

Rwanda

Rwanda Green Fund – Mobilizing Climate Finance and Scaling up Green Growth

In March 2018, the Government of Rwanda received a grant of USD 32.8 million from the Green Climate Fund to strengthen climate resilience in rural communities in northern Rwanda. This was just the latest example of the Rwanda Green Fund demonstrating its capacity and leadership in mobilizing finance for green growth and climate action.

Since it was established in 2012, the Rwanda Green Fund (FONERWA) has mobilized more than USD 150 million to support the implementation of Rwanda's Green Growth and Climate Resilience Strategy. Through this long-term strategy, Rwanda aims to become a developed low-carbon economy by 2050. This will be achieved through implementing 14 programs of actions to address the most important areas, including expanding and diversifying energy sources, encouraging efficiency and green technology across all sectors of the economy, and promoting sustainable land management.

Achieving this ambition calls for sound policy, integrated development planning, and adequate finance. The growing capacity and success of FONERWA in mobilizing climate finance demonstrates Rwanda's commitment to a green growth pathway that underpins socio-economic transformation.

“We established the Rwanda Green Fund to be the vehicle through which resources for climate and environment change initiatives are mobilized and invested,” said Rwanda's Minister of Environment, Vincent Biruta.

“The fund has seen a positive return on these investments, and with the support of our development partners, the fund has mobilized more than USD 150 million for strategic green growth.”

Rwanda's green growth ambitions are driven by a commitment to put the environment at the heart of the country's socio-economic transformation. Some of the major environmental challenges the country faces include the impacts of climate change (such as droughts, floods, landslides, and increased disaster risks) as well as land use management. Rwanda is also addressing the high dependency on biomass fuel for cooking as well as air pollution, resulting mainly from wood and charcoal burning and the transport sector.

To address these challenges and achieve its development goals at all levels requires strategic technical and financial support. FONERWA is a promising example of how to deliver exactly this kind of support.

To date, FONERWA has committed approximately USD 50 million to 35 projects to promote green investments, expand access to off-grid clean energy, prevent soil erosion and land degradation, and protect watersheds and water catchments. Tens of thousands of hectares of farmland and forest have been protected, and securing these natural resources has avoided the equivalent of 18,000 tons of CO₂ emissions. In addition, more than 140,000 green jobs have been created—most of which for youth and women—supporting sustainable livelihoods development.

FONERWA's success has been made possible thanks to the commitment of the Government of Rwanda and the support of



partners, including the United Nations Development Programme, the UK's Department for International Development, German Cooperation through KfW, the Climate Development Knowledge Network, the Green Climate Fund, the World Bank, Climate Investment Funds, the Swedish International Development Cooperation Agency, and the Global Green Growth Institute (GGGI), among others.

GGGI has supported FONERWA through capacity development and the elaboration of a multi-year business and sustainability plan. GGGI has also assisted the fund to prepare a number of successful funding proposals. One of these, a USD 4.4 million contribution from the Swedish International Development Cooperation Agency, will finance a project to engage and raise awareness among civil society about Rwanda's green growth transition.

GGGI supported FONERWA to obtain the USD 32.8 million grant from the Green Climate Fund (GCF) in support of

increasing the resilience of vulnerable communities to climate change in northern Rwanda. This project is expected to benefit some 531,400 community residents and mitigate approximately 273.7k tons of CO₂ equivalent.

In 2018, GGGI also supported Rwanda, through the Rwanda Environment Management Authority, to receive a Readiness grant of USD 600,000 from the GCF to support the implementation of key climate change frameworks, including the country's Green Growth and Climate Resilient Strategy.

"The collaboration between the Government of Rwanda and GGGI to provide technical support for FONERWA is a great example of moving from policies to project design and facilitating green investments," said Okechukwu Daniel Ogbonnaya, acting country representative of GGGI Rwanda. *"GGGI is pleased with the lessons and knowledge this partnership has generated. It will not only serve our work in Rwanda but around the globe as well."*



GGGI in Rwanda: Mobilizing green investments and expanding access to off-grid clean energy

FONERWA's success provides lessons that may be useful to other developing countries, according to Winifred Ngangure, head of Investment Promotion at the Rwanda Development Board: *"You don't need to have the largest market to promote investment in key areas such as green growth. Rather, it requires a long-term vision, clear targets, a plan for attracting investments, and a regulatory framework that encourages innovation."*

The CEO of FONERWA, Hubert Ruzibiza, sees the fund as a dynamic source of funding and technical

support that contributes meaningfully to achieving the country's development targets: *"We aim to be a solution for Rwanda's environmental development challenges. Our role is to mobilize climate finance, support Rwandans to adapt to climate change, and promote green growth through investments that drive transformational change. Our goal is clear: we want to be a dynamic resource facility that provides targeted financial and technical support and contributes to Rwanda's vision of becoming a low-carbon and climate-resilient economy by 2050."*