

RWANDA

BASIC FACTS ABOUT PEI RWANDA

Timescale: Phase I-II: 2005–2013, Phase III 2014-2017

Partners: Rwanda Environment Management Authority, The Ministry of Environment and Natural Resources, the Ministry of Finance and Economic Planning, various sector ministries and the UNDP country office.

Focus: To enhance the contribution of sound environmental management to poverty reduction, sustainable economic growth and the achievement of the Millennium Development Goals

MAINSTREAMING CONTEXT

Rwanda's economy and its people's livelihood are highly dependent on natural resources that are under increasing pressure from unsustainable use, soil erosion, deforestation and the impact of increasing climate variability and climate change. As such, unsustainable use of environment and natural resources hinders the achievement of national development objectives, poverty reduction and economic growth.

MAIN ACTIVITIES

Integrate poverty-environment linkages in key national and sector plans, budgets and monitoring systems by engaging in the formulation of the Economic Development Poverty Reduction Strategy (EDPRS) II, the Private Sector Development Strategy, and contribute to the review of Vision 2020.

Improve the capacity of the Ministry of Finance, planning officers and key productive sectors to include poverty-environment targets in policies, plans, budgets and monitoring systems.

Develop and disseminate guidance packages for integrating environmental sustainability, livelihoods and climate change adaptation in planning processes at national, sector and decentralized levels.

Explore steps to enhance the cost-effectiveness of agricultural practices in terms of poverty and support the strategic planning and institutional development process to complete the establishment of FONERWA ('Environment fund').

ACHIEVEMENTS

Rwanda's first EDPRS (2007-2013) included poverty-environment linkages as a result of key findings from PEI supported studies which e.g. showed that soil loss contributes to a decline in the country's capacity to feed 40,000 people/year as well as an annual economic loss of 2% of the GDP. In June 2013, Rwanda adopted its second EDPRS (2013-2018) with enhanced links between environment and poverty reduction goals, targets and indicators as a result of PEI support to planning ministries and sectors.

Sixteen sector policies include poverty-environment related objectives and capacity of sector planners to mainstream poverty-environment and climate change strengthened following PEI trainings on the topic.

Thirty District Development Plans in Rwanda include poverty-environment and climate related objectives including targets to establish 'green villages' following the integration of poverty-environment objectives in Local Development Planning Guidelines and the EDPRS supported by PEI.

Improved capacity of planning and finance agencies and sector ministries to make informed budget allocations and investment decisions for pro-poor sustainable natural resource management as a result of the practical application of planning and monitoring guidelines and a budget circular call. Between 2004 and 2013 Rwanda's expenditure on environment and climate change increased from 0.4 to 2.5 % of the national budget.

Rwanda's Parliament endorsed in 2011 the National Climate and Environment Fund (FONERWA) which was established with support from PEI. FONERWA was operationalized in 2012 with US\$36 million funding from DFID which is used for funding public and private green and climate resilient projects .

Environmental Impact Assessments have been institutionalized for all sectors in the wake of PEI supported economic and environmental assessments completed in 2009. This has partly resulted in investments in environmentally sustainable agricultural practices and their implementation in all 30 districts.

The Swedish International Development Cooperation Agency in collaboration with the Government of Rwanda drew on best practices from the PEI supported Rubaya demonstration project and up scaled this work by replicating it in one of Rwanda's poorest districts, Muhanga.

The Government of Rwanda rehabilitated the Rugezi wetland following findings from a PEI supported Economic Analysis of Natural Resources Management. The rehabilitation of the wetland restored electricity production, led to savings of \$149,670/per year, and the construction of a 2.1 MW hydro power station and jobs for rural residents with multiplier effects for other socio-economic activities.

LESSONS LEARNED

It is crucial to clearly demonstrate the links between poverty -environment in a language familiar to policy makers. Environmental economic assessments can be helpful in ensuring this.

A key to successful poverty-environment mainstreaming in Rwanda has been PEI's ability to link with other larger sector and national development policy processes, and to contribute to these processes with ideas, tools and opportunities. Further, sustained PEI support over a longer period of time along with a focus on sectors and budget processes has enhanced poverty-environment mainstreaming results.

WAY FORWARD

Continue to engage with a wide range of stakeholders, deepen engagement with planning and finance institutions, and provide support to priority sector institutions to strengthen the integration of poverty-environment in sector policy development, budgeting and monitoring processes.

Focus on long-term sustainability of investments, including investments of the private sector, in promoting sustainable use of environment and natural resources for inclusive growth.