Project Summary Information

	Date of Document Preparation/Updated: 08/31/26
Project Name	Climate Resilience for Sustainable Growth Program
Project Number	P001071
AIIB member	Rwanda
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To support the Government of Rwanda's efforts in mainstreaming climate change adaptation and mitigation actions for sustainable growth.
Project Description	**Project Scope** Rwanda's growth trajectory is increasingly threatened by climate change. Rwanda is among the most climate-vulnerable economies globally in 2025, and its hilly topography and rain-fed economy expose infrastructure, agriculture and human settlements to droughts, floods and landslides. Closing the gap between Rwanda's development ambitions and its climate vulnerability requires both additional finance and enabling policy and institutional frameworks capable of mobilizing investment at scale, particularly from the private sector. Under its Nationally Determined Contributions (NDC) 3.0 (2025-2035), Rwanda has set an economy-wide target to cut net GHG emissions by 53% by 2035 relative to business-as-usual, in line with the Paris Agreement. Rwanda's NDC 3.0 estimates the cost of implementing its identified measures through 2035 at approximately USD 12.03 billion (USD 4.96 billion for mitigation, USD 7.07 billion for adaptation), front-loaded with USD 6.99 billion needed by 2030. With USD 2.14 billion (18%) expected from domestic sources, the remaining 82% is conditional on international support.

	Government of Rwanda requested AIIB financing of USD 100 million to support the Climate Resilience for Sustainable Growth Program (the Program). The Program supports a focused set of policy and institutional reforms organized under three Reform Areas: (i) **Reform Area 1**: Enhancing coordination and governance mechanisms to align financial flows with the objectives of the NDC, through the Country Platform and monitoring, results and verification system and the harmonization of Rwanda Green Fund eligibility criteria, helping direct climate finance toward NDC 3.0's USD 12 billion investment requirement; (ii) **Reform Area 2**: Enabling the water and agriculture sectors to adapt to climate impacts, through the revision of the Crop Law and the institutional and financing arrangements for integrated water resource management, targeting the sector that generates around 63% of Rwanda's GHG emissions (i.e., agriculture) and faces water demand projected to grow by up to 1,140% by 2050 under full implementation of Vision 2050; and (iii) **Reform Area 3**: Catalyzing private investment in low-emission transport, energy and urban infrastructure, through regulations on electric vehicle charging infrastructure and distributed energy resources and a revised Green Buildings Code, creating an enabling environment to unlock private investment behind an EV fleet that has grown twenty-fold since 2020, a distributed solar market with no current mechanism to compensate grid-exported power, and a green building standard that today reaches only a fraction of new construction. **Institutional Arrangements** The Ministry of Finance and Economic Planning (MINECOFIN) is the executing agency, leading overall coordination and monitoring the operation. Implementation is coordinated through the Country Platform. Line institutions, comprising the implementing agencies, responsible for individual Prior Actions include Rwanda Environment Management Authority, Rwanda Green Fund and Development Bank of Rwanda (Reform Area 1), Ministry of Agriculture and the Rwanda Water Resources Board (Reform Area 2), and Rwanda Utilities Regulatory Agency and the Rwanda Housing Authority (Reform Area 3). **Financing Modalities** The proposed climate policy-based financing (CPBF) will be structured as a single-tranche operation for AIIB. Given that the supported prior actions are well defined, the single-tranche modality is considered appropriate for ensuring timely disbursement.

	Analytical Work The policy actions under the proposed CPBF are informed by Government of Rwanda's Vision 2050, National Climate and Nature Finance Strategy, Green Growth and Climate Resilience Strategy, Country Climate and Development Report, the experience with the implementation of National Strategy for Transformation 1.0 and NDC 2.0, and sector plans such as Sustainable Land Management Investment Plan and the Energy Sector Strategic Plan. The design of these policy actions is further reinforced by coordinated technical and financial support from multilateral and bilateral development partners.
Expected Results	Climate finance mobilized; blended deals closed; hectares of land integrating climate-smart practices; number of self-sustaining integrated water resource management projects; number of licensed publicly available EV charging stations; percentage of new installed capacity of distributed solar; areas where new code is enforced.
Environmental and Social Category	Not applicable
Environmental and Social Information	**Applicable Policy and Environmental and Social Instrument.** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and provisions related to CPBF set forth in Section 16 of the ESP, are applicable to this Program. Therefore, the provisions on Environmental and Social (ES) categorization in the ESP do not apply to this Program. No activities under the Program are expected to fall within the ESEL. The environmental and social (ES) analysis focuses on whether the prior actions under the Program are likely to have negative ES effects and how the GoR's Environmental and Social Management Framework (ESMF) manages such impacts. The summary of potential direct and indirect impacts of each policy action supported by the Program in the form of the ES matrix is being drafted at this concept stage and will be finalized during program appraisal and to be disclosed before the Program approval. **Environmental and Social Aspects**. As the Program provides budget support for policy and institutional reforms, it will not directly finance physical investments and is not expected to cause direct adverse ES impacts. However, potential ES impacts may arise indirectly from future investments or the implementation of policy actions under the Program, including in agriculture, water resources, energy, transport and urban development. These may include site-specific environmental pollution risks, construction-related impacts, changes in agricultural practices, livelihood transition risks, affordability concerns, or unequal access to climate finance and new technologies for vulnerable groups. These potential downstream impacts are expected to be manageable through Rwanda's existing ESMF and the requirements of relevant financing institutions. AIIB's ES due diligence (ESDD) will assess the adequacy of Rwanda's country systems to identify, manage and monitor these potential downstream risks. Further analysis during appraisal will focus on the effectiveness of ES

	implementation across national and subnational levels, coordination among relevant agencies, enforcement capacity, and opportunities to strengthen systems through technical assistance or capacity building where needed. **Program Grievance Redress Mechanism (GRM) and information Disclosure.** Rwanda has established GRMs under relevant government institutions responsible for implementing environmental and social legislation. The ESDD assesses these institutional grievance mechanisms, including their accessibility and implementation capacity, and found them generally adequate for addressing concerns arising from implementation of policy reforms. In addition, the draft ES matrix will be disclosed to inform the Member's consultation, and the final ES matrix will be disclosed on the Bank's website prior to the Program approval. **Monitoring and Reporting Arrangement.** MINECOFIN, as the executing agency, will coordinate implementation of the Program and monitor progress working closely with the relevant ministries and implementing agencies. An annual monitoring report will be prepared based on agreed format and be submitted to AIIB. AIIB will monitor implementation through regular implementation support missions annually, review of progress reports and supporting documentation, and continued policy dialogue with MINECOFIN and participating agencies under the Government's climate coordination framework and Country Platform.	
Cost and Financing Plan	Total project cost: USD 100 million AIIB financing: USD 100 million	
Borrower	Republic of Rwanda	
Implementing Entity	Rwanda Environment Management Authority, Rwanda Green Fund, Development Bank of Rwanda, Ministry of Agriculture, Rwanda Water Resources Board, Rwanda Utilities Regulatory Agency, Rwanda Housing Authority	
Estimated date of loan closing	Q1 2028	
Contact Points:	**AIIB**	**Borrower**
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Date of Concept Decision	August 31, 2026	

Estimated Date of Appraisal Decision	Q1 2027
Estimated Date of Financing Approval	Q1 2027

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.