

Terms of Reference

Pilot Program for Climate Resilience and Forest Investment Program in Rwanda

Scoping Mission

23 to 27 November, 2015

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EXECUTIVE SUMMARY

A scoping mission lead by the Government of Rwanda (GoR), the African Development Bank (AfDB) and the World Bank with participation of other development partners is scheduled to take place in Rwanda from November 23 – 27, 2015 to support the GoR with the preparation of the Rwanda Investment Plan under the Forest Investment Plan (FIP) and the Strategic Program for the Pilot Program for Climate Resilience (PPCR).

The mission will be led by the GoR through the Ministry of Natural Resources, and supported by the Multilateral Development Banks. Specifically, the mission aims to address issues pertinent to the preparation and structuring of the Investment Plan and Strategic Program for Climate Resilience including: (i) introduce the key features of the CIF, PPCR and FIP programs, (ii) assess the GoR development plans and current status in adaptation/resilience in relevant sectors and in forest management / restoration, (iii) appraise current institutional arrangements for climate change, climate resilience and forest management, (iv) assess on-going investments and pipeline - engaging MDBs, development partners, and technical agencies, (v) develop the scope of work proposed under the PPCR SPCR and FIP IP, (vi) identify the needs and gaps for SPCR/IP development as a basis for SPCR/IP budget, (vii) proposed institutional arrangements for SPCR/IP development, (viii) develop the roadmap for SPCR/IP development and budget proposal, and (ix) discuss the preparation for the Joint Mission.

The Scoping Mission will produce an Aide Memoire outlining the issues, process, key findings and recommendations for the organization of Joint Missions, leading to the development of the FIP Investment Plan and PPCR Strategic Program for Climate Resilience respectively.

1. BACKGROUND, CIF OBJECTIVES, AND COUNTRY CONTEXT

1.1 The Climate Investment Fund (CIFs) aims to promote international cooperation on climate change and support the efforts of developing countries on the path of low carbon and climate resilient development. Multilateral Development Banks, including the African Development Bank, the World Bank and its private arm, the International Finance Corporation (IFC), and other Multilateral Development Banks (IADB & EBRD) are the implementing agencies for CIF funded projects and programs.

1.2 CIF's financing mechanism is framed around two major trust funds, the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). The CTF finances scaled-up demonstration, deployment and transfer of clean technologies, while the SCF finances targeted programs that pilot new approaches with the potential for scaling up. Specifically, the SCF provides an overarching framework to support three targeted programs; **Forest Investment Program (FIP)**, the **Pilot Program for Climate Resilience (PPCR)** and Scaling Up Renewable Energy in Low Income Countries Program (SREP).

1.3 **The Forest Investment Program** supports developing countries' efforts to reduce emissions from deforestation and forest degradation and promote sustainable forest management and enhancement of forest carbon stocks (REDD+) including (i) promoting forest mitigation efforts, including protecting forest ecosystem services, (ii) providing support outside of the forest sector to reduce pressure on forests, (iii) helping countries strengthen institutional capacity, forest governance, and forest-related knowledge, and (iv) mainstreaming climate resilience considerations and contribute to biodiversity conservation, protecting the rights of indigenous peoples and local communities, and poverty reduction through rural livelihoods enhancements. FIPs typically include finance to address the underlying drivers of deforestation and forest degradation as well as the barriers identified by upstream REDD+ programs such those of the Forest Carbon Partnership Facility (FCPF), Global Environment Facility (GEF), UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme). Unique to the FIP is an \$80million Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM). The DGM is a program for and by forest dependent communities, to enhance their role in the national and global REDD+ agenda through grants to the communities.

Proposed objectives of Rwanda FIP (as per Expression of Interest):

1.4 Rwanda is a recipient of REDD+ Readiness Grants from both the Forest Carbon Partnership Facility (FCPF) and the UN REDD+ Readiness program. In its Expression of Interest (EOI) for the FIP program (see Annex 1), the Government of Rwanda prioritizes the scale up of the country's successful pilot landscape interventions and preservation efforts to transform the country's rural sector into a more sustainable and low carbon economy through sustainable forest management and preservation of national forest ecosystems. Proposed objectives of the Rwanda FIP interventions include, among others:

- a) Promote the incorporation of trees into agricultural landscapes (agroforestry) for enhanced soil fertility and water quality as well as reducing erosion on lands that are highly susceptible to soil loss.
- b) Support improved management of woodlots and timber plantations to enhance productivity of existing forest plantations and improve fuelwood and timber production that will contribute to increased carbon sequestration and reduce pressure on existing natural forests and trees in landscapes,

- c) Protection and restoration of natural forests to expand and restore ecosystems including those important for cultural and tourism value.
- d) Promote the establishment of protective forests.

1.4 ***The Pilot Program for Climate Resilience (PPCR)*** assists developing countries to integrate climate resilience into development planning including urban development/ infrastructure, agriculture and food security, land and ecosystems, policy, institutions and policies building on National Adaptation Programs of Action (NAPAs) and other existing efforts. The PPCR also offers additional funding to pilot innovative public and private sector solutions to pressing climate-related risks and strives to coordinate with other financing entities in meeting resilience goals of countries.

Proposed Objectives of Rwanda PPCR as per expression of interest

1.5 Through the PPCR Strategic investment, the Government of Rwanda seeks to address some of the key challenges and barriers for the efficient management of its water resources and pave the way for a more green and resilient development path. The PPCR investments will help to scale-up ongoing efforts of the Government to address priority water resilience issues in Rwanda including encroachment of wetland habitats, high population density, lack of hydrological monitoring and poor communication and awareness among stakeholders. Specifically, the strategic intervention is proposed to:

- a) Strengthen the capacity of GoR to protect watersheds that are particularly important in regulating the flow of water to Rwanda's hydropower plants using climate and hydrological data and analysis to inform decision-making.
- b) Support measures to protect and manage watersheds including wetlands, enhance drainage infrastructure to withstand extreme weather events and reduce erosion.
- c) Improve hydrological information systems.
- d) Promote the efficient use and coordination of multi-user groups as critical components of climate resilience through the water sector entry point.

1.6 In May 2014, the CIF Expert Group approved Rwanda's expression of interests to develop investment plans for both the PPCR and the FIP. Accordingly, Rwanda is eligible to receive grant funding of up to USD 250, 000 for the preparation of the FIP IP and USD1.5 million to prepare the SPCR. Discussions during the scoping and joint mission will enable further understanding of the gaps in the country resilience planning and/or confirmation of the stated objectives in EoI as priorities.

2. SCOPING MISSION OBJECTIVES

2.1 The African Development Bank and the World Bank will be supporting the Government of Rwanda in consultation with other development partners and/or stakeholders in the development of the FIP IP and PPCR SPCR. The proposed mission which will consist of a small team of experts will be led by the Ministry of Natural Resources from the GoR.

2.2 The scoping mission will assess issues pertinent to the preparation and structuring of the Investment Plan and Strategic Program for Climate Resilience including (i) introduce the CIF, FIP and PPCR programs to the relevant government ministries, other development partners, and other key stakeholders; (ii) consolidate necessary documentation and hold preliminary consultations with key stakeholders; (iii) undertake an assessment of necessary technical assistance and resources including

baseline information required to develop the FIP IP and PPCR SPCR; and (iv) discuss and finalize the roles of key partners and the next steps including detailed timeline for the preparation of Joint Mission.

3. SCOPE OF WORK: ACTIVITIES AND EXPECTED OUTPUTS

3.1 The Rwanda Scoping Mission will assist the GoR and MDB teams in the preparation and planning of the Joint Mission for the preparation of the FIP and PPCR investment plans and strategic programs for climate resilience respectively. The on-site mission is considered to be necessary on the basis that there are a number of important issues, which need to be discussed and agreed prior to the planning and implementation of the first Joint Mission. The outcome of this Scoping Mission will shape the process for developing the IP and SPCR.

Preparatory Work for scoping Mission

3.2 Prior to fielding the Scoping Mission, the following activities will be led by the GoR with support from the MDBs as necessary:

1. Collating background documents and package of information for mission participants: This will include appropriate process documents for the PPCR and FIP, and relevant strategic, planning and project documents for Rwanda. GoR Focal Points will collate a list of relevant documents and provide those that are not readily available
2. Develop a detailed schedule for the mission, based on the outline below: GoR Focal Points will develop in coordination with the MDBs.
3. Identify stakeholders and confirm availability: GoR Focal Points will identify a core group of stakeholders including climate change lead agencies and relevant Ministries, vulnerable sectors, MDBs and development partners, as well as representatives of business and civil society. Introductory telephone calls will be initiated with these stakeholders to introduce them to CIF and briefly explain the process of the FIP and PPCR. Focal Points will confirm that the scoping mission team seeks meetings with these stakeholders as per the agenda proposed in this ToR, with the objective of reaching conclusions on the key strategic issues discussed below. GoR Focal Points to arrange mission meetings with key Ministries, Development Partners and Stakeholders (GoR Focal Points).
4. Announce the scoping mission: A notification letter for the mission including contact details for government and MDB focal points will be provided to the CIF at least two weeks before the mission.

Scoping Mission Activities and Follow Up

3.3 **Stock taking:** During the mission, the team will review relevant documentation required for the FIP and PPCR Investment Planning process, including information on national context, biophysical, technical and administrative information, forestry, natural resources management, rural development and key development sectors for adaptation and mitigation. This will include review of policies, climate change strategy, forest strategy adaptation and mitigation, national/sectoral development plans,

programs and activities. Relevant development partner studies and strategies for Rwanda should be included. Many of the key documents and analyses have been assembled through the REDD+ readiness process and much of the critical information has already been summarized in the Government's Expression of Interest submitted to the FIP and PPCR Sub-Committee in March 2015.

Key strategic issues to address and finalize during the mission:

1. Introduction to the CIF, PPCR and FIP
2. Government Development plan and current status in adaptation/ resilience in relevant sectors and landscape/forest management
 - Consolidation of background materials to understand the baseline status of resilience planning and implementation in country and potential gaps, including the availability of quantitative data, vulnerability assessments and the capacity of national hydromet services. The World Bank may also present its climate tools and information resources.
 - Review of the state of forests, key drivers of deforestation and forest degradation, forest and watershed management policies and priorities and the importance of trees and forests in the rural economy;
 - Linkages between PPCR / FIP and other initiatives including Adaptation, Green Growth, SREP, GCF, INDC as well as various development policies. Define how PPCR and FIP should relate to these as well as other key MDB, bilateral and Government programs.
3. Current institutional arrangements for landscape/forests and climate resilience:
 - Existing cross-sectoral coordination mechanism within the country
 - CIF procedures and MDB procedures (procurement, legal agreements, etc.)
4. Ongoing investments and pipeline - engaging MDBs, development partners, and technical agencies:
 - Summary of ongoing activities supported through multiple climate related funds and ongoing climate investments supported by each MDB/bilateral agencies
 - Pipeline projects/programs of each MDB
 - Country engagement in and planning for the GCF process
 - Options for co-financing FIP and PPCR projects
5. Scope of work proposed under the PPCR SPCR and FIP IP
 - Identifying thrust and potential areas of SPCR/IP focus, building on but not limited to EOIs
 - Broader enabling needs (e.g. climate information and climate services; private sector engagement)
6. Needs and gaps for SPCR / IP development as a basis for SPCR / IP budget – including an evaluation of remaining gaps in objective-setting, data collection / analysis, institutional / policy requirements, and investment needs.
7. Proposed institutional arrangements for SPCR / IP development
 - Agree on how to align the preparation process for FIP and PPCR, including the preparation of linked investment plans.

- Organizational/administrative responsibilities – roles of country focal point, and MDBs, including designation of the lead MDB and detailed divisions of labor for administrative and technical support to the process
 - Agree on implementation arrangements and processing arrangements
8. Roadmap for SPCR / IP development and budget proposal (including presentation on MDB proposals)
- Discuss the steps to prepare and submit the SPCR / IP by the country for the PPCR Sub-Committee endorsement
 - Timetable and deliverables for 1st joint mission(s), technical mission(s), 2nd joint mission(s) and submissions for endorsement
 - Agree on stakeholder consultation process and modalities; identify key agencies for Joint Mission, including technical agencies (FAO, WMO, IFAD, WHO), bi-laterals, line ministries, national/local government agencies, academia, private sector, NGOs, CSOs, women's group, etc.
 - Review of the EoI and drafting of a detail outline of the proposal for USD 1.5 million and USD250 000 TA respectively based/building on the EoI
 - Drafting of the proposal for MDB-executed funds, based on the agreed division of labor.
9. Preparation for Joint Mission(s).

Consultations

3.4 During the scoping mission, Focal Points and MDBs will undertake broad consultations with Key Ministries and key bilateral stakeholders to address the above issues.

Outputs

3.5 The mission will prepare and sign an Aide Memoire, which will reflect the agreements and conclusions reached on key issues, the next steps to guide the preparation of the investment plans and guidance to the MDBs for the preparation of ToRs and implementation of the Joint Mission(s). On completion of the mission the following will also be prepared as quickly as possible:

- Workplans and proposals for \$1.5m and \$250k RETFs to support PPCR and FIP investment plans preparation, respectively.
- TORs for key tasks and consultancies under the PPCR and FIP processes.
- Proposals for the use of the MDB-executed preparation funds.
- ToRs for the Joint Mission(s) and schedule the Joint Mission(s) as quickly as possible.

CONTACTS (MDBs and Government)

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