



FACTSHEET

NATURE, PEOPLE AND CLIMATE (NPC) INVESTMENT PLAN FOR RWANDA

BACKGROUND

Deploying the power of nature is essential to addressing climate change, with natural ecosystems sequestering around 30% of man-made emissions. Rural peoples' resilience to the effects of climate change can also be strengthened when the vital services that nature provides are maintained and bolstered.

CIF's \$370 million Nature, People, and Climate investment program supports the development of Nature-based Solutions to climate change in low- and middle-income countries, ranging from small island states to highly vulnerable sub-Saharan African nations and large Latin American countries. The program funds initiatives that recognize the interdependence among land use, climate change, and the livelihoods of rural communities and Indigenous peoples.

By bridging the gap between mitigation and adaptation funding, CIF's programmatic approach incentivizes countries to manage these complex relationships and understand the trade-offs between them, contributing to lasting change. It will target additional benefits, such as improved biodiversity and livelihoods.

A unique feature is the programs' Dedicated Grant Mechanism (DGM), a direct financing window for Indigenous Peoples and local communities. With DGM, they are empowered to contribute traditional knowledge to climate solutions, with the autonomy to decide how to allocate funding.

CIF NPC partners with Africa's Zambezi River Basin Region (Zambia, Malawi, Mozambique, Namibia, and Tanzania), Dominican Republic, Egypt, Ethiopia, Fiji, Kenya, Namibia, Rwanda and Zambia to generate Nature-based Solutions as a contribution to achieving global climate goals.

THE CHALLENGE

In Rwanda, people and key economic sectors like agriculture, tourism, energy, and forestry are heavily reliant on natural resources. Agriculture contributes 25% to the national GDP and in 2021, 55% of the working population was employed in the agriculture sector. Soil erosion, landslides and flooding, improper management of soil, urbanization, deforestation, and removal of natural vegetation cover have been some of the direct drivers of land degradation in the country. Indirect drivers like population pressure, poverty and limited access to knowledge and support services have further aggravated the problem. This is also adversely affecting the most vulnerable sections of the Rwandan society. To prioritize green and inclusive growth opportunities, some of the immediate barriers that the country is tackling with its development partners are:

- **Rapid population growth combined with high poverty levels:** Rwanda's population has grown from 2.6 million in 1960 to 12.9 million in 2021, with the poverty rate standing at 38.2% in 2021. 85% of the poor live in rural areas. Limited access to productive agricultural land often leads to farmers exploring previously undeveloped areas, which in turn reduces the natural vegetation and increases the chances of soil erosion and landslides.
- **Gender and Socio-economic inequalities:** Existing social norms around inheritance, land ownership and informal employment increases the economic vulnerabilities faced by women. With men often migrating for economic opportunities, the gender disparity in terms of paid opportunities for women widens further as they have to balance between unpaid care work, household chores and collecting essential resources.

- **Climate Vulnerability:** The geographical location of Rwanda makes the country prone to extreme climate conditions like flash floods and landslides on the one hand and droughts on the other. While approximately 5,000 people or 0.04% of the population are affected by floods every year, approximately 700,000 or 6.3% of the population are affected by droughts each year. An increase in population has an impact on availability of land which often leads to settlements in areas with high risk of flooding or landslides.



CIF'S NPC RWANDA INVESTMENT PLAN HIGHLIGHTS

The NPC Investment Plan (IP) developed by the Government of Rwanda aims to tackle the effects of climate change in the Kaduha-Gitwe Corridor in the Southern Province which include areas that are at some of the highest risks of landslides in the country. This region is also affected by high levels of poverty. Restoring degraded landscapes, promoting sustainable management and use of forests and wetlands, and protecting existing productive land are some of the broad aspects that the IP aims to achieve.

With a focus on resilient landscapes and resilient livelihoods, the IP includes two projects:

- **Catalyzing climate, nature and people investments for resilient landscapes and communities in Kaduha-Gitwe Corridor** (\$29 million in CIF NPC funding): This will increase forest productivity and sustainable forest management, restore and protect wetlands, promote income-generating activities that support climate-resilient livelihoods. The objective is also to promote climate-resilient farming practices.
- **Wildlife Conservation Bond** (\$2 million in CIF NPC funding): Under this project, parks that are home to iconic wildlife such as chimpanzees will be restored and existing facilities in parks will be enhanced. The project will also diversify livelihoods in a bid to reduce dependency on natural resources. Through the project, nature-based tourism strategies will be deployed.

FUTURE IMPACT

CIF's NPC program and funding mechanism will help Rwanda restore the climate benefits that its ecosystem provides. By tackling the issue of land degradation, the investment will help improve the health of the land, reduce greenhouse emissions, and promote climate-resilient livelihoods. Some of the critical impacts will be:

- Smallholder farmers will adopt agroforestry and climate-smart agriculture. They will also adopt sustainable forestry practices.
- The country's remaining forests will be preserved, and wetlands will be restored.
- The investments will also improve participation of women and youth in sustainable land management, climate-smart agriculture and forestry-related decision-making forums.
- The projects will help in improving aspects like food and water security among the population.
- The projects will also equip vulnerable communities to tackle climate change through diverse sources of livelihoods.



THE CLIMATE INVESTMENT FUNDS

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