



Building Community Resilience and Transforming Livelihoods through Systems-based Adaptation and Integrated Resource Management in Rwanda's Southern Province

Review PIF and Make a recommendation

Basic project information

GEF ID

11446

Countries

Rwanda

Project Name

Building Community Resilience and Transforming Livelihoods through Systems-based Adaptation and Integrated Resource Management in Rwanda's Southern Province

Agencies

UNDP

Date received by PM

10/18/2023

Review completed by PM

12/5/2023

Program Manager

Aloke Barnwal

Focal Area

Climate Change

Project Type

FSP

GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

1. General Project Information / Eligibility

- a) Does the project meet the criteria for eligibility for GEF funding?
- b) Is the General Project Information table correctly populated?

Secretariat's Comments

Yes, in general it meets the eligibility criteria. Please see two comments below

- Given that Rwanda is a GEF-GCF joint investment planning country, we recommend a more strategic collaboration with GCF under this project. In this regard, the PIF should include a strategy on how the project will complement and inform GCF investment in climate change projects in Rwanda. There is some description in Table 6. Please provide additional information on how the collaboration will work on the ground.

- Please confirm if the project duration will be 8 years. This is quite high compared to typical LDCF projects. While it is understood that the project size is big, given the urgent need to implement adaptation activities for people, the project should consider a relatively shorter duration.

GEFSEC 30th Nov 2023

Thank you. This comment on duration is cleared.

Regarding the LTV, the projects need to very clearly articulate the intention at the PIF stage. Therefore, please provide a clear framework on how the LTV will be operationalized in Rwanda based on this LDCF and the STAR project. The comments refer to a new program to be developed. Please provide details regarding this especially on how the collaboration mechanism will work and what could be the potential sectors/systems that the GEF-GCF joint programming will support.

GEFSEC December 5- Thanks. Comment cleared. To be reviewed again at the CEO ER stage.

Agency's Comments

27 November 2023

Regarding the GEF-GCF joint investment planning, the Government of Rwanda is aiming at piloting the GEF-GCF Long Term Vision (LTV) starting with the GEF-8 STAR project to be implemented by the World Bank and LDCF project to be implemented by UNDP. This thinking is already embedded in this PIF. The two projects are being developed with consideration of how to strategize and synergize the programming of resources available at the GEF and GCF while keeping in mind sequencing, complementarity of support and other factors in a manner that ultimately maximizes and optimizes the benefit and impact of those resources.

The Government of Rwanda, through REMA is in the process of developing a program which is the template to hold both the GEF8 and LDCF4 and which is the one to pilot the GEF-GCF LTV. Both concept notes have been developed with the consideration of the program, noting that the two projects will serve as Seed Funds and be used to leverage other resources. We, therefore, intentionally omitted that narrative at the concept note development level and we only focused on the complementarity of the two projects. You may have noticed that the two projects will be implemented in the same province to ensure one complements the other as per LTV, and our intention was to reflect this at the full project development level of the two proposals. It is planned that at PPG stage, a more detailed strategy will be developed in line with the GEF-GCF joint investment plan.

We confirm that a project duration of eight years was initially proposed due to consideration of the project impact and its role in piloting the GEF-GCF joint investment programme in Rwanda. However, the points raised here have been well noted, and the project duration has been revised to six years. Consultation with REMA on this matter has indicated that it may be necessary to extend it to seven years, but it is agreed that this will be reassessed at the PPG phase when more data is available.

UNDP response 04 December 2023

Thank you for raising this as a concern. A framework of how the LTV will be operationalized has been integrated into the Cooperation and Collaboration section of the PIF (paragraphs 70-73 in the word document), as well as introduced in the Project Summary (paragraph 3). While the structure of how the LTV will be undertaken in Rwanda is still under development, we have included information on how the project will achieve LTV outcomes and support collaboration. In discussions with REMA in Rwanda, we have specifically considered the institutional aspects, planning aspects, partnership and investment aspects as well as project-

level aspects in the initial framework. This positions the project at PIF stage to make specific steps during the detailed design and implementation to domesticate the LTV in Rwanda.

[Additional note from UNDP, 4 Dec: Kindly note that new responses in this round are highlighted in Magenta, and new changes made in the PIF in response to this second round of comments are also highlighted in Magenta.]

[Additional note from UNDP, 7 Dec: Kindly note that new responses in this round are highlighted in Yellow, and new changes made in the PIF in response to this second round of comments are also highlighted in Yellow.]

2. Project Summary

Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?

Secretariat's Comments

The summary falls short on describing the adaptation benefits. It explains the GEBs which are not direct objectives of the LDCF. They could be co-benefits but not the main objectives.

In the summary briefly mention the alignment with the GEF 8 strategy.

Please also clearly articulate the objective of the project in this section.

The summary should clearly convey in brief, what is the climate vulnerability and adaptation need, what solutions will the project support, what are the adaptation benefits that will be transformative and how this project is aligned with national and LDCF strategies. It should give a quick glimpse of the entire project in a succinct manner.

Please revise this.

GEFSEC 30th Nov 2023

Thanks for the revisions. In the summary, please also reflect the GEF-GCF collaboration more explicitly.

GEFSEC December 5- Thanks. Comment cleared.

Agency's Comments

27 November 2023

This feedback has been well noted. The adaptation benefits of the project have been expanded upon in the **Project Summary**, paragraphs 1 through 6, and described in terms of the LDCF objectives, namely: i) reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation; ii) mainstream climate change adaptation and resilience for systemic impact; and iii) foster enabling conditions for effective and integrated climate change adaptation. The Project Summary has also been revised to include the project's alignment with GEF-8 programming themes and Climate Change focal area priorities has been incorporated into the text.

Lastly, the Project Summary has been updated to include each of these components. The text now reflects the content below.

? **Main climate vulnerability:** A high reliance on rainfed agriculture leaves communities vulnerable to changing rainfall patterns and temperatures

? **Adaptation needs:** Food and livelihood security are at risk under future climate conditions. There is also a need to strengthen local capacity for CCA at the community level.

? **Solutions supported by project:** To address adaptation needs, an integrated approach to landscape management, which responds to local-level capacity needs for CCA, will be supported by the project. An integrated approach is needed due to interlinkages between different systems in the project area, including agriculture, landscapes, value chains, water and livelihoods. This integrated approach will be underpinned by a sustainable financing model that secures private sector partnerships for investment in scaling CCA.

? **Adaptation benefits:** Adaptation benefits delivered by the project include: i) reduced vulnerability and increased resilience to climate change as a result of improved livelihoods, natural resources management and access to finance; ii) mainstreaming of climate change adaptation and resilience at the local-level; and iii) enhanced enabling conditions for adaptation, attained via private-sector partnerships, capacity-building and knowledge management.

? **Alignment with national strategies:** The project is aligned with, *inter alia*, Rwanda's Vision 2050; Green Growth and Climate Resilience Strategy and NDC.

? **Alignment with GEF-8 and LDCF strategies:** The project supports the GEF-8 strategy for investment in nature and systems transformation and aligns with GEF-8 Climate Change focal areas priorities. Additionally, the project encompasses the following GEF-8 programming themes: i) agriculture, food security and health; ii) water; and iii) nature-based solutions.

UNDP response 04 December 2023

Thank you for noting this. Explicit description of GEF-GCF collaboration has been integrated into the Project Summary.

3 Indicative Project Overview

3.1 a) Is the project objective presented as a concise statement and clear?

b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

Secretariat's Comments

The objective is reading very complex. Please try to simplify. The two points "to achieve livelihood security" and "improving land and resource management" are not streamlined in the sentence.

It could be something simpler like "Enhancing climate adaptation of vulnerable communities through resilient livelihoods, integrated land management and improved access to finance". Please revise.

GEFSEC 30th Nov 2023- Thanks. This comment is cleared.

The PIF doesn't clearly articulate the definition of "systems-based approach". In absence of that, we recommend to avoid using this term loosely in the title and across the components.

GEFSEC 30th Nov 2023- Thanks. This comment is also cleared.

Please define what is meant by circular agriculture system and how it is different from conservation agriculture. Also, please elaborate how circular agriculture will improve agriculture productivity and food security (identified as a key climate impact) in short to medium term in the region where the project will operate.

The third component of the PIF is innovative and impactful, making this project unique and a value add over the earlier LDCF investments in the country. We recommend a stronger focus on this component by allocating more resources (perhaps reduce some amount from component 1 which is quite high) and with a focus on innovative financing mechanisms.

The private sector partnership framework presented in figure 8 is useful. Please clarify if the program will provide any direct capital to the private sector window of FONERWA or will it just provide TA and capacity support. If it is just TA and capacity support, will it be sufficient? We are supportive of providing funding to this window which can be used to provide incentives and seed funds to impactful adaptation interventions across the four thematic areas listed.

We also recommend that under this component, the project can also create financing mechanisms for supporting community led projects by CSOs, local governments and other groups, instead of only focusing on private sector. This will enable the project to practically adopt a whole of society approach. With this component, the project can reinforce the work of FONERWA in developing innovative grant and non-grant based financing mechanisms for a wide range of adaptation solution providers.

Finally- we also recommend that the project invests in smart and innovative technology solutions that can support climate resilient landscape planning and monitoring, and climate resilient agriculture system. Digital technology solutions can be piloted, climate information services infrastructure and services can be expanded and greater use of

remote sensing could be promoted through this project for effective delivery of climate benefits to the most vulnerable communities.

We noted that bee keeping has been identified as one of the potential options for resilient livelihoods. We have noticed that it has been now proposed across all the LDCF projects proposed by UNDP and lacks a clear climate adaptation rationale. Various study shows that honey production is decreasing due to climate change. Also, does this require LDCF investment given that it is a low-cost enterprise. The project may use the LDCF resources for more innovative solutions which could be transformative, like the ones mentioned above.

It is important for the project to build on a strong baseline of Rwanda which is already taking impressive climate adaptation action, and develop a project which is transformative in many areas.

GEFSEC 30th November- Thanks. Comment is cleared now for further review at the CEO ER stage if cleared by Council.

Agency's Comments
27 November 2023

Please kindly note that the references below is best reviewed on PIF word file uploaded in Roadmap section. The para # may differ in the GEF portal section due to formatting difficulties and we would apologize for this.

The feedback on the objective has been well noted. The objective has been revised in the Indicative Table as suggested, using a combination of the original text and the proposed version given here.

Regarding the systems-based approach, **the preferred solution and problem statement in PIF paras 35-39 detail how a ?systems-based approach? is defined in the context of the project. This definition sets the scene for the project intervention description, which further elaborates on how systems are supported via the project activities.**

Circular agriculture is a broader concept that encompasses the entire agricultural system, including production, processing, distribution, consumption, and waste management. Circularity aims to achieve a closed-loop system where resources, energy, and waste are continuously reused and recycled within the agricultural system, minimising waste and environmental impact. Conservation agriculture has similar goals to circular agriculture but has a narrower focus on restoring and enhancing soil health, biodiversity, and ecosystem services. It emphasises practices such as cover cropping, crop rotation, minimal tillage, and the use of organic amendments to improve soil fertility and structure. The proposed project has chosen to focus on circular agriculture for interventions as it aligns with the overall system-based approach and provides a link to the private sector and livelihood aspects under Component 3. **Paragraph 55, which describes Outcome 3 in the Project Description, has been revised to provide further clarity on how circular agriculture will improve agricultural productivity and food security, including literature reference.**

Thank you for the recommendation regarding the focus on Component 3. One of the critical market barriers in developing climate-resilient livelihoods in Rwanda is the limited access to affordable finance available to private sector enterprises. As per this recommendation from GEF Sec, we have now included a brief sentence (**under Outcome 4 of PIF**) on an innovative approach of introducing performance-based payments (PBPs) to financial institutions (Banks/MFIs) that will be supported under the private sector engagement facility to be set up with FONERWA, and these PBPs will be offered as incentives to financial institutions to increase their lending to private sector enterprises involved in climate resilient livelihood value chains. This PBP-based model of incentivising financial institutions has been previously deployed successfully by UNDP in several countries (under GEF and GCF projects) to enable favourable ?access to finance? outcomes. In response to feedback on the budget allocation, a combined total of ~US\$50,000 from components 1 and 4 (previously component 1) have been reallocated towards the financial mechanism introduced under component 3, as suggested. These changes are reflected in the **Indicative Project Overview**.

Thank you for your feedback and support to provision of seed funds, we appreciate your support. The current design of private sector engagement facility together with FONERWA already includes investments to private sector enterprises selected for support from the facility. However, these investments (in the form of strategic grants initially and blended finance/concessional finance investments later in the project for those enterprises that scale-up) have been proposed to be offered from co-finance that UNDP proposes to raise together with FONERWA (as described under para 54 of Outcome 4) from other donors/development partners/investors during project preparatory phase. It is important to note that the private sector enterprises that will receive support from this support will be growth-stage enterprises that have proven products/services/technologies/business models. However, given the support being offered by GEF Sec in this comment, we have now proposed to add an early-stage technology/business model innovation challenge model under Component 3. This innovation challenge will also be implemented together with FONERWA, as per the established ?innovation challenge? mechanism of UNDP, wherein TA/capacity building to selected early-stage innovations will be offered, along with up to USD 40,000 in grants to these innovations (as per UNDP policy). The innovation challenge will focus on identifying and supporting innovative technologies and business models that could enable climate-resilient livelihoods, with a focus on locally-owned and women-owned ventures and innovations. This text has been added to the PIF under Outcome 4 (paragraph 58).

Regarding the feedback on financing mechanisms for community-led projects, the project design is in line with this GEF Secretariat comment. The private sector engagement facility has been designed to support private sector enterprises, and this definition of private sector is quite broad, as is illustrated by the fact that even community cooperatives, CBOs/CSOs are also eligible to receive support especially to support climate-resilient community-driven/led enterprise development. Output 4.2 aims to support the private-sector engagement facility, by establishing partnerships between communities, extension services, Community-based Based Organisations (CBO)s, Civil Society Organizations (CSOs) and private-sector enterprises ? including MSMEs and cooperatives. The importance of local organisations, CBOs, CSOs, Co-operatives and MSMEs has been recognised and embedded across Component 3 in the PIF. This has been further clarified and reiterated across the **Project Description**, wherein we have added CSOs as well for additional clarity.

Regarding the comment on technology investment, under Component 2, it is proposed that technologies and equipment be disseminated at proposed project sites and communities. These technologies and equipment, as described under Output 2.1, included, but were not limited to, irrigation technology and techniques introduced to facilitate more efficient hillside agricultural activities. As per GEF Sec comments, we have now added digital

technologies to this list (**paragraph 53 of PIF**). In addition, the innovation challenge to be set up (again as per GEF Sec comments) will potentially identify and enable the deployment of newer digital technologies as well.

Beekeeping was incorporated into the PIF as a means of income diversification for the communities in target districts. We also recognised that honey production and beekeeping were quite relevant to the country's context. Beekeeping is an important sector consisting of 200,000 dedicated beekeeping farmers collectively managing 650,000 hives which contributes an estimated 19.25 billion Rwandan francs to the economy[1]1. Honey production and beekeeping have been included as key activities under the government's Strategic Plan for the Transformation of Agriculture (PSTA 4)[2]2. Rwanda has also been a key focus country for several bee-keeping programmes such as Women for Bees[3]3 FAO's programs[4]4. An assessment of Rwanda's honey-based exports showcased an upward trend as well. An assessment of honey production techniques in Rwanda revealed that most honey farmers use conventional methods, which result in lower productivity, and there is room to improve productivity and revenue from beekeeping through the introduction of modern technologies and methods[5]5. Besides, the Gorilla Honey model in Rwanda was developed as a way to offer alternative livelihoods to local communities so that their dependence on forest ecosystems (that are home to mountain gorillas) for their livelihoods is reduced. These are some of the reasons we decided to include beekeeping as one of the livelihood diversification activities. However, we recognise and acknowledge GEF Sec's comments, and we agree that climate change has negatively impacted honey production in Africa. Hence, we propose to retain beekeeping as one of the possible interventions under this PIF, but its final inclusion in the project will be based on a feasibility analysis conducted at the project preparatory stage. A caveat has been added in para 57 under Outcome 4 of the PIF in this regard.

Thank you for the comment on the baseline. This is well noted. A description of past and ongoing climate change adaptation projects in Rwanda is presented in Table 6 (paragraph 44). As you have noted, the baseline for CCA is impressive. Accordingly, Table 6 also outlines some of the ways in which the proposed LDCF project will complement ongoing adaptation efforts in the country, to ensure transformation is achieved across multiple systems.

[1] Ministry of Agriculture and Animal Resources

[2] PSTA

[3] Women for Bees

[4] FAO - Rwanda

[5] Feed the Future ? Rwanda. Hanga Akazi Activity. Beekeeping Value Chain Landscape Analysis in Rwanda.

3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?

Secretariat's Comments

We recommend articulation of gender benefits more clearly in the outcomes/outputs.

Given the scale of the project, we strongly recommend a dedicated component on knowledge management and dissemination, as it could be a key lever to ensure sustainability and scalability of the project outcomes.

GEFSEC 27 November 2023- Thanks. Comments cleared at PIF stage. At the CEO ER stage, we recommend revisiting the knowledge management aspect for a more comprehensive and strategic plan and activities with potentially more resource allocation to this component.

Agency's Comments

27 November 2023

Thank you for the feedback regarding gender benefits. The gender benefits associated with each outcome have been incorporated into the **Output and Outcomes in the Project Overview table**. Specific gender targets will be identified during the development of the Gender Action Plan and included in the ProDoc during the PPG stage.

As suggested, a separate knowledge management component (Component 4) has been added to the project structure.

3.3 a) Are the components adequately funded?

b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments

Please see comment above. The agency is recommended to allocate for funding for the project component which can channel more direct finance to adaptation solutions and create enabling environment for scaling up adaptation investment.

Yes

Yes

GEFSEC 30 November 2023- Thanks. Comments cleared.

Agency's Comments

27 November 2023

The funding allocations have been adjusted according to this feedback, as well as to account for the additional knowledge management component. Please see the Indicative Project Overview table.

4 Project Outline

A. Project Rationale

4.1 SITUATION ANALYSIS

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

Secretariat's Comments

The climate vulnerability context is described well.

Under barriers, please provide some context of the adaptation financing barriers that component 3 aims to address.

Also, what are some the specific institutional capacity and governance gaps that this project can address? Are there any specific challenges when it comes to locally led action?

GEFSEC 30 November 2023- Thanks. Comments cleared.

Agency's Comments

27 November 2023

The financing unlocked by Component 3 will focus on improving market access and improving climate-resilient livelihoods. These interventions will address Barrier 4, as presented in the Barriers section. To ensure the linkages are clear, cross-references to the barrier have been incorporated into the description of Component 3. Thank you for flagging this.

Barrier 1 in the project rationale describes the gaps in implementing national and district strategies at the local level, namely resulting from insufficient resources and capacity limitations. Stakeholder consultations and research have revealed that Rwanda has a strong institutional framework as it relates to climate change, and therefore using project funds on that level would be a duplication of effort. The gaps described in Barrier 1 were identified as the most urgent need; therefore, the project was designed to respond accordingly. These

mostly relate to capacity of extension services to reach all community members, and building the capacity of community-driven knowledge sharing systems.

4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

d) are the relevant stakeholders and their roles adequately described?

Secretariat's Comments

a) Please provide some elaboration on what other design options were considered and why this approach is novel, innovative and impactful considering the baseline.

b) The project has potential to ensure long term resilience particularly through component 3 which can create a system to enhance flow of finance to local adaptation solutions. As mentioned above, this component needs greater emphasis and innovation in the PIF. The proposed information exchange platform can also be transformative if developed and sustained well. Please provide a bit more information on this. As proposed above regarding knowledge management, we recommend that this be carved out under a separate knowledge management and dissemination component which can look beyond this project intervention to function like a national level adaptation information exchange/partnership. We also recommend developing adaptation plans in the target regions which can be useful for other complementary climate and development investments in the target region.

c) yes

d) Please indicate where this information is provided.

GEFSEC 30 November 2023- Thanks. Comments cleared.

Agency's Comments

27 November 2023

A) Thank you for this suggestion. A summary of the considered design options has been included in the ?Problem statement and preferred solution? section of the PIF document, in paragraph 36 (and the same has been reflected in the GEF portal section).

B) Sustainability leading to long-term resilience is an underlying pillar in the design of Component 3. The sustainability of interventions under Outcome 4 will be ensured by scaling up the private sector engagement facility proposed to be established under FONERWA to offer blended/concessional finance during the second half of this project's implementation duration, to private sector enterprises to be supported under this project to achieve scale. The scaling of outcomes will be ensured by devising suitable blended finance instruments (concessional debt, guarantees) together with FONERWA to be offered to private sector enterprises and innovations supported during the first half of the project that demonstrate financial viability, growth potential at scale and climate/livelihood impact. Blended /innovative finance instruments are crucial to this component as they enable the leveraging of private investment into a nascent sector. The design of this component mandates innovation bespoke financial instruments to be employed to achieve the objectives of the interventions. Furthermore, the information hub established under this component will serve as a platform to share information relating to these instruments. Additional text in this regard has been added to para 60.

As mentioned here and suggested in other comments, a component has been added to address knowledge management, including the information exchange platform, in a more targeted manner. The text under the newly added Component 4 (paragraphs 64-66) has been revised to reflect a greater focus on how long-term resilience will be achieved by the linkages between project interventions.

An Output has been added under Component 1 (paragraph 50) to facilitate the development of district adaptation plans. These plans will be further supported by capacity building efforts under the same Component. Further to this, knowledge management activities under the new Component 4 will link to the adaptation plans to disseminate best practices and lessons learned, thereby creating opportunities for scaling up and further investments.

C) C) Noted, thank you

D) D) This information has been included as Table 9, under the Stakeholder Engagement section.

5 B. Project Description

5.1 THEORY OF CHANGE

a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?

b) Are the key outputs of each component defined (where possible)?

Secretariat's Comments

a) The TOC is not very intuitive. It starts with objectives and ends with a problem statement in the diagram if arrows are followed. Please present a simpler diagram which shows the pathways of desired change. Note that it is not necessary to simply present the components, outcomes and outputs in the project design. It can be described in a more simpler language. Key stakeholders and assumptions are encouraged to be added in the TOC.

b) Please see previous comments. We recommend the following:

- Emphasize more on component 3 going beyond private sector to create mechanisms to support local governments, CSOs, and other community organizations

- Include a knowledge components

- Add an output under component 1 that works on the policy and regulatory front e.g. creating enabling policies for private sector investment in adaptation.

GEFSEC 30 November 2023- Thank you. Comments cleared. At the CEO ER stage, following more robust joint programming approach with the GCF, the project components and its thematic focus will be revisited.

Agency's Comments

27 November 2023

A) Thank you for flagging this. The ToC diagram has been revised to ensure the arrow directions are logical. The wording has been simplified to improve the visual process and present the pathways more clearly. Please see the ToC diagram just below paragraph 48.

B) Regarding the first point on Component 3: The project focuses on local MSMEs/co-operatives including those owned by women and local youth which has been referred to in Component 3. Output 4.2 aims to support the private-sector engagement facility, by establishing partnerships between communities, extension services, Community Based Organisations (CBO)s, Civil Society Organizations (CSOs) and other private-sector enterprises ? including MSMEs and cooperatives. The importance of local organizations, CBOs, CSOs, Co-operatives and MSME?s has been recognized and embedded across Component 3 (paragraphs 48-62) in the PIF. This has been further clarified and reiterated in the PIF.

A knowledge management component has been incorporated, as suggested. Please see Component 4 in the Project Description.

Thank you for the suggestion to add an output relating to policy and governing under Component 1. This was an element that was taken under consideration during project development; however, there are already initiatives underway in Rwanda to create this enabling environment, namely REMA?s Private Sector Mobilization Plan For Climate Action, established in 2022. Given the timelines of when this project would reach the implementation stage, including this Output would likely result in a duplication of effort. Instead, the proposed project design has focused on leveraging private sector investments that will bolster the efforts of this Plan.

5.2 INCREMENTAL/ADDITIONAL COST REASONING

Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat's Comments

Please see comments above to strengthen the incremental reasoning.

No additional comments on this question.

Agency's Comments

27 November 2023

Thank you for this feedback. Please see the responses to previous comments on Component 3 for further details on how this has been strengthened.

5.3 IMPLEMENTATION FRAMEWORK

- a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?
- b) Comments to proposed agency execution support (if agency expects to request exception).
- c) Is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area
- d) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

Secretariat's Comments

Please provide an implementation framework for the project in the PIF.

OK.

Agency's Comments

27 November 2023

Thank you for this suggestion. A paragraph on the implementation framework has been added under the Coordination and Cooperation section. It is noted that many details of implementing partners have been flagged for further development during the PPG phase.

- 5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?
- b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?

Secretariat's Comments

Please remove .00 from the targets

Well noted. We will work with ITS to fix this. Comment cleared.

Agency's Comments

27 November 2023

We noted the issue is with the portal. We have tried to remove the .00 but it keeps coming back when saved.

5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?

Secretariat's Comments

Agency's Comments

5.6 RISKS

- a) Are climate risks and other main risks relevant to the project described and addressed within the project concept design?**
- b) Are the key risks that might affect the project preparation and implementation phases identified and adequately rated?**
- c) Are environmental and social risks, impacts and management measures adequately screened and rated at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat's Comments Yes

Agency's Comments

5.7 Qualitative assessment

- a) Does the project intend to be well integrated, durable, and transformative?**
- b) Is there potential for innovation and scaling-up?**
- c) Will the project contribute to an improved alignment of national policies (policy coherence)?**

Secretariat's Comments

Please explain the linkages between the project components. Refer to previous comments regarding making the project outcomes durable and transformative.

Refer to comment above regarding innovation and scaling up. the project has significant potential but lacks in the current design.

Please elaborate on the policy coherence aspect.

GEFSEC 30 November 2023- Thanks. Comments cleared. The project has significant potential to become transformative with the level of resources being requested. We strongly recommend the GEF Agency and EA to engage the GEF Secretariat in the PPG phase in strategic consultations and dialogues that will lead to the final design of the project. We would like to provide inputs on exploring how the project can be more innovative and the joint programming with the GCF.

Agency's Comments

27 November 2023

Thank you for this feedback. As mentioned in the comment above, we have now proposed to add an early-stage technology/business model innovation challenge model under Component 3. This innovation challenge will also be implemented together with FONERWA, as per the established 'innovation challenge' mechanism of UNDP, wherein TA/capacity building to selected early-stage innovations will be offered, along with up to USD 40,000 in grants to these innovations (as per UNDP policy). The innovation challenge will focus on identifying and supporting innovative technologies and business models that could enable climate-resilient livelihoods, with a focus on locally-owned and women-owned ventures and innovations. This text has been added to the PIF under a new para 58 under Outcome 4.

Thank you for mentioning the policy coherence. Paragraph 72, under the Alignment with GEF-8 Programming Strategies and Country/Regional Priorities section, elaborates in detail how this project aligns with Rwanda's national policies on climate change adaptation.

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?

Secretariat's Comments

The project proposes alignment with CCA 1.1 and CCA 1.3. We recommend adding CCA 1-2 which is related to scaling up financing for adaptation. The project has a dedicated component in this regard and therefore is recommended to include this.

GEFSEC 30 November 2023- Thanks. Comments cleared.

Agency's Comments

27 November 2023

Thank you for this recommendation. CCA 1-2 has been included in the Indicative Focal Area Elements table.

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)

Secretariat's Comments Yes

Agency's Comments

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat's Comments NA

Agency's Comments

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's Comments

Please address the following comments from PPO:

1. Letter of Endorsement: the template utilized for this project removed the footnote that conditions the selection of the executing partner to the following: "Subject to the capacity assessment carried out by the GEF Implementing Agency, as appropriate". Also, the focal area source is not identified. Per the attached email back in March when we were aiming to constitute June 2023 Work Program, Agencies were informed that LoEs "with modifications cannot be accepted and will be returned". While the removal of the footnote seems to be trivial, it is not: this footnote reduces the chances of having an executing partner that does not meet the fiduciary and procurement standards required to safely execute the project. Please get an email from the OFP accepting this footnote to be part of the LoE "also in the email the OFP needs to identify the focal area source (this is an alternative to request a new LoE).

1. In section "Coordination and Cooperation with Ongoing Initiatives and Project", the Agency mentions that they expect to play an execution role in this project.

The LoE does not present UNDP as the executing partner, neither there is a letter of support from OFP for this. Please ask the Agency to remove any mention for them to execute the project (this can be re-instated during the implementation phase if needed but by following the established procedure for an Implementing Agency to carry out executing

functions).

2. Stakeholder engagement: Agree with PM's comment that there is space to create financing mechanisms for supporting community led projects by CSOs, local governments and other groups, instead of only focusing on private sector. In addition, the project states that it has consulted IPLCs and CSOs during project identification phase. The table presented does not, however, mention these stakeholders and the project does not elaborate clearly on their roles to project outcomes. Please ask agency to further elaborate on their expected roles and provide a complete list of those consulted.

3. Co-financing: please request agency to revise 'GEF Agency' to 'Donor Agency' for FAO and IFAD as sources of co-financiers. These agencies are not implementing agencies for this project so should be categorized as donor agencies.

4. Environmental and Social Safeguards: The project's overall ESS risk is classified as high/substantial, and UNDP attached the Social and Environmental and Screening (SESP) Template. However, the 'Risks to Project Preparation and Implementation' section said environmental and social risk as 'moderate'. 1) Please make these consistent and revised. Also, 2) If the ESS risk is classified as high/substantial, please plan to develop an environmental and social risk management framework/plan during the PPG stage.

5. Gender: I agree with the PM's comment. In addition, I would like to underscore that all components of the project have clear gender dimensions, in particular, outcomes 3 and 4. In the development of the Gender Plan of Action, please ensure that the GAP is budgeted, monitored and reported on.

GEFSEC 30 November 2023- Thanks. The GEF Secretariat strongly believes in REMA's capacity to execute this project and therefore would not encourage any execution role of UNDP at the CEO ER stage also, as it is against the policy and defies the strong baseline in Rwanda. Please remove this sentence which indicates consideration of the executing function in paragraph 3. Other comments are cleared.

GEFSEC 5 December- The topic of executing agency is referred to Manager for consideration. The language still indicates potential role of UNDP as the executing agency. The response is pasted below for easy reference of Manager

3 During PPG stage, the project will undertake assessments of capacity, to assess if additional execution support is needed, and the type of support and its justification. It will assess also the options on the entity best 12/4/2023 Page 56 of 74 placed to provide the execution support. UNDP, as the accredited GEF Agency, will ensure the project is implemented in a timely manner, in accordance with both UNDP- and GEF standards. Responsibilities of UNDP would include: i) providing technical oversight; ii) approving financial advances; iii) quality assurance; iii) conducting monitoring and evaluation audits;"

Agency's Comments

27 November 2023

1. Thank you for the comment; the footnote was mistakenly omitted and the OFP has signed a revised LoE with which is compliant.

1. Regarding the comment on UNDP as an executing partner: Thank you for raising this point; however, it is important to distinguish that the PIF text indicates that the government has requested UNDP support, rather than confirmed execution support from UNDP at this stage. The PIF text has been reviewed to ensure this distinction is clear. Furthermore, this has been flagged as an area for assessment during the PPG phase.

2. Regarding the stakeholder information: Thank you for the comment. As expanded upon above, the definition of 'private sector' in the context of the proposed financial mechanism includes CSOs, CBOs and other non-government organizations. Table 8 presents the complete list of stakeholders consulted. Additional consultations will take place during the PPG phase. A table outlining the roles and responsibilities of different stakeholders consulted during the PIF development stage has been added to the document (Table 9).

3. Regarding development agency co-financing: Thank you for flagging this. The co-financing table has been revised to indicate FAO and IFAD as Donor Agencies, as requested.

4. Regarding the ESS risk: Apologies for this inconsistency. The Project Risks table has been revised to reflect a 'substantial' risk category for the Environment and Social risk, in line with the ESS risk rating. The mitigation measures in the Project Risk table and SESP reflect the plans for an ESMP/ESMF to be undertaken during the PPG phase, as well as the GAP. Thank you for raising this.

UNDP Response 04 December 2023

This has been well noted. The section has been edited to remove mention of UNDP's support role in discussion with REMA. We have also noted the Secretariat's comments about REMA's capacity but, in the interest of ensuring that REMA's capacity continues to improve, will still use the PPG stage to undertake detailed assessments of any gaps that may affect project implementation.

UNDP Response 07 December 2023

Thank you for indicating that the language still suggests UNDP will have a role to play in execution. To avoid any doubt, paragraph 69 in the PIF (word file) referred to in the comment has been removed. In GEF portal, the removal has been done to previously paragraph 3 under the Coordination and Cooperation with Ongoing Initiatives and Project section.

7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?

Secretariat's Comments Yes

Agency's Comments

8 Annexes

Annex A: Financing Tables

8.1 Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

STAR allocation?

Secretariat's Comments

Agency's Comments

Focal Area allocation?

Secretariat's Comments

Agency's Comments

LDCF under the principle of equitable access?

Secretariat's Comments Yes

Agency's Comments

SCCF A (SIDS)?

Secretariat's Comments

Agency's Comments

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat's Comments

Agency's Comments

Focal Area Set Aside?

Secretariat's Comments

Agency's Comments

8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments Yes

Agency's Comments

8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat's Comments

There are a several in-kind co-financing including large amounts such as 10 million and 5 million from RAB and RWB. Please elaborate on these and also clarify why such large amounts can't be classified as investment mobilized. Such high level of in-kind co-financing looks unrealistic unless clearly described.

FONERWA is a climate fund, but its co-financing is listed as in-kind. Please clarify.

Also, describe the in-kind financing from the private sector and if possible specify the private sector here.

Rwanda is GEF-GCF joint investment planning country. We see a reference to a GCF project in the PIF but GCF is not listed as a co-financing source. Please consult with the GCF team, include a co-financing from them and describe a strategy to collaborate with them. Some indication of this in the PIF is fine and more details will be sought at the CEO ER stage.

GEFSEC 30November 2023- Thanks. Comments cleared for review at the PPG stage.

Agency's Comments

27 November 2023

In response to the query about RAB and RWB co-financing, these large amounts will cover RAB and RWB staff that will support all the agriculture components of the project. They will cover their salaries, offices and materials. As a result, they have been classified as in-kind at this indicative PIF phase. During the PPG phase, the institutions will commit their precise co-finance in investment mobilised.

For the moment, UNDP and FONERWA haven't identified any specific sources of capital for investments into the project's proposed interventions from FONERWA's own sources, given that they don't have a specific pool of capital at the moment to be deployed for climate resilient livelihood enhancement. However, UNDP and FONERWA, together with REMA and other government counterparts, will work together during the PPG phase to identify and raise additional sources of capital from donors/development partners/investors for investments to be made by FONERWA into the project's proposed activities (grants, blended finance instruments such as concessional loans, guarantees etc.) to the private sector. Hence, FONERWA's co-finance is currently mentioned as 'in-kind' but will be changed to cash/parallel co-finance once additional capital is raised during the PPG phase.

Regarding private sector co-finance, the Private Sector Federation (PSF) is a private organization, dedicated to promoting and representing the interests of the Rwandan business community. Each district has a PSF Manager who is in charge of private sector advocacy, coordination of their activities, and providing business advice and package of business opportunities at the district level. The in-kind co-financing is for their services that will not be covered by the project: salaries, offices and materials. Additional co-finance from financial institutions (Banks, MFIs) and selected private sector enterprises (larger private sector agricultural commodity off-takers, processing companies, corporations) will be leveraged via the project's proposed activities under Component 3. Specific co-finance commitments from these entities will be sought during the PPG phase and included in Prodoc/CEO-ER documents.

Thank you for raising this point regarding GCF co-financing. The GCF project is not yet listed as a co-financing source as it is still in the early conceptualization phase, therefore indicative commitments cannot be made yet. It is anticipated that by the PPG phase of this PIF, the GCF investment plans will have progressed enough to include more details on co-financing opportunities.

Annex B: Endorsements

8.4 Has the project been endorsed by the country's(ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?

Secretariat's Comments Yes

Agency's Comments

Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat's Comments

PPO's review

Agency's Comments

Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat's Comments PPO's review

Agency's Comments

8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?

Secretariat's Comments

Agency's Comments

Annex C: Project Location

8.6 Is there preliminary georeferenced information and a map of the project's intended location?

Secretariat's Comments Yes

Agency's Comments

Annex D: Safeguards Screen and Rating

8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?

Secretariat's Comments For PPO's review

Agency's Comments

Annex E: Rio Markers

8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat's Comments Yes. The project may consider tagging LD RM as either significant or principal.

Agency's Comments

27 November 2023

Thank you for this suggestion. The LD Rio Marker is now tagged as significant, with details to be worked during the PPG stage.

Annex F: Taxonomy Worksheet

8.9 Is the project properly tagged with the appropriate keywords?

Secretariat's Comments

Yes. The taxonomy refers to engagement with Indigenous Peoples. Please confirm and clarify if the project has sufficient safeguards and other considerations to protect their rights.

Thanks. No additional comments.

Agency's Comments

27 November 2023

Yes, the project has sufficient safeguards. Kindly refer to the SESP, to be elaborated at PPG stage, and related sections for further context on IP in Rwanda.

Annex G: NGI Relevant Annexes

8.10 Does the project provide sufficient detail (indicative term sheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial

additionality? If not, please provide comments. Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat's Comments NA

Agency's Comments

9 GEFSEC Decision

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?

Secretariat's Comments

Not yet. The project is returned to the agency to address technical comments from PM and the PPO.

Not yet. Please address a few additional comments including the main comment on the GEF-GCF collaboration under this project.

Please change from 'GEF Agency' to 'Donor Agency' for FAO and IFAD as sources of co-financiers. These agencies are not implementing agencies for this project so should be categorized as donor agencies.

Thanks for addressing the comments. The project is cleared now.

Agency's Comments

UNDP Response 04 December 2023

These comments have now been addressed in the relevant sections in which they have been raised (see above sections).

UNDP Response 07 December 2023

This has now been corrected in the portal. We have noted that the issue was in the portal as the previous version of the PIF already included FAO and IFAD as donors.

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval

Secretariat's Comments

Agency's Comments

Review Dates

| | PIF Review | Agency Response |
|---|-------------------|------------------------|
| First Review | 11/10/2023 | 10/11/2023 |
| Additional Review (as necessary) | 11/10/2023 | 10/11/2023 |
| Additional Review (as necessary) | 12/1/2023 | |
| Additional Review (as necessary) | 12/7/2023 | |
| Additional Review (as necessary) | 12/7/2023 | |