



Project Summary Information

Date of Document Preparation/Updating: September 4, 2025	
Project Name	Rwanda Energy Results-Based Financing Program
Project Number	P001016
AIIB member	Rwanda
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	The objective of the proposed energy results-based financing program is to increase access to reliable, clean electricity and energy services, including clean cooking in Rwanda.
Project Description	<p>The results-based financing (RBF) project is a five-year project with three main results areas namely: Improved system reliability and network strengthening, Increased access to grid and off-grid electricity to improve livelihood and safety, and Institutional strengthening and capacity building to contribute to the Government of Rwanda's targets of universal access to electricity by 2029. The RBF Project will increase the access of households and businesses to less carbon intensive and lower greenhouse gas (GHG) emitting sources of energy. The Project comprises: (i) distribution network rehabilitation and reinforcement; (ii) provision of clean energy access through grid and off-grid connections, clean cooking technologies and streetlighting; and (iii) enhancement of institutional capacity to deliver universal electricity access. The Project will be jointly co-financed with the African Development Bank (AfDB) as the lead co-financer. Specifically, the scope involves:</p> <ul style="list-style-type: none"> a) Rehabilitation of Musanze, Gikondo, Jabana and Gasogi substations and construction of 3,855 km of MV and LV length of connections as well as 138 units of distribution transformers; b) Provision of 200,000 grid connections, including associated distribution backbone infrastructure, and 50,000 off-grid connections through solar home systems; c) Provision of clean cooking technologies to 100,000 households and 310 public institutions; d) Provision of productive use equipment and appliances to 850 users;

	<p>e) Provision of 250km of streetlights along roads in secondary cities;</p> <p>f) Delivery of a Clean Cooking strategy & implementation plan and enhanced E&S monitoring under the RBF reporting, along with relevant capacity building programs.</p>
Expected Results	<ul style="list-style-type: none"> • Reduced grid outage frequency • Number of households provided with electricity access and clean cooking technologies • Clean cooking strategy and implementation plan approved
Environmental and Social Category	B
Environmental and Social Information	<p>Environmental and Social Policy and Categorization. AfDB's Integrated Safeguards Policy is applicable to this Project. AfDB has categorized the Rwanda Energy Result Based Financing (RBF) Project as Medium Risk; Category 2 in compliance with AfDB's Integrated Safeguards Systems Operational Safeguards. This category is equivalent to AIIB's Category B according to AIIB's ESP. This ES Categorization reflects the limited, moderate and reversible nature of the Project's potential environmental and social impacts which can be avoided, mitigated, compensated or offset using appropriate management measures. AIIB will review the preliminary set of actions agreed with the government under AfDB's financing, and the applicable national ES systems for the government expenditure programs covered by the Project.</p> <p>Environmental and Social Instruments. An Environmental and Social System Assessment (ESSA) was developed by AfDB, with the support of the implementing entity (REG), and it was disclosed on REG's website on 21 January 2025 and on AfDB's website on 27 January 2025. As part of the ESSA, an Environmental and Social Safeguards System Strengthening Action Plan (ESSSSAP) has been developed to strengthen the Client's system for managing E&S risks. In addition, an ESMP for the Financial Agreement was disclosed by REG on 7 May 2025 and by AfDB on 15 May 2025. AIIB will conduct environmental and social due diligence (ESDD) including reviewing the ESSA prepared for the Project and assessing the Borrower's institutional capacity and arrangements for managing and monitoring E&S aspects to ensure alignment with AIIB's ESP.</p> <p>Environmental Aspects. The Project is expected to generate positive environmental impacts by increasing access to clean energy and reducing pressures on the forest biomass through the use of improved cook stoves. There is the potential for adverse environmental impacts during construction/rehabilitation, including disturbance to biodiversity due to vegetation clearance and noise generation, accelerated soil erosion during excavations, and soil and water contamination from liquid waste (used oils; fuels and lubricants) and solid waste (construction/demolition waste and replaced transformers). There are also safety risks for workers and the public due to exposure to electrical and other hazards, dust and noise nuisance to residents in nearby communities, traffic disruption and risk of accidents due to the movement of vehicles to and from</p>

worksites. During operations/maintenance, the main environmental risks are pollution from transformer oil/coolant leakages and electronic waste generated from streetlights, solar home systems (including solar panels and spent batteries), cooking stoves and other productive use equipment and appliances on reaching their end-of-life. There are also safety risks to maintenance workers and users of clean cooking technologies and productive use appliances associated with exposure to electrical and fire hazards. Impacts will be managed through the implementation of Environmental and Social Management Plans for the Project activities and EDCL's operational procedures.

Social Aspects. Overall, the Project is expected to have positive social impacts as the interventions will improve the reliability of power supply and increase access to clean cooking solutions for households, thereby enhancing their quality of life. During construction, based on available information at this stage, anticipated social risks and impacts are related to potential economic displacement affecting the livelihoods of individuals who may have encroached within the existing transmission line corridors and distribution networks, minor land acquisition, potential exclusion of vulnerable groups from program's benefits, labor and working conditions issues, labor influx, and risks of gender-based violence. These risks and impacts are considered moderate and manageable with adequate mitigation measures in place during implementation.

Gender. The Project will contribute to gender equality and women empowerment through the following measures; (i) employment of women which is targeted at 30%; (ii) income generating activities, (iii) 30% of REG interns will be female, aiming to boost the number of female engineers in the institution (iv) connecting electricity for Female Headed households; v) capacity building in gender mainstreaming for REG, EDCL and EUCL officers (vi) 30% of Female-Headed Households (WHH) to benefit from off-grid and clean cooking solutions.

Stakeholder Engagement Grievance Redress Mechanism (GRM). The Bank will assess the scope, quality, and inclusiveness of consultations undertaken during the preparation of the ESSA. If the consultations are found not to be adequate, the Bank will provide recommendations to undertake additional engagement so that all relevant perspectives are appropriately considered and documented. As outlined in the ESSA, the Borrower will establish a project-level GRM to receive and address concerns and complaints relating to Project activities. Information on the GRM will be disclosed to stakeholders in a timely and suitable manner and the GRM will remain accessible and functional throughout the project life cycle.

	Next steps/Follow up. It is proposed that, as part of the Environmental and Social Due Diligence (ESDD), a field level environmental and social examination be undertaken to confirm the information provided in project documentation by appraisal. Subsequent follow-up actions will be discussed with AfDB and agreed with the client.				
Cost and Financing Plan	AIIB - USD100m AfDB - USD200m Total – USD 300m				
Borrower/Investee Company/Counter party/Guaranteed entity	Republic of Rwanda				
Guarantor	Republic of Rwanda				
Implementing Entity/Sponsor	Rwanda Energy Group (REG)/ Energy Development Corporation Limited (EDCL) / Energy Utility Corporation Ltd (EUCL), Rwanda				
Estimated date of loan closing	10/2050				
Contact Points:	AIIB	AIIB	AfDB	Borrower	Implementation Organization/Sponsor
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Date of Concept Decision	04/09/2025				
Estimated Date of Appraisal Decision	24/09/2025				
Estimated Date of Financing Approval	31/10/2025				

Independent Accountability Mechanism	<p>The proposed Project will be cofinanced with the AfDB. The Bank has agreed that the AfDB's environmental and social policies and procedures will apply to this Project and that it will rely on the AfDB's determination as to whether compliance with those policies and procedures has been achieved under the Project. The Bank is satisfied that those policies and procedures are consistent with the Bank's Articles of Agreement and are materially consistent with the Environmental and Social Policy and Environmental and Social Standards, and that appropriate monitoring procedures are in place. The Bank has further agreed with the AfDB that it will rely on that institution's independent recourse mechanism (IRM) to handle submissions relating to environmental and social issues under the Project. Consequently, in accordance with the Bank's Policy on Project-affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM.</p>
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