

# FONERWA: Funding Environment and Climate change priorities

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FONERWA designed for



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## FONERWA: a national response to climate financing

- Mobilize, channel and manage environment and climate finance for results at the national level
- Facilitate access to domestic and external (Bilateral/Multilateral) sources
- Current level of resources mobilized > \$US 80 M
- Catalyzing innovation through support to projects and programmes
  - 31 Projects currently under implementation

- Vision 2020
  - The medium term Strategy – Economic Development and Poverty reduction Strategy (EDPRS)
  - The green Growth and Climate Resilience Strategy (GGCRS) – **Agenda for 2050**
  - The Fund for Environment and Climate Change (FONERWA)
    - Critical to current and future climate resilience
    - A catalyst for transition to “Green Economy”.

# GGCRS: FONERWA areas of intervention

## Enabling Pillars

Institutional Arrangements

Finance

Capacity Building and Knowledge Management

Technology, Innovation and Infrastructure

Integrated Planning and Data Management

## Programmes of Action

Sustainable intensification of small-scale farming

Agricultural diversity of markets

Sustainable land use management

Integrated Water Resource Management

Low carbon energy grid

Small-scale energy access in rural areas

Disaster management and Disease prevention

Green industry and private sector development

Climate compatible mining

Resilient transport systems

Low carbon urban systems

Ecotourism, conservation and PES

Sustainable forestry, agroforestry and biomass

Climate data and projections

## Projected Costs for Climate Adaptation (SEI, 2009)

- ◆ Climate modeling
  - ◆ Rwanda will get hotter (with temperature rises of up to 2.5°C by the 2050s) and see more intense rainfall events.
  
- ◆ Additional economic costs to Rwanda (on top of existing climate variability)
  - ◆ Loss of ~1% of GDP per year by 2030 (excluding the future effects of floods and other extreme events)
  
- ◆ Annual costs of adapting to climate change estimated at \$50m-\$300m per year

## How to access: Thematic Financing Windows

### Window 1:

- Conservation & rehabilitation of natural resources

### Window 2:

- Renewable Energy, R&D and technology transfer

### Window 3:

- Environment & climate change mainstreaming



## Research and Private sector interface

### Innovation Grant

- Performance based grants for R&D, proof-of-concept and demonstration
- \$300,000 ceiling and 25% match funding

### Line of Credit

- Developed with Rwanda's Development Bank (**BRD**)
- Below market interest rate (16%) of 11.45%

# Innovation Grant Program – Windows of Entry

R&D

- Industrial research
- Experimental development

Proof-of-  
Concept

- General feasibility studies
- Business planning and technology commercialization opportunities

Demonstration

- The design and implementation of a pilot project to distribute, test and evaluate the product, service or process with targeted end-users



# Dealing with the challenges

## Challenges

Generating relevant interest in climate change research

Limited coordination among sectors

Technical capacity and ownership of sustainable development processes

Low uptake of available resources by researchers and Private sector

## Opportunities

MoU with MINIRENA

High level dialogue on Green Growth and climate resilience strategy

Strategic partnerships for capacity building

FONERWA presents financing options for research and innovation in CC and energy

Good environment for investment

- Generating quality applied research to inform SD
- Providing competitive consultancy
- Improving/Reinforcing Research oriented Private sector engagement
- Capitalizing on research that supports resources mobilization through private investments



*THANK YOU*