



ADAPTATION FUND

AFB/B.43-44/16
24 March 2025

Adaptation Fund Board

**REQUEST FOR CHANGE IN PROJECT OUTCOME AND
OUTPUT INDICATORS AND ASSOCIATED TARGETS AND
REVISION OF DISBURSEMENT SCHEDULE:
MINISTRY OF ENVIRONMENT
(RWANDA)**

Background

1. At its 39th meeting, the Adaptation Fund Board (the Board) approved through Decision B.39/40 a five-year project titled “Rwanda Subnational Adaptation Fund EDA” in Rwanda, implemented by the Ministry of Environment (MoE), for a requested amount of US\$ 4,998,812.

2. The overall objective of the project is to increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level for rural adaptation in water, agriculture and land-management sectors. This will encourage local adaptation solutions and deliver climate finance to local levels, notably for the most vulnerable.

3. As mandated by the aforementioned Decision, an agreement was prepared and signed between the Board and MoE on 30 April 2023. The project held its inception workshop on 18 July 2023. To date, the Trustee has disbursed a total amount of US\$ 226,936 to the project.

4. On 4 February 2025, MoE submitted through the secretariat a request for changes in project output and outcome indicators and associated targets (see annex 1), and on 10 March 2025, a request for a revision of the project disbursement schedule (see annex 2). Both requests were endorsed by the Designated Authority (see annexes 1 and 2).

5. The reason for requesting changes in project outcome and output indicators and associated targets, is that the approved project results framework was designed to track progress against the original objectives and indicators established at the program’s inception, before the completion of the sub-projects’ selection process. However, as the subprojects’ selection and approval process progressed, it became clear that certain indicators were no longer applicable. These indicators relate to areas where no sub-projects were submitted through the EDA window. Additionally, some indicators had their targets adjusted based on the nature of the selected projects, which contributed to setting those targets.

6. The reason for requesting a revision of the disbursement schedule is that the initial disbursement schedule for the EDA-Adaptation Fund Sub-National Program was drafted prior to the inclusion and approval of specific sub-projects. At that time, a general estimation of funding needs was made without considering the precise details of the 9 sub-projects to be funded under the program. As a result, the schedule did not fully account for the specific cash flow requirements of each sub-project during implementation, particularly in the early stages when substantial investments are necessary. The key factors driving the decision are described in the justification note submitted by MoE (see annex 2).

Specific requested revisions

7. In light of the justifications provided, MoE’s request consists of:

- (i) Revisions to the results framework, which reflect necessary adjustments following the selection of sub-projects under the Enhanced Direct Access (EDA) modality. These modifications align the pre-defined targets with the actual scope of activities implemented, ensuring a more accurate representation of the project’s impact. Specific requested revisions are as follows:
 - Increase in the total number of project beneficiaries, which has been revised from 25,000 (including 12,500 women) to 27,734 (including 15,800 women).
 - Removal of three outcome indicators, as no sub-projects were submitted under the EDA window in these areas. These indicators include the number of environment and climate knowledge products adopted, the number of

institutions adopting green building practices in infrastructure development, and the number of individuals adopting smart transport technologies.

- Adjustment of several output targets to reflect the actual implementation of activities. The number of organizations receiving training has increased from 10 to 26, while the area under bench or progressive terrace or other sustainable land management (SLM) practices has expanded from 1,000 to 1,739 hectares. Similarly, the number of beneficiaries of SLM activities has grown from 10,000 to 13,500. In the case of agroforestry or other sustainable practices, although the total area has been reduced from 1,000 to 678 hectares, the number of beneficiaries has increased from 9,000 to 9,500. Small-scale irrigation projects have also been expanded from 4 to 6, leading to an increase in beneficiaries from 3,000 to 3,700. Furthermore, a previously undefined target now establishes that 155 hectares of land will be under irrigation.
- Lowering certain output targets due to the nature of the sub-projects selected. The number of rainwater harvesting tanks has been reduced from 400 to 50, while community water harvesting tanks have decreased from 10 to 2. Similarly, the area covered by water conservation or restoration projects has been revised from 100 to 48 hectares, with the corresponding number of beneficiaries decreasing from 3,000 to 1,034.

Despite some reductions, most targets have been increased, leading to an overall enhancement of the project's impact. These revisions are consistent with the flexibility inherent to the locally-led adaptation window, and reflect a logical adaptation to the priorities identified during the sub-project selection process.

- (i) Revision of the project disbursement schedule to fully account for the specific cash flow requirements of the sub-projects approved under the EDA window (see annex 2).

8. The Ministry of Environment has confirmed that the above changes do not introduce any new activities, and all project actions remain within the original scope and geographical areas outlined in the approved project document. As a result, no new environmental or social risks have been identified.

9. It is worth noting that the results framework in the project document's third component states "These targets are to be determined after approval of sub-project grants. The Results Framework is to be updated by the National Fund for Environment (Rwanda Green Fund) according to the nature of the approved sub-projects and submitted in the National Implementing Entity report to the AF at the end of the year".

10. Finally, MoE also requests a change in the disbursement schedule to ensure optimal use of resources and alignment with the needs of the approved sub-projects. The total project cost and project fees remain unvaried.

Secretariat's review of the request

11. Following a review of the documents submitted by MoE, the secretariat notes that the request for change in project outcome and output indicators and targets, and the revision of the project disbursement schedule are justified. These revisions have been endorsed by the Designated Authority, and they do not impact on the environmental and social risks and associated mitigation measures delineated in the project's environmental and social management plan. As a result, the secretariat is of the view that the request could be recommended for approval, in alignment with

provisions set forth in the Annex 7 of the Operational Policies and Guidelines.

Recommendation

12. The Board may consider and decide to approve the request for changes in project output and outcome indicators and associated targets and the request for revision of the project disbursement schedule for the project “Rwanda Subnational Adaptation Fund EDA”, as requested by the Ministry of Environment (MoE).

Annexes

- **Error! Reference source not found.**Request for changes in the project results framework submitted by MoE.
- Annex 2 – Request for revision of disbursement schedule submitted by MoE.

Error! Reference source not found. **Request for changes in the project results framework**



Kigali, 4th February 2025
Ref. AFB/B.43-44/16/02/2025-RGF

Permanent Secretary
Ministry of Environment (MoE)
Kigali -Rwanda

Dear PS,

Re: Revising the results framework for the EDA-Adaptation sub-national Program.

The revision of the EDA Adaptation Sub-National Program Results Framework has been driven by several key factors, including the program's evolving nature, the changing context in which it operates, and the lessons learned over time.

The initial Results Framework was designed to track progress against the original objectives and indicators established at the program's inception, before the completion of the sub-project selection process. However, as the sub-project selection and approval process progressed, it became clear that certain indicators needed to be removed. These indicators relate to areas where no sub-projects were submitted through the EDA window, namely:

- Number of environment and climate knowledge products adopted.
- Number of institutions adopting green building practices in infrastructure development.
- Number of individuals adopting smart transport technologies.

Additionally, some indicators had their targets adjusted based on the nature of the selected projects, which contributed to setting those targets. It is worth noting that the Results Framework in the Project Document's third component states: "These targets are to be determined after approval of sub-project grants. The Results Framework is to be updated by the National Fund for Environment (Rwanda Green Fund) according to the nature of the approved sub-projects and submitted in the National Implementing Entity report to the AF at the end of the year."

In light of the above, we have revised the targets in accordance with the approved sub-projects. It is important to emphasize that no new activities are being proposed; all project actions remain within the scope outlined in the Project Document. The revision primarily involves the removal of indicators that were not addressed by any sub-projects, and all actions continue to align with the geographical areas identified in the original Project Document.

Sincerely,

Teddy MUGABO MPINGANZIMA
Chief Executive Officer
National Fund for Environment



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REPUBLIC OF RWANDA



MINISTRY OF ENVIRONMENT
P.O BOX 3502 KIGALI

Kigali, on 14 FEB 2025
N°...0168.../16.03

Mikko Ollikainen
Head of the Adaptation Fund

Dear Sir,

Re: Approval of the Revised Result Framework of the Rwanda Subnational Adaptation Fund EDA Project

Reference is made to the letter Ref 7523/02/2025 RGF of 4th February 2025 from National Executing Entity (NEE) clarifying the rationale of revising result framework of the Rwanda Subnational Adaptation Fund EDA Project.

Reference is also made to the Operational Policy and Guidelines (OPG) annex 7, indicates that the revision of the original target indicators for activities, outputs or outcomes must be approved by the AF Board through AF Secretariat.

In light with the above, as the National Designated Authority, I hereby endorse and approve the revised result framework for the Rwanda Subnational Adaptation EDA Project to the AF Secretariat in order to obtain the AF Board approval. The revised result framework with official letter from National Executing Entity (NEE) explaining the rationale of the revision of the result framework is attached for your reference.

Sincerely,

Beatrice CYIZA
Permanent Secretary and NDA

Cc:
Hon. Minister of Environment
KIGALI



The revised Results Framework for the project proposal, after selection of the sub-national entities projects

Expected results	Indicators	Baseline	Target	Means of verification	Assumptions/risk
Overall objective: To increase devolved adaptation decision making and finance to the sub-national level					
Project objective: To increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level.	No. of people benefitting from the enhanced direct access modality (aligns to AF indicator 2.2.1).	0 women and 0 men	27,734 people (Disaggregated by gender, of which 15,800 women).	Project annual impact assessment Reports M&E analysis Mid-term and final Evaluation reports.	Political will exists to allow and deliver subnational flow of finance. Capacity of sub-national organizations to submit high quality proposals and manage projects to necessary financial and safeguard standards. Procedures and processes in place for grant management of program to meet necessary financial and safeguard standards.
Component 1: Awareness raising, capacity building, proposal development support and training					
Outcome 1.1 Increased readiness and capacity of subnational entities to directly access and program adaptation finance (AF Output 2.2) Component 1.1: Awareness raising at sub-national level Component 1.2: Training of CSO and local and district staff on proposals and project Management. Component 1.3: Sharing project results and lessons learned on EDA.	Milestone 1. Call for Proposal Issued. Output 1.1. Number of local organizations / people receiving training and assistance for proposal preparation. Output 1.2. Number of local organizations / people receiving training for project delivery (aligns to AF output 2.2. on Increased readiness and capacity). Output 1.3. Knowledge management, Lessons and Investment Plan for scaling up EDA.	0	26 organizations receive training (50% of training recipients omen).	Minutes for training Sessions Project annual impact assessment reports,	Sub-national organizations perceive benefits and engage in proposal training and project management Capacity of FONERWA provides sufficient training to meet AF requirements.
Component 2: Review and Approval of Sub-National Adaptation Proposals under the CFP					
Component 2.1: Proposal Review Process.	Milestone 2. Fund Managing Committee meeting held to approve Sub-National Proposals • Output 2.1 Number of sub-national proposals approved	0 sub-national EDA proposals approved	Seven to ten Sub national and civil society adaptation projects approved.	FMC meeting Minutes.	Sub-national organizations positively perceive benefits and sufficient numbers of proposals received that pass evaluation threshold limit. Sub-national organizations pass fiduciary and competence checks for funding.
Component 3: Grant management of EDA program					



<p>Component 3 Grant management and delivery of EDA sub-national projects</p> <p>Outcomes: Average percentage increase in income; Percentage increase in yield/ha; Number of households with improved water retention capability disaggregated by gender; number of environment and climate knowledge products developed</p>	<p>Milestone 3. Grant agreements signed with sub-national organizations. Projects approved to be measured against following indicators.</p> <p>For CFP sub-project areas</p> <p>1)sustainable land management</p> <ul style="list-style-type: none"> Area in hectares (ha) of land protected against erosion; Number of people adopting sustainable land management practices. <p>2)agroforestry and sustainable agriculture</p> <ul style="list-style-type: none"> Area in hectares (ha) of agroforestry/sustainable agriculture. Number of people adopting sustainable agricultural practices. <p>3)water security</p> <ul style="list-style-type: none"> Area (ha) of watersheds and water bodies protected; Number of rain water harvesting tank installed; Number of people adopting sustainable water management <p>4)small scale irrigation</p> <ul style="list-style-type: none"> Number of irrigation systems installed and operationalized; Area in hectares (ha) of land under smart irrigation systems; Number of people adopting sustainable water practices 	<p>• 0 • 0</p>	<p>9 projects approved</p> <p>For CFP sub-project areas</p> <p>1)sustainable land management</p> <ul style="list-style-type: none"> Estimated 1,739 hectares of bench or progressive terrace or other SLM practices. Estimated 13,500 beneficiaries of which at least 6500 women. <p>2)agroforestry and sustainable Agriculture:</p> <ul style="list-style-type: none"> Estimated 678 hectares of agroforestry or other sustainable agriculture practices. Estimated 9,500 beneficiaries of which at least 4,700 women. <p>3)Water security</p> <ul style="list-style-type: none"> Estimated 50 rain water harvesting tanks installed plus 2 community water harvesting tanks Estimated 48 hectares of wetland rehabilitated or restored projects. Estimated 1,034 beneficiaries of which at least 765 women. <p>4) Small-scale irrigation</p> <ul style="list-style-type: none"> Estimated 6 small scale irrigation projects funded Estimated 3700 beneficiaries of which at least 1800 women. 	<p>Grant agreements signed M&E reports, Periodic project reports, surveys, studies Project annual impact assessment reports Mid-term and final evaluations, Woreda data</p>	<p>Sub-national organizations positively perceive benefits and actively engage in adaptation interventions.</p> <p>Timely disbursement of project funds.</p> <p>Projects deliver anticipated benefits.</p> <p>Projects meet required financial and project management levels, as well as ensuring they meeting environmental, social and gender safeguards, in line with AF guidance and policy to local conditions.</p>
<p>Financing Green Growth</p>			<ul style="list-style-type: none"> Area of land under irrigation 155 hectares 		

Annex 2 – Request for revision of disbursement schedule

REPUBLIC OF RWANDA



MINISTRY OF ENVIRONMENT
P.O BOX 3502 KIGALI

Mikko Ollikainen
Head of the Adaptation Fund

Dear Mikko Ollikainen,

Kigali, on 10 MAR 2025
 N°...0234... /16.03

Re: Endorsement of revised disbursement schedule of the Rwanda Subnational Adaptation Fund EDA Project

Reference is made to the justification note submitted by the National Implementing Executing Entity (FONERWA) which outlines the reasons for revising the existing project disbursement schedule.

The disbursement schedule approved in the financing agreement has proven insufficient to meet the cash flow needs of the nine (9) subnational projects currently being funded under the Program.

The revised disbursement schedule ensures a more effective allocation of funds, aligning them with the actual needs of each project. This adjustment will contribute to a more efficient implementation process and support the achievement of the program's objectives.

Based on the above, as the National Designated Authority (NDA), I hereby endorse the revised disbursement schedule of the Rwanda Subnational Adaptation Fund EDA" Project in Rwanda. The original and revised disbursement schedules are attached for your consideration.

Sincerely,


Beatrice CYIZA
Permanent Secretary and NDA
Cc



- Hon. Minister of Environment
 - Chief Executive Officer, Rwanda Green Fund
- KIGALI**



Justification Note

Revision of the initial Disbursement Schedule for the EDA-Adaptation Fund Sub-National Program

Background

The initial disbursement schedule for the **EDA-Adaptation Fund Sub-National Program** was drafted prior to the inclusion and approval of specific projects. At that time, a general estimation of funding needs was made without considering the precise details of the 9 projects to be funded under the program. As a result, the schedule did not fully account for the specific cash flow requirements of each project during implementation, particularly in the early stages when substantial investments are necessary.

Current Situation

With the current approval of **9 projects**—3 district projects and 6 NGO projects—the initial disbursement plan, which was structured around a more general framework, does not meet the financial needs for project implementation. The projects, which are all critical to achieving the intended adaptation and development outcomes, require more flexible and timely disbursements to ensure smooth and efficient progress.

Key Factors Driving the Revision:

1. **Initial 30% Disbursement Requirement:** According to the **Fonerwa Grant Management Manual**, a project will receive an initial disbursement of 30% of its total budget. However, this amount must be sufficient to cover the start-up activities, including procurement, staffing, and operational costs.
 - The current disbursement schedule does not allocate enough funds at the outset to cover these essential activities for all 9 projects, especially in cases where immediate expenditures (e.g., hiring contractors, initial investments in equipment, land preparation) are necessary at the beginning of the project cycle.
2. **Cash Flow Constraints for Ongoing Implementation:**
 - The manual further specifies that subsequent disbursements can only be made once a project has utilized **85% of its initial disbursement**. Given that the first 30% is often consumed quickly due to upfront project costs, this delay in accessing further funds hampers the continuous implementation of the projects, particularly for larger initiatives such as the projects from the districts with a budget of **\$1M** each.
 - Under the current disbursement plan, the timing and amounts of future disbursements would not align with the real-time needs of the projects, potentially leading to delays in procurement, project execution, and



completion. This could significantly hinder the projects' ability to meet their goals in a timely manner.

3. **Insufficient Disbursement for Scaling and Implementation Phases:**

- o Many of the district and NGO projects require continuous investment throughout their lifespan, particularly for infrastructure, community engagement, and capacity building. The proposed installments in the current disbursement schedule are not sufficient to support these activities adequately.
- o The initial disbursement typically covers basic start-up costs, but additional funds are necessary for scaling and sustaining momentum. Delays in funding would limit the ability to implement planned activities and meet deadlines.

4. **Project-Specific Investment Requirements:**

- o Each of the 9 projects has unique needs and activities that require substantial early investments, such as land terracing, procurement of equipment, or hiring of specialized personnel. The original disbursement schedule did not sufficiently account for these needs, as it was created before the specific projects were identified and their financial structures finalized.

5. **Project Implementation Delays Due to Funding Gaps:**

- o Without a revision to the disbursement schedule, the projects may face extended delays in starting key activities, such as construction, procurement, and hiring, ultimately affecting the project's timeline and deliverables.
- o As projects are expected to begin implementation quickly, and early investments are critical to their success, the current schedule would likely create bottlenecks that prevent the projects from adhering to the intended timeline and achieving their set objectives.

Need for Revision:

Given these challenges, it is essential to revise the disbursement schedule to meet the actual **financial needs of the 9 projects**. The revised schedule should:

- Align with the **Fonerwa Grant Management Manual**, ensuring that each project receives **30% of its total budget** upfront to cover initial start-up costs.
- Provide timely follow-up disbursements, enabling project implementers to request additional funds as they reach the **85% utilization mark** of the initial disbursement, ensuring smooth continuity of activities.
- Adjust disbursements based on the **specific project phases** and milestones, with clear performance indicators tied to each tranche of funding.

Conclusion

The initial disbursement schedule, drafted before the specific projects were identified, is not sufficiently flexible to address the cash flow needs of the 9 projects currently being funded under the EDA-Adaptation Fund Sub-National Program.

A revision of the schedule is necessary to ensure that these projects can be implemented effectively, with appropriate funding available to cover initial, ongoing, and scaling activities.



The revised disbursement plan will ensure that funds are allocated in a manner that aligns with the actual needs of each project, leading to more efficient implementation and the achievement of the program's objectives.

Proposed revised disbursement schedule - EDA Project

	Upon signing Agreement	Year 1&2	Year 3	Year 4	Total
Date	1/3/2023	6/30/2025	31/1/2026	30/06/2027	
EDA funds	66,549	1,259,019	2,098,364	772,945	4,196,877
Executing fee	80,587	161,174	80,587	80,587	402,935
IE Fee	79,800	159,600	79,800	79,800	399,000
Total	226,936	1,579,793	2,258,751	933,332	4,998,812

Original disbursement schedule as per financing agreement -EDA Project

	Upon signing	Year 1	Year 2	Year 3	Year 4	Total
Date	3/1/2023	31/3/2024	31/6/2025	31/6/2026	31/6/2027	
EDA funds	66,549	66,549	1,338,087	1,338,087	1,387,605	4,196,877
Executing fee	80,587	80,587	80,587	80,587	80,587	402,935
IE Fee	79800	79800	79800	79800	79800	399,000
Total	226,936	226,936	1,498,474	1,498,474	1,547,992	4,998,812