u>	<u>Ecosystems/Landscape approach to climate proof the Rural Settlement Program of Rwanda Climate proof the Rural Settlement Program of Rwanda via Ecosystem/ Landscape approach in Gakenke and Kirehe Districts</u>	<u>2022 – 2028. Active</u>	<u>Synergies from lessons on potential adaptation interventions.</u>	<u>Does not involve enhanced direct access (it is a large Government delivered project).</u>
	<u>Green Mayaga or Forest Landscape Restoration in the Mayaga region. To secure biodiversity and carbon benefits and strengthening the resilience of livelihoods, through forest landscape restoration and upscaling clean technologies.</u>	<u>2020 – 2025. Active.</u>	<u>Synergies from lessons on potential adaptation interventions.</u>	<u>Forestry is not included as an AF EDA activity, so not duplication. Large government managed project.</u>
	<u>Building the Capacity of Rwanda's Government to Advance the National Adaptation Planning Process. Support increased capacity of governmental authorities and local communities in Rwanda to plan, fund, implement and monitor climate change adaptation solutions in the medium and long-term.</u>	<u>2020 – 2024. Active.</u>	<u>Focus is on climate risk assessment, technical guidance on adaptation, and landscape-scale EbA pilot sites. Synergies from any relevant CRA data and from technical information generated for specific interventions.</u>	<u>Does not involve enhanced direct access.</u>
<u>USAID projects</u>	<u>Hinga Weze (extension services) Comprehensive Africa Adaptation Initiative (CAAI) Rwanda Climate Services for Agriculture project.</u>	<u>Closed 2022. Under development. Closed 2020.</u>	<u>Synergies from potential lessons from extension and W&amp;CI.</u>	<u>Not programmed through government (as off budget) and does not involve EDA.</u>
<u>KfW NDC Facility</u>	<u>Capitalization to the FONERWA basket fund for NDC actions.</u>	<u>2022 - In inception planning.</u>	<u>Highly complementary through provision of support for Fund team management and international TA to support financial management and safeguards.</u>	<u>Not earmarked to specific local actions and exclusively local programming as the AF EDA.</u>

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.

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.

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.

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.

For this EDA, these knowledge management and learning activities will be undertaken on the EDA itself, which extends the normal KM process in FONERWA. These activities are set out in component 1.3 above and will include specific outputs (Output 1.4. Lessons and knowledge for scaling up EDA).

This knowledge management and learning exercise will be orientated to provide guidance to allow further scale-up of local EDA programming, and to provide peer to peer learning, i.e., from local organizations that have benefited from the programme.

and to transfer this to other potential local organisations. To enable this, activities will be undertaken to encourage this transfer of knowledge from lessons learned and guidance for applicants. There will also be an investment plan produced to scale-up the EDA programming modality in Rwanda, and this ensure the sustainability of the initiative.

The outcomes of this are designed to strengthen the capacity for local adaptation finance flows. It will be important, to learn the lessons from the EDA, to improve the flow of local adaptation finance. 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. A set of further outputs are included in the component 1.3 description, and the KM strategy is included in the results framework.

- 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 original 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. 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.

**Subsequently, in June 2022, a full stakeholder consultation meeting was held.**

This included an inclusive process involving all stakeholders, that is, national government, local government, CSOs, national and local NGOs, and others. This stakeholder event included multi-stakeholder participation and discussed and agreed on the Call For Proposal focus. The stakeholder report is included in Appendix 6. This meeting identified the proposed sub-project areas (from the adaptation priorities in the NDC) to focus on:

- Sustainable land use management practices for erosion control.
- Sustainable agriculture activities.
- Water conservation practices, wetlands restoration, water storage and efficient water use.
- Small-scale irrigation.

It also included discussion and proposals on how best to include gender and inclusion in the proposal process and the projects.

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.

Box 2 Grievance mechanisms. There is already grievance mechanism in place in the FONERWA grant management cycle and these will be strengthened for the EDA.

Applications, approval and implementation. A grievance mechanism already exists for the fund application process, to allow applicants to raise issues on why they were not selected, and to allow grievances to be raised. There is a process for grievances to be made from the project grantee during the approval and implementation process. This includes the potential for grievances to be made in relation to grant award allocation, reporting measures, financial issues, communication or other issues. This includes perceived issues of unfairness, error, or misapplication of procedures by which the programme or sub-project is to be implemented.

There is also a process for grievances to be made from people affected by sub-projects, i.e., from an individual, household or community, e.g., in relation to exclusion from projects, discrimination, environmental or social harms, or gender-related grievances. This builds on the grievance handling mechanism in place that was set up under the existing Adaptation Fund. This provides people affected by sub-projects and the overall programme with an accessible, transparent, fair, and effective process for receiving and addressing their complaints. FONERWA will require each sub-project grant recipient to establish and present their respective Grievance Mechanisms, subject to approval.

Project Grievances may be raised informally or formally. An informal grievance is one raised verbally, mostly requesting clarification of facts or processes, it can be entered through established grievance readiness committee members during weekly public meetings. A response is given to such grievance, and if this is not to the satisfaction of the complainant, a formal grievance can follow. A formal grievance is a written complaint raised through cell or sector offices by recording them on grievance forms, and can be related to inadequate response to previously raised issues or misinformation. A grievance form already exists and is in use by FONERWA (in the FONERWA ESMF and RPF User Manual). Formal grievances are consolidated into a report and sent weekly to the District, where the Executive secretary and project management team will resolve the issue to the complainant's satisfaction. Written response to the complainant shall be done via the District office and circulated through sector and cell offices. In the case of an unresolved grievance, this can be raised for redress at each level in a chronological hierarchy from the District, then to Project Steering Committee.

FONERWA will ensure that adequate stakeholder engagement/ consultation is conducted by the grant recipient, from the outset for compliant project information disclosure and for risk management before issues become grievances. Grant recipients are expected to provide induction training to all their employees and contracted personnel working on the sub-projects before work started. The goal of the training detail among other things, sub-project grievance mechanisms, and basic worker's rights, as well as how to deal with inquiries/ grievances by local stakeholders. Every 3 months, FONERWA will conduct its Monitoring and Reporting duties, on the environmental and social performance of the sub-projects, the report will cover; stakeholder

engagement activities, implementation of ESS documents, as well as any grievances recorded since the last reporting period, and functioning of the grievance mechanism.

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. Under implementation arrangement, FONERWA will hold project sites visit and make use of spot checks, and this will be used to engage periodically with stakeholders to ensure that the projects is meeting the needs of the community and provide the opportunity for ongoing consultation.

**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. In such cases,



FONERWA does not require co-financing, although it is possible for applications to identify relevant in-kind contributions. For this **EDA call for proposals, co-financing will not be a conditional requirement for approval.**

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?

This is shown in the PD Form, page 126, where projects have to specify how will the benefits of the project be sustained after FONERWA funding comes to an end? They also have to explain (Appendix 1, page 112) how the learning from their project will be disseminated and shared during (and at the end) of the project, and whom this information will target (e.g., Project stakeholders and others outside the project).

The response to these questions is used to agree on sustainability aspects with applications. These sustainability actions are then monitored and tracked over time by FONERWA to ensure they are delivered.

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 thus involves Unidentified Sub Projects, 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 for USPs, as this is the primary programming modality of the FONERWA fund. 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 (USPs) 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. 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. Further details are provided in the Appendix, which sets out in more detail how the principles are being considered.

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.**

**Table 6. Checklist of environmental and social principles.**

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>There could be risks related to non-compliance with the regulatory framework.</u> As part of the FONERWA grant application form, applicants have to consider <u>and adhere to</u> the relevant national <u>and international</u> technical legal requirements, <u>and this is monitored and assessed by FONERWA</u> . 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 <u>stage</u> , and this considers legal compliance.
<i>Access and Equity</i>		<u>There are potential risks that arise from the inability to equitable access.</u> <u>The Enhanced Direct Access modality of the AF is designed to deliver grants to vulnerable communities through a 'bottom-up' approach.</u> To manage <u>any risks</u> , <u>the equitable distribution of benefits is a condition of application.</u> The application process <u>requires applications to set out how they will involve all beneficiaries and stakeholders.</u> These issues are then <u>monitored and tracked as part of the M&amp;E programme.</u> There are also 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.
<i>Marginalized and Vulnerable Groups</i>	<del>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</del>	<u>There could be risks that vulnerable groups are not able to benefit from sub-national project activities.</u> <u>To address this, the call for proposals and sub-national projects will target vulnerable groups, with the call for proposals that seek to provide benefits for poor rural households, and encouraging applications that benefit women and children.</u> Projects will be designed and implemented in a way that will not impede access of any group to the essential services and rights. This will be done through rigorous stakeholders' consultation and mapping in order to identify the potential beneficiaries, rivals, disputants, <u>marginalized, or vulnerable people.</u> Risks and impacts on <u>marginalized people are analyzed and compiled in the FONERWA ESMP to guide the inclusivity across the project implementation.</u>
<i>Human Rights</i>	<del>No activities are identified whose execution is not aligned with established human rights. No further assessment required for compliance</del>	<u>There are potential risks of projects infringing on human rights.</u> To address this, all projects under the EDA will respect and promote human rights, including, inter alia equality, freedom of expression, association, housing, education, and access to information. When assessing projects, the human rights principles are considered as described in the ESP (See <u>Appendix</u> ).
<i>Gender Equality and Women's Empowerment</i>		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>FONERWA will ensure that the projects supported adhere to the AF gender policy and FONERWA's Gender Mainstreaming Strategy and ensure have full and equal opportunities to</u>

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		<u>participate and receive comparable social and economic benefits. This includes representation of women within the management structures of sub-project grant recipients, and within beneficiaries of sub-projects. FONERWA will ensure that a gender assessment and plan will be required at the project concept level by all applications (See gender section in this proposal). FONERWA will also ensure Gender sensitive indicators are incorporated where applicable at the sub-project level and are monitored and tracked as part of M&amp;E.</u>
<i>Core Labour Rights</i>		<p>Risk that project executing agencies may disrespect the labor rights identified by the International Labor Organization (ILO) for work.</p> <p><u>All subprojects and labor management practices funded through/ managed by FONERWA shall be screened to ensure that they comply with the requirements laid out in the FONERWA's ESMF and ESP. FONERWA will require grantees to adhere to the Labor Standards and ILO core labour standards in the design and implementation of the project/programme and create awareness. FONERWA will require the grantees of relevant projects to prepare, adopt, and implement occupational, health and safety (OHS) measures to be specified in the subproject ESMP (see appendix). FONERWA requires projects to follow the Workers Code of Conduct (see appendix).</u></p>
<i>Indigenous Peoples</i>	Not Applicable. No further assessment required for compliance	
<i>Involuntary Resettlement</i>	<del>The program will not be involved in involuntary resettlement of inhabitants. No further assessment required for compliance</del>	<p><u>It is not anticipated that sub-projects proposal with involuntary resettlement aspects will be considered for funding, therefore, no involuntary resettlement is likely to occur as a result of any of the sub-projects under the EDA AF – FONERWA call. However, in cases where FONERWA does consider projects that require resettlement, there are strict requirements for a Resettlement Action Plan (RAP) which are detailed in the FONERWA ESMF (see appendix).</u></p>
<i>Protection of Natural Habitats</i>		<p><u>Risks of sub-projects to natural habitats.</u></p> <p><u>IE and EE 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. Further, according to the provisions of the FONERWA's ESMF and principle 10 of the grant management manual, FONERWA will develop, adopt, and implement measures and actions to protect local biodiversity, flora, fauna, and habitats; establish a Biodiversity Action Plan if required (subject to ESIA). Projects will have to develop their own management plans related to biodiversity, diligent implementation to be supervised and monitored by FONERWA. FONERWA will conduct assessment and screening of the project at the planning level to ensure that the project implementation would not interfere with critical natural habitats, including those that are legally protected, officially proposed for protection, recognized by authoritative sources for their high conservation value, and recognized as protected by traditional local communities.</u></p>
<i>Conservation of Biological Diversity</i>		<p>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.</p> <p><u>The provisions of the FONERWA's ESMF and principle 10 of the grant management manual, ensure projects will develop, adopt, and implement measures and actions to protect local biodiversity,</u></p>

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		<u>flora, fauna, and habitats (See also answer above). The 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>
<i>Climate Change</i>	<del>No interventions have been identified whose execution could generate unjustified greenhouse gases.</del>	<u>NDC practices will be promoted under the program (agroforestry, improved forest management, climate smart agriculture) will lead to emission reductions and increase carbon sequestration and thus will have positive climate benefits, Risk assessment will be conducted as part of the ESMF and where there are potential risks identified, a greenhouse gas emissions calculation will be done to ensure the project addresses the causes of climate change or addressing its impacts.</u>
<i>Pollution Prevention and Resource Efficiency</i>	<del>No interventions have been identified as a big consumer of energy.</del>	<u>FONERWA's ESMF or the grant management manual guides subprojects' ESMP to implement measures for resource efficiency, measures and procedures for pollution prevention and management of waste and hazardous materials in the format of a waste management plan/hazardous waste management plan, as well as project-related air emissions during construction and operation during project construction, i.e. for water and energy use.</u>
<i>Public Health</i>	<del>No interventions have been identified to pose a big public health problem. No further assessment required for compliance</del>	<u>FONERWA's ESMF shall guide subprojects' ESMP to develop and implement measures and actions to assess and manage specific risks and impacts to local communities arising from Project activities, in line with national legislation and with principle 13. At the moment COVID-19 is still a public health threat in Rwanda. Sub-national project activities could increase COVID-19 contact. Therefore, measures to halt the spread such as handwashing and facemasks will be adhered to, in line with Rwanda Biomedical Center.</u>
<i>Physical and Cultural Heritage</i>		<del>No risks in this regard have been identified. Subprojects that will be supported under AF EDA project shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. This is included in the ESMP. 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.</del>
<i>Lands and Soil Conservation</i>	<del>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</del>	<u>Many of the interventions prioritized in the call for proposal will include activities that lead towards positive soil conservation and protection. There is a risk of activities under the thematic actions could trigger lands and soil conservation principles, and increase runoff during for example construction of progressive terraces and installing irrigation. FONERWA will select sub-national projects that lay out plans on how they will retain water and conserve soil during implementation of these risks activities to minimize risks</u>

## PART III: IMPLEMENTATION ARRANGEMENTS

### A. Describe the arrangements for project / programme implementation.

#### 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>xl</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.

FONERWA is composed of:

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

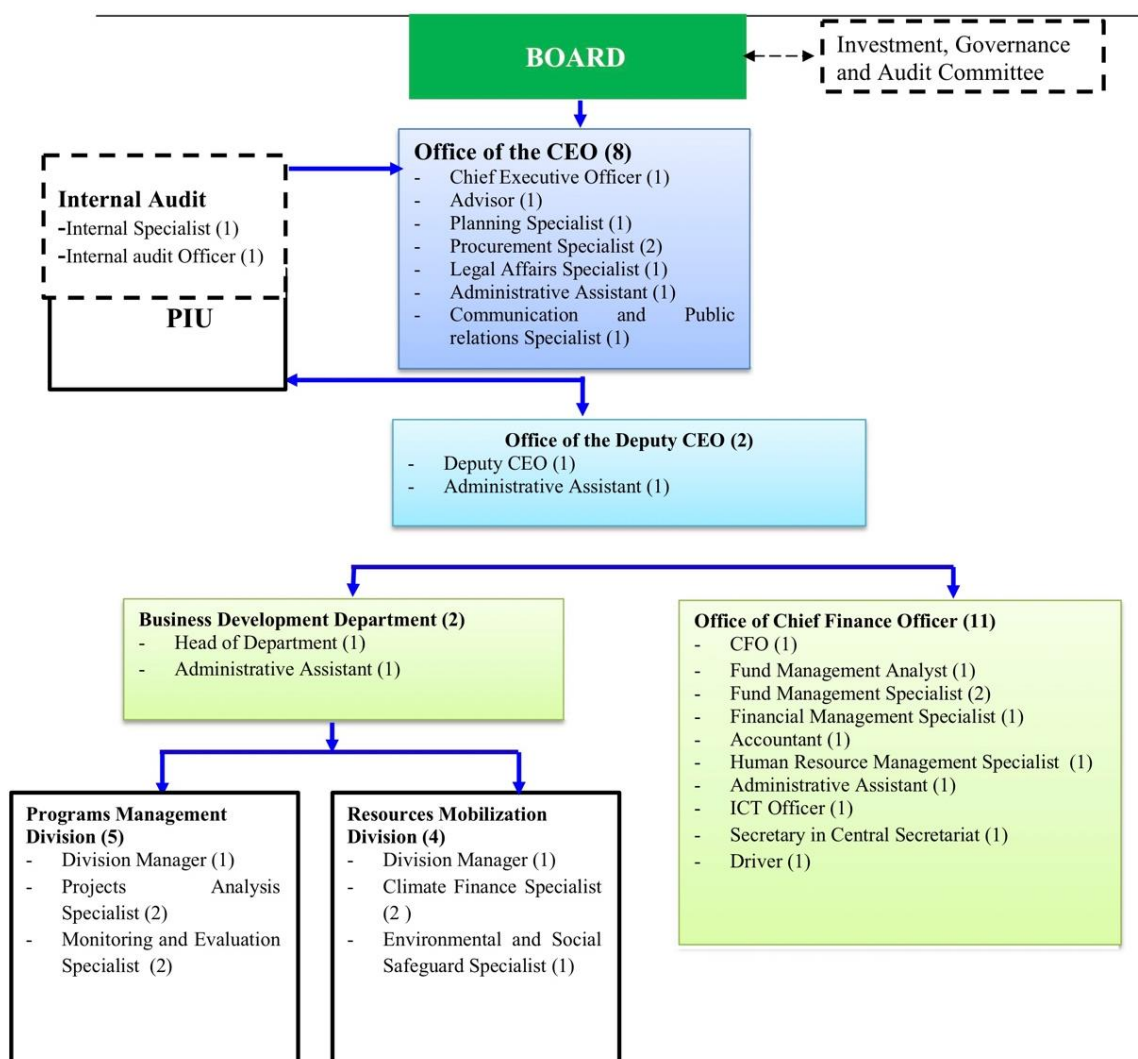
The Board of Directors makes decisions regarding the administration, human resources and property of FONERWA in order to deliver its responsibilities. The Board of Directors is composed of 9 members appointed by a Presidential Order with a Chair and a Co-Chair, which includes representatives from civil 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.

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.

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.



**Figure 16. FONERWA Organisational Structure.**

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.



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 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, Umbrella CSOs, 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 above.

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

The FONERWA fund management team (secretariat) 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 FONERWA fund 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.

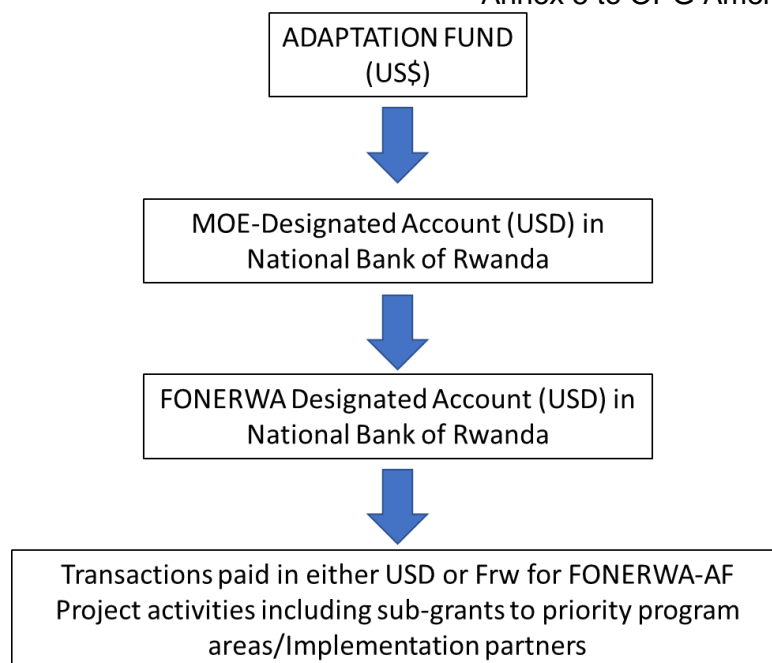
Beyond the use of indicators, the project management team will ensure tangible actions be taken in order to accelerate the participation of women.

**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.



**Figure 17. Proposed Flow of Funds.**

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.

### **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. 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>xli</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 below.

**Table 7. Risks identified and mitigation strategies**

RISK	RISK LEVEL	MITIGATION
Failure to deliver EDA approach and EDA modality	Low	FONERWA has been operating a demand led sub-national grant financing model for over 7 years, and has existing staff, operational manuals and processes in place, with strong oversight and safeguards, that guarantee the Fund can deliver the proposed modality. It has a track record of delivering - Ten CFP rounds have been completed to date with 37 climate resilience and environmental protection projects being funded.
Fiduciary and corruption risk for EDA / Risk of misuse of funds by project implementers, or non compliance with laws and procedures	Low	FONERWA has a financial risk management strategy and has been externally audited. 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. Special training on anti-fraud is carried out to reduce the likelihood of fraud.
Insufficient interest in call for proposals and thus projects	Low	The project will undertake detailed stakeholder consultation and awareness raising during implementation and develop and effective advocacy strategy to advertise. It will also provide support for civil society for applications – building on recent work in this area and training
Risk of poor quality proposals and thus low impact from subnational modality	Low	FONERWA has a criteria based two-stage application process, that ensures delivery of high quality proposals that deliver impact. The evaluation of the programme demonstrates the fund has met output and outcome targets, and delivered strong impact to date. However, additional awareness raising, training and support will be provided (component 1) to ensure high quality from local organisations.
In sufficient safeguards	Low	The Fund has a series safeguards Policies and processes in six areas include: safeguarding, human resources, whistleblowing, risk management, codes of conduct and governance.
Compliance with Environmental and Social Policy of Adaptation Fund, and Gender Policy of Adaptation Fund, are not deliver		<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>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. 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</p>



RISK	RISK LEVEL	MITIGATION
		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 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.
Sub-national organisation lack the resources and capacity to develop project proposals and deliver these	Low	To address this risk, Component 1 and 3 includes training and technical assistance support to ensure sub-national organisations have help in their proposal development and submission, and receive training on project and financial management of projects. FONERWA has experience of supporting local adaptation proposals, and to date, approximately 30% of projects funded have been local in nature.
Failure to create ownership of the project at the sub-national level.	Low	The EDA modality will explicitly create local ownership. The team will involve the key stakeholders in the design of the EDA and there will be representation on the steering group by Civil Society.
M&E	Low	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 Institutional inefficiencies delay the resulting in delayed recruitment of project staff and hence project implementation.	Low	FONERWA has seven years of operational experience, and all processes are in place for rapid disbursement and delivery.
Lack of co-ordination with other climate change projects limits capacity or effectiveness	Low	FONERWA has criteria in place to ensure that proposal applications are checked against existing activities to ensure no duplication of effort (and this is a requirement of funding).
Lack of transparency or political interference in allocation of project resources.	Low	The CFP is undertaken through a published and transparent process with criteria, and proposals are evaluated independently to ensure there is no interference. The project will also be led by a project steering committee which will include representatives from CSO and local government.
Staff recruitment and retainment for the FMT may hamper progress.	Low	FONERWA has an existing team of Rwanda Staff, who are fully trained, and staff retention is very high. There is a rolling recruitment process that can address any turnover.
Cost-effectiveness of projects	Low	FONERWA requires all projects to establish the value for money, based on economy, effectiveness and efficiency, and this ensures high cost-effectiveness and impact from investments. •The Fund uses indicative benchmarks for the most common activities (e.g. terracing, agroforestry etc.) and assesses these in

RISK	RISK LEVEL	MITIGATION
		<p>terms of cost-effectiveness, i.e. cost per hectare.</p> <ul style="list-style-type: none"> <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>

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

As highlighted in Section B, 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.

This includes an extensive set of M&E activities.

- M&E issues are raised during the initial inception workshops.
- Following the call for proposals, and identification of potential grantees, pre-grant award surveys are undertaken.
- Once the project is approved, a project level baseline assessment is undertaken. The funds for this are included in the grant budget, but FONERWA procures consultants to ensure quality and independence.
- All projects are subject to quarterly visits (spot checks) from FONERWA M&E staff, throughout the project.
- A mid-term evaluation is commissioned for each project.
- A final evaluation is commissioned for each project.
- Projects attend joint quarterly knowledge sharing workshops.

For the EDA, a further set of programme level M&E activities are included:

- Programme Mid-term evaluation of overall programme.
- Programme Final evaluation of overall programme.
- Periodic site visits by implementing entity
- External audit annual – including a sub audit of every project every year.

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 timely 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 months 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.

**Table 8. M&E Budget**

Type of M&E Activity	Budget	Time-frame
<b>Component 1</b>		
Inception workshop	Included in workshop budget	At start of project

<b>Component 2</b>		
PPD (concept note) review (FONERWA)	FONERWA staff time	In 1 <sup>st</sup> year
Pre-grant award surveys (FONERWA)	US\$ 16,990	In 1 <sup>st</sup> year
Project level baseline assessment	Undertaken by each grantee, included in grant award	Start of year 2
<b>Grant management/ Project execution</b>		
M&E, Fund Management spot checks (Accommodation, transport and per diem) – M&E expert from FONERWA	US\$ 122,971	Quarterly, following grant signing
Periodic status/ progress reports	Undertaken by each grantee, included in grant award	Monthly and quarterly reports
Mid term evaluation for each project	FONERWA hold back proportion of grant and procure consultant. Indicative total cost USD 80,000	Mid-term of sub project
Final evaluation for each project	FONERWA hold back proportion of grant and procure consultant. Indicative total cost USD 80,000	Final, at least three months after the end of the sub-project
MEL - Knowledge sharing workshops (All projects attend quarterly knowledge sharing)	US\$ 17,476	Quarterly
<b>Programme level evaluation (MoE)</b>		
Programme Mid-term evaluation of overall programme	US\$ 53,398	Mid-term
Programme Final evaluation of overall programme	US\$ 53,398	6 months after the end of programme
Site visits by implementing entity	US\$ 10,097	Periodic
External audit annual – including a sub audit of every project every year	US\$ 77,670	Annual

- 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. The key indicators of relevance to the four areas of the EDA call are highlighted in bold.

- **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.**

There will be additional adaptation and resilience outcomes from component 1 (Awareness raising, capacity building and proposal development support) and the support provided to local organisations as part of the project management cycle in component 2 (2. Review of Sub-National Adaptation Proposals). These will build and strengthen the institutional capacity of CSOs/local government districts' permanent staff. This will align to the AF output indicator 2.2 of Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance.

**Table 9. Mapping of the Adaptation Fund and FONERWA (adaptation) Outcomes.**

Adaptation Fund Outcomes and Key Indicators	FONERWA 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>
<b>Outcome 2:</b> Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	
<b>Output 2.2:</b> Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance  <b>Indicator 2.2.1</b> No. of people benefitting from the direct access and enhanced direct access modality	
<b>For the projects funded by the EDA modality</b>	<b>FONERWA Outcomes (adaptation)</b> <ul style="list-style-type: none"> <li>• Average percentage increase in income;</li> <li>• Percentage increase in yield/ha;</li> <li>• Number of households/individuals with improved livelihood resilience disaggregated by gender.</li> </ul>
<b>Outcome 3:</b> Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	
<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	



**Table 10. 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> To increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level.	<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	2025,000 people (Disaggregated by gender, of which 1012,500 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. <u>(aligns to AF output 2.2. on Increased readiness and capacity)</u>  Output 1.3. <u>Knowledge management, Lessons and Investment Plan for scaling up EDA. Lessons learn and scaling-up report on EDA produced</u>	0	10 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 proposals approved</li> </ul>	0 sub-national EDA proposals approved	<ul style="list-style-type: none"> <li>Seven 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 pass evaluation threshold limit

Expected results **	Indicators	Baseline	Target	Means of verification	Assumptions/risk
					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> <p>Average percentage increase in income;</p> <p>Percentage increase in yield/ha;</p> <p>Number of households with improved water retention capability disaggregated by gender;</p> <p>Number of environment and climate knowledge products adopted;</p> <p>Number of individuals adopting smart transport technologies;</p> <p>Number of institutions adopting green building practices in infrastructure development.</p>	<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> <p>For CFP sub=project areas</p> <p>1)sustainable land management</p> <ul style="list-style-type: none"> <li>Area in hectares (ha) of land protected against erosion;</li> <li><u>Number of people adopting sustainable land management practices</u></li> </ul> <p>2)agroforestry and sustainable agriculture</p> <ul style="list-style-type: none"> <li>Area in hectares (ha) of agroforestry/sustainable agriculture</li> <li><u>Number of people adopting sustainable agricultural practices</u></li> </ul> <p>3)water security</p> <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><u>Number of people adopting sustainable water management</u></li> </ul> <p>4)small scale irrigation</p> <ul style="list-style-type: none"> <li>Area in hectares (ha) of land under smart irrigation systems;</li> <li><u>Number of people adopting sustainable water practices</u></li> </ul>	<ul style="list-style-type: none"> <li>0</li> <li></li> </ul>	<p>To be confirmed following project approvals</p> <p>For CFP sub-project areas</p> <p>1)sustainable land management</p> <ul style="list-style-type: none"> <li>Estimated 1,000 hectares of bench or progressive terrace or other SLM practices</li> <li><u>Estimated 10,000 beneficiaries of which at least 5000 women.</u></li> </ul> <p>2)agroforestry and sustainable agriculture</p> <ul style="list-style-type: none"> <li>Estimated 1,000 hectares of agroforestry or other sustainable agriculture practices.</li> <li><u>Estimated 9,000 beneficiaries of which at least 4,500 women.</u></li> </ul> <p>3)Water security</p> <ul style="list-style-type: none"> <li>Estimated 400 rain water harvesting tanks installed plus 10 community water harvesting tanks</li> <li>Estimated 100 hectares of water conservation or restoration projects.</li> <li><u>Estimated 3000 beneficiaries of which at least 1,500 women.</u></li> </ul> <p>4) Small-scale irrigation</p> <ul style="list-style-type: none"> <li>Estimated 4 small scale irrigation projects funded</li> <li><u>Estimated 3000 beneficiaries of which at least 1500 women.</u></li> </ul> <p>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.</p>	<p>Grant agreements signed</p> <p>M&amp;E reports, Periodic project reports, surveys, studies</p> <p>Project annual impact assessment reports</p> <p>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 to local conditions</p>

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

**Table 11. 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	Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality  Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased	
<b>Project Outcomes</b>	<b>Project Outcome Indicators</b>	<b>Fund Output</b>	<b>Fund Output Indicators</b>	<b>Grant (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	Output 1.1 Number of sub-national organisations receiving training and assistance for proposal preparation.  Output 1.2 Number of local organizations/ people receiving training for project delivery  <u>Output 1.3. Knowledge management, Lessons and Investment Plan for scaling up EDA</u>	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	104,130
<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  <u>Output 2.1 Number of sub-national proposals approved</u>	Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level.  Output 3.2 Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	3.2. Percentage of targeted population applying appropriate adaptation responses  Indicator 3.2.1 No. of technical committees/ associations formed to ensure transfer of knowledge	<u>78,486+</u> <u>4,004,854+</u> <u>9,407</u> <u>4,004,854</u>

	Plus depending on proposals funded ( <u>see also results framework</u> ) <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>	Plus depending on proposals funded Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress.  Output 5: Vulnerable ecosystem services and natural resource assets strengthened in response to climate change impacts, including variability  Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas  Output 6: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	5.1. No. of natural resource assets created, maintained or improved to withstand conditions resulting from climate variability and change (by type and scale)  Indicator 5.1. No. of natural resource assets created, maintained or improved to withstand conditions resulting from climate variability and change (by type and scale)  Indicator 6.1.1 No. and type of adaptation assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies	
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**Table 12 Adaptation Fund core impact indicator**

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

	Indicator 2.2.1 No. of people benefitting from the direct access and enhanced direct access modality
Direct	250 000 (120 500 women) – estimated as people (or households) identified by the project as receiving direct support (targeted, high intensity)
Indirect	100 0000 (50% women) - people within the administrative area of the local interventions, such as catchment area subject to SLM activities (not targeted, medium intensity)

<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.

**Table 13. Detailed budget.**

Exchange rate RWF/USD	1030				
	Unit	No of Units	Cost per Unit	Cost Rwf	Cost USD
<b>1. Awareness raising, capacity building and proposal development support</b>					
<i>1.1 Design and Raising awareness of the call</i>					
Preparation of call for Proposal for sub-national developed	Lump sum	1	5,250,000	5,250,000	5,097
Awareness campaign, Press release, Media articles and adverts in newspapers, journals, newsletters, radio, TV	Lump sum	4	3,000,000	12,000,000	11,650
Meeting for CSO and sub-national government on call (around the country)	Lump sum	2	3,000,000	6,000,000	5,825
Call for proposal materials produced and disseminated	Lump sum	1	1,750,000	1,750,000	1,699
<i>Subtotal</i>				25,000,000	24,271
<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	1,456
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	4,369
Holding training meetings (accomodation,mission allowances,renting halls,lunch and transport)	Lump sum	2	10,000,000	20,000,000	19,417
Technical assistance support for proposals development	Days	15	350,000	5,250,000	5,097
<i>Subtotal</i>				31,250,000	30,339
<i>1.3 Knowledge management, sharing project results and lessons learned on EDA</i>					
Documentation of Video success stories	Lump sum	5	1,500,000	7,500,000	7,282
Knowledge sharing workshops	Lump sum	12	1,500,000	18,000,000	17,476
Case studies, evidence and lessons learned review (international consultants)	Days	14	721,000	10,094,000	9,800
Update of lessons into guidelines and manuals	Lump sum	1	1,200,000	1,200,000	1,165
Development of an investment plan for future EDA (international consultant)	Days	10	721,000	7,210,000	7,000
Media articles in newspapers, journals, newsletters, radio, TV	Lump sum	2	1,500,000	3,000,000	2,913
Development of program/projects communication products (factsheets, pull up, banner, etc)	Lump sum	2	2,000,000	4,000,000	3,884
<i>Subtotal</i>				51,004,000	49,520
<b>Cost for Component 1</b>				<b>107,254,000</b>	<b>104,130</b>

## Annex 5 to OPG Amended in October 2017

<b>2. Review and Approval of Sub-National Adaptation Proposals (USPs) under the CFP</b>					
Review of PPDs - meetings, mission allowances, hiring conference room, transports, including initial Env and Social and gender checks	Lump sum	1	14,500,000	14,500,000	14,078
Technical meeting (PD clinic) with Project proposal developers	Lump sum	1	1,000,000	1,000,000	971
PD review (international consultants)	Days	20	721,000	14,420,000	14,000
Quality Assurance of PDs (Meetings, mission allowances, conference room)	Lump sum	1	14,500,000	14,500,000	14,078
Pre-grant award survey (Assessing organizational capacity and sites for interventions for all project proposals recommended for approval)	Lump sum	1	17,500,000	17,500,000	16,990
Additional Adaptation Fund fiduciary, ESIA and gender checks (independent consultant)	Days	20	721,000	14,420,000	14,000
Projects approval meetings	Lump sum	2	1,000,000	2,000,000	1,942
Drafting and grant agreements	Days	1	2,500,000	2,500,000	2,427
<i>Subtotal</i>				80,840,000	78,485
<b>Cost for Component 2</b>				<b>80,840,000</b>	<b>78,486</b>
<b>3. Grants management of the EDA programme</b>					
<i>3.1 Grants</i>					
CSO (assume average grant size)	Lump sum	5	225,000,000	1,125,000,000	1,092,233
Local/district (assume average grant size)	Lump sum	3	1,000,000,000	3,000,000,000	2,912,621
<i>Subtotal</i>				4,125,000,000	4,004,854
<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	721,000	6,489,000	6,300
Training workshops held	Lump sum	2	1,000,000	2,000,000	1,942
Transfer and bank charges fees	Lump sum	48	25,000	1,200,000	1,165
<i>Subtotal</i>				9,689,000	9,407
<b>Cost for Component 3</b>				<b>4,134,689,000</b>	<b>4,014,261</b>
<b>Total project cost (the sum of all project/programme components)</b>				<b>4,322,783,000</b>	<b>4,196,877</b>
<b>Project execution costs</b>					
Programme management staff - EDA manager, financial officer, M&E,	Months	42	5,722,917	240,362,514	233,362
M&E & Fund Management spot checks (Accommodation, transport per diem)	Lump sum	96	1,319,375	126,660,000	122,971
Monitoring the Environment and Social Safeguard and gender checks	Lump sum	96	500,000	48,000,000	46,602
<i>Subtotal</i>				360,700,016	<b>402,935</b>
					<b>(9.6%)</b>
<b>TOTAL</b>					<b>4,599,812</b>

### Executing fee

The executing fee to FONERWA is presented in the table above and is 9.6%. 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 (9.5% 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 14. Project Management Fee**

Project cycle management fee		No Units	Cost per Unit	Cost Rwf	USD
Programme management fees	Lump sum	1	117,110,476	117,110,476	113,699
Capacity building for ESMP monitoring and Gender inclusiveness	Lump sum	2	20,000,000	40,000,000	38,835
Technical assistance support for program implementation	Days	60	721,000	43,260,000	42,000
Project Steering Committee Meetings	Lump sum	200	51,000	10,200,000	9,903
Programme Mid term evaluation	Lump sum	1	55,000,000	55,000,000	53,398
Programme Final evaluation	Lump sum	1	55,000,000	55,000,000	53,398
Program oversight for supported projects (MoE site visits)	Lump sum	200	52,000	10,400,000	10,097
External audit (annual) - includes audit for each project	Lump sum	4	20,000,000	80,000,000	77,670
				410,970,476	<b>399,000</b>
					(9.5%)

### Budget Notes:

#### 1. Performance Management. This includes:

- Providing oversight of the monitoring and evaluation function of the Executing Agency (FONERWA);
- Providing programme support in the areas of risk management, screening of financial and risk criteria;
- Advisory role, troubleshooting, and support missions as necessary;
- Policy, programming, and implementation support services;
- Supporting evaluation missions and participating in briefing / debriefing;
- Providing guidance on AF reporting requirements;
- Managing the relationship with the AF and ensuring outputs and outcomes match with AF expectations;
- Responding to information requests and arranging revisions;
- Communication of technical findings and lessons learned within the country and the broader adaption community and
- 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
3. **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 to ensure compliance with Adaptation Fund Policy in these areas are included below. These costs are already included in the main budget tables above, but are provided separately for additional information here.

**Table 15. EMSP and Gender activities**

<i>Component 1, 1.2</i>	<b>Cost USD</b>	<b>Timing</b>
Preparation and delivery of training materials for proposal application ( Project design, <b>ESMF</b> , Finance, M&E, Gender, Procurement, etc) for Local Government and NGO staff	FONERWA Staff time	In 1 <sup>st</sup> 9 months
Holding training meetings (accommodation, mission allowances, renting halls, lunch and transport) including training on <b>ESMF</b> and gender	FONERWA Staff time	In 1 <sup>st</sup> 9 months
<i>Component 2, 2.1 Process for evaluation and review</i>		
Review of PPDs (concepts) - meetings, mission allowances, hiring conference room, transports – include PPD <b>ESMF</b> check (see Appendix 3, Annex 2)	FONERWA staff time	In 1 <sup>st</sup> year
Review of PDs (proposals) - meetings, mission allowances, hiring conference room, transports – include PD <b>ESMF</b> – FONERWA ESM staff	FONERWA staff time	
Pre-grant award survey (Assessing organizational capacity and sites for interventions for all project. FONERWA ESM staff time	FONERWA staff time	In 1 <sup>st</sup> year
Additional Adaptation Fund ESIA and gender checks (independent consultant)	US\$ 14,000	In 1 <sup>st</sup> year
<i>Grant management / Project execution</i>		
Monitoring the Environment and Social Safeguard and gender plans – spot check (each project, each quarter) – by ESMP expert	US\$ 46,602	Throughout projects
Mid term evaluation. Component on ESM and gender inclusion.	In evaluation cost	Mid term of project
Final evaluation. Component on ESM and gender inclusion	In evaluation	Project end.
<i>Programme level</i>		
Capacity building for ESMP monitoring and Gender inclusiveness	US\$ 38,835	
Programme mid term evaluation, including ESM and Gender	In evaluation cost	Mid term of project
Programme final evaluation including ESM and Gender	In evaluation cost	Project end.

**H. Include a disbursement schedule with time-bound milestones.****Table 16. Disbursement Schedule.**

	On signing agreement	Year 1	Year 2	Year 3	Year 4	Total
Date	01/03/2023	31/3/2024	31/6/2025	31/6/2026	31/6/2027	
EDA funds	66,549	66,549	1338087	1,338,087	1,387,606	4,196,877
Executing fee	80,587	80,587	80,587	80,587	80,587	402,935
NEI Fee	79800	79800	79800	79800	79800	399,000
Total	226,936	226,936	1,498,474	1,498,474	1,547,992	4,998,812

**Table 17. 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
Starting 1st mont of	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>1. Awareness raising, capacity building</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</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 mangement</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

Kigali, 3<sup>rd</sup> August 2022  
Ref 0656/16.03

**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 the designated authority for the Adaptation Fund in Rwanda, I confirm that the above national grant 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 grant proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Ministry of Environment (MoE) and executed by Rwanda Green Fund (FONERWA).

Sincerely,



Digitally signed  
by Karera Patrick

**Patrick KARERA**  
Permanent Secretary of the Ministry of Environment  
DA of 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*

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

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 project/programme 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 programme.



Digitally  
signed by  
Karera  
Patrick

**Patrick KARERA**  
**Permanent Secretary**  
**Implementing Entity Coordinator**



Date: (Month, Day, Year)

Tel. and email: +250789414092  
pkarera@environment.gov.rw

Project Contact Person: Diane BUCYANA

Tel. And Email: +250788887939 & diannabucyana@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 Fund for Environment (FONERWA)*****Project Profile Document (PPD)****COVER SHEET*****(Attach this sheet to the front of your submission – Maximum 4 pages)***

<b>1. Project Title:</b>	
<b>2. Location of the project:</b>	<i>Specify National, Province, District.</i>
<b>3. Project Duration (months):</b>	
<b>4. Anticipated Start Date:</b>	<i>(DD/MM/YYYY)</i>
<b>5. Total indicative budget:</b>	<i>Specify amount in RWF or USD.</i>
<b>6. Requested FONERWA contribution:</b>	<i>Specify amount in RWF or USD.</i>
<b>7. Project Summary:</b>	
<b>8. Target group(s) / Beneficiaries:</b>	
<b>9. Name of Lead Organisation:</b>	
<b>10. Type of Organisation which best describes the Lead Organisation:</b> <i>(Please select only one box)</i>	<input type="checkbox"/> Government Institution <input type="checkbox"/> Non-Governmental Organisation (NGO) <input type="checkbox"/> Private Sector Enterprise <input type="checkbox"/> Academic Institution <input type="checkbox"/> Other <i>(please specify)</i>
<b>11. Financial Instrument</b> <i>for which financial instrument.</i>	<p><i>Please indicate which instrument you are applying for:</i></p> <p><u>Grant</u></p> <input type="checkbox"/> Biodiversity Conservation & Natural Resources Management <input type="checkbox"/> R&D & Technology Transfer & Implementation <input type="checkbox"/> Environment & Climate Change Mainstreaming <input type="checkbox"/> Environmental Impact Assessment Monitoring & Enforcement
	<p><u>Innovation Grant</u></p> <input type="checkbox"/> Research & Development <input type="checkbox"/> Proof-of- Concept <input type="checkbox"/> Demonstration
<b>12. Website Address: (if applicable)</b>	
<b>13. Full office physical address:</b>	
<b>14. Contact Person:</b> <i>(the person with ultimate responsibility and accountable for delivering this project)</i>	<b>Name:</b> <b>Position:</b> <b>Email:</b> <b>Tel:</b>

## 15. Partner Institutions:

**For Internal Purposes Only: To be Completed by FONERWA**

Date Received: \_\_\_\_\_

PPD Code: \_\_\_\_\_

Date Comments Sent: \_\_\_\_\_

Prior Submissions? (Old PPD Code): \_\_\_\_\_

Thematic Financing Window: \_\_\_\_\_

FONERWA Entry Point: \_\_\_\_\_

Green

Amber

Red

***National Climate Change and Environment Fund (FONERWA)*****Project Profile Document (PPD)**

***Please provide a complete answer to each question, even if the answer is duplicated elsewhere.  
Maximum 4 pages***

SECTION 1: PROJECT INFORMATION	
<b>Q 1.1</b>	<b>Where will the project be implemented</b> ( <i>National, Province, District</i> )?
<b>Q 1.2</b>	<b><u>Why</u></b> is the project needed at this time, and why is funding being sought from FONERWA ( <i>clearly state justification</i> )?
<ul style="list-style-type: none"> <li>▪ Give the background to the preparation of the project (including key challenges). Mention any specific analysis/study carried out to inform the design (context analysis).</li> <li>▪ State clearly the specific pre-project situation.</li> <li>▪ Provide a detailed analysis of the problems to be addressed by the project and how they are interrelated.</li> <li>▪ Describe the relevance of the project to the objective(s) and priority(ies) of the call for proposals</li> <li>▪</li> </ul>	
<b>Q 1.3</b>	<b><u>What</u></b> specific change is the project intended to achieve ( <i>clearly state specific objectives and expected results, and choose at least one indicator from FONERWA's M&amp;E framework that will be improved as a result of the project</i> )?



<ul style="list-style-type: none"> <li>▪ <i>Explain the objectives of the project.</i></li> <li>▪ <i>Briefly outline intervention logic underpinning the project, indicating the expected outputs, outcome(s) and impact as well as underlying the main risks and assumptions towards their achievement.</i></li> <li>▪ <i>Explain how the project will mainstream relevant cross-cutting issues such as promotion of gender equality and environmental sustainability.</i></li> <li>▪ <i>Describe which of the expected results referred to in the guidelines for applicants will be addressed.</i></li> </ul>	
<b>Q 1.4</b>	Is the project aligned to at least one of the Windows and Key Entry points? <b>Tick the boxes that best describe the purpose of your project</b>
<p>1. <u>Conservation and Sustainable Management of Natural Resources</u></p> <p><input type="checkbox"/> Ecosystem Rehabilitation</p> <p><input type="checkbox"/> Sustainable Land Management</p> <p><input type="checkbox"/> Integrated Water Resources Management</p> <p><input type="checkbox"/> Sustainable Mining and Quarrying</p> <p><input type="checkbox"/> Sustainable Forest Management</p> <p><input type="checkbox"/> Promotion and Protection of Biodiversity</p> <p>2. <u>Research &amp; Development and Technology Transfer and Implementation</u></p> <p><input type="checkbox"/> Renewable Energy and Energy Efficiency</p> <p><input type="checkbox"/> Pollution Management</p> <p><input type="checkbox"/> Water Storage, Conservation and Irrigation Technologies</p> <p><input type="checkbox"/> Applied and Adaptive Research (Agri-Forestry, Waste, Urban Planning)</p> <p><input type="checkbox"/> Disaster Risk Reduction</p> <p><input type="checkbox"/> Data Collection, Monitoring and Management Information Systems (MIS)</p> <p>3. <u>Environment and Climate Change Mainstreaming</u></p> <p><input type="checkbox"/> Strategic Environment and Climate Assessments (SECAs)</p> <p><input type="checkbox"/> Sector specific (or national) adaptation and/or mitigation</p> <p><input type="checkbox"/> Support to implementation of cross-sectoral integrated planning (e.g. IDP, VUP)</p>	
<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>briefly describe the main activities</i> )?
<ul style="list-style-type: none"> <li>▪ <i>Briefly outline the type of activities proposed, including a description of linkages/relationships between activities.</i></li> </ul>	
<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> )?
<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> )?

<b>Q 1.8</b>	<b>How</b> will monitoring and evaluation of the project be undertaken?
<b>SECTION 2: SATISFACTION OF ELIGIBILITY CRITERIA</b>	
<b>Q 2.1</b>	How will the benefits of the project be sustained after FONERWA funding comes to an end?
<b>Q 2.2</b>	Who are your stakeholders? Have they been consulted and how will they be involved in the project execution?
<ul style="list-style-type: none"> <li>▪ Describe the key stakeholder groups, their attitudes towards the project and any consultations held.</li> <li>▪ Describe each of the target groups/beneficiaries (quantified where possible), including selection criteria.</li> <li>▪ Identify the needs and constraints (including capacity constraints) of each of the target groups/beneficiaries.</li> <li>▪ Demonstrate the relevance of the proposal to the needs and constraints of the target groups/beneficiaries.</li> <li>▪ Explain any participatory process ensuring participation by the target groups and final beneficiaries.</li> </ul>	
<b>Q 2.3</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?
<ul style="list-style-type: none"> <li>▪ Describe the extent to which the Project is coherent with national and local strategies related to climate change and environmental management.</li> <li>▪ Describe the extent to which the Project conforms to existing legislation and local policies and/or regulations; and contributes to a more effective regulation and/or enforcement.</li> <li>▪ Refer to any significant plans undertaken at national, regional and/or local level relevant to the project and describe how the project will relate to such plans.</li> </ul>	
<b>Q 2.4</b>	Does the project build on existing activities?
<b>Q 2.5</b>	Has a project-specific / activity-specific gender analysis taken place, during project design and formulation? Is there a Gender mainstreaming strategy and action plan in place?
<b>Q 2.6</b>	Has an assessment of potential adverse Environmental and Social Impacts (ESIA) commonly associated with the components of the projects conducted; and the way to avoid, minimize or mitigate them identified? Refer to the Environmental and Social screening procedures as described in FONERWA's ESMF to provide evidence.

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

## *National Climate Change and Environment Fund (FONERWA)*

### **Full Project Document (PD)**

#### **GUIDANCE NOTE**

#### ❖ **What is a PD?**

The **Project Document (PD)** is the *final application* to FONERWA for financial or technical assistance. The PD will provide FONERWA with a comprehensive understanding of your project and how it fits into the broader context of Rwanda's environmental and climate change strategies. It can be submitted to FONERWA only when your project fulfils all eligibility criteria.

#### ❖ **How do I complete the form?**

***All submissions must meet the following requirements or will be rejected:***

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 the form.

***All submissions must include the following documents:***

1. Project Document
2. Project Management Document (includes Budget, Work Plan, Logframe, Cost Benefit Analysis, ESMF template, and procurement plan)
3. CVs<sup>1</sup> for all key project personnel.
4. For CSOs, a Certified copy of Certificate of Registration from Rwanda Governance Board.
5. Provide an independent audit report (previous 3 years)
6. Proof document for stakeholder consultation (minutes, or MOUs)
7. For all other Organization, proof of legal registration in Rwanda.

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

8. A feasibility or pre-feasibility study, including a gender analysis.
9. An Environmental and Social Impact Assessment
10. Any other supporting documents, such as letters confirming financing from other sources, environmental impact assessments, ...etc.
11. Gender action plan of the applicant (organization).

## *National Climate Change and Environment Fund (FONERWA)*

### **Full Project Document (PD)**

#### **COVER SHEET**

***(Attach this sheet to the front of your submission)***

<b>16. Reference of the call for proposals:</b>	
<b>17. Project Title:</b>	
<b>18. Geographical scope of project</b>	<i>Specify National, Province, District. Please provide details.</i>
<b>19. Project Summary</b>	<ul style="list-style-type: none"> <li>▪ Summarise what your project intends to achieve and how.</li> <li>▪ Present the key stakeholders/ targeted beneficiaries.</li> <li>▪ Describe relevance of the project to the needs of beneficiaries and the key stakeholders. (People are key to climate change mitigation, resilience and adaptation etc.)</li> <li>▪ How the project will benefit women, youth, the poor, and contribute to gender equality and social inclusion, directly or indirectly, short and long-term. Mention which transformative changes for women and girls will be promoted by the project.</li> </ul>
<b>20. Project Duration (months):</b>	
<b>21. Anticipated Start Date:</b>	<i>(DD/MM/YYYY)</i>
<b>22. Total indicative budget:</b>	<i>Specify amount in RWF .</i>
<b>23. Requested FONERWA contribution:</b>	<i>Specify amount in RWF .</i>
<b>24. Financial Instrument:</b> <i>(for further clarification, please see the private sector guidelines)</i>	<p><i>Please indicate which instrument you are applying for:</i></p> <p><u>Grant</u></p> <p><input type="checkbox"/> Biodiversity Conservation &amp; Natural Resources Management</p> <p><input type="checkbox"/> R&amp;D &amp; Technology Transfer &amp; Implementation</p> <p><input type="checkbox"/> Environment &amp; Climate Change Mainstreaming</p> <p><input type="checkbox"/> Environmental Impact Assessment Monitoring &amp; Enforcement</p> <p><u>Innovation Grant</u></p> <p><input type="checkbox"/> Research &amp; Development</p> <p><input type="checkbox"/> Proof-of- Concept</p> <p><input type="checkbox"/> Demonstration</p>
<b>25. Name of Lead Organisation:</b>	
<b>26. Type of Organisation which best describes the Lead Organisation:</b> <i>(please select only one box)</i>	<p><input type="checkbox"/> Government Institution</p> <p><input type="checkbox"/> Non-Governmental Organisation (NGO)</p> <p><input type="checkbox"/> Private Sector Enterprise</p> <p><input type="checkbox"/> Academic Institution</p> <p><input type="checkbox"/> Other <i>(please specify)</i></p>

<b>27. Website Address:</b> <i>(if applicable)</i>	
<b>28. Full office physical address:</b>	
<b>29. Contact Person:</b> <i>(The person with ultimate responsibility and accountable for delivering this project)</i>	<b>Name:</b> <b>Position:</b> <b>Email:</b> <b>Tel:</b>
<b>30. Partner Institutions:</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 pages.***

SECTION 1: INFORMATION ABOUT THE APPLICANT	
<b>Q 1.1</b>	<b>What</b> is the Lead organisation's total number of full-time employees and official organization structure?
<b>Q 1.2</b>	<b>What</b> is your organisation's experience of managing similar projects or activities? Explain why you think your organisation and partners are capable of managing the project?
<b>Q 1.3</b>	<b>List</b> 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). Do not forget to mention your Gender Focal Point, as core technical staff, if he/she is in place.
<b>Q 1.4</b>	<b>Lead Organization :</b> Provide a copy of External Audit Reports of the last three years. If not available, the most recent ones.

<b>SECTION 2: INFORMATION ABOUT THE PROJECT</b>	
<b>Q 2.1</b>	<b>Why</b> is the project needed (state the problem the project will address and the evidence base for its justification)?
<b>Q 2.2</b>	<b>What</b> change is this project intended to achieve (state specific objectives, expected results/impact and long-term legacy)? <ul style="list-style-type: none"> <li>▪ <i>To address the core environment and climate change objectives of the project, it would be helpful to provide specific positive social and environmental impacts or specific mitigation measures to existing climate change impacts.</i></li> <li>▪ <i>Provide measurable indicators that suggest climate change resilience, including gender sensitive indicators within a log-frame matrix.</i></li> <li>▪ <i>In addition, make a note of the expected outcome and impact</i></li> <li>▪ <i>To what extent is the project likely to contribute to long term social, economic, core environment and climate changes for individuals, communities and institutions involved in the project?</i></li> </ul>
<b>Q 2.3</b>	<b>How</b> will the project objectives be achieved (include a detailed Work Plan as an appendix highlighting key deliverables and activities and responsibilities). <ul style="list-style-type: none"> <li>▪ <i>Clearly describe the approach and methodology to be followed and the sequence of activities planned.</i></li> <li>▪ <i>Demonstrate understanding of the environmental and social context.</i></li> </ul>
<b>Q 2.4</b>	<b>How</b> does the project address cross-cutting issues such as gender and youth? <ul style="list-style-type: none"> <li>▪ <i>How will the project interventions benefit and empower women and youth (and households in vulnerable situations) and lead to their social, economic and political / leadership empowerment? What in terms of environment management and green technology for climate change adaptation? will be the positive impact on those groups?</i></li> <li>▪ </li> </ul>
<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? – Be gender-sensitive. 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? <ul style="list-style-type: none"> <li>▪ <i>To what extent are project results (outcomes and impacts) are likely to continue after the project?</i></li> <li>▪ <i>Is stakeholder's engagement likely to continue, be scaled up, replicated or institutionalized after Fonerwa funding ceases?</i></li> <li>▪ <i>What funding mechanisms are in place to sustain intervention results after Fonerwa funding closure?</i></li> </ul>

<b>Q 2.7</b>	<b>What</b> is the scope for income generation from the project, and who would participate and benefit from that? How will women and youth and/ or the poor benefit from IGA?
<b>Q 2.8</b>	<b>Preparation:</b> Has a feasibility or pre-feasibility study been conducted (If yes, then please attach a copy to this PD.
<b>Q 2.9</b>	<b>Preparation:</b> 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)?
<b>Q 2.10</b>	<b>Preparation:</b> Has environmental screening/ conducted for the project (If yes, then please attach a copy to this PD)? Has the project got a certificate of Environmental and Social clearance from RDB (If yes, then please attach a copy)?
<b>Q 2.11</b>	<b>How</b> will the performance of the project be monitored and evaluated (both during and after the project)? Have you formulated sex-disaggregated indicators?
<b>Q 2.12</b>	<b>How</b> will you involve the beneficiaries and other stakeholders, including equal participation of women and youth, in monitoring and evaluation?
<b>Q 2.13</b>	<b>Which</b> Output from the FONERWA's overarching M&E framework will be contributed to in the project's M&E Framework (if possible, <b>choose an indicator</b> from FONERWA's M&E framework)?
<b>Q 2.14</b>	<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 whom this information will target (e.g., Project stakeholders and others outside the project)
<b>Q 2.15</b>	<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>Environmental and Social 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?



- *What, if any, are potential negative effects on women? Will the project increase women's hardship and unpaid workloads and responsibilities?*
- *Will the project risk increase domestic violence or sexual harassment of women and girls?*
- *Are there any risks of child labour?*
- *Please provide Environmental and Social Management Plan. If there is a risk of resettlement, please provide an outline of RAP (Resettlement Action Plan).*
- *Please specify how you will mitigate the above potential risks.*

### SECTION 3: PROJECT BUDGET AND VALUE FOR MONEY

**Q 3.1** What is the total cost of the project (RWF; provide total cost for each year of the project disaggregated by capital and recurrent expenditure)?

**Q 3.2** What is the total amount requested from FONERWA (RWF; *provide financing needs for each year of the project*)? What is the % of fund in RWF 'earmarked'/allocated and targeted for women's expressed needs and priorities? (gender budgeting) and the % fund allocated to the needs of poor households, most exposed to climate change?

**Q 3.3** List all other sources of funding. Note on the status of other funding sources (i.e. Whether the money has been approved or is awaiting authorisation)

**Q 3.4** Value Addition from FONERWA: Explain why the project cannot be fully financed by other sources than FONERWA?

**Q 3.5** What non-financial support is needed to implement the project? What is the best way for FONERWA to deliver this support?

**Q 3.6** Value for Money (Economy):

- Do you follow or have experience with Government of Rwanda procurement rules<sup>2</sup>?
- If yes, are you prepared to follow those rules for the execution of your program?
- Do you have an internal procurement manual? If so, please attach it as an annex.
- If you do not have a procurement manual, you will need to develop one. FONERWA can assist you.
- 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).*

<sup>2</sup> FONERWA Procurement Guidelines for non-public agencies that are accessible on <http://www.fonerwa.org>

Q 3.7	<p><b><u>Value for Money (Efficiency):</u></b></p> <ul style="list-style-type: none"> <li>▪ Briefly explain how the provision and operation of project inputs produce the expected outputs.</li> <li>▪ What is the Net Present Value (NPV) and benefit cost ratio for this project? <i>(Please see VfM guidelines on how to determine these measures? Further guidance from the FONERWA Secretariat is available)?</i></li> </ul>
Q 3.8	<ul style="list-style-type: none"> <li>▪ <b><u>Value for Money (Effectiveness):</u></b> How does your project demonstrate effectiveness?</li> <li>▪ Which indicators will you measure to demonstrate effectiveness?</li> <li>▪ <b><u>Economies of scale:</u></b> project outreach in terms of numbers, gender, age and economic status of targeted beneficiary population (x number of people, x number of households, of which x % are poor, x % are female-headed households; orphan-led households/ households in vulnerable situations regarded climate change impacts);</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.*

### Appendix 3. EMSF Framework and Annexes

FONERWA has an extensive set of ESMF frameworks. This is documented through a set of guidance, which relevant checks, set out in the table below.

#### 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

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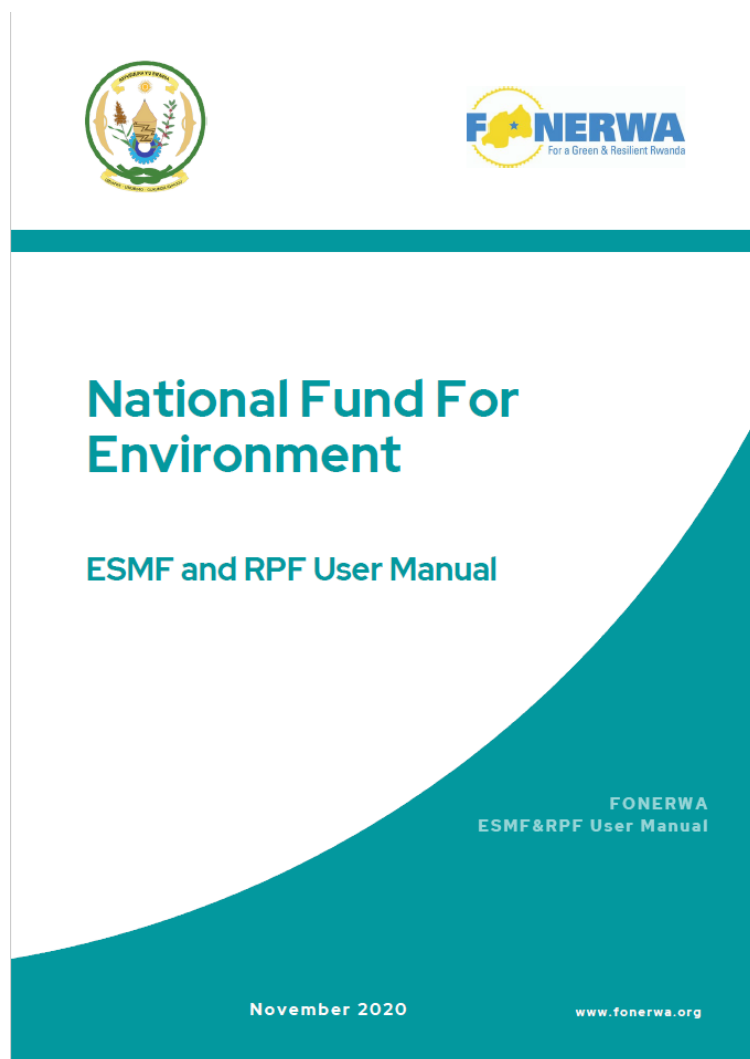
Annex	E&S Tool	Relevance	Timing of use	User
<b>Annex-7</b>	Guide for some Sector Specific environmental impacts and mitigation measures	Shall guide in the preparation of ESIA/ESMP of specific project	During ESIA/ESMP preparation	Project Developers, ESIA Consultant,
<b>Annex-8</b>	Socio-economic and land 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
<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>3</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,	After the completion of ESIA/RAP but before the project implementation	Project Developer and Contractor

<sup>3</sup> More Tools/Templates related to Public and Stakeholder Engagement and Consultation are provided in FONERWA's ESMF&RPF, Volume 4

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Annex	E&S Tool	Relevance	Timing of use	User
		ESMP, operational policies and manuals, management systems, procedures, practices and investments.		
<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
<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)

This is summarized in the user manual, see TOC below.



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Annex 2 of the manual is the screening form at PPD stage that applicants have to complete.

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### Annex 2 Project Climate, Environmental and Social Screening Form (PCESSF)

#	Aspect	Status (Yes/No/Unknown)	Comments/Justification	If Yes or Unknown, suggestion for specific studies
<b>I) Climate Resilience</b>				
1	Is the project located in an area prone to <b>natural hazards</b> ? <i>Examples: earthquakes, landslides, volcanic activity, floods, extreme temperatures, drought, wildfires, storms/wave surges, disease epidemics and pest outbreaks</i>			To be assessed in ESIA.
2	Have similar projects in this area experienced impacts as a result of natural hazards?			To be assessed in ESIA.
3	Is the project located in an area experiencing or susceptible to <b>complex emergencies</b> ? <i>Examples: humanitarian crisis, food insecurity, epidemics; conflicts and displaced populations</i>			To be assessed in ESIA.
4	Have similar projects in this area experienced impacts as a result of complex emergencies?			To be assessed in ESIA.
5	Is resilience-building or disaster risk reduction a significant focus of the project you are designing/developing/implementing?			To be assessed in ESIA.
6	Will the project negatively affect local, national or international climate change by emitting greenhouse gas or other CC risk factors?			To be assessed in ESIA.
7	Will the project potentially affect local, national or international climate by measures that reduce climate change (CC) risk factors?			To be assessed in ESIA.
8	Will the project support local (community and/or District) or national Rwandan goals for adaptation to climate change and/or other CC risk factors?			To be assessed in ESIA.
<b>II) Environmentally Sensitive and Protected Areas</b>				
9	Is the Project site affecting a gazetted forest?			To be assessed in ESIA.
10	Are there surface water recourses or natural springs at the Project site?			To be assessed in ESIA.
11	Do wetlands (lakes, rivers, swamp, seasonally inundated areas) exist at the Project site?			To be assessed in ESIA.
12	Is there any habitat of endangered/vulnerable/ threatened species for which protection is required under Rwanda national law/local law and/or international agreements at the Project site?			To be assessed in ESIA.
13	Is there any protected area, nationally or internationally (national park, national reserve, world heritage site etc.) at the Project site or in its immediate surrounding?			To be assessed in ESIA.
<b>III) Biodiversity and Natural Resources</b>				

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#	Aspect	Status (Yes/No/Unknown)	Comments/Justification	If Yes or Unknown, suggestion for specific studies
14	Would the proposed project pose a risk of introducing invasive alien species?			To be assessed in ESIA.
15	Does the project involve extraction, diversion or containment of surface or ground water that could cause depletion of water sources?			To be assessed in ESIA.
16	Does the project pose a risk of degrading soils?			To be assessed in ESIA.
<b>IV) Wastes and Pollution</b>				
17	Would the proposed project result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and transboundary impacts?			To be assessed in ESIA.
18	Is there a potential for the release to the environment of hazardous materials resulting from their production, transportation, handling, storage and use for project activities?			To be assessed in ESIA.
19	Will the proposed project involve the application of pesticides and fertilizers that have a known negative effect on the environment or human health?			To be assessed in ESIA.
<b>V) Geology, Soils and Climate Change</b>				
20	Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?			To be assessed in ESIA.
21	Is there a possibility that the project will adversely affect the aesthetic attractiveness of the local landscape?			To be assessed in ESIA.
<b>VI) Historical, Archaeological or Cultural Heritage Sites</b>				
22	Based on available sources, consultation with local authorities, local knowledge and/or observations, could the project alter any historical, archaeological, cultural heritage traditional (sacred, ritual area) site?			To be assessed in ESIA.
23	Is the project likely to significantly affect the cultural traditions of affected communities, including gender-based roles?			To be assessed in ESIA.
24	Would the proposed project produce a physical "splintering" of a community?			To be assessed in ESIA.
<b>VII) Land, Property and Social Setting</b>				
25	Will the project result in the permanent or temporary loss of crops, fruit trees and household infrastructure (such as granaries, outside toilets and kitchens, livestock shed etc.)?			Assessment of impacts in EIA and potentially Abbreviated Resettlement Action Plan
26	Is the proposed project likely to affect land tenure arrangements and/or traditional cultural ownership patterns?			Assessment of impacts in EIA and potentially Abbreviated Resettlement Action Plan
27	Would the proposed project result in land acquisition and/or resettlement of			Abbreviated Resettlement



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#	Aspect	Status (Yes/No/Unknown)	Comments/Justification	If Yes or Unknown, suggestion for specific studies
	populations (more than 20% of land owned by one person and negative effect on economic viability of the land)?			Action Plan
28	Is the project likely to result in influx of people into the affected community (ies)?			To be assessed in EIA.
<b>VIII) Cumulative Impacts</b>				
29	Is there any other project or potential project nearby likely to be affected or to affect this project?			To be assessed in EIA.

### Project Categorization

Based on the above information, the indicated colors for each risk / impact will trigger categorisation of projects as indicated in the table below:

Color Code	Risk level	Result for studies needed
	All questions above are answered with "No" <b>Impact risk level One - Low risk (Category C projects by World Bank standards):</b> Minimal or no adverse environmental or social risks and/or impacts.	No ESIA or ESMP needs to be prepared.
	Only orange-colored questions are answered with "Yes" or "Unknown" <b>Impact risk level two - Moderate risk (Category B Projects by World Bank standards):</b> Potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	ESIA (partial) to be prepared on a case-by-case basis. Robust ESMP required.
	At least one of the red-colored questions is answered with "Yes" or "Unknown" <b>Impact risk level three - High risk (Category A projects by World Bank standards):</b> Potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented	Full ESIA and ESMP need to be prepared. Potentially ARAP or equivalent document needed.

### **Annex 3: ENVIRONMENTAL and SOCIAL COMMITMENT PLAN (ESCP)**

A separate assessment has been made of how FONERWA will ensure compliance with Adaptation Fund policy.

1. FONERWA will implement material measures and actions so that the Project is implemented in accordance with the Environmental and Social Standards (ESSs) as per the Adaptation Fund Environmental and Social Policy by conforming to all the 15 ESP principle except principle 7 which is not applicable to Rwanda (See Table below). This Environmental and Social Commitment Plan (ESCP) sets out material measures and actions, any specific documents, or plans, as well as the timing for each of these.
2. FONERWA will also comply with the provisions of any other E&S documents required under the ESS and referred to in the ESCP, such as the Environmental and Social Management Framework (ESMF) and its updates or annexes
3. FONERWA is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by the Ministry, agency, or unit, further referred to as “subproject implementor”. FONERWA will be responsible for assuring the compliance of subproject implementers’ Environmental and Social Management Plans (ESMP), Resettlement Action Plans (RAP) and Stakeholder Engagement Plans (SEP), and the timelines specified in those E&S documents.
4. Implementation of the material measures and actions set out in the ESCP has been budgeted and will be monitored and reported to the Adaptation Fund by FONERWA as required by the ESCP and the conditions of the legal agreement.

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/ AUTHORITY
<b>ENVIRONMENTAL AND SOCIAL MANAGEMENT, APPLYING THE ESP PRINCIPLES</b>		
<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>Maintain an organizational structure with qualified staff and resources to support the coordination and management of environmental and social aspects of the project and its subprojects in accordance with the provisions of the project's legal agreement and this ESCP. The ESMS team will be comprised, among others, by a) a senior representative who will assume the overall responsibility for coordinating the management of the environmental and social aspects of the project, and b) an environmental and social specialist responsible for the day-to-day implementation of the E&amp;S management during the project implementation.</p> <p>It is required that each subproject that receives funding (Grantees) designate a senior representative to assume overall responsibility for coordinating the E&amp;S management of the specific subproject they receive financing for by the project. Furthermore the subproject implementor must have an environmental and social specialist responsible for the day-to-day implementation of the ESMP and subproject's E&amp;S management plans.</p>	<p>Staff in place and maintained throughout project implementation.</p> <p>Grantees will designate a senior representative and an E&amp;S specialist after being awarded financing through AF funding, and before project start. This requirement will be included in the grantees Financing Agreement or the Participation Agreement, if applicable.</p>	<p>FONERWA</p> <p>FONERWA will require from grantees (grant recipients)</p>
<p><b>IMPLEMENTATION ARRANGEMENTS</b></p> <p>For all subprojects, FONERWA will oversee the proposed E&amp;S instruments and ESIA (if applicable) or the ESMP (projects of Cat. B and B+), and the full internal environmental and social review, studies, and should it be requested, share this documentation with AF. E&amp;S documents, and ESIA as applicable, will go through final certification from Rwanda Development Board which is the national organ that certifies the ESIA and ESMP in Rwanda.</p>	<p>Before appraisal of subprojects.</p>	<p>FONERWA</p>
<p><b>REPORTING</b></p> <p>FONERWA will comply with the ESP principles, the FONERWA's ESMF, as well as all relevant local laws, ILO Conventions and other relevant laws referred for the ESP. FONERWA will receive reporting from grantees as stipulated under and report on the E&amp;S implementation of the portfolio to AF on a quarterly basis. This may include but is not be limited to a) Number of Projects implemented by E&amp;S risk category (Rwandan and ESP Risk categories), b) Occupational health &amp; safety records (fatal accidents, non-fatal accidents, incidents, training, etc.), c) Lessons learned (positive and/or negative).</p>	<p>Throughout project Implementation</p>	<p>FONERWA Grantees</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/ AUTHORITY
	<p><b>INCIDENTS</b></p> <p>FONERWA will document and provide sufficient details on any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers.</p>	An Incident Report shall be promptly prepared, but in any event within 3 workdays, after the occurrence.	FONERWA
<b>Principle 1: COMPLIANCE WITH THE LAW</b>			
	<p>FONERWA will ensure all subprojects funded under the EDA AF funding comply with applicable Rwanda and international laws as described in FONERWA's ESMF and ESP. Depending on the category of the project, the grantee will provide, when relevant, a description of the legal and regulatory framework for any project activity that may require prior permission (such as planning permission, environmental permits, construction permits, permits for water extraction, emissions, and use or production or storage of harmful substances. FONERWA will describe the current status, any steps already taken, and the plan to achieve compliance with relevant domestic and international laws. The implementation of activities under the proposed sub-projects will ensure compliance with all relevant national legislations and international law</p>	At the planning level and throughout project Implementation	FONERWA Grantee
<b>Principle 2: ACCESS AND EQUITY</b>			
	<p>The Enhanced Direct Access modality of the AF is designed to capacitate grant recipients and vulnerable communities through a 'bottom-up' approach. Sub-projects that will be supported by the AF funding will provide fair and equitable access to benefits in a manner that is inclusive. These sub-projects will in no way impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights.</p> <p>FONERWA will ensure fair allocation of resources by treating all people equally without favoritism or discrimination. Projects will be designed and implemented in a way that will not impede access of any group to the essential services and rights. This will be done through rigorous stakeholders' consultation and mapping in order to identify the potential beneficiaries, rivals, disputants, marginalized, or vulnerable people.</p>	At the planning level and throughout project Implementation	FONERWA
<b>Principle 3: MARGINALIZED AND VULNERABLE GROUPS</b>			
	<p>For all projects that will be supported by the AF funding shall be inclusive enough and avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups including children, women and girls, the elderly, indigenous people, tribal</p>	At the planning level and throughout project Implementation	FONERWA

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	<p>groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS. In screening any proposed projects, the implementing entities shall assess and consider particular impacts on marginalized and vulnerable groups.</p> <p>Risks and impacts on marginalized people will be analyzed and compiled in the ESMP to guide the inclusivity across the project implementation</p> <p>Where possible sub-projects under the EDA AF grant will benefit marginalized and vulnerable groups, including women, children, elderly, people living with disabilities...</p>		
<b>Principle 4: HUMAN RIGHTS</b>			
	<p>FONERWA will implement the projects under AF funding in manner that respect and promote human rights by considering both national and international fundamental human rights laws/standards.</p> <p>When assessing the projects the human rights principles as described in the ESP. These may include:</p> <ul style="list-style-type: none"> <li>➤ Considering the human rights in all the stakeholders consultations</li> <li>➤ Show how the Human rights issues can be addressed in case host country of the project is cited in any Human Rights Council Special Procedures</li> <li>➤ Complying with UDHR nine core international human rights treaties in all project phases</li> </ul> <p>All projects under the EDA will respect and promote human rights, including, inter alia equality, freedom of expression, association, housing, education, access to information</p>	At the planning level and throughout project Implementation	FONERWA
<b>Principle 5: GENDER EQUALITY AND WOMEN'S EMPOWERMENT</b>			
	<p>FONERWA will ensure that the projects supported adhere to the AF gender policy and FONERWA's Gender Mainstreaming Strategy and consider that both women and men have full and equal opportunities to participate and receive comparable social and economic benefits. This includes representation of women within the management structures of sub-project grant recipients, and within beneficiaries of sub-projects.</p> <p>FONERWA will ensure that a gender assessment will be required at the project concept level by all applications and Gender Action Plan will be developed to ensure that gender is considered in all project planned activities.</p> <p>Gender-sensitive indicators have been included in the design of the EDA Grant to</p>	At the planning level and throughout project Implementation	<p>FONERWA</p> <p>Note a separate gender assessment is attached in Appendix 4.</p> <p>Grantees</p>

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	ensure that gender equity and women's empowerment are emphasized. FONERWA will also ensure Gender sensitive indicators are incorporated where applicable at the sub-project level.		
<b>Principle 6: CORE LABOUR RIGHTS</b>			
<b>6.1</b>	<p><b>LABOR MANAGEMENT PROCEDURES</b></p> <p>All subprojects and labor management practices funded through/ managed by FONERWA shall be screened against principle number 6 and ensured that they comply with the requirements laid out in the FONERWA's ESMF and ESP.</p> <p>FONERWA will require from grantees to adhere to the Labor Standards and ILO core labour standards in the design and implementation of the project/programme and create awareness with all involved on how these standards apply subprojects and where possible for projects involving some construction works will require having a Labor Management Plan (LMP).</p>	<p>Throughout project implementation.</p> <p>Throughout project implementation.</p>	<p>FONERWA</p> <p>FONERWA will require from grantees</p>
<b>6.2</b>	<p><b>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</b></p> <p>FONERWA will require the grantees of B+ projects to prepare, adopt, and implement occupational, health and safety (OHS) measures to be specified in the subproject ESMP – according the provisions of the FONERWA ESMF or the grant management manual - in the format of an Occupational Health and Safety Plan, including emergency preparedness and response measures for construction <u>and</u> operational phases and Project specific risks such as working at heights, working on electrical systems, working in excavations and confined spaces, quarrying and blasting operations. OHS Plan to be in line with national legislation and general provisions of principle 6 under the ESP.</p> <p>FONERWA to review and approve subprojects OHS Plans and to ensure diligent implementation of all OHS measures as per ESMP/Construction ESMP by appropriate supervision and monitoring.</p>	Prior to start of construction of B+ subprojects. Implementation throughout the project.	FONERWA will require from grantees
<b>6.3</b>	<p><b>PROJECT WORKERS CODE OF CONDUCT</b></p> <p>Workers Code of Conduct to comprehensively cover, but not be limited to:</p> <ul style="list-style-type: none"> <li>-the areas of GBV, SEA and STD, including relevant disciplinary measures, penalties, and provisions for prosecution,</li> <li>-prohibition of poaching, hunting and any other damage to biodiversity, flora, and fauna, specifically in the wetlands.</li> </ul>	Prior to and during construction of subprojects	FONERWA will require from grantees
<b>Principle 7: INDIGENOUS PEOPLES -- Not applicable</b>			

<b>Principle 8: INVOLUNTARY RESETTLEMENT</b>			
<b>8.1</b>	<p><b>RESETTLEMENT and LIVELIHOOD PLANS</b></p> <p>No sub-projects proposal with involuntary resettlement aspects will be considered for funding, therefore, no involuntary resettlement will occur as a result of any of the sub-projects under the EDA AF – FONERWA call.</p> <p>Note that in cases where FONERWA does consider projects that require resettlement, the following applies:</p> <p>a) if physical resettlement cannot be avoided, a Resettlement Action Plan (RAP) shall be drafted for the subproject, b) if economic displacement occurs, livelihood restoration plans (LRP) on subproject level will be based to the appropriate extent and feasible on existing government programs and will cover the range of affected livelihoods including any needs to support the establishment of alternative livelihoods.</p> <p>FONERWA to ensure that during the census/social survey for the RAP the cut-off date regarding eligibility for entitlements under the RAP/LRP will be established and appropriately and comprehensively communicated with PAP and in the wider project area.</p> <p>No land take for the Project and no construction activities will be undertaken before full compensation of project affected people has been disbursed.</p>	<p>RAP, LRA and full compensation of project affected people prior to start of construction, as applicable</p> <p>Throughout project implementation.</p>	FONERWA and grantees
<b>8.2</b>	<p><b>(TEMPORARY) LAND ACQUISITION</b></p> <p>In case the contractors will undertake temporary land acquisition for any areas as required during construction (e.g. construction camp, lay down areas, access roads), the corresponding provisions of the RAP will apply and be adhered to by the grantees. The RAP will comprise provisions to address impacts from unintended damage which may occur during construction of the Project.</p>	Same timelines as for RAP/LRP	FONERWA and grantees
<b>8.3</b>	<p><b>BUDGET FOR IMPLEMENTATION OF RAP AND LRP, ESCROW</b></p> <p>FONERWA to ensure that budget for statutory compensation will be available timely; compensation for any measures which go beyond national legislation, i.e., any top ups to statutory compensation, livelihood restoration measures or additional support to vulnerable groups, will be borne by project funds.</p> <p>If applicable, an ESCROW account will be established and maintained in order to host compensation amounts which could not be disbursed as per RAP implementation plan, e.g. due to ongoing land disputes, due to absence of entitled persons, or due to</p>	Prior to start of RAP implementation	FONERWA

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	pending documentation of entitled PAP.		
<b>8.4</b>	<p><b>BUDGET FOR IMPLEMENTATION OF RAP AND LRP, ESCROW</b></p> <p>FONERWA to ensure that budget for statutory compensation will be available timely; compensation for any measures which go beyond national legislation, i.e., any top ups to statutory compensation, livelihood restoration measures or additional support to vulnerable groups, will be borne by project funds.</p> <p>If applicable, an ESCROW account will be established and maintained in order to host compensation amounts which could not be disbursed as per RAP implementation plan, e.g. due to ongoing land disputes, due to absence of entitled persons, or due to pending documentation of entitled PAP.</p>	Prior to start of RAP implementation	FONERWA
<b>8.5</b>	<p><b>MONITORING AND REPORTING, RAP COMPLETION AUDIT:</b></p> <p>Ensure that internal progress monitoring and reporting on RAP/LRP implementation (land acquisition, compensation, resettlement, and livelihood restoration) will be undertaken as per RAP/LRP provisions. A comprehensive internal monitoring database will be established and maintained, covering all provisions of the RAP/LRP including grievance management, stakeholder engagement, assistance to vulnerable groups, tracking of households affected by physical displacement by the RAP implementation Consultant.</p> <p>An independent RAP/LRP completion audit will be assigned to a qualified consultant upon completion of RAP/LRP implementation.</p>	<p>Monthly reporting on RAP implementation.</p> <p>Independent RAP/LRP Completion Audit upon completion of RAP/LRP implementation.</p>	FONERWA and grantees
<b>Principle 9: PROTECTION OF NATURAL HABITATS</b>			
	<p>FONERWA to conduct assessment and screening of the project at the planning level to ensure that the project implementation would not interfere with critical natural habitats, including those that are legally protected, officially proposed for protection, recognized by authoritative sources for their high conservation value, and recognized as protected by traditional local communities.</p> <p>ESIA or EIA will be conducted to ensure this is critically analyzed and where risks are identified, appropriate measures are taken to avoid them across all project implementation</p>	At the planning level and throughout project Implementation	FONERWA and grantees



<b>Principle 10: CONSERVATION OF BIOLOGICAL DIVERSITY</b>			
	<p><b>BIODIVERSITY RISKS AND IMPACTS</b></p> <p>According the provisions of the FONERWA's ESMF and principle 10 or the grant management manual, FONERWA will develop, adopt, and implement measures and actions to protect local biodiversity, flora, fauna, and habitats; establish a Biodiversity Action Plan if required (subject to ESIA). Measures to encompass overall wetland protection. Biodiversity aspects may be of relevance related to associate facilities to the Project to be addressed as appropriate in ESIA.</p> <p>Contractors will have to develop their own management plans related to biodiversity, diligent implementation to be supervised and monitored by FONERWA.</p> <p>FONERWA to ensure diligent implementation during project operation, through responsible agencies as appropriate.</p>	Same timeline as for ESIA and ESMP.	FONERWA and grantees
<b>Principle 11: CLIMATE CHANGE</b>			
	<p>The EDA AF – FONERWA call for proposal will only earmark the call for proposals to limit to adaptation priority areas identified in Rwanda's Nationally Determined Contribution (NDC) in 2020, in the four sub-project areas set out in the proposal.</p> <p>FONERWA as an organization mandated to support climate resilient projects shall ensure projects supported through this funding address issues of climate change instead of exacerbating its impact. Risk assessment will be conducted and where possible a greenhouse gas emissions calculation will be done to ensure the project addresses the causes of climate change or addressing its impacts.</p>	At the planning level and throughout project Implementation	FONERWA and grantees
<b>Principle 12: POLLUTION PREVENTION AND RESOURCE EFFICIENCY</b>			
<b>12.1</b>	<p><b>RESOURCE EFFICIENCY, WATER and SOIL POLLUTION, PREVENTION of EROSION, AND NOISE AND AIR QUALITY MANAGEMENT:</b></p> <p>FONERWA's ESMF or the grant management manual shall guide subprojects' ESMP to implement measures for resource efficiency, measures and procedures for pollution prevention and management of waste and hazardous materials in the format of a waste management plan/hazardous waste management plan, as well as project-related air emissions during construction and operation during Project construction, i.e. for water and energy use.</p> <p>Diligent implementation of resource efficiency, pollution and air and noise control</p>	ESMP to include resource efficiency and other measures prior to start of construction of B and B+ subprojects. Implementation throughout the project.	FONERWA and grantees

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	measures subject to supervision and monitoring by the subproject implementor and FONERWA.		
<b>Principle 13: PUBLIC HEALTH</b>			
<b>12.2</b>	<p>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.</p> <p>FONERWA's ESMF shall guide subprojects' ESMP to develop and implement measures and actions to assess and manage specific risks and impacts to local communities arising from Project activities, in line with national legislation and with principle 13.</p> <p>Community health and safety management measures will comprehensively cover the risks and impacts from project construction and operation (e.g. risks from operation of construction machinery, from electrical works, line stringing and erection of poles, excavating and blasting activities, but also risks from inappropriate waste management, from noise, dust, and vibrations) and impacts on ecosystem services like groundwater, agricultural soils, recreation functions. Any risks of labor influx or from the operation of security personnel will be addressed as well.</p> <p>FONERWA will ensure diligent implementation during project operation, through hands-on support and responsible agencies as appropriate (community health and safety risks from public infrastructure such as sewage networks, power distribution lines, waste management infrastructure).</p>	<p>ESMP to include community health and safety prior to start of construction as applicable.</p> <p>Implementation throughout the project.</p>	FONERWA with the support and grantees
<b>Principle 14: PHYSICAL AND CULTURAL HERITAGE</b>			
<b>14.1</b>	<p><b>CULTURAL HERITAGE</b></p> <p>Subprojects that will be supported under AF project shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. Subprojects should also not permanently interfere with existing access and use of such physical and cultural resources.</p> <p>Baseline survey and impact assessment as appropriate will be undertaken in the course of the ESIA. Specific attention will be given to cultural heritage linked to natural features such as trees, rocks and to shrines.</p> <p>Any impacts on graves from the project will be dealt with in the ESMP.</p>	Same timeframe than for the ESIA/ESMP	FONERWA and grantees
<b>14.2</b>	<p><b>CHANCE FINDS</b></p> <p>If applicable, FONERWA's ESMF or the grant management manual shall guide</p>	<p>ESMP to include as applicable.</p> <p>Implementation throughout the project</p>	FONERWA and grantees

	subprojects' ESMP to account for chance find procedures and guide ESMP, if necessary, to deal with those during implementation.		
<b>Principle 15: LANDS AND SOIL CONSERVATION</b>			
15.1	<p><b>COMMUNITY ENGAGEMENT AND STAKEHOLDER ENGAGEMENT PLAN</b></p> <p>FONERWA and the grantees shall undertake regular community awareness rising and capacity building. In this regard, FONERWA will also work together with the municipalities where subproject are developed.</p> <p>A Stakeholder Engagement Plan (SEP) will be prepared by the grantees for B and B+ subprojects and will be continuously updated throughout project preparation and implementation.</p> <p>The SEP will cover all levels and the entire range of activities to be undertaken in the course of stakeholder identification, information, and consultation, by using different methods and channels as appropriate. Special consideration will be given to the SEP provisions for vulnerable groups. The SEP will cover the process of public information and disclosure of the Project's E&amp;S documentation, including any requirement for non-technical summaries and for translation of relevant information. Results and findings from stakeholder engagement will be incorporated into the relevant safeguard documents as appropriate.</p>	Same timeframe than for the ESIA/ESMP. Regular reviews and updates required.	FONERWA Grantees
<b>GRIEVANCE MECHANISM</b>			
	<p><b>GRIEVANCE MECHANISMS</b></p> <p>FONERWA shall adopt, maintain, and operate a grievance mechanism, as described in the FONERWA's ESMF and with consideration of the AF'ESP.</p> <p>FONERWA will require the Grantees to establish and maintain a GRM.</p> <p>FONERWA will document in writing any grievances formulated directly by stakeholders during monitoring visits and compile them into a dedicated register for the Project. In addition, FONERWA will consult grievance registers of the Grantee as a source of information and verify that grievances (if any) have been appropriately addressed.</p>	<p>Have the GRM in place no later than 30 days after Effectiveness of the Separate Agreement and start of any activities under the Facility.</p> <p>Project-related GRM shall be established before start of any activities under the Project.</p> <p>Throughout implementation of the Project.</p>	<p>FONERWA</p> <p>FONERWA will require from grantees</p>
<b>CAPACITY SUPPORT (TRAINING)</b>			

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CS1	<p>Training for applicants on the E&amp;S process and developed E&amp;S tools for successful applicants and other project stakeholders of the facility will be developed and implemented by the FONERWA Environmental and Social Safeguard Specialist. The training will focus on:</p> <ul style="list-style-type: none"> <li>• Stakeholder engagement and community liaison</li> <li>• ESMP implementation, monitoring, and reporting</li> <li>• Grievance management</li> <li>• Specific aspects of environmental and social assessment</li> <li>• Community health and safety</li> <li>• RAP/LRP implementation monitoring</li> <li>• Further topics to be defined</li> </ul>	Throughout Facility implementation	FONERWA and grantees
CS2	As part of ESMP, develop and implement training for Project workers on occupational health and safety including on emergency prevention and preparedness, as well as on consultation and capacity building of local communities regarding GBV, SEA and STD.	Prior to construction and through the Throughout the implementation	FONERWA

## Appendix 4 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 (ITA Task 2)*



Submitted to  
FONERWA,  
SEPTEMBER 2020

## FONERWA Gender Analysis Handbook

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Anti-corruption Laws.

FONERWA ensures compliances with domestic anti corruption laws, which include

- Organic Law N° 12/2013/OL of 12/09/2013 on State finances and property and related regulations (1° comprehensiveness; 2° transparency; 3° accountability; 4° uniformity; 5° consolidation; 6° gender balance in public State finance management);
- Law N° 54/2018 Of 13/08/2018 on Fighting against Corruption;
- Organic Law N° 61/2008 Of 10/09/2008 on the Leadership Code of Conduct, as amended to date, and related regulations;
- Presidential Order N° 021/01 of 24/02/2021 determining professional ethics for public servants;
- Ministerial Order N° 002/19.20 of 17/03/2020 establishing the List of Gross Misconduct



## Appendix 5 Gender Assessment Plan

### Background

Rwanda has one of the highest population densities in Africa, with a population of 12.3 million people in 2020<sup>4</sup> (NISR, 2021), and rural communities represent about 82% of the total population<sup>5</sup>. Rwanda has a sex ratio of 91 (NISR, 2021) – which entails that women account for 52.3% of the total population – although in rural communities, the ratio of women is slightly higher compared to urban areas. It was recorded that more than half of the country's population is between the ages 26-45 <sup>6</sup>(NISR EICV 5, 2018)

In terms of the gender of the household headship, 25% of the households in Rwanda are headed by women with the proportion been slightly higher in rural areas than urban areas<sup>7</sup> (NISR EICV 5, 2018). In Rwanda, poverty is measured in relation to the consumption of food and non-food basic need with emphasis on monetary poverty. Female headed household are more likely to be poor than male-headed households. In 2017, 39.5% of female headed households and 37.6% of male headed households were categorized as poor (NISR EICV 5, 2018). Like in many developing countries, women usually hold the primary care responsibilities for household activities and in female headed homes, women's burden of care is even greater, making their vulnerability to poverty even greater. Women depend heavily on reliable water and energy access at household level for their livestock and farms, otherwise they spend a lot of time trying to compensate for unreliable services.

Rwanda experiences important natural climate hazards, including extreme events. These hazards are distributed across the country, due to the influence of topography (e.g., the high gradients and steeper slopes in the west), but also because of differences in climate across the country, with lower and more variable rainfall patterns in the east. Soil erosion and landslide risks are highest in the west, while the risks of severe drought are highest in the east. Flood risks are across the country, primarily associated with river catchments. Most disasters and climate change effects are not gender neutral, they place an undue burden on women and girls, who are often responsible for unpaid work such as providing care, water, and food for households.

### Education demographics

With regards to the level of education reached, the education statistics indicate changing gender gaps. However, Although more women attend school at primary and secondary level, men more often complete school at secondary and tertiary levels. In addition, there are more women (13.7%) than men (8.6%) who have not been to school (no education). In schools, attendance nationally is moderately high (87%), with women still been underrepresented in school attendance (85%) compared to men (90%) (NISR EICV5, 2018). In terms of literacy, approximately 69% of females and 76% of males over the age of 15 are literate, that is, they can read and write in at least one language)

<sup>4</sup> National Institute of Statistics of Rwanda (NISR), Rwanda Household Survey 2019/2020 report, March 2021

<sup>5</sup> <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=RW>

<sup>6</sup> National Institute of Statistics of Rwanda (NISR), Rwanda Poverty Profile Report, 2016/2017, November 2018

<sup>7</sup> National Institute of Statistics of Rwanda (NISR), Rwanda Poverty Profile Report, 2016/2017, November 2018

(EICV6).

### **Labour force**

Labour force participation and employment are other areas where national gender gaps are observed. National labour force participation rate stands at 53.4%, however women remain underrepresented 45.1% in labour force compared to their male counterparts 62.8%<sup>8</sup> (NISR, 2020). And women are still more likely to engage in unpaid labour. Even if more wage employment become available, women's access to such positions is not equal to men's because of women's domestic responsibilities. Nationally, the unemployment rate stands at 15.2%, higher among women (17%) than men (13.8%), and higher among young people 16-30 year (19.4%) than among adults 31 years and above (12%) (NISR 2020).

The Service sector (economic activities) employs more than 40% of the employed population in Rwanda. While women and men participation in the economic activities are slightly equal, major gender disparities are observed in the Market oriented agriculture economic activities. Where more women (46%) are employed in agriculture, compared to men (30%) (NISR 2020) [*these statistics do not include the subsistence agriculture farming activities which are unpaid and thus not considered as income generating activities*]

### **National Gender policy**

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>xlii</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 UNDAF Gender Mainstreaming Strategy (2018-2023).

While there has been progress, various opportunities exist to address gaps, promote women's empowerment and facilitate a transition towards gender transformation in climate change adaptation projects. This project recognizes that women's participation in climate change decision making processes is especially important as women in have unique needs, capacities, and experience when it comes to climate change adaptation in Rwanda.

### **FONERWA gender policy (project execution organisation and EDA)**

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

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<sup>8</sup> National Institute of Statistics of Rwanda (NISR), Labour Force Survey, Annual report 2019, March 2020

organization is a gender-sensitive and gender-responsive institution.

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 Gender mainstreaming Strategy, a Strategic Gender Action Plan and a Gender Action Plan, which all are aligned and merged with the current and future FONERWA strategic plan and annual action plans.

FONERWA has formalised the strategy in a **Gender Analysis Handbook**. This is a detailed guide to ensure all aspects of gender programming are included. The handbooks are part of the tools in a ‘gender mainstreaming package’.

### **Gender assessment for the EDA modality and applications**

As part of the FONERWA grant management application process, and the consideration of Adaptation Fund Gender Policy, the following gender assessment related activities will take place.

In component 1.1, the Call for Proposals, the call 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, the concept and proposal stage through to project approval. At the PPD stage (concept note stage), FONERWA will undertake checks on gender compliance and alignment, using the Gender handbook. This includes sector-specific gender issues, evidence and data, and thereby position The handbooks or parts of the handbooks are also shared with FONERWA’s implementation partners, e.g. the CSOs.

During the PD stage (proposals), **all proposals have to produce a gender assessment**, and to **report gender disaggregated results as part of monitoring and reporting**. This is operationalized as part of the application process.

FONERWA will also undertake checks on gender compliance and alignment, using the Gender handbook. This includes sector-specific gender issues, evidence and data, and thereby position

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 (gender expert). 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, activities are included for capacity building and training sessions for local organizations. 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.

### **Analysis of gender assessment for the EDA four sub-project types**

The project will underscore the importance of a gender-sensitive approach in developing activities of the sub-project proposals

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.

The EDA modality is focusing on four areas in the call for proposal, for local projects that align to NDC adaptation priorities:

- Sustainable land use management practices for erosion control
- Sustainable agriculture activities
- Water conservation practices, wetlands restoration, water storage and efficient water use
- Small-scale irrigation

Women will be among the primary and most direct beneficiaries of these four project types 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.

A gender assessment plan has been made ~~of each of the four project types~~, shown below.

Sub-project areas	<u>Gender Assessment</u>
Develop a National Water Security through water conservation practices, wetlands restoration, water storage and efficient water use.	<p><u>Gender issues:-</u></p> <ul style="list-style-type: none"> <li>-Women are often excluded from technical circles and left out of decision-making groups, because they may lack specific knowledge/ skills to leverage decisions, that interest and benefit them</li> <li>-Limited accessibility to new practices, as women and children hold the primary responsibility to collect water for household use and spend a significant amount of time each day doing this activity.</li> <li>-Having water catchment systems that are too far away from the household runs the risk of adding to women and children's time and labor spent collecting water</li> <li>-Women's responsibilities such as childcare and household chores, often keep them from adequately participating in training and workshops</li> </ul> <p><u>Gender positive:-</u></p> <ul style="list-style-type: none"> <li>-To consult women, have a well-planned and designed system that can provide a source of water to a community will reduce the time burden women and children face carrying out this activity</li> <li>-Provide training for women, men and youth, on how to install, use and maintain water catchment systems, collection infrastructure, is important to ensure sustainability of systems put in place</li> <li>-Training efforts on all aspects of watershed management for community member must make joint efforts to target both women and men in communities. Activities must include gender consideration in how they engage women and men.</li> </ul> <p><u>And how the project will address/ empower:-</u></p> <ul style="list-style-type: none"> <li>-Develop sex-disaggregated indicators and define gender targets during project design and monitoring framework (e.g., % time saved on water collection — disaggregated by women, men)</li> <li>-% women reached by capacity building for community</li> <li>-% of women supported for financial literacy</li> </ul>
Develop sustainable land management practices (soil erosion control; landscape management) (terraces and biological control	<p><u>Gender issues:-</u></p> <ul style="list-style-type: none"> <li>-Women occupy majority of the agriculture labour force, however, do not get the time to take part in training on better soil and crop management, due to existing responsibilities</li> <li>-Women and men often do not participate due to technical capacity gaps (both technology and tools)</li> <li>-Men have more access to extension services which limits women's ability to learn and benefit from services offered through agricultural advisory services</li> </ul>

measures)	<p><del>-For several reasons, men have more access to agriculture training service and therefore benefit from learning about new farming techniques and technologies</del></p> <p><del>-Sometimes cost-effectiveness of some techniques is not across gender</del></p> <p><u>Gender positive:-</u></p> <p><del>-Promote labor and time-saving technologies/ practices to reduce the burden for women</del></p> <p><del>-Ensure women and men are hired and training on technical level to own and operate the technologies/practices</del></p> <p><del>-Ensure the sub-project utilizes innovative approaches to widen access to farmer education contributing to equity and welfare and job on proper soil management</del></p> <p><del>-ensure the cost-effectiveness is across gender, such as increase in crop yield, more equity and welfare-</del></p> <p><u>And how the project will address/ empower:-</u></p> <p><del>-Sex-disaggregate indicators and targets (e.g., number of women hired for terracing work compared to total)</del></p> <p><del>-Ensure the sub-project is more much inclusive while requiring at least 50% female attendance at workshops/ trainings on new farming and soil erosion techniques</del></p>
Expand irrigation and improve water management (small scale)	<p><u>Gender issues:-</u></p> <p><del>-some irrigation technologies add more labour and are time-consuming which adds additional burdens, especially on many women who are heads of households</del></p> <p><del>-longer term, over extraction could have long term devastating impact, and impact women more</del></p> <p><del>Increased crop production costs, do not go to women more (safeguard more)</del></p> <p><u>Gender positive:-</u></p> <p><del>-Ensure women and men have equal training on installing, maintaining and repairing small scale irrigation systems, which allow for jobs</del></p> <p><del>-capacity building and employment would provide an additional job and income security for women and men in rural communities</del></p> <p><del>-Promote labour and time-saving irrigation technologies</del></p> <p><del>-Encourage/ empower women participation community-based water management efforts such as water user association or committees</del></p> <p><del>-Ensure outputs of the sub-project address opportunities to enhance women's access to the benefits of irrigated (or upgraded)</del></p>

	<p><u>How the sub-project will address/ empower:-</u></p> <ul style="list-style-type: none"> <li>-develop sex-disaggregated indicators and define gender targets during project design and monitoring framework (e.g., % time saved on water collection and irrigation — disaggregated by women, men)</li> <li>-Ensure equal job opportunity, will result in high success rate of the irrigation system</li> </ul>
Development of agroforestry and sustainable agriculture (control soil erosion and improve soil fertility)	<p><u>Gender issues:-</u></p> <ul style="list-style-type: none"> <li>-As more women are involved in the agriculture sector, the impacts of low soil fertility and high soil erosion, negatively impact them the most</li> <li>-Women priorities are often not included in agroforestry project activities, such as species selection, since women and men have different priorities and preferences when it comes to tree species</li> <li>-When it comes to taking care of nurseries or home agroforestry plots, the workload is significant</li> </ul> <p><u>Gender positive:-</u></p> <ul style="list-style-type: none"> <li>-Agroforestry and associated activities have vast potential to provide multiple co-benefits for local communities, including generating opportunities, animal fodder, household food security</li> <li>-Ensure the agroforestry interventions do not negatively affect existing socio-economic activities</li> <li>-Regardless of what gender is performing watering activities, the burden can be reduced through simple water collection practices and irrigation</li> <li>-Ensure women are represented in agroforestry and their priorities are included, by consulting women in the planning, design and decision making of various elements.</li> <li>-Encourage workshops and trainings to be children-friendly, such as, with or close to an on-site nursery or day care to enable mothers with young children to fully participate</li> </ul> <p><u>How the sub-project will address/ empower:-</u></p> <ul style="list-style-type: none"> <li>-Ensure women participation (at least 50%) in consultation workshops and stakeholder engagement</li> <li>-Develop sex-disaggregated indicators (% female-headed households benefiting from agroforestry operation compared to total beneficiary households)</li> <li>-Ensure equal job creation opportunities for women and men during project implementation</li> <li>-Ensure agroforestry interventions are coupled with or encourage water collection/ storage practices near nurseries or home agroforestry</li> </ul>

**Gender Assessment and Action Plan**

<b><u>Gender Assessment and Action Plan</u></b>					
<b><u>Activities</u></b>	<b><u>Notes</u></b>	<b><u>Indicators</u></b>	<b><u>Baseline</u></b>	<b><u>Target</u></b>	<b><u>Responsibilit</u></b>
<u>1.1 Design and raising awareness of the call</u>	<u>Meetings held for CSO and sub-national government on call (around the country)</u>	<u>Percentage of women participating at the meetings</u>	<u>0</u>	<u>At least 30% of meeting participants are women</u>	<u>FONERWA</u>
<u>1.2 Training of CSO and district staff on proposal and project management</u>	<u>Training on Adaptation Fund Policies and compliance (gender mainstreaming)</u>	<u>Percentage of female staff participating in the training</u>	<u>0</u>	<u>At least 50% of training recipient are women</u>	<u>FONERWA</u>
	<u>Targeted Technical Assistance support for proposal applicants for proposal improvement</u>	<u>Embedded Gender Expert hired</u>	<u>0</u>	<u>2 (1 international and 1 national)</u>	<u>FONERWA</u>
<u>1.3 Knowledge management, sharing project results and lessons learned on EDA</u>	<u>Knowlegde manageent meetings (knowledge sharing workshops) with sub-national beneficiaries</u>	<u>Percentage of female participants at the knowledge sharing workshops</u>	<u>0</u>	<u>At least 30% of total reach</u>	<u>FONERWA</u>
	<u>Collection of lessons learned in a knowkegde management database</u>	<u>Qualitative indicators to ensure women's and youth's perpectives are heard</u>	<u>TBD</u>	<u>TBD</u>	
<u>Project cycle management</u>	<u>Capacity building for ESMP monitoring and Gender inclusiveness for FONERWA staff</u>	<u>Percentage of relevant staff trained on AF Gender policy</u>		<u>All FONERWA FM staff are trained</u>	<u>MoE</u>



<u>Sub-project areas</u>	<u>Gender Assessment</u>	<u>Indicators</u>	<u>Baseline</u>	<u>Target</u>	<u>Responsibility</u>
<u>Develop a National Water Security through water conservation practices, wetlands restoration, water storage and efficient water use.</u>	<u>Gender issues:</u> <u>-Women are often excluded from technical circles and left out of decision-making groups, because they may lack specific knowledge/ skills to leverage decisions, that interest and benefit them</u> <u>-Limited accessibility to new practices, as women and children hold the primary responsibility to collect water for household use and spend a significant amount of time each day doing this activity.</u> <u>-Having water catchment systems that are too far away from the household runs the risk of adding to women and children's time and labor spent collecting water</u> <u>-Women's responsibilities such as childcare and household chores, often keep them from adequately participating in training and workshops</u>  <u>Gender positive:</u> <u>-To consult women, have a well-planned and designed system that can provide a</u>	<u>Number of households with improved water conservation practices, water storage and efficient water use</u>	<u>0</u>	<u>3,000 beneficiaries of which at least 1,500 women</u>	<u>USP implementor</u>  <u>FONERWA</u>
		<u>Percentage female attendance at workshops/ trainings on improved water conservation practices, water storage and efficient water use</u>	<u>0</u>	<u>Atleast 40% of trainees</u>	
		<u>Number of women hired for rainwater harvesting tank installation and other relevant works (compared to total hired)</u>	<u>0</u>	<u>Atleast 40%</u>	

	<p><u>source of water to a community will reduce the time burden women and children face carrying out this activity</u></p> <p><u>-Provide training for women, men and youth, on how to install, use and maintain water catchment systems, collection infrastructure, is important to ensure sustainability of systems put in place</u></p> <p><u>-Training efforts on all aspects of watershed management for community member must make joint efforts to target both women and men in communities. Activities must include gender consideration in how they engage women and men.</u></p> <p><u>And how the project will address/ empower:</u></p> <p><u>-Develop sex-disaggregated indicators and define gender targets during project design and monitoring framework (e.g., % time saved on water collection – disaggregated by women, men)</u></p> <p><u>-% women reached by capacity building for community</u></p>				
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	<u>-% of women supported for financial literacy</u>				
<u>Develop sustainable land management practices (soil erosion control; landscape management) (terraces and biological control measures)</u>	<u>Gender issues:</u> <u>-Women occupy majority of the agriculture labour force, however, do not get the time to take part in training on better soil and crop management, due to existing responsibilities</u> <u>-Women and men often do not participate due to technical capacity gaps (both technology and tools)</u> <u>- Men have more access to extension services which limits women's ability to learn and benefit from services offered through agricultural advisory services</u> <u>-For several reasons, men have more access to agriculture training service and therefore benefit from learning about new farming techniques and technologies</u> <u>-Sometimes cost-effectiveness of some techniques is not across gender</u>  <u>Gender positive:</u> <u>-Promote labor and time-saving technologies/ practices</u>	<u>Number of households adopting from sustainable land management practices</u>  <u>Number of women hired for terracing and biological control work compared to total</u>  <u>Percentage female attendance at workshops/ trainings on new farming and soil erosion techniques</u>	<u>0</u>  <u>0</u>  <u>0</u>	<u>Estimated 10,000 beneficiaries of which atleast 5,000 women</u>  <u>At least 40%</u>  <u>At least 40%</u>	<u>USP implementor</u>  <u>FONERWA</u>

	<p><u>to reduce the burden for women</u></p> <p><u>-Ensure women and men are hired and training on technical level to own and operate the technologies/practices</u></p> <p><u>-Ensure the sub-project utilizes innovative approaches to widen access to farmer education contributing to equity and welfare and job on proper soil management</u></p> <p><u>-ensure the cost-effectiveness is across gender, such as increase in crop yield, more equity and welfare</u></p> <p><u>And how the project will address/ empower:</u></p> <p><u>-Sex-disaggregate indicators and targets (e.g., number of women hired for terracing work compared to total)</u></p> <p><u>-Ensure the sub-project is more much inclusive while requiring at least 50% female attendance at workshops/ trainings on new farming and soil erosion techniques</u></p>				
<u>Expand irrigation and improve water</u>	<p><u>Gender issues:</u></p> <p><u>-some irrigation technologies add more labour and are time</u></p>	<u>Number Of households adopting small scale irrigation</u>	<u>0</u>	<u>3,000 beneficiaries of which 1,500</u>	<u>USP implementor</u>

<u>management (small scale)</u>	<u>consuming which adds additional burdens, especially on many women who are heads of households</u> <u>-longer term, over extraction could have long term devastating impact, and impact women more</u> <u>Increased crop production costs, do not go to women more (safeguard more)</u>  <u>Gender positive:</u> <u>-Ensure women and men have equal training on installing, maintaining and repairing small scale irrigation systems, which allow for jobs</u> <u>-capacity building and employment would provide an additional job and income security for women and men in rural communities</u> <u>- Promote labour and time-saving irrigation technologies</u> <u>- Encourage/ empower women participation community-based water management efforts such as water user association or committees</u> <u>-Ensure outputs of the sub-project address opportunities to enhance women's access to</u>	<u>and improved water management</u>  <u>Number of women hired to participate in construction and maintenance activities</u>  <u>Percentage female attendance at workshops/ trainings on irrigation and improved water management techniques</u>  <u>Percentage of women member of water user associations (WUAs)</u>		<u>women</u>  <u>At least 40%</u>  <u>At least 40%</u>  <u>At least 40%</u>	<u>FONERWA</u>
			<u>0</u>		
			<u>0</u>		
			<u>TBD</u>		

	<u>the benefits of irrigated (or upgraded)</u>  <u>How the sub-project will address/ empower:</u> <u>-develop sex-disaggregated indicators and define gender targets during project design and monitoring framework (e.g., % time saved on water collection and irrigation – disaggregated by women, men)</u> <u>-Ensure equal job opportunity, will result in high success rate of the irrigation system</u>				
<u>Development of agroforestry and sustainable agriculture (control soil erosion and improve soil fertility)</u>	<u>Gender issues:</u> <u>-As more women are involved in the agriculture sector, the impacts of low soil fertility and high soil erosion, negatively impact them the most</u> <u>-Women priorities are often not included in agroforestry project activities, such as species selection, since women and men have different priorities and preferences when it comes to tree species</u> <u>-When it comes to taking care of nurseries or home agroforestry plots, the</u>	<u>Number Of households adopting agroforestry and sustainable agriculture practices</u>  <u>Percentage female attendance at workshops/ trainings on agroforestry and sustainable agriculture practices</u>  <u>Percentage of women</u>	<u>0</u>  <u>0</u>  <u>0</u>	<u>9,000 beneficiaries of which 4,500 women</u>  <u>Atleast 40%</u>  <u>At least 40% of</u>	<u>USP implementor</u>  <u>FONERWA</u>

	<u>workload is significant</u>  <u>Gender positive:</u> <u>- Agroforestry and associated activities have vast potential to provide multiple co-benefits for local communities, including generating opportunities, animal fodder, household food security</u> <u>-Ensure the agroforestry interventions do not negatively affect existing socio-economic activities</u> <u>-Regardless of what gender is performing watering activities, the burden can be reduced through simple water collection practices and irrigation</u> <u>-Ensure women are represented in agroforestry and their priorities are included, by consulting women in the planning, design and decision making of various elements.</u> <u>-Encourage workshops and trainings to be children-friendly, such as, with or close to an on-site nursery or day care to enable mothers with young children to fully participate</u>	<u>trained on tree seedling production, nursery management and fruits grafting (compared to total trained)</u>  <u>Number of women hired to participate in nurseries management, land preparation other operations</u>	<u>0</u>	<u>the trainees are women</u>  <u>At least 40%</u>	
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	<p><u>How the sub-project will address/ empower:</u></p> <ul style="list-style-type: none"> <li><u>-Ensure women participation (at least 50%) in consultation workshops and stakeholder engagement</u></li> <li><u>-Develop sex-disaggregated indicators (% female headed households benefiting from agroforestry operation compared to total beneficiary households)</u></li> <li><u>-Ensure equal job creation opportunities for women and men during project implementation</u></li> <li><u>-Ensure agroforestry interventions are coupled with or encourage water collection/ storage practices near nurseries or home agroforestry</u></li> </ul>				
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## Appendix 6. Stakeholder report

### STAKEHOLDERS ENGAGEMENT MEETING ON EDA PROPOSAL

7<sup>th</sup> July 2022

#### Aim and Objective:

The aim and objective of the stakeholder engagement meeting was to discuss the potential focus of the Rwanda application for the Adaptation fund's Enhanced Direct Access window, and to discuss targeting of beneficiaries, priority funding sectors, and inclusion of gender and vulnerable groups.

Ms Emmanuella Murekatete, Resource Mobilisation Division Manager in FONERWA officially opened the meeting with welcoming remarks, and presenting the agenda to the participants. MoE (William Mugabo (Programs Manager, MoE)) presented the roles and responsibilities of the Rwanda's Designated Authority (DA) and the National Implementing Entity (NIE) and explained the direct access window. The funding available through the EDA window is up to US\$ 5 million per country and will opportunities to help build the capacity of local organisations to access adaptation finance, design and implement their own projects through locally led action.

Specifically to the proposal targeting the EDA window; it was set out that the execution of the grant management was proposed through the Rwanda Green Fund (FONERWA) and its basket fund.

FONERWA's Resource Mobilization Division Manager, explained the roles of FONERWA in Resource Mobilisation. This recognises FONERWA's national mandate for mobilising climate resources, management and monitoring climate funds. The financial instruments used by FONERWA was outlined, stressing that for the EDA, the focus will be on grants to local organisations.

Consultant Blanche Butera Uwase gave a presentation on the EDA Proposal under development. This highlighted that the proposed approach, which has three components

1. Awareness, capacity building, proposal development support, Training
2. Evaluation of sub-national proposals under call for proposals (CFP)
3. Grant Management of sub-National EDA Programme

And that the proposed EDA will only fund projects from local government (larger projects) and local CSOs only (smaller projects). The presentation also discussed the relevant issue on gender assessment, highlighting the requirements under the Adaptation Fund Policies in these areas.

Environmental and Social Safeguard Specialist in FONERWA Mr [John Ndamage](#) presented on the environmental and social safeguard issues. This outlined FONERWA's procedures and frameworks for projects in these issues (ESMF). He highlighted that the FONERWA's ESMF has the following objectives:

- Internal environmental and Social framework to provide the sustainability of the project
- Adhere to the social and environmental international safeguards
- Used in the mandate for resource mobilisation

He discussed how classifications of projects are done during the screening process and

FONERWA guides you in risk mitigation to address Environmental and Social framework. He also outlined how these relate to the Adaptation Fund ESP principles.

### **Consultation approach - Focus Discussion Session**

The consultation techniques were focused on focus group discussions with local stakeholders, and was taken forward through a series of questions that participants were asked to discuss. To ensure that discussions were independent, the participants were divided into two discussion groups; Governmental and Civil Society Organisations (CSOs), as the two target groups for the EDA. Focus group discussions were held to discuss the choice of projects funded (which of the NDC adaptation priorities), inclusion of gender and vulnerable groups inclusion, and to seek consensus on the way forward.

### **FINDINGS:**

- **Civil Society Organisations (CSOs) group:** This group was composed of people from different non-governmental, civil society and government organisations.

#### **Question 1: Choice of projects funded (which of the NDC adaptation priorities)**

Below is the discussion summary on selected key priority sectors and reasons by the group discussants.

1. Agriculture, land and forestry, health: they include a lot of detailed needs for action and close relation to humans. And includes mainly climate activities/initiatives for adaptation.
2. Water/agriculture: Reason for water is because the water problem has a big impact on the population. Children are affected a lot in studies because of spending a lot of time fetching water before school. On water, the problem of food security needs serious addressing.
3. Cross cutting: these areas have to be linked with the project design/scope. It has an aspect of capacity building which is mentioned a lot in the project description.
4. Agriculture, land and forestry: because of hunger and drought, which are effects of climate change. There will be a lot of activities involving forestry restoration such as terraces.
5. Water, land and forestry, agriculture: to reduce the post-harvest losses, land and forestry to increase on job creation.

#### **N.B: Gender is cross cutting**

The group concluded on having priority sectors in the areas of land and forestry, agriculture and water

#### **Question 2: Discussion on vulnerable groups and gender**

A discussion on how the vulnerable groups and gender aspects could be fully enacted in the project:

- Gender situation analysis. Showing the gender gaps, to help have aggregated data and identifying the gender gaps. Help to have indicators to have during implementation. To have the gender component in every aspect of the project.
- Gender aspect to be identified and differentiated under every sector of the project. Each sector has different gender vulnerability needs. How does a given vulnerable group benefit from a given project per sector consideration?
- Benchmark from existing information and data related to gender consideration and vulnerable groups as per sector needs.
- Assess the direct and indirect beneficiaries from a project considering the sector as well.
- Make a review on gender information to assess the ratios among beneficiaries.

Designed M&E and reporting tools should be gender sensitive.

**Question 3: How to include stakeholder dialogue as project progresses.**

This required solutions on how to engage all stakeholders during all the project stages, and below were the findings:

1. Involvement of all stakeholders through consultation engagements for projects at each project stage.
2. Carrying out stakeholders' mapping, stakeholder consultation and analysis. This is because some of the stakeholders have direct influence on the project, and are useful in provision of technical information. This helps in management the project

**3. How is the project monitoring going to be done?**

A discussion on the issues concerning the funding:

1. Local institutions (CSOs and local Government) should have direct access to the funds.
2. Adaptation Fund to provide a clear fund channel such that the right funds are availed to the targeted beneficiaries. Assessment on the impact of the funds on ground.
3. Is it the guidelines that limit CSOs and local government direct access to funds or the management criteria?
4. Assessment on capacity of beneficiary entities on implementation and management (visible implementation track record, strong financial management background.
5. Assessment of breakdown on allocation in percentage criteria. To Government, CSOs and other relevant beneficiaries.
6. Criteria for selection and training/capacity building for the selected applicants.
7. Consideration on those found working in a given sector and provision of capacity building for them.
8. Inclusivity. Considering all groups.

- 

- **Government Institutions**

This group was composed of people from mainly Government Institutions. From the discussion, the following priority areas were selected:

**Selected priority areas:**

**1. Choice of projects to be funded (which of the NDC adaptation priorities)**

The group came up with the following focus areas;

- The first one from the NDC adaptation priorities which is a national water security through water conservation practices, wetland restoration, water storage and efficient water use from the water sector.
- The Eighth from the NDC adaptation priorities which is to expand irrigation and improve water management from the Agriculture sector.
- The tenth from the NDC adaptation priorities which is to develop agroforestry and sustainable agriculture from the land and forestry sector.

**2. Discussion on vulnerable groups and gender aspect of the project**

This discussion focused on how to improve inclusion for vulnerable groups and gender in process?

- Through Local participation
- creation of off-farm jobs
- Gender Mainstreaming from designing to execution process
- Sensitization of Gender Based Violence before and during the project execution.

**3. How to include stakeholder dialogue as project progresses**

A discussion on how to involve the stakeholders in the implementation of projects and

mechanisms to respond to complaints and grievances embedded in the FONERWA project operations, and below were the group findings.

- Stakeholder mapping; exhaust and categorise them according to who will be influenced both directly and indirectly and follow-them up even after the completion of the project to ensure sustainability.
- Include transparency institutions like RALGA and LODA from the designing process
- Predict the complaints and refer to the present policies.

The discussions and way forward from the stakeholders are summarised below.

Issues raised	WAY FORWARD
Some districts have a short project time frame, for example one year and yet the project has a duration of maximum four years.	The time frame / duration will be adjusted
Environmental and social risks from the past projects funded, and solutions in place.	Example on the CoK project, the project was approved, but without a clear ESP tool set up. The issue was addressed immediately and the document was drafted midway the project. For continuity, a project cannot go ahead to implementation without proper evaluation of ESP in place. People developing the project can otherwise remove activities that may cause social and environmental risk and replace it with those that are not risky.
Gender mainstreaming in the project should consider more women, because they are the most vulnerable group.	This will be considered when inputting NDCs' priorities during call for proposals' formulation.
Agriculture not well considered among the 24 focus areas (priorities for adaptation) of funding by FONERWA	The funding procedure was eased to also include many sectors working in local-led adaptation projects (mostly CSOs involved). This, mainly involved in agriculture.
Role of LODA in this AF project scope and the impact of FONERWA working with CSOs in implementation.  FONERWA being the one in charge of implementation and direct access to funds.	LODA works closely with districts on various projects, uniting with various relevant stakeholders on implementation and capacity building.  FONERWA as a fund is experienced in managing funds and implementation. This explains why the Accredited Entity (MoE) thought it right to designate it as the Implementation Entity.
Gender should touch on the levels where women are more vulnerable to men.	Discussions on the thematic areas to be considered during proposal selection

Grants beneficiaries are still few, concerned on the possibility of increasing on people would easily access the fund and bring impact to the environment	<p>FONERWA encourages co-working and most people tend to work alone whereby they don't have enough capacity.</p> <p>Access to FONERWA funds is still challenging. Because there are layers, including sustainability aspects, monitoring and evaluation criteria.</p>
The funds from district fines and fees being channelled to FONERWA as required by Law	For fines and fees, there is a FONERWA account available. The procedure manual for collection of fines and fees was drafted and confirmed. All stakeholders including districts, but the response on this from districts is still low.
The role of men in gender dimensions, equality and empowerment in the 24 interventions	FONERWA developed a gender mainstreaming strategy and it makes sure that all projects funded include gender mainstreaming.
Inclusion of vulnerable girls and women included in these interventions	<p>FONERWA encourages the project management team to include women and local people.</p> <p>LODA together with FONERWA trains youth and vulnerable girls and women and provides jobs during various project cycles.</p>
FONERWA's communication on submitted projects mostly from CSOs is not channelled well.	Sometimes emails are sent to the wrong people. Some CSOs hire consultants to develop and submit proposals, and FONERWA replies to these consultants during all the grant selection and awarding processes.
Innovation projects to access funds through Urwego Bank because it is easier and encourages research institutions	There are innovation funds, they also have to respond and adapt to climate change. And that is why FONERWA and MoE are the best institutions since they understand climate change. However anyone can submit proposals through the Accredited Entities.
Access to Adaptation Fund by the private sector	<p>Private sectors can indeed access funds, however they have to make a case of helping vulnerable people and serve as sustaining the environment</p> <p>The Adaptation Fund has no window of funding for the private sector. However, the Green Climate Fund can be accessed by the private sector.</p>

ATTENDANCE LIST

## STAKEHOLDER ENGAGEMENT WORKSHOP FOR DEVELOPMENT OF A PROJECT PROPOSAL TARGETING THE ADAPTATION FUND'S ENHANCE ACCESS

VENUE: UBUMWE HOTEL

DATE: 7<sup>th</sup> JULY 2022

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