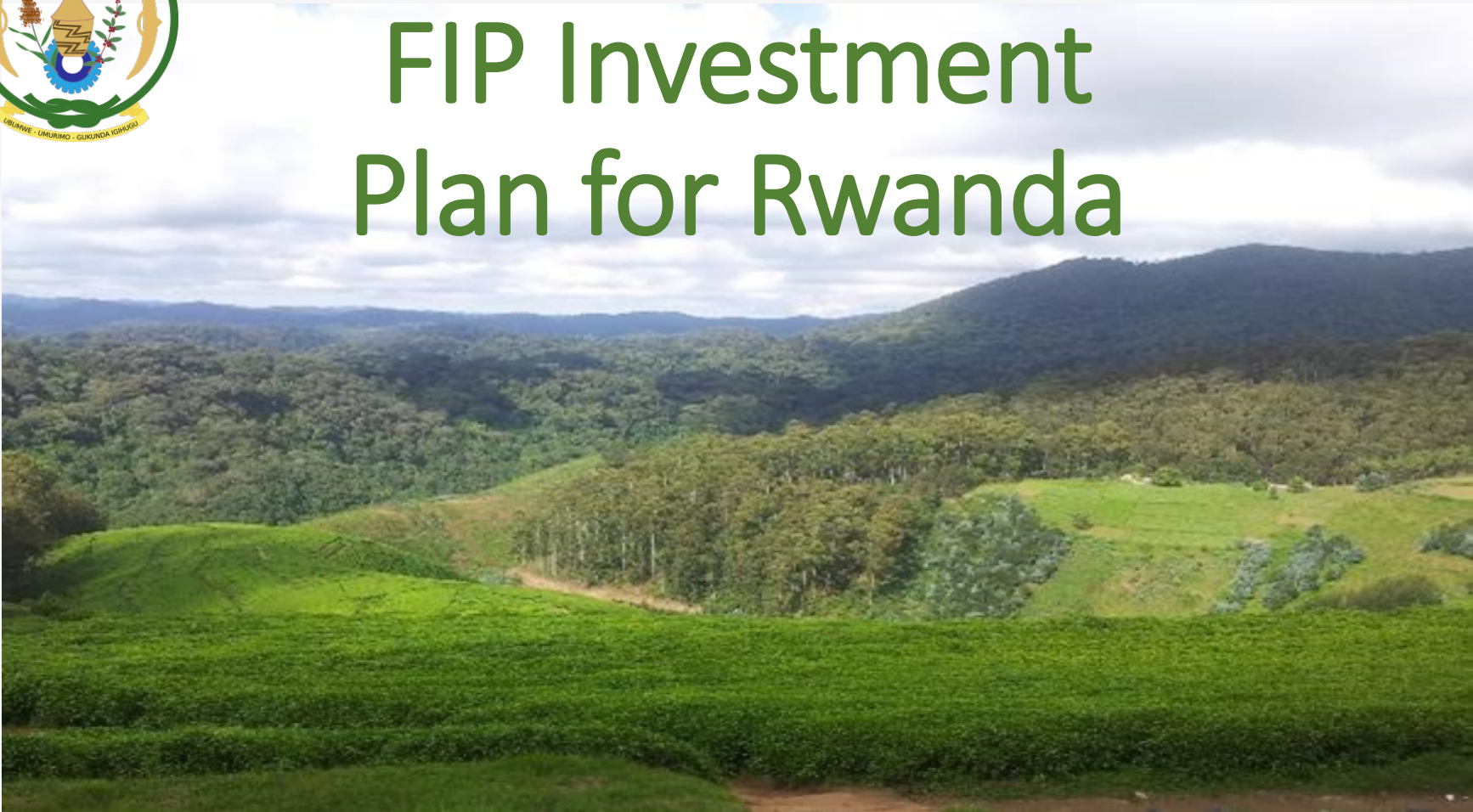




FIP Investment Plan for Rwanda



Minister of Finance, Honourable Amb. GATETE Claver
**NGABONZIZA Prime, Director General, Rwanda Water &
Forestry Authority**

Washington DC, December 14, 2017

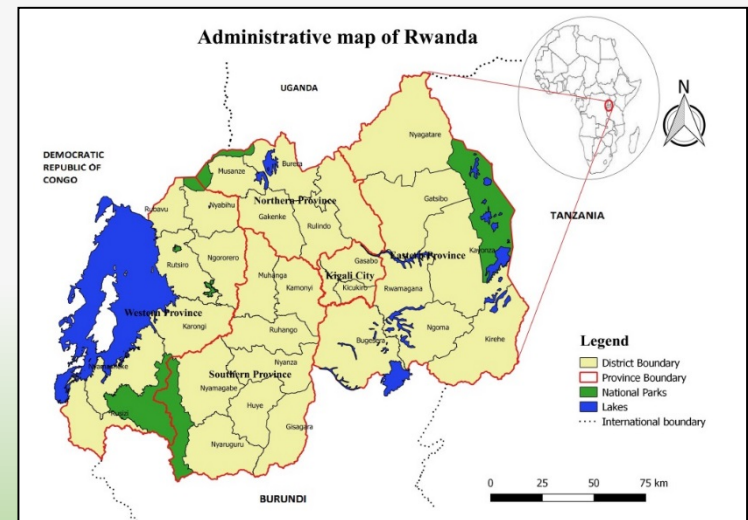
Presentation Outline

- Country context
- Rwanda national policy framework
- FIP Investment Plan for Rwanda
 - Preparation process
 - Strategic objectives
 - FIP proposed projects
 - Organizational structure
 - Financing Plan
- Rationale for the proposed projects
 - Transformational impact
 - GHG abatement
- Next steps

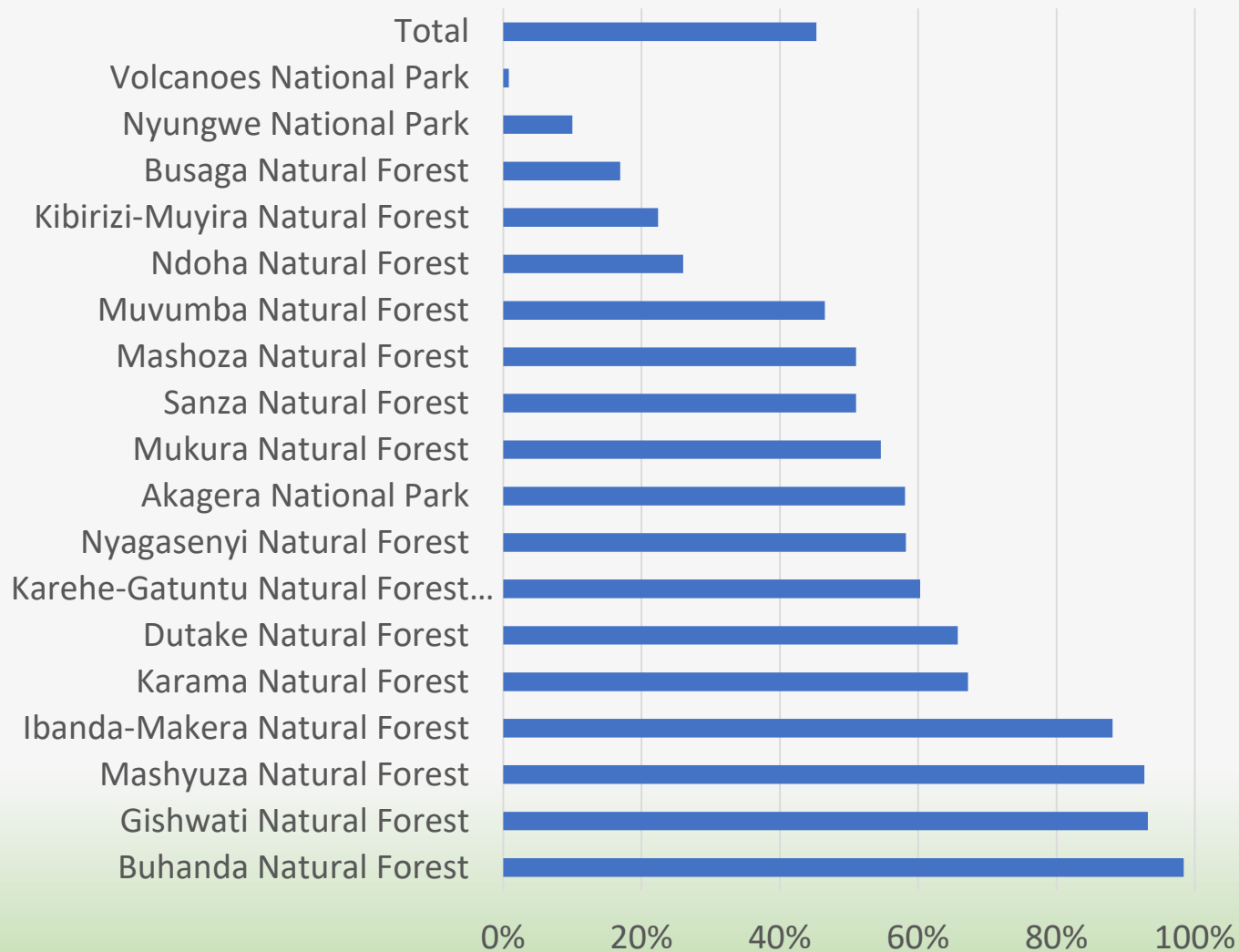


Country Context

- Landlocked country in East Africa, with 29.6% forest cover
- 12 million people, high population density
- Agriculture provides 68% employment
- One of world's lowest CO2 emissions, but deforestation, agriculture, and land use are significant sources of emissions
- Ranked 132 globally (Global Climate Risk Index 2016)



% ha of Forests Loss (1984 – 2015)



Deforestation and Forest Degradation

Drivers

- Agriculture
- Urbanization
- Infrastructure development
- Mining



Exacerbated by

- High population density & growth
- High demand for woodfuel
- Low forest productivity
- Gap between wood supply and demand
- Severe overcutting,



Impacts

- Loss of forest structure
- Poor forest quality: soil erosion, floods, landslides
- Shortage of forest products, reduced sustainable yield

Rwanda National Policy Framework



FIP Preparation Process

- **4 MDB joint missions: AfDB lead, World Bank support**
- **Extensive country-wide joint FIP and PPCR consultations**
- **- National and local Government representatives**
- **- Civil society**
- **- Private sector**
- **- Gender and family promotion representative**

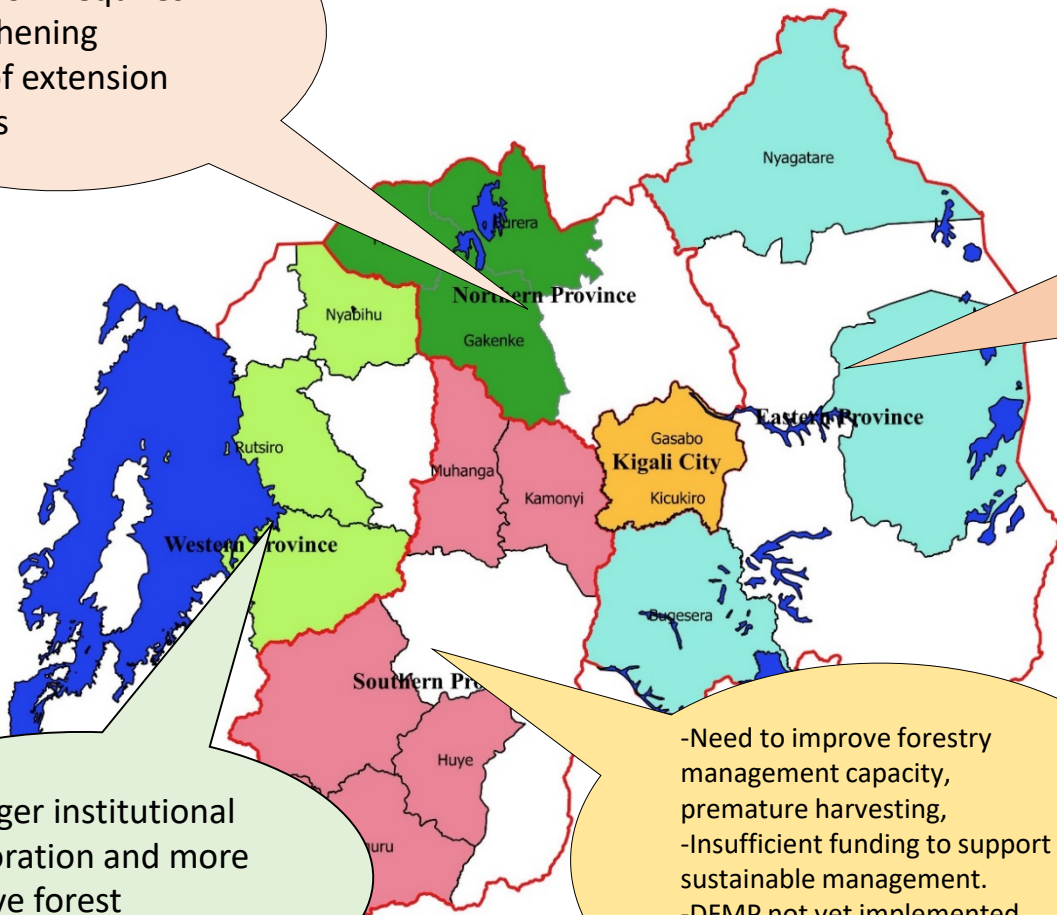
- **Gender aspects were integrated in the consultation process**
- **Youth, vulnerable groups and rural communities were consulted**

“Rwanda has sought not only to make its forests a national priority, but has also used them as a platform to revolutionise its stances on women’s rights and creating a healthy environment”

Wangari Maathai

Consultations revealed region-specific problems

Problems identified in different provinces



Legend

- Lakes
- Kigali City
- Province boundary
- Districts Eastern
- Districts Northern
- Districts Western
- Districts Southern

Strategic Objectives of FIP Rwanda

- **FIP support** will be synergistic with that provided under PPCR
- **Three FIP strategic objectives:**
 - I. Enhance mitigation and adaptation to climate change
 - II. Enhance good governance and sustainable use of forest and tree resources by scaling-up private sector and community participation
 - III. Reduce poverty and improve livelihoods for the forest dependent population, particularly benefiting women and vulnerable groups

A photograph of a dense pine forest. The trees are tall and thin, with green needles. The ground is covered in green grass and small plants. A white rectangular box is overlaid in the center of the image, containing the text "3 FIP projects" in green font.

3 FIP projects

Project 1- Agroforestry & Sustainable Agriculture

Objective

- Support agroforestry for sustainable agriculture and environment protection on 200,000 ha
- Integrated with PPCR Strategic Program for Climate Resilience

Components

- Agroforestry for landscape stabilisation
- Value chain development for Agroforestry products
- Capacity building and technology transfer

Main Expected Results

- Increased employment opportunities to local communities, cooperatives and the private sector.
- Increased crops and livestock (fodder trees) production for small holder farmers.
- reduced soil erosion, landslides and flooding and pressure on forests Agroforestry trees planting will also in due course sequester around 1.8 million tonnes of CO eq. annually for the target total area of 200,000 ha.

Indicative Budget - \$61M

Implementing Partners - AfDB, Climate Finance Funds (CIF, GCF, GEF), GoR



Project 2 - Sustainable Forest and Landscape Management

Objective

- Conserve and enhance productivity of forested landscapes for national and rural development
- Integrated with PPCR Strategic Program for Climate Resilience

Components

- Support land use planning
- Improve tree planting material
- Support implementation of District Forest Management Plans
- Develop and support Payment for Ecosystem Services

Main expected Results

- Increased job opportunities from diversified employment and better returns;
- Revenues increased and costs of damage from floods and landslides reduced; Enhanced stakeholder participation in forest management and forest conservation;
- Improved livelihood and lifestyles
- Reduced GHG emission, increased carbon stock and improved biodiversity in targeted forest ecosystems

Indicative Budget - \$21.50 Million

Implementing Partners: World Bank, Climate Finance Funds (CIF, GCF, GEF), GoR



Project 3 - Wood Supply Chain, Improved Efficiency and Added Value

Objective

- Reduce wastage from wood conversion by increasing efficiency of the conversion processes and improving the value of wood products to make them more profitable.

Components

- Increase efficiency in wood conversion into timber and charcoal
- Support for wood value-chain development and use of new wood based products
- Support efficiency in biomass energy use
- Support the use of alternative sources of energy

Main Expected Results

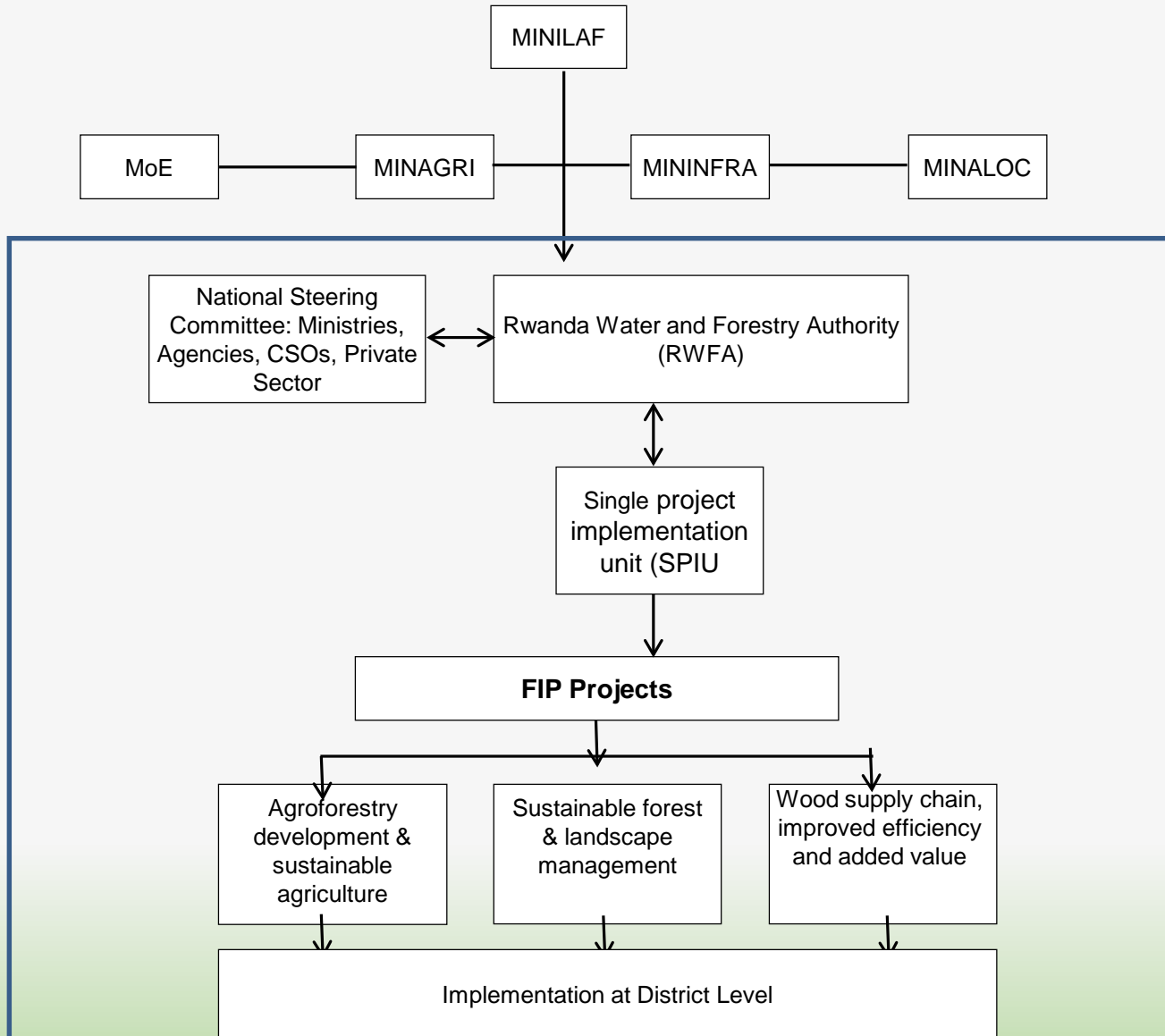
- Improved farm income
- Diversified farm production
- Increased tree cover
- Sustainable energy sources
- Environmental protection
- Increased wood industry development

Indicative Budget - US 12.50 Million

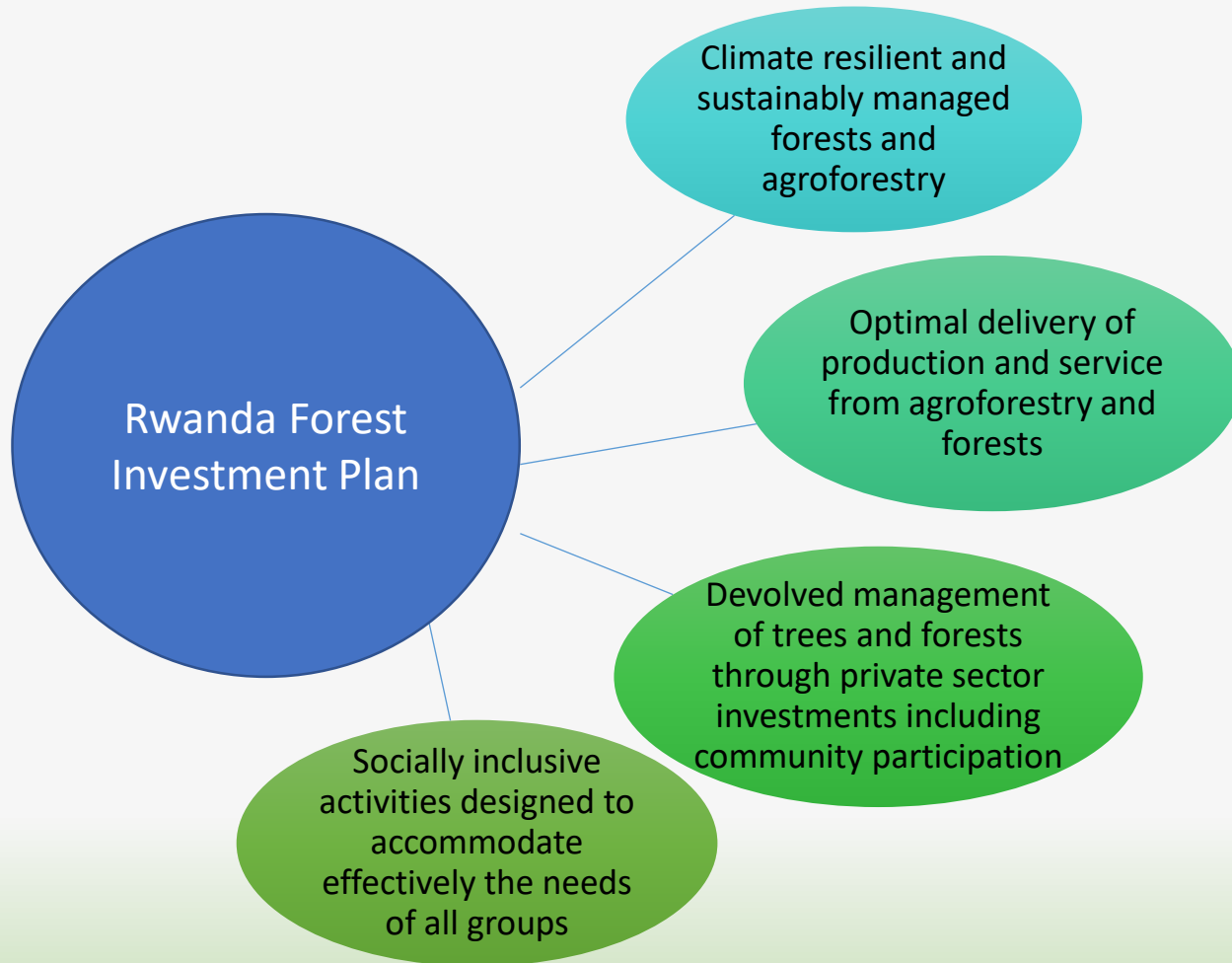
Implementing Partners: Private Sector, Climate Finance Funds (CIF, GCF, GEF), GoR



FIP organisational structure



FIP Transformational Changes



Gender, Youth, Forestry

- Integrating gender equality and youth participation in sustainable forestry management.
- Focus on development of specific technical interventions to meet the needs of these groups to enable their full engagement and benefit
- Inclusion of specific indicators in all M&E activities



Next Steps

- The Government of Rwanda requests the FIP Sub-Committee to endorse Rwanda's FIP Investment Plan

The Government of Rwanda will:

1. Implement an ambitious resource mobilization strategy led by the Minister of Finance.
2. Show leadership and country ownership through domestic, public and private sources.
3. Request funding from bilateral donors, climate finance sources such as GCF, Adaptation Fund, GEF.



THANK YOU

Photo: Nyungwe Forest, Rwanda (C) N.Ntare

FIP Financing Plan

Projects and Components	AfDB/CIF/ GCF/GEF*	WB/CIF/ GCF	CIF/GCF/ Private Sector	GoR
Project 1: Development of Agroforestry and Sustainable Agriculture Total funding – US\$ 61 million; preparation grant US\$ 300,000				
Agroforestry for landscape stabilisation	32.9			3.3
Value chain development for Agroforestry products	11.0			1.4
Capacity building	11.0			1.4
Total Concept Note 1	<u>54.9</u>			6.1
Project 2: Sustainable Forest and Landscape Management Total funding – US\$ 21.5 million, preparation grant, US\$ 200,000				
Support land use planning		3.9		0.4
Improve tree planting material		5.8		0.6
Support implementation of DFMPs		4.0		0.4
Develop and support PES in three pilot forests		5.8		0.6
Total Concept Note 2		19.5		2.0
Project 3: Wood Supply Chain, Improved Efficiency and Added Value Total funding – US\$ 12.5 million, preparation grant US\$ 200,000				
Increase efficiency of wood conversion into timber and charcoal			3.75	0.50
Support wood value-chain development and use of new wood products			2.50	0.25
Support efficiency in biomass energy use			2.50	0.25
Support the use of alternative sources of energy			2.50	0.25
Total Concept Note 3			11.25	1.25
Total Funding	54.9	19.5	11.25	9.35
Total external funding sought		85.65		
Project preparation grants		0.70		

Rwanda FIP Transformational Impact

Expected Results

- Diversified species base adapted to CC
- Increasing forest cover
- Enabling institutional environment
- Improved SFM
- Increased investment private sector
- Enhanced extension services
- Improved wood use efficiency
- More effective tree and forestry activities

Expected Outcomes

- Planted trees more CC resilient
- Productivity up and risks reduced
- Increased service values delivered
- All tree & forestry activities conducted to high standards
- Natural forests and woodlands increase in quality and extent as better managed and protected

Expected Impact

- GHG emissions reduced
- Carbon storage in trees and forests increased
- High quality forest cover, biodiversity, soil & water conservation values all increased
- Fewer land slide & floods
- Greater returns to tree and forest owners
- Improved contribution to GDP from forests
- Improved livelihood options

FIP Impact on GHG Abatement

Estimated emission reductions (CO₂ eq.) due to FIP implementation

