

# **Mainstreaming and financing climate change adaptation in Rwanda**

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**Rwanda** has one of the most advanced climate policy landscapes in the world and provides a valuable case study on climate mainstreaming and adaptation finance.<sup>1</sup>

Following a study on the economics of climate change in 2009 (SEI, 2009), which galvanized policy interest, Rwanda developed and published a Green Growth and Climate Resilience Strategy (GGCRS) (RoR, 2011). This recommended the operationalization of a National Fund for Climate and Environment (FONERWA) to mobilize domestic and international climate finance, and to fast-track adaptation and mitigation finance.

FONERWA, now renamed the **Rwanda Green Fund** (RGF, 2025), was set up in 2012 as a basket fund, and directly run and nationally staffed by Government of Rwanda (rather than by a multilateral agency, as with many other climate funds). Capitalization was provided by international development partners (grant finance) with part-financing from domestic revenues provided by the Government. The Fund became fully operational in July 2013, and was operated as a challenge fund, issuing competitive calls for proposals, and inviting applications for specific thematic areas or funding priorities. The fund provided grants to government and civil society organizations but also offered innovation grants and a line of credit for private sector applicants through the Rwanda Development Bank (with concessional loans). The Fund issued multiple calls for proposals and funded over 50 projects. It has continued to evolve in recent years and has now been split into two facility strands.

The first is the **NDC Facility (Intego)** (Intego, 2025), which continues the public sector-orientated fund. This facility focuses on supporting the implementation of Rwanda's updated Nationally Determined Contribution (RoR, 2020) and its mitigation and adaptation priorities. The facility launched its first call for proposals in 2023 and has since gone through a further round of capitalization (RGF, 2024).

The second is a new blended facility model, the **Rwanda Green Investment Facility (Ireme Invest)** (Ireme, 2025), which has been set up to develop new financial instruments to support and de-risk private sector investment. The facility includes a project preparation facility (PPF), led by the Rwanda Green Fund, and provides grants and recoverable grants (and in the future, equity). The facility also includes a credit facility, led by the Rwanda Development Bank, to provide concessional loans and bank guarantees. It has already secured grant financing for the PPF (from the Foreign, Commonwealth and Development Office (UK), DANIDA (Denmark), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ, Germany), and Bill & Melinda Gates Foundation) and has commitments of approximately US\$200 million of credit lines from the African Development Bank, European Investment Bank, French Development Agency, and the Green Climate Fund (RGF, 2024).

The Rwanda Green Fund has also played a pivotal cross-government role on **climate finance mobilization**, coordinating and harmonizing opportunities, and acting as a preparation facility to develop concept notes and proposals, including for the Green Climate Fund, the Climate Investment Funds, and the Adaptation Fund, as well as bilateral partners and multilateral development banks. Since it was set up, the Green Fund has mobilized US\$310 million of climate finance (RGF, 2024).

Rwanda has also advanced **climate change mainstreaming** in national development policy and planning. The 2011 GGCRS led to a set of climate mainstreaming initiatives, including the integration of climate change adaptation into the seven-year medium-term national development plan and sector strategic plans, developing a mainstreaming strategy (2018), and providing further guidance on the review and development of climate mainstreaming checklist indicators. The latter is part of the Planning and Budget Call Circular (PBCC) issued each fiscal year by the Ministry of Finance and Economic Planning (MINECOFIN), which provides guidance on expenditure prioritization based on expenditure ceilings. The following seven-year national development plan, the National Strategy for Transformation (NST1) (2017–2024) (RoR, 2017), went further and prioritized climate change and the environment across sectors, with a set of key performance indicators. This focus on climate policy

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and its integration into national development plans has been continued and further developed in the revised GGCRS (RoR, 2022) and the second National Strategy for Transformation (NST2) (2025–2030) (RoR, 2024a), as well as the National Investment Policy (NIP).

MINECOFIN has also implemented **climate budget tagging** into the national accounting system, taking 2024/2025 as a base year. This tagging was based on a feasibility study conducted with the support of the UNDP (UNDP, 2018) to help identify, classify, and mark climate-related expenditure within the budget system. This expenditure in turn has been used to support medium-term and annual sector budget allocations at both national and subnational levels to reflect environmental sustainability and climate considerations.

In 2022, Rwanda was the first African country to be approved for the International Monetary Fund (IMF) **Resilience and Sustainability Facility (RSF)**, with an arrangement of US\$319 million (IMF, 2022). This was aimed at advancing Rwanda's efforts to build resilience. As part of the program, Rwanda committed to a set of public financial management and public investment management reforms, including the expansion of the climate budget tagging framework and publishing the comprehensive tagging results in the climate budget statement and climate expenditure reports. The first **climate budget statement** was published in 2024 and identified that for the fiscal year 2024/25, the budget for climate-related interventions was 8% of the total government spending (expenditure), of which 58% was attributed to adaptation activities (RoR, 2024b). The RSF program is also supporting the National Bank of Rwanda to strengthen its climate change fiscal policy and has led to the publication of guidelines on the disclosure and reporting of sustainability-related financial information for financial institutions as well as supporting the Bank on climate related fiscal risks.

Most recently, MINECOFIN has developed and published a Climate and Nature Finance Strategy (CNFS) (RoR, 2024), and it is in the process of setting up a designated **climate finance department** within the Ministry, to support climate resilient and low-carbon development and investments at scale. There are also recent initiatives including the announcement of a Green Taxonomy (MINECOFIN, 2025) and Sustainability-Linked Bonds (SLB) as well as the development of a Carbon Market Framework.

The experience from Rwanda provides a success story on adaptation mainstreaming and finance mobilization, including valuable lessons. It showcases the benefits of cross-government working and adopting a harmonized approach. The country is now moving toward programmatic investment planning, as opposed to project-based financing, as this provides the means and momentum to mobilize finance at scale.

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