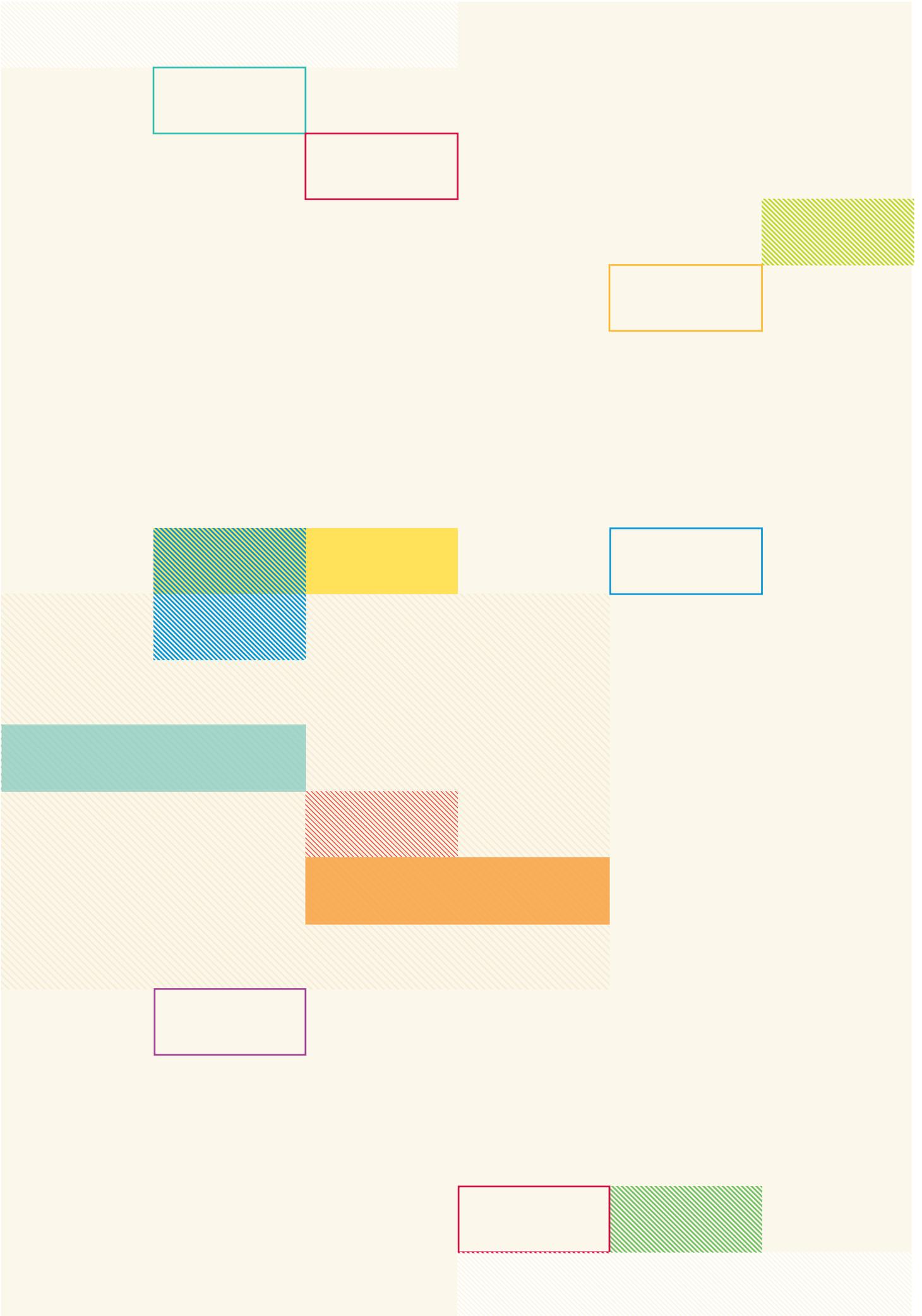




# Financing Innovation and Innovating Finance

UNDP RWANDA | ANNUAL REPORT

2021



# STRATEGY

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unless otherwise stated

# FOREWORD



“UNDP Rwanda identified key opportunities to finance innovation and to generate innovative finance wherever it would make the biggest difference.”

Maxwell Gomera, Resident Representative, UNDP Rwanda

Hanga Pitch Festival 2021 brought together young entrepreneurs and innovators  
Photo: Emmanuel Nyandwi/UNDP Rwanda

# Financing innovation and innovating finance

Rwanda's journey from division to unity, poverty to prosperity, pandemic to recovery is one of innovation and resilience-and 2021 was a year that required both. UNDP Rwanda is proud to be part of this journey, helping to build a Rwanda that leads in sustainable, equitable development and leaves no one behind.

In 2021, COVID-19 challenged the economic, health and social gains of the past two decades. Yet, Rwanda rose to meet the moment. Its swift response to curb the pandemic was followed with an ambitious government-launched Economic Recovery Plan.

UNDP Rwanda has strived to do our part. In 2021, we identified key opportunities to finance innovation and to generate innovative finance wherever it would make the biggest difference.

Our programs tackled social and economic inequities; enhanced entrepreneurship; strengthened health systems; and helped steer the economy towards a greener recovery. We developed innovative financial instruments, with a particular focus on climate financing.

Our innovations included COVID-disinfecting robots in hospitals; e-learning tools for primary students living with disabilities; training of young entrepreneurs who created 10,000 green jobs; distribution of 11,000 energy-efficient cooking stoves; retrofitting gas-guzzling motorcycles into electric vehicles; and the mapping of a government-to-government Carbon Financing Facility.

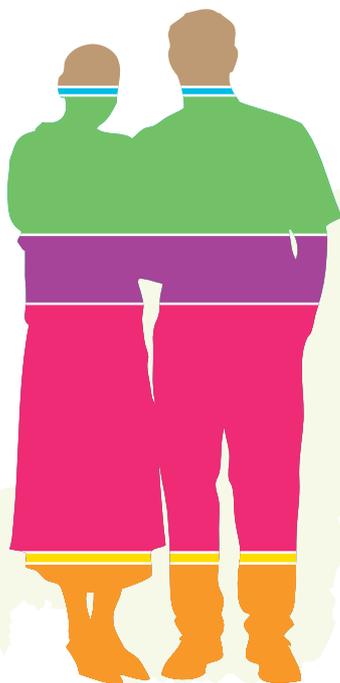
We also organized a high-level policy dialogue on inclusive governance, and partnered with the government on an updated national strategy for Green Growth and Climate Resilience, and another for Disaster Risk Reduction.

We are excited to share highlights of our 2021 journey of innovating finance and financing innovation. The Government of Rwanda; our visionary partners, and the dedicated staff of UNDP Rwanda have made this work possible.

We look forward to 2022 and to an exciting year of transformational change ahead.

**Maxwell Gomera**  
Resident Representative  
UNDP Rwanda

13.11 MILLION



Sources: The UNDP's 2020 Human Development Report and <https://www.rw.undp.org/content/rwanda/en/home/countryinfo/>

# Speeding the road to recovery

At a time when the pandemic forced re-thinking of old ways, UNDP Rwanda stepped up its work, making connections between innovation and technology, health and economic growth:



**Releasing robots** to fight the spread of COVID-19 and reduce hospital-acquired infections. UNDP Rwanda, with the governments of Rwanda and Japan, launched three disinfecting robots. They emit ultraviolet light that destroy deadly microorganisms. A total of 8 robots have now been deployed at treatment centers, hospitals and other spaces that they disinfect in record time.



Photo: Riccardo Niels Mayer

**Strengthening the health sector** to better combat COVID-19. UNDP supported the hiring of 100 laboratory analysts and technicians; built capacity for 367 health workers and 25 health experts; rehabilitated Kinyira Hospital; and supported acquisition of ICU and laboratory equipment and supplies.



Photo: Jono Erasmus

**Creating a Social Protection e-Government tool** to track COVID-lockdown donations and disbursements of food and non-food items. UNDP and its Accelerator Lab created the digital tool in two weeks, and it is now used by the Ministry of Local Government to high acclaim.

# Innovating finance

The financing needed to achieve Rwanda's development goals greatly surpasses all current finance flows. New sources of financing that blend private and public sector funds are essential. UNDP Rwanda is on the job, and in 2021, it pioneered new sources of development finance:

## Creating Green Bonds

UNDP Rwanda worked with the Development Bank of Rwanda and the Government of Rwanda to set up the country's first Green Bonds. Expected to be launched in 2022, these sovereign bonds will provide loans to scale up the impacts of green businesses.

## Building an Innovative Financing Facility

UNDP Rwanda partnered with the Ministry of Finance and Economic Planning to plan and launch Rwanda Finance Limited, a company that attracts private sector funds for blended financing, including outcomes-based approaches such as impact bonds, harnessing diaspora savings and remittances, and green finance.

## Advancing an Integrated National Financial Framework (INFF)

Rwanda's INFF spells out how the country will finance and implement its strategy to achieve the Sustainable Development Goals and the National Strategy for Transformation. UNDP Rwanda analyzed Rwanda's development finance landscape in the first phase of INFF implementation. The resulting Diagnostics and Assessment Report identified all funding sources and gaps, laying the basis for the next phase of work.

“Our journey with UNDP Rwanda has focused on empathy and supporting young entrepreneurs’ businesses through this pandemic.”

Honorable Rosemary Mbabazi, Minister of Youth and Culture, Rwanda

Hanga Pitch Festival 2021 UNDP Rwanda and the Ministry of ICT and Innovation organized the first national Hanga festival. It brought together young innovators, angel and venture capital investors, business and government leaders, academia and the creative community to showcase 25 solutions to social economic challenges. Photo: Emmanuel Nyandwi/UNDP Rwanda

# Innovating for a resilient environment

To protect the environment and address climate change, UNDP Rwanda champions approaches that enshrine the well-being of Rwandans as a basic principle. We prize the innovation of nature itself, and bolster its natural resilience while supporting people's livelihoods:



## Greening Amayaga

In the bright light of late morning, workers in 10 tree nurseries tend to thousands of saplings: Eucalyptus, Grevillea, Avocado, Orange and more. They are part of UNDP Rwanda's Green Amayaga Initiative, funded by the Global Environmental Facility and implemented by the Rwanda Environment Management Authority and the Rwanda Forestry Authority to restore degraded ecosystems.

In 2021, the six-year US\$32.7m initiative:

- Restored **4,700 ha of degraded ecosystems** through afforestation, agroforestry trees, planting of grasses and creation of ditches and building of progressive terraces for erosion control;
- Directly benefited 9,529 people, of which **39% were women**;
- Created 7,091 green jobs to perform this work; **43% employed women**;
- Provided **11,000 households with energy efficient cook stoves**, contributing to a projected 60% reduction in wood consumption and 25% reduction of greenhouse gas emissions in the region.



## Retrofitting Motorcycles

In June 2021, the Government of Rwanda and UNDP Rwanda launched a Retrofit Electric Motorcycles Project to reduce GHG emissions. A private local company, Rwanda Electric Mobility (REM Ltd) employs people to remove the internal combustion engine, install an electric one, and add a bank of electric batteries.

The project plans to retrofit up to **30,000 motorcycles in the next five years**.



“With the support of UNDP Rwanda, we are finding new ways to mobilize climate finance. I have no doubt that together we will achieve our targets in building a developed, carbon-neutral and climate-resilient nation.”

Honorable Jeanne d’Arc Mujawamariya, Minister of Environment, Rwanda

### Mobilizing Eco-Brigades:

UNDP Rwanda’s Eco-Brigade Initiative created employment for **4,280 youth, more than half women**. It contracts unemployed young adults to provide community environmental protection services.

The youth are grouped into cooperatives that develop green businesses from their collective savings. 15 cooperatives received funds to open their own businesses. The eco-brigades directly and indirectly contribute to the **livelihoods of more than 9,058 youth**.



### Finance for Climate

Global control of climate change depends in part on a carbon-trading system between large emitters of greenhouse gasses (GHGs) and organizations that protect the climate and prevent GHG emissions. But creation of global carbon-trading system stalled.

UNDP Rwanda is not waiting for someone else to figure it out. In 2021, it helped design a **Carbon Finance Facility**. It establishes a government-to-government carbon finance framework. The new initiative, now led by the Rwanda Ministry of Environment and the Ministry of Finance and Economic Planning (MINECOFIN), is negotiating a carbon price with Sweden and in discussion with several other high GHG-producing countries.



Progressive terraces protect the soil in Amayaga

# Strengthening resilience of the most vulnerable

The COVID-19 pandemic disproportionately affected already vulnerable groups: women, youth and persons with disabilities. The pandemic deepened inequities and exacerbated poverty, particularly in rural areas, and highlighted the need to ensure development efforts leave no one behind.

UNDP Rwanda approached this work community-by-community and household-by-household, and focused on:



## Innovating with Persons with Disabilities

- UNDP's Accelerator Lab partnered with Beno Holdings and the Rwanda Union of the Blind to **launch a smart white cane** that helps people with visual impairment move freely and safely. The smart walking cane uses ultrasonic technology to identify obstacles and alert the user through sounds and vibration. User testing identified key functions to include, such as the ability to distinguish between night and day.
- UNDP, One UN and Liquid Telecom partnered to **launch new smart e-learning technology**-a combination of smart boards and Internet access. It provides visual and sound content to meet the needs of students who have limited vision or hearing.
- UNDP Rwanda and NUDOR provided financial support, medical insurance and small businesses support to **13 cooperatives of persons with disabilities**.



“UNDP Rwanda showed us that there are other people who are thinking of us, who are willing to put resources toward electronic white canes for people with visual impairment.”

Ms. Donatile Kanimba, Executive Director, Rwanda Union of the Blind



## Ending extreme poverty

- Giving fresh starts to **780 of the poorest households** in four districts, enabling them to acquire and raise small livestock (goats, sheep, chicken and rabbits) and increase their agro-business production through selling livestock products.
- Aided the **integration of 1,635 ex-combatants** and their dependents into their respective communities. This included 832 children, 249 women and 554 men. In addition, 246 ex-combatants graduated from TVET (technical training programs) and got jobs in their communities.
- Strengthening the technical, financial and advocacy capacity of **34 Civil Society Organizations (CSOs)**. Trainings promoted increased citizen empowerment, accountability and participation. These CSOs influenced policies on environmental protection, teen pregnancy, and the inclusion of Persons with Disabilities.

# Championing young innovators

The future of Rwanda unfolds hour by hour with its youth, who make up 70% of all Rwandans. Most live in rural areas and rely on subsistence agriculture for their livelihoods. They are looking for options, whether through improving agriculture, launching green businesses, or branching out in other directions.

In 2021, UNDP Rwanda helped expand those options:

- **Trained 1,863 young entrepreneurs** (66% women, refugees, and youth with disability) to enhance their entrepreneurship and business development skills
- **Awarded 1,548 entrepreneurs** with seed business funding to build their enterprises, create jobs and benefit their communities
- Supported the 4th **YouthConnekt Africa Summit** held in Ghana. 2,000 youth participated in person, and 15,000 were online
- Sent **30 young entrepreneurs on mission** with YouthConnekt Rwanda to Ghana for a week of skill-building and networking. Three entrepreneurs signed partner MOUs, and participants sold US\$ 2760 worth of products.
- **Cumulative impact:** A 2021 UNDP study found that between 2012 and 2020, 881 youth-led enterprises supported by YouthConnekt created 18,785 jobs.



# Striving for gender equity

Women's strong representation in government attests to Rwanda's commitment to women's empowerment. Yet, achieving full gender equity will take innovation on many levels: new ways of thinking and of working across institutions from the family to the workplace to the government.



## UNDP Rwanda approaches all its work with the goal of gender equity in mind.

In 2021, we:

- Strengthened **trade opportunities for women**, organizing 36 young adults previously involved in illegal cross border activities into cooperatives and providing start-up capital to pursue legal cross-border trade. UNDP also trained 24 border enforcement leaders on human rights, sexual and gender-based violence, and anti-smuggling and crime prevention strategies.
- Trained **156 female police officers**, drawn from all Rwanda National Police units in skills and competencies that prepare them for United Nations Peacekeeping Missions.
- Partnered with the National Forum for Political Organization, to **mainstream gender equity in political parties**, providing leadership training for 231 women working with 11 different parties.
- **Bolstered gender accountability in the private, public and financial sectors**. This work expanded participation in the Gender Equality Seal Initiative, a corporate certification process. We promoted **gender-equity financial rules** in partnership with the Rwanda Utilities and Regulatory Authority, the Rwanda Standards Board, and the Central Bank of Rwanda. One result: companies that verifiably promote gender equity can access government economic recovery funds at a discounted interest rate.



“UNDP Rwanda came with a proposal for ensuring gender accountability in the private sector. It really fit our growth path and need.”

Ms. Rose Rwabuhiri, Chief Gender Monitor, Government of Rwanda

*UNDP Rwanda's gender equity work ranges from supporting women entrepreneurs to advancing gender-equitable financial rules.*  
Photo: Emmanuel Myandwi/UNDP Rwanda

# Innovating for good governance

Because good governance is a pillar of equitable and sustainable national development, UNDP Rwanda has developed a robust program in support of accountability, transparency and justice in governance.

Our work in 2021:

## Tracked progress:

UNDP worked closely with the Rwanda Governance Board, an independent public institution mandated to promote good governance. We provided technical and financial support to track and guide good governance using three main tools:

- **Rwanda Governance Scorecard (RGS)**, which generates macro-level data used in national policy, planning and legislation processes
- **Citizen Report Card (CRC)**, which provides citizen feedback on service delivery in all sectors and a basis for district planning
- **Rwanda Media Barometer (RMB)**, which measures the state of media to help promote a professional, vibrant and responsible media

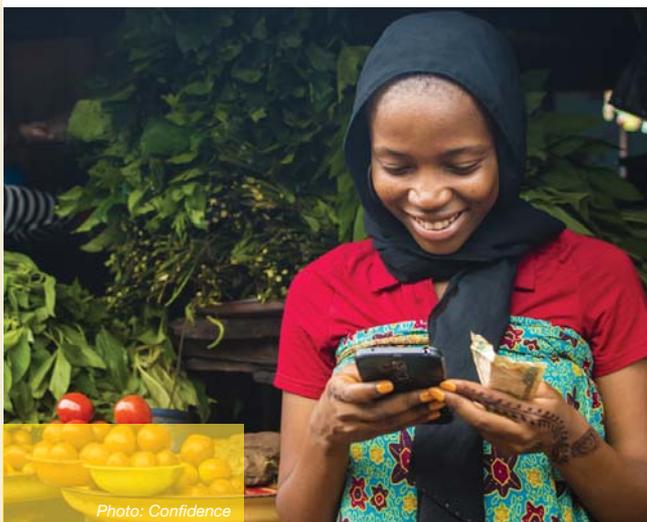


Photo: Confidence

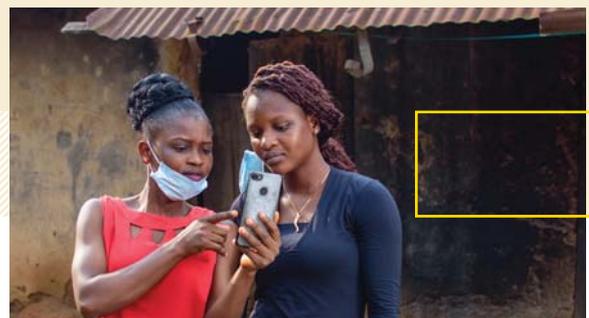


Photo: Kehinde

## Expanded access to justice during COVID-19:

- UNDP Rwanda supported the **digitalization of justice delivery** through the introduction of e-courts established in seven prisons. Their virtual hearings avoided the risk of disease transmission.
- With the Rwanda Bar Association we improved **access to justice through free legal aid** provided to 472 poor and vulnerable persons: 167 victims of gender-based violence, 3 persons with disabilities, and 12 refugees. 76 people were acquitted and 79 had their sentences reduced.
- Supported the Rwanda Correctional Service to acquire a Technical and Vocational Education and Training center to prepare prisoners for **successful reintegration** in their communities.

“Today children of genocide perpetrators and survivors are able to sit together, to tell each other the truth. That is a result of community healing dialogues.”

Bishop Deogratias Gashagaza, Executive Director, Prison Fellowship Rwanda



Promoted peace and social cohesion:

- We supported production of the 2020 **Reconciliation Barometer**, a flagship government report tracking data on public attitudes towards unity and reconciliation.
- UNDP and the Prison Fellowship Rwanda conducted **social healing dialogues** in Ngoma and Nyamagabe prisons. **600 people** participated, including genocide prisoners and their families, genocide survivors, and families of returnees.
- 61 genocide court cases were **settled through forgiveness** by genocide survivors.

“UNDP and the Japanese government share the same vision of peace-keeping and leaving no one behind. This is the most important element of our collaboration.”

HE Masahiro Imai,  
Ambassador of Japan to Rwanda

Genocide Memorial overlooking the Kigali's business district, Rwanda. Photo: Vadim Nefedov

# People strategy 2030

To support our staff practically, socially and emotionally through periods of lock-down and uncertainty:

- The **Staff Engagement Committee** sponsored activities that enhanced social engagement, improved work-life balance, and promoted a sense of community.
- Through informal **virtual HANG OUT** sessions, staff shared lockdown experiences and tips; other sessions focussed on **stress management**, social anxiety at home, and helping family members with COVID-19.
- In line with the **National Vaccine Programme**, UNDP worked closely with the Rwanda Biomedical Centre to ensure that staff at highest risk were **quickly vaccinated** and, ultimately, that all staff and dependents had full vaccine coverage.
- A **staff engagement and satisfaction survey** found positive results in the upper 80s for all metrics.



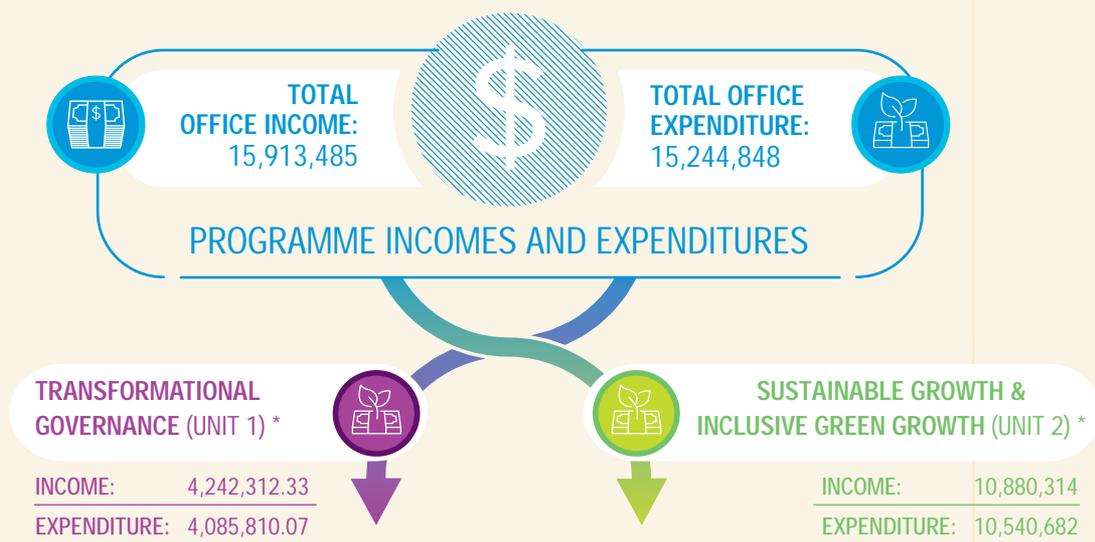
# Operations

Throughout 2021, the UNDP Rwanda Operations Team navigated the complexities of keeping staff safe while continuing to deliver the highest quality work during the pandemic.

## Working safely and effectively... wherever we were

- **Remote support:** To support staff working from home during the pandemic, we offered staff broadband access; changed our management expectations, including deliverables; and instituted regular one-on-one consultations.
- **Green Outdoor Space:** Because outdoor green spaces can reduce risk of infection and benefit mental, physical, and social health, we revamped our Green Outdoor Space to make working from the office (when not in lockdown) both safer and more social.
- **Procurement:** To “Take Care of Our People” UNDP Rwanda installed a Mothers’ Room for breast-feeding moms and washrooms to encourage staff to cycle of walk to work.

# Income and expenditures



# Voices making a difference

UNDP Rwanda arranged trainings for all senior staff on storytelling and opinion writing. These internal experts began using their new skills to share knowledge and experience based on their daily work.

As a result, the work of UNDP Rwanda and our staff are better known, and through them, the story of Rwanda. Their writing is influencing national conversations about important social and economic issues and policymaking. Most importantly, we are changing lives! Our human-centered stories are resonating positively across the country.

UNDP Rwanda leadership and staff published more than 10 opinion pieces in 2021, including these:



## **Rwanda's youth can power economic recovery**

<https://www.newtimes.co.rw/opinions/rwandas-youth-can-power-economic-recovery>



## **Rwanda's health, forests, need a clean break with cookstoves**

<https://www.newtimes.co.rw/opinions/rwandas-health-forests-need-clean-break-cook-stoves>



## **New policy on inclusion of persons with disabilities is an opportunity for all of us**

<https://www.newtimes.co.rw/opinions/new-policy-inclusion-persons-disabilities-opportunity-all-us>



## **Now is the next best time to improve prospects for people with disabilities**

<https://www.newtimes.co.rw/opinions/now-next-best-time-improve-prospects-people-disabilities>



## **Every country, no matter how rich or poor, must act to mitigate climate change**

<https://www.newtimes.co.rw/opinions/every-country-no-matter-how-rich-or-poor-must-act-mitigate-climate-change#.YUHD0u02L5Y.twitter>

As the expertise of our staff is recognized, they are also sought after: as speakers, moderators, and leaders. Donors have requested our partnership to tell our shared story of investment, innovation and resilience in Rwanda.

# Framing the future

**2022 is a crucial year for social and economic transformation in Rwanda.**

For UNDP, it is a year to:

- Do whatever it takes to triumph over a deadly pandemic
- Accelerate the fight against climate change; help farmers adapt; and activate significant new sources of climate finance
- Propel youth forward to meet the demands of tomorrow's economy: as entrepreneurs, skilled workers, and experts in all sectors
- Innovate alongside the most vulnerable people in society to better their lives and seize new opportunities
- Strengthen an environment of peace, stability and transparency, in the public and private spheres, so that everyone can partake in and benefit from sustainable development.

**“As we charge into 2022, we are eager to continue innovating and learning with all of our partners, and excited for the new partnerships ahead.”**

Varsha Redkar-Palepu, Deputy Resident Representative

*Kigali city centre, with a view of Ecobank and Pension Plaza with Kigali City Tower in the background.  
Photo: Jennifer Sophie*

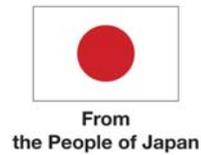
# Our partners

UNDP Rwanda acknowledges the Government of Rwanda; our development partners; and our implementing partners in the public and private sectors and civil society. Their partnership has been invaluable in contributing to the results reported in these pages. Although we are not able to list each partner here, we deeply appreciate every single one.

## GOVERNMENT OF RWANDA AND CIVIL SOCIETY IMPLEMENTING PARTNERS

City of Kigali	National Unity and Reconciliation Commission
Environment and Climate Change Investment Fund/FONERWA	Prison Fellowship Rwanda
Gender Monitoring Office	Private Sector Federation/PSF
Kigali International Financial Centre/KIFC	Rwanda Bar Association
Meteorology Agency	Rwanda Civil Society Platform
Ministry of Agriculture and Animal Resources	Rwanda Cooperation
Ministry in Charge of EMERGENCY Management	Rwanda Correctional Service
Ministry of Environment	Rwanda Demobilization and Reintegration Commission
Ministry of Finance and Economic Planning	Rwanda Development Bank/BRD
Ministry of ICT and Innovation	Rwanda Environment Management Authority
National Institute of Statistics	Rwanda Governance Board
Ministry of Justice	Rwanda Forestry Authority
Ministry of Local Government	Rwanda Investigation Bureau
Ministry of Trade and Industry	Rwanda National Police
Ministry of Youth and Culture	Rwanda Peace Academy
National Bank of Rwanda/BNR	
National Consultative Forum of Political Organizations	

## DEVELOPMENT PARTNERS





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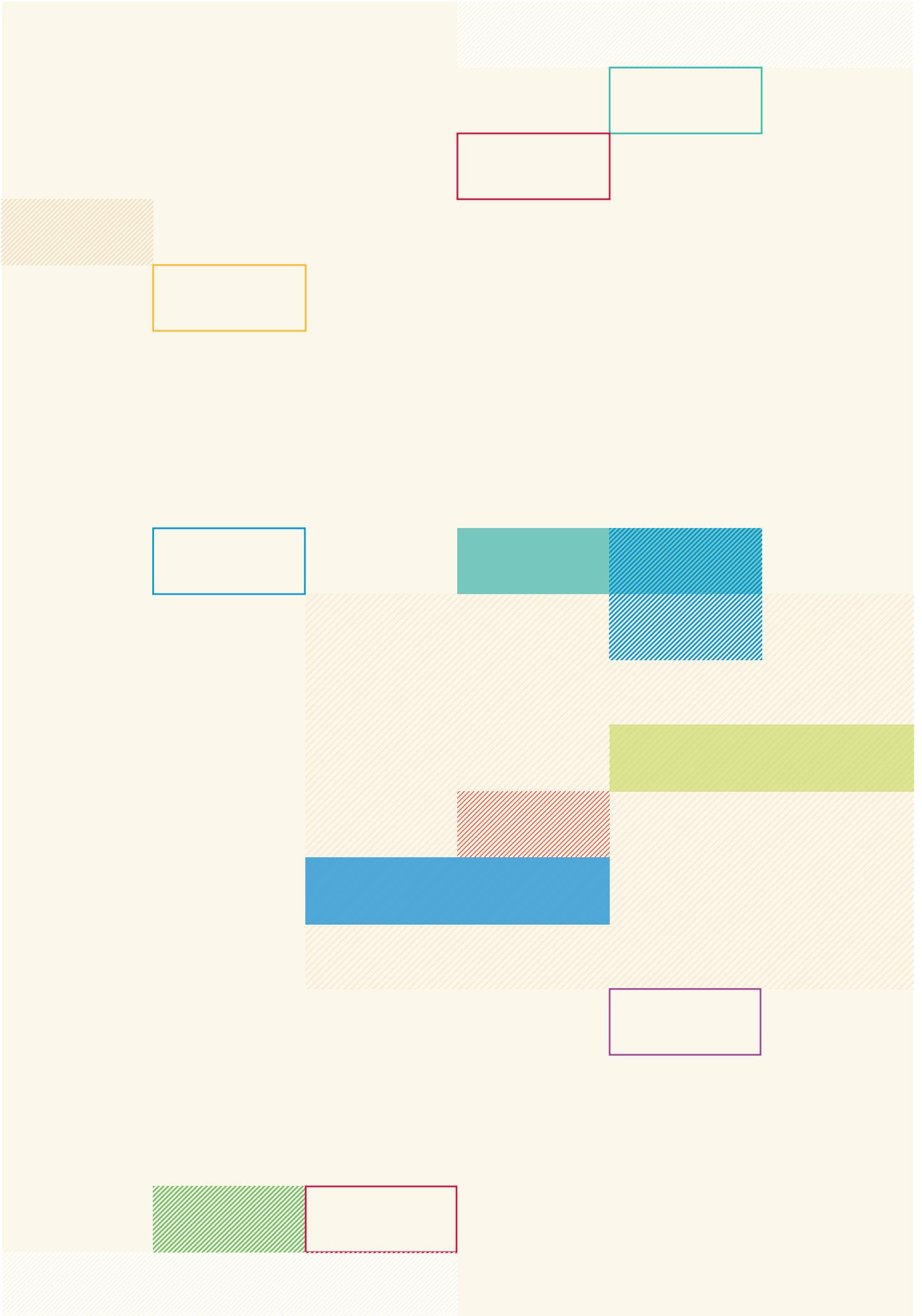
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# GREEN AMAYAGA

## Forest Landscape Restoration in the Amayaga Region

*Gutera Amashyamba no Gusubiranya Urusobe  
rw'ibinyabuzima mu Mayaga*

**KAMONYI DISTRICT**

