



QUARTER REPORT (APRIL-JUNE 2016) FOR THE YEAR 2016

Programme Title:	CAPACITY BUILDING SUPPORT TO NATIONAL ENVIRONMENT AND CLIMATE CHANGE FUND (FONERWA)
Implementing Partner	National Environment and climate change Fund (FONERWA)
Project No:	00088834
Project Start Date:	January 2014
Project End Date:	June 2018
Programme Budget	5,095,606 USD
Implementing Partners Budget	MINIRENA/FONERWA
Programme Outputs	
Output 1:	Resources mobilization to finance and further develop national programmes and private sector initiatives which contribute to low carbon and climate resilient strengthened
Output2:	Process of screening projects and disbursing finance is effectively managed
Output 3.	Capacity for managing the Fund built and transferred to Government of Rwanda
Output 4.	Awareness raising to support submission of good quality proposals and reporting on results enhanced.
Output 5.	Results from the Fund are effectively and transparently monitored and lessons disseminated

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1. Achievements Against Results

UNDAF OUTCOME:(The UNDAF Outcome, indicators, baselines in the Project Document)		
Indicator:1)% of ecosystems rehabilitated 2) % increase in population access to modern energy source	Baseline:1)10.1% area of ecosystems rehabilitated (2012) 2)10% population access modern energy source	Target:1) 17% area of ecosystems rehabilitated. 2) 50% population access modern energy source
OUTPUT 1: Resources mobilization to finance and further develop national programmes and private sector initiatives which contribute to low carbon and climate resilient strengthened KEY ACTION: Develop proposals targeted towards Resources mobilization and coordination with Development partners;		
Indicator: Cumulative volume of finance [US\$ millions] mobilized for climate and environment purposes as A). contributions to Fund; B). leveraging (including co-financing for Fund supported projects) disaggregated by a)private sector b).GoR c).MDBs / other development partners (including DFID)/other sources*	Baseline:00	Target (year :2015) Aa. 0.0 Ab. 4.2 Ac. 59.5 Ba.7.2 Bb. 6.2. Bc. 11.0
a)Key Achievements (Aa.0 Ab.\$4.3m Ac.\$46m Ba\$5.3m Bb\$10.3m Bc \$25m The sources of funds and amounts for project financing are still the same with additional funding on leveraging from GCF for the NDA readiness support planned, to be managed by FONERWA. Co-financing has also increased due to 7 th CFP approved projects. The cumulative contribution from other sources (Ac) has reduced from USD 54.4 million to USD 46 million which was due to reclassification of AfDB/LDCF funding to leveraging since the project implementation arrangements are now clear. Still there is no private sector contribution to the Fund, although plans are being designed to encourage the private sector financing to the environment and climate change. The contribution from the Government of Rwanda has increased from USD 3.7 million to USD 4.3 million due to resources from collection of environmental fees and fines. Leveraging from the different sources has increased mainly as a result of co-financing from the funded projects and reclassification of AfDB/LDCF funding A number of initiatives on resources mobilisation have taken place although this is still in pipeline During this quarter, based on comments from GCF on MINIRENA prospective programme for funding, FONERWA worked with MINIRENA and designed a technical support grant proposal under GCF PPF grant initiative to address all technical issues noted in the programme. The grant of 1.5 million USD was approved and will be ready for use during the next quarter.		

<p>b)Key Challenges/Constraints Most of the expected funding may take long procedures for approval</p>		
<p>i) Solutions,(proposed if any) To follow up with the relevant official in the respective institutions and also ensure that FONERWA is part of the entire proposal development and approval process</p> <p>ii) Lessons Learnt: There is urgent need for more financing for the Fund to achieve its mandate.</p>		
<p>OUTPUT 2: Process of screening projects and disbursing finance is effectively managed</p> <p>KEY ACTION: Provide Technical Assistance to all Beneficiaries Requesting Support to Prepare PPD/PD</p>		
<p>Indicator:% of a)Project Profile Documents b)Project Documents reviewed within 20 and 30 working days respectively, and in accordance with agreed screening procedures</p>	<p>Baseline:00</p>	<p>Target (year : 2015)a.90 b.80</p>
<p>a)Key Achievements : a. 100, b.100</p> <p>The status for this quarter did not change since we have semi-annual calls for proposals and thus no PPDs were assessed within the reporting period. Therefore, the total approved projects for funding still stands at 31</p>		
<p>b)Key Challenges/Constraints Although the number of projects approved for funding increased tremendously, implementation monitoring requires more efforts to achieve the intended results</p> <p>i) Solutions,(proposed if any) Continued close collaboration and monitoring of project implementers, organising workshops to share experience and lessons learned.</p> <p>ii) Lessons Learnt: Close monitoring and guidance to project implementers through periodic meetings and workshops is highly required.</p>		
<p>OUTPUT 3: Capacity for managing the Fund built and transferred to Government of Rwanda</p> <p>KEY ACTION: Develop capacity for private sector targeting/leveraging</p> <p>Increased technical support to the Fund particularly, the private sector and planning for future institutional arrangements for FONERWA</p>		
<p>Indicator:1) Number of initial local technical staff recruited who are retained at the end of the project period</p>	<p>Baseline:00</p>	<p>Target (year 2015):</p>

<p>2) % of the Fund Secretariat made up of local technical staff</p> <p>3) Number of government of Rwanda staff recruited for the fund management secretariat</p> <p>4) Number of FMC/FTC meetings held and resolutions made</p>		<p>1) n/a</p> <p>2) 80</p> <p>3) 6</p> <p>4) 4</p>
<p>a) Key Achievements: (1) n/a, (2). 100, (3)12 4) FMC 1</p> <p>The Fund gathered together private sector players alongside academics and regulators on the evaluation of progress to date on the development of the Rwanda Environment and Climate Innovation Centre (RECIC). Also, participation in the launch of the Energy Private Developers event which was intended to discuss funders in Renewable Energy of which FONERWA is considered a significant player, gathered together potential applicants to the Fund and also a potential for resources mobilisation</p> <p>For strategic direction, the strategic plan of FONERWA was finalised after incorporating inputs received from the FMC. Also, a strategic advisor was recruited on call down basis to support in the strategic orientation of the Fund.</p> <p>Establishment of relevant systems under different operations for effective management of the Fund is on-going and this is expected to be re-aligned with FONERWA in case of any modifications.</p> <p>Also, in order to fill staff vacant positions and get more call down consultants, recruitment was carried out to fill the vacant positions of the financial management specialist and Administrative associate. Also, more call down consultants were added on the team for relevant technical support.</p>		
<p>b) Key Challenges/Constraints</p> <p>Lack of a structured competitive staff benefits system to attract the right calibre of staff and also sustain the Fund operations</p>		
<p>i) Solutions,(proposed if any)</p> <p>Continue to engage technical experts to guide the current private sector application process and to diversify financial instruments for improved private sector targeting.</p> <p>ii) Lessons Learnt:</p> <p>There is urgent need to design a competitive staff benefits system and attract the right team. Also, implementation of the private sector targeting strategy is considered critical to the Fund's success</p>		
<p>OUTPUT 4: Awareness raising to support submission of good quality proposals and reporting on results enhanced.</p> <p>KEY ACTION:</p> <p>Support capacity for communication and outreach services with particular support to quarterly call for proposal sessions</p>		
<p>Indicator:1.Number of people trained in developing proposals (disaggregated by</p>	<p>Baseline:</p>	<p>Target (year 2015):</p> <p>1)759</p>

<p>private sector/district level government/central government/CSO)</p> <p>2. Number of people visiting the FONERWA website;</p> <p>3. Number of requests to the FMT for Technical Assistance in proposal development</p> <p>4. Number of financial instruments targeting the private sector developed and piloted by the FMT</p>		<p>2) 1545</p> <p>3) 200</p> <p>4) 2</p>
<p>a) Key Achievements : (1) 1050 (2) 10,052 (3) 446 (4) 2</p> <p>Technical assistance, sharing experience and skills is a continuous and crucial activity for the Fund. Support is open to everyone with investment concepts which are in line with FONERWA mission. It is provided to both project applicants and implementers through channels that included face to face, online, document sharing and PD clinic.</p> <p>To facilitate the communication system of the Fund, a communication advisor has added more value to the Fund through showcasing the Fund's operations both nationally and internationally.</p> <p>Additional to that, the FONERWA PPD course was integrated into the website and is accessible to the public. It is designed to support Fund applicants with information on the first phase of submitting a proposal to the Fund.</p> <p>It should be noted that the recorded figures are not different from those reported in the previous quarter since FONERWA website has been under development with limitations to tracking such figures.</p>		
<p>b) Key Challenges/Constraints The communication strategy is not yet finalised to strategically guide the Fund's communication system</p> <p>i) Solutions, (proposed if any) To prioritise the design of FONERWA communications strategy in the coming quarter</p> <p>ii) Lessons Learnt: The communication strategy is highly needed to guide all communications and related partnerships with the different stakeholders</p>		
<p>OUTPUT 5: Results from the Fund are effectively and transparently monitored and lessons disseminated</p> <p>KEY ACTION: Establish and maintain an Integrated Web Based Platform for FONERWA as well as an effective training and dissemination of the Knowledge management tools and instruments targeted to different stakeholders</p>		
<p>Indicator:</p>	<p>Baseline:00</p>	<p>Target (year 2015): 1) 80</p>

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<p>1) % of active projects reporting data of sufficient quality to satisfy FONERWA monitoring and evaluation system.</p> <p>2) % of implementing projects that demonstrate:</p> <p>(a) transparent community participation;</p> <p>b) a significant gender focus.</p> <p>3) Evidence that lessons learnt are being used to adapt programme implementation.</p>		<p>2 (a) 60</p> <p>(b) 60</p> <p>3) evidence of lessons learnt being incorporated, as assessed through Annual Review</p>
<p>a)Key Achievements: (1)100(2) (a) 100 (b) 100 (3)n/a</p> <p>FONERWA launched a new website developed by Victory Technologies with support from Knowledge Management Specialist and Communication Expert. The website is hosted in Rwanda at Africa Olleh Services.</p> <p>The new website has improved the quality and overall display and appeal including, content organization, site navigation, functionality and provides knowledge products for the fund and natural resource sector. Collecting knowledge products from ENR sector is a continuous work and it is intend to avail information to researchers, policy makers and the public. .</p> <p>The Fund Result Management Information System (FRMIS) was piloted with a sample of selected funded projects. Inputs from the piloting session by the end users were considered and added in the FRMIS. It is planned to roll out the tool to all implementers during the next quarter</p> <p>UNDP and FONERWA have partnered to implement the Online Centre of Excellence to collect and share the best practices of Saemaul model and home grown solutions. ToRs for recruiting a consultant to identify knowledge products on Saemaul model and home grown solutions is being finalized. The focus is to share best practices and lessons learned on involvement of community in rural development program and learn integration of home grown solutions into community development plan. Lessons and best practices will be drawn from projects and programs.</p>		
<p>b)Key Challenges/Constraints</p> <p>More is still needed to facilitate data collection on projects with sufficient quality and timeliness to improve the FONERWA monitoring and evaluation system and collate lessons to adequately inform the future of FONERWA.</p> <p>i) Solutions,(proposed if any)</p> <p>To finalise and start utilising the web based result management system</p> <p>ii) Lessons Learnt:</p> <p>The website is considered very critical for all FONERWA operations particularly in managing the application process, reporting on project management and increasing the awareness of public and private actors about FONERWA.</p>		
<p>OUTPUT 6The fund is administratively supported</p> <p>KEY ACTION:</p> <p>Ensure financial and administrative functions of FONERWA are cost- effective and efficient</p>		
<p>Indicator:</p> <p>1) % of budget performance</p>	<p>Baseline:00</p>	<p>Target (year 1):</p> <p>90</p>




2) Demonstration of support for FONERWA at national strategic levels	
<p>a) Key Achievements 86.3% Funds received were used at the execution rate of 86.3% (used Frw 88,715,327 out of Frw102,771,660). This is due to the fact that there were matching funds from the Government of Rwanda which catered for other needs within the quarter.</p>	
<p>b) Key Challenges/Constraints</p> <p>The financing gap as a result of UNDP budget cuts. This was the only financing source allocated to capacity building of the Fund. If the situation continues in the following quarters, this should be considered a risky situation with serious implications for the future of the Fund.</p> <p>i) Solutions,(proposed if any) To Carry on further discussions with UNDP to finance the core activities in the upcoming quarters. Also, it would be relevant for UNDP to develop long term sustainable funding mechanisms to finance the project to meet current commitments the agency has made to the GoR.</p> <p>A business plan is being developed to adequately inform the Fund's future focus, priorities, resources and their sources emphasising sustainability</p> <p>ii) Lessons Learnt: There is need to design long term funding mechanisms to finance the FONERWA operations</p>	
c) Use of UNDP Development Drivers	
Capacity Development	<p>Continuous capacity development has been programmed for all staff and this has been mostly on job training. Currently all staff demonstrate competencies on FONERWA operations.</p> <p>Also, in line with the staff capacity development plan the FMT has been working with call down consultants as a capacity transfer to develop resource mobilisation proposals, amongst other capacity development focus areas.</p> <p>The capacity goes further to project implementers through project monitoring meetings, workshops and spot check reviews where ways for effective and efficient project management is discussed.</p> <p>A capacity development strategy has been developed although funding is critical to its implementation</p>
Policy Advisory Services	FONERWA follows the GoR processes and procedures to implement its action plan and is represented in Senior Management Meetings at the Ministry levels which sets out policy advisory for all affiliate institutions.
South to South Cooperation	It should be noted that there were no major actions taken during this quarter
3) Addressing Cross Cutting Issues (Not more than 150 words)	

Gender	<p>The eligibility criteria for project proposals include demonstration of gender inclusiveness.</p> <p>All projects supported by FONERWA are required to be broadly target inclusiveness and more specifically put into consideration gender mainstreaming as per output indicator 2.4 of FONERWA log frame. This assures that all the projects under implementation and those approved for funding yet to start implementation have addressed this element.</p> <p>Also, the staff recruitment process has put into consideration gender issues.</p> <p>Also, the Fund implements GoR policies and commitments and as such considers national gender policy measures in the design and implementation of FONERWA funded projects.</p>
Human Rights	<p>Project proposals are required to focus on national priorities including pro-poor with particular attention to social protection.</p> <p>FONERWA is supporting projects aiming the improvement of livelihoods of Rwandese, it promote access to energy, access to water, improving on food security and poverty reduction through green jobs which is fundamental human right principal. All operations are carried out in a transparent manner without any form of segregation. Also, the project application process is open, demand driven and transparent where projects are selected based on their quality and impact to FONERWA's mission.</p>
Environment	<p>FONERWA is an environment and climate change fund and adheres to existing national environmental regulations. Additionally, proposals supported by the fund are required to fulfill Environmental Impact Assessments (EIA) and as such, 100% of the projects are approved on the basis of satisfactory environmental performance.</p>

NB* the results table is duplicated for reporting on each output

4) Project Financial Summary (see attached financial report)

	April –June 2016 planned expenditure (Rwf)	Actual Expenditure (Rwf)	Balance (Rwf)
Output 1	8,346,582	11,323,158	(2,976,576)
Output 2	29,487,550	30,036,856	(549,306)
Output 3	22,437,790	19,546,041	2,891,749
Output 4	23,663,265	6,541,963	17,121,302
Output 5	10,784,702	5,403,923	5,380,779
Output 6	8,051,771	15,863,384	(7,811,613)
Total	102,771,660	88,715,327	14,056,333
Exec. rate	102,771,660	88,715,327	86.3%

5) Annexes:

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The project financial report

a) Success stories

The Fund has so far held 8 CFPs, and 31 projects have been approved for funding. This has seen an increased number of private sector participation.

Success stories are already realised from implementing projects with results on ground.

Initiations are already ongoing to implement the Saemul program in Rwanda through FONERWA

